



CITY OF MORRO BAY

Citizens Oversight Committee

Acting as Citizens Finance Advisory Committee

AGENDA

Mission Statement

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

Agenda

Tuesday, May 19, 2020 - 3:00 PM

Held Via Teleconference

ESTABLISH QUORUM AND CALL TO ORDER

COMMITTEE MEMBERS ANNOUNCEMENTS & PRESENTATIONS

PUBLIC COMMENT PERIOD

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, this Meeting will be conducted telephonically through Zoom and broadcast live on Cable Channel 20 and streamed on the City website (click [here](#) to view). Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Vet's Hall will not be open for the meeting.

Public Participation:

In order to prevent and mitigate the effects of the COVID-19 pandemic, and limit potential spread within the City of Morro Bay, in accordance with Executive Order N-29-20, the City will not make available a physical location from which members of the public may observe the meeting and offer public comment. Remote public participation is allowed in the following ways:

- *Community members are strongly encouraged to submit agenda correspondence in advance of the meeting and watch the meeting live on either cable Channel 20 or as streamed on the City's [website](#). Agenda correspondence may be mailed the CFAC Committee care of the City Clerk at 595 Harbor Street, Morro Bay, CA 93442, or emailed to the City Clerk's office at cityclerk@morrobayca.gov prior to the meeting will be published on the City website with a final update one hour prior to the meeting start time. Agenda correspondence received less than an hour before the meeting start time may not be posted until after the meeting.*
- *Members of the public may watch the meeting either on cable Channel 20 or as streamed on the City [website](#).*
- *Alternatively, members of the public may watch the meeting and speak during general Public Comment or on a specific agenda item by logging in to the Zoom webinar using the information provided below. Please use the "raise hand" feature to indicate your desire to provide public comment. Each speaker will be allowed three minutes to provide input.*

Please click the link below to join the webinar:

- <https://us02web.zoom.us/j/82722747698?pwd=aWZpTzcwTHlRTk9xaTlmWVNWRWFUQT09>
Password: 135692
- Or Telephone Attendee: (408) 638-0968 or (669) 900 6833 or (346) 248 7799; Webinar ID: 827 2274 7698; Password: 135692; Press * 9 to "Raise Hand" for Public Comment

A. CONSENT CALENDAR

1. APPROVAL OF MINUTES FOR THE APRIL 21, 2020 REGULAR CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE MEETING

RECOMMENDATION: Receive and file.

B. BUSINESS ITEMS

1. REVIEW WRF QUARTERLY UPDATE REPORT; (FINANCE DIRECTOR)

RECOMMENDATION: Receive WRF Quarterly Update Report

2. DISCUSSION AND INPUT ON THE DRAFT PROPOSED FY 2020/21 OPERATING BUDGET; (FINANCE DIRECTOR)

RECOMMENDATION: Staff recommends that the Committee receive the draft proposed FY 2020/21 General Fund Operating Budget and provide feedback and comment.

C. FUTURE AGENDA ITEMS

D. SCHEDULE NEXT MEETING

JUNE 16, 2020

E. ADJOURNMENT

THIS AGENDA IS SUBJECT TO AMENDMENT UP TO 72 HOURS PRIOR TO THE DATE AND TIME SET FOR THE MEETING. PLEASE REFER TO THE AGENDA POSTED AT CITY HALL FOR ANY REVISIONS, OR CALL CITY HALL AT 805-772-6201 FOR FURTHER INFORMATION.

MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE COMMITTEE AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION UPON REQUEST BY CALLING THE CITY HALL AT 805-772-6201.

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

**MINUTES – CITIZENS OVERSIGHT/ FINANCE
ADVISORY COMMITTEE
REGULAR MEETING – APRIL 21, 2020
TELECONFERENCE – 3:00 P.M.**

CFAC conducted this meeting in accordance with Section 3 of California Governor Newsom’s Executive Order N-29-20 issued on March 17, 2020 in response to the present State of Emergency in existence due to the threat of COVID-19. This meeting was held via teleconference for all participants.

- | | | |
|------------------|-------------------|---------------------------|
| MEMBERS PRESENT: | John Martin | Chair |
| | Barbara Spagnola | Vice-Chair |
| | Bart Beckman | Member |
| | Lois Johnson | Member |
| | Tina Wener | Member |
| | Homer Alexander | Member |
| | Bill Bowes | Member |
| ABSENT: | None | |
| STAFF PRESENT: | Jennifer Callaway | Finance Director |
| | Scott Collins | City Manager |
| | Steve Knuckles | Fire Chief |
| | Matt Viera | Fire Marshall |
| | Rob Livick | City Engineer |
| | Jody Cox | Police Chief |
| | Bonnie Johnson | Support Services, PD |
| | Sandra Martin | Budget/Accounting Manager |
| | Tracy McConnell | Account Clerk III |

ESTABLISH A QUORUM AND CALL TO ORDER

<https://youtu.be/vWL38NrhEO4?t=61>

Chair Martin called the meeting to order at 3:00 p.m., with seven members present.

MOMENT OF SILENCE

COMMITTEE MEMBERS ANNOUNCEMENTS & PRESENTATIONS

None

STAFF ANNOUNCEMENTS

None

PUBLIC COMMENT PERIOD

None

A. CONSENT CALENDAR

1. APPROVAL OF MINUTES FOR THE FEBRUARY 18, 2020 CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE MEETING.

<https://youtu.be/vWL38NrhEO4?t=183>

Chair Martin suggested the following correction to the February 18, 2020 meeting minutes: Correct the next regularly scheduled meeting date to April 21, 2020.

MOTION: Member Johnson moved to approve A-1 as amended. Member Wener seconded. Motion carried 7 – 0

B. BUSINESS ITEMS

1. BRIEF FINANCE DIRECTOR UPDATE (FINANCE DIRECTOR)

<https://youtu.be/vWL38NrhEO4?t=241>

Finance Director Callaway gave a presentation including the effects of COVID-19 and answered committee questions.

Public Comment;
None

Chair Martin closed public comment.

The presentation was received and filed.

Committee Member Beckman left the meeting at 4:00 p.m.

2. DISCUSSION AND INPUT ON THE MEASURE Q FY 2020/21 DRAFT PROPOSED BUDGET (FINANCE DIRECTOR)

<https://youtu.be/vWL38NrhEO4?t=1280>

Finance Director Callaway presented a proposed budget and discussed possible changes due to the pandemic. After committee discussion recommendations were made.

MOTION: Member Alexander made a motion to help with this year's budget revenue shortfall and the planning for the next fiscal year's budget instead of deferring the work on the pavement management plan that it be eliminated from the Measure Q funding, the funds would be used to offset police and fire personnel expenses.

Motion was withdrawn after discussion.

MOTION: Member Bowes made a motion that all unallocated Measure Q funds in the for FY 19/20 and FY 20/21 only be allocated at this time to police and fire department and we'll hold on allocating the remaining monies the rest until we have better information regarding what are financial situation will be. Member Alexander seconded.

Public Comment:
None

Chair Martin closed public comment.

After committee discussion the motion was withdrawn.

MOTION: Member Alexander made a motion to approve the Measure Q report as presented. Vice Chair Spagnola seconded motion. Motion carried 6 - 0 - 1, with Member Beckman absent.

C. FUTURE AGENDA ITEMS

The following items were addressed as future agenda items:

1. Presentation of a portion of the operating and capital budgets
2. Water Reclamation Facility (WRF) Quarterly Update
3. Investment Report

D. SCHEDULE NEXT MEETING

The next Regular Meeting of the Citizens Finance Advisory Committee is scheduled for May 19, 2020 at 3:00 pm.

E. ADJOURNMENT

The meeting adjourned at 4:43 pm

Recorded by:
Tracy McConnell

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AGENDA NO: B-1

MEETING DATE: May 19, 2020

Amended Staff Report

TO: Chairman and Committee Members

DATE: May 15, 2020

FROM: Jennifer Callaway, Finance Director

SUBJECT: Review WRF Quarterly Update Report

RECOMMENDATION

Receive WRF Quarterly Update Report.

DISCUSSION

Provided as Attachment 1 is the Quarterly Water Reclamation Facility Project Report. This report is scheduled to be presented to the City Council on May 26, 2020 and, as such, is being presented to the CFAC committee for review in advance. Also, per Committee Member request, attached is a project schedule that two Committee Members have discussed with the City's WRF Project Manager.

FISCAL IMPACT

The Public Works Advisory Board (PWAB) will be reviewing potential change orders (PCOs) for the WRF facility at their May 20, 2020 meeting. They will provide input to City Council for their May 26, 2020 meeting, where Council will review the PCOs. The total cost for the twenty-six (26) PCOs is \$5,992,217. If all the PCOs are approved, the guaranteed maximum price for the WRF facility component of the overall project would increase from \$68,934,508 to \$74,926,725. This total cost for the PCOs exceeds the planned contingency for the WRF included in the original \$126 million baseline budget by \$1,451,000. Acceptance of all the PCOs would result in an increase in the overall WRF Project budget from \$126 million to \$130.6 million. This new amount of \$130.6 million maintains a total project contingency of \$4.2 million (with \$1.45 million designated for the WRF facility component of the project). Despite the overall increase in the estimated total cost of the WRF project, it will not impact the existing water and sewer rates for Morro Bay residents and businesses.

In order to evaluate the impacts of the updated project budget and the cost of money as a result of reduced interest rates on the Project, the City's financial consultant, Bartle Wells Associates (BWA) developed a comparison of debt service payments developed in 2018 as part of the original Rate Study, an analysis performed in October 2019 following the City being placed on the 2019 fundable projects list by the Clean Water State Revolving Fund (CWSRF), and an analysis performed in May 2020 that reflects the new budget and the actual interest rate included in the executed loan agreement with the Water Infrastructure Financing and Innovation Act (WIFIA) program. The results are presented in the table below:

Prepared By: JC

Dept Review:

City Manager Review: SC

City Attorney Review:

Scenario	2018 Rate Study	2019 Financial Plan Update	2020 Debt Service Projections
Project Budget	\$126,000,000	\$125,882,000	\$130,596,000
Debt Proceeds	\$95,175,000	\$97,000,000	\$101,714,000
Total Debt Service Cost	\$179,945,000	\$132,660,000	\$128,138,000
Present Value of Total Debt Service Payments⁽¹⁾	\$107,738,000	\$81,698,000	\$74,622,000
Maximum Annual Debt Service Payment	\$5,293,000	\$4,422,000	\$3,993,000
Notes: (1) Present value is shown in current dollars and assumes a 3-percent discount rate.			

ATTACHMENTS

1. City of Morro Bay Water Reclamation Facility Quarterly Report
2. WRF Project Schedule



MORRO BAY
OUR WATER
RELIABLE. CLEAN. FOR LIFE.

City of Morro Bay
Water Reclamation Facility Project

QUARTERLY REPORT MARCH 2020

FINAL | May 2020

The logo for Carollo, featuring a stylized blue wave icon to the left of the word "carollo" in a bold, lowercase, sans-serif font, with a registered trademark symbol (®) to the right.



City of Morro Bay
Water Reclamation Facility Project

QUARTERLY REPORT MARCH 2020

FINAL | May 2020

This document is released for the
purpose of information exchange review
and planning only under the authority of
Eric T. Casares,
May 2020,
State of California, P.E. 73351

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Abbreviations

Bartle Wells	Bartle Wells Associates
BO	Biological Opinion
BOD	Biochemical Oxygen Demand
CDP	Coastal Development Permit
CDWF	California Department of Fish and Wildlife
CPT	Cone Penetration Test
CPUC	California Public Utilities Commission
CRLF	California Red Legged Frog
CWSRF	Clean Water State Revolving Fund
DDW	Division of Drinking Water
Design Build Team	Filanc and Black & Veatch
EACs	estimates and completion
EPA	Environmental Protection Agency
ESCP	Enhanced Source Control Program
GMP	Guaranteed Maximum Price
IFC	issued for construction
IIPP	Illness and Injury Prevention Plan
IPR	Indirect Potable Reuse
KPI	Key Performance Indicator
MBCC	Morro Bay Chamber of Commerce
MBR	Membrane Bioreactor
NPDES	National Pollution Discharge Elimination System
NTP	notice to proceed
PA	Programmatic Agreement
PCO	Potential Change Order
PPP	Pollution Prevention Program
Program Manager	Carollo Engineers
Project	Water Reclamation Facility Project
PWAB	Public Works Advisory Board
PWAB	Public Works Advisory Board
RWQCB	Regional Water Quality Control Board
SHPO	State Historic Preservation Office
SPI	Schedule Performance Index
TSO	Time Schedule Order
TSS	Total Suspended Solids
USBR	United States Bureau of Reclamation
USFWS	

UVAOP	Ultraviolet Advanced Oxidation Process
Vistra	Vistra Energy
WIFIA	Water Infrastructure Finance and Innovation Act
WRF	Water Reclamation Facility
WRFCAC	Water Reclamation Facility Citizens Advisory Committee
WWE	Water Works Engineers
WWTP	

Section 1

PROJECT OVERVIEW

1.1 General Project Status Update

All components of the Water Reclamation Facility Project (Project) are currently in progress.

During the last quarter, the design-build team advanced the design of the Water Reclamation Facility (WRF) and delivered the 90 percent design deliverable on March 31, 2020. The City also issued a notice to proceed (NTP) for construction on March 20, 2020. The design-build team has begun mobilization and mass earthwork at the South Bay Boulevard site.

The pipeline designer delivered the 90-percent design deliverable for the Conveyance Facilities on February 10, 2020. A workshop was held with the Program Manager and the City to review substantial comments on February 25 and 26, 2020.

On March 09, 2020, the City signed a \$61.7 million low-interest loan with the Environmental Protection Agency's (EPA's) Water Infrastructure Finance and Innovation Act (WIFIA) program. Finalizing the loan agreement was the culmination of a process in 2017 that began with the City submitting a letter of interest to EPA. Based on the timing of execution, the City was able to take advantage of a low interest rate at 0.83 percent.

City staff and the Program Manager have been working closely with the EPA's WIFIA staff to complete the Section 7 consultation process with the USFWS regarding the California Red Legged Frog (CRLF) since October 2019. On February 20, 2020, the City received the Final Biological Opinion (BO), which allowed the City to sign the WIFIA loan agreement soon after and issue the construction NTP to the design-build team for the WRF.

Table 1 summarizes some of the key accomplishments and critical challenges identified for the Project through March 2020.

Table 1 Project Accomplishments and Challenges

Project Component	Key Accomplishments	Critical Challenges	Actions to Overcome Challenges	Likely Outcomes
General Project	Signed WIFIA loan agreement for \$61.7 million.			
	Completed Section 7 consultation with the USFWS for the CRLF and received the Final BO.			
Water Reclamation Facility	Completed the 90-percent design deliverable.			
	Issued the construction NTP.			
		Numerous potential change orders (PCOs) need to be considered that will likely exceed the \$126 million Project budget.	PCOs will be presented to the Public Works Advisory Board (PWAB) and City Council.	
Conveyance Facilities		Complete the permitting process with the California Department of Fish and Wildlife (CDFW).	Continue to coordinate with CDFW staff to facilitate review.	Avoidance of certain areas on the WRF site is causing construction inefficiencies that could result in a future PCO.
	Completed the 90-percent design deliverable.			
		Expediting completion of the final design for the Conveyance Facilities.	Possible elimination of intermediate design deliverables.	Further delays in the start of construction could impact the start-up of the WRF and delay compliance with the time schedule order (TSO).
Recycled Water Facilities		Receipt of easements necessary to construct the pipelines in the City's existing bike path.	Work closely with Vistra (Vistra Energy), PG&E, and California Public Utilities Commission (CPUC) to obtain the easements.	Delayed receipt of the easements could complicate or delay construction of the Conveyance Facilities.
		Receipt of property necessary to construct the injection wells.	Work with Vistra to obtain the property for the injection wells.	Without expediting the schedule, the completion of the injection wells will be delayed (does not impact compliance with the TSO).

1.2 Quarterly Budget Revision

The original \$126 million baseline budget was developed in June 2018 (Q4 Fiscal Year 2017/2018) and was used as the basis for the rate study prepared by Bartle Wells Associates (Bartle Wells). At the beginning of each fiscal year, the budget is updated and used as the measure of performance for the Project during that upcoming fiscal year. The budget is then reviewed and reconciled on a quarterly basis so it can be compared to both the current fiscal year and baseline budgets. The next budget reconciliation will occur at the end of Q4 Fiscal Year 2019/2020 (June 30, 2020). A summary of the baseline, reconciled quarterly, and fiscal year budgets are summarized in Table 2. Subsequent budget reconciliations (quarterly) and fiscal year budgets (annual) will also be presented in this table for reference.

Table 2 Budget Revision Summary

Project Component	Baseline (Q4 FY 17/18)	Quarterly Reconciliation (Q3 FY 18/19)	Current Fiscal Year (Q4 FY 18/19)	Quarterly Reconciliation (Q1 FY 19/20)	Quarterly Reconciliation (Q2 FY 19/20)	Quarterly Reconciliation (Q3 FY 19/20)
Water Reclamation Facility	\$62,414,000	\$74,059,000	\$72,891,000	\$72,598,000	\$72,231,000	\$71,856,000
Conveyance Facilities	\$21,087,000	\$27,108,000	\$28,864,000	\$28,524,000	\$29,224,000	\$29,989,000
Recycled Water Facilities	\$8,593,000	\$5,366,000	\$5,250,000	\$5,212,000	\$5,353,000	\$5,526,000
General Program	\$24,403,000	\$11,614,000	\$11,801,000	\$11,625,000	\$11,701,000	\$12,964,000
Construction Contingency	\$9,444,000	\$6,450,000	\$7,132,000	\$7,131,000	\$7,364,000	\$10,264,000
Total	\$125,941,000	124,597,000	\$125,938,000	\$125,090,000	\$125,873,000	\$130,599,000

Notes:

(1) Breakdown of the current contingency (\$10,264,000) is as follows: WRF = \$7,506,000; Conveyance Facilities = \$2,458,000; and Recycled Water Facilities = \$300,000

Changes to the Project budget since the completion of the fiscal year budget reconciliation in Q1 Fiscal Year 2018/2019 can be attributed to the following:

- Addition of \$2.9 million in construction contingency for the WRF needed to cover additional PCOs that will be considered by the City Council in late May 2020.
- Addition of pre-construction archeological investigations outlined in the Programmatic Agreement (PA) negotiated with the State Historic Preservation Office (SHPO) for the Conveyance Facilities and Recycled Water Facilities components of the Project.
- Addition of archeological and tribal representative monitoring for the Conveyance Facilities and Recycled Water Facilities components of the Project.
- Addition of biological monitoring for the Conveyance Facilities and Recycled Water Facilities components of the Project.

Table 3 summarizes the positions and estimates at completion (EACs) for the major elements of the Project through the end of Q3 FY 19/20 when the last budget reconciliation was completed.

Table 3 Estimates at Completion

Project Component	Original Estimates	Initial Contract Value	Current Contract Value	Expenditures to Date	Estimate at Completion
General Project	\$24,403,000			\$4,174,821	\$13,917,000
City Costs ⁽²⁾				\$1,898,617	\$4,078,000
Program Management ⁽³⁾ (Carollo Engineers)		\$293,000	\$4,280,916	\$2,276,204	\$9,839,000
Water Reclamation Facility	\$62,414,000			\$8,158,699	\$68,871,000
Design/Build (Filanc/Black & Veatch)		\$67,234,512	\$68,870,572	\$8,158,699	\$68,871,000
Conveyance Facilities	\$21,087,000			\$1,807,054	\$26,386,000
Design (Water Works Engineers)		\$1,360,565	\$2,052,387	\$1,807,054	\$2,152,000
Construction				-	\$24,234,000
Recycled Water Facilities	\$8,593,000			-	\$3,575,000
Design				-	\$450,000
Construction				-	\$3,125,000
Contingency	\$9,444,000				\$10,263,000
Water Reclamation Facility					\$7,505,000
Conveyance Facilities					\$2,458,000
Recycled Water Facilities					\$300,000
Other Contracts⁽⁴⁾				\$5,367,826	\$7,587,000
Total	\$125,941,000			\$19,508,400	\$130,599,000

Notes:

- (1) Total expenditures and EAC are based on the budget reconciliation completed for Q3 FY 19/20.
- (2) City costs include staff salaries and benefits, legal services, land acquisition, supplies and equipment, etc.
- (3) Includes total program management costs including public outreach and construction oversight/management.
- (4) Other Contracts includes previous consultants including MKN and Black & Veatch and current consultants including Far Western, ESA, Kestrel, GSI, Bartle Wells Associates, etc.

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 4. The Project's performance is also illustrated graphically in Figures 1 and Figure 2.

Table 4 WRF Project Performance Measures

Performance Measure	Data	Baseline (Q4FY 18/19)	Current (Q1 FY 19/20)	Delta	Status	Ⓜ	Ⓨ	Ⓡ
1: Total Project Costs	Total Project Projected Cost at Completion versus the Baseline Budget (budget as of 03/31/20)	\$125.9 M	\$130.6 M	3.7%	Ⓜ	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 03/31/20)	\$77.3 M	\$79.4 M	2.7%	Ⓜ	Estimated cost within 5% of target budget	Estimated cost > 5% above target budget	Estimated cost > 10% above target budget
1.2: Conveyance Facilities Costs	Conveyance Facilities Projected Cost at Completion versus the Baseline Budget (budget as of 03/31/20)	\$31.3 M	\$32.5 M	3.6%	Ⓜ	Estimated cost within 5% of target budget	Estimated cost > 5% above target budget	Estimated cost > 10% above target budget
1.3: Recycled Water Facilities Costs	Off Site Injection Facilities Projected Cost at Completion versus the Baseline Budget (budget as of 03/31/20)	\$5.6 M	\$5.8 M	4.4%	Ⓜ	Estimated cost within 5% of target budget	Estimated cost > 5% above target budget	Estimated cost > 10% above target budget
1.4: General Project Costs	General Project Projected Cost at Completion versus the Baseline Budget (budget as of 03/31/20)	\$11.7 M	\$12.9 M	10.7%	Ⓡ	Estimated cost within 5% of target budget	Estimated cost > 5% above target budget	Estimated cost > 10% above target budget
2: Program Manager Earned Value	Ratio of Program Manager Earned Value to Actual Invoiced Cost-to-Date (as of 03/31/20)	1.00	1.07	0.07	Ⓜ	>= 1.00	0.99 to 0.90	< 0.90
3: Schedule Performance Index ⁽¹⁾	Ratio of Planned Percent Complete to Actual Percent Complete (as of 03/31/20)	1.00	0.94	-0.06	Ⓨ	>=1.00	0.99 to 0.80	<0.80
4: Conveyance Pipeline Installed	Feet of conveyance pipeline installed (thru 03/31/20)	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 03/31/20)	1,064 days	832 days	-258 days	Ⓨ	<= 365 days	364 days and 180 days	> 179 days

Section 3

PROJECT COSTS

3.1 Project Budget

The overall budget status for the Project is summarized in Table 5. 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 5 shows the total amount of work currently under contract and provides a summary of total charges.

Table 5 WRF Project Overall Budget Status (thru March 2020)

Summary of Total WRF Project Cost	
Original Baseline WRF Project Budget ⁽¹⁾	\$125,941,000
Current Fiscal Year WRF Project Budget (as of 6/30/19) ⁽²⁾	\$125,884,000
Current WRF Project Budget (as of 03/31/20) ⁽³⁾	\$130,599,000
Budget Percent Change (Current versus Fiscal Year)	3.7%
Total Expenditures for March 2020	\$1,999,000
Total Expenditures to Date (thru 03/31/20 invoices)	\$19,508,000
Percent of Current WRF Project Budget Expended	14.9%
Summary of Contracted Work	
Total Contracted Amount	\$80,126,000
Percent of Current WRF Project Budget Contracted	61.4%
Total Contracted Amount Expended	\$16,838,000
Percent of Contracted Amount Expended	17.3%
Remaining WRF Project Contracted Amount	\$63,288,000

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 reviewed on an annual basis at the end of each fiscal year (June 30th) and is used as the basis of performance for the Project for the upcoming fiscal year.
- (3) The Project budget is reconciled on a quarterly basis and compared to the current fiscal year budget (i.e., September 30th, December 31st, and March 31st)

3.2 Project Cash Flow

Figure 1 presents the projected and actual expenditures for the Project through March 2020 compared to the Fiscal Year 2019/2020 budget developed at the end of Q4 Fiscal Year 2018/2019. 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 2018/2019 have been combined to improve readability. Milestones have been added to the cumulative fiscal year budget and cumulative forecasted expenditures to show changes in the Project schedule that have occurred between development of the fiscal year budget from June 2019 and the current, reconciled budget developed at the end of December 2019. The 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. While, the compliance with the TSO has been delayed several months due to consultation with the USFWS, completion of construction of the injection wells has been impacted more significantly due to property acquisition.

