

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 27, 2017
VETERAN'S MEMORIAL HALL – 6:00 P.M.

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

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:02 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 COUNCIL MEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS
CITY MANAGER REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PRESENTATIONS - None

PUBLIC COMMENT

<https://youtu.be/-Pvp4UAr2c4?t=21m52s>

Meredith Bates, Morro Bay, commented on the WRF project and opportunities for resident input. She announced Congressman Salud Carbajal will host a town hall meeting on August 23 at 5:30 p.m. at St. Timothy's Hall.

Bob Keller, Morro Bay, announced a BBQ fundraiser benefitting Project Surf Camp will be held at San Luis Sports Therapy on Friday, June 30, from 12:30 to 4:00 p.m.

John Taylor, Morro Bay, followed up on Mr. Keller's comments, noting one-third of Project Surf Camp's budget comes from registration fees; the rest is from fundraisers, private donations and grants.

Erica Crawford, Morro Bay Chamber of Commerce, announced upcoming events and training opportunities. Please contact Erica at 772-4467 or erica@morrochamber.org for more information.

Susan Stewart, Morro Bay resident and business owner, commented on development of a new City logo and suggested signage is needed to direct people downtown. She also supports a limited number of marijuana business due to the potential economic benefit.

Paula Radke, Morro Bay, expressed concern about a roundabout at Main Street and Highway 41. She also commented citizens should have participated on the WRF peer review panel.

Anne Marie Schnetzler, Morro Bay, commented the WRF item is one that generates a lot of public interest but is often at the end of the agenda and heard late in the meeting.

The public comment period was closed.

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

A. CONSENT AGENDA
<https://youtu.be/-Pvp4UAr2c4?t=38m10s>

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 JUNE 13, 2017 SPECIAL CLOSED SESSION CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE JUNE 14, 2017 SPECIAL CLOSED SESSION CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE JUNE 14, 2017 SPECIAL CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 APPROVAL OF MINUTES FOR THE JUNE 19 & 20, 2017 SPECIAL CLOSED SESSION CITY COUNCIL MEETINGS; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-5 APPROVAL OF FY 17/18 ADVISORY BOARD WORK PLANS; (CITY MANAGER)

RECOMMENDATION: Council review and approve the Advisory Board Work Plans for FY 17/18 which have been revised based on direction provided at the June 13, 2017, City Council meeting.

A-6 ADOPTION OF RESOLUTION NO. 37-17 TO REAFFIRM INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND (LAIF) AND DESIGNATE TRANSACTION OFFICERS; (FINANCE)

RECOMMENDATION: Council adopt Resolution No. 37-17.

A-7 APPROVAL OF VISITOR CENTER SERVICES CONTRACT AND LEASE AGREEMENT FOR CITY-OWNED PROPERTY LOCATED AT 695 HARBOR STREET; (DEPUTY CITY MANAGER)

RECOMMENDATION: Council approve agreements with the Morro Bay Chamber of Commerce (Chamber) for Visitor Center Services and the renewal of a property lease at 695 Harbor Street.

A-8 APPROVE CHANGES TO ADOPT-A-PARK/STREET AND MEMORIAL PROGRAMS AND ESTABLISH FEE STRUCTURE FOR MEMORIAL BENCHES AT THE ROCK PARKING LOT AND TARGET ROCK AREA; (PUBLIC WORKS)

RECOMMENDATION: Council review the Adopt-A-Park/Street and memorial programs and approve the staff and PWAB recommendations outlined in the staff report.

A-9 APPROVAL OF FISCAL YEAR 2017/18 COMBINED SALARY SCHEDULE AND JOB DESCRIPTIONS FOR RECREATION SERVICES DIVISION MANAGER, SENIOR PLANNER AND POLICE SUPPORT SERVICES MANAGER; (ADMINISTRATION)

RECOMMENDATION: Council formally approve the FY 2017/18 Combined Salary Schedule and job descriptions for those positions reclassified as part of the budget approval, including the Recreation Services Division Manager, Senior Planner and Police Support Services Manager.

