



CITY OF MORRO BAY

Citizens Oversight Committee

Acting as Citizens Finance Advisory Committee

NOTICE OF REGULAR MEETING

Mission Statement

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.

Agenda

Tuesday, August 21, 2018

VETERANS MEMORIAL HALL – 3:30 PM

209 SURF ST., MORRO BAY, CA

ESTABLISH QUORUM AND CALL TO ORDER

COMMITTEE MEMBERS ANNOUNCEMENTS & PRESENTATIONS

PUBLIC COMMENT PERIOD - Members of the audience wishing to address the Committee on business matters 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 Chairperson, please come forward to the podium, and state your name and address for the record. Comments are to be limited to three minutes.
- All remarks shall be addressed to the Committee, as a whole, and not to any individual member thereof.
- The Committee respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, commissioner, committee 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 Committee to carry out its meeting will not be permitted, and offenders will be requested to leave the meeting.
- Your participation in Committee meetings is welcome, and your courtesy will be appreciated.

A. CONSENT CALENDAR

1. APPROVAL OF MINUTES FOR THE JUNE 23, 2018, JOINT COMMUNITY WORKSHOP
2. APPROVAL OF MINUTES FOR THE JUNE 25, 2018, WATER RECLAMATION FACILITY ADVISORY COMMITTEE (WRFCAC), CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE (CFAC), PUBLIC WORKS ADVISORY BOARD (PWAB) SPECIAL JOINT MEETING

3. APPROVAL OF MINUTES FOR THE JULY 17, 2018, CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE MEETING

B. BUSINESS ITEMS

1. BRIEF FINANCE UPDATE, (Finance Director)

2. PRESENTATION AND DISCUSSION OF OPENGOV TRANSPARENCY PORTAL

RECOMMENDATION: Receive presentation and provide input on deployment and training; (Finance Director and Senior Accounting Technician)

3. Fiscal Year 2018/19 BUDGET BRIEF; (Finance Director)

RECOMMENDATION: Receive Draft FY 2018/19 Budget Brief and provide feedback.

4. FUTURE AGENDA ITEMS

C. SCHEDULE NEXT MEETING

September 18, 2018

D. 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 CITY HALL FOR ANY REVISIONS, OR CALL CITY HALL AT 772-6201 FOR FURTHER INFORMATION.

MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE COMMITTEE AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION AT CITY HALL LOCATED AT 595 HARBOR STREET DURING NORMAL BUSINESS HOURS.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN A CITY MEETING, PLEASE CONTACT THE CITY CLERK'S OFFICE AT LEAST 72 HOURS PRIOR TO THE MEETING TO INSURE REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.

Joint Community Workshop Addressing Morro Bay's Wastewater and Water Challenges

There was a quorum of City Council Members and Citizens Finance Advisory Committee Members in the audience for this workshop. No action was taken by either body.

The workshop was facilitated by Don Maruska, with City staff presenting various topics.

Facilitator Maruska shared the format for the workshop and that the public would be offered several opportunities to engage with staff, including: submission of written comments, interaction at individual information stations and public comment periods.

<https://youtu.be/JChzEEsSmxU?t=22m30s>

SPECIAL JOINT WORKSHOP AGENDA

- I. Learn from technical experts at information stations
- II. Presentation on project status
- III. Get answers to key questions with information from project team:
 - a. Why do we need a new plant in a new location?
 - b. What's being done to get the best value?
 - c. What are plans to improve current collection system?
- IV. Public Comment for Items II and III on the Agenda
<https://youtu.be/JChzEEsSmxU?t=1h9m20s>
Staff addressed questions asked by the public.

Facilitator Maruska read written comments submitted by the public and staff addressed the questions.

There was a brief break at 3:05 p.m. The workshop resumed at 3:15 p.m.

<https://youtu.be/JChzEEsSmxU?t=1h37m59s>

- V. Review key alternatives for future water/sewer rates
 - a. Input from attendees on preferences for structure of future rates
- VI. Public Comment for any additional items related to the WRF project
<https://youtu.be/JChzEEsSmxU?t=1h59m2s>
Facilitator Maruska read comments from the public and invited attendees to make comments at the podium. Staff addressed the questions raised by the public.

