

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	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	Police Chief
	Eric Endersby	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 2<sup>nd</sup> 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 Heading and carried unanimously, 5-0.

MOTION: Council Member Heading 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 11<sup>th</sup> 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