

# City of Morro Bay

## City Council Agenda

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### *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.*

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**REGULAR MEETING – NOVEMBER 9, 2009**

**CLOSED SESSION – NOVEMBER 9, 2009  
CITY HALL CONFERENCE ROOM - 5:00 P.M.  
595 HARBOR ST., MORRO BAY, CA**

**CS-1 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.

- Property: 781 Market Street and the Corner of Pacific Street and Market Street.  
Negotiating Parties: George Salwasser and the City of Morro Bay.  
Negotiations: Purchase and Sale Conditions.
- Property: Outfall Lease.  
Negotiating Parties: City and Dynegy.  
Negotiations: Lease Terms and Conditions.
- Property: Lease Site 87-88/87W-88W; 833 Embarcadero  
Negotiating Parties: City and Caldwell and/or Leage  
Negotiations: Lease Terms and Conditions.

**IT IS NOTED THAT THE CONTENTS OF CLOSED SESSION MEETINGS  
ARE CONFIDENTIAL AND EXEMPT FROM DISCLOSURE.**

**PUBLIC SESSION – NOVEMBER 9, 2009  
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 72 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 OCTOBER 12, 2009 AND OCTOBER 26, 2009; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-2 QUARTERLY FINANCIAL STATUS REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009; (ADMINISTRATIVE SERVICES)

**RECOMMENDATION: Accept the report as presented.**

A-3 AUTHORIZATION FOR THE CITY OF MORRO BAY TO ENTER INTO GRANT AGREEMENT #08-127-949 WITH THE DEPARTMENT OF BOATING AND WATERWAYS FOR STATE PARK MARINA MAINTENANCE DREDGING; (HARBOR)

**RECOMMENDATION: Adopt Resolution No. 54-09 authorizing the City to enter into grant agreement with the Department of Boating and Waterways to fund maintenance dredging of the State Park Marina.**

A-4 UPDATE ON MANDATORY WATER CONSERVATION REQUIREMENTS; (PUBLIC SERVICES)

**RECOMMENDATION: Receive this report for information and file.**

A-5 PROCLAMATION THANKING JUDE LONG FOR HER DEDICATION AND SERVICE AS LIBRARIAN OF THE MORRO BAY LIBRARY; (RECREATION & PARKS)

**RECOMMENDATION: Adopt Proclamation.**

A-6 PROCLAMATION REQUESTING THE FEDERAL GOVERNMENT TO CONDUCT A COMPREHENSIVE ASSESSMENT OF THE CALIFORNIA GRAY WHALE; (ADMINISTRATION)

**RECOMMENDATION: Adopt Proclamation.**

**B. PUBLIC HEARINGS, REPORTS & APPEARANCES**

B-1 APPROVAL OF RESOLUTION NO. 55-09 ACCEPTING \$100,000 GRANT FROM THE STATE OF CALIFORNIA CITIZENS OPTION FOR PUBLIC SAFETY (COPS) PROGRAM; (POLICE)

**RECOMMENDATION: Adopt Resolution No. 55-09 authorizing the proposed spending plan for the COPS grant program.**

B-2 2009 HOUSING ELEMENT UPDATE; (PUBLIC SERVICES)

**RECOMMENDATION: Adopt Resolution No. 56-09 amending the Housing Element of the City of Morro Bay.**

C. UNFINISHED BUSINESS – NONE.

D. NEW BUSINESS

D-1 AUTHORIZATION TO ADD AND HIRE A COLLECTIONS MAINTENANCE WORKER II; (ADMINISTRATIVE SERVICES)

**RECOMMENDATION: Authorize the addition and hiring of a new Maintenance Worker II for the Wastewater Treatment Collections Dept.**

D-2 CONSIDERATION OF AN AMENDMENT TO MORRO BAY MUNICIPAL CODE CHAPTER 3.08 ADDING SECTION 3.08.105 ESTABLISHING A LOCAL BUSINESS PREFERENCE PROGRAM; (CITY ATTORNEY)

**RECOMMENDATION: Review draft Local Business Preference Program and direct staff to return with this item for Introduction and First Reading with any changes suggested by Council.**

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; MORRO BAY LIBRARY LOCATED AT 625 HARBOR STREET; AND MILL'S COPY CENTER LOCATED AT 495 MORRO BAY BOULEVARD DURING NORMAL BUSINESS HOURS.**

**IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN A CITY MEETING, PLEASE CONTACT THE CITY CLERK'S OFFICE AT LEAST 24 HOURS PRIOR TO THE MEETING TO INSURE THAT REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.**

MINUTES - MORRO BAY CITY COUNCIL  
CLOSED SESSION – OCTOBER 12, 2009  
CITY HALL CONFERENCE ROOM - 5:00 P.M.

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

- |          |                |               |
|----------|----------------|---------------|
| PRESENT: | Janice Peters  | Mayor         |
|          | Carla Borchard | Councilmember |
|          | Noah Smukler   | Councilmember |
|          | Betty Winholtz | Councilmember |
| ABSENT:  | Rick Grantham  | Councilmember |
| STAFF:   | Andrea Lueker  | City Manager  |
|          | Robert Schultz | City Attorney |

CLOSED SESSION

MOTION: Mayor Peters moved the meeting be adjourned to Closed Session. The motion was seconded by Councilmember Borchard and unanimously carried. (4-0)

Mayor Peters read the Closed Session Statement.

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

Property: 781 Market Street and the Corner of Pacific Street and Market Street.  
Negotiating Parties: George Salwasser and the City of Morro Bay.

Negotiations: Purchase and Sale Conditions.

The meeting adjourned to Closed Session at 5:00 p.m. and returned to regular session at 5:54 p.m.

MOTION: Mayor Peters moved the meeting be adjourned. The motion was seconded by Councilmember Borchard and unanimously carried. (4-0)

The meeting adjourned at 5:54 p.m.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – OCTOBER 12, 2009  
VETERANS MEMORIAL HALL - 6:00 P.M.

Mayor Peters called the meeting to order at 6:00 p.m.

PRESENT:	Janice Peters	Mayor
	Carla Borchard	Councilmember
	Noah Smukler	Councilmember
	Betty Winholtz	Councilmember
ABSENT:	Rick Grantham	Councilmember
STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney
	Bridgett Bauer	City Clerk
	Rick Algert	Harbor Director
	Bruce Ambo	Public Services Director
	John DeRohan	Police Chief
	Steve Knuckles	Fire Captain
	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 - City Attorney Robert Schultz reported the City Council met in Closed Session, and no reportable action under the Brown Act was taken.

PUBLIC COMMENT

Leslyn Keith, representing the Central Coast SurviveOars Team announced the Awakening of the Dragon ceremony, which is a Chinese tradition to make their boat strong and fierce. She invited the public to come celebrate the Dragon on Saturday, October 17<sup>th</sup> at Tidelands Park. Ms. Keith stated the Central Coast SurviveOars is a female cancer survivor paddling team who for two years has provided support, compassion and exercise to female cancer survivors.

Shawn Alice, representing the Morro Dragons stated he has been in this race six times and noted the community will benefit from those who participate in this event.

Jean Lomero stated it is important to the SurviveOars that the community supports this event.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – OCTOBER 12, 2009

Bonnie Blackledge addressed Item D-3 (Recommendation For Use Of Park In Lieu Funds To Contribute To The Completion Of An Aquatics Center Feasibility Study Sponsored By The Community Group, The Pool At Morro Bay) and requested the City Council approve the use of the park-in-lieu funds only if the scope of this study is expanded to include the recommendations as suggested by the Morro Bay Community Pool Foundation. She said the expanded scope as recommended would better serve the interest and needs of the citizens and would then become a feasibility study for a community aquatic center that would be located for public use and open year around.

Nancy Bast expressed concern that the City's library lease will expire next year and the City Council has not yet considered the County's proposal. She reviewed background information on the community history of the library. Ms. Bast stated this is the community's library and she would like to know why the lease has not been approved.

Peter Candela, Executive Director of the Chamber of Commerce, expressed thanks to those who volunteered at the Avocado Margarita Festival. He also extended an invitation to the Business Expo that would be held on Thursday, October 15<sup>th</sup> at the Community Center.

Nancy Johnson stated family and friends are soliciting funds for a memorial bench in honor of Chuck Meissner. She remembered all that Chuck had done for the community of Morro Bay.

Susan Brown, MV General Manager, shared Dial-a-Ride information including costs and hours of operation for public information.

The following people addressed Item D-1 (Report on Alcohol Beverage Control License Modification Request by the Owners of the Buoy Bar Located at 2940 Main Street), and expressed support by asking the City Council to file no written objections to the Buoy Bar's request for modifications to their Alcohol and Beverage Control license: Peter Candela, Nancy Nagano, Kelly Rain, George Caravana, Jane Heath, Lee Bragg, James Berry, Bill Martony, and James Hays.

Rick Gillian, Treasurer of the Morro Bay Community Pool Foundation, addressed Item D-3, and stated the Foundation is continuing to work hard towards the goal of a community aquatics center on the north coast. He said the City of Morro Bay would be providing a larger share of funds to conduct the feasibility study, and requested the Council require additional community-based questions to ensure a fair and balanced feasibility study.