<https://youtu.be/JChzEEsSmxU?t=2h50m13s>

There was a dot exercise regarding preference for billing options & implementation of the rate increases.

- VII. Informal discussions and Q&A at information stations

Recorded by:

Lori M. Kudzma
Deputy City Clerk

MINUTES - WATER RECLAMATION FACILITY ADVISORY COMMITTEE (WRFCAC), CITIZENS OVERSIGHT/FIANCE ADVISORY COMMITTEE (CFAC), PUBLIC WORKS ADVISORY BOARD (PWAB)
SPECIAL JOINT MEETING - June 25, 2018
MORRO BAY COMMUNITY CENTER (AUDITORIUM) – 3:00 P.M.

AGENDA ITEM: <u>A-2</u>
DATE: <u>August 21, 2018</u>
ACTION: _____

WRFCAC
PRESENT: Barbara Spagnola Vice Chairperson
Paul Donnelly Committee Member
Valerie Levulett Committee Member
Doug Rogers Committee Member

CFAC
PRESENT: Barbara Spagnola Chairperson
Dawn Addis Committee Member
David Betonte Committee Member
John Erwin Committee Member
Walter Heath Committee Member
John Martin Committee Member

PWAB
PRESENT: Ric Deschler Chairman
John Erwin Board Member
Janith Goldman Board Member
Chris Parker Board Member
Stewart Skiff Board Member

ABSENT: Richard Sadowski WRFCAC Member
Steve Shively WRFCAC and PWAB Vice Chairperson
Doug Rogers WRFCAC Member
Bart Beckman CFAC Member
Christian Erlendson PWAB Member

STAFF: Scott Collins City Manager
Rob Livick Public Works Director
Jen Callaway Finance Manager
Joe Mueller Utilities Division Manager
Gina Gregory Office Assistant

ESTABLISH QUORUM, CALL TO ORDER AND MOMENT OF SILENCE

The meeting was called to order at 3:00 p.m. A quorum of WRFCAC, CFAC, and PWAB was present.

I. Review of Proposed Water and Sewer Rate Increases

Scott Collins and Alex Handlers, Bartle Wells Associates, presented the staff report and proposed water and sewer rate increases.

Discussion, comments and questions continued amongst Committee members, staff, and consultant.

PUBLIC COMMENT

<https://youtu.be/aWiVO3arUlg?t=1h6m50s>

The public comment period was opened.

Eric Fore, Morro Bay citizen, expressed concern about the inequity of the inflation effect the City is enforcing on the community. He stated many of us cannot pass on the added expense and feels commercial interests and landlords will, causing residents to consider moving.

Kerrigan Mayhan, Morro Bay citizen, stated the water recycling needs to be pulled from the project, the project is out of control, and needs to be scaled back, noting the numbers are way too big for a town of 10,000. He feels the City should look into PERC again. He had questions regarding the Prop 218 and the 5-year timeline, the WIFIA loan, and maximum guaranteed rate.

Carol Truesdale, Morro Bay resident, expressed concern about the City's other financial concerns that may require a sales tax measure, and urges the City to think about how it's the cost is going to affect every family.

Barry Brannon thanked everyone for all their time. He compared the rates of San Luis Obispo that were in the Tribune at \$108 per month and feels should be the target, noting \$191 in Morro Bay is too high.

Aaron Ochs, Save Morro Bay, stated the presentation was informative but noted there was a lot of speculation and guestimates going into the Prop 218 process and costs should be more certain especially in terms of payments. He expressed concern with the costs that seem to keep increasing, noting there needs to be a larger conversation focused on subsidizing some of the cost with grant funding.

Steve Stevens expressed concerned about open-ended questions about injection wells and others, noting we should respect the Blue Ribbon Committee's recommendation in terms of deferring this for a month to get questions answered. He said the 2015 City fact stated the City had adequate funding to proceed with for a viable project in that \$75 million range.

