

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JUNE 24, 2014  
VETERAN’S MEMORIAL HALL – 6:00P.M.

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Edward Kreins	Interim City Manager
	Joe Pannone	City Attorney
	Jamie Boucher	City Clerk
	Susan Slayton	Administrative Services Director
	Rob Livick	Public Services Director
	Steve Knuckles	Fire Chief
	Amy Christey	Police Chief
	Eric Endersby	Harbor Director
	Joe Woods	Recreation & Parks Director
	Cindy Jacinth	Associate Planner

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

CLOSED SESSION REPORT – Interim City Attorney Joe Pannone reported that with regards to Closed Session Items: Government Code Section 54956.8, Conference with Real Property Negotiator regarding Lease Sites 138 and 139, 1253 and 1257 Embarcadero; and, Government Code Section 54957(b)(1), Public Employee Appointment – City Manager, the Council did not take any reportable action pursuant to the Brown Act.

MAYOR AND COUNCILMEMBERS’ REPORTS, ANNOUNCEMENTS & PRESENTATIONS

**PUBLIC PRESENTATIONS - Status of Local Water Emergency Declaration by the County of San Luis Obispo**

County Public Works Director Paavo Ogren presented a power point on San Luis Obispo County’s local water supply status and the drought efforts. He presented a broad overview on how we got here, recent events, local water resources, looking ahead, and county work efforts regarding the drought and working with other agencies. Mr. Ogren stated that this is the driest 3 year period we have on record and SLO County is right in the middle of the worst drought-hit area. We are looking at a forecast of continued dry conditions. He provided the time table formalizing the emergency drought conditions County and State-wide. He also provided projections on state water deliveries saying that while Morro Bay was in much better shape than other communities, there is possible anticipation of zero deliveries or even a complete shutdown

of the system in 2015; he urged planning for the worst and hoping for the best and don't count on an El Nino year saving us. He also cautioned the public to educate themselves on reservoir conditions; to put into perspective the percentages, for example, even though Nacimiento is only at 19% capacity, it still contains 73,410 acre feet of water and has a high degree of reliability with only 60% subscribed versus Whale Rock which is at 52% capacity and is fully subscribed to. The City needs to encourage CMC to renew the annual emergency agreement we have with CMC for water. Looking ahead, we are seeing above average temperatures which will create higher evaporation rates as well as more pumping for agriculture. He stressed that they will be providing early coordination with communities and systems most at risk, they will coordinate with CAL and County OES, state and federal lobbyists, work on IRWM Grants, and continue with local strategic meetings. The Central Coast is the most efficient water users in the State of California with the lowest consumption per capita use per day. Countywide, we all need to initialize advanced planning strategies for the future of our water.

### PUBLIC COMMENT

Jackie Kinsey, the Morro Bay Branch Librarian presented the Morro Bay Business report. The library will be closed starting Monday, June 23<sup>rd</sup> while they begin their full renovation. There will be a small branch open at 535 Harbor; they will be open Tuesday thru Saturday from 10am – 5pm. They will be able to provide limited service to include videos, audios, magazines, newspapers, holds, some books and they hope to have a book return soon. They anticipate the construction will take 6 months. Their summer programs will continue.

Joe Whitaker spoke representing SLO SCORE which is a non-profit association dedicated to entrepreneur education and the formation, growth and success of small businesses nationwide. The San Luis Obispo Chapter of SCORE was established in 1984 and has been providing free counseling, mentoring and workshops to local entrepreneurs. He is reaching out to public and private organizations seeking sponsorships and donors and they will gladly accept any donation.

Dorothy Cutter spoke on item D-2, hoping that the Council moves to put a measure on the ballot to get rid of the primary, she sees this as a total waste of money. She also spoke on item B-1, the Housing Element, hoping that there is something in there about neighborhood compatibility.

Barbara Doerr has 2 issues regarding item D-2. She feels we need to keep the primary / run off system but we need to eliminate the lame duck system. She suggests keeping the primary because it retains the need for a majority vote but then eliminate the lame duck problem by having the newly elected councilmember sworn into office within 30 days. She also spoke on item B-1, Housing Element, she hopes we retain a requirement for neighborhood compatibility for housing upgrades or new construction as it helps preserve the rights of the neighborhood and also rights of the individual property owner.

