



CITY OF MORRO BAY CITY COUNCIL AGENDA

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.

Regular Meeting – Tuesday, August 27, 2019 Veterans Memorial Hall - 5:30 P.M. 209 Surf St., Morro Bay, CA

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE
RECOGNITION
CLOSED SESSION REPORT
MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS
CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS
PRESENTATIONS

- Morro Bay Chamber of Commerce Presentation

PUBLIC COMMENT PERIOD

Members of the audience wishing to address the Council on City business matters not on the agenda may do so at this time. For those desiring to speak on items on the agenda, but unable to stay for the item, may also address the Council at this time.

Public comment is an opportunity for members of the public to provide input to the governing body. To increase the effectiveness of the Public Comment Period, the City respectfully requests the following guidelines and expectations be followed:

- Those desiring to speak are asked to complete a speaker slip, which are located at the entrance, and submit it to the City Clerk. However, speaker slips are not required to provide public comment.
- When recognized by the Mayor, please come forward to the podium to speak. Though not required, it is helpful if you state your name, city of residence and whether you represent a business or group. Unless otherwise established by the Mayor, comments are to be limited to three minutes.
- All remarks should be addressed to Council, as a whole, and not to any individual member thereof.
- The Council respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, commission 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 City Council to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in City Council meetings is welcome and your courtesy will be appreciated.
- The Council in turn agrees to abide by its best practices of civility and civil discourse according to Resolution No. 07-19.

A. CONSENT AGENDA

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion. The public will also be provided an opportunity to comment on consent agenda items.

- A-1 APPROVAL OF MINUTES FOR THE JULY 9, 2019, CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-2 APPROVAL OF MINUTES FOR THE AUGUST 14, 2019, CITY COUNCIL CLOSED
SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-3 REVIEW AND RECEIVE WATER RECLAMATION FACILITY (WRF) CAPITAL
PROJECT MONTHLY UPDATE REPORT AND PROVIDE DIRECTION, IF ANY,
DEEMED APPROPRIATE; (PUBLIC WORKS)

**RECOMMENDATION: Council receive WRF Capital Project Monthly Update Report
and provide direction, if any, deemed appropriate.**

- A-4 ADOPTION OF ORDINANCE NO. 623, PRE-ZONING THE 27.6 ACRE WATER
RECLAMATION FACILITY (WRF) PORTION OF APN: 073-101-017 TO PUBLIC
FACILITY. (CASE NO. MIN#19-009); (COMMUNITY DEVELOPMENT)

**RECOMMENDATION: Staff recommends Council adopt, by second reading by title
only and with further reading waived, Ordinance No. 623: "An Ordinance of the
City Council of Morro Bay, California establishing rezoning for the 27.6-acre
portion of parcel APN 073-101-071 (CASE No. MIN#19-001)."**

- A-5 ADOPTION OF RESOLUTION 74-19 APPROVING A NEW "MOORING AND
SUPPORT FACILITY" LEASE AGREEMENT WITH THE UNITED STATES COAST
GUARD FOR COAST GUARD STATION MORRO BAY LOGISTICAL NEEDS AT AND
AROUND STATION MORRO BAY, LOCATED AT LEASE SITE 141 (1279
EMBARCADERO ROAD) (HARBOR)

**RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 74-
19 approving a ten-year Lease Agreement, with an initial term of one year and a
series of nine one-year renewals, with the United States Coast Guard (CG) for
Coast Guard Station Morro Bay logistical needs.**

- A-6 AUTHORIZATION TO SUBMIT A GRANT APPLICATION FOR CALIFORNIA
COASTAL COMMISSION ROUND 6 GRANT FUNDING; (COMMUNITY
DEVELOPMENT)

**RECOMMENDATION: Adopt Resolution No. 75-19 authorizing staff to submit a
grant application for California Coastal Commission (CCC) Round 6 grant funding
to support the ongoing update of the City's General Plan/Local Coastal Program in
the amount of \$65,000.**

B. PUBLIC HEARINGS - NONE

C. BUSINESS ITEMS

- C-1 CONSIDERATION OF INCLUDING VACATION RENTALS AND RECREATIONAL VEHICLE PARKS IN THE TOURISM BUSINESS IMPROVEMENT DISTRICT ASSESSMENT; (CITY MANAGER/TOURISM)

RECOMMENDATION: Initiate process to include Vacation Rentals (VRs) and Recreational Vehicle Parks (RVs) into the Tourism Business Improvement District (TBID) at an assessment rate of 3 percent (of gross room rates per each overnight stay) and to have VR/RV's included by early 2020. It is further recommended that the City honor contracts or rental agreements in place for VRs/RVs prior to the effective date of including VRs and RVs in the TBID, by not adding the TBID assessment rates to those agreements.

- C-2 REVENUE GENERATING MEASURES FOR THE NOVEMBER 2020 GENERAL ELECTION BALLOT; (CITY MANAGER/FINANCE)

RECOMMENDATION: Staff Recommends that the Council:

1. Authorize the City Manager to enter into consulting agreements with both a lead consulting firm and a public opinion research agency to conduct polling for a sales tax revenue ballot measure and/or a Harbor Assessment ballot measure for consideration during the November 2020 general election with appropriate budget adjustments from the General Fund Emergency Reserves.
2. Establish a Council ad-hoc committee.

- C-3 REVIEW AND DISCUSSION OF CITY COUNCIL POLICIES & PROCEDURES AND ADVISORY BODIES HANDBOOK AND BY-LAWS; (CITY MANAGER)

RECOMMENDATION: Staff recommends the City Council review and discuss City Council and Advisory Body policies, consider the benefit of establishing a Council sub-committee to perform an in-depth review, and direct staff as to desired next steps related to the following:

- Advisory Body policies related to recruitment procedures, roles and responsibilities, and meeting frequency
- City Council Policies & Procedures regarding letters of support on legislative items of interest
- Other policies as deemed appropriate by a majority of the Council.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

E. ADJOURNMENT

The next Regular Meeting will be held on **Tuesday, September 10, 2019 at 5:30 p.m.** at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

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 THE CLERK'S OFFICE AT 772-6205 FOR FURTHER INFORMATION.

MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE CITY COUNCIL AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION AT CITY HALL LOCATED AT 595 HARBOR STREET; MORRO BAY LIBRARY LOCATED AT 625 HARBOR STREET; AND MILL'S COPY CENTER LOCATED AT 495 MORRO BAY BOULEVARD 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 24 HOURS PRIOR TO THE MEETING TO INSURE REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.

This Page Intentionally Left Blank

| | | |
|----------|-------------------|--------------------------------|
| PRESENT: | John Headding | Mayor |
| | Dawn Addis | Council Member |
| | Robert Davis | Council Member |
| | Jeff Heller | Council Member |
| | Marlys McPherson | Council Member |
| STAFF: | Scott Collins | City Manager |
| | Chris Neumeyer | City Attorney |
| | Dana Swanson | City Clerk |
| | Jennifer Callaway | Finance Director |
| | Rob Livick | Public Works Director |
| | Scot Graham | Community Development Director |
| | Steve Knuckles | Fire Chief |
| | Jody Cox | Police Chief |
| | Eric Endersby | Harbor Director |
| | Jennifer Little | Tourism Manager |

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Headding called the meeting to order at 5:30 p.m. with all members present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION – None

CLOSED SESSION REPORT – City Attorney Neumeyer stated no reportable action was taken by the City Council in accordance with the Brown Act.

MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

https://youtu.be/0KBADG UR_k?t=115

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

https://youtu.be/0KBADG UR_k?t=494

The Council took a brief recess at 5:44 p.m. to receive a presentation of Engine 5391 in front of the Veterans Memorial Hall. The meeting reconvened at 5:58 p.m. with all members present.

PRESENTATIONS

- Presentation of Engine 5391 purchased through Bertha Schultz Trust and Measure Q.
https://youtu.be/0KBADG UR_k?t=615

PUBLIC COMMENT

https://youtu.be/0KBADG UR_k?t=1155

Gary Freeburg, co-owner of Pacific Street Cottages located at 218 – 240 Pacific Street, provided the business spot. He also spoke in support of the vacation rental permit process.

Carole Truesdale, President of Neighborhood Watch, announced National Night Out to be held Tuesday, August 6, from 5:00-7:00 pm at Cloisters Park.

Linda Winters, Morro Bay, announced a letter writing campaign to the Governor's office in support of mobile home park living as an affordable living alternative.

Manley McNinch spoke in support of local workforce agreements.

David Baldwin, Atascadero, urged the City to take steps toward local hiring.

Scott Zimmerman spoke in favor of local workforce agreements and apprenticeship programs.

Torrey Byles, Morro Bay, spoke in support of community workforce agreements.

Nancy Bast, Morro Bay, spoke on Item C-4, opposed the use of enterprise funds for the project and requested discussion of water/sewer expenditures be placed first on the agenda.

Barry Branin, Morro Bay, stated the July 11th Coastal Commission Meeting will be the first opportunity for Morro Bay and Los Osos residents to speak at a public hearing on the Water Reclamation Facility.

Dan Sedley, Morro Bay, opposed the use of enterprise funds for City Hall safety improvements.

Autumn Brown expressed support for a community workforce agreement.

Mayor Headding closed public comment.

A. CONSENT AGENDA
https://youtu.be/0KBADG_UR_k?t=2756

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion. The public will also be provided an opportunity to comment on consent agenda items.

A-1 APPROVAL OF MINUTES FOR THE MAY 28, 2019, CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE JUNE 11, 2019, CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 DISCUSSION AND APPROVAL OF RECOMMENDATIONS FROM THE TOURISM BUSINESS IMPROVEMENT DISTRICT (TBID) FOR CRITERIA TO EVALUATE GRANTS FOR SPECIAL EVENTS IN FISCAL YEAR 2019-20; (TOURISM)

RECOMMENDATION: CITY COUNCIL APPROVE THE TOURISM BUSINESS IMPROVEMENT DISTRICT GRANT EVALUATION PROCESS AS RECOMMENDED BY THE TBID ADVISORY BOARD.

A-4 APPROVAL OF HARBOR ADVISORY BOARD MEMBER'S REQUEST FOR AN EXCUSED ABSENCE; (CITY CLERK)

RECOMMENDATION: City Council consider the request submitted by Harbor Advisory Board (HAB) Member, Dana McClish, to excuse his absences from the December 6, 2018, April 4, 2019, and June 6, 2019 Regular Harbor Advisory Board meetings and allow him to continue serving through the scheduled term ending January 31, 2023.

- A-5 ADOPTION OF RESOLUTION NO. 63-19, RESCINDING RESOLUTION NO. 07-18, AND ENCOURAGING THE FEDERAL GOVERNMENT TO NOT OPEN OUR OCEAN, COAST AND LAND TO ANY NEW ONSHORE AND OFFSHORE OIL DRILLING, EXPLORATION AND FRACKING; (CITY MANAGER)

RECOMMENDATION: City Council adopt Resolution No. 63-19 which encourages the federal government to not permit new onshore and offshore oil development along both the coastline as well as the land within San Luis Obispo County.

- A-6 SUPPORT FOR U.S. CONGRESSIONAL HOUSE OF REPRESENTATIVES HOUSE RESOLUTION (H.R. 763) WHICH ENCOURAGES CLEAN ENERGY TECHNOLOGIES THROUGH A FEE ON CARBON PRODUCTION; (CITY MANAGER)

RECOMMENDATION: City Council support U.S. Congressional House Resolution 763 (H.R. 763) and authorize the Mayor to send a letter of support to congressional representatives on behalf of the City.

Mayor Headding opened the public comment for the Consent Agenda; seeing none, the public comment period was closed.

Council Member McPherson pulled Item A-5.

MOTION: Council Member Davis moved approval of Items A-1 through A-4 and A-6 on the Consent Agenda. The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

- A-5 ADOPTION OF RESOLUTION NO. 63-19, RESCINDING RESOLUTION NO. 07-18, AND ENCOURAGING THE FEDERAL GOVERNMENT TO NOT OPEN OUR OCEAN, COAST AND LAND TO ANY NEW ONSHORE AND OFFSHORE OIL DRILLING, EXPLORATION AND FRACKING; (CITY MANAGER)
https://youtu.be/0KBADG_UR_k?t=2828

Council Member McPherson requested Council consider the proposed edits submitted by Ms. Winholtz as agenda correspondence to confirm it was the Council's intent to extend the policy to State lands.

MOTION: Council Member McPherson moved approval of Item A-5 with the proposed change. The motion was seconded by Council Member Davis and carried 5-0 by roll call vote.

B. PUBLIC HEARINGS - NONE

C. BUSINESS ITEMS

- C-1 COMPREHENSIVE COST ALLOCATION PLAN AND FEE STUDY UPDATE; (FINANCE)
https://youtu.be/0KBADG_UR_k?t=2960

Finance Director Callaway opened the item and introduced Chu Thai, Vice President of Revenue & Cost Specialists, who provided the report and responded to Council inquires.

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

Erica Crawford, Morro Bay Chamber of Commerce, shared her interest from an economic development perspective and offered to participate in community outreach.

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

There was Council concurrence on the following priorities moving forward:

- Provide more detail specifically looking at other communities to understand the last time they conducted fee studies.
- Reach out to as many community groups as possible and provide feedback to Council on demographics to ensure we're reaching broadly.
- The importance of framing the conversation for the community.
- Confirmed the results would come back to Council late August or September and new fees would go into effect 60 days after adoption.

The Council did not take any formal action on this item.

C-2 ADOPTION OF RESOLUTION NO. 64-19 TO APPROVE UTILITY DISCOUNT PROGRAM ENROLLMENT, RESOLUTION NO. 65-19 CITY OF MORRO BAY'S POLICY FOR UTILITY PAYMENT EXTENSIONS, AND RESOLUTION NO. 66-19 CITY OF MORRO BAY'S RETURNED DEPOSIT ITEM POLICY; (FINANCE)
https://youtu.be/0KBADG UR_k?t=6466

Finance Director Callaway provided the report.

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

MOTION: Council Member McPherson moved to adopt Resolution No. 64-19, approving the City of Morro Bay's Utility Discount Program Enrollment and Resolution No. 65-19, approving the City of Morro Bay's Penalty for Utility Payment Extensions and also Resolution No. 66-19, the City of Morro Bay's Returned Deposit Items. The motion was seconded by Council Member Davis and carried 5-0 by roll call vote.

C-3 ADOPT RESOLUTION NO. 67-19 ESTABLISHING THE CITY OF MORRO BAY COMMUNITY GRANTS POLICY; (FINANCE)
https://youtu.be/0KBADG UR_k?t=6850

Finance Director Callaway provided the report and responded to Council inquires.

The public comment period for Item C-3 was opened; seeing none, the public comment period was closed.

Council Member McPherson suggested language in grant agreement be consistent and require one report due on July 31st. The Council authorized staff to advertise and accept applications as proposed.

MOTION: Council Member McPherson moved to adopt Resolution No. 67-19, establishing the City of Morro Bay's Community Grants Policy with the proposed change to page 2 of the Grant Agreement. The motion was seconded by Council Member Davis and carried 5-0 by roll call vote.

C-4 ADOPT RESOLUTION NO. 68-19 AUTHORIZING A BUDGET ADJUSTMENT OF \$10,000 TO PERFORM FACILITY UPDATES FOR SAFETY AND ACCESSIBILITY AT CITY HALL; (CITY MANAGER)
https://youtu.be/0KBADG UR_k?t=7712

City Manager Collins provided the report and responded to Council inquires.

The public comment period for Item C-4 was opened.

Betty Winholtz, Morro Bay, was against the project and felt it was inappropriate to charge water / sewer for the improvements. If pursued, she ~~and~~ suggested the entire cost come out of the General Fund.

James Costanzo, Morro Bay, opposed the recommended funding and encouraged the Council to vote no.

Bob Keller, Morro Bay, suggested the item be tabled in order to gather information on other alternatives.

The public comment period for Item C-4 was closed.

MOTION: Council Member Addis moved to adopt Resolution No. 68-19 authorizing a budget adjustment of \$10,000 to perform security and accessibility upgrades at City Hall funded with \$2,500 from Fund 311- Water Fund, \$2,500 from Fund 321 – Sewer Fund; and \$5,000 from Fund 052 Facility Maintenance Fund. The motion was seconded by Council Member Davis for discussion.

There was Council concurrence employee safety was a top priority. Council Member Heller agreed but did not feel bullet proof windows were appropriate for City offices. He suggested the item be brought back with more options and funded by the General Fund.

The motion carried 4-1 by roll call vote with Council Member Heller opposed.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
<https://youtu.be/0KBADG UR k?t=9603>

Council Member Addis asked that a mass casualty response plan be presented to Council for discussion of the Council's role as policy makers. There was full support for this item.

E. ADJOURNMENT

The meeting adjourned at 8:20 p.m.

Recorded by:

Dana Swanson
City Clerk

This Page Intentionally Left Blank

MINUTES - MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING –
AUGUST 14, 2019 – 5:00 P.M.
CITY HALL CONFERENCE ROOM – 595 HARBOR ST.

AGENDA NO: A-2
MEETING DATE: August 27, 2019

PRESENT: John Headding Mayor
 Dawn Addis Council Member (*arrived 5:06 pm*)
 Robert Davis Council Member
 Jeff Heller Council Member
 Marlys McPherson Council Member

STAFF: Scott Collins City Manager
 Chris Neumeyer City Attorney
 Scot Graham Community Development Director
 Eric Endersby Harbor Director
 Rob Livick Public Works Director
 Eric Casares WRF Program Manager
 Heather Goodwin Executive Assistant/Deputy City Clerk

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Headding called the meeting to order at 5:01 p.m. with all but Council Member Addis present.

SUMMARY OF CLOSED SESSION ITEMS – The Mayor read a summary of Closed Session items.

CLOSED SESSION PUBLIC COMMENT – Mayor Headding opened public comment for items on the agenda.

Jane Heath, representing William Martony for Item CS-2, stated that they are proposing to assume the subject property lease on a short-term interim month-to-month basis; noted that they are also working City staff on a new 25-year lease.

William Martony, spoke on Item CS-2, provided a brief history of the property.

The public comment period was closed.

The City Council moved to Closed Session and heard the following items:

CS-1 CONFERENCE WITH REAL PROPERTY NEGOTIATOR – GOVERNMENT CODE SECTION 54956.8

Property: 555 South Bay Blvd. (future location of WRF Facility)
Property Negotiators: Tri-W Enterprises, Inc.
Agency Negotiators: Scott Collins, City Manager; Rob Livick, Public Works Director; Eric Casares, WRF Program Manager and Chris Neumeyer, City Attorney
Under Negotiation: Price and Terms of Payment

CS-2 CONFERENCE WITH REAL PROPERTY NEGOTIATOR – GOVERNMENT CODE SECTION 54956.8

Property: Lease Site 34W, located adjacent to 225 Main Street
Property Negotiators: William Martony
Agency Negotiators: Scott Collins, City Manager; Eric Endersby, Harbor Director and Chris Neumeyer, City Attorney
Under Negotiation: Price and Terms of Payment

CS-3 CONFERENCE WITH REAL PROPERTY NEGOTIATOR – GOVERNMENT CODE SECTION 54956.8

Property: Dock Space, Slips and Parking associated with North T-Pier, located adjacent to 1279 Embarcadero
Property Negotiators: United States Coast Guard
Agency Negotiators: Scott Collins, City Manager; Eric Endersby, Harbor Director and Chris Neumeyer, City Attorney
Under Negotiation: Price and Terms of Payment

CS-4 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code section 54956.9: Three Matters

CS-5 CONFERENCE WITH REAL PROPERTY NEGOTIATOR – GOVERNMENT CODE SECTION 54956.8

Property: Easements over Assessor Parcel No. 064-101-007

Property Negotiators: Dan Shepard et al

Agency Negotiators: Scott Collins, City Manager; Rob Livick, Public Works Director; Eric Casares, WRF Program Manager and Chris Neumeyer, City Attorney

Under Negotiation: Price and Terms of Payment

RECONVENE IN OPEN SESSION – The City Council reconvened in Open Session. The Council did not take any reportable action in accordance with the Brown Act.

ADJOURNMENT - The meeting adjourned at 6:20 p.m.

Recorded by:

Heather Goodwin
Deputy City Clerk



AGENDA NO: A-3

MEETING DATE: August 27, 2019

Staff Report

TO: Honorable Mayor & City Council **DATE:** August 20, 2019

FROM: Rob Livick, PE/PLS – Public Works Director/City Engineer
Eric Casares, PE – Water Reclamation Facility (WRF) Program Manager

SUBJECT: Review and Receive Water Reclamation Facility (WRF) Capital Project Monthly Update Report and Provide Direction, if any, Deemed Appropriate

RECOMMENDATION

Council receive WRF Capital Project Monthly Update Report and provide direction, if any, deemed appropriate.

DISCUSSION

Provided as Attachment 1 is the Monthly WRF Project Report for July 2019 for Council and public review.

ATTACHMENT

1. City of Morro Bay Water Reclamation Facility Project Monthly Report July 2019

Prepared By: _____ Dept Review: _____
City Manager Review: ___SC___ City Attorney Review: _____

This Page Intentionally Left Blank



City of Morro Bay
Water Reclamation Facility Project

MONTHLY REPORT JULY 2019

FINAL | August 2019





City of Morro Bay
Water Reclamation Facility Project

MONTHLY REPORT JULY 2019

FINAL | August 2019

This document is released for the
purpose of information exchange review
and planning only under the authority of
Eric T. Casares
August 2019
State of California, P.E. 73351

Contents

| | |
|--|-----------|
| Section 1 - PROJECT OVERVIEW | 1 |
| 1.1 General Project Status Update | 1 |
| 1.1.1 Property and Easement Acquisition | 1 |
| 1.1.2 Funding Agency Coordination | 1 |
| 1.1.3 Coastal Development Permit Receipt | 2 |
| 1.2 Environmental Documentation Completion | 2 |
| 1.3 Facility Site Visits | 2 |
| 1.4 Quarterly Budget Revision | 2 |
| Section 2 -KEY PERFORMANCE MEASURES | 7 |
| 2.1 Performance Measures | 7 |
| Section 3 - PROJECT COSTS | 11 |
| 3.1 Project Budget | 11 |
| 3.2 Project Cash Flow | 11 |
| Section 4 - PROJECT SCHEDULE | 13 |
| 4.1 Project Milestones | 13 |

Tables

| | | |
|---------|--|----|
| Table 1 | Budget Revision Summary | 3 |
| Table 2 | Project Accomplishments and Challenges | 5 |
| Table 3 | WRF Project Performance Measures | 9 |
| Table 4 | WRF Project Overall Budget Status (thru July 2019) | 11 |
| Table 5 | Project Construction Milestones | 13 |

Figures

| | | |
|----------|---|----|
| Figure 1 | Project Cash Flow Projections and Actual Expenditures | 12 |
| Figure 2 | Project Milestone Summary | 15 |

Abbreviations

| | |
|-------|---|
| APE | Area of Potential Effect |
| BDR | Basis of Design Report |
| BOD | Biochemical Oxygen Demand |
| CCC | California Coastal Commission |
| CDP | Coastal Development Permit |
| CDR | Concept Design Report |
| CEQA | California Environmental Quality Act |
| CPT | Cone Penetration Test |
| CWSRF | Clean Water State Revolving Fund |
| DDW | Division of Drinking Water |
| EPA | Environmental Protection Agency |
| ESCP | Enhanced Source Control Program |
| FEIR | Final Environmental Impact Report |
| GMP | Guaranteed Maximum Price |
| IPR | Indirect Potable Reuse |
| IUP | Intended Use Plan |
| IWS | Industrial Waste Survey |
| KPI | Key Performance Indicator |
| MBPFC | Morro Bay Public Facilities Corporation |
| MBR | Membrane Bioreactor |
| NEPA | National Environmental Policy Act |
| NOI | Notice of Intent |
| NPDES | National Pollution Discharge Elimination System |
| PCO | Potential Change Order |
| PPP | Pollution Prevention Program |
| RWQCB | Regional Water Quality Control Board |
| SHPO | State Historic Preservation Office |
| SPI | Schedule Performance Index |
| TSO | Time Schedule Order |
| TSS | Total Suspended Solids |
| USACE | United States Army Corps of Engineers |
| USBR | United States Bureau of Reclamation |
| USFW | United States Fish and Wildlife |
| UVAOP | Ultraviolet Advanced Oxidation Process |
| WIFIA | Water Infrastructure Finance and Innovation and Act |
| WRF | Water Reclamation Facility |

WRFCAC Water Reclamation Facility Citizens Advisory Committee
WWE Water Works Engineers

Section 1

PROJECT OVERVIEW

1.1 General Project Status Update

All components of the Water Reclamation Facility Project (Project) are currently in progress. City staff and the Program Manager (Carollo) are actively working with the design-build team (DB team) and the pipeline designer to advance the design of the Water Reclamation Facility (WRF) and Conveyance Facilities, respectively. In July 2019, City staff and the Program Manager focused on moving the WRF component of the Project into construction. In order to start construction, the following activities must be completed:

- Property and Easement Acquisition.
- Purchase the WRF site currently owned by Tri W.
- Acquire both the temporary and permanent easements on property adjacent to Teresa Road owned by the Martz 2003 Trust.
- Funding Agency Coordination.
- Negotiate and sign the final loan agreement with the Water Infrastructure Finance and Innovation and Act (WIFIA).
- Facilitate completion of the Clean Water State Revolving Fund's (CWSRF's) Environmental Checklist.
- Coastal Development Permit (CDP) Receipt.
- Environmental Documentation Completion.
- Complete the Final Environmental Impact Report (FEIR) addendum.

A description of the status of these specific activities is provided below.

1.1.1 Property and Easement Acquisition

City staff received a letter from their appraiser (Schenberger, Taylor, McCormick & Jecker, Inc. [STMJ]) on August 14, 2019 indicating the value of the Tri W property and necessary easements owned by the Martz 2003 Trust. City staff is finalizing the purchase agreements with the two property owners and anticipates bringing these purchase agreements to City Council at the September 10, 2019 meeting.

1.1.2 Funding Agency Coordination

City staff and the Program Manager have been working with the City Attorney and WIFIA staff for the last several months to finalize the terms and specific language of the WIFIA loan agreement. The WIFIA loan agreement will cover 49 percent of the total \$126 million cost for the Project. Final edits have been provided to the City by WIFIA staff and it is anticipated that the final loan agreement will come back to City Council for review and approval at the September 10, 2019 meeting.

In addition to loan terms, the Program Manager has been working to facilitate the review of both the WIFIA and CWSRF applications with their respective staffs. Specifically, CWSRF requires an

applicant to complete the Environmental Checklist before construction can begin. These activities include coordination with various stakeholders including the United States Fish and Wildlife (USFW), National Marine Fisheries Service (NMFS), and the State Historic Preservation Office (SHPO). All of these consultation efforts are underway and City staff anticipates having a completed Environmental Checklist by the middle of September 2019.

1.1.3 Coastal Development Permit Receipt

On July 11, 2019, CCC approved the City's CDP with special conditions. On July 19, 2019, the City received a Notice of Intent (NOI) to issue the CDP 3-19-0463 that included several conditions that must be met before either the CDP can be issued or before construction can be started. In order to receive the CDP, the City must satisfy Special Condition 1 (Revised Final Plans) and Special Condition 2 (Construction Plans). A third condition, Special Condition 6 (Recycled Water Management Plan), must be satisfied before construction of the Project can begin. The Program Manager is currently working with the DB team and Conveyance Facilities designer to finalize and submit these documents to CCC staff before the end of August 2019.

1.2 Environmental Documentation Completion

On August 08, 2019, Environmental Science Associates (ESA) completed the FEIR Addendum for the Project. While not required by the California Environmental Quality Act (CEQA) to be circulated, the State Water Board requires that all environmental documents for projects that receive CWSRF funding be circulated for a minimum period of 14 days. Hard copies of the FEIR Addendum and supporting documentation were received by the State Clearinghouse and San Luis Obispo County Clerk's Office on August 14, 2019. The FEIR Addendum will be put on the agenda for the September 10, 2019 City Council meeting.

1.3 Facility Site Visits

During the week of July 08, 2019, City staff (Joe Mueller), a member of the Program Manager's technical team (Andrew Gilmore), and the DB team traveled to several wastewater facilities in Ohio, Indiana, and Illinois to observe working installation of the Fibracast membrane bioreactor (MBR) and Aqua Aerobics' AquaStorm™ system. A total of five (5) sites were toured including:

- Delphos, Ohio (Fibracast MBR).
- Rushville, Indiana (AquaStorm™ system).
- Rockford, Illinois (Aqua Aerobics headquarters, test facility, and manufacturing facility).
- Woodland, Illinois (AquaStorm™ system).

Both the MBR and AquaStorm™ system, which will be used to treated peak stormwater flows, are critical elements of the new WRF. Information gained from these site visits will be used to evaluate the four (4) MBR proposals and develop the procurement documents for the stormwater treatment system.

1.4 Quarterly Budget Revision

The budget for the Project is reconciled on a quarterly basis and is re-baselined on an annual basis. The original \$126 million baseline budget was developed in June 2018 (Q4 Fiscal Year 2018/2019) and was used as the basis for the rate study prepared by Bartle Wells. The annual re-baselined budget will become the new baseline budget used during this 2019/2020 fiscal year. A summary of the baseline, quarterly reconciled, and annual re-baselined budgets are summarized

in Table 1. Subsequent budget reconciliations (quarterly) and re-baselined budgets (annual) will also be presented in this table for reference.

Table 1 Budget Revision Summary

| Project Component | Baseline (Q4 FY 17/18) | Quarterly Reconciliation (Q3 FY 18/19) | Annual Re-Baselined (Q4 FY 18/19) |
|---|---------------------------|--|---|
| Water Reclamation Facility | \$62,414,000 | \$74,059,000 | \$72,891,000 |
| Conveyance Facilities | \$21,087,000 | \$27,108,000 | \$28,864,000 |
| Recycled Water Facilities | \$8,593,000 | \$5,366,000 | \$5,283,000 |
| General Program | \$24,403,000 | \$11,614,000 | \$11,714,000 |
| Construction Contingency ⁽¹⁾ | \$9,444,000 | \$6,450,000 | \$7,132,000 |
| Total | \$125,941,000 | \$124,597,000 | \$125,884,000 |

Notes:

(1) Increase in construction contingency is due to funds being shifted back from the Water Reclamation Facility into the contingency fund (only \$1.9 million of the budgeted \$2.5 million was used to fund the potential change orders [PCOs] approved by City Council for the Project in May 2019).

Increases to the Project budget since the budget reconciliation in Q3 Fiscal Year 2018/2019 can be attributed to the following:

- Addition of a trenchless crossing to the design of the Conveyance Facilities along the bike path at Willow Camp Creek following completion of the wetland delineation as part of the supplementary biological report prepared by Kevin Merk (approximately \$1 million)
- Additional potholing for design of the Conveyance Facilities necessary to identify utility locations and avoid construction change orders (approximately \$150,000)
- Additional land acquisition costs for purchase of the Tri-W property following initial estimates from the appraiser (approximately \$300,000).

Table 2 summarizes some of the key accomplishments and critical challenges identified for the Project in May 2019.

Table 2 Project Accomplishments and Challenges

| Project Component | Key Accomplishments | Critical Challenges | Actions to Overcome Challenges | Likely Outcomes |
|----------------------------|--|---|--|---|
| General Project | Completed the FEIR Addendum for circulation and for review by City Council in September 2019 | | | |
| | Received the NOI for the CDP for the Project | | | |
| Water Reclamation Facility | Completed multiple site visits in the Midwest to view critical pieces of equipment for the WRF | | | |
| | Received proposals from four (4) MBR manufacturers | | | |
| | Received proposals from five (5) headworks equipment manufacturers | | | |
| | Received the 60 Percent Design Submittal | | | |
| Conveyance Facilities | Continued development of the 60 Percent Design Submittal | | | |
| | | Schedule recovery due to issues access Vistra and PG&E property | Work with WWE to expedite the final design schedule (options could include eliminating some intermediate deliverables) | Without expediting the schedule, delayed construction completion could impact the schedule for start-up of the WRF |
| Recycled Water Facilities | | Schedule recovery due to issues access Vistra and PG&E property | Work with GSI to expedite the completion of the Phase 2 hydrogeology work | Without expediting the schedule, the completion of the injection wells could be delayed (does not impact compliance with the time schedule order [TSO]) |

Section 2

KEY PERFORMANCE MEASURES

2.1 Performance Measures

A set of five (5) Key Performance Indicators (KPIs) were established to readily measure the progress of the Project. These KPIs represent various success factors associated with the WRF project management and delivery that were established by the Program Manager and City staff and are summarized as Table 3. The Project's performance is also illustrated graphically in Figures 1 and Figure 2

Table 3 WRF Project Performance Measures

| Performance Measure | Data | Target ⁽¹⁾ | Current | Delta | Status | Ⓞ | Ⓢ | Ⓡ |
|--|--|-----------------------|-----------|-----------|--------|---|---|--|
| 1: Total Project Costs | Total Project Projected Cost at Completion versus the Baseline Budget (budget as of 6/30/19) | \$125.9 M | \$125.9 M | 0.0% | Ⓞ | Estimated cost within 5% of target budget | Estimated cost > 5% above target budget | Estimated cost > 10% above target budget |
| 1.1: WRF Costs | On Site WRF Projected Cost at Completion versus the Baseline Budget (budget as of 6/30/19) | \$77.3 M | \$77.3 M | 0.0% | Ⓞ | Estimated cost within 5% of target budget | Estimated cost > 5% above target budget | Estimated cost > 10% above target budget |
| 1.2: Conveyance Facilities Costs¹ | Conveyance Facilities Projected Cost at Completion versus the Baseline Budget (budget as of 6/30/19) | \$31.3 M | \$31.3 M | 0.0% | Ⓞ | Estimated cost within 5% of target budget | Estimated cost > 5% above target budget | Estimated cost > 10% above target budget |
| 1.3: Recycled Water Facilities Costs¹ | Off Site Injection Facilities Projected Cost at Completion versus the Baseline Budget (budget as of 6/30/19) | \$5.6 M | \$5.6 M | 0.0% | Ⓞ | Estimated cost within 5% of target budget | Estimated cost > 5% above target budget | Estimated cost > 10% above target budget |
| 1.4: General Project Costs⁽²⁾ | General Project Projected Cost at Completion versus the Baseline Budget (budget as of 6/30/19) | \$11.7 M | \$11.7 M | 0.0% | Ⓞ | Estimated cost within 5% of target budget | Estimated cost > 5% above target budget | Estimated cost > 10% above target budget |
| 2: Program Manager Cost Performance Index | Ratio of Program Manager Earned Value to Actual Invoiced Cost-to-Date (as of 7/31/19) | 1.00 | 0.99 | -0.01 | Ⓞ | >= 1.00 | 0.99 to 0.90 | < 0.90 |
| 3: Project Schedule Performance Index⁽³⁾ | Ratio of Actual Percent Complete to Planned Percent Complete (as of 7/31/19) | 1.00 | 0.92 | -0.08 | Ⓢ | >=1.00 | 0.99 to 0.80 | <0.80 |
| 4: Conveyance Pipeline Installed | Feet of conveyance pipeline installed (thru 7/31/19) | 18,500 LF | 0.0 LF | 0.0% | Ⓞ | <= 5% | > 5% and <=7.5% | > 7.5% |
| 5: Compliance Date Countdown | Days Remaining to Compliance Date (as of 7/31/19) | 1,308 days | 870 days | -438 days | Ⓞ | >= 365 days | 364 days and 180 days | > 179 days |

Notes:

- (1) The target costs represent the Fiscal Year 2019/2020 re-baselined budget of \$125,884,000. The original baseline budget used as the basis of the rate increase is \$125,941,000.
- (2) General Project Costs include Program Management, funding, permitting, etc. as well as approximately \$5 million of accumulated costs for the Project before Carollo became Program Manager in April 2018.
- (3) Delays associated with access to Vistra and PG&E property have resulted in schedule delays impacting hydrogeology work and completion of the Conveyance Facilities final design.

Section 3

PROJECT COSTS

3.1 Project Budget

The overall budget status for the Project is summarized in Table 4. The top half of the table provides a summary of total estimated Project costs, including original and current estimated costs for the entire Project. The bottom half of Table 4 shows the total amount of work currently under contract and provides a summary of total charges.