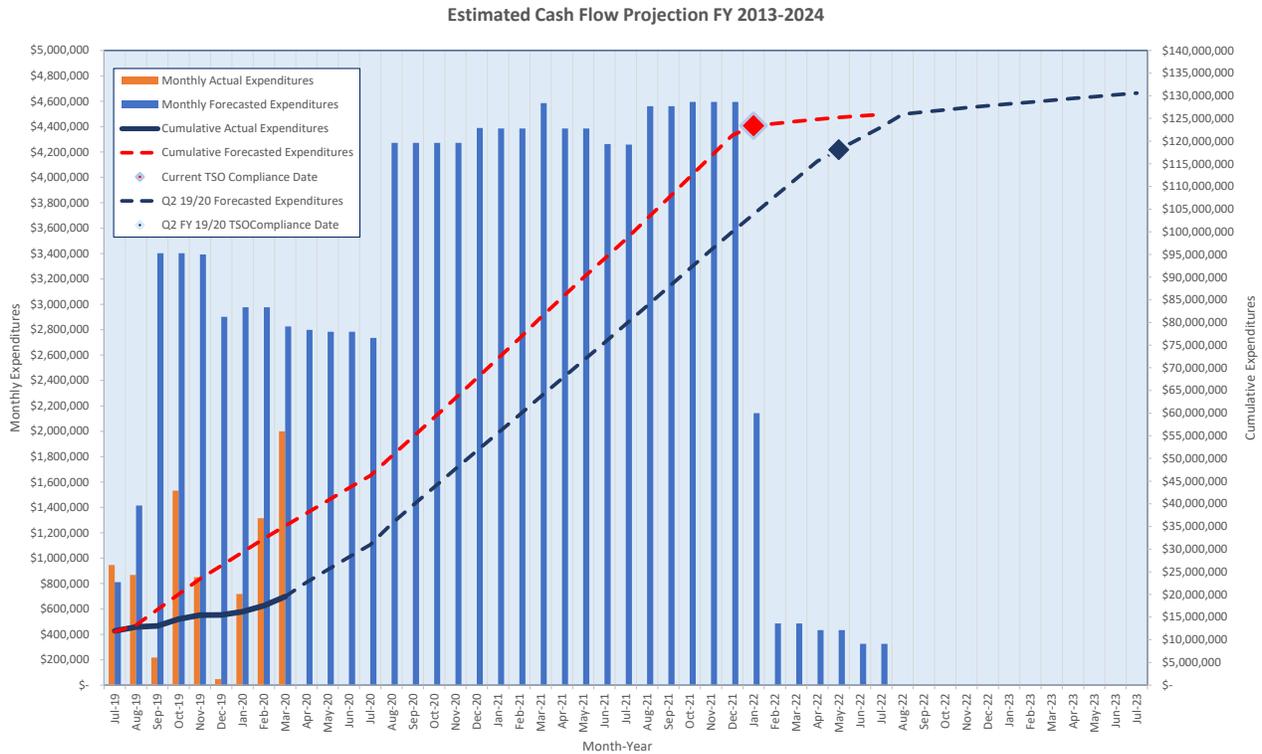


Figure 1 Project Cash Flow Projections and Actual Expenditures

A breakdown of the current Q3 Fiscal Year 2019/2020 budget by fiscal year is included in Table 6.

Table 6 WRF Project Cost Fiscal Year Projections

Project	Actual Expenditures to Date	Remainder FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	Total Project
General Project	\$9,154,000	\$826,000	\$1,159,000	\$876,000	\$876,000	\$73,000	\$12,967,000
WRF	\$8,159,000	\$7,524,000	\$29,298,000	\$29,540,000	\$4,840,000	\$0	\$79,360,000
Conveyance Facilities	\$1,807,000	\$271,000	\$16,116,000	\$14,252,000	\$0	\$0	\$32,446,000
Recycled Water Facilities	\$388,000	\$121,000	\$740,000	\$377,000	\$3,875,000	\$325,000	\$5,826,000
Total	\$19,508,000	\$8,742,000	\$47,313,000	\$45,045,000	\$9,591,000	\$398,000	\$130,599,000

Notes:

(1) Cost includes the total anticipated cost for each element of the Project.

3.3 Project Cost Summary

Table 7 summarizes the cost-to-date and contracted amounts for each of the elements of the Project. This table also provides the current cost estimate for each project. Detailed information on the individual elements of the Project is provided in Section 7 of this Report.

Table 7 WRF Project Cost Summary (through December 2019)

Project	Actual Expenditures to Date	Total Contracted Cost	Contract Expended to Date (%)	Total Project Cost (Est.) ⁽¹⁾	Cost Expended to Date (%)
General Project	\$6,504,000	\$8,781,000	74.1	\$12,967,000	50.2
WRF	\$8,221,000	\$68,935,000	11.9	\$79,360,000	10.4
Conveyance Facilities	\$1,807,000	\$2,052,000	88.1	\$32,446,000	5.6
Recycled Water Facilities	\$307,000	\$358,000	85.8	\$5,826,000	5.3
Total⁽²⁾	\$16,839,000	\$80,126,000	21.0	\$130,599,000	12.9

Notes:

(1) Cost includes the total anticipated cost for each element of the Project.

(2) Actual total expenditures are equal to \$19,508,000 (Table 6), but includes \$2,000,000 of City costs (i.e., labor, expenses, etc.)

3.4 Detailed Project Costs

The following tables show the detailed costs to date for active contracts for each element of the Project.

Table 8 General Project Activities Cost Summary (through March 2020)

Consultant / Contractor	Actual Expenditures to Date	Total Contracted Cost	Contract Expended to Date (%)
ESA	\$412,080	\$412,920	99.8
Far Western	\$124,212	\$260,922	47.6
Kestrel	\$197,488	\$219,872	89.8
Bartle Wells Associates	\$65,580	\$100,800	65.1
JoAnn Head Land Surveying	\$97,693	\$102,644	95.2
JSP Automation	\$21,778	\$63,500	34.3
Carollo Engineers, Inc. ⁽¹⁾	\$2,271,204	\$4,281,916	53.0
Total	\$3,190,034	\$5,442,574	58.6.8

Notes:

(1) Total estimate at completion for Program Management/Construction Management is projected at \$9.8 million.

Table 9 WRF Cost Summary (through March 2020)

Consultant / Contractor	Actual Expenditures to Date	Total Contracted Cost	Contract Expended to Date (%)
Overland Contracting	\$8,158,699	\$68,934,509 ⁽¹⁾	11.8
Total	\$8,158,699	\$68,870,572	9.0

Notes:

(1) Cost includes final value for Amendment No. 1 of \$1,636,060 and the original contract value of \$67,234,512.

(2) Cost includes final value for Amendment No. 2 of \$63,937 and the original contract value of \$67,234,512.

Table 10 Conveyance Facilities Cost Summary (through March 2020)

Consultant / Contractor	Actual Expenditures to Date	Total Contracted Cost	Contract Expended to Date (%)
Water Works Engineers (WWE)	\$1,807,054	\$2,052,387	88.0
Total	\$1,807,054	\$2,052,387	88.0

Table 11 Recycled Water Facilities Cost Summary (through March 2020)

Consultant / Contractor	Actual Expenditures to Date	Total Contracted Cost	Contract Expended to Date (%)
GSI	\$458,103	\$508,947	90.0
Middle Earth	\$6,570	\$6,810	96.5
Total	\$393,590	\$515,757	76.3

3.5 Change Orders

In May 2019, City staff and the Program Manager presented seventeen (17) potential change orders (PCOs) with a total value of \$1.9 million for the WRF to the Water Reclamation Facility Citizens Advisory Committee (WRFCAC) and the City Council. The City Council approved these PCOs and authorized City staff to update the design-build team's contract and associated guaranteed maximum price (GMP). Since that time, the City and Program Manager have worked with the design-build team to value engineer Change Order No. 10 and reduce the cost by more than \$200,000. The City therefore amended the value for Amendment No. 1 to \$1,636,060 that was executed by the City in January 2020.

During Q3 FY 2019/2020 the City Manager authorized PCO No. 65, which was required to bring the design-build agreement in compliance with the appropriate prevailing wage rates (i.e., Davis-Bacon) required by the WIFIA and Clean Water State Revolving Fund (CSWRF) programs.

While no new change orders were approved in Q3 FY 2019/2020, the City and Program Manager have been negotiating several PCOs with the design-build team that will be brought to the Public Works Advisory Board (PWAB) and City Council in May 2020. The eighteen (18) approved change orders are summarized in Table 12 and 13.

Table 12 Summary of Approved Change Orders (Amendment No. 1)

Contract	Change Order No.	Description	Value
WRF	01	New Sodium Hypochlorite Feed for Plant Water	\$78,576
WRF	02	Change Architecture of Operations Building	\$(21,623)
WRF	03	Headworks Odor Control	\$18,422
WRF	04	Remove Canopy and Monorail at membrane bioreactor (MBR)	\$(185,434)
WRF	05	Consolidate Chemical Facilities	\$218,978
WRF	06	Modify Chemical Piping	\$(15,856)
WRF	07	Remove Solids Dumpster Lid	\$14,543
WRF	08	Add SAFE Equalization Tank	\$504,116
WRF	09	Instrumentation and Control Changes	\$75,266
WRF	10	Revise Maintenance Building Layout and Size	\$516,583
WRF	11	Influent Piping and Metering	\$411,766
WRF	12	Install Outdoor-Rated Positive Displacement Blowers at BNR Facility	\$(58,210)
WRF	13	Remove Bypass of Coarse Screens	\$(37,137)
WRF	14	SAFE Diversion Box Additions	\$58,304
WRF	15	Size Dewatering as a Building in the Future	\$30,983
WRF	16	Stairs for the Coarse Screens and Grit Basins (total of 4)	\$52,870
WRF	17	Indirect Potable Reuse (IPR) Product Water Tank Bypass	\$(26,087)
Total			\$1,636,060

Table 13 Summary of Approved Change Orders (Amendment No. 2)

Contract	Change Order No.	Description	Value
WRF	65	Davis-Bacon Wage Increases	\$63,937
Total			\$63,937

3.6 Reimbursement from Funding Agencies

In 2017, the City was awarded a \$10.3 million planning loan from the CWSRF program. To date, the City has made three reimbursement requests that will exhaust the planning loan. A summary of these requests are summarized in Table 14.

Table 14 Summary of Reimbursement Requests

Agency	Description	Date	Value
State Water Board	CWSRF Planning Loan	December 2018	\$289,595
State Water Board	CWSRF Planning Loan	November 2019	\$6,431,925
State Water Board	CWSRF Planning Loan	December 2019	\$3,860,506
Total			\$10,582,026

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. The dark blue bars represent the current actual progress through March 2020. 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 planned percent complete versus the current actual 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

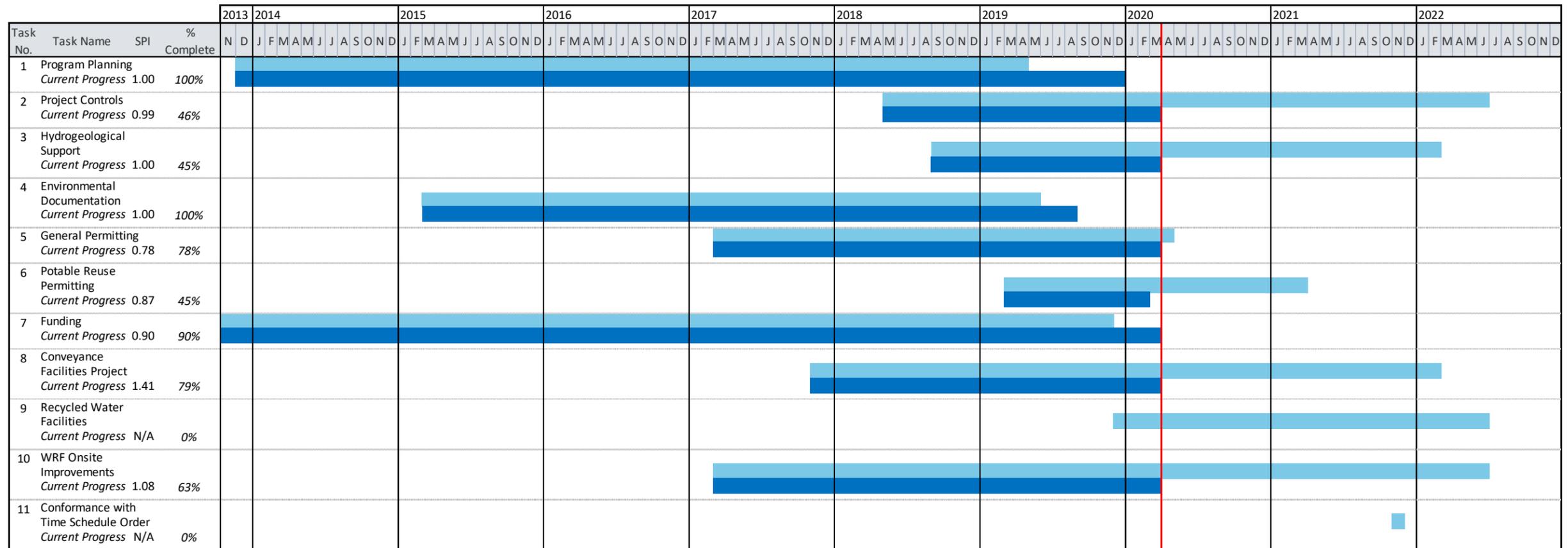
In June 2018, the City received a TSO from the RWQCB. The TSO requires the City to comply with a time schedule that will, within five years of adoption, allow the City to achieve full compliance with biochemical oxygen demand (BOD) and total suspended solids (TSS) final effluent limitations established in Order No. R3-2017-0050. In addition to the final compliance date, a number of intermediate milestones are provided in Table 3 (Compliance Schedule) of the TSO. Presented in Table 15 are the milestones in the TSO.

Table 15 Time Schedule Order Milestone Summary

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	September 21, 2020	-
Completion of WRF Improvements with Completion Report	December 30, 2022	June 15, 2022	-
Full compliance with final effluent limitations	February 29, 2023	June 15, 2022	-

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 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.



Project SPI: 0.94
 Program % Complete: 70%

Baseline Schedule
 Actual Progress-To-Date

Figure 2 Project Summary Schedule

An expanded milestone schedule has also been developed for outstanding Project activities.

Table 16 Expanded Milestone Schedule

Milestone	Baseline Schedule due Date	Planned Completion Date
<u>General Project</u>		
Compliance with the TSO ⁽¹⁾	November 11, 2021	June 15, 2022
<u>Water Reclamation Facility</u>		
Begin Construction	August 08, 2019	March 20, 2020
Deliver 90 Percent Design	October 24, 2019	March 31, 2020
Substantial Completion	November 11, 2021	June 15, 2022
Final Completion	June 09, 2022	February 06, 2023
<u>Conveyance Facilities</u>		
Deliver 90 Percent Design	October 15, 2019	February 10, 2020
Deliver 100 Percent Design	December 17, 2019	June 19, 2020
Bid Advertisement	February 21, 2020	June 22, 2020
Award Construction Contract	May 08, 2020	September 21, 2020
Substantial Completion	September 17, 2021	March 29, 2022
Final Completion	November 19, 2021	May 21, 2022
<u>Recycled Water Facilities</u>		
Select Preferred Injection Area	May 28, 2019	May 22, 2020
Deliver 30 Percent Design	August 04, 2020	October 01, 2021
Deliver 60 Percent Design	November 10, 2020	January 07, 2022
Deliver 90 Percent Design	February 16, 2021	April 15, 2022
Deliver 100 Percent Design	April 27, 2021	June 24, 2022
Award Construction Contract	July 21, 2021	August 18, 2022
Substantial Completion	April 21, 2022	July 21, 2023
Final Completion	June 21, 2022	September 15, 2023

Notes:

(1) The TSO requires compliance with full secondary treatment by February 28, 2023.

Section 5

DESIGN AND PROCUREMENT

5.1 Design Status

No new design contracts for the Project were executed in Q3 Fiscal Year 2019/2020. A summary of the existing design contracts is included in Table 17 below.

Table 17 Procurement Status (through March 2020)

Project Name	Current Contract Amount	Amount Expended	30%	60%	90%	100%	Final
WRF	\$8,158,699	\$68,934,509	✓	✓	✓	NA	NA
Conveyance Facilities	\$1,869,707 ⁽¹⁾	\$1,018,473	✓	✓	✓		
Recycled Water Facilities	\$0	\$0					

Notes:

(1) The total value of the Water Works Engineers is \$2,052,387, but includes \$182,680 for re-engineering services during construction.

5.2 Procurement

No design or design-build contract procurements were performed in Q3 FY 2019/2020. Table 18 presents a summary of the procurement activity for the Project.

Table 18 Procurement Status (through March 2020)

Project Name	Circulate Request for Proposals	Proposal Opening Date	Council Award Date	Notice to Proceed Date	Consultant
WRF	January 24, 2018	May 8, 2018	October 23, 2018	November 01, 2018	Overland Contracting (Filanc-Black & Veatch)
Conveyance Facilities	January 31, 2017	March 8, 2017	November 14, 2017	November 15, 2017	Water Works Engineers
Recycled Water Facilities	Design Engineer to be Selected in 2020				

Section 6

CONSTRUCTION STATUS

6.1 Construction Summary

During Q3 Fiscal Year 2019/2020, construction began for the WRF. Table 19 presents a summary of project construction progress and costs through December 2019.

Table 19 Project Construction Costs

Project Name	Amount Expended	Initial Contract Amount	Current Contract Amount	% Change in Contract Amount
WRF	\$8,158,699	\$67,234,512	\$68,934,509	2.5
Conveyance Facilities	\$0	\$0	\$0	0
Recycled Water Facilities	\$0	\$0	\$0	0
Construction Total	\$0	\$67,234,512	\$68,934,509	2.5

6.2 Upcoming Traffic Control

6.2.1 Planned Impacted Areas

As the Conveyance Facilities component of the Project has not yet started construction, no traffic control activities are planned at this time.

6.2.2 Hours of Planned Lane/Road Closures

As the Conveyance Facilities component of the Project has not yet started construction, no lane or road closures are planned at this time.

6.3 Construction Safety

The City issued a notice to proceed to the design-build contractor for the WRF on March 20, 2020 in the midst of a shelter in place order for the County of San Luis Obispo as a response to the COVID-19 pandemic. As an essential infrastructure project under County Order (11.c.1), construction has been allowed to continue during this time. Safety is the first priority for the City, Program Manager, and contractor, and the following measures have been implemented to maintain worker safety and minimize the risk to the surrounding community including:

- Program Manager instructed the design-build team to update their Illness and Injury Prevention Plan (IIPP) to include provisions for COVID-19.
- Program Manager sent the Los Angeles Building and Safety COVID-19 Guidance for Construction Sites to the design-build team. This manual is being looked to as a model for best practices in the industry.

It should be noted that all of the Filanc field staff are currently living in the same house in Morro Bay, essentially isolating together, which could explain why a group of worker may be seen congregating together.

The Project safety goal is zero reportable incidents. There has been a total of zero reported incidents through March 2020.

Section 7

OTHER PROGRAM ACTIVITIES

7.1 Public Outreach

Through Q3 Fiscal Year 2019/2020, contact has been made with approximately 80 businesses along the Conveyance Facilities alignment, including one-on-one meetings and pop-ins to drop-off Project information. The purpose of the one-on-one meetings is to give businesses a status update and gather business access and operations information that can help inform the development of construction work restrictions and traffic handling requirements. In addition, two meetings have been held with the Morro Bay Chamber of Commerce (MBCC) and member businesses to discuss traffic control handling approaches.

Important information gathered includes parking information, driveway access and off-street circulation, large delivery/pick up vehicle scheduling, hours of operation and peak business times, types of customer traffic (appointments and walk-ins, vehicle and pedestrian) and point of contact verification. Information gathered from the business outreach was compiled by the Program Manager to incorporate the construction work restrictions and traffic handling requirements for into the Conveyance Facilities design. A series of alignment maps and an overview presentation was developed to visually communicate the traffic handling planning and work restriction information.

In March 2020, communications were developed and distributed to announce the execution of the WIFIA loan. Seven news articles were placed based on the WIFIA news release.

In April 2020, the Program Manager is planning to launch a new website as an online hub of project documents, informational materials and construction information.

7.2 Permitting Activities

Permit compliance is an important aspect of the Project. The current permitting activities include:

- Division of Drinking Water (DDW).
 - Continued developing the Enhanced Source Control Program (ESCP) required by the DDW for potable reuse projects.
- USFWS.
 - Completed the Section 7 consultation with the USFWS for the CRLF with receipt of the Final BO, which allowed the City to sign the loan agreement and CWSRF to complete their environmental review.
- Caltrans
 - Continued working with Caltrans to obtain the encroachment permit necessary to construct the Conveyance Facilities pipelines.

- CDFW.
 - Submitted formal notification to CDFW for the erosional feature located on the WRF site. The City maintains that this erosional feature is not a water of the state and should not be a jurisdictional feature.
 - Began working on the formal notification necessary to obtain a stream bed alteration agreement for the Conveyance Facilities component of the Project.

7.3 Funding Status

- Execution of a \$61.7 million loan agreement with the EPA's WIFIA program.
- Completion of the CWSRF staff's environmental review allowing the City to begin construction of the WRF.
- Continued to support CWSRF's technical, legal, and financial reviews. The City anticipates signing a loan agreement with CWSRF by the end of 2020.
- Submitted a feasibility study for the United States Bureau of Reclamation (USBR) Title XVI Grant Program. The City plans to have an approved feasibility study and be eligible for the Title XVI Grant Program in 2020. The program will fund up to half of the total project costs not to exceed \$20 million.

7.4 City Operations Activity

The current City Operations activities include:

- Significant City Operations activities are not anticipated until start-up of the WRF begins in October 2021.

Section 8

PROJECT DETAILS

8.1 Water Reclamation Facility

8.1.1 Design/Build

In October 2018, the City executed a contract with Overland Contracting consisting of a joint venture of Filanc and Black & Veatch (i.e., design-build team) for design and construction of the WRF located at the South Bay Boulevard site. The WRF will be delivered using the design-build process.

8.1.2 Project Scope

The scope of this element of the Project includes a preliminary, secondary, and advanced treatment facilities. The secondary treatment processes will consist of a MBR and have the ability to exceed the anticipated discharge requirements for the City's new National Pollution Discharge Elimination System (NPDES) permit. The advanced treatment facilities include RO and Ultraviolet Advanced Oxidation Process (UVAOP). Purified water from the advanced treatment facilities will be injected into the Lower Morro Groundwater Basin.

8.1.3 Current Progress

The design-build team delivered the 90-percent design deliverable at the end of March 2020. The design-build team will incorporate the City's comments on the 90-percent design deliverable and submit an issued for construction (IFC) set of plans and specifications in May 2020. Upcoming Activities

Construction at the South Bay Boulevard site began in late March 2020.

8.1.4 Project Challenges

Access to part of the South Bay Boulevard site is currently being impacted by the ongoing process with CDFW.

Table 20 WRF Performance Measures

Performance Measures	Target	Current	Status
Construction Cost ^{(1),(2)}	\$67.2M	\$68.9M	
Construction Contingency ^{(3),(4), (5)}	\$6.2M	\$7.5M	

Notes:

- (1) Project budget and current contract amount (≤5% over target = Green, between 5% and 10% over target = Yellow, >10% over target = Red).
- (2) The GMP includes costs for both design and construction of the WRF.
- (3) Project budget and current amount (≤50% of target = Green, between 0% and 50% of target = Yellow, ≤0% of target = Red).
- (4) The Program Manager initially allocated \$6.2 million for contingency for the WRF component of the project. With execution of Amendment No. 1 and 2, \$1.7 million has been moved from contingency to the GMP leaving \$4.5 million in contingency.

(5) In anticipation of approximately \$6.0 million in additional PCOs that will be considered by the City Council in May 2020, the City and Program Manager are recommending the addition of \$2.9 million to contingency for the Project.

Table 21 WRF Construction Summary

Schedule			
Request for Bid / Bid Advertisement	January 24, 2018		
Bid Opening Date	May 08, 2018		
Contract Award / Council Award Date	October 23, 2018		
Notice to Proceed for Construction	NA		
Original Final Completion Date	June 09, 2022		
Original Duration (Non-Working Days)	1,316		
Days Changed by Change Order	0		
Actual Final Completion Date (including Non-Working Days)	October 27, 2022		
Schedule Percent Complete	29.6%		
Budget			
Engineer's Estimate (Construction Cost + 10% Construction Contingency)	\$73,475,845		
Award Amount (including Design Cost)	\$67,234,512		
Change Order Total	\$1,699,997		
Current Contract Value	\$68,934,509		
Percent Change	2.5%		
Work Completed			
Actual Cost -to-Date	\$8,158,699		
Percent Complete (Percent Expended)	11.8%		
Construction Oversight Statistics			
	PCOs	COs	NOPCs
Total Received	74	N/A	3
Total Approved	N/A	17 ⁽¹⁾	2 ⁽²⁾
Total Pending	24	N/A	1
Average Turnaround (calendar days)	N/A	N/A	N/A

Acronym List:

PCO – Proposed Change Order; CO – Change Order; NOPC – Notice of Potential Claim

Notes:

(1) 17 PCOs have been approved and are reflected in Amendment No. 1 and 2 to the design-build agreement.

