



CITY OF MORRO BAY HARBOR ADVISORY BOARD AGENDA

Amended

The City of Morro Bay provides essential public services and infrastructure to maintain a safe, clean and healthy place for residents and visitors to live, work and play.

**Meeting - Thursday, April 5, 2018
Veteran's Memorial Building - 6:00 P.M.
209 Surf Street, Morro Bay, CA**

Ron Reisner, Chair	Member at Large
Lynn Meissen, Vice Chair	Member at Large
Gene Doughty	South Bay/Los Osos
Bill Luffee	Marine Oriented Business
Neal Maloney	Waterfront Leaseholders
Dana McClish	Recreational Boating
Jeremiah O'Brien	Morro Bay Commercial Fishermen's Organization
Peter Griffin	Alternate to Jeremiah O'Brien (MBCFO)
Owen Hackleman	Alternate to Jeremiah O'Brien (MBCFO)

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CHAIR, ADVISORY BOARD MEMBER & LIAISON ANNOUNCEMENTS & PRESENTATIONS

- *Morro Bay Mooring Field Mapping Project Presentation, Katie Alvarado, Cal Poly student.*

PUBLIC COMMENT PERIOD

Members of the audience wishing to address the Board on City business matters other than scheduled items may do so at this time. To increase the effectiveness of the Public Comment Period, the following rules shall be followed:

- When recognized by the Chair, please come forward to the podium and state your name and address for the record. Board meetings are audio and video recorded and this information is voluntary and desired for the preparation of minutes.
- Comments are to be limited to three minutes.
- All remarks shall be addressed to the Board, as a whole, and not to any individual member thereof.
- The Board respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, Board member and/or staff.
- Please refrain from public displays or outbursts such as unsolicited applause, comments or cheering.
- Any disruptive activities that substantially interfere with the ability of the Board to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in Board meetings is welcome and your courtesy will be appreciated.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Harbor Department's Office Assistant at (805) 772-6254. Notification 24 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A. CONSENT CALENDAR

- A-1 Approval of Minutes from the Harbor Advisory Board meeting held on February 1, 2018.
Staff Recommendation: Approve minutes.

B. REPORTS AND APPEARANCES

- B-1 Harbor Department Status Report
Staff Recommendation: Receive and file.

C. BUSINESS ITEMS

- C-1 Update from the Marine Services Facility/Boatyard Ad-Hoc Committee on Committee's and Staff's Recent Activities, and Presentation and Input on Draft Triangle Lot Boat Storage Policy and Agreement Documents
Staff Recommendation: Receive and file committee report, and provide staff input on proposed elements of the Triangle Lot boat storage initiative as outlined in this report.
- C-2 Update from the Finance & Budget Ad-Hoc Committee on Committee's Recent Activities; Presentation and Input on Water, Electricity, Trash Disposal and Cost Allocation Elements of the Draft FY 2018/2019 Harbor Department Operating Budget; and Presentation and Input on Harbor Department Budget Overview and Goal Document
Staff Recommendation: Receive and file committee report, provide staff input on revenue-generating and cost-cutting proposals for the fiscal year 2018/2019 Harbor Operating Budget being presented, and provide staff input on draft budget overview and goal document presented.
- C-3 Update from the Eelgrass Ad-Hoc Committee on Committee's Recent Activities.
Staff Recommendation: Receive and file.
- C-4 Update from the Marine Sanctuary Ad-Hoc Committee on Committee's Recent Activities
Staff Recommendation: Receive and file.
- C-5 Update from the Working Waterfront Ad-Hoc Committee on Committee's Recent Activities
Staff Recommendation: Receive and file.

D. DECLARATION OF FUTURE AGENDA ITEMS

- Pending items previously declared:
Goals and Objectives – Working Waterfront Designation Measure D
Explore Benefits of Becoming a Harbor or Port District
Wind Energy Generation off the Coast of Morro Bay
Creation of an Embarcadero Business District to Fund Harbor Infrastructure
Morro Bay Maritime Museum Overhead Powerline Undergrounding

E. ADJOURNMENT

This agenda is subject to amendment up to 72 hours prior to the date and time set for the meeting. Please refer to the agenda posted at the Morro Bay Harbor Department, 1275 Embarcadero, for any revisions or call the department at 772-6254 for further information.

Materials related to an item on this Agenda are available for public inspection during normal business hours at the Harbor Department and at Mill's/ASAP, 495 Morro Bay Boulevard, or online at www.morrobayca.gov. Materials related to an item on this Agenda submitted to the Board after publication of the Agenda packet are available for inspection at the Harbor Department during normal business hours or at the scheduled meeting.

MINUTES-MORRO BAY HARBOR ADVISORY BOARD
MEETING – February 1, 2018
VETERAN'S MEMORIAL HALL - 6:00 P.M.

AGENDA NO: A-1

MEETING DATE: April 5, 2018

PRESENT: Lynn Meissen HAB Vice-Chair
Jeremiah O'Brien HAB Member
Gene Doughty HAB Member
Bill Luffee HAB Member
Dana McClish HAB Member

ABSENT: Ron Reisner HAB Chair
Neal Maloney HAB Member

LIAISON: Matt Makowetski Council Member

STAFF: Eric Endersby Harbor Director
Lori Stilts Harbor Business Coordinator

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:00 p.m., with five members present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CHAIR AND ADVISORY BOARD MEMBER ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/NfclKMJvEtQ?t=2m17s>

Board Member Doughty stated the bay has experienced extreme tides lately causing boats to sit on the bottom at minus tides. On February 17-18 the Big, Bad, and Ugly Surf contest is coming up soon and always fun.

Board Member O'Brien reminded the Board the Central Coast Women for Fisheries Albacore enchiladas fundraiser is this Saturday. Green or red \$10.00 a tray. Pick up is February 3, from 1-5 PM. at the Community Center. Order by calling Jackie at 805-772-8281 or Lenore at 805-550-0253.

Also, the Morro Bay Commercial Fishermen's Organization (MBCFO) is having a membership meeting on February 11, 2018, in the Veteran's Memorial Hall, between 12-3 PM. Everyone is encouraged to attend whether you are a member or not. There will be discussion on wind energy and the mitigation package being submitted to Trident Wind Energy. Joan Solu will speak about the Morro Bay Historical Society and an economist from Cal Poly will give her take as to commercial fishing industry mitigation with the potential wind energy farms off our coastline.

Board Member McClish announced the upcoming Mustang Regatta put on by students of Cal Poly on March 3-4, and the 12th Annual Big Rock Regatta March 10-11, hosted by the Morro Bay Yacht Club.

Board Member Luffee stated the Friends of the Morro Bay Harbor Department was asked by the Harbor Department to help raise funds to rebuild the 30-year-old floating dock the sealions currently occupy in the bay. As of today, the FMBHD have raised approximately \$8,000 in one week. You may donate to <https://friendsofthembhd.org/> and if you donate \$1,000 or more you will get your name on a plaque.

PUBLIC COMMENT

The public comment period was opened.

The public comment period was closed with no comments.

A. CONSENT AGENDA

None.

B. REPORTS AND APPEARANCES

<https://youtu.be/NfclKMJvEtQ>

B-1 HARBOR DEPARTMENT STATUS REPORT

Director Endersby presented the staff report for B-1 and responded to Board Member inquiries.

B-2 UPDATE ON THE MORRO BAY COMMUNITY QUOTA FUND

Dwayne Oberhoff the director of the Morro Bay Community Quote Fund gave a presentation on Morro Bay's fish landings for 2007 to 2016, introduced Kyle Pemberton a new trawler in town who is working with the MCCQF and gave a quick update on the Quote Funds current activities. More information available at <https://www.morrobaycommunityquotafund.org/>.

C. BUSINESS ITEMS

<https://youtu.be/NfclKMJvEtQ?t=44m57s>

C-6 ELECTION OF HARBOR ADVISORY BOARD CHAIR AND VICE CHAIR

There was Board consensus to move C-6 to the beginning of business items.

MOTION: Board Member Luffee moved to nominate Ron Reisner as Chairman for 2018 and Lynn Meissen as Vice-Chair for 2018. The Motion was seconded by Board Member McClish and carried unanimously, 5-0.

