



CITY OF MORRO BAY CITY COUNCIL AGENDA

The City of Morro Bay provides essential public services and infrastructure to maintain a safe, clean and healthy place for residents and visitors to live, work and play.

Regular Meeting - Tuesday, December 11, 2018 **Veterans Memorial Hall - 6:00 P.M.** **209 Surf St., Morro Bay, CA**

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE
RECOGNITION
CLOSED SESSION REPORT
MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS
CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS
PRESENTATIONS – None.

PUBLIC COMMENT PERIOD

Members of the audience wishing to address the Council on City business matters not on the agenda may do so at this time. For those desiring to speak on items on the agenda, but unable to stay for the item, may also address the Council at this time.

To increase the effectiveness of the Public Comment Period, the following rules shall be followed:

- When recognized by the Mayor, please come forward to the podium and state your name and city of residence for the record. Comments are to be limited to three minutes.
- All remarks shall be addressed to Council, as a whole, and not to any individual member thereof.
- The Council respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, commission and/or staff.
- Please refrain from public displays or outbursts such as unsolicited applause, comments or cheering.
- Any disruptive activities that substantially interfere with the ability of the City Council to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in City Council meetings is welcome and your courtesy will be appreciated.

A. CONSENT AGENDA

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion. The public will also be provided an opportunity to comment on consent agenda items.

A-1 APPROVAL OF MINUTES FOR THE OCTOBER 9, 2018 CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-2 APPROVAL OF MINUTES FOR THE OCTOBER 23, 2018 CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-3 APPROVAL OF MINUTES FOR THE NOVEMBER 27, 2018 CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-4 ADOPTION OF RESOLUTION NO. 99-18 DECLARING THE RESULTS OF THE
GENERAL MUNICIPAL ELECTION

RECOMMENDATION: Adopt Resolution No. 99-18.

- B. PUBLIC HEARINGS – None.

- C. BUSINESS ITEMS

- C-1 COMMENTS BY CURRENT MAYOR AND COUNCILMEMBERS

- C-2 PRESENTATIONS TO COUNCILMEMBER MATT MAKOWETSKI, COUNCILMEMBER
JOHN HEADDING AND MAYOR JAMIE IRONS

- C-3 OATH OF OFFICE AND PRESENTATION OF CERTIFICATES OF ELECTION TO
MAYOR JOHN HEADDING, COUNCILMEMBER DAWN ADDIS AND
COUNCILMEMBER JEFF HELLER

- C-4 COMMENTS BY NEWLY ELECTED MAYOR AND COUNCILMEMBERS

- D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

- E. ADJOURNMENT

The next Regular Meeting will be held on **Tuesday, January 8, 2019 at 6:00 p.m.** at the
Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

**THIS AGENDA IS SUBJECT TO AMENDMENT UP TO 72 HOURS PRIOR TO THE DATE AND TIME SET FOR
THE MEETING. PLEASE REFER TO THE AGENDA POSTED AT CITY HALL FOR ANY REVISIONS OR CALL
THE CLERK'S OFFICE AT 772-6205 FOR FURTHER INFORMATION.**

**MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE CITY COUNCIL AFTER
DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION AT CITY HALL
LOCATED AT 595 HARBOR STREET; MORRO BAY LIBRARY LOCATED AT 625 HARBOR STREET; AND
MILL'S COPY CENTER LOCATED AT 495 MORRO BAY BOULEVARD DURING NORMAL BUSINESS HOURS.**

**IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO
PARTICIPATE IN A CITY MEETING, PLEASE CONTACT THE CITY CLERK'S OFFICE AT LEAST 24 HOURS
PRIOR TO THE MEETING TO INSURE REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE
ACCESSIBILITY TO THE MEETING.**

MINUTES - MORRO BAY CITY COUNCIL
SPECIAL MEETING – OCTOBER 9, 2018
VETERAN'S MEMORIAL HALL – 4:30 P.M.

AGENDA NO: A-1
MEETING DATE: December 11, 2018

PRESENT:	Jamie Irons Robert Davis John Headding Matt Makowetski Marlys McPherson	Mayor Council Member Council Member Council Member Council Member
STAFF:	Scott Collins Joseph Pannone Dana Swanson Rob Livick Eric Casares	City Manager City Attorney City Clerk Public Works Director WRF Program Manager (Carollo Engineering)

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Irons called the meeting to order at 4:30 p.m. with all members present.

PUBLIC COMMENT FOR ITEMS ON THE AGENDA

<https://youtu.be/2DXnxtnn5Rc?t=57>

Mayor Irons opened public comment for items on the agenda. Seeing none, the public comment period was closed.

The Council took a brief recess at 4:32 p.m. The meeting reconvened at 4:38 p.m. with all Council Members present.

SPECIAL MEETING AGENDA ITEM:

I. OneWater Plan update and Provide Direction and Comments as Deemed Appropriate

<https://youtu.be/2DXnxtnn5Rc?t=157>

Public Works Director Livick and Eric Casares of Carollo Engineering presented the report and responded to Council inquiries.

The Council expressed appreciation for the level of detail and thorough analysis contained in the report. Mr. Livick announced staff will present the remainder of OneWater Plan to the Public Works Advisory Board on October 17, 2018, then back to the City Council in November.

ADJOURN

The meeting adjourned at 5:51 p.m.

Recorded by:

Dana Swanson,
City Clerk

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MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – OCTOBER 23, 2018
VETERAN'S MEMORIAL HALL – 6:00 P.M.

AGENDA NO: A-2
MEETING DATE: December 11, 2018

PRESENT:	Jamie Irons Robert Davis John Headding Matt Makowetski Marlys McPherson	Mayor Council Member Council Member Council Member Council Member
STAFF:	Scott Collins Chris Neumeyer Dana Swanson Jennifer Callaway Rob Livick Scot Graham Jody Cox Steve Knuckles Eric Endersby Jennifer Little Eric Casares	City Manager Assistant City Attorney City Clerk Finance Director Public Works Director Community Development Director Acting Police Chief Fire Chief Harbor Director Tourism Manager WRF Program Manager (Carollo Engineering)

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 – Assistant City Attorney Neumeyer reported that with regard to the Closed Session items, the Council did not take any reportable action pursuant to the Brown Act.

MAYOR AND COUNCIL MEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/tWVL92E3bLo?t=151>

CITY MANAGER REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/tWVL92E3bLo?t=503>

PRESENTATIONS

<https://youtu.be/tWVL92E3bLo?t=677>

- Chamber of Commerce Quarterly Presentation for 3rd Quarter 2018
- Morro Bay in Bloom Presentation of Outstanding Achievement Award for Landscaped Areas

PUBLIC COMMENT

<https://youtu.be/tWVL92E3bLo?t=1684>

Eric Terhorst, Morro Bay Skateboard Museum, provided the business spot. The Skateboard Museum was founded in 2012 by Jack Smith to display memorabilia and preserve the history of skateboarding.

Susan Stewart, Morro Bay resident and business owner, expressed concern about the lack of coordinated publicity for several events held on October 6. She also stated support for approval of funding for downtown landscape improvements.

John Weiss, Morro Bay resident/business owner and candidate for Mayor, asked that the 1,000 protests submitted at the September 11 meeting be validated before proceeding with a contract.

Dan Sedley, Morro Bay, spoke regarding the Code of Civility, requested the Council apologize to Ms. Hawley for interrupting her public comment, and challenged members of the Council to call another member out of order if they stifle public comment. He asked the Council to place the Code of Civility on the agenda for discussion and adoption.

Aaron Ochs, Morro Bay, announced Save Morro Bay hired attorney to inspect and count the ballots, specifically the 1,000 disregarded by the City Council. He hoped the Council will count and validate those ballots.

Christine Robertson, Vice President of Civic Engagement and Advocacy for Visit SLO CAL, expressed support for the City of Morro Bay to host Amgen Tour of California in 2019, celebrating the reopening of Highway 1. Visit SLO CAL has set aside \$50,000 to assist host cities.

Rigmor, Morro Bay, urged the Council to move forward with the Water Reclamation Facility and stated South Bay Blvd. was the best and least contentious site.

Jon Elliott, Morro Bay, announced the Morro Bay Trick-or-Treat event to be held in downtown Morro Bay on Wednesday, October 31st from 3:00 – 5:30 p.m.

Cynthia Hawley referred to Council Policies and Procedures requiring those speaking at public comment to address the Council as a whole and not engage in dialogue with individual Members. She felt that policy was misrepresented at the October 9 Council Meeting.

Dawn Addis, Morro Bay resident and candidate for City Council, read excerpts from letters received from Morro Bay High School students in support of relocating the wastewater treatment plant away from the beach and urged the Council to move forward with approval of the contract with Black & Veatch. She also stated her support for hosting the Amgen Tour.

Jeffrey Morgan, Morro Bay, spoke in support of hosting the Amgen Tour and moving forward with the Black & Veatch contract.

David Abrecht, San Luis Obispo Bicycle Club, encouraged the Council to approve funding to host a finish stage of the 2019 Amgen Tour of California.

Gary Havas, San Luis Obispo resident and Bike SLO County Board Member, spoke in support of hosting the Amgen Tour of California.

Rick Ellison, Executive Director of Bike SLO County, supported allocation of funds to allow Morro Bay to be a finish stage for the Amgen Tour of California.

The Public Comment period was closed.

Mayor Irons responded to issues raised during public comment.

A. CONSENT AGENDA
<https://youtu.be/tWVL92E3bLo?t=3627>

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 25, 2018 CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-2 APPROVAL OF MINUTES FOR THE OCTOBER 15, 2018 CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-3 ADOPT RESOLUTION NO. 85-18 RESCINDING RESOLUTION NO. 33-15 IN ITS ENTIRETY AND ADOPTING THE GENERAL FUND EMERGENCY RESERVE POLICY, INTERNAL SERVICE FUNDS RESERVE POLICY, HARBOR ACCUMULATION FUND RESERVE POLICY AND MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT RESERVE POLICY; (FINANCE)

RECOMMENDATION: City Council adopt Resolution No. 85-18.

- A-4 ADOPTION OF ORDINANCE NO. 617 AMENDING SECTION 3.08.130 OF THE MORRO BAY MUNICIPAL CODE RELATING TO AUTHORITY TO SELL SURPLUS SUPPLIES AND EQUIPMENT; (FINANCE)

RECOMMENDATION: City Council waive reading of Ordinance No. 617 in its entirety and adopt Ordinance No. 617, by number and title only, amending Section 3.08.130 of the Morro Municipal Code (MBMC) relating to authority to sell surplus supplies and equipment.

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

Mayor Irons pulled Item A-3.

MOTION: Mayor Irons moved for approval of all items on the Consent Agenda with the exception of Item A-3. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

- A-3 ADOPT RESOLUTION NO. 85-18 RESCINDING RESOLUTION NO. 33-15 IN ITS ENTIRETY AND ADOPTING THE GENERAL FUND EMERGENCY RESERVE POLICY, INTERNAL SERVICE FUNDS RESERVE POLICY, HARBOR ACCUMULATION FUND RESERVE POLICY AND MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT RESERVE POLICY; (FINANCE)
<https://youtu.be/tWVL92E3bLo?t=3682>

Council Member McPherson noted there were minor typographical errors in the document that should be corrected prior to finalization. Mayor Irons spoke to the Tourism Business Improvement District ("TBID") portion of policy, noting the Council had previously received public comment recommending a 10% reserve. He suggested the 25% reserve provided in the policy and approved by the TBID Board be revisited after one full year to discuss whether 10% or 25% is the appropriate reserve level.

MOTION: Mayor Irons moved the Council approve Item A-3 with direction to staff to review the TBID portion of reserve policy a year following annual approval of TBID assessment and edits referred to by Council Member McPherson. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

There was consensus to bring back TBID reserve policy for review of the appropriate reserve level during annual resolution to adopt the TBID assessment in 2020.

B. PUBLIC HEARINGS - None

C. BUSINESS ITEMS

C-1 APPROVAL OF CONTRACT WITH FILANC/BLACK & VEATCH FOR DESIGN AND CONSTRUCTION OF THE NEW WATER RECLAMATION FACILITY; (PUBLIC WORKS)
<https://youtu.be/tWVL92E3bLo?t=3980>

Public Works Director Livick and WRF Program Manager Casares presented the report and responded to Council inquiries.

