

MINUTES - MORRO BAY CITY COUNCIL  
SPECIAL MEETINGS  
MAY 25, 2021 - TELECONFERENCE – 3:00 P.M.  
MAY 26, 2021 - TELECONFERENCE – 3:00 P.M.

<b>AGENDA NO:</b> A-3
<b>MEETING DATE:</b> August 10, 2021

*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
	Laurel Barton	Council Member
	Robert Davis	Council Member
	Jeff Heller	Council Member

ABSENT: None

STAFF:	Scott Collins	City Manager
	Dana Swanson	City Clerk
	Katie Lichtig	Interim Finance Director
	Greg Kwolek	Public Works Director
	Scot Graham	Community Development Director
	Steve Knuckles	Fire Chief
	Eric Endersby	Harbor Director
	Doug Harbottle	Interim Budget & Accounting Manager
	Joe Mueller	Utilities Division Manager
	Rob Livick	City Engineer
	Kirk Carmichael	Recreation Manager

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Headding established a quorum and called the meeting to order at 3:00 p.m. with all members present.

PUBLIC COMMENT FOR ITEMS ON THE AGENDA

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

SPECIAL MEETING AGENDA ITEM:

- I. FY 2021/22 OPERATING AND CAPITAL BUDGET STUDY SESSION  
<https://youtu.be/9V86wmVDjB8>

City Manager Collins and Interim Finance Director Lichtig presented a general overview of the FY 21/22 Operating and Capital Budgets and responded to Council questions.

The Council did not take any formal action.

Mayor Headding continued the meeting to 3:00 p.m. on Wednesday, May 26, 2021.

The Council reconvened on May 26, 2021, at 3:00 p.m. with all members present.

SPECIAL MEETING AGENDA ITEM:

II. FY 2021/22 OPERATING AND CAPITAL BUDGET STUDY SESSION  
<https://youtu.be/DHy5DOtgWBM?t=44>

Staff presented information in response to Council questions raised during the May 25, 2021, Budget Study Session and responded to Council inquiries.

New key projects proposed to be added to the budget document included:

- Council and staff training to protect the City with regard to Cyber Security, Phishing and Social Engineering;
- Research and return to Council after review by CFAC, recommendations about the advisability of establishing an IRS 115 Trust for future payment of pensions costs and irrevocable trust for Other Post-Employment Benefits (OPEB) unfunded liabilities; and
- Assist CFAC, as needed, with evaluation of City Council compensation.

Mayor Heading opened public comment; seeing none, the public comment period was closed.

Mayor Heading requested a Council sub-committee be established to review the General Fund and other Emergency Reserve Policies to address underfunded reserve concerns prior to budget adoption.

MOTION: Mayor Heading moved to create a sub-committee of two Council Members to review financial policies articulated yesterday afternoon and presented today and bring back to Council prior to, or with, the budget for consideration of implementing any changes that are recommended. The motion was seconded by Council Member Heller and carried 5-0 by roll call vote.

MOTION: Council Member Heller moved Mayor Heading and Council Member Davis constitute that sub-committee. The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

There was Council consensus to add the proposed key projects listed above to the budget document.

In addition to the above, the Council directed evaluation of the financial forecast tool and transition to a 5-year model; and explore moving tech programs to more streamlined, subscription type out-of-house service.

ADJOURNMENT

The meeting adjourned at 4:06 p.m.

Recorded by:

Dana Swanson  
City Clerk