Barbara Doerr addressed Item D-3 and said the City's park-in-lieu funds should be used for a feasibility study on an aquatic center that would be located within the City of Morro Bay and not outside the City limits.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – OCTOBER 12, 2009

Mayor Peters closed the hearing for public comment.

Mayor Peters called for a break at 7:14 p.m.; the meeting resumed at 7:24 p.m.

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 MEETING  
ON SEPTEMBER 14, 2009; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

**MOTION:** Councilmember Winholtz moved the City Council approve Item A-1 of the Consent Calendar. The motion was seconded by Councilmember Borchard and carried unanimously. (4-0)

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 PUBLIC HEARING PURSUANT TO RESOLUTION 51-09 REGARDING  
CITY'S INTENTION TO SELL THE CITY-OWNED PROPERTY AT THE  
NORTHEAST CORNER OF MARKET AVENUE AND PACIFIC STREET  
AND THE CITY-OWNED PROPERTY AT 781 MARKET STREET IN  
MORRO BAY, CALIFORNIA; (CITY ATTORNEY)

City Attorney Robert Schultz stated Government Code section 37421 allows for the sale of any City-owned building and/or property by adoption of a resolution of intention to sell City property. Pursuant to section 37421, the City Council, at its September 28, 2009 meeting, adopted Resolution 51-09 acknowledging its intention to sell the real property at the Northeast Corner of Market Avenue and Pacific Street and at 781 Market Avenue. The purpose of this public hearing is to allow for any person to protest the proposed sale. Mr. Schultz recommended the City Council open the public hearing, and authorizes staff to seek bids for the sale of real property located at the Northeast Corner of Market Avenue and Pacific Street and at 781 Market Street, Morro Bay, California.

Mayor Peters opened the hearing for public comment.

Barbara Doerr requested information on how the City would seek bids on the property.

Bill Martony requested information on how the properties would be sold and at what price.

Mayor Peters closed the public comment hearing.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – OCTOBER 12, 2009

Mr. Schultz answered the questions raised in public comment.

**MOTION:** Councilmember Winholtz moved the City Council authorize staff to seek bids to sell the real property located at the Northeast Corner of Market Avenue and Pacific Street and at 781 Market Street. The motion was seconded by Councilmember Borchard and carried unanimously. (4-0)

**B-2 RESOLUTION TO APPROVE A BUSINESS LICENSE APPLICATION FOR AN ARCADE IN CONFORMANCE WITH MORRO BAY MUNICIPAL CODE 5.04.330 AT 725 EMBARCADERO ROAD; (ADMINISTRATION)**

City Manager Andrea Lueker stated the City received a business license request to establish a “family fun zone” video arcade at 725 Embarcadero. Pursuant to the Municipal Code, approval of the business license application for this type of business is required by the City Council in a public hearing setting. Ms. Lueker recommended the City Council adopt Resolution No. 53-09 approving a business license application for an arcade located at 725 Embarcadero Road.

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

Councilmember Borchard expressed concern with another business in the visitor serving area that will not be providing sales tax.

Councilmember Winholtz stated she will vote in support of this application with the condition of reviewing it in one year.

Mayor Peters stated she is supportive because it will give kids something to do.

**MOTION:** Councilmember Smukler moved the City Council adopt Resolution No. 53-09 approving a business license application for an arcade located at 725 Embarcadero Road with conditions 1-5 as listed. The motion was seconded by Mayor Peters and carried unanimously. (4-0)

**C. UNFINISHED BUSINESS**

**C-1 CONTINUED CONSIDERATION OF THE CITY’S CO-SPONSORSHIP OF EVENTS; (RECREATION & PARKS)**

Mayor Peters stepped down due to a conflict of interest.

Recreation & Parks Director Joe Woods stated the City's co-sponsorship currently includes two special events: the Morro Bay Winter Bird Festival and the Teach Foundation Telethon Fundraiser. Both events were approved by the City Administrator

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – OCTOBER 12, 2009

and are well beyond 10 years in existence. The City Council has requested the Recreation and Parks Commission (RPC) review the current policy and recommend any improvements such as guidelines for qualifications, application review procedures, and event logistics. Through discussion, the RPC has agreed on the desire to continue with a co-sponsorship program, and the need to qualify requesting agencies based on various criteria. Information received from the requesting agency's application for co-sponsorship should be reviewed and approved by the RPC and Recreation and Parks Director. Staff feels that groups requesting co-sponsorship must meet the minimum of criteria consisting of the following: 1) event is off-season (November 1<sup>st</sup> through April 30<sup>th</sup>); 2) event is multi-day or one day with financial return to the City; and, 3) requesting party is a nonprofit organization. Furthermore, staff feels co-sponsored events should be reviewed on an annual basis along with their re-submittal of a Facility Use Application. Additionally, current co-sponsored events would need to reapply under any new policies or procedures which may be adopted. Mr. Woods recommended the City Council consider one of the three options: 1) continue with the existing co-sponsorship program without amendments; 2) approve the City's co-sponsorship of events with conditions; or 3) no longer support the City's co-sponsorship of events.

Councilmember Smukler stated he supports option 2 that would include a recycling plan on the questionnaire; Councilmember Borchard and Councilmember Winholtz agreed.

Staff clarified there is a policy that would allow events to apply for co-sponsorship on a regular basis with an evaluation each year.

Councilmember Winholtz requested the Recreation and Parks Commission define what the financial return to the City is from the various events.

**MOTION:** Councilmember Borchard moved the City Council continue the co-sponsorship of events, with the following conditions: 1) event is off-season (November 1<sup>st</sup> through April 30<sup>th</sup>); 2) event is multi-day, or one day with financial return to the City; and, 3) requesting party is a nonprofit organization. The motion was seconded by Councilmember Smukler.

Councilmember Winholtz requested a friendly amendment to the motion to direct the Recreation & Parks Department to explore criteria further with more delineation.

Councilmember Borchard accepted the amendment to her motion; Councilmember Smukler accepted the amendment to his second.

**VOTE:** The motion carried with Mayor Peters abstaining. (3-0-1)

MINUTES - MORRO BAY CITY COUNCIL  
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C-2 MANDATORY WATER CONSERVATION MEASURES; (PUBLIC SERVICES)

Utilities/Capital Projects Manager Dylan Wade stated on September 28<sup>th</sup>, the City Council declared a water emergency on the effective date of October 19<sup>th</sup>, with the pending State Water Project shutdown (November 1 and potentially extending to November 21). Mandatory Water Conservation Requirements are codified in the municipal code, as well as the authority of the Public Services Director to enforce these requirements to best conserve water during this period. The Public Services Department – Utilities Division newsletter was sent to every postal address and location within the community with information on primarily the mandatory conservation program, and a separate community wide mailing will include the actual “Mandatory Water Conservation Measures”. Notices and handouts have been distributed for display at all City departments with public counters. All restaurants, hotels and businesses related to serving visitor’s water will be distributed half page flyers to hand out to patrons stating the City’s mandatory water conservation measures are in effect. The City’s website has a considerable amount of the information on water conservation and the mandatory measures, as well as public service announcements which are currently being run on local government television (Channel 20). Mr. Wade recommended the City Council receive this report for information and file.

MOTION: Councilmember Winholtz moved the City Council receive this report for information and file. The motion was seconded by Councilmember Smukler and carried unanimously. (4-0)

D. NEW BUSINESS

D-1 REPORT ON ALCOHOL BEVERAGE CONTROL LICENSE MODIFICATION REQUEST BY THE BUOY BAR LOCATED AT 2940 MAIN STREET; (POLICE)

Police Chief John DeRohan stated in August 2008, Brian and Nancy Rozario purchased the Buoy Bar from Neighborhood Bar Concept, Inc. Prior to the sale of this bar, the Police Department experienced a high volume of calls for service at the Buoy Bar as well as numerous complaints from the surrounding residents. The Alcohol and Beverage Control (ABC) Board suspended the ABC license of the bar in 2007 for 30 days due to numerous violations. During the purchase negotiations of the bar, Brian and Nancy Rozario had meetings with the Police Chief and agents from ABC. Due to the history of the bar and the previous problems, additional conditions to the ABC license were mutually agreed upon by the new owners in addition to the conditions already in existence. The new owners were informed by the ABC Board that they had the ability to petition for modification of these conditions after one year in existence or at the time they applied for a different ABC permit that included the serving of food. It has now been approximately one year since the new owners took control of the bar and they are exercising their right to request a modification of the ABC conditions. The ABC Board has notified the City of the request by the Rosarios and the City Council must respond

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back to the ABC Board by October 15, 2009 (30 days from the date of the ABC notice) if they choose to file a written objection or response to the modification/removal of the conditions. Depending on the motion made by Council, comments will be forwarded to the ABC Board for their consideration if so desired. Any modifications to the ABC license of the Buoy Bar rest solely with the ABC Board. Chief DeRohan recommended the City Council discuss the request by the owners of the Buoy Bar, the impacts on surrounding residences and make a recommendation to the ABC Board.