Table 4 WRF Project Overall Budget Status (thru July 2019)

| Summary of Total WRF Project Cost | |
|---|---------------|
| Original Baseline WRF Project Budget ⁽¹⁾ | \$125,941,000 |
| Re-Baselined WRF Project Budget ⁽²⁾ | \$125,884,000 |
| Current WRF Project Budget (as of 6/30/19) ⁽³⁾ | \$125,884,000 |
| Budget Percent Change (Current versus Baseline) | 0.0% |
| Total Expenditures for July 2019 | \$946,798 |
| Total Expenditures to Date (thru 7/31/19 invoices) | \$11,965,433 |
| Percent of Current WRF Project Budget Expended | 9.5% |
| Summary of Contracted Work | |
| Total Contracted Amount | \$77,246,016 |
| Percent of Current WRF Project Budget Contracted | 61.4% |
| Total Contracted Amount Expended | \$10,341,229 |
| Percent of Contracted Amount Expended | 13.4% |
| Remaining WRF Project Contracted Amount | \$66,904,786 |

Notes:

- (1) Developed in June 2018 as the basis of the approved rate surcharge that took effect in July 2019.
- (2) The budget for the Project is re-baselined on an annual basis at the end of each fiscal year (June 30th)
- (3) The Project budget is reconciled on a quarterly basis and compared to the annual budget (i.e., September 30th, December 31st, and March 31st)

3.2 Project Cash Flow

Presented in Figure 1 are the projected and actual expenditures for the Project through July 2019 compared to the re-baselined budget developed at the end of Fiscal Year 2018/2019 as the basis for the upcoming fiscal year (i.e., July 01, 2019 through June 30, 2020). The line graph shows the cumulative values for the Project and the bars show the discrete monthly values. Actual and budgeted expenditures from 2013 to the end of Fiscal Year 2017/2018 have been combined to improve readability. A milestone has been added to the cumulative forecasted expenditures. This milestone corresponds to the substantial completion of the WRF, which coincides with the City being in compliance with the TSO issued by the Regional Water Quality Control Board (RWQCB) in June 2018

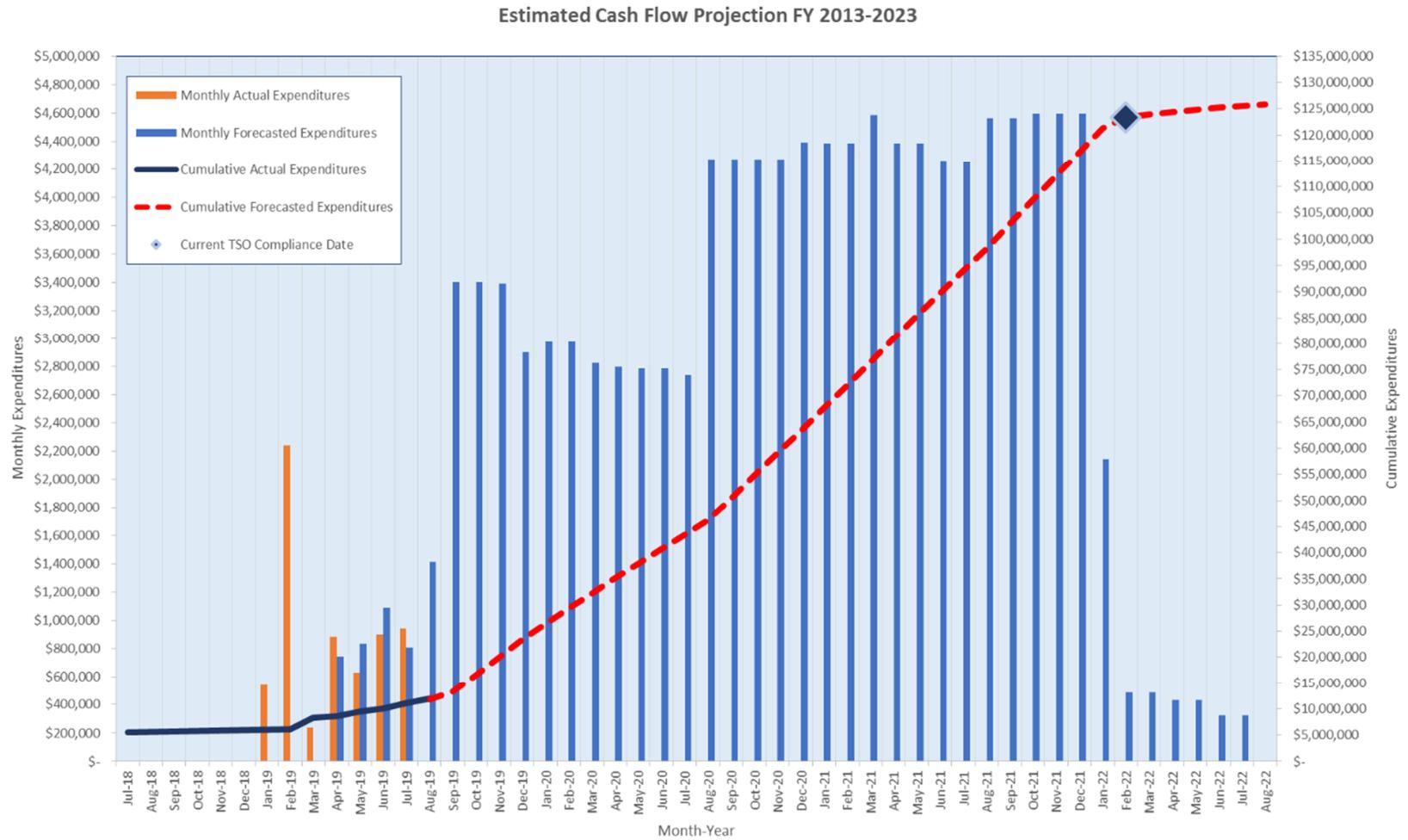


Figure 1 Project Cash Flow Projections and Actual Expenditures

Section 4

PROJECT SCHEDULE

A summary of the Project schedule is presented in Figure 2. The light blue bars for each major task represent the planned progress based on the baseline schedule developed at the end of Q3 Fiscal Year 2018/2019. The dark blue bars represent the current actual progress as of July 2019. For each major line item, the schedule performance index (SPI) has been provided as well as an overall SPI for the entire Project. The SPI is a ratio of the current actual percent complete versus the planned percent complete. A SPI of greater than 1.00 indicates that the Project is on or ahead of schedule and a SPI of less than 1.00 indicates the Project is running behind the planned schedule.

4.1 Project Milestones

In June 2018, the City received a TSO from the RWQCB. The TSO requires the City to comply with a time schedule that will, within five years of adoption, allow the City to achieve full compliance with biochemical oxygen demand (BOD) and total suspended solids (TSS) final effluent limitations established in Order No. R3-2017-0050. In addition to the final compliance date, a number of intermediate milestones are provided in Table 5 (Compliance Schedule) of the TSO. Presented in Table 5 are the milestones in the TSO.

Table 5 Project Construction Milestones

| Required Actions | Compliance Due Date | Planned Compliance Date | Actual Compliance Date |
|--|---------------------|-------------------------|------------------------|
| Release of Public Draft EIR | March 30, 2018 | - | March 30, 2018 |
| Release of Updated Rate Study | June 30, 2018 | - | July 05, 2018 |
| Proposition 218 Hearing | August 30, 2018 | - | September 11, 2018 |
| Certification of Final EIR | June 30, 2018 | - | August 14, 2018 |
| Award of Contract for WRF | September 30, 2018 | - | October 23, 2018 |
| Develop, Implement, and Submit Pollution Prevention Plan (PPP) for BOD and TSS | December 01, 2018 | TBD ⁽¹⁾ | - |
| Award of Contract for Construction of Conveyance Facilities | November 30, 2019 | July 22, 2020 | - |
| Completion of WRF Improvements with Completion Report | December 30, 2022 | December 17, 2021 | - |
| Full compliance with final effluent limitations | February 29, 2023 | December 17, 2021 | - |

Notes:

(1) The City and Program Manager have noted this requirement in the previous quarterly progress reports sent to the RWQCB (as required by the TSO). The City has requested that the Enhanced Source Control Program (ESCP) required as part of the Title 22 Engineer's Report be considered acceptable for this requirement in lieu of the PPP identified in the TSO.

This Page Intentionally Left Blank



AGENDA NO: A-4

MEETING DATE: August 27, 2019

Staff Report

TO: Honorable Mayor and City Council

DATE: August 20, 2019

FROM: Scot Graham, Community Development Director

SUBJECT: Adoption of Ordinance No. 623, pre-zoning the 27.6 acre Water Reclamation Facility (WRF) portion of APN: 073-101-017 to Public Facility. (Case No. MIN#19-009)

RECOMMENDATION

Staff recommends Council adopt, by second reading by title only and with further reading waived, Ordinance No. 623: "An Ordinance of the City Council of Morro Bay, California establishing pre-zoning for the 27.6-acre portion of parcel APN 073-101-071 (CASE No. MIN#19-001)."

ALTERNATIVES

No alternatives are recommended.

FISCAL IMPACT

There is no anticipated fiscal impact which would result from the adoption of Ordinance No. 623.

BACKGROUND/DISCUSSION

At the August 13, 2019 Council meeting, Ordinance No. 623 was introduced for first reading. With the adoption of that ordinance being recommended when the subject property is annexed to the City it will be zoned as Public Facility Zone District for construction and operation of the WRF. LAFCO application requirements and the City's General Plan require pre-zoning at time of annexation request. The City is in the process of filing an application for annexation with LAFCO, which requires the subject property be pre-zoned. The Public Facility Zone District is intended for "facilities that serve the public, such as government buildings and service facilities, schools, hospitals, cultural centers, and other public and quasi-public uses". The subject pre-zoning to PF is consistent with the City's General Plan and Local Coastal Program.

Adoption of Ordinance 623 meets LAFCO requirements and is consistent with Government Code section 65859. The zoning will become effective at the same time the annexation become effective.

CONCLUSION

Staff recommends Council adopt Ordinance No. 623 by the second reading by title only.

ATTACHMENTS:

1. Proposed Ordinance No. 623
2. Exhibit A to Proposed Ordinance

| | |
|----------------------------|-----------------------------|
| Prepared By: _____ | Dept Review: _____ |
| City Manager Review: _____ | City Attorney Review: _____ |

ORDINANCE NO. 623

**AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
ESTABLISHING PRE-ZONING FOR THE 27.6-ACRE PORTION
OF PARCEL APN #073-101-017
(CASE NO.#MIN19-001)**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, California Government Code subdivision 65859 (a) states, a city may pre-zone unincorporated territory to determine the zoning that will apply to that territory upon annexation to the city. The zoning shall become effective at the same time that the annexation becomes effective; and

WHEREAS, the City intends to pursue annexation and a sphere of influence (SOI) amendment of the subject 27.6-acre parcel, which is currently uninhabited and located in unincorporated San Luis Obispo County and to be addressed as 555 South Bay Blvd; and

WHEREAS, the current zoning designation in the unincorporated County is agriculture and the City desires to pre-zone the subject 27.6-acre parcel as Public Facility (PF); and

WHEREAS, PF zoning is consistent with the Public/Institutional General Plan Land Use Designation; and

WHEREAS, the Site is currently uninhabited and is designated by the draft combined General Plan / Local Coastal Program ("Plan Morro Bay") for Public/ Institutional land use with the draft Zoning Code to be Public Facility (PF) zone district.; and

WHEREAS, the City of Morro Bay received approval on July 11, 2019, for a coastal development permit from the California Coastal Commission for construction of a Water Reclamation Facility to be located on the subject 27.6-acre portion of an overall 396 acre parcel (APN #073-101-017); and

WHEREAS, at its meeting of July 16, 2019, the Planning Commission took the following actions:

- a. Considered the facts and analysis, as presented in the staff report prepared for this project;
- b. Conducted a public hearing to obtain public testimony on the proposed project;

WHEREAS, at its meeting of August 13, 2019, the City Council took the following actions:

- a. Considered the facts and analysis, as presented in the staff report prepared for this project;
- b. Considered the recommendations of the Planning Commission;
- c. Conducted a public hearing to obtain public testimony on the proposed project;
- d. Approved Resolution 70-19 approving General Plan and Local Coastal Program Text and Map amendments adding the Public/Institutional land use classification to both documents to facilitate the rezoning of the site.

NOW, THEREFORE, the Morro Bay City Council does ordain as follows:

SECTION 1. The above stated facts of this ordinance are true and correct.

SECTION 2. This subject pre-zoning to PF is consistent with the City's General Plan and Local Coastal Program.

SECTION 3. The area being pre-zoned is outside of the City limits and hereby established as shown on the attached Exhibit A.

SECTION 4. This Ordinance shall take effect 30 days after its adoption. The City Clerk, or her duly appointed deputy, shall attest to the adoption of this Ordinance and shall cause this Ordinance to be published and posted in the manner required by law.

INTRODUCED at a regular meeting of the City Council held on the 13th day of August 2019, by motion of Council Member McPherson and seconded by Council Member Davis.

PASSED AND ADOPTED on the 27th day of August 2019, by the following vote:

AYES:
NOES:
ABSENT:

JOHN HEADING, Mayor

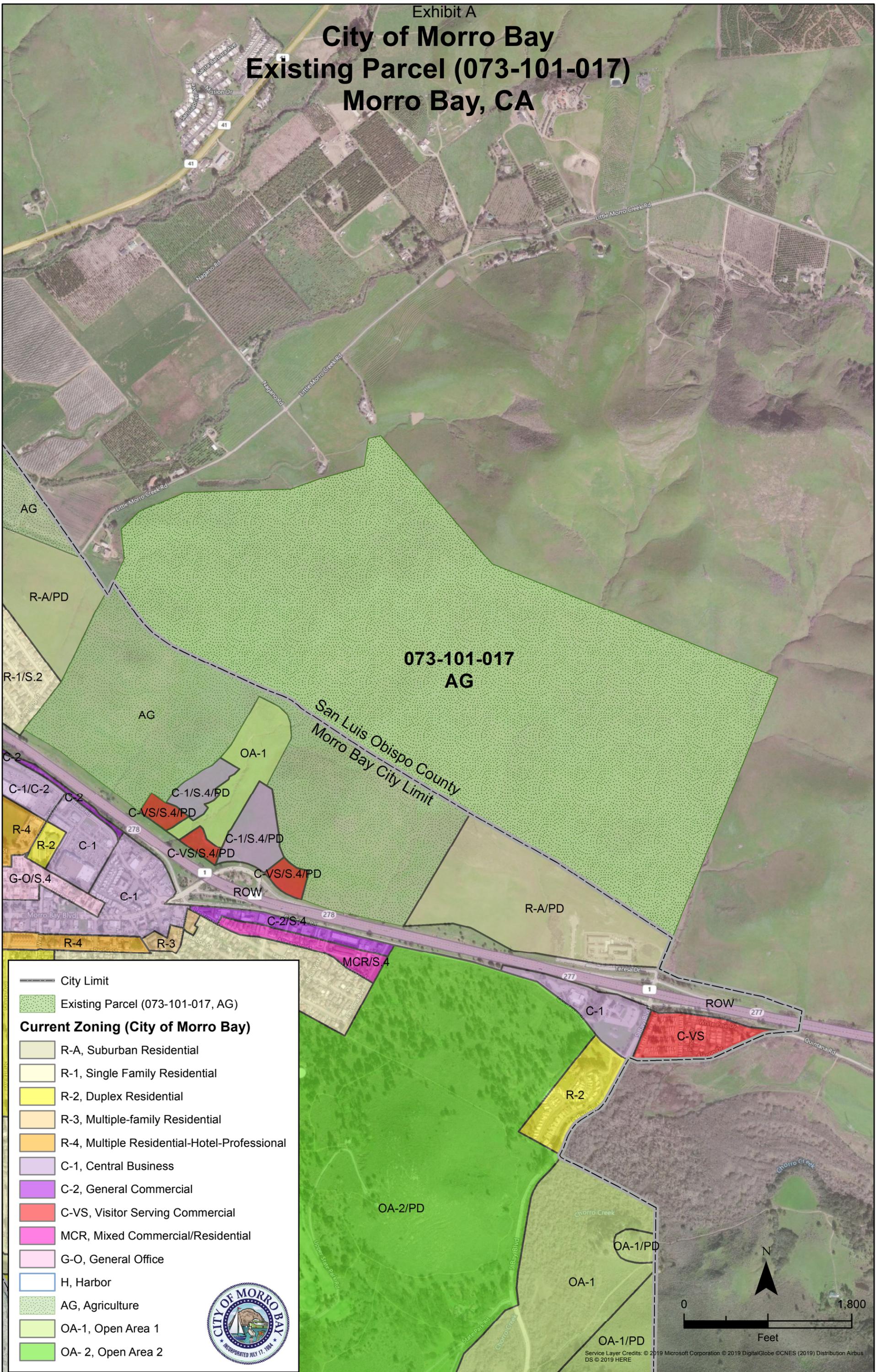
ATTEST:

DANA SWANSON, City Clerk

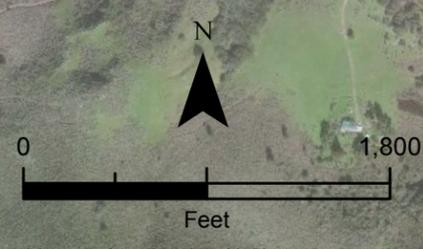
APPROVED AS TO FORM:

CHRIS F. NEUMEYER, City Attorney

Exhibit A
City of Morro Bay
Existing Parcel (073-101-017)
Morro Bay, CA



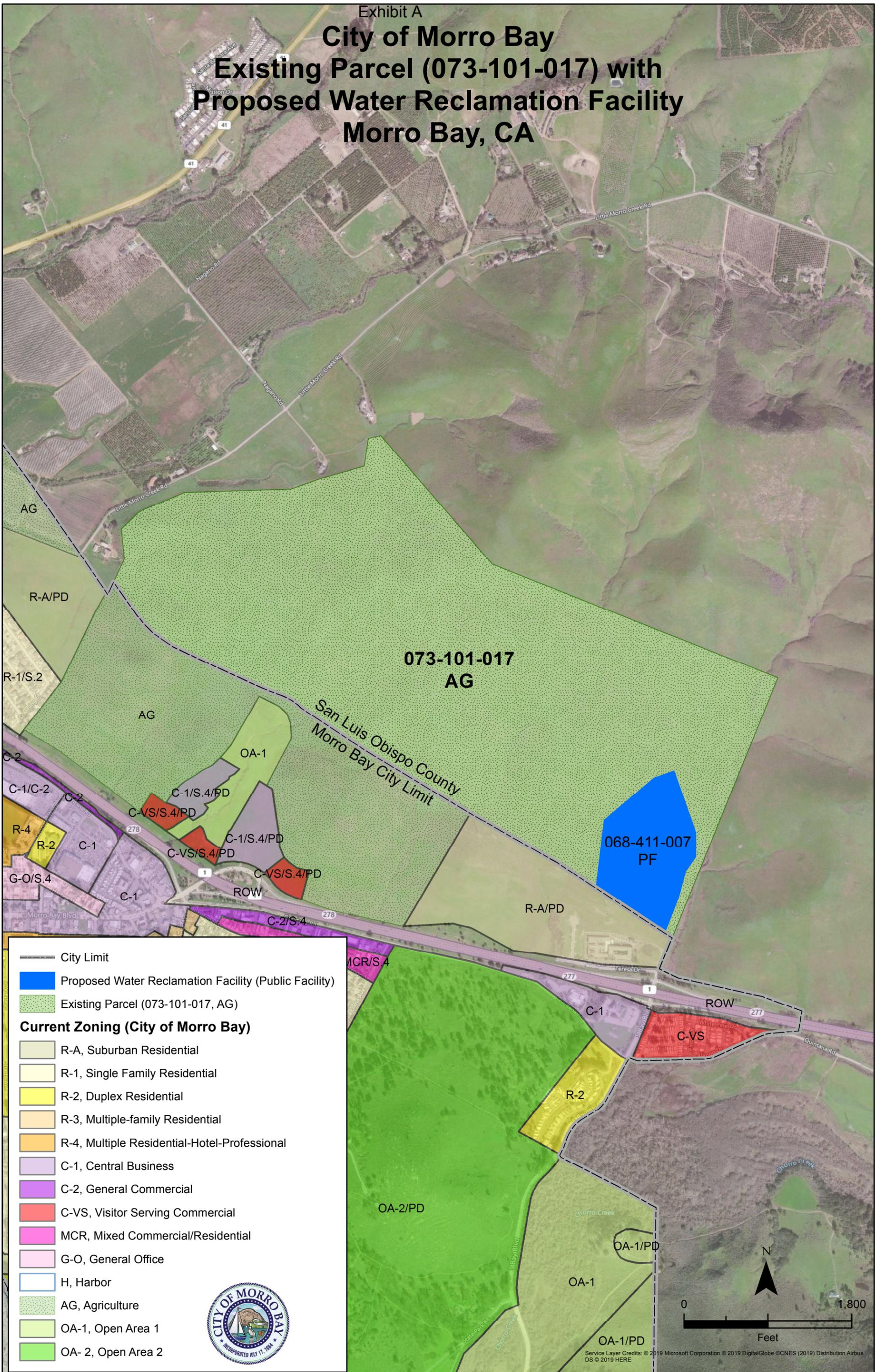
- City Limit
- Existing Parcel (073-101-017, AG)
- Current Zoning (City of Morro Bay)**
- R-A, Suburban Residential
- R-1, Single Family Residential
- R-2, Duplex Residential
- R-3, Multiple-family Residential
- R-4, Multiple Residential-Hotel-Professional
- C-1, Central Business
- C-2, General Commercial
- C-VS, Visitor Serving Commercial
- MCR, Mixed Commercial/Residential
- G-O, General Office
- H, Harbor
- AG, Agriculture
- OA-1, Open Area 1
- OA-2, Open Area 2



Service Layer Credits: © 2019 Microsoft Corporation © 2019 DigitalGlobe © CNES (2019) Distribution Airbus DS © 2019 HERE

W:\GIS\CityofMorroBay\Planning\Projects\WRF-ExistingZoning-Portrait.mxd

Exhibit A
City of Morro Bay
Existing Parcel (073-101-017) with
Proposed Water Reclamation Facility
Morro Bay, CA



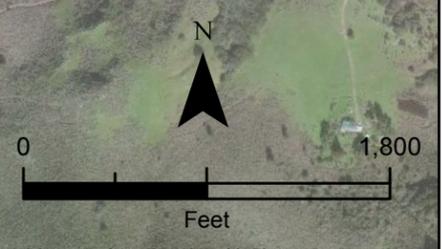
City Limit

Proposed Water Reclamation Facility (Public Facility)

Existing Parcel (073-101-017, AG)

Current Zoning (City of Morro Bay)

- R-A, Suburban Residential
- R-1, Single Family Residential
- R-2, Duplex Residential
- R-3, Multiple-family Residential
- R-4, Multiple Residential-Hotel-Professional
- C-1, Central Business
- C-2, General Commercial
- C-VS, Visitor Serving Commercial
- MCR, Mixed Commercial/Residential
- G-O, General Office
- H, Harbor
- AG, Agriculture
- OA-1, Open Area 1
- OA-2, Open Area 2

Service Layer Credits: © 2019 Microsoft Corporation © 2019 DigitalGlobe © CNES (2019) Distribution Airbus DS © 2019 HERE

W:\GIS\CityofMorroBay\Planning\Projects\WRF-ExistingZoning-ProposedWRF.mxd

This Page Intentionally Left Blank



AGENDA NO: A-5

MEETING DATE: August 27, 2019

Staff Report

TO: Honorable Mayor and City Council

DATE: August 14, 2019

FROM: Eric Endersby, Harbor Director

SUBJECT: Adoption of Resolution 74-19 Approving a New “Mooring and Support Facility” Lease Agreement with the United States Coast Guard for Coast Guard Station Morro Bay Logistical Needs at and Around Station Morro Bay, Located at Lease Site 141 (1279 Embarcadero Road)

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 74-19 approving a ten-year Lease Agreement, with an initial term of one year and a series of nine one-year renewals, with the United States Coast Guard (CG) for Coast Guard Station Morro Bay logistical needs.

ALTERNATIVES

The City Council can direct staff other than is being recommended.

FISCAL IMPACTS

The annual rent under the current “support services” lease with the CG is ~\$23,000, with annual CPI-based adjustments. The annual rent under this new lease is \$25,500 with an automatic 1.0% annual escalation.

BACKGROUND

In 1997, the City executed a lease agreement with the CG to help meet the station’s logistical needs, which lease, including extensions, expires the end of September, 2019. The current lease provides for space at the North T-Pier to accommodate the CG’s ~140’ dock for the CG’s motor lifeboats, space on the end of the North T-Pier deck to accommodate the ~20’ x 40’ work and storage shack, two small vessel slips at the Harbor Patrol docks and ten dedicated (but undesignated in the lease) parking spaces for government and CG personnel vehicles. Those spaces are currently located directly behind the CG station.

DISCUSSION

With direction from Council earlier this year, staff have negotiated a new lease agreement with the CG for its logistical needs, included with this report as Attachment 2. Aside from “standard” conditions, highlights of this agreement are as-follows:

1. The leased Premises Include:

- A. Approximately 140 linear feet of North T-Pier space to accommodate the CG’s motor lifeboat dock.
- B. One small vessel slip at the Harbor Patrol docks to be made available to the CG on an as-needed basis.

Prepared By: EE

Dept Review: EE

City Manager Review: SC

City Attorney Review: _____

- C. Placement of a “work shack” on the north end of the North T-Pier.
 - D. Six dedicated spaces for the CG personnel and official vehicle parking immediately behind the CG Station Morro Bay Building as indicated in the lease exhibits.
 - E. Four dedicated parking spaces in the City’s “Triangle Lot,” as-approved by the City Manager, with provision for possible additional dedicated spaces in the Triangle Lot, also as-approved by the City Manager, and provided the CG utilizes any additional Triangle Lot spaces before utilizing parking spaces west of Embarcadero.
 - F. Two hazmat material storage lockers in the City’s Front Street yard area that includes a City lift station, the Harbor Department’s oil recycling building and rental area for the Harbor Festival storage, as indicated in the lease exhibits.
2. Paragraph 2, Lease Term. An initial one-year term beginning October 1, 2019, with nine options to renew (in paragraph 5) provided Congress appropriates the funds, for a total term of ten years.
 3. Paragraph 3, Rent. Initial annual rent of \$25,500.00, with an automatic 1.0% annual escalation.
 4. Paragraph 14, Ownership and Maintenance of Improvements. Clear definition of the improvements installed by the CG, and those improvements are owned by the CG and the CG is responsible for maintaining and repairing them.
 5. Paragraph 15, Equipment Installation and Operation. The CG may install equipment necessary for their operation, subject to any required permitting, if any.
 6. Paragraph 16, Improvements and Alterations. The CG may make improvements and alterations, subject to any required permitting, and any such improvements shall be maintained in a serviceable condition. In addition, clear definition that should the CG abandon any improvements not in a serviceable condition, they shall be removed by the CG at the request of the City.

CONCLUSION

Approval of the proposed updated and renewed lease agreement will continue to enable Coast Guard Station Morro Bay to maintain its readiness and effectiveness by providing critical accommodation for their various operational needs, while again cementing the mutually beneficial partnership between the CG, City and community. Staff, therefore, recommend approval of Resolution No. 74-19 and the subject lease agreement.

ATTACHMENTS

1. Resolution 74-19
2. Mooring and Support Facility Lease No. HSCG89-19-1-0070 with the United States Coast Guard

RESOLUTION NO. 74-19

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
APPROVING A TEN-YEAR LEASE AGREEMENT WITH
THE UNITED STATES COAST GUARD FOR
COAST GUARD STATION MORRO BAY'S LOGISTICAL NEEDS
ON LEASE SITE 141 AT 1279 EMBARCADERO ROAD**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the City of Morro Bay is the lessor of certain properties on the Morro Bay Waterfront described as City Tidelands leases and properties; and

WHEREAS, the United States Coast Guard has leased City property for its station needs since 1967, is a tenant in good standing on Lease Site 141 and is an active and engaged community member; and

WHEREAS, the United States Coast Guard has stationed personnel, equipment and vessels in Morro Bay for the purposes of boating safety and enforcement, smuggling and drug interdiction, search and rescue and standing by the Morro Bay harbor entrance during hazardous conditions to assist vessels in transit and distress; and

WHEREAS, the United States Coast Guard Station Morro Bay building and leased property do not adequately accommodate the station's logistical needs; and

WHEREAS, to meet those needs in 1997 the United States Coast Guard and City executed a "Mooring and Support Facility" lease agreement that expires at the end of September, 2019; and

WHEREAS, the City of Morro Bay is supportive of the United States Coast Guard and desirous of assisting the Coast Guard meet their logistical needs by updating and renewing the Mooring and Support Facility lease agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, as follows:

1. The attached Mooring and Support Facility Lease Agreement No. HSCG89-19-1-0070 with the United States Coast Guard is hereby approved.
2. The Mayor is hereby authorized to execute said Mooring and Support Facility Lease Agreement.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 27th day of August, 2019 on the following vote:

AYES:
NOES:
ABSENT:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk

U. S. GOVERNMENT LEASE FOR REAL PROPERTY

| | |
|---------------------------------|-------------------------------|
| DATE OF LEASE 1 October 2018 | LEASE NO: HSCG89-19-1-0070 |
|---------------------------------|-------------------------------|

PURPOSE: Pursuant to specific Congressional appropriations and 14 U.S.C. 501 (e), the statutory authority, the parties understand that the sole purpose of this lease is to secure for the United States a lease for mooring, placement of a work shack and government personnel and official vehicle parking.

THEREFORE THIS LEASE, made and entered into this date by and between **City of Morro Bay** whose address for purposes of this Lease is **1275 Embarcadero, Morro Bay, California 93442**, and whose interest in the property hereinafter described is that of owner (“Lessor”), and the Commanding Officer, U.S. Coast Guard SILC, Product Line Division, Portfolio Management Branch, Oakland, California, 94612-5203 on behalf of the **UNITED STATES OF AMERICA**, hereinafter called (the “Government”), pursuant to 14 U.S.C. § 501 (e), for the consideration hereinafter mentioned.

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agrees as follows:

Lessor hereby leases to the Government the following described Premises: Approximately 140 linear feet of dock space on the inboard side of the Northern Finger of the Lessor’s north “T” pier. One slip to be made available to government on an as needed basis. Placement of a work shack at the north end of the north “T” pier.

Six (6) parking spaces for designated parking behind building #141 along Embarcadero for Coast Guard parking, and four (4) more spaces designated on the Lessor property commonly known as the “Triangle Lot,” in such location and configuration as approved by Lessor’s City Manager, or designee. In addition, at the sole discretion of Lessor’s City Manager or designee, additional “Triangle Lot” spaces may be designated for use by Coast Guard Station Morro Bay personnel; provided, that Coast Guard Station Morro Bay personnel utilize those additional spaces before using any public parking spaces in the parking areas west of Embarcadero. Some or all of the “Triangle Lot” parking spaces are subject to relocation by Lessor, as determined necessary in Lessor’s City Manager’s or designee’s sole discretion. (See exhibits “A” and “A1”)

Two Hazmat Lockers owned by the Government located on property. (See Exhibit ‘A1’)

To be used for: **CA Morro Bay Mooring and Support Facility**

2. **TO HAVE AND TO HOLD** the said Premises with their appurtenances for the term beginning on October 1, 2019 through September 30, 2020 subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of **\$25,500.00** annually in arrears with a monthly payment of **\$2,125.00**, with a 1.0% annual escalation, provided that annual appropriations are granted by Congress. If such appropriations are not made, then this Lease shall automatically terminate.

LOA: 2/L/001/111/30/0/63/30471/2329

4. The Government may terminate this Lease, at any time without cause, by giving at least sixty (**60**) days’ written notification to the Lessor. Said notice shall be computed commencing with the day after the date of mailing.

5. This Lease may be renewed at the option of the Government for nine (9) one-year (1-year) year option periods with the same conditions and payment formula listed in Paragraph #3 above, provided that adequate funds are appropriated annually by Congress.

6. The Lessor shall, subject to this Lease, furnish to the Government the following:

a. The right of ingress and egress over the adjacent property of the Lessor for the Government, its contractors or other duly authorized representatives, necessary or convenient for the maintenance, repair operation and replacement of Government equipment located on the Premises.

b. The right to use the Premises as a mooring, office and parking space for the Government; provided that Lessor may, with prior approval of the Coast Guard Station Morro Bay Commander, or his/her designee, use a portion of the Premises for berthing of Lessor-assigned vessels when the space is not being used by the Government.

c. The Lessor shall notify the Government, in writing, within thirty (30) days of any:
1) Transfer of ownership of the Premises.

7. The following are attached and made a part hereof:

- a. The General Clauses (GSA form 3517B as amended) –Lease Article 27
- b. Area Map Exhibit “A”
- c. Hazmat Lockers “A1”

8. **SUCCESSORS BOUND:** The Lease shall bind, and inure to the benefit of, the parties and their respective heirs, executors, administrators, successors, and assigns.

9. **SUBLETTING/ASSIGNMENT:** The Government may not sublet any portions of the Premises or assign this Lease without the prior written consent of Lessor, which consent shall not be unreasonably withheld.

10. **ENVIRONMENTAL PROTECTION:** The Government is limited by Federal Law as to the assumption of liability for its acts or omissions. Within its legal limitations and appropriations, the Government agrees to the following: Government may not unlawfully pollute the air, ground or water, nor create a public nuisance. Government shall, at no cost to Lessor, promptly comply with all applicable Federal, state, and local laws, regulations, and directives regulating the quality of the environment. This does not affect the Government’s right to contest the validity of such laws, regulations or directives or to try to enjoin their applicability. The Government shall use all required means to protect the environment and natural resources from any damage arising from the Government’s use of the facility and activities incident to its use. If any damage results to the environment or natural resources, then the Government shall restore the environment or damaged resources. The Government agrees to comply with all applicable federal, state and local environmental laws and regulations, including, but not limited, to those laws concerning any petroleum products, toxic substances, medical wastes and hazardous materials, substances or wastes.

11. **ANTI-DEFICIENCY ACT:** (31 USC §1341 as amended). Nothing in this Lease shall constitute an obligation of funds of the United States in advance of appropriation thereof.

12. **INDEMNIFICATION:** The Government, in the manner and to the extent provided by the Federal Tort Claims Act (28 USC Sections 2671-2680) shall be liable for claims for damages or cost and expenses, including but not limited to fire damage, loss of property, personal injury or death caused by the acts or omissions of the Government, its officers, invitees, employees and agents in the use of the Premises.

13. **INSURANCE:** The Government is a sovereign entity and as such is not required to provide Lessor with any certificate of insurance or notice of renewal, termination, cancellation, expiration or alteration of insurance policy.

14. **OWNERSHIP AND MAINTENANCE OF IMPROVEMENTS:** It is understood and agreed any improvements added by the Government belong to the Government. Upon termination of this Lease, however occurring, the Government shall have sixty (60) days to remove any improvements added by the Government. If the Government fails to remove any improvements added by the Government within sixty (60) days after this Lease is terminated, then said improvements shall become property of Lessor.

Lessor is responsible for the maintenance of the Premises, with the exception of any improvements added by the Government, which the Government shall be responsible for maintaining. Upon execution of this Lease, it is mutually agreed the Government’s improvements include the approximate 140 linear foot dock and gangway for the Government’s vessels, the work shack and associated appurtenances at the north end of the north “T” pier, electrical service panels and electrical services to the Government’s vessels and work shack and two hazmat lockers.

15. **EQUIPMENT INSTALLATION AND OPERATION.** The Government shall have the right during the term of this Lease to install, operate, maintain, repair, and replace upon the Premises, including but not limited to any other improvement presently existing or to be constructed upon the Premises, or related or ancillary to, the operation, performance,

and maintenance of the equipment and infrastructure, subject to any and all local, State or Federal permit requirements. Upon termination of this Lease, Lessor shall permit the Government all reasonable access to the Premises for the purpose of removing or otherwise disposing of the equipment or any part thereof, and the Government shall conduct its removal of the equipment or any part thereof in a reasonable and safe manner and within a reasonable period of time, in accordance with all Federal, state, and local law.

16. **IMPROVEMENTS AND ALTERATIONS.** The Government shall have the right during the term of this lease, as long as the prior written consent of Lessor is received by the Government, which consent shall not be unreasonably withheld or delayed by Lessor, to make improvements and alterations, erect structures, and attach fixtures and signs upon the Premises, subject to any and all local, State or Federal permit requirements. The Government acknowledges Lessor's consent to the installation of any such improvements may be conditioned upon a reasonable increase in the Rental Amount payable by the Government to Lessor pursuant to Paragraph #3 of this Lease. If Lessor consents to the installation of such improvements, then Lessor shall deliver to the Government an amendment to this Lease and any other documents required to evidence such a modification. The Government shall have the right to tie into or make any physical connection with any structure located on the Premises as is reasonably necessary for appropriate utilization of the Premises. Any improvements, structures, fixtures or signs attached to or otherwise erected upon the Premises shall remain the property of the Government and may be removed or otherwise disposed of by the Government, as set forth in Paragraph #14 of this Lease. Such disposition by the Government may include abandoning the improvement, structure, fixture, or sign in place. Any improvements, structure, fixture or sign abandoned by the Government shall be in a serviceable condition, normal wear and tear excepted, prior to abandonment. Any unserviceable improvement, structure, fixture or sign abandoned by the Government shall be removed by the Government with sixty (60) days' notice after receipt of written request from Lessor for the Government to remove the abandoned item. Upon termination of this Lease, however occurring, the Government shall leave the Premises in a "broom clean" condition.

17. **OFFICIALS NOT TO BENEFIT:** No member or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Lease or any benefit to arise there from, but this provision shall not be construed to extend to this Lease if made with a corporation whose membership, includes a member or delegate to Congress or Resident Commissioner, who indirectly receives a general benefit from this Lease.

18. **AMENDMENT OR MODIFICATION:** No amendment or modification shall be valid unless evidenced by an agreement in writing signed by both parties.

19. **GOVERNING LAW:** The parties shall construe the Lease to be in accordance with and governed by the laws of the State of California, insofar as those laws are consistent with applicable federal laws and regulations.

20. **SEVERABILITY:** If any term or provision of this Lease is held invalid or unenforceable, then the remainder of this Lease shall not be affected thereby and each term and provision hereof shall be valid and enforced to the fullest extent permitted by law.

21. **PAYMENTS OF TAXES AND ASSESSMENTS:**
The Government is not responsible for or liable for the payment of any real property taxes, personal taxes or assessments levied or assessed upon or against the leased premises.

22. **ENTIRE AGREEMENT:** This Lease, with attachments, constitutes the only agreement between Lessor and the Government regarding the subject matter hereof. Any prior understanding or representation of any kind, which preceded the date of this Lease, are not binding on either party, except to the extent the understandings are incorporated into this Lease.

23. **MUTUAL AUTHORITY:** Lessor and the Government represent and warrant to each other they have full right, power and authority to enter into this Lease without the consent or approval of any other entity or person and make these representations knowing that the other party will rely thereon. Furthermore, the signatories on behalf of Lessor and the Government further represent and warrant that they have full right, power and authority to act for and on behalf of Lessor and the Government in entering into this Lease.

24. LEASE ADMINISTRATION:

The following office shall administer this Lease:

Commanding Officer
Civil Engineering Office Oakland
1301 Clay Street, Suite 700N
Oakland, CA 94612-5203

25. TAX IDENTIFICATION: Government regulations require a Lessor tax identification number (TIN/SSN).

Lessor hereby certifies the following TIN/SSN and telephone number are correct:

TIN/SSN: _____
Telephone Number: _____
DUNS: _____
Registered in SAM: _____ Yes _____ No

Date Signature

LEASEE CONTACT: _____
TEL NO: _____

26. PAYMENT BY ELECTRONIC FUNDS TRANSFER- SYSTEM FOR AWARD MANAGMENT:

a. Method of Payment:

1) All payments by the Government under this Lease shall be made by electronic transfer (EFT), except as provided in Subparagraph a.2 of this Paragraph. As used in this Paragraph, the term "EFT" refers to the funds transfer and may also include the payment information transfer.

2) In the event the Government is unable to release one or more payments by EFT, Lessor agrees to either accept payment by check or some other mutually agreeable method of payment or request the Government extend the payment due date until such time as the Government can make payment by EFT (see Subparagraph d. of this Paragraph).

b. Lessor EFT information. The Government shall make payment to Lessor using the EFT information contained in the System for Award Management (SAM) database. In the event the EFT information changes, Lessor shall be responsible for providing the updated SAM database.

c. Mechanisms for EFT payment. The Government may make payments by EFT through either the Automated Clearing House (ACH) network, subject to the rules of the National Automated Clearing House Association, or Fedwire Transfer System. The rules governing Federal payments through the ACH are contained in 31 CFR part 210.

d. Suspension of payment. If Lessor EFT information in the SAM database is incorrect, then the Government need not make payment to Lessor under this Lease until correct EFT information is entered into the SAM database; and any invoice or contract financing request shall be deemed not to be proper invoice for the purpose of prompt payment under this Lease. The prompt payment terms of this Lease regarding notice of an improper invoice and delays in accrual of interest penalties apply.

e. Lessor EFT arrangements. If Lessor has identified multiple payment receiving points (i.e., more than one remittance address and/or EFT information set) in the SAM database, and Lessor has not notified the Government of the payment receiving point applicable to this Lease, then the Government shall make payment to the first payment receiving point (EFT information set or remittance address is applicable) listed in the SAM database.

f. Liability for incomplete or erroneous transfer:

1) If an incomplete or erroneous transfer occurs because of the Government used Lessor's EFT information incorrectly, then the Government remains responsible for making a correct payment, paying any prompt payment penalty due and recovering any erroneously directed funds.

