

*City Council conducted this meeting in accordance with California Governor Newsom’s Executive Order N-08-21 issued on June 11, 2021 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
	Jennifer Ford	Council Member
	Jeff Heller	Council Member
ABSENT:	None	
STAFF:	Scott Collins	City Manager
	Chris Neumeyer	City Attorney
	Dana Swanson	City Clerk
	Sarah Johnson-Rios	Assistant City Manager/Admin Services Dir.
	Greg Kwolek	Public Works Director
	Scot Graham	Community Development Director
	Daniel McCrain	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 but Council Member Barton present. Council Member Barton joined the meeting at 5:38 p.m.

#### 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/EzJjeGjbB98?t=179>

#### CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

<https://youtu.be/EzJjeGjbB98?t=881>

#### PRESENTATIONS

<https://youtu.be/EzJjeGjbB98?t=976>

- Proclamation presented to Barbara Spagnola expressing appreciation for her dedication and public service
- Presentation of Tidelands Pocket Park Stormwater Award

#### PUBLIC COMMENT

<https://youtu.be/EzJjeGjbB98?t=1652>

Betty Winholtz, Morro Bay, asked when the City would resume publishing agenda correspondence on the City website and offered clarification on comments made at a previous meeting regarding closed session items.

Mayor Heading closed public comment.

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

A. CONSENT AGENDA  
<https://youtu.be/EzJjeGjbB98?t=1810>

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 OCTOBER 26, 2021, CITY COUNCIL MEETING;  
(ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-2 APPROVAL OF MINUTES FOR THE NOVEMBER 9, 2021, CITY COUNCIL MEETING;  
(ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-3 APPROVAL OF MINUTES FOR THE NOVEMBER 10, 2021, CITY COUNCIL SPECIAL  
MEETING; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-4 APPOINTMENT OF MAYOR PRO TEMPORE; APPOINTMENT OF  
REPRESENTATIVES ON DISCRETIONARY BOARDS, COUNCIL LIAISON  
ASSIGNMENTS AND COUNCIL SUB-COMMITTEES; REMOVE  
COMPLETED/DISBANDED COUNCIL LIAISON ASSIGNMENTS; (CITY CLERK)

**RECOMMENDATION: Appoint Council Member Laurel Barton as Mayor Pro Tempore; appoint representatives to serve on the various County or Regional Discretionary Boards, Council Liaison Assignments and Sub-Committees for calendar year 2022 as shown on the attached appointment list; and remove Council Liaison assignments that are no longer needed.**

A-5 ADOPTION OF RESOLUTIONS FOR THE JUNE 7, 2022 SPECIAL MUNICIPAL  
ELECTION TO FILL A COUNCIL SEAT; (CITY CLERK)

**RECOMMENDATION: Staff recommends Council adopt Resolution No. 01-22 calling a special municipal election for June 7, 2022 to fill a vacant City Council seat for the remainder of a term ending December 2024, and requesting consolidation of the election with the County, and adopt Resolution No. 02-22 adopting regulations for candidate statements.**

A-6 CONSIDERATION OF LICENSE AGREEMENT WITH SISU COLLECTIVE LLC FOR THE  
CITY'S TEMPORARY USE OF SCOUT COFFEE'S PARKING LOT AT 390 MORRO BAY  
AVENUE, AS A PUBLIC PARKING LOT; (CITY MANAGER)

**RECOMMENDATION: City Council authorize staff to execute a license agreement with SISU Collective LLC (Scout Coffee) for the City's temporary use of Scout Coffee's parking lot, located at 390 Morro Bay Avenue, as a public parking lot.**

- A-7 SECOND READING AND ADOPTION OF ORDINANCE NO. 646, UPDATES TO CHAPTER 3.08 OF THE CITY'S MUNICIPAL CODE, PURCHASING SYSTEM; (ADMINISTRATIVE SERVICES DEPARTMENT)

**RECOMMENDATION: Staff recommends the City Council adopt, by second reading and by title only with further reading waived, Ordinance No. 646: "An Ordinance of the City Council of the City of Morro Bay, California, Amending Morro Bay Municipal Code Chapter 3.08 of Title 3 to Update the City's Purchasing System."**

- A-8 RESOLUTION MAKING FINDINGS RELATED TO THE CONTINUED EXISTENCE OF A STATE OF EMERGENCY DUE TO COVID-19 AND RE-AUTHORIZING FOR PUBLIC HEALTH AND SAFETY THE CONDUCT OF PUBLIC MEETINGS OF THE LEGISLATIVE BODIES OF THE CITY VIA REMOTE TELECONFERENCING FOR A CONTINUED 30-DAY PERIOD PURSUANT TO THE RALPH M. BROWN ACT AS AMENDED BY ASSEMBLY BILL NO. 361; (CITY ATTORNEY)

