

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JANUARY 8, 2019
VETERAN'S MEMORIAL HALL – 6:00 P.M.

AGENDA NO: A-1
MEETING DATE: February 13, 2019

PRESENT:	John Headding	Mayor
	Dawn Addis	Council Member
	Robert Davis	Council Member
	Jeff Heller	Council Member
	Marlys McPherson	Council Member
STAFF:	Scott Collins	City Manager
	Chris Neumeyer	City Attorney
	Dana Swanson	City Clerk
	Jennifer Callaway	Finance Director
	Rob Livick	Public Works Director
	Scot Graham	Community Development Director
	Steve Knuckles	Fire Chief
	Jody Cox	Police Chief
	Eric Endersby	Harbor Director

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Headding called the meeting to order at 6:00 p.m., with all members present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION – None

CLOSED SESSION REPORT – City Attorney Neumeyer stated no reportable action was taken by the City Council in closed session.

MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/bGbJxS52teE?t=98>

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

<https://youtu.be/bGbJxS52teE?t=382>

PRESENTATIONS

- Measure Q Report Presentation by CFAC Chair Spagnola
<https://youtu.be/bGbJxS52teE?t=390>

PUBLIC COMMENT PERIOD

<https://youtu.be/bGbJxS52teE?t=1327>

Chuck Netnan, Three Stacks Brewing located at 3118 Main Street, provided the business spot. Three Stacks Brewing is a small batch brewing company offering a relaxed family- and dog-friendly atmosphere.

Diane Cogdal, Morro Bay, expressed concern the Surf Street staircase had been removed and asked the Council to champion funding for its replacement.

Robert Cogdal, Morro Bay, was disappointed the Surf Street staircase had been removed. He also asked for an update on his request for a crosswalk from the Maritime Museum to restaurants on the Embarcadero.

Larry Truesdale, Morro Bay, provided the Council with an article from The Scientist magazine regarding cannabis use and shared his concerns about potential health impacts on infants and children.

Carole Truesdale, Morro Bay, provided information regarding the Los Osos sewer plant and expressed concern about potential escalating costs of Morro Bay's WRF project.

Rigmor, Morro Bay, spoke regarding the historic importance of the Surf Street staircase.

Erica Crawford, Morro Bay Chamber of Commerce, welcomed the new Council on behalf of the Chamber Board of Directors and local businesses, announced upcoming 4MB focus group meetings and the Annual Chamber Gala to be held Friday, January 11th.

Todd Gailey, SLO resident, spoke regarding his recent termination from the Morro Bay Fire Department and asked to meet individually with Council Members regarding his concerns.

Tim Gailey, Morro Bay, disagreed with the City's decision to terminate Fire Captain Gailey and urged the Council to investigate the case.

Barbara Spagnola, Morro Bay, spoke regarding application and selection process for advisory committees.

Nancy Bast, Morro Bay, disagreed with the proposed Council sub-committee assignments provided in Item A-4.

Chris Cameron announced the Morro Bay Winter Bird Festival will be held January 18 – 20 and stated his support for Todd Gailey.

Betty Winholtz, Morro Bay, was disappointed the Surf Street staircase had been removed, stated her support for Todd Gailey and noted all Morro Bay residents are qualified to serve on advisory boards.

Steve Stevens, Morro Bay, welcomed the new Council and encouraged appointing those with dissenting voices to committees.

Judith Johnston, Morro Bay, addressed the Council and chose to hold her comments until Item B-1.

Mayor Headding closed public comment.

Council asked staff to respond to issues raised during public comment including the Surf Street staircase, cannabis permit approval process, concerns regarding employee termination, and status of the crosswalk request. Mayor Headding commented on the proposed Council discretionary appointments.

A. CONSENT AGENDA
<https://youtu.be/bGbJxS52teE?t=4936>

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 NOVEMBER 13, 2018 SPECIAL CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-2 APPROVAL OF MINUTES FOR THE NOVEMBER 13, 2018 CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-3 APPROVAL OF MINUTES FOR THE NOVEMBER 29, 2018 CITY COUNCIL SPECIAL
MEETING AND CLOSED SESSION; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-4 APPOINTMENT OF MAYOR PRO TEMPORE AND APPOINTMENT OF
REPRESENTATIVES ON DISCRETIONARY BOARDS, COUNCIL LIAISON
ASSIGNMENTS AND COUNCIL SUB-COMMITTEES; (MAYOR)

**RECOMMENDATION: Appoint Council Member Davis as Mayor Pro Tempore as well
as appoint representatives to serve on the various County or Regional
Discretionary Boards, Council Liaison Assignments and Sub-Committees for
calendar year 2019 as shown on the attached appointment list.**