2) If any incomplete or erroneous transfer occurs because Lessor's EFT information was incorrect, or was revised within thirty (30) days after the Government release of the EFT payment transaction instruction to the Federal Reserve System, and if funds are no longer under the control of the payment office, then the Government is deemed to have made payment and Lessor is responsible for recovery of an erroneously directed funds or if the funds remain under the control of payment office, then the Government shall not make payment, and the provisions of Subparagraph d. of this Paragraph shall apply.

g. EFT and prompt payment. A payment shall be deemed to have been made in a timely manner in accordance with the prompt payment terms of this Lease if, in the EFT payment transaction instruction released to the Federal Reserve

System, the date specified for settlement of the payment is on or before the prompt payment due date; provided that the specified payment date is a valid date under the rules of the Federal Reserve System.

h. EFT and assignment claims. If Lessor assigns the proceeds of this Lease as provided for in the assignment of claims terms of this Lease, then Lessor shall require, as a condition of any such assignment, the assignee shall register in the SAM database and shall be paid by EFT in accordance with the terms of this Paragraph. In all respects, the requirements of this clause shall apply to the assignee as if it were Lessor. EFT information that shows the ultimate recipient of the transfer to be other than Lessor, in the absence of proper assignment of claims acceptable to the Government, is incorrect EFT information within the meaning of Subparagraph d. of this Paragraph.

i. Liability for change to EFT information by financial agent. The Government is not liable for errors resulting from changes to EFT information made by Lessor's financial agent.

j. Payment information. The payment or disbursing office shall forward to Lessor available payment information that is suitable for transmission as of the date of release of EFT instruction to the Federal Reserve System. The Government may request Lessor to designate a desired format and method(s) for delivery of payment information from a list of formats and methods the payment office is capable of executing. However, the Government does not guarantee any particular format or method of delivery is available at any particular payment office and retains the latitude to use the format and delivery method most convenient to the Government. If the Government makes payment by check in accordance with Subparagraph a. of this Paragraph, then the Government shall mail the payment information to the remittance address contained in the SAM database.

27. CLAUSES INCORPORATED BY REFERENCE. This Lease incorporates one or more clauses by reference with the same force and effect as if they were given in full text. The full text may be found in GSA Form 3517B (Rev. 4/2015), and the following clauses are incorporated by reference:

GSA Form 3517B

| <u>Clause Number</u> | <u>48 CFR Reference</u> | <u>Clause Title</u> |
|----------------------|-------------------------|--|
| 3 | 552.270-23 | SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT |
| 4 | 552.270-24 | STATEMENT OF LEASE |
| 5 | 552.270-25 | SUBSTITUTION OF TENANT AGENCY |
| 6 | 552.270-26 | NO WAIVER |
| 8 | 552.270-28 | MUTUALITY OF OBLIGATION |
| 9 | -- | DELIVERY AND CONDITION |
| 10 | -- | DEFAULT BY LESSOR |
| 14 | -- | COMPLIANCE WITH APPLICABLE LAW |
| 17 | 52.204-7 | SYSTEM FOR AWARD MANAGEMENT |
| 18 | 52.204-13 | SYSTEM FOR AWARD MANAGEMENT MAINTENANCE |
| 19 | 552.270-31 | PROMPT PAYMENT |
| 20 | 552.232-23 | ASSIGNMENT OF CLAIMS |
| 21 | | PAYMENT |
| 22 | 52.232-33 | PAYMENT BY ELECTRONIC FUNDS TRANSFER – SYSTEM FOR AWARD MANAGEMENT |
| 24 | 552.270-32 | COVENANT AGAINST CONTINGENT FEES |
| 28 | 552.270-30 | PRICE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY |
| 30 | 552.270-13 | PROPOSALS FOR ADJUSTMENT |
| 31 | -- | CHANGES |
| 32 | 552.215-70 | EXAMINATION OF RECORDS BY GSA |
| 34 | 52.233-1 | DISPUTES |
| 35 | 52.222-26 | EQUAL OPPORTUNITY |
| 36 | 52.222-21 | PROHIBITION OF SEGREGATED FACILITIES |
| 38 | 52.222-35 | EQUAL OPPORTUNITY FOR VETERANS |
| 39 | 52.222-36 | EQUAL OPPORTUNITY FOR WORKERS WITH DISABILITIES |
| 40 | 52.222-37 | EMPLOYMENT REPORTS VETERANS |

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

| LESSOR SIGNATURES | |
|---------------------------------|---|
| SIGNATURE | SIGNATURE |
| NAME OF SIGNER | NAME OF SIGNER |
| SIGNATURE | SIGNATURE |
| NAME OF SIGNER | NAME OF SIGNER |
| UNITED STATES OF AMERICA | |
| SIGNATURE | NAME OF SIGNER David E. Brumley Realty Specialist Contracting Officer United States Coast Guard |
| | OFFICIAL TITLE OF SIGNER |

EXHIBIT A1

Coast Guard Station Morro Bay

Triangle Lot



**Harbor Department Storage Yard for
Hazmat Locker Storage**



Coast Guard Hazmat Storage

This Page Intentionally Left Blank



AGENDA NO: A-6

MEETING DATE: August 27, 2019

Staff Report

TO: Honorable Mayor and City Council **DATE:** August 21, 2019

FROM: Scot Graham, Community Development Director

SUBJECT: Authorization to Submit A Grant Application for California Coastal Commission Round 6 Grant Funding

RECOMMENDATION

Adopt Resolution No. 75-19 authorizing staff to submit a grant application for California Coastal Commission (CCC) Round 6 grant funding to support the ongoing update of the City's General Plan/Local Coastal Program in the amount of \$65,000.

ALTERNATIVES

- A. Direct staff to discontinue application for the Coastal Commission Grant
- B. Increase or decrease amount of grant request.

FISCAL IMPACT

Staff is proposing a cash/in-kind match of 20% or \$13,000 to improve the City's scoring in the grant application evaluation process. Staff anticipates utilizing General Plan Impact fees for any amounts exceeding the in-kind contribution.

BACKGROUND/DISCUSSION

To date the City's General Plan/Local Coastal Program effort has been supported, in part, by three grants (1 Ocean Protection Grant, and 2 Coastal Commission Grants) in the amount of approximately \$600,000.

City staff has been in ongoing conversations with Coastal Staff on the public drafts of both the GP/LCP and Zoning Code, receiving final Coastal staff input on Friday, August 16th. Staff is in the process of reviewing Coastal Commission comments in preparation of final draft documents.

The Round 6 grant funding opportunity was made available on July 30, 2019 by the CCC through the California Climate Investments program, a statewide initiative funded by appropriations from the Greenhouse Gas Reduction Fund, which utilizes funds sourced from Cap-and-Trade. The Cap-and-Trade program creates financial incentive for industries to

Prepared By: SG Dept Review: _____
City Manager Review: SC City Attorney Review: _____

invest in clean technologies and develop innovative ways to reduce pollution.

Eligible projects for the Round 6 Grant funds include Local Governments that have received previous LCP local assistance grants in support of LCP updates, including to continue their work on LCP certification. The Round 6 Grant application is due by 5:00 p.m. on September 6, 2019.

CONCLUSION

Staff recommends the Council adopt Resolution No. 75-19 authorizing Staff to submit a grant application in the amount of \$65,000 to the California Coastal Commission in support of the ongoing update effort for the City's Local Coastal Program (LCP) and requiring an anticipated cash/in-kind match of 20% or approximately \$13,000.

ATTACHMENT

1. Resolution 75-19

RESOLUTION NO. 75-19

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
APPROVING THE GRANT APPLICATION FOR THE COASTAL COMMISSION LCP
GRANT PROGRAM (ROUND 6)**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the Budget Act of 2018 and 2019, respectively, provide \$1,500,000 for Coastal Commission grants to local governments to support Local Coastal Program (LCP) planning that results in the reduction of greenhouse gas emissions and adaptation to the impacts of climate change; and

WHEREAS, the California Coastal Commission, under the authority of the California Coastal Act, may provide financial assistance to support coastal planning and has approved a competitive grant program to provide such financial assistance for LCP planning; and

WHEREAS, the goal of the grant program is to develop new or updated LCPs in conformance with the California Coastal Act and to reflect current circumstances and new scientific information, including new understandings and concern for the effects of climate change; and

WHEREAS, grant proposals submitted under this grant program must complete Local Coastal Program (LCP) planning work with special emphasis on reducing greenhouse gases and addressing the effects of climate change and sea-level rise; and

WHEREAS, the City of Morro Bay has an effectively certified LCP; and

WHEREAS, the City of Morro Bay desires to pursue a project that would result in the completion and submittal for certification by the California Coastal Commission of an Amendment to update the LCP in whole; and

WHEREAS, the City of Morro Bay commits to and agrees to fully support a planning effort intended to complete a certified LCP pursuant to the provisions of the California Coastal Act, with full public participation and coordination with the Coastal Commission staff.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Morro Bay hereby:

1. Directs City of Morro Bay staff to submit the grant application package attached hereto as Exhibit A to the California Coastal Commission to

provide financial and planning assistance, under authority of the California Coastal Act, in the amount of \$65,000 to fund the project more particularly described in the grant application package.

2. Authorizes the Community Development Director of the City of Morro Bay to execute, in the name of the City of Morro Bay, all necessary applications, contracts and agreements and amendments thereto to implement and carry out the grant application package attached hereto and any project approved through approval of the grant application.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on this 27th day of August 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk



AGENDA NO: C-1

MEETING DATE: August 27, 2019

Staff Report

TO: Honorable Mayor and City Council

DATE: August 19, 2019

FROM: Scott Collins, City Manager
Jennifer Little, Tourism Manager

SUBJECT: Consideration of Including Vacation Rentals and Recreational Vehicle Parks in the Tourism Business Improvement District Assessment

RECOMMENDATION

Initiate process to include Vacation Rentals (VRs) and Recreational Vehicle Parks (RVs) into the Tourism Business Improvement District (TBID) at an assessment rate of 3 percent (of gross room rates per each overnight stay) and to have VR/RV's included by early 2020. It is further recommended that the City honor contracts or rental agreements in place for VRs/RVs prior to the effective date of including VRs and RVs in the TBID, by not adding the TBID assessment rates to those agreements.

ALTERNATIVES

1. Initiate process to include VRs/RVs in the TBID at an assessment rate of 2.5 percent and bring hotels down to 2.5 percent (of gross room rates per each overnight stay)
2. Initiate process to include VRs/RVs in the TBID at an assessment rate of 2 percent and 1 percent respectively (of gross room rates per each overnight stay), maintain hotels at 3 percent.
3. Initiate process to include VRs/RVs in the TBID at different assessment rate(s) than ones proposed above.
4. Do not include VRs/RVs into the TBID.

BACKGROUND/DISCUSSION

In 2009, the City of Morro Bay established the TBID with a 3% assessment of gross room rates to all hotels within the City's boundaries. The assessment is on occupancies, of thirty consecutive calendar days or less within the City, by transients for dwelling, lodging or sleeping purposes, and includes any hotel, motel, and bed and breakfast that pays the City's Transient Occupancy Tax (TOT).

The TBID was formed under the Parking and Business Improvement Area Act of 1989 (the "1989 Act") to raise revenue for specific purposes as defined by state law and incorporated into Chapter 3.60 of the Morro Bay Municipal Code (MBMC). The objective of TBID revenues is to defray the costs of services, activities, and programs promoting scenic, recreational, and cultural attractions in the City to drive tourism and directly benefit the operators of lodging establishments.

Prepared By: JL/SC

City Manager Review: SC City Attorney Review: CFN

According to a City staff report from 2009, the hoteliers petitioning then for the proposed TBID requested VRs not be initially included in the TBID. At the time, the hoteliers were concerned 1) it would take time to incorporate them into the TBID, and 2) the VRs may already have contracts or rental agreements in place for that upcoming summer. The City and TBID Board considered phasing in the VRs that following year (2010), which never happened.

At its November 10, 2016, meeting, the TBID Board requested staff to analyze the rate scenarios of potentially including VRs and RVs in the TBID, in order to create an equitable balance between hotel/motels and VRs/RVs in terms of assessment collected and benefit received from tourism marketing efforts.

At its December 8, 2016, meeting, the TBID Board appointed a sub-committee of members to work with City staff on the project. The Board requested staff to meet with the sub-committee and discuss public outreach strategy to possibly include VRs and RVs into the TBID assessment area. At its January 19, 2017, meeting, staff and the sub-committee made the recommendation to the Board not to proceed with the inclusion of VRs and RVs in the assessment area, but to reconsider the topic again in Fiscal Year 18/19. The staff and sub-committee felt it was important to focus on excellence in tourism with the recent transition of TBID responsibilities to the City but return to the topic the upcoming fiscal year.

In 2019, pursuant to Council discussion and approval of the new Tourism Strategic Plan, Council directed staff to re-engage the TBID Board on this important topic. At the February 2019 TBID Board meeting, there was Board consensus the VRs/RVs assessment discussion be brought back as an agenda item in March 2019. At that meeting, the Board approved a community outreach process to engage VRs/RV owners in a discussion about inclusion into the TBID.

Community Outreach and the TBID Value Proposition for VRs/RVs:

The goal of the community outreach was to bring the Morro Bay lodging industry together to discuss the possible inclusion of VRs and RVs joining hotel/motels in the TBID assessment district. There is value for the lodging industry to work together in the assessment district, but there are also impacts and questions that required discussion in a town hall meeting setting. One of the key questions posed by the lodging industry is, "If VRs and RVs are included in the assessment district, what rate should they pay?" The answer to this question may vary depending on who is asked, but it was important for all involved to understand what the assessment revenues are used for, which is to fund destination marketing efforts and promotion for Morro Bay tourism. Currently, hotels/motels are assessed 3% of gross room rates.

According to MBMC section 3.60.080, the proceeds of the TBID assessment and any other voluntary contributions shall be spent to administer marketing and visitor programs to promote the City as a tourism visitor destination. Assessments benefit those paying assessed rates. Since the TBID was created to fund the marketing and promotion efforts to enhance the tourism industry in Morro Bay, the group directly affected by TBID assessments is the lodging industry City-wide, which is the group included in the TBID. Potential benefits to the VRs and RVs include:

- Addition of the property listing on the tourism website MorroBay.org
- Tourism marketing efforts drive over 240,000 unique visitors per year to MorroBay.org
- 36,282 searches for lodging TBID member over the last 12 months
- 25,898 website referrals to lodging TBID member over the last 12 months
- Increased revenues for destination marketing efforts for Morro Bay

- Attracts Higher Household income (HHI) guests by being part of a cohesive destination outreach effort
- Create content specific for their audience
- Create video content to sell VRs and RVs stays
- “Destination” public relations using all outlets of media to drive business to our area
- Increased collaboration between property management firms and tourism

The City hired Ms. Lori Keller in March 2019 for community engagement on this topic. Ms. Keller has extensive experience in this field, but has no financial connection to Morro Bay, making her an ideal neutral party to lead outreach efforts. She facilitated three public workshop meetings, plus several one-on-one meetings. Outreach efforts began with in-person meetings and phone calls with constituents (including some hotel owners/managers) representing 48 properties. Then two community meetings were held in May 2019 with VRs and RVs owners in attendance. A third meeting was held in July 2019 to share the Morro Bay TBID marketing plan. Additionally, all three meetings were noticed to all VRs permit holders, all applicants on the wait list, plus all RVs owners through hard mail and email (if available). Below is a summary of the feedback Ms. Keller received, and a more detailed notes from her work are attached.

Ms. Keller’s Overview of the Community Outreach:

Sentiment Overview – RVs:

The RVs owners voiced a strong desire not to be included in the assessment, citing several reasons including the inability to be competitive with State run RV parks within the City of Morro Bay and RV parks in the nearby unincorporated parts of the County, which do not pay TOT or other assessments. The law prohibits the City from assessing TOT on State run RV parks.

Sentiment Overview – VRs:

The majority of feedback from VRs owners can be summed up in the following quote, “It’s fair for the VRs to contribute to the fund on some level since VRs benefit from some of the overall destination marketing efforts, however, until we really understand the value of the TBID it doesn’t seem appropriate to take the assessment to 3%.” The majority felt a one percent (1%) assessment was agreeable. A few thought two percent (2%) was okay.

Ms. Keller’s recommendation on Next Steps:

As with most community outreach efforts, there are a large number of constituents who don’t have an interest in participating. The three public meetings, in addition to in-person conversations, gathered a considerable number of viewpoints. Ms. Keller recommended the TBID Board move forward with a recommendation to City Council regarding adding VRs and/or RVs to the assessment, at an assessment level a majority of the Board deemed appropriate.

Vacation Rentals in Morro Bay

What are Short-Term VRs? When a person rents any portion of a dwelling in Morro Bay for 30 or less consecutive days, regardless of building size, the dwelling owner must follow MBMC Chapter 5.47 and apply for a permit. That includes rentals of single-family dwellings, as well as multiple-family dwellings, such as condominiums, townhomes and duplexes.

If a dwelling is rented to occupants for 31 or more consecutive days, then that owner need not obtain a short-term vacation rental permit. The City requires all those proposing to use a dwelling as Short-Term VRs to apply for a permit. Short-Term VRs permits safeguard the peace, safety, and

general welfare of the residents of Morro Bay and their visitors and guests by eliminating noise, vandalism, and overcrowding, and by securing TOT revenues.

Currently, City of Morro Bay has 250 registered Vacation Rentals throughout the City boundaries and an additional 90 applications on the waiting list.

Recreational Vehicle Parks in Morro Bay



Morro Bay’s RV parks are a mixture of short term rentals (30 or less consecutive days) and long-term rentals (31 or more consecutive days).

During winter months, RV parks host more long-term renters (such as snowbirds from cold places). During the summer season (mid-June to mid-Sept) most rentals are short-term. Each of the RV parks is a little different, with some also having long-term/live on sites (over 30 days). Many RV sites are booked a year or more in advance. The overview below was created by staff by using online resources from San Luis Obispo County, individual property websites and calling individual parks.

6 RV Parks in MB – 400 Total Spaces, 266 are available for under 30-day rental

| RV Parks | Spaces in the Park | Available Spaces (for under 30-day rentals) |
|---------------------|---------------------------|--|
| Bay Pines | 112 | 10 |
| Cypress | 36 | 23 |
| Harborview | 10 | 8 |
| Morro Dunes | 170 | 150 |
| Morro Strand | 43 | 43 |
| Silver City | 32 | 32 |
| Total Spaces | 403 | 266 |

2 State RV Parks in MB

| State Parks | Spaces in the Park | Available Spaces (for under 30-day rentals) |
|-------------------------|---------------------------|--|
| Morro By State Park | 134 | 134 |
| Morro Strand State Park | 80 | 80 |
| Total Spaces | 214 | 214 |

According to the TOT data reflecting Fiscal Year 2017-18 (FY 17/18), if the VRs and RVs had been included in the TBID assessment, the following breakdown would represent the respective percentages of assessments generated: hotels/motels – 78.66%, VRs – 14.31%, and RVs – 7.03%.

Hotels/Motels were assessed approximately \$805,818 in FY 17/18. The following table reflects estimated assessments the VRs and RVs would have paid in FY 17/18 if they were part of the TBID, at percentages of 3, 2 or 1% each.

| 2017/2018 | MBTBID | 3% | | 2% | | 1% | |
|-------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|--------------------|
| | | RV | VR | RV | VR | RV | VR |
| July | \$116,357.29 | \$8,792.67 | \$24,737.15 | \$5,861.78 | \$16,491.44 | \$2,930.89 | \$8,245.72 |
| August | \$94,311.07 | \$7,451.38 | \$19,011.33 | \$4,967.59 | \$12,674.22 | \$2,483.79 | \$6,337.11 |
| September | \$80,755.99 | \$7,572.08 | \$11,864.27 | \$5,048.06 | \$7,909.51 | \$2,524.03 | \$3,954.76 |
| October | \$68,206.75 | \$6,300.18 | \$10,930.32 | \$4,200.12 | \$7,286.88 | \$2,100.06 | \$3,643.44 |
| November | \$51,564.53 | \$5,168.35 | \$10,032.98 | \$3,445.56 | \$6,688.65 | \$1,722.78 | \$3,344.33 |
| December | \$50,414.42 | \$4,148.80 | \$10,847.68 | \$2,765.86 | \$7,231.79 | \$1,382.93 | \$3,615.89 |
| January | \$35,647.79 | \$3,591.16 | \$6,436.58 | \$2,394.11 | \$4,291.05 | \$1,197.05 | \$2,145.53 |
| February | \$44,089.37 | \$3,845.52 | \$5,683.39 | \$2,563.68 | \$3,788.92 | \$1,281.84 | \$1,894.46 |
| March | \$55,915.60 | \$5,017.29 | \$8,461.76 | \$3,344.86 | \$5,641.17 | \$1,672.43 | \$2,820.59 |
| April | \$59,501.95 | \$6,449.48 | \$10,352.01 | \$4,299.65 | \$6,901.34 | \$2,149.83 | \$3,450.67 |
| May | \$65,418.65 | \$5,906.43 | \$10,688.69 | \$3,937.62 | \$7,125.80 | \$1,968.81 | \$3,562.90 |
| June | \$83,635.26 | \$7,812.52 | \$17,573.84 | \$5,208.35 | \$11,715.89 | \$2,604.17 | \$5,857.95 |
| Year Total | \$805,818.67 | \$72,055.85 | \$146,620.00 | \$48,037.23 | \$97,746.67 | \$24,018.62 | \$48,873.33 |
| | | | \$218,675.85 | | \$145,783.90 | | \$72,891.95 |

RV & VR Total

Surrounding TBID Assessments (for hotels/VRs)*:

- City of San Luis Obispo TBID 2%
- City of Paso Robles TBID 2%
- Unincorporated TBID 2%
- City of Atascadero TBID 2%
- Arroyo Grande TBID 2%
- City of Pismo Beach 2%

*For the cities that have RV parks, they are assessed 2% as well

Fiscal Year 2019-20 TBID Budget

Hotel/Motel assessments will net approximately \$835,086 in Fiscal Year 19-20, plus a General Fund allocation from City Council of \$60,000. Tourism’s current budget of 3% from the Hotel/Motel lodging community breaks down into eight categories. If we applied the percentage rule of how each of the three groups would pay into TBID, then the tables below show how contributions from Hotels/Motels, VRs and RVs would likely be applied to those key budget categories. It should be noted, further analysis is needed to ensure changes in those categories suit the addition of two new lodging communities. Staff proposes maintaining staffing levels for the balance of FY 19-20 if VRs/RVs are included. Once that further analysis has been finalized staff will then review the new budgeted amounts and assess where to recommend to TBID and the City Council where the additional funds should be used and if additional staffing is needed for FY 20-21.

Current TBID Budget

| Account Description | 2019-2020 Budget |
|------------------------|----------------------|
| DMO Marketing | \$ 450,200.00 |
| Payroll | \$ 221,186.00 |
| Event Grant/Support | \$ 50,000.00 |
| Trade Shows | \$ 86,000.00 |
| Digital Assets | \$ 5,000.00 |
| Visiting Journalist | \$ 10,000.00 |
| Misc | \$ 37,200.00 |
| Meetings & Conferences | \$ 25,500.00 |
| | \$ 885,086.00 |

Assumption of an additional \$100,000 into the TBID budget

| Account Description | 2019-2020 Budget | <i>Additional \$ from VR/RV</i> |
|------------------------|----------------------|---------------------------------|
| DMO Marketing | \$ 525,200.00 | \$75,000 |
| Payroll | \$ 221,186.00 | |
| Event Grant/Support | \$ 60,000.00 | \$10,000 |
| Trade Shows | \$ 86,000.00 | |
| Digital Assets | \$ 11,000.00 | \$6,000 |
| Visiting Journalist | \$ 14,000.00 | \$4,000 |
| Misc | \$ 42,200.00 | \$5,000 |
| Meetings & Conferences | \$ 25,500.00 | |
| | \$ 985,086.00 | |

Assuming an additional \$100,000 was added to TBID budget (which is estimated to be approximately half of annual assessments collected at a 3% rate for RVs/VRs combined), staff would recommend the following for use of that additional revenue for the remainder of FY 19/20 Jan – June:

1. \$75,000 - DMO Marketing – digital ads plus #outdoorgoals videos placed in sites directly related to their industry.
2. \$10,000 – Event/Grant Support - towards funding of spring events that directly impact their assets (Car Show, Kite Festival, MBHS Wrestling Tournament)
3. \$6,000 - Digital Assets – photography and videos creation for the two industries
4. \$4,000 - Visiting Journalists
5. \$5,000 Misc section: writing content, website updates, etc.

VR/RV Inclusion Procedure for TBID

To add VRs/RVs as assessees in the TBID, the definition of Hotel, in MBMC section 3.60.020 must be amended, since it now specifically excludes VRs and RVs. This will require an ordinance amendment. In addition, including VRs and RVs in the TBID must follow procedural provisions of the 1989 Act. The VR/RV inclusion procedure for the TBID would include the following steps (and there are various noticing provisions that the City will timely comply with):

1. The TBID Board submits a report with a recommendation to modify the basis and method of levying the assessment and add VRs/RVs as assessees in the TBID.
2. That report would be filed with the City Clerk for Council approval (estimating that report would come to Council in October 2019). At the same public meeting the Council would approve (or modify and approve) that report, Council would also adopt a resolution of intention declaring its intent to modify the basis and method of levying the assessment and add VRs/RVs as assessees in the TBID. The resolution will state the date and time of a public hearing at which protests could be filed, as well as various other information.
3. A public hearing is held to consider protests regarding adding VRs/RVs as assessees in the TBID. All the potential assessees (hoteliers and VRs and RVs owners) would be allowed to file a protest. **Voting weight is based on the amount of potential assessments paid. Hoteliers would account for approximately 78.7%, VRs 14.3% and RVs 7%.**
4. At or prior to the public hearing, if written protests are received from the owners of businesses to be assessed, which will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than that 50 percent, then nothing further can be done concerning the proposed assessments for a period of one year from the date of the finding of a majority protest.
5. At or prior to the public hearing, if written protests are not received from the owners of businesses to be assessed, which will pay 50 percent or more of the assessments proposed to be levied, then upon conclusion of the hearing, Council may introduce for first reading an ordinance to modify the basis and method of levying the assessment and add VRs/RVs as assessees in the TBID.
6. A second reading for adoption of the ordinance occurs at a subsequent Council meeting, and then the ordinance is effective thirty days after adoption.

Analysis of TBID Assessment Rate Options for VR/RV

The TBID Advisory Board discussed inclusion of VRs/RVs into the TBID at the Board's August 15, 2019 meeting. The Board discussed the pros and cons of the various options to consider in bringing VRs/RVs into the TBID. Following public comment and discussion of options, the Board unanimously recommended (5-0 vote, with 2 members absent) to City Council that VRs/RVs be included in the TBID at 3 percent assessment rate, beginning in January 2020, and that all contracts and agreements executed between VRs/RVs and their clients prior to January 1, 2020 be honored by the City. Below is a summary of the options considered by the Board and the pros and cons of those options.

1) TBID Board Recommendation – VRs/RVs at 3 Percent (Hotels remain at 3 Percent)

The TBID Board recommended to Council inclusion of VRs/RVs at 3 percent for several reasons. The assessment rate will generate the largest amount of additional annual revenue for the TBID compared to the other options (approximately \$220,000 or more total). In addition, it creates equity across the various forms of short-term overnight accommodations in Morro Bay, with all being assessed the same rate. This also simplifies the administration of the assessment.

However, several concerns were raised related to this option during public outreach meetings and at the August 15, 2019 TBID Board meeting. VR owners understand the need to be included in the TBID, as they reap value from the general promotion of Morro Bay as tourist destination. However, they are circumspect about receiving value commensurate with a 3 percent assessment.

In addition, Morro Bay RV park owners highlighted how non-State operated RV parks are at a comparative disadvantage compared to State run RV parks in Morro Bay and private RV parks operating in neighboring unincorporated areas (with those not collecting any TOT and many not collecting any assessment either). Because of this, RV park owners are concerned that by bringing them into the TBID at 3 percent puts them at a greater disadvantage compared to their neighboring competing parks.

2) Alternative - 2.5 across the board (Hotels, VRs, RVs)

The TBID Board also considered recommending RVs/VRs at 2.5 percent, while reducing hotels from their currently assessed rate of 3 down to 2.5 percent. Support for this option centered around achieving equity across the different forms of accommodation and attempting to make Morro Bay more aligned with the region in terms of combined TOT and BID assessment rates. Morro Bay hotels currently collect a combined 14% in TOT/BID assessments, while most hotels in neighboring jurisdictions collect 13%.

TBID did not recommend this option in part because it would have been significantly less revenue compared to the recommended option (approximately \$170,000 less). Reducing the hotel rate to 2.5 percent, while adding VRs/RVs at 2.5 percent would be revenue neutral. At the same time, costs would be increased to bring VRs/RVs into the TBID. Thus, this option would result in a reduction in overall marketing of the destination.

In addition, this option does not substantively address concerns raised by the VRs and RVs highlighted under the recommended option.

3) Alternative - VRs at 2 Percent, RVs at 1 Percent (Hotels stay at 3 Percent)

Members of the public advocated for a third alternative, which would bring VRs in at 2 percent and RVs at 1 percent. This option in some respects addresses the concerns identified above by VRs and RVs; it would also bring in additional revenue to the TBID, approximately \$125,000 annually. In addition, with this option the City could always consider increasing the assessment rates for VRs and RVs in the future to achieve parity with the hotel rate.

However, TBID Board members were concerned about the equity issue between the forms of accommodation with this option and that less revenue would be generated to market Morro Bay in comparison to the TBID recommended option. It would also create some additional work to administer the different assessment rates.

4) Alternative - No inclusion of VRs and RVs

The City could also consider not including VRs and RVs into the TBID. However, this alternative would fail to address the equity issue and create no additional revenue for marketing the destination. This option does address concerns raised by the RV park owners.

CONCLUSION/RECOMMENDATION

The four options above do not constitute all potential variations for assessing hotels, VRs and RVs; however, it does cover the major options, while exploring concerns raised by VRs and RVs through public outreach. In reviewing the options for a Council recommendation, the TBID Board recommended option provides the greatest amount of revenue to help further efforts to market Morro Bay and achieves equity across the various forms of overnight stays. Marketing funds are crucial in the increasingly competitive tourism market, and this option gives the greatest boost to the entire industry, whether it is RVs, VRs, or hotels. TBID's recommendation achieves equity within Morro Bay across the various forms of accommodation. That is an important consideration when looking to the future and having the industry work together to achieve their individual business goals and collective goals as a tourist-based community.

However, VRs and RVs raised important concerns with this recommendation. Therefore, if the City Council moves forward with the TBID recommendation, it is important that VRs and RVs have representation in the future direction of the TBID, and that the goals, efforts and results of TBID efforts are communicated effectively to the individual businesses who will all have a stake in the overall success of Morro Bay Tourism.

Based upon the recommendation provided by the TBID Advisory Board, staff recommends that City Council initiate the process to include VRs/RVs into the TBID at a 3 percent assessment rate. It is recommended that if Council supports inclusion of VRs/RVs into the TBID, that the process conclude in time to include VRs/RVs by early 2020. It is further recommended that the City honor contracts and agreements entered into by VRs/RVs, prior to the levying of the new assessment, with their clients, whereby no TBID assessment is charged to those overnight stays.

ATTACHMENTS

1. Lori Keller's Final Outreach Report
2. Lori Keller's TMD Assessment Intake Notes
3. CA Streets and Highway Code Sections 36520-36542
4. Morro Bay Municipal Code Chapter 3.60
5. RV Attachment
6. Staff Presentation for 8-27-19 City Council Meeting

MOMENTUM STRATEGIES GROUP MORRO BAY TBID RV/VACATION RENTAL OUTREACH REPORT



MORRO BAY
PUT LIFE ON COAST

Background:

The Morro Bay Tourism Business Improvement District (BID) board of directors wanted to gauge interest by RV Park owners and Vacation Rental owners regarding joining the BID as an assessed business.

Outreach efforts began with in-person meetings and phone calls with constituents (including some hotel owners/managers) in January, 2019 representing 48 properties. Then two community meetings were held in May with VR and RV Owners in attendance. An additional meeting was held in July to share the Morro Bay TBID marketing plan.

In addition, there were several notices sent via USPS as well as email to both VR and RV Park owners offering in-person meeting opportunities as well as a notification of the public meetings. Momentum Strategies contract information was included so out of market owners could communicate their questions or feedback. The meetings were also posted on social media and on the City of Morro Bay website.

Sentiment Overview – RV Parks:

The RV Park owners voiced a strong desire not to be included in the assessment, citing several reasons including the inability to be competitive with State run RV parks, which don't pay TOT or other assessments.

Sentiment Overview – Vacation Rentals:

The majority of feedback from Vacation Rentals can be summed up in the following quote, "It's fair for the VRs to contribute to the fund on some level since VRs benefit from some of the overall destination marketing efforts, however, until we really understand the value of the TBID it doesn't seem appropriate to take the assessment to 3%." The overwhelming number most felt was agreeable was a one percent assessment. A few thought 1-2 percent was okay.

Recommendation on Next Steps:

As with most community outreach efforts, there are a large number of constituents who don't have an interest in participating. The three public meetings, in addition to in person conversations, gathered a considerable number of viewpoints. At this point, I would recommend the board move forward with their recommendation to City Council regarding adding vacation rentals and/or RV parks to the assessment and at what level they think is appropriate.

Morro Bay TMD Assessment – Intake Notes by Lori Keller

Background:

The following bullet points are from several one to one conversations and two public meetings that took place in April and May 2019, with vacation rental owners/managers, RV park owners/managers, and hotel owners/managers related to a possible assessment for VR and RVs.

Overarching Themes:

- ✓ Importance of *working together* to create a better future
 - Importance of working together on a comprehensive policy regarding vacation rentals
- ✓ Important to be heard and fairly represented
- ✓ Although hotels, vacation rentals, and RV parks all host visitors, there are significant differences between them
- ✓ Important for all to participate in the development of common marketing goals, strategies, and tactics, as well as understand the impact of these tourism marketing efforts
- ✓ Most of the vacation rental representatives voiced agreement with a 1-2% assessment, but no one thought 3% was appropriate
- ✓ Although it was explained that the assessment could not be redirected to infrastructure enhancements, there was a strong interest in improving the destination overall

Vacation Rental Feedback

-Hotels didn't want us before, why now?

-We don't see ourselves as competitors to hotels as our guest is very different and seeks out our accommodations because of multiple bedrooms and a kitchen

-Our business comes from our own advertising and marketing

-We need the hotels to accept us as a part of the community

-Many of the businesses in town (like restaurants) benefit from the day visitor and overnight visitor, why wouldn't they pay in too?

-I am not aware of the efforts of the current tourism board. Have they moved the needle?

-I'd like to see the hotel community help us with advocacy too. There are a lot of issues we all need to address.

-The amount and goals of the TBID were voted on and set by the Hoteliers with a conscious choice to exclude the VRs and possibly bring them in later.

-I don't understand why we were excluded in the first place.

- It's fair for the VRs to contribute to the fund on some level since VRs benefit from some of the efforts, however, until we really understand the value of the TBID it doesn't seem appropriate to take the assessment to 3%.
- The BID was formed under the 1989 laws which means that without a 50% + 1 vote, this assessment goes on into perpetuity.
- Current goals are very hotel centric, if the VRs join, how would those goals change?
- Additional dollars to use for marketing Morro Bay makes sense.
- Some hoteliers in the area have been strong opponents of VRs, asking that they be restricted to commercial areas or banned altogether. If we come together as a TBID, can this be resolved?
- The discussion is okay, but the decision should be delayed until a new VR ordinance is in place.
- 3% doesn't make sense, but 1-2 sounds right.
- 3% is the highest in the county and it's too high, but I could go along with 1%
- Now the county (Visit SLOCAL) is going for another .5%!
- I think a designated board seat or two would be good, but the hoteliers will still outnumber us. How do we come together?
- How do we benefit from tourism marketing efforts? I'd want to understand what we'd be getting for the money.
- The board hasn't listened to us in the past.
- More communication would be helpful and it would be good to get some committees together to come to an agreement on the marketing plans.
- Could there be specific programs focused on family/multi-gen travel? Or could our money be used to help Visit SLO CAL support some of our new fly-in markets?
- Could there be one or two seats on the board designated for vacation rentals? And even then, would the majority of hotels on the board override everything?
- We do benefit from overall awareness of Morro Bay and some of the PR efforts, but it's difficult to quantify.
- Stop spending money on things that don't move the needle.
- Some of the current efforts don't benefit us - website, attending trade shows, current promotions passport, sponsorship of events...so we'd want to have some things included in the plan that are specifically supportive of us.
- What about a convention center, aquarium, or other attraction? Could this assessment go to infrastructure as well? We've got to do something with the stacks. We need a better product to sell.
- We don't take care of what we have. We have trash overflowing.

- We understand that it's problematic for all of the vacation rentals to be listed on the new website so a compromise in terms of funding seems in order.
- Success would be achieving a common goal of more midweek, off-season business.
- Just the sheer number of hotels and the board makeup leaves hotels dictating what is valuable. How would our voice be heard?
- Support is needed from hotels for VRs (advocacy/enforcement)
- The City really needs to step up and enforce illegal VRs
- There's a new Paso Robles vacation rental policy/draft ordinance which seems comprehensive and was drafted in response to numerous resident complaints. It includes third-party noise monitors that require Vacation Rental Management companies to notify the property owner of all complaints received. Please consider a dedicated City of Morro Bay email account that is listed on the Vacation Rental Permit, along with the owner / operator / and management company phone #s. Residents could email rental concerns to the city which can also notify owners when management companies do not.
- 1% assessment I support
- PR component is valuable, but I'd like to see \$150K each year earmarked for infrastructure projects rather than events and marketing. Those have longevity.
- Our assessment is already high. Where does TOT go?
- I'd like to see some investment in our community. We don't even have sufficient trash pick up on busy weekends. (Note: trash was mentioned several times)
- A 1% assessment is a lot of work (meaning setting it up and accounting for it) for very little money. If we're going to add another assessment, it should be 2%. That would help promote the destination.
- Upgrades to city destinations, parks, and attractions would be good. Use some of the money to create a venue for festivals.
- I like the idea of 2% as it's consistent with other communities.
- Morro Bay should also ask Air BNB to collect the taxes/fees instead of having the owners collect.
- It should be 3% to level the playing field. Also, state parks should be made to collect City TOT. The dollars should be used to support tourist attractions, i.e., an aquarium. I'd also like to see a couple of VR members on the TBID board.
- Could we use the VR Business license fees to tackle illegal VRs?
- If this moves forward, I'd like to see a timing delay on collecting assessments. Our guests usually reserve way in advance.
- It really is fair for VRs to pay something
- It would be great if there was a way to Track TOT by lodging type as a way to track progress. Collecting more data overall would be helpful.

-Could the number of VRs increase? Maybe as a percentage of overall increases in housing?

