

City of Morro Bay

City Council Agenda

Mission Statement

The City of Morro Bay is dedicated to the preservation and enhancement of the quality of life. The City shall be committed to this purpose and will provide a level of municipal service and safety consistent with and responsive to the needs of the public.

**REGULAR MEETING – TUESDAY, JULY 12, 2011
VETERANS MEMORIAL HALL - 6:00 P.M.
209 SURF ST., MORRO BAY, CA**

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE
MAYOR AND COUNCILMEMBERS ANNOUNCEMENTS & PRESENTATIONS
CLOSED SESSION REPORT

PUBLIC COMMENT PERIOD - Members of the audience wishing to address the Council on City business matters (other than Public Hearing items under Section B) may do so at this time.

To increase the effectiveness of the Public Comment Period, the following rules shall be followed:

- When recognized by the Mayor, please come forward to the podium and state your name and address for the record. Comments are to be limited to three minutes.
- All remarks shall be addressed to Council, as a whole, and not to any individual member thereof.
- The Council respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, commission and/or staff.
- Please refrain from public displays or outbursts such as unsolicited applause, comments or cheering.
- Any disruptive activities that substantially interfere with the ability of the City Council to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in City Council meetings is welcome and your courtesy will be appreciated.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk, (805) 772-6205. Notification 24 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A. CONSENT CALENDAR

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion.

A-1 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETINGS OF JUNE 14, 2011 AND JUNE 28, 2011; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 RESOLUTION NO. 47-11 ADOPTING MEMORANDUM OF UNDERSTANDING WITH THE MORRO BAY PEACE OFFICERS ASSOCIATION; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 47-11.

A-3 RESOLUTION NO. 48-11 INTENTION TO APPROVE AN AMENDMENT TO THE CONTRACT BETWEEN THE BOARD OF ADMINISTRATION OF CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND THE CITY OF MORRO BAY (LOCAL POLICE SAFETY); (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 48-11.

A-4 AUTHORIZATION FOR THE CITY OF MORRO BAY TO ENTER INTO GRANT AGREEMENT #10-101-101 WITH THE DEPARTMENT OF BOATING AND WATERWAYS FOR "MORRO BAY STATE PARK MARINA - NON-MOTORIZED KAYAK LAUNCH DREDGING"; (HARBOR)

RECOMMENDATION: Adopt Resolution No. 50-11.

A-5 AUTHORIZATION FOR THE CITY OF MORRO BAY TO ENTER INTO GRANT AGREEMENT #10-127-938 WITH THE DEPARTMENT OF BOATING AND WATERWAYS FOR "MORRO BAY STATE PARK MARINA - MARINA BASIN AND ENTRANCE CHANNEL DREDGING"; (HARBOR)

RECOMMENDATION: Adopt Resolution No. 51-11.

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 INTRODUCTION AND FIRST READING OF ORDINANCE NO. 569 AUTHORIZING THE AMENDMENT OF SECTION 20475 (DIFFERENT LEVEL OF BENEFITS; SECTION 21363.1 (3% @ 55 FULL FORMULA); AND SECTION 20037 (THREE-YEAR FINAL COMPENSATION) FOR NEW, SWORN HIRES IN THE POLICE DEPARTMENT; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Approve first reading and introduction of Ordinance No. 569 by number and title only.

B-2 RESOLUTION NO. 49-11 ADOPTING THE FISCAL YEAR 2011/12 OPERATING BUDGETS; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 49-11.

C. UNFINISHED BUSINESS – NONE.

D. NEW BUSINESS

D-1 DESIGNATION OF VOTING DELEGATE AND ALTERNATE VOTING DELEGATE AT LEAGUE OF CALIFORNIA CITIES 2011 ANNUAL CONFERENCE BUSINESS MEETING; (ADMINISTRATION)

RECOMMENDATION: Appoint a voting delegate and alternate to attend the Annual Business Meeting during the League of California Cities Annual Conference.

E. DECLARATION OF FUTURE AGENDA ITEMS

F. ADJOURNMENT

THIS AGENDA IS SUBJECT TO AMENDMENT UP TO 72 HOURS PRIOR TO THE DATE AND TIME SET FOR THE MEETING. PLEASE REFER TO THE AGENDA POSTED AT CITY HALL FOR ANY REVISIONS OR CALL THE CLERK'S OFFICE AT 772-6200 FOR FURTHER INFORMATION.

MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE CITY COUNCIL AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION AT CITY HALL LOCATED AT 595 HARBOR STREET DURING NORMAL BUSINESS HOURS OR AT THE SCHEDULED MEETING.

AGENDA NO: A-1

MEETING DATE: 07/12/11

MINUTES - MORRO BAY CITY COUNCIL
CLOSED SESSION – JUNE 14, 2011
CITY HALL CONFERENCE ROOM - 5:00 P.M.

Mayor Yates called the meeting to order at 5:00 p.m.

PRESENT:	William Yates	Mayor
	Carla Borchard	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney
	Susan Slayton	Administrative Services Director
	Jamie Boucher	Human Resources Analyst

CLOSED SESSION

Mayor Yates adjourned the meeting to Closed Session and read the Closed Session Statement.

CS-1 GOVERNMENT CODE SECTION 54957.6; CONFERENCE WITH LABOR NEGOTIATOR. Conference with City Manager, the City’s Designated Representative, for the purpose of reviewing the City’s position regarding the terms and compensation paid to the City Employees and giving instructions to the Designated Representative.

CS-2 GOVERNMENT CODE SECTION 54956.8; REAL PROPERTY TRANSACTIONS: Instructing City's real property negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease of real property as to one (1) parcel.

- Property: Vacant Lot/Corner of Coral/San Jacinto.
Negotiating Parties: Potential Buyers and City of Morro Bay.
Negotiations: Voluntary Purchase and Sale.

The meeting adjourned at 5:40 p.m.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 14, 2011
VETERANS MEMORIAL HALL - 6:00 P.M.

Mayor Yates called the meeting to order at 6:07 p.m.

PRESENT:	William Yates	Mayor
	Carla Borchard	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney
	Jamie Boucher	Deputy City Clerk
	Eric Endersby	Harbor Operations Manager
	Rob Livick	Public Services Director
	Tim Olivas	Police Chief
	Mike Pond	Fire Chief
	Susan Slayton	Administrative Services Director
	Kathleen Wold	Planning Manager
	Joe Woods	Recreation & Parks Director

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

MAYOR AND COUNCIL MEMBERS REPORTS, ANNOUNCEMENTS &
PRESENTATIONS

CLOSED SESSION REPORT - City Attorney Robert Schultz reported the City Council met in Closed Session, and no reportable action under the Brown Act was taken on Item CS-1.

The following action was taken on Item CS-2:

- Property: Vacant Lot/Corner of Coral/San Jacinto.
Negotiating Parties: Potential Buyers and City of Morro Bay.
Negotiations: Voluntary Purchase and Sale.

The City Council took action to take this property off the real estate market.

PUBLIC COMMENT

Denise Wilson, new owner of Blue Sky Coastal Café reviewed their menu which features locally grown produce; they open at 8 a.m., happy hour from 3-6 p.m., and offer live music on weekends.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 14, 2011

Jim Davis announced on Sunday, June 19th from 3-5 p.m. there will be a skateboard event at Tidelands Park, with the Red Skunk Gypsy band performing afterwards; and, there will be a fundraiser for Ride-On Transportation for Veterans on August 7th at The Lodge on Highway 41 with a barbeque and the Louie Ortega band performing.

D’Onna Kennedy announced the Central Coast Veterans Support Group will be meeting on June 21st at 6 p.m. at the Eagles Lodge on Main Street.

John Weiss announced Eco-Rotary that helps the environment with zero-waste, recycling and making a good footprint for our children and grandchildren; he noted the charter would be on June 23rd at the golf course. He also announced they will be talking about Eco-Rotary and zero-waste on June 16th at the Morro Bay Business Forum.

Stephanie Pipan, Morro Bay Police Officer, announced the K-9 Walk-a-thon will be held this Saturday, June 18th starting at 10 a.m. at the Morro Rock parking lot. She stated funds raised from this benefit will go towards a Morro Bay Police K-9.