- A-5 RECEIVE THE CITIZEN'S ADVISORY FINANCE COMMITTEE (CFAC) REPORT ON FY
2017/18 MEASURE Q TRANSACTIONS AND OTHER ACTIVITIES DURING THE YEAR;
(FINANCE)

**RECOMMENDATION: Receive the Citizen's Advisory Finance Committee (CFAC)
Report on FY 2017/18 Measure Q transactions and other activities during the past
year.**

- A-6 ADOPTION OF RESOLUTION NO. 02-19 APPROVING A NEW MASTER LEASE
AGREEMENT BETWEEN THE CITY OF MORRO BAY AND FLYING DUTCHMAN
ENTERPRISES, INC. (STAN VAN BEURDEN) FOR LEASE SITE 96/96W, LOCATED AT
945 EMBARCADERO, AND COMMONLY KNOWN AS "HOUSE OF JUJU"; (HARBOR)

**RECOMMENDATION: City Council adopt Resolution No. 02-19, approving a new
Master Lease Agreement for Lease Site 96/96W, as proposed.**

- A-7 ADOPTION OF RESOLUTION NO. 03-19 AUTHORIZING THE MAYOR TO EXECUTE
DOCUMENTS NECESSARY FOR A NEW LOAN FOR THE LEASE AGREEMENT AT
LEASE SITE 122-123/122W-123W AND EXTENSION OF 122W-123W AND
ACCEPTING A DEED OF TRUST RELATED THERETO FOR IMPROVEMENTS TO THE
LEASED PROPERTY (THMT, INC, HARBOR HUT AT 1205 EMBARCADERO);
(HARBOR)

**RECOMMENDATION: City Council adopt Resolution No. 03-19 authorizing the
Mayor to execute documents necessary: for a new loan regarding the leasehold
interest at Lease Site 122-123/122W-123W, for an extension of the lease for 122W-
123W for improvements to the leased property subject to approval of the City
Attorney and Harbor Director, and to accept a deed of trust related thereto.**

- A-8 ADOPTION OF RESOLUTION NO. 04-19 ESTABLISHING THE 2019 CITY COUNCIL
MEETING CALENDAR AS WELL AS THE GOALS, WORK PLAN AND BUDGET
DEVELOPMENT SCHEDULES; (ADMINISTRATION)

RECOMMENDATION: City Council review the proposed Council meeting calendar and schedules and adopt Resolution No. 04-19 approving the 2019 City Council Meeting Calendar and Goals, Work Plan and Budget Development Schedules.

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

Council Member McPherson pulled Item A-2. Council Member Heller pulled Item A-4.

MOTION: Council Member McPherson moved approval of all items on Consent except Items A-2 and A-4. The motion was seconded by Council Member Davis and carried 5-0 by roll call vote.

A-2 APPROVAL OF MINUTES FOR THE NOVEMBER 13, 2018 CITY COUNCIL MEETING; (ADMINISTRATION)
<https://youtu.be/bGbJxS52teE?t=5028>

On page 12 of the agenda packet, Council Member McPherson asked that Council clarify action taken regarding Item C-3 at the November 13 meeting. Her understanding was the Harbor Lease Management Policy Council sub-committee would continue but would not attend meetings of the working group.

City Manager Collins commented a member of the public attempted to address the Council during public comment for the Consent Agenda. Mayor Heading re-opened public comment.
<https://youtu.be/bGbJxS52teE?t=5028>

Betty Winholtz, Morro Bay, spoke regarding Item A-4 and suggested the Council Member assignments be more equally divided.

The public comment period for the Consent Agenda was closed.

Council Member McPherson suggested the following correction to the November 13, 2018, Meeting Minutes: "There was also Council consensus that the Council sub-committee (Davis and McPherson) would meet with Mr. Lomeli and staff but would not regularly attend meetings of the lease policy working group."

MOTION: Council Member McPherson moved for approval of Item A-2, as amended. The motion was seconded by Council Member Davis and carried 5-0 by roll call vote.

A-4 APPOINTMENT OF MAYOR PRO TEMPORE AND APPOINTMENT OF REPRESENTATIVES ON DISCRETIONARY BOARDS, COUNCIL LIAISON ASSIGNMENTS AND COUNCIL SUB-COMMITTEES; (MAYOR)
<https://youtu.be/bGbJxS52teE?t=5028>

Council Member Heller stated he had met with Mayor Heading regarding Council assignments but, after further consideration, he requested the assignments be shuffled so that he would have approximately the same responsibilities as Council Member Addis.

MOTION: Council Member Heller moved the Council pull this item and that he meet with Mayor Heading and discuss committee assignments and not approve these at this time. The motion was seconded by Council Member McPherson for discussion.