C-1 UPDATE FROM STAFF AND THE MARINE SERVICES FACILITY/BOATYARD AD-HOC COMMITTEE ON COMMITTEE'S RECENT ACTIVITIES

<https://youtu.be/NfclKMJvEtQ?t=46m4s>

Director Endersby provided the next steps in putting together the RFP for a boatyard financial feasibility study which was approved by Council a while ago along with funding.

Discussion by the Board and Director Endersby.

The Board was in consensus with Director Endersby's scope and deliverables presented in the staff report for insertion into a RFP document.

The public comment period was opened.

The public comment period was closed with no comments.

C-2 UPDATE FROM THE FINANCE & BUDGET AD-HOC COMMITTEE ON COMMITTEE'S RECENT ACTIVITIES, AND BOARD INPUT AND RECOMMENDATION OF HARBOR DEPARTMENT CAPITAL PROJECTS SPREADSHEETS

<https://youtu.be/NfclKMJvEtQ?t=1h4m13s>

Committee member Luffee congratulated Board Member Maloney on the birth of his first child.

Committee member Luffee illustrated the purpose of the three Harbor Department capital financial spreadsheets.

Director Endersby pointed out he updated the capital equipment spreadsheet by inserting a prioritization column and will update the other two spreadsheets, if the Board is in approval.

Input and discussion by the Board and Director Endersby.

C-3 UPDATE FROM THE EELGRASS AD-HOC COMMITTEE ON COMMITTEE'S RECENT ACTIVITIES

<https://youtu.be/NfclKMJvEtQ?t=1h15m35s>

The public comment period was opened.

The public comment period was closed with no comments.

Committee Chair Meissen stated the committee has not met.

Discussion by the Board and Director Endersby regarding the Anchor QEA Eel Grass Mitigation Policy proposal.

C-4 UPDATE FROM THE MARINE SANCTUARY AD-HOC COMMITTEE ON COMMITTEE'S RECENT ACTIVITIES

<https://youtu.be/NfclKMJvEtQ?t=1h18m11s>

The public comment period was opened.

The public comment period was closed with no comments.

Board Member Luffee read an email from William Douros, Regional Director with NOAA, in response to an email sent by Committee Chair Reisner. The email stated there are no current NOAA activities underway today with regard to the nomination of the Chumash Heritage National Marine Sanctuary and no plans at this time to initiate its designation.

C-7 REVIEW OF REVISIONS TO MORRO BAY MUNICIPAL CODE SECTION 15.56.020 FOR HARBOR ADVISORY BOARD INPUT ON VESSEL IMPOUNDMENT

<https://youtu.be/NfclKMJvEtQ?t=1h20m>

The public comment period was opened.

The public comment period was closed with no comments.

The was Board consensus to hear C-7 before C-5.

Director Endersby presented the staff report for item C-6 and gathered input from the board.

There was Board consensus to the remove item 3E, add a list of recycling centers to the end, include a signature box for boaters to sign, add verbiage to 6E and 2A, to the Boating and Harbor Best Management Practices draft document.

Director Endersby will review the word *spirits* in MBMC 15.24.020.

MOTION: Board Member McClish moved to approve the Best Management Practices with changes. The Motion was seconded by Board Member Luffee and carried unanimously, 5-0.

C-5 UPDATE FROM THE WORKING WATERFRONT AD-HOC COMMITTEE ON COMMITTEE'S RECENT ACTIVITIES, AND SUPPORT OF H.R. 1176, THE "KEEP AMERICA'S WATERFRONTS WORKING ACT"

<https://youtu.be/NfclKMJvEtQ?t=1h36m7s>

The public comment period was opened.

The public comment period was closed with no comments.

Committee Chair Doughty stated the committee has not heard back from staff since the last joint meeting regarding the revised statements and at the next joint meeting he would like to discuss inclusion of historical uses in the definition of Measure D and wind energy staging possibilities in the working waterfront uses.

D. DECLARATION OF FUTURE AGENDA ITEMS

<https://youtu.be/NfclKMJvEtQ?t=1h39m16s>

Pending items previously declared:

Goals and Objectives – Working Waterfront Designation

Measure D

Explore Benefits of becoming a Harbor or Port District

BOEM Update

Creation of an Embarcadero Business District

Morro Bay Maritime Museum Overhead Powerline Undergrounding

E. ADJOURNMENT

This meeting was adjourned at 7:41 p.m. The next Regular Meeting will be held on Thursday, March 1, 2018 at 6:00 p.m. at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

Recorded by,

Lori Stilts
Harbor Business Coordinator



AGENDA NO: B-1

MEETING DATE: April 5, 2018

Staff Report

TO: Harbor Advisory Board
FROM: Eric Endersby, Harbor Director
SUBJECT: Harbor Department Status Report

DATE: March 29, 2018

RECOMMENDATION

Receive and file.

DISCUSSION

Recent Department Activity:

Harbor Patrol statistics for the month of March 2018 to date were 10 emergency responses, 108 calls for service, 37 assists of other agencies, 35 enforcement contacts, 8 weather warnings and 1 Hazardous Bar posting.

On March 10th the City of Morro Bay to be proclaimed "Rescue Water Craft Training Capital of the World" by the Rescue Water Craft Association. This dedication is included in a weekend conference attended by more than 10 countries around the world called RESCUECON 2018.

3/15/18 Harbor Patrol Officers led a Water Safety and Awareness Meeting for boating groups and businesses serving the waters of Morro Bay. The meeting included updates from the Coast Guard, Fish and Wildlife Wardens and State Park Naturalists on best practices for boaters in the harbor regarding safety, navigation, boating law and marine wildlife.

3/15/18 Harbor Patrol responded to a call to USCG of a 42' pleasure powerboat SASAFRASS that lost power right at the South Jetty. HPO Mather was luckily on the dock ready and took one USCG personnel code 3 to entrance. Vessel was 100' south of south jetty, 50' outside surf line. Vessel was safely towed to buoy 8, passed to USCG for safety inspection.

3/21/18 Harbor Patrol responded by land to a verbal 415 on the waterfront. HPOs located suspect at 699 Embarcadero. Suspect jumped over the boardwalk rail and into the water to flee from Police at The Dutchman House restaurant. Harbor Patrol boat was dispatched while suspect was coached over to the M/V DOS OSOS. Suspect hung onto the engine of the DOS OSOS and refused help to get out of the water. Harbor Patrol was able to pull the suspect on to the patrol boat and transported him to Police at dock near Rose's Landing.

3/22/18 Harbor Patrol responded to a mutual aid with MBFD at 1680 Main Street for flooding incident. Chief Knuckles advised Harbor Patrol Officers they would be a swift water safety group at Main Street bridge. Harbor Patrol Officers stood by at the bridge with swift water rescue lines and cleared debris that was obstructing water flow. This mutual aid allowed MBFD & MBPD to clear residents out of their trailers at the Mobile Home Parks adjacent to the flooding.

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____

Rain fall since 3/17/18 was 5.22” nearly doubling our total, which is now 12.09” since July 1, 2018. No waterfront damage was reported from the last storm, but due to the large amount of water 20-25 boats had to be pumped out by Harbor Patrol.

Sea Lion Dock Update: We are very grateful to the generous donations people have made to the Friends of the Harbor Department for the Sea Lion Dock. Twelve names will be mounted on the pilings at the dock for donations of \$1000 or more. The dock is being built by Harbor Patrol Officer Jeremiah Jacobs and is in 3 sections that will be hinged together and secured around the existing pilings. Two out of three sections are now complete. Pictures are attached to show the process. The Friends of the Harbor Department has also purchased viewing binoculars that will be mounted on the street end dock between Hofbrau and The Galley restaurant for those on land to be able to check out the sea lions. Again, we can't thank the public enough for their support in this maintenance and upgrade of our harbor. We look forward to celebrating the completion of this project in late spring.

Recent City Council Activity:

At the regular March 13 City Council meeting, Council reviewed fiscal year 2017/18 mid-year budget performance and status report – six months ending December 31, 2017 and adopted Resolution No. 10-18 and authorization of an additional budget adjustment from the Harbor Accumulation Fund in the amount of \$20,000 to the Ice Machine Maintenance Capital Fund to enable continued City obligations of Ice Machine Capital Repairs and Maintenance.