**RECOMMENDATION: Staff recommends Council consider adoption of Resolution No. 03-22 reauthorizing for public health and safety the conduct of public meetings of the legislative bodies of the City via remote conferencing.**

- A-9 PROCLAMATION EXPRESSING APPRECIATION FOR THE DEDICATION AND PUBLIC SERVICE OF BARBARA SPAGNOLA; (ADMINISTRATION)

**RECOMMENDATION: Approved as submitted**

Mayor Heading opened public comment for the Consent Agenda.  
<https://youtu.be/EzJjeGjbB98?t=1822>

Betty Winholtz, Morro Bay, commented on Item A-4 suggesting the assignments should be more balanced and not delegated to staff.

The public comment period was closed.

Council Member Ford pulled Item A-5 and announced she would recuse herself as that decision directly affected her.

Council Member Addis pulled Item A-9 to share her comments and gratitude.

MOTION: Council Member Addis moved approval of Items A-1 through A-4 and A-6 through A-8. The motion was seconded by Council Member Heller and carried 5-0 by roll call vote.

- A-5 ADOPTION OF RESOLUTIONS FOR THE JUNE 7, 2022 SPECIAL MUNICIPAL ELECTION TO FILL A COUNCIL SEAT; (CITY CLERK)  
<https://youtu.be/EzJjeGjbB98?t=2059>

MOTION: Council Member Addis moved approval of Item A-5. The motion was seconded by Council Member Heller and carried 4-0-1 with Council Member Ford having abstained.

- A-9 PROCLAMATION EXPRESSING APPRECIATION FOR THE DEDICATION AND PUBLIC SERVICE OF BARBARA SPAGNOLA; (ADMINISTRATION)  
<https://youtu.be/EzJjeGjbB98?t=2107>

MOTION: Council Member Addis moved approval of Item A-9. The motion was seconded by Council Member Heller and carried 5-0 by roll call vote.

- B. PUBLIC HEARINGS - NONE

- C. BUSINESS ITEMS  
<https://youtu.be/EzJjeGjbB98?t=2388>

- C-1 DISCUSSION OF, AND CONSIDER ACTIONS TO ADDRESS, PENSION LIABILITIES AND OTHER POST-EMPLOYMENT BENEFIT UNFUNDED LIABILITIES; (ADMINISTRATIVE SERVICES DEPARTMENT)  
<https://youtu.be/EzJjeGjbB98?t=2393>

Assistant City Manager/Administrative Services Director Johnson-Rios introduced Craig Hill and Mike Meyer of NHA Advisors who provided the report and responded to Council inquires.

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

Betty Winholtz, Morro Bay, raised several points of concern.

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

MOTION: Mayor Heading moved to: 1) Receive and file the informational presentation on CalPERS and the City's unfunded liability and options to address and provide input and feedback; 2) Direct staff to establish a Pension Reserve and, through the FY 2022-23 budget process, set aside a one-time lump sum contribution from FY 2020-21 operating surplus, and to budget annual contributions to the Pension Reserve going forward; 3) Direct staff to establish a Section 115 Trust as the vehicle for the Pension Reserve, and to include one member of the Citizens Finance Advisory Committee (CFAC) on the selection committee to establish the Trust, if there is interest; and 4) Direct staff to continue the current practice of contributing to a restricted trust annually for Other Post-Employment Benefit (OPEB) unfunded liabilities and evaluate whether the current trust is sufficient or whether an alternative trust should be established as part of the Section 115 CalPERS trust establishment, and 5) Establish a pension funding policy that is integrated into a comprehensive financial reserves policy and bring back to council for approval prior to implementing 2, 3 & 4 above. The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

- C-2 1) APPROVAL OF AMENDMENT NO. 3 TO CONTRACT WITH WATER WORKS ENGINEERS, LLC FOR ENGINEERING DESIGN SERVICES DURING CONSTRUCTION FOR THE WATER RECLAMATION FACILITY LIFT STATION AND OFFSITE PIPELINES; AND 2) APPROVAL OF AMENDMENT NO. 2 TO CONTRACT WITH ANVIL BUILDERS, INC., FOR CONSTRUCTION SERVICES FOR THE WATER RECLAMATION FACILITY (WRF) LIFT STATION AND OFFSITE PIPELINES; (PUBLIC WORKS DEPARTMENT)  
<https://youtu.be/EzJjeGjbB98?t=5803>

Public Works Director Kwolek and Paul Amico of Carollo Engineering provided the report and responded to Council inquires.

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

Betty Winholtz, Morro Bay, commented on the increasing cost of project and requested clarification regarding tree removal and the Morro Creek bridge crossing.

