

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – FEBRUARY 25, 2020  
VETERAN'S MEMORIAL HALL – 5:30 P.M.

AGENDA NO: A-1  
MEETING DATE: May 12, 2020

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/H4jJR4J9g0g?t=103>

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

<https://youtu.be/H4jJR4J9g0g?t=672>

PRESENTATIONS

- Friends of the Morro Bay Fire Department Scholarship and Donation Presentation  
<https://youtu.be/H4jJR4J9g0g?t=730>

PUBLIC COMMENT

<https://youtu.be/H4jJR4J9g0g?t=1188>

Joel Anderson, Morro Bay Mobil Mart, provided the business spot.

Rigmor, Morro Bay, opposed the removal of the Surf Street staircase and raised concerns about neighborhood issues caused by Monday night dinners and plan to provide a warming shelter at the Veterans Hall.

Susan Stewart, Morro Bay, read a statement by Beverly Durrer, Grandma's Frozen Yogurt, regarding a recent vandalism, and expressed appreciation for City staff and local business owners for their immediate response.

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

Linda Winters, Morro Bay, announced her appointment as Chapter 1814 GSMOL representative, and shared her commitment to build a strong line of communication between mobile home park residents and city offices.

Mayor Heading closed public comment.

- A. CONSENT AGENDA  
<https://youtu.be/H4jJR4J9g0g?t=2083>

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 JANUARY 28, 2020, CITY COUNCIL MEETING;  
(ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

- A-2 APPROVAL OF MINUTES FOR THE FEBRUARY 11, 2020, CITY COUNCIL SPECIAL  
CLOSED SESSION MEETING; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

- A-3 REVIEW AND RECEIVE WATER RECLAMATION FACILITY (WRF) CAPITAL  
PROJECT MONTHLY UPDATE REPORT AND PROVIDE DIRECTION, IF ANY,  
DEEMED APPROPRIATE; (PUBLIC WORKS)

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

- A-4 DISCUSSION OF AGENDA FOR THE CALIFORNIA MARINE AFFAIRS AND  
NAVIGATION CONFERENCE (C-MANC) ANNUAL "WASHINGTON WEEK" MEETINGS  
IN WASHINGTON, D.C.; (HARBOR)

**RECOMMENDATION: Staff recommends the Council receive this report and  
provide any desired input on the elements herein.**

- A-5 ADOPTION OF THE SHORT RANGE TRANSIT PLAN; (PUBLIC WORKS)

**RECOMMENDATION: Staff and the Public Works Advisory Board recommend the  
City Council adopt the Short Range Transit Plan (SRTP).**

- A-6 ADOPTION OF RESOLUTION NO. 15-20 AUTHORIZING SUBMISSION OF SB 1 STATE  
OF GOOD REPAIR GRANT APPLICATION AND EXECUTION OF RELATED  
DOCUMENTS UPON AWARD; (PUBLIC WORKS)

**RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 15-  
20 authorizing the submission of SB 1 State of Good Repair Grant Application and  
execution of related documents upon award.**

- A-7 ADOPTION OF RESOLUTION NO. 16-20 AUTHORIZING SUBMISSION OF RURAL  
TRANSIT FUND GRANT APPLICATION AND EXECUTION OF RELATED DOCUMENTS  
UPON AWARD; (PUBLIC WORKS)

**RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 16-20 authorizing submission of Rural Transit Fund Grant Application and execution of related documents upon award.**

- A-8 ADOPTION OF RESOLUTION NO. 17-20 APPROVING THE ASSIGNMENT TO AND ASSUMPTION BY CIHAN CORPORATION AND CONDITIONALLY AUTHORIZING THE MAYOR TO EXECUTE DOCUMENTS NECESSARY FOR THAT ASSIGNMENT AND ASSUMPTION, A NEW LOAN FOR THE LEASE AGREEMENT AT LEASE SITE 91-92/91W-92W AND ACCEPTING A DEED OF TRUST RELATED THERETO (ANDERSON INN, 897 EMBARCADERO); (HARBOR)

**RECOMMENDATION: Staff recommend the City Council adopt Resolution No. 17-20 allowing the Mayor to authorize the assignment and assumption, and authorizing the Mayor to execute documents necessary for a new loan and accepting a deed of trust related thereto secured by the leasehold interest of Lease Site 91-92/91W-92W, with documents subject to approval of the City Attorney.**

- A-9 ADOPTION OF RESOLUTION NO. 18-20 APPROVING THE ASSIGNMENT TO AND ASSUMPTION BY SMITH LIVESTOCK, LLC, AND CONDITIONALLY AUTHORIZING THE MAYOR TO EXECUTE DOCUMENTS NECESSARY FOR THAT ASSIGNMENT AND ASSUMPTION, A NEW LOAN FOR THE LEASE AGREEMENT AT LEASE SITE 90/90W AND ACCEPTING A DEED OF TRUST RELATED THERETO (PORT HOUSE RESTAURANT, 885 EMBARCADERO); (HARBOR)

**RECOMMENDATION: Staff recommend the City Council adopt Resolution No. 18-20 allowing the Mayor to authorize the assignment and assumption, and authorizing the Mayor to execute documents necessary for a new loan and accepting a deed of trust related thereto regarding secured by the leasehold interest at Lease Site 90/90W, with documents subject to approval of the City Attorney.**

- A-10 SECOND QUARTER INVESTMENT REPORT (PERIOD ENDING DECEMBER 31, 2019) FOR FISCAL YEAR 2019/20; (FINANCE)

**RECOMMENDATION: Receive the attached Second Quarter Investment Report (period ending December 31, 2019) for Fiscal Year 2019/20.**

Council Member Heller pulled Item A-3.