At the regular March 27 City Council meeting, Council adopted Resolution No. 13-18 authorizing the City of Morro Bay to enter into a 2017/2018 Surrendered and Abandoned Vessel Exchange grant contract with the State of California Division of Boating and Waterways in the amount of \$16,100 for removal of abandoned/surrendered vessels and hazards to navigation.

In addition, at the March 27 meeting, Council adopted Resolution No. 14-18 approving conditional use permit No. UP0-448 For 945 Embarcadero. Project includes remodel of existing restaurant, harborwalk public access improvements, piling & wharf repairs (House of JuJu).

And lastly at the March 27 meeting, Council received a report from staff on Washington D.C. Meetings for C-MANC's Annual "Washington Week" Conference, and for the Water Treatment Facility.

Fishing Front:

The recreational fishery for rockfish is open year-round to divers and shore-based anglers. The fishery is open to boat-based anglers from April 1, 2018 through December 31, 2018.

The recreational fishery for ocean salmon is currently closed, and is expected to reopen April 7-30, 2018.

Upcoming Events:

4/6-4/8/18 15th Annual Morro Bay City-Wide Yard Sale

4/9-4/13/18 Spring Clean-up week

4/7/18 The Rock 97.3/107.9 5th Annual Fundraiser Concert at Morro Bay Vets Hall

<https://www.esterobayradio.org/>

4/15/18 Morro Bay Yacht Club Opening Day <http://mbyc.net>

4/21/18 Family Care Network 15th Miracle Miles for Kids <http://mm4k.com/>

4/22/18 Blessing of the Fleet at the North T-Pier

4/27 -4/29 Kite Festival presented by the Friends of the MBHD

5/3-5/6/18 22nd Cruisin' Morro Bay Car Show <http://www.morrobaycarshow.org/>

5/19-5/25/18 National Safe Boating Week <http://www.safeboatingcampaign.com/>

5/26-5/28/18 Morro Bay Memorial Day Art in the Park <http://www.morrobayartinthepark.com/>
 7/14/18 49th Annual Brian Waterbury Rock to Pier Run & Half Marathon

Status of Pending HAB Recommendations:

	HAB Recommendation	Date	Status
1	Staff draft letter to Council encouraging the City to pursue negotiating with State Parks the City assume both marina and café concessions.	5/7/15	Staff's last contact with Parks indicated no Parks interest in giving up the café concession. Since that time, all of Parks' key personnel on the SPM have either retired or positions turned over. Staff's current thinking is we're at a "start-over" point with Parks to begin talks anew, and are acting accordingly before taking anything back to the Council. 11/1/17. Staff have reached out to Parks to renew discussions. 12/20/17. Spoke with office of Director for State Parks; tentative meeting set for week of January 8-12. 2/13/18 Spoke with office of Director of Concessions office left message with assistant for our concession specialist to set up conference call. No response. 2/22/18 Called again left message. 2/23/18 new Parks concession specialist contacted department.
2	Staff provide Council with modified sections of MBMC 15.24 (harbor sanitation) and develop environmental BMP's.	7/22/15	Staff have incorporated this BMP effort into the ongoing Rules & Regs/MBMC updating project. 11/1/17. Work ongoing; tentatively scheduled to come to HAB Feb or March 2018. 1/18/18. Review at HAB 2/1/18 meeting item C7.
3	Council direct staff to engage consultancy relative to obtaining regulatory approval for cost-effective ocean disposal of SPM dredge material, and/or determine the practical and economic feasibility of using same as landfill.	4/7/16	Staff did engage consultancy and the Corps to investigate regulatory permit approval of SPM material disposal in the Nearshore Disposal area. With consultant cost estimate to attempt this approval of \$178,000, and no guarantee of success, staff ceased pursuing. In discussions with the EPA, permitting success seemed not likely. City also seeking (along with GMANC) regulatory relief of the "80-20" dredge material disposal rule, which could change the playing field.
4	City Council to approve issuance of the final draft Marine Services Facility/Boatyard Request for Qualifications document.	2/2/17	2/14/17. Council approved the release of a Request for Qualifications (RFQ) document as-proposed. RFQ is out, and responses due July 14, 2017. 7/27/17. No responses to RFQ. 8/3/17. HAB meeting to consider next steps.

			<p>11/3/17. Put together a RFP for a financial feasibility study to go to Council for approval.</p> <p>12/1/17. Draft proposal in process for HAB review 2/2018.</p> <p>12/18/17. Tentatively on Council agenda for 1/23/18 to lay out scope of work and get authorization for a financial feasibility study.</p> <p>1/18/18. Discussing at HAB meeting 2/1/18 during item C1.</p>
5	City Council to involve the Harbor Advisory Board directly in the consideration and incorporation of Measure D into the General Plan and Local Coastal Plan update.	3/2/17	<p>Tentatively on the July 11, 2017 City Council Agenda for consideration regarding Harbor Advisory Board Request to Resolve Ambiguities regarding Measure D / Working Waterfront (HD).</p> <p>7/27/17. City Council on 7/11/17 authorized PC subcommittee to jointly work with HAB ad-hoc committee on Measure D ambiguities and Working Waterfront policy language for consideration of incorporation into GP/LCP update process.</p> <p>9/1/17. First joint HAB/PC subcommittee meeting to consider Measure D and Working Waterfronts scheduled for September 8, 2017, at the Community Center Studio room from 3:00-5:00 pm.</p> <p>9/8/17. First joint subcommittee meeting held. General discussion and public input. Second meeting TBD, likely late October or early November.</p> <p>12/18/17. PC/HAB Joint meeting on 1/11/18.</p> <p>Joint meeting of the full HAB and PC pending.</p> <p>3/22/18. Joint PC/HAB meeting. Documents approved for forwarding to GPAC and project consultants.</p>
6	City to use a consultant to update the cost allocation plan, if feasible, if not, then direct staff to do an internal check.	6/1/17	<p>Approved Council Goal Objective Work Plan Item – Internal “gut check” Goal 1(e).</p> <p>11/2/17. On HAB agenda for process consideration. Staff/Committee analysis review calendar 2017. To new Finance Director January 2018. Consideration of findings into development of FY 18/19 budget.</p> <p>1/18/18 Staff currently engaging in internal check.</p>

			Staff met March 2 with new Finance Director. Lighting issue "gut check" in Cost Allocation resolved in draft FY 18/19 budget.
7	City to share TOT, sales tax and possessory interest revenue that is collected in the Harbor fund and used for Harbor Capitol maintenance and improvements.	6/1/17	Pending until a new Finance Director and City Manager are in place. 10/30/17. Per the SLC it is normal for these taxes to go into the City's General municipal funds.
8	City Council to include proposed eelgrass language into General Plan/Local Coastal Plan updates.	6/7/17	7/28/17. Consultant Anchor QEA is developing a proposal to review existing information and documentation, research typical projects that have eelgrass issues, interview NEP personnel, and meet with Eelgrass Ad-Hoc committee members to discuss Newport Beach management plan. 11/1/17. Staff engaged with Anchor on eelgrass proposal. 12/1/17. Update to HAB on 12/7/17 on revised consultant contract scope of work. 12/18/17. Draft eelgrass consultant agreement submitted to legal for review and approval. 1/18/18 executed contract with Anchor QEA.
9	City Council to review the proposed outline for the eelgrass policy to decide if the elements are appropriate.	6/1/17	See above.
10	Incorporate Working Waterfront land area and uses into General Plan/Local Coastal Plan updates.	6/1/17	Tentatively on the July 11, 2017 City Council agenda for consideration with Measure D recommendation above. 7/27/17. City Council on 7/11/17 authorized PC subcommittee to jointly work with HAB ad-hoc committee on Measure D ambiguities and Working Waterfront policy language for consideration of incorporation into GP/LCP update process. 9/1/17. First joint HAB/PC subcommittee meeting to consider Measure D and Working Waterfronts scheduled for September 8, 2017, at the Community Center Studio room from 3:00-5:00 pm. 9/8/17. First joint subcommittee meeting held. General discussion and public input. Second meeting TBD, likely late October or early November. 12/18/17. PC/HAB Joint meeting on 1/11/18.

