

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 26, 2018
VETERANS MEMORIAL HALL - 6:00 P.M.

AGENDA NO: A-1
MEETING DATE: August 28, 2018

PRESENT:	Jamie Irons Robert Davis John Heading Matt Makowetski	Mayor Council Member Council Member Council Member
ABSENT:	Marlys McPherson	Council Member
STAFF:	Scott Collins Lori Kudzma Joseph Pannone Jennifer Callaway Scot Graham Rob Livick Greg Allen Steve Knuckles Eric Endersby Cindy Jacinth Jennifer Little Eric Casares	City Manager Deputy City Clerk City Attorney Finance Director Community Development Director Public Works Director Police Chief Fire Chief Harbor Director Senior Planner Tourism Manager WRF Program Manager (Carollo Engineers)

ESTABLISH QUORUM AND CALL TO ORDER

https://youtu.be/_3omh0gBOv8?t=1m6s

The meeting was called to order at 6:04 p.m., with four members present. Council Member McPherson had an excused absence.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION – None

CLOSED SESSION REPORT - None

MAYOR AND COUNCIL MEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

https://youtu.be/_3omh0gBOv8?t=2m49s

CITY MANAGER REPORTS, ANNOUNCEMENTS & PRESENTATIONS

https://youtu.be/_3omh0gBOv8?t=5m58s

PRESENTATIONS – None

PUBLIC COMMENT

https://youtu.be/_3omh0gBOv8?t=7m34s

Mayor Irons opened the public comment period.

Larry Schmidt, owner of Skipper's Brew located at 571 Embarcadero, provided the business spot. They have coffee drinks and smoothies. Their business hours are from 7:30 a.m. to 3:00 p.m. during the week and until 5:00 p.m. on weekends.

Carolyn Brinkman, Morro Bay Action Team, spoke in protest of the timing of the Prop 218 notice.

Cynthia Hawley, Morro Bay Action Team, believes the Prop 218 notice is premature and urged postponement of the noticing.

Meredith Bates, Morro Bay Action Team, spoke in concern of the Prop 218 scheduled to be noticed on July 10th. Ms. Bates asked that the community be informed of Blue Ribbon Commission recommendations that were not approved.

Rigmor, Morro Bay resident, spoke in support of moving the WRF project forward.

Tina Metzger, Morro Bay resident, shared concern for property owners that did not receive the most recent postcard and asked that the tax assessor rolls addresses be used.

Kerrigan Mahan spoke against the WRF project as it stands.

Erica Crawford, Chamber of Commerce, shared information about the ribbon cutting for Milanese Cuban. Ms. Crawford also shared updates to the Chamber's Facebook page.

Steve Stevens spoke in concern about premature Prop 218 noticing.

Mayor Irons closed the public comment period.

A. CONSENT AGENDA
https://youtu.be/_3omh0gBOv8?t=34m39s

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 JUNE 4, 2018 CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF CORRECTED MINUTES FOR THE MAY 23, 2018, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF A NEW LICENSE AGREEMENT WITH MORRO BAY HARBOR FESTIVAL, INC FOR USE OF HARBOR DEPARTMENT'S STORAGE YARD IN THE FRONT STREET PARKING LOT; (HARBOR)

RECOMMENDATION: City Council approve a two-year License Agreement with Morro Bay Harbor Festival, Inc. that includes an option to extend for one two-year period, for use of a portion of the Harbor Department's storage yard in the Front Street parking lot.

A-4 APPROVAL OF NEW LICENSE AGREEMENT WITH MORRO BAY HOOKERS BAITING SERVICE FOR USE OF A PORTION OF THE HARBOR DEPARTMENT STORAGE YARD LOCATED AT 1620 EMBARCADERO; (HARBOR)

RECOMMENDATION: City Council approve a two-year License Agreement with Lonnie Carter, doing business as "Morro Bay Hookers" baiting service, that includes an option to extend for one two-year period, for use of a portion of the Harbor Department's storage yard, located at 1620 Embarcadero.

