

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – OCTOBER 24, 2017
VETERAN'S MEMORIAL HALL – 6:00 P.M.

AGENDA NO: A-3
MEETING DATE: December 12, 2017

PRESENT:	Jamie Irons	Mayor
	Robert Davis	Council Member
	John Heading	Council Member
	Matt Makowetski	Council Member
	Marlys McPherson	Council Member
STAFF:	Martin Lomeli	Interim City Manager
	Joe Pannone	City Attorney
	Chris Neumeyer	Assistant City Attorney
	Dana Swanson	City Clerk
	Rob Livick	Public Works Director
	Scot Graham	Community Development Director
	Jody Cox	Police Commander
	Steve Knuckles	Fire Chief
	Eric Endersby	Harbor Director

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:01 p.m., with all members present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION

- Presentation of Certificate of Appreciation to Connor Bradley honoring the completion of his Boy Scout Eagle Project at Cloisters Park.
<https://youtu.be/8-XQOJKDpp4>
- Presentation of Proclamation Expressing Appreciation for the Dedication and Public Service of Martin ("Marty") R. Lomeli as Interim City Manager of the City of Morro Bay.
<https://youtu.be/8-XQOJKDpp4?t=8m2s>

CLOSED SESSION REPORT – No Closed Session Meeting was held.

MAYOR AND COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/8-XQOJKDpp4?t=12m34s>

CITY MANAGER REPORTS, ANNOUNCEMENTS & PRESENTATIONS

- Introduction of Jennifer Callaway Schrantz, Finance Director
<https://youtu.be/8-XQOJKDpp4?t=22m9s>

PRESENTATIONS - None

PUBLIC COMMENT

<https://youtu.be/8-XQOJKDpp4?t=24m24s>

Rafael Torres of Ariana Mexican Market & Deli provided the business spot. Ariana's recently opened a full kitchen and offers authentic Mexican food. They are located next to Chase Bank and open Monday thru Saturday, 8 a.m. to 8 p.m. Please call 771-0229 for more information.

Jeff Bacon, on behalf of Erica Crawford, Morro Bay Chamber of Commerce, announced 4th Annual Trick or Treat event to be held October 31, including a haunted house at the Morro Bay Police Department.

Patrick Sparks requested the Council agendaize a 10- to 15-minute presentation at its November 28 meeting to explain why he can save the City money by choosing none of the above.

Larry McNally, Morro Bay, suggested the time allowed for public comment be increased to five minutes and, if less time is needed, a person be allowed to give their extra time to someone else.

Walter Heath, Morro Bay, announced Morro Bay was named the best overall city in its population category for 3rd consecutive year by America in Bloom. He explained the evaluation process and asked that the evaluation be posted on the City website.

Rigmor, Morro Bay, requested members of the public respect the allotted comment time and avoid unnecessary outbursts.

Bill Woodson, Morro Bay, requested a WRF project timeline of milestones that must be met, established checks and balances, and frequent project updates including key near term plans and progress with dollars spent to date.

Ken Green, Morro Bay, reported the Monarch butterflies have returned on Cerrito Peak and cautioned the public to only provide California native milkweed for Monarchs. He requested the Council postpone Item C-2 to a future meeting.

Chuck Stoll, Morro Bay, thanked and recognized Walter and Jane Heath for their tireless work on Morro Bay in Bloom. He also thanked Ikani for being so helpful and wished him well.

The public comment period was closed.

- A. CONSENT AGENDA
<https://youtu.be/8-XQOJKDpp4?t=44m22s>

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 SEPTEMBER 26, 2017 CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-2 ADOPTION OF RESOLUTION NO. 59-17 CONDITIONALLY AUTHORIZING THE MAYOR TO EXECUTE DOCUMENTS NECESSARY FOR A NEW LOAN FOR THE LEASE AGREEMENT AT LEASE SITE 71-74/71W-74W AND 75-77/75W-77W AND ACCEPTING A DEED OF TRUST RELATED THERETO (MORRO BAY MARINA, LLC, 601-699 EMBARCADERO); (HARBOR)

RECOMMENDATION: Council adopt Resolution No. 59-17, authorizing the Mayor to execute documents necessary for a new loan regarding the leasehold interest at Lease Sites 71-74/71W-74W and 75-77/75W-77W. subject to approval of the City Attorney and accepting a deed of trust related thereto.

