

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – MAY 9, 2017
VETERAN'S MEMORIAL HALL – 6:00 P.M.

AGENDA NO: A-2

MEETING DATE: June 13, 2017

PRESENT:	Jamie Irons	Mayor
	Robert Davis	Council Member
	John Heading	Council Member
	Matt Makowetski	Council Member
	Marlys McPherson	Council Member
STAFF:	Dave Buckingham	City Manager
	Joe Pannone	City Attorney
	Dana Swanson	City Clerk
	Ikani Taumoepeau	Deputy City Manager
	Craig Schmollinger	Finance Director
	Rob Livick	Public Works Director
	Scot Graham	Community Development Director
	Jody Cox	Acting Police Chief
	Steve Knuckles	Fire Chief
	Eric Endersby	Harbor Director

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:03 p.m., with all members present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION – None.

CLOSED SESSION REPORT – No Closed Session Meeting was held.

MAYOR AND COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

CITY MANAGER REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PRESENTATIONS – Chamber of Commerce 2017 1st Quarter Report

<https://youtu.be/jPToY1fMvvk?t=19m46s>

Erica Crawford, Morro Bay President and CEO, provided the quarterly report for 1st quarter of 2017.

PUBLIC COMMENT

<https://youtu.be/jPToY1fMvvk?t=29m27s>

Kristen House, Manager of the Grape Leaf Deli & Market, provided the business spot. They serve middle eastern cuisine using products sourced from local farms and recipes handed down from generation to generation by the owner's family in Palestine. The Grape Leaf Deli & Market is located across from Coalesce Books on Main Street.

Ken Greene, Morro Bay, spoke regarding the Water Reclamation Facility (WRF), thanking the Council for taking a pause to reconsider plans. He also expressed concern regarding potholes along the course for the upcoming Amgen Tour.

Terry Simons, Morro Bay, requested the Council pull Item A-8 for discussion and recommended the Council follow Alternative A to conduct a full public hearing on this item.

Carole Truesdale, Morro Bay, spoke regarding Item A-8, expressing concern about consultant fees that deplete the water and sewer accumulation fund.

Rigmor, Morro Bay, urged the Council to move forward on the WRF. She also thanked the Historical Society for their efforts to collect items from Morro Bay's early days.

Robert Walker, Morro Bay, expressed concern about the proposed WRF project and suggested the accumulation fund be audited to ensure expenditures are in keeping with the Proposition 218 vote previously taken.

Anne Marie Schnetzer, Morro Bay, spoke regarding the WRF and asked the Council to consider less expensive alternatives.

Richard Sadowski, Morro Bay, announced a 24-hour bike relay to be held on May 20 to support the Morro Bay High School track team. Regarding the WRF, he urged the Council to consider other options.

Barry Branin, Morro Bay, stated the proposed project is not affordable and the City should build a project based on the current rates previously approved.

Cynthia Hawley, speaking on behalf of Citizens for Affordable Living, suggested action taken by the City Council on Item C-1 at the April 25th meeting violated the Brown Act, and would submit a letter to that effect.

David Nelson, Morro Bay, spoke in opposition to Item A-8 and urged the Council to consider a package plant with a proven track record, such as PERC.

Jim Hayes, Morro Bay, stated the wastewater treatment plant should have been built in its current location and urged the Council to stop spending money on plans.

Jan Goldman, Morro Bay, noted Kristen from the Grape Leaf Deli & Market brought a tray of food that is available on the back table.

Richard Rowe, Morro Bay, stated the proposed plant is not affordable and a compromise should be considered. He urged the Council to pause and allow an opportunity for community input.

The public comment period was closed.

The Council and staff responded to issues raised during the public comment period.