11	In General Plan/Local Coastal Plan updates, consideration be given to a list of uses provided, and that the Measure D area and its uses be incorporated into Morro Bay's Working Waterfront.	6/1/17	<p>Tentatively on the July 11, 2017 City Council agenda for consideration with Measure D recommendation above.</p> <p>7/27/17. City Council on 7/11/17 authorized PC subcommittee to jointly work with HAB ad-hoc committee on Measure D ambiguities and Working Waterfront policy language for consideration of incorporation into GP/LCP update process.</p> <p>9/1/17. First joint HAB/PC subcommittee meeting to consider Measure D and Working Waterfronts scheduled for September 8, 2017, at the Community Center Studio room from 3:00-5:00 pm.</p> <p>9/8/17. First joint subcommittee meeting held. General discussion and public input. Second meeting TBD, likely late October or early November.</p> <p>12/18/17. PC/HAB Joint meeting on 1/11/18.</p>
12	Paid parking be established on and around the Embarcadero, and recommended list of issues to be addressed when considering establishment of same.	7/6/17	<p>July 18, 2017 letter from HAB Chairman provided to Planning Commission and copied to City Council, Public Works Advisory Board and Community Development Director with HAB's recommendations.</p> <p>10/9/17. Once CD Director gets additional input from PC, it will be brought to Council to obtain direction on parking initiatives. PC to the lead on policy development.</p> <p>11/7/17. Discussed at the Planning Commission Meeting.</p> <p>12/1/17. Per CD Director also discussed with PWAB and tentatively going to Council in Jan or Feb 2018 for direction.</p> <p>12/19/17. Per CD Director PC and Council will be provided with HABS recommendations.</p>



Progress of the new docks for the sea lions.



Blessing of the FLEET



Join us for this tradition that began centuries ago in Mediterranean fishing communities. The practice began predominantly Catholic, but is now practiced by all Christians is a blessing from the local priest & pastors that is meant to ensure a safe & bountiful season. Service at the North T Pier will be followed by lunch at the Morro Bay Veteran's Hall after 1pm. We are providing a Tri-Tip BBQ with a potluck. Folks with last names beginning with A -G can bring salads, H-N can bring side dishes, and O-Z can bring dessert.

Bring your friends & family to honor our local mariners for a safe & prosperous season with God's blessing.

Sunday April 22 at Noon

North T Pier by the Coast Guard Station in Morro Bay



It's time for...
Spring Clean Up Week
April 9-13, 2018

Place Clean Up Week
garbage on the curb by
6:00 a.m. on your regular
garbage collection day.

Limit 2 cubic yards (equivalent
to twelve 32-gallon containers)
in addition to your regular
gray waste wheeler

For more information call
Morro Bay Garbage at
543-0875

No hazardous materials will be taken. Household hazardous waste
can be disposed of, for free, at the Hazardous Waste Facility located at the Wastewater
Treatment Plant, 160 Atascadero Rd., on Saturdays from 11 a.m. – 3 p.m.



It's time for...
Spring Clean Up Week
April 9-13, 2018

Clean Up Week garbage may be placed in standard trashcans, various containers or tied in bundles.

Containers or bundles of garbage must weigh 75 pounds or less and must measure 4 feet or less in overall length.

Standard trash containers will be emptied and left at the curb. Boxes and plastic bags will be taken away with your garbage.

For more information call
Morro Bay Garbage at 543-0875



It's time for...
Spring Clean Up Week
April 9-13, 2018

Special Clean Up Week Rate for
Bulky Items - \$10.00 each

To arrange for pick up of bulky items,
you must call Morro Bay Garbage Service at 543-0875
one week BEFORE your collection day.

Bulky items will not be collected unless you call
before your collection day to arrange for pick up.

Bulky items include such things as televisions, chairs, water heaters, washers,
dryers, small appliances, box springs, mattresses, couches, and refrigerators.

And don't forget...

Morro Bay Yard Sale Weekend

April 6-8, 2018

"Treasure Hunt" Around Morro Bay Precedes *Spring Clean Up Week*

For more information visit Morro Bay Beautiful's website at
<http://morrobaybeautiful.org/>.

Get treasure maps starting April 5 at:
Brenda Sue's Consignment, 248 Morro Bay Blvd.,
the Chamber of Commerce, 695 Harbor Street, or
in the Bay News





AGENDA NO: C-1

MEETING DATE: April 5, 2018

Staff Report

TO: Harbor Advisory Board

DATE: March 30, 2018

FROM: Eric Endersby, Harbor Director

SUBJECT: Update from the Marine Services Facility/Boatyard Ad-Hoc Committee on Committee's and Staff's Recent Activities, and Presentation and Input on Draft Triangle Lot Boat Storage Policy and Agreement Documents

RECOMMENDATION

Receive and file committee report, and provide staff input on proposed elements of the Triangle Lot boat storage initiative as outlined in this report.

BACKGROUND

City Council Goal 1, Objective (d), Work Plan Element 6 is "Research and bring to Council for consideration fee-based RV and/or boat/trailer storage parking in a portion of the Triangle Lot until some permanent use is allocated to that location." On September 7, 2017, the Harbor Advisory Board (HAB) provided staff input on this goal objective item. Input was received, and the item brought to the City Council on February 13, 2018 for consideration.

On February 13 the Council considered the item and was generally in favor of vessel-only storage in the lot, but to bring back for reconsideration after several issues were more thoroughly vetted. Those issues were:

- A. Reassess the staff-proposed 80-20 revenue sharing structure between the Harbor and General Funds.
- B. Some funding to go back into the facility and improvements in general in the area.
- C. More detail on security, lighting and fencing.
- D. Consideration of moving the GAFCO and Harbor Hut trash dumpster enclosures to a less-visible location.
- E. Policy and procedure to implement and manage the facility.

DISCUSSION

The Marine Services Facility/Boatyard Ad-Hoc Committee will be presenting an oral update on their activities, if any. This is a standing committee report agenda item.

Regarding further analysis of the proposed boat parking in the Triangle Lot, staff are seeking HAB review and input on the following:

1. 50-50 revenue split between Harbor and General Funds, with capital and administrative costs

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____

- also being shared equally, and administration conducted by the Harbor Department.
2. Some percentage of revenues, perhaps 10%, going back into a dedicated fund for area improvements such as undergrounding the overhead power lines.
 3. Security consisting of cyclone or chain-link fence, topped with razor or barb wire, and lighting consisting of relying on ambient.
 4. Suggested location for the GAFCO and Harbor Hut trash dumpster enclosures.
 5. Attached draft boat storage policy/procedure, rental/lease and rules/regulations documents.

CONCLUSION

Final policy, procedures and rental agreement documents will be brought back to the Council for consideration, budgeting and implementation in the near future. Once approved, staff anticipate a 2-3 month lead time to establish the yard. Concurrently, advertising and sign-up would take place, with full yard establishment and rental to occur later this summer.

ATTACHMENTS

1. Draft Morro Bay Harbor Boat Storage Lot Policies and Procedures document.
2. Draft Morro Bay Harbor Boat Storage Lot Agreement document.
3. Draft Morro Bay Harbor Boat Storage Lot Rules and Regulations document.

City of Morro Bay Harbor

Boat Storage

Facility Policies

and Procedures

Purpose: To establish policy, procedure and guidelines for the parking and storage of privately owned recreational/commercial boats and trailers in the City's "Triangle Parking Lot."

