

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – MAY 26, 2015
VETERAN’S MEMORIAL HALL – 6:00P.M.

PRESENT:	Jamie Irons	Mayor
	Noah Smukler	Councilmember
	John Headding	Councilmember
	Christine Johnson	Councilmember
	Matt Makowetski	Councilmember
STAFF:	David Buckingham	City Manager
	John Fox	Assistant City Attorney
	Dana Swanson	City Clerk
	Rob Livick	Public Works Director
	Scot Graham	Community Development Manager
	Cindy Jacinth	Associate Planner
	Eric Endersby	Harbor Director
	Amy Christey	Police Chief

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:00pm

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CLOSED SESSION REPORT – No Closed Session Meeting was held.

MAYOR AND COUNCILMEMBERS’ REPORTS, ANNOUNCEMENTS &
PRESENTATIONS

PUBLIC PRESENTATIONS - None

PUBLIC COMMENT

<https://youtu.be/9ivy71UIxW8?t=10m12s>

Eddie Salias, owner of Eddie’s Custom Cars located at 1173 Market Avenue, provided the business spot. Services currently include customizing and restoration of automobiles, vintage furniture and gas station memorabilia; in time he hopes to do small automobile repairs. He appreciates the opportunity to start a small business in Morro Bay. www.eddiescustomcars.com

Linna Thomas, Morro Bay business and property owner, spoke in opposition to the parklet at its current location and submitted signed petitions, bringing the number of signatures almost 1,500 signatures.

Pirate Steve, Morro Bay, announced the Pirate and Sea Creature parade this Saturday beginning at Morro Rock and the Farmer’s Market every Saturday from 2-6pm.

Lynda Merrill, Morro Bay, asked the Council to review rental property and use fair market evaluation to set rental fees. She favors spending money to put in water meters at the harbor boat slips and also asks the Council approve Item A-3.

John Barta, Morro Bay, encourages everyone to go to the Fire Department open house on Saturday. Regarding Item B-2, he supports the TBID stating that without airports, railroads or other means of transportation, the mainstay of our economy is tourism.

The public comment period was closed.

A. CONSENT AGENDA
<https://youtu.be/9ivy71UIxW8?t=25m50s>

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

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

A-1 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON MAY 12, 2015; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE CITY COUNCIL MEETING HELD ON MAY 12, 2015; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF AGREEMENT WITH CENTRAL COAST STATE PARKS ASSOCIATION FOR USE OF A PORTION OF MORRO ROCK PARKING LOT FOR THE SEA OTTER EXPERIENCE TRAILER PROGRAM; (RECREATION)

RECOMMENDATION: Approve the Agreement with Central Coast State Parks Association.

A-4 APPROVAL OF RESOLUTION 29-15 FOR ASSIGNMENT OF LEASE AGREEMENTS FOR LEASE SITES 67/67W AND 68/68W FROM THE VIOLE' FAMILY LLC TO VIOLE LA ROCHE LLC; (HARBOR)

RECOMMENDATION: Adopt Resolution No. 29-15 authorizing the Assignment and Assumption of Lease Agreements for Lease Sites 67/67W and 68/68W.

A-5 RESOLUTION NO. 28-15 APPROVING A NEW 10-YEAR MASTER LEASE BETWEEN THE CITY OF MORRO BAY AND MORRO BAY FISH COMPANY FOR LEASE SITE 129W-131W, LOCATED AT 1231 EMBARCADERO; (HARBOR)

RECOMMENDATION: Adopt Resolution No. 28-15 approving a new Master Lease Agreement for Lease Site 129W-131W.

MOTION: Councilmember Johnson moved the Council approve Items A-1 through A-5 of the Consent Agenda. The motion was seconded by Councilmember Heading and carried unanimously, 5-0.

B. PUBLIC HEARINGS

B-1 PUBLIC HEARING FOR THE ADOPTION OF RESOLUTION NO. 30-15 ESTABLISHING NEW WATER AND SEWER (WASTEWATER) RATES (USER FEES); (PUBLIC WORKS)
<https://youtu.be/9ivy71UIxW8?t=2h18m54s>

Director Livick and Alex Handlers of Bartle Wells Associates presented the staff report and responded to Council inquiries.

The public hearing for Item B-1 was opened.

The City Clerk confirmed the City mailed notice to all property owners of parcels and customers subject to the water and sewer fees on April 7, 2015 and an affidavit of mailing is on file in the Clerk's office. The Clerk's office has received 932 written protests thus far.

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

Otto Kooren, John Barta, John Merritt, Joan Solu, Sharon Kwentus, Joleen Fenton, Larry Landis, John Erwin, Andrew Schwartz, Mark Hanson and Betty Winholtz spoke in opposition to the water and sewer rates increase. Bob Keller spoke in support of the water and sewer rate increase.

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

Staff provided clarification on questions raised during the public comment period.

The City Clerk advised the Council that one written protest was received since the last tally for a total of 933 written protests. There are insufficient protests with respect to the fees for any of them to count as a majority protest of the parcels subject to the fees.