(2) Two (2) notice of potential claims are addressed with the PCOs.

8.2 Conveyance Facilities

8.2.1 Designer

In November 2017, the City executed a contract with WWE for design and engineering support for the facilities necessary to connect the existing WWTP and the new WRF.

8.2.2 Contractor

This element of the Project is being delivered via a conventional design-bid-build procurement process. The Conveyance Facilities are currently under design and will begin construction in the summer of 2020.

8.2.3 Project Scope

The Conveyance Facilities originally included the design of approximately 3.5 miles of pipelines and a lift station located near the existing WWTP. The pipelines include two raw wastewater force mains and a wet weather/brine discharge force main. Several changes to the Conveyance Facilities have occurred since the contract was executed with WWE including the addition of a second, smaller lift station near the intersection of Main Street and Highway 1 and the addition of the potable reuse transmission main to either the east or west injection site.

8.2.4 Current Progress

In February 2020, WWE delivered the 90 percent design submittal. WWE is currently incorporating comments to the 90-percent design deliverable and plans to complete the design in May 2020.

8.2.5 Upcoming Activities

With submission of the final design in May 2020, the City will soon be advertising this element of the Project.

8.2.6 Project Challenges

The City continues to work with PG&E and Vistra to secure the easements necessary to construct the pipelines in the City’s existing bike path and replace the force main from Lift Station 2.

Table 22 Conveyance Facilities Performance Measures

Performance Measures	Target	Current	Status
Construction Cost ⁽¹⁾	\$0.0M	\$0.0M	
Construction Contingency ⁽²⁾	\$2.5M	\$0.0M	
Number of Feet of Pipelines Constructed ⁽²⁾	18,500 LF	0 LF	
Number of Days of Full Road Closures ⁽¹⁾	0 Days	0 Days	
Number of Hours of Night Work	0 Hours	0 Hours	

Notes:

- (1) Project budget and current contract amount (≤5% over target = Green, between 5% and 10% over target = Yellow, >10% over target = Red).
- (2) Project budget and current amount (≤50% of target = Green, between 0% and 50% of target = Yellow, ≤0% of target = Red).

Table 23 Conveyance Facilities Summary

Schedule					
Request for Bid / Bid Advertisement	NA				
Bid Opening Date	NA				
Contract Award / Council Award Date	NA				
Notice to Proceed for Construction	NA				
Original Final Completion Date	NA				
Original Duration (Non-Working Days)	NA				
Days Changed by Change Order	0				
Actual Final Completion Date (including Non-Working Days)	NA				
Schedule Percent Complete	0%				
Budget					
Engineer's Estimate (Construction Cost + 10% Construction Contingency)	\$26,692,000				
Award Amount	\$0				
Change Order Total	\$0				
Current Contract Value	\$0				
Percent Change	0%				
Work Completed					
Actual Cost -to-Date	\$0				
Percent Complete (Percent Expended)	0%				
Length of Pipe Installed (actual to date / planned total)	0 LF / 18,500 LF				
Construction Management Statistics					
	RFIs	Submittals	PCOs	COs	NOPCs
Total Received	0	0	0	0	0
Total Responded To	0	0	0	0	0
Total Pending	0	0	0	0	0
Average Turnaround (calendar days)	0	0	N/A	N/A	N/A

Acronym List:

RFI – Request for Information; PCO – Proposed Change Order; CO – Change Order; NOPC – Notice of Potential Claim

8.3 Recycled Water Facilities

8.3.1 Designer

Procurement activities for the designer for the Recycled Water Facilities have not yet been started, but it is anticipated that design will begin in 2020 following completion of the Phase 1, Phase 2, and Phase 3 hydrogeological work by GSI.

8.3.2 Contractor

This element of the Project is being delivered via a conventional design-bid-build procurement process. The Recycled Water Facilities are currently under design and will begin construction in the spring of 2020.

8.3.3 Project Scope

Since the potable reuse pipeline from the WRF to the selected injection site was moved into WWE's scope for design of the Conveyance Facilities, this element of the Project consists primarily of full-scale injection wells at either the west or east injection sites.

8.3.4 Current Progress

Since beginning work in November 2018, GSI has completed several of the tasks necessary to inject purified water with a series of injection wells in the Lower Morro Groundwater Basin. To this end, GSI has:

- Installed groundwater monitoring devices in all of the City's active production wells and seawater wells.
- Utilized the numerical groundwater model of the Lower Morro Groundwater Basin for particle tracking and solute transport modeling.
- Characterized the Eastern (Narrows) area of the basin with cone penetration testing (CPT), characterized the hydrogeological characteristics of the Narrows area with installation of a monitoring well and conducting aquifer testing.
- Began coordination with Vistra for the evaluation of the western injection site through use of an injection well.
- Developed a draft report that recommends the Western injection area as the preferred injection location.
- Determined that the Morro Bay Mutual Water Company (MBMWC) well is not sufficient for use as a pilot injection well.

8.3.5 Upcoming Activities

On March 18, 2020, GSI delivered a technical memorandum summarizing the characterization of the Eastern and Western injection areas and confirming a preferred injection location. The City and Program Manager are reviewing the draft report and will be providing comments to GSI shortly. Once these comments have been incorporated, the results of the analysis will be brought to PWAB for review, likely in June 2020.

GSI's analysis indicates that the west injection area is preferred for the following reasons:

- Higher transmissivity exists in the Western area compared to the Narrows area.
- Retention times are longer from the Western area than from the Narrows area.
- Injection wells located in the Western project area would provide greater mitigation against seawater intrusion during dry periods.
- Western area is undeveloped, potentially resulting in fewer constructability issues.
- The potable reuse pipeline alignment is immediately adjacent to the Western area.

GSI recommends a longer-term pumping test using City wells, injection and tracer testing, and geophysical characterization of a bedrock ridge, and careful site-selection of potential injection well. While the numerical modeling results indicate that the Project is hydrogeologically feasible, the retention times, discussions between GSI and Program Manager indicate the Project would benefit from some additional modeling being done before drilling a pilot injection well and performing the injection testing. The City and Program Manager are working with GSI to initiate this modeling.

8.3.6 Project Challenges

Previously, access challenges for the Vistra property prevented GSI from accessing the MBMWC well to perform the pump testing and determine its feasibility for use as a pilot injection well. Now that the pump testing has been completed, and it has been determined that the well is not acceptable for pilot injection testing, the City will need to drill a new pilot injection well.

Table 24 Recycled Water Facilities Performance Measures

Performance Measures	Target	Current	Status
Construction Cost ⁽¹⁾	\$0.0M	\$0.0M	
Construction Contingency ⁽²⁾	\$0.3M	\$0.0M	

Notes:

- (1) Project budget and current contract amount (≤5% over target = Green, between 5% and 10% over target = Yellow, >10% over target = Red).
- (2) Project budget and current amount (≤50% of target = Green, between 0% and 50% of target = Yellow, ≤0% of target = Red).

Table 25 Recycled Water Facilities Summary

Schedule					
Selection of the Injection Site	NA				
Request for Bid / Bid Advertisement	NA				
Bid Opening Date	NA				
Contract Award / Council Award Date	NA				
Notice to Proceed for Construction	NA				
Original Final Completion Date	NA				
Original Duration (Non-Working Days)	NA				
Days Changed by Change Order	0				
Actual Final Completion Date (including Non-Working Days)	NA				
Schedule Percent Complete	0%				
Budget					
Engineer's Estimate (Construction Cost + 10% Construction Contingency)	\$3,300,000				
Award Amount	\$0				
Change Order Total	\$0				
Current Contract Value	\$0				
Percent Change	0%				
Work Completed					
Actual Cost -to-Date	\$0				
Percent Complete (Percent Expended)	0%				
Work Completed					
	RFIs	Submittals	PCOs	COs	NOPCs
Total Received	0	0	0	0	0
Total Responded To	0	0	0	0	0
Total Pending	0	0	0	0	0

Average Turnaround (calendar days)	0	0	N/A	N/A	N/A
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Acronym List:

RFI – Request for Information; PCO – Proposed Change Order; CO – Change Order; NOPC - Notice of Potential Claim

Morro Bay WRF Project
In Progress and Future Activities Table

ID	WBS	Task Name	Scheduled Duration	Scheduled Start	Scheduled Finish	Actual Start	Actual Finish	% Complete
111	2	Project Controls	1082 days	Tue 5/1/18	Tue 6/21/22	Tue 5/1/18	NA	45%
112	3	Hydrogeological Support	860 days	Tue 9/25/18	Mon 1/10/22	Tue 9/25/18	NA	45%
113	3.1	Pilot Injection Testing and Groundwater Monitoring	860 days	Tue 9/25/18	Mon 1/10/22	Tue 9/25/18	NA	50%
114	3.1.1	GSI Task 1 - Characterize and Select Preferred Project Area	387 days	Tue 10/23/18	Wed 4/15/20	Tue 10/23/18	NA	95%
120	3.1.1.6	GSI Task 1D - Evaluate Results and Select Preferred Area for Injection Testing	2 wks	Mon 2/10/20	Fri 2/21/20	Mon 2/10/20	NA	90%
122	3.1.1.8	City Review	2 wks	Thu 3/19/20	Wed 4/1/20	NA	NA	0%
123	3.1.1.9	GSI Task 1E.b - Finalize Summary Technical Memorandum	10 days	Thu 4/2/20	Wed 4/15/20	NA	NA	0%
124	3.1.1.10	GSI Task 1 Complete	0 days	Wed 4/15/20	Wed 4/15/20	NA	NA	0%
125	3.1.2	GSI Task 2 - Pilot Injection Testing	100 days	Thu 3/12/20	Wed 7/29/20	NA	NA	0%
126	3.1.2.1	GSI Task 2A - Permitting for Injection Testing	2 mons	Thu 3/12/20	Wed 5/6/20	NA	NA	0%
127	3.1.2.2	GSI Task 2B - Conduct Pilot Injection Testing	3 mons	Thu 5/7/20	Wed 7/29/20	NA	NA	0%
128	3.1.2.3	GSI Task 2 - Pilot Injection Testing Complete	0 days	Wed 7/29/20	Wed 7/29/20	NA	NA	0%
129	3.1.3	GSI Task 3 - Injection Test Groundwater Modeling	60 days	Thu 7/30/20	Wed 10/21/20	NA	NA	0%
130	3.1.3.1	GSI Task 3A - Update Groundwater Model	1 wk	Thu 7/30/20	Wed 8/5/20	NA	NA	0%
131	3.1.3.2	GSI Task 3 - Injection Test Groundwater Modeling Complete	0 days	Wed 8/5/20	Wed 8/5/20	NA	NA	0%
132	3.1.3.3	GSI Task 3B - Travel Time Analysis	9 wks	Thu 8/6/20	Wed 10/7/20	NA	NA	0%
133	3.1.3.4	GSI Task 3C - Clogging Analysis	5 wks	Thu 8/6/20	Wed 9/9/20	NA	NA	0%
134	3.1.3.5	GSI City Review	2 wks	Thu 10/8/20	Wed 10/21/20	NA	NA	0%
135	3.1.4	GSI Task 4 - Seawater Intrusion Monitoring	860 days	Tue 9/25/18	Mon 1/10/22	Tue 9/25/18	NA	45%
136	3.1.5	GSI Task 5 - Groundwater Level Monitoring	860 days	Tue 9/25/18	Mon 1/10/22	Tue 9/25/18	NA	45%
137	3.1.6	GSI Task 6 - Project Summary Report	4 wks	Thu 10/22/20	Wed 11/18/20	NA	NA	0%
138	3.2	Preliminary Design and Permitting for Full-Scale Injection Well System	240 days	Mon 10/5/20	Fri 9/3/21	NA	NA	0%
139	3.2.1	GSI Task 7 - Design of Full-Scale Injection Wells	2 mons	Thu 11/19/20	Wed 1/13/21	NA	NA	0%
140	3.2.2	GSI Task 8 - Permitting Support	12 mons	Mon 10/5/20	Fri 9/3/21	NA	NA	0%
201	5	General Permitting	694 days	Tue 9/26/17	Thu 5/21/20	Tue 9/26/17	NA	62%
219	5.4	CDFW Permitting	120 days	Fri 12/6/19	Thu 5/21/20	Fri 12/6/19	NA	58%
221	5.4.2	Review of Application by the CDFW	20 days	Fri 2/28/20	Thu 3/26/20	Fri 2/28/20	NA	50%
222	5.4.3	Permit Negotiations with CDFW	40 days	Fri 3/27/20	Thu 5/21/20	NA	NA	0%
223	5.4.4	Receive CDFW Permit	0 days	Thu 5/21/20	Thu 5/21/20	NA	NA	0%
224	5.5	Caltrans Coordination and Encroachment Permit Applications	600 days	Tue 9/26/17	Fri 1/10/20	Tue 9/26/17	NA	22%
230	5.5.3	Caltrans Coordination and Encroachment Permitting for Pipelines	105 days	Mon 8/19/19	Fri 1/10/20	NA	NA	0%
231	5.5.3.1	Submit Preliminary Design for Pipelines in Highway 1 Approach	15 days	Mon 8/19/19	Fri 9/6/19	NA	NA	0%
232	5.5.3.2	Consultation and Design Review with Caltrans for Pipelines	60 days	Mon 9/9/19	Fri 11/29/19	NA	NA	0%
233	5.5.3.3	Preparation of Draft Pipeline Encroachment Agreements including Plan/Profile	30 days	Mon 12/2/19	Fri 1/10/20	NA	NA	0%
234	6	Potable Reuse Permitting	693 days	Wed 3/13/19	Fri 11/5/21	Wed 3/13/19	NA	16%
235	6.1	Develop Draft Enhanced Source Control Program (ESCP)	418 days	Wed 3/13/19	Fri 10/16/20	Wed 3/13/19	NA	23%
236	6.1.1	Sewer Use Ordinance (SUO) Update	382 days	Wed 3/13/19	Thu 8/27/20	Wed 3/13/19	NA	99%
239	6.1.1.3	Final SUO for Council consideration	0 days	Thu 6/25/20	Thu 6/25/20	NA	NA	0%
240	6.1.1.4	Council Final Approval	0 days	Thu 8/27/20	Thu 8/27/20	NA	NA	0%
241	6.1.2	Industrial Waste Survey (IWS)	381 days	Wed 3/13/19	Wed 8/26/20	Wed 3/13/19	NA	72%
244	6.1.2.3	Finalize IWS	108 days	Mon 3/30/20	Wed 8/26/20	Mon 3/30/20	NA	2%
245	6.1.3	Enforcement Response Plan (ERP)	68 days	Thu 1/16/20	Mon 4/20/20	Thu 1/16/20	NA	72%
246	6.1.3.1	Prepare draft for ERP City review	65 days	Thu 1/16/20	Wed 4/15/20	Thu 1/16/20	NA	75%
247	6.1.3.2	Send draft for City review	0 days	Wed 4/15/20	Wed 4/15/20	NA	NA	0%
248	6.1.3.3	Finalize ERP	3 days	Thu 4/16/20	Mon 4/20/20	NA	NA	0%
249	6.1.4	Source Mapping - Draft to City	281 days	Wed 3/13/19	Wed 4/8/20	NA	NA	0%
250	6.1.5	Funding and Resources Report - Draft to City	302 days	Wed 3/13/19	Thu 5/7/20	NA	NA	0%
251	6.1.6	Monitoring Program - Draft to City	297 days	Wed 3/13/19	Thu 4/30/20	NA	NA	0%
252	6.1.7	ESCP Guidance Document	311 days	Wed 3/13/19	Wed 5/20/20	NA	NA	0%
253	6.1.8	Outreach Program	311 days	Wed 3/13/19	Wed 5/20/20	NA	NA	0%
254	6.1.9	ESCP Draft to City (as appendix to Draft Eng Report)	311 days	Wed 3/13/19	Wed 5/20/20	NA	NA	0%
255	6.1.10	Final Draft Enhanced Source Control Program as appendix to Final Draft Eng Report to DDW	36 days	Fri 8/28/20	Fri 10/16/20	NA	NA	0%
256	6.2	Develop Final Enhanced Source Control Program	238 days	Mon 10/19/20	Wed 9/15/21	NA	NA	0%
257	6.3	Draft GRPP Engineer's Report	374 days	Wed 3/27/19	Mon 8/31/20	NA	NA	0%
258	6.3.1	Prepare Draft Report	301 days	Wed 3/27/19	Wed 5/20/20	NA	NA	0%
259	6.3.2	FBV to submit LRV memo to DDW for review	0 days	Wed 3/27/19	Wed 3/27/19	NA	NA	0%
260	6.3.3	Submit Draft Report to City	0 days	Wed 5/20/20	Wed 5/20/20	NA	NA	0%
261	6.3.4	Submit Draft Engineering Report to DDW	0 days	Fri 6/5/20	Fri 6/5/20	NA	NA	0%
262	6.3.5	Meet with DDW	1 day	Wed 6/24/20	Wed 6/24/20	NA	NA	0%
263	6.3.6	DDW Review of Draft	48 days	Thu 6/25/20	Mon 8/31/20	NA	NA	0%
264	6.3.7	Meet with DDW	1 day	Wed 8/12/20	Wed 8/12/20	NA	NA	0%
265	6.4	Final Engineer's Report	285 days	Tue 9/1/20	Mon 10/4/21	NA	NA	0%
266	6.4.1	Prepare Final Draft, incorporate DDW comments	23 days	Tue 9/1/20	Thu 10/1/20	NA	NA	0%
267	6.4.2	Meet with DDW	1 day	Thu 10/1/20	Thu 10/1/20	NA	NA	0%
268	6.4.3	Submit Final Draft Engineer's Report to DDW and RWQCB	21 days	Fri 10/2/20	Fri 10/30/20	NA	NA	0%
269	6.4.4	DDW Review and Acceptance of Engineer's Report	150 days	Mon 11/2/20	Fri 5/28/21	NA	NA	0%
270	6.4.5	Notice of Public Hearing 30 days before hearing	0 days	Fri 6/25/21	Fri 6/25/21	NA	NA	0%
271	6.4.6	DDW Public Hearing	1 day	Mon 7/26/21	Mon 7/26/21	NA	NA	0%
272	6.4.7	Develop Final document, include Summary of Public Hearing, Finding of Facts and Conditions	30 days	Tue 7/27/21	Mon 9/6/21	NA	NA	0%
273	6.4.8	DDW approves Summary of Public Hearing, Finding of Facts and Conditions and sends letter to RWQCB	20 days	Tue 9/7/21	Mon 10/4/21	NA	NA	0%
274	6.5	Quarterly Sampling	197 days	Wed 7/1/20	Thu 4/1/21	NA	NA	0%
275	6.5.1	Perform Quarter Sampling No. 1	1 day	Wed 7/1/20	Wed 7/1/20	NA	NA	0%
276	6.5.2	Perform Quarter Sampling No. 2	1 day	Thu 10/1/20	Thu 10/1/20	NA	NA	0%