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

Dan Sedley, Morro Bay, opposed approval of the contract because the City had not validated 1,000 protests submitted on September 11.

Meredith Bates, Morro Bay, suggested an incentive be provided for early completion and penalties for late completion. She also stressed the importance of local procurement and labor.

Cynthia Hawley opposed approval of the contract and asked a number of process questions.

Carolyn Brinkman, Morro Bay, asked if WRFCAC had reviewed the contract, for clarification regarding the different companies named in the contract, and what happens if the WIFIA loan isn't funded.

Jim Soderborg, Morro Bay, asked who would own the design work and intellectual property if the contract were canceled.

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

Staff responded to questions raised during public comment.

Following Council discussion, there was consensus to move forward with staff recommendation with a minor change to Section 3.23.1 specifying San Luis Obispo County APCD.

MOTION: Council Member Headding moved the Council award a contract with Filanc/Black & Veatch for design and construction of the new water reclamation facility and authorize the Mayor to execute the agreement in the amount of \$67,234,512. with the addendum to change Section 3.23.1, line 1 and line 5, add "County APCD." The motion was seconded by Council McPherson and carried unanimously, 5-0.

The Council took a brief recess at 8:38 p.m. The meeting reconvened at 8:54 p.m. with all Council Members present.

C-2 CONSIDERATION AND APPROVAL OF TBID ACCUMULATION FUND SUPPORT FOR HOSTING AMGEN TOUR OF CALIFORNIA STAGE FINISH IN MORRO BAY; (CITY MANAGER/TOURISM MANAGER)
<https://youtu.be/tWVL92E3bLo?t=9709>

City Manager Collins provided an overview and Tourism Manager Little presented the report and responded to Council inquiries.

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

MOTION: Council Member Davis moved the Council approve hosting the 2019 Amgen "Tour of California" Highway 1 stage finish in Morro Bay and approve use of between \$55,000 to \$65,000 in TBID Accumulation Funds to support the associated hosting costs. The motion was seconded by Council Member Makowetski and carried unanimously, 5-0.

C-3 ADOPTION OF RESOLUTION NO. 86-18 APPROVING AMENDMENT #4 TO THE NEW MASTER LEASE AGREEMENT BETWEEN THE CITY OF MORRO BAY AND BOATYARD LLC FOR LEASE SITE 89/89W, LOCATED AT 845 EMBARCADERO, AND COMMONLY KNOWN AS "THE BOATYARD," AND AMENDMENT #2 TO THE NEW MASTER LEASE AGREEMENT BETWEEN THE CITY OF MORRO BAY AND FAIR SKY PROPERTIES LLC FOR LEASE SITE 90/90W, LOCATED AT 885 EMBARCADERO, AND COMMONLY KNOWN AS "OTTER ROCK CAFÉ"; (HARBOR)
<https://youtu.be/tWVL92E3bLo?t=11698>

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

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

MOTION: Council Member Headding moved the Council adopt Resolution No. 86-18 approving Amendment #4 to the new Master Lease Agreement between the City of Morro Bay and Boatyard LLC for Lease Site 89/89W, located at 845 Embarcadero, and commonly known as "The Boatyard," and Amendment #2 to the new Master Lease Agreement between the City of Morro Bay and Fair Sky Properties LLC for Lease Site 90/90W, located at 885 Embarcadero, and commonly known as "Otter Rock Café." The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
<https://youtu.be/tWVL92E3bLo?t=12409>
None

E. ADJOURNMENT

The meeting adjourned at 9:40 p.m. The next Regular Meeting will be held on Tuesday, November 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

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

AGENDA NO: A-3
MEETING DATE: December 11, 2018

PRESENT:	Jamie Irons Robert Davis John Headding Matt Makowetski Marlys McPherson	Mayor Council Member Council Member Council Member Council Member
STAFF:	Scott Collins Chris Neumeyer Dana Swanson Jennifer Callaway Rob Livick Scot Graham Jody Cox Eric Endersby	City Manager Assistant City Attorney City Clerk Finance Director Public Works Director Community Development Director Police Chief Harbor Director

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:04 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/h5WDHP5mJgQ?t=138>

CITY MANAGER REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/h5WDHP5mJgQ?t=422>

PRESENTATIONS - None

Mayor Irons sought Council consensus to move Declaration of Future Agenda Items to the first course of business following Public Comment. All Council Members agreed.

<https://youtu.be/h5WDHP5mJgQ?t=484>

PUBLIC COMMENT

<https://youtu.be/h5WDHP5mJgQ?t=527>

Giovanni DeGarimore, owner of Giovanni's Fish Market, provided the business spot. He is a 2nd generation commercial fisherman and seafood distributor, runs the fuel dock and marina near Giovanni's, as well as Stax Wine Bar.

Chuck Stoll, Morro Bay, spoke about the success of the Monday Night Community Dinner program and urged the Council to approve Item C-3 declaring a homeless shelter crisis,

Linda Fidell, Morro Bay, spoke in support of declaring a homeless shelter crisis.

The Public Comment period was closed.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

<https://youtu.be/h5WDHP5mJgQ?t=953>

Council Member Headding requested the Council discuss whether to direct staff to formally verify and tabulate all ballots the City received prior to the end of the public hearing. His suggestion was not to reopen whether there were sufficient valid ballots to protest the WRF surcharge as that decision had been made. He hoped verifying and tabulating the number of protests would lay to rest any consternation regarding those who may have protested and not been heard. During tabulation staff could use all criteria provided in Resolution No. 44-18 except the requirement they be dated after July 13, 2018. As part of discussion, he asked the Council to decide whether the presently seated Council or that to be seated in early December should make that decision. He requested this item be brought back to the next Council meeting to be completed by the Clerk according to a timeline determined by City Manager. There was full Council support for this item. Mr. Collins confirmed a staff report would be prepared for Thursday's special meeting.

Based on the passage of Measure D-18, Council Member McPherson requested discussion of establishing a cannabis tax rate. There was full Council support for this item.

Council Member McPherson requested the Council consider a future agenda item related to Item C-3 to be heard later in the meeting. It was agreed that could be discussed during Item C-3.

Council Member McPherson requested discussion of separating functions of WRFCAC and CFAC so financial aspects of WRF would be brought to the CFAC and the WRFCAC would deal only with technical issues. There was full support for this item.

A. CONSENT AGENDA

<https://youtu.be/h5WDHP5mJgQ?t=1467>

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 OCTOBER 9, 2018 CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-2 APPROVAL OF MINUTES FOR THE OCTOBER 24, 2018 CITY COUNCIL SPECIAL
CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-3 APPROVAL OF MINUTES FOR THE NOVEMBER 14, 2018 CITY COUNCIL SPECIAL
CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-4 SECOND READING AND ADOPTION OF ORDINANCE 618 AUTHORIZING THE
IMPLEMENTATION OF A COMMUNITY CHOICE ENERGY; (ADMINISTRATION)

RECOMMENDATION: Staff recommends the City Council waive reading of Ordinance No. 618 in its entirety and adopt Ordinance 618, "An Ordinance of the City Council of the City of Morro Bay, California, Repealing the Existing Community Choice Aggregation Ordinance (Ordinance No. 616) and Authorizing the Implementation of a Community Choice Aggregation Program By Participating

in Monterey Bay Community Power Authority's Community Choice Aggregation Program."

- A-5 ADOPTION OF RESOLUTION NO. 92-18 APPROVING ONEWATER MORRO BAY PLAN; (PUBLIC WORKS)

RECOMMENDATION: Adopt Resolution No. 92-18.

- A-6 ADOPTION OF RESOLUTION NO. 93-18, ESTABLISHING A SEMI-ANNUAL CITY MANAGER EVALUATION PROCESS AND RESCINDING RESOLUTION NO. 04-18; (CITY ATTORNEY)

RECOMMENDATION: Based on comments from the City Council during the City Manager's evaluation on November 14, 2018, the City Attorney recommends the City Council adopt Resolution No. 93-18, establishing a semi-annual evaluation process for City Manager.

- A-7 DIRECTION REGARDING POTENTIAL REUSE OF SOON TO BE DECOMMISSIONED TROLLEY AS A MOBILE VISITOR CENTER: (PUBLIC WORKS)

REVISED RECOMMENDATION: Staff recommends the Council direct staff to sell the Trolley that is set for decommissioning and replacement, sending all sale proceeds to the City's Transportation Fund, and pursue further review of options related to the City's Visitor Center during the 2019 Goals process.

Mayor Irons pulled Item A-5.

Council Member McPherson announced the staff report for Item A-6 included an older evaluation form. The corrected form with a 3-point scale was made available as a revised Exhibit A. City Attorney Neumeyer clarified the differences for the record. On page 28 of the agenda packet, the ranking will be 5,3,1 instead of 5,4,3,2,1, and on page 9 of 9 for the narrative evaluation, item 3 should be, "Progress toward achieving City Council's Strategic Goals," and item 4 is, "Plan for improvement (if necessary)."

MOTION: Council Member McPherson moved for approval of Item A-6, as amended. The motion was seconded by Council Member Headding and carried unanimously, 5-0.

MOTION: Council Member Headding moved the Council approve Items A-1, A-2, A-3, A-4 and A-7 on the Consent Agenda. The motion was seconded by Council Member Makowetski and carried unanimously, 5-0.

- A-5 ADOPTION OF RESOLUTION NO. 92-18 APPROVING ONEWATER MORRO BAY PLAN; (PUBLIC WORKS)
<https://youtu.be/h5WDHP5mJgQ?t=1636>

Mayor Irons sought Council support to add a new Whereas statement and revise Section 2 of Resolution No. 92-18, as follows:

WHEREAS, the City passed a water and wastewater surcharge rate on September 11, 2018, for the purpose of building a new Water Reclamation Facility, that action along with the previously imposed water and wastewater rate increases approved in 2015, will provide for the ongoing maintenance of the City's water and wastewater conveyance systems through 2040. The average annual funds allotted for water infrastructure is \$1,357,600 and wastewater

collection system is \$1,019,200 over years one through five of the OneWater Morro Bay Capital Improvement Program; and

Section 2. Staff is directed to take the following actions regarding the implementation of the Plan's 20-year Capital Improvement Program (CIP):

- A. Bring to Council the 5-year CIP for water, wastewater, and stormwater, for consideration and adoption with the FY 19/20 budget, and
- B. Begin the process for successive 5-year CIP's for water, wastewater, and stormwater to fulfill the 20-year CIP.

MOTION: Council Member Headding moved for approval of Item A-5 with the noted changes as outlined by the Mayor. The motion was seconded by Council Member Makowetski and carried unanimously, 5-0.

B. PUBLIC HEARINGS - None

C. BUSINESS ITEMS

C-1 APPROVAL OF WATER RECLAMATION FACILITY PROGRAM MANAGEMENT CONTRACT AMENDMENT NO. 1; (ADMINISTRATION/PUBLIC WORKS)
<https://youtu.be/h5WDHP5mJgQ?t=1842>

City Manager Collins and Public Works Director Livick presented the report and, along with Eric Casares of Carollo Engineering, responded to Council inquiries.

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

Lorie Noble, Morro Bay, expressed concern regarding the cost of the project and requested this item be continued until it can be reviewed by the WRFCAC.

Jeff Heller, Morro Bay, urged the Council to continue the item to January to allow review by the WRFCAC at its December 17 meeting. He also restated the importance of an owner's agent to make decisions on what services are provided.

Nancy Bast, Morro Bay, suggested this decision be continued until the new Council and advisory committees can publically discuss it.

Steve Stevens, Morro Bay, proposed the Council vote for continuance and defer to new Council to hear feedback via citizens advisory committees.

Betty Winholtz, Morro Bay, asked for confirmation \$127M includes all three projects, questioned timing of annexation and purchase of the property, and was concern the proposed permitting process would preempt appeal rights.

Marla Jo Sadowski, Morro Bay, asked how the property value would be determined and suggested the Mayor and Marshall Ochylski may have conflicts of interest and should recuse themselves from decisions regarding annexation.

Carolyn Brinkman, Morro Bay, asked for clarification regarding the project timeline, noting the City may not know until December 2019 whether direct potable reuse will work.

Roger Ewing, Morro Bay, opposed the South Bay Blvd. project site.

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

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

Following discussion, the Council was comfortable all concerns raised during public had been addressed, the proper internal control procedures were in place, and financial information was available to the public via OpenGov. It was also noted the WRFAC reviewed the program management contract and made recommendations to move forward.