John Barta referred to Item D-1 (Discussion on Proposing a Moratorium on the Payment of Development Impact Fees) stating these impact fees are substantial along with water and sewer impact fees and mandated standards; he suggested keeping these fees as low as possible. Mr. Barta also suggested not having a sprinkler ordinance and replacing it with a high tech fire alarm. He suggested the City perform a historical review of the impact fees.

Annette Neals, Manager of Walkers Mobile Home Park, referred to Item A-5 (Resolution Determining Issuance of an Alcoholic Beverage Control Permit for Virg’s Landing Inc. Located at 1169 Market Avenue) and expressed concern with the hours this business will be open in a residential neighborhood; and, the type of liquor license they are requesting.

Betty Winholtz expressed concern with the method of how parking and trolley signs came down on the Embarcadero. She also expressed concern with funds being expended recklessly for: 1) the new banners on the Embarcadero; 2) hiring a consultant for \$300,000, and a lobbyist at \$650/hour regarding the Wastewater Treatment Plant upgrade project; 3) the vote to do away with the Cloister’s assessment district; and, 4) the discussion of a moratorium on the payment of development impact fees. Ms. Winholtz stated these costs means less services for the citizens and more taxes.

Janice Peters complimented the Recreation & Parks Department on the new landscaping in front of the Community Center. She also announced a local production “Playhouse Creatures” will be held at the Pewter Plough in Cambria through July 23rd.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 14, 2011

Ms. Peters also noted the Community Promotions Committee and Tourism Business Improvement District Advisory Board will be holding a joint meeting on Thursday, June 16th starting at 8:30 a.m. in the Veterans Memorial Building and encouraged participation.

Sharon Moore, owner of Virg's Landing, Inc., addressed Item A-5 stating last weekend was the first time they had a problem with noise, and they will resolve this issue. She said the ABC license is to sell a small amount (1.8% of the store sales) of beer to provide on the fishing boats.

Rick Holiday, neighbor to Virg's Landing stated he can offer a parking lot to Virg's in the morning hours to help mitigate a possible noise problem.

Mayor Yates closed the hearing for public comment.

A. CONSENT CALENDAR

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion.

A-1 APPROVAL OF MINUTES FOR THE SPECIAL CITY COUNCIL MEETING OF MAY 24, 2011 AND THE REGULAR CITY COUNCIL MEETING OF MAY 24, 2011; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 RESOLUTION NO. 39-11 CONTINUING THE FISCAL YEAR 2010/11 ANNUAL BUDGET; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 39-11.

A-3 AUTHORIZATION TO FILE NOTICE OF COMPLETION FOR THE NORTH MAIN BIKE LANE AND STREET IMPROVEMENT PROJECT; (PUBLIC SERVICES)

RECOMMENDATION: Authorize staff to file Notice of Completion for the North Main Bike Lane and Street Improvement Project.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 14, 2011

A-4 RESOLUTION DETERMINING ISSUANCE OF AN ALCOHOLIC BEVERAGE CONTROL PERMIT FOR A WINE TASTING ROOM LOCATED AT 783 MARKET AVENUE; (CITY ATTORNEY)

RECOMMENDATION: Adopt Resolution No. 40-11.

A-5 RESOLUTION DETERMINING ISSUANCE OF AN ALCOHOLIC BEVERAGE CONTROL PERMIT FOR VIRG'S LANDING INC. LOCATED AT 1169 MARKET AVENUE; (CITY ATTORNEY)

RECOMMENDATION: Adopt Resolution No. 41-11.

A-6 PROCLAMATION RECOGNIZING THE 100TH ANNIVERSARY OF INCORPORATION OF THE CITY OF ARROYO GRANDE AND COMMEMORATING THE CITY'S CENTENNIAL CELEBRATION; (ADMINISTRATION)

RECOMMENDATION: Adopt Proclamation.

Councilmember Borchard pulled Item A-3 from the Consent Calendar; and Mayor Yates pulled Item A-5.

MOTION: Councilmember Borchard moved the City Council approve the Consent Calendar with the exception of Items A-3 and A-5. The motion was seconded by Councilmember Johnson and carried unanimously. (5-0)

A-3 AUTHORIZATION TO FILE NOTICE OF COMPLETION FOR THE NORTH MAIN BIKE LANE AND STREET IMPROVEMENT PROJECT; (PUBLIC SERVICES)

Councilmember Borchard expressed displeasure for using Measure Q funds due to going over budget because of making changes that were not recognized when the original bid was made on this project.

MOTION: Councilmember Borchard moved the City Council approve Item A-3 of the Consent Calendar. The motion was seconded by Councilmember Smukler and carried unanimously. (5-0)

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 14, 2011

A-5 RESOLUTION DETERMINING ISSUANCE OF AN ALCOHOLIC BEVERAGE CONTROL PERMIT FOR VIRG'S LANDING INC. LOCATED AT 1169 MARKET AVENUE; (CITY ATTORNEY)

Councilmember Johnson stated she would be stepping down on this item due to a conflict of interest.

Councilmember Leage stated he would be stepping down on this item due to a conflict of interest.

MOTION: Councilmember Borchard moved the City Council approve Item A-5 of the Consent Calendar. The motion was seconded by Councilmember Smukler and carried unanimously. (3-0-2)

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 DISCUSSION ON THE VISITORS CENTER; PROPOSED MARKETING SPECIALIST, AND THE FISCAL YEAR 2011-2012 CONTRACT TO OPERATE THE VISITORS CENTER; (ADMINISTRATION)

City Manager Andrea Lueker stated throughout the past months, the City Council has evaluated the Visitors Center, as well as provided direction for a number of changes to be made. The City is in a redefining position with a new marketing/advertising agency, Barnett Cox & Associates coming onboard to promote the Morro Bay experience. Barnett Cox & Associates is beginning work on a marketing plan which when finalized will provide clear direction to take in its efforts to enhance and increase tourism, an important goal of the marketing strategy. In order for the City to realize its full potential, it is extremely important that the many different agencies and organizations in the City work collaboratively. With the changes the City Council has made and directed to be made with both the Visitors Center and the new marketing agency and marketing plan, accompanied by the Chamber of Commerce hiring a new Chamber CEO this year, staff believes the City is poised for an increase in tourism, better organization of our marketing efforts, initiation of strategic economic development, and enhancing agencies to foster a cooperative working relationship.

Ms. Lueker made the following recommendations to the City Council:

- 1) Retain the current management structure at the Visitors Center with the following modifications:
 - a. Hold a Partners/Stakeholders Workshop to develop and modify the marketing plan, identify goals and strategies and assign completion tasks;
 - b. Hold a Partners/Stakeholder Workshop for the Visitors Center;
 - c. Consider a Marketing Specialist position following the Workshops;

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 14, 2011

- d. Determine specific measures of success for the Visitors Center;
- e. Conduct a six month review of the Visitors Center;
- f. Participate on the Economic Development Committee;
- g. Renew the Contract with the Chamber of Commerce for 2011/2012 to run the Visitors Center.

2) Add off-site, informational, visitors' kiosks.

Mayor Yates opened the hearing for public comment.

John Solu thanked the City for the change in the marketing advertising agency, and recommended the City Council approve the hiring of a tourism and promotions director. He said although occupancy and transient occupancy tax has been up recently, they have been behind their competitors in the County. Mr. Solu stated the recommended hours for the Chamber of Commerce need to be adjusted to meet the tourists' needs on the weekends. He said he wants to see the Chamber of Commerce survive, which it cannot do without the Visitor Center funds.

Hank Roth recommended hiring someone to act as a coordinator to support the City's marketing plan. He said this would be someone who would meet the City's needs and has the experience to work within the City's structure to help move us towards our goal to bring more tourists to the City.

Craig Schmidt, Chamber of Commerce CEO, stated the recommended strategic planning sessions is to develop a long-range marketing plan with a more narrow focus to discuss the role and effectiveness of the Visitors Center. He said the purpose of these workshops is to establish a roadmap for where the City needs to get to, and collaborate collectively with stakeholders in Morro Bay's tourism economy in developing this community's vision.

