**AGENDA NO: A-2**

**MEETING DATE: 3/11/2014**

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – FEBRUARY 25, 2014
VETERAN'S MEMORIAL HALL – 6:00P.M.

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| PRESENT: | Jamie Irons | Mayor |
| | Christine Johnson | Councilmember |
| | Nancy Johnson | Councilmember |
| | George Leage | Councilmember |
| | Noah Smukler | Councilmember |
| STAFF: | Edward Kreins | Interim City Manager |
| | Anne Russell | Interim City Attorney |
| | Jamie Boucher | City Clerk |
| | Susan Slayton | Administrative Services Director |
| | Steve Knuckles | Fire Chief |
| | Eric Endersby | Harbor Director |
| | Rob Livick | Public Services Director |
| | Cindy Jacinth | Associate Planner |
| | Bruce Keogh | Wastewater Division Manager |
| | Rick Sauerwein | Capital Projects Manager |
| | Barry Rands | Associate Civil Engineer |

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

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE

CLOSED SESSION REPORT – Interim City Attorney Anne Russell reported that with regards to the Closed Session Items: Government Code Section, 54957(b)(1), Public Employment with regards to the Interim City Attorney; Government Code Section 54956.8 Property Transactions regarding Lease Site 86/86W, 801 Embarcadero and APN No. 066-461-002 and Portions of 066-331-039 (Lila Keiser Park, Bridge Access Easement, Cal Poly Storage, Fisherman's Gear Storage and nearby areas); and Government Code Section 54956.9(d)(1) Conference with Legal Counsel, Existing Litigation: Save the Park and the Xerces Society; no reportable action under the Brown Act was taken.

MAYOR AND COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PUBLIC PRESENTATIONS

MOTION: Councilmember Nancy Johnson moved to pull and approve Item A-5 in order to present the Proclamation for World Spay Day. The motion was seconded by Councilmember Christine Johnson and carried unanimously.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler
No's: None

PUBLIC COMMENT

Valentina Petrova, owner of the Holistic Movement Center located 845 Napa Avenue, presented the business report. They are a yoga studio and wellness spa and have been in business for over 12 years. They stress making people happy, healthy, pain-free and improving relationships. They host yoga classes as well as other special events; they are hosting Energy Healing Day this coming weekend. She considers herself fortunate to live in this community and encourages all to attend; you will be taken care of.

Garry Hixon has a new video on U-tube; all of his older stuff is there too. He also attends public comment in San Luis Obispo. He feels everybody is doing great.

Bill Fritch stated we have a lack of water. Municipalities are in the business of water. He doesn't have deep pockets and feels that when discussions about water occur, residents need to be considered as stakeholders. He agrees with Mr. Livick that we need the 2 for 1 offset and it should happen right now; he also feels we should be in a moratorium. He feels we should consider mandatory water rationing but that it also needs to be equitable. Moving the WRF is the right thing to do as we need to recharge the effluent into the groundwater. The desal permits have expired and those that let them lapse should be brought to light. He also feels that the desal plant will also have to be moved. He finished by stating that the City uses wasteful water practices, we shouldn't be watering the parks; that water should be trucked in.

Jim Lewan has a large stake in loving this town. He is concerned that second hand merchandise is being displayed up and down the sidewalks of Morro Bay Blvd. He feels the business district is becoming a giant yard sale; and that detracts from prospective business owners locating their businesses here. He is willing to help by reaching out to the Chamber and Merchant's Association. He hopes we will begin enforcement of the Ordinance or begin drafting one that will take care of the problem.

Ron Reisner spoke as a member of Morro Bay Beautiful. MB Beautiful is a 501(c)3 founded in 1981 by Warren and Phyllis Dorn. Its mission is to identify, research and promote non-political projects that contribute to and/or preserve the beauty of Morro Bay and add beauty to our citizen's and visitors' lives involving all segments of the community. Their current projects include litter pickup; art on the exteriors of 24 trash receptacles; solicits and manages sponsors for planting and maintenance of 19 City planter boxes located on sidewalks; adopted Highway 1 verge areas; pressure wash City benches, trash containers and stairs; plant and maintain portions of Embarcadero street medians; adopted Anchor Park; sponsors Rock to Pier cleanup; sponsors semi-annual sand spit clean up; Annual Xmas Lights Awards; active on and supports the City's tree committee; and the Annual City Wide Yard Sale.