**MOTION:** Councilmember Winholtz moved the City Council file no written objection to the Buoy Bar's request for modifications to their ABC license that include: 1) modification of Current Condition #1 which would allow the sales, service and consumption of alcoholic beverages to be permitted between 6:00 a.m. and 2:00 a.m.; 2) modification of Current Condition #2 would allow permitting live entertainment, acoustic instruments only with minor amplification, no louder than the existing jukebox; and, 3) removal of Current Condition #5 which would no longer require at least one (1) uniformed security guard between the hours of 9:00 p.m. and the time the bar closes every day of the week the premises is open for business and that all security guards be licensed by the Department of Consumer Affairs. The motion was seconded by Councilmember Borchard and carried unanimously. (4-0)

Mayor Peters called for a break at 8:32 p.m.; the meeting resumed at 8:36 p.m.

**D-2 APPROVAL OF RESOLUTION 52-09 OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA APPROVING THE APPLICATION FOR GRANT FUNDS FOR THE PER CAPITA GRANT PROGRAM UNDER THE CALIFORNIA CLEAN WATER, CLEAN AIR, SAFE NEIGHBORHOODS, AND COASTAL PROTECTION ACT OF 2002 FOR IMPROVEMENTS TO LILA KEISER PARK; (RECREATION & PARKS)**

Recreation & Parks Director Joe Woods stated the Office of Grants and Local Services has contacted the City of Morro Bay regarding the remaining balance of our 2002 Bond Act Per Capita Block. The remaining balance of \$70,000 is unallocated, but still available. The allocation of these funds to a project must be requested through the submission of a project application, and staff has identified a project, which includes improvements to Lila Keiser Park. Staff has evaluated the current conditions at Lila Keiser Park, and has formulated a project which meets multiple City objectives. The objectives would be to provide a safe place for the community to recreate, as well as to attract and maintain positive revenue streams. The project would include the replacement of bleachers at both west and east fields, the replacement of the scoreboard on the east field, additional fencing at both fields, and possibly some parking lot improvements. Staff feels that the available funds would satisfy the financial demand brought about by the above project improvements. Staff recognizes the efforts previously demonstrated to

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REGULAR MEETING – OCTOBER 12, 2009

capture the \$220,000 Block Grant, and feel it is in the best interest of the City to request the remaining unallocated balance for the use of the improvements to Lila Keiser Park. Mr. Woods recommended the City Council approve Resolution 52-09, approving the application for Grant funds for the Per Capita Grant Program under the California Clean Act, Clean and Air, Safe Neighborhoods, and Coastal Protection Act of 2002 for the improvements to Lila Keiser Park.

**MOTION:** Councilmember Smukler moved the City Council adopt Resolution No. 52-09 approving the application for Grant funds for the Per Capita Grant Program under the California Clean Act, Clean and Air, Safe Neighborhoods, and Coastal Protection Act of 2002 for the improvements to Lila Keiser Park, not to exceed the capacity of those grant funds. The motion was seconded by Councilmember Borchard and carried unanimously. (4-0)

**D-3 RECOMMENDATION FOR USE OF PARK IN LIEU FUNDS TO CONTRIBUTE TO THE COMPLETION OF AN AQUATICS CENTER FEASIBILITY STUDY SPONSORED BY THE COMMUNITY GROUP, THE POOL AT MORRO BAY; (RECREATION & PARKS)**

Recreation & Parks Director Joe Woods stated in the attempt to reestablish a community pool in Morro Bay, the San Luis Coastal Unified School District, City of Morro Bay, County of San Luis Obispo, and The Morro Bay Community Pool Foundation (a community based nonprofit organization) met to establish a strategic plan. It was agreed that the Morro Bay Community Pool Foundation would be responsible for funding and completing a feasibility study prior to any other action taking place. After this strategic planning meeting, a second community-based nonprofit organization, The Pool at Morro Bay, was established, and has taken the responsibility to complete the feasibility study. This group has sufficient funds to complete the first phase of the feasibility study and is requesting support from the City of Morro Bay to complete the second phase. The City Council reviewed a request from the Morro Bay Community Pool Foundation for partnership in the pursuit of an aquatics center. At the regular scheduled City Council meeting of November 10, 2008, the City Council unanimously agreed to adopt Resolution 77-08, which supports this community group in their goal of providing an aquatics center in conjunction with the County, School District, and the City of Morro Bay. The Memorandum of Understanding between San Luis Coastal Unified School District, City of Morro Bay, County of San Luis Obispo, and The Morro Bay Community Pool Foundation would identify each principles obligations and conditions of participation. A feasibility study would be outsourced and the Foundation agreed to raise the funds necessary to complete a feasibility study for the proposed community aquatics center. The completion of a feasibility study is an essential part of the initial effort to provide the Estero Bay community with an aquatics center. The allocation of park-in-lieu funds would contribute to the success of that endeavor. The Recreation and Parks

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Commission recommends the City Council allocate \$15,000 of park-in-lieu funds to support the second phase of the pool feasibility study. Mr. Woods recommended the City Council approve the use of \$15,000 of park-in-lieu funds for the completion of Phase 2 of the Aquatics Center Feasibility Study sponsored by the non-profit community group, “The Pool at Morro Bay”.

MOTION: Councilmember Borchard moved the City Council approve the use of \$15,000 of park-in-lieu funds for the completion of Phase 2 of the Aquatics Center Feasibility Study sponsored by the non-profit community group, “The Pool at Morro Bay”. The motion was seconded by Mayor Peters.

Councilmember Winholtz stated she is in favor and appreciates being educated on the need for the Phase I feasibility study for the phone survey; however, she is not comfortable allocating the \$15,000 until she knows the results of that survey.

VOTE: The motion carried with Councilmember Winholtz voting no. (3-1)

E. DECLARATION OF FUTURE AGENDA ITEMS – None.

ADJOURNMENT

The meeting adjourned at 9:22 p.m.

Recorded by:

Bridgett Bauer  
City Clerk

MINUTES - MORRO BAY CITY COUNCIL  
CLOSED SESSION – OCTOBER 26, 2009  
CITY HALL CONFERENCE ROOM - 5:00 P.M.

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

PRESENT:	Janice Peters	Mayor
	Carla Borchard	Councilmember
	Rick Grantham	Councilmember
	Noah Smukler	Councilmember
	Betty Winholtz	Councilmember

STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney

CLOSED SESSION

MOTION: Councilmember Borchard moved the meeting be adjourned to Closed Session. The motion was seconded by Councilmember Winholtz and unanimously carried. (5-0)

Mayor Peters read the Closed Session Statement.

**CS-1 GOVERNMENT CODE SECTION 54957; PERSONNEL ISSUES.**  
Discussions regarding Personnel Issues including two (2) public employees regarding evaluation, specifically the City Attorney and City Manager.

**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.

- Property: Lease Site 87-88/87W-88W; 833 Embarcadero  
Negotiating Parties: City and Caldwell and/or Leage  
Negotiations: Lease terms

The meeting adjourned to Closed Session at 5:04 p.m. and returned to regular session at 5:55 p.m.

MOTION: Councilmember Grantham moved the meeting be adjourned. The motion was seconded by Councilmember Smukler and unanimously carried. (5-0)

The meeting adjourned at 5:55 p.m.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – OCTOBER 26, 2009  
VETERANS MEMORIAL HALL - 6:00 P.M.

Mayor Peters called the meeting to order at 6:00 p.m.

PRESENT:	Janice Peters	Mayor
	Carla Borchard	Councilmember
	Rick Grantham	Councilmember
	Noah Smukler	Councilmember
	Betty Winholtz	Councilmember
STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney
	Bridgett Bauer	City Clerk
	Rick Algert	Harbor Director
	Bruce Ambo	Public Services Director
	Tim Olivas	Police Commander
	Mike Pond	Fire Chief
	Susan Slayton	Administrative Services Director
	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 the City Council continued discussion on Item CS-1 until after adjournment of this regular session; and no reportable action under the Brown Act was taken on Item CS-2.

PUBLIC COMMENT

Jeff Eckles representing Morro Bay 4<sup>th</sup> Inc., who will be hosting the next 4<sup>th</sup> of July festivities in the City of Morro Bay, said this non-profit organization consists of business people and residents whose mission is to celebrate Independence Day with a family-friendly alcohol-free traditional 4<sup>th</sup> of July picnic, celebration and firework show for residents and visitors to enjoy. He said they are looking for volunteers and will be doing fundraising between now and the 4<sup>th</sup> of July, and he will bring updates on the progress as they move ahead.

Galen Ricard stated she is consulting with Cal Poly on a new event “Hands on Health” that will be held on October 30-31, 2009 at Cal Poly that will be a free event on healthy living.

Madelyn Dover shared the various activities that will be offered at the “Hands on Health” event at Cal Poly on October 30-31<sup>st</sup>.