John Weiss, Chamber of Commerce Board President, stated for the past 55 years the Chamber of Commerce has represented and promoted local businesses. They have accomplished their work cost effectively and do their best to be forthright and flexible. Mr. Weiss stated the Chamber Board applauds the City's suggestions to help them achieve their mission of promoting the community's economic vitality, quality of life and providing a united base for the community to advance and prosper. He said the Chamber is able to run the Visitors Center because they are able to offer the City more for their money by operating as a fulfillment center for City promotions, and able to staff the Visitor Center and market the City through events, print collateral, email blasts and social networking. Mr. Weiss stated this job could not be fulfilled by one marketing specialist. He noted Morro Bay is in a transitional time with a new marketing advertising agency, budget considerations and opportunity for new marketing strategies.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 14, 2011

Mr. Weiss stated it is an opportune time to bring the stakeholders together and move ahead in one direction with experience and perseverance.

Mick Theiss stated the first order of business is to be surrounded with competent people. He said there would be an incredible learning curve in hiring a marketing specialist to replace the Chamber CEO that could destroy the City's bottom line. Mr. Theiss suggested the City Council consider staff's report and recommendations and make a long-term decision.

George Ross, consultant for the Chamber of Commerce stated it would be a disaster to pull the Chamber of Commerce away from the Visitors Center; they would not do well independently. He said the current events would not run as smoothly without the hard work of the Chamber staff.

John Barta shared slides of billboards advertising the City noting this is a valuable asset with poor artwork, that are not being maintained and no one is taking responsibility. He said the City will not get good decisions from a committee in a workshop; he said the City needs a creative individual who will take responsibility.

Gary Christianson, Vice-President/Treasurer of the Chamber of Commerce Board reviewed an estimate of what it would cost to run a stand-alone Visitor Center = \$170,540. He stated the Chamber of Commerce CEO has only been on board for six months and needs time to implement the recommended changes previously made by the City.

Janice Peters stated the City is in a state of flux right now with a new marketing advertising agency, a new Chamber of Commerce CEO, and the Tourism Business Improvement District Advisory Board that is now working. She said a workshop in this case is a good idea because there is such a diversity of people in the business community who don't communicate with each other. Ms. Peters stated there is a wealth of experience between the Community Promotions Committee and Tourism Business Improvement District Advisory Board along with the business community who can establish direction through a workshop setting to enable the Council to determine the best marketing strategy for the City.

Joan Solu requested the City Council look for new and innovative solutions to approach marketing and tourism by looking at a concept of hiring an outside neutral dynamic experienced tourism leader to sell the City the way it deserves to be sold. In order to do this, she asked Council to give the following tasks to the Tourism Business Improvement District Advisory Board and Community Promotions Committee: 1) examine and develop the job description and duties for the Director of Tourism; 2) examine funding mechanisms to pay for time and direction of the new Director of Tourism or office;

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 14, 2011

3) develop a reporting mechanism to ensure accountability and begin the hiring process by August 15, 2011; 4) move forward with granting the current contractor for a 90-day period while the Director of Tourism moves forward; 5) add a hiring freeze to the current contractor's events coordinator position; and 6) address the overall strategic vision for tourism in Morro Bay in a workshop setting.

Mayor Yates closed the hearing for public comment.

Mayor Yates requested staff take care of the weeds around the billboard on Highway 1.

Councilmember Borchard stated she is interested in a month-to-month contract with the Chamber of Commerce to operate the Visitors Center until all of the issues have been resolved. She said the kiosks are a good idea, but should be in addition to, not in lieu of, alternative sites for the Visitors Center. Councilmember Borchard stated the Economic Development Committee is a function of the Chamber and not the City. She said she is not interested in hiring a company to look at alternative locations for the Visitors Center; that is something that can be reviewed at the workshop.

Councilmember Johnson stated she agrees with a month-to-month contract with the Chamber of Commerce to operate the Visitors Center until the issues have been resolved. She said she hopes to gain some innovative and clear idea of the role of the Chamber of Commerce. Councilmember Johnson stated all options and possibilities such as the location of the Visitors Center need to be considered at the workshop.

Mayor Yates stated he goes into the Visitors Center every week and he finds the staff to be very busy talking with tourists and doing a fabulous job. He requested the Chamber Board review the hours of operation of the Visitors Center.

Councilmember Leage stated alternative locations of the Visitors Center should be considered. He said he supports hiring a person in charge of promoting the City.

Councilmember Smukler stated it is important to maintain flexibility at this time. He said he would prefer a 90-day agreement with the Chamber of Commerce, and a suspension of the hiring of the events coordinator position. Councilmember Smukler stated he would like to add hours of operation to the agreement restructuring the mid-week hours and adding weekend hours. He said prior to the workshop, he would like strong involvement from the Community Promotions Committee and Tourism Business Improvement District Advisory Boards in the structuring of the workshop.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 14, 2011

Councilmember Smukler stated he would like to develop a matrix that lists the stakeholders and the role/mission of each group; that way it would show a graphic that identifies the areas that need restructuring. He said he would like to have the discussion on the restructuring of the Community Promotions Committee/Tourism Business Improvement District Advisory Board as soon as possible.

MOTION: Councilmember Borchard moved the City Council direct staff to draft a 90-day contract with the Chamber of Commerce to operate the Visitors Center beginning July 1, 2011; and, direct that part of the negotiations would be extended hours on the weekends. It was further moved that this contract be returned for Council approval at the June 28, 2011 City Council meeting. The motion was seconded by Councilmember Smukler and carried unanimously. (5-0)

Councilmember Borchard stated she would like to explore information regarding locating a California Welcome Center in Morro Bay.

Craig Schmidt, Chamber of Commerce CEO stated a California Welcome Center is being pursued and he will have information at the next City Council meeting.

MOTION: Mayor Yates moved the City Council support the Community Promotions Committee and Tourism Business Improvement District Advisory Board to form a sub-committee to come up with a proposal for two workshops: 1) one workshop to develop and modify a marketing plan identifying goals and strategies; and 2) a workshop to review the Visitors Center. The sub-committee is further directed to return with their recommendations from the workshops to the City Council at the September 13, 2011 City Council meeting. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

Mayor Yates called for a break at 8:00 p.m.; the meeting resumed at 8:10 p.m.

C. UNFINISHED BUSINESS – NONE.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 14, 2011

D. NEW BUSINESS

D-1 DISCUSSION ON PROPOSING A MORATORIUM ON THE PAYMENT OF DEVELOPMENT IMPACT FEES (ALSO REFERRED TO AS BUILDING IMPACT OR PUBLIC FACILITIES FEES AND SIGN PROGRAM PERMIT FEES); (PUBLIC SERVICES)

Planning Manager Kathleen Wold stated at the December 13, 2010 City Council meeting, Councilmember Johnson proposed the idea of exploring different options regarding establishing a program to incentivize businesses within the City to improve their buildings without incurring City development impact fees within three specific areas of the City. The first area is Morro Bay Boulevard (downtown area) from the roundabout to Market Street; the second area is Main Street to the City limits; and the third area is Quintana Road. Reducing or waiving development impact fees could provide an economic incentive for businesses to consider improvements to buildings as impact fees can add a substantial amount of money onto the building permit fee. In addition to the moratorium on development impact fees, Councilmember Johnson also suggests a moratorium on fees associated with sign programs. This would provide incentive for business owners to reevaluate the businesses' sign program and consider improvements without additional City fees. Currently sign regulations have been under review by the City and one of the goals of this review has been to encourage businesses to utilize signs in a way that does not detract from the community as a whole. A moratorium on sign fees for sign programs would provide additional incentive for businesses to review their entire sign program and consider an entirely new sign program. Ms. Wold recommended the City Council weigh the benefits to the business community against the loss of revenue to determine if the benefits outweigh the costs and direct staff accordingly.

Councilmember Smukler stated without knowing what the real intent and focus is he is not comfortable with moving forward with this in segments. He said he would prefer to identify the real strategy as a whole with all of the elements available.

MOTION: Councilmember Borchard moved the City Council place a moratorium on development impact fees on commercial projects for the next three (3) years within the City bordered commercial areas. The motion was seconded by Councilmember Johnson and carried with Councilmember Smukler voting no. (4-1)

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 14, 2011

D-2 NORTH MAIN STREET COMMERCIAL PARKING AREA MAP AND
DRAFT ORDINANCE CHANGE; (PUBLIC SERVICES)

Planning Manager Kathleen Wold stated at the December 13, 2010 City Council meeting, Councilmember Borchard requested that staff provide a report on the status of parking in the North Main Street area to include options for modifications or amendments to City requirements which would address buildings where the number of stalls is nonconforming to present day standards. At the February 8, 2011 meeting, staff presented a report which contained various options for Council to consider, and directed staff to prepare a boundary map and an exemption for Morro Bay Municipal Code Section 17.44.020(A).1 which was presented to Council during this presentation. Ms. Wold recommended the City Council review the boundary map and draft ordinance change, and direct staff accordingly.