Morro Bay WRF Project
In Progress and Future Activities Table

ID	WBS	Task Name	Scheduled Duration	Scheduled Start	Scheduled Finish	Actual Start	Actual Finish	% Complete
277	6.5.3	Perform Quarter Sampling No. 3	1 day	Mon 1/4/21	Mon 1/4/21	NA	NA	0%
278	6.5.4	Perform Quarter Sampling No. 4	1 day	Thu 4/1/21	Thu 4/1/21	NA	NA	0%
279	6.6	Report of Waste Discharge (ROWD)	220 days	Mon 1/4/21	Fri 11/5/21	NA	NA	0%
280	6.6.1	Prepare ROWD	100 days	Mon 1/4/21	Fri 5/21/21	NA	NA	0%
281	6.6.2	Submit to RWQCB	0 days	Fri 5/21/21	Fri 5/21/21	NA	NA	0%
282	6.6.3	Meeting with RWQCB	1 day	Mon 6/14/21	Mon 6/14/21	NA	NA	0%
283	6.6.4	RWQCB review	100 days	Mon 5/24/21	Fri 10/8/21	NA	NA	0%
284	6.6.5	Meeting with RWQCB	1 day	Mon 8/16/21	Mon 8/16/21	NA	NA	0%
285	6.6.6	RWQCB Approves Finding of Fact from DDW	0 days	Fri 10/8/21	Fri 10/8/21	NA	NA	0%
286	6.6.7	RWQCB Board adoption and NPDES issuance	0 days	Fri 11/5/21	Fri 11/5/21	NA	NA	0%
287	7	Funding	1730 days	Mon 11/18/13	Thu 7/2/20	Mon 11/18/13	NA	96%
306	7.2	Grant and Loan Pursuit and Management	1730 days	Mon 11/18/13	Thu 7/2/20	Mon 11/18/13	NA	95%
310	7.2.4	Clean Water SRF Construction Loan - SWRCB Division of Financial Assistance	1730 days	Mon 11/18/13	Thu 7/2/20	Mon 11/18/13	NA	85%
325	7.2.4.5	SWRCB Review of Complete Application	394 days	Mon 12/31/18	Thu 7/2/20	Mon 12/31/18	NA	80%
331	7.2.4.5.6	SWRCB Review of Remainder of Package	40 days	Fri 3/13/20	Thu 5/7/20	NA	NA	0%
332	7.2.4.5.7	Negotiate Loan Agreement	40 days	Fri 5/8/20	Thu 7/2/20	NA	NA	0%
333	7.2.4.5.8	Receive Signed SRF Loan Agreement	0 days	Thu 7/2/20	Thu 7/2/20	NA	NA	0%
344	8	Conveyance Facilities Project	1218 days	Wed 11/15/17	Fri 7/15/22	Wed 11/15/17	NA	69%
345	8.1	Lift Station and Offsite Pipelines - Design	643 days	Wed 11/15/17	Fri 5/1/20	Wed 11/15/17	NA	83%
363	8.1.4	WWE Task 3: Easement Acquisition Support	617 days	Fri 12/22/17	Fri 5/1/20	Fri 12/22/17	NA	73%
366	8.1.4.3	Complete Legal and Plats, QA/QC and Revisions	95 days	Mon 7/1/19	Fri 11/8/19	Mon 7/1/19	NA	80%
367	8.1.4.4	Submit to City	0 days	Fri 11/8/19	Fri 11/8/19	NA	NA	0%
368	8.1.4.5	City Review, Provide Comments, Updates to Agent, Property Acquisition	125 days	Mon 11/11/19	Fri 5/1/20	NA	NA	0%
369	8.1.5	WWE Task 4: Survey, Geotechnical Investigation, and Potholing	578 days	Thu 11/16/17	Fri 1/31/20	Thu 11/16/17	NA	96%
370	8.1.5.1	Topographical Survey and Base Mapping for Design	578 days	Thu 11/16/17	Fri 1/31/20	Thu 11/16/17	NA	96%
377	8.1.5.1.7	Subsurface Utility Engineering	215 days	Mon 4/8/19	Fri 1/31/20	Mon 4/8/19	NA	90%
378	8.1.5.1.8	Phase 2 - Right of Way Mapping	30 days	Mon 7/22/19	Fri 8/30/19	Mon 7/22/19	NA	90%
380	8.1.5.3	Phase 2 - Design Geotechnical Services	127 days	Wed 1/23/19	Fri 7/19/19	Wed 1/23/19	NA	95%
392	8.1.7	WWE Task 6: Construction Documents and Specifications	360 days	Mon 12/17/18	Fri 5/1/20	Mon 12/17/18	NA	85%
399	8.1.7.2	90% Design Submittal	119 days	Wed 9/11/19	Mon 2/24/20	Wed 9/11/19	NA	99%
403	8.1.7.2.4	City Review and Provide Comments	10 days	Tue 2/11/20	Mon 2/24/20	Tue 2/11/20	NA	90%
409	8.1.7.4	Final Bid Documents	49 days	Tue 2/25/20	Fri 5/1/20	Tue 2/25/20	NA	7%
410	8.1.7.4.1	Production	40 days	Tue 2/25/20	Mon 4/20/20	Tue 2/25/20	NA	9%
411	8.1.7.4.2	Internal QA/QC and Revisions	9 days	Tue 4/21/20	Fri 5/1/20	NA	NA	0%
412	8.1.7.4.3	Submit Final Bid Documents to City	0 days	Fri 5/1/20	Fri 5/1/20	NA	NA	0%
413	8.1.8	WWE Task 7: Permitting Support	608 days	Thu 11/16/17	Fri 3/13/20	Thu 11/16/17	NA	68%
415	8.1.8.2	County, City, Caltrans, etc. Permitting Support Activities	135 days	Wed 8/28/19	Tue 3/3/20	Wed 8/28/19	NA	10%
416	8.1.8.3	Caltrans Permitting	150 days	Mon 8/19/19	Fri 3/13/20	Mon 8/19/19	NA	10%
418	8.2	Lift Station and Offsite Pipelines - Bid and Construction Phase	565 days	Fri 5/15/20	Fri 7/15/22	NA	NA	0%
419	8.2.1	WWE Task 8.1: Bid Phase Services	65 days	Fri 5/15/20	Fri 8/14/20	NA	NA	0%
420	8.2.1.1	Bid Advertise	0 days	Fri 5/15/20	Fri 5/15/20	NA	NA	0%
421	8.2.1.2	Pre-Bid Meeting	1 day	Mon 6/8/20	Mon 6/8/20	NA	NA	0%
422	8.2.1.3	Bid Close	30 days	Mon 5/18/20	Fri 6/26/20	NA	NA	0%
423	8.2.1.4	Award and Contracting, NTP (period)	35 days	Mon 6/29/20	Fri 8/14/20	NA	NA	0%
424	8.2.1.5	Lift Station and Offsite Pipelines Construction NTP	0 days	Fri 8/14/20	Fri 8/14/20	NA	NA	0%
425	8.2.2	WWE Task 8.2: Construction Phase Services	500 days	Mon 8/17/20	Fri 7/15/22	NA	NA	0%
426	8.2.2.1	NTP / Pre-Construction Meeting	5 days	Mon 8/17/20	Fri 8/21/20	NA	NA	0%
427	8.2.2.2	Preliminary Submittals / Mobilization	45 days	Mon 8/24/20	Fri 10/23/20	NA	NA	0%
428	8.2.2.3	Improvements	315 days	Mon 10/26/20	Fri 1/7/22	NA	NA	0%
429	8.2.2.4	Potential Delays due to Wet Season Construction	30 days	Mon 1/10/22	Fri 2/18/22	NA	NA	0%
430	8.2.2.5	Lift Station and Offsite Pipelines Substantial Completion	0 days	Fri 2/18/22	Fri 2/18/22	NA	NA	0%
431	8.2.2.6	Punch List and Notice of Completion	45 days	Mon 2/21/22	Fri 4/22/22	NA	NA	0%
432	8.2.2.7	Lift Station and Offsite Pipelines Final Completion	0 days	Fri 4/22/22	Fri 4/22/22	NA	NA	0%
433	8.2.2.8	Record Drawings	60 days	Mon 4/25/22	Fri 7/15/22	NA	NA	0%
434	9	Recycled Water Facilities	670 days	Thu 1/14/21	Wed 8/9/23	NA	NA	0%
435	9.1	Recycled Water Facilities - Design	350 days	Thu 1/14/21	Wed 5/18/22	NA	NA	0%
436	9.1.1	Preliminary Engineering	40 days	Thu 1/14/21	Wed 3/10/21	NA	NA	0%
437	9.1.2	Survey	60 days	Thu 3/11/21	Wed 6/2/21	NA	NA	0%
438	9.1.3	Geotechnical Investigation	60 days	Thu 3/11/21	Wed 6/2/21	NA	NA	0%
439	9.1.4	30% Design	60 days	Thu 6/3/21	Wed 8/25/21	NA	NA	0%
440	9.1.5	30% Design Submittal	0 days	Wed 8/25/21	Wed 8/25/21	NA	NA	0%
441	9.1.6	City Review	10 days	Thu 8/26/21	Wed 9/8/21	NA	NA	0%
442	9.1.7	60% Design	60 days	Thu 9/9/21	Wed 12/1/21	NA	NA	0%
443	9.1.8	60% Design Submittal	0 days	Wed 12/1/21	Wed 12/1/21	NA	NA	0%
444	9.1.9	City Review	10 days	Thu 12/2/21	Wed 12/15/21	NA	NA	0%
445	9.1.10	90% Design	60 days	Thu 12/16/21	Wed 3/9/22	NA	NA	0%
446	9.1.11	90% Design Submittal	0 days	Wed 3/9/22	Wed 3/9/22	NA	NA	0%
447	9.1.12	City Review	10 days	Thu 3/10/22	Wed 3/23/22	NA	NA	0%
448	9.1.13	Final Construction Documents	40 days	Thu 3/24/22	Wed 5/18/22	NA	NA	0%
449	9.1.14	Recycled Water Facilities Final Construction Documents Submitted	0 days	Wed 5/18/22	Wed 5/18/22	NA	NA	0%
450	9.2	Recycled Water Facilities - Bid and Construction Phase	320 days	Thu 5/19/22	Wed 8/9/23	NA	NA	0%
451	9.2.1	Bid Phase	3 mons	Thu 5/19/22	Wed 8/10/22	NA	NA	0%
452	9.2.2	Construction Phase	12 mons	Thu 8/11/22	Wed 7/12/23	NA	NA	0%
453	9.2.3	Substantial Completion	0 days	Wed 6/14/23	Wed 6/14/23	NA	NA	0%
454	9.2.4	Recycled Water Facilities Final Completion	0 days	Wed 8/9/23	Wed 8/9/23	NA	NA	0%
455	10	WRF Onsite Improvements	1511 days	Wed 3/1/17	Tue 12/13/22	Wed 3/1/17	NA	63%
516	10.2	WRF Onsite Improvements - Design-Build	1074 days	Thu 11/1/18	Tue 12/13/22	Thu 11/1/18	NA	44%

Morro Bay WRF Project
In Progress and Future Activities Table

ID	WBS	Task Name	Scheduled Duration	Scheduled Start	Scheduled Finish	Actual Start	Actual Finish	% Complete
535	10.2.10	90 Percent Design	211 days	Wed 8/14/19	Wed 6/3/20	Wed 8/14/19	NA	78%
538	10.2.10.3	City Review of Draft 90 Percent Design	10 days	Wed 4/1/20	Tue 4/14/20	NA	NA	0%
539	10.2.10.4	Incorporate Final Comments for 90 Percent Design	36 days	Wed 4/15/20	Wed 6/3/20	NA	NA	0%
540	10.2.11	Grading Design	153 days	Thu 2/7/19	Mon 9/9/19	Thu 2/7/19	NA	88%
542	10.2.11.2	City Review Grading Package	20 days	Wed 7/31/19	Tue 8/27/19	Wed 7/31/19	NA	60%
543	10.2.11.3	Incorporate Final Comments for Grading Package	9 days	Wed 8/28/19	Mon 9/9/19	NA	NA	0%
544	10.2.11.4	Issue Grading Package for Construction	0 days	Mon 9/9/19	Mon 9/9/19	NA	NA	0%
553	10.2.13	Construction	562 days	Mon 10/21/19	Tue 12/14/21	Mon 10/21/19	NA	14%
556	10.2.13.3	Mobilization	14 days	Fri 3/20/20	Wed 4/8/20	NA	NA	0%
557	10.2.13.4	Initial Site Work	53 days	Fri 4/10/20	Tue 6/23/20	NA	NA	0%
558	10.2.13.5	Yard Piping and Duct Banks, and Stormwater	250 days	Thu 5/28/20	Wed 5/12/21	NA	NA	0%
559	10.2.13.6	Northern and Southern Areas Construction Activities	348 days	Fri 8/14/20	Tue 12/14/21	NA	NA	0%
560	10.2.14	Startup, Testing, and Training	117 days	Wed 12/15/21	Thu 5/26/22	NA	NA	0%
562	10.2.14.2	Loop Checks	41 days	Wed 12/15/21	Wed 2/9/22	NA	NA	0%
563	10.2.14.3	Functional Testing	32 days	Mon 2/14/22	Tue 3/29/22	NA	NA	0%
564	10.2.14.4	UV Validation Testing	16 days	Wed 3/30/22	Wed 4/20/22	NA	NA	0%
565	10.2.14.5	Functional Acceptance Testing	10 days	Thu 4/21/22	Wed 5/4/22	NA	NA	0%
566	10.2.14.6	Seed Plant	6 days	Thu 5/5/22	Thu 5/12/22	NA	NA	0%
567	10.2.14.7	14-Day Acceptance Test	13 edays	Fri 5/13/22	Thu 5/26/22	NA	NA	0%
568	10.2.14.8	WRF Onsite Improvements Substantial Completion	0 days	Thu 5/26/22	Thu 5/26/22	NA	NA	0%
570	10.2.15	Project Closeout	62 days	Fri 5/27/22	Mon 8/22/22	NA	NA	0%
571	10.2.15.1	As-Built, Punch List, and Closeout	62 days	Fri 5/27/22	Mon 8/22/22	NA	NA	0%
572	10.2.16	Performance and Operational Testing Period	143 days	Fri 5/27/22	Tue 12/13/22	NA	NA	0%
573	10.2.16.1	Establish Performance Guarantees	20 days	Fri 5/27/22	Thu 6/23/22	NA	NA	0%
574	10.2.16.2	Performance and Operational Testing	123 days	Fri 6/24/22	Tue 12/13/22	NA	NA	0%
575	10.2.16.3	WRF Onsite Improvements Final Completion	0 days	Tue 12/13/22	Tue 12/13/22	NA	NA	0%
576	11	Conformance with Time Schedule Order	0 days	Thu 5/26/22	Thu 5/26/22	NA	NA	0%



AGENDA NO: B-2

MEETING DATE: May 19, 2020

Staff Report

TO: Chairman and Committee Members

DATE: May 15, 2020

FROM: Jennifer Callaway, Finance Director

SUBJECT: Discussion and Input on the Draft Proposed FY 2020/21 Operating Budget

RECOMMENDATION

Staff recommends that the Committee receive the draft proposed FY 2020/21 General Fund Operating Budget and provide feedback and comment.

DISCUSSION

Attached for the Committee's review are the general fund departmental draft proposed FY 2020/21 budget. As the Committee is aware, the COVID-19 pandemic has resulted in significant financial impacts for the City. Included as Attachment 1 for the Committee's reference is the presentation provided to the City Council on April 28, 2020 regarding the projections of the financial impact of COVID-19 on the City of Morro Bay. Staff have further refined the estimated revenue impacts since the Council study session and is preparing a budget with revenue reductions of over \$3.5 million, primarily due from the loss of transient occupancy tax and sales tax as illustrated in the chart below:

REVENUES			
	FY 2019/20 Budget	FY 2020/21 Proposed	Reduced Revenues
TOT	\$ 3,566,811	\$ 1,852,479	\$ 1,714,332
Sales Tax	\$ 2,165,680	\$ 1,567,142	\$ 598,538
Property Tax	\$ 4,536,513	\$ 4,223,756	\$ 312,757
Charges for Services	\$ 1,592,655	\$ 1,036,787	\$ 555,868
Other	\$ 1,731,503	\$ 1,402,718	\$ 328,785
Total	\$ 13,593,162	\$ 10,082,882	\$ 3,510,280

Given the devastating impact of COVID-19, staff has made substantial cuts to the City's expenditures totaling over \$2.2 million, with \$1.6 million in reduced salary and benefit costs, and over \$600,000 in reduced operational expenditures as illustrated in the chart below:

Prepared By: JC

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

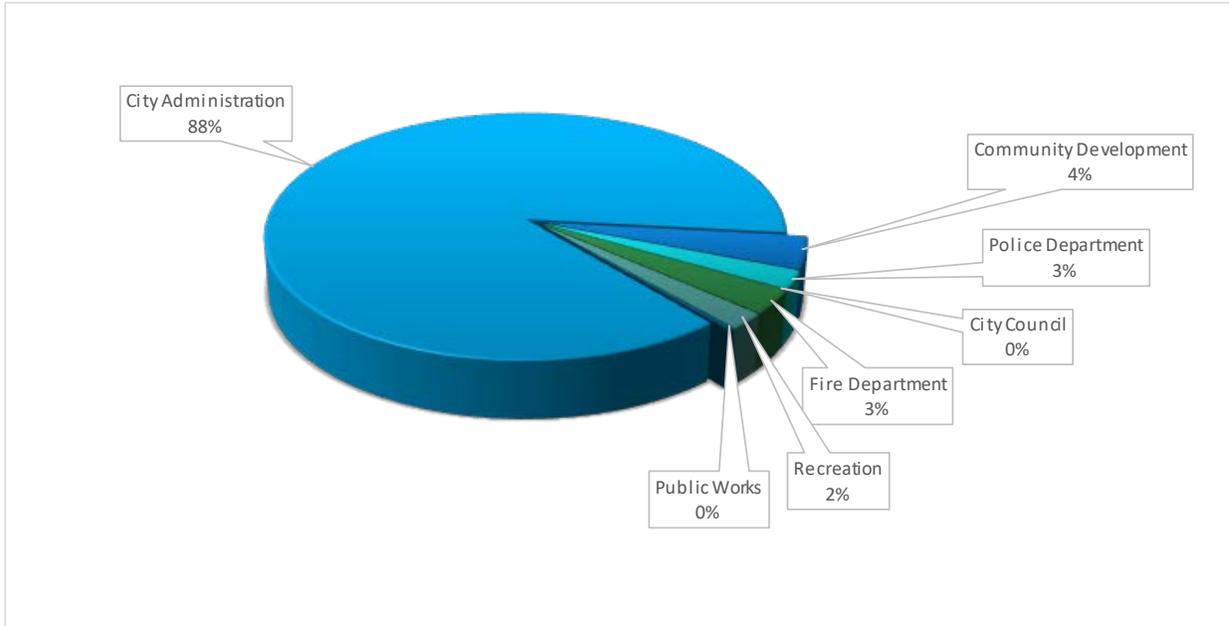
EXPENDITURES			
	FY 2019/20 Budget	FY 2020/21 Proposed	Reduced Expenditures
Salaries & Benefits	\$ 11,167,004	\$ 9,546,682	\$ 1,620,322
Supplies	\$ 544,353	\$ 455,633	\$ 88,720
Services	\$ 2,716,340	\$ 2,256,731	\$ 459,609
Capital Outlay	\$ 31,343		\$ 31,343
Other	\$ 40,250	\$ 18,425	\$ 21,825
Debt Service	\$ 35,190	\$ 35,190	
Total	\$ 14,534,480	\$ 12,312,661	\$ 2,221,819

Salary and benefits reductions included salary concessions of 8 to 5% for the City Manager, Department Directors, Managers, Unrepresented employees, and members of the SEIU Local 620 and the Morro Bay Peace Officers' Association. In addition, almost all part-time and temporary employees have been laid off, with a handful of exceptions, including retaining components of the City's Firefighter reserve and seasonal programs but at reduced levels. In addition, the general fund budget includes defunding of four vacant positions, including one police officer, an assistant planner, a consolidated maintenance worker III, and a part-time code-enforcement officer resulting in cost savings of \$352,000. Also, in addition to the 70 plus part-time employees previously laid off, the week of May 10, 2020 the City has issued layoff notices to nine employees, with six of those positions directly affecting the general fund. These layoffs resulted in \$490,000 in general fund savings. Lay off of part-time positions resulted in salary savings of over \$500,000.

City staff have also drastically reduced operating expenditures – there are no memberships to professional organizations, travel, training, limited supplies and drastically reduced contract and consultant services for things such as street tree consultation and mitigation. As such, staff would ask the CFAC committee to consider amending the previously discussed Measure Q budget (provided as attachment II) to include \$40,000 in purchase of asphalt mix for the City's staff to continue with pothole repair and small street projects, thereby ensuring that the City continues to meet the Maintenance of Effort requirements to retain SB 90 funds.

While staff is still working to compile the entire City budget and capital project budgets, the below charts summarize the draft proposed General Fund budget. These figures may change some, as staff continues to double check figures and complete the remaining components of the City's budget. Please note, Council has approved the use of \$1 million for the current fiscal year to assist with the COVID-19 budget impacts and staff indicated during the Council study session that we should anticipate using an additional \$1 million in reserves to help balance FY 2020/21. Use of reserves is not included in the draft budget as presented. At this point, staff anticipates closing FY 2019/20 with a shortfall of \$1.2 million and FY 2020/21 budget is currently shows a deficit of \$1.174 million. This means, that even with using \$1 million in reserves for FY 2019/20 and \$1 million in reserves for FY 2020/21, the City may still face a deficit of \$200,000 in each fiscal year. Staff will be monitoring the City's revenues closely throughout the next several months and may be forced to make additional expenditure cuts should the revenue forecast not improve. With the reductions included in the current draft proposed budget, there will be service reduction impacts to the community, including delayed response and processing time. Below are the summary graphs for general fund revenues and expenditures that will be included in the financial summaries section of the final proposed budget.

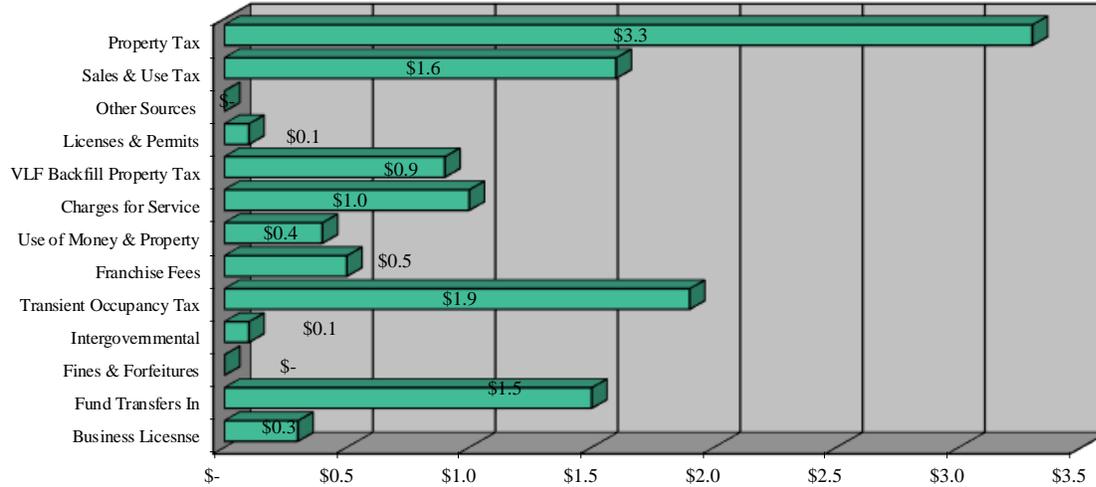
GENERAL FUND REVENUES BY DEPARTMENT



Departments	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed	% of Total
City Council	\$ 189	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
City Administration	10,719,529	11,072,208	11,427,223	11,564,509	10,023,507	8,854,106	87.8%
Public Works	583,922	86,543	41,930	50,032	33,698	35,190	0.3%
Community Development	503,437	708,581	687,599	557,062	515,486	425,250	4.2%
Police Department	84,604	82,411	110,536	214,714	218,045	240,420	2.4%
Fire Department	315,110	557,297	396,123	510,845	424,516	315,455	3.1%
Recreation	560,854	594,183	685,958	696,000	432,475	212,461	2.1%
Total General Fund Revenues	\$ 12,767,645	\$ 13,101,223	\$ 13,349,369	\$ 13,593,162	\$ 11,647,727	\$ 10,082,882	100%
Transfers In:	1,532,967	1,528,702	1,328,801	2,048,417	2,019,508	1,460,041	
Net Operating Revenues	\$ 14,300,612	\$ 14,629,925	\$ 14,678,170	\$ 15,641,579	\$ 13,667,235	\$ 11,542,923	
Net Operating Surplus/(Deficit)	\$ (551,786)	\$ 742,108	\$ 761,623	\$ (16,841)	\$ (1,194,830)	\$ (1,174,359)	

GENERAL FUND REVENUES By Category

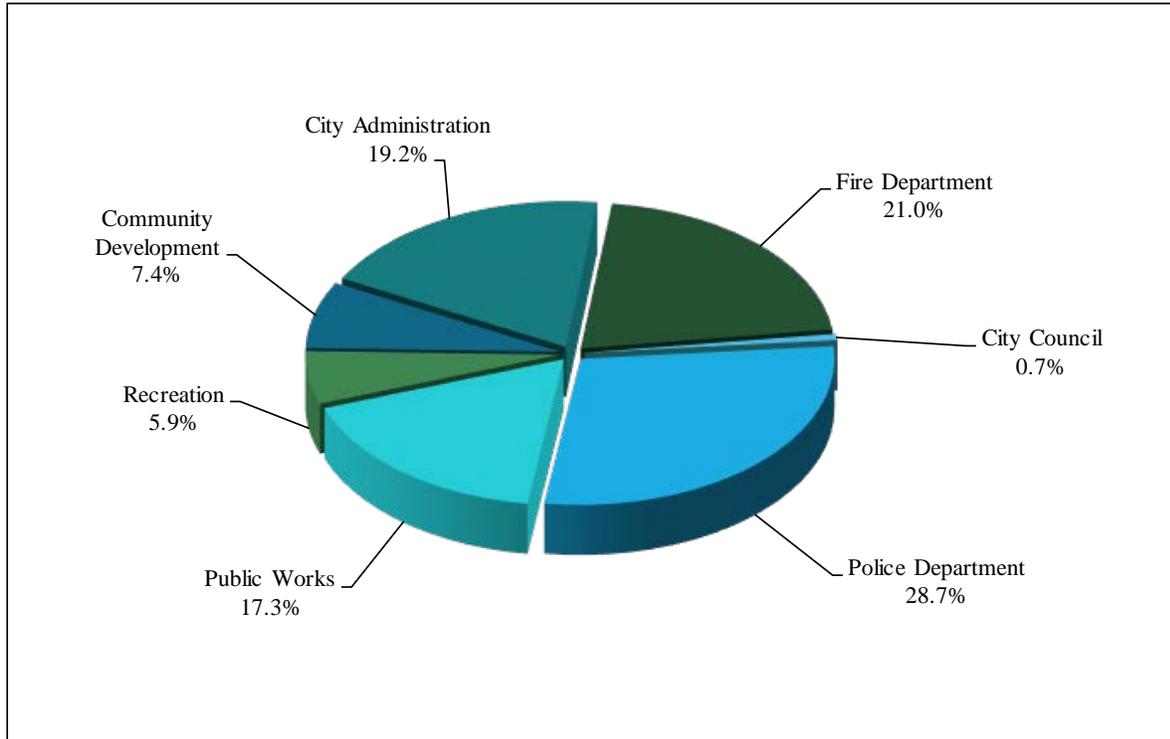
\$11.5 Million



Revenue Category	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Adopted	2019/20 Estimated	2020/21 Proposed	% of Total
Sales & Use Tax	\$ 1,970,009	\$ 1,971,038	\$ 2,114,207	\$ 2,165,680	\$ 1,880,680	\$ 1,567,142	13.6%
Property Tax	\$ 3,052,324	\$ 3,261,639	\$ 3,416,642	\$ 3,421,797	\$ 3,237,426	\$ 3,276,247	28.4%
VLF Backfill Property Tax	\$ 972,150	\$ 1,048,184	\$ 1,109,479	\$ 1,114,716	\$ 1,114,716	\$ 947,509	8.2%
Franchise Fees	\$ 511,696	\$ 524,997	\$ 528,560	\$ 536,137	\$ 536,137	\$ 536,136	4.6%
Business License	\$ 346,704	\$ 353,220	\$ 347,964	\$ 380,265	\$ 356,000	\$ 304,212	2.6%
Transient Occupancy Tax	\$ 3,327,073	\$ 3,429,186	\$ 3,576,121	\$ 3,566,811	\$ 2,558,680	\$ 1,852,479	16.0%
Licenses & Permits	\$ 109,615	\$ 133,739	\$ 129,054	\$ 109,859	\$ 119,880	\$ 95,500	0.8%
Intergovernmental	\$ 226,547	\$ 441,140	\$ 158,630	\$ 262,147	\$ 237,869	\$ 55,114	0.5%
Charges for Service	\$ 1,064,073	\$ 1,402,734	\$ 1,582,718	\$ 1,592,655	\$ 1,189,611	\$ 1,036,787	9.0%
Fines & Forfeitures	\$ 8,420	\$ 10,003	\$ 4,834	\$ 5,000	\$ 5,141	\$ 6,000	0.1%
Use of Money & Property	\$ 441,360	\$ 437,834	\$ 313,808	\$ 390,341	\$ 348,854	\$ 360,802	3.1%
Interest	\$ 45,701	\$ 40,571	\$ 14,860	\$ -	\$ 14,500	\$ -	0.0%
Other Sources	\$ 691,973	\$ 46,938	\$ 48,879	\$ 47,754	\$ 48,233	\$ 44,954	0.4%
Total Revenues	\$ 12,767,645	\$ 13,101,223	\$ 13,345,756	\$ 13,593,162	\$ 11,647,727	\$ 10,082,882	
Transfers In:	\$ 1,532,967	\$ 1,528,702	\$ 1,328,801	\$ 2,048,417	\$ 2,019,508	\$ 1,460,041	12.6%
Total Revenues & Transfers In	\$ 14,300,612	\$ 14,629,925	\$ 14,674,557	\$ 15,641,579	\$ 13,667,235	\$ 11,542,923	100%