Sharon O'Leary, Community Resource Connections Office, stated they have had a lot of questions about the water and sewer costs, noting that looking at poverty maps developed by Cal Poly and the Food Bank Coalition that about 3500 people fit into one of the three categories of poverty and expressing concern that the PG&E CARE program is using the Federal level of poverty and does not address the other levels of poverty, the State level and United Way real cost measure. She expressed concern on having a one-month time frame for the Utilities Discount Program and offered to help with the applications, so it could be opened year-round.

The Public Comment period was closed.

Discussion, comments and questions continued amongst Committee members, staff, and consultant.

The meeting adjourned at 5:48 P.M.

Recorded by:

Gina Gregory
Office Assistant

**MINUTES – CITIZENS OVERSIGHT/ FINANCE
ADVISORY COMMITTEE
REGULAR MEETING – JULY 17, 2018
VETERANS MEMORIAL HALL – 3:30 P.M.**

MEMBERS PRESENT:	John Martin	Vice-Chairperson
	Dawn Addis	Member
	Bart Beckman	Member
	David Betonte	Member
	John Erwin	Member
	Walter Heath	Member
MEMBERS ABSENT:	Barbara Spagnola	Chair
STAFF PRESENT:	Jennifer Callaway	Finance Director
	Matt Vierra	Fire Marshal
	Travis Hasch	Fire Engineer
	Valerie Webb	Senior Accounting Technician

ESTABLISH A QUORUM AND CALL TO ORDER

Vice-Chair Martin called the meeting to order at 3:30 p.m., with 5 members present. Member Heath arrived at 3:45 p.m.

COMMITTEE MEMBERS ANNOUNCEMENTS & PRESENTATIONS

None

PUBLIC COMMENT PERIOD

<https://youtu.be/S9JEr1KLJyg?t=1m30s>

No public comment.

A. CONSENT CALENDAR

1. APPROVAL OF MINUTES FOR THE MAY 15, 2018 CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE MEETING

<https://youtu.be/S9JEr1KLJyg?t=1m56s>

MOTION: Member Erwin moved to approve the CFAC meeting minutes of May 15, 2018 without revision. Member Betonte seconded, and the motion carried 5-0.

B. BUSINESS ITEMS

1. BRIEF FINANCE UPDATE, (Finance Director)

<https://youtu.be/S9JEr1KLJyg?t=2m30s>

Finance Director Jennifer Callaway reviewed the fiscal year end process for accounts payable and accruals. Auditors are scheduled to visit in October. The WIFIA loan was submitted and we received a preliminary bond rating of A.

2. DISCUSSION AND INPUT ON THE SINGLE SOURCE PURCHASE OF THE NEW FIRE ENGINE AND FINANCING PLAN

<https://youtu.be/S9JEr1KLJyg?t=11m16s>

Both the Finance Director and the City Attorney have reviewed and approve the purchase documents with a not to exceed price of \$679,000. Fire Marshal Vierra and Fire Engineer Hasch presented the benefits of the Pierce engine including access to a service center locally in Paso Robles.

<https://youtu.be/S9JEr1KLJyg?t=41m41s>

MOTION: Member Addis made a motion that the committee recommend to City Council the city proceed with the sole source purchase of the Pierce engine. Member Erwin seconded, and the motion carried 6-0.

3. 2ND QUARTER INVESTMENT REPORT, (Finance Director)

<https://youtu.be/S9JEr1KLJyg?t=42m3s>

We are well above our targeted liquidity ratio. Regarding cash flow, there are large expenditures in July for our insurance premiums and pre-payment on the unfunded accrued liabilities to PERS for FY 18/19.

The report was received and filed.

4. 3RD QUARTER BUDGET PERFORMANCE REPORT, (Finance Director)

<https://youtu.be/S9JEr1KLJyg?t=50m21s>

Presented to council in June, all recommended adjustments were approved.

The report was received and filed.

5. PRESENTATION OF OPENGOV TRANSPARENCY PORTAL

<https://youtu.be/S9JEr1KLJyg?t=52m28s>

On-screen demonstration of the types of reports and data available on the portal. Discussion on how much training will be needed internally and externally so that the site is most beneficial to everyone.