MOTION: Councilmember Borchard moved the City Council approve the exemption to Morro Bay Municipal Code Section 17.44.020(A).1 for Parking Facilities for North Main Street to read as per the staff report with the additional language: “to not include new construction or new additions.” The motion was seconded by Councilmember Johnson and carried unanimously. (5-0)

D-3 RECOMMENDATION ON THE ALIGNMENT OF THE MORRO
BAY/CAYUCOS BIKE PATH CONNECTOR; (RECREATION & PARKS)

Recreation & Parks Director Joe Woods introduced Elizabeth Kavanaugh, Parks Planner for San Luis Obispo County Parks. Ms. Kavanaugh stated the Morro Bay to Cayucos Connector project is a multi-use trail that connects coastal communities of Morro Bay and Cayucos along Highway 1. This is a San Luis Obispo County Parks’ project and County Parks requests the City Council review the Eastern and Western alignments of the Connector, and recommend one of the alignments to the County. The Morro Bay Parks and Recreation Commission reviewed these alignments on March 17, 2011 and recommends the Western alignment. Ms. Kavanaugh recommended the City Council discuss the Eastern and Western alignments of the Morro Bay/Cayucos Bike Path Connector, and make a recommendation to the San Luis Obispo County Parks.

MOTION: Mayor Yates moved the City Council recommend the Western Alignment of the Morro Bay/Cayucos Bike Path Connector to the San Luis Obispo County Parks. The motion was seconded by Councilmember Smukler and carried unanimously. (5-0)

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 14, 2011

E. DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Johnson requested to agendize a discussion on developing a Business Improvement Program that would include a Façade Improvement Program; Council concurred.

Councilmember Smukler requested to agendize a report on the Cambria Voluntary Bus Program on the next City Council agenda; Council concurred.

ADJOURNMENT

The meeting adjourned at 9:41 p.m.

Recorded by:

Jamie Boucher
Deputy City Clerk

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 28, 2011
VETERANS MEMORIAL HALL - 6:00 P.M.

Mayor Yates called the meeting to order at 6:05 p.m.

PRESENT:	William Yates	Mayor
	Carla Borchard	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Robert Schultz	City Attorney
	Bridgett Kessling	City Clerk
	Eric Endersby	Harbor Operations Manager
	Rob Livick	Public Services Director
	Tim Olivas	Police Chief
	Mike Pond	Fire Chief
	Barry Rand	Assistant Engineer
	Susan Slayton	Administrative Services Director
	Dylan Wade	Utilities/Capital Projects Manager
	Joe Woods	Recreation & Parks Director

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

MAYOR AND COUNCIL MEMBERS REPORTS, ANNOUNCEMENTS &
PRESENTATIONS

CLOSED SESSION REPORT – there was no Closed Session report.

PUBLIC COMMENT

Craig Schmidt, Chamber of Commerce CEO stated the Visitors Center hours have been changed to 9:00 am – 5:00 pm seven days per week, and the Chamber of Commerce will be paying for the additional hours until the 90-day contract is re-evaluated. He said it is unlikely Morro Bay would qualify as a California State Welcome Center because it is within 50 miles of Pismo Beach which is a Welcome Center. Mr. Schmidt stated the City Manager has been added as a voting member to the Executive Committee to the Chamber. He noted the Chamber is providing the City with profit and loss detailed statements every month, and providing the Community Promotions Committee and Tourism Business Improvement District Advisory Board with fiscal information. Mr. Schmidt announced he is looking for Skateboard event volunteers for July 3rd and volunteers for the 4th of July. He also thanked Harold Biaggini for hiring a crew to remove the weeds around the City billboard.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 28, 2011

John Barta stated the California Welcome Center 50-mile rule may not come into play since Morro Bay is on Highway 1 and Pismo Beach is on Highway 101. He expressed support on Item D-2 (Report on the Cambria Voluntary Community Bus Program). Mr. Barta referred to Item D-4 (Discussion of Improvements to the “Rock” Parking Lot, Located at the End of Coleman Drive, Morro Bay) stating the Rock is known as the “Gibraltar of the Pacific” and the most sought after tourist attraction in the City. He requested Council be tenacious and aggressive in their decision on this item because improvements to this parking lot will add a lot to the town.

Betty Winholtz referred to Item D-4 stating the Rock parking lot is made of fill and could be an engineering nightmare; she said this money should go towards repaving City streets. Ms. Winholtz also referred to Item D-3 (Discussion and Adoption of the Pavement Management Plan) stating out of all the budgetary items on the agenda tonight, all the money should go towards this item.

Barry Brannin stated the workshops regarding the Wastewater Treatment Plant upgrade were well attended. He said he appreciated the openness and the interaction with staff and the consultant is bringing a level of professionalism that is truly remarkable.

Gerald Bednorz, Beach House Bistro, announced the 4th annual drive-thru barbeque will be held on the 4th of July from 12:00 pm - 4:00 pm to support the Susan G. Komen Breast Cancer Foundation.

Susan Stewart, Community Promotions Committee Chair gave a monthly update on the Committee’s actions.

Garry Johnson shared a photo of the K-9 walk-a-thon stating it was a great event. He also shared photos of the live theatre produced by Karen Garman stating what a fantastic job she does for the youth in our community.

Mayor Yates closed the hearing for public comment.

A. CONSENT CALENDAR

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion.

A-1 APPROVAL OF AGREEMENT BETWEEN THE MORRO BAY CHAMBER OF COMMERCE AND CITY OF MORRO BAY TO OPERATE THE VISITORS CENTER; (ADMINISTRATION)

RECOMMENDATION: Approve the Agreement between the Morro Bay Chamber of Commerce and the City of Morro Bay to operate the Visitors Center.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 28, 2011

A-2 RESOLUTION NO. 45-11 ESTABLISHING A THREE-YEAR MORATORIUM FOR THE PAYMENT OF DEVELOPMENT IMPACT FEES FOR COMMERCIAL PROJECTS WITHIN A COMMERCIAL ZONE DISTRICT; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Resolution No. 45-11.

Councilmember Smukler pulled Item A-2 from the Consent Calendar.

MOTION: Councilmember Borchard moved the City Council approve Item A-1 of the Consent Calendar. The motion was seconded by Councilmember Smukler and carried unanimously. (5-0)

A-2 RESOLUTION NO. 45-11 ESTABLISHING A THREE-YEAR MORATORIUM FOR THE PAYMENT OF DEVELOPMENT IMPACT FEES FOR COMMERCIAL PROJECTS WITHIN A COMMERCIAL ZONE DISTRICT; (PUBLIC SERVICES)

Councilmember Smukler stated he would be voting in opposition to this item because there are things the City could do that could support low impact development concepts as part of the impact fee reduction. He said this lacks a public benefit component that clearly shows resource improvements on conservation.

Councilmember Johnson referred to Resolution No. 45-11 and requested the following amendment:

BE IT FURTHER RESOLVED by the City Council of the City of Morro Bay, that only commercial or mixed-use projects on commercially zoned land shall be eligible and that residential projects within the mixed use areas shall not be eligible.

MOTION: Councilmember Johnson moved the City Council approve Item A-2 of the Consent Calendar as amended. The motion was seconded by Councilmember Borchard.

Councilmember Smukler expressed opposition because a higher standard needs to be held when giving away this large of a public gift.