-Education/communication of the need to be licensed could help. Some home owners rent out their houses and don't even realize they are illegal.

-If it's 3%, then VRs should get the full attention of the TBID and be listed on the website, but I'm concerned about the staff time to manage that. If it's 1 or 2% then just having efforts focused on promoting Morro Bay with a link to the MB VRBO page would probably be sufficient.

-It would be important to me that the marketing efforts included promotion of family or multi-generational family reunion-type targeting.

-You wouldn't have to link each individual VR to the website, but just generally talking about VRs as an alternative lodging choice would be helpful. People choose different lodging options depending on their needs.

-Could there be two different types of VR licenses? (intermittent vs. consistent rentals?)

-Could there be a list provided to hotels to refer to VRs when they have no vacancies on a certain date?

-A sense of fairness is important

Hotel Feedback

-I know VRs don't think they see the benefit of our marketing efforts, but anytime you drive overall awareness of a community through marketing every lodging type benefits in some way.

-If we can get VRs to 2%, I think that's a fair compromise and keeps them the same as neighboring communities. The hotels decided on 3%, but maybe that's not what we need to push on the VRs.

-If we can't get them to 2%, then I'm not sure ours should be at 3%

-Something is better than nothing. I know we wanted to get 3%, but VRs are getting the benefit of our money so why shouldn't they join us?

-Maybe start somewhere and increase over time

-It would be great to get the vacation rentals working on some committees and be involved

-I know they are looking for the City to enforce illegal VRs and I agree that we should have a strong effort in that area as they hurt all of us.

-Need better communication regarding tourism marketing efforts to everyone so they know what's happening.

RV Park Feedback

-If they put us into the assessment, there will be no direct benefit.

-There are 35 parks in the county and only 11 of them pay into/collect TOT so it's not a competitive playing field. The economics are different and the benefits questionable. RV parks' business is more stable. We get people from cold climates that come down to camp with us in the winter. We don't need a booking engine.

-Even if we joined the TBID, RV owners just don't have time to be involved

-Is there some type of membership program that could be developed (under \$1000 per year)

-It's important not to lump VRs and RV Parks into one pot. They are separate – we're different. We did fine before TMDs/TBIDs.

-I'm definitely against it.

-I'll go with whatever is decided

California Streets and Highway Code Section 36520-36542

36520. A parking and business improvement area may be established as provided in this chapter.

36521. The city council may establish an area on its own initiative.

36521.5. A county may not form an area within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form an area within the unincorporated territory of a county, without the consent of the board of supervisors of that county. A city may not form an area within the territorial jurisdiction of another city without the consent of the city council of the other city.

36522. Proceedings to establish a parking and business improvement area shall be instituted by the adoption by the city council of a resolution of intention to establish the area. The resolution of intention shall do all of the following:

(a) State that a parking and business improvement area is proposed to be established pursuant to this chapter and describe the boundaries of the territory proposed to be included in the area and the boundaries of each separate benefit zone to be established within the area. The boundaries of the area may be described by reference to a map on file in the office of the clerk, showing the proposed area.

(b) State the name of the proposed area.

(c) State the type or types of improvements and activities proposed to be funded by the levy of assessments on businesses in the area. The resolution of intention shall specify any improvements to be acquired.

(d) State that, except where funds are otherwise available, an assessment will be levied annually to pay for all improvements and activities within the area.

(e) State the proposed method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business.

(f) State whether new businesses will be exempt from the levy of the assessment, pursuant to Section 36531.

(g) Fix a time and place for a public hearing on the establishment of the parking and business improvement area and the levy of assessments, which shall be consistent with the requirements of Section 54954.6 of the Government Code.

(h) State that at the hearing the testimony of all interested persons for or against the establishment of the area, the extent of the area, or the furnishing of specified types of improvements or activities will be heard.

(i) Describe, in summary, the effect of protests made by business owners against the establishment of the area, the extent of the area, and the furnishing of a specified type of improvement or activity, as provided in Section 36524.

36523. Notice of a public hearing held under Section 36524, 36541, 36542, or 36550 shall be given by both of the following:

(a) Publishing the resolution of intention in a newspaper of general circulation in the city once, for at least seven days before the public hearing.

(b) Mailing of a complete copy of the resolution of intention by first-class mail to each business owner in the area within seven days of the city council's adoption of the resolution of intention.

(c) Notwithstanding subdivision (b), in the case of an area established primarily to promote tourism, a copy of the resolution of intention shall be mailed by first-class mail within seven days of the city council's adoption of the resolution of intention, to the owner of each business in the area which will be subject to assessment.

36523.5. Notwithstanding Section 36523, prior to adopting any new or increased assessment, the city council shall give notice pursuant to Section 54954.6 of the Government Code in lieu of publishing notice pursuant to subdivision (a) of Section 36523.

36524. (a) At the public hearing, the city council shall hear and consider all protests against the establishment of the area, the extent of the area, or the furnishing of specified types of improvements or activities within the area. A protest may be made orally or in writing by any interested person. Any protest pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularity or defect to which the objection is made.

(b) Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest and at the public hearing may correct minor defects in the proceedings. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing.

(c) Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business. A written protest which does not comply with this section shall not be counted in determining a majority protest.

36525. (a) If written protests are received from the owners of businesses in the proposed area which will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than that 50 percent, no further proceedings to create the specified parking and business improvement area or to levy the proposed assessment, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

(b) If the majority protest is only against the furnishing of a specified type or types of improvement or activity within the area, those types of improvements or activities shall be eliminated.

36526. (a) At the conclusion of the public hearing to establish the area, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements and activities to be funded with the revenues from the assessments.

(b) At the public hearing, the city council may only make changes in, to, or from, the boundaries of the proposed parking and business improvement area that will exclude territory which will not

benefit from the proposed improvements or activities. However, proposed assessments may only be revised by reducing any or all of them.

(c) The city council shall not change the boundaries of the area to include any territory that will not, in its judgment, benefit by the improvement or activity. Any addition of territory to the proposed boundaries of the area may be made only upon notice to the owners of the businesses proposed to be added to the area, as provided in Section 36523, and upon a public hearing on the addition of territory, as provided in Section 36524.

36527. If the city council, following the public hearing, decides to establish the proposed parking and business improvement area, it shall adopt an ordinance to that effect. The ordinance shall contain all of the following:

- (a) The number, date of adoption, and title of the resolution of intention.
- (b) The time and place where the public hearing was held concerning the establishment of the area.
- (c) A determination regarding any protests received at the public hearing.
- (d) The description of the boundaries of the area and of each separate benefit zone established within the area.
- (e) A statement that a parking and business improvement area has been established and the name of the area.
- (f) A statement that the businesses in the area established by the ordinance shall be subject to any amendments to this part.
- (g) The description of the method and basis of levying the assessments, with a breakdown by classification of businesses if a classification is used.
- (h) A statement that the improvements and activities to be provided in the area will be funded by the levy of the assessments. The revenue from the levy of assessments within an area shall not be used to provide improvements or activities outside the area or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the area.
- (i) A finding that the businesses and the property within the business and improvement area will be benefited by the improvements and activities funded by the assessments proposed to be levied. In the case of an area formed to promote tourism, only businesses that benefit from tourist visits may be assessed.
- (j) The time and manner of collecting the assessments.

36528. The city council may establish one or more separate benefit zones within the area based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone.

36529. All provisions of this part applicable to the establishment, modification, or disestablishment of a parking and business improvement area apply to the establishment, modification, or disestablishment of benefit zones. The city council shall, to establish, modify, or

disestablish a benefit zone, follow the procedure to establish, modify, or disestablish a parking and business improvement area.

36530. The city council shall appoint an advisory board which shall make a recommendation to the city council on the expenditure of revenues derived from the levy of assessments pursuant to this part, on the classification of businesses, as applicable, and on the method and basis of levying the assessments. The city council may designate existing advisory boards or commissions to serve as the advisory board for the area or may create a new advisory board for that purpose. The city council may limit membership of the advisory board to persons paying the assessments under this part. The city council may appoint the advisory board prior to adoption of the resolution of intention to create the area, so that the advisory board may recommend the provisions of the resolution of intention.

36531. The city council may exempt a business recently established in the area from the levy of the assessments, for a period not to exceed one year from the date the business commenced operating in the area. The city council shall state its determination to so exempt new businesses in the resolution of intention to establish the area and shall reaffirm its determination annually in the resolution of intention required to be adopted pursuant to Section 36534.

36532. The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the ordinance establishing the area.

36533. (a) The advisory board shall cause to be prepared a report for each fiscal year for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report. The report may propose changes, including, but not limited to, the boundaries of the parking and business improvement area or any benefit zones within the area, the basis and method of levying the assessments, and any changes in the classification of businesses, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the parking and business improvement area by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following:

(1) Any proposed changes in the boundaries of the parking and business improvement area or in any benefit zones within the area.

(2) The improvements and activities to be provided for that fiscal year.

(3) An estimate of the cost of providing the improvements and the activities for that fiscal year.

(4) The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.

(5) The amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

(6) The amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the advisory board or may modify any particular contained in the report and approve it as modified. The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments.

36534. (a) After the approval of the report, the city council shall adopt a resolution of intention to levy an annual assessment for that fiscal year. The resolution of intention shall do all of the following:

(1) Declare the intention of the city council to change the boundaries of the parking and business improvement area, or in any benefit zone within the area, if the report filed pursuant to Section 36533 proposes a change.

(2) Declare the intention of the city council to levy and collect assessments within the parking and business improvement area for the fiscal year stated in the resolution.

(3) Generally describe the proposed improvements and activities authorized by the ordinance enacted pursuant to Section 36527 and any substantial changes proposed to be made to the improvements and activities.

(4) Refer to the parking and business improvement area by name and indicate the location of the area.

(5) Refer to the report on file with the clerk for a full and detailed description of the improvements and activities to be provided for that fiscal year, the boundaries of the area and any benefit zones within the area, and the proposed assessments to be levied upon the businesses within the area for that fiscal year.

(6) Fix a time and place for a public hearing to be held by the city council on the levy of the proposed assessment for that fiscal year. The public hearing shall be held not less than 10 days after the adoption of the resolution of intention.

(7) State that at the public hearing written and oral protests may be made. The form and manner of protests shall comply with Sections 36524 and 36525.

(b) The clerk shall give notice of the public hearing by causing the resolution of intention to be published once in a newspaper of general circulation in the city not less than seven days before the public hearing.

36535. (a) The city council shall hold the public hearing at the time and in the place specified in the resolution of intention. The public hearing shall be conducted as provided in Sections 36524 and 36525. The city council may continue the public hearing from time to time.

(b) During the course or upon the conclusion of the public hearing, the city council may order changes in any of the matters provided in the report, including changes in the proposed assessments, the proposed improvements and activities to be funded with the revenues derived from the levy of the assessments, and the proposed boundaries of the area and any benefit zones within the area. The city council shall not change the boundaries to include any territory that will not, in its judgment, benefit by the improvement or activity.

(c) At the conclusion of the public hearing, the city council may adopt a resolution confirming the report as originally filed or as changed by it. The adoption of the resolution shall constitute the levy of an assessment for the fiscal year referred to in the report.

(d) Notwithstanding subdivision (c), if the primary purpose of the area is promotion of tourism, the city council may adopt a resolution confirming the report as submitted by the advisory board, or may adopt a resolution continuing the program and assessments as levied in the then current year without change, and that resolution shall constitute the levy of an assessment for the fiscal

year referred to in the report. As an alternative, the city council may modify the report and adopt a resolution confirming the report as modified, but in that case the city council may adopt the resolution only after providing notice of the proposed changes as specified in Section 36523 and only after conducting a public hearing on the resolution as provided in Sections 36524 and 36525.

36536. The assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses and property within the parking and business improvement area. The city council may classify businesses for purposes of determining the benefit to a business of the improvements and activities provided pursuant to this part.

36537. The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36535. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

36540. In addition to the changes authorized to be made in the annual report filed with the city council pursuant to Section 36533 or at the conclusion of the public hearing on the annual levy of the assessments, the advisory board may, at any time, recommend that the city council modify the boundaries of the area, any benefit zones within the area, the basis and method of levying the assessments, and any improvements or activities to be funded with the revenues derived from the levy of the assessments. Any modification shall be made pursuant to this chapter.

36541. (a) The city council shall modify the basis and method of levying the assessment or the boundaries of the area by adopting an ordinance after holding a public hearing on the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be consistent with the requirements of Section 54954.6 of the Government Code. Notice of the public hearing shall be published and shall be mailed to each owner of a business affected by the proposed modification, as provided in Section 36523. The public hearing shall be conducted as provided in Sections 36524 and 36525.

36542. (a) The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. Notice of the public hearing and the proposed modifications shall be published as provided in Section 36523.

(b) The public hearing shall be conducted as provided in Sections 36524 and 36525.

Chapter 3.60 - TOURISM BUSINESS IMPROVEMENT DISTRICT LAW

Sections:

3.60.010 - Title.

This chapter shall be known as the "city of Morro Bay tourism business improvement district law."

(Ord. No. 546, § 3, 4-27-09)

3.60.020 - Definitions.

"City council" means the city council of the city of Morro Bay.

"City advisory board" means the advisory body appointed by the city council, pursuant to this chapter.

"District" means the city of Morro Bay tourism business improvement district (or "MBTBID") created by this chapter and as delineated in Section 3.60.040.

"Hotel" means any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, motel, or bed and breakfast that pays transient occupancy tax. For purposes of this chapter the definition of "hotel" shall not include RV parks and vacation rentals.

"Law" means the Parking and Business Improvement Area Law of 1989, California Streets and Highways Code Sections 36500 et seq., as amended.

"Operator" means the person who is the proprietor of the hotel, whether in the capacity of owner, lessee, sublessee, mortgagee in possession, licensee or any other capacity. Where the operator performs his/her functions through a managing agent of any type or character other than an employee, the managing agent shall also be deemed an operator for the purposes of this chapter and shall have the same duties and liabilities as his/her principal. Compliance with the provisions of this chapter by either the principal or the managing agent shall, however, be considered to be compliance by both.

"Transient" means any person who exercises occupancy or who is entitled to occupancy, by reason of concession, permit, right of access, license, or other agreement for a period of thirty consecutive calendar days or less, counting portions of calendar days as full days.

(Ord. No. 546, § 3, 4-27-09)

3.60.030 - Authorized uses.

This chapter is made and enacted pursuant to the provisions of the Parking and Business Improvement Area Law of 1989 (Sections 36500, et seq., of the Streets and Highways Code) (the "law"). The purpose of forming the district as a business improvement area under the Parking and Business Improvement Area Law of 1989 is to provide revenue to defray the costs of services, activities and programs promoting tourism which will benefit the operators of hotels in the district through the promotion of scenic, recreational, cultural and other attractions in the district as a tourist destination. It is the intent of this chapter to provide a supplemental source of funding for the promotion of tourism in the district. The specific services, activities and programs to be provided by the district are as follows:

- A. The general promotion of tourism within the district is to include costs as specified in the business plan to be adopted annually;
- B. The marketing of conference, group, and film business that benefits local tourism and the local hotel industry in the district; and

- C. The marketing of the district to the travel industry in order to benefit local tourism and the local hotel industry in the district.

(Ord. No. 546, § 3, 4-27-09)

3.60.040 - Boundaries.

The boundaries of the MBTBID shall be the boundaries of the city of Morro Bay.

(Ord. No. 546, § 3, 4-27-09)

3.60.050 - Levy of assessment and exemptions.

The MBTBID shall include all hotel businesses located within the MBTBID boundaries. The assessment to be levied on all hotel businesses within the MBTBID boundaries shall be based upon three percent of the rent charged by the operator per occupied room per night for all transient occupancies. The assessment shall be collected monthly, based on percent of the rent charged by the operator per occupied room per night in revenues for the previous month. New hotel businesses within the boundaries shall not be exempt from the levy of assessment authorized by Section 36531 of the law. Assessments pursuant to the MBTBID shall not be included in gross room rental revenue for purpose of determining the amount of the transient occupancy tax. The value of extended stays of more than thirty consecutive calendar days shall be exempt from the levy of assessment. Any other exclusion shall be based on benefit and the policies and ordinances of the collecting agency.

(Ord. No. 546, § 3, 4-27-09; Ord. No. 562, 9-27-10)

3.60.060 - Annual review of assessment.

All of the assessments imposed pursuant to this chapter shall be reviewed by the Morro Bay city council annually, based upon the annual report prepared by the advisory board appointed pursuant to this chapter and Sections 36530 and 36533 of the law. After approval of the annual report, the Morro Bay city council shall follow the hearing process as outlined in Section 36534 of the law. At the public hearing the Morro Bay city council shall hear and consider all protests. If written protests are received from hotel businesses in the district paying fifty percent percent or more of the annual assessment, no further proceedings to continue the levy of assessments shall take place. The protests shall be weighted based upon the annual assessment for the prior year by each hotel business.

(Ord. No. 546, § 3, 4-27-09)

3.60.070 - Imposition of assessment.

The Morro Bay city council hereby levies and imposes and orders the collection of an additional assessment to be imposed upon hotel businesses in the district described above, which shall be calculated pursuant to Section 3.60.050 above. Such levy shall begin on June 1, 2009.

(Ord. No. 546, § 3, 4-27-09)

3.60.080 - Use of revenue.

The activities to be provided by the MBTBID will be funded by the levy of the assessments and any voluntary contributions. The total revenue from the levy of assessments and any other voluntary contributions within the MBTBID shall not be used to provide improvements or activities outside the

MBTBID or for any purpose other than the purposes specified in the resolution of intention. The proceeds of the hotel business assessment and any other voluntary contributions shall be spent to administer marketing and visitor programs to promote the city of Morro Bay as a tourism visitor destination. All funds shall be expended consistent with the purposes of this section. Funds remaining at the end of any MBTBID term may be used in subsequent years in which MBTBID assessments are levied as long as they are used consistent with the requirements of this section. The Morro Bay city council shall consider recommendations made by the advisory board created by Section 3.60.100 of this chapter as to the use of assessment revenue.

(Ord. No. 546, § 3, 4-27-09)

3.60.090 - Delinquency, penalty and interest.

Any hotel business that fails to remit any assessment imposed by this chapter within the time required shall pay a penalty of ten percent of the assessment amount in addition to the assessment. Any and all remedies available to the city of Morro Bay for non-payment of assessment or taxes shall be applicable in the event of non-payment of an assessment under this chapter. Any penalty and interest fees collected from a hotel business due to delinquency shall go to the city of Morro Bay.

(Ord. No. 546, § 3, 4-27-09)

3.60.100 - Advisory board.

The city council shall appoint an advisory board pursuant to Section 36530 of the California Streets and Highways Code in order to make recommendations to the city council on the expenditure of revenues derived from the levy of assessments, on proposed improvements and activities, and on the method and basis of levy assessments. The city council may, by resolution, adopt bylaws governing the membership and operations of the advisory board.

(Ord. No. 546, § 3, 4-27-09)

3.60.110 - Severability.

If any section, subsection, sentence, clause or phrase of this chapter is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the chapter. The Morro Bay city council hereby declares that it would have passed the ordinance codified in this chapter and each section, subsection, sentence, clause and phrase hereof, irrespective of the fact that any one or more of the sections, subsections, sentences, clauses or phrases hereof be declared invalid or unconstitutional.

(Ord. No. 546, § 3, 4-27-09)

3.60.120 - Modification or disestablishment.

The city of Morro Bay, by ordinance, may modify the provisions of this chapter and may disestablish the district or parts of the district, after adopting a resolution of intention to such effect. Such resolution shall describe the proposed change or changes, or indicate that it is proposed to disestablish the district, and shall state the time and place of a hearing to be held by the Morro Bay city council to consider the proposed action. If the operators of hotels which pay fifty percent or more of the assessments in the district file a petition with the city clerk of the city of Morro Bay requesting the Morro Bay city council to adopt a resolution of intention to modify or disestablish the district, the Morro Bay city council shall adopt such resolution and act upon it as required by law. Signatures on such petition shall be those of a duly

authorized representative of the operators of hotels in the district. In the event the resolution proposes to modify any of the provisions of this chapter, including changes in the existing assessments or in the existing boundaries of the district, such proceedings shall terminate if protest is made by the operators of hotels which pay fifty percent or more of the assessments in the district, or in the district as it is proposed to be enlarged.

In the event the resolution proposes disestablishment of the district, the Morro Bay city council shall disestablish the district, unless at such hearing protest against disestablishment is made by the operators of hotels paying fifty percent or more of the assessments in the district.

(Ord. No. 546, § 3, 4-27-09)

3.60.130 - Effective date.

The city clerk of the city of Morro Bay shall certify to the passage of this chapter by the Morro Bay city council and cause it to be posted in three conspicuous places in the city of Morro Bay and it shall take effect on the thirty-first day after it is approved by the Morro Bay city council.

(Ord. No. 546, § 3, 4-27-09)



Bay Pines Travel Trailer

10 spaces are available for short-term rental
Notes: Mostly extended stays of 6-months or full time. Do take nightly rental to fill in gaps.



Cypress Trailer

23 spaces are available for short-term rental
Notes: Several seasonal campers as well as short-term stays.



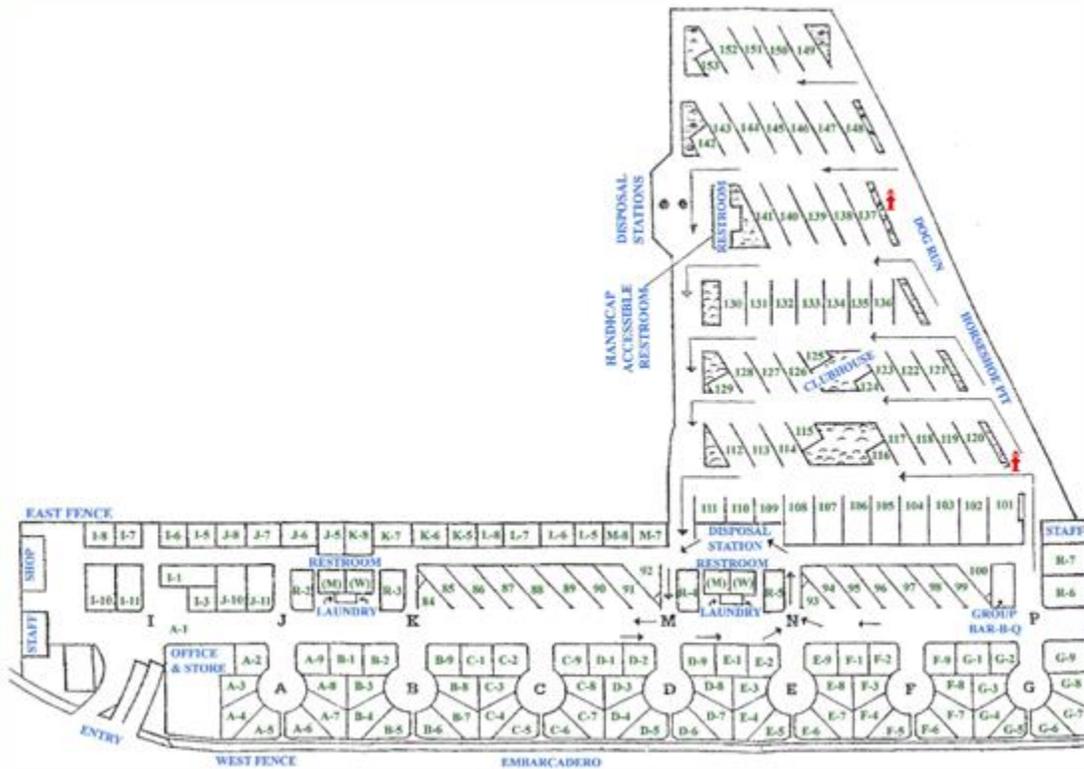
Harborview RV

8 spaces are available for short-term rental
Notes: 1 week minimum with 6-month packages. Model RVs for lease or purchase & 1 vacation rental on property.

Morro Dunes Trailer

150 spaces are available for short-term rental

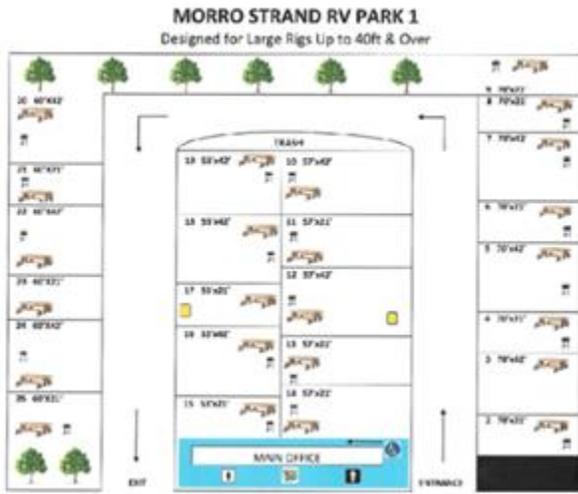
Notes: 60-night maximum stay, and monthly rentals are only available in off-season.



Morro Strand RV Park

43 spaces are available for short-term rental

Notes: Two areas to accommodate different size RVs. Maximum stay is 90 days.



Silver City Resort

32 spaces are available for short term rental

Notes: Additional RV spaces are permanent residents/for sale. 55+ park.



Vacation Rentals and RV Parks – Inclusion in the TBID

Scott Collins, CM
Jennifer Little, Tourism
Manager
August 27, 2019

ITEM C-1

Consideration of Including Vacation Rentals (VRs)
and Recreational Vehicle Parks (RVs) in the Tourism
Business Improvement District (TBID)
Assessment

BACKGROUND/DISCUSSION

VACATION RENTALS

When a person rents any portion of a dwelling in Morro Bay for 30 or less consecutive days, regardless of building size, the dwelling owner must follow MBMC Chapter 5.47 and apply for a permit. That includes rentals of single-family dwellings, as well as multiple family dwellings, such as condominiums, townhomes and duplexes.

If a dwelling is only rented to occupants for 31 or more consecutive days, then that owner need not obtain a permit. The City requires all those proposing to use their property as Short-Term VRs to apply at once for a permit. Short-Term VRs permits safeguard the peace, safety, and general welfare of the residents of Morro Bay and their visitors and guests by eliminating noise, vandalism, and overcrowding.

- 250 registered Vacation Rentals throughout the City boundaries
- 90 applications on the waiting list

BACKGROUND/DISCUSSION

RV Parks

Morro Bay's RVs are a mixture of short term, 30 or less consecutive days and long-term 31 or more consecutive days. During shoulder and winter months, RVs host more long-term renters (such as snowbirds from cold places). During the Summer-season (mid-June to mid-Sept) most rentals are under short-term.

Each of the RVs is a little different with some also having long-term/live on sites (over 30 days).

Many RVs are booked a year or more in advance plus Morro Bay has a large amount of state park spaces that will not/cannot be part of TBID.

BACKGROUND/DISCUSSION

6 RVs – 400 Total Spaces, 266 are available for under 30-day rental

| RVs | Spaces in the Park | Available Spaces (for under 30-day rentals)* |
|-------------------------|---------------------------|---|
| Bay Pines | 112 | 10 |
| Cypress | 36 | 23 |
| Harborview | 10 | 8 |
| Morro Dunes | 170 | 150 |
| Morro Strand | 43 | 43 |
| Silver City | 32 | 32 |
| Total Spaces | 403 | 266* |
| <hr/> | | |
| State Parks | | |
| Morro By State Park | 134 | |
| Morro Strand State Park | 80 | |
| Total Spaces | 214 | *According to Good Sam |

Created using online resources from San Luis Obispo County, individual property websites and calling individual parks.

BACKGROUND/DISCUSSION

Community Outreach:

- Three public workshop meetings
- Several one-on-one meetings
- Outreach efforts began with in-person meetings and phone calls with constituents (including some owners/managers) representing 48 properties
- Two community meetings were held in May 2019
- Third meeting was held in July 2019 to share the Morro Bay TBID marketing plan

All three meetings were noticed to all VRs permit holders, all applicants on the wait list plus all RVs owners through hard mail and email (if available).

TOT data reflecting Fiscal Year 17-18:

If VRs and RVs had been included in the TBID assessment, the following breakdown would represent the weighted vote:

- Hotels/motels 78.66%
- VRs 14.31%
- RVs 7.03%

Neighboring TBID Assessments (Hotels and VRs)*:

City of San Luis Obispo TBID 2%

Unincorporated CBID 2%

Arroyo Grande TBID 2%

*Cities with RV Parks assess 2%

City of Paso Robles TBID 2%

City of Atascadero TBID 2%

Pismo Beach TBID 2%

Neighboring TBID Budgets:

- Pismo Beach = \$2,200,000
- San Luis Obispo = \$1,500,000
- Paso Robles = \$1,100,000

POSSIBLE % OPTIONS FOR INCLUDING VRs/RVs

| | 3% | | |
|--------------|-----------------------|-------------|--------------|
| 2017/2018 | Motel | RV | VR |
| Year Total | \$805,818.67 | \$72,055.85 | \$146,620.00 |
| Total | \$1,024,494.52 | | |

| 2% | | | 2.5% | | |
|--------------|-------------|---------------------|--------------|-------------|---------------------|
| Motel | RV | VR | Motel | RV | VR |
| \$537,212.46 | \$48,037.23 | \$97,746.67 | \$671,515.58 | \$60,046.54 | \$122,183.34 |
| | | \$682,996.36 | | | \$853,745.45 |

| 1% | | | 1.5% | | |
|--------------|-------------|---------------------|--------------|-------------|---------------------|
| Motel | RV | VR | Motel | RV | VR |
| \$268,606.23 | \$24,018.62 | \$48,873.33 | \$402,909.35 | \$35,391.97 | \$73,310.00 |
| | | \$341,498.18 | | | \$511,611.32 |

If all 3 groups were moved to 2.5% it is close to equal at the current budget, would result in a reduction in motel advertising and marketing

BUDGET REVIEW

Assuming an additional \$100,000 was added to TBID budget staff would recommend the following for use of that additional revenue for FY 19/20 Jan – June:

1. \$75,000 - DMO Marketing – digital ads plus #outdoorgoals videos placed in sites directly related to their industry.
2. \$10,000 – Event/Grant Support - towards funding of spring events that directly impact their assets (Car Show, Kite Festival, MBHS Wrestling Tournament)
3. \$6,000 - Digital Assets – photography and videos creation for the two industries
4. \$4,000 - Visiting Journalists
5. \$5,000 Misc section: writing content, website updates, etc.

| Current TBID Budget | |
|------------------------|----------------------|
| Account Description | 2019-2020 Budget |
| DMO Marketing | \$ 450,200.00 |
| Payroll | \$ 221,186.00 |
| Event Grant/Support | \$ 50,000.00 |
| Trade Shows | \$ 86,000.00 |
| Digital Assets | \$ 5,000.00 |
| Visiting Journalist | \$ 10,000.00 |
| Misc | \$ 37,200.00 |
| Meetings & Conferences | \$ 25,500.00 |
| | \$ 885,086.00 |

| Assumption of an additional \$100,000 into the TBID budget | | |
|--|----------------------|--------------------------|
| Account Description | 2019-2020 Budget | Additional \$ from VR/RV |
| DMO Marketing | \$ 525,200.00 | \$75,000 |
| Payroll | \$ 221,186.00 | |
| Event Grant/Support | \$ 60,000.00 | \$10,000 |
| Trade Shows | \$ 86,000.00 | |
| Digital Assets | \$ 11,000.00 | \$6,000 |
| Visiting Journalist | \$ 14,000.00 | \$4,000 |
| Misc | \$ 42,200.00 | \$5,000 |
| Meetings & Conferences | \$ 25,500.00 | |
| | \$ 985,086.00 | |

Options and TBID Recommendation

- ▶ All at 3% (TBID Recommendation to Council)
- ▶ All at 2.5%
- ▶ Hotels at 3%, VRs at 2%, and RVs at 1%
- ▶ No inclusion of VRs and RVs
- ▶ Other?

Process to Include VRs/RVs

- ▶ Council Review on August 27, 2019
- ▶ Noticing
- ▶ TBID Review likely in September
- ▶ City Council resolution of intent, ordinance and public hearing (during the fall of 2019)

Review

- ▶ TBID Recommendation (3% for all) provides highest revenue potential, and equity across hotels, RVs and VRs
- ▶ Concern about RVs competitiveness to state-run RV parks and nearby unincorporated County RV parks
- ▶ VRs concern about value
- ▶ Other options may address some of these concerns, but limit revenues and create equity issues.

CONCLUSION

It is recommended that if Council supports inclusion of VRs/RVs into the TIBD, that the Board recommend that process conclude in time to include VRs/RVs by early 2020, and honor contracts between VRs/RVs established prior to the assessment going into effect.

RECOMMENDATION

TBID Board and Staff recommend to City Council to move forward with including VRs/RVs in the Tourism Business Improvement District (TBID) at a 3%. Direct staff to begin the process and notification.



AGENDA NO: C-2

MEETING DATE: August 27, 2019

Staff Report

TO: Mayor and City Council

DATE: August 22, 2019

FROM: Scott Collins, City Manager
Jennifer Callaway, Finance Director

SUBJECT: Revenue Generating Measures for the November 2020 General Election Ballot

RECOMMENDATION

Staff Recommends that the Council:

1. Authorize the City Manager to enter into consulting agreements with both a lead consulting firm and a public opinion research agency to conduct polling for a sales tax revenue ballot measure and/or a Harbor Assessment ballot measure for consideration during the November 2020 general election with appropriate budget adjustments from the General Fund Emergency Reserves.
2. Establish a Council ad-hoc committee

BACKGROUND

Staff's update of the ten-year forecast for the Fiscal Year (FY) 2019/20 Proposed Budget cautions that unless significant expenditure reductions occur or new revenues are identified, the City will have to use and deplete one-time reserve funds to maintain current service levels. The ten-year financial update is provided in Attachment 1 and the major revenue and expense category assumptions are provided as Attachment 2.

While use of reserves or one-time funds is appropriate for some circumstances, as a multi-year budget balancing mechanism, it is not a viable solution. And, that approach does not comply with the City's Long-Term Financial Planning Policy, recently adopted by the City Council which states as follows:

"Long-term structural balance is the goal of long-term financial planning at the City. Should the long-term forecasting and analysis show that the City is not structurally balanced over the ten-year projection period; staff would then make recommendations, for City Council consideration, on how the plan can be brought into balance within three-years."

The ten-year update reflects an unbalanced budget in the out-years, with a projection of \$500,000 deficit in FY 2020/21, \$630,000 deficit in FY 2021/22 and growing annually to over a \$1.1 million projected general fund deficit in FY 2025/26 and \$1.8 million by FY 2028/29. Based on these projected deficits, the City would be out of reserve funds by FY 2024/25. The forecast further demonstrates that the FY 2019/20 proposed budget was balanced through defunding of the City's internal service funds – not a recommended solution for on-going balancing efforts in future years. While the FY 2019/20 forecast includes modest COLA increases as per the negotiated labor agreements, the primary cause of this shortfall is employee pension and health costs outpacing

| | |
|------------------------------------|-------------------------------------|
| Prepared By: <u> JC </u> | Dept Review: <u> JC </u> |
| City Manager Review: <u> SC </u> | City Attorney Review: <u> </u> |

revenues. These increases, while outside the City's control, threaten the City's ability to maintain current service levels and accumulate funds for much needed infrastructure, capital, vehicle and equipment investments.

The City has taken a cost-conscious approach to managing the organization. The City has trimmed the total number of full-time employees (FTE) down from a pre-recession high of 105 FTE in FY2009/2010 down to 97.13 FTE today. Position eliminations include:

- Deputy City Manager
- Capital Projects Manager/Senior Engineer position in Public Works
- The Harbor Department, through restructuring, eliminated a position and reduced a position from full-time to part-time.
- Building Official in the Community Development
- Reorganizing the Utility Division in Public Works, reducing FTE count from 18 to 16

The City also reduced hours for the following positions:

- Fire Administration Assistant position reduced from full time to three quarter time
- Recreation Office Assistant reduced to a part-time position

These position adjustments have helped eliminate over \$500,000 in on-going costs from the budget. The City has added a few positions in Fire and Consolidated Maintenance to keep up with service demands, bringing the total FTE count for FY 2019/20 to 97.13. In addition to the position eliminations and hour reductions, the City negotiated contractual agreements with bargaining groups that tied modest Cost of Living Adjustments to revenue increases and a CalPERS cost sharing measures with the Police Officers Association, reducing the City's liabilities long-term. The City has also invested in technology to improve efficiencies, reducing the need to hire additional staff to manage the increasing complexities involved with various City functions. The City Council also adopted financial policies related to fiscal emergencies and new revenues.

The City has also invested in economic development activity to spur growth in existing and new revenue sources. Those efforts include, but are not limited to, completing a strategic master plan, partnering with the Chamber for a low-cost economic development program, tree lighting installation in the Downtown area and expanded Tourism marketing to key markets to increase overnight stays in Morro Bay.

Despite these efforts the City continues to face a significant challenge in maintaining the level of services offered to the community from emergency response to code enforcement to road maintenance to programs for youth and seniors. Similarly, in the current financial setting, the City is unable to make needed investments in its core infrastructure, such as parks, public facilities and roads. Failure to properly maintain this infrastructure will lead to very expensive emergency repairs and replacements.

With all this in mind, there are two primary areas for the Council to consider in order to realign the forecast and obtain a long-term structurally balanced budget that maintains current levels of service and invests in infrastructure:

- 1) CalPERS pension paydowns which result in significant long-term savings, although increase short-term expenditures; and
- 2) Identification and consideration of new revenues.

During the May 28, 2019 Council Budget Study Session, staff outlined a series of revenue options for the Council to consider and provide direction to staff on areas of most interest. In July 2019, staff returned to Council with more detailed analysis on the following revenue options:

1. Paid Parking
2. Paid RV Parking
3. Sale or Lease of Property
4. Sales Tax Measure
5. Assessment Districts
6. User Utility Tax
7. Parcel Tax
8. Transient Occupancy Tax

During this discussion, Council directed staff to obtain quotes for services to explore revenue generating tax options, specifically focused on a sales tax measure and/or Harbor Assessment tax.

DISCUSSION

Staff obtained quotes from two polling consultants and two lead consultants. There is value added in hiring consultants that are experts in the fields of polling, community outreach, and education. Staff recommends that the City enter into agreements with The Lew Edwards Group (LEG) and FM3 to assist the City in preparing strategies, conducting research, preparing ballot language and producing information materials. Both firms successfully assisted the City in 2006 with the Measure Q ballot measure and are familiar with the City of Morro Bay and community.

The consultants would work collaboratively and also assist in identifying potential risks, problems, opportunities, community themes, messaging and other relevant issues.

LEG is a full-service consulting firm that has enacted more than \$30 billion in California revenue measures with a 95% success rate. LEG worked with the City on the successful Measure Q ballot initiative and is familiar with the attributes of working with a smaller community. LEG would provide research, communications, and community engagement and outreach services for the City. Staff recommends entering into consulting agreement for lead consulting services with LEG for an amount not to exceed \$60,000. This would include the monthly retainer fee for up to 10 months of service.