Marla Jo Bruton Sadowski hopes that everyone in the community knows the central coast area is at the highest level of extreme drought. She urges the Council to educate themselves about the drought and move forward with a water reclamation facility as soon as possible.

Roger Ewing spoke on item B-1; in his opinion the Housing Element is the heart and soul of how we define our sense of community in Morro Bay. He would like to reinstate neighborhood

compatibility as it's what allows the planning department to treat all applicants equally and fairly so that everybody benefits. Regarding item D-2, he thinks this most recent election proved we don't need a primary; it is a waste of time and money.

Matt Makowetski advertised Project Surf Camp starting in 3 weeks; it is a camp for kids with special needs that allow them to surf and experience a feeling of independence. He also advertised a BBQ, Blood Drive, and raffle fundraiser for PSC on Friday, June 27<sup>th</sup> being put on by Mike Williams of San Luis Sports Therapy on the corner of Harbor and Shasta.

Richard Sadowski stated the biggest issue with our water reclamation facility and drought is that our drought is much older than 3 years. We have a need for reclamation, this is an emergency and we need to take proactive measures. Regarding the Housing Element, he felt the city's water supply was painted as a bit optimistic.

Melissa Peters spoke on behalf of the County Tobacco Control Program. She presented an update on the recent tobacco compliance check in Morro Bay; of the 14 stores "tested", 2 sold to underage buyers. She said they offer free educational programs to all retailers to include training in how to refuse sales, and identify an underage buyer. She also said that Morro Bay doesn't have a Tobacco Retail License requirement which is an effective way to fund compliance checks. These can also be used to monitor sales rates. They are more than happy to work with us to conduct additional compliance checks.

Barry Brannin spoke on the water treatment facility. He was at the last JPA meeting when the audit was presented and he said a point that wasn't discussed was the loss of \$2,235,192 of tax payer money because of the irresponsible plan of building a wwtp on the beach. That's only a small part, if you add in staff time and a million a year for the 5 years we have to keep the wwtp going, it comes to over \$10 million of wasted dollars. He feels we need to reexamine the JPA, we need to separate from Cayucos as their goal is to move the plant to CMC.

Susan Stewart presented some history on the 2 tribes found in our area – the Salinan Tribe and the Chumash Tribe. The most locally active group is the Salinan Tribe of the Monterey/SLO Counties which are State recognized. This is a shared region and she wanted to bring it up to remind people of the people who were here before and still here today.

Kelsey Shaffer is a Morro Bay resident and member of the Chumash tribe. She thanked the City for the work we are doing and encourages us that as we move forward, to have open communication. They want to work together during this WRF process and hopes they can be a part of the monitoring process of the WRF and EIR going forward.

The public comment period was closed.

A. CONSENT AGENDA

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

A-1 APPROVAL OF MINUTES FOR THE SPECIAL CITY COUNCIL MEETING HELD ON JUNE 5, 2014; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-2 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON JUNE 10, 2014; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-3 APPROVAL OF MINUTES FOR THE CITY COUNCIL MEETING HELD ON JUNE 10, 2014; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-4 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON JUNE 13, 2014; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-5 ADOPTION OF RESOLUTION NO. 44-14, APPROVING THE COORDINATED GRANT APPLICATIONS FOR BOTH THE COASTAL COMMISSION LCP GRANT PROGRAM AND THE OCEAN PROTECTION COUNCIL LCP SEA LEVEL RISE GRANT PROGRAM; (PUBLIC SERVICES)

**RECOMMENDATION: Adopt Resolution No. 44-14.**

A-6 APPROVE AN MOU WITH COUNTY OF SAN LUIS OBISPO, BEGINNING THE PROCESS TO ESTABLISH THE SOUTH BAY BOULEVARD UNDERGROUND UTILITY DISTRICT-CITY AREA; (PUBLIC SERVICES)

**RECOMMENDATION: Approve a Memo of Understanding (MOU) with the County of San Luis Obispo as one step in the possible creation of the South Bay Boulevard Underground Utility District within City limits.**

A-7 RESOLUTION NO. 38-14 AUTHORIZING EXECUTION OF A CONSENT TO ENCUMBRANCE FOR THE LEASE AGREEMENT ON LEASE SITE 30W-33W (BAY FRONT MARINA, 201 MAIN ST.); (HARBOR)

**RECOMMENDATION: Adopt Resolution No. 38-14 authorizing the Mayor to execute a Consent to Encumbrance Agreement regarding a Deed of Trust for Lease Site 30W-33W with Capital Bank and Bruce Foster & Susan Foster and Dean Marchant & Carly Marchant for refinancing and improvements at Lease Site 30W-33W located at 201 Main Street, Morro Bay.**

The public comment period was opened for the Consent Calendar; seeing none, the public comment period was closed.