Councilmember Johnson shared this is a sober moment for the community, the Council and the PWAB, who struggled with what you're seeing here tonight. The Council made a decision to support the 218 process not because we wanted to, but because we must. After increases, we will be in upper-middle of the rates compared to neighboring cities. In the future, we can

relocate the WRF and find beneficial use for 900k gallons of effluent that go into ocean every day.

Councilmember Smukler spoke of the necessity of water and to invest in our water supply and wastewater treatment plant. If we kick the can further down the road, costs go up and challenges increase. He attended all PWAB meetings and they struggled with it as well. He doesn't see an alternative.

Councilmember Headding sees this as part of the fiduciary responsibility he was elected to do. These enterprises are under-funded and must be funded appropriately. If over-funded, there is a mechanism to re-set those rates based on true costs. If we delay and begin process again, it will delay building the facility which will cost us much more than making a decision now with information that may be slightly off.

Councilmember Makowetski states water is our future and is an important enterprise fund. We've ignored it for 20 years and we will consider different technologies and the rates could come down. We will pursue State and grant funding and look at different angles. We must be responsible to our community and the environment.

Mayor Irons doesn't view as a hard decision, it's a necessary decision. There is thorough analysis to support this decision. It's not about previous Councils, it's about the future. This Council is dealing with the information in front of us. Future water strategy is a goal for this Council and for the City.

MOTION: Councilmember Headding moved the Council approve Resolution No. 30-15 establishing user rates for water and sewer (wastewater) service. The motion was seconded by Councilmember Smukler. The motion carried 5-0 by roll call vote with Councilmembers Headding, Smukler, Johnson, Makowetski and Mayor Irons voting yes.

B-2 RESOLUTION NO. 26-15 CONTINUING THE PROGRAM AND LEVYING THE ASSESSMENTS FOR THE 2015/16 FISCAL YEAR FOR THE MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT (MBTBID); (ADMINISTRATIVE SERVICES)
<https://youtu.be/9ivy71UIxW8?t=2h16m1s>

Director Slayton presented the staff report.

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

MOTION: Councilmember Makowetski moved the Council approve Resolution No. 26-15 continuing the program and levying the assessments for the FY 2015/16 FY for the Morro Bay Tourism Business Improvement District. The motion was seconded by Councilmember Johnson and carried unanimously, 5-0.

C. UNFINISHED BUSINESS / SECOND READING AND ADOPTION OF ORDINANCES - NONE

D. NEW BUSINESS

D-1 DISCUSSION AND DIRECTION ON BUSINESS LICENSE MUNICIPAL CODE REVIEW; (ADMINISTRATION)

<https://youtu.be/9ivy71UIxW8?t=26m47s>

City Manager Buckingham presented the report and responded to Council inquiries.

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

Larry McNamee, real estate professional and past president of the Atascadero Association of Realtors and past state director for the California Association of Realtors spoke in opposition to any new business tax for real estate professionals.

Bob Kaspar, Cambria business owner and realtor/broker for over 10 years expressed concern for how the City will manage the details of this process and believes requiring a business license to list a property is unfair.

Debbie Peterson, real estate broker in Grover Beach, shared that realtors spend a lot of money up front marketing properties, often for no income if it doesn't sell and also feels it's a disincentive to do business in Morro Bay.

Heather Roda, broker/owner from Paso Robles, stated realtors are not a business, the broker/owner is the business and the City should not charge a business tax to someone who is not a business.

Jerry Holland, retired real estate broker, supports the need for a business license if you have an office; however, charging agents who might be here today and gone tomorrow doesn't make sense.

Dana Warren, realtor at Bayshore Realty, states there is no consensus from Morro Bay realtors wanting to pay this tax.

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

Mr. Buckingham responded to questions raised during public comment.

MOTION: Councilmember Smukler moved the Council direct staff to return with an ordinance amending the MBMC to establish a no business tax required threshold of \$4,000; make minor revisions in the area of real estate professionals to clarify when a real estate professional must register and pay a business tax; remove the now-expired business tax amnesty from MBMC; designate the "receipt" of payment of a business tax as a business tax certificate, not a business license; and

clean up other items of the MBMC, such as counting an FTE at 2080 hours instead of 2000 hours. The motion was seconded by Councilmember Headding and carried unanimously, 5-0.

MOTION: Councilmember Headding moved the Council affirm the general structure of our business tax system, that independent contractors should be treated equally, whether they work under the roof of a single registered business, work under the roof of several registered business or work independently, and direct annual business tax updates and publication during the month of February, of the Master Tax Schedule and Tax Collector's Business Tax Memo that clarifies requirements for business registration and taxes in the City of Morro Bay. The motion was seconded by Councilmember Johnson and carried unanimously, 5-0.

E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
No future agenda items were discussed.

ADJOURNMENT

The meeting adjourned at 10:43pm.

Recorded by:

Dana Swanson
City Clerk