VOTE: The motion carried with Councilmember Smukler voting no. (4-1)

Mayor Yates called for a break at 6:45 p.m.; the meeting resumed at 7:00 p.m.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 28, 2011

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 RESOLUTION NO. 43-11 DIRECTING THE LEVY OF THE ANNUAL ASSESSMENT FOR THE CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (RECREATION & PARKS)

Recreation & Parks Director Joe Woods stated at the May 10, 2011 City Council meeting, Council adopted Resolution No. 32-11 approving the Engineer's Report describing the annual maintenance to be completed at the Cloisters Park and Open Space, and declaring the City's intent to levy an annual assessment to finance this maintenance. The assessment, projected at \$1,241.20 per assessable lot in the Cloisters subdivision, will be collected by the County Assessor. As part of the assessment process, the City ordered the preparation of an Engineer's report, adopted a resolution of intention to levy an assessment, set June 28, 2011 as the hearing date on the proposed levy of assessment, noticed all property owners on record via first class mail of the hearing and published the notice in the local newspaper. The City Council must hold a protest/public hearing before considering the levy of the annual assessment. Mr. Woods recommended the City Council hold a public hearing on the annual levy of assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District, and then adopt Resolution No. 43-11 confirming the levy of assessment for Fiscal Year 2011-12.

Mayor Yates opened the hearing for public comment.

Robert Bacon, resident of Cloisters, stated he shared pictures at a City Council meeting last year of the weeds throughout the parkway and park areas and it still looks the same this year. He said he does not object to paying the assessment, in fact it is a privilege to live by such a great park, which is a tourist attraction. Mr. Bacon objects to the lack of maintenance to the parkway and park areas.

Dawn Beattie, resident of Cloisters, stated the Recreation & Parks Department has been very responsive to the residents' needs. She said the communications between staff and the residents has been a major improvement. Ms. Beattie stated the homeowners are supporting the assessment on a probationary approach for this year.

Mayor Yates closed the hearing for public comment.

Councilmember Borchard stated she walks through the Cloisters and has noticed the improvements. She said she hopes the residents have patience with the progress.

Councilmember Johnson stated she agrees the Recreation & Parks Department has done a wonderful job in communicating with the residents and doing their best with limited funding.

Councilmember Leage stated he agrees the Department is making improvements to the area, and hopes it continues throughout the year when it comes back for review next year.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 28, 2011

Councilmember Smukler stated it appears there have been strong communications with the residents. He said performance is going to be important for the neighborhood to be satisfied, and it will be exciting to identify long-range management plans for the development.

Mayor Yates stated his history is to not be supportive of this assessment; however, based on the support of the residents, he will support the assessment this year. He said he will reassess his consideration of this assessment next year.

MOTION: Councilmember Borchard moved the City Council adopt Resolution No. 43-11 directing the levy of the Annual Assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District. The motion was seconded by Councilmember Smukler and carried unanimously. (5-0)

B-2 RESOLUTION NO. 44-11 DIRECTING THE LEVY OF THE ANNUAL ASSESSMENT FOR THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (RECREATION & PARKS)

Recreation & Parks Director Joe Woods stated at the May 10, 2011 City Council meeting, Council adopted Resolution No. 32-11 approving the Engineer's Report describing the annual maintenance to be completed at the North Point Natural Area, and declaring the City's intent to levy an annual assessment to finance this maintenance. The assessment, projected at \$564.50 per assessable lot in the North Point subdivision, will be collected by the County Assessor. As part of the assessment process, the City ordered the preparation of an Engineer's report, adopted a resolution of intention to levy an assessment, set June 28, 2011 as the hearing date on the proposed levy of assessment, and finally, noticed all property owners on record via first class mail of the hearing, as well as published the notice in the local newspaper. The City Council must hold a protest/public hearing before considering the levy of the annual assessment. Mr. Woods recommended the City Council hold a public hearing on the annual levy of assessment for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District and then adopt Resolution No. 44-11 confirming the levy of assessment for Fiscal Year 2011-12.

Mayor Yates opened the hearing for public comment; there were no comments and Mayor Yates closed the hearing for public comment.

MOTION: Councilmember Borchard moved the City Council adopt Resolution No. 44-11 directing the levy of the Annual Assessment for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District. The motion was seconded by Councilmember Leage and carried unanimously. (5-0)

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 28, 2011

B-3 ADOPTION OF THE URBAN WATER MANAGEMENT PLAN 2010
UPDATE; (PUBLIC SERVICES)

Utilities/Capital Projects Manager Dylan Wade stated in order to comply with the water code and other segments of state law, water utilities that serve more than 3000 customers or sell more than 3000 acre-feet-per-year of water are required to prepare an Urban Water Management Plan in years ending in 5 and 10. The City began preparing an update to the 2005 Urban Water Management Plan in the fall of 2010 and is bringing this document forward for public comment and Council adoption at this time. Mr. Wade stated there is a correction to page 2-4 of the Plan as follows: “The Morro Bay area experienced **relatively high-annual** population growth of 7.1 percent between 1990 and 2000.” He recommended the City Council review the 2010 Urban Water Management Plan update, propose any necessary amendments, and move for adoption with Resolution Number 46-11 as amended.

Mayor Yates opened the hearing for public comment.

John Barta stated this study shows how far the City has come within the last 20 years regarding water. He said the City has an adequate supply of water.

Betty Winholtz requested this item be continued due to insufficient noticing as required in the Plan. She said as a renter she did not receive notice since she does not receive a water bill, as is true of 50% of the residents in the City. Ms. Winholtz also referred to numerous errors in the Urban Water Management Plan as follows: 1) page 2-1: expansion of the community limited by a hillside; 2) page 2-3: viable industrial base; 3) page 2-4: affordable multi-family housing units; 4) page 2-4: population: 10,234; 5) Measure F – passed in 1984 due to a water issue; 6) page 2-9: climate average never over 70 degrees.

Mayor Yates closed the hearing for public comment.

MOTION: Mayor Yates moved the City Council adopt Resolution No. 46-11 approving the Urban Water Management Plan as amended by staff. The motion was seconded by Councilmember Borchard.

Councilmember Smukler requested the motion include an emergency interruption in the Plan.

VOTE: The motion carried with Councilmember Smukler voting no. (4-1)

C. UNFINISHED BUSINESS – NONE.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 28, 2011

D. NEW BUSINESS

D-1 CONSIDERATION OF RESOLUTION NO. 42-11 AMENDING THE PARAMETERS FOR THE USE OF THE GENERAL FUND EMERGENCY RESERVE; (ADMINISTRATIVE SERVICES)

Administrative Services Director Susan Slayton stated Resolution No. 27-10 was enacted on May 24, 2010, and set the parameters for the General Fund Emergency Reserve Fund. Staff feels an additional comment needs to be added that recommends Council's annual review of excess reserves for programming/designating them for use in the upcoming year. Ms. Slayton recommended the City Council adopt Resolution No. 42-11 which amends Resolution No. 27-10 by adding the following language: "Amounts greater than the 27.5% target balance, or minimum of \$2,750,000 (whichever is greater), will be programmed/designated by Council during the annual budget adoption process, at Council's discretion."

MOTION: Councilmember Smukler moved the City Council adopt Resolution No. 42-11 which amends Resolution No. 27-10 by adding the following language: "Amounts greater than the 27.5% target balance, or minimum of \$2,750,000 (whichever is greater), will be programmed/designated by Council during the annual budget adoption process, at Council's discretion." The motion was seconded by Councilmember Johnson.

Councilmember Borchard requested Condition #4 be removed due to its redundancy; Councilmember Smukler stated he would prefer not to remove it.

VOTE: The motion carried unanimously. (5-0)

D-2 REPORT ON THE CAMBRIA VOLUNTARY COMMUNITY BUS PROGRAM; (COUNCIL)

Councilmember Smukler stated that he along with Councilmember Borchard and City Manager Lueker met with the Cambria Bus Program volunteer coordinator in early June and discussed the program offered in Cambria. With the significant reduction of the transit programs, a community bus program may be a viable option, with volunteer support, to provide further transit opportunities to the senior and disabled community in the City. It was recommended the City Council discuss steps towards implementing a volunteer- run Community Bus Program for the City of Morro Bay.

Council consensus was in support to move forward with the implementation of a volunteer-run Community Bus Program for the seniors and disabled citizens of the City of Morro Bay.

No further action was taken on this item.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 28, 2011

Mayor Yates called for a break at 8:10 p.m.; the meeting resumed at 8:15 p.m.