A. CONSENT AGENDA
<https://youtu.be/jPToY1fMvvk?t=1h12m11s>

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 28, 2017 JOINT CITY COUNCIL AND PLANNING COMMISSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE MARCH 28, 2017 CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE APRIL 11, 2017 SPECIAL CITY COUNCIL
MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 APPROVAL OF MINUTES FOR THE APRIL 11, 2017 CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-5 APPROVAL OF MINUTES FOR THE APRIL 25, 2017 SPECIAL CITY COUNCIL
MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-6 APPROVAL OF MINUTES FOR THE APRIL 25, 2017 CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-7 ADOPTION OF RESOLUTION NO. 19-17 APPROVING THE FISCAL YEAR 2017/18
BUSINESS TAX SCHEDULE; (FINANCE)

RECOMMENDATION: Council adopt Resolution No. 19-17.

A-8 AWARD OF CONTRACT TO CAROLLO ENGINEERS, INC. (CAROLLO) FOR
ENGINEERING SERVICES FOR THE DEVELOPMENT OF AN INTEGRATED WATER,
WASTEWATER AND STORMWATER MASTER PLAN, ALSO KNOWN AS A
ONEWATER PLAN; (PUBLIC WORKS)

RECOMMENDATION: Council award a contract to Carollo for Program Management for the development of a OneWater Plan for a not-to-exceed amount of \$711,150, including contingency; authorize the Public Works Director to execute that contract; and direct staff to set up a "capital project" for the OneWater planning effort and allocate funds as indicated in the staff report.

The public comment period for the Consent Agenda was opened.

Jeff Heller, Morro Bay, opposed approval of Item A-8 and requested an independent citizen committee review the WRF project and alternatives and report back to Council.

Cynthia Hawley, Morro Bay, asked the Council to pull Item A-6 to correct Council Member McPherson's motion on Item C-1.

Kerrigan Mahan, Morro Bay, stated the WRF project is too expensive.

Paula Radke, Morro Bay, opposed approval of Item A-8 and urged the Council to reevaluate the WRF project.

Vickie Baggett, Morro Bay, opposed approval of Item A-8 and agreed with pausing the WRF project.

Melody DeMerritt, Morro Bay, expressed concern about Item A-8, contracting with Carollo Engineering for the OneWater Plan. Regarding the WRF, she suggested the Council issue an RFP for the design/build of a tertiary plant on South Bay Blvd., with the option for OneWater at a later date.

Linda Donnelly, Morro Bay, spoke to Item A-8, stating the OneWater Plan is premature. She supported continued participation in State Water based on the 1991 ballot measure supporting that project.

David Nelson, Morro Bay, spoke in opposition to Item A-8, a contract for the OneWater Plan.

Diane Playan, Morro Bay, opposed Item A-8 and asked why this item was on the agenda when the WRF Project was on pause.

The public comment period for the Consent Agenda was closed.

Mayor Irons pulled Item A-8. Council Member McPherson pulled Item A-6.

MOTION: Council Member Heading moved the Council approve Items A-1 through A-5 and Item A-7 on the Consent Agenda. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

A-6 APPROVAL OF MINUTES FOR THE APRIL 25, 2017 CITY COUNCIL MEETING;
(ADMINISTRATION)
<https://youtu.be/jPToY1fMvvk?t=1h36m2s>

Staff agreed to revisit the motion for Item C-1 and continue this item to the next meeting.

A-8 AWARD OF CONTRACT TO CAROLLO ENGINEERS, INC. (CAROLLO) FOR ENGINEERING SERVICES FOR THE DEVELOPMENT OF AN INTEGRATED WATER, WASTEWATER AND STORMWATER MASTER PLAN, ALSO KNOWN AS A ONEWATER PLAN; (PUBLIC WORKS)
<https://youtu.be/jPToY1fMvvk?t=1h36m19s>

Staff reaffirmed the WRF project is on pause as directed by the Council on April 25 and explained the OneWater Plan will evaluate all water resources for the future and provide details on master plans that haven't been updated for some time, including the Storm Drain Master Plan, Water Master Plan, and Sanitary Sewer Master Plan. These plans address the maintenance and capital needs for the entire system, not just the WRF. This item was a Council goal in FY 2015/16, FY 2016/17, and now in FY 2017/18. The OneWater Plan views waste water, potable water, and storm water holistically to make the most beneficial use for the community and the environment.