Nancy Castle presented an update on the Monday evening meals stating they continue to be a success boasting over 30 diners each day. She also stated that they are collecting socks and coats for those in need. On March 4th, there is a pancake supper at St. Peters; it is a fundraising event for the church.

Susan Stewart stated that the previous weekend was very busy in town. There was the Miniature Cottage Show at the community center. She said that Morro Bay has many small and unique shows that draw a lot of people into town.

Jennifer Redman, President of the MB Chamber of Commerce, spoke on Item D-2; Discussion and Potential Action on the Chamber of Commerce Economic and Business Development contract. The City made a commitment, through their Goal Setting process in Goal #6 to support economic development. She reminded Council that the Chamber is the largest and strongest organization in Morro Bay. They are the only organization that focuses on supporting and growing businesses. They feel good about the direction the Chamber is going - helping retain businesses, expanding business in Morro Bay, business development in the form of incubators, and new businesses in town; and most importantly, promoting and marketing local businesses. She hopes the City sees the Chamber working hard to fulfill the contract and hopes they will be allowed future collaboration.

John Headding shares Mr. Lewan's observations. The façade we present is a huge issue with tourism and attraction. There could be opportunities for both the Chamber along with businesses to work together with the City to try and find access to other sources of funds that may be available for such projects and development. A lot of business owners don't own their building; it's up to the lessor to respond for improvements. He offered the Chamber's help in contacting business owners and/or building owners with regards to that.

Channel Channing has been reading the Cal Coast News about Morro Bay and how they handle new businesses. She is worried about what's going to happen to the image of Morro Bay and hopes this will be addressed.

The Public Comment period was closed.

A. <u>CONSENT AGENDA</u>

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

A. <u>CONSENT AGENDA</u>

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 SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON FEBRUARY 11, 2014; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-2 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETING HELD ON FEBRUARY 11, 2014; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-3 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON FEBRUARY 12, 2014; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-4 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON FEBRUARY 18, 2014; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-5 A PROCLAMATION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY DECLARING TUESDAY, FEBRUARY 25, 2014 AS "WORLD SPAY DAY"; (ADMINISTRATION)

**RECOMMENDATION: Approve Proclamation.**

A-6 AUTHORIZATION FOR ATTENDANCE AT THE C-MANC ANNUAL WASHINGTON, D.C., "WASHINGTON WEEK" MEETINGS; (HARBOR)

**RECOMMENDATION: Approve authorization for a two-person delegation, the Mayor and Harbor Director, to attend the California Marine Affairs and Navigation Conference (C-MANC) "Washington Week" meetings in Washington, D.C.**

A-7 AUTHORIZATION TO FILE NOTICE OF COMPLETION FOR THE PROJECT NO. MB-2013-S1: 2013 STREET REHABILITATION PROGRAM- DIG-OUT AND PAVEMENT REPLACEMENT PROJECT; (PUBLIC SERVICES)

**RECOMMENDATION: File the Notice of Completion of the 2013 Street Rehabilitation Program- Dig-out and Pavement Replacement Project.**

A-8 AUTHORIZATION TO FILE NOTICE OF COMPLETION FOR THE PROJECT NO. MB-2013-S4: 2013 STREET REHABILITATION PROGRAM- 3-LAYER CAPE AND MICRO SURFACING PROJECT; (PUBLIC SERVICES)

**RECOMMENDATION: File the Notice of Completion of the 2013 Street Rehabilitation Program- 3-Layer Cape and Micro Surfacing Project.**

A-9 AUTHORIZATION TO FILL A FINANCE DIVISION VACANCY (ACCOUNT CLERK II/III) AND POTENTIAL RECRUITMENT TO FILL ANY RESULTING FINANCE VACANCY; (ADMINISTRATIVE SERVICES)

**RECOMMENDATION: Authorize an internal/external recruitment for an Account Clerk II/III position, and depending on the outcome of that recruitment, an internal/external recruitment for any potential Finance Division vacancy created.**

Mayor Irons opened up the public comment period for items on the Consent Calendar; seeing none, the public comment period was closed.

Councilmember Christine Johnson pulled Items A-2.

