

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – FEBRUARY 27, 2018
VETERAN'S MEMORIAL HALL – 6:00 P.M.

AGENDA NO: A-1
MEETING DATE: March 27, 2018

PRESENT:	Jamie Irons	Mayor
	Robert Davis	Council Member
	John Headding	Council Member
	Matt Makowetski	Council Member
	Marlys McPherson	Council Member
STAFF:	Scott Collins	City Manager
	Joseph Pannone	City Attorney
	Dana Swanson	City Clerk
	Jennifer Callaway	Finance Director
	Rob Livick	Public Works Director
	Scot Graham	Community Development Director
	Greg Allen	Police Chief
	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 - None

CLOSED SESSION REPORT – No Closed Session Meeting was held.

MAYOR AND COUNCIL MEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/2xfvl2bjrSM?t=2m15s>

CITY MANAGER REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/2xfvl2bjrSM?t=15m54s>

PRESENTATIONS - None

PUBLIC COMMENT

<https://youtu.be/2xfvl2bjrSM?t=17m48s>

Tim Cowan, Morro Bay resident and owner of Pizza Port restaurant, provided the business spot. Pizza Port, a family-owned business since 1983, was recently honored as the 2017 Business of the Year.

Ken Green, Morro Bay, thanked the Fire Department, Police Department and Police Chief Allen for their work. He also thanked staff, particularly Finance Director Callaway for posting financial reports on the City website. He requested the City not plan for an aquarium due to the required financial responsibility.

Ken Vesterfelt, Morro Bay, spoke in support of the Morro Bay Police Department asking the Council to look at pay scale, staffing and strategic planning for a new police station. He also announced the Cruisin' Morro Bay Car Show on May 2-6, 2018.

Aaron Ochs, spoke as a Morro Bay resident, not writer or columnist. He thanked Mr. Vesterfelt for his comments about the Morro Bay Police Department. Regarding the wastewater project, he stated the majority of residents want the plant upgraded but are concerned about the cost of the water reclamation component. He was also concerned only two companies were still in the bid process.

Pam Ochs, Save our Seniors in Morro Bay, expressed concern about different cost figures being reported for the WRF project and suggested the Council consider other less costly alternatives.

Mark Hanson, Morro Bay, stated his opposition to the sewer project and concern the increased costs would drive residents out of town.

Jeff Eckles, Morro Bay resident, small business owner and candidate for District 2 Supervisor, spoke to Item C-3. He thanked the Council for the resolution opposing offshore oil drilling, requested the Council address issues regarding desal not covered in the staff report and elaborate on concerns over aspects of sanctuary governance.

Erica Crawford, Morro Bay Chamber of Commerce, shared information from the Western Association of Chamber Executives conference she recently attended and announced upcoming events.

Council Member Makowetski commented on email correspondence received regarding value engineering and asked Public Works Director Livick to explain how that is addressed in the Water Reclamation Facility project. Mr. Livick explained value engineering is inherent in the design build process and scoring criteria has been set so that cost is 60% of the evaluation criteria. Additionally, the contract includes a standard provision for value engineering as well as a cost sharing incentive.

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

The public comment period was closed.

A. CONSENT AGENDA
<https://youtu.be/2xfvl2bjrSM?t=58m9s>

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 JANUARY 10, 2018 CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE JANUARY 17, 2018 CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

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

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

B. PUBLIC HEARINGS - NONE

C. BUSINESS ITEMS

C-1 DISCUSSION AND APPROVAL OF 2018 GOALS AND OBJECTIVES; (CITY MANAGER)
<https://youtu.be/2xfvl2bjrSM?t=58m47s>

City Manager Collins presented the report and responded to Council inquiries.

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

Council Member comments and recommended changes included the following:

Council Member Davis was pleased with the way items were tabulated and spoke to the importance of Goal 1: Objective 1.b) Emergency Cost Reduction Plan.

Council Member Makowetski spoke to public comment received regarding the City's low-income utility discount program. He contacted other municipalities and found San Luis Obispo is the only other city in San Luis Obispo County that has such a program. While not perfect, he appreciates the progress that has been made and otherwise approved the goals, as stated.

Council Member Heading requested quarterly updates include metrics to measure progress toward achieving goals. He also suggested the following changes:

- Goal 1: Item 2.b) – Supported an MOU with the Chamber to provide leadership and facilitation to further economic development and suggested a contingent of individuals also be involved to more broadly represent all of the disciplines.
- Goal 1: Item 3.a) Requested a full evaluation of the operation of the TBID since the City took it over in April.
- Goal 5: Item 2.d) Lease site audits need to evaluate not only financial components of leases but quality and adherence to certain guidelines for structures constructed on City land. He suggested this item be prioritized and evaluations be done as quickly as possible to mitigate potential risk issues.
- Simmer page – Goal 1:a) An active Council subcommittee continues to work on issues related to the future of the Dynegy site and activity occurs on a routine basis.

Council Member McPherson offered the following input:

- Goal 1: Item 2.b) Appreciated Council Member Heading's comments and suggested adding "and/or other arrangements to further economic development objectives." She fully supports the Chamber but like to expand to other professionals in the community. There was full Council support for this revision.
- Goal 1: Item 3.a) Agreed it was important to evaluate in-house tourism. Council Member Heading provided details to be considered in the review of the transition of TBID under the City: Measures of success would include reports on marketing program; hotelier involvement; TBID board function; adherence to existing ordinance; financial report to

include ADRs, occupancy rates (compared to other SLO County cities), TOT projections compared to past; and SLO County BID information.

