

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – AUGUST 13, 2019
VETERAN'S MEMORIAL HALL – 5:30 P.M.

AGENDA NO: A-2
MEETING DATE: September 10, 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
	Jody Cox	Police Chief
	Eric Endersby	Harbor Director
	Matt Vierra	Fire Marshal
	Nancy Hubbard	Contract Planner
	Eric Casares	WRF Program Manager (Carollo Engineering)

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Headding called the meeting to order at 5:30 p.m., with all members present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION – None

CLOSED SESSION REPORT – No Closed Session meeting was held.

MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/UQ8dCgBydiY?t=95>

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS - None

PRESENTATIONS

- Morro Bay Chamber of Commerce Quarterly Update (postponed to future meeting)

PUBLIC COMMENT

<https://youtu.be/UQ8dCgBydiY?t=934>

SanDee Winn, Karen Kubarek, Lorri Nelson and Travis Ramsum from Morro Bay Massage & Wellness Center, located at 736 Main Street presented the business spot. For more information, visit www.morrobaymassage.com.

Ruth Ann Angus, Yes We Can Peace Builders, requested the City write letters to our representatives and the President in support of those working on gun violence issues.

Erica Crawford, Morro Bay Chamber of Commerce, announced a special limited time offer of reduced price tickets for local residents to attend the Avocado Margarita Festival.

Jamie Irons, Morro Bay, congratulated the City on the approval of the Coastal Commission approval of the WRF project and update of the General Plan/Local Coastal Plan. Regarding Item

C-1, he urged the Council to keep in mind the importance of quality and cost value project while moving the WRF forward as quickly as possible.

Linda Winters, Morro Bay, announced they are pleased to have successfully built a network of communication across the State and stated Morro Bay is fortunate to have a mobile home rent stabilization ordinance.

Kerrigan Mahan, Morro Bay, spoke to Item B-2 stating his concern with five houses as opposed to four houses was specific to parking.

Nancy Bast, Morro Bay, raised questions regarding costs associated with the Morro Bay Public Facilities Corporation.

Chris Rarig, Rarig Construction, urged Council to vote against project labor agreement.

Walter Heath, Morro Bay, spoke in favor of community workforce agreements and apprenticeship programs.

Melanie Williams Mahan, Morro Bay, spoke to Item B-2 expressing concern there wasn't sufficient room for guest parking for the proposed residences.

Mayor Headding closed public comment.

At the Mayor's request, staff responded to issues raised during public comment.

A. CONSENT AGENDA
<https://youtu.be/UQ8dCgBydiY?t=2857>

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 JUNE 25, 2019, CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE JUNE 25, 2019, CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE JULY 08, 2019, CITY COUNCIL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 CONSIDER APPROVAL OF PUBLIC WORKS ADVISORY BODY BOARD MEMBER'S REQUEST FOR AN EXCUSED ABSENCE; (CITY CLERK)

RECOMMENDATION: City Council consider and approve the request submitted by Public Works Advisory Board (PWAB) Member, Jan Goldman, to excuse her absences from the August 21 and September 18, Regular Public Works Advisory Board meetings

- A-5 GRAND JURY RESPONSE REGARDING AFFORDABLE HOUSING, LAW ENFORCEMENT AND DETENTION FACILITIES AND FIRE RISK MANAGEMENT; (CITY MANAGER)

RECOMMENDATION: Receive and file the City of Morro Bay's response to the County of San Luis Obispo Grand Jury Report regarding affordable housing, law enforcement and detention facilities and fire risk management.

- A-6 APPROVAL OF RESOLUTION NO. 69-19 FOR A NEW COMMERCIAL BUILDING LEASE AGREEMENT WITH THREE STACKS AND A ROCK BREWING COMPANY, LLC, FOR PORTIONS OF THE BUILDING AT LEASE SITE 69-70/69W-70W, LOCATED AT 595 EMBARCADERO ROAD (THE FORMER MORRO BAY AQUARIUM SITE); (HARBOR)

RECOMMENDATION: City Council approve Resolution No. 69-19 for a one-year Commercial Building Lease Agreement, with options to renew for additional terms, with Three Stacks and a Rock Brewing Company, LLC for portions of the building at Lease Site 69-70/69W-70W, formerly occupied by the Morro Bay Aquarium.

- A-7 FISCAL YEAR 2018/2018 PRELIMINARY YEAR-END BUDGET PERFORMANCE AND STATUS REPORT FOR THE TWELVE-MONTH PERIOD ENDING JUNE 30, 2019; (FINANCE DIRECTOR)

RECOMMENDATION: Staff recommends the City Council:

- A. Receive the Fiscal Year 2018/19 Preliminary Year-End Budget Performance and Status Report for the twelve-month period ending June 30, 2019; and**
- B. Adopt Resolution No. 72-19 authorizing staff to proceed with the preliminary year-end budget adjustments.**

Mayor Headding opened public comment for the Consent Agenda.