GENERAL FUND EXPENDITURES

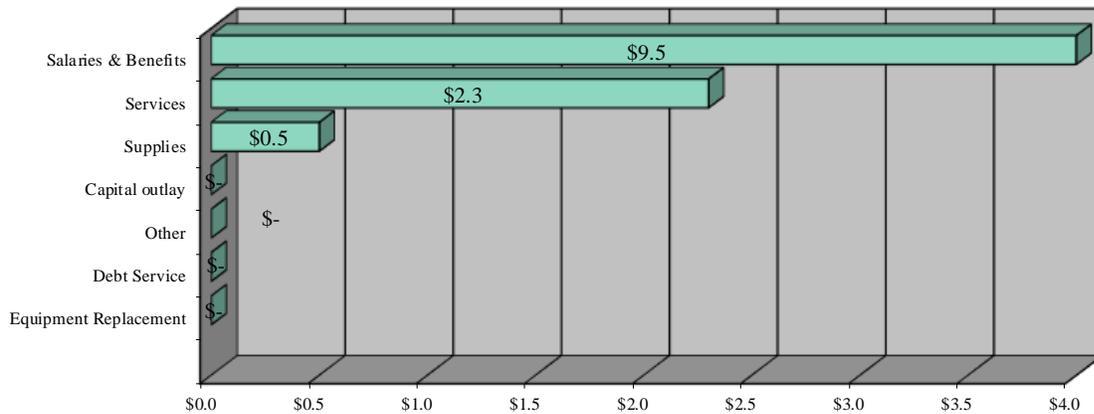
\$12,312,662



Departments	2016/17	2017/18	2018/19	2019/20	2019/20	2020/21	% of
	Actuals	Actuals	Actuals	Adopted	Estimated	Proposed	Total
Police Department	\$ 3,342,016	\$ 3,521,549	\$ 3,359,254	\$ 3,813,118	\$ 3,688,272	\$ 3,530,213	28.7%
Fire Department	2,706,017	3,200,709	2,712,709	2,719,489	2,926,807	2,579,593	21.0%
Public Works	3,137,003	2,463,761	2,454,072	2,992,601	2,670,626	2,125,828	17.3%
Community Development	809,549	849,906	919,817	1,077,290	979,314	911,800	7.4%
City Administration	2,180,809	2,118,967	2,295,214	3,150,785	3,007,657	2,360,302	19.2%
Recreation	991,284	1,070,905	1,197,289	1,276,560	1,091,016	720,828	5.9%
City Council	117,037	108,530	123,043	147,607	92,403	84,098	0.7%
Total General Fund Exp	\$ 13,283,715	\$ 13,334,327	\$ 13,061,398	\$ 15,177,450	\$ 14,456,095	\$ 12,312,662	100%
Transfers Out:	1,568,683	553,490	855,149	480,970	405,970	404,620	
Net Operating Expenditures	\$ 14,852,398	\$ 13,887,817	\$ 13,916,547	\$ 15,658,420	\$ 14,862,065	\$ 12,717,282	

**GENERAL FUND EXPENDITURES
By Category**

\$12.7
Million



Expenditure Category	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Adopted	2019/20 Estimated	2020/21 Proposed	% of Total
Salaries and Benefits	\$ 9,632,325	\$ 10,400,061	\$ 10,075,471	\$ 11,809,974	\$ 11,218,739	\$ 9,546,682	75.1%
Supplies	\$ 713,174	\$ 641,730	\$ 542,459	\$ 544,353	\$ 460,714	\$ 455,633	3.6%
Services	\$ 2,836,094	\$ 2,208,668	\$ 2,376,755	\$ 2,716,340	\$ 2,623,631	\$ 2,256,731	17.7%
Capital Outlay	\$ 2	\$ 63	\$ -	\$ 31,343	\$ 3,231	\$ -	0.0%
Other	\$ 102,120	\$ 48,727	\$ 31,524	\$ 40,250	\$ 114,591	\$ 18,425	0.1%
Debt Service	\$ -	\$ 35,078	\$ 35,189	\$ 35,190	\$ 35,189	\$ 35,191	0.3%
Equipment Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Total Expenditures	\$ 13,283,715	\$ 13,334,327	\$ 13,061,398	\$ 15,177,450	\$ 14,456,095	\$ 12,312,662	
Transfers Out	\$ 1,568,683	\$ 553,490	\$ 855,149	\$ 480,970	\$ 405,970	\$ 404,620	3.2%
Total Exp & Transfers Out	\$ 14,852,398	\$ 13,887,817	\$ 13,916,547	\$ 15,658,420	\$ 14,862,065	\$ 12,717,282	100%

Included as Attachment 3 for the Committee review are the draft general fund departmental budget pages. Some further updates need to be added to the narrative and metrics sections in some departments and will be completed prior to dissemination to the City Council.

ATTACHMENTS

1. April 28, 2020 Council Study Session
2. FY 2020/21 Draft Proposed Measure Q Budget
3. FY 2020/21 Draft Proposed General Fund Department Budgets

ROCK SOLID TOGETHER

COVID-19 FINANCIAL AND ECONOMIC RECOVERY PROGRAM

SHORT-TERM FISCAL EMERGENCY PLAN AND COMMUNITY ASSISTANCE PROGRAM



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COVID-19 NUMBERS AT-A-GLANCE

Location	Confirmed Cases	Fatalities
Nationwide	963,369	54,810
California	42,952	1,706
San Luis Obispo County	169	1
Morro Bay	6	0
Monetary County	183	4
Kings County	52	1
Kern County	809	4
Santa Barbara County	471	7
Fresno County	458	7
Tulare County	504	32

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COVID-19 Projected Financial Impacts

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FY 2019/20 Projected Losses: Three Scenarios

\$2M to \$3M loss GF Revenue

	Optimistic	Moderate	Worst
TOT	(1,085,654)	(1,200,000)	(1,181,071)
Sales Tax	(379,891)	(489,507)	(509,507)
Property Tax	(150,000)	(266,234)	(573,891)
Recreation Fees	(278,141)	(303,141)	(303,141)
Permit Fees	(45,000)	(95,339)	(125,000)
Total Estimated Revenue			
Shortfall	(1,938,685)	(2,354,220)	(2,692,609)

FY 2019/20 Projected Losses Harbor Fund:

- \$200,000 in Loss Revenue (due to retail closed and restaurants take-out)
- Additional \$110,000 cash flow impact from deferral of monthly rents ³

COVID-19 FY 2019/20 Mitigation Measures

Council Stipend Waiver	\$ 8,100
Planning Commission Waiver	\$ 800
Salary Concessions	
CM & Directors	\$ 15,000
Unrepresented	\$ 25,000
POA	\$ 16,200
SEIU	\$ 17,174
Vacancy Savings	\$ 200,000
City Attorney Savings	\$ 6,000
Operational Savings	\$ 600,000
Emergency Reserves	\$ 1,000,000
Total	\$ 1,888,274

GFER Balance	
As of 6/30/2019	\$ 3,808,577
Lump Sum Payments to Employees	\$ (199,116)
Calpers Tier 2 and 3 UAL Payoff	\$ (443,854)
MBOSA Reimbursement	\$ 265,000
Total	\$ 3,430,607

Potential Additional Use of Reserves	
Optimistic	\$ (50,410.68)
Moderate	\$ (465,945.57)
Worst	\$ (804,334.88)

COVID-19 Projected Financial Impacts

FY 2020/21 Projected Losses: Three Scenarios

\$4M to \$5M loss GF Revenue

	Optimistic	Moderate	Worst
TOT	(1,500,000)	(1,750,000)	(2,000,000)
Sales Tax	(684,504)	(758,814)	(919,124)
Property Tax	(350,000)	(400,000)	(500,000)
Recreation Fees	(400,000)	(450,000)	(534,000)
Permit, Engineering and Inspection Fees	(225,000)	(350,000)	(500,000)
Other GF Revenues	(425,000)	(450,000)	(525,000)
Total Estimated Revenue Shortfall	(3,584,504)	(4,158,814)	(4,978,124)

COVID-19 FY 2020/21 Mitigation Measures

Council Stipend Waiver	\$ 32,400
Planning Commission Waiver	\$ 3,200
Salary Concessions	
CM & Directors	\$ 68,217
Unrepresented	\$ 164,964
POA	\$ 105,301
SEIU	\$ 111,634
Vacancy & Part-time Savings	\$ 850,000
City Attorney Savings	\$ 18,000
Operational Savings	\$ 600,000
Emergency Reserves	\$ 1,000,000
Total	\$ 2,953,716

Estimated GFER Balance	Optimistic	Moderate	Worst
Estimated as of 6/30/2020	\$ 2,380,196	\$ 1,964,661.43	\$ 1,626,272.12
Estimates as of 6/30/21	\$ 749,408	\$ (240,436.91)	\$ (1,398,136.22)



Remaining Gap	Optimistic	Moderate	Worst
	\$ (630,788.34)	\$ (1,205,098.34)	\$ (2,024,408.34)

ROCK SOLID TOGETHER: RECOVERY FROM COVID-19



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ROCK SOLID TOGETHER:

BUSINESS AND COMMUNITY ASSISTANCE

What We Have Done So Far:

- ✓ Deferral of TOT
- ✓ Waiving Penalties
- ✓ Discontinued disconnecting water service
- ✓ Adopted resolutions preventing eviction and price gouging
- ✓ Sales tax deferral
- ✓ Adopted Emergency Purchasing Policy
- ✓ Free Transit Services
- ✓ Postponing collection of delinquent garbage accounts
- ✓ Morro Bay Cares Program



ROCK SOLID TOGETHER:

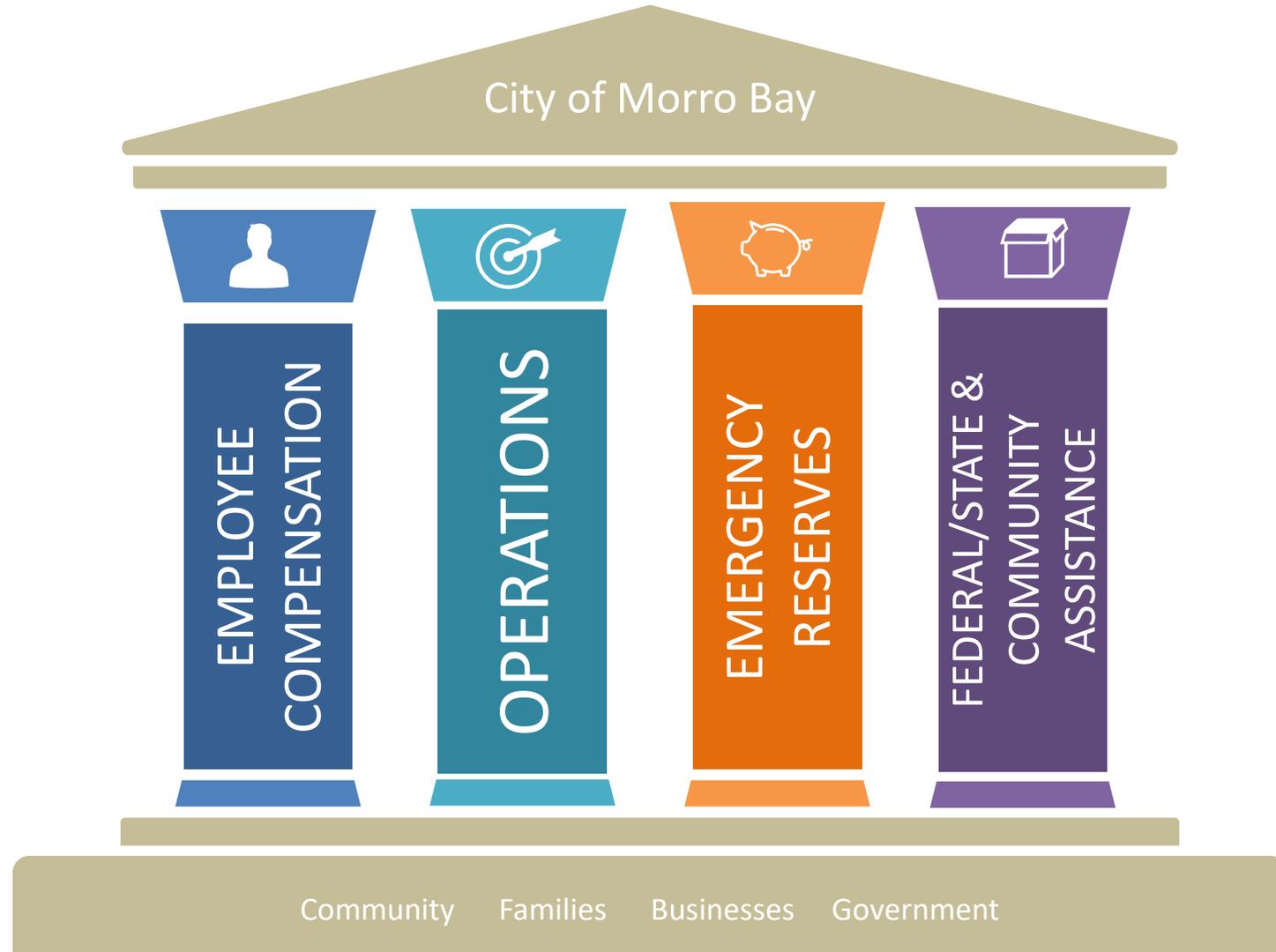
BUSINESS AND COMMUNITY ASSISTANCE

Options for Council Consideration/Direction:

1. Extension of UDP to those laid off
2. Defer second phase-in of Fee Increases
3. Chamber Contract Modification
4. Deferral of lease Payments from Tideland Trust Leases
5. Micro-loan Program



ROCK SOLID TOGETHER: CITY GOVERNMENT



ROCK SOLID TOGETHER:

PILLAR ONE - EMPLOYEE COMPENSATION

- ✓ City Council and Mayor Stipend Deferral (April 4th)
- ✓ CM & Director's up to 8% Salary Concessions (April 4th)
- ✓ Unrepresented Management & Confidential 5% Salary Concession (May 2nd) Reso. No. 37-20
- ✓ Police Officer's Association 5% Salary Concession (May 2nd) Reso. No. 38-20
- ✓ SEIU 5% Salary Concession (May 2nd) Reso. No. 39-20
- Continue Conversations with Fire Association

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ROCK SOLID TOGETHER:

PILLAR TWO – PRIORITIZATION OF OPS

- ✓ Hiring Chill
- ✓ No travel
- ✓ Part-time and Temporary Employee Layoffs (70+)
- ✓ CM & Director's up to 8% Salary Concessions (April 4th)
- ✓ Review of Non-Salary Expenses
 - ✓ Mental Marketing Contract Modification
 - ✓ Chamber Contract – Visitor's Center
 - ✓ City Attorney volunteered cost reductions/savings
 - ✓ Expenditure Freezes

➤ Review and Prioritization of Services

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ROCK SOLID TOGETHER:

PILLAR THREE – EMERGENCY RESERVES

GFER Balance	
As of 6/30/2019	\$ 3,808,577
Lump Sum Payments to Employees	\$ (199,116)
Calpers Tier 2 and 3 UAL Payoff	\$ (443,854)
MBOSA Reimbursement	\$ 265,000
Total	\$ 3,430,607

- A PIECE OF THE ECONOMIC RECOVERY PICTURE – NOT THE WHOLE SOLUTION
- WILL LIKELY RUN OUT OF RESERVES BY THE 20/21 IF NO OTHER ADDITIONAL REVENUES ARE IDENTIFIED
- CALPERS IMPACTS NOT TAKEN INTO ACCOUNT IN ESTIMATES

Estimated GFER Balance	Optimistic	Moderate	Worst
Estimated as of 6/30/2020	\$ 2,380,196	\$ 1,964,661.43	\$ 1,626,272.12
Estimates as of 6/30/21	\$ 749,408	\$ (240,436.91)	\$ (1,398,136.22)

ROCK SOLID TOGETHER: PILLAR FOUR – STATE/FEDERAL & COMMUNITY SUPPORT

14

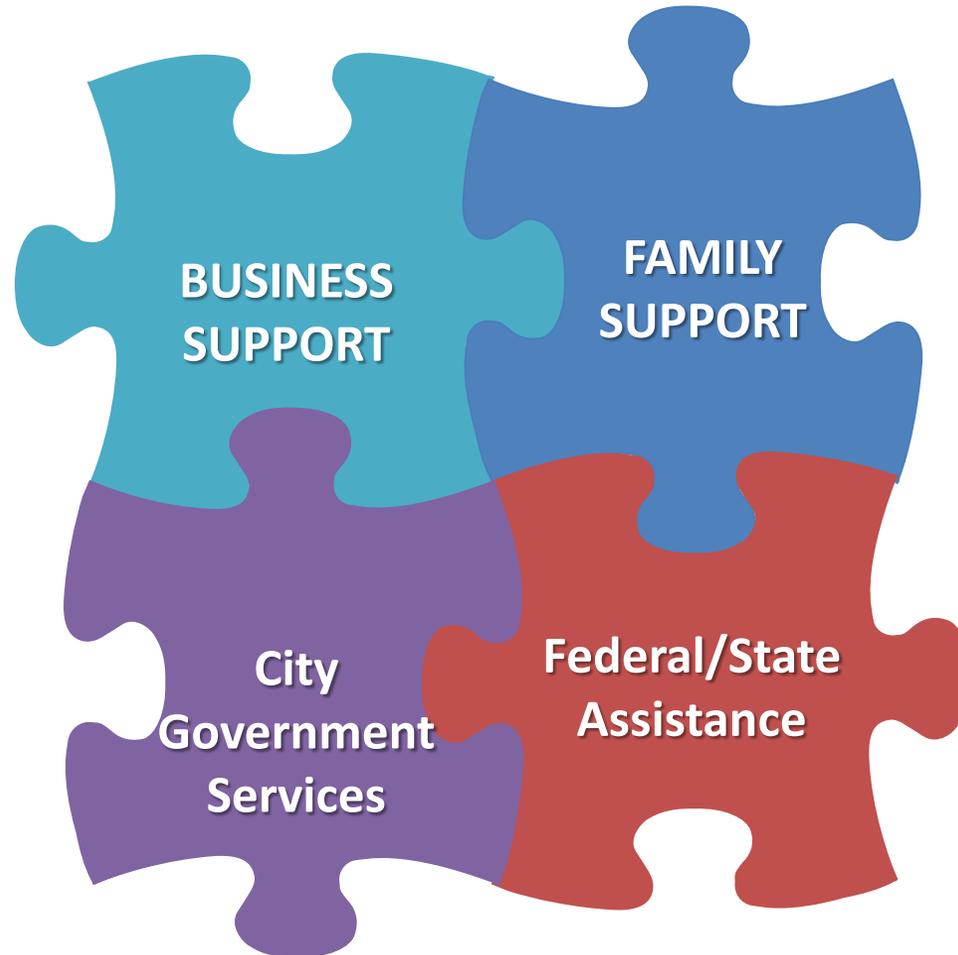
- **CARES ACT – does not apply to MB at this time**
- **Continue to work with Congressional representatives for direct assistance to smaller cities**
- **Consider and provide direction on additional local revenues**

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ROCK SOLID TOGETHER: FINDING THE RIGHT⁵ BALANCE TO REBUILD OUR ECOSYSTEM



ROCK SOLID TOGETHER: COUNCIL RECOMMENDATIONS

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- **Extend UDP Program?**
- **Defer Second Phase-in of Fee Increases?**
- **Amend Chamber Contract?**

ROCK SOLID TOGETHER: COUNCIL RECOMMENDATIONS

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- **Defer Lease Payments from Tideland Trust Master and Subtenant Lease Holders?**
- **Develop Micro-Loan Programs?**
 - **Tidelands Trust Area?**
 - **Businesses outside the Tidelands Trust Area?**

ROCK SOLID TOGETHER: COUNCIL RECOMMENDATIONS

If Yes on Micro-loan program: Direction on Parameters

- **Tidelands Trust –**
 - **Loans to extend rent deferrals beyond
June 2020**
 - **Grant Component?**
 - **How much funding?**

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ROCK SOLID TOGETHER: COUNCIL RECOMMENDATIONS

If Yes on Micro-loan program: Direction on Parameters

- **Small Businesses Outside Tidelands
Trust –**
 - **Loans to existing businesses to re-open
and continue operations**
 - **How much funding?**

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ROCK SOLID TOGETHER: COUNCIL RECOMMENDATIONS

If Yes on Micro-loan program: General Direction on Parameters

- Who would administer
- Length of loans
 - 0% for 18 months
 - 1.5% for 36 months
 - 3% for 5 years

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ROCK SOLID TOGETHER: COUNCIL RECOMMENDATIONS

- Who is eligible?
 - Existing businesses (since 3/1/20)?
 - Demonstrate Pre-COVID cash flow to pay off loan?
 - Have reasonable personal credit?
 - Would city want collateral?
 - Guarantors?
 - Co-Signer?
- Loan Documentation Would City Want to Require?
 - Business Tax Returns?
 - Financial Statements? Business and/or Personal
 - Personal Tax Returns?
 - Bank Statements?
 - Itemized Budgets for Funds Requested?

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ROCK SOLID TOGETHER: COUNCIL RECOMMENDATIONS



- **Adopt Resolution No. 37-20 Unrepresented Salary Reductions**
- **Adopt Resolution No. 38-20 Morro Bay Police Officer's Association Salary Reductions**
- **Adopt Resolution No. 40-20 SEIU Employee Salary Reductions**

ROCK SOLID TOGETHER: COUNCIL RECOMMENDATIONS



- **Policy regarding City Manager/Council authorizing work for the City Attorney when requested by City Council Members or staff?**
- **Direction on operational priorities and preservation of services?**
- **Approve allocation of Emergency Reserves of up to \$1 million for FY 2019/20**

ROCK SOLID TOGETHER: COUNCIL RECOMMENDATIONS

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- Continue with and realign the City's community conversation surrounding priorities to “Join the Conversation – Working Together Towards Recovery”

ROCK SOLID TOGETHER: COUNCIL RECOMMENDATIONS

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- **Additional New Revenue Options**
 - **Sale or lease of Property**
 - **RV Camping**
 - **Adult Use Cannabis**

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MEASURE Q REQUEST



PROGRAM PURPOSE

Measure Q was approved to preserve Morro Bay's safety and character by funding essential services including upgrading firefighter/paramedic equipment, fire stations, police, street and pothole repairs, improving storm drains to protect the bay from pollution, and other general city services. Citizens approved increasing the City sales tax by one-half cent, subject to independent annual financial audits, and establishing an independent citizens' advisory committee to review annual expenditures.

BUDGET OVERVIEW

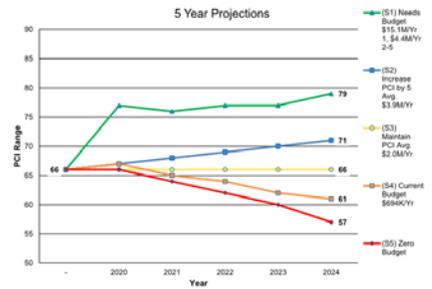
As with many of the City's funds, the city's Measure Q fund, funded through an add on one-half cent transaction tax, is expected to be significantly impacted as a result of the COVID-19 pandemic and corresponding federal, state and local shelter-at-home orders, effectively closing business and stalling the nation's economy. The FY 2020/21 Measure Q budget is based on conservative projections of transaction tax for FY 2019/20 and FY 2020/21, analyzing recession period receipts from 2008 through 2011 and FY 2012/13, combined with the City's sales tax consultant, HDL's, projections. In addition, the estimates include projections related to cash flow on the 90-day filing extension for taxpayers with a total tax liability less than \$1 million and the 12-month tax payment deferral program of total taxes up to \$50,00 for small businesses. HDL estimates that the Measure Q impact on cash flow for the 90-day extension to \$165,000 and the 12-month payment plan for small business to be \$107,000. As such, staff suspended the pavement management program for FY 2019/20, with the understanding that transaction receipts will be significant lower than anticipated due to the COVID-19 Pandemic and many of the Fire and Police approved expenditures are fixed costs and/or mostly expensed at the time of budget development. Staff estimates FY 2019/20 revenues to be \$800,000, approximately \$300,000 less than the \$1.1 million originally budgeted. In addition, staff is conservatively estimated FY 2020/21 transaction tax revenues to generate \$845,000. Staff has developed a list of unfunded departmental needs and will recommend budget adjustments accordingly should revenues outpace projections. Within the \$845,000 revenue projections, the City proposes to allocate \$325,000 to the Pavement Management Plan Capital, \$81,600 to the Police Department for both personnel and equipment needs, and \$506,687 to the Fire Department for personnel, equipment and debt service requirements.



