

AGENDA NO: A-1

MEETING DATE: 2/22/10

MINUTES - MORRO BAY CITY COUNCIL  
CLOSED SESSION – JANUARY 25, 2010  
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 Grantham 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 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 86/86W; 801 Embarcadero  
Negotiating Parties: City and Caldwell  
Negotiations: Lease Terms and Conditions.

The meeting adjourned to Closed Session at 5:00 p.m. and returned to regular session at 5:40 p.m.

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

The meeting adjourned at 5:40 p.m.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JANUARY 25, 2010  
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 Kessler	City Clerk
	Rick Algert	Harbor Director
	Bruce Ambo	Public Services Director
	John DeRohan	Police Chief
	Bruce Keogh	Wastewater Treatment Plant Manager
	Rob Livick	City Engineer
	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 no reportable action under the Brown Act was taken.

PUBLIC COMMENT

Mary Stallard, Morro Bay Pups, thanked those who helped in getting the Jody Giannini Family Dog Park built and ready for opening. She also encouraged membership to Morro Bay Pups.

Steve Eckes, Morro Bay Pups, acknowledged the contributions of the City in completing the Jody Giannini Family Dog Park. He said the essential construction of the park is complete with the help of volunteers Sam Ayoob and Steve Marketello. Mr. Eckes invited the public to come visit the dog park and encouraged membership to Morro Bay Pups in maintaining the park.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JANUARY 25, 2010

Robert Davis stated the Morro Bay Citizens Bike Committee is working with the City Engineer in updating the City's Bike Plan. He said the Committee is going to meet on February 3<sup>rd</sup> to review the plan that is to include the list of Unmet Bike Needs, and he invited the public to attend. Mr. Davis stated the Committee is pleased the North Main Street Overlay and Bike Lanes Project are proceeding with federal funding under the American Recovery and Reinvestment Act, as well as the potential for funding through San Luis Obispo Council of Governments for another Main Street project.

Joey Racano, California Ocean Outfall Group, voiced his support for Item D-3 (Discussion Regarding Water Reclamation Options). He expressed concern with the removal of trees in the City and fireworks being displayed in a State Marine Reserve.

Claire Raymond and Gracie Wilkins, Cal Poly journalism students, requested permission to take photos at the meeting.

Virginia Hiramatsu announced a Community Kick-Off for the 2010 Relay for Life would be held on February 9<sup>th</sup> at the Embarcadero Grill, with the 2010 Relay for Life of Morro Bay to be held on August 7<sup>th</sup> and 8<sup>th</sup>. She provided contact information and requested community participation in this important event.

Peter Candela, Chamber of Commerce, addressed Item D-1 (Request from the Morro Bay 4<sup>th</sup>, Inc. for a Fee Waiver for the 4<sup>th</sup> of July Event) and stated the Chamber of Commerce is working in partnership with the Morro Bay 4<sup>th</sup>, Inc. by giving support and requested all agencies show their support in this community event.

Nancy Guthrie expressed support for Item A-3 (Adoption of Ordinance No. 553 Adding Section 3.08.105 to the Morro Bay Municipal Code Establishing a Local Business Preference Program).

Bill Peirce stated he is a member of the Morro Bay 4<sup>th</sup>, Inc. and said this is a community event and needs the support of the community. He said there has always been a barge in an acceptable location in the estuary that has received approval from all necessary agencies to have fireworks in the bay.

Pauline Stansbury, Morro Bay Seniors, stated she would be glad to be involved in the Fundraiser Follies. She announced the benefits of the Morro Bay Seniors, and noted volunteers are needed.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JANUARY 25, 2010

Grant Crowl stated City zoning codes have been violated by City staff on two projects that had been heard by the Planning Commission on January 18<sup>th</sup>. He requested the City Council revisit the Planning Commission meeting and reviews these items because precedence has been set and there is no reason for a person to file for a building permit on an existing project after that ruling.

