

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 12, 2018
VETERAN'S MEMORIAL HALL – 6:00 P.M.

AGENDA NO: A-1
MEETING DATE: July 10, 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
	Chris Neumeyer	Assistant City Attorney
	Dana Swanson	City Clerk
	Jennifer Callaway	Finance Director
	Scot Graham	Community Development Director
	Greg Allen	Police Chief
	Matt Vierra	Fire Marshal
	Eric Endersby	Harbor Director
	Jennifer Little	Tourism Manager

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:06 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/_Fd8FyWEBJk?t=2m14s

CITY MANAGER REPORTS, ANNOUNCEMENTS & PRESENTATIONS

https://youtu.be/_Fd8FyWEBJk?t=9m24s

PRESENTATIONS – None

- SLO Green Challenge by Civic Spark Fellows will be rescheduled to a future meeting.

PUBLIC COMMENT

https://youtu.be/_Fd8FyWEBJk?t=13m45s

Jennifer Barrett, owner of Jennifer's Unique Boutique located at 231 Morro Bay Blvd., provided the business spot. She offers a large selection of vintage and new items, including clothing and educational items. Her business is open 11:00 a.m. to 4:00 p.m. on weekdays and 10:00 a.m. to 5:00 p.m. on weekends.

Colt Esenwein, Morro Bay resident and new San Luis Obispo County Public Works Director, introduced himself and said he looks forward to working with Morro Bay staff.

Carolyn Brinkman, Morro Bay, spoke regarding Item C-4, requesting the City Council not change the existing ordinance requiring meeting minutes be included in the agenda for the next meeting.

Sharon Kimball, 1st Vice President of the League of Women Voters, spoke in support of the Mayor's recommendation to adopt the San Luis Obispo County Regional Code of Civility.

Deb Humphreys, League of Women Voters, spoke in support of the SLO County Code of Civility and briefly described services and resources available to help transform those concepts into action.

Renn Strong, Cayucos, spoke regarding climate concerns and referred the public to zeroengineering.com and zero5g.com for more information.

Bob Keller, Morro Bay, announced two Project Surf Camp fundraisers, a concert by Black Betty at the Siren at 7:00 p.m. Friday evening, and BBQ / Blood Drive on June 29 from 12 noon – 4:00 p.m. at 890 Shasta Avenue. Project Surf Camp runs from July 6 to August 4.

David Nelson, Morro Bay, stated there are alternatives, including module sewer plants, the City can pursue for less than the proposed WRF project. He also asked that dollar amounts be included on the protest ballot.

Marla Jo Sadowski, Morro Bay, spoke regarding Item C-4 and requested the Council not change the ordinance regarding timing of meeting minutes.

Steve Stevens, Morro Bay, concurred with previous comments relative to importance of having minutes from previous meetings available and encouraged the City to provide a table to share information regarding water treatment plant alternatives.

The Public Comment period was closed.

- A. CONSENT AGENDA
<https://youtu.be/Fd8FyWEBJk?t=41m54s>

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 MAY 8, 2018 CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-2 APPROVAL OF MINUTES FOR THE MAY 22, 2018 CITY COUNCIL SPECIAL
MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-3 APPROVAL OF MINUTES FOR THE MAY 22, 2018 CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-4 APPROVAL OF MINUTES FOR THE MAY 23, 2018 CITY COUNCIL SPECIAL CLOSED
SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-5 DESIGNATION OF REPRESENTATIVE(S) TO THE CALIFORNIA JOINT POWERS
INSURANCE AUTHORITY; (CITY CLERK)

RECOMMENDATION: City Council designate the Mayor as the official representative of the City of Morro Bay on the California Joint Powers Insurance Authority (CJPIA) Board of Directors. It is also recommended the Risk Manager be designated first alternate, and the City Manager as second alternate.

A-6 GENERAL MUNICIPAL ELECTION RESOLUTIONS FOR NOVEMBER 6, 2018 ELECTION; (CITY CLERK)

RECOMMENDATION: Council adopt Resolution No. 33-18 calling a general municipal election for November 6, 2018, and requesting consolidation of the election with the County, and Resolution No. 34-18 adopting regulations for candidate statements.

A-7 SLO REGIONAL CODE OF CIVILITY; (MAYOR)

RECOMMENDATION: Council review and adopt the SLO Regional Code of Civility.

A-8 RECEIVE AND FILE CITY RESPONSES TO LINDA STEDJEE AND MARLA JO BRUTON-SADOWSKI REGARDING ALLEGED BROWN ACT VIOLATIONS, AND PROVIDE COMMENT AS DEEMED APPROPRIATE; (CITY ATTORNEY)

RECOMMENDATION: Receive and file.