MOTION: Council Member McPherson moved the Council authorize the Public Works Director to sign Amendment No. 1 (Attachment 1) to the existing agreement with Carollo Engineers, Inc., dated April 11, 2018, for program management of the Water Reclamation Facility Program in an increased amount of \$1,606,948. The motion was seconded by Mayor Irons and carried unanimously, 5-0.

The Council took a brief recess at 8:24 p.m. The meeting reconvened at 8:38 p.m. with all Council Members present.

C-2 REVIEW AND APPROVE THE FIRST AMENDMENT TO EMPLOYMENT CONTRACT WITH SCOTT COLLINS, CITY MANAGER; (CITY ATTORNEY)
<https://youtu.be/h5WDHP5mJgQ?t=8514>

Assistant City Attorney Neumeyer presented the report and asked the Mayor to read the proposed compensation into the record, as required by Government Code Subdivision 54953(c)(3).

Mayor Irons read the following statement: "The City Manger's annual salary will be \$188,800. The City's annual contribution to his deferred compensation will be \$5,500."

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

The Council expressed its complete satisfaction with Mr. Collins' performance over the past year.

MOTION: Council Member Davis recommended the Council approve the First Amendment to the employment contract with Scott Collins, City Manager, and authorize the Mayor to sign the contract on behalf of the City. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

C-3 ADOPTION OF RESOLUTION NO. 94-18 DECLARING A HOMELESS SHELTER CRISIS; (ADMINISTRATION)
<https://youtu.be/h5WDHP5mJgQ?t=8990>

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

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

As the City's representative to HSOC and EBAC, Council Member McPherson supported adoption of the Resolution and potential grant funding for renovating or improving part of a facility to set up temporary shelter. She offered to gather information regarding the Los Osos warming shelter program and bring back a recommendation to Council regarding feasibility of proceeding with a grant application. Council members noted a warming shelter would need to be staffed by volunteers and not commit the City to ongoing expenses.

MOTION: Council Member McPherson moved the Council adopt Resolution No. 94-18 declaring a homeless shelter crisis in Morro Bay pursuant to the Homeless Emergency Aid Program under SB 850, with the exclusion of the Whereas in the resolution having to do with Grover Beach. The motion was seconded by Council Member Makowetski and carried unanimously, 5-0.

C-4 RECEIVE AND FILE FISCAL YEAR (FY) 2017/18 STATUS REPORT ON RECEIPT AND USE OF DEVELOPMENT IMPACT FEES; (FINANCE)
<https://youtu.be/h5WDHP5mJgQ?t=10469>

Finance Director Callaway presented the report and responded to Council inquiries.

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

No formal action was taken on this item.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

Council Member McPherson requested discussion of the feasibility of submitting a grant application for the HEAP program at the December 11th meeting in order to meet the application deadline.

E. ADJOURNMENT

The meeting adjourned at 9:27 p.m. The next Regular Meeting will be held on Tuesday, December 11, 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

RESOLUTION NO. 99-18

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
RECITING THE FACT OF THE GENERAL MUNICIPAL ELECTION
HELD IN THE CITY OF MORRO BAY ON THE 6th DAY OF NOVEMBER 2018,
DECLARING THE RESULTS THEREOF,
AND SUCH OTHER MATTERS AS PROVIDED BY LAW**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, a General Municipal Election was held and conducted in the City of Morro Bay (City), County of San Luis Obispo, State of California, on Tuesday, November 6, 2018, as required by law (the "Election"); and

WHEREAS, notice of the Election was duly and regularly given in time, form and manner as provided by law; voting precincts were properly established; election officers were appointed; and in all respects the Election was held and conducted and the votes were cast, received and canvassed and the returns made and declared in time, form and manner as required by the provisions of the Elections Code of the State of California for holding elections in general law cities; and

WHEREAS, the San Luis Obispo County Elections Division canvassed the returns of the election and the County Clerk has certified the results to this City Council, and the results are received, attached and made part hereof as Exhibit "A."

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, as follows:

1. The whole number of votes (ballots) cast in the precincts was 1,502 and the whole number of vote by mail voter ballots cast in the City was 4,430, making a total of 5,932 votes (ballots) cast in the City.
2. The names of the persons voted for at the Election for Mayor are as follows:

John Headding
John Weiss

The names of the persons voted for at the Election for Council Member are as follows:

Dawn Addis
Jeff Heller
Betty Winholtz
Jan Goldman
Jesse Barron

The measure voted upon at the election is as follows:

CITY OF MORRO BAY
MEASURE D-18

Shall the measure, known as Measure D-18 , imposing maximum tax of ten cents per \$1 of proceeds of commercial cannabis operations, annual maximum tax of \$25 per square foot of commercial cultivation area (CPI adjustments), no sunset clause, estimated \$25,000 to \$225,000 annual collections on currently allowed operations, revenue available for unrestricted general revenue purposes, be adopted?	YES
	NO

3. The number of votes given at each precinct and the number of votes given in the City to each of the persons above named for the respective offices for which the persons were candidates were as listed in Exhibit "A," attached.
4. The City Council does declare and determine:
 - a. **JOHN HEADDING** was elected as Mayor of the City for the full term of two years;
 - b. **DAWN ADDIS** was elected as Council Member of the City for a full term of four years; **JEFF HELLER** was elected as Council Member of the City for a full term of four years; and
 - c. As a result of the election, a majority of the voters voting on Measure D-18 relating to a commercial cannabis tax did vote in favor of it; and the measure was carried, and shall be deemed adopted and go into effect ten days after the date the vote is declared by the City Council of the City of Morro Bay, pursuant to Election Code section 9217. Measure D-18 (Ordinance No. 615) is attached hereto as Exhibit B.
5. The City Clerk shall enter on the records of the City Council of the City, a statement of the result of the Election, showing: (1) the whole number of votes (ballots) cast in the City, (2) the names of the persons voted for, (3) for what office each person was voted for, (4) the number of votes given at each precinct to each person and (5) the total number of votes given to each person.
6. The City Clerk shall make and deliver to each of such persons so elected a Certificate of Election signed by the City Clerk and authenticated; and the City Clerk shall administer to each person elected, the Oath of Office prescribed in the State Constitution of the State of California and shall have them subscribe to it and file it in the office of the City Clerk. Each and all of the persons so elected shall then be inducted into the respective office to which they have been elected.
7. The City Clerk shall cause Ordinance No. 615 to be codified as part of the Morro Bay Municipal Code.

8. The City Clerk shall certify to the passage and adoption of this Resolution and shall enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a special meeting thereof held on the 11th day of December 2018 on the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

**CERTIFICATE OF THE COUNTY CLERK
RESULTS OF CANVASS OF ALL VOTES CAST
NOVEMBER 6, 2018 CONSOLIDATED GENERAL ELECTION
CITY OF MORRO BAY**

I, **TOMMY GONG**, County Clerk-Recorder of the County of San Luis Obispo, do hereby certify that pursuant to law I did canvass the returns of the votes cast at the above referenced election in the City of Morro Bay on November 6, 2018, and that a copy of the Statement of Votes Cast to which this certificate is attached, shows the number of votes cast in said city for each candidate for the office of Mayor and Member of the City Council and that the totals shown for each candidate for the office of Mayor and Member of the City Council in said city and in each of the respective precincts therein, are full, true and correct.

WITNESS, my hand and Official Seal this 5th day of December, 2018.



TOMMY GONG, County Clerk-Recorder



**SOVC for: CITY OF MORRO BAY MAYOR, CITY OF MORRO BAY COUNCILMEMBER,
D-18 CITY OF MORRO BAY CANNABIS BUSINESS TAX
(Majority Vote), CITY OF MORRO BAY, All Counting Groups**

**STATEMENT OF VOTES CAST
NOVEMBER 6, 2018 CONSOLIDATED GENERAL ELECTION
COUNTY OF SAN LUIS OBISPO
FINAL OFFICIAL ELECTION RESULTS - SPLIT BY PRECINCTS**

Precinct	Registered Voters	Cards Cast	Voters Cast	% Turnout
Electionwide				
SLO				
CON 207-19L.30				
Polling	1,067	212	212	19.87%
Vote by Mail	1,067	663	663	62.14%
Total	1,067	875	875	82.01%
CON 208-19.30				
Polling	985	223	223	22.64%
Vote by Mail	985	545	545	55.33%
Total	985	768	768	77.97%
CON 209-19.30				
Polling	961	181	181	18.83%
Vote by Mail	961	549	549	57.13%
Total	961	730	730	75.96%
CON 210-20L.30				
Polling	811	136	136	16.77%
Vote by Mail	811	481	481	59.31%
Total	811	617	617	76.08%
CON 211-21L.30				
Polling	1,020	180	180	17.65%
Vote by Mail	1,020	598	598	58.63%
Total	1,020	778	778	76.27%
CON 212-21				
Polling	1,446	293	293	20.26%
Vote by Mail	1,446	818	818	56.57%
Total	1,446	1,111	1,111	76.83%

Precinct	Registered Voters	Cards Cast	Voters Cast	% Turnout
CON 213-21				
Polling	1,300	277	277	21.31%
Vote by Mail	1,300	776	776	59.69%
Total	1,300	1,053	1,053	81.00%
SLO - Total	7,590	5,932	5,932	78.16%
Electionwide - Total	7,590	5,932	5,932	78.16%

CITY OF MORRO BAY MAYOR (Vote for 1)

Precinct	Times Cast	Registered Voters	Undervotes	Overvotes
Electionwide				
SLO				
CON 207-19L.30				
Polling	212	1,067	9	2
Vote by Mail	663	1,067	53	0
Total	875	1,067	62	2
CON 208-19.30				
Polling	223	985	13	0
Vote by Mail	545	985	23	1
Total	768	985	36	1
CON 209-19.30				
Polling	181	961	13	1
Vote by Mail	549	961	35	0
Total	730	961	48	1
CON 210-20L.30				
Polling	136	811	12	0
Vote by Mail	481	811	27	0
Total	617	811	39	0
CON 211-21L.30				
Polling	180	1,020	13	0
Vote by Mail	598	1,020	41	0
Total	778	1,020	54	0
CON 212-21				
Polling	293	1,446	22	0
Vote by Mail	818	1,446	61	0
Total	1,111	1,446	83	0
CON 213-21				
Polling	277	1,300	20	0
Vote by Mail	776	1,300	40	0
Total	1,053	1,300	60	0

Precinct	JOHN HEADING		JOHN WEISS	
Electionwide				
SLO				
CON 207-19L.30				
Polling	98	48.76%	103	51.24%
Vote by Mail	313	51.31%	297	48.69%
Total	411	50.68%	400	49.32%
CON 208-19.30				
Polling	112	53.33%	98	46.67%
Vote by Mail	271	52.02%	250	47.98%
Total	383	52.39%	348	47.61%
CON 209-19.30				
Polling	80	47.90%	87	52.10%
Vote by Mail	281	54.67%	233	45.33%
Total	361	53.01%	320	46.99%
CON 210-20L.30				
Polling	65	52.42%	59	47.58%
Vote by Mail	213	46.92%	241	53.08%
Total	278	48.10%	300	51.90%
CON 211-21L.30				
Polling	77	46.11%	90	53.89%
Vote by Mail	271	48.65%	286	51.35%
Total	348	48.07%	376	51.93%
CON 212-21				
Polling	138	50.92%	133	49.08%
Vote by Mail	403	53.24%	354	46.76%
Total	541	52.63%	487	47.37%
CON 213-21				
Polling	148	57.59%	109	42.41%
Vote by Mail	395	53.67%	341	46.33%
Total	543	54.68%	450	45.32%

Precinct	Write-in		Total Votes	Unresolved Write-In
Electionwide				
SLO				
CON 207-19L30				
Polling	0	0.00%	201	0
Vote by Mail	0	0.00%	610	0
Total	0	0.00%	811	0
CON 208-19.30				
Polling	0	0.00%	210	0
Vote by Mail	0	0.00%	521	0
Total	0	0.00%	731	0
CON 209-19.30				
Polling	0	0.00%	167	0
Vote by Mail	0	0.00%	514	0
Total	0	0.00%	681	0
CON 210-20L30				
Polling	0	0.00%	124	0
Vote by Mail	0	0.00%	454	0
Total	0	0.00%	578	0
CON 211-21L30				
Polling	0	0.00%	167	0
Vote by Mail	0	0.00%	557	0
Total	0	0.00%	724	0
CON 212-21				
Polling	0	0.00%	271	0
Vote by Mail	0	0.00%	757	0
Total	0	0.00%	1,028	0
CON 213-21				
Polling	0	0.00%	257	0
Vote by Mail	0	0.00%	736	0
Total	0	0.00%	993	0