Mayor Irons expressed concern about information lacking in the staff report, including Council goals and advisory board input.

Staff responded to Council questions.

MOTION: Council Member Heading moved the Council not award the contract at this time, to reevaluate it once complete information and a decision on the wastewater treatment facility has been made, then look at the project scope and consider when it might be appropriate to do so. The motion was seconded by Council Member McPherson.

Council Member Davis was not in favor of postponing the project, noting the least expensive alternative would be to pay now, rather than pay more later. He supported approval of the contract. Council Member Makowetski agreed that awarding the contract now was the prudent and responsible thing to do. Mayor Irons agreed and commented this item was planned for and will not affect current rates.

Council Member McPherson suggested an alternative to approve the study at the originally budgeted amount of \$400,000. Council Member Heading was willing to consider an amendment to his motion to approve a cost not to exceed \$400,000.

Mayor Irons confirmed the approved rate structure pays for service and adds to the accumulation fund for capital projects. He supported moving forward with the contract as presented.

The motion failed 1-4 with Mayor Irons, Council Member Davis, Council Member Makowetski and Council Member McPherson voting no.

MOTION: Mayor Irons moved for approval of staff recommendation to allocate \$711,000 to Carollo Engineering to complete the OneWater Plan. The motion was seconded by Council Member Davis and passed 4-1 with Council Member Heading voting no.

The Council took a brief recess at 8:40 p.m. The meeting reconvened at 8:50 p.m. with all but Council Member Heading present. Council Member Heading rejoined the meeting at 8:52 p.m.

B. PUBLIC HEARINGS

B-1 ADOPTION OF RESOLUTION NO. 20-17 APPROVING THE ENGINEER'S REPORT AND DECLARING THE INTENT TO LEVY THE ANNUAL ASSESSMENT FOR THE CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS)
<https://youtu.be/jPToY1fMvvk?t=2h46m21s>

Director Livick presented the staff report and responded to Council inquiries.

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

Audrey Gendron, Morro Bay, stated maintenance at Cloisters Park was severely lacking and believes it would be better to contract out the maintenance service. She suggested the City should pay its fair share of maintaining a park that is open to the public.

Dawn Beattie, Morro Bay, stated there appears to be plenty in the assessment as it has run a surplus the last couple years. She agreed the Cloisters Park should be maintained at the same level as other City parks and the City should contribute toward assessment district maintenance.

Tim Walters, Morro Bay resident and Principal at RRM Design Group, the firm that designed Cloisters Park, recalled the intent of the assessment was to supplement the Park's budget and requested the City approve Option B and supplement \$148,000 toward restoration of the Park.

Cal Nishinaka, Morro Bay, considers Cloisters Park to be flagship of all parks and one of the safest in Morro Bay. He objected to increasing the assessment amount.

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

There was Council consensus to continue the assessment at the current rate but to reconsider contracting maintenance work and to discuss whether the City should supplement the maintenance assessment, reduce the Engineer's Report to reflect the reduction in funding, or increase the assessment by CPI or some other accelerator in the future.

MOTION: Council Member Headding moved the Council adopt Resolution No. 20-17 declaring the intent to levy the annual assessment for the maintenance of the Cloisters Park and Open Space for fiscal year 2017/18 and approving the Engineer's Report. Additionally, include there begin robust conversation between representatives of the City and Cloisters development to determine the future possibility of increasing the Cloisters' assessment or subsidy or possibility of CPI and/or other. The motion was seconded by Council Member McPherson.

Council Member Makowetski was concerned second part of motion is nebulous in terms of the timing.