MOTION: Councilmember Christine Johnson moved the City Council approve the Consent Calendar as presented. The motion was seconded by Councilmember Smukler and carried unanimously, 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

B. PUBLIC HEARINGS

B-1 ADOPTION OF THE HOUSING ELEMENT UPDATE FOR 2014-2019 AND ADOPTION OF THE NEGATIVE DECLARATION; (PUBLIC SERVICES)

Associate Planner Cindy Jacinth and Amy Sinsheimer with PMC presented the staff report. They received emails from the public requesting that “neighborhood compatibility” be included in the Housing Element; staff response is that they feel it is already in the Housing Element and can be found on page 124, listed as H-13.1. Staff also received information needing clarification found on page 44 stating that there was an error that needed correcting – a phrase found in the 5<sup>th</sup> paragraph states “City is allowing for solely residential development in the MCR district”; its felt this could mislead the reader. Staff wanted to clarify that the MCR district does require a ratio of commercial to residential. Staff feels this clarification is substantial enough though that it will necessitate the City alerting HCD to that change which will need some additional review by HCD. Staff recommends that Council adopts the document as amended by Council and with any minor non-substantive corrections that HCD identifies in their final 90 day review.

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

Susan Heinemann spoke on the neighborhood compatibility issue asking what happened to the City’s “Big House” Ordinance. She understands from tonight’s conversations, neighborhood compatibility is being addressed, but she would additionally like to request that the criteria are made clear. She then provided a history of Ordinance 533, 535 and 543 – regarding the City’s efforts at neighborhood compatibility.

Barry Brannin stated that one of the slides stated that we would increase our number of liveboards. He feels this would create the potential problem of building barges with homes built on them. He would like to see the term “liveboard” defined more clearly.

Nancy Bast said we need definitive standards in the building ordinance regarding neighborhood compatibility as designated in the Local Coastal Plan. The Planning Commission’s outcome of the Ridgeway project that resulted in a denial of a permit to demolish and rebuild a very large home, pointed out serious problems with the vagueness of the building codes which also resulted in a waste of staff time and work over a period of 6 months. She feels residents want to maintain the character of their town.

Bill Weatherford stated that neighborhood compatibility is an important enough issue and we need, in the City’s new general plan, to include these clear definitions in it. It would help both staff, the applicant(s) and all other bodies engaged in making decisions.

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

Councilmember Smukler feels it prudent to remove liveboards from this program to avoid putting further efforts there. He also is inclined to add work force housing to the Element.

Councilmember Christine Johnson would like to see the SLO County Housing Trust Fund Commission and the SLO County Homeless Services Oversight Council to the listing on page 41. She also wanted to ensure that there was a clear definition on the difference between work force housing and affordable housing.

Mayor Irons wanted to expand the discussion to also include defining workforce housing.

A discussion was held on the merits of removing liveboards from the document, H-1.6. Mayor Irons agreed, he doesn't see the value of including these; Councilmember Nancy Johnson feels they should remain, we just need to be sure we are following our own code; Councilmember Leage doesn't want to see them removed, we are fighting for affordable housing and he considers this as an affordable option; Councilmember Christine Johnson supports taking it off the table as she doesn't want to see staff work on something that is not a good fit for us; Mayor Irons stated that the program calls for expanding liveboards and we don't even meet what we are allowed, we don't need to change or expand on a program we already have and haven't maximized, liveboards are not the best resource for us to focus on; there was Council consensus to remove H-1.6 (liveboards) from the Housing Element document.

A discussion was held on work force housing which produced Council consensus to include work force housing in the document; also to continue to partner with other organizations as a county-wide effort; it was also requested we use the County definition of "work force".