MINUTES - MORRO BAY CITY COUNCIL  
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Susan Brown, General Manager for MV Transportation announced the Annual Unmet Transit Needs Public Hearing will be held on December 2nd at the County Board of Supervisors meeting at 8:30 a.m., and urged public support of local transportation.

Cathy Novak, Vice-Chair of the Central Coast Natural History Association announced the One-Eyed Skunk Golf Tournament will be held on Saturday, October 31<sup>st</sup> at the Morro Bay Golf Course to benefit the Natural History Museum.

Judy Mahan, owner of Sandprints, announced there will be a Halloween scarecrow contest in the downtown area; and there will be a Halloween photo shoot at Sandprints on Saturday, October 31<sup>st</sup>.

Phil Hill encouraged the City Council to remove the dock at the Cannery lease site, and lease it to new lessees.

James Nesbit expressed concern with the Police Department for towing his van which was parked in a disabled parking area.

Bill Martony updated the Council and public on the condition of the Cannery wharf and dock.

Jack McCurdy expressed appreciation for Item D-1 (Approval To Incorporate E-Mail Notification Module On City Website).

Bernadette Pekarek expressed disappointment regarding personal attacks made during public comment at the Council meeting.

Mayor Peters 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 REGULAR CITY COUNCIL MEETINGS OF SEPTEMBER 28, 2009 AND OCTOBER 12, 2009; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – OCTOBER 26, 2009

A-2 STATUS REPORT ON APPLICATIONS FOR ECONOMIC STIMULUS FUNDING; (ADMINISTRATION)

**RECOMMENDATION: Receive report for information and file.**

Councilmember Borchard pulled Item A-1 from the Consent Calendar; Councilmember Smukler pulled Item A-2.

A-1 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETINGS OF SEPTEMBER 28, 2009 AND OCTOBER 12, 2009; (ADMINISTRATION)

Councilmember Borchard referred to a typographical error on the first page of the October 12, 2009 City Council meeting, noting the vote was (4-0) due to Councilmember Grantham's absence.

Councilmember Smukler referred to page 6 of the October 12, 2009 City Council meeting, requesting more information on the proposed budget to be added to the minutes.

**MOTION:** Councilmember Grantham moved the City Council approve the minutes of the September 28, 2009 City Council meeting. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

A-2 STATUS REPORT ON APPLICATIONS FOR ECONOMIC STIMULUS FUNDING; (ADMINISTRATION)

Councilmember Smukler pulled Item A-2 requesting an update on the Boat Haul-Out Facility. Harbor Director Rick Algert reviewed the schedule for the Boat Haul-Out Facility.

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

Mayor Peters called for a break at 7:04 p.m.; the meeting resumed at 7:12 p.m.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – OCTOBER 26, 2009

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 DISCUSSION/INTERPRETATION OF GENERAL PLAN/LOCAL COASTAL PLAN POLICIES AND ZONING REGULATIONS RELATING TO THE LOCATION AND PLACEMENT OF COMMERCIAL AND RECREATIONAL FACILITIES/USES IN THE WATERFRONT AND BAY AREA OF THE CITY WEST OF MAIN STREET BETWEEN ACACIA AND BARLOW; (CITY ATTORNEY)

City Attorney Robert Schultz stated based upon previous discussions at City Council and Planning Commission meetings there has been confusion as to allowable uses in our Bay and Waterfront in the Mixed Use Area “B”. Mixed Use Area “B” is shown on the Map in the City’s Coastal Land Use Plan (LUP) as the area of the City west of Main Street between Acacia and Barlow. It is staff’s interpretation that the Local Coastal Plan (LCP) Policies and Zoning Ordinance clearly allow for commercial uses in the Waterfront area west of Main Street between Acacia and Barlow. The primary reason for this interpretation is that Planning Commission and City Council in 1984 specifically addressed this issue based upon citizen letters and decided only to restrict residential uses above the bluff and continued to allow commercial uses below the bluff in the Waterfront District. In regard to allowable uses in the Bay in the area west of Main Street between Acacia and Barlow, it gets a little bit more complicated. This area is located in Area 9 of the City’s Coastal LUP. The Bay area west of Main Street between Acacia and Barlow is part of the Harbor and Navigable Ways (H) District in the City’s Zoning Code. The above LCP Policies and Zoning Ordinance clearly allow for both Commercial and Recreational Fishing in the Bay area. However, LCP Policy 7.09 designates recreational boating and fishing uses as primary uses in this area west of Main Street and south of Acacia. Mr. Schultz recommended the City Council discuss and interpret the applicable City General Plan/Local Coastal Plan policies and Zoning regulations related to the location and placement of commercial and recreational facilities in the Waterfront and Bay area and provide direction to staff.

Mayor Peters opened the hearing for public comment.

Patrick Laurie expressed support for business development on and around the harbor.

Bill Martony stated it is obvious that the actual zoning south of Tidelands Park because of the residential neighborhood is for recreational boating. He said there is always a demand for boating in the bay. Mr. Martony stated he is proposing a mariculture operation for his lease site which is a source of income. He said the tug boats should be located at the working waterfront area around the Whales Tail lease site.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – OCTOBER 26, 2009

Dorothy Cutter addressed the amount of space there is for boats in the bay. She said the residential neighborhoods should not have to put up with the noise, lights, diesel fumes and trucks. Ms. Cutter stated bringing large boats south of Tidelands Park is a serious threat to the estuary. She said the Coastal Commission has said the wharf has to be removed immediately because it is a hazard to the health and safety of the bay. Ms. Cutter stated the City's General Plan/Local Coastal Plan clearly states recreational boats shall go south of Tidelands Park and commercial boats go in the north part of the bay.

Bernadette Pekarek discussed the justification of commercial vs. recreational boating in the north part of the bay. She said the Embarcadero has plenty of space for a working waterfront. Ms. Pekarek stated the City needs to set policy and confirm that commercial boats are to be in the north part of the bay, and recreational boating only in the southern part of the bay.

Lynn Meissen stated the wharf has been a commercial wharf since it was constructed, and to destruct it would be a loss of a working waterfront which would be foolish. She said if it can be rebuilt, the City can save a lot of money and save a great resource in the City.

Jack McCurdy stated it is clear that commercial uses are not allowed west of Main Street between Acacia and Barlow. He said the staff proposal may have legitimate merit that would benefit the community, but the report fails to enable residents to understand and staff's recommendation should be rejected.

Kim Kolb stated with the exception of the one boatyard, the area from the boat launch ramp to the old gas dock is all residential homes. He said it is an environmentally sensitive area and should be protected from any future industrial development. Mr. Kolb stated there is room north of Tidelands Park for potential commercial industrial expansion, and the tug operation should remain with the other commercial boats.

Kathy Kellett stated she lives across the street from the Cannery property and said she is not sure of what is being proposed for this site but would like to maintain and enhance the natural beauty of the estuary.

Dana McClish stated commercial use is acceptable in this area, and a boatyard is needed here. He said the bay is the heart of this City and restrictions should not be considered.

James Nesbit discussed Brant hunting in the bay.

Mayor Peters closed the public comment hearing.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – OCTOBER 26, 2009

Councilmember Smukler stated it is clear that our policy is to focus the heavier use in the north part of the bay and recreational use in the southern part of the bay. He said because of commercial opportunities that have ceased to exist in the south part of the bay the City is dealing with a situation that is fairly segregated. Councilmember Smukler stated Area B seems to be a residential and recreational use area that the City would be inviting major issues with the neighborhood if it considers commercial uses in this area. He said he would like to recognize the need throughout the estuary on both recreational and commercial uses.

Councilmember Grantham stated the need for waterfront-oriented commercial uses can adversely affect the economy which is a real concern. He said by not allowing commercial uses is not fostering the business environment, jobs, and quality of life. Councilmember Grantham stated he supports allowing commercial uses in order to encourage a better economic environment.

Councilmember Winholtz clarified that commercial fishing is not allowed in Area B. She said historically there have been multiple uses in this area, and throughout the years residential has become predominant and commercial uses have faded in this area. Councilmember Winholtz stated there may be commercial uses that could be compatible and that should be defined. She said there should be no industrial use on land or in the water allowed in this area.

Councilmember Borchard stated she supports commercial use of a working harbor and she is not interested in placing restrictions along the harbor. She said she agrees with Councilmember Grantham's statements.

Mayor Peters referred to the tug boats that need a dock and the repairs they are proposing on the wharf. She said the City needs to maintain the uses on the waterfront that is a benefit to the City. Mayor Peters stated if it meets the criteria of what has already been established then it should be allowed; and, should be reviewed on a case by case basis.

Councilmember Winholtz stated there would be consequences with mixed-uses that will impact other areas. She said the City will have a difficult time defending this before the Coastal Commission, because she feels this interpretation will be appealed to the Coastal Commission.

**MOTION:** Mayor Peters moved the City Council interpret the City's General Plan/Local Coastal Plan to allow for commercial uses in the Bay Tidelands area of the City west of Main Street between Acacia and Barlow, subject to a project-by-project review and environmental analysis, and that does not include commercial fishing. The motion was seconded by Councilmember Borchard.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – OCTOBER 26, 2009

Councilmember Winholtz suggested including the conditions on page 9 (Recreational Boating and Commercial Fishing, conditions a-d).