PROPOSED



In FY 2017/18 the City established a Capital Project for the Pavement Management Program. This allows for all pavement management work to be accounted for in one fund, making it more efficient to account for the supplemental funding of the pavement management plan through Senate Bill (SB)1 gas tax



expenditures and other grant monies. As a part of the FY 2019/20 budget approval City Council authorized funding to update the Pavement Management System (PMS) model and the City’s Pavement Management Planning document. Results of the analysis of the City’s pavement condition and modeling future conditions indicate an expenditure of approximately \$2M per year is needed to maintain the City’s average Pavement Condition Index (PCI) score of 66. Should the City spend the historical average of approximately \$694K per year the PCI decreases to 61 over the next five years. To achieve the State goal for average system PCI of 70 or greater, the City would need to spend approximately \$3.9M per year. At current revenue levels it appears unrealistic the City will ever reach the State’s goal of PCI=70. Therefore, based on current State law, all SB1 funding the City receives must be used for maintenance, and cannot be used for betterments in the City Traffic circulation system.

A summary of each of the scenario projections are as follows:
 Scenario 1: Unconstrained Budget/ Funds Needed to obtain Optimum PCI (\$15.1M for Year 1, \$4.4M/Yr Avg. for Years 2-5)
 Scenario 2: Amount of funding to increase PCI by 5 (Avg. \$3.9M/Yr.)
 Scenario 3: Amount of funding to maintain PCI of 66 (Avg. \$2.0M/Yr.)
 Scenario 4: Impact of the current funding amount (\$694K/Yr.) the current PCI would decline from 66 to 61, a 5-point overall drop.
 Scenario 5: Represents the impact to the PCI if Zero dollars are spent
 The full report for the various budget scenarios can be found in **Appendix B**.

For FY 2020/21 Measure Q funds of \$325,000 will be supplemented by approximately \$315,000 in SB 1 funds (carryforward funds from FY 2019/20 and FY 2020/21 allocation). This level of funding will be used to complete a “Stop-Gap” project to repair up to 95,000 square feet of failed pavement section on the City’s major roadways, including Main Street, South Bay Boulevard, Harbor Street and Pacific Street.

The Fire Department’s Measure Q expenditures consist of Fire Station debt service and salaries and benefits (based off the 2007 standard to maintain our 4-person staffing as per the Emergency Services Ad-Hoc Committee report and Fire Department Strategic Plan), consistent with prior year expenditures. In addition, the Measure Q fund has committed to a four-year repayment plan to the City’s Vehicle Replacement Fund for the purchase of the new Fire Engine, this repayment amount of \$56,250 is included in the Department’s Measure Q funding allocation. Lastly, the Fire Department’s funding allocation includes funds for purchase of structure fire, wildland fire and water rescue Personal Protection Equipment (PPE) (\$26,400) and high-pressure hoses (\$3,600).



The Police Department will receive \$81,600 from Measure Q to support operations. This includes funding for standby pay (\$24,000) which allows the department to have a detective available to respond to call-outs 24 hours a day. This funding will provide \$25,000 to support the 5-year contract for body-worn cameras,

PROPOSED

\$2,000 to purchase ballistic vests for 2 new incoming officers, \$4,000 to purchase flashlights, \$3,000 for vehicle radio replacement, \$1,000 for patrol emergency response Narcan kits and \$2,000 for a digital crime scene camera.

Lastly, the Department is requesting \$20,600 in fixed cost payment to other agency --- \$14,600 for Bomb, Gang and Narcotic Task Force assistance and \$6,000 for the Computer Aided Dispatch (CAD)/Data Lines.



MEASURE Q

Fund 003

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
SOURCES OF FUNDS						
Beginning Fund Balance	\$ 500,113	\$ 73,557	\$ 184,052	\$ 342,964	\$ 342,964	\$ 313,899
REVENUES						
<i>Sales & Use Tax</i>	\$ 1,077,488	\$ 1,062,872	\$ 1,225,936	\$ 1,096,000	\$ 800,000	\$ 845,000
<i>Intergovernmental</i>	38,823	-	-	-	-	-
<i>Interest</i>	1,959	-	616	-	-	-
<i>Transfers In</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 1,118,270	\$ 1,062,872	\$ 1,226,552	\$ 1,096,000	\$ 800,000	\$ 845,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 307,182	\$ 260,362	\$ 317,020	\$ 329,066	\$ 329,065	\$ 353,631
<i>Supplies</i>	18,726	34,661	34,058	188,800	188,800	67,000
<i>Services</i>	1,126,268	41,987	-	3,023	3,023	-
<i>Capital Outlay</i>	-	-	43,139	43,655	43,655	-
<i>Other</i>	10,000	14,600	30,137	20,600	20,600	20,600
<i>Debt Service</i>	82,394	83,194	82,938	90,806	82,643	90,806
<i>Equipment</i>	-	-	60,000	56,250	56,250	56,250
TOTAL EXPENDITURES	\$ 1,544,570	\$ 434,804	\$ 567,292	\$ 732,200	\$ 724,036	\$ 588,287
Pavement Management Plan	\$ -	\$ 502,016	\$ 500,348	\$ 525,478	\$ 105,029	\$ 325,000
TOTAL EXPENDITURES AND TRANSFERS OUT	\$ 1,544,570	\$ 936,820	\$ 1,067,640	\$ 1,257,678	\$ 829,065	\$ 913,287
Ending Fund Balance	\$ 73,557	\$ 184,052	\$ 342,964	\$ 181,286	\$ 313,899	\$ 245,612
Assigned Fund Balance						
-Debt Service Reserve			\$ 48,586		\$ 56,749	\$ 64,912
Unassigned Fund Balance			\$ 294,378	\$ 181,286	\$ 257,150	\$ 180,700

The measure Q budget is presented below with departmental detail.

○ MEASURE Q ○

City of Morro Bay
 Measure Q
 Operating Revenues vs. Operating Expenditures
 Proposed FY 2020/21

	FY19/20 Adopted Budget	FY19/20 Budget Adjustments	FY 2019/20 Amended Budget	FY 2019/20 Estimated YE Actuals	FY20/21 Proposed Budget
Revenues					
Sales Tax	\$ 1,096,000	\$ -	\$ 1,096,000	\$ 800,000	\$ 845,000
Charges for Services - Sale of Plans/Specs	-	-	-	-	-
Interest	-	-	-	-	-
Grants - CalRecycle	-	-	-	-	-
Total Revenues	1,096,000	-	1,096,000	800,000	845,000
Expenditures					
Fire					
Salaries & Benefits (Relief Firefighter)	183,149	-	183,149	183,149	200,732
Transfer to General Fund (Remaining balance of Relief Firefighter)	121,916	-	121,916	121,916	128,899
Fire Station #53 Debt Service	90,807	-	90,807	82,643	90,806
Small Tools	-	15,000	15,000	15,000	-
Equipment (PPE & Cardiac Monitors)	30,800	15,000	45,800	45,800	-
Equipment (Hose, Structure PPE, Water PPE)	-	-	-	-	30,000
Replacement Engine Repayment	56,250	-	56,250	56,250	56,250
Professional Development	-	3,023	3,023	3,023	-
Outside Vehicle Repair/Maintenance	-	15,000	15,000	15,000	-
Total Fire	482,922	48,023	530,945	522,781	506,687
Police					
Standby Pay	24,000	-	24,000	24,000	24,000
Equipment (Body Worn Cameras, First Responder Kits)	43,000	70,000	113,000	113,000	25,000
Equipment (Ballistic Vests, Flashlights, Vehicle Radio, Response kits, camera)	-	-	-	-	12,000
Patrol Vehicle	-	43,655	43,655	43,655	-
Payment to Other Agency's - SLO Sheriff	20,600	-	20,600	20,600	20,600
Total Police	87,600	113,655	201,255	201,255	81,600
Public Works					
Streets					
Street Maintenance - Computer Operating Supplies	-	-	-	-	-
Street Maintenance - Equipment Rental	20,133	-	20,133	20,029	-
Storm Drain/Creek Maint	-	-	-	-	-
Repairs/Maint Materials	-	-	-	-	-
Pavement Management Plan (transferred out to the new Pavement Mgmt Plan Capital Project)	505,345	-	505,345	85,000	325,000
Salaries & Benefits	-	-	-	-	-
Miscellaneous Operating Supplies	-	-	-	-	-
Consulting Services - Rick Engineering	-	-	-	-	-
Contractual Services - Pavement Coatings Co.	-	-	-	-	-
Postage	-	-	-	-	-
Total Public Works	525,478	-	525,478	105,029	325,000
Gain/Loss on Investment -GASB 31	-	-	-	-	-
Total Operating Expenditures	\$ 1,096,000	\$ 161,678	\$ 1,257,678	\$ 829,065	\$ 913,287
Use of Carryforward Funds					
Net Operating Revenues over Expenditures & Carryforwards	\$ (0)	\$ (161,678)	\$ (29,065)	\$ (68,287)	\$ (68,287)
Ending Cash Balance	\$ 342,963	\$ 181,285	\$ 313,898	\$ 245,611	\$ 245,611
Ending Fund Balance	\$ 342,963	\$ 181,285	\$ 313,898	\$ 245,611	\$ 245,611
Assigned Fund Balance - Debt Service Reserve	48,586	48,586	56,749	64,912	64,912
Unassigned Fund Balance	\$ 294,377	\$ 132,699	\$ 257,149	\$ 180,699	\$ 180,699

○ MEASURE Q ○

Object	2020-2021 Measure Q Request
<p>Fire Station #53 debt service + 10% reserve</p>	<p>\$90,806 - The United States Department of Agriculture has loaned the City of Morro Bay \$1.5 million to complete construction of the Harbor Street Fire Station. Completing the construction of the fire station has been a Council priority for several years and we celebrated the grand opening in 2013. Additionally, Council has expressed an intent to pay down the USDA debt with proceeds from the sale of the Cloisters property when sold.</p>
<p>Replacement for Engine 5391 with Type 1 Fire Combination Pumper</p>	<p>\$56,250 - Fund a 5-year payment schedule for a Fire Apparatus that meets Type 1 Fire Combination Pumper standards to replace Engine 5391. Engine 5391 has been in service in Morro Bay since 1994 and was on the Fire Department's replacement schedule in 2014. The service life was extended 5 years to 2019 due to the performance and testing results of Engine 5391. A (\$275,000) down payment is being funded by the Bertha Shultz Trust with a total price of (\$675,000).</p>
<p>Firefighter Structural and Water Rescue Personal Protection Equipment (PPE)</p>	<p>\$26,400 - For current firefighters and projected new hires in fulltime and part-time staff, fund up 6 new structure PPE, face and neck hoods, gloves, and structure boots. Also includes helmets, wildland boots, wildland gear, fire shelters, signal layer wildland coats, eye protection, hearing protection and hand protection. To support our water rescue program, scheduled replacements and purchases for fins, wet suits, and rescue belts. All water rescue PPE replacements and purchases will follow Cal OSHA, US Coast Guard and National Fire Protection Agency (NFPA) guidelines. All PPE maintenance and repairs are supported in the general fund.</p>
<p>Hydraulic Automotive Extrication High Pressure Hose</p>	<p>\$3,600 - Replacement of Auto Extrication 11,000 psi hydraulic hose. Oldest hose was purchased in 2001 with a 10-year planned service life. Equipment is located on Rescue 5351, Engine 5391, Engine 5392, and Truck 5341. All replacement hose with comply with Cal OSHA and National Fire Protection Agency (NFPA) guidelines.</p>

○ MEASURE Q ○

Object	2019-2020 Measure Q Request
Salaries and benefits - Fire	\$328,356 - Continues funding for vacation relief full-time firefighter Salary (\$81,349), Benefits (\$63,810), vacation relief overtime pay (\$16,341), and overtime to maintain staffing of 3 full-time firefighters (\$128,899), and funding the additional reserve part-time firefighter wage (\$34,506) and benefit (\$3,451) to maintain the council desired and strategic plan recommended 4 firefighters on duty each day.
Salaries & Benefits – Police	\$24,000 – Standby pay (\$24,000) This funding allows the police department to have a detective on stand-by at all times (after normal business hours) to respond to emergency callouts.
Body Worn Cameras	\$25,000 – Continued funding for the In Unit and Body Camera contract with Lenslock. This contract will run for the next 3 years with the option to renew or cancel the contract in 2023. In Unit and Body cameras have become imperative for day to day functions.
Police Equipment – Ballistic Vests, Flashlights, Vehicle Radio, Emergency Response kits, Crime Scene Camera	\$12,000 – This funding will purchase two (2) ballistic patrol vests for incoming officers, replace patrol flashlights, replace radio communication system in patrol unit#1701 (radio previously salvaged from unit#1101 when placed out of service), replace the Emergency Narcan/Naloxone kits in each patrol vehicle (expire 6/2020), and will support the purchase of a digital crime scene camera to be used in processing/preserving evidence at crime scenes.
Payment to other Agency	\$20,600 – Payment to San Luis Obispo (SLO) Sheriff for Bomb, Gang and Narcotic Task force assistance and training and CAD/Data lines.
Pavement Management Program	\$325,000 –Supplemented by SB 1 Road Maintenance and Rehabilitation Account (RMRA) Revenues to complete pavement work within the City. SB 1 gas tax supplement includes FY 2019/20 estimated allocation of \$150,000 plus FY 2020/21 estimated allocation of \$165,000.
Total Request	\$913,287



□ MEASURE Q ○

Given the nature of uncertainty that surrounds the COVID-19 pandemic, the unknown duration of the Shelter at Home directives, and when businesses will be allowed to open again, as well as the overall duration it will take the economy to recover from the shutdown, staff has provided conservative revenue estimates and budgeted only already committed expenditures such as the body work camera contract expense and fire station debt service loan payments, as well as minimum operational equipment needs that cannot be funded within the City’s general fund and are believed to be essential for operations and the safety of City employees. Both the Police and Fire Departments had additional requests for supplies beyond the capacity of funding at this time, as such unfunded needs lists are provided below for reference and should the economy recover more quickly than expected and/or revenues outpace expectations, these unfunded needs would be recommended for funding during future monthly and quarterly budget reviews.

Unfunded Police and Fire Needs		
FY 2020/21		
	Amt	Additional Information
Police		
Replacement Patrol Vehicle	\$ 55,000	Replacement scheduled for 2020
Patrol Rifles/Shotguns	\$ 20,000	Replacement as needed, some are 15+ years old
Total Police	\$ 75,000	
Fire		
Command Vehicle	\$ 74,880	Replacement Scheduled in 2016
Wildland PPE/Boots	\$ 7,500	Mid-Year after Mutual Aid reimbursement
Mechanized Saws (Engine 5392 & 5391)	\$ 9,270	3 Chain Saws and K Saw
OES 38 Mechanized Saws	\$ 4,635	3 Chain Saws
Automobile Extrication Cutters/Spreaders (8 units)	\$ 36,000	Oldest Purched in 2000, pursuing OES Grant
Engine 5391 Nozzels	\$ 9,000	Possible rebuilds can be used, but must purchase a complete set 1st to do that.
Engine 5392 Nozzles	\$ 9,000	Possible rebuilds can be used, but must purchase a complete set 1st to do that.
Truck 5341 Nozzles	\$ 10,506	Possible rebuilds can be used, but must purchase a complete set 1st to do that.
EOC Mobile Radios/Antennas	\$ 62,000	Secondary Dispatch for all Public Safety and PW
Ballistic Helmets/Vests (10 sets)	\$ 6,500	Received on Homeland Security Grant, Helmets Only
Handheld Radios Fire - Grant Match	\$ 4,500	10% Match
Structure Gear - Grant Match	\$ 23,180	10% Match
Total Fire	\$ 256,971	
Total Unfunded Needs	\$ 331,971	

City Council

CITY COUNCIL ADMINISTRATION PROGRAM 2110

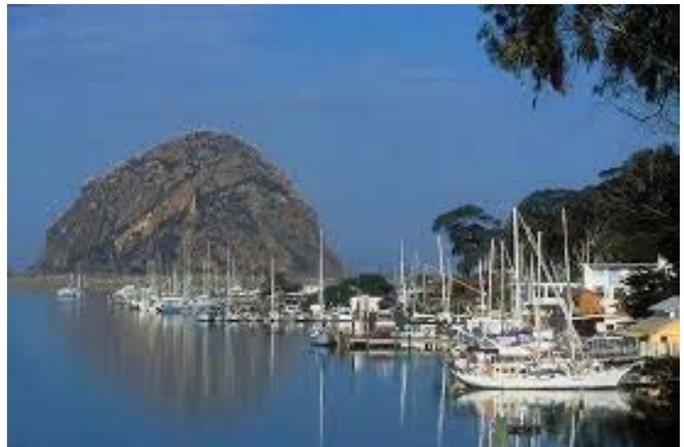
DEPARTMENT PURPOSE

The City Council is the elected legislative body that represents the residents and provides policy direction for the delivery of services and capital improvements for the City of Morro Bay. The City Council is comprised of five Council members, with the Mayor elected at large every two years. The City operates under a Council/Manager form of government that combines the policy leadership of elected officials with the managerial responsibility of an appointed City Manager and appointed City Attorney reporting to the Council. With the professional support of City staff, the Mayor and City Council identify and adopt appropriate policy, program, and budget priorities for the City.

As an elected legislature, the Council's priorities reflect, through its regulatory and budgetary enactments, the aspirations of the residents of Morro Bay. These priorities are implicit in the programs adopted and set forth in the annual operating budget for the City of Morro Bay.

BUDGET OVERVIEW

The FY 2020/21 budget reflects the impact of the COVID-19 pandemic, with Council members and the Mayor voluntarily waiving monthly stipends through the end of FY 2019/20 and the elimination of funding for council community grant awards to local non-profits and agencies and the defunding of funds for discretionary beautification under the Morro Bay Adopt-It program. Overall, the budget is \$63,000 less than the adopted budget for FY 2019/20.



CITY COUNCIL

City Council

Fund 001-2110

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
REVENUES						
<i>Other Revenues</i>	189	-	-	-		-
TOTAL REVENUES	\$ 189	\$ -	\$ -	\$ -		\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 62,259	\$ 60,759	\$ 52,589	\$ 88,472	\$ 39,335	\$ 53,400
<i>Supplies</i>	784	298	1,304	200	302	200
<i>Services</i>	42,449	36,853	48,965	37,435	34,253	30,498
<i>One-Time Bequests</i>	11,545	10,620	16,500	16,500	13,513	-
<i>Discretionary Beautificaition</i>	-	-	3,685	5,000	5,000	-
TOTAL EXPENDITURES	\$ 117,037	\$ 108,530	\$ 123,043	\$ 147,607	\$ 92,403	\$ 84,098

Notes: The one-time bequests are detailed below:

	<u>FY 2016/17</u>	<u>FY 2017/18</u>	<u>FY2018/19</u>	<u>FY 2019/20</u>
SLO County Housing Trust Fund*	\$ 1,000	\$ -	\$ -	5,000
Community Resource Connections	1,000	1,000	1,000	
SCORE	500	500	500	1,000
Senior Nutrition	5,000	5,000	5,000	4,230
Morro Bay Art Association				4,230
By the Sea Productions				1,692
Diversity Coalition				2,115
Ecologistics				4,230
Open Opportunity	500			
Economic Vitality		5,000	10,000	5,000
Total	\$8,000	\$11,500	\$16,500	\$27,497

*\$5,000 (SLO) and \$1,000 (HomeShare) from Housing Trust Fund utilized for this bequest.

Council also waived fees to Estero Bay Alliance for Care (EBAC) for use of the Vet's Hall for serving meals on Monday Nights.

FY 2019/20:

- FY 2019/20 bequests will be determined after Council Bequest Policy is adopted.

∞ CITY COUNCIL ∞



KEY PROGRAM SERVICES

- Represents the residents of Morro Bay.
- Formulates and enacts public policy in response to current and anticipated needs within political, administrative, and fiscal constraints.
- Provides community leadership as the legislative and policy-making body of the municipal government.
- Oversees Advisory Boards and Commissions.
- Represents the City of Morro Bay through coordination and collaboration with other agencies.

Summary of FTEs

CITY COUNCIL STAFFING

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	Funded	Funded	Funded	Funded	Funded	Funded
<i>Elected Officials</i>						
Councilmembers	5.0	5.0	5.0	5.0	5.0	5.0
TOTAL ELECTED OFFICIALS	5.0	5.0	5.0	5.0	5.0	5.0





Administrative Services

DEPARTMENT PURPOSE

The Administration Division is comprised of the City Manager, City Attorney, City Clerk, Elections, Human Resources, Finance, Contract Services, Rental Property, Deputy City Manager and Transfers. This division provides the overall management, oversight and support for the City. The Administrative services are primarily centralized functions, providing citywide administrative management, legal advice and support to all City operational areas.

BUDGET OVERVIEW

The FY 2020/21 budget for the Administrative services function's expenditures have decreased by \$267,838 from prior years. This decrease was necessary due to the COVID-19 pandemic and devastating financial impact on the tourism industry and City of Morro Bay's primary revenue sources. The proposed revenues for the FY 2020/21 budget reflect a decrease of \$2.7 million, primarily from anticipated loss transient occupancy tax and sales tax revenue, highly economically sensitive revenue sources. With no indication of when Shelter-at-Home orders will be lifted, and communities allowed to reopen fully, or what that reopening will look like, revenue projections are an estimate that will be reviewed and updated on a regular basis throughout the fiscal year. The proposed budget also includes salary concessions of eight to five percent for the City Manager, Department Director's, Management, Unrepresented/Confidential and SEIU employees that are funded within this Department. Salary concessions are in place until December 31, 2020 at which time concessions will be revisited and new labor contracts will be negotiated with represented employees, with the expectation that the unrepresented, management, director's and City Manager will follow similar terms to those negotiated with labor unions. In addition, due to layoffs necessary to help balance the budget, the proposed FY 2020/21 budget includes 0.5 FTE less than previously budgeted.

In addition, the proposed budget eliminates spending on travel, training, association memberships, office supplies and other service and supply reductions. It should be expected that these operational reductions as well as staffing reductions will impact service levels and response times to customer questions and inquiries. In addition, the proposed budget does not include funding of transfers into the City's internal service funds of vehicle replacement, risk management and compensable leave. In accordance with Resolution 19-19 establishing the City of Morro Bay's Revenue and Expenditure Policies, new, discretionary revenues are to be treated as one-time revenues for a period of 24 months to establish that they will be permanent, steady and reliable ongoing revenues. The City's revenue policy specifically states that new revenues may be appropriated to replenish internal service funds. In FY 2020/21 the City will be permitting two medical cannabis shops which is estimated to generate sales tax revenue of approximately \$150,000. This revenue is not accounted for in the proposed budget and in accordance with Resolution 19-19, the new sales tax revenue generated from the cannabis shops may be recommended to be directed to the City's internal service funds until target funding levels (as defined by City policies) are met.