A-3 APPROVAL OF FINAL MAP 2670 (1889 SUNSET AVENUE) BY ADOPTION OF RESOLUTION NO. 58-17; (PUBLIC WORKS)

RECOMMENDATION: Council adopt Resolution No. 58-17, approving the Final Map 2670.

The public comment for the Consent Agenda was opened; seeing none the public comment period was closed.

MOTION: Council Member Headding moved the Council approve all Items on the Consent Agenda. The motion was seconded by Council Member Makowetski and carried unanimously, 5-0.

B. PUBLIC HEARINGS - NONE

C. BUSINESS ITEMS

C-1 INTRODUCTION OF ORDINANCE NO. 612, WHICH ESTABLISHES A COMMERCIAL CANNABIS OPERATIONS REGULATORY PROGRAM TO PERMIT TWO MEDICAL CANNABIS DISPENSARIES, WHOLESALE MEDICAL CANNABIS DISTRIBUTION AND MEDICAL CANNABIS DELIVERIES, WHILE PROHIBITING ALL OTHER COMMERCIAL CANNABIS OPERATIONS; REGULATES AND PERMITS PERSONAL CANNABIS CULTIVATION AND, AMENDS CURRENT SECONDHAND SMOKE REGULATIONS; (ASSISTANT CITY ATTORNEY)
<https://youtu.be/8-XQOJKDpp4?t=44m58s>

Assistant City Attorney Neumeyer presented the staff report, responded to Council inquiries, and sought clarification on certain provisions of the ordinance.

The Council took a brief recess at 7:33 p.m. The meeting reconvened at 7:42 p.m. with all members present.

The public comment period for Item C-1 was opened

Adam Pinterits, Director of Government and Community Relations for Ethnobotanica, discussed cash handling processes and fees, and suggested the Council consider provisional temporary documentation to dual track state license applications, while working on local applications.

Nasseem Rouhani, County of San Luis Obispo Tobacco Control Program, appreciated the City's progress on a new marijuana ordinance and strengthening its secondhand smoke ordinance to expressively include marijuana and e-cigarettes. She recommended strengthening and expanding the outdoor smoking regulations.

Megan Souza, Megan's Organic Market and Medical Delivery Service, expressed concerns about the proposed cash handling fees, smoking in public regulations, and asked the Council to consider removing or reducing the setback requirement from churches and parks.

Eric Powers, Megan's Organic Market and Medical Delivery Service, opposed the proposed smoking in public regulations and setbacks from churches. Regarding the timeline, he asked that once buffers be established, they not be changed.

Trina Lee, Cayucos, shared she works with vacation rentals and was looking forward to increased tourism if adult use sales were allowed in Morro Bay. She suggested accepting applications on January 1.

Rick Morse, Medmar Clinic, supported the proposed ordinance.

Kelly Trabrizi, Los Osos resident, realtor and Morro Bay property owner, suggested the proposed buffers were too restrictive and requested churches be removed from the sensitive use designation. She urged the Council to consider accepting dispensary applications as soon as possible.

Habib Trabrizi, Los Osos resident and Morro Bay property owner, suggested a location less than 600 feet from a church not be excluded as a potential dispensary site and urged the Council to change the application date.

Barry Branin, Morro Bay, considering State Park Campgrounds surround the City, suggested the buffers include both City and State parks.

Cynthia Gonzalez spoke in support of medical dispensaries and deliveries, and provided information regarding State licensing and tax regulations.

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

Staff and Council responded to questions raised during public comment.

Following discussion, the Council agreed to remove churches from the buffer zone and establish a 100-ft. buffer for parks. Due to current staffing constraints, it was agreed to keep the July 1 application date.

