

MINUTES  
MORRO BAY CITY COUNCIL SPECIAL MEETING  
MAY 8, 2018 – 4:00 P.M.  
MAY 9, 2018 – 4:30 P.M.  
VEERANS MEMORIAL HALL  
209 SURF STREET

AGENDA NO: A-4  
MEETING DATE: May 22, 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
	Sandra Martin	Budget and Accounting Manager

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Irons established a quorum and called the meeting to order at 4:03 p.m. with all Council Members present.

PUBLIC COMMENT FOR ITEMS ON THE AGENDA

<https://youtu.be/gOKsuDtpnGM?t=51s>

Erica Crawford, Morro Bay Chamber of Commerce, provided an update on the Economic Development Strategic Plan and 4M Business Assistance and Outreach program. The plan provides metrics to track progress, which will be reported on a monthly basis.

Marcia Alter, Homeshare SLO Board of Directors, thanked the Council for its continued support, provided an update on recent matches, and reinforced the request for continued funding.

Bill Skinner, Catalyst Consulting and Acquisitions, spoke in support of the Chamber's request for financial support for the 4MB Business Assistance Program.

Mike Manchak, Economic Vitality Corporation, spoke in support of the Chamber's economic development goals and requested the Council support their efforts.

Cyndee Edwards, Morro Bay business owner and Chair of the Morro Bay Chamber of Commerce, spoke on behalf of the Board and asked the Council to support the 4MB program.

Eric Foor, Morro Bay, asked staff to review discrepancies between year-end and beginning year budget numbers on page 24 and 26 of the report.

The public comment period was closed.

**I. FY 2018-19 BUDGET STUDY SESSION**  
<https://youtu.be/gOKsuDtpnGM?t=16m56s>

City Manager Collins and Finance Director Callaway presented the staff report and responded to Council inquiries.

Following discussion, there was Council consensus to increase the allocation for the Chamber's one-year pilot project for economic development (4MB Plan), from \$25,000 to \$30,000 with the increased amount coming from the Strategic Investment Spending Plan fund. The Council also supported a transfer of \$10,000 to the Facility Maintenance Fund for unforeseeable, unbudgeted City facility needs.

**II. Morro Bay Police Department Drone Program Announcement and Demonstration**  
<https://youtu.be/gOKsuDtpnGM?t=1h26m37s>

Police Chief Allen shared information about the MBPD Unmanned Aerial Systems (UAS/Drone) program and invited those present to gather outside for a demonstration. The Council, staff and community members present went outside at 5:30 p.m.

The Council returned to the dais at 5:41 p.m. with all but Council Member Davis present.

MOTION: Council Member McPherson moved to continue the meeting to Wednesday, May 9, 2018 at 4:30 p.m. The motion was seconded by Council Member Heading and carried 4-0-1 with Council Member Davis absent.

**III. FY 2018-19 BUDGET STUDY SESSION**  
<https://youtu.be/AhEjSYyKqcs?t=13s>

The Council reconvened on May 9, 2018 at 4:30 p.m. with all members present.

The Mayor re-opened public comment for items on the agenda.

John Solu, Morro Bay, provided historical information about the original TBID formation, explaining why vacation rentals were not originally included, and expressed appreciation for the City's commitment and support of the TBID.

The public comment period was closed.

Mr. Collins and Ms. Callaway presented the proposed FY 2018/19 Budget details and, along with staff, responded to Council inquiries.

Following discussion, the Council provided the following direction:

General Fund Budget

Acceptable as proposed. The Council requested staff research and bring back recommended acceptable subsidy levels for services.

Internal Service Funds

Research and make recommendations for minimum fund balances during FY 2018/19 1<sup>st</sup> Quarter Report.

### Capital Budget / Other Funds

There was general support for the proposed capital projects, with the following additional comments:

- Veterans Hall audio/visual improvements project to include new chairs. This item will come back to Council for approval.
- Sidewalks / Crosswalks - assess conditions in the Downtown, Embarcadero, and surrounding areas and bring back recommendations for improving high traffic pedestrian areas.
- Bocce Ball/Greenhouse – there was Council support for adding Bocce Ball courts, preferably at a designated City park rather than the Shasta Street pocket park location. Alternatively, staff could negotiate an agreement specifying it is not a permanent location.
- Surf Street stairs – funding for planning documents to be allocated from internal service funds and included in FY 2018/19 budget with the understanding funding for construction will occur in future years.

The Council took a brief recess at 7:05 p.m. The meeting reconvened at 7:14 p.m. with all members present.

### Enterprise Fund Capital Projects

<https://youtu.be/AhEjSYyKqcs?t=2h34m59s>

The proposed Enterprise Fund Capital Projects were reviewed. Staff noted a line item will be added to the WRF Project for legal expenses. The Council did request regular budget updates for the WRF project and analysis of the potential use of General Fund monies to pay off the Harbor Enterprise debt.

### Council Bequests

There was Council consensus to bring forward the following bequests for approval in the FY 2018/19 budget.

Economic Vitality Corporation (EVC) - \$10,000  
SCORE - \$500  
Community Resource Connections - \$1,000  
Monday night dinner facility fee waiver  
HomeShare SLO - \$5,000 paid from the Housing In-Lieu Fund

The Council directed \$5,000 be set aside for approved beautification projects with the remaining \$5,000 to be allocated as agencies come forward. It was noted the Senior Nutrition Program received \$5,000 in past years but had not yet submitted a request.

### ADJOURNMENT

The meeting adjourned at 8:08 p.m.

Recorded by:

Dana Swanson  
City Clerk