A-5 APPROVAL OF FISCAL YEAR 2018-19 COMBINED SALARY SCHEDULE AND JOB DESCRIPTION FOR CONSOLIDATED MAINTENANCE WORKER I; (FINANCE)

RECOMMENDATION: City Council adopt Resolution 48-18 approving the FY 2018-19 Combined Salary Schedule and job description for the Consolidated Maintenance Worker I position.

- A-6 SECOND READING AND ADOPTION OF ORDINANCE NO. 614 AMENDING SECTION 2.08.090 AND SUBDIVISION 3.22.120 B. OF THE MORRO MUNICIPAL CODE RELATING TO COUNCIL MEETING MINUTES AND TERMS OF THE CITIZENS OVERSIGHT COMMITTEE, RESPECTIVELY; (CITY ATTORNEY)

RECOMMENDATION: City Council waive reading of Ordinance 614 in its entirety and adopt Ordinance No. 614, amending Section 2.08.090 and Subdivision 3.22.120 B. of the Morro Municipal Code (MBMC) relating to Council timing for preparation of Council meeting minutes and terms of the Citizens Oversight Committee, respectively.

- A-7 ADOPTION OF RESOLUTION NO. 49-18 APPROVING A NEW 32-YEAR MASTER LEASE AGREEMENT BETWEEN THE CITY OF MORRO BAY AND THMT, INC. FOR LEASE SITE 122-123/122W-123W, AND EXTENSION OF 122W-123W, LOCATED AT 1205 EMBARCADERO (HARBOR HUT RESTAURANT); (HARBOR)

RECOMMENDATION: Council adopt Resolution No. 49-18, approving a new 32-year Master Lease Agreement for Lease Site 122-123/122W-123W, and Extension of 122W-123W, as proposed.

- A-8 ADOPTION OF RESOLUTION NO. 47-18 ESTABLISHING THE ANNUAL PROPOSITION 4 APPROPRIATIONS LIMIT FOR FISCAL YEAR 2018/19; (FINANCE)

RECOMMENDATION: City Council adopt Resolution No. 47-18, which sets the FY 18/19 appropriations limit at \$26,960,330.

- A-9 ADOPTION OF RESOLUTION NO. 50-18, APPROVING A 1-YEAR LEASE AGREEMENT WITH CIANO REAL ESTATE, INC. FOR PROPERTY LOCATED AT 781 MARKET STREET; (COMMUNITY DEVELOPMENT)

RECOMMENDATION: Council adopt Resolution No. 50-18, approving a 1-year Lease Agreement for the City property located at 781 Market Street (APN: 066-321-027).

- A-10 AGREEMENT WITH CHAMBER OF COMMERCE FOR IMPLEMENTATION OF THE ECONOMIC DEVELOPMENT STRATEGIC PLAN; (CITY MANAGER)

RECOMMENDATION: City Council authorize the City Manager, subject to the approval of the City Attorney, to sign an agreement with the Chamber of Commerce for economic development services as described in the 4MB Memorandum of Understanding and approve the expenditure by the City for a payment to the Chamber in the amount of \$30,000 for FY 2018/19, with monthly payments of \$2,500.

- A-11 APPROVAL OF VISITOR CENTER SERVICES CONTRACT AND LEASE AGREEMENT FOR CITY-OWNED PROPERTY LOCATED AT 695 HARBOR STREET; (CITY MANAGER)

RECOMMENDATION: City Council approve agreements with the Morro Bay Chamber of Commerce (Chamber) for Visitor Center Services and the renewal of a property lease at 695 Harbor Street.

Mayor Irons pulled Items A-2 and A-7.

Council Member Headding pulled Items A-10 and A-11.

Council Member Davis pulled Item A-3.

Council Member Makowetski pulled Item A-8.

The public comment period for the Consent Agenda was opened.
https://youtu.be/_3omh0gBOv8?t=35m20s

Carolyn Brinkman, Morro Bay resident, spoke regarding Item A-6. Ms. Brinkman requested a compromise to Ordinance No. 614 regarding minutes.