Sean Green, Morro Bay, offered comments regarding bike path improvements and asked for clarification regarding the required retrofitting of the generators for the lift stations.

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

MOTION: Mayor Heading moved to authorize the City Manager to execute the following:  
1) Amendment No. 3 to the agreement with Water Works Engineers, LLC (WWE) for Engineering Design Services during Construction and optional tasks for the Water Reclamation Facility (WRF) Lift Station and Offsite Pipelines for the amount of \$132,239 with an additional \$84,857 for optional additional services for a grand total of \$217,096; and 2) Amendment No. 2 to the agreement with Anvil Builders, Inc., for construction of the WRF Conveyance Facilities for the amount of \$587,502. The motion was seconded by Council Member Ford and carried 5-0 by roll call vote.

- C-3 DISCUSS COUNCILMEMBER COMPENSATION AND CONSIDER INTRODUCTION OF ORDINANCE NO. 647 TO INCREASE CONSISTENT WITH STATE LAW AND CFAC RECOMMENDATION THE SALARIES OF CITY COUNCILMEMBERS AND THE MAYOR; (CITY MANAGER/CITY ATTORNEY/CITY CLERK/ADMINISTRATIVE SERVICES DEPARTMENT)  
<https://youtu.be/EzJjeGibB98?t=7854>

City Manager Collins, City Attorney Neumeyer, City Clerk Swanson, and Assistant City Manager/Administrative Services Director Johnson-Rios provided the report and responded to Council inquires.

The public comment period for Item C-3 was opened.

Betty Winholtz, Morro Bay, offered her historic perspective and spoke in opposition to the proposed stipend increase.

The public comment period for Item C-3 was closed.

MOTION: Council Member Barton moved to 1) Accept Citizen Finance Advisory Committee's recommendation to adjust Councilmember compensation by ordinance by \$500/month per Councilmember and an additional \$200/month for the Mayor, by introducing, for first reading by title only and with further reading waived, Ordinance No. 647, "An Ordinance of the City Council of the City of Morro Bay, California, Amending Chapter 2.20 (Officers' Salaries) of Title 2 (Administration and Personnel) of the Morro Bay Municipal Code, to Increase Consistent with State Law and CFAC Recommendation the Salaries of City Councilmembers and the Mayor." 2) Accept CFAC's recommendation to make no adjustments to current Councilmember health benefits. The motion was seconded by Council Member Heller and carried 5-0 by roll call vote.

- C-4 ADOPT RESOLUTION NO. 04-22 AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION FOR STATE RURAL RECREATION AND TOURISM GRANT PROGRAM

FOR COLEMAN PARK IMPROVEMENTS AND PROVIDE INPUT ON COLEMAN PARK CONCEPTUAL PLAN; (PUBLIC WORKS DEPARTMENT)

<https://youtu.be/EzJjeGjbB98?t=9244>

Public Works Director Kwolek provided the report and responded to Council inquires.

The public comment period for Item C-4 was opened.

Betty Winholtz, Morro Bay, shared her preference for maintaining the basketball court in and parking in their current locations. She opposed having a stage in this area and favored more passive recreation with children's play equipment.

Sean Green, Morro Bay, appreciated the level of public outreach, shared his preferred amenities, and urged the city to consider the entire concept plan rather than a piecemeal approach.

Erica Crawford, Morro Bay Chamber of Commerce, spoke in support of staff recommendation and stated the Chamber submitted analysis and comment in September based on extensive outreach to its members. The primary concerns related to cleanliness, maintenance, and aesthetics.

The public comment period for Item C-4 was closed.

There was Council consensus and support for the following: consolidated, accessible parking and parking along Coleman Drive provided it can be done safely; removal or relocation of basketball court; a plaza or stage for small events; continued access for kayakers and stand-up paddleboarders; additional lighting, tables and BBQ's; dune landscaping; new cultural resources and preserving current monuments at same or different location; addition of a 2<sup>nd</sup> public restroom.

MOTION: Council Member Addis moved to 1) adopt Resolution No. 04-22 authorizing the submission of a grant application for the State Rural Recreation and Tourism Program (RRT) for the Coleman Park Improvements project and 2) provide input to staff on the Coleman Park conceptual plan and recreational and cultural amenities for the park. The motion was seconded by Council Member Heller and carried 5-0 by roll call vote.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

<https://youtu.be/EzJjeGjbB98?t=11953>

Council Member Addis requested discussion of a policy related to the timing and frequency of council compensation review. Mayor Headding suggested appointing a subcommittee for routine review of the advisory board handbook with this being one of the items considered. There was full support for this item.

E. ADJOURNMENT

The meeting adjourned at 8:51 p.m.

Recorded by:

Dana Swanson  
City Clerk