MOTION: Councilmember Nancy Johnson moved the City Council approve Items A-1, A-3, A-4, A-5, A-6, A-7, A-8 and A-9 of the Consent Calendar as presented. The motion was seconded by Councilmember Leage and carried unanimously.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler
No's: None

A-2 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETING HELD ON FEBRUARY 11, 2014; (ADMINISTRATION)

Councilmember Christine Johnson pulled the minutes for an amendment to page 5, Item B-1 striking the crossed out word and adding the bolded word; "…good balanced policy and a ~~compromised~~ **compromise** policy…" She had previously talked to the City Clerk about the amendment and the Clerk concurred it was an appropriate change. Councilmember Smukler also requested a change to page 6, Item B-2, in his comments adding the word in bold; "…case of a **commercial** remodel…"

MOTION: Councilmember Christine Johnson moved approval of Item A-2 with the amendments as proposed. The motion was seconded by Councilmember Smukler and carried unanimously 5-0.
Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler
No's: None

B. PUBLIC HEARINGS

B-1 INTRODUCTION AND FIRST READING OF ORDINANCE NO. 584; AMENDMENTS TO TITLE 17 (ZONING ORDINANCE - #A00-018) OF THE MUNICIPAL CODE; (PUBLIC SERVICES)

Associate Planner Cindy Jacinth presented the staff report.

The public comment period for Item B-1 was opened; seeing none, the public comment period was closed.

MOTION: Councilmember Christine Johnson moved to waive the reading of the Ordinance in its entirety and introduce by number and title only, Ordinance 584. The motion was seconded by Councilmember Leage and carried unanimously.
Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler
No's: None

Interim City Attorney Anne Russell introduced the Ordinance by number and title only.

MOTION: Councilmember Christine Johnson moved to introduce Ordinance 584. The motion was seconded by Councilmember Leage and carried unanimously.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler
No's: None

C. UNFINISHED BUSINESS

C-1 RE-CONSIDERATION OF PROPOSAL SUBMITTED BY VIRG'S SPORTFISHING IN RESPONSE TO REQUEST FOR PROPOSALS MB-2013-HRFP2 TO DEVELOP VACANT LEASE SITE 107W-108W; (HARBOR)

Councilmember George Leage recused himself as he has property within 500 feet of the proposed project.

Harbor Director Eric Endersby presented the staff report.

Cathy Novak, project representative spoke representing Sharon Moore. She stated that the Harbor Advisory Board Boatyard Ad Hoc committee reported that their preferred location for the haul out would be in the area north of the power plant intake building. This recommendation resolves the issue of the haul out location which was one of the main concerns with this project. She encouraged Council to move forward with this project as it will be a lengthy process and time is of the essence. She also stated that they have been in contact with the fishermen regarding the dock placement and any impacts that might occur. The fishermen haven looked at the area and to date haven't heard any negative comments.

The public comment period for Item C-1 was opened; seeing none, the public comment period was closed.

Councilmember Christine Johnson thanked the applicant and their agent for continuing to bring this project forward. Since the last discussion of this item, she has been able to talk to a lot of folks involved with the boat haul out issue and watched the February 3rd Harbor Advisory meeting where she heard the verbal report that came from the ad-hoc committee. It's great to have a business that could succeed on the waterfront, but for the last 12 years, a boat haul out has been a goal of the City and has been supported by just about everybody on the waterfront. A boat haul out is needed to serve a large section of our economy as well as the recreational boater. She feels that tonight, she is asking for a small amount of additional time to resolve the issue accurately. There is a preferred boat haul out location, north and next to the Dynegy intake building. But we aren't talking about just one facility; we are also talking about looking for a boat yard – a marine facility. A lot of money and time have been spent to determine if a marine facility is economically viable in Morro Bay. She doesn't see how we can entirely remove this project site for a possible boat haul out facility at this time. For the applicant's sake, she hopes this additional time and research can happen quickly. She requested that staff work with the ad-hoc committee; give a history of documents we have, the assessments we've done, specifically find the funds through the capital budget to take another bite out of the feasibility apple. If we can remove this site, then it's much easier for us to say on a long term perspective, that site isn't feasible for us. She would also like to open up a discussion about timing and then talk to staff about what's reasonable to bring this item back.

Councilmember Nancy Johnson stated that we looked at this last month; it is a good project; and it is a very viable business. She had conversations with members of the Commercial Fishermen's Association and with the Harbor Advisory Board; based on those, she sees no reason not to move forward. Both organizations want to move the haul-out elsewhere and how we pay for that is a different subject. She sees no reason to delay this project any further.