Precinct	Times Cast	Registered Voters	Undervotes	Overvotes
SLO - Total	5,932	7,590	382	4
Electionwide - Total	5,932	7,590	382	4

Precinct	JOHN HEADDING		JOHN WEISS	
SLO - Total	2,865	51.66%	2,681	48.34%
Electionwide - Total	2,865	51.66%	2,681	48.34%

Precinct	Write-in		Total Votes	Unresolved Write-In
SLO - Total	0	0.00%	5,546	0
Electionwide - Total	0	0.00%	5,546	0

CITY OF MORRO BAY COUNCILMEMBER (Vote for 2)

Precinct	Times Cast	Registered Voters	Undervotes	Overvotes
Electionwide				
SLO				
CON 207-19L30				
Polling	212	1,067	63	2
Vote by Mail	663	1,067	184	2
Total	875	1,067	247	4
CON 208-19.30				
Polling	223	985	74	0
Vote by Mail	545	985	162	0
Total	768	985	236	0
CON 209-19.30				
Polling	181	961	68	6
Vote by Mail	549	961	166	6
Total	730	961	234	12
CON 210-20L30				
Polling	136	811	62	2
Vote by Mail	481	811	134	2
Total	617	811	196	4
CON 211-21L30				
Polling	180	1,020	65	0
Vote by Mail	598	1,020	165	6
Total	778	1,020	230	6
CON 212-21				
Polling	293	1,446	105	4
Vote by Mail	818	1,446	238	4
Total	1,111	1,446	343	8
CON 213-21				
Polling	277	1,300	78	2
Vote by Mail	776	1,300	191	8
Total	1,053	1,300	269	10

Precinct	DAWN ADDIS		JEFF HELLER	
Electionwide				
SLO				
CON 207-19L30				
Polling	114	31.75%	81	22.56%
Vote by Mail	350	30.70%	246	21.58%
Total	464	30.95%	327	21.81%
CON 208-19.30				
Polling	133	35.75%	75	20.16%
Vote by Mail	302	32.54%	201	21.66%
Total	435	33.46%	276	21.23%
CON 209-19.30				
Polling	91	31.60%	72	25.00%
Vote by Mail	295	31.86%	191	20.63%
Total	386	31.80%	263	21.66%
CON 210-20L30				
Polling	63	30.29%	54	25.96%
Vote by Mail	214	25.91%	191	23.12%
Total	277	26.79%	245	23.69%
CON 211-21L30				
Polling	79	26.78%	73	24.75%
Vote by Mail	278	27.12%	238	23.22%
Total	357	27.05%	311	23.56%
CON 212-21				
Polling	155	32.49%	109	22.85%
Vote by Mail	455	32.64%	280	20.09%
Total	610	32.60%	389	20.79%
CON 213-21				
Polling	144	30.38%	103	21.73%
Vote by Mail	389	28.75%	288	21.29%
Total	533	29.17%	391	21.40%

Precinct	BETTY WINHOLTZ		JAN GOLDMAN		JESSE BARRON		Write-in		Total Votes	Unresolved Write-In
Electionwide										
SLO										
CON 207-19L.30										
Polling	71	19.78%	61	16.99%	32	8.91%	0	0.00%	359	0
Vote by Mail	231	20.26%	229	20.09%	84	7.37%	0	0.00%	1,140	0
Total	302	20.15%	290	19.35%	116	7.74%	0	0.00%	1,499	0
CON 208-19.30										
Polling	74	19.89%	63	16.94%	27	7.26%	0	0.00%	372	0
Vote by Mail	205	22.09%	150	16.16%	70	7.54%	0	0.00%	928	0
Total	279	21.46%	213	16.38%	97	7.46%	0	0.00%	1,300	0
CON 209-19.30										
Polling	66	22.92%	45	15.63%	14	4.86%	0	0.00%	288	0
Vote by Mail	181	19.55%	153	16.52%	106	11.45%	0	0.00%	926	0
Total	247	20.35%	198	16.31%	120	9.88%	0	0.00%	1,214	0
CON 210-20L.30										
Polling	48	23.08%	28	13.46%	15	7.21%	0	0.00%	208	0
Vote by Mail	213	25.79%	130	15.74%	78	9.44%	0	0.00%	826	0
Total	261	25.24%	158	15.28%	93	8.99%	0	0.00%	1,034	0
CON 211-21L.30										
Polling	66	22.37%	52	17.63%	25	8.47%	0	0.00%	295	0
Vote by Mail	212	20.68%	192	18.73%	105	10.24%	0	0.00%	1,025	0
Total	278	21.06%	244	18.48%	130	9.85%	0	0.00%	1,320	0
CON 212-21										
Polling	111	23.27%	71	14.88%	31	6.50%	0	0.00%	477	0
Vote by Mail	288	20.66%	246	17.65%	125	8.97%	0	0.00%	1,394	0
Total	399	21.33%	317	16.94%	156	8.34%	0	0.00%	1,871	0
CON 213-21										
Polling	100	21.10%	98	20.68%	29	6.12%	0	0.00%	474	0
Vote by Mail	297	21.95%	276	20.40%	103	7.61%	0	0.00%	1,353	0
Total	397	21.73%	374	20.47%	132	7.22%	0	0.00%	1,827	0

Precinct	Times Cast	Registered Voters	Undervotes	Overvotes
SLO - Total	5,932	7,590	1,755	44
Electionwide - Total	5,932	7,590	1,755	44

Precinct	DAWN ADDIS		JEFF HELLER	
SLO - Total	3,062	30.42%	2,202	21.88%
Electionwide - Total	3,062	30.42%	2,202	21.88%

Precinct	BETTY WINHOLTZ		JAN GOLDMAN		JESSE BARRON		Write-in		Total Votes	Unresolved Write-In
SLO - Total	2,163	21.49%	1,794	17.82%	844	8.39%	0	0.00%	10,065	0
Electionwide - Total	2,163	21.49%	1,794	17.82%	844	8.39%	0	0.00%	10,065	0

D-18 CITY OF MORRO BAY CANNABIS BUSINESS TAX (Majority Vote) (Vote for 1)

Precinct	Times Cast	Registered Voters	Undervotes	Overvotes
Electionwide				
SLO				
CON 207-19L.30				
Polling	212	1,067	15	0
Vote by Mail	663	1,067	48	0
Total	875	1,067	63	0
CON 208-19.30				
Polling	223	985	13	0
Vote by Mail	545	985	44	0
Total	768	985	57	0
CON 209-19.30				
Polling	181	961	19	0
Vote by Mail	549	961	37	1
Total	730	961	56	1
CON 210-20L.30				
Polling	136	811	10	0
Vote by Mail	481	811	31	0
Total	617	811	41	0
CON 211-21L.30				
Polling	180	1,020	11	0
Vote by Mail	598	1,020	56	0
Total	778	1,020	67	0
CON 212-21				
Polling	293	1,446	23	0
Vote by Mail	818	1,446	56	1
Total	1,111	1,446	79	1
CON 213-21				
Polling	277	1,300	27	0

Precinct	YES		NO		Total Votes
Electionwide					
SLO					
CON 207-19L.30					
Polling	136	69.04%	61	30.96%	197
Vote by Mail	452	73.50%	163	26.50%	615
Total	588	72.41%	224	27.59%	812
CON 208-19.30					
Polling	140	66.67%	70	33.33%	210
Vote by Mail	378	75.45%	123	24.55%	501
Total	518	72.86%	193	27.14%	711
CON 209-19.30					
Polling	108	66.67%	54	33.33%	162
Vote by Mail	372	72.80%	139	27.20%	511
Total	480	71.32%	193	28.68%	673
CON 210-20L.30					
Polling	89	70.63%	37	29.37%	126
Vote by Mail	341	75.78%	109	24.22%	450
Total	430	74.65%	146	25.35%	576
CON 211-21L.30					
Polling	110	65.09%	59	34.91%	169
Vote by Mail	379	69.93%	163	30.07%	542
Total	489	68.78%	222	31.22%	711
CON 212-21					
Polling	179	66.30%	91	33.70%	270
Vote by Mail	549	72.14%	212	27.86%	761
Total	728	70.61%	303	29.39%	1,031
CON 213-21					
Polling	171	68.40%	79	31.60%	250

Precinct	Unresolved Write-In
Electionwide	
SLO	
CON 207-19L.30	
Polling	0
Vote by Mail	0
Total	0
CON 208-19.30	
Polling	0
Vote by Mail	0
Total	0
CON 209-19.30	
Polling	0
Vote by Mail	0
Total	0
CON 210-20L.30	
Polling	0
Vote by Mail	0
Total	0
CON 211-21L.30	
Polling	0
Vote by Mail	0
Total	0
CON 212-21	
Polling	0
Vote by Mail	0
Total	0
CON 213-21	
Polling	0

Precinct	Times Cast	Registered Voters	Undervotes	Overvotes
Vote by Mail	776	1,300	64	0
Total	1,053	1,300	91	0
SLO - Total	5,932	7,590	454	2
Electionwide - Total	5,932	7,590	454	2

Precinct	YES		NO		Total Votes
Vote by Mail	551	77.39%	161	22.61%	712
Total	722	75.05%	240	24.95%	962
SLO - Total	3,955	72.22%	1,521	27.78%	5,476
Electionwide - Total	3,955	72.22%	1,521	27.78%	5,476

Precinct	Unresolved Write-In
Vote by Mail	0
Total	0
SLO - Total	0
Electionwide - Total	0

**CERTIFICATE OF THE COUNTY CLERK
RESULTS OF CANVASS OF ALL VOTES CAST
CITY OF MORRO BAY
MEASURE D-18
CONSOLIDATED GENERAL ELECTION
NOVEMBER 6, 2018**

I, **TOMMY GONG**, County Clerk-Recorder of the County of San Luis Obispo, do hereby certify that pursuant to law I did canvass the returns of the votes cast at the above referenced election in the City of Morro Bay on November 6, 2018, and that the Statement of Votes Cast, to which this certificate is attached, shows the number of votes cast in said district for and against said measure, and that the totals shown for and against said measure in said district, and in each of the respective precincts therein, are full, true and correct.

MEASURE D-18:

Shall the measure, known as the CANNABIS TAX, imposing maximum tax of ten cents per \$1 of proceeds of commercial cannabis operations, annual maximum tax of \$25 per square foot of commercial cultivation area (CPI adjustments), no sunset clause, estimated \$25,000 to \$225,000 annual collections on currently allowed operations, revenue available for unrestricted general revenue purposes, be adopted?