In addition to a lead consultant contract, staff recommends entering into a separate consultant agreement with FM3 in an amount not to exceed \$23,750 for a 20-minute survey of up to 300 City residents. FM3 provided similar research for the City in 2005 that informed the development and communication for the Measure Q initiative. Retaining FM3 for this study would enable the City to track and analyze changes in voter's opinions over time. FM3 has worked on over 530 approved local tax and bond measures across the state since its inception with a success rate of over 95%.

CONCLUSION

Staff recommends that the City council authorize the City Manager to enter into two consultant agreements with both a lead consulting firm (LEG) and a public opinion research agency (FM3) to conduct polling and outreach for a sales tax revenue ballot measure and/or Harbor Assessment ballot measure for consideration during the November 2020 general election. These contracts would be funded from the General Fund emergency reserve with appropriate budget adjustments approved. Staff also recommends that the City Council establish a Council ad-hoc committee to assist staff and the consulting team in the development of the poll.

ATTACHMENTS

1. Ten-Year Forecast
2. Major Revenue and Expense Assumptions for the Forecast

City of Morro Bay Budget Forecast (\$ in 000)

| General Fund | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Property Tax | \$4,405 | \$4,537 | \$4,697 | \$4,881 | \$5,072 | \$5,230 | \$5,394 | \$5,447 | \$5,503 | \$5,558 | \$5,614 |
| Sales Tax | 2,012 | 2,166 | 2,192 | 2,208 | 2,191 | 2,175 | 2,188 | 2,208 | 2,247 | 2,282 | 2,328 |
| TOT | 3,531 | 3,567 | 3,602 | 3,639 | 3,675 | 3,712 | 3,749 | 3,786 | 3,824 | 3,862 | 3,901 |
| Other Revenue | 3,159 | 3,166 | 3,014 | 3,038 | 3,071 | 3,106 | 3,141 | 3,156 | 3,213 | 3,256 | 3,299 |
| Transfers | 1,256 | 1,405 | 1,648 | 1,670 | 1,692 | 1,715 | 1,738 | 1,738 | 1,738 | 1,763 | 1,789 |
| Total Revenue | 14,363 | 14,840 | 15,153 | 15,436 | 15,702 | 15,937 | 16,209 | 16,336 | 16,525 | 16,722 | 16,931 |
| Personnel | 10,376 | 11,050 | 11,338 | 11,657 | 11,934 | 12,158 | 12,363 | 12,651 | 12,963 | 13,301 | 13,669 |
| Other O&M | 3,474 | 3,349 | 3,685 | 3,761 | 3,839 | 3,919 | 4,000 | 4,117 | 4,202 | 4,287 | 4,353 |
| Transfers/Svc Adds | 513 | 437 | 634 | 647 | 660 | 674 | 713 | 728 | 743 | 733 | 749 |
| Future Budget Cuts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 14,363 | 14,836 | 15,656 | 16,064 | 16,433 | 16,750 | 17,076 | 17,496 | 17,907 | 18,322 | 18,771 |
| Net Annual | 0 | 4 | (504) | (629) | (731) | (813) | (866) | (1,160) | (1,382) | (1,600) | (1,840) |
| Beginning Balance | 38 | 39 | 43 | (460) | (1,089) | (1,820) | (2,633) | (3,500) | (4,660) | (6,042) | (7,642) |
| Cash Adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | 39 | 43 | (460) | (1,089) | (1,820) | (2,633) | (3,500) | (4,660) | (6,042) | (7,642) | (9,482) |
| Emergency Reserve | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
| Revenue | \$236 | \$95 | \$79 | \$80 | \$80 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 |
| Transfers Out | 225 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Annual | 11 | 95 | 79 | 80 | 80 | 25 | 25 | 25 | 25 | 25 | 25 |
| Cash Adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Beginning Balance | 2,927 | 2,938 | 3,034 | 3,113 | 3,192 | 3,272 | 3,297 | 3,322 | 3,347 | 3,372 | 3,397 |
| Ending Balance | 2,938 | 3,034 | 3,113 | 3,192 | 3,272 | 3,297 | 3,322 | 3,347 | 3,372 | 3,397 | 3,422 |
| Total GF+ER Balance | 2,977 | 3,077 | 2,652 | 2,103 | 1,452 | 664 | (178) | (1,314) | (2,670) | (4,245) | (6,060) |
| % of GF Exp | 20.7% | 20.7% | 16.9% | 13.1% | 8.8% | 4.0% | -1.0% | -7.5% | -14.9% | -23.2% | -32.3% |

| | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>FY 2024</u> | <u>FY 2025</u> | <u>FY 2026</u> | <u>FY 2027</u> | <u>FY 2028</u> | <u>FY 2029</u> | <u>AVG</u> |
|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------|
| Revenues | | | | | | | | | | | |
| Property Tax | SLO County | 3.53% | 3.93% | 3.90% | 3.12% | 3.12% | 0.98% | 1.20% | 1.01% | 1.01% | 2.42% |
| Sales Tax | HDL Estimate | 1.21% | 0.75% | -0.76% | -0.76% | 0.63% | 0.92% | 1.76% | 1.54% | 2.00% | 0.81% |
| TOT | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |
| Business License | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 3.00% | 2.00% | 2.10% |
| Expenditures | | | | | | | | | | | |
| Salary | 2% or 3% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0.00% |
| Pension | 8.75% | 11.42% | 11.58% | 8.60% | 5.81% | 4.76% | 8.10% | 8.22% | 8.34% | 8.45% | 8.40% |
| Other Benefits | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Transfers | | | | | | | | | | | |
| Vehicle | \$ - | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 |
| Technology | \$ 345,970 | \$ 368,599 | \$ 381,607 | \$ 395,005 | \$ 408,805 | \$ 423,020 | \$ 437,660 | \$ 452,740 | \$ 468,272 | \$ 484,270 | |
| Facilities | \$ 10,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | |
| Capital | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| TBID | \$ 60,000 | \$ 180,496 | \$ 187,701 | \$ 194,978 | \$ 202,328 | \$ 209,751 | \$ 217,248 | \$ 224,821 | \$ 232,469 | \$ 240,194 | |
| Economic Development | \$ 65,000 | \$ 65,000 | \$ 65,000 | \$ 65,000 | \$ 65,000 | \$ 65,000 | \$ 65,000 | \$ 65,000 | \$ 65,000 | \$ 65,000 | |
| Fire Equip | \$ - | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 75,000 | \$ 75,000 | \$ 75,000 | \$ 50,000 | \$ 50,000 | |

This Page Intentionally Left Blank



AGENDA NO: C-3

MEETING DATE: August 27, 2019

Staff Report

TO: Honorable Mayor and City Council

DATE: August 22, 2019

FROM: Scott Collins, City Manager

SUBJECT: Review and Discussion of City Council Policies & Procedures and Advisory Bodies Handbook and By-Laws

RECOMMENDATION

Staff recommends the City Council review and discuss City Council and Advisory Body policies, consider the benefit of establishing a Council sub-committee to perform an in-depth review, and direct staff as to desired next steps related to the following:

- Advisory Body policies related to recruitment procedures, roles and responsibilities, and meeting frequency
- City Council Policies & Procedures regarding letters of support on legislative items of interest
- Other policies as deemed appropriate by a majority of the Council.

ALTERNATIVES

The Council may choose not to pursue review of these policies at this time.

FISCAL IMPACT

Aside from staff time to prepare follow-up documents as directed by the City Council, it is anticipated this item will not result in a fiscal impact to the City.

BACKGROUND/DISCUSSION

On February 13, 2019, the City Council declared a future agenda item to discuss Citizens Oversight/Finance Advisory Committee Chair Spagnola's suggestions made during public comment at the January 8, 2019 Regular Meeting to:

- Reiterate during the selection process the time commitments for the various boards and clearly identify the term of service for each appointment.
- When there are not a sufficient number of qualified applicants, consider leaving those positions open; alternatively, when there is an abundance of qualified candidates, consider appointing alternates for a short period of time (3-6 months) to backfill unanticipated vacancies, if needed, and avoid the need for a follow-up recruitment.

On June 11, 2019, Council directed staff to expand the future item to include a broad look at advisory body roles and provide clarifying language, as appropriate. Staff has provided the current Advisory Bodies Handbook & By-Laws (Attachment 1) and 2019 Local Appointment List (Attachment 2) for Council review and discussion. In addition, the City's appointment procedures can be found in the Sections 6.5 – 6.6 of the Council Policies & Procedures (Attachment 3 – pages 51-52). Staff would note the advisory body orientation and training procedures were formalized in

Prepared By: DS

City Manager Review: SC

City Attorney Review: CFN

early 2019 to help new advisory body members gain a better understanding of their roles and responsibilities in terms of Brown Act compliance, proper meeting etiquette, training and time requirements. Along with review of the advisory body roles and responsibilities of advisory body members, staff recommends the Council discuss the appropriate meeting frequency based on the workload.

On June 26, 2019, Council directed staff to consider a policy that allowed Council Members to submit letters of support on legislative items of interest. Existing City policies related to this request are found in Sections 3.1.5 and 5.4 of the Council Policies & Procedures (Attachment 3 - pages 34 and 47).

The Council Policies & Procedures and Advisory Bodies Handbook were reviewed in their entirety by a Council sub-committee consisting of former Mayor Irons and Council Member McPherson in 2017 and re-adopted in May 2018. Should the Council wish to explore a holistic review of either or both documents, it may be helpful to re-establish the Council sub-committee to work with staff to craft new language for consideration at a future meeting.

CONCLUSION

Staff recommends the City Council review and discuss City Council and Advisory Body policies and consider the benefit of establishing a Council sub-committee to perform an in-depth review of those documents for Council review at a future meeting.

ATTACHMENTS

1. Advisory Bodies Handbook & By-Laws
2. 2019 Local Appointment List
3. City Council Policies & Procedures

CITY OF MORRO BAY
ADVISORY BODIES
HANDBOOK
AND
BY-LAWS

Date: May 8, 2018

Approved by Resolution No. 28-18
Revised by Resolution No. 60-18 on August 14, 2018

Mission Statement

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

INTRODUCTION

Welcome and thank you for your interest in serving on one of the City's Advisory Bodies. By serving on one of Morro Bay's Advisory Bodies, you can help plan and guide the City's future. It is important that members of the Advisory Bodies understand the functions and responsibilities of being a member. We hope you find serving on the City's advisory body personally satisfying, and in the process gain invaluable knowledge and experience.

The Morro Bay Municipal Code empowers the City Council to form boards and commissions to assist the City Council in legislating and managing the affairs of the City. From time to time citizen advisory committees are appointed to meet a specific topic, project, or need. Their varied roles provide significant opportunities for formulating City policy and for creating public forums for meaningful community participation.

Consistent with the City's Mission Statement, advisory bodies can help the City achieve its mission and purpose, which is to preserve and enhance the citizens of Morro Bay's quality of life. This Handbook shall serve as a guide to assist you in the sometimes-complex, but often rewarding, process of serving on one of the City's Advisory Bodies. These advisory bodies assist the City Council in making better-informed decisions by formulating new ideas, gathering information, receiving public testimony and comments, analyzing complex issues, and making recommendations on specific projects and broad policy.

Advisory Bodies advise the City Council and the City Manager on matters within their area of responsibility and interest; help focus attention on specific issues and problems within their scope of responsibilities, and recommend action and alternatives for Council consideration; act as channels of communication among City government, the general public, and interest groups; and balance community wants with municipal responsibility and resources.

At times, your role may be challenging and complex. Public opinion can be sharply divided, questions may overlap, and sometimes the province of one body may also be the territory of another. Therefore, we have created this handbook to assist you with some of the fundamental aspects of your new responsibility.

Much of the information in this handbook comes from City policy, such as the Morro Bay Municipal Code and the City Council Policies and Procedures Manual. In addition, State Law governs certain responsibilities of advisory body members. The material presented is

intended to: (1) Give interested persons an understanding of why the City's advisory bodies have been established and how they function within the overall governmental framework and, (2) Summarize the roles, relationships and responsibilities of each advisory body member.

Each Advisory Body within the City has its own By-Laws, which are included in this Handbook for your ease of reference. The sections of the Handbook are divided as follows:

1. General Information on Advisory Bodies
2. How Our City Government Works
3. How Advisory Bodies Work
4. The Brown Act
5. Political Reform Act of 1974 (Conflict of Interest)
6. Advisory Body By-Laws

We hope this Handbook will answer many of your questions, get you off to a good start, and contribute to your satisfaction in serving the citizens of the City of Morro Bay.

1. General Information on Advisory Bodies

A. Background

Advisory bodies are authorized by both the Morro Bay Municipal Code and the City Council. They provide an opportunity for interested residents to participate in the governing of their community under guidelines and procedures established by the Council. Advisory bodies can improve the quality of City government by providing the Council with resources to make better-informed decisions. They can serve as the “eyes and ears” of the Council for issues and matters that otherwise might not receive attention. Other benefits include improvement in the lines of communication between the public and the Council, greater opportunities for discussion of public issues, and more citizen involvement in City government. There is considerable variety in the purpose or responsibility of these bodies. Advisory bodies have been created by the City Council to serve the City of Morro Bay’s unique needs.

The authority of an advisory body will depend upon its specific purpose. Each has a specific focus and will make recommendations to the Council on issues related to that specific field. Decisions made by an advisory body may be appealed to the Council. The Council may not always accept the recommendation of an advisory body because of additional information available or a need to balance the recommendation with policy or community priorities.

Generally, advisory bodies are empowered only to make recommendations to the Council or to the City staff, unless specifically authorized by law or Council to do otherwise. There should be two-way communication so that advisory bodies are aware of the long-term goals Council has adopted, and the advisory body is able to present new ideas to the Council. Advisory body members are encouraged to attend and/or watch Council meetings.

Members of the advisory bodies are volunteers who are appointed by the City Council and serve at the pleasure of the City Council. There is no compensation or benefits for members, except for Planning Commission, whose responsibilities are greater and meetings more frequent. All members are expected to attend scheduled advisory body meetings and all meetings shall be conducted in accordance with Robert’s Rules of Order, City Council Policies and Procedures Manual and State Law.

Currently, the City of Morro Bay has six advisory bodies:

- Harbor Advisory Board
- Public Works Advisory Board
- Recreation and Parks Commission
- Tourism Business Improvement District Board
- Planning Commission
- Citizens Oversight Committee/Finance Committee

From time to time, a special advisory body may be created by the Council to provide input on a specific issue or project. These bodies have a mission statement and goals with a limited duration and do not necessarily meet on a regular basis.

B. Application/Selection Process and Membership Qualifications

The City of Morro Bay encourages participation of a wide variety of its citizens through service on an advisory body. Applicants will be sought from all segments of the community, representing various interests and groups.

1) The Application/Selection Process

- All recruitment for advisory body members is open and published in a local newspaper.
- The City accepts applications from interested persons throughout the year.
- Each application is carefully reviewed by the City Council.
- Appointment is made by the City Council in a special, publicly held meeting.
- Members serve at the pleasure of the City Council.
- Incumbents are considered for reappointment at the conclusion of their terms.
- Terms are four years, commencing on February 1st, and the terms are staggered.
- Applications may be obtained from the City Clerk's office at City Hall. Information on vacancies and/or specific recruitment periods may be requested by phoning the City Clerk. An official application form must be completed for each position.
- Fill out a separate form for each advisory body in which you are interested. It is to your advantage to tailor each application to the specific board or commission for which you are applying. Emphasize different aspects of your background to match those needed for a particular advisory body.
- Emphasize your talents. Clearly indicate how your particular talents, skills, training, or experience will benefit the advisory body for which you wish to be considered.
- Become familiar with the appropriate advisory body. Attend meetings, talk with advisory body members, or read documents they have developed to acquaint yourself with their work. Talk with the department head responsible for staffing the specific advisory body in which you are interested.

2) Qualifications for Service

Advisory body members may be required to wear "different hats" at different times. The ability to suitably perform the varied roles requires specialized skills and knowledge. Qualification for service can be divided into four general areas:

◆ **LONG-RANGE INTEREST IN THE COMMUNITY**

The ability to conceive and be concerned with the impact of current decisions on future citizens is paramount. Advisory body members are

required to analyze issues, to listen to public comment through formal hearings or informal discussion, to interpret and apply mandates of the General Plan, and to analyze all the pertinent data before arriving at objective decisions which will be in the best interest of the community as a whole.

◆ **FAIRNESS, COMMON SENSE, HONESTY AND GOOD CHARACTER**

Keeping the public interest in mind, an advisory body member will be called upon to use every day good sense in balancing the need of public and private groups. Controversial issues do arise, and the ability to make decisions based on merit rather than personalities is a must. Other traits include imagination, flexibility and the ability to act in a judicial vs. legislative capacity.

◆ **KNOWLEDGE OF THE COMMUNITY MARKETPLACE, PROCESS, OBJECTIVES, AND LAWS**

A first-hand knowledge of economic systems, the general operation of government, and a basic understanding of the legal process is important. This knowledge will be of tremendous value, especially on the Planning Commission where members are required to conduct public hearings, analyze and receive testimony and make meaningful decisions.

◆ **TIME TO SERVE IN APPOINTED CAPACITY**

The amount of time an advisory body member devotes to his/her duties varies with each advisory group. Before making a personal commitment, a prospective applicant should honestly evaluate whether he/she has adequate free time to attend the meetings, to review and be familiar with meeting materials, and to communicate with the public as well as with department staff.

3) Other Requirements

Members of all advisory bodies are required to file the State of California Statements of Economic Interest (Form 700). Additionally, advisory body members are required to refrain from participation in matters where they have the potential for conflict of interest. (See Section 5 for the City's policy on Conflict of Interest)

Advisory body members are also required to attend periodic trainings, including Ethics Training and Sexual Harassment Training as well as others which may be mandated.

2. How Our City Government Works

The City of Morro Bay is a general law city and became incorporated in 1964; it operates under the laws of the State of California.

The City Council, City Manager, City Clerk and City Attorney are integral to the day-to-day operations of the City. As such, we have included a summary of the City government's main function for your information and reference.

A. City Council

The City Council is elected by a majority vote by the citizens of Morro Bay. The City Council is the governing body of the City and is made up of the Mayor and four council members. The Mayor is elected for a two-year term and the Council Members are elected for staggered four-year terms. Mayoral and City Council elections are held in November of even-numbered years. Regular Council meetings are held according to the established calendar in the Council Chamber at the Vet's Hall. In addition, special meetings and study sessions are held from time to time. The Mayor is the official spokesperson for the Council. The City Council is accountable to the citizens of Morro Bay. The decisions of the City Council are reached by a majority vote.

The City Council formulates policy, approves programs, appropriates funds and establishes local taxes and assessments. The City Council enacts local laws (ordinances) and regulations for governing of the City. The local ordinances adopted by the City Council are compiled in the City's Municipal Code.

B. City Manager

The City Manager is the administrative head of the government of the City. The City Manager is appointed by the City Council, and serves at its pleasure. The City Manager's duties include implementation of policies and procedures initiated by the City Council. The City Manager also is responsible for all City personnel, except as to the City Attorney, and serves as a liaison to each advisory body, unless otherwise noted in the Advisory Body By-Laws. The following positions report to the City Manager: City Clerk, Treasurer/Finance Director, Chief of Police, Fire Chief, Community Development Director, Public Works Director, Harbor Director, Recreation and Parks Manager, and Tourism Manager.

C. City Clerk/Risk Manager

The City Clerk's duties include, but are not limited to: recording, writing and maintaining Council proceedings, conducting municipal elections, publishing ordinances and resolutions and other official City documents, storing and indexing official documents and City records for retrieval, administering Conflict of Interest disclosures, and serving as the custodian of the seal of the City. The City Clerk also serves as the City's Risk Manager, coordinating activities

related to coverage documents; processing all claims related to the City's property, liability and workers' compensation insurance; and implementing policies and programs to reduce the City's exposure to risk.

D. City Attorney

The City Attorney is appointed by the City Council. The City Attorney is the legal counsel for the City and advises the City Council and City officials, officers and employees (in their official capacity) in legal matters, attends all Council meetings and some board meetings, represents the City in legal actions and proceedings, and retains, supervises and monitors outside legal counsel. The City Attorney also approves all bonds and contracts made by the City, prepares ordinances and resolutions as required by the Council and prosecutes violations of the Morro Bay Municipal Codes and ordinances.

3. How Advisory Bodies Work

A. Understanding Your Role and Scope of Responsibility

After appointment by the Council and being sworn in as a City officer, the City Clerk will provide new advisory body members with useful information about the City, including this handbook. In addition, the City staff member who supports your advisory body will schedule an orientation appointment with you. That will be your opportunity to learn more about the scope of responsibility of the advisory body to which you have been appointed. Additional trainings may be held periodically.

1) Council Liaison Member(s)

Each year the Council selects two of its members (one regular and one alternative) to be "Liaison Members" to each advisory body. The Council Liaison can be called upon to facilitate the flow of information between the Council and that advisory body. The Liaison Member may also attend advisory body meetings.

2) Preparing for Your Role

It will be helpful to review the City's Mission Statement, the City's website, and your advisory body's by-laws. Meeting with your advisory body chair and getting to know fellow advisory body members, staff and the Council Liaison will also help you to learn more about your role and to understand expectations. Ask about upcoming issues. Also attend training programs and workshops offered to you by the City.

3) Advisory Body Work Plans

To ensure advisory bodies are assisting the Council on key issues of community concern, the Council and each advisory body establish an annual work plan. The work plan is derived from the goals and objectives approved by the Council for the coming year. It spells out the

specific topics and issues that the advisory body will likely be addressing. Other issues may arise during the year that the Council may ask an advisory body to consider and on which to make recommendations.

4) Advisory Body Sub-Committees

From time to time it may be desirable for the majority of an advisory body to appoint a sub-committee to address a particular issue. That is especially the case if the issue requires additional work or research. Establishing a sub-committee requires the body to define purpose, parameters and duration of the subcommittee. The number of sub-committee members depends on the size of the advisory body. Per the Brown Act, sub-committees must consist of less than a quorum of the body. Therefore, for a five-member body, sub-committees may consist of two members. Seven-member bodies may have sub-committees composed of two or three members. Sub-committees report back to the full body for discussion before any formal action can be taken on the issue,

5) Advisory Body/Staff Relationship

The proper channel to contact City staff on items of consideration is through the designated City staff person providing support to your advisory body. Staff support and assistance is provided, but advisory bodies do not have supervisory authority over City employees. While they may work closely with advisory bodies, staff members remain responsible to their immediate supervisors and ultimately to the City Manager and Council. The advisory body members are responsible for the functions of the advisory body and the Chair is responsible for committee compliance with the policies outlined in this Handbook.

Staff support includes preparation of a summary agenda and preparation of agenda reports providing a brief background of the issue, a list of alternatives, recommendations and appropriate backup materials, as necessary. Advisory body members should be mindful of staff's time in making requests for information. The request should be specific and limited in scope so staff can respond without altering other priorities and with minimal delay to other assignments. The request should only impose a "one-time" work requirement and should not require a significant allocation of staff resources (generally defined as consisting of more than one staff person working on the issue in excess of 1-2 hours).

6) Advisory Body/City Council Relationship

Advisory bodies are occasionally requested to make special reports or recommendations to the Council on specific subjects. Any recommendations or reports from an advisory body should be in written form.

An advisory body does not have authority to speak for the City. If the body wishes to recommend a statement be made, then it shall be submitted to and receive approval of the Council. An advisory body shall not sponsor or co-sponsor a public forum, meeting or survey without the prior approval of the Council. Individual advisory body members should avoid

making public comments on Council actions or public policies that might appear to represent the official position of their advisory body. Advisory body actions, with the voting of each member, are conveyed to the Council in the form of official minutes or by resolution. The Chair of an advisory body is the spokesperson for the group.

If a member of an advisory body appears before the Council (or another advisory body) in a capacity other than as representative of his/her body, then it should be explained in advance that any statements made are not to be construed as representing the opinions or recommendations of the advisory body. The member should state that he/she is speaking as a member of the public. That member must take care not to make comments at a Council (or other advisory body) meeting about a matter within that member's advisory body's subject matter jurisdiction if a majority of that advisory body are present at that meeting.

7) Resignation

If an advisory body member finds it necessary to resign, then a letter of resignation stating the effective date of the resignation shall be directed to the Council through the City Clerk, with a copy forwarded to the Chair of the advisory body.

8) Removal from Office

As noted, advisory body members serve at the pleasure of the Council and may be removed without cause by Council action in an open public meeting. Violation of City policies or the policies contained in this Advisory Bodies Handbook will result in a warning, reprimand, or removal.

B. Advisory Body Meeting Procedures and Conduct

1) Parliamentary Procedures

All advisory body meetings shall be conducted in accordance with City practices and policies. Robert's Rules of Order, Newly Revised, shall also be used as a guide in conducting meetings. Questions should be directed to the appropriate City staff. A quorum shall be stated in individually adopted advisory body bylaws or procedures.

The order of business of advisory body meetings follows the City Council's procedures:

- a) Establish Quorum and Call to Order
- b) Moment of Silence
- c) Pledge of Allegiance
- d) Committee Members Announcements and Presentations
- e) Public Comment Period – Members of the audience wishing to address the committee on items not on the agenda or items on the agenda if they are unable to stay for the entire meeting
- f) Consent Calendar

- g) Public Hearing (for Planning Commission)
- h) Business Items
- i) Future Agenda Items
- j) Notification of Next Meeting and Adjournment

For discussion of items on the agenda, the following order is followed:

- A. Presentation of the Staff Report
- B. Advisory Member Questions
- C. Public Comments
- D. Advisory Member Discussion
- E. Recommendation(s) as Needed

Consistent with City Council practice for receiving public comments on agenda items, advisory bodies are encouraged to limit public comments to three minutes per speaker to ensure that everyone who wishes to be heard has the opportunity to do so. The Chair, with the consensus of the advisory body, may allow additional brief testimony from speakers who have already commented on the same agenda item; however, speakers should not be allowed to yield their time to another speaker.

2) Behavior and Civil Discourse Policy

The City of Morro Bay encourages the willingness to speak up and to listen within a framework of respect and understanding. Toward that end, the Council has adopted Resolution No. 27-18, a Resolution of the City Council of the City of Morro Bay, California, Pledging to Follow Best Practices of Civility and Civil Discourse in All of Its Meetings (see following page). That resolution was crafted by the League of Women Voters of San Luis Obispo County.

RESOLUTION NO. 27-18

RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
PLEDGING TO FOLLOW BEST PRACTICES OF CIVILITY AND CIVIL DISCOURSE
IN ALL OF ITS MEETINGS

THE CITY COUNCIL
City of Morro Bay, California

WHEREAS, on November 10, 2015, the City Council adopted Resolution No. 70-15 pledging to follow best practices of civility and civil discourse in all of its meetings, principals developed by the League of Women Voters; and

WHEREAS, a healthy democracy respects the people's right to debate issues with passion; and not only tolerates disagreement but welcomes it; and

WHEREAS, Honest debate helps refine ideas and create policies that benefit the greater good;

WHEREAS, we, the Mayor, City Council Members, Commissioners, Appointees, and Staff of the City of Morro Bay, in order to ensure **civility** and **civil discourse** in all of our meetings, reaffirm and pledge our commitment to the following **best practices of civility and civil discourse**; and,

WHEREAS, we pledge our commitment to **listen first**, making an honest effort to understand views and reasoning of others by listening to understand, not listening to find fault, allowing thoughtful discussion to lead to the best possible outcomes; and

WHEREAS, we pledge our commitment to **respect different opinions**, by inviting and considering different perspectives, allowing space for ideas to be expressed, opposed and clarified in a constructive manner; and

WHEREAS, we pledge our commitment to **show courtesy**, by treating all colleagues, staff and members of the public in a professional and courteous manner whether in person, online, or in written communication, especially when we disagree; and

WHEREAS, we pledge our commitment to **avoid rhetoric intended to humiliate, malign, or question the motivation** of those whose opinions are different from ours in all our meetings; and

WHEREAS, we pledge our commitment to **speak truthfully** without accusation, and avoid distortion in all our meetings; and

WHEREAS, we pledge our commitment to **debate the policy not the person**, focusing on the issue, and not personalizing the debate or using other tactics that divert attention from the issue; and

WHEREAS, we pledge our commitment **against violence and incivility** in all their forms whenever and wherever they occur in all our meetings; and

WHEREAS, we commit ourselves to build a civil political community in which each person is respected and spirited public and political debate is aimed at the betterment of the City of Morro Bay and its people and not the disparagement of those with whom we disagree.

NOW, THEREFORE, BE IT RESOLVED, by the City Council, City of Morro Bay, California, that the Mayor, City Council Members, Commissioners, Appointees, and Staff of the City of Morro Bay shall promote the use of and adherence to the principles of **civility** and **civil discourse** in conducting business with appointed and elected officials, staff, and citizens.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 8th day of May 2018 on the following vote:

AYES: Irons, Davis, Headding, Makowetski, McPherson
NOES: None
ABSENT: None


JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

The Chair (or presiding officer in the event the Chair is absent) of each advisory body is responsible for ensuring that all of its members as well as members of the general public adhere to these practices. The presiding officer strives to preserve appropriate order and decorum during all meetings. Speakers should be encouraged to address the advisory body and not the audience and discouraged from clapping, shouting or booing.

Persons demonstrating rude, boisterous, or profane behavior will be called to order by the presiding officer (chairperson or vice chairperson). If such conduct continues, then the presiding officer may call a recess, request the removal of such person(s) from the meeting, adjourn the meeting, or take such other appropriate action permitted by the Brown Act.

3) Quorum Requirements

A quorum constitutes the majority or more than half of the total established members of the advisory body. A quorum must be in attendance for any discussion or action to take place. The quorum must be present for the entire meeting and if a member leaves during the meeting that results in the absence of a quorum, the meeting must be adjourned.

If vacancies exist on an advisory body, then those positions still count when determining a quorum. For example, if two positions are vacant on a seven-member body, and two members are absent there is not a quorum and no meeting can be held.

4) Meeting Absences

Because of quorum requirements, when an absence is anticipated, the individual advisory body member is responsible for notifying the Chair and the staff responsible in advance and the absence shall be counted in that member's attendance record. Attendance requirements are contained in each advisory body's by-laws, but generally speaking missing three consecutive regular meetings or 25% of the regular meetings during any 12-month period, without formal consent of the City Council, shall constitute the resignation of the absent member.

5) Chair Responsibilities

The Chair's main role is to provide the advisory body with direction and to set the tone for meetings. The job involves balancing the need to keep the meeting moving while also ensuring all members of the advisory body and the public are involved in the meeting. The Chair is responsible for ensuring the meeting follows parliamentary procedures, as described above.

6) Reconsideration of Issues

City Council Policies & Procedures discourage reconsideration of issues once a decision has been made. Decisions can be revisited if a majority of Council Members chooses to do so. For advisory bodies, once the City Council has made a decision on an issue an advisory board should not attempt to reconsider that issue or make an alternative recommendation to Council.

4. The Brown Act

This is a brief review of the Brown Act, also known as the “open meeting law.” A more detailed Brown Act and Political Reform Act Booklet is available to the advisory body through the City Attorney’s office.

A. Purpose

The general purpose of the Brown Act is to aid in the conduct of the people’s business. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not for the people to know. Therefore, it is the intent of the Brown Act the actions and deliberations of all local agencies be taken openly, including deliberations and collective discussion involving the examination, weighing and reflection on the reasons for or against a choice. It also includes the exchange of facts preliminary to the ultimate decision.

Generally, all meetings of City boards, commissions, committees and groups are to be open and public and all persons are to be permitted to attend any meeting. Under certain *strict* circumstances, closed session meetings are permitted.

A “meeting” is defined as a gathering of a majority (quorum) of the advisory body to discuss items within the body’s subject matter jurisdiction or to conduct other business of the body. It should be noted the Brown Act generally prohibits any action or discussion of items not on the posted agenda. The Brown Act also requires regular meeting agendas allow for two types of public comment: general public comment where the public can comment on any item that is within the subject matter jurisdiction of the body that is not listed on the agenda and public comment that is specific to items on the advisory body’s agenda. In Morro Bay, separate public comment is allowed on each item on the posted agenda prior to deliberation.

Keeping in mind all discussion of issues by an advisory body must be made in a public meeting, one of the most common violations of the Brown Act involves serial meetings. This occurs when any communication among a majority of the members occurs outside of a meeting. A common example of a serial meeting is when one member calls a second member who then calls a third member, and so on to share ideas among a majority of the advisory body. Another common occurrence involves e-mails. For example, a staff member sends out via e-mail a document, and one member recommends a revision and copies fellow advisory body members. It is good practice to send e-mail responses to the sender only.

Brown Act compliance is absolutely required. We encourage you to carefully review the Brown Act Booklet which is available through the City Attorney’s Office which describes in detail the Brown Act.

B. Electronic Mail (e-mail), the Public Records Act and the Brown Act

You will be issued a City e-mail once you are appointed to an advisory body. City e-mail is no less a part of “official City business” than any other written correspondence; and there is no expectation of privacy for City email messages. Good judgment and common sense should, therefore, prevail at all times regarding its appropriate use. City e-mail is subject to the requirements of the Brown Act and is subject to disclosure under the Public Records Act.

The Brown Act does not prohibit the use of e-mail to make individual contacts between members of an advisory body, the City Council, or the public or staff. However, great care should be taken to avoid the use of e-mail to contact a majority of the Council or your advisory body, either individually or serially, “in a connected plan to engage in collective deliberation on public business.”

City e-mails are generally intended to fulfill the same general function as ordinary daily verbal communications among advisory body members, City Council and City staff and are generally considered “transitory” documents (work-in-progress), and, therefore, are generally not subject to records retention requirements. For file management and storage purposes, City e-mail messages should only be retained for as long as needed. In most instances this means deleting messages as you have read them, and shortly after you have sent them.

Some email messages, including any attachments thereto, can be considered official city records, because the content relates in a substantive way to the conduct of the public’s business. Emails that qualify as public records need to be retained by the City. However, they are not retained through the City e-mail system. Those e-mail public records should be printed as a hard copy or saved electronically in a folder outside the e-mail system, in accordance with the City’s records retention policy. Generally, the sender of the e-mail should be the person responsible for printing and filing it accordingly, but persons responsible for a particular program or project file shall be responsible for retaining all e-mail they send or receive related to that program or project.

It is the responsibility of individual advisory body members to determine if e-mail is an official City-record that must be retained in accordance with the City’s record retention policy. The City Attorney will assist in making such a determination. Preliminary drafts, notes or interagency or intra-agency memoranda that are not retained by the City in the ordinary course of business are generally not considered to be official City records subject to disclosure. Advisory body members are encouraged to delete documents that are not otherwise required to be kept by law or whose preservation is not necessary or convenient to the discharge of your duties or the conduct of the City’s business.

Periodically, the City receives requests for inspection or production of documents pursuant to the Public Records Act, as well as demands by subpoena or court order for such documents. In the event such a request or demand is made for e-mail, advisory body members have control over such e-mail, once they become aware of the request or demand, shall use their best efforts, by any reasonable means available, to temporarily preserve any e-mail that is in

existence until it is determined whether such e-mail is subject to preservation, public inspection or disclosure. The City Clerk shall be contacted regarding any such emails within the advisory body member's control.

Advisory board members will typically be assigned a City electronic messaging account, such as an email account. To the extent feasible, City issued accounts shall be used to conduct City business. Limited use of a private device for public business is permissible, but not encouraged.

Electronic communications regarding City business may be subject to the City's official records retention policies and the Public Records Act, even if those electronic communications are or were created, sent, received or stored on an advisory board member's personal electronic messaging account or device. To the extent an advisory board member uses private, non-City electronic messaging accounts or devices, in compliance with State law they will be asked to locate any such electronic communications on those non-City accounts or devices and provide the communications to the City Clerk in the event a Public Records Act request is made seeking the communication(s).

If an advisory board member receives an electronic message regarding City business on his/her personal electronic messaging account or device, or circumstances require such person to conduct City business on a personal account or device, then the advisory board member is strongly encouraged to either: (a) copy ("cc") any communication from the advisory board member's personal electronic messaging account or device to his/her City electronic messaging account; or (b) forward the electronic communication to his/her City account as soon as feasible after the original creation or transmission of the electronic communication. That practice facilitates efficient and prompt responses to Public Record Act.

5. Political Reform Act (Conflicts of Interest)

A. Background

The Political Reform Act (Government Code sections 81000, et seq.) was approved by the voters of the State of California and is intended to prevent conflicts of interest by requiring public officials to disclose certain personal financial interests which could foreseeably cause conflicts. In addition, a public official may be required to disqualify himself/herself from making, participating in, or attempting to influence any government decision which will affect any of his/her financial interests, not just those that are required to be disclosed. The City's Brown Act and Political Reform Act Booklet explains in more detail what a conflict of interest is, and when the law requires disqualification. In addition, the Fair Political Practices Commission is available for advice.

Under the Political Reform Act, no public official may make, participate in making, or in any way attempt to use his or her official position to influence a governmental decision if he or she knows or has reason to know that he or she has a financial interest. (Government Code Section 87100). A public official has a financial interest in a decision if it is reasonably

foreseeable that the decision will have a material financial effect on one or more of his or her economic interests. (Government Code Section 87103; 2 Cal. Code of Regs. Section 18700 (a)).

The term “financial interest” denotes a conclusion that a public official has a financial interest in a decision if it is concluded that it is reasonably foreseeable that the decision will have a material financial effect on his or her economic stake greater than that of other citizens. The term “economic interest” is a label applied to the particular types of stakes recognized by the Act as potential sources of a conflict of interest. There are specific types of economic interest recognized by the Act, as such, we direct you to carefully review the Brown Act and Political Reform Act Booklet which is available from the City Attorney’s Office and/or visit the Fair Political Practices Commission Web page for more detailed information.

B. City Policy Regarding Conflicts of Interest

Because the City of Morro Bay is a small, closely knit community it is imperative the citizens have trust and confidence in City government. Therefore, the City has adopted this public policy to prevent any possibility of conflict that may arise.

Generally stated, any elected or appointed official has a conflict of interest if he or she has a financial interest in a project before the City and/or when compensation is received from anyone seeking approvals from the City. There are some exceptions but, generally, elected or appointed officials are prohibited from voting on projects where a conflict exists. A conflict of interest also occurs when officials live within a certain distance from a project (usually 500 feet). Even if a legal conflict does not exist, it may be inappropriate to participate in a decision for personal reasons to avoid even the appearance of a conflict of interest. As an example, there could be a conflict if your good friend has a matter before your board, and you do not feel it would be appropriate for you to voice an opinion in your "City" capacity. While the latter case is not defined by the Fair Political Practices Commission as a conflict, it could be perceived as a conflict, and then stepping down is appropriate.

It is the policy of the City, in addition to strictly adhering to the Fair Political Practices Commission rules, all elected and appointed officials conduct themselves in a manner that does not raise a reasonable perception or belief that there is a conflict of interest or an abuse of your position. All advisory body members should avoid the appearance of conflict at all costs.