D-3 DISCUSSION AND ADOPTION OF THE PAVEMENT MANAGEMENT PLAN; (PUBLIC SERVICES)

Public Services Director Rob Livick stated in order to effectively utilize the City's limited street maintenance budget, staff has prepared a Pavement Management Plan that outlines the steps needed to both rehabilitate and preserve the pavement condition of this valuable City asset. Currently the present value of the City's street system is approximately \$40,000,000. Once adopted, the Pavement Management Plan will serve as the roadmap for future street maintenance. Mr. Livick noted an amendment to page 28 of the Pavement Management Plan as follows: "**Following years are funded with general funds or Measure Q funds as available. The actual level of funding will be allocated in each year's budget by City Council.**" He recommended the City Council review and adopts the Morro Bay Pavement Management Plan as amended.

MOTION: Councilmember Smukler moved the City Council adopt the Pavement Management Plan as amended by staff. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

D-4 DISCUSSION OF IMPROVEMENTS TO THE "ROCK" PARKING LOT, LOCATED AT THE END OF COLEMAN DRIVE, MORRO BAY; (PUBLIC SERVICES)

Councilmember Leage stated the parking lot is in need of repair; however, the area needs a concept plan that would include paving the parking area, the addition of recreation areas, grassy areas to be used by families and tourists. He requested Council discuss the concept of improving this area and direct staff to move forward with a concept plan.

Recreation & Parks Director Joe Woods discussed the concept plan for Coleman Park that could perhaps include a recreational use north of Coleman Drive.

Public Services Director Rob Livick stated the Waterfront Master Plan, which was adopted by the City Council in May 1996, should also be reviewed by the Recreation & Parks Commission.

Council directed staff to contact Cal Poly to consider this as a viable project/concept plan; and, return to Council for review of the concept plan for the Rock improvements that will interface with the existing concept plan for Coleman Park.

No further action was taken on this item.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 28, 2011

E. DECLARATION OF FUTURE AGENDA ITEMS – None.

ADJOURNMENT

The meeting adjourned at 9:35 p.m.

Recorded by:

Bridgett Kessling
City Clerk



AGENDA NO: A-2

MEETING DATE: July 12, 2011

Staff Report

TO: Honorable Mayor and City Council **DATE:** June 29, 2011
FROM: Susan Slayton, Administrative Services Director
SUBJECT: Resolution No. 47-11 Adopting Memorandum of Understanding with
the Morro Bay Peace Officers Association

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 47-11, approving the Memorandum of Understanding with the Morro Bay Peace Officers Association. The term of the MOU is from July 1, 2011 through June 30, 2012.

FISCAL IMPACT

As per City Council's direction, this MOU reflects no substantive costs to the City, and in fact, as we hire new employees, should show significant savings since the City will be implementing a 2nd Tier Retirement Formula for both the sworn and non-sworn Police Department new hires.

SUMMARY:

The July 2010 – June 2011 MOU is currently on the City's website (link: "Employee Compensation Information"). The proposed July 2011 – June 2012 MOU, which is attached in a draft red-lined format, includes the following changes:

- Effective July 1, 2011, employees, who have a requested vacation denied or canceled within 60 days prior to reaching the 226 hour accrual maximum, shall, upon request, be given an additional 60 days, following reaching the maximum, to utilize vacation prior to ceasing to accrue. (see Article 11.1.4 – current and attached contract versions)
- Effective the pay period containing July 1, 2011, employees are permitted to utilize (3) three days of paid bereavement leave, regardless of shift length, subject to a maximum of 12 hours per day. (see Article 13 - attached contract only). This amendment allows the POA to define an individual shift length as a day.
- Effective July 1, 2011, staff will begin the process of implementing a 2nd Tier Retirement System for the sworn new hires in the Police Department. The changes are as follows: Sworn – 3% @ 55, 36 consecutive months final compensation. (see Article 14.7 – attached contract only) NOTE – the implementation of the Non-Sworn 2nd Tier Retirement Formula is predicated on all PERS Miscellaneous employees coming to this same agreement. As of this date, we are not ready to begin this process. It is anticipated that the following will occur once all groups have come to

Prepared By: S. SLAYTON/J. Boucher

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

agreement: Non-Sworn – 2% @ 60, 36 consecutive months final compensation. (Article 14.9 – attached contract only)

- Effective July 1, 2011, employees may elect to receive two (2) straight time compensatory time off hours in lieu of paid standby compensation. Employees may also elect to receive two (2) straight time compensatory time off hours in lieu of paid court standby compensation. (Article 19.1.2 and 19.1.3)

Please note that while there are additional sections that reflect changes in the attached, red-lined version of the MOU, those changes, which are not noted above, are only made in an effort to clean up current language, revise MOU sequencing, and remove outdated and/or obsolete information.

The MOU has been ratified by the Morro Bay Peace Officers Association. The signed signature page is attached.

DISCUSSION:

The POA continues to recognize the City's financial status, and its members should be commended on their partnership in this process. They acknowledged our conservative position, as well as understood the lack of monies available. Working with them was again a very pleasant and positive encounter. They are the first of the City's bargaining units to sign a 2011 – 2012 MOU.

RESOLUTION NO. 47-11

**RESOLUTION RELATING TO THE CLASSIFICATION,
COMPENSATION AND TERMS OF EMPLOYMENT
OF POLICE EMPLOYEES OF THE CITY OF MORRO BAY**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, in accordance with the provisions of the California Government Code Section 3500 et. seq. and Resolution No. 74-69 of the City of Morro Bay, the City's representatives have met and conferred in good faith pertaining to the subject of wages, benefits and conditions of employment with Morro Bay Peace Officers Association; and

WHEREAS, the meetings between the Morro Bay Peace Officers Association and the City have resulted in a mutual agreement and understanding to recommend that the employees represented by Morro Bay Peace Officers Association accept all of the terms and conditions, as set forth in a Memorandum of Understanding, an agreement attached and made a part of this Resolution herewith; and

WHEREAS, the City now desires to provide said salaries, benefits and conditions to said police employees of the City of Morro Bay.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay it hereby approves and adopts, in full, the Memorandum of Understanding for the period July 1, 2011 through June 30, 2012, as attached and made a part of this Resolution.

BE IT FURTHER RESOLVED by the City Council of the City of Morro Bay that the City Manager is hereby authorized to execute the Memorandum of Understanding on behalf of the City.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a meeting thereof held this 12th day of July, 2011 by the following vote:

AYES:
NOES:
ABSENT:

WILLIAM YATES, Mayor

ATTEST:

BRIDGETT KESSLING, City Clerk



AGENDA NO: A-3

MEETING DATE: 7/12/2011

Staff Report

TO: Honorable Mayor and City Council **DATE:** June 30, 2011

FROM: Susan Slayton, Administrative Services Director

SUBJECT: Resolution No. 48-11 Intention to Approve an Amendment to the Contract between the Board of Administration of California Public Employees' Retirement System and the City of Morro Bay (Local Police Safety)

RECOMMENDATION:

Per the terms and conditions of the approved Memorandum of Understanding with the Morro Bay Peace Officers Association, Staff recommends that the City Council adopt Resolution No. 48-11, authorizing an amendment to the City's PERS contract, in accordance with Government Code Section 20475 (Different Level of Benefits), Section 21363.1 (3% at 55 Full Formula), and Section 20037 (Three-Year Final Compensation) for all new, sworn hires in the Police Department, thereby establishing a 2nd Tier Retirement Formula.

FISCAL IMPACT:

While there will not be a significant fiscal impact at the outset, by virtue of the change of retirement formula, the City will see substantial savings as we hire new employees to replace our existing employees, who either retire or move on to other agencies. It is known that the new employer contribution rate for the new hires will be 20.308% of reportable earnings, as opposed to the current rate of 35.055%.

DISCUSSION:

Tonight, Staff presented Resolution 47-11, which adopts the POA Memorandum of Understanding for the 2011 – 2012 fiscal year. As a condition of the MOU, there was agreement on both sides to begin the process to amend the City's current contract with PERS, regarding both the retirement formula, as well as the final compensation formula, to establish a 2nd Tier Formula for new, sworn hires in the Police Department. As such, staff has scheduled the necessary actions required by PERS to complete this amendment process. This action begins tonight with this *Resolution of Intention* to amend the current PERS contract for new hires only. This will be

Prepared By: S. SLAYTON/JBoucher Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

followed up this evening with a public hearing to introduction and perform a first reading of the required Ordinance. At the August 9, 2011 City Council meeting, staff will bring the Ordinance back for adoption.