Councilmember Smukler has been approaching this recognizing that the most important responsibility is the good of the harbor as a whole and taking a hard look at the long term vision and the needs; the boat haul out has been a longstanding goal and desire of the City and boating community. He agrees with Councilmember Christine Johnson, we have limited control of our options for the location and placement of the haul out. He feels that if we pass on this site, we are removing options on the table. He still has a lot of questions remaining on the feasibility of the project. He hears that this site is also viable, just not as good; he doesn't want to paint ourselves into a corner which we would do if we moved forward with Virg's tonight. We need to take time to get some more information to make the appropriate decision. He would like to see more information from the Harbor Department as well as the Harbor Advisory Board Ad-Hoc Committee.

Mayor Irons stated that there are 2 colleagues in favor of reviewing this one more time. He feels though, that 30 days was an appropriate amount of time to look at this and doesn't' feel it should be entertained much further. He has had limited conversation with a Harbor Advisory Board member and the most preferred site is towards the intake structure. Initially when it came before us, we had a HAB advisory board member speak before us and request that we send it back for further evaluation one more time. That was the right decision and now it's come back with their approval. He feels this should not be prolonged much longer.

Councilmember Smukler stated that in listening to the Harbor Advisory Board meeting, he didn't hear any new information presented. He needs to see actual information that the site isn't feasible or the entire project isn't feasible for the harbor in general. We are lacking historical context of what brought us to this point. This needs to be opened up to give the ad-hoc committee full reign to take a wide view of the options that may include other sites as well.

Councilmember Christine Johnson asked staff when they felt they could provide a historical review as well as work with the HAB Ad-hoc Committee. Mr. Endersby stated that as far as putting together a review of how we got here, he felt that could be put together by the next Council meeting. With regards to money being spent and utilizing professional analysis that would take more time.

Interim City Manager Ed Kreins stated that from experience, you won't get back something that will be helpful by the next meeting. If you want long term and a consultant to come in, you are looking at many months down the road before getting anything useful and practical.

The public comment period for this item was reopened.

Cathy Novak stated that Ms. Moore would prefer to keep this project open. She also had to put down a $5,000 deposit; if the Council ends up taking a lot of time, they are respectfully requesting a refund of that $5,000 deposit. They still thinks it's important for Virg's to find a place on the waterfront; if we continue to stall the project, she may come to a point where she can't survive on Market Street.

Barry Brannin has used a boat haul out; if you are going to have one, you have to have it out of the way. It's bizarre to even think about it at this location. The activity of small sailing and boating activity in the harbor is almost zero. He doesn't feel the demand for a boat haul out is

high. To stall the project off is not the right thing to do and will end up being a waste of everybody's time.
The public comment period for this item was closed.

Mayor Irons felt that if we moved forward with this tonight that he had 3 conditions he would place on it: if the hoist and project prove to be incompatible and the hoist ever has to be relocated, that relocation would be the applicant's responsibility; regarding the loss of the boat tie ups – he isn't sure if this would be a gift of public funds and would want to see this loss addressed/evaluated; and, regarding Measure D, the retail space should be clearly incidental to the primary purpose of serving or facilitating licensed commercial fishing activities or non-commercial recreational fishing activities – this space should be limited to the language found in Measure D.

> MOTION: Mayor Irons motioned to move forward with this project with the 3 conditions listed. The motion was seconded by Councilmember Nancy Johnson and failed 1-3.
>
> Ayes: Irons
> No's: C. Johnson, N. Johnson, Smukler
> Recused: Leage

Councilmember Smukler feels that a bird in a bush applies with regards to the boat haul out. If we move forward tonight, we may lose a viable location and is not willing to move forward without better information.

Councilmember Nancy Johnson stated that with regards to the retail space, all sales are fishing related. If the side tie ups are a gift of public funds then she is unsure she can vote for it. And she isn't sure she can make them responsible for the hoist.

Councilmember Christine Johnson stated at this point, she can't vote for it as we don't have enough history for a marine facility. She feels it is fair to return the $5,000 to the applicant. She continues to request a historical perspective to review the past 12 years.