Public Comment:

<https://youtu.be/S9JEr1KLJyg?t=1h39m24s>

Resident Cindy would like to see improved consistency in nomenclature throughout city reports and documents. She also suggested some training be provided to library staff or access be made available there.

6. FUTURE AGENDA ITEMS

<https://youtu.be/S9JEr1KLJyg?t=1h45m48s>

4th Quarter Investment Report
FY 18/19 Budget brief
OpenGov Update

C. SCHEDULE NEXT MEETING

The next Regular Meeting of the Citizens Finance Advisory Committee is scheduled for Tuesday, August 21, 2018.

D. ADJOURNMENT

<https://youtu.be/S9JEr1KLJyg?t=1h53m20s>

The meeting adjourned at 5:24 p.m.

Recorded by:
Valerie Webb



AGENDA NO: B-2

MEETING DATE: August 21, 2018

Staff Report

TO: Chairman and Committee Members **DATE:** August 16, 2018
FROM: Jennifer Callaway, Finance Director
SUBJECT: Presentation and Discussion of OpenGov Transparency Portal

RECOMMENDATION

Receive presentation and provide input on deployment and training.

FISCAL IMPACT

There is no fiscal impact associated with this recommendation.

DISCUSSION

On July 17, 2018 staff provided a brief overview of the City's OpenGov transparency portal for the Committee to review and provide comment back, regarding content, ease of use and recommendations for deployment and training. At the conclusion of the presentation, the Committee asked to be provided with access to the transparency portal and be given some time to work with the portal and continue the conversation during the next CFAC meeting scheduled for August 21, 2018. Committee members were provided access to the portal and have since provided comment/feedback which is provided as Attachment I to the staff report. Staff would appreciate hearing feedback from the Committee on ease of use, recommended standard reports, training and deployment thoughts. Staff is planning to provide a public presentation to the City Council and Community at the August 28th City Council meeting.

CONCLUSION

Staff recommends that the Committee provide input on OpenGov, ease of use, reports, training and deployment.

ATTACHMENT

1. Committee Feedback on OpenGov as of August 16, 2018.

Prepared By: JC

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

Attachment I

The Following comments have been received by Committee members since the July 17, 2018 CFAC meeting:

1. I love the "Network" feature and would definitely have a session to teach folks about that. Being able to put our budget into context is helpful. One question I can foresee on that is if we are only able to look at other cities that use OpenGov. None the less, I find this valuable and relatively accessible for the layperson. It would be nice to have a side-by-side comparison of MB to other cities if that feature is available.
2. I would definitely include in any training the differences between the different graph types - percentage, stacked, line, pie, bar
3. Under Settings, Users I can see other folks from CFAC and when they logged in. Don't know if this is available to the public. If it is, I would block this feature. I'm assuming my view is different because of the level of access CFAC has at this time.
4. Does the public have to create a login to use this? Hopefully not as I think that would be prohibitive.
5. I see a "Chat" feature under help. This would be wonderful for the public. If it's available, I would include it in the training offered.
6. On the Help search - I would include for a public training the best ways to get help. Sometimes it can be frustrating for people to find answers if they don't know how to ask the question that will lead to the answer they want.
7. I like the idea of the "Transparency Portal", especially the "engagement" and "visitor analytics". I'm not clear on who the audience for this is - public or internal, and what the various sections actually do. If it's a public feature I would include it in a training.
8. Under "Data" I couldn't really look at anything. Not sure what that's all about.
9. Under Reports - I would have a layperson's description of the reports to help people find what they are looking for. I'm not sure how many people will know what a "Balance Sheet" vs. "Transaction Detail" is. I'm not sure if what is in here is sample reporting of what is typical for the public or?
10. If you can create your own reports I would include some of high interest in terms of what we will face moving forward that will be tricky. Basically these reports would help inform the discussion on hot button issues. The WRF is a perfect example. Could there be something with the 10 year budget forecast? PERS? Vacation Rental income? Business license income? Projected income from paid parking? I know many of these are included in other reports but it could be helpful to either have them as their own report or to highlight for the general public where to easily access this information.
11. I'm sure you will have a Measure Q budget report. If not, I'd suggest adding that.