Erica Crawford, Morro Bay Chamber of Commerce, spoke in support of Item A-6.

The public comment period was closed.

Council Member Heller pulled Item A-7.

MOTION: Council Member McPherson moved approval of Items A-1 through A-6 on the Consent Agenda. The motion was seconded by Council Member Davis and carried 5-0 by roll call vote.

- A-7 FISCAL YEAR 2018/2018 PRELIMINARY YEAR-END BUDGET PERFORMANCE AND STATUS REPORT FOR THE TWELVE-MONTH PERIOD ENDING JUNE 30, 2019; (FINANCE DIRECTOR)
<https://youtu.be/UQ8dCgBydiY?t=2987>

RECOMMENDATION: Staff recommends the City Council:

- A. Receive the Fiscal Year 2018/19 Preliminary Year-End Budget Performance and Status Report for the twelve-month period ending June 30, 2019; and**
- B. Adopt Resolution No. 72-19 authorizing staff to proceed with the preliminary year-end budget adjustments.**

At Council Member Heller's request, staff provided additional information about the economic development fund, community benefit fund, and budget adjustment for Water Reclamation Facility (WRF) litigation costs.

MOTION: Council Member McPherson moved for approval of Item A-7. The motion was seconded by Council Member Davis and carried 5-0 by roll call vote.

B. PUBLIC HEARINGS

- B-1 ADOPTION OF RESOLUTION NO. 70-19 PRE-ZONING THE 27.6 ACRE PORTION OF THE WATER RECLAMATION FACILITY PARCEL APN 073-101-017 AS A PUBLIC FACILITY ZONE DISTRICT AND APPROVAL OF GENERAL PLAN & LOCAL COASTAL PROGRAM TEXT AND MAP AMENDMENTS AND INTRODUCTION OF PRE-ZONING ORDINANCE NO. 623 (CASE NO. MIN#19-009); (COMMUNITY DEVELOPMENT)
<https://youtu.be/UQ8dCgBydiY?t=3226>

Community Development Director Graham provided the report and, along with Public Works Director Livick, responded to Council questions.

Mayor Headding opened the Public Hearing and Public Comment.

Aaron Ochs, Morro Bay, suggested checking with LAFCO before proceeding with construction.

The Public Hearing was closed.

MOTION: Council Member McPherson moved to adopt Resolution No. 70-19, approving pre-zoning of a 27.6-acre portion of parcel APN 073-101-017 as a Public Facility zone district for the Water Reclamation Facility (WRF) to be located at 555 South Bay Blvd and approval of associated General Plan and Local Coastal Program Text and Map Amendments; and introduce for first reading by title only, and waive further reading, Ordinance No. 623, pre-zoning the 27.6 acre Water Reclamation Facility (WRF) portion of that APN. The motion was seconded by Council Member Davis and carried 4-1 by roll call vote with Council Member Heller opposed.

- B-2 ADOPT RESOLUTION NO. 71-19 AMENDING THE COASTAL LAND USE PLAN TO CLARIFY THE TOTAL DENSITY DERIVED FROM THE ALLOWED DENSITY TRANSFER WITHIN THE CLOISTERS SUBDIVISION; (COMMUNITY DEVELOPMENT)
<https://youtu.be/UQ8dCgBydiY?t=4070>

Contract Planner Hubbard provided the report and responded to Council questions.

Mayor Headding opened the Public Hearing and Public Comment.

Dawn Beattie, Morro Bay, expressed concern the proposed action would indirectly affect Lot 124 as developers will be encouraged to build the maximum allowed number of homes.

Steve Stevens, Morro Bay resident speaking on behalf of the Cloisters Design Review Committee, disagreed with the process used to establish allowed density and believed a maximum of four new lots would suffice.

The Public Hearing was closed.

Council Members asked staff to confirm the proposed action was not approving the development of five lots on Lot 124 and that any future develop proposal would be reviewed by the Cloisters Architectural Review Committee, Planning Commission and the City Council.

Council Member Heller was concerned this was not in alignment with Cloisters residents understanding and was not confident less than five units would be built on the property.

MOTION: Council Member Davis moved to adopt Resolution 71-19 approving the proposed text amendments to the Coastal Land Use Plan and direct staff to submit to the California Coastal Commission for certification. The motion was seconded by Council Member McPherson and carried 4-1 by roll call vote with Council Member Heller opposed.

The Council took a brief recess at 7:01 p.m. The meeting reconvened at 7:10 p.m. with all members present.