Councilmember Smukler wants to see the language regarding neighborhood compatibility strengthened. He wants to see the "conditional" language removed and replaced with "more action driven" language. Councilmember Nancy Johnson wants to ensure we have a clear definition of "neighborhood compatibility."

Staff (Cindy Jacinth and consultant Amy Sinsheimer) provided the following language in an effort to strengthen the neighborhood compatibility component:

**Revised Program H-13.1 (pg 124) modified to say:**

"The City will adopt neighborhood compatibility standards for new developments in existing neighborhoods including development of a definition of neighborhood compatibility. The City will develop a standard set of criteria to use in determining whether proposed projects are compatible with the existing neighborhoods in which they are proposed, the purpose of which is to give project proponents clear direction for project design and to provide staff and the Planning Commission with clear guidelines for decision-making. These criteria would include development of a pre-application process to provide clear direction for the project. "

and staff provided the following language regarding work force housing:

**Add new Workforce Housing Program to say:**

"The City will continue to partner with Countywide organizations to encourage workforce housing, as defined by the County of San Luis Obispo.\* The City will additionally encourage

workforce housing by prioritizing a variety of incentives, including but not limited to expedited permit processing for workforce housing, where feasible. Review the Zoning Ordinance for potential constraints to workforce housing and review the master fee schedule for potential constraints to building workforce housing.” \*"Workforce" is defined by Title 22 of the County Code as 160% of county median income.

And staff provided and edit to the Resolution adding the following: Edit section 4 of Resolution 41-14 to add "as amended by City Council with minor non-substantive corrections by the State of California Department of Housing and Community Development."

As a summary of the evening's discussions, the following revisions/amendments were made to the Housing Element document: make changes as PC recommended, i.e. revise Program H22.4, and H22.6 (pg 130), plus edit page 51 and 52 regarding water supply and treatment plant; delete live-aboard program recommended by Planning Commission (H1.6); edits on page 41 to add the two county wide boards that the City participates with including: the SLO County Housing Trust Fund Commission and the SLO County Homeless Services Oversight Council (HSOC); edit MCR paragraph (5th paragraph of page 44); Strengthen neighborhood compatibility program H13.1 as provided; add new Workforce housing program as provided.

**MOTION:** Councilmember Nancy Johnson moved to approve Resolution 41-14, adopting the Housing Element Update for 2014-2019 to include the amendments as discussed; adopt Section 4 as amended by City Council on June 24, 2014 with minor non-substantive changes by HCD; and, adopt the Negative Declaration. The motion was seconded by Councilmember Christine Johnson and carried unanimously 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler  
No's: None

**B-2 RESOLUTION NO. 39-14 DIRECTING THE LEVY OF THE ANNUAL ASSESSMENT FOR THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (RECREATION & PARKS)**

Recreation & Parks Director Joe Woods presented the staff report.

The public comment period for Item B-2 was opened; seeing none, the public comment period was closed.

**MOTION:** Councilmember George Leage moved to approve Resolution 39-14, approving the levy of the annual assessment for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District. The motion was seconded by Councilmember Christine Johnson and carried unanimously, 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler  
No's: None

**B-3 RESOLUTION NO. 40-14 DIRECTING THE LEVY OF THE ANNUAL ASSESSMENT FOR THE CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (RECREATION & PARKS)**

Recreation and Parks Director Joe Woods presented the staff report. The following dates are tentatively set for the quarterly Cloisters meetings: August 6<sup>th</sup>, November 5<sup>th</sup>, February 4<sup>th</sup>, and April 22<sup>nd</sup>.

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

Dawn Beattie read the protest letter she presented to the Council.

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

MOTION: Councilmember Christine Johnson moved to approve Resolution 40-14 approving the levy of the Annual Assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District. The motion was seconded by Councilmember Smukler and carried unanimously, 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

C. UNFINISHED BUSINESS

C-1 RESOLUTION NO. 42-14 ADOPTING THE FISCAL YEAR 2014/15 OPERATING BUDGETS; (ADMINISTRATIVE SERVICES)

Administrative Services Director, Susan Slayton presented the staff report.