WITNESS, my hand and Official Seal, this 5th day of December, 2018



TOMMY GONG, County Clerk-Recorder



**SOVC for: CITY OF MORRO BAY MAYOR, CITY OF MORRO BAY COUNCILMEMBER,
D-18 CITY OF MORRO BAY CANNABIS BUSINESS TAX
(Majority Vote), CITY OF MORRO BAY, All Counting Groups**

**STATEMENT OF VOTES CAST
NOVEMBER 6, 2018 CONSOLIDATED GENERAL ELECTION
COUNTY OF SAN LUIS OBISPO
FINAL OFFICIAL ELECTION RESULTS - SPLIT BY DISTRICTS**

District	Registered Voters	Cards Cast	Voters Cast	% Turnout
U.S. CONGRESSIONAL				
24TH CONGRESSIONAL DISTRICT				
Polling	7,590	1,502	1,502	19.79%
Vote by Mail	7,590	4,430	4,430	58.37%
24TH CONGRESSIONAL DISTRICT - Total	7,590	5,932	5,932	78.16%
U.S. CONGRESSIONAL - Total	7,590	5,932	5,932	78.16%
CITY				
CITY OF MORRO BAY				
Polling	7,590	1,502	1,502	19.79%
Vote by Mail	7,590	4,430	4,430	58.37%
CITY OF MORRO BAY - Total	7,590	5,932	5,932	78.16%
CITY - Total	7,590	5,932	5,932	78.16%
COUNTY				
COUNTY OF SAN LUIS OBISPO				
Polling	7,590	1,502	1,502	19.79%
Vote by Mail	7,590	4,430	4,430	58.37%
COUNTY OF SAN LUIS OBISPO - Total	7,590	5,932	5,932	78.16%
COUNTY - Total	7,590	5,932	5,932	78.16%
ASSEMBLY				

District	Registered Voters	Cards Cast	Voters Cast	% Turnout
35TH ASSEMBLY DISTRICT				
Polling	7,590	1,502	1,502	19.79%
Vote by Mail	7,590	4,430	4,430	58.37%
35TH ASSEMBLY DISTRICT - Total	7,590	5,932	5,932	78.16%
ASSEMBLY - Total	7,590	5,932	5,932	78.16%
BOE 2				
STATE BOARD OF EQUAL DIST 2				
Polling	7,590	1,502	1,502	19.79%
Vote by Mail	7,590	4,430	4,430	58.37%
STATE BOARD OF EQUAL DIST 2 - Total	7,590	5,932	5,932	78.16%
BOE 2 - Total	7,590	5,932	5,932	78.16%
SENATORIAL				
17TH SENATORIAL DISTRICT				
Polling	7,590	1,502	1,502	19.79%
Vote by Mail	7,590	4,430	4,430	58.37%
17TH SENATORIAL DISTRICT - Total	7,590	5,932	5,932	78.16%
SENATORIAL - Total	7,590	5,932	5,932	78.16%
SUPERVISORIAL				
2ND SUPERVISORIAL DISTRICT				
Polling	7,590	1,502	1,502	19.79%
Vote by Mail	7,590	4,430	4,430	58.37%
2ND SUPERVISORIAL DISTRICT - Total	7,590	5,932	5,932	78.16%
SUPERVISORIAL - Total	7,590	5,932	5,932	78.16%

CITY OF MORRO BAY MAYOR (Vote for 1)

District	Times Cast	Registered Voters	Undervotes	Overvotes
U.S. CONGRESSIONAL				
24TH CONGRESSIONAL DISTRICT				
Polling	1,502	7,590	102	3
Vote by Mail	4,430	7,590	280	1
24TH CONGRESSIONAL DISTRICT - Total	5,932	7,590	382	4
U.S. CONGRESSIONAL - Total	5,932	7,590	382	4
CITY				
CITY OF MORRO BAY				
Polling	1,502	7,590	102	3
Vote by Mail	4,430	7,590	280	1
CITY OF MORRO BAY - Total	5,932	7,590	382	4
CITY - Total	5,932	7,590	382	4
COUNTY				
COUNTY OF SAN LUIS OBISPO				
Polling	1,502	7,590	102	3
Vote by Mail	4,430	7,590	280	1
COUNTY OF SAN LUIS OBISPO - Total	5,932	7,590	382	4
COUNTY - Total	5,932	7,590	382	4
ASSEMBLY				
35TH ASSEMBLY DISTRICT				
Polling	1,502	7,590	102	3
Vote by Mail	4,430	7,590	280	1
35TH ASSEMBLY DISTRICT - Total	5,932	7,590	382	4
ASSEMBLY - Total	5,932	7,590	382	4
BOE 2				
STATE BOARD OF EQUAL DIST 2				

District	JOHN HEADING		JOHN WEISS	
U.S. CONGRESSIONAL				
24TH CONGRESSIONAL DISTRICT				
Polling	718	51.40%	679	48.60%
Vote by Mail	2,147	51.75%	2,002	48.25%
24TH CONGRESSIONAL DISTRICT - Total	2,865	51.66%	2,681	48.34%
U.S. CONGRESSIONAL - Total	2,865	51.66%	2,681	48.34%
CITY				
CITY OF MORRO BAY				
Polling	718	51.40%	679	48.60%
Vote by Mail	2,147	51.75%	2,002	48.25%
CITY OF MORRO BAY - Total	2,865	51.66%	2,681	48.34%
CITY - Total	2,865	51.66%	2,681	48.34%
COUNTY				
COUNTY OF SAN LUIS OBISPO				
Polling	718	51.40%	679	48.60%
Vote by Mail	2,147	51.75%	2,002	48.25%
COUNTY OF SAN LUIS OBISPO - Total	2,865	51.66%	2,681	48.34%
COUNTY - Total	2,865	51.66%	2,681	48.34%
ASSEMBLY				
35TH ASSEMBLY DISTRICT				
Polling	718	51.40%	679	48.60%
Vote by Mail	2,147	51.75%	2,002	48.25%
35TH ASSEMBLY DISTRICT - Total	2,865	51.66%	2,681	48.34%
ASSEMBLY - Total	2,865	51.66%	2,681	48.34%
BOE 2				
STATE BOARD OF EQUAL DIST 2				

District	Write-in		Total Votes	Unresolved Write-In
U.S. CONGRESSIONAL				
24TH CONGRESSIONAL DISTRICT				
Polling	0	0.00%	1,397	0
Vote by Mail	0	0.00%	4,149	0
24TH CONGRESSIONAL DISTRICT - Total	0	0.00%	5,546	0
U.S. CONGRESSIONAL - Total	0	0.00%	5,546	0
CITY				
CITY OF MORRO BAY				
Polling	0	0.00%	1,397	0
Vote by Mail	0	0.00%	4,149	0
CITY OF MORRO BAY - Total	0	0.00%	5,546	0
CITY - Total	0	0.00%	5,546	0
COUNTY				
COUNTY OF SAN LUIS OBISPO				
Polling	0	0.00%	1,397	0
Vote by Mail	0	0.00%	4,149	0
COUNTY OF SAN LUIS OBISPO - Total	0	0.00%	5,546	0
COUNTY - Total	0	0.00%	5,546	0
ASSEMBLY				
35TH ASSEMBLY DISTRICT				
Polling	0	0.00%	1,397	0
Vote by Mail	0	0.00%	4,149	0
35TH ASSEMBLY DISTRICT - Total	0	0.00%	5,546	0
ASSEMBLY - Total	0	0.00%	5,546	0
BOE 2				
STATE BOARD OF EQUAL DIST 2				

District	Times Cast	Registered Voters	Undervotes	Overvotes
Polling	1,502	7,590	102	3
Vote by Mail	4,430	7,590	280	1
STATE BOARD OF EQUAL DIST 2 - Total	5,932	7,590	382	4
BOE 2 - Total	5,932	7,590	382	4
SENATORIAL				
17TH SENATORIAL DISTRICT				
Polling	1,502	7,590	102	3
Vote by Mail	4,430	7,590	280	1
17TH SENATORIAL DISTRICT - Total	5,932	7,590	382	4
SENATORIAL - Total	5,932	7,590	382	4
SUPERVISORIAL				
2ND SUPERVISORIAL DISTRICT				
Polling	1,502	7,590	102	3
Vote by Mail	4,430	7,590	280	1
2ND SUPERVISORIAL DISTRICT - Total	5,932	7,590	382	4
SUPERVISORIAL - Total	5,932	7,590	382	4

District	JOHN HEADDING		JOHN WEISS	
Polling	718	51.40%	679	48.60%
Vote by Mail	2,147	51.75%	2,002	48.25%
STATE BOARD OF EQUAL DIST 2 - Total	2,865	51.66%	2,681	48.34%
BOE 2 - Total	2,865	51.66%	2,681	48.34%
SENATORIAL				
17TH SENATORIAL DISTRICT				
Polling	718	51.40%	679	48.60%
Vote by Mail	2,147	51.75%	2,002	48.25%
17TH SENATORIAL DISTRICT - Total	2,865	51.66%	2,681	48.34%
SENATORIAL - Total	2,865	51.66%	2,681	48.34%
SUPERVISORIAL				
2ND SUPERVISORIAL DISTRICT				
Polling	718	51.40%	679	48.60%
Vote by Mail	2,147	51.75%	2,002	48.25%
2ND SUPERVISORIAL DISTRICT - Total	2,865	51.66%	2,681	48.34%
SUPERVISORIAL - Total	2,865	51.66%	2,681	48.34%

District	Write-in		Total Votes	Unresolved Write-In
Polling	0	0.00%	1,397	0
Vote by Mail	0	0.00%	4,149	0
STATE BOARD OF EQUAL DIST 2 - Total	0	0.00%	5,546	0
BOE 2 - Total	0	0.00%	5,546	0
SENATORIAL				
17TH SENATORIAL DISTRICT				
Polling	0	0.00%	1,397	0
Vote by Mail	0	0.00%	4,149	0
17TH SENATORIAL DISTRICT - Total	0	0.00%	5,546	0
SENATORIAL - Total	0	0.00%	5,546	0
SUPERVISORIAL				
2ND SUPERVISORIAL DISTRICT				
Polling	0	0.00%	1,397	0
Vote by Mail	0	0.00%	4,149	0
2ND SUPERVISORIAL DISTRICT - Total	0	0.00%	5,546	0
SUPERVISORIAL - Total	0	0.00%	5,546	0

CITY OF MORRO BAY COUNCILMEMBER (Vote for 2)

District	Times Cast	Registered Voters	Undervotes	Overvotes
U.S. CONGRESSIONAL				
24TH CONGRESSIONAL DISTRICT				
Polling	1,502	7,590	515	16
Vote by Mail	4,430	7,590	1,240	28
24TH CONGRESSIONAL DISTRICT - Total	5,932	7,590	1,755	44
U.S. CONGRESSIONAL - Total	5,932	7,590	1,755	44
CITY				
CITY OF MORRO BAY				
Polling	1,502	7,590	515	16
Vote by Mail	4,430	7,590	1,240	28
CITY OF MORRO BAY - Total	5,932	7,590	1,755	44
CITY - Total	5,932	7,590	1,755	44
COUNTY				
COUNTY OF SAN LUIS OBISPO				
Polling	1,502	7,590	515	16
Vote by Mail	4,430	7,590	1,240	28
COUNTY OF SAN LUIS OBISPO - Total	5,932	7,590	1,755	44
COUNTY - Total	5,932	7,590	1,755	44
ASSEMBLY				
35TH ASSEMBLY DISTRICT				
Polling	1,502	7,590	515	16
Vote by Mail	4,430	7,590	1,240	28
35TH ASSEMBLY DISTRICT - Total	5,932	7,590	1,755	44
ASSEMBLY - Total	5,932	7,590	1,755	44
BOE 2				
STATE BOARD OF EQUAL DIST 2				

District	DAWN ADDIS		JEFF HELLER	
U.S. CONGRESSIONAL				
24TH CONGRESSIONAL DISTRICT				
Polling	779	31.50%	567	22.93%
Vote by Mail	2,283	30.07%	1,635	21.54%
24TH CONGRESSIONAL DISTRICT - Total	3,062	30.42%	2,202	21.88%
U.S. CONGRESSIONAL - Total	3,062	30.42%	2,202	21.88%
CITY				
CITY OF MORRO BAY				
Polling	779	31.50%	567	22.93%
Vote by Mail	2,283	30.07%	1,635	21.54%
CITY OF MORRO BAY - Total	3,062	30.42%	2,202	21.88%
CITY - Total	3,062	30.42%	2,202	21.88%
COUNTY				
COUNTY OF SAN LUIS OBISPO				
Polling	779	31.50%	567	22.93%
Vote by Mail	2,283	30.07%	1,635	21.54%
COUNTY OF SAN LUIS OBISPO - Total	3,062	30.42%	2,202	21.88%
COUNTY - Total	3,062	30.42%	2,202	21.88%
ASSEMBLY				
35TH ASSEMBLY DISTRICT				
Polling	779	31.50%	567	22.93%
Vote by Mail	2,283	30.07%	1,635	21.54%
35TH ASSEMBLY DISTRICT - Total	3,062	30.42%	2,202	21.88%
ASSEMBLY - Total	3,062	30.42%	2,202	21.88%
BOE 2				
STATE BOARD OF EQUAL DIST 2				