CONCLUSION:

Per the terms and conditions of the current Memorandum of Understanding with the Morro Bay Peace Officers Association, staff is requesting that Council adopt Resolution No. 48-11, which will start the process of amending the current retirement formula and final compensation formula for new, sworn hires at the Police Department, thus establishing a 2nd Tier Retirement Formula for sworn police.

RESOLUTION NO. 48-11

**RESOLUTION OF INTENTION TO APPROVE
AN AMENDMENT TO CONTRACT BETWEEN
THE BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AND THE CITY COUNCIL OF THE MORRO BAY (LOCAL POLICE MEMBERS)**

**THE CITY COUNCIL
CITY OF MORRO BAY, CALIFORNIA**

WHEREAS, the Public Employees' Retirement Law permits the participation of public agencies and their employees in the Public Employees' Retirement System by the execution of a contract, and sets forth the procedure by which the City of Morro Bay may elect to subject themselves and their employees to amendments to said Law; and

WHEREAS, one of the steps in the procedures to amend this contract is the adoption by the City Council of the City of Morro Bay a resolution giving notice of its intention to approve an amendment to said contract, which resolution shall contain a summary of the change proposed in said contract; and

WHEREAS, the following is a statement of the proposed change:

To provide Section 20475 (Different Level of Benefits); Section 21363.1 (3% @ 55 Full formula); and Section 20037 (Three-Year Final Compensation) applicable to local police members entering membership for the first time in the police classification after the effective date of this amendment to contract.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morro Bay does hereby give notice of intention to approve an amendment to the contract between the City of Morro Bay and the Board of Administration of the Public Employees' Retirement System, a copy of said amendment being attached hereto, as an "Exhibit" and by this reference made a part hereof.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 12th of July, 2011, by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

WILLIAM YATES, Mayor

BRIDGETT KESSLING, City Clerk

at their June 16, 2011 meeting. At this time the City has a combination of revenue from APC and from a previous DBW grant; however, additional funding is required to complete the bid specification documents and to complete the actual maintenance dredging project.

DISCUSSION:

The cost estimate for the entire State Park Marina Maintenance Dredging Project is estimated at \$1.45 million. Funds available for the project, including revenue from APC and from previous DBW grant agreements are approximately \$430,000. Costs associated with dredging the basin directly adjacent to the kayak launch area are estimated at \$300,000.

DBW grant agreement #10-101-101, in the amount of \$290,000, is specifically designated for dredging the marina basin adjacent to the launch to remove material directly in front of the launch that has accumulated since the launch was originally constructed in 1949. The grant will provide funding for kayak launch associated costs of the State Park Marina Maintenance Dredging Project for completion of a bid package, evaluating the bids and selecting a qualified marine contractor to dredge and dispose of dredge material for the project in accordance with the approved plans and specifications and all permits and approvals issued for this project.

CONCLUSION:

Staff recommends that the City Council adopt Resolution #50-11 authorizing the Harbor Business Manager to execute agreement #10-101-101 with the Department of Boating and Waterways (DBW) for a portion of the State Park Marina Dredging Maintenance Project related to dredging the marina basin adjacent to the Kayak Launch area.

RESOLUTION NO. 50-11

**AUTHORIZATION FOR THE CITY OF MORRO BAY TO ENTER INTO
GRANT AGREEMENT #10-101-101 WITH THE
DEPARTMENT OF BOATING AND WATERWAYS FOR
MORRO BAY STATE PARK MARINA
NON-MOTORIZED KAYAK LAUNCH DREDGING**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, in 2002 the City of Morro Bay (City) and the California Department of Parks and Recreation (State Parks) entered into an agreement to have the City of Morro Bay manage planning, design and construction for improvements and rehabilitation of the State Park Marina; and,

WHEREAS, in 2009 due to costs and environmental issues the scope of the project was revised to perform maintenance dredging of the State Park Marina and an amendment to the EIR was approved by the Planning Commission in August 2009; and,

WHEREAS, funding for dredging studies, permitting and monitoring was approved through acceptance of DBW agreement #08-101-102 in August 2009; and,

WHEREAS; CEQA for this project has been completed and all construction permits and approvals have been obtained including approval of a Coastal Commission Permit in June of 2011; and,

WHEREAS, the DBW has agreed to enter into Grant Agreement #10-101-101 with the City of Morro Bay to improve the non-motorized kayak launch by providing \$290,000 of Federal funding for the portion of the State Park Marina Maintenance Dredging Project associated with dredging the marina basin adjacent to the launch to remove material directly in front of the launch that has accumulated since the launch was originally constructed in 1949; and,

WHEREAS, the scope of work in the proposed grant agreement #10-101-101 includes, soliciting competitive bids and assist in obtaining and evaluating bids and selecting a qualified marine contractor to dredge and dispose of dredge material for the project in accordance with the approved plans and specifications and all permits and approvals issued for this project.

WHEREAS, NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay that the City of Morro Bay is hereby authorized to enter into DBW grant agreement #08-127-949 for the State Park Marina Maintenance Dredging Project associated with the non-motorized kayak launch area in the amount of \$290,000.

BE IT FURTHER RESOLVED, that the Harbor Business Manager, is hereby authorized to act as the City's agent in regards to all aspects of the grant agreement.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting held thereof on the 12th day of July 2011, by the following vote:

AYES:

NOES:

ABSENT:

WILLIAM YATES, Mayor

ATTEST:

BRIDGETT KESSLING, City Clerk

the State Park Marina Maintenance Dredging project was approved by the Coastal Commission at their June 16, 2011 meeting. At this time the City has a combination of revenue from APC and from a previous DBW grant; however, additional funding is required to complete the bid specification documents, put the project out to bid and to complete the actual maintenance dredging project.

DISCUSSION:

The cost estimate for the entire State Park Marina Maintenance Dredging Project is estimated at \$1.45 million. Funds available for the project, including revenue from APC and from previous DBW grant agreements are approximately \$430,000. Costs associated with dredging the marina basin and entrance channel are estimated at \$1.15 million.

DBW grant agreement #10-127-938, in the amount of \$700,000, is specifically designated for dredging the marina basin and entrance channel material that has accumulated since the marina launch was originally constructed in 1949. The grant will provide funding for costs associated with dredging the marina basin and entrance channel portions of the State Park Marina Maintenance Dredging Project. This funding includes completion of a bid package, evaluating the bids and selecting a qualified marine contractor to dredge and dispose of dredge material for the project in accordance with the approved plans and specifications and all permits and approvals issued for this project.

CONCLUSION:

Staff recommends that the City Council adopt Resolution #51-11 authorizing the Harbor Business Manager to execute agreement #10-127-938 with the Department of Boating and Waterways (DBW) for the State Park Marina Dredging Maintenance Project related to dredging the marina basin and entrance channel.

RESOLUTION NO. 51-11

**AUTHORIZATION FOR THE CITY OF MORRO BAY TO ENTER INTO
GRANT AGREEMENT #10-127-938 WITH THE
DEPARTMENT OF BOATING AND WATERWAYS FOR
MORRO BAY STATE PARK MARINA
MARINA BASIN AND ENTRANCE CHANNEL DREDGING**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, in 2002 the City of Morro Bay (City) and the California Department of Parks and Recreation (State Parks) entered into an agreement to have the City of Morro Bay manage planning, design and construction for improvements and rehabilitation of the State Park Marina; and,

WHEREAS, in 2009 due to costs and environmental issues the scope of the project was revised to perform maintenance dredging of the State Park Marina and an amendment to the EIR was approved by the Planning Commission in August 2009; and,

WHEREAS, funding for dredging studies, permitting and monitoring was approved through acceptance of DBW agreement #08-101-102 in August 2009; and,

WHEREAS; CEQA for this project has been completed and all construction permits and approvals have been obtained including approval of a Coastal Commission Permit in June of 2011; and,

WHEREAS, the DBW has agreed to enter into Grant Agreement #10-127-938 with the City of Morro Bay to improve recreational boating in the State Park Marina by providing \$700,000 of funding from the State's Harbor and Watercraft Revolving Fund to for the portion of the State Park Marina Maintenance Dredging Project associated with dredging the marina basin and entrance channel to remove material that has accumulated since the marina was originally constructed in 1949; and,

WHEREAS, the scope of work in the proposed grant agreement #10-127-938 includes, soliciting competitive bids and assist in obtaining and evaluating bids and selecting a qualified marine contractor to dredge and dispose of dredge material for the project in accordance with the approved plans and specifications and all permits and approvals issued for this project.