C. BUSINESS ITEMS

- C-1 CONSIDERATION OF LOCAL HIRE OPTIONS FOR CONSTRUCTION WORK ON COMPONENTS OF THE WATER RECLAMATION FACILITY PROJECT, AND PROVIDE DIRECTION AS DEEMED APPROPRIATE (LOCAL LABOR DISCUSSION/DIRECTION); (CITY MANAGER)
<https://youtu.be/UQ8dCgBydiY?t=5456>

City Manager Collins provided the report and responded to Council questions.

Council Member Addis disclosed ex parte communications with union member representatives as well as those on the business side.

Council Member Davis stated he and Council Member Addis had met with Water Reclamation Facility team, as well as local union and building trade representatives. David Baldwin also attended his office hours and they spoke for about an hour.

Council Member McPherson stated she received emails from a variety of people and had telephone conversations with Corey Black, David Baldwin, and Julie Zafiratos.

Council Member Heller disclosed communications with contractors and others in the industry.

Mayor Heading disclosed conversations with David Baldwin, Mr. Black and Mr. Rohrer regarding the issue, as well as numerous emails and other contacts.

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

Gary Silverman, Project Manager for Filanc/Black & Veatch, design/builder for the main WRF project, stated they preferred not to enter into project labor agreements but will look to hire a union workforce using as many local people as possible.

Amber Aviles, on behalf of Associated General Contracts of America (AGC), urged the Council to vote against project labor agreements but, if passed, offered to meet with staff and the Council to assist with crafting terms for the agreement.

Aaron Ochs, Morro Bay, was concerned about the lack of data about the success of project labor and community workforce agreements and suggested sending it back to the sub-committee to elaborate on what it takes to be “local.”

Fred Potthast, Cayucos resident and managing principal of Earth Systems Pacific, urged the Council to not include professional inspection, geotechnical inspection, and special testing services, etc. as part of the agreement.

Heidi Harmon, Mayor of San Luis Obispo, shared information on how San Luis Obispo came to a decision on a similar project to enter into a project labor agreement (PLA).

Joe Fitzer spoke regarding the importance of community workforce agreements for local hire.

Pat Holloway, Morro Bay, asked the Council to approve local hire, stating contractors have the opportunity to use apprentice and classifications to their benefit and reduce project costs.

Richard Griffith, Coordinator for Southern California Cement Mason Apprenticeship Programs, spoke regarding the need for more local jobs in Morro Bay and San Luis Obispo.

Joe Gibson, Los Osos, spoke in support of project labor and community workforce agreements.

Larry Murray, former President of Plumbers and Pipe Fitters Local 403 in San Luis Obispo, stated he retired 3 years ago but spent much of his 40 years working away from home. He suggested local hire agreements can help the local economy and people support their families.

Julie Zafiratos, Recording Secretary for the San Luis Obispo Democratic Party, commended the Council for their work in putting this project together and supported youth apprentice programs and union workers.

David Baldwin, San Luis Obispo County resident, shared his strong support for local hire and stated community workforce agreements aren't limited to union contractors so no one would be excluded or prevented from bidding on the project.

Berkeley Blake, San Luis Obispo, shared his appreciation for the opportunity he received through the apprenticeship program.

Sean Perry, Membership Development Coordinator for IBEW Local 639, urged the Council to move forward with a local hire agreement.

Homer Alexander, Morro Bay, expressed concern a community workforce agreement would create unnecessary costs that would take away funding from other projects outlined in OneWater work plan.

Lee Cushman, Cushman Contracting, opposed project labor agreements and stated project costs would increase if one were implemented.

Skip Sorich, Morro Bay, spoke in opposition to project labor agreements.

Steve Rarig, president of Rarig Construction, suggested a project labor or community workforce agreement would discriminate against non-union contractors as they would not be able to bid on the project.

Charles Varni, Oceano, was fully supportive of a community workforce agreement to guarantee locals will be hired on the project; alternatively, he was supportive of option 2 provided in the staff report, which allowed more flexibility.

Jake Schmidt, Morro Bay, opposed community workforce agreements and urged the City to not set a precedent for local governments to protect labor unions at taxpayers' cost.

Jennifer Pitcher, Associated Builders and Contractors, expressed opposition to proposed project labor or community workforce agreements as they are discriminatory and do not lead to local hiring.

Cordelia Perry, Executive Director SLO County Building Exchange, asked the Council to vote no on the proposed project labor/community workforce agreement.

Heather Gray, President of Democrats of San Luis Obispo, spoke in favor of beginning negotiations for community workforce agreements.

Eric Christen, Coalition for Fair Employment in Construction, opposed project labor agreements and suggested the Council not move forward until there was a better understanding of what that type of agreement entails.

Torrey Byles, Morro Bay, suggested developing RFP criteria to help quantify by zip code or county where they're hiring and how much each contractor spends locally.

John Madonna explained it would not be fair to his employees to bid on a project labor agreement project as the benefits they currently receive would go to the union melting pot.