MOTION: Council Member McPherson moved for introduce for first reading by title only, with further reading waived, Ordinance 612: An Ordinance of the City Council of the City of Morro Bay, California, adding Chapter 5.50 (Commercial Cannabis Operations Regulatory Program) to Title 5 of the Morro Bay Municipal Code to Permit Certain Medical Commercial Cannabis Uses (Retail Sales, Deliveries and (Wholesale) Distributor), to Prohibit All Other Medical Commercial Cannabis Uses, and to Prohibit All Adult-Use (Recreational) Commercial Cannabis Uses; Repealing Chapter 9.06 of Title 9 of the Morro Bay Municipal Code and Replacing it with a New Chapter 9.06 (Personal Cannabis Cultivation) to Regulate Personal Cannabis Cultivation; and, Amending Chapter 9.24 (Secondhand Smoking Regulations) of Title 9 of the Morro Bay Municipal Code to Strengthen Regulation of Secondhand Smoke and Expressly Include Cannabis and Electronic Smoking Devices. There are four changes to the Ordinance, as presented in the staff report: On page 35 of 189, Section 9.06.040 A.5., which refers to property site plans and floorplans, the word "scaled" is removed and at the end add "dimensioned hand sketch acceptable." On page 59 of 189, "Location Restrictions" Section 5.50.120 C.2., will now read, "No retail (medical) operation shall locate within six hundred (600) feet of a school, day care center or youth center." We'll be removing religious institution, and removing "park" from that sentence, and will be adding another sentence which says, "No retail medical operation shall locate within one hundred (100) feet of a park." That exact same change will be made on page 62 of 189 to section 5.50.130 C.2., which is an identical location restriction for wholesale distributor. The last change is on page 60 of 189 for Section 5.50.120 L. will now read, "No Recommendations On-site.

Retail (medical) operations shall not have a physician or any person licensed to recommend medical cannabis for medical use at the location of the commercial cannabis operation to provide a recommendation or physician's recommendation, for the use of medical cannabis." The motion was seconded by Council Member Davis and carried unanimously, 5-0.

The Council and revisited comments and questions from the general Public Comment period.
<https://youtu.be/8-XQOJKDpp4?t=2h23m46s>

C-2 APPROVAL OF UPDATED CITY LOGO AND TAG LINE; (COMMUNITY DEVELOPMENT/TOURISM)
<https://youtu.be/8-XQOJKDpp4?t=2h35m30s>

Community Development Director Graham presented the staff report and, along with Tourism Manager Jennifer Little, responded to Council inquiries.

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

There was full Council support for the Tourism Business Improvement District ("TBID") Advisory Boards recommendation regarding the logo, but some concern about the proposed tagline.

MOTION: Council Member Headding moved the Council approve the recommendation from TBID board and use of the preferred updated logo option and approve use of "Put Life on Coast" tag line. The motion was seconded by Council Member Davis and carried 4-1 with Council Member McPherson opposed.

C-3 STATUS AND CONSIDERATION OF WITHDRAWAL FROM THE MEMORANDUM OF AGREEMENT BETWEEN THE SAN LUIS OBISPO CITIES AND SAN LUIS OBISPO COUNTY FOR THE CONSTRUCTION AND FINANCING OF AN ANIMAL SERVICES SHELTER, AND PROVIDE DIRECTION DEEMED APPROPRIATE; (ADMINISTRATION)
<https://youtu.be/8-XQOJKDpp4?t=3h2m9s>

Interim City Manager Lomeli presented the staff report and responded to Council inquiries.

The public comment period for Item C-3 was opened.

Betty Winholtz, Morro Bay, expressed concern about cost and what to do when you've negotiated with all the cities, then two cities pull out. She suggested giving authority to pull out, send letters to Paso Robles and Atascadero letting them know you're upset, and possibly San Luis Obispo as well.

The public comment period for Item C-3 was closed.

The Council supported staff recommendation as well as sending letters co-authored by the Mayor and City Manager to Paso Robles and Atascadero. Mayor Irons suggested sending letters to Grover Beach and the other cities asking them to stay in; the Council concurred.