Policy: The boat/trailer-parking area will be administered directly by the City of Morro Bay Harbor Department as-follows:

- A. Agreement to park and/or store boats on trailers may be granted to owners of currently registered vessels/trailers only (Tenant).
- B. Spaces will be issued on a first-come/first-served basis until the lot is full. Should the lot fill, a waiting list will be established.
- C. The first priority on the waiting list will be to Morro Bay resident commercial fishermen, followed by general Morro Bay residents, followed by the general public.
- D. Access to the storage lot is available 24-hours per day. Vessels/trailers located outside the storage lot will be considered abandoned or illegally-stored property after a period of 72 hours and subject to towing in accordance applicable laws.
- E. Gate access will be by combination lock. As deemed necessary, the combination will be changed by direction of the Harbor Department. The combination may be obtained only by appearing in person, presenting proper identification and storage lot space number. Only those listed on the storage agreement will be authorized access.
- F. Tenants of the storage lot are to keep their boats, trailers and outboard motors in a good state of repair. Tires are to be kept properly inflated. Tenants must keep their assigned space free of trash, debris or other items. No storage of anything on the ground.
- G. Drip pans must be used whenever there is a possibility of oil or fuel leakage onto the ground. Fuel or oil spills are to be reported and must be cleaned up immediately.
- H. Storage lot fees are due in advance. Payment is due the first (1st) of each month. Fees not paid before the end of the month will be charged a late fee. Fees will be pro-rated for a one-half month only, based on sign up date of 1st to 14th, inclusive for full month and 15th to the end of month for one-half month, upon entry or signing up for storage space. Fees are not pro-rated on a daily basis. A minimum of 1 month's fee is due upon start of agreement as a security and cleaning deposit.
- I. Accounts delinquent in excess of 30 days will result in the stored item being impounded and subject to lien until such time all outstanding fees are paid. Accounts will be billed each month and fees are to be paid by mail or at the Harbor Office. If payment is by check, assigned storage lot space number must be noted along work and home phone numbers.
- J. Repair and/or maintenance of boats or trailers in the storage lot are prohibited, unless necessary to make a trailer road-worthy due to unforeseen circumstances.
- K. Access to storage lot will be limited to registered owners and those persons with valid ID who have been authorized by the registered owner to care for their items. Each owner will be required to fill out an authorization slip that will be kept in the Harbor Office.

- L. Storage of non-maritime equipment internally in boats is not authorized.
- M. Portable-type gas containers will not be stored in boats or on trailers.

Cancellation: of storage lot agreement will be handled in the following manner:

- 1. Tenants must contact the Harbor Staff at the Harbor Office in person, directing the cancellation of space.
- 2. Storage lot space fees paid in advance will be refunded as follows:
 - (a) If storage lot space is cancelled prior to the 15th of the month, one-half the fee will be refunded.
 - (b) If storage lot space is cancelled on or after the 15th of the month, no refund of fees will be made.
 - (c) FEES ARE NOT PRO-RATED ON A DAILY BASIS.

Information: Tenants desiring to register for storage lot space will go to the Harbor Office during business hours, Monday through Friday, 8:00 a.m. to 5:00 p.m. The following requirements must be met before a storage lot space can be assigned.

- 1. Storage lot space available.
- 2. Presentation of valid identification, proof of ownership, valid registration slip and proof of liability insurance for the boat and trailer. City of Morro Bay is to be named as Additional Insured.
- 3. Completion of release from Liability and Agreement of Understanding. (Exhibit A).
- 4. Payment of monthly fees, as requested, for the storage lot space being assigned.

Any complaints regarding the operation of the parking facility will be directed to the Harbor Department.

Owners and/or their agents when moving their boats and/or trailers within the storage lot will exercise extreme care. Any damage incurred must be reported to the Harbor Department.

Owners of boats and/or trailers may be directed to remove their items for any of the following reasons:

- A. Failure to maintain the boats and trailers stored in the storage lot in a satisfactory state of repair and/or appearance, such as ripped or torn covers, flat tires, areas around the storage lot space not policed.
- B. Failure to maintain and report valid registration of boats and/or trailers stored. Boats must display current year sticker on the hull, trailers must have license plates with current year valid tags.
- C. Failure to maintain required insurance while the boat/trailer is being stored.
- D. Continued failure to pay fees in a timely manner as requested.
- E. Failure to report incidents of damage to other boats/trailers while in the storage lot.

Action: The City will:

1. Maintain the storage lot area established in the fence-enclosed area.
2. Maintain positive control over the number of items storage and spaces assigned.
3. Ensure completion of all required forms.
4. Collect fees, as required, and inform patrons of requirements for payments.
5. Provide a copy of the signed boat storage lot agreement.
6. If issuance of enclosure (3) is necessary, notify the Harbor Department that a boat/trailer has been abandoned.
7. Reserve the right to relocate boats/trailers stored in the storage lot when necessary. Tenants should contact the Harbor Department if the boat/trailer is not found in its assigned space. The Harbor Department will contact the patrons whose boat/trailer has been moved of the new storage lot space number.
8. Reserve the right to cancel use of the storage lot in its entirety with 30-days notice should the City wish to cease using the area for boat storage, or use the area for other purposes.

DRAFT

**CITY OF MORRO BAY HARBOR DEPARTMENT
DRY STORAGE AGREEMENT TERMS AND
CONDITIONS**

CITY OF MORRO BAY HARBOR DEPARTMENT, hereafter called "CMBHD" agrees to provide storage, as applied for herein, when available to applicant hereafter called "Owner" executing the CMBHD dry storage license agreement form subject to the following terms and conditions:

1. This Agreement is a contract between Owner and the City of Morro Bay Harbor Department.
2. **Storage Contract.** This Agreement, does not constitute a bailment, and is for the use of storage space only, and is cancelable by CMBHD at any time without notice. Such space is used at the sole risk of Owner. CMBHD provides roving security but CMBHD shall not be liable for the care or protection of the vessel and or trailer (including her gear; equipment and contents) or for any loss or damage of whatever kind or nature to the Vessel and or trailer or her contents or equipment, whether attributable in whole or in part to the negligence of CMBHD, the officers, employees, agents or subcontractors, or otherwise. The City of Morro Bay reserves the right to amend fees and charges upon 20 days written notice and Owner hereby agrees to pay said fees as amended through all periods of use of such space. Owner agrees to provide written notice of the termination of this agreement to CMBHD 30 days in advance thereof. Upon such notice and removal of Owner's vessel and or trailer, CMBHD will return the balance of security deposit less all charges for rental and services then accrued. Sub-leasing of stall is not permitted.
3. **Assignment.** Owner acknowledges rental of space is personal to Owner. A person purchasing Owner's vessel and or trailer will not thereby acquire rights under this agreement or rights of use of space designated in this agreement.
4. **Proof of Ownership.** Prior to authorization of storage by CMBHD, Owner shall show proof of ownership of vessel and or trailer to be stored. If the vessel and or trailer is owned by more than one person, that he is one of the owners or, if the vessel is owned by a corporation that he is an officer of the corporation and in any case that he is authorized by the owner of the vessel and or trailer to obligate the credit of the vessel and or trailer to pay all storage charges and other expenses agreed to herein. Owner will be given 72 hours to show proof of ownership. If ownership is not provided to CMBHD, Owner will be charged the current daily rate and a 30-day termination letter will be mailed certified to Owner. Permanent storage shall not be granted to Owner at this point.
5. **Waiver of Responsibility.** Owner acknowledges that he has inspected storage premises and accepts them in their present condition. Owner agrees to keep his space and byways neat, clean and orderly.
6. **Permission to Move.** Owner grants CMBHD, its agents and employees, permission to move the Vessel and or trailer as required.
7. **Termination.** Agreement shall become effective on the date shown on the dry storage license agreement hereof and remain in force unless terminated by written notice by either party to the other 30 days preceding the month in which it is desired that termination become effective.
8. **Space Changes.** CMBHD reserves the right to change space assignments as necessary for the efficient operation of the dry storage, or for other reasonable causes in the event of such change. If Owner moves for personal convenience, a transfer fee of \$25.00 will be invoiced.
9. **Transfer of Ownership.** Transfer of vessel and or trailer ownership in any degree must be reported to CMBHD within 5 days.
10. **Security.** It is mutually agreed Owner, his heirs, successors and guests shall use a combination lock to enter security gates of dry storage premises and no other method is allowed without permission from CMBHD. Owner, his heirs, successors and guests must exert every effort to close gates after use, to report violations of security, fire or safety regulation immediately for the good of all concerned.
11. **Hazardous Waste.** All waste requiring disposals, whether or not hazardous, is the responsibility of Owner. CMBHD reserves the right to charge Owner for the cost of such disposal. CMBHD also reserves the right to charge for the expense of the disposal of waste products generated. Owner, his representatives and guests agree not to bring hazardous waste or materials onto the property of the City of Morro Bay and accept complete liability for an improper disposal of hazardous waste or materials.
12. **Outside Contractors.** All outside contractors must sign in through CMBHD. All outside contractors must provide proof of liability and workers' compensation insurance equivalent to that carried by the CMBHD before commencing work in dry storage. CMBHD reserves the right to discharge from dry storage any outside contractor who is not in compliance with these requirements.
13. **Indemnification.** Owner; his heirs, successors and guests, hereby release, harmless and indemnify CMBHD, its officers, employees, agents, and subcontractors, including indemnification for costs and attorney's fees from and against claims for damage to the Vessel and or trailer, its engines, equipment and appurtenances or for injury to Owner; his family members, employees, invitees, and agents, arising from duties assumed under this contract, care, protection, or use of the Vessel and or trailer or any individual's presence in the dry storage under any circumstances, including, but not limited to, fire, theft, vandalism, water damage, or collision, whether attributable in whole or in part to the negligence of CMBHD, its officers, employees, agents, or subcontractors, or otherwise.
14. **Severe Weather.** IN THE EVENT OF A SEVERE STORM OR EARTHQUAKE, OWNER AND OWNER'S-CREW, IF ANY, ARE RESPONSIBLE FOR THE VESSEL AND OR TRAILER, IN ALL RESPECTS. Owner is responsible for any damages to dry storage facilities caused by Owner's Vessel and or trailer in the event of severe weather. CMBHD shall have no obligation to monitor the weather and no duty to notify Owner of the approach of inclement weather.