Erica Crawford, Morro Bay Chamber of Commerce, noted the Chamber Board had not taken position; however, staff has researched project labor/community workforce agreements and without a draft agreement, there is nothing to comment on at this time.

David Crye stated if the City moved forward with a project labor agreement, his company would not bid on the project.

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

Mayor Headding asked for motion to extend the meeting past 9:30.

MOTION: Council Member McPherson moved to extend the meeting to a time not certain. The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

The Council took a brief recess at 9:23 p.m. The meeting reconvened at 9:33 p.m. with all members present.

<https://youtu.be/UQ8dCgBydiY?t=13373>

A majority of the Council noted the primary concern was to keep WRF costs as low as possible and get the best value for the rate payers. There was also agreement local hiring was a worthy goal; however, there was some uncertainty community workforce agreements would accomplish that. There was consensus to move forward with a fair

bidding process that encourages the largest number of bidders and build language into the pre-qualifications and/or agreement that would encourage local hiring and use of apprentice programs.

MOTION: Council Member McPherson moved to direct staff to add a local hire preference in the bid pre-qualifications and/or contract on the pipeline conveyance, lift station and injection well components of the WRF project. The motion was seconded by Council Member Heller for discussion.

The Council sought legal advice as to whether this could be a requirement or simply a preference. City Attorney Neumeyer suggested amending the motion to include a local hire preference to the extent allowed by law.

AMENDED MOTION: Council Member McPherson amended the motion to include local hire preference "to the fullest extent of the law." The amended motion was seconded by Council Member Heller and carried 5-0 by roll call vote.

C-2 RECEIVE, REVIEW, AND PROVIDE DIRECTION ON THE WRF QUARTERLY UPDATE REPORT; (PUBLIC WORKS)
<https://youtu.be/UQ8dCgBydiY?t=15694>

Water Reclamation Facility Program Manager Casares provided the report and responded to Council inquires.

MOTION: Council Member McPherson moved the Council accept CFAC's recommendation and have them review the financial reports on a quarterly basis, but that the Council continue to receive monthly reports on the consent calendar on the months in between the quarterly reports. The motion was seconded by Mayor Heading and carried 5-0.

The public comment period for Item C-2 was opened.

Torrey Byles, Morro Bay, expressed confidence the Council and staff are doing an excellent job monitoring the WRF project.

The public comment period for Item C-2 was closed.

C-3 ADOPTION OF RESOLUTION NO. 73-19 DECLARING THE CITY'S INTENTION TO APPROVE CALPERS CONTRACT AMENDMENT AND INTRODUCTION AND FIRST READING OF ORDINANCE NO. 624 AUTHORIZING AN AMENDMENT TO THE CALPERS CONTRACT TO IMPLEMENT AN ADDITIONAL 1% COST SHARING FOR LOCAL POLICE MEMBERS IN THE MORRO BAY PEACE OFFICERS ASSOCIATION; (CITY CLERK/HUMAN RESOURCES MANAGER)
<https://youtu.be/UQ8dCgBydiY?t=18192>

City Clerk Swanson provided the report and responded to Council inquires.

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

MOTION: Council Member Davis moved to adopt Resolution No. 73-19 giving notice of the City's intention to approve an amendment to the contract between the City and the Board of Administration of the California Public Employees' Retirement System and Introduce for first reading by title only, with further reading waived, Ordinance No. 624 Authorizing an

Amendment to the Contract between the City of Morro Bay and the Board of Administration of the California Public Employees' Retirement System (CalPERS) Implementing Section 20516 (Employees Sharing Additional Cost) to provide additional employee cost sharing of 1% for local police members in the Morro Bay Peace Officers Association (MB POA) for Fiscal Year 2019/20 (FY2019/20). The motion was seconded by Mayor Heading and carried 5-0 by roll call vote.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

<https://youtu.be/UQ8dCgBydiY?t=18377>

Council Member Davis requested consideration to extend the Utility Discount Program to eligible mobile home park tenants and apartment complex tenants who do not have a utility account. The Council supported this item.

Council Member Addis requested the Council the City weigh in with letters to our elected officials on military assault type weapons and also consider what kind of policies cities can put in place to minimize mass shootings through gun control or restrictions. Mr. Neumeyer suggested his office could put together a report on policies the Council might choose to consider. A majority of the Council supported this item.

Council Member Heller requested a report outlining the cost alternative to install conveyance piping on Quintana and Main Streets at night. Based on the estimated staff time of 16-20 hours to prepare the analysis, the Council was not supportive of this item.

Council Member Heller asked the Council to consider discussion of trash at the Rock, cleanliness of Embarcadero street area, RV/boat parking code enforcement issues. Staff agreed to bring back and item in September/October regarding cleanliness issues. There was no support to discuss RV and boat parking issues at this time.

E. ADJOURNMENT

The meeting adjourned at 11:25 p.m.

Recorded by:

Dana Swanson
City Clerk