

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – SEPTEMBER 10, 2019
VETERAN'S MEMORIAL HALL – 5:30 P.M.

AGENDA NO: A-1
MEETING DATE: October 22, 2019

PRESENT: John Headding Mayor
Dawn Addis Council Member
Robert Davis Council Member
Jeff Heller Council Member
Marlys McPherson Council Member

ABSENT: None

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
Matt Vierra Fire Marshal
Jody Cox Police Chief
Tony Mosqueda Police Sergeant
Eric Endersby Harbor Director
Jennifer Little Tourism Manager

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 – City Attorney Neumeyer stated no reportable action was taken by the City Council in accordance with the Brown Act.

MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

https://youtu.be/4tkJFo_J1z4?t=139

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS - None

PRESENTATIONS

- SLOCOG Rideshare Presentation by Catalina Hubbard
https://youtu.be/4tkJFo_J1z4?t=766
- Lighthouse Century Ride Presentation by Mary Ann Gustafson
https://youtu.be/4tkJFo_J1z4?t=1143

PUBLIC COMMENT

https://youtu.be/4tkJFo_J1z4?t=1484

Bob Swain, Morro Bay, announced the Maritime Museum needs volunteers and recommended vacation rentals follow the same regulations as hotels.

Victoria Schmidt, Morro Bay, urged the Council to prioritize the vacation rental policy update.

Carol Swain, Morro Bay, spoke in support of adding vacation rentals to the TBID and requested the vacation rental policy update be a top priority.

Terry Simons, Morro Bay, spoke regarding the use of Nextdoor for community polling and suggested placing a lift station in the center of the future Highway 1/41 roundabout.

Linda Winters, Morro Bay, shared her appreciation for staff's attention to understanding the mobile home rent control ordinance and helping Mr. Oberlin prove his permanent residency.

George Oberlin, Morro Bay, thanked staff for their assistance.

Mimi Goldberg, Morro Bay, requested trash cans be returned to the benches and fire pits near Morro Rock.

Betty Winholtz, Morro Bay, announced Citizens for Affordable Living is hosting an open forum to present alternative viewpoints on the Water Reclamation Facility project on Sunday at 1:00 p.m. and 3:00 p.m. at the Inn at Morro Bay.

Nick Juren, Beach-N-Bay Getaways, spoke regarding vacation rentals.

Jim Reed, Morro Bay, urged Council to approve a vacation rental ordinance.

A resident expressed concerns regarding illegal vacation rentals and lack of sidewalks and designated bike paths in north Morro Bay.

Dan Sedley, Morro Bay, agreed with the previous speaker and asked when the vacation rental ordinance would be brought to Council.

Mayor Heading closed public comment.

A. CONSENT AGENDA
https://youtu.be/4tkJFo_J1z4?t=3245

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 AUGUST 13, 2019, CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE AUGUST 13, 2019, CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE AUGUST 27, 2019, CITY COUNCIL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 DESIGNATION OF VOTING DELEGATE AND ALTERNATE AT LEAGUE OF CALIFORNIA CITIES 2019 ANNUAL CONFERENCE BUSINESS MEETING; AND, AUTHORIZE THE VOTING DELEGATES TO APPROVE PROPOSED RESOLUTIONS AT THE ANNUAL MEETING CALLING ON THE CPUC TO AMEND RULE 20A REGARDING VERY HIGH RISK FIRE HAZARDS AND INCREASE FUNDING FOR RULE 20A PROJECTS, AND CALLING UPON FEDERAL AND STATE GOVERNMENTS

TO ADDRESS INTERNATIONAL POLLUTION ALONG CALIFORNIA'S SOUTHERN BORDER IMPACTING THE STATE; (CITY CLERK)

RECOMMENDATION: Staff recommends the City Council:

1. **Select Mayor Headding, as the voting delegate, and Mayor Pro Tem Davis, as the alternate voting delegate, for the upcoming annual business meeting to be held at the League of California Cities Annual Conference; and**
2. **Authorize City Clerk to sign the League of California Cities' form affirming the selection of the voting delegate and the alternate voting delegate; and**
3. **Authorize the selected voting delegate (or selected alternate as needed) to approve the two proposed Resolutions.**

A-5 ADOPTION OF RESOLUTION NO. 76-19 APPROVING UPDATED RECORDS RETENTION SCHEDULE AND AUTHORIZING SUBSEQUENT MINOR UPDATES WITHOUT FURTHER COUNCIL ACTION; (CITY CLERK)

RECOMMENDATION: Council adopt Resolution No. 76-19 rescinding Resolution No. 25-17, approving the City of Morro Bay Records Retention Schedule, and authorizing subsequent minor updates without further Council action.