If you step down from the dais and refrain from voting on an issue, then you are not precluded from speaking as an individual. Your presentation, however, must be made from the floor, at the microphone with the rest of the public. You should state for the record you are speaking as an *individual*. Many times in the past, Council Members and advisory body members have stepped down from their official position at the dais when projects are presented in which there may be the potential for conflict of interest. That provides the opportunity to present your views as an *individual* on any matter before any City body.

6. ADVISORY BODY BY-LAWS

The City Council has approved the rules and regulations (referred to herein as By-Laws) to set forth their purpose, procedures, and specific issues such as their functions, meeting dates, officers, vacancies and budgets.

All advisory body meetings will be conducted in strict compliance with the City Council Policy and Procedures and State Law and with guidance from Robert's Rules of Order, all as described in this Handbook.

Attached hereto are the applicable By-Laws for all of the City of Morro Bay's Advisory Bodies.

CITY OF MORRO BAY HARBOR ADVISORY BOARD BY-LAWS

PURPOSE AND AUTHORITY

The Harbor Advisory Board is established to review, advise, and recommend to the City Council on items pertaining to the City Harbor. These include, but are not limited to:

- A. Use, control, promotion and operation of vessels and watercraft within the harbor, docks, piers, slips, utilities and publicly-owned facilities as a part of the City's Harbor, and water commerce, navigation, or fishery in the Harbor.
- B. Review and recommend rules and regulations pertaining to any of the matters listed in subsection A of this section.
- C. Review and recommend rates, tolls, fees, rents, charges or other payments to be made for use or operation of the Harbor.
- D. The Board shall make reports and recommendations to the various city boards, commissions or the City Council on matters relating to activities within the harbor. When requested to do so, will review items referred by other city boards, commissions or the City Council. Resulting reports and recommendations will be included in presentations before the City Council.

APPOINTMENT

The Harbor Advisory Board shall be comprised of seven voting members, four of which must be qualified electors of the City of Morro Bay. Appointments and the filling of vacancies shall be made by the City Council. Harbor Advisory Board members shall serve at the pleasure of the City Council. The City Council will attempt to select members from the following categories:

- Morro Bay Commercial Fishermen's Association
- Waterfront Leaseholders
- Marine Oriented Business
- Recreational Boating
- Representative of South Bay/Los Osos
- Two Members at Large

However, the City Council and Harbor Advisory Board recognize the importance of the Morro Bay Commercial Fisherman's Association (MBCFO) seat, and acknowledge that it is often difficult for commercial fishermen serving on the HAB to meet the attendance requirements due to the nature of their business. As such, up to two (2) Alternate MBCFO members to the Primary member may be appointed by the City Council in the same manner and fashion as

regular appointments in order to stand-in for the Primary member in the event of the Primary member's absence.

TERMS OF OFFICE

Members shall serve, without compensation, for a period of four (4) years commencing February 1st in the year specified when members are appointed. Appointments shall be made in such a manner so as no more than three members' terms expire concurrently. Unanticipated vacancies shall be filled for the duration of the unexpired term only.

QUALIFICATIONS

Four of the seven members must be a resident and registered voter of the City during the term of appointment, unless excepted by State Law or Council approved special requirements; must be at least 18 years of age at the time of appointment; and, may not be an Elected Official, Officer, or Employee of the City of Morro Bay. (Council Policies and Procedures, Section 6.6.1)

ABSENCE FROM MEETINGS

Absence from three consecutive regular meetings or twenty-five (25) percent of the regular meetings during any 12-month period, without the formal consent of the City Council, shall constitute the resignation of such absent member and the position will be declared vacant. Requests for extended excused absences of three consecutive regular meetings or twenty-five (25) percent of the regular meetings during any 12-month period must be submitted to the City Council in writing prior to the extended absence to allow sufficient time for review and approval at a regular Council meeting.

ORGANIZATION

At the first regular meeting in each year wherein newly appointed Members are seated, the Members shall elect a Chair and Vice-Chair who shall hold office for a period of one year. The Chair shall preside over meetings, appoint appropriate sub-committees, and direct the affairs of the Committee. In the absence of the Chair, duties of the office shall be performed by the Vice-Chair. If both the Chair and Vice-Chair are absent, the remaining quorum shall appoint one member to preside at that meeting. The City of Morro Bay staff will maintain accurate minutes of the official activities of the Harbor Advisory Board.

PROCEDURE

Regular meetings shall be held monthly on a regular schedule. The meetings shall be open to the public. The date, time and location along with the meeting agenda shall be noticed in accordance with Government Code Sections 54970-54975. The Chair may close meetings to public comments, provided that the action is consistent with the Brown Act. Agendas, reports, meetings and any and all actions shall be governed by the requirements of the Brown Act, as amended.

These advisory board meetings will be conducted in strict compliance with the policies and procedures outlined in this Handbook. However, no ordinance, resolution, proceeding or other action of the City Council pertaining to the Harbor Advisory Board shall be invalidated or the legality thereof otherwise affected by the failure or omission to observe or follow “Robert’s Rules of Order.”

Communication between the Harbor Advisory Board Members and the Council shall be in accordance with the City Council Policies and Procedures as currently adopted.

QUORUM

A majority of voting members shall constitute a quorum.

CITY STAFF

The City Manager or the designee of the City Manager shall be responsible for preparing agendas, reports, and minutes pertaining to Harbor Advisory Board business and shall attend the Harbor Advisory Board meetings.

BY-LAW AMENDMENTS

All amendments to the By-Laws shall be approved by the City Council.

CITY OF MORRO BAY PUBLIC WORKS ADVISORY BOARD BY-LAWS

PURPOSE AND AUTHORITY

The Public Works Advisory Board is established to review, advise and recommend to the City Council on items pertaining to Water, Wastewater, Streets, Recycling, and Solid Waste, Cable Television, Telecommunications, Trees, Transportation and other issues related to Public Services Department responsibilities.

The Board shall make reports and recommendations to the various city boards, commissions or the City Council on the above matters. When requested to do so, it will review items referred by other city boards, commissions or the City Council. Resulting reports and recommendations will be included in presentations before the City Council.

APPOINTMENT

The Public Works Advisory Board shall be comprised of seven voting members, all of which must be qualified electors of the City of Morro Bay. Appointments and the filling of vacancies shall be made by the City Council. The Public Works Advisory Board members shall serve at the pleasure of the City Council.

TERMS OF OFFICE

Members shall serve, without compensation, for a period of four years commencing February 1st in the year specified when members are appointed. Appointments shall be made in such a manner so as no more than three members' terms expire concurrently. Unanticipated vacancies shall be filled for the duration of the unexpired term only.

QUALIFICATIONS

A member must be a resident and registered voter of the City during the term of appointment, unless excepted by State Law or Council approved special requirements; must be at least 18 years of age at the time of appointment; and, may not be an Elected Official, Officer, or Employee of the City of Morro Bay. (Council Policies and Procedures, Section 6.6.1)

ABSENCE FROM MEETINGS

Absence from three consecutive regular meetings or twenty-five (25) percent of the regular meetings during any 12-month period, without the formal consent of the City Council, shall constitute the resignation of such absent member and the position will be declared vacant. Requests for extended excused absences of three consecutive regular meetings or twenty-five (25) percent of the regular meetings during any 12-month period must be submitted to the City Council in writing prior to the extended absence to allow sufficient time for review and approval at a regular Council meeting.

ORGANIZATION

At the first regular meeting in each year wherein newly appointed Members are seated, the Members shall elect a Chairperson and Vice-Chairperson who shall hold office for a period of one year. The Chair shall preside over meetings, appoint appropriate sub-committees, and direct the affairs of the Committee. In the absence of the Chair, duties of the office shall be performed by the Vice-Chair. If both the Chair and Vice-Chair are absent, the remaining quorum shall appoint one member to preside at that meeting. The City of Morro Bay staff will maintain accurate minutes of the official activities of the Advisory Board.

PROCEDURE

Regular meetings shall be held every month on a regular schedule. The meetings shall be open to the public. The date, time and location along with the meeting agenda shall be noticed in accordance with Government Code Sections 54970-54975. The Chair may close meetings to public comments, provided that the action is consistent with the Brown Act. Agendas, reports, meetings and any and all actions shall be governed by the requirements of the Brown Act, as amended.

These advisory board meetings will be conducted in strict compliance with the policies and procedures outlined in this Handbook. However, no ordinance, resolution, proceeding or other action of the City Council pertaining to the Public Works Advisory Board shall be invalidated or the legality thereof otherwise affected by the failure or omission to observe or follow "Robert's Rules of Order."

Communication between the Public Works Advisory Board members and the Council shall be in accordance with the City Council Policies and Procedures as currently adopted.

QUORUM

A majority of voting members shall constitute a quorum.

CITY STAFF

The City Manager or the designee of the City Manager shall be responsible for preparing agendas, reports, and minutes pertaining to the Public Works Advisory Board business and shall attend the Public Works Advisory Board meetings.

BY-LAW AMENDMENTS

All amendments to the By-Laws shall be approved by the City Council.

CITY OF MORRO BAY RECREATION AND PARKS COMMISSION BY-LAWS

PURPOSE AND AUTHORITY

The Recreation and Parks Commission is established to provide the following:

- A. Act in an advisory capacity to the City Council in all matters pertaining to parks and public recreation and to cooperate with other governmental agencies and civic groups in the advancement of sound recreation and parks planning and programming. The Board shall make reports and recommendations to the various city boards, commissions or the City Council on the above matters. When requested to do so, will review items referred by other city boards, commissions or the City Council. Resulting reports and recommendations will be included in presentations before the City Council.
- B. Formulate policies on recreation services, parks and open space for approval by the City Council.
- C. Recommend to the City Council the development of recreational areas, parks, facilities, open spaces, programs, and improved recreation services.
- D. Recommend to the City Council the adoption of rules, regulations and standards concerning recreation and parks in respect to organization, personnel, areas and facilities, program and financial support.
- E. Advise the Recreation and Parks Manager in the preparation of the annual parks maintenance, park improvement and recreation budgets and long-range recreation and parks facilities improvements.
- F. Hold public hearings and meetings to conduct investigations and surveys for the purpose of securing facts and data concerning parks and public recreation.

APPOINTMENT

The Recreation and Parks Commission shall be comprised of five voting members, four of which must be qualified electors of the City of Morro Bay. Appointments and the filling of vacancies shall be made by the City Council. Commissioners shall serve at the pleasure of the City Council.

TERMS OF OFFICE

Members shall serve, without compensation, for a period of four (4) years commencing February 1st in the year specified when members are appointed. Appointments shall be made in such a manner so as no more than three members' terms expire concurrently. Unanticipated vacancies shall be filled for the duration of the unexpired term only.

QUALIFICATIONS

Four of the five members must be a resident and registered voter of the City during the term of appointment, unless excepted by State Law or Council approved special requirements. Unless otherwise approved in accordance with Council Policies and Procedures, section 6.6.1, each member must (i) be at least 18 years of age at the time of appointment and (ii) not be an Elected Official, Officer, or Employee of the City of Morro Bay. (See Council Policies and Procedures, Section 6.6.1.)

ABSENCE FROM MEETINGS

Absence from three consecutive regular meetings or twenty-five (25) percent of the regular meetings during any 12-month period, without the formal consent of the City Council, shall constitute the resignation of such absent member and the position will be declared vacant. Requests for extended excused absences of three consecutive regular meetings or twenty-five (25) percent of the regular meetings during any 12-month period must be submitted to the City Council in writing prior to the extended absence to allow sufficient time for review and approval at a regular Council meeting.

ORGANIZATION

At the first regular meeting in each year wherein newly appointed Members are seated, the Members shall elect a Chairperson and Vice-Chair who shall hold office for a period of one year. The Chair shall preside over meetings, appoint appropriate sub-committees, and direct the affairs of the Committee. In the absence of the Chair, duties of the office shall be performed by the Vice-Chair. If both the Chair and Vice-Chair are absent, the remaining quorum shall appoint one member to preside at that meeting. The City of Morro Bay staff will maintain accurate minutes of the official activities of the Commission.

PROCEDURE

Regular meetings shall be held every other month on odd numbered months on a regular schedule. The meetings shall be open to the public. The date, time and location along with the meeting agenda shall be noticed in accordance with Government Code Sections 54970-54975.

The Chair may close meetings to public comments, provided that the action is consistent with the Brown Act. Agendas, reports, meetings and any and all actions shall be governed by the requirements of the Brown Act, as amended.

All Commission meetings will be conducted in strict compliance with the policies and procedures outlined in this Handbook. However, no ordinance, resolution, proceeding or other action of the City Council pertaining to the Commission shall be invalidated or the legality thereof otherwise affected by the failure or omission to observe or follow “Robert’s Rules of Order.”

Communication between the Commission members and the Council shall be in accordance with the City Council Policies and Procedures as currently adopted.

QUORUM

A majority of voting members shall constitute a quorum.

CITY STAFF

The City Manager or the designee of the City Manager shall be responsible for preparing agendas, reports, and minutes pertaining to Commission business and shall attend the Commission meetings.

BY-LAW AMENDMENTS

All amendments to the By-Laws shall be approved by the City Council.

CITY OF MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD BY-LAWS

PURPOSE AND AUTHORITY

The Morro Bay Tourism Business Improvement District (MBTBID) Advisory Board (the “Board”) advises the City Council on the administration and use of the MBTBID assessment funds. The Board recommends projects to the City of Morro Bay to promote tourism to directly benefit the City’s lodging industry.

The primary purpose of the MBTBID is to increase occupancy and room nights across all lodging types (motel, hotels, bed and breakfast) that pay the business improvement assessment, along with transient occupancy tax (TOT) within the City while placing particular emphasis on marketing that positively impacts the lodging.

APPOINTMENT

The Board shall be comprised of seven voting members. Appointments and the filling of vacancies shall be made by the City Council. The Board members shall serve at the pleasure of the City Council. Because of the diversity among assessment district members represented by the Board including local, regional and national lodging industry interests, it is neither practical nor advisable to limit Board membership to City residents. Accordingly, membership on the Board shall be exempt from residency requirements otherwise applicable to other City advisory boards. In addition, a member of the Board may not sit on any other City advisory board.

TERMS OF OFFICE

Members of the Board shall serve, without compensation, for a period of four years. Appointments shall be made in such a manner such that no more than three members’ terms expire concurrently. Unanticipated vacancies shall be filled for the duration of the unexpired term only. If a vacancy is within the last 6 months of a term, then it will be held over to the normal interview process.

QUALIFICATIONS

The Board shall consist of five members from the Morro Bay lodging industry and two members from the community at large.

The five members from the lodging industry shall consist of three members representing hotels “at large” (no specific number of rooms), and two other positions shall give preference to a member representing lodging rooms of less than 22 rooms and one member representing 50 or less rooms (single hotel or cumulative representation), respectively. If no preferential applicant from a small or large hotel – as defined above – applies, then the seat shall be made available to applicants on an “at large” hotelier representative basis.

The community “at large” members shall be residents and registered voters of the City during the term of appointment.

Each member must be at least 18 years of age at the time of appointment and may not be an Elected Official, Officer, or Employee of the City of Morro Bay. (Council Policies and Procedures, Section 6.6.1)

FUNCTIONS AND DUTIES

The functions and duties of the Board shall include, but not be limited to, the following:

1. Plan a comprehensive program to promote tourism to the City of Morro Bay and prepare an annual marketing program consistent with industry goals and objectives.
2. Develop advertising and promotional programs and projects to benefit the lodging industry in Morro Bay
3. Present an annual assessment report to the City Council regarding the implemented promotional programs and projects.
4. Perform any other lawful tasks as directed by the Council.

ABSENCE FROM MEETINGS

Absence from three consecutive regular meetings or twenty-five (25) percent of the regular meetings during any 12-month period, without the formal consent of the City Council, shall constitute the resignation of such absent member and the position will be declared vacant. Requests for extended excused absences of three consecutive regular meetings or twenty-five (25) percent of the regular meetings during any 12-month period must be submitted to the City Council in writing prior to the extended absence to allow sufficient time for review and approval at a regular Council meeting.

ORGANIZATION

At the first regular meeting in each year wherein newly appointed Members are seated, the Members shall elect a Chair and Vice-Chair who shall hold office for a period of one year. The Chair and Vice-Chair of the Board as well as any presiding officers shall be hoteliers. The Chair shall preside over meetings, appoint appropriate sub-committees, and direct the affairs of the

Committee. In the absence of the Chair, the Vice-Chair shall perform duties of the office. If both the Chair and Vice-Chair are absent, the remaining quorum shall appoint one member to preside at that meeting. The City of Morro Bay staff will maintain accurate minutes of the official activities of the Board.

PROCEDURE

Regular meetings shall be held monthly on a regular schedule. The meetings shall be open to the public. The date, time and location along with the meeting agenda shall be noticed in accordance with Government Code Sections 54970-54975. The Chair may close meetings to public comment, provided that the action is consistent with the Brown Act. Agendas, reports, meetings and any and all actions shall be governed by the requirements of the Brown Act, as amended.

These advisory board meetings will be conducted in strict compliance with the policies and procedures contained in this Handbook. However, no ordinance, resolution, proceeding or other action of the City Council pertaining to the advisory board shall be invalidated or the legality thereof otherwise affected by the failure or omission to observe or follow "Robert's Rules of Order."

Communication between the Board members, and the Council shall be in accordance with the City Council Policies and Procedures as currently adopted.

QUORUM

A majority of voting members shall constitute a quorum.

CITY STAFF

The City Manager or the designee of the City Manager shall be responsible for preparing agendas, reports, and minutes pertaining to the Board business and shall attend the Board meetings.

BY-LAW AMENDMENTS

All amendments to the By-Laws shall be approved by the City Council.

CITY OF MORRO BAY PLANNING COMMISSION BY-LAWS

PURPOSE AND AUTHORITY

The Planning Commission is established in accordance with the provisions of Government Code Sections 65100, *et seq.* The functions of the Planning Commission shall be as follows:

- A. To develop and periodically review, a general plan and recommend its adoption or any revisions to the City Council;
- B. To maintain and implement the general plan after its adoption by the city council;
- C. To develop specific plans as may be necessary to implement the general plan;
- D. To periodically review the capital improvement program of the City for its consistency with the general plan, and forward recommendations to the City Council;
- E. Consult and advise with public officials and agencies, public utility companies, civic, educational, professional, and other organizations, and citizens generally concerning implementation of the general plan.
- F. Endeavor to promote public interest in, comment on, and understanding of the general plan, and regulations relating to it;
- G. To perform such other functions as the City Council may direct.

The Planning Commission shall:

- A. In addition to the duties and responsibilities set forth by state laws and local ordinances, the Planning Commission shall act in the public interest and serve in an advisory capacity to the City Council on all matters pertaining to the planning function;
- B. Cooperate with other City boards, committees and commissions, governmental agencies and civic groups in the advancement of sound planning, both within and without the City;
- C. Formulate policies on planning services for recommendation to the City Council;
- D. Upon the request of the City Council, hold a joint meeting with the City Council twice annually to discuss proposed policies, programs, goals and objectives, budgeting, future planning, or any other planning matter requiring joint deliberation. The City Clerk shall in January of each year bring forth an agenda item to the City Council to schedule the two joint meetings;
- E. Recommend to the City Council the adoption of standards with respect to organization, personnel, facilities, programs and financial support of the planning commission;
- F. Disseminate to the public information concerning the policies and functions of the Planning Commission.

APPOINTMENT

The Planning Commission shall consist of five voting members and they shall be qualified electors and residents of the City. Appointments and the filling of vacancies shall be made by the City Council. Commissioners shall serve at the pleasure of the City Council.

TERMS OF OFFICE

Members of the Planning Commission shall be appointed by and serve at the pleasure of the City Council. Terms shall be for a period of four years; vacancies shall be filled for the unexpired term only. Two-year short terms may be established to stagger terms. Expiration dates of specific terms shall be established by resolution of the City Council.

QUALIFICATIONS

A member must be a resident and registered voter of the City during the term of appointment, unless excepted by State Law or Council approved special requirements; must be at least 18 years of age at the time of appointment; and, may not be an Elected Official, Officer, or Employee of the City of Morro Bay. (Council Policies and Procedures, Section 6.6.1)

ABSENCE FROM MEETINGS

Absence from three consecutive regular meetings or twenty-five (25) percent of the regular meetings during any 12-month period, without the formal consent of the City Council, shall constitute the resignation of such absent member and the position will be declared vacant. Requests for extended excused absences of three consecutive regular meetings or twenty-five (25) percent of the regular meetings during any 12-month period must be submitted to the City Council in writing prior to the extended absence to allow sufficient time for review and approval at a regular Council meeting.

ORGANIZATION

At the first regular meeting in each year wherein newly appointed Members are seated, the Members shall elect a Chair and Vice-Chair who shall hold office for a period of one year. The Chair shall preside over meetings, appoint appropriate sub-committees, and direct the affairs of the Committee. In the absence of the Chair, duties of the office shall be performed by the Vice-Chair. If both the Chair and Vice-Chair are absent, then the remaining quorum shall appoint one member to preside at that meeting. The City of Morro Bay staff will maintain accurate minutes of the official activities of the Commission.

PROCEDURE

Regular meetings shall be held twice a month on a regular schedule. The meetings shall be open to the public. The date, time and location along with the meeting agenda shall be noticed in accordance with Government Code Sections 54970-54975. The Chair may close meetings to public comment, provided that the action is consistent with the Brown Act. Agendas, reports, meetings and any and all actions shall be governed by the requirements of the Brown Act, as amended.

All Commission meetings will be conducted in strict compliance with the policies and procedures contained in this Handbook. However, no ordinance, resolution, proceeding or other action of the City Council pertaining to the Commission shall be invalidated or the legality thereof otherwise affected by the failure or omission to observe or follow "Robert's Rules of Order."

Communication between the Commission Members, and the Council shall be in accordance with the City Council Policies and Procedures as currently adopted.

QUORUM

A majority of voting members shall constitute a quorum.

CITY STAFF

The City Manager or the designee of the City Manager shall be responsible for preparing agendas, reports, and minutes pertaining to Commission business and shall attend the Commission meetings.

BY-LAW AMENDMENTS

All amendments to the By-Laws shall be approved by the City Council.

**CITY OF MORRO BAY
CITIZENS OVERSIGHT COMMITTEE
ACTING IN THE CAPACITY OF A CITIZENS FINANCE
ADVISORY COMMITTEE**

PURPOSE AND AUTHORITY

The Citizens Oversight Committee was established in accordance with the provisions of Morro Bay Municipal Code Section 3.22.120 as a result of Measure Q. The functions of the Citizens Oversight Committee shall be to semi-annually review revenues and expenditures from the collection of tax and present its findings and conclusions to the City Council no later than the last day of the sixth month following the end of each City fiscal year.

The purpose of the Citizens Oversight Committee acting in the capacity of a Citizens Finance Advisory Committee is to provide citizen input to the City Council and staff regarding financial policy or process issues, including audits, financial budgets, contract expenditures and financial reports. In addition, the Committee's role is to help promote citizen participation with, and understanding of, governmental financial information and processes, such as the financial documents, audits, and budgets, as well as the financial condition of the City.

The Citizens Finance Advisory Committee shall perform the following duties:

1. Annual review of independent financial audit, with recommendations, as appropriate.
2. Annual review of contract expenditures, with recommendations, as appropriate.
3. Review existing budget document to determine long-term financial sustainability, and make recommendations, as appropriate.
4. Review and provide comments on the mid-year budget reports prior to presentation to City Manager.
5. Review annual budget prior to presentation to the City Council, and make recommendations, as appropriate.
6. Review and provide comments on routine quarterly financial reports (when possible) prior to presentation to the City Council.
7. Special financial projects, as directed by the City Council, City Manager or City Treasurer.
8. Propose/recommend additional financial areas of study to the City Council.
9. All recommendations are to be provided to the City Council, in writing, unless otherwise requested, on no less than a semi-annual basis.
10. Submit an annual work program to the City Council review and approval.
11. The Citizens Oversight Committee shall review a semi-annual expense report of the City relative to activities funded with the additional general purpose local sales tax monies and present its findings and conclusions to the City Council for its review no later than December 31st each year.

APPOINTMENT AND TERMS OF OFFICE

The Committee shall have seven citizen-members appointed by the City Council for staggered four-year terms. Appointees shall be residents of the City; however, no member of the Committee shall be an elected official. Unanticipated vacancies shall be filled for the duration of the unexpired term only.

QUALIFICATIONS

All Committee Members must be residents and registered voters of the City during the term of appointment, unless excepted by State Law or Council approved special requirements; must be at least 18 years of age at the time of appointment; and may not be an Elected Official, Officer, or Employee of the City of Morro Bay. (Council Policies and Procedures, Section 6.6.1)

ABSENCE FROM MEETINGS

Absence from three consecutive regular meetings or twenty-five (25) percent of the regular meetings during any 12-month period, without the formal consent of the City Council, shall constitute the resignation of such absent member and the position will be declared vacant. Requests for extended excused absences of three consecutive regular meetings or twenty-five (25) percent of the regular meetings during any 12-month period must be submitted to the City Council in writing prior to the extended absence to allow sufficient time for review and approval at a regular Council meeting.

ORGANIZATION

At the first regular meeting every two years wherein newly appointed members are seated, the members shall elect a Chair and Vice-Chair who shall hold office for a period of two years. The Chair shall preside over meetings, appoint appropriate sub-committees, and direct the affairs of the Committee. In the absence of the Chair, the Vice-Chair shall perform duties of the office. If both the Chair and Vice-Chair are absent, then the remaining quorum shall appoint one member to preside at that meeting. The City of Morro Bay staff will maintain accurate minutes of the official activities of the Committee.

PROCEDURE

Regular meetings shall be held monthly on a regular schedule. The meetings shall be open to the public. The date, time and location along with the meeting agenda shall be noticed in accordance with Government Code Sections 54970-54975. The Chair may close meetings to public

comment, provided that the action is consistent with the Brown Act. Agendas, reports, meetings and any and all actions shall be governed by the requirements of the Brown Act, as amended.

All Committee meetings will be conducted in strict compliance with the policies and procedures contained in this Handbook. However, no ordinance, resolution, proceeding or other action of the City Council pertaining to the Committee shall be invalidated or the legality thereof otherwise affected by the failure or omission to observe or follow “Robert’s Rules of Order.”

Communication between the Committee Members, and the Council shall be in accordance with the City Council Policies and Procedures as currently adopted.

QUORUM

A majority of voting members shall constitute a quorum.

CITY STAFF

The City Finance Director/Treasurer shall be responsible for preparing agendas, reports, and minutes pertaining to Committee business and shall attend the Committee meetings.

BY-LAW AMENDMENTS

All amendments to the By-Laws shall be approved by the City Council.



CITY OF MORRO BAY

CITY HALL
595 Harbor Street
Morro Bay, CA 93442

LOCAL APPOINTMENT LIST NOTICE OF CURRENT AND UPCOMING 2019 ADVISORY BOARD VACANCIES

Pursuant to Government Code Section 54972, a Local Appointments List shall be prepared including regular and ongoing commissions whose members serve at the pleasure of the City of Morro Bay City Council. Following is an open list of local appointive offices containing the incumbent appointees; dates of appointment; dates term expirations and the terms which will expire during the next calendar year along with qualifications for each position.

CITIZEN OVERSIGHT/CITIZENS FINANCE COMMITTEE

| | <u>Appointed</u> | <u>Expires</u> |
|------------------|------------------|----------------|
| Barbara Spagnola | 02-01-19 | 01-31-22 |
| John Martin | 04-11-17 | 01-31-22 |
| David Betonte | 02-01-16 | 01-31-22 |
| Bart Beckman | 08-09-16 | 01-31-22 |
| Homer Alexander | 02-01-19 | 01-31-23 |
| Bill Bowes | 02-01-19 | 01-31-23 |
| Lois Johnson | 02-01-19 | 01-31-23 |

HARBOR ADVISORY BOARD

| | <u>Appointed</u> | <u>Expires</u> | |
|------------------|------------------|----------------|---------------------------|
| Ron Reisner | 02-01-17 | 01-31-21 | Marine-oriented Business |
| Lynn Meissen | 02-01-14 | 01-31-22 | Member-at-Large |
| Gene Doughty | 02-01-14 | 01-31-22 | South Bay/Los Osos |
| Mark Black | 08-28-18 | 01-31-21 | Member-at-Large |
| Cherise Hansson | 02-01-19 | 01-31-23 | Waterfront Leaseholder |
| Dana McClish | 02-01-19 | 01-31-23 | Recreational Boating |
| Jeremiah O'Brien | 02-01-17 | 01-31-21 | MBCFO |
| Owen Hackleman | 02-01-17 | 01-31-21 | Alternate Member to MBCFO |
| Peter Griffin | 02-01-17 | 01-31-21 | Alternate Member to MBCFO |

*Morro Bay Commercial Fishermen's Association – MBCFO

PLANNING COMMISSION

| | <u>Appointed</u> | <u>Expires</u> |
|----------------------|------------------|----------------|
| Gerald Luhr | 02-01-19 | 01-31-23 |
| Michael Lucas | 02-01-17 | 01-31-21 |
| Jesus "Jesse" Barron | 10-24-17 | 01-31-21 |
| Joseph Ingraffia | 02-01-16 | 01-31-20 |
| Susan Stewart | 02-01-19 | 01-31-23 |

PUBLIC WORKS ADVISORY BOARD

| | <u>Appointed</u> | <u>Expires</u> |
|-----------------|------------------|----------------|
| Ric Deschler | 02-01-17 | 01-31-21 |
| Stephen Shively | 02-01-12 | 01-31-20 |
| Chris Erlendson | 03-14-17 | 01-31-21 |
| John Erwin | 12-13-16 | 01-31-21 |
| Jan Goldman | 02-01-17 | 01-31-21 |
| Stewart Skiff | 02-01-15 | 01-31-20 |
| Torrey Byles | 02-01-19 | 01-31-23 |

RECREATION AND PARKS COMMISSION

| | <u>Appointed</u> | <u>Expires</u> |
|---------------|------------------|----------------|
| Robert Swain | 03-14-18 | 01-31-22 |
| Drew Sidaris | 02-01-14 | 01-31-21 |
| Kevin Carroll | 06-23-15 | 01-31-20 |
| Mike Espino | 03-14-18 | 01-31-22 |
| Skip Sorich | 02-01-17 | 01-31-21 |

TOURISM BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD

| | <u>Appointed</u> | <u>Expires</u> | |
|-----------------|------------------|----------------|----------------------------|
| Charles Yates | 02-01-16 | 01-31-20 | Hotelier (Member-at-Large) |
| Steve Allen | 03-14-17 | 01-31-21 | Hotelier (Member-at-Large) |
| Chris KostECKA | 06-13-18 | 01-31-20 | 22 or less rooms |
| Isaac Su | 01-24-19 | 01-31-21 | 50 or less rooms |
| Amish Patel | 02-01-19 | 01-31-23 | Hotelier (Member-at-Large) |
| Joan Solu | 02-01-19 | 01-31-23 | Member-at-large |
| Nancy Dickenson | 02-01-19 | 01-31-23 | Member-at-large |

WATER RECLAMATION FACILITY CITIZEN ADVISORY COMMITTEE

| | <u>Appointed</u> | |
|------------------|------------------|----------------|
| Barbara Spagnola | 07-08-14 | |
| Paul Donnelly | 07-08-14 | |
| Valerie Levulett | 07-08-14 | |
| Doug Rogers | 03-14-18 | |
| Jesse Barron | 06-13-18 | PC Appointee |
| Steve Shively | 07-08-14 | PWAB Appointee |
| Vacant | | At-Large |

*Single Purpose Committee - No Set Term

GENERAL PLAN/LOCAL COASTAL PROGRAM ADVISORY COMMITTEE

| | <u>Appointed</u> | |
|------------------|------------------|------------|
| Susan Stewart | 05-18-15 | |
| Rich Buquet | 05-18-15 | |
| Jan Goldman | 05-18-15 | |
| Susan Schneider | 05-18-15 | |
| Glenn Silloway | 05-18-15 | |
| Melani Smith | 05-18-15 | |
| Joseph Ingrassia | 10-10-17 | PC Liaison |

*Single Purpose Committee - No Set Term

COUNTY AND REGIONAL BOARDS

SLOCOG CITIZENS TRANSPORTATION ADVISORY COMMITTEE (CTAC)

| | | | |
|----------------|------------------|----------------|--|
| | <u>Appointed</u> | <u>Expires</u> | |
| Chuck Spagnola | 03-14-17 | 01-31-21 | |

MONTEREY BAY COMMUNITY POWER COMMUNITY ADVISORY COUNCIL (CAC)

| | | | |
|------------------|------------------|----------------|--------------------------|
| | <u>Appointed</u> | <u>Expires</u> | |
| Brandon O'Rourke | 06-05-19 | 06-05-20 | MB or SLO residents only |

VISIT SLO COUNTY (VSLOC) BOARD OF DIRECTORS

| | | | |
|--------------|------------------|----------------|---------------------------|
| | <u>Appointed</u> | <u>Expires</u> | |
| Hemant Patel | 08-28-18 | 06-20-20 | MB Lodging Representative |

QUALIFICATIONS

CITIZENS OVERSIGHT & CITIZENS FINANCE ADVISORY COMMITTEE

The Citizens Oversight Committee shall have seven citizen-members appointed by the City Council for four-year terms. Appointees shall be residents of the City; however, no member of the Committee shall be an elected official.

The Committee shall be a permanent citizens' advisory committee, which shall review a semi-annual expense report of the City relative to activities funded with the additional general-purpose local sales tax monies. Acting in the capacity of the Citizens Finance Advisory Committee, the Committee will review and provide citizen input to City Council and staff regarding financial policy or process issues, including audits, financial budgets, contract expenditures and financial reports. The Committee's role is to help promote citizen participation with, and understanding of, governmental financial information and processes, such as the financial documents, audits, and budgets, as well as the financial condition of the City.

HARBOR ADVISORY BOARD

The Harbor Advisory Board consists of seven (7) members, four of which must be qualified electors of the City of Morro Bay. The City Council will attempt to select members from the following categories:

Morro Bay Commercial Fishermen's Association*;
Waterfront Leaseholders Association;
Marine-oriented Business;
Recreational Boating; and
Three (3) Members-At-Large **

* **The City Council may appoint up to two (2) alternate MBCFO members to stand in for the Primary member in the event of Primary member's absence.**

** **The City Council may appoint one South Bay representative to serve as one Member-at-Large position.**

The Harbor Advisory Board is charged to review, advise and recommend to the City Council on items pertaining to the City's harbor. These include, but are not limited to use, control, promotion and operation of vessels and watercraft within the harbor; docks, piers, slips, utilities and publicly-owned facilities as part of the City's harbor; and water commerce navigation, or fishery in the harbor.

PLANNING COMMISSION

The Planning Commission is established under the provision of Government Code Section 65100 et seq. It is the only City Board with legal status and decision-making authority. The Planning Commission consists of five (5) members that are qualified electors of the City. They are responsible for developing a General Plan and recommending its adoption; developing specific plans as necessary to implement the general plan; and other functions as Council may direct.

PUBLIC WORKS ADVISORY BOARD

The Public Works Advisory Board consists of seven (7) members that are qualified electors of the City. The purpose of the Public Works Advisory Board is to advise the City Council on matters pertaining to franchise services, waste management, transportation, water, and City infrastructure needs.

RECREATION & PARKS COMMISSION

The Recreation & Parks Commission consists of five (5) members, four of which must be qualified electors of the City of Morro Bay. Two (2) of the members shall represent special groups: one shall represent a youth-serving organization, and one member shall represent a senior adult service organization. The Commission advises the City Council on matters pertaining to parks and public recreation operations, planning and programming. High school and college students are encouraged to apply for a potential youth representative on this Commission.

TOURISM BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD

The Tourism Business Improvement District Advisory Board consists of the following categories:

| | |
|--|---------------|
| Representing motel/hotel with 50 or less rooms | one member |
| Representing motel/hotel with 22 or less rooms | one member |
| Hotelier Members-at-Large | three members |
| Community Members-at-Large | two members |

The Morro Bay Tourism Business Improvement District (MBTBID) Advisory Board (“Board”) advises the City Council on the administration and use of the MBTBID assessment funds. The Board recommends projects to the City of Morro Bay to promote tourism to directly benefit the City’s lodging industry. The primary purpose of the MBTBID is to increase occupancy and room nights across all lodging types (motel, hotels, bed and breakfast) that pay the business improvement assessment (BID) along with transient occupancy tax (TOT) within the City while placing emphasis on marketing that positively impacts the lodging industry.

WATER RECLAMATION FACILITY ADVISORY COMMITTEE (WRFCAC)

The WRFCAC is a single purpose, limited-term committee and subject to California’s open meeting requirements (Brown Act). The WRFCAC consists of seven members, including one member from the Public Works Advisory Board and one member from the Planning Commission. Members must be 18 years or older and reside and/or own a business or property in the greater Morro Bay area and should have an interest in or knowledge of engineering, water quality, planning, environmental permitting or municipal finance matters. It is the desire of the City Council to appoint members with backgrounds in the above mentioned subject areas, so they may advise the community and Council on WRF issues such as location, treatment technology and reclamation opportunities. The members will serve until the Council determines the committee is no longer needed.

GENERAL PLAN/LOCAL COASTAL PROGRAM

This City of Morro Bay formed a special purpose General Plan and Local Coastal Program Advisory Committee (GPAC) to support the policy direction provided by the Council and to provide input and guidance to city staff and the consultant team on the planning process and its products. The GPAC serves as liaison to the community on General Plan related topics, ensures and seeks consistency with the city's vision during General Plan/LCP deliberations and irrespective of individual points of view or preferences, seeks the benefit of the entire community in its recommendations.

COUNTY AND REGIONAL BOARDS

CITIZENS TRANSPORTATION ADVISORY COMMITTEE

The City of Morro Bay appoints one (1) member to the Citizens Transportation Advisory Committee (CTAC), a countywide advisory board that provides citizen review and recommendations on agenda items to staff and the San Luis Obispo Council of Governments (SLOCOG) Board. Membership includes: Three (3) area At-Large SLOCOG appointees; one (1) appointee from each city (7 total); and one (1) appointee from each supervisorial district (5 total).

MONTEREY BAY COMMUNITY POWER COMMUNITY ADVISORY COUNCIL

Monterey Bay Community Power (MBCP) seeks applicants residing in either the City of San Luis Obispo or Morro Bay. Ideally, candidates will be sustainability champions and will have a reasonable understanding of, or interest in, the energy business.

VISIT SLO COUNTY (VSLOC) BOARD OF DIRECTORS

The City of Morro Bay appoints one (1) representative from a Morro Bay lodging establishment to serve as a VSLOC Board of Directors, a nonprofit corporation, which serves as the Owner’s Association for the San Luis Obispo County Tourism Marketing District (SLOCTMD).