12. I would think Open Gov would supply training modules/ideas for use with the public. I would advocate to use those if available.
13. Fully support a purchase of the integration software. Let's work smarter and use staff time for tasks that cannot happen without a human.
14. Overall, pretty easy to maneuver through and intuitive.



AGENDA NO: B-3

MEETING DATE: August 21, 2018

Staff Report

TO: CFAC Chairman and Committee Members

DATE: August 16, 2018

FROM: Jennifer Callaway, Finance Director

SUBJECT: Fiscal Year 2018/19 Budget Brief

RECOMMENDATION

Receive Draft FY 2018/19 Budget Brief and provide feedback.

FISCAL IMPACT

There is no fiscal impact associated with this recommendation.

DISCUSSION

Attached for your consideration is a draft FY 2018/19 Budget Brochure. One of the goals of the Citizen's Finance Advisory Committee (CFAC) has been to develop a citizen friendly budget summary, a brief overview of the City's budget that a citizen can pick-up and easily read. While the OpenGov Transparency portal will likely meet that goal, staff would recommend a simple, one-page summary that can be available for community members to pick-up. The one-page, budget summary could be an alternative for those members of the community that are not comfortable utilizing or maneuvering through an on-line portal.

To initiate conversation regarding such a budget summary, staff has drafted a budget brochure for consideration, feedback, and direction.

CONCLUSION

Staff would appreciate feedback from the Committee on budget brochure provided, it's content, usefulness or other suggestions for a simple budget reference document.

ATTACHMENT

1. City of Morro Bay, Summary of FY 2018/19 Adopted Budget Brochure

Prepared By: JC

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

Capital Program Budget

Financial Summary

The FY 2018/19 Capital budget includes funding for \$13,194,030 in capital improvements through the City as outlined below:

WRF*	\$	9,378,776
Street Improvements		1,295,715
General Government		1,185,196
Harbor Projects		595,576
Transit		327,255
Water Projects		205,756
Sewer Projects		205,756
Total Capital Projects	\$	13,194,030

*Water Reclamation Facility

Significant FY 2018/19 Projects

- Water Reclamation Facility
- Fire Engine Replacement
- Pavement Management Plan
- City Park Play Equipment
- ADA Transition Plan Improv Sidewalks/Crosswalks
- Audio Visual and Facility upgrades for Council Chambers
- Replacement Vehicle—Trolley
- Beach Street Slips—South

2018 Council Goals

1. Achieve Economic and Fiscal Sustainability
2. Complete WRF Project and OneWater Program
3. Improve Infrastructure and Public Spaces
4. Review and Update Significant City Land Use Plans
5. Improve Communication to the Community

City of Morro Bay

Mayor

Jamie Irons

Vice Mayor

Marlys McPherson

Council Members

Red Davis

John Heading

Matt Makowetski

City Manager

Scott Collins

Public Works Director

Rob Livick

Community Development Director

Scot Graham

Acting Police Chief

Jody Cox

Fire Chief

Steve Knuckles

Harbor Director

Eric Endersby

Finance Director

Jen Callaway

City Clerk

Dana Swanson

CITY OF MORRO BAY

Summary of FY 2018/19 Adopted Budget



PUT LIFE ON COAST

Population : 10,503

Square Miles: 3

www.morrobayca.gov

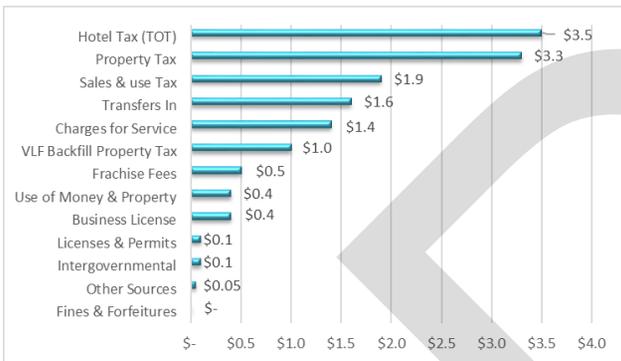
BUDGET SUMMARY

GENERAL FUND

Revenues: (By Category)