At the Mayor's request, City Attorney Neumeyer confirmed the appointment of representatives to County boards and committees are made at the Mayor's discretion but that liaison assignments and Council sub-committees must be approved by the Council as a whole.

Council Member Heller withdrew the motion and Council Member McPherson withdrew the second.

MOTION: Council Member McPherson moved the Council approve the appointments to Regional / County boards that are at the Mayor's discretion as presented. The motion was seconded by Council Member Davis and carried 5-0 by roll call vote.

Council Member Heller stated the WRFCAC was important to him and he would like that to be a permanent committee.

MOTION: Council Member McPherson moved the Council allow Mr. Heller to meet with the Mayor to consider changing the assignments so he has more opportunity to participate. The motion was seconded by Council Member Davis and carried 5-0 by roll call vote.

The Council took a brief recess at 7:33 p.m. The meeting reconvened at 7:47 p.m. with all members present.

B. PUBLIC HEARINGS

B-1 ADOPTION OF RESOLUTION NO. 01-19 REGARDING THE APPEAL OF THE PLANNING COMMISSION'S DENIAL OF THE APPEAL OF THE ADMINISTRATIVE COASTAL DEVELOPMENT PERMIT NO. CP0-575 FOR THE CONSTRUCTION OF AN ATTACHED ACCESSORY DWELLING UNIT WITHIN THE EXISTING GARAGE AND THE REMOVAL OF A NONCONFORMING SHED AT 2575 GREENWOOD AVENUE. THE PARCEL IS LOCATED WITHIN THE R-1/S.2 SINGLE-FAMILY RESIDENTIAL ZONING DISTRICT AND OUTSIDE OF THE COASTAL COMMISSION APPEAL JURISDICTION; (COMMUNITY DEVELOPMENT)
<https://youtu.be/bGbJxS52teE?t=5713>

Community Development Director Graham provided the report and responded to Council inquiries. Council Member McPherson disclosed ex parte communications with the applicant and appellant.

Mayor Headding opened the public hearing and invited the appellant and respondent to provide testimony.

Judith Johnson, Appellant, provided background information regarding parking issues related to 2575 Greenwood Avenue and the lack of enforcement. She asked that laws be enforced consistently and evenly to all parties.

Dan Krull, Respondent, believed the proposed plan will help alleviate parking issues but those concerns are not related to this permit. If the proposed project is within legal requirements, he requested it be approved; if not, he would like feedback on what changes are needed to be compliant.

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

Clay Kearny, Morro Bay, stated this is a parking issue, not restrictions on the dwelling unit itself. He suggested the back area be fenced and that parking spaces be added on Greenwood Avenue.

The appellant was provided the opportunity to respond to comments by the respondent.

Judith Johnston added the placement of trash cans for three properties further impedes parking.

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

The public hearing was closed.

Council Member Heller stated he had visited property and met with the appellants. He was inclined to keep parking spaces on the Greenwood Street side of the property.

Following discussion, there was consensus the applicant had met all permit requirements and the issues raised regarding parking and trash can storage were a separate enforcement issue they hoped could be resolved peacefully between neighbors.

MOTION: Council Member McPherson moved the Council deny the appeal and uphold the Planning Commission's denial of the appeal of the Director's approval of Administrative Coastal Development Permit No. CP0-575 for the Accessory Dwelling Unit at 2575 Greenwood by adopting City Council Resolution No. 01-19 with the associated Findings and Conditions of approval. The motion was seconded by Council Member Addis and carried 4-1 by roll call vote with Council Member Heller opposed.

C. BUSINESS ITEMS

C-1 AUTHORIZATION FOR ATTENDANCE AT THE C-MANC ANNUAL WASHINGTON, D.C., "WASHINGTON WEEK" MEETINGS AND FOR SUPPORT OF FUNDING FOR THE WATER RECLAMATION FACILITY; (HARBOR/CITY MANAGER)
<https://youtu.be/bGbJxS52teE?t=8138>

Harbor Director Endersby and City Manager Collins provided the staff report and responded to Council inquiries. Mr. Collins amended the staff recommendation that, in addition to the City Manager and Public Works Director, the WRF Program Manager attend the Washington D.C. meetings to seek support for WRF funding and permitting.

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

Nancy Bast, Morro Bay, expressed concern about cost and suggested only the Mayor and Harbor Director go to Washington D.C.

Betty Winholtz, Morro Bay, suggested it was too early to seek support for grant funding and that only the Mayor and Harbor Director need to attend C-MANC at this time.

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

Following discussion, there was Council consensus to support the revised staff recommendation to send a 3-person contingent to attend meetings with legislative delegates and federal agencies representatives in support of the WRF funding and permitting. The Council appreciated the forethought to be in front of the decision makers before funding decisions were made and there was value in maintaining a presence.