John Barta addressed Item D-3 stating the City has State Water rights of over 3,000 acre feet per year, although the City only requires 1,300 acre feet; and during drought years, deliveries are proportionately reduced such as this year. He said San Luis Obispo County has 20,000 acre feet of unused but reserved allocations that the City can purchase in time of need at an increased cost over a normal allocation. Mr. Barta stated water reclamation is expensive and may interfere with the deadline of upgrading the City's wastewater treatment plant, which would also be costly. He also noted the desalination plant capacity could provide an adequate amount of water in the worst of circumstances.

Jack McCurdy addressed Item D-3 and said the present water supply is out of date, and water reclamation is the future of the City's water supply. He said the proposed wastewater reclamation project would conduct an in-depth study of all potential water supply sources that will make sufficient water available during water shortages created by seasonal water cycles, facility maintenance, drought, disasters and pollution events. Mr. McCurdy stated it seems clear to do other than water reclamation would be a disservice to this community.

Peter Risley addressed Item D-3 and expressed concern with the City's local water supply, which is dependent on the City's local aquifers that are now contaminated by nitrates. He said this is a threat to the community and proactive actions should be taken to solve this problem. He said State Water is not dependable and the City should consider what it will do without it; and, only by preserving the aquifers of Morro and Chorro Valleys will the City have local water supplies to protect its future. He said the use of reclaimed water is part of this discussion and dumping this water into the ocean is a great waste.

Bill Fritch expressed opposition to Item D-1 stating as a taxpayer and with the present budget situation, he does not believe the City can afford to waive these fees. He also noted fireworks are not good for the environment.

Joan Solu expressed support for Item D-1, which helps the City's economy by bringing in tourists who stay in the hotels and eat at the restaurants.

Michael Texeira addressed the importance of promoting disaster planning.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JANUARY 25, 2010

Channel Channing, Morro Bay 4<sup>th</sup>, Inc., announced their contact information for anyone interested in volunteering at the 4<sup>th</sup> of July festivities.

Richard Sadowski addressed Item D-3 stating both the City aquifers are polluted, and said water reclamation should be a necessity that the City should be pursuing.

Robert Staller addressed Item D-3 and explained why water reclamation is important to those farming in the Morro and Chorro Valleys due to the water conditions in the these areas.

Peter Beaman expressed opposition to Item B-2 (Discussion and Direction on Placing a Measure on the June 2010 General Election Ballot Approving an Increase in the City's Transient Occupancy Tax) stating due to the economy, motel owners have had to cut their room rates. He expressed support for Item D-1 because the 4<sup>th</sup> of July festivities are good for tourism.

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 RESOLUTION NO. 03-10 ADOPTING THE CITY OF MORRO BAY  
INVESTMENT POLICY; (ADMINISTRATIVE SERVICES)

**RECOMMENDATION: Adopt Resolution No. 03-10.**

A-2 APPROVAL OF THE 2010/11 BUDGET CALENDAR; (ADMINISTRATIVE  
SERVICES)

**RECOMMENDATION: Approve the schedule of events leading to adoption of  
the biennial budget.**

A-3 ADOPTION OF ORDINANCE NO. 553 ADDING SECTION 3.08.105 TO THE  
MORRO BAY MUNICIPAL CODE ESTABLISHING A LOCAL BUSINESS  
PREFERENCE PROGRAM; (CITY ATTORNEY)

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JANUARY 25, 2010

A-4 RESOLUTION IN SUPPORT OF THE LOCAL TAXPAYER, PUBLIC SAFETY AND TRANSPORTATION PROTECTION ACT OF 2010; (CITY COUNCIL)

**RECOMMENDATION: Adopt Resolution No. 04-10.**

A-5 PROPOSED CHANGES TO THE STORMWATER MANAGEMENT PLAN; (PUBLIC SERVICES)

**RECOMMENDATION: Review and approve the proposed changes to the Stormwater Management Plan for submittal to the Regional Water Quality Control Board on January 29, 2010.**

Councilmember Winholtz pulled Items A-1 and A-5 from the Consent Calendar; Councilmember Smukler pulled Item A-2.