District	BETTY WINHOLTZ		JAN GOLDMAN		JESSE BARRON		Write-in		Total Votes	Unresolved Write-In
U.S. CONGRESSIONAL										
24TH CONGRESSIONAL DISTRICT										
Polling	536	21.67%	418	16.90%	173	7.00%	0	0.00%	2,473	0
Vote by Mail	1,627	21.43%	1,376	18.12%	671	8.84%	0	0.00%	7,592	0
24TH CONGRESSIONAL DISTRICT - Total	2,163	21.49%	1,794	17.82%	844	8.39%	0	0.00%	10,065	0
U.S. CONGRESSIONAL - Total	2,163	21.49%	1,794	17.82%	844	8.39%	0	0.00%	10,065	0
CITY										
CITY OF MORRO BAY										
Polling	536	21.67%	418	16.90%	173	7.00%	0	0.00%	2,473	0
Vote by Mail	1,627	21.43%	1,376	18.12%	671	8.84%	0	0.00%	7,592	0
CITY OF MORRO BAY - Total	2,163	21.49%	1,794	17.82%	844	8.39%	0	0.00%	10,065	0
CITY - Total	2,163	21.49%	1,794	17.82%	844	8.39%	0	0.00%	10,065	0
COUNTY										
COUNTY OF SAN LUIS OBISPO										
Polling	536	21.67%	418	16.90%	173	7.00%	0	0.00%	2,473	0
Vote by Mail	1,627	21.43%	1,376	18.12%	671	8.84%	0	0.00%	7,592	0
COUNTY OF SAN LUIS OBISPO - Total	2,163	21.49%	1,794	17.82%	844	8.39%	0	0.00%	10,065	0
COUNTY - Total	2,163	21.49%	1,794	17.82%	844	8.39%	0	0.00%	10,065	0
ASSEMBLY										
35TH ASSEMBLY DISTRICT										
Polling	536	21.67%	418	16.90%	173	7.00%	0	0.00%	2,473	0
Vote by Mail	1,627	21.43%	1,376	18.12%	671	8.84%	0	0.00%	7,592	0
35TH ASSEMBLY DISTRICT - Total	2,163	21.49%	1,794	17.82%	844	8.39%	0	0.00%	10,065	0
ASSEMBLY - Total	2,163	21.49%	1,794	17.82%	844	8.39%	0	0.00%	10,065	0
BOE 2										
STATE BOARD OF EQUAL DIST 2										

District	Times Cast	Registered Voters	Undervotes	Overvotes
Polling	1,502	7,590	515	16
Vote by Mail	4,430	7,590	1,240	28
STATE BOARD OF EQUAL DIST 2 - Total	5,932	7,590	1,755	44
BOE 2 - Total	5,932	7,590	1,755	44
SENATORIAL				
17TH SENATORIAL DISTRICT				
Polling	1,502	7,590	515	16
Vote by Mail	4,430	7,590	1,240	28
17TH SENATORIAL DISTRICT - Total	5,932	7,590	1,755	44
SENATORIAL - Total	5,932	7,590	1,755	44
SUPERVISORIAL				
2ND SUPERVISORIAL DISTRICT				
Polling	1,502	7,590	515	16
Vote by Mail	4,430	7,590	1,240	28
2ND SUPERVISORIAL DISTRICT - Total	5,932	7,590	1,755	44
SUPERVISORIAL - Total	5,932	7,590	1,755	44

District	DAWN ADDIS		JEFF HELLER	
Polling	779	31.50%	567	22.93%
Vote by Mail	2,283	30.07%	1,635	21.54%
STATE BOARD OF EQUAL DIST 2 - Total	3,062	30.42%	2,202	21.88%
BOE 2 - Total	3,062	30.42%	2,202	21.88%
SENATORIAL				
17TH SENATORIAL DISTRICT				
Polling	779	31.50%	567	22.93%
Vote by Mail	2,283	30.07%	1,635	21.54%
17TH SENATORIAL DISTRICT - Total	3,062	30.42%	2,202	21.88%
SENATORIAL - Total	3,062	30.42%	2,202	21.88%
SUPERVISORIAL				
2ND SUPERVISORIAL DISTRICT				
Polling	779	31.50%	567	22.93%
Vote by Mail	2,283	30.07%	1,635	21.54%
2ND SUPERVISORIAL DISTRICT - Total	3,062	30.42%	2,202	21.88%
SUPERVISORIAL - Total	3,062	30.42%	2,202	21.88%

District	BETTY WINHOLTZ		JAN GOLDMAN		JESSE BARRON		Write-in		Total Votes	Unresolved Write-In
Polling	536	21.67%	418	16.90%	173	7.00%	0	0.00%	2,473	0
Vote by Mail	1,627	21.43%	1,376	18.12%	671	8.84%	0	0.00%	7,592	0
STATE BOARD OF EQUAL DIST 2 - Total	2,163	21.49%	1,794	17.82%	844	8.39%	0	0.00%	10,065	0
BOE 2 - Total	2,163	21.49%	1,794	17.82%	844	8.39%	0	0.00%	10,065	0
SENATORIAL										
17TH SENATORIAL DISTRICT										
Polling	536	21.67%	418	16.90%	173	7.00%	0	0.00%	2,473	0
Vote by Mail	1,627	21.43%	1,376	18.12%	671	8.84%	0	0.00%	7,592	0
17TH SENATORIAL DISTRICT - Total	2,163	21.49%	1,794	17.82%	844	8.39%	0	0.00%	10,065	0
SENATORIAL - Total	2,163	21.49%	1,794	17.82%	844	8.39%	0	0.00%	10,065	0
SUPERVISORIAL										
2ND SUPERVISORIAL DISTRICT										
Polling	536	21.67%	418	16.90%	173	7.00%	0	0.00%	2,473	0
Vote by Mail	1,627	21.43%	1,376	18.12%	671	8.84%	0	0.00%	7,592	0
2ND SUPERVISORIAL DISTRICT - Total	2,163	21.49%	1,794	17.82%	844	8.39%	0	0.00%	10,065	0
SUPERVISORIAL - Total	2,163	21.49%	1,794	17.82%	844	8.39%	0	0.00%	10,065	0

D-18 CITY OF MORRO BAY CANNABIS BUSINESS TAX (Majority Vote) (Vote for 1)

District	Times Cast	Registered Voters	Undervotes	Overvotes
U.S. CONGRESSIONAL				
24TH CONGRESSIONAL DISTRICT				
Polling	1,502	7,590	118	0
Vote by Mail	4,430	7,590	336	2
24TH CONGRESSIONAL DISTRICT - Total	5,932	7,590	454	2
U.S. CONGRESSIONAL - Total	5,932	7,590	454	2
CITY				
CITY OF MORRO BAY				
Polling	1,502	7,590	118	0
Vote by Mail	4,430	7,590	336	2
CITY OF MORRO BAY - Total	5,932	7,590	454	2
CITY - Total	5,932	7,590	454	2
COUNTY				
COUNTY OF SAN LUIS OBISPO				
Polling	1,502	7,590	118	0
Vote by Mail	4,430	7,590	336	2
COUNTY OF SAN LUIS OBISPO - Total	5,932	7,590	454	2
COUNTY - Total	5,932	7,590	454	2
ASSEMBLY				
35TH ASSEMBLY DISTRICT				
Polling	1,502	7,590	118	0
Vote by Mail	4,430	7,590	336	2
35TH ASSEMBLY DISTRICT - Total	5,932	7,590	454	2
ASSEMBLY - Total	5,932	7,590	454	2
BOE 2				
STATE BOARD OF EQUAL DIST 2				

District	YES		NO		Total Votes
U.S. CONGRESSIONAL					
24TH CONGRESSIONAL DISTRICT					
Polling	933	67.41%	451	32.59%	1,384
Vote by Mail	3,022	73.85%	1,070	26.15%	4,092
24TH CONGRESSIONAL DISTRICT - Total	3,955	72.22%	1,521	27.78%	5,476
U.S. CONGRESSIONAL - Total	3,955	72.22%	1,521	27.78%	5,476
CITY					
CITY OF MORRO BAY					
Polling	933	67.41%	451	32.59%	1,384
Vote by Mail	3,022	73.85%	1,070	26.15%	4,092
CITY OF MORRO BAY - Total	3,955	72.22%	1,521	27.78%	5,476
CITY - Total	3,955	72.22%	1,521	27.78%	5,476
COUNTY					
COUNTY OF SAN LUIS OBISPO					
Polling	933	67.41%	451	32.59%	1,384
Vote by Mail	3,022	73.85%	1,070	26.15%	4,092
COUNTY OF SAN LUIS OBISPO - Total	3,955	72.22%	1,521	27.78%	5,476
COUNTY - Total	3,955	72.22%	1,521	27.78%	5,476
ASSEMBLY					
35TH ASSEMBLY DISTRICT					
Polling	933	67.41%	451	32.59%	1,384
Vote by Mail	3,022	73.85%	1,070	26.15%	4,092
35TH ASSEMBLY DISTRICT - Total	3,955	72.22%	1,521	27.78%	5,476
ASSEMBLY - Total	3,955	72.22%	1,521	27.78%	5,476
BOE 2					
STATE BOARD OF EQUAL DIST 2					

District	Unresolved Write-In
U.S. CONGRESSIONAL	
24TH CONGRESSIONAL DISTRICT	
Polling	0
Vote by Mail	0
24TH CONGRESSIONAL DISTRICT - Total	0
U.S. CONGRESSIONAL - Total	0
CITY	
CITY OF MORRO BAY	
Polling	0
Vote by Mail	0
CITY OF MORRO BAY - Total	0
CITY - Total	0
COUNTY	
COUNTY OF SAN LUIS OBISPO	
Polling	0
Vote by Mail	0
COUNTY OF SAN LUIS OBISPO - Total	0
COUNTY - Total	0
ASSEMBLY	
35TH ASSEMBLY DISTRICT	
Polling	0
Vote by Mail	0
35TH ASSEMBLY DISTRICT - Total	0
ASSEMBLY - Total	0
BOE 2	
STATE BOARD OF EQUAL DIST 2	

District	Times Cast	Registered Voters	Undervotes	Overvotes
Polling	1,502	7,590	118	0
Vote by Mail	4,430	7,590	336	2
STATE BOARD OF EQUAL DIST 2 - Total	5,932	7,590	454	2
BOE 2 - Total	5,932	7,590	454	2
SENATORIAL				
17TH SENATORIAL DISTRICT				
Polling	1,502	7,590	118	0
Vote by Mail	4,430	7,590	336	2
17TH SENATORIAL DISTRICT - Total	5,932	7,590	454	2
SENATORIAL - Total	5,932	7,590	454	2
SUPERVISORIAL				
2ND SUPERVISORIAL DISTRICT				
Polling	1,502	7,590	118	0
Vote by Mail	4,430	7,590	336	2
2ND SUPERVISORIAL DISTRICT - Total	5,932	7,590	454	2
SUPERVISORIAL - Total	5,932	7,590	454	2

District	YES		NO		Total Votes
Polling	933	67.41%	451	32.59%	1,384
Vote by Mail	3,022	73.85%	1,070	26.15%	4,092
STATE BOARD OF EQUAL DIST 2 - Total	3,955	72.22%	1,521	27.78%	5,476
BOE 2 - Total	3,955	72.22%	1,521	27.78%	5,476
SENATORIAL					
17TH SENATORIAL DISTRICT					
Polling	933	67.41%	451	32.59%	1,384
Vote by Mail	3,022	73.85%	1,070	26.15%	4,092
17TH SENATORIAL DISTRICT - Total	3,955	72.22%	1,521	27.78%	5,476
SENATORIAL - Total	3,955	72.22%	1,521	27.78%	5,476
SUPERVISORIAL					
2ND SUPERVISORIAL DISTRICT					
Polling	933	67.41%	451	32.59%	1,384
Vote by Mail	3,022	73.85%	1,070	26.15%	4,092
2ND SUPERVISORIAL DISTRICT - Total	3,955	72.22%	1,521	27.78%	5,476
SUPERVISORIAL - Total	3,955	72.22%	1,521	27.78%	5,476

District	Unresolved Write-In
Polling	0
Vote by Mail	0
STATE BOARD OF EQUAL DIST 2 - Total	0
BOE 2 - Total	0
SENATORIAL	
17TH SENATORIAL DISTRICT	
Polling	0
Vote by Mail	0
17TH SENATORIAL DISTRICT - Total	0
SENATORIAL - Total	0
SUPERVISORIAL	
2ND SUPERVISORIAL DISTRICT	
Polling	0
Vote by Mail	0
2ND SUPERVISORIAL DISTRICT - Total	0
SUPERVISORIAL - Total	0

ORDINANCE NO. 615

**ORDINANCE OF THE PEOPLE OF THE CITY OF MORRO BAY,
CALIFORNIA APPROVING A TAX ON CANNABIS
COMMERCIAL ACTIVITIES BY ADDING CHAPTER 3.70
(CANNABIS TAX) TO TITLE 3 (REVENUE AND FINANCE) OF
THE MORRO BAY MUNICIPAL CODE**

