

*City Council conducted this meeting in accordance with Section 3 of California Governor Newsom's Executive Order N-29-20 issued on March 17, 2020 in response to the present State of Emergency in existence due to the threat of COVID-19. This meeting was held via teleconference for all participants.*

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                        City Engineer  
                         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

**MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS**

<https://youtu.be/vwCWuryTalg?t=135>

**CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS**

<https://youtu.be/vwCWuryTalg?t=911>

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

PRESENTATIONS – NONE

**PUBLIC COMMENT**

<https://youtu.be/vwCWuryTalg?t=1098>

John Weiss, Morro Bay, was heartened a committee had been formed to address the budget deficit and hoped it would be possible to close the budget gap without using reserves.

Betty Winholtz, Morro Bay, expressed concern the Morro Bay Community Power Policy Board voted to accept nuclear power in its portfolio; asked to confirm whether the City owned the WRF property listed on the closed session agenda and, if not, when it will be brought forward in open

session; and stated the Corp of Engineers is proposing to organize committee to look at World War II munitions recovery on the sandspit.

Mayor Heading closed public comment.

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

A. CONSENT AGENDA  
<https://youtu.be/vwCWuryTalq?t=2059>

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 FEBRUARY 25, 2020, CITY COUNCIL MEETING;  
(ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-2 APPROVAL OF MINUTES FOR THE MARCH 10, 2020, CITY COUNCIL MEETING;  
(ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-3 APPROVAL OF MINUTES FOR THE APRIL 24, 2020, CITY COUNCIL SPECIAL  
CLOSED SESSION MEETING; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-4 APPROVAL OF A LEASE AGREEMENT WITH THE CHAMBER OF COMMERCE FOR  
CITY-OWNED PROPERTY LOCATED AT 695 HARBOR STREET AND AN  
AGREEMENT FOR THE CHAMBER TO PROVIDE ECONOMIC DEVELOPMENT  
SERVICES; (CITY MANAGER)

**RECOMMENDATION: Staff recommends the City Council approve agreements with the Morro Bay Chamber of Commerce (Chamber) for the renewal of a property lease at 695 Harbor Street and provision of economic development services.**

A-5 UPDATE ON THE DEPARTMENT OF TOXIC SUBSTANCES CONTROL DRAFT  
STATEMENT OF BASIS DOCUMENT FOR THE MORRO BAY POWER PLANT; (CITY  
MANAGER)

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

A-6 ADOPTION OF RESOLUTION NO. 42-20 ESTABLISHING A TEMPORARY MORRO  
BAY CARES COVID-19 UTILITY DISCOUNT PROGRAM; (FINANCE DEPARTMENT)

**RECOMMENDATION: Staff recommends Council adopt Resolution No. 42-20, establishing a temporary Morro Bay Cares COVID-19 Utility Discount Program.**

A-7 REAPPOINTMENT OF HEMANT PATEL TO THE VISIT SAN LUIS OBISPO COUNTY  
(VSLOC) BOARD OF DIRECTORS; (ADMINISTRATION)

**RECOMMENDATION: Staff recommends the Council reappoint Hemant Patel as the City's representative on the VSLOC Board of Directors (Board) for a 3-year term ending June 20, 2023.**

Mayor Headding opened public comment for the Consent Agenda.

Betty Winholtz, Morro Bay, spoke regarding Item A-5, urging the City submit comments asking PG&E to do further clean-up of the property in preparation for future redevelopment.

The public comment period was closed.

Mayor Headding pulled Item A-5. Council Member McPherson pulled Item A-4.

MOTION: Council Member Addis moved approval of all items on Consent except Items A-4 and A-5. The motion was seconded by Council Member McPherson and carried 5-0 by roll call vote.

A-4 APPROVAL OF A LEASE AGREEMENT WITH THE CHAMBER OF COMMERCE FOR CITY-OWNED PROPERTY LOCATED AT 695 HARBOR STREET AND AN AGREEMENT FOR THE CHAMBER TO PROVIDE ECONOMIC DEVELOPMENT SERVICES; (CITY MANAGER)

<https://youtu.be/vwCWuryTalg?t=2343>

City Manager Collins responded to questions from Council and noted, without a Deputy City Manager, the Chamber's work is essential for business support and economic development.