Mr. Schultz recommended conditions on page 6 (a-e), which states:

- a) That any proposed commercial use is generally serving a water-borne clientele or serving a water-oriented purpose.
- b) That the proposed commercial use, by its nature or design, will result in minimal noise, glare odor and traffic impacts on other nearby uses.
- c) That any new residential development shall be of a density and design which minimizes potential exposure to and would not unreasonably restrict water-oriented commercial activities.
- d) That any new use shall not generate significant traffic/circulation impacts and shall include adequate parking, loading and access (turning and driveway) facilities.
- e) That any new use shall not result in any harmful (eg: toxic waste) discharge into the bay.

Mayor Peters accepted including the conditions recommended by Mr. Schultz in her motion; Councilmember Borchard accepted the amendment to her second.

VOTE: The motion carried with Councilmember Smukler and Councilmember Winholtz voting no. (3-2)

**B-2 REVIEW AND APPROVE THE PUBLIC ART PROPOSAL FOR A PEACE POLE TO BE LOCATED AT THE MORRO BAY LIBRARY; (RECREATION & PARKS)**

Recreation & Parks Director Joe Woods stated pursuant to the current Public Art Policy, all requests for public art donations start at the City Manager's office. After review for completeness, the application for public art is forwarded to appropriate advisory boards for consideration and recommendations. Recommendations regarding the request to donate public art are then forwarded to City Council for final consideration. The Morro Bay Friends of the Library have submitted an application to donate a Peace Pole to the City of Morro Bay. This application has met the City Manager's criteria, and has been reviewed by the Recreation & Parks Commission. The Recreation & Parks Commission recommends staff pursue acceptance of the Peace Pole for the Library location. The Friends of the Library proposal, with the amendment increasing the size of the Peace Pole from 6' to 8' is included for your consideration and acceptance. The Recreation and Parks Commission, as well as staff recommend City Council review and approve the proposal from the Friends of the Library to purchase and install a Peace Pole as public art at the exterior of the Morro Bay Library located at 615 Harbor Street.

Mayor Peters opened the hearing for public comment.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – OCTOBER 26, 2009

Karen Robert, President of the Friends of the Library, stated the Morro Bay Friends of the Library are requesting the City Council and its appropriate Boards and Commissions approve their request to donate a 8-foot tall Peace Pole to the City of Morro Bay, adjacent to the Morro Bay Library, in honor of a long-term steward and advocate of the City's Library and community, Jude Sanner Long. She said the Peace Pole would have 8 different languages, and the English version would say "May Peace Prevail on Earth." Ms. Robert stated donations for the Peace Pole can be made to the Friends of the Library.

Mayor Peters closed the public comment hearing.

MOTION: Councilmember Grantham moved the City Council approve the proposal from the Friends of the Library to purchase and install a Peace Pole as public art at the exterior of the Morro Bay Library located at 615 Harbor Street. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

C. UNFINISHED BUSINESS

C-1 UPDATE ON MANDATORY WATER CONSERVATION MEASURES;  
(PUBLIC SERVICES)

Public Services Director Bruce Ambo stated the mandatory water conservation measures went into effect on October 19<sup>th</sup>. He noted several thousand brochures have been handed out to the visitor serving businesses in the community, and there have been a few calls to the office with questions on the conservation measures. Mr. Ambo stated there have been no apparent enforcement issues so far, and recommended the City Council accept this report for information and file.

The City Council received the report for information, and no action was taken on this item.

D. NEW BUSINESS

D-1 APPROVAL TO INCORPORATE E-MAIL NOTIFICATION MODULE ON  
CITY WEBSITE; (ADMINISTRATION)

City Manager Andrea Lueker stated in an effort to provide additional opportunities for the public to receive information from the City in a timely and convenient manner, staff would like to install an E-Mail Notification module on the City website. What the module does is provide the ability for citizens to sign up to receive e-mail notification when certain information is posted to the website. Ms. Lueker recommended the City Council approve adding the E-Mail Notification module to the City website and authorize the expenditure for installation, training and maintenance from the Public, Education and Government (PEG) Access Fund.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – OCTOBER 26, 2009

MOTION: Councilmember Grantham moved the City Council approve adding the E-Mail Notification module to the City website and authorize the expenditure for installation, training and maintenance from the Public, Education and Government Access (PEG) Fund. The motion was seconded by Councilmember Smukler and carried unanimously. (5-0)

D-2 APPLICATION FEE FOR AFFORDABLE HOUSING PROJECT FINANCING;  
(PUBLIC SERVICES)

Public Services Director Bruce Ambo stated in evaluating requests for financial participation on affordable housing projects, it is necessary to ensure that the City is not making “a gift of the public funds.” Therefore, due diligence financial analysis is required of the project real estate pro forma. The amount of time and expense in conducting that analysis varies considerably depending upon the project scope, financial complexity, and developer expertise. The recommended base fee of \$500 would normally cover the initial analysis and the applicant would be charged the actual costs in completing the review. If the City Council determined that a prospective affordable housing project was worthy of financial assistance, the fee and expenses would either be reimbursed or credited with the approved funding. Mr. Ambo recommended that the City Council direct staff to amend the Master Fee Schedule to include a \$500 base fee deposit plus actual costs in performing financial real estate pro forma analysis for affordable housing project financing.

MOTION: Councilmember Winholtz moved the City Council direct staff to amend the Master Fee Schedule to include a \$500 base fee deposit plus actual costs in performing financial real estate pro forma analysis for affordable housing project financing. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

D-3 POTENTIAL TOPICS FOR THE JOINT PLANNING COMMISSION/CITY  
COUNCIL MEETING; (PUBLIC SERVICES)

Public Services Director Bruce Ambo stated Section 2.28.120 of the Morro Bay Municipal Code provides for the Planning Commission and City Council to meet twice annually to discuss policies, programs, goals and objectives, budgeting, future planning, or any other planning matter requiring joint deliberation. The Planning Commission will also discuss potential topics at their meeting on November 2<sup>nd</sup>. Mr. Ambo recommended the City Council consider and discuss potential discussion topics for the joint Planning Commission/City Council meeting.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – OCTOBER 26, 2009

The City Council requested the following discussion items for the joint Planning Commission/City Council meeting:

- CEQA Workshop
- Downtown Visioning Status Report

No further action was taken on this item.

E. DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Winholtz requested the following items be scheduled for upcoming Council meetings:

- Report on Regional Transit Options
  - Report on Housing In-Lieu Funds
- (both items are currently on the agenda planning list.)

ADJOURNMENT

The meeting adjourned to Closed Session at 9:06 p.m.

Recorded by:

Bridgett Bauer  
City Clerk



AGENDA NO: A-2

MEETING DATE: 11/09/09

## Staff Report

**TO:** Honorable Mayor and City Council **DATE:** October 29, 2009

**FROM:** Susan Slayton, Administrative Services Director

**SUBJECT:** Quarterly Financial Status Report for the Fiscal Year Ended September 30, 2009

**RECOMMENDATION:**

Council to accept the report as presented.

**FISCAL IMPACT:**

None.

**SUMMARY:**

Presented tonight is the quarterly financial status report for the fiscal year ended September 30, 2009.

**DISCUSSION:**

The status reports presented are for operations as of the first quarter of the 2000/10 fiscal year ended September 30, 2009. Please remember that when looking at these reports, timing plays a role in revenue receipt; for example, the amounts for property and sales tax in the General Fund are very low due to year end accruals. Amounts received in July, August and September are generally applicable to the previous fiscal year, and are removed from the current year's revenue to be posted to the previous year's revenue. Property taxes are at \$0 due to accruals and receipt of funds (taxes are not due until December). Overall, our General Fund revenues are slightly lower than last year at this time. Interestingly, our Transient Occupancy Tax is up 4.07% from September 2008.

General Fund expenditures are lower than last year, primarily due to unfilled vacancies and frugal spending.

Explanations are provided on the attached worksheet for the Enterprise funds' variations in revenues and expenditures as compared to the prior year. Please note that the Water and Sewer revenues are lower than they should be, due to a missing journal entry for the month of September. September and October are very busy months for the City's accountant, who prepares all of the State Controller's reports, year end accruals and normal monthly journal entries. During September and October, the current month's journal entries are put aside until those mandatory activities are completed.

Prepared By: \_\_\_\_\_

Dept Review: \_\_\_\_\_

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_



AGENDA NO:           A-3          

MEETING DATE:           11/9/09          

# Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** November 2, 2009

**FROM:** Harbor Director

**SUBJECT:** Authorization for the City of Morro Bay to Enter Into Grant Agreement #08-127-949 with the Department of Boating and Waterways for State Park Marina Maintenance Dredging

**RECOMMENDATION:**

Staff recommends that the City Council adopt Resolution #54-09 authorizing the City to enter into grant agreement #08-127-949 with the Department of Boating and Waterways (DBW) to fund maintenance dredging of the State Park Marina.