Erica Crawford, Morro Bay Chamber, spoke in support of Items A-10 and A-11.

Betty Winholtz spoke regarding Item A-10, asked for clarification on the roles for the educational group and the Quintana Champion.

Shawna Battaglia, business owner, spoke in support of the 4MB project.

Steve Stevens inquired as to the lease with Ciano real estate. Mr. Stevens suggested an ombudsman to assist with minutes and to help people understand consent items.

The public comment period for the Consent Agenda was closed.

MOTION: Council Member Headding moved approval all items on Consent with the exception of Items A-2, A-3, A-7, A-8, A-10 and A-11. The motion was seconded by Council Member Davis and carried 4-0.

- A-2 APPROVAL OF CORRECTED MINUTES FOR THE MAY 23, 2018, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)
https://youtu.be/_3omh0gBOv8?t=46m10s

Mayor Irons shared an additional edit to add “and Linda Stedjee” to the end of the sentence regarding Mr. Lawson’s public comment.

MOTION: Mayor Irons moved to approve as amended. The motion was seconded by Council Member Makowetski and carried 4-0.

- A-3 APPROVAL OF A NEW LICENSE AGREEMENT WITH MORRO BAY HARBOR FESTIVAL, INC FOR USE OF HARBOR DEPARTMENT’S STORAGE YARD IN THE FRONT STREET PARKING LOT; (HARBOR)
https://youtu.be/_3omh0gBOv8?t=47m39s

There was discussion regarding reducing the term of the license agreement and staff working with the Harbor Festival to find a more suitable location for their storage needs.

City Attorney Pannone suggested edits to paragraphs 4 and removal of paragraph 5 of the license agreement.

MOTION: Council Member Davis moved City Council approves a one-year license agreement with the Morro Bay Harbor Festival for use of a portion of the Harbor Department’s storage yard in the Font Street parking lot, and direct staff to work with Harbor Festival to find a different location starting July 1, 2019, change paragraph 4 of the license agreement to change the effective date until June 30, 2019, to strike paragraph 5 Renewal and substitute language that supports staff working with the Harbor Festival to find a different location. The motion was seconded by Council Member Makowetski and carried 4-0.

- A-7 ADOPTION OF RESOLUTION NO. 49-18 APPROVING A NEW 32-YEAR MASTER LEASE AGREEMENT BETWEEN THE CITY OF MORRO BAY AND THMT, INC. FOR

LEASE SITE 122-123/122W-123W, AND EXTENSION OF 122W-123W, LOCATED AT 1205 EMBARCADERO (HARBOR HUT RESTAURANT); (HARBOR)
https://youtu.be/_3omh0gBOv8?t=54m24s

Mayor Irons suggested additional language to Resolution No. 49-18 after the first whereas statement:

“Whereas, Measure D was established by a vote of the people of Morro Bay on June 2, 1981 to establish and preserve a waterfront zone for commercial and recreational fishing starting at Beach Street and ending at Target Rock; and

Whereas, the Harbor Hut was a pre-established restaurant at 1205 Embarcadero when Measure D was enacted, and thus is a “grandfathered” non-conforming use in the Measure D zone; and”

Mayor Irons also suggested edits to section 3.01 Permitted Uses of the lease.

Harbor Director Endersby also noted some corrections to be made to the lease.

MOTION: Council Member Heading moved to adopt Resolution No. 49-18, approving a 32-year Master Lease Agreement between the City of Morro Bay and the Harbor Hut, with amended changes as discussed. The motion was seconded by Council Member Davis and carried 4-0.

- A-8 ADOPTION OF RESOLUTION NO. 47-18 ESTABLISHING THE ANNUAL PROPOSITION 4 APPROPRIATIONS LIMIT FOR FISCAL YEAR 2018/19; (FINANCE)
https://youtu.be/_3omh0gBOv8?t=1h51s

Council Member Makowetski asked Finance Director Callaway to go over the item.