City of Morro Bay

Council Policies and Procedures

SCOPE

This manual establishes the procedures for the conduct of all meetings of the City Council of the City of Morro Bay. The purpose of this manual is to provide City Council's meeting will be consistent with the Brown Act (Government Code Sections 54950 *et seq.*), and to establish procedures, which will be convenient for the public, and contribute to the orderly conduct of the City's business. The procedures herein are in addition to, and not in place of, Morro Bay Municipal Code (MBMC) 2.08 and any other applicable ordinances and statutes. In the event of conflict between this manual and applicable ordinances or statutes, the latter shall govern.

**RESOLUTION NO: 46-02
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON
AUGUST 12, 2002 APPROVING AND ADOPTING
THE COUNCIL POLICIES AND PROCEDURES MANUAL
AND RESCINDING RESOLUTION NO. 47-01**

**RESOLUTION NO: 54-03
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON
NOVEMBER 13, 2003 AMENDING COUNCIL
POLICIES AND PROCEDURES MANUAL
SECTIONS 1.2.2 AND 1.3.7.1.1**

**RESOLUTION NO: 37-04
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON
JUNE 24, 2004 AMENDING COUNCIL
POLICIES AND PROCEDURES MANUAL
SECTION 1.3.9.3.5**

**RESOLUTION NO: 42-05
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON
NOVEMBER 14, 2005 AMENDING COUNCIL
POLICIES AND PROCEDURES MANUAL
SECTION 4.5**

**RESOLUTION NO: 23-06
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON
MAY 22, 2006 AMENDING COUNCIL
POLICIES AND PROCEDURES MANUAL
REGARDING CANCELLATION OF MEETINGS**

**RESOLUTION NO. 24-07
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON
MAY 14, 2007 AMENDING COUNCIL
POLICIES AND PROCEDURES MANUAL
REGARDING EX PARTE COMMUNICATIONS**

**RESOLUTION NO. 50-07
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON
OCTOBER 8, 2007 ADDING TO AND AMENDING COUNCIL
POLICIES AND PROCEDURES MANUAL
REGARDING USE OF CITY LETTERHEAD AND
USE OF SPEAKER SLIPS AT CITY COUNCIL MEETINGS**

**RESOLUTION NO. 76-08
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON
NOVEMBER 10, 2008 AMENDING COUNCIL
POLICIES AND PROCEDURES MANUAL
REGARDING THE ORDER OF BUSINESS ON THE
CITY COUNCIL AGENDA, APPOINTMENT OF VICE MAYOR
AND FILLING COUNCIL VACANCIES**

**RESOLUTION NO. 11-10
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON
FEBRUARY 22, 2010 ADDING TO AND AMENDING COUNCIL
POLICIES AND PROCEDURES MANUAL
REGARDING EXPENSE REIMBURSEMENT POLICY FOR
ELECTED AND APPOINTED OFFICIALS, CITY LETTERHEAD
AND THE COUNCIL COMPENSATION COMMITTEE**

**RESOLUTION NO. 28-10
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON
JUNE 14, 2010 AMENDING COUNCIL POLICIES AND PROCEDURES
MANUAL REGARDING SECTION 2.2, RETIREMENT,
MEDICAL, DENTAL, VISION, AND LIFE INSURANCE**

**RESOLUTION NO. 46-10
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON SEPTEMBER 27, 2010
AMENDING THE COUNCIL POLICIES AND PROCEDURES
MANUAL IN REGARD TO CALLING CLOSED SESSION MEETINGS;
IN REGARD TO ALL REAL PROPERTY CONTRACTS GOING TO CLOSED
SESSION PRIOR TO OPEN SESSION; IN REGARD TO COUNCIL LIAISONS
TO ADVISORY BOARDS; AND, IN REGARD TO CITY COUNCIL INPUT ON
HIRING AND EVALUATION OF DEPARTMENT HEADS**

**RESOLUTION NO. 11-11
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON JANUARY 25, 2011
ADDING TO AND AMENDING THE COUNCIL POLICIES
AND PROCEDURES MANUAL REGARDING
REGULAR MEETING TIMES AND PLACING ITEMS ON THE AGENDA**

**RESOLUTION 64-12
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON DECEMBER 11, 2012
AMENDING THE COUNCIL POLICIES AND PROCEDURES MANUAL
REGARDING ELECTRONIC MAIL (EMAIL), THE PUBLIC RECORDS ACT
AND THE BROWN ACT**

**RESOLUTION 19-13
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON MARCH 12, 2013
AMENDING THE COUNCIL POLICIES AND PROCEDURES MANUAL
REGARDING STUDY SESSIONS, PLACING AN ITEM ON THE AGENDA,
RECONSIDERATION, ORDER OF BUSINESS AND PUBLIC COMMENT**

**RESOLUTION NO. 53-13
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING SECTION 2.2 OF THE CITY COUNCIL POLICIES AND
PROCEDURES MANUAL REGARDING RETIREMENT, MEDICAL, DENTAL,
VISION, AND LIFE INSURANCE UNSPENT DOLLARS**

**RESOLUTION NO. 36-14
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING VARIOUS SECTIONS OF THE CITY COUNCIL POLICIES AND
PROCEDURES MANUAL REGARDING MAYOR PRO TEM**

**RESOLUTION NO. 58-15
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING VARIOUS SECTIONS OF THE CITY COUNCIL POLICIES AND
PROCEDURES MANUAL**

**RESOLUTION NO. 74-15
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING COUNCIL POLICIES AND PROCEDURES MANUAL
REGARDING MEETING GUIDELINES & PROCEDURES**

**RESOLUTION NO. 30-16
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING COUNCIL POLICIES AND PROCEDURES MANUAL
REGARDING MEETING GUIDELINES & PROCEDURES**

**RESOLUTION NO. 01-17
RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING THE COUNCIL POLICIES AND PROCEDURES MANUAL
REGARDING ADVISORY BOARD MEMBER QUALIFICATIONS**

**RESOLUTION NO. 45-17
RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING THE COUNCIL POLICIES AND PROCEDURES
SECTION 1.2.7 REGARDING ORDER OF BUSINESS**

**RESOLUTION 26-18
RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING AND RE-ADOPTING THE COUNCIL
POLICIES AND PROCEDURES**

**RESOLUTION NO. 10-19
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING THE CITY COUNCIL
POLICIES AND PROCEDURES MANUAL
SO AS TO MODIFY REGULAR COUNCIL MEETING TIMES**

**RESOLUTION NO. 39-19
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING THE CITY COUNCIL
POLICIES AND PROCEDURES MANUAL
SO AS TO MODIFY REGULAR COUNCIL MEETING TIMES**

RESOLUTION NO. 07-19

RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
PLEDGING TO FOLLOW BEST PRACTICES OF CIVILITY AND CIVIL DISCOURSE
IN ALL OF ITS MEETINGS

THE CITY COUNCIL
City of Morro Bay, California

WHEREAS, on November 10, 2015, the City Council adopted Resolution No. 70-15 pledging to follow best practices of civility and civil discourse in all of its meetings, principles developed by the League of Women Voters; and

WHEREAS, on May 8, 2018, the City Council adopted Resolution No. 27-18 restating its commitment to the principles of civility and civil discourse in conducting business with appointed and elected officials, staff and citizens; and

WHEREAS, a healthy democracy respects the people's right to debate issues with passion; and not only tolerates disagreement but welcomes it; and

WHEREAS, honest debate helps refine ideas and create policies that benefit the greater good; and

WHEREAS, we, the Mayor, City Council Members, Commissioners, Appointees, and Staff of the City of Morro Bay, in order to ensure **civility** and **civil discourse** in all of our meetings, reaffirm and pledge our commitment to the following **best practices of civility** and **civil discourse**; and

WHEREAS, we pledge our commitment to **listen first**, making an honest effort to understand views and reasoning of others by listening to understand, not listening to find fault, allowing thoughtful discussion to lead to the best possible outcomes; and

WHEREAS, we pledge our commitment to **respect different opinions**, by inviting and considering different perspectives, allowing space for ideas to be expressed, opposed and clarified in a constructive manner; and

WHEREAS, we pledge our commitment to **show courtesy**, by treating all colleagues, staff and members of the public in a professional and courteous manner whether in person, online, or in written communication, especially when we disagree; and

WHEREAS, we pledge our commitment to **avoid rhetoric and refrain from making slanderous, profane or personal remarks intended to humiliate, malign, or question the motivation** of those whose opinions are different from ours in all our meetings; and

WHEREAS, we pledge our commitment to **speak truthfully** without accusation, and avoid distortion in all our meetings; and

WHEREAS, we pledge our commitment to **debate the policy not the person**, focusing on the issue, and not personalizing the debate or using other tactics that divert attention from the issue; and

WHEREAS, we pledge our commitment **against violence** and **incivility** in all their forms whenever and wherever they occur in all our meetings; and

WHEREAS, we commit ourselves to build a civil political community in which each person is respected and spirited public and political debate is aimed at the betterment of the City of Morro Bay and its people and not the disparagement of those with whom we disagree.

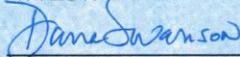
NOW, THEREFORE, BE IT RESOLVED, by the City Council, City of Morro Bay, California, that the Mayor, City Council Members, Commissioners, Appointees, and Staff of the City of Morro Bay shall promote the use of and adherence to the principles of **civility** and **civil discourse** in conducting business with appointed and elected officials, staff, and citizens.

BE IT FURTHER RESOLVED, the City Council directs this resolution pledging best practices of civility and civil discourse be brought forward in January of each year for re-affirmation by the City Council.

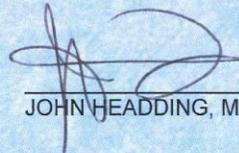
PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 22nd day of January 2019 on the following vote:

AYES: Heading, Addis, Davis, McPherson
NOES: Heller
ABSENT: None

ATTEST:



DANA SWANSON, City Clerk



JOHN HEADING, Mayor

The above is to be readopted at the same time the policies are returned for adoption.

TABLE OF CONTENTS

| | PAGE |
|--|-------------|
| CHAPTER ONE: MEEETING GUIDELINES & PROCEDURES | |
| 1,1 Meeting Schedule | 9 |
| 1.2 Agenda | 12 |
| 1.3 Meeting Procedures | 15 |
| 1.4 Meeting Coverage | 26 |
| CHAPTER TWO: COUNCIL SALARY, BENEFITS AND REIMBURSEMENTS | |
| 2.1 Salaries for Mayor and Council Members | 29 |
| 2.2 Retirement, Medical, Dental, Vision and Life Insurance | 29 |
| 2.3 Professional Development | 29 |
| 2.4 City Business and Mileage Reimbursement | 30 |
| 2.5 General Procedures and Limitations | 33 |
| CHAPTER THREE: COUNCIL POWERS & APPOINTMENTS | |
| 3.1 Mayor – Power and Duties | 35 |
| 3.2 Appointment of Mayor Pro Tempore | 36 |
| 3.3 Filling Council Vacancies | 36 |
| 3.4 General Powers of the Council | 36 |
| 3.5 Administering Oaths: Subpoenas | 37 |
| 3.6 Limitations | 37 |
| 3.7 Method of Action by Council | 37 |
| 3.8 Ordinances | 37 |
| 3.9 Acceptance of Grants or Deeds | 38 |
| 3.10 Legislative Action Program | 38 |
| 3.11 Amicus Curiae Participation | 38 |
| 3.12 Actions as Member of Another Legislative Body | 38 |
| 3.13 Council Sub-Committees | 38 |
| CHAPTER FOUR: THE BROWN ACT AND E-MAIL | |
| 4,1 Application and Penalties | 41 |
| 4.2 Major Provisions | 41 |
| 4.3 Special Meetings | 43 |
| 4.4 Emergency Meetings | 43 |
| 4.5 Electronic Mail (e-mail), The Public Records Act and the Brown Act | 43 |
| 4.6 Other Provisions | 45 |
| CHAPTER FIVE: COUNCIL/STAFF RELATIONSHIPS AND CONDUCT | |
| 5.1 Intent | 47 |
| 5.2 Guidelines for Council Members | 47 |
| 5.3 Guidelines for Staff | 48 |
| 5.4 Use of City Letterhead | 49 |
| CHAPTER SIX: ADVISORY BOARD PROCEDURES | |
| 6.1 County or Regional Representation | 51 |
| 6.2 Other Council Representation, Sub-committees | 51 |
| 6.3 Role of Advisory Board Members at Council Meetings | 51 |
| 6.4 Role of City Staff Persons | 52 |
| 6.5 Appointment Procedures | 53 |
| 6.6 Process | 53 |

**CHAPTER ONE
MEETING GUIDELINES & PROCEDURES**

1.1 MEETING SCHEDULE

1.1.1 MEETINGS OF COUNCIL

The Council shall provide by ordinance the time and place of holding meetings and the manner in which special meetings may be called. Public interest and convenience shall be primary considerations when decisions are made as to time, location and frequency.

Except as otherwise provided by law, all meetings of the Council shall be open to the public.

1.1.2 REGULAR MEETINGS

- 1.1.2.1 Regular meetings shall be held the second and fourth Tuesday of each month beginning at 5:30 p.m. In the event that a regular meeting of the Council shall fall on a legal holiday, that regular meeting shall be held at the same place and time on the next succeeding working day. A regular meeting can only be cancelled after polling the majority of the Council in favor of the cancellation.
- 1.1.2.2 Regular meetings shall be held in the Veterans Memorial Building, 209 Surf Street, in the City of Morro Bay.
- 1.1.2.3 Regular meetings shall be between the hours of 5:30 p.m. – 9:30 p.m. It shall be the policy of the City Council to complete meetings by 9:30 p.m., unless a majority of the Council elects to continue past the adjournment hour. If at the hour of 9:30 p.m. the City Council has not extended the time to adjourn the meeting or concluded its business, then the Council will review the balance of the agenda and determine whether to extend the meeting beyond the hour of 9:30 p.m., continue any remaining items, or adjourn the meeting to another date and time.

1.1.3 STUDY SESSIONS (Open to the public)

- 1.1.3.1 The purpose of these meetings shall be for informal discussions between staff, advisory bodies or consultants, the public, and the City Council regarding specific programs, projects or policies. Council may provide direction, but no formal action will be taken during a Study Session. Study Sessions may be conducted in a variety of formats, including Public Workshops.
- 1.1.3.2 Study Sessions will be held at a time and place within the City limits and convenient to Council and advantageous for public participation.

1.1.4 SPECIAL MEETINGS

- 1.1.4.1 Special meetings may be called by the Mayor or three City Council Members. Written notice of each special meeting must be given not less than twenty-four (24) hours before such meeting to each Member of the City Council not joining the call. Special meetings may be cancelled only by consent of a majority of the members of the Council not less than 24 hours before the date of the special meeting. Notice of such cancellation shall be given to all Council Members and written notice shall be posted for the public not less than 24 hours before the meeting.
- 1.1.4.2 Written notice must be given to the City Council and to the media twenty-four hours prior to each meeting, when requested.
- 1.1.4.3 A supplemental telephone call shall be made if necessary to notify each Council Member.
- 1.1.4.4 No business other than that announced shall be discussed.
- 1.1.4.5 Any special meeting held at a place other than the Veterans Memorial Building shall be open to the public. Such meetings shall be held within the City limits. Notice requirements of the Brown Act shall be complied with for any such meetings; regular minutes shall be taken by the City Clerk and shall be available for public inspection.

1.1.5 CLOSED SESSION MEETINGS (closed to the public)

- 1.1.5.1 Closed Session Meetings may be called by the majority of the Council and are regulated pursuant to the Brown Act. The most common purpose of a closed session is to avoid revealing confidential information that may, in specified circumstances, prejudice the legal or negotiating position of the City or compromise the privacy interests of employees. Closed sessions should be conducted keeping those narrow purposes in mind.
- 1.1.5.2 No Council Member, employee of the City, or anyone else present shall disclose to any person the content or substance of any discussion which takes place in a closed session, unless authorized by a four-fifths vote of the Council.

1.1.6 DESIGNATION AND USE OF COUNCIL CHAMBERS

- 1.1.5.1 The Veterans Memorial Building shall be designated as the City's Council Chambers.
- 1.1.5.2 When a question arises regarding permission for any group to use the Council Chambers, the City Manager shall have authority to make the final decision. The following rules are established as a guide:
 - a. Use of the Council Chamber for regular meetings by City commissions, committees, and other advisory bodies shall take precedence over any other group or agency. To the extent possible, special meetings will be scheduled around other regularly scheduled non-City uses. In the event of a conflict, the City will give priority to rescheduling or relocating any use displaced by a City-related use.
 - b. Council chambers is available for other use on a first-come-first-serve basis, after City, City-affiliated and other regular uses are scheduled.
 - c. With the approval of the City Manager, and within the provisions of existing video production agreements, other local governmental agencies may use the Council Chamber for the purpose of live or video cablecasting public hearings and/or public meetings during regular or non-business hours.

1.2 AGENDA

1.2.1 ESTABLISHING THE COUNCIL AGENDA

The purpose of the agenda is to provide a framework within which Council meetings can be conducted and to effectively implement the approved Council Goals, Financial Plan and Budget, and also work programs, objectives, and business of the City as established by the present or earlier City Councils. Agenda items also include recommendations to the City Council from advisory bodies, land use and zoning actions or appeals, bid and purchasing procedures, and mandates from other levels of government. Staff shall work within the policy context established by the Council and will not arbitrarily place matters on the agenda that are outside the scope of existing work programs of the City, except as approved by the Mayor or a majority of the Council, and to inform and advise the Council of matters necessary to the proper operation and well-being of the City.

- a. Tentative Council Meeting Agenda - Every effort will be made to provide it to the City Council and staff before the close of business on the second Friday prior to the Council meeting.
- b. The full agenda packet for regular meetings of the City Council and all City Advisory Boards will be published a minimum of 120 hours (or five calendar days) prior to the meeting. Agenda packets for special meetings will be published a minimum of 48 hours (or two calendar days) prior to the meeting.

The process for determining the format and order of the agenda is based primarily on the order of business adopted by the City Council (see Section 1.2.7). The process for establishing the order of specific business and public hearing items is a collaborative one determined largely by anticipated public attendance (those matters involving greater audience attendance are usually scheduled ahead of other items). The City Manager shall meet with department heads on a regular basis, individually and as a group to discuss issues and to review upcoming agenda items.

In addition, the City Manager shall review the agenda materials with the Mayor, or in the Mayor's absence, the Mayor Pro Tempore. The final agenda is set subject to the approval of the Mayor (or Mayor Pro Tempore), after consultation with the City Manager.

1.2.2 PLACING AN ITEM ON THE AGENDA (COUNCIL MEMBER)

Any Council Member may request an item be placed on a future agenda by submitting a request, orally or in writing, to consider the matter and by discussing the request during the "Declaration of Future Agenda Items" section of the regular agenda. If a majority of the Council approves including that matter on an upcoming agenda, then staff will prepare a staff report for the next available

agenda, as determined by the City Manager, unless otherwise directed by the Council.

If only one other Council Member supports hearing the item, then an item will be listed on the next available agenda, as determined by the City Manager, unless otherwise directed by the Council. The Council Member who made the request for the agenda item shall be responsible for providing the Council report and the Council will take no action on the substance of the matter at that review, unless there is adequate public notice and information is provided for the Council to make an informed decision. If no other Council Member supports hearing the item, then the item will not be placed on the agenda.

Pursuant to Section 1.2, the Mayor is responsible for establishing the Agenda and may place an item on the agenda without Council support. In such a situation, the Mayor, or Council Member who the Mayor is accommodating, shall be responsible for providing a Mayor or Council Report.

1.2.3 PLACING AN ITEM ON THE AGENDA (ADVISORY BODIES)

Recommendations made by advisory bodies, as part of their normal scope of duties and responsibilities, shall be timely placed on the City Council agenda by staff, who shall comply with the City's approved Council Agenda Preparation Policy. In the event an advisory body desires to bring a matter of special consideration to the City Council (new ideas or concerns, for example), it may request an item be placed on a future agenda by submitting a written request to the Council approved by a majority of the advisory body members and signed by the Chair. During Declaration of Future Agenda Items, any member of the Council may ask for consideration of the request and upon a majority of Council, a staff report will be prepared and approved by the City Manager or his/her designee.

1.2.4 PLACING AN ITEM ON THE AGENDA (THE PUBLIC)

A member of the public may request an item be placed on a future agenda during the Public Comment period at the beginning of every Council meeting, or via other communication with Council Members. Any Member of the Council may ask for consideration of that request pursuant to those procedures set out in 1.2.2.

1.2.5 EMERGENCY ITEMS

Emergency items may be placed on the agenda only in accordance with the Brown Act. Generally, only those matters affecting public health or safety may be considered emergency in nature. A four-fifth's vote of Council is necessary to add an emergency item.

1.2.6 RECONSIDERATION

Reconsideration of issues previously acted upon is discouraged. However, in extraordinary situations, a request to reconsider an action taken by the City Council may be considered. The request must be presented by a Council Member who voted with the majority at the Council meeting at which the original vote was taken. The vote may be reconsidered during that meeting, but no later than the next Council meeting. Debate is limited to the question of whether there is a majority of the Council interested in reconsidering the matter. If a majority of the Council votes to reconsider an action, then the matter can be heard at that same meeting or placed on the next or future agenda, as directed by the Council. Notwithstanding the foregoing, as a governmental legislative body, the Council reserves the right to consider or reconsider any matter within its jurisdiction that a majority of the Council deems appropriate, particularly if new information becomes available or circumstances change.

1.2.7 ORDER OF BUSINESS shall be as follows:

- 1.2.7.1 Establish Quorum and Call to Order
- 1.2.7.2 Moment of Silence
- 1.2.7.3 Pledge of Allegiance
- 1.2.7.4 Recognition (Certificates of Appreciation or other forms of recognition for residents and staff)
- 1.2.7.5 Closed Session Report
- 1.2.7.6 Mayor and Council Members Reports, Announcements and Presentations*
- 1.2.7.7 City Manager Reports, Announcements and Presentations (City Manager, Director and Advisory Board Reports)
- 1.2.7.8 Presentations (Proclamations and Public Presentations)
- 1.2.7.9 Public Comment (generally for items not on the agenda)
- 1.2.7.10 Consent Agenda
- 1.2.7.11 Public Hearings
- 1.2.7.12 Business Items
- 1.2.7.13 Council Declaration of Future Agenda Items
- 1.2.7.14 Adjournment

*Intended for reporting back to the full Council and the public on items, issues or meetings associated with other Council duties, *e.g.*, assignments to other official bodies, attendance at League of California Cities meetings, etc.

1.2.8 NOTIFICATION AND ADVERTISING

The City will advertise all matters of significant neighborhood or community public interest that appear on a City Council or Planning Commission agenda where advertising is required by law. Said advertisements shall include location maps, project descriptions and posting of property, if required, written in plain

English in order to fully inform all interested individuals. Similar information will appear on the City's website.

All advertising shall be accomplished in an economical manner. All affidavits of publication will be available to interested members of the public.

1.3 MEETING PROCEDURES

1.3.1 PRESIDING OFFICER

1.3.1.1 The Mayor is the Presiding Officer and acts as Chair at Council meetings.

1.3.1.2 In the absence or incapacity of the Mayor, the Mayor Pro Tempore will serve as Presiding Officer.

1.3.1.3 In the absence of both the Mayor and Mayor Pro Tempore, a majority of the quorum shall select one of the Council Members present to act as Chair for the meeting.

1.3.1.4 Seating arrangement of the Council:

The Mayor, with the approval of individual Council Members, shall establish seating arrangements for regular Council meetings.

1.3.1.5 Signing of City Documents:

The Mayor, unless unavailable, shall sign all ordinances, resolutions, contracts and other documents which have been adopted by the City Council and require an official signature, except where the City Manager, or other designee, has been authorized by Council to sign documents. In the event the Mayor is unavailable, the Mayor Pro Tempore's signature may be used.

1.3.2 QUORUM

A majority of the Council Members shall constitute a quorum for the transaction of business.

1.3.3 DISCUSSION RULES

1.3.3.1 Procedure Order

For discussion of items on the agenda, the following order is followed:

- a) Presentation of the Staff Report
- b) Council Member Questions
- c) Public Comments
- d) Council Member Discussion/Decision and Motion(s)

1.3.3.2 Obtaining the floor:

1.3.3.2.1 A City Council Member or staff shall first address the Presiding Officer and gain recognition.

1.3.3.2.2 Comments and questions should be limited to the issue before Council.

1.3.3.2.3 Cross-exchange between Council Members and public should be avoided.

1.3.3.3 Questions to Staff:

A Council Member shall, after recognition by the Presiding Officer, address questions to the designated staff member. Council Members are encouraged to provide questions to staff prior to meetings.

1.3.3.4 Interruptions:

1.3.3.4.1 Once recognized, a Council Member shall not be interrupted while speaking except to make a point of order or personal privilege.

1.3.3.4.2 If a Council Member is called to order while speaking, then the individual shall cease speaking until the question of order is determined.

1.3.3.4.3 Upon being recognized by the Mayor, members of staff shall hold the floor until completion of their remarks or until recognition is withdrawn by the Presiding Officer.

1.3.3.5 Limitation on Discussion:

No Council Member shall speak more than once on a particular subject until every other Council Member has had the opportunity to speak. Council Members are encouraged to discuss items during the decision-making process.

1.3.3.6 Tabling Procedure:

The purpose of the Motion to Lay on the Table also known as a Motion to Table is to enable the City Council, by majority vote and without debate, to lay a pending question aside temporarily when something else of immediate urgency has arisen or when something else needs to be addressed before consideration of the pending question is resumed. The Motion shall not be used to cut off debate and shall only be used when it is necessary to suspend consideration of a main motion in order to deal with another matter that has come up unexpectedly and which must be dealt with before the pending motion can be properly addressed.

1.3.3.7 Right of Protest:

A Council Member is never required to state reasons for dissent.

1.3.3.8 Rules of Procedure:

The Council shall determine its own rules of procedure.

1.3.3.9 Council Minutes:

If a Council Member wishes a stated opinion to be entered in the minutes, then he/she should precede the statement with "for the record," or request the City Clerk to enter it into the record following the statement.

1.3.4 PARLIAMENTARY PROCEDURE

Parliamentary procedure consists of those rules in effect according to City Council policy (State law and Robert's Rules, to the extent applicable to a public legislative body). The following summarizes the most frequently used actions.

1.3.4.1 Council Members and staff shall:

1.3.4.1.1 Work earnestly to preserve appropriate order and decorum during all meetings.

1.3.4.1.2 Side conversations, disruptions, interruptions or delaying efforts are discouraged.

1.3.4.2 Persons demonstrating rude, boisterous, or profane behavior will be called to order by the Presiding Officer. If such conduct continues, then the Presiding Officer may call a recess, request the removal of such person(s) from the Council Chamber, adjourn the meeting, or take such other appropriate action as permitted by the Brown Act.

- 1.3.4.3 Only the City Council, staff, Designated Representatives, and those authorized by the Presiding Officer shall be permitted to sit at the Council or staff tables.
- 1.3.4.4 Enforcement of order:
 - 1.3.4.4.1 The Police Chief or his/her designee shall act as the Sergeant-at-Arms.
 - 1.3.4.4.2 Any Council Member may request the Presiding Officer to enforce the rules of protocol. Upon motion and majority vote, the Presiding Officer shall be required to do so.

1.3.5 BEHAVIOR AND CIVIL DISCOURSE POLICY

The City encourages the willingness to speak up and to listen within a framework of respect and understanding. Toward that end, the Council has adopted Resolution No. 27-18, a Resolution of the City Council of the City of Morro Bay, California, Re-Pledging to Follow Best Practices of Civility and Civil Discourse in All of Its Meetings. Those principles were crafted by the League of Women Voters of San Luis Obispo County, and are memorialized on Page 7 of this document.

1.3.6 VOTING PROCEDURES

- 1.3.6.1 When present, all Council Members shall vote, unless precluded by a conflict of interest. If a Council Member, who is present at a meeting and not precluded from voting due to a conflict of interest, fails to vote, that failure will be construed as a vote on the prevailing side. If there is a tie vote, not counting the Council Member who failed to vote, then there is no prevailing side.
- 1.3.6.2 No ordinance, resolution or motion shall be passed or become effective without receiving the affirmative vote of at least three non-abstaining Council Members.
- 1.3.6.3 A conflict of interest shall be declared whenever appropriate and in compliance with State law and the Council Member will disclose the nature of the conflict of interest, step down and shall not make, participate in making, or influence the decision.
- 1.3.6.4 A vote may not be changed by a Council Member after the vote announcement by the Presiding Officer or City Clerk; provided, that with the consent of the City Council a correction of the vote may be made.

- 1.3.6.5 The City Clerk shall restate the motion prior to the vote or request the Presiding Officer to restate the motion, if required for Council or public clarification.
- 1.3.6.6 Voice voting is the preferred method for recording Council votes.
- 1.3.6.7 A roll call vote may be taken at the discretion of the Presiding Officer. The City Clerk will call the roll for the roll call vote in the following manner: 1) Maker of the motion; 2) Member who has seconded the motion; 3) Additional Council Members in alphabetical order by last name; and, 4) Mayor last. The City Clerk shall state for the record the name of any Council Member who is recused or has abstained.
- 1.3.6.8 General consent votes may be taken at the discretion of the Presiding Officer, if there are no negative votes or objections by Council Members.
- 1.3.6.9 Upon the request of any Council Member, the ayes and noes shall be taken and recorded on any vote.
- 1.3.6.10 The ayes and noes shall be taken upon the passage of all ordinances and resolutions and entered upon the journal of the proceedings of the Council.
- 1.3.6.11 Following the vote, the Presiding Officer shall announce whether the questions have been carried or defeated.
- 1.3.6.12 Tie votes: If a tie vote occurs, then the Council is required to continue the item by majority vote or make motions until an action receives three affirmative votes.
- 1.3.6.13 The Presiding Officer may publicly explain the effect of the vote for the audience or may direct a member of the staff to do so.

1.3.7 PUBLIC COMMENT

Members of the public may address the City Council in a variety of ways. Written comments on agenda items are encouraged. As a courtesy to the Council, citizens are encouraged to present written comments at least one day prior to the meeting. Comments may be hand-written or e-mailed. This provides the Council with a greater opportunity to review and consider issues and/or concerns expressed in written communications prior to a meeting. Comments received before 12 Noon on the day of the meeting will be distributed to City Council

Members at the meeting. Written material distributed at the meeting will be made a part of the public record. If the material is too voluminous for Council to review during the meeting or is new material not previously considered, then Council may at its discretion continue the item to a future meeting. The following are guidelines for providing public comments:

1.3.7.1 During Public Comment period, at the beginning of every meeting, members of the public may address the City Council on items that are not on the printed agenda. For Consent Items, Public Hearing Items, and Business Items, the Presiding Officer will invite comments from the public in support of, or in opposition to each specific Agenda Item following the staff report and any questions from Council to Staff. Those individuals desiring to speak may be asked to fill out a speaker's slip, but a speaker cannot be required to fill out a speaker's slip. They are located on the table at the entrance to the Council Chambers (Veterans Hall).

1.3.7.2 Individuals desiring to speak shall:

1.3.7.2.1 Address the Council from the podium after giving name and City of residence. Speakers shall direct their comments to the Council, not the audience.

1.3.7.2.2 Limit comments to three minutes or to the interval specified by the Presiding Officer. To provide an opportunity for all to speak during a meeting, the maximum time permitted for each speaker to speak on a particular matter may be reduced by the Presiding Officer when a large number of speakers wish to address the Council on that matter. The Presiding Officer, with the majority of Council Members, may reopen the public comment period to hear additional public comment. Council Members may ask questions of anyone present without reopening the public comment period. Speakers may speak only once on a given issue and may not cede their time to another speaker.

1.3.7.2.3 Each person addressing the City Council shall do so in an orderly manner and the Council respectfully requests that speakers refrain from making repetitious, slanderous or irrelevant remarks, or engaging in any other disorderly conduct which disrupts, disturbs, or otherwise impedes the orderly conduct of the Council meeting. Any person who so disrupts the meeting may, at the discretion of the

Presiding Officer or a majority of the City Council present, be subject to ejection from that meeting.

1.3.7.2.4 Persons addressing the Council shall address the Council as a whole and shall not engage in a dialogue with individual Council Members, City staff or members of the audience. No questions shall be asked of a Council Member or a member of City staff without first obtaining permission of the Presiding Officer. The Presiding Officer shall determine whether, or in what manner, an answer will be provided. Any person violating this rule while addressing the Council shall be called to order by the Presiding Officer.

1.3.7.3 Except as otherwise permitted by the Brown Act, action may not be taken on issues not listed on the agenda. Staff may be asked to follow-up on such items.

1.3.7.5 Council Members actions

1.3.7.5.1 Council Members may question the person addressing the Council at the conclusion of the person's comments or upon expiration of the person's time to speak.

1.3.7.5.2 Council Members shall not engage the person addressing the Council in a dialogue with the City Council or City staff but shall confine communication to a question and answer format conducted through the Presiding Officer.

1.3.7.5.3 If a member of the audience has addressed the Council on matters which are not on the agenda, then Council Members shall refrain from extended discussion of the matter. If a Council Member so wishes, then the Council Member may seek to have the City Manager place the matter on the next agenda in accordance with this policy.

1.3.7.6 Upon violation of the rules of order and decorum established in Section 1.3.2 – 1.3.7 of this manual, the procedure to enforce the rule shall be as follows:

1.3.7.6.1 Warning: The Presiding Officer shall request a person who is violating the rules of decorum cease such conduct. If, after receiving a warning from the

Presiding Officer, the person persists in disturbing the meeting, the Mayor shall order the person to leave the City Council meeting. If the person does not leave the meeting, then the Presiding Officer may order any law enforcement officer who is on duty at the City Council meeting as sergeant-at-arms to remove the person from the City Council chambers.

- 1.3.7.6.2 Removal: Any law enforcement officer who is serving as sergeant-at-arms at the City Council meeting shall carry out the orders and instructions given by the Presiding Officer for the purpose of maintaining order and decorum. Upon instruction of the Presiding Officer, it shall be the duty of the sergeant-at-arms to remove from the City Council meeting any person who is disturbing the proceedings of the City Council.
- 1.3.7.6.3 Resisting Removal: Any person who resists removal by the sergeant-at-arms may be charged with a violation of the rules of order and decorum, as well as any other applicable ordinance or law.
- 1.3.7.6.4 Motion to Enforce: If the Presiding Officer fails to enforce the rules of order and decorum set forth in Section 1.3.2 – 1.3.7, then any Member of the City Council may move to require the Presiding Officer to do so, and an affirmative vote of a majority of the City Council shall require the Presiding Officer to do so. An affirmative vote of a majority of the Council may appeal to the entire Council the ruling of the Presiding Officer that a person be removed from the meeting, in which event the decision of the Council majority shall govern and conclusively determine such question. If the Presiding Officer fails to carry out the will of the majority of the City Council, then the majority may designate another Member of the City Council to act as the Presiding Officer for the limited purpose of enforcing the rules of order and decorum established in Section 1.3.2 - 1.3.7.
- 1.3.7.6.5 Clearing the Room: If a meeting of the City Council is disturbed or disrupted in such a manner as to make infeasible or improbable the restoration of order, then the Presiding Officer or a majority of the

City Council may exercise the authority granted in the California Government Code section 54957.9 by ordering the meeting room cleared and continuing in session in the manner authorized by Section 54957.9 of the Government Code.

1.3.8 CONSENT ITEMS

Consent Items are the first items on the agenda. Only items that are routine, relate to implementation of approved budget items or to City operations, or are items to be later set for public hearing are to be placed on the Consent Agenda. Items of significant neighborhood or community public interest should be heard as a Public Hearing or Business Item, and not placed on the Consent Agenda.

- 1.3.8.1 Minor Questions. A Council Member may ask questions on any item without it being pulled from the Consent Agenda. When a Council Member has a minor question for clarification concerning a Consent Item that will not involve extended discussion, the item may be pulled for clarification at the beginning of the meeting and the questions will be addressed along with the rest of the Consent Agenda. There should be no objections at this time. Council Members are encouraged to seek clarifications prior to the meeting (whenever possible).
- 1.3.8.2 No Vote. When a Council Member wishes to pull an item simply to register a dissenting vote, a request should be made the item be pulled for separate vote without discussion. Such items will also be handled at the beginning of the meeting along with the rest of the Consent Agenda.
- 1.3.8.3 Any item may be pulled by a Council Member for discussion. A member of the public may request the Council to pull an item for discussion during the initial public comment period, but the discretion to pull that item will remain with the Council.
- 1.3.8.4 Pulled items shall be heard at the close of the Consent Agenda, unless a majority of the Council chooses another time.

1.3.9 NOTICED PUBLIC HEARINGS

During the pendency of any Public Hearing that is a quasi-judicial proceeding, no Council Member or Planning Commissioner shall engage in an *ex parte* communication with any “Interested Party” who intends to influence the decision of the Council or Commission in a proceeding, unless the Council Member or Commissioner discloses the *ex parte* communication on the Council or Commission’s record. “Interested Party” means any individual with an interest in

the quasi-judicial proceeding that is greater than the general interest of the public as a whole. The term includes, but is not limited to, parties involved in the proceeding, parties that may be significantly affected by the decision, and nonprofit or public interest organizations and associations with a special interest in the matter regulated. A member of the public at large who expresses a casual or general opinion about a pending proceeding would not necessarily be an "Interested Party."

Matters, which are required to be heard in a noticed Public Hearing, shall be conducted in the following manner:

- 1.3.9.1 Time for Consideration: Matters noticed to be heard by the City Council shall commence in the order provided in the agenda. Public hearings are the first order of business following the Consent Calendar.
- 1.3.9.2 Continuance of Hearing: Any hearing being held or noticed or ordered to be held by the City Council may, by order or notice of continuance, be continued or re-continued to any subsequent meeting.
- 1.3.9.3 Conduct of Hearings: When a matter for Public Hearing comes before the City Council, the Presiding Officer may:
 - 1.3.9.3.1 Call for a report on noticing from the City Clerk.
 - 1.3.9.3.2 Call for a report on written communications received by the City pertaining to the item being heard.
 - 1.3.9.3.3 Request that staff present the staff report and any other relevant evidence. Presentation of the staff report prior to the formal opening of the Public Hearing shall not prevent its consideration as evidence. Any such evidence shall be made a part of the record of the Public Hearing.

The Presiding Officer shall then recognize the applicants, appellants and their representatives in the cause, who shall be permitted to speak first during the public comment portion of the applicable matter for not more than 10 minutes, or the time allowed by the Presiding Officer, to present evidence related to the matter under consideration. The applicants, appellants and their representatives shall address the Council from the lectern after giving their names and the names of the applicants/appellants they are representing, if different.

The Presiding Officer shall then recognize members of the public. No person may speak without first being recognized by the Presiding Officer. City Council Members who wish to ask questions of the speakers or each other during the Public Hearing may do so. Council Members should be mindful the purpose of the Public Hearing is to obtain testimony, and not to debate the merits of the item under consideration. Council Members should avoid debate and expressions of personal opinion until after the close of the public testimony portion of the Public Hearing. The Presiding Officer shall conduct the hearing in such a manner as to afford due process to all affected persons. For Public Hearings, when 10 or more members of the public desire to speak, the Presiding Officer may request speaker slips to be completed and delivered to the Clerk before the item is considered. Comments shall then be allowed first by those submitting a slip and in the order received by the Presiding Officer. Comments from the public shall be limited to three minutes per speaker for Public Hearings, unless the City Council affirmatively decides otherwise. For Public Hearings that have the potential to be appealed to the California Coastal Commission, members of the public who desire to receive notice of any further proceedings shall write their name and address on the interested parties list at the back of the room.