MOTION: Councilmember Borchard moved the City Council approve Items A-3 and A-4 of the Consent Calendar. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

A-1 RESOLUTION NO. 03-10 ADOPTING THE CITY OF MORRO BAY INVESTMENT POLICY; (ADMINISTRATIVE SERVICES)

Councilmember Winholtz requested an amendment to page 3 of the Investment Policy under “Delegation of Authority”, removing the Mayor and Account Clerk III as positions and corresponding City personnel delegated the power to invest the funds of the City.

MOTION: Councilmember Winholtz moved the City Council approve Item A-1 of the Consent Calendar as amended. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

A-2 APPROVAL OF THE 2010/11 BUDGET CALENDAR; (ADMINISTRATIVE SERVICES)

Councilmember Smukler suggested adding a preliminary budget workshop in February before staff begins to work on their budget proposals.

Mayor Peters suggested scheduling the preliminary budget workshop along with the goal-setting workshop.

City Manager Andrea Lueker suggested returning this item to the next Council meeting to schedule these workshops; Council concurred.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JANUARY 25, 2010

No further action was taken on this item.

A-5 PROPOSED CHANGES TO THE STORMWATER MANAGEMENT PLAN;  
(PUBLIC SERVICES)

Councilmember Winholtz requested staff clarification on various sections of the Stormwater Management Plan; City Engineer Rob Livick responded to her questions.

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

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 FIRE STATION 53 CONSTRUCTION AND FUNDING UPDATE; (FIRE)

Fire Chief Mike Pond stated on March 9, 2009, the City Council authorized the City Manager to secure funding through a loan with the USDA in an amount not to exceed \$3,000,000. Additionally, the City Council allocated \$168,000 of Measure Q funds annually to service the USDA loan. The award of the ARRA funded FEMA Fire Station Construction Grant has reduced the City's potential share to \$1,497,350 for this project. The current USDA loan rate is 4% and the debt service will be \$86,310 annually for a thirty year loan. Staff will be re-submitting corrected construction plans for building and planning review around February 11, 2010. Once approved and final funding is received from FEMA and the USDA, bid documents will be finalized and the project sent out for bid. FEMA has advised that their review of environmental and historical documents and release of funds should be complete in the next 90 days. A public hearing and a renewed architectural agreement are the last tasks required before the USDA can complete the City's loan. He stated this public hearing and a renewed architectural agreement will satisfy the final requirements for the USDA loan, and the City can expect the release of federal grant funds in the next 90 days. Chief Pond recommended the City Council accept this report and open a public hearing to receive public comment. No action is required by Council to continue moving forward with this project.

Frank Seiple, Architect, showed a rendering of the fire station and received questions and comments from the City Council.

Mayor Peters opened the hearing for public comment.

Keith Taylor, Friend of the Morro Bay Fire Department, stated this project will not be complete in 2010, otherwise the plans are perfect.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JANUARY 25, 2010

Mayor Peters closed the public comment hearing.

Councilmember Smukler stated he would prefer to invest the money further into sustainability features such as a solar system instead of obtaining LEED certification. He said that along the lines of amenities in the living quarters, it is important to invest in good quality, but not in excess with the bells and whistles.

Councilmember Grantham expressed support for the proposed plans, and noted it needs to be built to code because it is a hardened facility governed by the state and federal government.

Councilmember Winholtz stated she has concern with the height of the proposed structure and said it should not go over the 30-foot height limit. She said this structure should fit into the area and it is larger than she expected.

Mayor Peters expressed support for the design and the financing of this project.

Councilmember Borchard addressed the use of the storage facility on the site, and requested staff be conscientious of the cost of the items placed in and the use of this facility.

No action was taken on this item.