MOTION: Council Member Makowetski moved to accept A-8. The motion was seconded by Council Member Davis and carried 4-0.

- A-10 AGREEMENT WITH CHAMBER OF COMMERCE FOR IMPLEMENTATION OF THE ECONOMIC DEVELOPMENT STRATEGIC PLAN; (CITY MANAGER)
https://youtu.be/_3omh0gBOv8?t=1h4m

Council Member Heading asked for clarification from staff on several items.

There was discussion regarding some inconsistencies. City Attorney Pannone clarified the agreement supersedes in areas where inconsistent.

There was discussion to include the section from page 219 (MOU) labeled as “Metrics to be reported to City Council will include” in section 5 on page 211 of the agreement.

MOTION: Council Member Heading moved approval with the suggested changes. The motion was seconded by Council Member Davis and carried 4-0.

- A-11 APPROVAL OF VISITOR CENTER SERVICES CONTRACT AND LEASE AGREEMENT FOR CITY-OWNED PROPERTY LOCATED AT 695 HARBOR STREET; (CITY MANAGER)
https://youtu.be/_3omh0gBOv8?t=1h12m29s

Council Member Heading spoke to the professionalism of Visitor’s Center staff and volunteers.

There was a brief discussion about the potential to add kiosks at the Embarcadero and other business areas.

MOTION: Council Member Heading moved approval. The motion was seconded by Council Member Davis and carried 4-0

B. PUBLIC HEARINGS

B-1 DENIAL OF APPEALS OF AMENDMENT (A00-054) TO CONDITIONAL USE PERMIT (PRECISE PLAN NO. UP0-284) FOR 1001 FRONT ST TO ALLOW PERMANENT USE OF A 48SF SEASONAL KIOSK FOR VIRG'S LANDING; (COMMUNITY DEVELOPMENT)
https://youtu.be/_3omh0gBOv8?t=1h14m39s

Senior Planner Jacinth gave the report and answered Council inquiries.

Mayor Irons invited Appellant 1 to speak. Dustin Tardiff, attorney representing Wade Gavin spoke regarding the appeal, requesting denial or delay of the Conditional Use Permit.

Mayor Irons invited Appellant 2 to speak. Cathy Novak, Novak Consulting, spoke representing Virg's Landing & Giovanni's. Ms. Novak requested modification of conditions 9 and 10, regarding location of the kiosk. Ms. Novak also addressed the hours of opening and closing the gate.

Mayor Irons opened public comment for Item B-1.

Bruce Harwood spoke in support of the Virg's Landing kiosk and sees it as an asset to the waterfront area.

Denise DeCoch, Virg's Landing owner, expressed the importance of having a presence on the waterfront.

The public comment period was closed.

There was Council discussion regarding the kiosk location, gate hours, CUP and harbor walk.

City Attorney Pannone suggested adding an additional condition stating 'this CUP does not limit the City's ability to require modifications to the harbor walk as part of the new lease negotiation for the associated lease site.'

Senior Planner Jacinth summarized the changes to Resolution No. 52-18 as follows: Change PC Condition #7 "from dawn to dusk" to "7:30a.m. to dusk"; strike PC Condition #9 in its entirety; strike PC Condition #10; adding Mr. Pannone's wording.

In addition to Mr. Pannone's recommended additional condition, Mr. Pannone suggested modifying PC Condition #11 to include "..., with no need for a new application."

MOTION: Council Member Heading moved approval of Resolution No. 51-18 and 52-18 with the following changes to Resolution 52-18: PC condition #7 change "dawn" to "7:30 a.m."; remove existing condition #9; remove existing condition #10; add a new condition 9 that states this permit is to be reviewed for compliance with the conditions of approval by the Planning Commission within one year of kiosk installation with no need for filing a new application.; and adding a new condition #10 the CUP does not limit the City's ability to require modifications to the harbor walk and/or

relocation of the kiosk as part of the new lease for the associated lease site. The motion was seconded by Council Member Davis and carried 4-0.

