

MINUTES - MORRO BAY CITY COUNCIL  
SPECIAL MEETING – MAY 22, 2018  
VETERANS MEMORIAL HALL  
209 SURF STREET – 4:00 P.M.

AGENDA NO: A-2  
MEETING DATE: June 12, 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 & Accounting Manager

#### ESTABLISH QUORUM AND CALL TO ORDER

Mayor Irons established a quorum and called the meeting to order at 4:00 p.m. with all Council Members present.

#### PUBLIC COMMENT FOR ITEMS ON THE AGENDA

<https://youtu.be/yri-jhSmPys?t=46s>

Nancy Bast, Morro Bay, requested the Council consider replacing the Veterans Hall chairs during budget considerations.

Carole Truesdale, Morro Bay, asked the Council to fund Senior Nutrition at the full request of \$10,000. She also suggested the Council consider a 1% sales tax to address budget deficits.

The public comment period was closed.

#### SPECIAL MEETING AGENDA ITEM:

- I. BUDGET STUDY SESSION #3: PROPOSED BUDGET FOLLOW-UP, TEN-YEAR FORECAST UPDATE AND OPTIONS TO ADDRESS UNFUNDED LIABILITIES  
<https://youtu.be/yri-jhSmPys?t=6m13s>

City Manager Collins opened the item and requested clarification from Council on the following items:

City Attorney Contract - The requested rate increase of \$10 per hour for all billing codes was presented and a contract amendment will be brought to Council for consideration and approval at a future meeting.

Council Bequests – A request was received from Senior Nutrition following the May 9 meeting for support in the amount of \$10,000. The Council agreed to support that program at \$5,000 for FY 18/19.

### Capital Improvement Projects

- Park Strategic Plan – It was agreed analysis and recommendations should be done internally with input from the Public Works Advisory Board and Recreation & Parks Commission, potentially with participation of Cal Poly graduate students.
- Surf Street staircase – The Citizens Finance Advisory Committee forwarded a recommendation to reallocate the funds set aside for the Surf Street stair project to other ADA improvements that have a greater community benefit. Following discussion, the Council agreed it would be prudent to have those funds available for needs in higher traffic areas.

Finance Director Callaway presented the updated 10-year budget report and alternatives for addressing anticipated CalPERS pension impacts.

<https://youtu.be/yrj-jhSmPys?t=25m51s>

The Council considered various risk mitigation strategies and directed staff to return with a pension reserve policy guiding additional lump sum payments, when possible; reevaluate the current General Fund Emergency Reserve policy to focus on budget stabilization; and explore employee cost sharing of PERS contributions during employee negotiations

Mr. Collins presented potential new revenue streams and expenditures being evaluated by staff for future consideration.

<https://youtu.be/yrj-jhSmPys>

#### Revenues –

- RV Camping at the Rock
- Paid Parking Options
- Cannabis Tax
- Fee Increases
- Sale of Property / Credits

#### Expenditures -

- Evaluating Organizational Structure
- Reduction of on-going expenditures, where possible
- Employee Cost Sharing
- Services

No formal action was taken by the Council.

### ADJOURNMENT

The meeting adjourned at 5:36 p.m.

Recorded by:

Dana Swanson  
City Clerk