A-6 CONSIDERATION OF REQUEST BY LOCAL BOY SCOUT, CURTIS BRADLEY, FOR A SIGN PERMIT FEE WAIVER FOR A SECOND FREE STANDING SIGN AT ST. TIMOTHY'S CHURCH AT 962 PINEY WAY; (COMMUNITY DEVELOPMENT)

RECOMMENDATION: Planning Commission unanimously recommends waiver of the sign permit fee, for a second free standing sign at St. Timothy's Church at 962 Piney Way, in the amount of \$1,305.

A-7 APPROVAL OF HARBOR ADVISORY BOARD MEMBER'S REQUEST FOR AN EXCUSED ABSENCE; (CITY CLERK)

RECOMMENDATION: Staff recommends the City Council consider the request submitted by Harbor Advisory Board (HAB) Member, Ron Reisner, to excuse his absence from the October 3, 2019 Regular Harbor Advisory Board meeting.

Mayor Headding opened public comment for the Consent Agenda.

https://youtu.be/4tkJFo_J1z4?t=3253

Curtis Bradley spoke regarding Item A-6, requesting the sign exception permit fee in the amount of \$1,305 be waived.

Father Ed Holterhoff, St. Timothy's Church, congratulated Curtis on an outstanding job and asked the Council to waive the permit fees.

Dan Sedley, Morro Bay, commented on Item A-5, expressing concerns related to records, such as meeting minutes, might be destroyed.

The public comment period was closed.

Mayor Headding pulled Item A-5. Council Member Heller pulled Item A-1.

MOTION: Council Member Davis moved approval of Items A-2, A-3, A-4, A-6 and A-7 on the Consent Agenda. The motion was seconded by Council Member McPherson and carried 5-0 by roll call vote.

- A-5 ADOPTION OF RESOLUTION NO. 76-19 APPROVING UPDATED RECORDS RETENTION SCHEDULE AND AUTHORIZING SUBSEQUENT MINOR UPDATES WITHOUT FURTHER COUNCIL ACTION; (CITY CLERK)
https://youtu.be/4tkJFo_J1z4?t=3913

In response to concerns raised during public comment, City Clerk Swanson explained there are various retention periods and Minutes for Brown Act meetings are retained permanently.

- A-1 APPROVAL OF MINUTES FOR THE AUGUST 13, 2019, CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)
https://youtu.be/4tkJFo_J1z4?t=3964

Council Member Heller requested the meeting minutes be amended to include his comments suggesting alternatives to address unfunded liabilities include revenue enhancement options as well as expense reduction options.

City Attorney Neumeyer stated to include specific comments attributed to a Council Member would be an exception to the general practice of preparing action minutes; however, the request would be captured in the minutes for tonight's meeting.

MOTION: Council Member Heller moved comments he made be incorporated into meeting minutes for August 13 meeting. The motion was seconded by Council Member McPherson for discussion.

Following discussion, the motion failed 0-5 by roll call vote.

MOTION: Mayor Heading moved for approval of Item A-1. The motion was seconded by Council Member Davis and carried 5-0 by roll call vote.

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

B. PUBLIC HEARINGS- NONE

C. BUSINESS ITEMS

- C-1 APPROVAL OF AMENDMENT TO CONTRACT WITH WATER WORKS ENGINEERS, LLC FOR ENGINEERING DESIGN SERVICES FOR THE WATER RECLAMATION FACILITY (WRF) LIFT STATION AND OFFSITE PIPELINES; (PUBLIC WORKS)
https://youtu.be/4tkJFo_J1z4?t=3913

Public Works Director Livick and Water Reclamation Facility Program Manager Casares provided the report and responded to Council questions.

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

Terry Simons, Morro Bay, was concerned the impacts of this engineering change on the eventual bids for the conveyance system would add to the overall project cost.

Betty Winholtz, Morro Bay, inquired about advisory board input and asked whether the City had received permission to build on property owned by other entities.

Dan Sedley, Morro Bay, restated questions raised during public comment.

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

Mayor Headding asked staff to respond to questions raised during public comment.

Council Member Heller was concerned contingencies were being spent early in the project and suggested postponing the item pending input from the WRFCAC. There was consensus these changes were brought to Council as they occurred, reviewed by the WRFCAC and previously approved with the project budget.

MOTION: Council Member McPherson moved the City Council authorize the City Manager to execute the Amendment to Contract with Water Works Engineers, LLC (WWE) for Engineering Design Services for the Water Reclamation Facility (WRF) Lift Station and Offsite Pipelines. The motion was seconded by Council Member Davis.

Following discussion, the motion carried 4-1 by roll call vote with Council Member Heller opposed.

The Council took a brief recess at 7:41 p.m. The meeting reconvened at 7:51 p.m. with all members present.

C-2 RECEIVE AND FILE THE ADDENDUM TO THE CERTIFIED APPROVED FINAL ENVIRONMENTAL IMPACT REPORT FOR THE WRF PROJECT (FEIR); (PUBLIC WORKS)
https://youtu.be/4tkJFo_J1z4?t=7966

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

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

Terry Simons, Morro Bay, asked about status of WIFIA and SRF funding and whether Caltrans had issued the necessary permits.

