

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	Mayor
	Robert Davis	Council Member
	John Headding	Council Member
	Matt Makowetski	Council Member
	Marlys McPherson	Council Member
STAFF:	Scott Collins	City Manager
	Chris Neumeyer	Assistant City Attorney
	Dana Swanson	City Clerk
	Jennifer Callaway	Finance Director
	Rob Livick	Public Works Director
	Scot Graham	Community Development Director
	Jody Cox	Acting Police Chief
	Steve Knuckles	Fire Chief
	Eric Endersby	Harbor Director
	Jennifer Little	Tourism Manager
	Eric Casares	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 3<sup>rd</sup> 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 31<sup>st</sup> 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)  
<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 Heading 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 Heading 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