**MOTION:** I move that the City Council adopt Resolution #54-09 authorizing the City to enter into grant agreement #08-127-949 with the Department of Boating and Waterways (DBW) to fund maintenance dredging of the State Park Marina and authorizing the Harbor Director to act as the City's agent in regards to all aspects of the grant agreement.

**FISCAL IMPACT:**

Approval of the grant agreement will provide funding of \$300,000 for maintenance dredging of the State Park Marina. This will cover a significant portion of the dredging costs.

**BACKGROUND:**

In October 2002 the City entered into an agreement with the State Parks Department for the City to take the lead on a major dredging and rehabilitation project at the State Park marina. To date the revenues received from the State Park Marina operator, Associated Pacific Constructors (APC), have been used to fund the EIR for the rehabilitation project. An EIR for this project was certified by the City in 2008.

Due to high cost estimates and state budget constraints, the major dock, dredging and shoreline improvements have been put on hold. In August, 2009 the City entered into grant agreement #08-101-102 with the DBW to fund maintenance dredging studies, permits and monitoring to keep the area navigable in the interim. That work is underway at this time with the City entering into a contract with Anchor QEA to pursue permitting. This new grant agreement will provide funds for the actual maintenance dredging

Prepared By: \_\_\_\_\_ Dept Review: \_\_\_\_\_

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

activities.

**DISCUSSION:**

The State Park Marina is not a part of the Federally designated navigation improvements in Morro Bay Harbor and any dredging done here will need to be managed and paid for locally. The grant agreement which is the subject of this report will provide \$300,000 for maintenance dredging in the State park marina.

The highest priority area for maintenance dredging is approximately 50-60,000 cubic yards in the State Park Marina entrance channel and the area around the hand launch ramp. If and when the maintenance dredging permits are obtained, the City can prepare a bid package for a dredging contractor to do this work. Most likely the cost for dredging 50,000 yards at the State Park Marina would exceed \$300,000 and if the City wanted to fully fund the project, supplemental Harbor Funds would have to be used. The City receives approximately \$50,000 annually from the concessionaire at the State Parks under the operating agreement with State Parks and any Harbor Funds expended above the \$300,000 grant could over time be reimbursed through the State Parks operating agreement.

**CONCLUSION:**

Staff recommends that the City Council adopt Resolution #54-09 authorizing the City to enter into grant agreement #08-127-949 with the Department of Boating and Waterways (DBW) to fund maintenance dredging of the State Park Marina.

**RESOLUTION NO. 54-09**

**AUTHORIZATION FOR THE CITY OF MORRO BAY TO ENTER INTO GRANT AGREEMENT #08-127-949 WITH THE DEPARTMENT OF BOATING AND WATERWAYS FOR STATE PARK MARINA MAINTENANCE 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**, per the terms of the agreement between the City and State Parks, revenues from the State Park Marina are paid to the City to complete an EIR and other costs associated with the rehabilitation project and,

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

**WHEREAS**, the DBW has agreed to enter into Grant Agreement #08-127-949 with the City of Morro Bay to provide funding for actual maintenance dredging costs for the State Park Marina to maintain and improve operations at the existing marina while long-term improvements are evaluated.

**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 in the amount of \$300,000.

**BE IT FURTHER RESOLVED**, that the Harbor Director 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 9<sup>th</sup> day of November 2009, by the following vote:

AYES:

NOES:

ABSENT:

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Janice Peters, Mayor

ATTEST:

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Bridgett Bauer, City Clerk



AGENDA NO: A-4

MEETING DATE: November 9, 2009

# Staff Report

**TO:** Honorable Mayor and City Council

**DATE:** November 3, 2009

**FROM:** Bruce Ambo, Public Services Director

**SUBJECT:** Update on Mandatory Water Conservation Requirements

**RECOMMENDATION:**

It is recommended that the City Council receive this report for information and file the report.

**MOTION:** I move that the City Council receive this report for information and file the report.

**FISCAL IMPACT:**

There is no fiscal impact associated with receiving and filing this update.

**BACKGROUND/DISCUSSION:**

The State Water Project annual maintenance shutdown of water deliveries went into effect on November 2, even though the City Council declared a water emergency on the effective date of October 19 in preparation of the shutdown. We still do not have an indication of whether the shutdown period will be two or three weeks, potentially ending on November 16 or 23 respectively. Before the mandatory conservation measures went into effect, the community demand for water was at approximately 825 gallons per minute (gpm), and now that we are in the full conservation mode the community demand has been reduced to 675 gpm.

Prepared By: \_\_\_\_\_

Dept Review: \_\_\_\_\_

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

AGENDA NO: A-5

MEETING DATE: 11/09/09

**PROCLAMATION  
A PROCLAMATION OF THE CITY OF MORRO BAY  
THANKING JUDE LONG FOR HER DEDICATION AND SERVICE AS  
LIBRARIAN OF THE MORRO BAY LIBRARY**

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

**WHEREAS**, for the past 34 years Jude Sanner Long has devoted her life to the Morro Bay Library, including 5 years as Assistant Librarian and 29 years as Librarian; and,

**WHEREAS**, we enthusiastically join her family, friends and co-workers in expressing our admiration for her accomplishments and our sincere appreciation for the personal contributions she has made to the community of Morro Bay; and,

**WHEREAS**, Jude Sanner Long has always demonstrated in her positive attitude and enthusiasm while working to expand the services of the Morro Bay Library; and,

**WHEREAS**, Jude Sanner Long has been devoted to the Morro Bay Library and the Morro Bay Community; and,

**WHEREAS**, through Jude Sanner Long's leadership, she has been a strong advocate for the children in the Library; and,

**WHEREAS**, under the leadership of Jude Sanner Long, she started the volunteer program and worked to expand the services of the Library; and,

**WHEREAS**, on December 21, 1985, the new Library Building was dedicated and Jude Sanner Long unlocked the main entrance door and proclaimed the Library open; and,

**WHEREAS**, Jude Sanner Long will be greatly missed not only at the Morro Bay Library but as an active Morro Bay Community member; and

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Morro Bay does hereby commend Jude Sanner Long for her dedication and outstanding service to the Morro Bay Library and the Morro Bay Library community.

**BE IT FURTHER RESOLVED** that the Mayor, City Council and City Staff would like to take this opportunity to extend her best wishes for many years filled with happiness in her retirement.

**IN WITNESS WHEREOF**, I have hereunto set my hand and caused the seal of the City of Morro Bay to be affixed this 9th day of November 2009.

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Janice Peters, Mayor  
City of Morro Bay

AGENDA NO: A-6

MEETING DATE: 11/09/09

**A PROCLAMATION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY  
REQUESTING THE FEDERAL GOVERNMENT TO CONDUCT  
A COMPREHENSIVE ASSESSMENT OF THE  
CALIFORNIA GRAY WHALE**

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

**WHEREAS**, the federal government placed the California Gray Whale on the endangered and threatened species list in 1970 when its estimated population was approximately 12,000 and removed it in 1994 when the population rose to 23,000; and

**WHEREAS**, a major collapse in 1999 and 2000 is estimated to have wiped out one-third to almost one-half of the population of California Gray Whales; and

**WHEREAS**, the National Marine Fisheries Service has not published an estimate of the California Gray Whale population since 2001; and

**WHEREAS**, in 2008 the California State Legislature adopted Assembly Joint Resolution 49 requesting Congress and the President of the United States to call upon the National Marine Fisheries Service to undertake an immediate and comprehensive assessment of the California Gray Whale; and

**WHEREAS**, there is currently no habitat protection for the Pacific Coast Feeding Aggregation in California, Oregon, or Washington State and there are inconsistencies in the protection states given to Gray Whales.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Morro Bay does hereby request the Federal Government to conduct a comprehensive assessment of the California Gray Whale. This assessment should include all current research covering the migration routes, population dynamics, and mortality of the California Gray Whale and the impacts of threats to the California Gray Whale including the impact of global warming on critical feeding grounds.

**IN WITNESS WHEREOF**

I have hereunto set my hand and  
caused the seal of the City of  
Morro Bay to be affixed this  
9<sup>th</sup> day of November 2009

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JANICE PETERS, MAYOR  
City of Morro Bay, California



AGENDA NO:   B-1  

Meeting Date:   11/09/09  

# Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** October 26, 2009

**FROM:** John DeRohan, Police Chief

**SUBJECT:** Approval of Resolution 55-09 Accepting \$100,000 Grant from the State of California Citizens Option for Public Safety (COPS) Program

**RECOMMENDATION:**

The Police Chief recommends that Council hold a public hearing and adopt the attached resolution authorizing the proposed spending plan for the \$100,000 that will be received from the Citizens Option for Public Safety (COPS) grant program that complies with the requirements of Government codes 30061, 30062, 30063 and 30064.