- Council Member McPherson suggested the Council consider whether to drop a possible TOT rebate program from the previous list of objectives. Following discussion, it was agreed this should be placed on Simmer, for discussion of potential feasibility based on hotelier interest.
- The Council discussed renaming Goal #3 and agreed on “Public Infrastructure and Facility Maintenance and Improvement.”

Other items of concurrence:

Goal 3:b) The Council requested staff bring back discussion of a future marine services facility with a recommendation from the Harbor Advisory Board for next steps.

Goal 5:d) Wrap lease site evaluations and lease management policy update with Goal 1:2.d).

Goal 5:2.c) Move Community Choice Energy feasibility to Goal 1.

Mr. Collins reviewed edits agreed upon by the Council:

- Goal 1, Objective 2.b) – revised as follows: “Evaluate Memorandum of Understanding (MOU) with the Morro Bay Chamber of Commerce and/or other arrangements to further economic development objectives.”
- Goal 1: Objective 3.a) Overall evaluation of tourism including, ADR, RV assessment issue, evaluate overall tourism effort / transition, hotelier involvement, board functionality, and financial report. Also include information on partnership with Visit SLO BID.
- Goal 3: Change title to “Public Infrastructure and Facility Maintenance and Improvement”
- Goal 5: Objective 2.c) Move Community Choice Energy feasibility study to Goal 1.
- Goal 5: Objective 2.d) Move lease site evaluation /audits with financial partnership criteria and policy.
- Add TOT rebate program to Simmer.
- Future use of the Dynegy site remains on Simmer

The 2018 Goals and Objectives will be brought back in its final form for approval during budget discussions or earlier, if possible.

The Council took a brief recess at 8:10 p.m. The meeting reconvened at 8:22 p.m. with all members present.

C-2 FISCAL YEAR 2017/18 MID-YEAR BUDGET PERFORMANCE AND STATUS REPORT – SIX MONTHS ENDING DECEMBER 31, 2017; (FINANCE)
<https://youtu.be/2xfvl2bjrSM?t=2h10m34s>

Finance Director Callaway and Public Works Director Livick 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 Council supported staff recommendation to pay off the City’s Safety Tier I Fire CalPERS side fund, and to discuss use of opportunity fund balance of \$48,000 during budget discussions.

MOTION: Council Member McPherson moved the Council receive the FY 2017/18 Mid-Year Budget Performance and Status Report and authorize budget adjustments as recommended by staff. The motion was seconded by Council Member Makowetski and carried unanimously, 5-0.

MOTION: Council Member McPherson moved the Council receive FY 2017/18 Capital Improvement Plan Mid-Year Update. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

MOTION: Council Member McPherson moved the Council authorize the establishment of a Capital Pavement Management Plan Project to capture all Pavement Management work. The motion was seconded by Council Member Heading and carried unanimously, 5-0.

MOTION: Council Member McPherson moved to direct staff to make the pre-payment of the City's Safety Tier I Fire CalPERS side fund utilizing the City's General Fund Emergency Reserve as a funding source. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

C-3 DISCUSSION OF AGENDA FOR THE C-MANC ANNUAL "WASHINGTON WEEK" MEETINGS IN WASHINGTON, D.C., AND ADOPTION OF RESOLUTION NO. 07-18 PROTECTING OUR OCEAN AND COAST FROM OFFSHORE OIL DRILLING, EXPLORATION AND FRACKING; (HARBOR)
<https://youtu.be/2xfvl2bjrSM?t=3h10m39s>

Harbor Director Endersby presented the report and responded to Council inquiries.

Mayor Irons shared the template documents for resolution were submitted during public comment at the last meeting and that, along with historical information he collected, was used to craft the resolution. He announced Congressman Carbajal held a rally at the San Luis Obispo courthouse to tell the story of California's opposition to offshore drilling. Mayor Irons' comments during the rally included components of this draft resolution.

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

There was Council consensus to approve Resolution No. 07-18, as presented to the public and Council at the meeting with minor grammatical corrections and prepare a letter to be signed by Mayor Irons and submitted to the Bureau of Energy Management before the deadline.

MOTION: Council Member Heading moved approval, as amended, of Resolution No. 07-18, a Resolution of the City Council of the City of Morro Bay, California, opposing new or expansion of existing offshore oil and gas leases off the coast of San Luis Obispo County and supporting measures to prohibit discharge of pollutants into the ocean. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
<https://youtu.be/2xfvl2bjrSM?t=3h26m55s>

Council Member Makowetski requested discussion of placing additional fire pits at the Morro Rock parking lot. There was full Council support for this item.

Council Member Headding requested discussion of a new Jack LaLanne fitness apparatus near the Rock. Mr. Collins commented this item, as well as interest in a bocce ball court, has been reviewed by the Recreation & Parks Commission, and Council direction is needed. There was full support for this item.

ADJOURNMENT

The meeting adjourned at 9:42 p.m. The next Regular Meeting will be held on Tuesday, March 13, 2018, 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