

**AGENDA NO: A-1**

**MEETING DATE: 6/11/2013**

MINUTES - MORRO BAY CITY COUNCIL  
BUDGET WORKSHOP – MAY 22, 2013  
VETERAN’S MEMORIAL HALL – 5:00P.M.

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney
	Jamie Boucher	City Clerk
	Amy Christey	Police Chief
	Steve Knuckles	Fire Chief
	Eric Endersby	Harbor Director
	Susan Slayton	Administrative Services Director
	Joe Woods	Recreation & Parks Director

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

ESTABLISH QUORUM AND CALL TO ORDER  
MOMENT OF SILENCE  
PLEDGE OF ALLEGIANCE

PUBLIC COMMENT - For Special Meetings, members of the audience may address the Council only on items that are listed on the agenda.

Craig Schmidt, CEO of the Morro Bay Chamber of Commerce, referred Council to page 16 of the proposed budget. He thanked Council for their continued commitment to economic development and understanding that a healthy business community is a necessary component to the well-being of Morro Bay. They currently have 2 start-up businesses in the business incubator with the goal of nurturing them to the point where they can grow and occupy vacancies in the community. The Chamber is asking for funding in the amount of \$58,424 with all funds being used for salaries for the Economic Development Coordinator and part time business liaison position whose efforts will be focused on economic data collection, business retention and growth, recruitment of new businesses and creation of a nurturing entrepreneurial climate for the start-up and growth of new businesses.

Jayne Behman, hotelier and member of the MBTBID spoke requesting \$116,850 for the Tourism Bureau/Visitor’s Center from the 2013/14 budget. Their marketing efforts have been working and any cut in local spending will result in a cut to what the TBID can spend in their marketing efforts which will result in lower revenues.

Karin Moss, the Director of the Morro Bay Tourism Bureau, stated that she was here tonight to answer any questions or provide any feedback the Council may have regarding the TBID’s

budget request. She urged Council to keep the Bureau's budget intact as it will continue to keep the Morro Bay brand in the public eye. She made the following points: ~look at marketing dollars as an investment, not as an expense; ~cuts will only yield short term gains; ~ if we cut advertising we are cutting our market share; ~marketing in a recession will give you a competitive edge; ~marketing is never stagnant, if you're not moving forward, you are moving backwards.

Christine Rogers of the Economic Vitality Corporation thanked Council on EVC's behalf for their continued support over the past year. The EVC continues to work with local business owners to make sure they have access to resources they need to continue to grow and thrive. Listening to our business owners about what they need and working with them to provide what they need is at the heart of the economic strategy project. The 6 clusters of industry identified as providing the majority of our job growth in our new businesses continue to be our local economic drivers. What the EVC is doing is meaningful and now isn't the time to stop.

Lynda Merrill asked Council that when they make decisions about spending the City's money, pretend that you yourself earned the money.

Joan Solu stated that local tourism has had substantial economic gains during the recession. The TBID/Tourism Bureau has a vision into the future, part of which are goals for economic growth in the tourism industry. They are partnered hand in hand with the Chamber of Commerce's Economic Development Department who has put together a good program with solid research and measurable goals. Please support both of those programs as they move forward. She also requested Council set aside monies in the budget for some funding and/or partnership of events celebrating the City's 50<sup>th</sup> Anniversary Celebration.

Neil Farrell, President of the Public Art Foundation has been working with the 50<sup>th</sup> Anniversary Committee and hopes that Council will set aside some funding for a public art project at the round-a-bout. He will be urging others in the community to get on board with this project as well. He feels the entire project could cost approximately \$100,000.

John Headding sees a significant need to develop a singular point of contact for Economic Development, recruitment and retention. With that as a driving force, things can happen quicker, less costly and more efficiently.

The public comment period was closed.

## **PRESENTATION & DISCUSSION OF THE 2013/14 FISCAL YEAR BUDGET**

Administrative Services Director Susan Slayton gave an overview of the City's budget process. She then presented the FY 2013/14 Budget. She stated that the budget was balanced. Each Department Head then gave a brief overview of their department's requests. Discussion was then brought back to the City Council for questions and comments.

Councilmember Christine Johnson hoped to begin discussions on the additional funding requests received, revenue generating opportunities, and budget philosophy (zero based philosophy vs a program based philosophy).

Mayor Irons hoped to wait for discussions on revenue generating ideas in hopes of waiting for Councilmember Nancy Johnson to be here.

Councilmember Smukler also thought it important to touch base on Measure Q.

There was a discussion on the difference between zero based budgeting and program based budgeting. Administrative Services Director Susan Slayton reviewed the concepts/philosophies of each. The program based philosophy, while possible, would take much more staff time to implement. There would be surveys, workshops, priority selection, etc. and would almost have to be started soon after this budget was adopted. This led Councilmember Christine Johnson to try and consider getting community feedback on the budget during the goal setting process and then tying our goals to our budget. Both Councilmember Smukler and Mayor Irons agreed that having the nexus of goals to budget and community involvement would be important.

There was discussion of funding requests which included:

- Friends of the Library - \$5,000;
- 50<sup>th</sup> Anniversary Celebration – amount TBD
- SLO County Housing Trust - \$,1000
- EVC - \$5,000
- Tourism Bureau - \$58,500
- Community Art Foundation – amount TBD

Councilmember Christine Johnson spoke regarding the SLO County Housing Trust stating that their request is focused on low, very low and moderate income building/housing projects. She hoped they could fund this request stating that maybe the funds could come from the Affordable Housing Fund.

Councilmember Smukler spoke on the Tourism Bureau request stating that he would need to see clearly how funding this would affect us positively in the City's revenue stream and how we would track the impacts of those funds; how those funds would be involved in events and regional marketing components; and the "Shop Local" campaign. He doesn't want those funds generically rolled into their overall budget. He doesn't want to just see their detailed budget presentation; he wants to see the plan and strong justification behind the budget.

Councilmember Smukler also spoke on Measure Q hoping for more detail on the overall streets maintenance picture. He also wants detail on City contracts and consulting costs. Further, he wants a clear description of cost allocations to different funds – a "clear map" of where employee costs are allocated. He would also like to begin hearing recommendations on how to start budgeting/funding for the 142 million we have in asset replacements. And finally, he wanted to look at alternative healthcare options outside of PERS.

Mayor Irons concurred that reflecting on the adopted goals each year in an effort to determine where the funding will come from in our attempt to fund those goals is important.

The meeting concluded; the next Budget Workshop is scheduled for Wednesday, June 12, 2013 beginning at 5:00pm at the Veteran's Hall.

ADJOURNMENT

The meeting adjourned at 8:33pm.

Recorded by:

Jamie Boucher  
City Clerk