**MOTION: I move that the City Council approve Resolution No. 55-09 authorizing the proposed spending plan for the Citizens Option for Public Safety (COPS) grant program.**

**FISCAL IMPACT:**

COPS grant funds are established pursuant to Government Code Section 30061. In the past, each law enforcement agency was guaranteed a minimum of \$100,000 per fiscal year. However this year, the grant funds are tied to the State Vehicle License Fees (VLF) and will be adjusted according to revenue to that fund. The funds are also being distributed quarterly now instead of one lump sum as they were in the past. The first quarterly installment for cities this fiscal year will be \$18,257.29, only 73% of the expected \$25,000. This reduction is based on a shortfall in VLF. Our spending plan will be flexible enough to assume potential similar deficits over the next three payments. Funds are distributed to local agencies through the County Supplemental Law Enforcement Oversight Committee. The funds must be maintained in a separate, interest bearing account (outside the general fund) to insure the funds (including interest) supplement and do not supplant existing Police Department or City budgets. There are no local matching funds required for the expenditure

Prepared By: \_\_\_\_\_

Dept Review: \_\_\_\_\_

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

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of these funds.

**SUMMARY:**

Since 1996, the Citizen's Option for Public Safety (COPS) established by AB 1913 and codified as Government Code Section 30061, has been distributing State grant funds to local law enforcement agencies to supplement "front line law enforcement services." These funds are also known as Supplemental Law Enforcement Services Funding (SLESF). The legislation requires a report in September to the City Council on how the funds are proposed for use by the Police Department and annual reporting to the County Oversight Committee on the proposed use and actual expenditures of COPS funds. However, this report requirement was delayed this year due to the State budget adoption delay and uncertainty of the grant funding. Since the recent passage of the State budget, law enforcement agencies are now preparing the required resolutions.

The State Legislature has indicated that local law enforcement agencies are still scheduled to receive a minimum of \$100,000 in COPS grant funds. But as mentioned, the funding is dependent on the VLF revenues so there is a possibility of receiving less than the \$100,000. These funds will be tracked separately by the Finance Department in a separate account with any interest earned credited to the account. To comply with the COPS program, each City Council is requested to act upon the written request from the Police Chief. This report is presented to Council in compliance with annual hearing/reporting requirements and to adopt the proposed expenditure plan by the Police Department.

**DISCUSSION:**

The City Council is required to hold a public hearing and consider whether the recommendation submitted by the Police Chief complies with the requirements of the Government Code. Once adopted, the recommendation is then forwarded to the County Oversight Committee who then distributes the COPS funds to the local jurisdictions. The funds can then be expended and/or encumbered by the police department.

Annual reports are submitted by the local agencies to the County Oversight Committee to insure that the funds are being properly expended. The Morro Bay Police Department has been complying with all requirements required under the legislation.

COPS funds in past years have been mostly used for a myriad of equipment replacements and upgrades since the Police Department equipment depreciation plan has not been funded.

In past years, a question has been raised by a council member as to why we don't use the funds for additional police officer positions. The funds are not guaranteed from year to year and this year they are tied to VLF revenues which are unpredictable. We usually receive the funds in November and this year we will probably receive them in December. It takes at least two months to complete the recruiting and hiring process for police employees. The funds have to be spent or encumbered by June 30<sup>th</sup> of each year. It would be very difficult if

not impossible to recruit police officer positions and only guarantee the recruit employment for the duration of the grant (4 months). This is not even sufficient enough to put a recruit through the six month police academy. It is highly unlikely anyone would accept such a position for this short period of time with no guarantee of employment beyond the grant period.

The proposed spending of this year's COPS funds is outlined below. It should be noted that the amounts are approximations and will fluctuate depending on actual costs and increases. It is also recommended that the Police Chief be given discretion to use these funds during the grant period for other purposes authorized by the grant in the event of a change in department priorities. This discretion is especially needed this year due to the quarterly payments and uncertainty of the grant amount. Staff plans to spread out the equipment purchases and adjust accordingly to the quarterly revenue received.

It is recommended that the funds be allocated as follows:

The entire amount is proposed to be spent on equipment to include: Training Equipment (media center & projector for briefing room); larger employee lockers to include electrical outlets for charging issued safety equipment (current ones are too small to house this equipment and gear bags); Computer replacements not funded by Measure Q funds; More AED's for police vehicles; Patrol bicycle replacements; Additional Tasers not funded by Measure Q funds; Office furniture replacements (chairs, etc.); and other misc. Tools and equipment.

It should be noted that staff will prioritize the purchases, spread them out on a quarterly basis, and adjust accordingly to the actual funds received.

**CONCLUSION:**

It is appropriate to use these grant funds on this equipment as it enhances front line law enforcement.

**ATTACHMENTS:**

1. Resolution

**RESOLUTION NO. \_\_\_\_**  
**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY,**  
**CALIFORNIA ACCEPTING \$100,000 GRANT FROM THE STATE OF**  
**CALIFORNIA CITIZENS OPTION FOR PUBLIC SAFETY (COPS) PROGRAM**

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

**WHEREAS**, Government Code Sections 30061 through 30064 is providing supplemental funds for front line municipal police services after the City adopted its 2009-2010 budget; and

**WHEREAS**, it is proposed that the Police Chief be given discretion to use these funds during the grant period for other purposes authorized by the grant in the event of a change in department staffing and priorities or actual grant funds received; and

**WHEREAS**, the required public hearing has been held.

**NOW, THEREFORE BE IT RESOLVED** by the City Council of the City of Morro Bay, California, that the expenditure of those funds is hereby authorized in accordance with the Government Code as recommended by the Police Chief.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay, California, at a regular meeting thereof held on the 9<sup>th</sup> day of November 2009, on the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Janice Peters, Mayor

ATTEST:

\_\_\_\_\_  
Bridgett Bauer, City Clerk



AGENDA NO:   B-2  

Meeting Date:   11/9/2009  

# Staff Report

**TO:** Mayor & Council  
**FROM:** Kathleen Wold, Senior Planner  
**SUBJECT:** 2009 Housing Element Update

**DATE:** NOVEMBER 9, 2009

**RECOMMENDATION:**

Adopt Negative Declaration SCH#200908104 (attachment #1) and the 2009 Housing Element and direct staff to submit the Housing Element to the State Department of Housing and Community Development (HCD) for the formal ninety day review and State Certification.

**MOTION:**

**I move that the City Council adopt Resolution No.56-09 approving Negative Declaration SCH #200908104 and amending the Housing Element of the City of Morro Bay and direct staff to submit the 2009 Housing Element to the State Department of Housing and Community Development for the 90 day review period and certification.**

**FISCAL IMPACT:**

Housing Element document preparation costs were accounted for under the 2008-2009 budget.

**SUMMARY:**

Staff presents the 2009 Housing Element including Planning Commission comments and revisions in response to HCD comments for review and approval.

**BACKGROUND:**

According to state law, each jurisdiction must update its Housing Element (one of the seven required elements of the General Plan) approximately every five to seven years, with specific deadlines established by the State Department of Housing and Community Development (HCD).

The Housing Element is considered the primary policy document for any given jurisdiction to guide the development, rehabilitation, and preservation of housing for all economic segments of the City's population. Accordingly, the City's Housing Element includes the identification and analysis of the existing and projected housing needs of the City. The document also contains goals, policies, and objectives along with implementation programs for the preservation, improvement, and development of the range of housing needs.

Prepared By: \_\_\_\_\_

Dept Review: \_\_\_\_\_

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

The Draft Housing Element was submitted to the Planning Commission for review and comment on May 18, 2009. The document along with the Planning Commission's comments were forwarded to the City Council for review at their June 8, 2009 meeting. The draft document including comments from both the Planning Commission and the City Council were submitted to HCD for a sixty day review on June 15, 2009. The outcome of this review was a letter from HCD (attachment #2) outlining the concerns and desired corrections. Staff and their consultant have addressed HCD's concerns in a memo dated September 15, 2009 (attachment #3). The revised 2009 Housing Element (attachment #4) was then presented to the Planning Commission on October 19, 2009. The Planning Commission had minor comments on the document which have been incorporated into the document where appropriate. The revised Housing Element and associated documents are attached for your review at this time.

## DISCUSSION

The attached Housing Element submitted for your review includes strikeouts, color text, as well as underlined text to facilitate your review of the document. The knockout text are items removed from this document, the color text represents items included in this version of the document not in the original version. This text would be Planning Commission or City Council comments or responses to HCD's comments. The text which is in black but underlined reflects the most recent changes and comments from the Planning Commission, as well as additional corrections made in response to HCD comments.

The following is a synopsis of the Planning Commission comments to the document.:

1. Check to find out if the mobile home parks monitor seasonal tenants (identify rents of mobile home parks)
2. Fees need to reflect the incentives/reductions given for green building
3. Revise the Initial Study Negative Declaration to include the following : "drainage is best handled off site in community basins not on site"
4. Program H-1.3, reword and take out "will allow"
5. Program H-1.3, take out single family reference
6. Pg. 35, Bottom paragraph, "Main" to replace "Marin".
7. Pg. 36, Middle paragraph, H3.1 to replace HE-3.1
8. Pg. 48, 600 Morro Bay Blvd to replace Morro St. and Main to replace Marin.
9. Pg. 64, First paragraph, H-7.1 to replace H-7.2.
10. Pg. 49, Second paragraph, Projects to replace "Mini Mansion".