Initial

Date

15. **Notice.** City of Morro Bay Harbor Department may give notice to Owner, either directly or through his captain or agent, at the address and/or telephone number(s) set forth on the dry storage license agreement of this contract. Notice, if mailed, shall be deemed given when deposited in the U.S. Mail, postage paid.
16. **Modification/Waiver.** No modification to this Agreement shall be enforceable unless in writing and executed by an authorized agent of CMBHD. CMBHD's failure to require strict performance of this Contract or waiver of any conditions shall not act as a waiver of its rights nor be deemed a continuing waiver. Delay in enforcement of any of CMBHD's rights hereunder shall not be deemed negligent.
17. **Rules and Regulations.** Owner or the person signing for Owner, acknowledges that he has read and fully understands this Contract, as well as the rules, regulations, policies, terms and conditions currently posted governing the use, occupancy, storage, hours of operation, and other miscellaneous items at CMBHD. Further, Owner agrees to comply with said rules, regulations, policies, terms and conditions now in effect and as posted from time to time during this Contract's term. Failure to so comply shall entitle CMBHD to cancel this Contract immediately, without notice, and excuses CMBHD from further performance, but without waiver of any than existing liens or other rights.
18. **Payment.** Payment for storage is due on the first of each month. Any payment not made when due shall accrue a \$35.00 late fee per month or the maximum rate allowable by law whichever is less. Returned checks are subject to \$25.00 NSF fee.
19. **Default.** In the event Owner does not timely pay, as herein provided, the fees and other charges which are accrued in favor of CMBHD, or the Owner otherwise violates the provisions of this agreement, The CMBHD may, without advance notice, take possession of Owner's vessel and or trailer, its tackle, apparel, fixtures, equipment, furnishings and retain such possessions on City of Morro Bay property until all charges then owing and all charges which shall therefore accrue are fully paid and all violations of this agreement cured. OWNER AUTHORIZES CITY OF MORRO BAY HARBOR DEPARTMENT TO SELL THE VESSEL AND OR TRAILER AT A NON-JUDICIAL SALE IN THE EVENT OF NON-PAYMENT OF CITY OF MORRO BAY FEES, IN CONFORMITY WITH MBMC....
20. **Liens.** Owner acknowledges that this storage agreement will create a maritime lien against the vessel and or trailer for storage charges and for other expenses agreed to herein. CMBHD shall have upon the vessel and or trailer, its contents and equipment, all state and federal liens of whatever nature given for storage. Such liens shall include expenses resulting from damage caused or contributed to by Vessel Owner's Vessel or by Vessel Owner to any dock or property or any person at CMBHD. Any such liens shall include an amount sufficient to cover CMBHD's reasonable attorney's fees. Owner agrees to dry storage's use and agrees to waive notice and hearing and challenge thereto.
21. **Attorney's Fees and Expenses.** Owner shall pay CMBHD's reasonable attorney's fees and expenses incurred in any dispute or legal proceeding arising out of this Contract or the presence of the vessel and or trailer on City of Morro Bay premises now or in the future, whether under this Contract, or subsequent oral or written agreement or otherwise.
22. **Surcharge.** A surcharge to reimburse CMBHD for certain insurance, hazardous waste and materials costs will be added to invoices.
23. **Severability/Governing Law.** In the event any portion of this Contract shall be deemed to be in violation of any law of the United States or State of California, said portion, and said portion only, shall be deemed null and void, and the balance of this Contract shall remain in full force and effect. This Contract shall be governed by the internal laws of the State of California and the United States, both as to interpretation and performance. The venue of any action arising from this Contract shall be exclusively in the Superior Court for the State of California in and for San Luis Obispo County, California and both parties shall submit to the jurisdiction of such court provided, however, that CMBHD may institute an interim action in any United States District Court has jurisdiction over the Vessel and or trailer.
24. **Entire Agreement.** This document including the terms and conditions on both sides thereof, constitutes the entire agreement between the parties and supersedes all prior agreements. No modifications or amendments hereto shall be valid unless evidenced in writing and signed by both parties.

Initial

Date

Dry Storage Rules and Regulations

1. Vessel and/or trailer shall not be stored unless a current Dry Storage License Agreement is in effect between the Owner and the City of Morro Bay Harbor Department.
2. Vessel and or trailer must have current registration and be in compliance with all state and local laws.
3. Vessel and/or trailer must be registered to the person renting the storage space.
4. Harbor staff, with regard to the equipment's overall length and width assigns storage.
5. No vessel and/or trailer shall exceed the maximum length or allowable width of the assigned space.
6. A vessel and/or trailer shall be moved to an alternate storage space if deemed appropriate by harbor staff to ensure proper utilization of the facility.
7. Access to the storage facility is prohibited to all persons other than harbor staff, the tenant on record and tenant's guests.
8. Space shall *not* be rented for the purpose of selling equipment.
9. A vessel and/or trailer may have one for sale sign attached.
10. A 30-day written notice to vacate a storage space must be given thirty days in advance of vacating. Failure to provide such notice will result in the loss of that portion of the security deposit necessary to fulfill this requirement.
11. Tenancy in a storage space does not transfer with the sale of a vessel and/or trailer. When a vessel and/or trailer are sold and the new owner wishes to retain the space, the new owner must check availability of space and register with the harbor office.
12. Subletting of storage space is not allowed.
13. Security gates must be closed and locked at all times unless entering or leaving the facility. Tenants are responsible for the actions of unauthorized persons they allow into the storage area.
14. Contact telephone numbers shall be provided to harbor staff in order to facilitate contact with the tenant in the event of an emergency.
15. No repair, maintenance, washing of vessel and/or trailer or work of any kind shall be performed in the dry storage area, unless said repair is necessary to make a trailer road-worthy due to unforeseen circumstances.
16. Storage space is for the storage of vessels and/or trailers only. No other items may be stored without the permission of the City.
17. All stored equipment must be in or on the vessel and/or trailer. No equipment is to be stored under or alongside the vessel and/or trailer. Storage of portable fuel containers is prohibited.
18. It is mutually agreed that the City does not accept and shall not be liable or responsible in any manner, for the safekeeping and condition of tenant's vessel, trailer, gear, fixtures or other equipment.
19. Tenant agrees to indemnify and hold the Port harmless from any and all claims against the Port, which are in any way related to or connected with the stored personal property or with the tenant's use of the facility.

Tenant hereby confirms that they have read the Rules and Regulations for dry storage and all requirements and conditions are understood.

