

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – SEPTEMBER 24, 2019  
VETERAN'S MEMORIAL HALL – 5:30 P.M.

AGENDA NO: A-1  
MEETING DATE: November 12, 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  
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 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/6rqwDmlWakE?t=305>

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

<https://youtu.be/6rqwDmlWakE?t=885>

PRESENTATIONS

- Presentation of Sea Otter Awareness Proclamation to Janet Lang-Young on behalf of Sea Life Experience volunteers  
<https://youtu.be/6rqwDmlWakE?t=1011>
- Morro Bay Community Power Presentation by Marc Adato  
<https://youtu.be/6rqwDmlWakE?t=1209>

PUBLIC COMMENT

<https://youtu.be/6rqwDmlWakE?t=3391>

Joan Solu, Community Foundation of Estero Bay, announced its annual fundraising event, Morro Bay Sings, will be held Saturday, October 12, at 5:00 p.m. in the Morro Bay Community Center.

Linda Winters, Morro Bay, provided a progress report on mobile home park rent stabilization and spoke in favor of the proposed Utility Rebate Program (Item C-2).

Erica Crawford, Morro Bay Chamber of Commerce, announced upcoming events, including the 2<sup>nd</sup> Women Making Waves event to be held Monday, September 30, at The Siren, beginning at 6:00 p.m.

Cindy Betonte, Morro Bay, voiced her support for Item C-2, Utility Rebate Program for mobile home parks and apartment complexes, and suggested the Council consider collecting donations to assist residents eligible for utility rebate / discount programs.

Sean Green, Morro Bay, expressed concern about businesses that are not welcoming to visitors and thanked entities that provide good examples, including The Landing at Morro Bay, Historical Society of Morro Bay, and Morro Bay in Bloom.

Betty Winholtz, Morro Bay, questioned an item on Coastal Commission Director's Report for the September meeting, referring to Adopt Plan Morro Bay, Task 7, which stated the City is amending its LCP grant agreement to remove local adoption.

Mayor Headding closed public comment.

Staff responded to questions raised during public comment.

A. CONSENT AGENDA  
<https://youtu.be/6rqwDmlWakE?t=4575>

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 27, 2019, CITY COUNCIL MEETING;  
(ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-2 REVIEW AND RECEIVE WATER RECLAMATION FACILITY (WRF) CAPITAL  
PROJECT MONTHLY UPDATE REPORT AND PROVIDE DIRECTION, IF ANY,  
DEEMED APPROPRIATE; (PUBLIC WORKS)

**RECOMMENDATION: Staff recommends the Council receive WRF Capital Project  
Monthly Update Report and provide direction, if any, deemed appropriate.**

A-3 2019 MORRO BAY LOCAL HAZARD MITIGATION PLAN PROCESS UPDATE; (FIRE)

**RECOMMENDATION: Staff recommends the City Council receive and file this  
report.**

A-4 ADOPTION OF RESOLUTION 78-19 APPROVING A NEW INTERIM LEASE  
AGREEMENT WITH TODD BASTON AND TAMARA GRAY-BASTON FOR LEASE SITE  
62/62W, LOCATED AT 551 EMBARCADERO ROAD (KAYAK HORIZONS); (HARBOR)

**RECOMMENDATION: Staff recommends the City Council adopt Resolution 78-  
19 approving a five-year Interim Lease Agreement with Todd Baston and Tamara  
Gray-Baston for Lease Site 62/62W, currently operating as Kayak Horizons.**

A-5 THIRD AND FOURTH QUARTER INVESTMENT REPORTS (JANUARY THROUGH  
JUNE 2019) FOR FISCAL YEAR 2018/29; (FINANCE)

**RECOMMENDATION:**

1. Receive and file the Third Quarter Investment Report (January through March 2019) for Fiscal Year 2018/19; and
2. Receive and file the Fourth Quarter Investment Report (April through June 2019) for Fiscal Year 2018/19.

A-6 APPROVAL OF CONTRACT WITH SAN LUIS OBISPO COUNTY FOR ANIMAL CARE AND CONTROL SERVICES FOR FY 2019-22; (CITY MANAGER)

**RECOMMENDATION: Staff recommends the City Council authorize the City Manager to execute a three-year contract with the County of San Luis Obispo for the continued provision of Animal Care and Control Services from July 1, 2019 to June 30, 2022.**

A-7 APPROVAL OF PUBLIC WORKS ADVISORY BOARD AND TOURISM BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD MEMBER'S REQUEST FOR AN EXCUSED ABSENCE; (ADMINISTRATION)

**RECOMMENDATION:**

**Staff recommends the City Council consider the requests submitted by:**

1. Public Works Advisory Board (PWAB) Member, Ric Deschler, to excuse his absence from the October 2018, February 2019, and August 2019 Regular Public Works Advisory Board meetings and allow him to continue serving through the scheduled term ending January 31, 2021; and
2. Tourism Business Improvement District Advisory Board (TBID) Member, Isaac Su, to excuse his absence from the September 2019 Regular Tourism Business Improvement Advisory Board meeting.