MOTION: Council Member McPherson moved approval of Item A-4. The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

A-5 UPDATE ON THE DEPARTMENT OF TOXIC SUBSTANCES CONTROL DRAFT STATEMENT OF BASIS DOCUMENT FOR THE MORRO BAY POWER PLANT; (CITY MANAGER)

<https://youtu.be/vwCWuryTalg?t=2827>

City Attorney Neumeyer and City Engineer Livick responded to Council questions and concerns raised during public comment.

MOTION: Mayor Headding moved approval of Item A-5. The motion was seconded by Council Member McPherson and carried 4-1 by roll call vote with Council Member Heller opposed.

B. PUBLIC HEARINGS - None

C. BUSINESS ITEMS

C-1 PRESENTATION OF HARBOR DEPARTMENT LEASE MANAGEMENT POLICY WORKING GROUP FINAL DRAFT DOCUMENT FOR CITY COUNCIL REVIEW, INPUT AND DIRECTION; (HARBOR DEPARTMENT)

<https://youtu.be/vwCWuryTalg?t=3606>

Harbor Director Endersby provided the report and responded to Council inquires.

Ron Reisner and Joan Solu, Members of the Lease Management Policy Working Group, provided individual comments.

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

Cherise Hansson, Morro Bay resident and member of the Harbor Lease Management Policy Working Group, shared comments and expressed interest in continued participation as the property management aspect is considered.

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

The Council expressed its appreciation to Mr. Lomeli and members of the Policy Working Group and agreed the draft document presented was an excellent foundation for moving forward. Following discussion, a majority of the Council agreed on the following:

- The current funding model for Harbor operations and capital improvements is not sustainable
- Support evaluation of paid parking, a Harbor district, and/or business improvement district where non-Tidelands properties contribute to operations and maintenance of the waterfront
- Accept draft policy language that allows loan proceeds from lease financing or refinancing to be used for acquisition, development or redevelopment anywhere in the Tidelands Trust area
- Important to have more City control of lease site development and redevelopment that aligns with the Waterfront Master Plan
- Desire for consistency and standardization of lease terms to the extent possible. While no support for fixed rate rent, it was agreed there may be opportunities to increase percentage rent in some areas
- Support further analysis of contracting some aspects of lease management to a property management firm working under the purview of the Harbor Department.

No formal action was taken by the City Council.

- C-2 ADOPTION OF RESOLUTION NO. 43-20 APPROVING THE ENGINEER'S REPORT AND DECLARING THE INTENT TO LEVY THE ANNUAL ASSESSMENT FOR THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS)  
<https://youtu.be/vwCWuryTalq?t=12398>

City Engineer Livick provided the report and responded to Council inquires.

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

MOTION: Council Member McPherson moved to adopt Resolution No. 43-20 approving the Engineer's Report and declaring the intent to levy the annual assessment for maintenance of the North Point Natural Area. The motion was seconded by Council Member Heller and carried 5-0 by roll call vote.

- C-3 ADOPTION OF RESOLUTION NO. 44-20 APPROVING THE ENGINEER'S REPORT AND DECLARING THE INTENT TO LEVY THE ANNUAL ASSESSMENT FOR THE CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS)  
<https://youtu.be/vwCWuryTalq?t=12890>

City Engineer Livick provided the report and responded to Council inquires.

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

MOTION: Council Member McPherson moved to adopt Resolution No. 44-20 declaring the intent to levy the annual assessment for the maintenance of the Cloisters Park and Open Space for fiscal year 2020/21 and approving the Engineer's Report. The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

<https://youtu.be/vwCWuryTalg?t=13523>

Council Member Addis requested the issue of masks be addressed at Thursday's special meeting or agendaized for a future meeting. The Mayor confirmed it would be discussed at the May 14 Special Meeting.

Council Member Heller requested discussion of a Harbor District or waterfront business improvement district. It was suggested that come forward as part of budget discussion in terms of how to fund harbor operations moving forward. A majority of the Council agreed with that approach.

Council Member Addis requested consideration of hiring a consultant to explore viability of paid parking and received full support for the item.

E. ADJOURNMENT

The meeting adjourned at 9:24 p.m.

Recorded by:

Dana Swanson  
City Clerk