Mayor Headding opened public comment for the Consent Agenda.

Betty Winholtz, Morro Bay, raised questions regarding WRF Monthly Update.

The public comment period was closed.

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

- A-3 REVIEW AND RECEIVE WATER RECLAMATION FACILITY (WRF) CAPITAL PROJECT MONTHLY UPDATE REPORT AND PROVIDE DIRECTION, IF ANY, DEEMED APPROPRIATE; (PUBLIC WORKS)  
<https://youtu.be/H4jJR4J9g0g?t=2235>

Staff responded to questions raised including project costs eligible for WIFIA funding, anticipated date for issuing the Notice to Proceed, timing for award of contract for the pipeline, traffic control provisions, local labor and 90% design drawings.

MOTION: Council Member McPherson moved approval of Item A-3. The motion was seconded by Council Member Addis for discussion.

Council Member Heller stated for the record his request for 90% design drawings received by the City on February 10, 2020 and the proposed change orders be provided to the Public Works Advisory Board by the end of the week to allow Board members adequate time to review both sets of documents prior to the next scheduled meeting on March 18, 2020.

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

B. PUBLIC HEARINGS - NONE

C. BUSINESS ITEMS

- C-1 FISCAL YEAR 2019/20 MID-YEAR BUDGET PERFORMANCE AND STATUS REPORT – SIX MONTHS ENDING DECEMBER 31, 2019; A) RECEIVE FY 2019/20 MID-YEAR BUDGET PERFORMANCE AND STATUS REPORT AND AUTHORIZE BUDGET ADJUSTMENTS AS RECOMMENDED IN THE ATTACHED SECOND QUARTER BUDGET PERFORMANCE REPORT; B) ADOPT RESOLUTION NO 19-20 AUTHORIZING STAFF TO PROCEED WITH THE SECOND-QUARTER BUDGET ADJUSTMENTS; C) RECEIVE THE FY 2019/20 CAPITAL IMPROVEMENT PLAN MID-YEAR UPDATE; AND D) CONSIDER RESOLUTION NO. 20-20 APPROPRIATING CASTLE WIND COMMUNITY BENEFIT FUNDS TOTALING \$250,000 TO THE NORTH AND SOUTH T-PIER CAPITAL PROJECTS; (FINANCE)  
<https://youtu.be/H4jJR4J9g0g?t=3259>

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

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

MOTION: Council Member Davis moved to receive FY 2019/20 Mid-Year Budget Performance and Status Report and authorize budget adjustments as recommended in the attached Second Quarter Budget Performance Report; adopt Resolution No. 19-20 authorizing staff to proceed with the second-quarter budget adjustments; receive the FY 2019/20 Capital Improvement Plan Mid-Year Update; and adopt Resolution No. 20-20 appropriating Castle Wind Community Benefit Funds totaling \$250,000 to the North and South T-Pier capital projects. The motion was seconded by Council Member McPherson for discussion.

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

- C-2 MORRO BAY VISITOR CENTER LOCATION AND OPERATIONAL PLAN UPDATE AND RECOMMENDATIONS; (CITY MANAGER/TOURISM)  
<https://youtu.be/H4jJR4J9g0g?t=5427>

City Manager Collins provided the report and, along with Morro Bay Chamber of Commerce CEO/President, Erica Crawford, responded to Council inquires.

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

Mimi Goldberg, Morro Bay, suggested the visitor center be located near Morro Rock or Coleman Park and that it be educational and fun.

Rich Raub suggested that if the City owns the former PG&E plant, the small building in front would be a good location for the visitor center.

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

MOTION: Council Member Davis moved to ask staff to explore other options to provide the most requested visitor services and consider letting current contract expire the end of June. The motion was seconded by Council Member Heller for discussion.

Following discussion, Council Member Davis withdrew the motion and Council Member Heller withdrew the second.

MOTION: Council Member Davis moved to ask staff to explore other options to provide the most requested visitor services during the May budget review. The motion was seconded by Council Member Heller for discussion.

Following discussion, the motion failed 1-4 with Mayor Headding and Council Members Davis, Addis, and McPherson opposed.

MOTION: Mayor Headding moved to ask Council to consider appointing a 2-member subcommittee to review visitor center best practices, identify visitor center performance measures specific to tourism, and develop specific recommendations by April 1 for changes in the visitor center concept and location for the City of Morro Bay. Council Member McPherson seconded the motion for discussion.

Mayor Headding agreed to amend the motion to extend the time limit to April 15 as requested by Council Member McPherson.

Council Members McPherson and Davis volunteered to participate on the sub-committee and received Council support.

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

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

<https://youtu.be/H4jJR4J9g0g?t=8144>

None

E. ADJOURNMENT

The meeting adjourned at 7:47 p.m.

Recorded by:

Dana Swanson  
City Clerk