**B-2 DISCUSSION AND DIRECTION ON PLACING A MEASURE ON THE JUNE 2010 GENERAL ELECTION BALLOT APPROVING AN INCREASE IN THE CITY'S TRANSIENT OCCUPANCY TAX; (CITY ATTORNEY)**

City Attorney Robert Schultz stated at the June 23, 2009 meeting, City Council directed staff to draft enabling documents to submit a tax measure increasing the City's transient occupancy tax (TOT) on the June 8, 2010 ballot for voter approval as part of the general municipal election. At the December 25, 2009 Council meeting, Staff presented draft documents for review and comment. After receiving public comment, the City Council continued the hearing to this meeting. TOT at a rate of 10% per rental is currently collected by all entities renting lodging for 30 days or less. Those taxes are remitted monthly to the City, and that revenue stream accounts for approximately 18% of the General Fund's revenues before transfers in. TOT is the second largest revenue source to the City (property tax is the largest.) In order to increase TOT, the City must hold an election at the same time that an election is held where members of the City Council will be elected. In addition, pursuant to State law, any increase of the tax rate must first be approved by a 2/3 vote (4 members) of the City Council and then a majority vote of the

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JANUARY 25, 2010

City's voters who vote at a regular Municipal Election. Mr. Schultz requested direction from Council regarding placing a measure on the June 8, 2010 ballot increasing the TOT from 10% to 12%. The deadline for submittal of such a measure to the County is February 24, 2010.

Mayor Peters opened the hearing for public comment.

The following people expressed opposition to placing a measure on the June 2010 General Election Ballot approving an increase in the City's Transient Occupancy Tax (TOT): Peter Candela, John Solu, Michele Jacquez, Jeff Eckles, Don Doubledee, Tom Laurie, and Joan Solu.

Mayor Peters closed the public comment hearing.

Councilmember Grantham stated he does not support taking 1% from the Tourism Business Improvement District (BID), and he does support a 1% TOT increase.

Councilmember Winholtz stated she supports increasing the TOT however she would prefer placing it on the November ballot. She said she would like to consider reevaluating the structure of the Community Promotions Committee and the BID.

Councilmember Smukler stated he is not in support of an increase to the TOT and would like to follow the production of the BID and reconsider an increase at another time.

Councilmember Borchard stated knowing how the industry is suffering she is not in support of an increase to the TOT at this time.

Mayor Peters stated she supports a 1% increase to the TOT in the fall, or that it would not take effect until a certain date.

**MOTION:** Mayor Peters moved the City Council direct staff to return to Council for reconsideration placing a measure on the November 2010 General Election Ballot approving a 1% increase to the City's Transient Occupancy Tax. The motion was seconded by Councilmember Winholtz and carried with Councilmember Borchard and Councilmember Smukler voting no. (3-2)

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JANUARY 25, 2010

C. UNFINISHED BUSINESS

C-1 RESOLUTION NO. 05-10 ADOPTING THE MID-YEAR BUDGET  
ADJUSTMENTS; (ADMINISTRATIVE SERVICES)

Administrative Services Director Susan Slayton presented the 2009/10 mid-year performance reports, along with the requested budget amendments. She recommended the City Council approve Resolution No. 05-10 adopting the mid-year budget amendments.

The City Council asked questions relating to the mid-year budget adjustments.

MOTION: Mayor Peters moved the City Council continue the adoption of the mid-year budget adjustments to the February 8, 2010 City Council meeting. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

D. NEW BUSINESS

D-1 REQUEST FROM THE MORRO BAY 4<sup>TH</sup>, INC. FOR A FEE WAIVER FOR  
THE 4<sup>TH</sup> OF JULY EVENT; (ADMINISTRATION)

City Manager Andrea Lueker stated Morro Bay 4<sup>th</sup> Inc. has approached the City to request a fee waiver for costs associated with the 4<sup>th</sup> of July Public Area Use Permit. The group has also asked the City include a flyer requesting donations to be inserted with the monthly water bill sent to water users. Ms. Lueker recommended the City Council review the staff report regarding the fee waiver and mailing request and provide staff further direction.