> MOTION: Councilmember Smukler moved we continue to retain Virg's proposal for lease site 107W-108W and that we refund the $5,000 deposit as we work with the HAB Ad-hoc Committee to develop a historical review of the boat haul out and yard marine facility and develop a feasibility analysis of potential locations and viability of the project. The motion was seconded by Councilmember Christine Johnson and failed 2-2.
>
> Ayes: C. Johnson, Smukler
> No's: Irons, N. Johnson
> Recused: Leage

Councilmember Nancy Johnson stated that she would be voting no as she feels this is another example of this Council majority's lack of support for economic development in our community. Once again, Council is stifling business by postponing a decision.

> MOTION: Councilmember Christine Johnson moved to refund the $5,000 to the applicant. The motion was seconded by Councilmember Smukler and carried unanimously.

Ayes: Irons, C. Johnson, N. Johnson, Smukler
No's: None
Recused: Leage

Interim City Manager Ed Kreins suggested a 60 day window to provide the historical information being asked for.

MOTION: Mayor Irons moved to take this back for 60 days for staff to come back with historical data as requested through these conversations. The motion was seconded by Councilmember Christine Johnson and carried 3-1.
Ayes: Irons, C. Johnson, Smukler
No's: N. Johnson
Recused: Leage

C-2 DISCUSSION OF RECRUITMENT FOR CITY MANAGER AND DECISION TO AWARD A CONTRACT TO A RECRUITMENT FIRM OR UTILIZE IN-HOUSE STAFF; (ADMINISTRATION)

Interim City Manager Ed Kreins presented the staff report.

The public comment period for Item C-2 was opened.

John Headding thinks that the selection of a City Manager is one of the most important selections you will be making. He feels that Mr. Kreins has the requisite skill set to complete the process. This also brings economic benefit to the City. If you decide to move forward with this, he hopes you allow Mr. Kreins the time to adequately assess the current state of affairs of the City in order to make a proper selection. He also suggests an open conversation with the community for their input.

The public comment period for Item C-2 was closed.

Councilmember Nancy Johnson feels we are on the right track and appreciates Mr. Headding's comments.

Councilmember Smukler feels fortunate to have Mr. Kreins' skill set. Mr. Kreins' experience with including the community in this process is important as we will need strong buy to this next leader. He wants to have some element where the community gets to check in and have input on that skill set, qualities and priorities as we develop what we are looking for in a candidate. He thinks Mr. Headding made a good point, 4-5 months should be on the low end and he is hoping Mr. Kreins knows we don't want him to rush the process; the more he understands the City's needs the better candidate we will have.

Councilmember Leage feels that Mr. Kreins is a very good manager of his time and isn't afraid of work. He understands we want to get the best person for the job.

Councilmember Christine Johnson concurs with what everybody has said and is able to move forward if ready.

Mayor Irons is confident that Mr. Kreins understands the balance of being able to assess the organization and understanding that with his experience he will be able to facilitate this recruitment.

> MOTION: Councilmember Christine Johnson moved to direct the Interim City Manager to conduct the City Manager recruitment. The motion was seconded by Councilmember Nancy Johnson and carried unanimously 5-0.
>
> Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler
>
> No's: No

D. NEW BUSINESS

D-1 WATER RECLAMATION FACILITY (WRF) PROJECT STATUS INCLUDING: CONSTRAINTS ANALYSIS, SCHEDULE, PROJECT MANAGEMENT, (TECHNICAL) ADVISORY COMMITTEE AND THE CALIFORNIA MEN'S COLONY OPTION; (PUBLIC SERVICES)

Public Services Director Rob Livick presented the staff report. Mr. Livick provided a revised Resolution to the Council and the public.

The public comment period for Item D-1 was opened.

Barry Brannin stated that it was an excellent staff report. The thing that is missing is the criteria for the comparison of one of these sites with the CMC site; the criteria needs to spelled out early. We need to do comparison costs over the life of the plant to include operational costs.

Carla Wixom stated that there is discussion of prioritizing the formation a citizen's advisory committee to participate in this process but its 6 months later and we are still working on a rate analysis, something not complicated to do. She would hope that this rate analysis should be as much of a priority as the committee is so the citizens can know what the rates are going to be.

John Headding hasn't heard about the process for project management and accountabilities – need to see timelines with an action plan, who's responsible, what the concurrent processes are that are running and who is going to hold whom accountable to make these outcomes occur? He suggests that when we consider a project of this magnitude, project management is critical and the community needs to be able to measure outcomes with measurable accountabilities. The Chamber is anxious to get information; he urged the Council to please use the Chamber as a conduit to get information to the business community.