Council Member Heller supported sending the Mayor and Harbor Director to attend C-MANC but felt it was an unnecessary expense to send additional people.

MOTION: Council Member McPherson moved the Council authorize a two-person delegation to attend the C-MANC 2019 "Washington Week" meetings in Washington D.C.,

that's the week of March 4 - 7, and authorize a 3-member delegation, the City Manager, Public Works Director and Program Manager, to travel to Washington D.C. and meet, alongside with the Mayor when appropriate, with Morro Bay's legislative delegation and relevant federal agencies representatives in support of the Water Reclamation Facility funding and permitting. The motion was seconded by Council Member Davis and carried 4-1 by roll call vote with Council Member Heller opposed.

- C-2 DISCUSSION AND DIRECTION REGARDING RESOLUTION NO. 27-18 PLEDGING TO FOLLOW BEST PRACTICES OF CIVILITY AND CIVIL DISCOURSE; (ADMINISTRATION)
<https://youtu.be/bGbJxS52teE?t=10273>

City Clerk Swanson introduced the item.

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

Following discussion, the Council agreed the Code of Civility be amended to clarify the use of profanity is not allowed, that it be brought back annually for Council approval and, once approved, be placed at the entrance to the Vets Hall. In addition, instructions for Public Comment on the front of the agenda should be revised to clarify members of the public are not required to fill out a speaker slip or state their name for the record.

No formal action taken by the City Council.

- C-3 ADVISORY BODY FINANCIAL REVIEW OF THE WATER RECLAMATION FACILITY (WRF) PROGRAM; (CITY MANAGER)
<https://youtu.be/bGbJxS52teE?t=11355>

Mr. Collins provided the report and responded to Council inquiries.

The public comment period for Item C-3 was opened.

Nancy Bast, Morro Bay, stated the analysis of construction costs should remain with the WRFCAC and project updates brought to the WRFCAC on a regular basis.

The public comment period was closed.

Mayor asked for a motion.

MOTION: Council Member Davis moved staff recommendation to revise the Citizens Finance Advisory Committee (CFAC) roles and responsibilities to include review of the financial aspects of the Water Reclamation Facility program, relieve the Water Reclamation Facility Citizens Advisory Committee of that responsibility, while maintaining the WRFCAC role of reviewing, and providing an opportunity for community input on the technical components of the WRF. The motion was seconded by Council Member McPherson for discussion.

Council Member McPherson noted the CFAC Chair is also the Acting Chair for the WRFCAC and is familiar with the workings of both committees. There was Council consensus the CFAC has the financial expertise and was the appropriate body to review and make recommendations regarding financial reports related to the WRF project.

Council Member Heller believed the CFAC should be looking at a high macro level information but that members of the WRFAC had the technical expertise to better understand how technical issues directly relate to cost.

The motion carried 4-1 by roll call vote with Council Member Heller opposed.

The Council took a brief recess at 9:46 p.m. The meeting reconvened at 9:57 p.m. with all members present.

C-4 ADOPTION OF RESOLUTION NO 05-19 REVISING THE CITY OF MORRO BAY EMERGENCY MANAGEMENT PLAN AND INTRODUCTION AND FIRST READING OF ORDINANCE 619 RENAMING AND AMENDING CHAPTER 8.08 OF THE MORRO BAY MUNICIPAL CODE RELATING TO THE EMERGENCY SERVICES ORGANIZATION; (FIRE)

<https://youtu.be/Gua2SJYB-4Y?t=12>

Fire Chief Knuckles provided 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.

MOTION: Council Member Davis moved the Council adopt Resolution No. 05-19 revising the City of Morro Bay Emergency Management Plan, formally known as the Multi-Hazard Emergency Response Plan. The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

MOTION: Council Member Davis moved the Council introduce, for first reading by title only and with further reading waived, Ordinance 619, an Ordinance of the City Council of the City of Morro Bay, California Renaming Chapter 8.08 of Title 8 of the Morro Bay Municipal Code as "Emergency Services Organization," and Amending Chapter 8.08, to Provide for Consistency with a Revised City of Morro Bay Emergency Management Plan. The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

<https://youtu.be/Gua2SJYB-4Y?t=1730>

Council Member Addis requested discussion of changing the start and end times of regular meetings. There was full support for this item.

Council Member Heller requested discussion town hall meetings or some method to present and listen to opposing ideas regarding the WRF project but did not receive support for the item.

E. ADJOURNMENT

Addis moved to adjourn at 10:37 p.m. Heller second. Motion carried 5-0.

The next Regular Meeting will be held on **Tuesday, January 22, 2019 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