Councilmember Grantham stated he would like some thought to the change of location of the fireworks display to the high school. He said a fee waiver should either be given to all non-profits or none at all; it has to be fair. Councilmember Grantham stated Morro Bay 4<sup>th</sup> should have to pay for using the City water bills to include their flyers.

Councilmember Winholtz stated the high school was a good location for past fireworks shows. She suggested using Council contingency funds to help fund this event.

Councilmember Smukler stated he would like to consider a one-time fee waiver for this non-profit group. He said he was contacted by some North Morro Bay residents about locating the fireworks display at the high school because it is more centralized rather than driving down to the Embarcadero.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JANUARY 25, 2010

Mayor Peters stated the City has supported other events in the past, and this is a free event for the community and tourists.

Councilmember Borchard stated she would be in support of local non-profit groups that were promoting City events. She said there are other non-profit groups that have been given fee waivers, and the Chamber has placed flyers in the City water bills.

Councilmember Smukler agreed with Councilmember Borchard's comments.

The City Council agreed to donate their contingency funds to assist with costs for the 4<sup>th</sup> of July festivities.

**MOTION:** Councilmember Borchard moved the City Council approve the placement of 4<sup>th</sup> of July inserts in City water bills at the expense of Morro Bay 4<sup>th</sup>, Inc. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

Councilmember Borchard stated she would donate \$500 of her contingency funds towards the 4<sup>th</sup> of July festivities.

Mayor Peters called for a break at 9:25 p.m.; the meeting resumed at 9:30 p.m.

**D-2 DISCUSSION REGARDING ALTERNATIVE BIOSOLIDS MANAGEMENT  
OPTIONS; (CITY COUNCIL)**

**MOTION:** Mayor Peters moved the City Council continue the discussion regarding Alternative Biosolids Management to the February 8, 2010 City Council meeting. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

**D-3 DISCUSSION REGARDING WATER RECLAMATION OPTIONS; (CITY  
COUNCIL)**

Councilmember Smukler stated in the 1990's, because of drought and groundwater pollution, the City of Morro Bay became a leader in water conservation efforts. The City is currently dealing with severe water supply challenges that again require a retooling of our water supply portfolio. As stated in the City's Urban Water Management Plan (2005): "Overall, upgrading the Morro Bay/Cayucos Wastewater Treatment Plant or constructing a new plant will probably be required for a viable recycled water project. Given the other water supply options available, it does not appear that recycled water provides a cost effective project alternative at this time. In the future if the wastewater treatment plant

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JANUARY 25, 2010

must upgrade to tertiary treatment in order to meet NPDES permit requirements, recycled water projects should then be considered.” Currently, the City is developing a plan for a new Wastewater Treatment Plant while simultaneously experiencing severe impacts to the “other water supply options available” including the State Water Project and groundwater basins (Morro and Chorro). Councilmember Smukler reviewed the potential benefits of a wastewater reclamation project with an urban and/or agricultural reuse or groundwater recharge element and recommendations, and requested Council consider the information and direct staff accordingly.

Councilmember Grantham stated the City should be realistic and fiscally responsible in its approach. He suggested the City stay on track by going on tertiary treatment with a goal to go with water reclamation.

Councilmember Winholtz expressed her support for water reclamation due to the potential for lack of water, and the City needs a long-term plan because it’s not going to get any better.

Councilmember Borchard stated cost is an important consideration, and she cannot pass the cost of water reclamation on to the taxpayers at this time.

Mayor Peters agreed with Councilmember Borchard and noted the City does not have the staff to work on water reclamation at this time.

The majority of Council was to not change the direction of the City at this time.