Kelsey, a representative from a local Chumash tribe has been watching this for some time. They are here; they are listening and appreciate the efforts being put into this. Going forward with a 5 year plan makes more sense. She wants to ensure we aren't cutting corners and make sure that once construction takes place, all protocols are in place.

The public comment period for Item D-1 was closed.

Councilmember Smukler stated that regarding the criteria for the comparison of different options and analysis of lifecycle costs of those options; his thoughts are that with the options report and efforts that went into that report, he feels that Mr. Rickenbach already anticipated that and built those in. Regarding the rate analysis, he sees the importance of getting good information out to the public. The cost of waiting to get this plant on-line will equate to other costs we will incur down the line. We have heard from community comments that there isn't any interest for reclaimed water but he wanted to point out that we do have a current request for some significant water right now. He disagrees with Mr. Livick about the drought funding scenarios. He has heard rumors that draught funds will be distributed like the ERA funds and he hopes we won't miss any opportunities there.

Councilmember Christine Johnson stated that on page 5 of the staff report – it does state that there is a project management approach. She feels positive about supporting the Resolution.

> MOTION: Mayor Irons moved to accept staff recommendation and adopt the amended Resolution 17-14 prescribing a 5 year timeline for the construction of a new water reclamation facility. The motion was seconded by Councilmember Smukler and carried unanimously 5-0.
>
> Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler
> No's: None

Councilmember Nancy Johnson stated that if we are expediting the time frame for building the plant, we also need to expedite the decision of water and sewer rates and not only plant costs. People need to know what they are going to be paying. She will be voting yes in the hope of a completed project for the least cost for our citizens and business community.

> MOTION: Councilmember Smukler moved to authorize staff to develop and implement a recruitment and interview process for a citizen advisory committee to the water reclamation facility that would include 7-9 member of the community. The motion was seconded by Councilmember Christine Johnson and carried unanimously 5-0.
>
> Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler
> No's: None

D-2 DISCUSSION AND POTENTIAL ACTION ON THE CHAMBER OF COMMERCE ECONOMIC AND BUSINESS DEVELOPMENT CONTRACT; (ADMINISTRATIVE SERVICES)

Administrative Services Director Susan Slayton presented the staff report. She made the following recommendation: Continue the Economic and Business Development Agreement through June 2014, and pay the invoices thru June only; set a future agenda item for no later than late March for the Chamber to present its Economic and Business Plan for FY 2014-15.

The public comment period for Item D-2 was opened.

John Headding concurred with Ms. Slayton's report. The Chamber is being reorganized and he would be remiss if he told you that they could right now meet the intent of the scope of work during the reorganization. However, they are prepared to come back within 30 days to bring you a revised report of the services they are able to provide given the resources they have. He believes much of the scope of work has been met. The decision is Council's but he would advocate that since a fair amount of the duties are being accomplished, that should justify that some payment would continue through the end of this fiscal year. He also said that they would be able to provide a scope of work for the 2014/15 year within 30 days. He finished by saying that the Council has always received the information they have asked for in the time lines requested by.

The public comment period for Item D-2 was closed.

Councilmember Smukler wanted to understand a fair value for the services being delivered, especially given that the Economic Development Coordinator position no longer exists. He is looking to the Chamber or staff to provide what would be a suggested cost associated to the value of the work product currently being provided.

Mayor Irons recognizes the contract is expired with a recommendation to continue it to June 30th; it would be reasonable that the Chamber could provide an invoice of what they feel is adequate service and based on that invoice we should be able to supply that payment and then come back in 30 days with a revised scope of work and an agreement to which we can continue this relationship.

Councilmember Nancy Johnson, a past Council representative to Economic Development, didn't see a lot happening over the years but also feels that they are doing a better now. They have incubator businesses, they presented an excellent business forum, she attended the mixer last week and she continues to get newsletters and updates and lists of informative webinars. Without a CEO and Economic Development Director, the Chamber is doing a very good job to maintain Economic Development. It would bother her to cut their pay if any employee loses any income just because this happened. She would like to see Ms. Slayton's recommendation followed and to have the Chamber come back in late March.