A-10 AUTHORIZATION TO EXTEND THE LEASE AGREEMENT BETWEEN THE CITY AND SCOTT MEISTERLIN FOR 307 MORRO BAY BLVD AND APPROVAL OF AN AMENDMENT TO THE SUBLEASE AGREEMENT BETWEEN THE CITY AND GRANDMA'S FROZEN YOGURT AND WAFFLE SHOP (LENNY AND BEVERLY DURRER); (CITY MANAGER)

RECOMMENDATION: Council exercise its option to extend the master lease agreement between the City and Scott Meisterlin for 307 Morro Bay Blvd. for an additional five years in accordance with Section 1.02 of the current agreement, and approve an amendment to the current Sublease Agreement with Grandma's Frozen Yogurt and Waffle Shop (Lenny and Beverly Durrer) for three years, with the conditional option for the subtenant to extend it on an annual basis thereafter for two additional.

A-11 ADOPT OF RESOLUTION NOS. 33-17 AND 34-17 ESTABLISHING COMPENSATION AND BENEFITS FOR UNREPRESENTED MANAGEMENT EMPLOYEES AND CONFIDENTIAL EMPLOYEES OF THE CITY OF MORRO BAY; (ADMINISTRATION)

RECOMMENDATION: Council adopt Resolution No. 33-17 establishing compensation and benefits for the City's unrepresented Management designated employees for FY 2017/18, and adopt Resolution No. 34-17 establishing compensation and benefits for the City's unrepresented Confidential designated employees.

A-12 ADOPTION OF RESOLUTION NO. 35-17 APPROVING AMENDMENT NO. 1 TO THE 2016-2017 MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF MORRO BAY AND THE MORRO BAY FIREFIGHTERS ASSOCIATION, IAFF LOCAL 3725, EXTENDING THE TERM FROM JULY 1, 2017 UNTIL JUNE 30, 2018 AND PROVIDING A 2% COST OF LIVING ADJUSTMENT; (ADMINISTRATION)

RECOMMENDATION: Council adopt Resolution No. 35-17 approving Amendment No. 1 to the 2016-2017 Memorandum of Understanding Between the City of Morro Bay and the Morro Bay Firefighters Association, IAFF Local 3725.

A-13 ADOPTION OF RESOLUTION NO. 36-17 APPROVING AMENDMENT NO. 1 TO THE 2016-2017 MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF MORRO BAY AND THE MORRO BAY POLICE OFFICERS' ASSOCIATION, EXTENDING THE TERM FROM JULY 1, 2017 UNTIL JUNE 30, 2018 AND PROVIDING A 2% COST OF LIVING ADJUSTMENT; (ADMINISTRATION)

RECOMMENDATION: Council adopt Resolution No. 36-17 approving Amendment No. 1 to the 2016-2017 Memorandum of Understanding Between the City of Morro Bay and the Morro Bay Police Officers' Association.

A-14 ADOPTION OF RESOLUTION NO. 38-17 APPROVING AMENDMENT NO. 1 TO THE 2016-2017 MOU BETWEEN THE CITY OF MORRO BAY AND THE SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU), LOCAL 620, EXTENDING THE TERM FROM JULY 1, 2017 UNTIL JUNE 30, 2018 AND PROVIDING A 2% COST OF LIVING ADJUSTMENT; (ADMINISTRATION)

RECOMMENDATION: Council adopt Resolution No. 38-17 approving Amendment No. 1 to the 2016-2017 Memorandum of Understanding Between the City of Morro Bay and the Service Employees International Union, Local 620.

The public comment period for the Consent Agenda was opened.

Susan Stewart, Morro Bay, offered support for Items A-7 and A-10, noting she favors the Chamber operating the Visitor Center and is pleased to have a restroom for visitors in the downtown area.

Betty Winholtz, Morro Bay, spoke to Item A-8, suggesting the document should also define the City's responsibility for memorials. She also expressed concern about providing employees a 2% increase given CalPERS issues.

The public comment period for the Consent Agenda was closed.

Mayor Irons pulled Items A-5, A-8, A-9 and A-10.

MOTION: Council Member Heading moved the Council approve Items A-1 through A-4, A-6, A-7, and A-11 through A-14 on the Consent Agenda. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

A-5 APPROVAL OF FY 17/18 ADVISORY BOARD WORK PLANS; (CITY MANAGER)
<https://youtu.be/-Pvp4UAr2c4?t=43m10s>

Mayor Irons restated his request to add frisbee golf to the list of future recreational opportunities.

Council Members Davis and Heading expressed concern about language in the TBID work plan regarding vacation rentals and RV Parks being brought into the Business Improvement District. It was suggested staff work with two Council Members to craft new language during the recess, then bring this item back later in the meeting.