WHEREAS, NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay that the City of Morro Bay is hereby authorized to enter into DBW grant agreement #08-127-949 for the State Park Marina Maintenance Dredging Project associated with dredging the marina basin and entrance channel in the amount of \$700,000.

BE IT FURTHER RESOLVED, that the Harbor Business Manager, is hereby authorized to act as the City's agent in regards to all aspects of the grant agreement.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting held thereof on the 12th day of July 2011, by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

WILLIAM YATES, Mayor

BRIDGETT KESSLING, City Clerk



AGENDA NO: B-1

MEETING DATE: 7/12/2011

Staff Report

TO: Honorable Mayor and City Council **DATE:** June 30, 2011

FROM: Susan Slayton, Administrative Services Director

SUBJECT: Introduction and First Reading of Ordinance No. 569 Authorizing the Amendment of Section 20475 (Different Level of Benefits; Section 21363.1 (3% @ 55 Full Formula); and Section 20037 (Three-Year Final Compensation) for New, Sworn Hires in the Police Department

RECOMMENDATION:

Approve the introduction and first reading of Ordinance 569, authorizing the amendment of Different Level of Benefits, 3% @ 55 Full formula and Three-Year Final Compensation for new, sworn hires in the Police Department.

FISCAL IMPACT:

While there will not be a significant fiscal impact at the outset, by virtue of the change of retirement formula, the City will see substantial savings as we hire new employees to replace our existing employees, who either retire or move on to other agencies. It is known that the new employer contribution rate for the new hires will be 20.308% of reportable earnings, as opposed to the current rate of 35.055%.

DISCUSSION:

Per the contract amendment process, earlier this evening the City Council was presented with Resolution No. 48-11, which authorized the Resolution of Intention to approve an amendment to the contract between the Board of Administration California Public Employees' Retirement System and the City of Morro Bay (Local Police Members). The process states that the Resolution of Intention be followed by the introduction and first reading of the Ordinance, which is herewith presented.

CONCLUSION:

The Resolution of Intention and Ordinance are required by PERS in order to amend the PERS contract. PERS' procedure further requires the Ordinance not be finally adopted until 20 days have passed since the adoption of the Resolution of Intention. The Resolution was present tonight, July 12, 2011. The Ordinance is being presented to you this evening, with the second reading and adoption of the Ordinance scheduled for the August 9, 2011 meeting.

Prepared By: J. Boucher

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

ORDINANCE NO. 569

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORRO BAY
AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE
CITY COUNCIL OF THE CITY OF MORRO BAY AND THE BOARD OF
ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT
SYSTEM (GOVERNMENT CODE SECTION 20475 - DIFFERENT LEVEL OF BENEFITS,
SECTION 21363.1 - 3% @ 55 FORMULA, AND SECTION 20037 - THREE YEAR FINAL
COMPENSATION FOR LOCAL POLICE MEMBERS ONLY)**

**THE CITY COUNCIL
City of Morro Bay, California**

The City of Council of the City of Morro Bay does ordain as follows:

SECTION 1. That an amendment to the contract between the City Council of the City of Morro Bay and the Board of Administration, California Public Employees' Retirement System is hereby authorized, a copy of said amendment being attached hereto, marked "Exhibit", and such reference made a part hereof as though herein set out in full.

SECTION 2. The Mayor of the City Council is hereby authorized, empowered, and directed to execute said amendment for and on behalf of said Agency.

SECTION 3. This Ordinance shall take effect and be in force thirty (30) days from the date of its passage, and before the expiration of fifteen (15) days after its passage, it, or a summary of it, shall be published once, with the names of the City Council members voting for and against the same, in a newspaper of general circulation published in the City of Morro Bay.

INTRODUCED at the regular meeting of the City Council held on the 12th day of July 2011, by motion of Councilmember _____ and seconded by Councilmember _____.

PASSED, APPROVED, AND ADOPTED, by the City Council of the City of Morro Bay, on the 9th day of August, 2011 by the following vote to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

WILLIAM YATES, MAYOR

BRIDGETT KESSLING, CITY CLERK



AGENDA NO: B-2

MEETING DATE: 07/12/11

Staff Report

TO: Honorable Mayor and City Council **DATE:** July 5, 2011

FROM: Susan Slayton, Administrative Services Director

SUBJECT: Resolution No. 49-11 Adopting the Fiscal Year 2011/12 Operating Budgets

RECOMMENDATION:

Staff recommends the City Council provide any further direction regarding the FY 2011/12 operating budgets, then adopt Resolution No. 49-11, accepting the budget as the spending plan for the upcoming year.

FISCAL IMPACT:

The FY 2011/12 budget is balanced in all funds without the use of any General Fund Emergency Reserves.

SUMMARY:

Resolution No. 49-11, which adopts the Fiscal Year 2011/12 operating budgets is herewith presented. The budget document has been provided to Council, and department heads made themselves available to answer any Council questions. Any amendments that Council makes to the budget will included in the final document.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

RESOLUTION NO. 49-11

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MORRO BAY, CALIFORNIA
ADOPTING 2011/12 FISCAL YEAR OPERATING BUDGET**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the City of Morro Bay is required to appropriate and expend public funds to conduct the day-to-day business activities of the City; and

WHEREAS, the Morro Bay City Council finds and determines that the appropriations are necessary for continued efficiency, economy and effectiveness of the City government operations; and

WHEREAS, Section 37208 of the California Government Code provides that payments or demands conforming to an approved budget adopted by Ordinance or Resolution do not require audit by the City Council prior to payment; and

WHEREAS, the City Council recognizes that Capital Improvement Projects authorized and approved in prior fiscal years may not be completed by June 30, 2011; and

WHEREAS, the continuing efforts of staff to operate the business of the City within an approved budget and to create savings wherever feasible are acknowledged by the City Council.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that:

1. The Fiscal Year 2011/12 Operating Budgets are adopted, as presented herewith and in subsequent attached amendments (if any), and any further amendments made at this meeting;
2. Staff is directed to prepare and publish a final budget document.
3. The City Manager is authorized to transfer appropriations within the adopted budget, so long as the appropriations changes do not have a significant policy impact, and total appropriations are not exceeded;
4. City Council approval is required to transfer appropriations between funds, capital projects, or capital outlay items;

5. The City Council authorizes and directs the transfer of balances for capital projects approved in prior fiscal years, but not completed by June 30, 2011, to the Capital Improvement Project Fund(s) for the 2011-12 fiscal year;
6. The City Council directs that the hiring freeze for positions in the City workforce continue for those positions funded within the General Fund, with the exception of safety personnel, and the City Council reserves the right to review any vacancies on a case-by-case basis as to its official policy; and
7. For the 2011/12 fiscal year only, the City Council directs that all vacant positions, as listed in the budget letter, be refilled, without further Council involvement, but pending the ratification of the 2nd Tier Retirement Formulas for all employee groups; and
8. The City Council chooses to continue the 2009/10 deferral of management and executive 3% Cost-of-Living Adjustment (COLA).

PASSED AND ADOPTED, by the City Council of the City of Morro Bay, at a regular meeting thereof held on the 12th day of July 2011, by the following vote:

AYES:

NOES:

ABSENT:

WILLIAM YATES, Mayor

BRIDGETT KESSLING, City Clerk



AGENDA NO: D-1

MEETING DATE: 7/12/11

Staff Report

TO: Mayor and City Council

DATE: July 05, 2011

FROM: Bridgett Kessler, City Clerk

SUBJECT: Designation of Voting Delegate and Alternate Voting Delegate at League of California Cities 2011 Annual Conference Business Meeting

RECOMMENDATION:

In order to vote at the League of California Cities 2011 Annual Conference Business Meeting, the City Council must select a voting delegate. In the event that the designated voting delegate is unable to serve in that capacity, the City Council may appoint up to two alternative voting delegates.

DISCUSSION:

The League of California Cities 2011 Annual Conference is scheduled for September 21-23, 2011 in San Francisco, California. An important part of the Conference is the Annual Business Meeting, which is scheduled on Friday, September 23rd at 2:30 p.m. at the San Francisco Moscone West Convention Center. At this meeting, the League membership considers and takes action on resolutions that establish League policy.

Prepared By: B. Kessler

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____