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

Lisa Winn, acting Director for the Chamber of Commerce, stated the Chamber has revised their funding request to \$1,500/month, starting on July 1<sup>st</sup>. They sent their revised proposal to Council via email which highlights the activities they would like to be able to develop and continue doing including facilitating transactions between existing and new businesses and City staff. The mobile app will be rolling out in a few weeks and the Chamber is requesting \$650/month to help develop this useful tool for locals and visitors and hopes to include information on transportation, recreation and government. They would also like to continue its support of non-profits and events by providing fiscal management support, equipment use, volunteer and staff time.

Brent Haugen, Morro Bay Tourism Bureau Director, stated that he/they are trusting in Council's decision to continue to support the Visitor's Center and Regional Marketing.

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

Council discussed the list of items provided by Ms. Slayton which had been asked to be added to the proposed budget document which included: expanded version of page 1, "Summary of all Budgeted Funds" with revenues and expenditures broken out between operating and capital amounts; 2014/15 Facility Maintenance and Completed Maintenance by fiscal year; addition of Del Mark Parking lot, Unmet Bike Needs and Tidelands Park to the 5 Year Capital Requirements; separate page for the General Plan Maintenance Fee activity, to which Council



has yet to fund anything as of yet; changes to the Governmental Impact Fees Fund and General Government Vehicle Replacement Fund - Mayor Irons stated that if departments aren't allocating monies to the Vehicle Replacement Fund, why have it if it's just a place to transfer monies in and out of; description of items budgeted for spending the COPS Special Safety Grant; removal of the proposed Parking and Code Enforcement position; and correction of Parking in-lieu Fund to recognize the designation of \$399,000. Mayor Irons hoped to include Senior Nutrition to this list. Councilmember Christine Johnson hoped to talk about supporting SLO SCORE.

Mayor Irons wanted to ensure that we were addressing our unfunded liabilities and PERS obligations as it relates to PERS rates to which Ms. Slayton confirmed we were. He also doesn't like the concept of us balancing our budget from a Reserve account, in this case, the Risk Management Reserve fund. If you have a reserve, it's there for an emergency and shouldn't be used in this manner. Our resolution and policy that supports this clearly states how we can use the monies, it's a matter of how we are spending the money. An unappropriated allocation fund is a more responsible terminology.

Councilmember Christine Johnson thinks it's wise to create an accumulation fund within the Risk Management Fund as she too doesn't like balancing the budget using a Reserve account.

Ms. Slayton stated she can change the name to the Risk Management Accumulation Fund.

Councilmember Smukler stated that it's important to remember that there is still a reserve component involved; the \$500,000 needs to be accounted for as such.

There was discussion on page 6, General Fund Revenues by Source, regarding the TOT budgeted number. Mayor Irons wanted to entertain the discussion to increase the proposed \$2,100,000 figure. Councilmember Nancy Johnson has never seen a Council go against the recommendation of the CFO's in terms of how to budget a fund. If the decision is made to budget this at a higher number, then it's her suggestion that in the first meeting in November, the Council should check the summer TOT totals to see if we're on track. Councilmember Smukler likes the quarterly review process as it allows us to focus on performance. Councilmember Christine Johnson also feels that the projection number should be increased based on TOT past performance and requests by the Tourism Bureau; she suggests increasing the number to at least \$2,300,000. She wanted to be clear that she was advocating for this change, not necessarily to increase the funding levels to the Tourism Bureau or Chamber, but so that there could be more revenue for any of the needs the City currently has, for example – Monday dinners, general plan, streets, etc. Councilmember Leage suggested increasing the projection to \$2,250,000 along with requiring quarterly reporting. Councilmember Nancy Johnson reiterated what Ms. Slayton mentioned, we aren't necessarily increasing our occupancy, we are increasing rates and wondered how long can that practice continue. Councilmember Leage is very optimistic at how this year has begun while at the same time, we need to be cautious. There was Council consensus to increase the TOT revenue projection to \$2,250,000 and provide quarterly reporting.