A-8 APPROVE CHANGES TO ADOPT-A-PARK/STREET AND MEMORIAL PROGRAMS AND ESTABLISH FEE STRUCTURE FOR MEMORIAL BENCHES AT THE ROCK PARKING LOT AND TARGET ROCK AREA; (PUBLIC WORKS)
<https://youtu.be/-Pvp4UAr2c4?t=53m45s>

There was Council consensus to work with volunteer groups to develop clear procedures and expectations for volunteers and the City, to be reviewed by PWAB and possibly Recreation & Parks Commission, then return to Council for adoption by resolution.

MOTION: Council Member McPherson moved the Council continue Item A-8, as recommended. The motion was seconded by Council Member Heading and carried unanimously, 5-0.

A-9 APPROVAL OF FISCAL YEAR 2017/18 COMBINED SALARY SCHEDULE AND JOB DESCRIPTIONS FOR RECREATION SERVICES DIVISION MANAGER, SENIOR PLANNER AND POLICE SUPPORT SERVICES MANAGER; (ADMINISTRATION)
<https://youtu.be/-Pvp4UAr2c4?t=1h3s>

Mayor Irons requested the combined salary schedule be revised to include the full job title for Police Support Services Manager (see page 58).

MOTION: Mayor Irons moved for approval of Item A-9, as amended. The motion was seconded by Council Member Heading and carried unanimously, 5-0.

A-10 AUTHORIZATION TO EXTEND THE LEASE AGREEMENT BETWEEN THE CITY AND SCOTT MEISTERLIN FOR 307 MORRO BAY BLVD AND APPROVAL OF AN AMENDMENT TO THE SUBLEASE AGREEMENT BETWEEN THE CITY AND GRANDMA'S FROZEN YOGURT AND WAFFLE SHOP (LENNY AND BEVERLY DURRER); (CITY MANAGER)
<https://youtu.be/-Pvp4UAr2c4?t=1h2m2s>

Mr. Pannone requested the item be pulled to suggest the Council conditionally approve the extension of the sublease with Grandma's Yogurt. That entity's corporation status is currently suspended and the City cannot enter into an agreement with a non-existing entity. The owner is working to resolve the issue. Mayor Irons and Council Member Heading requested staff review signage requirements for the restroom and ensure it meets the contract requirements.

MOTION: Mayor Irons moved, based on the City Attorney's recommendation and specific language, the Council conditionally approve and authorize extension for the lease agreement between the City and Scott Meisterlin for 307 Morro Bay Blvd., and approval of an amendment to the sublease agreement between the City and Grandma's Frozen Yogurt and Waffle Shop; only the sublease is conditionally approved. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

Item A-5 was left open to allow staff to confer during the recess and bring the item back later in the meeting.

B. PUBLIC HEARINGS

B-1 ADOPTION OF RESOLUTION NO. 31-17 DIRECTING THE LEVY OF THE ANNUAL ASSESSMENT FOR THE CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS)
<https://youtu.be/-Pvp4UAr2c4?t=1h6m25s>

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

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

Dawn Beattie, Morro Bay, stated the assessment was never intended to exclusively pay to maintain the assessment district, and proposed beginning with next year's budget, the City contribute an annual 2% COLA to help with maintenance of this publicly accessible property.

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

Staff agreed to provide the legal analysis on file regarding the formation of the assessment district in future staff reports.

MOTION: Council Member Headding moved the Council adopt Resolution No. 31-17 approving the levy of the annual assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District for FY 2017/18. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

B-2 APPROVAL OF RESOLUTION NO. 32-17 DIRECTING THE LEVY OF THE ANNUAL ASSESSMENT FOR THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS)
<https://youtu.be/-Pvp4UAr2c4?t=1h26m44s>

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

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

Betty Winholtz, Morro Bay, expressed concern the engineer's report lacked sufficient detail, was pleased some reseeding would be done, and supports both assessment districts as they were a condition of coastal development approval.

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

Staff agreed to provide more detail in future engineering reports and to chronicle the work next year.

MOTION: Council Member Headding moved the Council adopt Resolution No. 32-17 approving the levy of the annual assessment for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

The Council took a brief recess at 7:35 p.m. The meeting reconvened at 7:43 p.m.