A-8 PROCLAMATION RECOGNIZING SEA OTTER AWARENESS WEEK SEPTEMBER 22 – 28, 2019; (ADMINISTRATION/HARBOR)

**RECOMMENDATION: Approved as submitted.**

Mayor Heading opened the public comment for the Consent Agenda.

Betty Winholtz, Morro Bay, asked questions submitted as agenda correspondence for Item A-2.

The public comment period was closed.

Mayor Heading pulled Items A-2 and A-3.

**MOTION:** Council Member Davis moved approval of all items on Consent except Items A-2 and A-3. The motion was seconded by Council Member McPherson and carried 5-0 by roll call vote.

A-2 REVIEW AND RECEIVE WATER RECLAMATION FACILITY (WRF) CAPITAL PROJECT MONTHLY UPDATE REPORT AND RPROVIDE DIRECTION, IF ANY, DEEMED APPROPRIATE; (PUBLIC WORKS)  
<https://youtu.be/6rgwDmlWakE?t=4777>

Staff responded to questions raised during public comment.

**MOTION:** Mayor Heading moved approval of Item A-2. The motion was seconded by Council Member McPherson and carried 5-0 by roll call vote.

- A-3 2019 MORRO BAY LOCAL HAZARD MITIGATION PLAN PROCESS UPDATE; (FIRE)  
<https://youtu.be/6rqwDmlWakE?t=5048>

Mayor Headding asked Fire Chief Knuckles to provide an overview of information discussed at a FEMA presentation recently attended by the Mayor, City Manager, Fire Chief, and Police Chief, and update on preparations for a potential PG&E Power Safety Shut Off (PSPS).

MOTION: Mayor Headding moved approval of Item A-3. 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 COMPREHENSIVE COST ALLOCATION PLAN AND FEE STUDY UPDATE; (CITY MANAGER/FINANCE)  
<https://youtu.be/6rqwDmlWakE?t=5757>

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

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

Steve Powers, Director of Morro Bay Art in the Park, commented on the impacts the proposed fees would have on their event.

Erica Crawford, Morro Bay Chamber of Commerce, encouraged the Council to consider input provided by the Chamber Government Affairs Committee on behalf of its members.

Cynthia Bunting, Morro Bay Art Association Member, was concerned about the ripple effect fee increases can have in small communities.

Patricia Newton, President of Morro Bay Art Association, hoped the Council would consider the impact fee increases may have on the Art Association and other non-profit organizations.

Tim Cleath, San Luis Obispo, supported phasing in new fees but asked the Council to consider the potential impacts on business development.

Betty Winholtz, Morro Bay, urged the Council to not increase appeal fees.

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

The Council took a brief recess at 7:52 p.m. The meeting reconvened at 8:02 p.m. with all members present.

<https://youtu.be/6rqwDmlWakE?t=9253>

Following discussion, there was Council concurrence on the following points:

- Full cost recovery for discretionary services, with a phased in approach on fees that increased significantly
- Conduct the public hearing on October 22, 2019, and begin implementation of new fees January 1, 2020
- Further review and discussion of fee subsidies for non-profit organizations and/or events with potential community or economic benefit
- Continued support for existing partnership agreements and City sponsored event fee waivers
- Modest increase to appeal fees
- Eliminate direct cost method of assessing fees
- Harbor liveaboard and slip fees to be brought back in December after recommendations received by those wishing to provide input
- Consideration of economic development incentive fund postponed until the next budget cycle

No formal action was taken by the City Council.

- C-2 ADOPTION OF RESOLUTION NO. 79-19 TO APPROVE UTILITY REBATE PROGRAM FOR RESIDENTS OF MOBILE HOME PARKS AND APARTMENT COMPLEX, WITHIN CITY LIMITS, WHICH ARE NOT INDIVIDUALLY METERED RESIDENCES, AND ADOPT RESOLUTION NO. 80-19 CITY OF MORRO BAY SCHEDULED TURN ON AND TURN OFF PROCEDURE, ACCOUNT PRIVACY AND PROTECTION POLICY AND COLLECTIONS POLICY; (FINANCE)  
<https://youtu.be/6rqwDmlWakE?t=11866>

Finance Director Callaway provided the report and responded to Council questions.

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

Linda Winters, Morro Bay, expressed her appreciation for the opportunity to participate in the process of developing this policy.

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

MOTION: Council Member Davis moved to approve Resolution No. 79-19, City of Morro Bay's Utility Rebate Program for residents of Mobile Home Parks and Apartment Complexes, within City limits, which are not individually metered and also approve that the Council approve Resolution No. 80-19 City of Morro Bay's Scheduled Turn on and Turn off Procedures, Account Privacy and Protection Policy and Collections Policy. The motion was seconded by Council Member McPherson for discussion.

Following discussion, the motion on the table carried 5-0 by roll call vote.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS  
<https://youtu.be/6rqwDmlWakE?t=12776>

Council Member Davis asked if it was necessary to request an agenda item to discuss Ms. Betonte's suggestion regarding donations to the utility discount program. Ms. Callaway suggested community members continue to develop the concept and, perhaps, bring it back for policy discussion next calendar year.

E. ADJOURNMENT

The meeting adjourned at 9:03 p.m.

Recorded by:

Dana Swanson  
City Clerk