All the above changes were made except item three, which requested that the Initial Study and Negative Declaration be revised to include the statement that drainage is best handled off site in community basins, not on site. The City's consultants researched this request and determined

that the Housing Element is a policy document and as such the Initial Study reflects broad policies and identifies that each project is reviewed and conditioned for specific compliance with all State laws, General Plan/Local Coastal Plan, Zoning Ordinance, etc. Therefore it would be unnecessary and inappropriate to include specific language into the document at this time.

Following the October 19, 2009 Planning Commission meeting, Commissioner Diodati indicated via email (attachment #5) that he would like staff to look into establishing policies regarding rehabilitation and conversion of units within mobile home parks to permanent structures. Because this request came from an individual Commissioner and not the Commission as a whole, planning staff did not instruct the consultant to include this as a new policy. The program suggested by Commissioner Diodati is presented below for your consideration.

The City shall encourage the rehabilitation and conversion of mobile home units that preserve affordable housing by prioritizing the following incentives:

- 1) In exchange for conversion of mobile home units and development of dwellings, including but not limited to, affordable replacement housing for residents, developers/owners shall be allowed a density bonus consisting of an increase of at least thirty five percent (35%) in the number of dwelling units over the otherwise maximum allowable residential density provided under the applicable general plan designation and zoning designation.
- 2) In exchange for a proposed conversion of mobile home units and development of dwellings, including but not limited to, affordable replacement housing for residents, the City shall consider providing financial assistance to cover costs associated with resident relocation costs. These costs can include, but are not limited to, purchase of resident's mobile home units at fair market value, relocation of resident(s) to other mobile home unit(s) within the City, and temporary relocation housing for residents during construction. The source of these funds could come from the City's affordable housing set-aside fund, affordable housing in-lieu fee payment program, housing trust fund, or similar funding mechanism.
- 3) In exchange for conversion of mobile home units and development of dwellings, including but not limited to, affordable replacement housing for residents, the City shall consider providing financial assistance in the form of "gap" financing for an affordable housing project that includes sufficient replacement housing for all residents displaced from mobile home park closure. The source of these funds could come from the City's affordable housing set-aside fund, affordable housing in-lieu fee payment program, housing trust fund, or similar funding mechanism.
- 4) In exchange for conversion of mobile home units and development of dwellings, including but not limited to, affordable replacement housing for residents, the City shall consider

subsidizing the acquisition of land suitable for the construction of affordable and/or market rate multi-family projects.

5) In exchange for conversion of mobile home units and development of dwellings, including but not limited to, affordable replacement housing for residents, the City will consider allowing affordable housing projects that exceed the maximum height limits, lessen setbacks, and reduce parking requirements. The City will also offset fees (when financially feasible) and concurrent/fast tracking of project application reviews.

Staff has reviewed the suggested policy revisions above, and has the following comments:

The intent of the program is to encourage the development of units within existing mobile home parks that will qualify in meeting the City's Regional Housing Needs Assessment (RHNA). Currently, older mobile home units (pre 1976) and Recreational Vehicles (RVs) are not considered units by HCD. If the City was to develop a program encouraging the replacement of these types of units with modular structures on permanent foundations the replacement units would indeed count toward meeting the City's RHNA. If the units are deed restricted as affordable units then the unit could possibly satisfy either the extremely low, very low, or low income housing needs as established by the State. Staff would recommend that if the program is to be included into the Housing Element that the program should clearly define "conversion" as the replacement of RVs or mobile homes predating 1976 with permanent structures (modular or manufactured homes). The program should also state that the intent is to not eliminate mobile home parks but to encourage their upgrade.

In response to the above proposal, staff would like to point out that mobile home parks are regulated by the state under very specific and comprehensive regulations. The State and not the City is in charge of ensuring compliance with state regulations. Staff's recommendation would be to avoid adopting new programs which creates another layer of regulation where considerable regulations already exist. In addition, the program establishes new financial commitments on the part of the City where there is not currently permanent revenue stream to support the commitment. However, if Council desires to adopt the new program, staff would like to offer the following suggestions.

Policy number one should be removed from the program as it is redundant to policies already included in the Housing Element and the Zoning Ordinance which address Density Bonus and may lead to conflicting policies.

Policy number five should be revised to remove the statement "the City will consider allowing affordable housing projects that exceed the maximum height limits, lessen setbacks, and reduce parking requirements." And replace it with the following: "allowing incentives or concessions pursuant the State's Affordable Housing Regulations". This revise wording will avoid creating conflict with the State's affordable housing regulations.

**CONCLUSION:**

The revised 2009 Housing Element as presented is a document which reflects collaborative input from the Planning Commission, City Council and the State Department of Housing and Community Development. Because this document has incorporated all HCD concerns and comments, it is our expectation that the document will be certified by the HCD without additional corrections.

Attachments:

1. Initial Study/Negative Declaration dated August 2009
2. Department of Housing and Community Development Division of Housing Policy Development letter dated August 13, 2009
3. PMC memo dated September 15, 2009
4. 2009 Housing Element
5. Commissioner Diodati's email dated October 21, 2009
6. Planning Commission memo dated October 19, 2009



AGENDA NO: D-1

MEETING DATE: 11/09/09

## Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** November 3, 2009  
**FROM:** Dylan Wade, Utilities/Capital Projects Manager  
**SUBJECT:** Authorization to Add and Hire a Collections Maintenance Worker II

### **RECOMMENDATION:**

Authorize the addition and hiring of a new Maintenance Worker II for the Waste Water Collections Department.

**MOTION:** I move that the City Council Authorize the addition and hiring of a new Maintenance Worker II for the Waste Water Collections Department.

### **FISCAL IMPACT:**

This action will result in an increase to the fixed operating costs for the Waste Water Collections Division, while reducing the costs associated with contractual services. The cost impact to the department will vary for each task based on the relative costs/efficiencies between contract labor rates and our own labor rates. Cost impacts to the Waste Water Collections Division are estimated to be negligible because the high cost of contracted prevailing wage labor offsets any inefficiencies of adding a full time position.

### **BACKGROUND:**

The work tasks that will be assigned to this position, have already been committed to with the City Council's adoption of the State mandated Sanitary Sewer Management Plan (SSMP) on June 8<sup>th</sup> of this year. In the June 4<sup>th</sup> staff report for the adoption of the SSMP staff underscored the importance of this position noting that, "Implementation of the plan will lead to larger operational expenditures, larger capital expenditures, and potentially larger staffing levels to meet the minimal standards of the General Waste Discharge Requirements." Staff is now requesting that an additional person be added to help cover these added work tasks.

### **DISCUSSION:**

The Collections Division Mandatory Minimum Work Effort spreadsheet is attached outlining the tasks committed to as a part of the SSMP and a gross estimate of work effort required

Prepared By: \_\_\_\_\_ Dept Review: \_\_\_\_\_  
City Manager Review: \_\_\_\_\_  
City Attorney Review: \_\_\_\_\_

from each position to complete the tasks. Because only the mandatory work efforts are outlined, not all of the work efforts of the Division are included in the spreadsheet. Many of the assists to other divisions and emergency type tasks that occur infrequently, are difficult to estimate, and are not included.

**CONCLUSION:**

Staff recommends that the Council authorize the addition and hiring of a new Maintenance Worker II for the Waste Water Collections Division.



AGENDA NO: D-2

MEETING DATE: 11/9/09

# Staff Report

**TO:** Honorable Mayor and City Council

**DATE:** November 3, 2009

**FROM:** Rob Schultz

**SUBJECT:** Consideration of an Amendment to Morro Bay Municipal Code Chapter 3.08 Adding Section 3.08.105 Establishing a Local Business Preference Program

## **RECOMMENDATION:**

Review the Staff Report and attached draft Local Business Preference Program and direct staff to return with this item for Introduction and First Reading with any changes suggested by Council.

## **FISCAL IMPACT:**

None at this time.

## **BACKGROUND:**

Council members have expressed interest in implementing a local vendor program as a way to help stimulate the local economy and support the formation/retention of local jobs. Programs giving preference to qualified local businesses are increasingly common among local governments.

Morro Bay Municipal Code Section 3.08.100 E.2 currently provides the follow:

“Local Vendors. Fitness and quality being equal, the purchasing agent shall purchase supplies and equipment locally. The purchasing agent may give preference to the local vendors if the bids of these vendors do not exceed by more than five percent the lowest bid or price quoted by other vendors.”

The attached draft ordinance would provide further clarification and importance on giving competitive preference to local industries and businesses doing business with the City.

## **CONCLUSION:**

Although the City currently provides for a local preference, the attached draft ordinance would provide further clarity and importance to providing preference to qualified local businesses.

**Prepared By:** \_\_\_\_\_

**Dept Review:** \_\_\_\_\_

**City Manager Review:** \_\_\_\_\_

**City Attorney Review:** \_\_\_\_\_