

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – OCTOBER 22, 2019  
VETERAN'S MEMORIAL HALL – 5:30 P.M.

AGENDA NO: A-1  
MEETING DATE: January 14, 2020

PRESENT:	John Headding Dawn Addis Jeff Heller Robert Davis Marlys McPherson	Mayor Council Member Council Member Council Member Council Member
STAFF:	Chris Neumeyer Dana Swanson Jennifer Callaway Rob Livick Scot Graham Steve Knuckles Jody Cox Eric Endersby Eric Casares	City Attorney City Clerk Finance Director Public Works Director Community Development Director Fire Chief Police Chief Harbor Director WRF Program Manager
ABSENT:	Scott Collins	City 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/QNE12M9NWLo?t=103>

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

<https://youtu.be/QNE12M9NWLo?t=1004>

PRESENTATIONS - None

PUBLIC COMMENT

<https://youtu.be/QNE12M9NWLo?t=1489>

Wendy Wendt, First 5 SLO, spoke regarding the importance of raising awareness and increasing the availability of quality childcare in San Luis Obispo County.

Erica Crawford, Morro Bay Chamber of Commerce, announced upcoming events.

Rich Raub, Morro Bay, suggested relocating the basketball court at Del Mar Park to an area near the playground equipment.

Gary Freiberg, Pacific Street Cottages, addressed the proposed 3% tax on vacation rentals and suggested the decision be postponed until owners have an opportunity to review the marketing plan to insure there's an appropriate return on investment.

Meredith Bates, Morro Bay, spoke in support of Item C-2.

Linda Winters, Morro Bay, commented on an event held at the Morro Bay Natural History Museum showcasing bone and skeleton collections.

Jeff Bacon, Morro Bay, shared that his proposal for high school seniors to do self-portraits throughout the County had been approved.

David Nelson, Morro Bay, asked to see a plan reviewed by peers that explains how 80% clean water will come from the proposed sewer plant.

Dan Sedley, Morro Bay, stated his appreciation for the Short-term Vacation Rental Forum recently held and that he participated in the referendum petition checking process during which 894 signatures were validated.

Betty Winhotz, Morro Bay, expressed concern regarding the proposed water reclamation facility and conveyance system.

Mary Ann Britton, Morro Bay, spoke as a vacation rental owner, stating her opposition to vacation rentals being added to the TBID (Item C-4).

Melanie Williams-Mahan, Morro Bay, stated her concern about the water reclamation facility project and potential effect on the estuary.

Terri Frank, Morro Bay, spoke as a vacation rental owner regarding Item C-4 and suggested an assessment of 1 – 1 ½ percent, not 3 percent as proposed.

Dawn Feuerberg, Morro Bay, urged the Council to consider the Grover Beach approach and adopt a vacation rental ordinance that distinguishes between hosted and non-hosted properties.

Sumanta Paul, Pharmacist and owner of Morro Bay Drug & Gift, located at 600 Morro Bay Blvd., #B, provided the business spot.

Mayor Heading closed public comment.

The Council and staff responded to issues raised during public comment.

A. CONSENT AGENDA  
<https://youtu.be/QNE12M9NWLo?t=4267>

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 SEPTEMBER 10, 2019, CITY COUNCIL MEETING;  
(ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-2 APPROVAL OF MINUTES FOR THE OCTOBER 9, 2019, CITY COUNCIL SPECIAL  
CLOSED SESSION MEETING; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-3 CONSIDERATION OF APPROVAL OF THE CLOISTERS LANDSCAPE MASTER PLAN;  
(PUBLIC WORKS)

**RECOMMENDATION: Staff recommends the City Council approve The Cloisters Landscape Master Plan as the first phase in The Cloisters Park and landscape improvements.**

A-4 ADOPTION OF RESOLUTION NO. 86-19 TO AUTHORIZE SUBMITTAL OF GRANT APPLICATION FOR HOUSING AND COMMUNITY DEVELOPMENT SB 2 PLANNING GRANT PROGRAM FUNDS AND AUTHORIZE EXECUTION OF RELATED DOCUMENTS BY COMMUNITY DEVELOPMENT DIRECTOR; (COMMUNITY DEVELOPMENT)

**RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 86-19 authorizing staff to submit a grant application for the amount of \$160,000 for State of California Housing and Community Development (HCD) SB 2 Planning Grant Program (PGP) Funds to support the acceleration of the production of housing in the City of Morro Bay and authorizing execution of related documents as specified.**

A-5 ADOPTION OF RESOLUTION NO. 87-19 AUTHORIZING THE MAYOR TO EXECUTE AMENDMENT #2 TO THE MASTER LEASE AGREEMENT AT LEASE SITE 82-85/82W-85W (DOUG REDICAN/725 EMBARCADERO, LLC, LOCATED AT 725 EMBARCADERO AND OPERATING AS ROSE'S LANDING); (HARBOR)

**RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 87-19 authorizing the Mayor to execute Amendment #2 at Lease Site 82-85/82W-85W, for leaseholder contribution to the future Centennial Parkway Concept Plan Project.**

A-6 APPROVAL OF PUBLIC WORKS ADVISORY BOARD MEMBER'S REQUEST FOR AN EXCUSED ABSENCE; (CITY CLERK)

**RECOMMENDATION: Staff recommends the City Council consider and approve the request submitted by Public Works Advisory Board (PWAB) Member, John Erwin, to excuse his absence from the October 2019, Regular Public Works Advisory Board meeting.**

Mayor Heading opened public comment for the Consent Agenda.