ADMINISTRATION

ADMINISTRATIVE SERVICES DEPARTMENT

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
REVENUES						
<i>Property Tax</i>	\$ 3,052,324	\$ 3,261,639	\$ 3,416,642	\$ 3,421,797	\$ 3,237,426	\$ 3,276,247
<i>VLF Backfill Property Tax</i>	972,150	1,048,184	1,109,479	1,114,716	1,114,716	947,509
<i>Sales & Use Tax</i>	1,970,009	1,971,038	2,114,207	2,165,680	1,880,680	1,567,142
<i>Franchise Fees</i>	511,696	524,997	528,560	536,137	536,137	536,136
<i>Business License</i>	346,704	353,220	347,964	380,265	356,000	304,212
<i>Transient Occupancy Tax</i>	3,327,073	3,429,186	3,576,121	3,566,811	2,558,680	1,852,479
<i>Licenses & Permits</i>	-	-	-	-	-	-
<i>Intergovernmental Revenues</i>	4,803	9,936	5,042	23,540	8,262	19,040
<i>Charges for Services</i>	18,347	28,601	33,033	11,000	7,346	11,000
<i>Use of Money & Property</i>	380,517	400,530	260,131	340,341	300,409	340,341
<i>Interest</i>	45,701	40,571	14,860	-	14,500	-
<i>Other Revenue</i>	90,205	4,306	21,184	4,222	9,351	-
TOTAL REVENUES	\$ 10,719,529	\$ 11,072,208	\$ 11,427,223	\$ 11,564,509	\$ 10,023,507	\$ 8,854,106
Transfers In	\$ 1,532,967	\$ 1,528,702	\$ 1,328,801	\$ 2,048,417	\$ 2,019,508	\$ 1,460,041
Total Revenues and Transfers In	\$ 12,252,496	\$ 12,600,910	\$ 12,756,024	\$ 13,612,926	\$ 12,043,015	\$ 10,314,147
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,006,692	\$ 1,037,661	\$ 1,048,660	\$ 1,791,228	\$ 1,747,613	\$ 1,161,203
<i>Supplies</i>	35,424	25,891	34,221	15,914	12,203	10,828
<i>Services</i>	1,126,970	1,043,296	1,210,333	1,341,643	1,244,658	1,183,496
<i>Capital Outlay</i>	-	-	-	-	-	-
<i>Other</i>	11,723	12,119	2,000	2,000	3,183	4,775
<i>Equipment Replacement</i>	-	-	-	-	-	-
<i>Transfers</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 2,180,809	\$ 2,118,967	\$ 2,295,214	\$ 3,150,785	\$ 3,007,657	\$ 2,360,302
Transfers Out	\$ 1,568,683	\$ 553,490	\$ 855,149	\$ 480,970	\$ 405,970	\$ 404,620
Total Expenditures and Transfers Out	\$ 3,749,492	\$ 2,672,457	\$ 3,150,363	\$ 3,631,755	\$ 3,413,627	\$ 2,764,922
PROGRAM						
<i>City Manager</i>	\$ 203,515	\$ 257,364	\$ 330,668	\$ 414,588	\$ 351,476	\$ 337,444
<i>Legal Services</i>	-	(2,184)	335,249	454,845	425,679	447,592
<i>Deputy City Manager</i>	78,927	28,225	-	-	-	-
<i>City Clerk</i>	182,609	210,954	180,160	174,594	165,618	182,880
<i>Human Resources</i>	216,436	193,850	187,882	244,139	208,217	237,147
<i>Elections</i>	(1,149)	507	-	-	320	-
<i>Finance</i>	742,893	619,028	606,733	1,276,817	1,266,438	609,410
<i>Contract Services</i>	734,009	788,610	654,522	561,102	561,102	518,822
<i>City Rental Property</i>	23,569	22,613	-	24,700	28,807	27,007
<i>Transfers</i>	1,568,683	553,490	855,149	480,970	405,970	404,620
TOTAL EXPENDITURES	\$ 3,749,492	\$ 2,672,457	\$ 3,150,363	\$ 3,631,755	\$ 3,413,627	\$ 2,764,922

∞ ADMINISTRATION ∞

Summary of FTEs

	2018/19	2019/20	2020/21
	Funded	Funded	Funded
City Administration			
City Manager	1.00	1.00	1.00
Deputy City Manager	0.00	0.00	0.00
City Clerk	0.66	0.00	0.00
City Clerk/HR Manager	0.00	0.66	0.66
Admin/Deputy City Clerk	0.75	0.00	0.00
Executive Assistant/Deputy City Clerk	0.00	0.75	0.75
Human Resources Analyst	1.00	0.00	0.00
Human Resources Analyst II	0.00	1.00	1.00
Finance Director	0.75	0.75	0.75
Budget/Accounting Manager	1.00	1.00	1.00
Senior Accounting Technician	1.00	1.00	1.00
Account Clerk II	0.70	0.00	0.00
Account Clerk III	0.00	0.70	0.00
Account Clerk I	0.00	0.00	0.20
Account Clerk In-Training	0.20	0.20	0.20
Total Department FTEs	7.1	7.1	6.6

Reflects the allocation of staff's time to the identified functions and department based on a full-time position.



Administrative Services

City Manager

PROGRAM 3110

DEPARTMENT PURPOSE

The Administration Division is comprised of the City Manager, City Attorney, City Clerk, Elections, Human Resources, Finance, Contract Services, Rental Property, Deputy City Manager and Transfers.

The City Manager provides overall management, administration, and direction for the entire City organization, reporting to the full City Council. The City Manager's Office also supports Commissions and Committees, interacts with community groups, fosters community relationships and provides public awareness of municipal programs, services, and goals through effective community outreach, using the City's website, media relations and the City Manager's Updates. In addition, the City Manager's office serves as a liaison between other local agencies and jurisdictions to represent the City of Morro Bay.

The City Manager's office is responsible for providing administrative direction and leadership for all City Departments to ensure that the community continually receives high quality services. The City Manager's Office works closely with the clerk's office to oversee the Council agenda process to provide comprehensive information and analysis to the City Council in a timely manner; assures that the Council's policies, programs, and priorities are effectively and efficiently implemented; provides research and information necessary for responsible decision making; fosters public awareness of municipal programs, services, and goals; responds to resident and other constituent inquiries by explaining City services and functions; and investigates problems and provides information and specialized assistance on more complex City issues.

BUDGET OVERVIEW

The FY 2020/21 City Manager budget is reduced by \$77,000 less than the prior year's adopted budget due to the City Manager's 8% salary concession through December 31, 2020. The FY 2020/21 budget also continues with the elimination of the "City Manager's Opportunity Fund" that was funded in previous years (prior to FY 2018/19) for the City Manager to use when a quick response to business needs arose. Operating expenditure reductions were realized in all City Departments to present a balanced budget. The continued defunding of the "City Manager's Opportunity Fund" was part of the budget balancing reductions. The City Manager's budget also eliminates funding for the City's contract with the Chamber of Commerce for economic development ombudsman services. These services are proposed to be funded within the City's economic development fund.

☞ CITY MANAGER ☜

Objectives	FY 2019/2020 Accomplishments
<p>Good Governance</p>	<ul style="list-style-type: none"> • Revamped the City Goals process to encourage greater community participation. • Responded to COVID-19 Pandemic and Shelter-At Home Ordinance, declaring a local emergency and providing emergency assistance and guidance to residents and business owners.
<p>Improve Infrastructure</p>	<ul style="list-style-type: none"> • Issued Notice to proceed for construction of water reclamation facility.
<p>Fiscal Sustainability</p>	<ul style="list-style-type: none"> • Partnered with the Chamber to provide economic ombudsman services and local business support. • Secured low interest financing for water reclamation facility at a rate below 1%.

∞ CITY MANAGER ∞

City Manager

Fund 001-3110

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
REVENUES						
<i>Intergovernmental Revenues</i>	-	4,271	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Other Revenues</i>	50	2,771	-	-	2,040	-
TOTAL REVENUES	\$ 50	\$ 7,042	\$ -	\$ -	\$ 2,040	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 135,433	\$ 217,141	\$ 265,966	\$ 309,824	\$ 273,010	\$ 313,280
<i>Supplies</i>	10,009	5,007	5,784	5,194	5,958	5,860
<i>Services</i>	36,109	23,097	56,918	97,570	69,325	13,529
<i>Capital Outlay</i>	-	-	-	-	-	-
<i>Other</i>	21,964	12,119	2,000	2,000	3,183	4,775
<i>Equipment Replacement</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 203,515	\$ 257,364	\$ 330,668	\$ 414,588	\$ 351,476	\$ 337,444

FY 2018/19 – Services includes \$30,000 to support contract with the Chamber of Commerce for the Economic Development Strategic Plan.

FY 2019/20 – Services includes \$62,000 in one-time funding for economic development ombudsman pilot program. This is partially funded by a transfer in from the City’s Opportunity Fund in the amount of \$30,000.

∞ CITY MANAGER ∞

FY 2020/21 KEY PROJECTS

Objective	FY 2020/2021 Key Projects
Communication	<ul style="list-style-type: none"> • Provide regular, effective and comprehensive communication to the City Council, Staff and community, through a variety of methods.
Community Projects	<ul style="list-style-type: none"> • Execute City Council Goals and Objectives established for 2020, including: <ul style="list-style-type: none"> ○ Complete permitting and financing for the Water Reclamation Facility (WRF) Project and begin construction. ○ Complete the General Plan and Local Coastal Plan rewrite and complete the Zoning Code update.
Fiscal Sustainability	<ul style="list-style-type: none"> • Pursue revenue enhancement opportunities that will help create structurally balanced budgets going into the future. • Create an infrastructure investment plan.

∞ CITY MANAGER ∞

KEY PROGRAM SERVICES

- Provides staff support to the Mayor and City Council.
- Provides administrative direction and leadership over City Departments, programs, and services.
- Oversees the City’s organizational and fiscal management efforts and program development and evaluation processes.
- Oversees the City Council agenda process.
- Addresses resident complaints, inquiries, and requests.
- Oversees continuous improvements in City administrative processes, measurements, and other activities.
- Oversees special projects and new initiatives, particularly during policy development stages.
- Monitors and participates in regional activities to represent the City’s interests.
- Monitors state and federal legislation.
- Serve as Director of the City’s Emergency Operations Center

Summary of FTEs

City Manager

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	Funded	Funded	Funded	Funded	Funded	Funded
<i>City Manager</i>						
City Manager	1.0	1.0	1.0	1.0	1.0	1.0
Total Department FTEs	1.0	1.0	1.0	1.0	1.0	1.0

∞ CITY MANAGER ∞

ACTIVITY AND WORKLOAD HIGHLIGHTS	2018/19 Actuals	2019/20 Estimates	2020/21 Budget
Community Engagement Efforts			
Community forums/meetings	10	10	
Business walks	5	5	
City Manager Updates (monthly newsletter)	12	12	
City Council Support			
Council meetings	30	30	
City Goals – action items completed	10	10	
City Staff Support and Development			
All staff meetings/events	3	4	
Trainings	2	3	
Department/Division Head Evaluations	5	9	

City Attorney

PROGRAM 3210

DEPARTMENT PURPOSE

The City Attorney is chief legal advisor for the City Council, City staff and all City Boards, Commissions and Committees. The City Attorney provides sound, preventative, helpful, timely and ethical legal advice. The City Attorney drafts and/or reviews contracts, opinions, resolutions, ordinances, all staff reports and agendas. The City Attorney's Office reviews and processes claims, supervises special litigation as needed, and serves as the City Prosecutor to enforce the Morro Bay Municipal Code. City Attorney services are provided by contract with the law firm of Aleshire & Wynder, LLP, through partners and associates of the firm. Aleshire & Wynder specializes in providing the full range of legal services needed by the City and serves clients as they make decisions on behalf of their taxpayer constituents. Aleshire & Wynder is dedicated to the representation of public entities by providing innovative, ethical, and cost-effective legal representation.

BUDGET OVERVIEW

The FY 2020/21 budget includes legal services for the General Fund and Enterprise funds of Harbor, Water and Sewer.

CITY ATTORNEY

Objectives	FY 2019/20 Accomplishments
<p>Good Governance through ethical, timely, responsive, preventative and helpful advice</p>	<ul style="list-style-type: none"> • Consistent and prompt preparation and review of contracts, ordinances, resolutions and staff reports • Timely and helpful legal advice to decision makers • Legal counsel on multiple personnel matters • Advised Council and staff on multiple Water Reclamation Facility projects, including low-interest federal loan, approval of coastal development permit, issuance of construction notice to proceed • Advised Council on local regulatory options concerning secondhand smoke, tobacco and vaping and prepared regulatory ordinance • Provided prompt legal analysis on City response to COVID-19 pandemic • Assisted City with development of aquarium project • Continued work on Market St. Plaza development • Assisted City with acquisition of Dog Beach • Continued work on streamlining review processes • Assisted with multiple public records act responses • Continued to provide legal counsel on Brown Act and Political Reform Act compliance for agendas, meetings and City business • Worked with City and MBOSA on maintaining open space for Eagle Rock (Cerrito Peak) and securing reimbursement to general fund for real property purchase by City • Legal counsel on regulation of vacation rentals • Provided public ethics counsel for City officials • Legal assistance with Coastal Commission issues • Continued work with tourism dept on legal concerns • Legal counsel on safe and sustainable reuse of shuttered power plant property • Worked with code enforcement for clean-up of properties posing health and safety risks • Proactive assistance with legal issues regarding the Harbor, Water and Wastewater Enterprises • Advised City on mobile home park legal issues • Legal counsel on cannabis regulatory matters • Legal assistance on Tidelands leasing policy • Assisted City with revisions to sewer ordinance • Assisted Harbor Department with multiple lease and waterfront issues • Provided legal advice for decisions appealed to and from the planning commission

Fiscal Sustainability

- Continued focus on reduction of legal costs
- Provided legal counsel to assist with securing low-interest government loans for WRF project
- In recognition of fiscal sustainability issues provided legal fee discounts to City
- Helped City with legal process and procedures to add vacation rentals to local tax base (TOTs)
- Assisted City with securing reimbursement from FEMA and authorities for COVID-19 costs
- Legal assistance with economic opportunities through safe and sustainable reuse of shuttered power plant property
- Assisted City and MBOSA to secure payment to general fund as reimbursement for City purchase of Eagle Rock (Cerrito Peak) to maintain open space
- Provided prompt legal advice to avoid litigation
- Provided legal counsel on aquarium development
- Legal review of Tidelands leasing policy for economic opportunities for City and leaseholders
- Quickly and competently reviewed litigation to seek to reduce litigation costs
- Stayed current on legal trends and new laws impacting the community
- Recommended cost saving opportunities
- Worked on reducing exposure to liability

CITY ATTORNEY

City Attorney

Fund 001-3210

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Adopted	2019/20 Estimated	2020/21 Proposed
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ (2,407)	\$ -	\$ -	\$ -	\$ -
<i>Supplies</i>	-	223	-	-	-	-
<i>Services</i>	-	-	335,249	454,845	425,679	447,592
<i>Capital Outlay</i>	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-
<i>Equipment Replacement</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ (2,184)	\$ 335,249	\$ 454,845	\$ 425,679	\$ 447,592
<i>General Fund</i>				\$ 321,055	\$ 321,055	\$ 310,420
<i>Transit/Trolley</i>				2,066	2,066	2,155
<i>Water</i>				45,740	45,740	46,884
<i>Sewer</i>				13,859	13,859	14,205
<i>WWTP</i>				21,106	21,106	21,634
<i>Harbor</i>				49,921	49,921	51,169
<i>Assessment Districts</i>				1,098	1,098	1,125
<i>Total</i>				\$ 454,845	\$ 454,845	\$ 447,592
<i>WRF*</i>				115,000	115,000	245,000
<i>Cannabis**</i>				-	-	39,000
<i>Total</i>				\$ 569,845	\$ 569,845	\$ 731,592

*Funded in the WRF Capital Project

** Funded through Permittee Reimbursements/deposits

Notes: FY 2015/16 through FY 2017/18 City Attorney services were funded within the contract services program.

FY 2018/19: Budget included \$160,176 for general fund legal services, \$121,250 for water fund legal services, \$72,750 for sewer fund legal services and \$55,200 for harbor fund legal services. There was an additional \$25,000 of legal services budgeted in the Water Reclamation Facility capital project (page I-__ of the adopted budget). The Total budget for legal services totaled \$434,376.

FY 2019/20: Budget includes an additional \$115,000 in legal fees funded in the Water Reclamation Facility capital project (page I-__) of the adopted budget and \$25,000 for legal fees associated with water rights (funded from the water fund). Total budgeted legal costs total \$569,845 allocated as follows:

☪ CITY ATTORNEY ☪

FY 2020/21 KEY PROJECTS

Objectives	Key Projects
Good Governance	<ul style="list-style-type: none"> • Attendance at Council meetings • Review and preparation of necessary legal documents • Water Reclamation Facility Project (WRF) • General Plan/Zoning/Land Use Program and Update • Brown Act and Political Reform Act compliance • Draft, revise and finalize City of Morro Bay contracts • Legal counsel on safe and sustainable reuse of shuttered power plant property for benefit of City • Preventative legal advice • Legal guidance on commercial cannabis regulation • Local regulation of vacation rentals • Legal advice on responsible and sustainable land use and development
Fiscal Sustainability	<ul style="list-style-type: none"> • Continue providing comprehensive services while controlling costs • Firm and creative contract negotiations • Assist City with securing maximum reimbursement from FEMA and authorities for COVID-19 costs • Legal counsel on new and sustainable revenue sources • Harbor leases and lease policies • Continue working with City on developing City revenue sources from cannabis commercial activity • Continued assistance with Market Plaza Project • Develop economic opportunities for City through safe and sustainable reuse of shuttered power plant property • Assist with long-term infrastructure improvements • Offshore windfarm opportunity

KEY PROGRAM SERVICES

- Continue prompt, responsive legal advice to the City Council, Staff, Boards, Commission and Committees
- Review, draft and finalize City contracts, leases and agreements
- Prepare ordinances and regulations at direction of City Council
- Continue actively participating in Harbor lease negotiations and preparation of policies
- Advise on responsible and sustainable land use and development
- Assist City with securing new revenue sources
- Continued involvement with aspects of the WRF
- Continued assistance with Market Plaza Project
- Legal review for the General Plan/Zoning/Land Use Program for the City
- Address code enforcement issues including receiverships when needed
- Commence and prosecute civil litigation on behalf of the City when so directed by Council

☪ CITY ATTORNEY ☪

ACTIVITY AND WORKLOAD HIGHLIGHTS	2018/19 Actual	2019/20 Estimate	2020/21 Budget
Staff Reports Reviewed	165	185	185
Public Records Requests	20	35	40
Contracts Reviewed/Prepared	15	25	25
Ordinances/Resolutions Reviewed/Prepared	10	20	20
Personnel Matters	15	15	15
WRF Issues	25	35	30
WWTP Issues	10	15	10
Harbor Leases, etc.	15	20	20
Phone calls/emails (substantive)	200	250	250
Council regular/special meetings attended	30	30	30
Commission/Board meetings attended	5	5	5

DRAFT

Contract Services

PROGRAM 3115

DEPARTMENT PURPOSE

The Contract services program includes general city-wide service agreements, including dispatch services for both police and fire, copier leases, visitor center lease agreement and animal services agreement.

BUDGET OVERVIEW

For FY 2020/21, contract services program decreased by approximately \$42,000 due to cancellation of the City's contract with the Chamber of Commerce to provide Visitor Center services plus some reduction on copier lease expenditures as the City entered into a new lease agreement for copiers in FY 2019/20 which has resulted in cost savings. No new or additional services are included in this program for FY 2020/21.

∞ CONTRACT SERVICES ∞

Contract Services

Fund 001-3115

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
EXPENDITURES						
<i>Services</i>						
<i>PARS Mgmt Fee</i>	\$ 8,196	\$ 8,866	\$ 6,998	\$ 7,500	\$ 7,500	\$ 7,500
<i>Contract City Attorney, GF</i>	144,503	185,054				
<i>AGP Video</i>	60,100	60,000	60,000	60,000	60,000	60,000
<i>Digital Map GIS Service</i>		16,500	10,000	10,000	10,000	10,000
<i>DocuTeam Document Storage</i>	10,790	12,921	18,348	12,000	12,000	12,600
<i>Regional Dispatch - Fire</i>	115,050	115,050	123,899	70,000	70,000	70,000
<i>Regional Dispatch - Police</i>	252,076	252,076	267,436	267,436	267,436	267,436
<i>Richo Copier Leases</i>	47,819	38,296	35,000	40,000	40,000	36,120
<i>Visitors Center</i>	50,050	50,000	50,000	50,000	50,000	-
<i>Other</i>			38,247			11,000
<i>Animal Services</i>	45,425	49,847	44,594	44,166	44,166	44,166
TOTAL EXPENDITURES	\$ 734,009	\$ 788,610	\$ 654,522	\$ 561,102	\$ 561,102	\$ 518,822

Notes:

FY 2016/17 - Budget section was expanded to include services that benefit all General Fund departments.

FY 2018/19 – City Attorney services have been removed and placed into program 3210, City Attorney.

Deputy City Manager

PROGRAM 3125

DEPARTMENT PURPOSE

The Deputy City Manager program was created in 2015 with oversight of economic development, information technology, recreation and support of the Tourism program.

BUDGET OVERVIEW

Effective in December 2017, the Deputy City Manager program was defunded. The FY 2020/21 carries forward the defunding of this program as a cost-reduction measure. The operational functions of this department are being spread among existing positions with the City Manager absorbing direct oversight of the City's recreation program and support of the Tourism program.

DEPUTY CITY MANAGER

Deputy City Manager

Fund 001-3125

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Adopted	2019/20 Estimated	2020/21 Proposed
Revenues						
<i>Other Revenue</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -				
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 47,567	\$ 29,261	\$ -	\$ -	\$ -	\$ -
<i>Supplies</i>	-	-	-	-	-	-
<i>Services</i>	31,360	(1,036)	-	-	-	-
<i>Capital Outlay</i>	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-
<i>Equipment Replacement</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 78,927	\$ 28,225	\$ -	\$ -	\$ -	\$ -

DRAFT

City Clerk

PROGRAM 3130

DEPARTMENT PURPOSE

The City Clerk's office works with the City Council, City Manager, and City Departments to ensure transparency of city government to the public in an ethical, professional, and impartial manner regarding legislative and advisory body proceedings; maintains a complete and accurate record of City Council proceedings; preserves official legislative records; serves as elections official for local municipal elections; and serves as compliance officer for state and local statutes.

The City Clerk also serves as the City's Risk Manager. The California Joint Powers Insurance Authority (CJPIA) is the City's provider of risk management services, including insurance coverage for general liability, workers' compensation, and property insurance. The Clerk's office coordinates activities related to coverage documents; processes all claims related to the City's property, liability and workers' compensation insurance; and implements policies and programs to reduce exposure to risk.

BUDGET OVERVIEW

The FY 2020/21 budget reflects 5% salary reductions for July 1 – December 31, 2020, and increases in CalPERS pension costs, OPEB and other benefit increases. These personnel cost increases are offset by reductions to supplies and services. The proposed budget includes an increase in service costs associated with the anticipated cost of the November 2020 election.

○ CITY CLERK ○

Objectives	FY 2019/20 Accomplishments
Good Governance	<ul style="list-style-type: none"> • Compiled and published City Council and other advisory body agendas, minutes, and documentation in an efficient manner, within legally prescribed timelines. • Provided open access to information, documents and the legislative process. • Administered the recruitment and selection process for the City’s six standing advisory bodies. • Following the thorough review by a Council sub-committee, presented updated Council Policies & Procedures and Advisory Bodies Handbook & By-Laws for Council approval and prepared orientation and training materials for new Council and Advisory Body Members • Processed and certified results of a Referendum Petition. • Implemented tele- and web-conferenced Brown Act Meetings in response to the Governor’s Executive Order N-29-20 and SLO County Local Emergency Mandatory Order to Shelter at Home. • Administered the provisions of various State laws, including the California Elections Code, Political Reform Act, Brown Act, Maddy Act and Public Records Act.
Records Management	<ul style="list-style-type: none"> • Continued efforts to organize and index City records in accordance with adopted policies.
Risk Management	<ul style="list-style-type: none"> • Coordinated with CJPIA to evaluate and verify City property schedule listing and coverage amounts.

○ CITY CLERK ○

City Clerk

Fund 001-3130

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
Revenues						
<i>Charges for Service</i>	98	406	1,690	-	-	-
<i>Other Revenue</i>	10	-	10	-	-	-
TOTAL REVENUES	108	406	1,700	-	-	-
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 156,980	\$ 188,941	\$ 141,899	\$ 144,857	\$ 142,790	\$ 149,447
<i>Supplies</i>	\$ 6,349	\$ 5,644	\$ 2,092	\$ 3,250	\$ 1,364	\$ 690
<i>Services</i>	\$ 19,280	\$ 16,369	\$ 36,169	\$ 26,487	\$ 21,464	\$ 32,743
<i>Capital Outlay</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Other</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Equipment Replacement</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 182,609	\$ 210,954	\$ 180,160	\$ 174,594	\$ 165,618	\$ 182,880

Notes:

FY 2016/17 – The City Clerk’s portion of the budget was removed from the City Manager’s budget. This budget is a combined City Clerk, Legal and Elections. The City Attorney’s budget was removed, and costs for the contract City Attorney are presented in the Contract Services Division.

□ CITY CLERK ○

FY 2020/21 KEY PROJECTS

Core Goals	Key Projects
Good Governance	<ul style="list-style-type: none"> • Ensure open access to information, documents and the legislative process • Improve transparency by providing public access to key City documents including ordinances, resolutions and contracts via the City website public portal. • Continue to improve programs to better educate staff, Council and Advisory Body members regarding Political Reform Act, Brown Act, AB 1234 Ethics Laws and Public Records Act compliance.
Records Management	<ul style="list-style-type: none"> • Continue efforts to implement new employee training / annual training on records management, e-mail management, retention and destruction policies. • Continue efforts to organize and index City records in accordance with adopted policies.
Elections	<ul style="list-style-type: none"> • Prepare to conduct a fair and impartial November 2020 Municipal Election, meeting Federal / State / local statutes and policies, including responsibilities for Fair Political Practices Commission (FPPC) filings (Campaign Disclosures, Conflict of Interest)
Risk Management	<ul style="list-style-type: none"> • Prioritize and complete remaining recommendations from CJPIA 2018 Risk Management Evaluation. • Continue to update and implement various City policy and inspection programs as recommended by the California JPIA.