A-9 FISCAL YEAR 2017/18 THIRD QUARTER BUDGET PERFORMANCE AND STATUS REPORT – NINE MONTHS ENDING MARCH 31, 2018, AND ADOPTION OF RESOLUTION 35-18 AUTHORIZING STAFF TO PROCEED WITH THIRD-QUARTER BUDGET ADJUSTMENTS; (FINANCE)

RECOMMENDATION: City Council:

- A. Receive FY 2017/18 Third Quarter Budget Performance and status report and authorize budget adjustments as recommended in the attached Third Quarter Budget Performance Report; and**
- B. Adopt Resolution No. 35-18 authorizing staff to proceed with the third-quarter budget adjustments.**

Mayor Irons pulled Item A-7. Mayor Irons, Council Member Headding and Council Member McPherson pulled Item A-9.

The public comment period for the Consent Agenda was opened.

Erica Crawford, Morro Bay Chamber of Commerce, advocated for the SLO Regional Code of Civility, expressing the importance of creating an atmosphere of collaboration and cooperation that encourages people to step forward with ideas and opinions and motivates more people to serve.

Marla Jo Sadowski, Morro Bay, requested the Council pull Item A-4, Minutes for the May 23 Closed Session Meeting, to discuss whether or not it is correct that no reportable action occurred in closed session. She also expressed concern more was said during public comment than was included in those minutes.

The public comment period for the Consent Agenda was closed.

Council Member Headding pulled Item A-4

MOTION: Council Member Headding moved the Council approve all items on the Consent Agenda with the exception of Items A-4, A-7 and A-9. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

- A-4 APPROVAL OF MINUTES FOR THE MAY 23, 2018 CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)
<https://youtu.be/Fd8FyWEBJk?t=49m14s>

At the Mayor's request, Assistant City Attorney Neumeyer listed the specific items that must be reported out from closed session, as provided in Government Code section 54957.1, and clarified the letter referenced in public comment is not one of those items. He added the minutes only need to be a summary of what occurred at the meeting and what has been submitted is legally sufficient.

MOTION: Council Member Headding moved for approval of Item A-4. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

- A-9 FISCAL YEAR 2017/18 THIRD QUARTER BUDGET PERFORMANCE AND STATUS REPORT – NINE MONTHS ENDING MARCH 31, 2018, AND ADOPTION OF RESOLUTION 35-18 AUTHORIZING STAFF TO PROCEED WITH THIRD-QUARTER BUDGET ADJUSTMENTS; (FINANCE)
<https://youtu.be/Fd8FyWEBJk?t=52m42s>

Council Member Headding expressed concerned the report had not been reviewed by the Citizens Finance Advisory Committee and requested that be done in the future. At Council's request, Finance Director Callaway explained various transfers and corrections related to water and sewer fund. Mayor Irons requested the costs for Del Mar Park restroom maintenance be transferred to Park in-Lieu Government Impact Fees, rather than Facility Maintenance Fund. There was Council consensus to make this adjustment.

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

- A-7 SLO REGIONAL CODE OF CIVILITY; (MAYOR)
<https://youtu.be/Fd8FyWEBJk?t=1h2m27s>

Mayor Irons clarified he is asking the Council to review and endorse, not review and adopt, the SLO Regional Code of Civility and read the proposed policy language.

MOTION: Mayor Irons moved the Council endorse the SLO Regional Code of Civility. The motion was seconded by Council Member Makowetski for discussion.

Council Member Headding suggested the City review its current Civil Discourse Policy to determine if language from the Regional Code of Civility should be incorporated. There was concurrence to consider a comparison following endorsement at the regional level.

The motion carried unanimously, 5-0.

B. PUBLIC HEARINGS

- B-1 ADOPTION OF RESOLUTION NO. 36-18 CONTINUING THE PROGRAM AND LEVYING THE ASSESSMENTS FOR THE 2018/19 FISCAL YEAR FOR THE MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT (MBTBID); (TOURISM)
<https://youtu.be/Fd8FyWEBJk?t=1h14m33s>

Tourism Manager Little presented the staff report.

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

Council McPherson pointed out for the record the Council previously provided direction to staff to continue discussion of incorporating vacation rentals and RV Parks in the TBID at some assessment rate, and consideration of rescinding Resolution No. 03-16 specifying the City's contribution to TBID for future discussion on how to allocate those funds.

MOTION: Mayor Irons moved for adoption of Resolution No. 36-18 continuing the program and levying the assessments for the 2018/19 Fiscal Year for the Morro Bay Tourism Business Improvement District. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

B-2 PUBLIC HEARING AND ADOPTION OF RESOLUTION NO. 37-18, WHICH AMENDS THE FY 2018/19 MASTER FEE SCHEDULE ADOPTED BY RESOLUTION 17-18 ADDING A COMMERCIAL MEDICAL CANNABIS OPERATIONS PERMIT APPLICATION FEE; (COMMUNITY DEVELOPMENT)
<https://youtu.be/Fd8FyWEBJk?t=1h21m22s>

Community Development Director Graham presented the staff report and responded to Council inquiries.