There was discussion on Council generated funding requests – Economic Development and revisiting the City Assessment – Management Partners were Council requests; as well as the requests from the Chamber, Tourism Bureau and Visitor Center. Councilmember Nancy

Johnson thinks the timing is bad to get an update on the City Assessment, she feels we should wait until the new City Manager is on board; we don't want to inundate a new person with requirements. Councilmember Smukler reaffirmed that all we were doing was to prioritize working on these, look at the details as it comes back, see how much it would cost – he is still in agreement. There was Council consensus to keep the City Assessment and Economic Development on the table for review. The various funding requests were laid out: Tourism Bureau (\$116,000), Visitor's Center (\$100,000), Chamber (\$18,000), and 4<sup>th</sup> of July (\$20,000).

Councilmember Nancy Johnson spoke regarding the Morro Bay 4<sup>th</sup> stating that it a one day event, sponsored by a community group and if the City decides to provide this kind of money (\$20,000), it then becomes a City sponsored event and as such, is not in favor of it. She is in favor of funding the Chamber, the Tourism Bureau and the Visitor's Center at their requested levels.

There was discussion of funding the Visitor's Center. Councilmember Christine Johnson hopes to be able to continue funding them at \$100,000. There already is good reporting, she would like to see monthly reports continue; she wants to ensure a contract is in place as well as a mid-year report from Visitor Center staff informing the City "where are the tourists going/where are they asking to go?". Regarding the Tourism Bureau, she sees event support as critical and supports funding them at \$40,000 with that money being passed on in grant fund assistance to local events. She would also like to see money reserved to put towards an Economic Development Strategy Plan.

MOTION: Mayor Irons moved to continue the meeting past 11:00pm. The motion was seconded by Councilmember Christine Johnson and carried unanimously, 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

Regarding the Chamber, Councilmember Christine Johnson felt there should be a funding level for their "doing business in Morro Bay" efforts as the first contact for somebody trying to start a business in Morro Bay. We need to get a current contract in place as well as receive a mid-year report as well as monthly records – as to their potential business contacts. She isn't sold on being ready to jump in with mobile app support. She is comfortable in funding the Chamber at a level of \$10,000.

Councilmember Nancy Johnson feels the Chamber should be funded at a higher level; they are providing some of the Economic Development strategy and should be reimbursed for it. The Chamber is to develop, encourage and maintain business. And the Tourism Bureau is directed at the tourism industry, not the day to day businesses in town.

Mayor Irons stated that discussions have been held at the Council level and it's acknowledged that we want to go out for an RFP for an Economic Development strategy, at an appropriate funding level; the Chamber and the Tourism Bureau are welcome to submit a bid.

Councilmember Smukler stated that the City tried the approach of the Chamber doing Economic Development and it didn't work out well; he is in support of an RFP process for that function. He thinks that since the Visitor Center also gives out hotel information, that we could share the

cost of it with the Tourism Bureau, possibly at an 80/20 cost sharing split. Regarding event grant program, he is supportive of this as it's an important package for the community. He feels that folding regional marketing into the Economic Development strategy would be best. He is comfortable in funding the "doing business in Morro Bay" aspect for the Chamber as we don't have anyone on staff fulfilling that role. He feels that event support is minimal. Regarding the mobile app, he sees a lot of interesting value to the City; but it does fit with what the Chamber would be doing anyway. He is cautious about supporting the Chamber to do what they would normally be doing. He feels that \$10,000 is a reasonable funding amount.

Mayor Irons spoke on the mobile app stating that the Chamber has the opportunity to develop that, see how it works and then possibly buy into it next year. He clarified with staff that the "doing business in Morro Bay" was a worthwhile program.

There was Council consensus to fund the Visitor Center at \$100,000 and the Chamber at \$10,000.

Councilmember Nancy Johnson reiterated her thoughts on on the Morro Bay 4<sup>th</sup> event stating she is not convinced it's such a money maker for the City; if we fund it, at that point it becomes a City event.

Councilmember Smukler is supportive of what we did last year, sponsorship and a bit of funding.

Councilmember Christine Johnson remembers spending \$10,000 from unspent Economic Development funds as well as waiving some City fees that amounted to approximately \$4,000.

Mayor Irons is in support of waiving fees, but not in support of any additional funds.

Councilmember Christine Johnson stated that the 4<sup>th</sup> event does bring people here; she is looking for businesses to step up this year to help with the funding efforts. She supports only waiving the City fees.

There was Council consensus to waive the facility rental fees for the Monday night dinners at the Vet's Hall.