WHEREAS, pursuant to subdivision (b) of Section 2 of Article XIII C of the California Constitution and Section 53720 et. seq. of the Government Code the city council is authorized to impose a general tax upon submission of such general tax to the voters of the City and approval by a majority of the voters voting on the issue, at an election consolidated with a regularly scheduled general election for members of the governing body of the local government; and

WHEREAS, in 1996 the California voters approved Proposition 215, the Compassionate Use Act, codified as Health and Safety Code Section 11362.5, to exempt certain patients and their primary caregivers from criminal liability under state law for the possession and cultivation of cannabis for medical purposes; and

WHEREAS, in 2003 the State of California adopted Senate Bill 420, the Medical Marijuana Program Act, codified as Health and Safety Code Section 11362.7, *et seq.*, and as later amended, to clarify the scope of the Compassionate Use Act of 1996 relating to the possession and cultivation of cannabis for medical purpose, and to authorize local governing bodies to adopt and enforce laws consistent with its provisions; and

WHEREAS, in October 2015, the State of California adopted AB 266, AB 243, and SB 643, collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"), which established a comprehensive regulatory and licensing scheme for commercial medical cannabis operations; and

WHEREAS, at the November 8, 2016 general election, the Control, Regulate and Tax Adult Use of Marijuana Act ("AUMA") was approved by California voters as Proposition 64, which established a comprehensive regulatory and licensing scheme for commercial adult-use cannabis operations, and which also legalized limited adult-use personal cannabis use, possession, and cultivation; and

WHEREAS, on June 27, 2017 Governor Brown signed Senate Bill 94, the Medicinal and Adult Use Cannabis Regulation and Safety Act ("MAUCRSA"), which merged the regulatory regimes of MCRSA and AUMA; and

WHEREAS, Chapter 5.50 of Title 5 of the Morro Bay Municipal Code provides for a commercial cannabis regulatory program for the City, which presently authorizes applications to be accepted starting ~~June~~ July 1, 2018 for two medical cannabis retail permits (MBMC § 5.50.120(D)) and medical cannabis distributor permits; and

WHEREAS, presently the City has no local tax on either medical cannabis commercial operations or adult-use commercial cannabis operations; and

WHEREAS, MAUCRSA and AUMA do not preempt local taxation of cannabis operations; and

WHEREAS, presently the City of Morro Bay pursuant to Chapter 5.50 of Title 5 of the Morro Bay Municipal Code permits only limited commercial cannabis operations (being two medical cannabis retail operations, (wholesale) medical cannabis distribution operations, and medical cannabis deliveries), and prohibits all other commercial cannabis operations; and

WHEREAS, while the city council does not desire nor does it intend by this ordinance to allow any other commercial cannabis uses in the City other than the currently allowed uses, the city council does desire to seek voter approval for a broad cannabis tax that is applicable to both existing allowed commercial cannabis uses and any potential commercial cannabis uses that may be allowed in the future; and

WHEREAS, the city council desires that a cannabis tax be submitted to the voters for approval so that every person engaged in conducting a commercial cannabis operation, regardless of whether such operation has a valid permit pursuant to the Morro Bay Municipal Code, shall pay a maximum cannabis tax of no more than 10% of proceeds; and, that every person commercially cultivating cannabis in the City, regardless of whether such operation has a valid permit pursuant to the Morro Bay Municipal Code, shall pay an annual maximum tax of no more than twenty-five dollars (\$25) per square foot for space utilized as commercial cultivation area, and that taxes imposed on commercial cultivation area shall be adjusted annually based on the Consumer Price Index (while no such adjustment shall decrease any tax imposed, unless approved by the city council); and

WHEREAS, the city council desires that revenue generated from said cannabis taxes can be spent for unrestricted general revenue purposes; and

WHEREAS, the city council finds that tax revenue from cannabis operations can provide funds for additional City services to promote and protect the general health and welfare of the citizens of the City of Morro Bay.

NOW, THEREFORE, THE PEOPLE OF THE CITY OF MORRO BAY, CALIFORNIA DO HEREBY ORDAIN AS FOLLOWS:

SECTION 1. CHAPTER 3.70 (CANNABIS TAX) IS HEREBY ADDED TO TITLE 3 (REVENUE AND FINANCE) OF THE MORRO BAY MUNICIPAL CODE AS FOLLOWS:

CHAPTER 3.70 CANNABIS TAX

Section 3.70.010. Definitions.

Section 3.70.020. Tax.

Section 3.70.030. Operation.

Section 3.70.040. Returns and Remittances.

Section 3.70.050. Failure to Pay Tax.

Section 3.70.060. Refunds.

Section 3.70.070. Enforcement.

Section 3.70.080. Debts; Deficiencies; Determinations; Hearings.

Section 3.70.080. City Council Authority to Amend

Section 3.70.010. Definitions.

The following definitions apply to this chapter unless the context clearly denotes otherwise.

- A. "Adult use" (i.e., "recreational" or "non-medical") refers to activity involving cannabis or cannabis products, which is restricted to adults 21 years of age and older and who do not possess a physician's recommendation, in contrast to an activity involving medical cannabis or medical cannabis products.
- B. "Cannabis" means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. 'Cannabis' also means the separated resin, whether crude or purified, obtained from cannabis. 'Cannabis' does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.
- C. "Cannabis products" means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.
- D. "Commercial cannabis operation" includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, or sale (including retail and wholesale) of cannabis and cannabis products; except, as applicable, as set forth in Chapter 9.06 ("Personal Cultivation of Cannabis") of this Code or as preempted by state law.
- E. "Commercial cannabis operation permit" shall mean a City of Morro Bay permit issued pursuant to the procedures provided for in Chapter 5.50 of Title 5 of the Morro Bay Municipal Code and which shall allow the permit holder to operate a specific type of commercial cannabis operation in the City of Morro Bay subject to the requirements of that chapter, state law, and the specific permit.
- F. "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
- G. "Cultivation site" means any facility or location where cannabis is planted, grown,

harvested, dried, cured, graded, or trimmed, or that does all or any combination of those activities.

- H. "Delivery" means the commercial transfer of cannabis or cannabis products to a customer, and includes the use of any technology platform owned and controlled by the same person making such use.
- I. "Director" means the City of Morro Bay Community Development Director, and includes his/her designee(s).
- J. "Distribution" means the procurement, sale, and transport of cannabis and cannabis products between entities licensed for and/or engaged in commercial cannabis activities.
- K. "Distributor" means a person engaged in distribution.
- L. "Edible" means cannabis product that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Division 15 (commencing with Section 32501) of the Food and Agricultural Code. An edible cannabis product is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.
- M. "Extraction" means the process of obtaining cannabis concentrates from cannabis plants, including but not limited to through the use of solvents like butane, alcohol or carbon dioxide.
- N. "Finance Director" means the City of Morro Bay Finance Director, and includes his/her designee(s).
- O. "Location" means any parcel of land, whether vacant or occupied by a building, group of buildings, or accessory buildings, and includes the buildings, structures, yards, open spaces, lot width, and lot area.
- P. "Manufacture" or "manufacturing" means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product; includes the activities of a manufacturer.
- Q. "Manufacturer" means a person that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container; includes the activity of manufacturing.
- R. "Marijuana" has the same definition as provided for "cannabis" in this chapter.
- S. "Medical" refers to activity involving medical cannabis or medical cannabis products, in contrast to an activity involving adult-use cannabis or adult-use cannabis products.
- T. "Medical cannabis" or "medical cannabis product" means cannabis or a cannabis

product used in compliance with state law for medical purposes, pursuant to the Compassionate Use Act (Health and Safety Code § 11362.5), the Medical Marijuana Program Act (Health and Safety Code §§ 11362.7, *et seq.*), and the Medicinal and Adult-Use Cannabis Regulation and Safety Act (Business and Professions Code §§ 26000, *et seq.*).

- U. "Operation" means a "commercial cannabis operation" as defined by this chapter.
- V. "Permit" means a "commercial cannabis operation permit" as defined by this chapter.
- W. "Person" means any individual, firm, co-partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit.
- X. "Proceeds" means total revenue and/or money received through the sale of goods and/or services before any deductions or allowances (e.g., rent, cost of goods sold, taxes).
- Y. "Retailer" means a person engaged in the retail sale or delivery of cannabis or cannabis products to a customer.
- Z. "Space utilized as cultivation area" shall mean any space or ground, floor or other surface area (whether horizontal or vertical) which is used during the cannabis germination, seedling, vegetative, pre-flowering, flowering and harvesting phases, including without limitation any space used for activities such as growing, planting, seeding, germinating, lighting, warming, cooling, aerating, fertilizing, watering, irrigating, topping, pinching, cropping, curing or drying cannabis or any such space used for storing any products, supplies or equipment related to any such activities, no matter where such storage may take place or such storage space may be located.
- AA. "Term" means a calendar month in regards to the monthly taxation of proceeds from a commercial cannabis operation (or a defined set term, as determined by resolution of the city council, in regards to the taxation of proceeds from a commercial cannabis operation); and, means the fiscal year in regards to the annual taxation of the space utilized as cultivation area for cannabis.
- BB. "Testing laboratory" or "testing" refers to a laboratory, facility, or entity that offers or performs tests on cannabis or cannabis products; includes the activity of laboratory testing.

Section 3.70.020. Tax.

- A. **Commercial Cannabis Operations Tax.** Every person engaged in conducting a commercial cannabis operation, regardless of whether such operation has a valid permit pursuant to the Morro Bay Municipal Code, shall pay a maximum cannabis tax of no more than ten percent (10%) of proceeds.
- B. **Commercial Cannabis Cultivation Tax.** Every person commercially cultivating cannabis in the City, regardless of whether such commercial operation has a valid permit pursuant

to the Morro Bay Municipal Code, shall pay an annual maximum tax of no more than twenty-five dollars (\$25) per square foot for space utilized as cultivation area. Taxes imposed on commercial cultivation area shall be adjusted annually on July 1 after the date of imposition, and then July 1 of each succeeding year based on the Consumer Price Index ("CPI") for all urban consumers in the San Francisco-Oakland-San Jose areas as published by the United States Government Bureau of Labor Statistics; however, no adjustment shall decrease any tax imposed by this chapter, unless approved by the city council.

- C. Purpose of Cannabis Taxes. The revenue generated by the commercial cannabis operations tax and the commercial cannabis cultivation tax may be spent for unrestricted general revenue purposes.
- D. Intent of Cannabis Taxes. The cannabis taxes provided herein do not authorize any commercial cannabis operation or use that is not otherwise expressly allowed by Chapter 5.50 of Title 5 of the Morro Bay Municipal Code. The cannabis taxes provided herein are intended to allow the City to levy cannabis taxes on both existing commercial cannabis operations and uses, as well as provide the City with the ability to levy cannabis taxes on potential future commercial cannabis operations that later in time may be allowed in the City by local ordinance. The taxes imposed by this chapter are in addition to all other applicable taxes imposed by this Code, including, but not limited to, the business taxes imposed by Chapter 5.08 of Title 5.

Section 3.70.030. Operation.

- A. Failure to pay the taxes set forth in this chapter shall be subject to penalties, interest charges, and determinations of tax due as the city council may establish and the City may use any or all other enforcement remedies provided for in this Code, or pursuant to state law.
- B. The city council may impose the tax authorized by this chapter at a lower rate and may establish exemptions, incentives, or other reductions, and penalties and interest charges or determinations of tax due for failure to pay the tax in a timely manner, as otherwise allowed by Code or California law. No action by the Council under this Section shall prevent it from later increasing the tax or removing any exemption, incentive, or reduction, and restoring the maximum tax specified in this chapter.
- C. The payment of the tax required pursuant to this chapter shall not be construed as authorizing the conduct or continuance of any illegal business or of a legal business in an illegal manner. Nothing in this chapter shall be construed to authorize commercial cannabis operations.
- D. Taxes provided for hereunder are not sales or use taxes and shall not be calculated or assessed as such. The taxes shall not be separately identified or otherwise specifically assessed or charged to any individual, consumer or customer; rather, the taxes are imposed upon the commercial cannabis operation.