The Council took a brief recess at 8:35 p.m. and reconvened at 8:45 p.m. with four members present.

- B-2 ADOPTION OF RESOLUTION NO. 53-18 DIRECTING THE LEVY OF ANNUAL ASSESSMENT FOR THE CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT FOR FY 2018/19; (PUBLIC WORKS)

https://youtu.be/_3omh0gBOv8?t=2h33m15s

Public Works Director Livick gave the report and answered Council inquiries.

Mayor Irons opened public comment.

Jan Everden, reading for Dawn Beattie, expressed the Cloisters homeowners are paying to maintain the public park and hopes it will be funded by the City when the assessment is not enough to cover the cost to maintain the City owned park.

Steve Stevens expressed Cloisters owners receive no special benefit and inquired as to how this was different from Bay Shore. Mr. Stevens requested an explanation of how the money is spent and also commented on the condition of the playground equipment.

Public Works Director Livick addressed the comparison to Bay Shore.

MOTION: Council Member Heading moved to adopt Resolution No. 53-18, directing the levy of the annual assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District for FY 2018/19. The motion was seconded by Council Member Makowetski and carried 4-0.

- B-3 ADOPTION OF RESOLUTION NO. 54-18 DIRECTING THE LEVY OF THE ANNUAL ASSESSMENT FOR THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT FOR FY 2018/19; (PUBLIC WORKS)

https://youtu.be/_3omh0gBOv8?t=2h43m44s

Public Works Director Livick gave the report.

Public Comment – None.

MOTION: Council Member Davis moved to approve the levy of the annual assessment for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District by adopting Resolution No. 54-18. The motion was seconded by Council Member Heading and carried 4-0.

C. BUSINESS ITEMS

- C-1 ONE WATER PLAN UPDATE AND PROVIDE DIRECTION AS DEEMED APPROPRIATE; (PUBLIC WORKS)

https://youtu.be/_3omh0gBOv8?t=2h46m11s

Public Works Director Livick introduced the item and introduced Eric Casares of Carollo Engineers, who gave the update on OneWater. Mr. Livick and Mr. Casares answered inquiries from the Council.

Mayor Irons opened Public Comment.

Betty Winholtz voiced concern about using City Council and PWAB as only voice and would like to see quality as a priority. Ms. Winholtz also spoke regarding the population and usage.

Tina Metzger requested a copy of Mr. Casares's presentation and raised questions regarding the ntrates at Morro Valley, the survey, and made comments regarding water quality.

Mayor Irons closed the public comment period.

Staff addressed items mentioned during public comment.

There was discussion regarding next steps. This item will come back to Council as a document to be adopted.

Item C-1 was concluded.

- C-2 AWARD OF AGENCY OF RECORD CONTRACT FOR TOURISM MARKETING AND PUBLIC RELATIONS SERVICES FOR FISCAL YEARS 2018/19-2019/20; (TOURISM)
https://youtu.be/_3omh0gBOv8?t=4h9m22s

Tourism Manager Little gave the report and introduced Mental Marketing.

Bill Stansfield, Maryann Stansfield and Mark Elterman from Mental Marketing, gave a presentation to Council.

Public Comment – None.

MOTION: Council Member Heading moved Council authorize the City Manager to enter into a two-year contract with Mental Marketing as the Agency of Record for marketing and public relations services to promote the destination, in a form approved by the City Attorney. The motion was seconded by Council Member Davis and carried 4-0.

- D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
https://youtu.be/_3omh0gBOv8?t=4h32m

There was Council consensus to explore ways to move the storage areas away from Front Street parking lot.

ADJOURNMENT

The next Regular Meeting will be held on Tuesday, July 10, 2018, at 6:00 p.m. at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California. There will be a Special Meeting on Thursday, June 28, 2018 at 6:00 p.m. at the Community Center and a Closed Session on June 27, 2018 at 9:30 a.m.

The meeting adjourned at 10:47 p.m.

Recorded by:

Lori Kudzma
Deputy City Clerk