There was Council consensus to fund the Housing Trust at the requested \$1,000.

There was Council consensus to fund the Senior Food Program at \$5,000.

There was discussion on the SLO Score program; Chamber Director Lisa Winn was asked and she felt it would be a great benefit to have SCORE come out and hold office hours at the Chamber. There was discussion on how much to fund the SCORE program; Council came to the decision to fund them at \$1,000.

There was also Council consensus to bring back discussion and an estimate on an RFP for an Economic Development analysis and the City Assessment / Management Partners Report as well as a discussion of being able to start to fund the General Plan.

There was final consensus to fund a total of \$157,000 in extra “asks” which necessitates a need to take \$6,000 from the unappropriated Risk Management Accumulation Fund as all other fundings are being covered from the increase in the TOT revenue projections.

MOTION: Mayor Irons moved to approve Resolution 42-14, adopting the fiscal year 2014/15 operating budgets with the following amendments as discussed: Visitor Center @ \$100,000; Tourism Bureau @ \$40,000; Chamber @ \$10,000; MB 4<sup>th</sup> – waiving fees; SLO Housing Trust @ \$1,000; Senior Food @ \$5,000; Monday Dinners – waive facility fees; SCORE @ \$1,000; Economic Development – come back; and, Management Partners – to come back. The motion was seconded by Councilmember Christine Johnson and carried 4-1 with Councilmember Nancy Johnson voting no.

AYES: Irons, C. Johnson, Leage, Smukler

No’s: N. Johnson

D. NEW BUSINESS

D-1 CONSIDERATION OF CO-SPONSORSHIP OF THE 2014 MORRO BAY TRIATHLON; (RECREATION & PARKS)

Recreation and Parks Director Joe Woods presented the staff report.

Mayor Irons opened up the public comment period for Item D-1; seeing none, the public comment period was closed.

Councilmember Christine Johnson stated that the event doesn’t meet the criteria; as such, she doesn’t think the City should co-sponsor. There was Council consensus on this.

MOTION: Mayor Irons moved to deny the Co-sponsorship application for the Morro Bay Triathlon. The motion was seconded by Councilmember Christine Johnson and carried unanimously, 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No’s: None

D-2 DISCUSSION OF PLACING A MEASURE ON THE NOVEMBER, 2014 BALLOT TO AMEND MORRO BAY MUNICIPAL CODE SECTION 2.09.010 CHANGING THE ELECTION PROCESS TO A GENERAL ELECTION ONLY IN NOVEMBER OF EVEN NUMBERED YEARS; (CITY ATTORNEY)

City Attorney Joe Pannone presented the staff report.

Mayor Irons had requested this item be brought back to Council; he feels this process has proven to be more disruptive and costly than it is productive. He feels there is enough support right now to at least get it on the ballot and let the voters decide.

Mayor Irons opened up the public comment period for Item D-2; seeing none, the public comment period was closed.

Councilmember Nancy Johnson stated that this was a measure that was voted down by Council 8 years ago so a group of citizens got together to get it on the ballot. At that time, there were many people running for office and you might win an election without a majority. Times have changed and we don't have many people running for office; maybe it's time to make a change.

Councilmember Smukler stated there are a number of strong arguments to put it on the ballot and let the voters decide. We are the only City in the County to do this and one of very few in the state.

Councilmember Leage likes the way elections are run now; you are elected by a majority and the people get who they want in office.

Councilmember Christine Johnson stated this idea has been put into practice for the last few elections with winners being determined in June. It affects who runs and we burden the community with a long election season.

MOTION: Mayor Irons motioned to move forward with placing a measure on the November ballot to amend Morro Bay Municipal Code Section 2.09.010 changing the election process to a general election only in November of even numbered years. The motion was seconded by Councilmember Smukler and carried 3-2 with Councilmembers Nancy Johnson and Leage voting no.

Ayes: Irons, C. Johnson, Smukler

No's: N. Johnson, Leage

#### E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

Mayor Irons requested an item directing staff to provide Council with a status on the Centennial Park Stairway project. All Councilmembers concurred with this request.

#### ADJOURNMENT

The meeting adjourned at 12:05am.

Recorded by:

Jamie Boucher  
City Clerk