Hotel Tax (TOT)	\$	3,524,835
Property Tax		3,262,077
Sales & use Tax		1,964,510
Transfers In		1,605,795
Charges for Service		1,435,473
VLF Backfill Property Tax		1,048,184
Franchise Fees		531,799
Use of Money & Property		389,600
Business License		376,500
Licenses & Permits		92,859
Intergovernmental		50,380
Other Sources		43,005
Fines & Forfeitures		5,511
Total	\$	14,330,528

FY 2018/19 Revenues by Category
\$14.3 Million



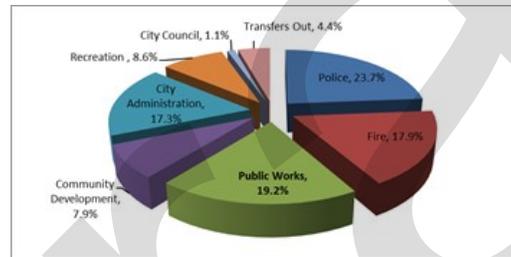
GENERAL FUND

Expenditures (By Department):

Police	\$	3,399,264
Public Works		2,751,209
Fire		2,569,479
City Administration*		2,472,243
Recreation		1,225,166
Community Development		1,136,633
Transfers Out		624,080
City Council		150,550
Total	\$	14,328,624

*City Manager, Legal Services, Finance, Human Resources, Clerk, Contract Services

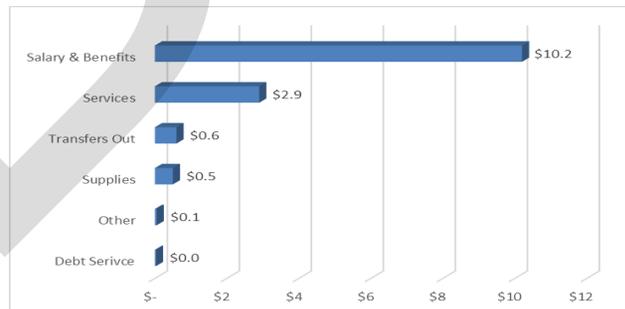
FY 2018/19 Expenditures by Department



Expenditures (By Category):

Salary & Benefits	\$	10,228,403
Services		2,876,599
Transfers Out		624,080
Supplies		499,017
Other Sources		65,335
Debt Service		35,190
Total	\$	14,328,624

FY 2018/19 Expenditures by Category



CITY-WIDE DATA

Personnel

Authorized Funded Positions	99.5
Elected Officials	<u>5.0</u>
Full-Time-Equivalents	104.5

Revenues: (By Fund)

Enterprise Funds	\$ 22,401,299
General Fund	14,330,528
Capital Projects Funds	13,169,030
Internal Service Funds	2,345,430
Special Revenue Funds	2,080,135
Other Revenue Funds	<u>1,486,211</u>
Total Rev & Transfers In	\$ 55,812,633

Expenditures (By Fund: Excluding Transfers)

General Fund	\$ 13,704,544
Capital Projects Funds	13,194,030
Enterprise Funds	11,693,754
Internal Service Funds	2,083,631
Other Revenue Funds	1,730,851
Special Revenue Funds	<u>1,536,632</u>
Total Expenditures	\$ 43,943,442

Cash Balance Reserves*

	2017/18 <u>Est YE</u>	2018/19 <u>Bud YE</u>
Sewer Funds*	\$7,238,220	\$1,268,928
Water Funds	4,092,434	5,373,916
Other Funds	3,733,595	2,918,528
General Fund	3,120,415	3,291,415
Internal Service Funds	1,416,537	1,507,336
Harbor Funds	989,288	682,037
Utility Discount	413,829	413,829
Tourism	283,022	304,675
Measure Q	<u>118,299</u>	<u>118,299</u>
Total Expenditures	\$21,405,639	\$15,878,963

*The "cash balances" presented are a blend of fund balance and cash balance. Future budgets will be revised to provide fund balance for all funds. Sewer Fund balance decreases year over year due to planned work on the Water Reclamation Facility Capital Project.