> MOTION: Councilmember Nancy Johnson moved to continue paying the Chamber their regular payment through June 2014 and make it retroactive to last June. The motion was seconded by Councilmember Leage and failed 2-3.
>
> Ayes: N. Johnson, Leage
>
> No's: Irons, C. Johnson, Smukler

Councilmember Christine Johnson feels that Mr. Headding said the he would be remiss in saying that Council should pay the full rate. She is willing to discuss something that is fair based on the scope of work through this fiscal year.

> MOTION: Mayor Irons moved have the Chamber provide us with a revised invoice for the month of February, come back in 30 days with a scope of work for the rest of the fiscal year. The motion was seconded by Councilmember Smukler and carried 3-2.
>
> Ayes: Irons, C. Johnson, Smukler
>
> No's: N. Johnson, Leage

Mr. Headding requested clarification; Mayor Irons stated that the Chamber would provide Ms. Slayton with a revised invoice for the month of February based on scope of work to date; in 30 days the Chamber would come back to Council providing the scope of work for the rest of the fiscal year. Mr. Headding wondered about the 14/15 fiscal year, are you asking for 2 reports/2 items to be brought back in 30 days? Mr. Kreins affirmed that.

D-3 STORM WATER MANAGEMENT GUIDANCE MANUAL FOR LOW IMPACT DEVELOPMENT & POST-CONSTRUCTION REQUIREMENTS; (PUBLIC SERVICES)

Associate Civil Engineer Barry Rands presented the staff report.

The public comment period for Item D-3 was opened; seeing none, the public comment period was closed.

There was no action necessary as this item was a receive and file item only.

D-4 AUTHORIZATION FOR SOLE SOURCE PURCHASE OF A LADDER TRUCK FROM PIERCE MANUFACTURING; (FIRE)

Fire Chief Steve Knuckles presented the staff report.

The public comment period for Item D-4 was opened; seeing none, the public comment period was closed.

MOTION: Councilmember Nancy Johnson moved to approve the sole source purchase of this ladder truck from Pierce Manufacturing. The motion was seconded by Councilmember Leage and carried unanimously, 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler
No's: None

D-5 APPROVAL OF AGREEMENT WITH CONTRACT CITY ATTORNEY; (CITY ATTORNEY)

Interim City Attorney Anne Russell presented the staff report. She also introduced the City's new Contract City Attorney, Joe Pannone who spoke briefly.

The public comment period for item D-5 was opened; seeing none, the public comment period was closed.

Councilmember Smukler thanked Ms. Russell in helping to hold down the legal department as well as for her hard work on this contract. He asked for a summary of legal costs since 2010/11; this is a shift from an in-house legal counsel to contract legal counsel and we should anticipate a strong evaluation as to the strengths of both models. It's important to take this opportunity to take a look at costs and have that to compare at the 6 month evaluation period.

Councilmember Christine Johnson spoke to the process of how we interviewed the candidates. There were 11 firms who responded to the RFP. Council selected the top 6 to interview; one couldn't make it so 5 were interviewed. They spent an entire day interviewing and were able to get a flavor of each firm. At the end of the day, they selected the one that was the best fit for us. This is an interim 6 month trial; this is the model that all other cities utilize with the exception of the City of San Luis Obispo. She thanked Ms. Russell for reaching out to the City.

Mayor Irons thanked Ms. Russell stating it was a pleasure to work with her as well as for helping us through this transition.

> MOTION: Councilmember Smukler moved approval of the contract and agreement as presented with Aleshire & Wynder, LLP and Mr. Pannone as our lead City Attorney. The motion was seconded by Councilmember Christine Johnson and carried unanimously 5-0.
>
> Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler
> No's: None

E. <u>COUNCIL DECLARATION OF FUTURE AGENDA ITEMS</u>

Councilmember Nancy Johnson requested to expedite the water and sewer increase analysis to be able to present costs to the public in open session; Mayor Irons and Councilmember Leage concurred.

Councilmember Nancy Johnson requested a discussion on the equity of water conservation efforts and regulations (no fresh water can be used in the rinsing of boats but cars can be washed and landscaping irrigated) at the next Council meeting; Mayor Irons and Councilmember Leage concurred.

Mayor Irons requested development of a program to update our GP/LCP to include discussion of $250,000 grant and how it applies to the update; how we can use the money, timelines, sending out for an RFP and have that program developed for us; all Councilmembers concurred.

<u>ADJOURNMENT</u>

The meeting adjourned at 10:59pm.

Recorded by:

Jamie Boucher
City Clerk