Dawn Beattie, Morro Bay, spoke in favor of approving Item A-3, Cloisters Landscape Master Plan, and suggested medians be the priority maintenance item.

The public comment period was closed.

Council Member Davis pulled Item A-3.

MOTION: Council Member McPherson moved approval of Items A-1, A-2, A-4, A-5 and A-6 on the Consent Agenda. The motion was seconded by Council Member Davis and carried 5-0 by roll call vote.

A-3 CONSIDERATION OF APPROVAL OF THE CLOISTERS LANDSCAPE MASTER PLAN;  
(PUBLIC WORKS)  
<https://youtu.be/QNE12M9NWLo?t=4485>

Staff responded to questions by Council and confirmed projects would be authorized and approved through the capital budget process.

MOTION: Council Member Davis moved approval of Item A-3. The motion was seconded by Council Member McPherson and carried 5-0 by roll call vote.

## B. PUBLIC HEARINGS

- B-1 INTRODUCTION OF ORDINANCE NO. 625 REPEALING AND REENACTING MULTIPLE CHAPTERS OF TITLE 14 (BUILDINGS AND CONSTRUCTION) OF THE CITY OF MORRO BAY MUNICIPAL CODE, SO AS TO INCORPORATE THE 2019 CALIFORNIA BUILDING STANDARDS CODE, AS ADOPTED BY THE STATE OF CALIFORNIA, AND LOCAL MODIFICATIONS THERETO AS WELL AS AMENDMENT OF FRONTAGE IMPROVEMENTS; (COMMUNITY DEVELOPMENT)  
<https://youtu.be/QNE12M9NWLo?t=4819>

Community Development Director Graham provided the report and responded to Council questions.

Mayor Headding opened the Public Hearing.

Mayor Headding opened Public Comment; seeing none, the public comment period was closed.

The Public Hearing was closed.

MOTION: Council Member Davis moved to introduce for first reading by title only, and with further reading waived, Ordinance No. 625, "An Ordinance of the City Council of the City of Morro Bay, California, repealing, amending and reenacting Chapters 14.01 – 14.12 and 14.44 of Title 14 (Buildings and Construction) of the Morro Bay Municipal Code, thereby adopting by reference and amending the 2019 California Building (Volumes 1 and 2), Residential, Electrical, Mechanical, Plumbing, Energy, Historical Building, Fire, Existing Building, Green Building, Administrative, and Reference Standards Codes, the 2018 International Property Maintenance Code, the 1997 Uniform Code for the Abatement of Dangerous Buildings, and amending regulation of Frontage Improvements." The motion was seconded by Council Member McPherson.

Following comments, the motion carried 5-0 by roll call vote.

- B-2 PUBLIC HEARING AND ADOPTION OF RESOLUTION NO. 88-19, WHICH RESCINDS RESOLUTION 31-19 AND AMENDS AND ADOPTS THE FY 2019/20 MASTER FEE SCHEDULE; (FINANCE)  
<https://youtu.be/QNE12M9NWLo?t=5841>

Finance Director Callaway provided the report, including the following suggested changes, and responded to Council questions.

- Page 145 - Business License renewal fee is \$15 per license not \$25.
- Page 147 – Staff recommended deferring changes to Building Division valuation fees for projects from \$3,001 to \$300,000 and \$300,001 and up to allow for further consideration of a reasonable calculation on larger development projects. This item will be brought back at a future meeting.

- Page 157 – fees were rounded to the closest dollar figure.
- Page 189 – Processing fee was a duplicate of that found on page 186 and removed, with clarification on page 186 that fee includes all public space rentals.

Mayor Headding opened the Public Hearing.

Mayor Headding opened Public Comment.

Patricia Newton, President of Morro Bay Art Association, asked the Council to consider the affect fee increases have on events like Art in the Park and hoped the Council will adjust permit fees and make fair decisions.

Erica Crawford, Morro Bay Chamber of Commerce, read a letter submitted as agenda correspondence on behalf of the Chamber of Commerce Government Affairs Committee and recommended the Council defer a decision regarding building valuation fees.

The Public Hearing was closed.