MOTION: Mayor Irons moved the Council authorize the City Manager to withdraw from the Memorandum of Agreement (MOA) for an animal services shelter if all three of the largest cities currently part of the MOA also do so by October 31, 2017, with the addition of the letters, as discussed, to Paso Robles and Atascadero, as well as to

the other cities stating we support staying in and would ask you to do the same. The motion was seconded by Council Member Heading and carried unanimously, 5-0.

The Council took a brief recess at 9:27 p.m. The meeting reconvened at 9:33 p.m. with all members present.

C-4 WATER RECLAMATION FACILITY (WRF) PROJECT GOAL, WITH CHANGES DEEMED APPROPRIATE, AND AUTHORIZATION TO ADVERTISE THE DESIGN-BUILD REQUEST FOR QUALIFICATIONS (RFQ); (PUBLIC WORKS)
<https://youtu.be/8-XQOJKDpp4?t=3h21m29s>

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

The public comment period for Item C-4 was opened.

Betty Winholtz, Morro Bay, objected to the risks being taken with an accelerated schedule and the additional cost of housing auxiliary staff at the plant.

Barry Branin, Morro Bay, supported the RFQ process and stressed the importance of vetting the design before the RFP stage.

Homer Alexander, Morro Bay, stressed the importance of keeping waste water treatment plant and reclamation costs separate, noting it was critical the sewer rate increase be kept at a minimum to gain community support.

Bob Keller, Morro Bay, stated the primary concern is keeping costs as low as possible for a quality facility and stressed the importance of moving forward as soon as possible.

Cynthia Hawley, Morro Bay, expressed concern the Council was approving the design build of a specific reclamation project without public notice. If that is not the case, she asked when that decision would be made in public.

The public comment period for Item C-4 was closed.

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

The Council reviewed the proposed revised WRF project goals and agreed on the following changes:

- Goal 1: All aspects of the WRF project shall be completed ensuring economic value with a special emphasis on minimizing rate payer and City expense.
- Goal 2: Communicate WRF project progress including general project status, milestones, and budget/cost information to our community members regularly.
- Goal 3: Produce tertiary, disinfected wastewater in accordance with Title 22 requirements for unrestricted urban irrigation.
- Goal 4: Design to produce reclaimed wastewater to augment the City's water supply, by either direct or indirect means, as described in a master water reclamation plan and to maximize funding opportunities.

- Goal 5: Include features in the WRF project that maximize the City's opportunities to secure funding and maximize efficiencies.
- Goal 6: Design to minimize the impacts from contaminants of emerging concern in the future.
- Goal 7: Ensure compatibility with neighboring land uses.
- MOTION: Mayor Irons moved the meeting go past 11:00 p.m. The motion was seconded by Council Member McPherson and carried 3-2 with Council Members Davis and Makowetski opposed.

- Mr. Livick read final WRF Council Subcommittee recommendations for the RFQ into the record:
- Authorize the WRF Subcommittee to review and confirm recommended changes to the RFQ have been made prior to publication.
 - Add the following to the Draft RFQ:
 - Add to Section VII C: The City encourages the submittal of alternative designs in as much as the alternate designs comply with all the goals of the City and Performance Specifications.
 - Add to the Criterion Matrix under "Past Performance on Similar Projects By Proposer": Identify from your past projects innovative technologies and functional features that in your opinion are most applicable to the proposed Morro Bay project.

Council Member Headding suggested the stipend be reduced to \$75,000. Mr. Livick agreed that would be fine.

- MOTION Mayor Irons moved the Council approve the RFQ with the recommended changes, and authorizing the WRF subcommittee to have final review prior to the release of the document, and to modify the goals, as discussed. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
None
<https://youtu.be/8-XQOJKDpp4?t=4h54m37s>

E. ADJOURNMENT

The meeting adjourned at 11:07 p.m. The next Regular Meeting will be held on Tuesday, November 14, 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