AMENDED MOTION: Council Member Headding moved the Council adopt Resolution No. 20-17 declaring the intent to levy the annual assessment for the maintenance of the Cloisters Park and Open Space for fiscal year 2017/18 and approving the Engineer's Report. Additionally, include there begin robust conversation between representatives of the City and Cloisters development to determine the future possibility of increasing the Cloisters' assessment or subsidy or possibility of CPI and/or other, and this action take place during the next year prior to the assessment. Council Member McPherson seconded the amended motion. The amended motion carried unanimously, 5-0.

B-2 ADOPTION OF RESOLUTION NO. 21-17 APPROVING THE ENGINEER'S REPORT AND DECLARING THE INTENT TO LEVY THE ANNUAL ASSESSMENT FOR THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS)
<https://youtu.be/jPToY1fMvvk?t=3h41m42s>

Director Livick presented the staff report and responded to Council inquiries.

The public comment period for Item B-2 was opened; seeing none, the public comment period was closed.

MOTION: Council Member Makowetski moved the Council adopt Resolution No. 21-17 approving the Engineer's Report and declaring the intent to levy the annual assessment for maintenance of the North Point Natural Area Landscaping and Lighting Maintenance Assessment District. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

Council Member Headding suggested a friendly amendment to include the language incorporated into the Cloisters motion.

AMENDED MOTION: Council Member Makowetski moved the Council adopt Resolution No. 21-17 approving the Engineer's Report and declaring the intent to levy the annual assessment for maintenance of the North Point Natural Area Landscaping and Lighting Maintenance Assessment District. Additionally, there begin robust conversation between the representatives of the City and North Point development to determine the future possibility of increasing the North Point assessment or

subsidy or possibility of CPI and/or other, and this action take place during the next year prior to the assessment. Council Member Davis seconded the amended motion. The amended motion carried unanimously, 5-0.

C. BUSINESS ITEMS

C-1 APPROVAL OF FIRE MARSHAL JOB DESCRIPTION AND AUTHORIZATION TO ADD ONE FULL-TIME EQUIVALENT EMPLOYEE; (FIRE)
<https://youtu.be/jPToY1fMvvk?t=3h55m19s>

Fire Chief Knuckles presented the staff report and responded to Council inquiries.

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

Jeff Heller, Morro Bay, expressed concern about the City's financial condition and assumed the Council will manage that and protect the strength of the City as they consider both this and Item C-2.

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

MOTION: Mayor Irons moved the Council approve the job description and salary range for the proposed Fire Marshal job classification and to increase the Fire Department's full-time equivalent (FTE) staff by one from 12.75 to 13.75. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

C-2 AUTHORIZATION TO ADD ONE FULL-TIME EQUIVALENT BUDGET & ACCOUNTING MANAGER POSITION IN THE FINANCE DEPARTMENT BEGINNING FISCAL YEAR 2017/18; (FINANCE)
<https://youtu.be/jPToY1fMvvk?t=4h17m37s>

Finance Director Schmollinger presented the staff report and responded to Council inquiries.

The public comment period for Item C-2 was opened; seeing none, the public comment period was closed.

The was Council consensus to continue this discussion through the budget process and explore ways to fund a full-time employee, with alternatives for funding a contract or part-time employee to focus on specific tasks.

MOTION: Council Member McPherson moved the meeting go past 11:00 p.m. to finish this item. The motion died for lack of a second.

No further action was taken on this item.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
<https://youtu.be/jPToY1fMvvk?t=4h55m8s>

Mayor Irons requested discussion of meeting structure regarding the 7:00 p.m. start time for public hearings. There was full Council support for this item.

Council Member Davis requested discussion of the resolution recently adopted by the Board of Supervisors about financing ground water management that might affect Morro Bay residents. There was full Council support for this item.

E. ADJOURNMENT

The meeting adjourned at 11:01 p.m. The next Regular Meeting will be held on Tuesday, May 23, 2017 at 6:00 p.m. at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

Recorded by:



Dana Swanson
City Clerk