Authorized Signature: _____

Date: _____

Harbor Representative: _____

Date: _____



AGENDA NO: C-2

MEETING DATE: April 5, 2018

Staff Report

TO: Harbor Advisory Board

DATE: March 30, 2018

FROM: Eric Endersby, Harbor Director

SUBJECT: Update from the Finance & Budget Ad-Hoc Committee on Committee's Recent Activities; Presentation and Input on Water, Electricity, Trash Disposal and Cost Allocation Elements of the Draft FY 2018/2019 Harbor Department Operating Budget; and Presentation and Input on Harbor Department Budget Overview and Goal Document

RECOMMENDATION

Receive and file committee report, provide staff input on revenue-generating and cost-cutting proposals for the fiscal year 2018/2019 Harbor Operating Budget being presented, and provide staff input on draft budget overview and goal document presented.

BACKGROUND & DISCUSSION

The Budget & Finance Ad-Hoc Committee will be presenting an oral update on their recent activities with regard to their recent meeting with the City's Finance Director on March 2. This is a standing committee report agenda item.

In addition, the Harbor Director will be presenting an update on the status of the development of the department's FY 2018/2019 operating budget.

Due to several factors this upcoming fiscal year, while lease revenue projections are indicating a flat, or even a slightly down year, several leases are in significant flux, and therefore revenue projections are challenging, at best, to determine. In addition, t-pier revenues are down significantly, due primarily to recent poor years of transient fishing activity, such as the salmon closures and disasters.

Staff, therefore, are taking a very conservative approach to revenue projections. On the expense side, expenses are, of course, increasing, particularly with the City's pension costs of its employees. Water and electricity costs have also increased an inordinate amount in recent years. In sum total, at this preliminary stage and with all revenue and expense items not yet fully determined, significant cuts are required to many line items to balance the FY 18/19 budget. In net summary to date:

Revenues:	\$2,032,055.00
Expenses:	\$2,042,842.00
Grants:	\$33,000.00
Cuts made to Supplies:	\$11,270 or 15.6%
Cuts made to Services:	\$6,000 or 1.6%
Cost Allocation:	\$306,230 (includes correct lighting amount, additional restroom cleaning)

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____

Because the budget is still a work in progress and not yet balanced, staff are proposing additional measures to create a truly structurally balanced budget whose revenues exceed expenses enough to enable growth of the accumulation fund for capital and other major projects, and are seeking HAB input on the following:

- A. Trash Disposal: The department spends ~\$55,000 per year on trash removal, much of which is a result of the one, two and three-yard dumpsters placed along the waterfront. While these dumpsters are purportedly for our commercial fishing slips, they are heavily abused by public and other users. We are therefore proposing to remove up to five two- and three-yard dumpsters for a significant cost-savings.

It is reasonable to assume our commercial fishermen can use normal public trash containers if necessary, and should they have the need to dispose of larger items, a two-yard dumpster is provided at the fisherman's gear storage area, or they can take their items home for disposal.

- B. Water: Water costs on the City's various facilities are ~\$50,000 per year. This includes the City's two piers, 50 slips, Tidelands dock, and our restroom and shower facilities. The restroom shower coin-op revenues recover those water costs, while pier and slip water flows uncontrolled and at great cost. Staff is proposing coin-op or card-key control on our piers, slips and Tidelands dock. This will result in both cost recovery, and water conservation.
- C. Electricity: Like water costs, with the exception of the two t-piers, electricity flows freely and costs are excessive. The two t-piers have an electrical service fee of \$2.75 per boat per day. This amount does not currently recover the full cost of providing that power. Therefore, staff are proposing similar electrical metering on the City's slips and piers. While there will be significant up-front capital costs, experience has shown in harbors and marinas across the nation that electrical metering capital costs are recovered within the first couple years of establishment in recovered fees.

In addition, consideration of metering of water and electricity is a Council goal objective work plan item (Goal 1, Objective (d), Work Plan Element 5).

Finally, staff are presenting the department's budget overview and goal document for the FY 18/19 year for HAB review and input on the elements therein. This document is included with this report as Attachment 1. The budget overview and goal document provides a guiding framework for the development and implementation of the department's budget.

CONCLUSION

Combined, these three utility items have the potential to save the department tens of thousands of dollars per year, and will have the additional benefit of leading to conservation of electrical and water resources. Staff intend to bring these measures, including any HAB recommendations, for Council consideration either during the FY 18/19 budgeting process, or shortly thereafter as appropriate as this is a critical issue to resolve.

The budget overview and goal document provides a means to inform the public and provide a forum for guiding each department and City Council in budget development and prioritization.

ATTACHMENT

- 1. Harbor Department budget overview and goal document for FY 18/19.

Harbor

DEPARTMENT PURPOSE

The Harbor Department was established to manage the City's Tidelands Trust stewardship of the State-granted tidelands in Morro Bay, providing for waterfront property and lease management, public service, public safety, and municipal code enforcement on the waterfront, waters and beaches of Morro Bay, and for facility maintenance, repair and capital improvement and replacement. The department oversees the Harbor Operating Fund, Harbor Equipment Replacement Fund and Harbor Accumulation Fund. The Funds were established to account for all revenues and expenses connected with the operation of the Morro Bay Harbor in accordance with the Tidelands Trust granting statutes.

BUDGET OVERVIEW

The sole sources of revenue for the Harbor Department are lease site minimum annual and percent gross of sales rents on the Embarcadero and south Main Street, and boating and boating facility-related fees. Lease site revenues represent approximately 80% of the total departmental revenues received. The department receives no revenues from sales, transient occupancy, TBID or property taxes. The Harbor Operating Fund is established as a self-supporting enterprise fund, and per the stipulations in the Tidelands Trust, all revenues generated in the Trust are to be expended for Trust purposes and on Trust properties and facilities, with a Cost Allocation payment of approximately \$295,000 to the General Fund for services received from that fund's personnel and related expenses to support the Harbor Department.

The Harbor Department generates a balanced budget of recurring expenses met by recurring revenues, with any excess revenues going to the Harbor Accumulation Fund for capital asset and major equipment needs. In addition, grant acquisition from a number of sources continues to be a consistent method of funding for numerous important departmental needs and initiatives. In the years immediately following the Great Recession of 2008, production of a balanced budget was seriously challenged, however, beginning with the 2012/2013 fiscal year, lease and other revenues began to significantly rebound, and revenues are now generally leveled-off at pre-recession levels. Finally, the cessation of the \$275,000 power plant outfall lease payments in ~2012 placed an additional financial burden on the department.

In estimating revenues, department staff generally take a very conservative approach, using Management Partner's 10-Year Budget Forecast model, coupled with a "look back" of previous years' actual performance and a look forward to future needs and priorities, and including such factors as CPI, sales, property and transient occupancy tax trends and forecasts.

Barring any major changes in departmental structure (personnel) or service levels, operational expenses are at present relatively stable, with the exception of the impending significant PERS rates increases. In short, outside the future PERS increases, current revenues meet expenditures. It is significant to realize, however, over the foreseeable future, Harbor-related operational service, capital asset/equipment improvement and replacement funding needs cannot be adequately met with current revenue streams, fee structures or lack of economic development or enhancement. Retirement of the ~\$135,000 payments on the South T-Pier loan in ~four years will have the greatest positive fiscal impact in the near mid-term.

☪ HARBOR ☪

Core Goals	Accomplishments
Efficient Administration of the Tidelands Trust	<ul style="list-style-type: none"> • Consent of Landowner issued for Off the Hook lease site redevelopment • Resolution of Boatyard seawall failure issue • Facilitated successful Concept approval process for Rose’s Landing, Gray’s Inn, House of JuJu lease sites • Execution of License Agreement for Central Coast Maritime Museum • Resolution of significant rent dispute issue on Marina Square lease site
Public Safety	<ul style="list-style-type: none"> • Continued integration of Fire Dept. personnel into surf rescue program • 100-Ton Coast Guard Captain’s Licenses obtained by Harbor Patrol personnel • 1,056 calls for service, 104 emergency responses and 238 enforcement actions 7/1/17 – 3/14/18
Providing Necessary Facilities & Services to the Commercial & Recreational Boating Public	<ul style="list-style-type: none"> • Beach Street slips replacement project underway (design phase) • Launch Ramp renovation project underway (design phase) • Obtained \$100,000 Cable Committee grant for major ice machine renovation project • Assisted Army Corps of Engineers oversight of major harbor dredging project • Funding & replacement of Floating Dock for continued sea lion haul-out and public enjoyment • Conclude Coast Guard building proposal moving forward or not, and continue working w/CG if still moving forward

**Resource
Management &
Environmental
Stewardship**

- Successfully obtained and expended \$25K “SAVE” derelict vessel demolition grant, and obtained second \$16K grant
- Continued mentoring of several lease sites to “Clean Marina” certification; Yacht Club nearing completion

Harbor

OPERATING FUND

Fund 331

PROGRAM PURPOSE

The Harbor Operating Fund provides for the overall operation of the department's various functions, including general department operations, lease, property and facility management, accounts receivable, Harbor Patrol and Beach Lifeguards and maintenance and repair.