The Presiding Officer shall then close the public testimony portion of the Public Hearing. After the public testimony portion of the Public Hearing is closed, no member of the public shall be permitted to address the Council or the staff, except at the discretion of the Presiding Officer or the majority of the Council. Council Members may still, however, ask questions of staff or members of the public. Upon conclusion of Council deliberations and immediately prior to a motion, the Presiding Officer shall formally close the public hearing, which can be accomplished by the Presiding Officer declaring the matter is being brought back to the Council for discussion or other manner to clearly indicate the hearing portion of the matter has concluded. Upon formal closing of the public hearing, no additional public testimony shall be solicited or received without reopening the hearing.

- 1.3.9.4 Evidence. All persons interested in the matter being heard by the City Council shall be entitled to submit written evidence or remarks, as well as other graphic evidence. All such evidence presented shall be retained by the City Clerk or appropriate City department, as part of the official record of the proceeding. Prior to declaring the public hearing open, the

Presiding Officer may establish a time limit for the entire public hearing and establish time limits for the presentation of each individual speaker.

1.3.10 BUSINESS ITEMS

Business Items follow Consent Items and Public Hearings (if any) on the agenda. Business Items can include new matters or matters continued from one or more earlier meetings. Opportunity for public comment as discussed in Section 1.3.7, above, will be provided for each Business Item.

1.4 MEETING COVERAGE

The purpose of cablecasting meetings of the Morro Bay City Council is to enhance the awareness and education of the general public regarding the actions and deliberations of the City Council.

- 1.4.1 Coverage of City Council meetings shall be gavel-to-gavel; whether presented to the public live or taped, Council coverage is not to be edited or subjected to editorial comment.
- 1.4.2 All City Council meetings shall be cablecast or taped for broadcast, except for meetings or portions of meetings which are closed to the public, or when the majority of the Council directs otherwise.
- 1.4.3 Cameras used for the gavel-to-gavel coverage shall be operated only by City employees, firms, or persons authorized by the City.
- 1.4.4 Cameras shall be operated so that they are primarily focused on the officially recognized speaker, and on any visually displayed information they may be showing.
- 1.4.5 “Reaction” shots will not be permitted.
- 1.4.6 The City Clerk’s minutes shall remain the official record of Council proceedings. Other recordings are for convenience and occasionally used when a verbatim transcript is required in legal proceedings. Audio recordings have a 2-year retention and video recordings have a 10-year retention. Meeting minutes are permanent.
- 1.4.7 As soon as reasonably possible following each Council meeting, but not later than the second regular meeting after, the City Clerk shall include a copy of the minutes, thereof, as a Consent Item for the agenda of a regular Council meeting.

**CHAPTER TWO
COUNCIL SALARY, BENEFITS AND REIMBURSEMENTS**

Council salary, financial benefits and reimbursements are established by Council action and in conformance with State law, the MBMC, and duly adopted and effective resolutions. Below is a description of the same but may not include all that are applicable.

2.1 SALARIES FOR MAYOR AND COUNCIL MEMBERS

Compensation for services rendered by the Mayor and Council Member, in an official capacity, shall be provided in accordance with State law and the MBMC. The Citizens Finance Advisory Committee will be asked every 8 years, starting with 2019, to provide the Council a recommendation on whether any changes should be made to that compensation.

2.2 RETIREMENT, MEDICAL, DENTAL, VISION, AND LIFE INSURANCE

The Mayor and Council Members are required to participate in P.A.R.S. retirement. The City shall pay a contribution to P.A.R.S. equal to 1% of salary. The City shall pay, in full, the cost of the Mayor's and Council Members' participation in lowest cost medical plan (self-only), dental, vision, and life insurance.

2.3 PROFESSIONAL DEVELOPMENT

The Mayor and each Council Member shall be reimbursed for normal and customary business expenses as follows:

**2.3.1 BUSINESS TRAVEL EXPENSE AND CONFERENCE
REGISTRATION**

The Mayor and each Council Member shall be reimbursed for normal and incidental expenses and for costs of professional development and educational conferences designed to improve understanding of and proficiency in municipal affairs. Such reimbursement shall be for out-of-county expenses only and shall be reimbursed in accordance with accepted City Travel Guidelines.

2.3.1.1 Authorized Expenses. City funds, equipment, supplies (including letter head), titles, and staff time must only be used for authorized City-business. Expenses incurred in connection with the following types of activities generally constitute authorized expenses, as long as the other requirements of this section are met:

- Communicating with representatives of regional, state and national government on City-adopted positions.
- Attending educational seminars designed to improve official's skill and information levels.
- Participating in regional, state and national organizations whose activities affect the City's interests.
- Recognizing service to the City (i.e. thanking a longtime employee with a retirement gift or celebration of nominal value and cost).
- Meetings such as those listed above for which a meeting stipend is expressly authorized under this section.

All other expenditures require prior approval by the City Council, including international and out-of-state travel.

2.3.1.2 Expenses Not Eligible for Reimbursement.

- The personal portion of any trip.
- Political or charitable contributions or events.
- Family expenses, including partner's expenses, when accompanying official on City-related business.
- Entertainment expenses, including theater, movies, sporting events (including gym, massage and/or golf related expenses) or other cultural events.
- Alcohol/personal bar expenses.
- Except as provided in 2.4.2 and .3, personal automobile expenses.
- Personal losses incurred while on City business

2.4 CITY BUSINESS AND MILEAGE REIMBURSEMENT

The Mayor and each Council Member shall be reimbursed as follows:

2.4.1 CITY BUSINESS

For costs incurred in connection with official City business, the Mayor and Council Members shall be reimbursed for in-county expenses, including meals, tickets, periodicals, dues, subscriptions, and similar miscellaneous expenses, if receipts for those expenses are provided.

2.4.2 MILEAGE

For official travel within the County of San Luis Obispo, reimbursement shall be made upon submittal of an official mileage expense form.

2.4.3 TRANSPORTATION

When attending conferences or meetings that are of such distances it is more economical to take commercial air fare, if an official drives his/her car to such meetings, then commercial air fare will be paid and not automobile mileage. Government and group rates must be used when available.

- 2.4.3.1 Airfares that are reasonable and economical shall be eligible for purposes of reimbursement.
- 2.4.3.2 Automobile mileage is reimbursed at IRS rates in effect at the time of travel. Those rates are designed to compensate the driver for gasoline, insurance, maintenance, and other expenses associated with operating the vehicle. This amount does not include bridge and road tolls which are also reimbursable.
- 2.4.3.3 Car Rental rates that are reasonable and economical shall be eligible for purposes of reimbursement.
- 2.4.3.4 Taxi and shuttle fares may be reimbursed, including a 15% gratuity per fare, when the cost of such fares is equal or less than the cost of car rentals, gasoline and parking combined, or when such transportation is necessary for time-efficiency.

2.4.4 LODGING

Lodging expenses will be reimbursed or paid for when travel on official City-business reasonably requires an overnight stay. If such lodging is in connection with a conference, then lodging expenses must not exceed the group rate published by the conference sponsor for the meeting in question if such rates are available at the time of booking. Travelers must request government rates, when available. If the group rate is not available, then reimbursement at the IRS rate in effect at the time of travel shall apply.

2.4.5 MEALS

Actual expenses shall be reimbursed subject to the maximum per diem for the mean as set by the IRS rate in effect at the time of travel. (Cal. Gov't. Code 53232.2) and Publication 1542 at www.irs.gov). The City will not pay for alcohol/personal bar expenses.

2.4.6 MISCELLANEOUS EXPENSES

Officials will be reimbursed for actual telephone, fax, and parking expenses incurred for City-business. Telephone bills should identify which calls were made for City-business.

2.4.7 CASH ADVANCE POLICY

From time to time, it may be necessary for an official to request a cash advance to cover anticipated expenses while traveling or doing business on the City's behalf. Such request for an advance should be submitted to the City Manager ten working days prior to the need for the advance with the following information:

1. The purpose of the expenditures.
2. The benefits of such expenditures to the residents of the City.
3. The anticipated amount of the expenditures(s) (for example, hotel rates, meal costs, and transportation expenses).
4. The dates of the expenditure.

Any unused advance must be returned to the City within five working days after the official's return, along with an expense report and receipts documenting how the advance was used. In the event the City Manager is uncertain as to whether a request complies with this policy, the official must seek resolution from the City Council.

2.4.8 CREDIT CARD USE POLICY

For travel expenses the preference is for Council Members either to (i) submit a reimbursement request upon return (with the proper forms completed and receipts attached) or (ii) request a payment advance for travel, whenever it is not possible to have expenditures charged directly to the City or utilize the City Clerk/City Manager's credit cards for travel and accommodation arrangements. If an advance is made, then receipts are required for all expenditures, as is return of the unspent portions of the advance. It is understood there may be circumstances where a Council Member cannot prepay for expenditures. In such cases, with approval through the City Manager, a credit card will be ordered in the Council Member's name. The credit card may only be used for authorized expenditures during the authorized travel.

2.4.9 EXPENSE REPORT CONTENT AND SUBMISSION DEADLINES

All cash advance expenditures and expense reimbursement requests must be submitted on an expense report form provided by the City. That form shall include the following advisory:

“All expenses reported on this form must comply with the City’s policies relating to expenses and use of public resources. The information submitted on this form is a public record. Penalties for misusing public resources and violating the City’s policies include loss of reimbursement privileges, restitution, civil and criminal penalties as well as additional income tax liability. “

Expense reports must document that the expense in question met the requirements of this Policy. Officials must submit their expense reports within 10 working days after an expense has been incurred, accompanied by receipts documenting each expense. Restaurant receipts, in addition to any credit card receipts, are also part of the necessary documentation.

Inability to provide such documentation within 10 calendar days after travel may result in the expense being borne by the official.

In the event the official does not attend the trip and non-refundable expenses have been incurred for registration, lodging or travel, the non-attending official shall submit a written explanation of the reasons for non-attendance to the City Manager. The City Manager shall determine if the public funds advanced must be reimbursed to the City. Any decision of the City Manager may be appealed to the City Council.

2.4.10 REPORTS TO CITY COUNCIL

At the next regular City Council meeting, the Mayor and City Council shall briefly report on the meetings attended by that person at City-expense. If multiple officials attended, then a joint report may be made.

2.4.11 COMPLIANCE WITH LAWS; VIOLATION

City officials should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All City expenditures are public records subject to disclosure under the Public Reports Act and other applicable laws. Use of public resources or falsifying expense reports is a violation of this Policy and may result in any or all of the following: 1) loss of reimbursement privileges, 2) a demand for restitution to the City, 3) the City’s reporting the expenses as income to the elected official to state and federal tax authorities, 4) civil penalties of up to \$1,000 per day and three times the value of the resources used, and 5) prosecution for misuse of public resources.

2.5 GENERAL PROCEDURES AND LIMITATIONS

Appropriate budgetary practices and accounting controls shall be established to ensure expenditures and reimbursements are in compliance with approved budget allocations. The Mayor and each Council Member is expected to plan business activities so as to stay within budget. When exceptional circumstances require

additional amounts be allocated to accounts, formal Council action shall be required.

2.5.1 ACCOUNTING

An account shall be established in the name of the Mayor and each Council Member with all expenditures charged to the individuals. Receipts shall be submitted within the fiscal year.

2.5.2 REIMBURSEMENT LIMITATION

The City's adopted Travel Guidelines shall govern all expenditures for non-local professional development and conferences. Those guidelines include all non-local official meals, tuition or fees, transportation to meeting sites, materials and telephone usage.

2.5.3 SPECIAL EXPENSES

For occasions when the Mayor or a Council Member is designated by the City Council to represent the City at special meetings, reimbursement shall be made from the appropriate Travel Expense Account.

2.5.4 HONORARIUM

The Mayor and Council Members are not permitted, by law, to receive an honorarium as a result of his/her participation in a meeting or conference. The Mayor or Council Members may receive income for personal services provided at a meeting or conference, if those services are customarily provided in connection with the practice of her/his *bona fide* business or profession, unless the sole or predominate activity of the business or profession is making speeches. If the Mayor or Council Member receives such income, then the amount of that income shall be deducted from the amount normally provided by the City for that meeting or conference if the City paid for the Mayor or Council Member's attendance at such meeting or conference.

2.5.5 OTHER GUIDELINES

Any other travel-related issue not specifically governed in this resolution shall be adjudicated in accordance with the City of Morro Bay Travel Expense Reimbursement Policy.

**CHAPTER THREE
COUNCIL POWERS & APPOINTMENTS**

3.1 MAYOR - POWER AND DUTIES

- 3.1.1 The Mayor shall preside at all meetings of the City Council and perform such other duties consistent with the office as may be imposed by the Council or by vote of the people. The Mayor shall be entitled to, and must vote when present, but shall possess no veto power.
- 3.1.2 The Mayor shall be recognized as the official head of the City for all ceremonial purposes.
- 3.1.3 The Mayor may order flags flown on City property to be lowered to half-staff in mourning for any member of the community designated to have made significant contributions to the City of Morro Bay, in accordance with recognized customs or practices not inconsistent with State and Federal law.
- 3.1.4 The Mayor is authorized to sign letters of appreciation to persons and organizations. Copies of those signed letters shall be provided to the Council Members, as soon as feasible.
- 3.1.5 The Mayor will, at times, receive written communications from recognized organizations or entities whose fundamental purpose is to support cities, such as the League of California Cities. Those communications may be seeking City support for a position the League is taking. Because of the often short time limits for submitting responses to those communications, the Mayor is authorized, at no cost to the City to submit the requested communication consistent with the subject entity's recommendation. A copy of that letter will be provided to the Council at the same time it is transmitted to the addressee. Any Member of the Council can request an agenda item be placed on an upcoming agenda to discuss that communication. The Council can also determine whether to admonish the Mayor for not carrying out the intent of this provision.
- 3.1.6 When the Mayor is a member of another legislative body, he/she may take actions on matters before that other body as she/he determines appropriate, as long as she/he makes it clear his/her position is that of the Mayor and not the entire City or Council, unless, at a duly agendized public meeting, a majority of the Council has provided direction on the position the Mayor is to take on a matter
- 3.1.7 The Mayor shall exercise such other powers and perform such other duties as may be prescribed by law or ordinance or by resolution of the Council, except as limited by law.

3.2 APPOINTMENT OF MAYOR PRO TEMPORE

The appointment of the Mayor Pro Tempore shall be for a one-year term and shall be made at the first meeting in January. For appointment as Mayor Pro Tempore, a Council Member must be on the Council at least one year. Of those who have been on the Council for at least one year, the Council Member who has not yet held the position shall be appointed Mayor Pro Tempore. If there are two Council Members who have not yet held the position, then the Council Member receiving the highest number of votes in the most recent election shall be appointed Mayor Pro Tempore. If all have held the position, then the Council Member who has held it the least number of times shall be appointed Mayor Pro Tempore. If all Council Members have held it for the same number of years, then the Council Member for whom it has been the longest period of time since holding the position shall be appointed Mayor Pro Tempore.

3.3 FILLING COUNCIL VACANCIES

3.3.1 SPECIAL ELECTION

Measure “R” codified as Ordinance 527 requires the City Council to immediately call a special election to fill any vacant seat on the Council, including the Mayor’s seat. The special election shall be held on the next established election date, as specified in California Elections Code, which is not less than 114 days from the call of the special election. The City Council may appoint an elector who is a registered voter in the City of Morro Bay to fill such vacancy prior to the special election. The appointee shall hold office only until the date of said special election. (Reso. 76-08)

3.3.2 LIMITATION OF COUNCILMEMBER WHO RUNS FOR MAYOR BEFORE COMPLETING REGULAR TERM

A sitting Council Member is disqualified from nomination for election to the office of Mayor in the next election if the remainder of their Council term after the next election cannot be filled by a vote of the electors on or prior to that election date.

3.4 GENERAL POWERS OF THE COUNCIL

Subject to the provisions of law and the delegation of power to any person, officer, Board, or Commission, the Council shall have the power in the name of the City, to do and perform all acts and things appropriate to a municipal corporation and the general welfare of its inhabitants and that are not specifically forbidden by the Constitution and laws of the State of California.

3.5 ADMINISTERING OATHS: SUBPOENAS

Each Member of the Council shall have the power to administer oaths and affirmations in any investigation or proceeding pending before the Council. The Council shall have the power and authority to compel the attendance of witnesses, to examine them under oath and compel the production of evidence before it. Subpoenas may be issued in the name of the City and be attested by the City Clerk. Disobedience of such subpoena or the refusal to testify (upon other than constitutional grounds), shall be deemed contempt and shall be punishable as provided by the general laws of the State.

3.6 LIMITATIONS

No Member of the Council shall be appointed to or serve as a voting Member of any City Board, Committee, or Authority, whether composed of citizen volunteers, City employees, or a combination of both. This is not to be construed as prohibiting Members of the Council from serving on Committees or Subcommittees of the Council itself, or of agencies representing other local, state or federal government.

3.7 METHOD OF ACTION BY COUNCIL

All action by the Council shall be taken only by means of ordinance, resolution, or oral motion duly made and passed.

Ordinances shall become a part of the MBMC and so remain until amended or voided. All municipal laws relating to taxation or to possible criminal action against an offender shall be in the form of ordinances.

Resolutions shall be serially numbered and filed sequentially in the office of the City Clerk.

Oral motions shall be recorded only in the minutes of any regular or special meeting of the Council.

3.8 ORDINANCES

The consideration and adoption of ordinances shall be in accordance with relevant state law. Ordinances not legally required to have a public hearing shall be set for a public hearing if the subject matter is controversial or of a special nature. In addition, a majority of the City Council may direct the consideration of an ordinance will be set for public hearing.

No ordinance, resolution or motion shall be passed or become effective without receiving the affirmative vote of at least three Members of the Council.

3.9 ACCEPTANCE OF GRANTS OR DEEDS

The Mayor and Mayor Pro Tempore of the City of Morro Bay are hereby authorized to accept and consent to the recording of any deed or grant conveying any interest in or easement upon real property to the City of Morro Bay.

3.10 LEGISLATIVE ACTION PROGRAM

The City has a legislative program to strengthen local government, promote City goals, and defend the City against legislative actions by state and federal governments that would weaken local government or take away traditional revenue sources. In order to respond promptly and proactively to fast-paced legislative changes, City staff is authorized to take positions on legislation provided the positions are consistent with the Legislative Actions of the City Council, or resolutions or recommendations of the League of California Cities.

3.11 AMICUS CURIAE PARTICIPATION

The City is frequently requested to join as *amicus curiae* (friend of court) in cases of statewide significance to cities. Because of the often short time limits for filing *amicus curiae* briefs, the City Attorney may authorize the City's name being added to such briefs, at no cost to the City, if the Legal Advisory Committee of the League of California Cities has urged participation. The City Council will be advised of that action within 7 days after the City Attorney's decision.

3.12 ACTIONS AS A MEMBER OF ANOTHER LEGISLATIVE BODY

When a Council Member is a member of another legislative body, he/she may take actions on matters before that other body as she/he determines appropriate, as long as she/he makes it clear his/her position is that of the individual Council Member and not the entire City or Council, unless, at a duly agendized public meeting, a majority of the Council has provided direction on the position that Member is to take on a matter.

3.13 COUNCIL SUB-COMMITTEES

From time to time it may be desirable for the City Council may vote to appoint a sub-committee of the whole to address a particular issue. That is especially the case if the issue requires additional work or research. Per the Brown Act, sub-committees must consist of less than a quorum of the body and serve for a limited purpose and time. Therefore, the City Council sub-committees may consist of two members. Sub-committees shall report back to the full Council for discussion before any formal action can be taken on the pertinent issue. Establishing a subcommittee requires the body to define the purpose, parameters, and duration of the sub-committee. The City Clerk will keep the list of sub-committees and defined description as a record with Council liaison assignments for review annually.

**CHAPTER FOUR
THE BROWN ACT AND EMAIL**

4.1 APPLICABILITY AND PENALTIES

The entire City organization conducts its business in compliance with the Ralph M. Brown Act, California Government Code sections 54950 *et seq.* (the “Act”). The intent of the Act is to ensure deliberations and actions of local public agencies are conducted in open and public meetings. The law provides for misdemeanor penalties for any members of a legislative body who violates the Act. In addition, violations are subject to civil action. A current copy of the Act will be provided to all Council Members assuming office, but the provisions that most directly affect the Council are summarized in this Chapter.

4.2 MAJOR PROVISIONS

4.2.1 APPLICABILITY

The Act applies to Council, City staff and all bodies that advise Council.

4.2.2 MEETINGS

Other than closed sessions, all meetings shall be open and public. All meetings shall follow the requirements of the Act.

4.2.3 AGENDAS

Agendas for regular meetings must be posted 72 hours in advance of the meeting and must meet various requirements.

4.2.4 ACTIONS

No action shall be taken on any item not appearing on the posted agenda. Exceptions:

- 4.2.4.1 An emergency situation exists, (determined by a majority of the Council).
- 4.2.4.2 The need to take action arose subsequent to the agenda being posted (determined by 4/5 of the Council or if less than 4/5 are present, then by unanimous vote) and that action must be taken before the next regular Council meeting or special meeting can be scheduled and properly noticed.
- 4.2.4.3 The item was continued to another meeting that was scheduled and posted within five days after the original agenda.

4.2.5 PUBLIC INPUT

The public has an opportunity to address the Council on any item of interest to the public that is within the jurisdiction of the Council. The City has the right to establish time limits on speakers and the total time allocated for a particular issue.

4.2.6 PUBLIC DISRUPTIONS

A portion or all of the public may be removed if willful disruption makes conducting the meeting "unfeasible;" the press may remain unless they participate in the disruption.

4.2.7 CORRESPONDENCE

All writings distributed for discussion or consideration at a public meeting are public records. If a member of the public desires written materials to be fully considered by the Mayor and City Council, then that member is encouraged to submit that written material regarding agenda items to the City Clerk no later than 12 Noon the day of the meeting so that it may be included with agenda correspondence. Written material distributed at the meeting will be made a part of the public record. If the material is too voluminous for the Mayor and Council to review during the meeting or is new material not previously considered, the Council may, at its discretion, continue the item to a future meeting.

4.2.8 CLOSED SESSIONS MAY BE HELD TO DISCUSS:

- 4.2.8.1 Real Property. The purchase, sale, exchange or lease of real property with the City's negotiator; the real property and the person(s) with whom the City may negotiate must be announced in open session prior to the closed session. All Real Property transactions shall be held in closed session prior to final decision in open session and Council shall be provided with a copy of the draft real property agreement.
- 4.2.8.2 Litigation pending or a significant exposure to litigation, or the decision to initiate litigation; the litigation or title must be identified in open session prior to the closed session unless the Council states that to do so would jeopardize its ability to conclude existing settlement negotiation or effectuate service of process.
- 4.2.8.3 Compensation (salaries and benefits) of employees; to review its position and instruct designated representatives.
- 4.2.8.4 Personnel: The appointment, employment, evaluation of performance, or dismissal, of a public employee, or to hear a

complaint against an employee, unless the employee requests a public hearing.

4.3 SPECIAL MEETINGS

Special Meetings may be called by the Mayor or a majority of the Council, with strict notification requirements delivered to the media and Council 24 hours before the time of the meeting.

4.4 EMERGENCY MEETINGS

Emergency meetings may be called without the normal 24-hour notice and posting requirements if prompt action is required due to the disruption or threatened disruption of public facilities. Only work stoppages, crippling disasters or other activities that severely impair the public health and/or safety qualify for emergency meetings.

4.5 ELECTRONIC MAIL (EMAIL), THE PUBLIC RECORDS ACT AND THE BROWN ACT

City email is no less a part of “official city business” than any other written correspondence, and there is no expectation of privacy for City email messages. Good judgment and common sense should therefore prevail at all times regarding its appropriate use.

City email is subject to the requirements of the Brown Act and is subject to disclosure under the Public Records Act.

The Brown Act does not prohibit the use of email to make individual contacts between Members of the Council, or the public or staff. However, great care should be taken to avoid the use of email to contact a majority of the Council, either individually or serially, “in a connected plan to engage in collective deliberation on public business.”

City emails are generally intended to fulfill the same general function as ordinary daily verbal communications among City Council and City staff and are generally considered “transitory” documents (work-in-progress), and therefore are generally not subject to records retention requirements. For file management and storage purposes, City email messages should only be retained for as long as needed. In most instances this means deleting messages as you have read them, and shortly after you have sent them.

Some email messages, including any attachments thereto, can be considered official city records, because the content relates in a substantive way to the conduct of the public’s business. Emails that qualify as public records need to be retained by the City. However, they are not retained through the City e-mail system. Those emails should be printed as a hard copy or saved electronically in a folder outside the e-mail system, in accordance with the City’s records retention

policy. Generally, the sender of the email should be the person responsible for printing and filing it accordingly, but persons responsible for a particular program or project file shall be responsible for retaining all e-mail they send or receive related to that program or project.

It is the responsibility of individual City Council Members, employees and their department heads to determine if email is an official City-record that must be retained in accordance with the City's record retention policy. The City Attorney will assist in making such a determination. Preliminary drafts, notes or interagency or intra-agency memoranda that are not retained by the City in the ordinary course of business are generally not considered to be official City records subject to disclosure. City Council Members and employees are encouraged to delete documents that are not otherwise required to be kept by law or whose preservation is not necessary or convenient to the discharge of your duties or the conduct of the city's business.

Periodically, the City receives requests for inspection or production of documents pursuant to the Public Records Act, as well as demands by subpoena or court order for such documents. In the event such a request or demand is made for e-mail, the City Council Members or employees having control over such e-mail, once they become aware of the request or demand, shall use their best efforts, by any reasonable means available, to temporarily preserve any e-mail that is in existence until it is determined whether such e-mail is subject to preservation, public inspection or disclosure. The City Clerk shall be contacted regarding any such emails within the City Council Member or employee's control.

Council Members are assigned a City electronic messaging account, such as an email account. To the extent feasible, City issued accounts shall be used to conduct City business. Limited use of a private device for public business is permissible but discouraged.

Electronic communications regarding City business may be subject to the City's official records retention policies and the Public Records Act, ***even if those electronic communications are or were created, sent, received or stored on a Council member's personal electronic messaging account or device.*** To the extent a Council Member uses private, non-City electronic messaging accounts or devices, in compliance with State law they will be asked to locate any such electronic communications on those non-City accounts or devices and provide the communications to the City Clerk in the event a Public Records Act request is made seeking the communication(s).

If a Council Member receives an electronic message regarding City business on his/her personal electronic messaging account or device, or circumstances require such person to conduct City business on a personal account or device, then the Council Member is strongly encouraged to either: (a) copy ("cc") any communication from the Council Member's personal electronic messaging account to his/her City electronic messaging account; or (b) forward the electronic

communication to his/her City account as soon as feasible after the original creation or transmission of the electronic communication. That practice facilitates efficient and prompt responses to Public Record Act requests.

4.6 OTHER PROVISIONS

The Act provides many other restrictions and requirements; this chapter is intended merely as a Council summary and overview of the Act, and nothing in this Chapter supersedes the provisions of the Brown Act. Since State law constantly changes, it is important to ensure you have the latest information. Please check with the City Attorney and/or the City Clerk for more information.

CHAPTER FIVE COUNCIL/STAFF RELATIONSHIPS AND CONDUCT

5.1 INTENT

The City Council as a whole retains full power to accept, reject, amend, influence, or otherwise guide and direct staff actions, decisions, recommendations, workloads and schedules, departmental priorities, and the conduct of City business.

This chapter addresses the relationship and conduct between the Mayor and Council Members and staff with the intent of the Mayor and Council to: 1) affirm governing shall be by will of the collective Council, and 2) establish guidelines for Mayor, Council and staff to ensure orderly, consistent and open City government.

5.2 GUIDELINES FOR COUNCIL MEMBERS

The Mayor and Council shall recognize the primary functions of staff are to execute Council policy and actions taken by the Council, and to keep the Mayor and Council informed.

5.2.1 REQUESTS FOR INFORMATION

The Mayor, individual Council Members, as well as the Council as a whole, shall be permitted complete freedom of access to any information requested of staff, and shall receive the full cooperation and candor of staff in being provided with any requested information, when the law allows that access.

The Mayor and Council Members shall make routine requests for information through the appropriate department head, who shall then advise the City Manager of such requests. Complex or comprehensive requests for information shall be made through the City Manager.

5.2.2 DIRECTION TO STAFF

The Mayor and Council Members shall make requests for work to be done by City staff through the City Manager. The Mayor and individual Council Members shall make no attempt to pressure or influence staff decisions, recommendations, workloads, schedules and departmental priorities, except as part of budgetary and goal setting priority sessions and with approval of the Council as a whole.

A Council Sub-committee may be given authority by the full Council to work in conjunction with the City Manager, and his/her designated staff on a particular

project or issue. In those instances, any work products will be brought back to the full Council for consideration and action.

5.3 GUIDELINES FOR STAFF

Staff shall recognize its primary function is to execute Council policy and to keep the Mayor and Council informed. Staff shall present the Mayor and Council with all relevant information, as well as alternatives, in an objective, succinct manner. The City Manager and staff are committed to treating the Mayor and each Council Member equally.

5.3.1 TIMELY RESPONSE

City staff will make every effort to respond in a timely and professional manner to all requests made by the Mayor and individual Council Members for information or assistance; provided, that in the judgment of the City Manager the request is legally permitted (after consultation with the City Attorney) and not of a magnitude, either in terms of workload or policy, which would require that it more appropriately be assigned to staff through the collective direction of the City Council. In terms of making that judgment, the following guidelines should be considered: The request should be specific and limited in scope so staff can respond without altering other priorities and with only minimal delay to other assignments; the request should only impose a "one-time" work requirement, as opposed to an on-going work requirement; and the response to the request should not require a significant allocation of staff resources (generally defined as consisting of more than one staff person, or a single staff person working on the issue in excess of 1-2 hours).

5.3.2 DIRECTION FROM COUNCIL

Staff is obligated to take guidance and direction only from the Council as a whole or from the appropriate management superiors as may be the case. Staff is directed to reject any attempts by the Mayor or individual Council Members to unduly influence or otherwise pressure them into making, changing or otherwise suppressing staff decisions or recommendations, or changing departmental work schedules and priorities. Staff shall report such attempts to influence them in confidence to the City Manager, who may inform the Council as a whole of such attempts.

5.3.3 STAFF SUPPORT TO INDIVIDUAL COUNCIL MEMBERS

An exception to the above guidelines may be staff work required in support of a Council Member designated by the City Council to represent the City in an intergovernmental role (*e.g.*, Membership on Joint Powers Authority), or relative to a special assignment (*e.g.*, a special task force).

As noted, above, when a Council sub-committee has been duly authorized by the full Council, staff members may provide information and assistance to the sub-committee, which will report back to the full Council.

5.3.4 INFORMATION DISTRIBUTION

In the interest of treating all members of the Council equally, in cases where a staff response to the Mayor or an individual Council Member request involves written material, the City Manager will provide copies of the material to all other Council Members.

5.3.5 SIGNIFICANT INFORMATION

Any information, service-related needs, or policy positions perceived as necessary by the Mayor or individual Council Members, which cannot be fulfilled per the above guidelines, should be raised by the Mayor or individual Council Member under the "Declaration of Future Agenda Items" category of a regularly scheduled City Council meeting. If so directed by the collective action of the Council, then staff will proceed to complete the work within Council established deadlines.

5.4 USE OF CITY LETTERHEAD

Staff will not prepare correspondence representing the Mayor or a Councilmember's personal point of view or a dissenting point of view from an official City policy or Council position. If a Councilmember uses her/his title, position, or City letterhead to express a personal opinion, then the letter shall state "I am writing this letter on behalf of myself" and, the official City position must also be stated clearly so the audience understands the difference/relationship between the official City position and the viewpoint of the Mayor or that Councilmember. If a letter is written on behalf of the majority of the City Council, then the letter shall state "I am writing this letter on behalf of the City Council." A copy of any and all correspondence developed by or for the Mayor or a Councilmember on City letterhead shall be provided to the City Manager and the entire City Council.

CHAPTER SIX ADVISORY BOARD PROCEDURES

6.1 COUNTY OR REGIONAL REPRESENTATION

Annually, the Mayor shall make appointments to a variety of County and/or regional committees and boards. One Member of the Council shall serve as a voting representative and one Member shall serve as alternate. (See 6.5 for appointment procedures). To the best of their ability, Voting Delegates shall reflect the majority view of the Council as a whole, rather than their own personal opinions.

6.2 OTHER COUNCIL REPRESENTATION, SUBCOMMITTEES

6.2.1 COUNCIL LIAISON ASSIGNMENTS

The City Council shall assign a Council liaison to each of the following advisory bodies: Recreation & Parks Commission, Harbor Advisory Board, Public Works Advisory Board, the Citizens Finance Advisory Committee, the Planning Commission and Tourism Business Improvement District Advisory Board. Council liaisons will also be appointed to the special purpose advisory bodies.

The purpose of the liaison assignment is to facilitate communication between the City Council and the advisory body. The liaison also helps to increase the Council's familiarity with the membership, programs and issues of the advisory body. In fulfilling their liaison assignment, members should either attend advisory body meetings or watch the meeting broadcasts and maintain communication with the advisory body on a regular basis.

Council Members should be sensitive to the fact they are not participating members of the advisory body, but are there rather to create a linkage between the City Council and the advisory body. In interacting with advisory bodies, Council Members are to reflect the views of the Council as a body. Being an advisory body liaison bestows no special right with respect to advisory body business.

6.3 ROLE OF ADVISORY BODY MEMBERS AT COUNCIL MEETINGS

6.3.1 INTENT

A majority of advisory body members may attend a public Council meeting. However, none of those members may speak regarding any matter within that member's advisory body's subject matter jurisdiction while a majority of members of that advisory body are present. An advisory body may direct one of its members to appear at a public Council meeting to express that advisory body's perspective on a particular matter reviewed by the advisory body or answer questions from the Council.

6.3.2 COUNCIL AGENDA REPORTS

- 6.3.2.1 Recommendation Differences. For those occasions when the City Manager recommendation differs from an advisory body recommendation, the difference should be clearly noted and the recommendations from the advisory body should be included in the staff report.
- 6.3.2.2 The Council will endeavor to meet at least once each fiscal year with each of its advisory bodies or the chair of each advisory body.

6.3.3 COUNCIL MEETINGS

- 6.3.3.1 Advisory bodies will provide written or oral reports to the City Council as requested by the Council and in accordance with the Brown Act.

6.4 ROLE OF CITY STAFF PERSONS

Staff support and assistance may be provided or made available, but advisory bodies do not have supervisory authority over City employees. While they may work closely with advisory bodies, staff members remain responsible to their immediate supervisors and ultimately to the City Manager, who is responsible to the Council. The members are responsible for the constructive participation with the advisory body and the chairperson is responsible for committee compliance with applicable policies and procedures.

Staff support includes preparation of a summary agenda in conjunction with the Chairperson, and preparation of agenda reports providing a brief background of the issue, a list of alternatives, recommendations, and appropriate backup material, if necessary. Members of advisory bodies are volunteers and should be treated with respect and courtesy. Advisory body members should have sufficient information to reach decisions based upon a clear explanation of the issues within their charge. Sometimes members of advisory bodies may request information not related to their area of service. Staff members should, in that case, provide the same level of information and assistance as would be accorded any citizen. If in the judgment of staff, the request goes beyond that standard, then the matter will be turned over to the City Manager. A staff person will be assigned to serve as Secretary, taking minutes as needed.

It is important that advisory bodies wishing to communicate with the City Council do so through adopted or approved Council agenda procedures. Staff members shall assist the advising body to insure appropriate review and that City and State legislation is complied with.

6.5 APPOINTMENT PROCEDURES

The following procedures shall be the policy of the City Council in regard to appointment of volunteer citizens to the various advisory bodies of the City.

6.5.1 PURPOSE

The purpose of establishing these procedures shall be to insure well-qualified, responsible and willing citizens are given the opportunity to serve the City and participate in the governing of their community. These procedures will apply to all appointments and reappointments to standing advisory bodies.

6.6 PROCESS

6.6.1 QUALIFICATIONS

6.6.1.1 The applicant must be a resident and registered voter of the City at the time and during the entire term of appointment, unless excepted by State law or Council-approved special requirements in advisory committee by-laws.

6.6.1.2.1 The applicant must be at least 18 years of age at the time of appointment; provided, that the Council may appoint one area high school student to an advisory body, if allowed by the Advisory Body By-Laws and they meet the other qualification requirements.

6.6.1.2.2 Elected Officials, Officers and Employees of the City of Morro Bay shall not be considered for appointment, unless otherwise approved unanimously by the City Council.

6.6.2 TERMS

6.6.2.1 The term of office for each appointee to an advisory body shall be a maximum of four years unless excepted by State law or Council-approved special requirements in advisory committee by-laws. The terms are staggered so that in no event, will all terms on any committee expire in the same year. Incumbents may apply for subsequent terms of service. Terms of Office will expire on January 31, of the specified year.

6.6.2.2 Persons appointed to fill the remainder of a vacated office term may reapply to serve on the same advisory body.

- 6.6.2.3 Mid-term appointment to a vacant seat shall not preclude the appointee from serving additional terms.
- 6.6.2.4 As a general policy, an applicant shall not be appointed to serve on more than one advisory body, except that a member may also serve on one technical or special-purpose committee at the same time. If appointed to another committee, then he/she will be expected to resign from one body upon being appointed to another. The City Council retains the discretion to make exceptions to this policy.

6.6.3 PROCESS

- 6.6.3.1 Applications are obtained and filed with the City Clerk's Office.
- 6.6.3.2 Prior to November 30, of each year, the City Clerk shall advise the City Council of the terms that are due to expire on each advisory board. The City Clerk shall also notify each advisory member whose term is due to expire. Each of these members shall be given the opportunity to apply for reappointment.
- 6.6.3.3 The City Clerk shall then place an advertisement in the local newspaper, inviting citizens to apply for consideration as an appointment to an advisory board, with instructions regarding the application process.
- 6.6.3.4 It is recommended that applicants attend at least one meeting of the advisory body applied for prior to the interview with the City Council.
- 6.6.3.5 The City Council shall, in a noticed public meeting, interview qualified applicants. In making appointments, the Council shall strive for a representative cross-section of both lay and professional knowledge. The Council will act by separate motion on each appointment made.
- 6.6.3.6.1 Applicants not appointed will be advised and their applications held for up to one year for consideration in the event of a future vacancy.
- 6.6.3.6.2 Candidates not appearing for interview before the City Council will be considered for appointment only upon a finding of the City Council by motion the absence arose from excusable neglect or personal difficulties.