

MINUTES – MORRO BAY CITIZENS
OVERSIGHT/FINANCE COMMITTEE
REGULAR MEETING – May 18, 2021
TELECONFERENCE – 3:00 p.m.

CFAC 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

MEMBERS PRESENT: John Martin Chair
 Barbara Spagnola Vice-Chair
 Bart Beckman Member
 Lois Johnson Member
 Homer Alexander Member
 Stephen Peck Member

ABSENT: Tina Wener Member

STAFF PRESENT: Katie Lichtig Interim Finance Director
 Scott Collins City Manager
 Rob Livick City Engineer
 Kyle Rhorer WRF Project Manager

ESTABLISH QUORUM AND CALL TO ORDER

<https://youtu.be/GP7Zs7IXjQ0?t=28>

Chair John Martin called the meeting to order at 3:00 p.m. with all but Committee Member Wener present.

COMMITTEE MEMBERS ANNOUNCEMENTS & PRESENTATIONS - None

A. CONSENT CALENDAR - None

B. BUSINESS ITEMS

1. BRIEF FINANCE DIRECTOR UPDATE

<https://youtu.be/GP7Zs7IXjQ0?t=128>

Interim Finance Director Lichtig gave a brief update regarding the budget.

City Manager Scott Collins gave a brief update regarding the recruitment for the Administrative Services Director/Assistant City Manager.

No formal action taken.

2. DISCUSSION AND INPUT ON THE MEASURES Q AND E FISCAL YEAR(FY) 2021-22 DRAFT PROPOSED BUDGET

<https://youtu.be/GP7Zs7IXjQ0?t=363>

Interim Finance Director Lichtig gave a brief presentation and answered questions from the committee.

Public Comment

Carole Truesdale, Morro Bay, inquired why more funds are distributed to the Fire Department vs the Police Department.

Chair Martin closed public comment.

Staff responded to issues raised during public comment.

Motion: Committee Member Beckman motioned to post pone the \$600k expenditure for the engineering work on the Hwy 1/Hwy 41 round about until a full source of funding has been identified. Committee Member Alexander seconded the motion.

Following discussion, the motion carried 6-0-1 (with Member Wener Absent).

Public comment

None

Chair Martin closed public comment.

3. DISCUSSION AND INPUT ON THE DRAFT PROPOSED (FY) 2021/22 OPERATING BUDGET

<https://youtu.be/GP7Zs7lXjQ0?t=3710>

Interim Finance Director Katie Lichtig gave a brief presentation and answered questions from the committee.

Public comment

Donald Headland, Morro Bay, commented on the WRF project; inquired if there will be another delay as the project waits for the waiver from DDW; inquired if the streambed alteration agreement from California Department of Fish & Wildlife was obtained April 2021; asked if the contractor has done any work within the CDFW's jurisdiction; lastly inquired if there have been any delays from the owner's behalf.

Chair Martin explained these items would be address in the next business item.

Chair Martin closed public comment.

No formal action was taken.

4. REVIEW WATER RECLAMATION FACILITY ("WRF") QUARTERLY UPDATE REPORT

<https://youtu.be/GP7Zs7lXjQ0?t=5957>

City Manager Collins introduced Kyle Rhorer from Carollo Engineering as the new lead WRF Program Engineer; gave a brief presentation, answered the question from

Citizen Donald Headland during public comment held in Item B-3, and answered questions from the committee.

Public Comment

Carol Truesdale, Morro Bay, spoke on the trees that were in the plans to be removed; expressed concern about the trees that had been inadvertently removed by the tree removal company; inquired if there would be any consequences for having done this; inquired how many more trees will be removed due to the project.

Larry Truesdale, Morro Bay, inquired if WRF Project Manager Rhorer was a licensed civil engineer in California and asked if a licensed engineer was responsible managing him; asked who at the city oversees Carollo Engineers.

John Weiss, Morro Bay, commented on the hours of the planned lane road closures from Feb 2021-Mid-May 2021; expressed concerns the with accuracy of the projections and inaccuracies in the report; noted that the PR firm was to update Google maps to reflect the road closures, and this has yet to be done.

Kristin Headland, Morro Bay, spoke on the recent water line break on April 7th; inquired if the contractor has been in communication with the city as to why it happened; asked if the city could keep residents informed of the incident and asked to keep this information on the sewers project's website; inquired where the sewage is redirected and the increased costs of the project.

Linda Donnelly, Morro Bay, commented on the reimbursement requests and how they differ from what is approved, and what funds cover the unapproved amounts; inquired if the amount left in the contingency fund will cover the future 9 contract change orders to come.

Gayla Newman, Morro Bay, commented on the large storm that passed late January and the soil slippage; inquired if reports have been filed with CDFW (California Department of Fish and Wildlife) and the Central Coast Regional Water Quality Control Board, if so where is this report held. Asked if the cultural resource boundary research was required and asked if there will be another contract change order.

Staff responded to issues raised during public comment.

Chair Martin closed public comment.

The report was received and filed.

5. THIRD QUARTER INVESTMENT REPORT (PERIOD ENDING MARCH 31, 2021) FOR FISCAL YEAR (FY) 2020/21
<https://youtu.be/GP7Zs7IXjQ0?t=9466>

The report was received and filed.

- C. FUTURE AGENDA ITEMS
<https://youtu.be/GP7Zs7IXjQ0?t=9516>

WFR Quarterly Report
Quarterly Investment Report
Work Plan Development

D. SCHEDULE NEXT MEETING

The next CFAC meeting will be held on **Tuesday, August 17, 2021**, at 3:00 p.m. via teleconference.

E. ADJOURNMENT

Meeting adjourned at 5:40 p.m.

Recorded by:

Charlee Lowe
Account Clerk III