MOTION: Council Member Davis moved to adopt Resolution No. 88-19, as amended tonight by staff, which updates the City Master Fee Schedule for Fiscal Year (FY) 2019/20. The motion was seconded by Council Member McPherson for discussion.

The Council expressed appreciation for input received from the Chamber of Commerce and reasonable solutions offered by staff.

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

The Council discussed desired components of a Partnership Policy to be brought back for approval at a future meeting.

The Council directed staff to bring back the partnership policy as an all-inclusive document that clarifies who qualifies and how reduced rental fees would be applied for an event or program that provides significant return on investment to the City.

## C. BUSINESS ITEMS

### C-1 REVIEW WRF CAPITAL PROJECT QUARTERLY UPDATE REPORT AND PROVIDE DIRECTION AS DEEMED APPROPRIATE, IF ANY; (PUBLIC WORKS) <https://youtu.be/QNE12M9NWLo?t=7654>

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; seeing none, the public comment period for Item C-1 was closed.

As a receive and file item, no formal action was taken by the City Council.

The Council took a brief recess at 8:14 p.m. The meeting reconvened at 8:21 p.m. with all members present.

- C-2 REVIEW PUBLIC SAFETY POWER SHUT-OFF (PSPS) PREPARATION AND ADOPT RESOLUTION NO. 89-19 CITY OF MORRO BAY EMERGENCY MANAGEMENT PLAN ADDING ANNEX K ELECTRICAL POWER SHUT-OFF CONTINUITY OF OPERATIONS AND ADOPT RESOLUTION NO. 90-19 APPROVING A BUDGET ADJUSTMENT NOT TO EXCEED \$36,000 FROM GENERAL FUND EMERGENCY RESERVES TO A NEW CAPITAL PROJECT FOR PSPS PREPARATION; (FIRE)  
<https://youtu.be/QNE12M9NWLo?t=9917>

Fire Chief Knuckles provided the report and responded to Council inquires.

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

MOTION: Council Member Davis moved to adopt Resolution No. 89-19, accepting the revised City of Morro Bay Emergency Management Plan, adding Annex K Electrical Power Shut-Off Continuity of Operations Plan; and adopt Resolution No. 90-19 approving a budget adjustment not to exceed \$36,000 from General Fund emergency reserves to a new PSPS capital project to assist staff maintaining critical City functions during an electrical power shut-off. The motion was seconded by Council Member McPherson and carried 5-0 by roll call vote.

- C-3 ADOPTION OF RESOLUTION NO. 91-19 APPROVING FY 2019/20 BUDGET ADJUSTMENT FOR EMPLOYEE LUMP SUM AND EQUITY PAYMENTS PER NEGOTIATED MEMORANDA OF UNDERSTANDING AND UNREPRESENTED CONFIDENTIAL AND MANAGEMENT BENEFITS RESOLUTIONS, AND AUTHORIZING ONE-TIME LUMP SUM PAYMENTS TO ALL QUALIFYING FULL-TIME EMPLOYEES; (FINANCE/CITY CLERK/HUMAN RESOURCES MANAGER)  
<https://youtu.be/QNE12M9NWLo?t=12458>

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

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

MOTION: Mayor Headding moved to adopt Resolution No. 91-19 approving FY 2019/20 budget adjustment for employee lump sum and equity payments per negotiated Memoranda of Understanding and unrepresented Confidential and Management Benefits Resolutions, and authorizing one-time lump sum payments to all qualifying full-time employees. The motion was seconded by Council Member McPherson and carried 5-0 by roll call vote.

- C-4 ACCEPT PUBLIC TESTIMONY REGARDING THE INCLUSION OF VACATION RENTALS (VR'S) IN THE EXISTING 3% TOURISM BUSINESS IMPROVEMENT DISTRICT (TBID) ANNUAL ASSESSMENT AND CONTINUATION OF THE EXISTING TBID ASSESSMENT FOR FISCAL YEAR 2019/20; (CITY MANAGER/TOURISM MANAGER)  
<https://youtu.be/QNE12M9NWLo?t=13498>

Mayor Headding introduced the item, noting public testimony was received during the general Public Comment period at the beginning of the meeting.

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

No formal action was taken by the City Council.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS  
<https://youtu.be/QNE12M9NWLo?t=13649>

Council Member Addis asked whether an agenda item was needed for the Mayor to write a letter on the City's behalf regarding PSPS to express the City's needs and concerns. It was agreed that, based on existing City Policy, it was within the Mayor's authority to do so.

Council Member Heller asked that staff come back with suggestions on how to change management structure of major city events so they fall under the City. Following discussion, it was agreed the concerns raised could be addressed through discussion of the Partnership Policy on November 12.

E. ADJOURNMENT

The meeting adjourned at 9:29 p.m.

Recorded by:

Dana Swanson  
City Clerk