Betty Winholtz, Morro Bay, expressed concerns and urged the Council to not receive the report.

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

Mayor Headding requested staff respond to concerns raised during public comment.

Council Member Heller suggested the Council not receive and file, expressing concerns with the CEQA process and that comments of the general public had largely been ignored.

MOTION: Mayor Headding moved the Council receive and file the report. The motion was seconded by Council Member Davis and carried 4-1 by roll call vote with Council Member Heller opposed.

C-3 2019 AND 2020 CITY GOALS AND ACTION ITEMS STATUS UPDATE AND CONSIDERATION OF SHORT-TERM VACATION RENTAL POLICY DEVELOPMENT PROCESS; (CITY MANAGER)
https://youtu.be/4tkJFo_J1z4?t=9648

City Manager Collins provided the report and responded to Council questions related to City goals and consideration of a policy requiring removal/delay of a Council approved action item from the City Council goals prior to adding a new action item.

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

Betty Winholtz, Morro Bay, requested clarification on the number of housing units the City would be responsible for.

Terry Simons, Morro Bay, offered to participate on the boat haul-out ad hoc committee if a seat was available. He was also concerned about the number of projects and lack of focus on those items that were more critical.

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

Following discussion, the Council agreed on the importance of prioritizing Council-directed action items and support for staff's recommendation to develop a policy requiring the removal/delay of a Council approved action from the City Council Goals prior to adding a new action item. Council Heller opposed adding another policy and hoped there was another alternative.

MOTION: Council Member McPherson moved the Council add consideration of a policy requiring removal/delay of an approved action item prior to adding a new action item to the Council's policy review sub-committee. The motion was seconded by Council Member Davis and carried 4-1 by roll call vote with Council Member Heller opposed.

The Council continued with questions and discussion of Item 3 - Short-Term Vacation Rental Policy Development.

Mayor Headding re-opened public comment.

Robert Elzer, U-Relax Vacation Rentals, offered his perspective as a vacation rental property manager and suggested using the San Luis Obispo County ordinance as a guide moving forward.

Terry Simons, Morro Bay, shared information he gleaned from polling on Nextdoor, noting unlicensed vacation rentals are the problem. He suggested vacation rentals reduce the number of available housing units.

Nick Juren, Beach-N-Bay Getaways, suggested most complaints are about illegal rentals and enforcement of current policies would provide relief to residents.

Betty Winholtz, Morro Bay, hoped the Council would direct staff to form a committee comprised of property managers, residents and a community moderator. She agreed on the importance of enforcement.

Carolyn Brinkman, Morro Bay, spoke in support of contracting with Host Compliance and using a committee with stakeholder representatives, facilitated by someone who is seen as neutral, to draft the vacation rental policy.

Dan Sedley, Morro Bay, opposed using consultants for the process and spoke to the importance of getting community input.

Mayor Headding closed public comment.

MOTION: Council Member McPherson moved to extend the meeting past 9:30 to a time uncertain. The motion was seconded by Council Member Davis and carried 5-0 by roll call vote.

MOTION: Council Member McPherson moved the City Council move forward to begin process of developing a new vacation rental ordinance by conducting one of more public forums on the issue to reengage the public, asking the City Manager to appoint an ad-hoc committee composed vacation rental owners and managers, residents, two City Council members (Vacation Rental Policy Sub-Committee members), and also include a Planning Commissioner since the Planning Commission has to also hear this. The committee would be charged with developing a draft policy and vacation rental ordinance which can then be reviewed by the City Attorney and taken to the Planning Commission and City Council for consideration. The motion was seconded by Council Member Davis and carried 5-0 by roll call vote.

- C-4 ADOPTION OF ORDINANCE NO. 624 AUTHORIZING AN AMENDMENT TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM CONTRACT TO IMPLEMENT COST SHARING AND ADOPTION OF RESOLUTION NO. 77-19 APPROVING UPDATED PUBLICLY AVAILABLE PAY SCHEDULE REFLECTING 1% SALARY INCREASE FOR LOCAL POLICE MEMBERS IN THE MORRO BAY PEACE OFFICERS ASSOCIATION; (CITY CLERK)
https://youtu.be/4tkJFo_J1z4?t=14350

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

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

MOTION: Council Member Davis moved to adopt 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) and authorize the Mayor to execute the contract amendment; and adopt Resolution No. 77-19 approving an updated publicly available pay schedule reflecting a 1% salary increase for those affected employees as agreed in the Successor Memorandum of Understanding (MOU) with the MB POA for the period July 1, 2018 – June 30, 2020, effective October 19, 2019. The motion was seconded by Council Member McPherson and carried 5-0 by roll call vote.

- D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
https://youtu.be/4tkJFo_J1z4?t=14574
None

- E. ADJOURNMENT

The meeting adjourned at 9:42 p.m.

Recorded by:

Dana Swanson
City Clerk