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

MOTION: Council Member McPherson moved to add a Commercial Medical Cannabis Operations Permit Application Fee to the adopted FY 2018/19 Master Fee Schedule, amending Resolution 17-18 and adopting Resolution No. 37-18, which updates the City Master Fee Schedule for FY 2018/19. The motion was seconded by Council Member Heading and carried unanimously, 5-0.

The Council took a brief recess at 7:44 p.m. The meeting reconvened at 7:56 p.m. with all members present.

C. BUSINESS ITEMS

C-1 APPROVAL OF AMENDMENT NO. 3 TO CONTRACT SERVICES AGREEMENT WITH ALESHIRE & WYNDER, LLP FOR CITY ATTORNEY SERVICES; (FINANCE)
<https://youtu.be/Fd8FyWEBJk?t=1h39m24s>

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

Mayor Irons noted Assistant City Attorney Neumeyer stepped away during this item but is available for questions, if needed.

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

The Council expressed its confidence and satisfaction with legal services provided by Aleshire & Wynder but was uncomfortable with committing to three increases over the course of five years, given the current budget situation. Following discussion, the Council agreed to a \$10 per hour increase with discussion of further increases in the future.

MOTION: Council Member McPherson moved to amend the contract with Aleshire & Wynder to include \$10 per hour increase in each billing category beginning July 1, 2018, for a two-year period ending June 30, 2020, with future consideration of additional fee increases depending on achieving the City's revenue targets. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

C-2 RESOLUTION NO. 41-18 ADOPTING THE FISCAL YEAR 2018/19 OPERATING AND CAPITAL BUDGETS; (FINANCE)
<https://youtu.be/Fd8FyWEBJk?t=2h3m35s>

Ms. Callaway 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.

Mayor Irons suggested the Council consider funding to brand wayfinding signs for consistency. Staff noted there is \$100,000 in the Community Development budget for design and planning and that once cost estimates are available, if a budget amendment is needed, staff will bring that to Council for further direction.

MOTION: Council Member Headding moved for adoption of Resolution No. 41-18, authorizing the Fiscal Year 2018/19 Operating and Capital Budgets, including amendments approved by the City Council tonight. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

C-3 CONSIDERATION OF APPROVING THREE ELECTION RESOLUTIONS TO PLACE BEFORE CITY VOTERS, AT THE NOVEMBER 6, 2018 GENERAL MUNICIPAL ELECTION, A CANNABIS TAX BALLOT MEASURE TO ADD CHAPTER 3.70 (CANNABIS TAX) TO TITLE 3 OF THE MORRO BAY MUNICIPAL CODE FOR TAXATION OF COMMERCIAL CANNABIS OPERATIONS; (CITY ATTORNEY)
<https://youtu.be/Fd8FyWEBJk?t=2h29m15s>

Assistant City Attorney Neumeyer presented the staff report and responded to Council inquiries.

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

There was Council concurrence rebuttals were not needed and the Council subcommittee, consisting of Council Members Davis and McPherson should write the argument in support of the tax measure. Mr. Neumeyer agreed to provide a template and sample language for this purpose.

MOTION: Council Member Headding moved for approval of Resolutions 38-18 and 39-18 and, in addition, for 39-18 that we appoint existing subcommittee of Council to write the argument for. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

C-4 INTRODUCTION AND FIRST READING OF ORDINANCE NO. 614 AMENDING SECTION 2.08.090 AND SUBDIVISION 3.22.120 B. OF THE MORRO MUNICIPAL CODE RELATING TO COUNCIL MEETING MINUTES AND TERMS OF THE CITIZENS OVERSIGHT COMMITTEE, RESPECTIVELY; (CITY CLERK)
<https://youtu.be/Fd8FyWEBJk?t=2h50m44s>

Clerk Swanson provided a brief report and, along with Mr. Collins, responded to Council inquiries.

The public comment period for Item C-4 was opened; seeing none, the public comment period was closed.

MOTION: Council Member Headding moved the Council introduce through first reading Ordinance No. 614, by number and title only, amending Section 2.08.090 and Subdivision 3.22.120 B. of the Morro Bay Municipal Code relating to Council timing for preparation of Council meeting minutes and terms of the Citizens Oversight Committee, respectively. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
https://youtu.be/_Fd8FyWEBJk?t=3h11m18s

Council Member Headding requested the Council agendaize modifying the duties and responsibilities of the Citizens Finance Advisory Committee to include review of routine quarterly financial reports (when possible) prior to coming to Council. There was concurrence to bring this revision back as a Consent item.

E. ADJOURNMENT

The meeting adjourned at 9:31 p.m. The next Regular Meeting will be held on Tuesday, June 26, 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