BUDGET OVERVIEW

Not including grants, this fund's revenues and expenses are currently approximately \$2M annually. At the bottom on the Great Recession, they were approximately \$1.6M - \$1.7M. Major revenue streams are harbor leases, slip, pier and mooring fees, liveaboard services, miscellaneous services and boat launch ramp parking. Primary expense categories are personnel (full and part time), services, supplies and debt service. Grant acquisition varies from year to year, but generally averages at least \$40K - \$50K annually and can be as high at \$300K.

☞ HARBOR ☜
Operating

FY 2018/19 KEY PROJECTS

Core Goals	Key Projects
Efficient Administration of the Tidelands Trust	<ul style="list-style-type: none"> • Develop and embark upon comprehensive lease site percent gross revenue audit program • Develop and embark upon comprehensive lease site condition and compliance inspection program • Issue RFPs for Kayak Horizons lease site, Lease Site 34W and Lease Site 35W-36W • Negotiate/approve new leases and/or amendments on Rose’s Landing, Gray’s Inn and House of JuJu lease sites based on their recent Concept Plan approvals • Complete harbor rules and regulations and municipal code Ch. 15 updates for Council approval • Successfully marshal several leases expiring in March and September into redevelopment and/or lease renegotiation phases
Public Safety	<ul style="list-style-type: none"> • Complete integration of Harbor and Fire personnel together in Fire Boat training and operations • Begin planning for Harbor Patrol vessel replacement due in next 1-3 years
Providing Necessary Facilities & Services to the Commercial & Recreational Boating Public	<ul style="list-style-type: none"> • Replace sea lion dock • Vessel sewage pump out rebuild

**Resource
Management &
Environmental
Stewardship**

- Obtain \$5K NEP grant for oil spill response materials for waterfront leaseholders
- Assist leaseholders obtain Clean Marina certification
- Abate derelict vessels with \$16.1K SAVE grant
- Collaborate with State Parks for new Otter awareness signage at Target Rock & Coleman Beach
- Establish path forward for Morro Bay eelgrass mitigation/management policy/plan

☞ HARBOR ☞
Operating

KEY PROGRAM SERVICES

- Lease Management
 - Lease oversight
 - Lease negotiation
 - Lease/sublease compliance
 - Rent calculation and tracking
 - Insurance tracking and compliance
 - Appraisals and audits
- Harbor Patrol
 - Boater assistance
 - Search & Rescue
 - Lifeguarding/Surf Rescue
 - Law/Code Enforcement
 - Marine/Waterfront Firefighting
 - Medical Aid
 - Pollution Response
 - Slip, mooring, pier and public facility management
 - Vessel, vehicle and facility maintenance and repair
 - Animal Rescue/Environmental
 - Education & Prevention
- Administration
 - Public office front counter/public assist
 - General departmental operations and administration
 - Website/Facebook/public outreach
 - Assisting/coordinating with other departments and agencies
 - Liveaboard, slip, mooring and pier administration
 - Weather monitoring and reporting
 - Capital projects planning and execution
- Finance
 - Accounts Receivable
 - Departmental budget development and management
 - Grant acquisition and management
 - Capital Expenditures
 - Purchasing
 - Vessel liens and collections
- Maintenance, Repair & Upkeep
 - Vessels
 - Vehicles
 - Equipment
 - Facilities
 - Public spaces/beach

☞ HARBOR ☜
Operating

Activity and Workload Highlights	2017/18 Estimated	2018/19 Budget
Major lease actions (new leases, amendments, etc)	5	8-10
Lease Site RFP's/redevelopments	2	5
Lease auditing/inspecting actions	0	15
Annual Harbor Patrol calls for service	1,400	1,450
Emergency responses	125	120
Assisting other agencies	400	400
Training actions	175	200
Minor maintenance actions	1,200	1,200
Major maintenance actions	3	3

HARBOR

EQUIPMENT REPLACEMENT FUND

Fund 005

PROGRAM PURPOSE

The Harbor Equipment Replacement Fund is a savings fund for equipment, vehicle, watercraft and vessel replacements.

BUDGET OVERVIEW

There currently exists \$55,700 in this fund. From an amortization standpoint over the projected life of the department's various vessels, vehicles and major equipment, projected needs over the next ten years for replacement are approximately \$650,000, or \$65,000 per year if spread evenly over the ten-year period.

While some grant funding will be acquired to help meet the funding needs, a significant shortfall will continue to exist and major replacements will only be completed on an as-needed and as-funding is available basis.

FY 2018/19 KEY PROJECTS

Core Goals	Key Projects
Public Safety	<ul style="list-style-type: none">• Begin planning and funding process for 32-year-old Patrol Boat #68 replacement• Seek DBW grant funding for surf rescue watercraft ("jet ski") replacement

Harbor

ACCUMULATION FUND

FUND 953

PROGRAM PURPOSE

The Harbor Accumulation Fund is the department's "catch-all" excess revenue savings fund for capital projects, major maintenance/refurbishment needs and emergency reserves.

BUDGET OVERVIEW

There currently exists \$482,300 in this fund. From an amortization standpoint over the projected life of the department's various pieces of infrastructure and facilities, projected needs over the next ten years for capital projects are estimated at \$4,000,000, or \$400,000 per year if spread evenly over the ten-year period.

While some grant funding has been and will continue to be acquired to help meet the funding needs, a critical shortfall of funding will continue to exist and capital projects will only be completed on an as-needed and as-funding is available basis. With the department's currently approved Capital Improvement Projects list, this fund's current balance will be completely exhausted.

**∞ HARBOR ∞
Accumulation**

FY 2018/19 KEY PROJECTS

Core Goals	Key Projects
Providing Necessary Facilities & Services to the Commercial & Recreational Boating Public	<ul style="list-style-type: none">• Renovate Ice Machine with \$100K Cable Committee grant• Obtain permits for and complete Beach Street slips replacement project• Resolve public launch ramp renovation grant scope issues with DBW to enable continuation of project• Obtain Council approval for and issue RFP for financial feasibility study on Boatyard project



AGENDA NO: C-3

MEETING DATE: April 5, 2018

Staff Report

TO: Harbor Advisory Board

DATE: March 30, 2018

FROM: Eric Endersby, Harbor Director

SUBJECT: Update from the Eelgrass Ad-Hoc Committee on Committee's Recent Activities

RECOMMENDATION

Receive and file.

DISCUSSION

The Eelgrass Ad-Hoc Committee will be presenting an oral update on their activities, if any. This is a standing committee report agenda item.

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: C-4

MEETING DATE: April 5, 2018

Staff Report

TO: Harbor Advisory Board

DATE: March 29, 2018

FROM: Eric Endersby, Harbor Director

SUBJECT: Update from the Marine Sanctuary Ad-Hoc Committee on Committee's Recent Activities

RECOMMENDATION

Receive and file.

DISCUSSION

The Marine Sanctuary Ad-Hoc Committee will be presenting an oral update on their activities, if any. This is a standing committee report agenda item.

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: C-5

MEETING DATE: April 5, 2018

Staff Report

TO: Harbor Advisory Board

DATE: March 29, 2018

FROM: Eric Endersby, Harbor Director

SUBJECT: Update from the Working Waterfront Ad-Hoc Committee on Committee's Recent Activities

RECOMMENDATION

Receive and file.

DISCUSSION

The Working Waterfront Ad-Hoc Committee will be presenting an oral update on their activities, if any. This is a standing committee report agenda item.

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____