- E. The Finance Director shall promulgate rules, regulations, and procedures to implement and administer this chapter to ensure the efficient and timely collection of the tax imposed by this chapter, including without limitation, formulation and implementation of penalties and interest to be assessed for failure to pay the tax as provided.

Section 3.70.040. Returns and Remittances.

The tax shall be due and payable as follows:

- A. Each person owing tax, on or before the last business day of each term as established by the Finance Director, shall prepare a tax return to the Finance Director of the total proceeds, and the amount of tax owed for the preceding term. At the time the tax return is filed, the full amount of the tax owed for the preceding term shall be remitted to the City.
- B. All tax returns shall be completed on forms provided by the Finance Director.
- C. Tax returns and payments for all outstanding taxes owed the city are immediately due the Finance Director upon cessation of business for any reason.
- D. Whenever any payment, statement, report, request or other communication received by the Finance Director is received after the time prescribed by this section for the receipt thereof, but is in an envelope bearing a postmark showing that it was mailed on or prior to the date prescribed in this section for the receipt thereof, or whenever the Finance Director is furnished substantial proof that the payment, statement, report, request, or other communication was in fact deposited in the United States mail on or prior to the date prescribed for receipt thereof, the Finance Director may regard such payment, statement, report, request, or other communication as having been timely received. If the due day falls on Friday, Saturday, Sunday, or a federal holiday, the due day shall be the last regular business day on which the City Hall is open to the public prior to the due date.
- E. Unless otherwise specifically provided under other provisions of this chapter, the taxes required to be paid pursuant to this chapter shall be deemed delinquent if not paid on or before the due date specified by this section.
- F. The Finance Director is not required to send a delinquency or other notice or bill to any person subject to the provisions of this chapter and failure to send such notice or bill shall not affect the validity of any tax or penalty due under the provisions of this chapter.

Section 3.70.050. Failure to Pay Tax.

Any person who fails or refuses to pay any tax required to be paid pursuant to this chapter on or before the due date shall pay penalties and interest as follows:

- A. A penalty of no more than twenty-five percent (25%) of the amount of the tax (in addition to the amount of the tax), plus interest on the unpaid tax calculated from the due date of the tax at a rate not to exceed ten percent (10%) and these penalties and rates will be

set at the maximum amounts unless established otherwise by resolution of the city council.

- B. Whenever a check is submitted in payment of a tax and the check is subsequently returned unpaid by the bank upon which the check is drawn, and the check is not redeemed prior to the due date, the taxpayer will be liable for the tax amount due plus penalties and interest as provided for in this section plus any amount allowed under state law.
- C. The tax due shall be that amount due and payable from the operative date of this chapter.
- D. The Finance Director may waive the penalties of twenty-five percent (25%) each imposed upon any person if:
 - 1. The person provides evidence satisfactory to the Finance Director that failure to pay timely was due to circumstances beyond the control of the person and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, and the person paid the delinquent business tax and accrued interest owed the city prior to applying to the Finance Director for a waiver.
 - 2. The waiver provisions specified in this subsection shall not apply to interest accrued on the delinquent tax and a waiver shall be granted only once during any twenty-four month period for taxation of proceeds, and only once during any five (5) year period for taxation of space utilized as cultivation area for cultivation of cannabis.

Section 3.70.060. Refunds.

- A. No refund shall be made of any tax collected pursuant to this chapter, except as provided in this Section.
- B. No refund of any tax collected pursuant to this chapter shall be made because of the discontinuation, dissolution, or other termination of an operation.
- C. Any person entitled to a refund of taxes paid pursuant to this chapter may elect in writing to have such refund applied as a credit against cannabis taxes for the next term.
- D. Whenever the amount of any tax, penalty, or interest has been overpaid, paid more than once, or has been erroneously or illegally collected or received by the city under this chapter, such amount may be refunded to the claimant who paid the tax provided that a written claim for refund is filed with the Finance Director.
- E. The Finance Director shall have the right to examine and audit all the books and business records of the claimant in order to determine the eligibility of the claimant to the claimed refund. No claim for refund shall be allowed if the claimant therefor refuses to allow such examination of claimant's books and business records after request by the Finance Director to do so.

- F. In the event that the tax was erroneously paid and the error is attributable to the city, the entire amount of the tax erroneously paid shall be refunded to the claimant. If the error is attributable to the claimant, the city shall retain the amount set forth in this chapter from the amount to be refunded to cover expenses.
- G. The Finance Director shall initiate a refund of any tax which has been overpaid or erroneously collected whenever the overpayment or erroneous collection is uncovered by a city audit of tax receipts. In the event that the tax was erroneously paid and the error is attributable to the city, the entire amount of the tax erroneously paid shall be refunded to the claimant. If the error is attributable to the claimant, the city shall retain the amount set forth in this chapter from the amount to be refunded to cover expenses.

Section 3.70.070. Enforcement.

- A. It shall be the duty of the Finance Director to enforce each and all of the provisions of this chapter.
- B. For purposes of administration and enforcement of this chapter generally, the Finance Director, with the assistance of the City Attorney, may from time to time promulgate administrative rules and regulations.
- C. The Finance Director shall have the power to audit and examine all books and records of operations as well as persons engaged in the conducting of an operation, including both state and federal income tax returns, California sales tax returns, logs, receipts, bank records, or other evidence documenting the gross receipts of the operation, or persons engaged in the conduct of an operation, for the purpose of ascertaining the amount of tax, if any, required to be paid by the provisions of this chapter, and for the purpose of verifying any statements or any item thereof when filed by any person pursuant to the provisions of this chapter. If such operations or person, after written demand by the Finance Director, refuses to make available for audit, examination or verification such books, records, or equipment as the Finance Director requests, the Finance Director may, after full consideration of all information within the Finance Director's knowledge concerning the operation and activities of the person so refusing, make a determination of tax due in the manner provided in Section 3.70.080 of this chapter.
- D. The conviction and punishment of any person for failure to pay the required tax shall not excuse or exempt such person from any civil action for the tax debt unpaid at the time of such conviction. No civil action shall prevent a criminal prosecution for any violation of the provisions of this chapter or of any state law requiring the payment of all taxes.
- E. Any person violating any of the provisions of this chapter or any regulation or rule passed in accordance herewith, or knowingly or intentionally misrepresenting to any officer or employee of the City any material fact, either concerning the operation and administration of this chapter, or as provided for in this chapter, shall be deemed guilty of a misdemeanor.

Section 3.70.080. Debts; Deficiencies; Determinations; Hearings.

- A. The amount of any tax, penalties, and interest imposed by the provisions of this chapter

shall be deemed a debt to the city and any person conducting an operation without also making payment to the city of the taxes imposed by this chapter shall be liable in an action in the name of the city in any court of competent jurisdiction for the amount of the tax, and penalties and interest imposed on such operation.

- B. If the Finance Director is not satisfied that any statement filed as required under the provisions of this chapter is correct, or that the amount of tax is correctly computed, the Finance Director may compute and determine the amount to be paid and make a deficiency determination upon the basis of the facts contained in the statement or upon the basis of any information in his or her possession or that may come into his or her possession. One or more deficiency determinations of the amount of tax due for a period or periods may be made. When a person discontinues engaging in an operation, a deficiency determination may be made at any time within three years thereafter as to any liability arising from engaging in such business whether or not a deficiency determination is issued prior to the date the tax would otherwise be due.
- C. Under any of the following circumstances, the Finance Director may make and give notice of a determination of the amount of tax owed by a person under this chapter:
 - 1. If the person has not filed any statement or return required under the provisions of this chapter.
 - 2. If the person has not paid any tax due under the provisions of this chapter.
 - 3. If the person has not, after demand by the Finance Director, filed a corrected statement or return, or furnished to the Finance Director adequate substantiation of the information contained in a statement or return already filed, or paid any additional amount of tax due under the provisions of this chapter.
 - 4. If the Finance Director determines that the nonpayment of any tax due under this chapter is due to fraud, a penalty of twenty-five percent (25%) of the amount of the tax shall be added thereto in addition to penalties and interest otherwise stated in this chapter.
 - 5. The notice of determination shall separately set forth the amount of any tax known by the Finance Director to be due or estimated by the Finance Director, after consideration of all information within the Finance Director's knowledge concerning the business and activities of the person assessed, to be due under each applicable section of this chapter, and shall include the amount of any penalties or interest accrued on each amount to the date of the notice of determination.
 - 6. The notice of determination shall be served upon the person either by handing it to him or her personally, or by a deposit of the notice in the United States mail, postage prepaid thereon, addressed to the person at the address of the location of the business appearing on the face of the business tax certificate issued under this Code or to such other address as he or she shall register with the Finance Director for the purpose of receiving notices provided under this chapter; or, should the person have no business tax certificate issued and should the person have no address registered with the Finance Director for such purpose, then to such person's last known

address. For the purposes of this section, a service by mail is complete at the time of deposit in the United States mail.

- D. Within ten days after the date of service of a determination of the amount of tax owed by a person under this chapter, the person may apply in writing to the Finance Director for a hearing on the determination. If application for a hearing before the City is not timely made, the tax assessed by the Finance Director shall become final. The procedures for such a hearing shall be conducted as required by law and as follows:
1. The city council delegates its authority to conduct such a hearing on the determination to an independent hearing officer. The compensation of the hearing officer shall not depend on any particular outcome of the appeal. The hearing officer shall have full authority and duty to preside over the hearing on the determination in the manner set forth herein and as required by law.
 2. Within 30 days of the receipt of any such application for hearing, the Finance Director shall cause the matter to be set for hearing before the independent hearing officer, unless a later date is agreed to by the Finance Director and the person requesting the hearing.
 3. Notice of the hearing shall be given by the Finance Director to the person requesting the hearing not later than five days prior to the date of the hearing. For good cause, the hearing officer may continue the administrative hearing from time to time. At the hearing the applicant may appear and offer evidence to show why the determination as made by the Finance Director should not be confirmed and fixed as the tax due. In conducting the hearing, the hearing officer shall not be limited by the technical rules of evidence. Failure of the person who applied for a hearing on the determination to appear shall not affect the validity of the proceedings or order issued thereon.
 4. Upon conclusion of the hearing, or no later than 10 days after the conclusion of the hearing, the hearing officer shall determine and reassess the proper tax to be charged and shall give written notice to the person in the manner prescribed in this chapter for giving notice of determination, and the hearing officer shall submit its decision and the record to the City Clerk. The decision of the hearing officer shall be final.

3.70.090. Amendment.

The city council has the right and authority to amend this chapter, to further its purposes and intent (including but not limited to amendment for more efficient administration as determined by the city council), in any manner that does not increase a tax rate, or otherwise constitute a tax increase for which voter approval is required by Article XIII C of the California Constitution, pursuant to Section 9217 of the California Elections Code.

SECTION 2. EFFECTIVE DATE.

If a majority of the voters of the City of Morro Bay voting at the General Municipal Election of November 6, 2018 vote in favor of this Ordinance, then this Ordinance shall become a valid and

binding ordinance of the City of Morro Bay, and shall be considered as adopted upon the date that the vote is declared by the City Council of the City of Morro Bay, and this Ordinance shall go into effect ten (10) days after that date, pursuant to Election Code section 9217.

SECTION 3. CITY COUNCIL AUTHORITY TO AMEND

This is a city council sponsored initiative Ordinance which otherwise would only be subject to amendment by the voters of the City of Morro Bay. However, pursuant to Section 9217 of the California Elections Code, the city council expressly reserves the right and authority to amend the Ordinance to further the purposes and intent of the Ordinance (including but not limited to amendment for more efficient administration as determined by the city council) in any manner that does not increase a tax rate, or otherwise constitute a tax increase for which voter approval is required by Article XIII C of the California Constitution.

SECTION 4. SEVERABILITY.

If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, the remaining portions of this Ordinance shall nonetheless remain in full force and effect. The People hereby declare that they would have adopted each section, subsection, sentence, clause, phrase, or portion of this Ordinance, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions of this Ordinance be declared invalid or unenforceable.

SECTION 5. EXECUTION.

The Mayor of the City of Morro Bay is hereby authorized and ordered to attest to the adoption of the Ordinance by the voters of the City of Morro Bay by signing where indicated below.

I hereby certify that the foregoing Ordinance was PASSED, APPROVED and ADOPTED by the People of the City of Morro Bay, California voting on the 6th day of November, 2018.



Mayor

ATTEST:


City Clerk

APPROVED AS TO FORM:


City Attorney