C. BUSINESS ITEMS

C-1 PUBLIC EMPLOYEE CONDITIONAL APPOINTMENT AND CONDITIONAL APPROVAL OF EMPLOYMENT AGREEMENT BETWEEN THE CITY OF MORRO BAY AND MARTIN R. LOMELI FOR THE POSITION OF INTERIM CITY MANAGER; (CITY MANAGER)
<https://youtu.be/-Pvp4UAr2c4?t=1h35m6s>

Acting City Manager Schmollinger presented the staff report and responded to Council inquiries.

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

MOTION: Council Member Headding moved for approval of the employment agreement between the City of Morro Bay and Martin R. Lomeli for position of Interim City Manager. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

C-2 WATER RECLAMATION FACILITY PROGRAM UPDATE – REVIEW PEER REVIEW PROCESS SCHEDULE AND PROVIDE DIRECTION DEEMED APPROPRIATE; (PUBLIC WORKS)
<https://youtu.be/-Pvp4UAr2c4?t=1h43m19s>

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

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

Tina Metzger, Morro Bay, asked for the names and qualifications of those who participated on the peer review committee, whether any were from the private sector or qualified Morro Bay citizens, and whether the project would continue to be called a water reclamation facility.

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

Mr. Livick responded to questions raised during public comment.

Following Council discussion, there was agreement to pursue the second proposed schedule presented, bring peer review back to Council on July 11, beyond that date conduct some other public outreach, then provide that feedback and alternatives at the August 8 Council meeting. There was consensus the dates beyond July 11 would be confirmed at that meeting.

MOTION: Mayor Irons moved the Council direct staff to conduct the peer review, that the peer review be completed June 7, the WRFCAC review would be July 5, 2017, City Council meeting July 11, 2017, and beyond that options will be brought forth at the July 11 City Council meeting to include options for additional community outreach. The motion was seconded by Council Member Heading.

The Council discussed the proposed timeline and Mayor Irons restated his motion.

RESTATED MOTION: Mayor Irons moved the peer review be completed June 7, 2017, WRFCAC review on July 5, 2017, City Council meeting will be conducted July 11, 2017 for the peer review, and then options for community outreach and the rate study will be brought to City Council on the July 11 Council meeting, as well as the rest of the listed items. The motion was seconded by Council Member Heading and carried unanimously, 5-0.

Mr. Schmollinger suggested the July 11 City Council agenda packet be published on Thursday, July 6, as a complete packet including input received from the WRFCAC at the July 5 meeting.

The Mayor reopened Item A-5.

A-5 APPROVAL OF FY 17/18 ADVISORY BOARD WORK PLANS; (CITY MANAGER)
<https://youtu.be/-Pvp4UAr2c4?t=2h40m41s>

Council Member Davis and Mr. Taumoepeau conferred during the break to craft new language for the TBID work plan; Council Member Heading reviewed and confirmed it met his criteria. Mr. Taumoepeau read the revised language into the record.

Addition of Vacation Rentals/Recreational Vehicle (RV) Parks to Business Improvement District (BID) - With the VR/RV Sub-committee, meet and layout plan for proper business outreach to all affected lodging industries from September to December. Business outreach will be implemented by the sub-committee and staff. The Council procedural process and public hearings will take place March to June. Desired outcome will be agreed upon by the lodging industries and the City as to the proper structure.

Business Improvement District Law: 1989 Law vs. 1994 Law: Business Improvement District Law: 1989 Law vs. 1994 Law - MBTBID will consider formalizing under the 1989 or 1994 BID

Law from September to November. Business outreach to affected lodging will be implemented by TBID and staff, October to January. The Council procedural process and public hearings will take place March to June. Desired outcome will be agreed upon by the lodging industries and the City as to the proper structure.

MOTION: Council Member Heading moved for approval of Item A-5, as revised. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
<https://youtu.be/-Pvp4UAr2c4?t=2h44m36s>

Council Member Davis requested draft marijuana ordinances be brought to Council sooner rather than later. Following discussion, it was agreed staff and the marijuana subcommittee will prepare a report that lays out options for proceeding with marijuana ordinances for Council consideration as soon as possible, given other work priorities. Mr. Schmollinger noted the soonest was likely August 8.

Council Member McPherson requested discussion of vacation rental urgency ordinance to consider solutions for over concentration in certain areas of the City. There was Council consensus to address this issue through the General Plan update.

E. ADJOURNMENT

The meeting adjourned at 9:13 p.m. The next Regular Meeting will be held on Tuesday, July 11, 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