**MOTION:** Councilmember Smukler moved the City Council send this item to the Morro Bay/Cayucos Sanitary District Joint Powers Authority to discuss the concept of approaching the California Coastal Commission for a concept plan approval for water reclamation. The motion was seconded by Councilmember Winholtz and failed with Councilmember Borchard, Councilmember Grantham and Mayor Peters voting no. (2-3)

**D-4 DISCUSSION ON UNMET BIKE NEEDS FROM MORRO BAY CITIZENS  
BIKE COMMITTEE; (CITY COUNCIL)**

Councilmember Winholtz stated while not an official City advisory body, the Morro Bay Citizens Bike Committee has an informal relationship with the City through the City’s Recreation and Parks Commission. Annually, it submits recommendations to the County Council of Governments regarding Unmet Needs. On November 9, 2009, the City Council received an oral report from the Morro Bay Citizens Bike Committee representative regarding this year’s recommendations. For 2010, with the intent to make

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JANUARY 25, 2010

the community safer, two new Unmet Bike Needs are recommended: a) address the bicycle turning movements at the intersection of Main Street and Quintana Road, and add it to the City Bikeways Plan; and b) construct a Class I bike trail on the west side of Main Street above the sidewalk from the Quintana/Main intersection to Surf Street. For 2010, to make the City safer and more attractive for cyclists, the following are recommended for inclusion in the City's Bikeways Plan: a) short- and long-term bicycle parking shall be provided whenever a new structure is erected or enlarged or whenever a new use is established which requires a total of 10 more vehicle parking spaces; and b) the City shall perform an annual review of bicycle facilities to identify and repair deficiencies, particularly striping. Councilmember Winholtz recommended: 1) consider directing the City's SLOCOG representative to communicate the Council's support for the Unmet Bike Needs at the February 3, 2010 meeting; and 2) consider directing the City's Planning Commission to review and make recommendation back to City Council this spring regarding the recommended additions to the City's Bikeways Plan.

**MOTION:** Councilmember Winholtz moved the City Council direct the City's SLOCOG representative to communicate the Council's support for the City Committee's Unmet Bike Needs at the next San Luis Obispo Council of Governments meeting; and, direct staff to include in the City's Bikeway Plan: a) address the bicycle turning movements at the intersection of Main Street and Quintana Road, b) short- and long-term bicycle parking shall be provided whenever a new structure is erected or enlarged or whenever a new use is established which requires a total of 10 more vehicle parking spaces, and c) the City shall perform an annual review of bicycle facilities to identify and repair deficiencies, particularly striping, paving, signage, parking, racks, etc. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

**D-5 DISCUSSION ON FORMING A CITY COUNCIL COMPENSATION COMMITTEE PURSUANT TO THE CITY COUNCIL POLICIES AND PROCEDURES; (ADMINISTRATION)**

City Manager Andrea Lueker stated Section 2.6 of the City Council Policies and Procedures indicate that a Council Compensation Committee should be formed by January 31<sup>st</sup> of each even-numbered year. The policy sections specify the makeup of the Committee and call for the Committee to study Council compensation and bring back recommendations to the City Council. Ms. Lueker recommended the City Council review the Policy and provides direction to staff.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JANUARY 25, 2010

MOTION: Mayor Peters moved the City Council waive the option to form a City Council Compensation Committee pursuant to City Council Policies and Procedures. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

D-6 DISCUSSION OF CITY OF MORRO BAY INTERNAL COMMITTEE APPOINTMENTS; (ADMINISTRATION)

City Manager Andrea Lueker stated the City Council serve on the following City of Morro Bay Internal Committees: Council Sub-Committee on Employee Grievances, JPA Sub-Committee, and Mobilehome Conversion Sub-Committee. This item was agendized for a review of those appointments and to make any changes as deemed by the City Council.

Councilmember Smukler and Councilmember Winholtz both expressed their interest in serving on the JPA Sub-Committee in place of Mayor Peters and Councilmember Grantham.

MOTION: Mayor Peters moved the City Council approve to maintain the Internal Committee Appointments. The motion was seconded by Councilmember Grantham and carried with Councilmember Smukler and Councilmember Winholtz voting no. (3-2)

E. DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Smukler requested to agendize further discussions on water reclamation; Council concurred – (Councilmember Smukler will prepare the report.)

ADJOURNMENT

The meeting adjourned at 11:04 p.m.

Recorded by:

Bridgett Kessling  
City Clerk