○ CITY CLERK ○

KEY PROGRAM SERVICES

- Provides public notice of City Council and other Brown Act meetings.
- Prepares and distributes all City Council and certain Advisory Body Agenda packets.
- Preserves and maintains the City’s records and legislative history.
- Responds to Public Records Act requests.
- Coordinates recruitment and appointment process for City Advisory Bodies.
- Acts a Filing Official for the City’s Conflict of Interest Code (Form 700) in conformance with the requirements of the Fair Political Practices Commission.
- Oversees compliance with legally required Ethics and Harassment Prevention training for appointed and elected officials.
- Provides risk management services and processes and monitors all City contracts.
- Maintains City’s Municipal Code.
- Elections Official for Local Municipal Elections.
- Trainings and Coordination for Advisory Boards and Committees

Summary of FTEs

	2018/19	2019/20	2020/21
	Funded	Funded	Funded
<i>City Clerk</i>			
<i>City Clerk</i>	<i>0.33</i>	<i>0</i>	<i>0</i>
<i>City Clerk/HR Manager</i>	<i>0</i>	<i>0.33</i>	<i>0.33</i>
<i>Admin/Deputy City Clerk</i>	<i>0.75</i>	<i>0</i>	<i>0</i>
<i>Executive Assistant/Deputy City Clerk</i>	<i>0</i>	<i>0.75</i>	<i>0.75</i>
Total Department FTEs	1.08	1.08	1.08

○ CITY CLERK ○

ACTIVITY AND WORKLOAD HIGHLIGHTS	2017/18 Actual	2018/19 Actuals	2019/20 Budget	2020/21 Budget
Number of Legislative Records Indexed:				
a. Number of Resolutions Indexed:	61	107	91	90
b. Number of Ordinances Indexed:	1	8	10	8
Number of Commission and Committee applications and appointments processed:	18 applications to fill 9 appointments	32 applications to fill 13 appointments	15 applications to fill 7 appointments	30 applications to fill 17 appointments
Number of Commission and Committee seats available:	2	13	9	17
Number of Legal Notices published within established timelines:	11	13	21	15
Number of Fair Political Practices Commission (FPPC) Form 700s filed:	86	104	95	80
Number of City Council Agenda Packets processed:	21 regular meetings 30 special meetings	22 regular meetings 35 special meetings	20 regular meetings 26 special meetings	21 regular meetings 26 special meetings
Number of Public Records Act requests processed:	157	120	200	120
Average response time to Public Record Act requests:	5 days	5 days	8-10 days	4-5 days
Percentage of City Council Minutes prepared within 45 business days.	82%	85%	75%	85%
Number of Contracts/ Agreements/ Purchase Orders reviewed for compliance with City's insurance requirements:	40	100	100	75
Number of Liability Claims processed:	12	17	17	15
Number of Workers' Compensation Claims processed:	15	9	15	15

○ ELECTIONS ○

Elections

Fund 001-3120

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
Revenues						
<i>Other Revenue</i>	10	-	-	-		-
TOTAL REVENUES	\$ 10	\$ -		\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -		\$ -
<i>Supplies</i>	1,071	507	-	-		-
<i>Services</i>	8,021	-	-	-	320	-
<i>Capital Outlay</i>	-	-	-	-		-
<i>Other</i>	(10,241)	-	-	-		-
<i>Equipment Replacement</i>	-	-	-	-		-
TOTAL EXPENDITURES	\$ (1,149)	\$ 507	\$ -	\$ -	\$ 320	\$ -

Notes:

FY 2015/16 – The decision was made to budget \$10,000 per year, moving the fund into a Trust and Agency account to save/pay for election costs.

FY 2017/18 – Elections was removed from the City Clerk and stated separately.

FY 2018/19 – As of FY 2018/19 Elections has been consolidated with the City Clerk.



Human Resources

PROGRAM 3140

DEPARTMENT PURPOSE

The Human Resources Division provides effective services and vital information to employees, retirees and the public with compassion, dignity, and respect in a fair and equitable manner. It is responsible for carrying out all the activities essential to the effective administration of personnel functions, including: assisting departments in the areas of recruitment, selection, placement, professional development and separation of employees; administering benefits program; ensuring compliance with State and Federal employment-related laws and regulations; maintaining centralized personnel records; administering job classifications and compensation plans; and is responsible for the development of Memoranda of Understanding (MOU's) with the City's three bargaining units and discussions with the City's management and confidential employees, all subject to Council direction and approval.

BUDGET OVERVIEW

The FY 2020/21 is approximately \$7,000 less than the prior fiscal year, with incorporation of 5% salary reductions through December 31, 2020, increased benefit costs for CalPERS pension rates, OPEB benefits and health coverage, and reduced service expenditures.

○ HUMAN RESOURCES ○

ACCOMPLISHMENTS

Objective	FY 2019/20 Accomplishments
Good Governance	<ul style="list-style-type: none"> • Continued review and update of City policies related to employment practices. Updated and implemented the Cell Phone Stipend/Reimbursement Policy, Lactation in the Workplace Policy and Social Media Policy. • Implemented personnel policies, processes and forms related to Emergency Paid Sick Leave authorized by the Families First Coronavirus Response Act. • Updated new employee orientation materials with required forms and policies. • Stay abreast of changes in employment law that impact City practices related to employee negotiations, health benefits and training requirements.
Workforce Development	<ul style="list-style-type: none"> • Scheduled legally required employee training as well as professional development opportunities. • Implemented employee cost sharing arrangement for FY 2019/20 as previously negotiated with Morro Bay Peace Officers Association and coordinated efforts to amend the City’s contract with CalPERS accordingly. • Successfully negotiated contract extensions to December 31, 2020, with the Morro Bay Peace Officers’ Association and SEIU Local 620 providing temporary 5% salary reductions to address revenue shortfalls associated with the COVID-19 health emergency. The same terms were extended to unrepresented Management and Confidential employees. • Successful implementation of the Alternative Work Schedules for non-safety employees after a 6-month pilot period. • Implemented an Employee Assistance Program providing counseling, legal and financial consultations, and other resources for employees and their families at no cost to the employee. • Engaged workforce in a variety of ways to assess organizational culture, improve communication and employee satisfaction.

○ HUMAN RESOURCES ○

Human Resources

Fund 001-3140

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
Revenues						
<i>Charges for Service</i>	-	-		-		-
<i>Other Revenue</i>	-	-			14	-
TOTAL REVENUES	-	-		-	14	-
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 121,747	\$ 129,860	\$ 168,943	\$ 187,167	\$ 185,224	\$ 199,264
<i>Supplies</i>	\$ 2,777	\$ 3,002	\$ 2,046	\$ 1,780	\$ 903	\$ 1,228
<i>Services</i>	\$ 91,912	\$ 60,988	\$ 16,893	\$ 55,192	\$ 22,090	\$ 36,655
<i>Capital Outlay</i>	\$ -	\$ -	\$ -	\$ -		\$ -
<i>Other</i>	\$ -	\$ -	\$ -	\$ -		\$ -
<i>Equipment Replacement</i>	-	-	-	-		-
TOTAL EXPENDITURES	\$ 216,436	\$ 193,850	\$ 187,882	\$ 244,139	\$ 208,217	\$ 237,147

Budget Notes:

FY 2014/15 – Contract for Negotiations services was cancelled; negotiations were conducted by in-house staff.

FY 2015/16 – Services increased due to external legal fees in contract negotiations and recruitment costs.

FY 2016/17 – Amended budget included increased costs in services for Police Chief recruitment.

FY 2017/18 - Amended budget included increased costs in services for City Manager recruitment.

FY 2018/19 – Includes allocation of City Clerk time for oversight.

○ HUMAN RESOURCES ○

FY 2020/21 KEY PROJECTS

Objective	Key Projects
Good Governance	<ul style="list-style-type: none">• Continued review and update of City policies related to employment practices, including Vehicle Use Policy.• Explore the use of human resources software for hiring, onboarding, and training new employees.• Begin bargaining negotiations with Morro Bay Firefighters Association for FY 2020/21 agreement and Morro Bay Peace Officers' Association and SEIU Local 620 for agreements beginning January 1, 2021.
Workforce Development	<ul style="list-style-type: none">• Recruit, select, and maintain a qualified and stable workforce; encourage individual career development; enhance core competencies and enrich performance.• Evaluate training needs and formalize training program; including leadership, supervisory and targeted competency training.• Create a Temporary/Part-time Employee Policy

□ HUMAN RESOURCES ○

KEY PROGRAM SERVICES

- Provides effective administration of employee relations programs.
- Conducts employee training and organizational development assessments.
- Administers employee benefits.
- Administers recruitment and selection programs.
- Administers classification and compensation plans.
- Provides information and interpretation regarding the City’s personnel rules, regulations and procedures, MOUs, and other ordinances.
- Resolves personnel matters.
- Maintains employee personnel files, records, and documentation.
- Develops, implements, and maintains administrative policies and procedures, including FMLA and accommodations.

Summary of FTEs

	2018/19	2019/20	2020/21
	Funded	Funded	Funded
<i>Human Resources</i>			
<i>City Clerk</i>	<i>0.33</i>	<i>0.00</i>	<i>0.00</i>
<i>City Clerk/HR Manager</i>	<i>0.00</i>	<i>0.33</i>	<i>0.33</i>
<i>Human Resources Analyst</i>	<i>1.00</i>	<i>0.00</i>	<i>0.00</i>
<i>Human Resources Analyst II</i>	<i>0.00</i>	<i>1.00</i>	<i>1.00</i>
Total Department FTEs	1.33	1.33	1.33

○ HUMAN RESOURCES ○

ACTIVITY AND WORKLOAD HIGHLIGHTS	2017/18 ACTUALS	2018/19 Actuals	2019/20 Estimates	2020/21 Budget
Number of full-time (FT), part-time (PT) and temporary employees:	97.75 FT 200 PT	99.5 FT 200 PT	97.38 FT 201 PT	xx.xxFT 75 PT
Number of recruitments conducted:	14 FT 28 PT	15 FT 25 PT	15 FT 26 PT	7 FT 15 PT
FT Employee Turnover Ratio	22%	*8%	12%	25%
Number of employment applications processed:	180 FT 120 PT	150 FT 180 PT	205 FT 230 PT	100 FT 110 PT
Percentage of labor agreements ratified prior to expiration of existing contracts:	100%	100%	100%	100%

* - Change in methodology - 8% represents number of full-time employees that left service / number of full-time employees x 100.

Finance Department

PROGRAM 3510

DEPARTMENT PURPOSE

The Finance Department assures fiscal accountability to the Council and to the public. To do so, the Finance Department provides financial oversight and administers accounting functions for all City funds and accounts; prepares the City's Annual Operating Budget for fiscal and service accountability; coordinates the annual financial audit and preparation of the Comprehensive Annual Financial Report (CAFR) to verify that proper fiscal practices are maintained; administers the City's Business License, Accounts Payable, Accounts Receivable, and Payroll functions. In addition, it operates the Utility billing/collection for the enterprise funds; and oversees the City's purchasing functions, ensuring that proper practices are in place, and that fiscal and operational responsibility is upheld.

BUDGET OVERVIEW

The Finance Department's FY 2020/21 reflects a total reduction of \$24,000 in expenditures, including salary concessions of 5 to 8 percent for employees through December 31, 2020, increased benefit costs attributed to higher CalPERS pension rates, OPEB and health benefits, and reduced staffing that affected both the Finance Department and Utility Departments with the elimination of an Account Clerk III position. The FY 2020/21 budget reflects the devastation impact of the COVID-19 pandemic on the City's revenue sources with projected revenues being reduced by \$2.7 million from the previous fiscal year's adopted budget, most notably in the areas of Transient Occupancy Tax and Sales Tax, as these City revenues are highly dependent on tourist activity.

∞ ADMINISTRATIVE SERVICES ∞
Finance

Objectives	FY 2019/20 Accomplishments
Good Governance/Transparency	<ul style="list-style-type: none"> • Coordinated a successful FY 2018/19 Financial and Compliance Audit. • Received FY 2019/20 Government Finance Officers Award for Excellence in Financial Reporting. • Completed before due dates State Controller’s “Cities Annual Report,” “Streets Report,” and “Transit Report.” • Received California Society of Municipal Finance Officers (CSMFO) award for excellence in budget for the City’s FY 2019/20 Adopted Operating and Capital Budget. • Received FY 2019/20 Government Finance Officers Award for Outstanding Operating and Capital Budgeting. • Coordinated the completion of the FY 2019/20 Budget Brief – Citizen Friendly Budget overview pamphlet.
Fiscal Sustainability	<ul style="list-style-type: none"> • Managed the coordination and on-time preparation of the FY 2020/19 Operating Budget. • Managed the City’s Investments and prepared Quarterly investment reports. • Prepared Quarterly Budget Performance Reports. • Supported the City’s Citizen’s Finance Advisory Committee (CFAC) in reviewing Measure Q and City Financial Transactions and transparency.

ADMINISTRATIVE SERVICES
Finance

Finance

Fund 001-3510

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
REVENUES						
<i>Property Tax</i>	\$ 3,052,324	\$ 3,261,639	\$ 3,416,642	\$ 3,421,797	\$ 3,237,426	\$ 3,276,247
<i>VLF Backfill Property Tax</i>	972,150	1,048,184	1,109,479	1,114,716	1,114,716	947,509
<i>Sales & Use Tax</i>	1,970,009	1,971,038	2,114,207	2,165,680	1,880,680	1,567,142
<i>Franchise Fees</i>	511,696	524,997	528,560	536,137	536,137	536,136
<i>Business License</i>	346,704	353,220	347,964	380,265	356,000	304,212
<i>Transient Occupancy Tax</i>	3,327,073	3,429,186	3,576,121	3,566,811	2,558,680	1,852,479
<i>Intergovernmental Revenues</i>	4,803	5,665	5,042	23,540	8,262	19,040
<i>Charges for Services</i>	18,249	28,195	31,343	11,000	7,346	11,000
<i>Use of Money & Property</i>	343,918	363,384	260,131	-	68	-
<i>Interest</i>	45,701	40,571	14,860	-	14,500	-
<i>Other Sources</i>	87,781	418	21,174	2,517	6,245	-
TOTAL REVENUES	\$ 10,680,408	\$ 11,026,497	\$ 11,425,523	\$ 11,222,463	\$ 9,720,060	\$ 8,513,765
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 544,965	\$ 474,865	\$ 471,852	\$ 506,410	\$ 503,619	\$ 499,212
<i>Non-Departmental S&B*</i>				\$ 642,970	\$ 642,970	
<i>Supplies</i>	15,218	11,508	24,299	5,690	3,978	3,050
<i>Services</i>	182,710	132,655	110,582	121,747	115,871	107,148
<i>Capital Outlay</i>	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-
<i>Equipment Replacement</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 742,893	\$ 619,028	\$ 606,733	\$ 1,276,817	\$ 1,266,438	\$ 609,410

*Denotes previously negotiated lump sum payments to employees and CalPERS Tier 2 and 3 UAL Payoff

City Owned Property

Fund 001-3515

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
Revenues						
<i>Use of Money & Property</i>	36,599	37,146	-	340,341	300,341	340,341
<i>Other Revenue</i>	2,165	1,117	-	1,705	1,066	-
TOTAL REVENUES	38,764	38,263		342,046	301,407	340,341
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Supplies</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Services</i>	\$ 23,569	\$ 22,613	\$ -	\$ 24,700	\$ 28,807	\$ 27,007
<i>Capital Outlay</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Other</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Equipment Replacement</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 23,569	\$ 22,613	\$ -	\$ 24,700	\$ 28,807	\$ 27,007

∞ ADMINISTRATIVE SERVICES ∞
Finance

FY 2020/21 KEY PROJECTS

Core Goals	Key Projects
Good Governance	<ul style="list-style-type: none"> • Department cross training. • Develop procedures related to purchasing and the City’s purchasing module – continue training departments on use of this model. • Coordinate FY 2021/22 Proposed Operating and Capital Budget development process. • Manage the FY 2019/20 Annual Audit, prepare a Comprehensive Annual Financial Report and submit to GFOA or CSMFO for award consideration.
Fiscal Sustainability	<ul style="list-style-type: none"> • Long-Range Financial Sustainability Plan. • Explore new revenue sources for Council consideration • Explore CalPERS cost reduction options for Council consideration. • Increase monitoring of Transient Occupancy Tax (TOT) and Business Tax receipts.

ADMINISTRATIVE SERVICES
Finance

KEY PROGRAM SERVICES

- Develops and monitors the City’s Annual Operating Budget
- Coordinates the annual audit of the City’s Financial Statements and preparation of the Comprehensive Annual Financial Report (CAFR).
- Maintains the City’s financial information system for record-keeping and reporting of all financial transactions.
- Oversees the City’s Investment Portfolio.
- Provides Accounts Payable and Payroll disbursement and reporting services; Accounts Receivable invoicing, revenue collection, and cash reconciliation, Business Tax and Transient Occupancy tax processing.

Summary of FTEs

	2018/19	2019/20	2020/21
	Funded	Funded	Funded
<i>Finance Department</i>			
Finance Director	0.75	0.75	0.75
Budget/Accounting Manager	1.00	1.00	1.00
Senior Accounting Technician	1.00	1.00	1.00
Account Clerk II	0.70	0.00	0.00
Account Clerk III	0.00	0.70	0.00
Account Clerk I	0.00	0.00	0.80
Account Clerk In-Training	0.20	0.20	0.00
Total Department FTEs	3.65	3.65	3.55
<i>Temporary Staff Hours</i>			
Account Clerk III	675	675	624
Total Annual Hours	675	675	624

ADMINISTRATIVE SERVICES
Finance

ACTIVITY AND WORKLOAD HIGHLIGHTS	2017/18 Actuals	2018/19 Actuals	2019/20 Estimates	2020/21 Budget
Quarterly Investment Reports to Council	4	4	4	4
TOT payments processed annually	1,970	2,112	2,175	2,200
Accounts Payable checks processed annually	3,050	2,995	2,700	2,750
Payroll checks processed annually	5,096	5,100	5,125	
Business licenses issued annually	2,655	2,569	2,600	2,600
Weighted average rate of return on investments	1.328%	1.65%	1.75%	
Journal entries written per month	19	12	10	10
Bank reconciliations completed within 60 days of end of month (11 accounts/month)	110	121	132	132
Bank Deposits processed annually	269	334	360	350
Utility Billing Metrics:				
Leak Reviews Approved	73	30	48	63
Tag Notices Processed	854	839	640	730
Turn Off Requests Processed	723	136	126	110
Turn On Requests Processed	732	760	711	735
Utility Discount Applications Received	147	295	320	350
Utility Discount Customers Enrolled	128	270	300	330
Utility Rebate Applications Received		0	18	25
Utility Rebate Customers Enrolled		0	18	25
Audit Metrics:				
Year End Journal Entries- Accrual Conversion	58	58	58	58
Audit Schedules and Document Requests	169	174	175	175
Audit Adjusting Entries	6	3	3	3
Budget Amendment Journal Entries	12	9	10	10

Transfers

PROGRAM 7710

DEPARTMENT PURPOSE

The Transfers program accounts for interfund transfers in and out. There are annual transfers that occur to compensate the general fund for support to the enterprise funds (cost allocation plan transfers), as well as other revenue and expenditure transfers that occur to support the operations of the City.

BUDGET OVERVIEW

General fund transfers in, a source of funds to support or reimburse the general fund for operations, decreased by \$200,000 in FY 2019/20. This is primarily due to an updated cost allocation plan and reduced contributions to the general fund from the City's enterprise funds. Also, as a result of the Cost Allocation Plan update, transfers from the City's assessment districts (Cloisters and North Point) as well as the Wastewater Treatment Plant have been added to offset administrative overhead support for these functions. The FY 2019/20 budget includes a transfer in of \$30,432 from the City Opportunity Fund to support economic development opportunities such as continued collaboration with the Chamber of Commerce.

General fund transfers out also decreased over prior years. For FY 2019/20 the City's internal services funds (vehicle replacement, facility maintenance, compensable leave and capital replacement) are not funded. In accordance with Resolution 19-19 establishing the City of Morro Bay's Revenue and Expenditure Policies, new, discretionary revenues will be treated as one-time revenues for a period of 24 months to establish that they will be permanent, steady and reliable ongoing revenues. The City's revenue policy specifically states that new revenues may be appropriated to replenish internal service funds. In FY 2019/20 the City will be permitting two medical cannabis shops which will generate sales tax revenue of up to \$200,000. As such, the new sales tax revenue generated from the cannabis shops is recommended to be directed to the City's internal service funds until target funding levels (as defined by City policies) are met.

In addition, the FY 2019/20 Transfer budget reflects a reduce contribution to the City's Tourism Business Improvement District of \$60,000 and includes a \$65,000 transfer to a newly formed Economic Development Fund which is dedicated to economic development implementation from the City's general plan.

ADMINISTRATIVE SERVICES

Transfers

Transfers

STATEMENT OF SOURCE AND USE OF FUNDS

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
Transfers In						
<i>Emergency Reserve Fund</i>	\$ -	\$ 311,893		\$ 642,970	\$ 642,970	
<i>Special Revenue Funds</i>						
<i>Measure Q - Fire Overtime</i>	96,122	116,444	120,685	121,916	121,916	121,916
<i>County TMD</i>	6,619	6,650		7,020	7,020	7,090
<i>TBID</i>	19,292	19,429	16,445	19,760	19,760	19,958
<i>State Gas Tax - Streets</i>	237,526	228,157	216,712	274,551	244,101	226,455
<i>Traffic Safety - Signals</i>	13,000	11,113	13,364	10,000	11,541	10,000
<i>Affordable Housing In-Lieu</i>	-	-	-	-	-	-
<i>Capital Improvement Fund</i>	267,266	-	-	-	-	-
<i>Enterprise Funds</i>						
<i>Cost Allocation Plan:</i>						
<i>Transit</i>	79,775	79,775	79,775	44,945	44,945	45,423
<i>Water</i>	286,679	292,327	302,850	189,539	189,539	194,277
<i>Sewer</i>	170,862	174,228	180,500	189,539	189,539	194,277
<i>Harbor</i>	276,986	276,986	329,168	205,348	205,348	210,482
<i>WasteWater Treatment</i>				153,575	153,575	157,414
<i>Cloisters</i>				10,821	10,821	11,092
<i>North Point</i>				645	645	661
<i>Other:</i>				-	-	-
<i>Harbor - AGP Video; PR</i>						
<i>Cleaning</i>	11,300	11,700	5,000	11,700	11,700	11,993
<i>Harbor - Legal</i>	-	-	36,214	49,921	49,921	51,169
<i>Water - Legal</i>	-	-	5,408	48,240	48,240	46,884
<i>Sewer - Legal</i>	-	-	4,680	16,359	16,359	14,205
<i>WWTP - Legal</i>	-	-	-	21,106	21,106	21,634
<i>Opportunity Fund</i>	67,540	-	18,000	30,462	30,462	60,000
<i>Strategic Investment</i>	-	-	-	-	-	-
<i>Lower Cost Visitor Accom</i>	-	-	-	-	-	55,111
TOTAL SOURCE OF FUNDS	\$ 1,532,967	\$ 1,528,702	\$ 1,328,801	\$ 2,048,417	\$ 2,019,508	\$ 1,460,041
USES OF FUNDS						
<i>Transfers Out</i>						
<i>Facility Maintenance</i>	\$ -	\$ -		\$ 10,000	\$ -	\$ -
<i>Emergency Reserve</i>	-	40,668	38,194	-	-	-
<i>Vehicle Replacement</i>	-	75,000	50,000	-	-	-
<i>Information Technology</i>	-	-	364,730	345,970	345,970	354,620
<i>Risk Management</i>	-	-	30,000	-	-	50,000
<i>Compensable Leave</i>	-	-	30,000	-	-	-
<i>Capital Replacement</i>	-	-	-	-	-	-
<i>Projects Accumulation</i>	-	-	-	-	-	-
<i>Capital Improvement</i>	-	-	5,000	-	-	-
<i>Economic Development Fund</i>	-	-	191,388	65,000	-	-
<i>Tourism</i>	-	-	145,837	60,000	60,000	-
<i>Special Revenue Funds</i>	1,568,683	437,822				
TOTAL USE OF FUNDS	\$ 1,568,683	\$ 553,490	\$ 855,149	\$ 480,970	\$ 405,970	\$ 404,620

Notes:

FY 2015/16 – Transfer out to special revenue funds are \$50,000 to the Visitor’s Center, and \$325,489 to the information services internal service fund.

FY 2017/18 – transfers out to special revenue funds are \$50,000 to the unfunded compensable leaves fund, \$134,928 to TBID, and \$262,394 to the information technology internal service fund.

FY 2018/19 – includes transfers in from the Strategic Spending and Opportunity Fund to support the Economic Development Strategic Plan through contract with the Chamber of Commerce.

FY 2019/20 – includes transfers in from the City’s Opportunity fund to support collaboration with the Chamber for Economic Development, a \$65,000 transfer out to an Economic Development Fund to support General Plan implementation items, such as wayfinding, and a reduced contribution to TBID.

Police Department

PROGRAM PURPOSE

The Morro Bay Police Department (MBPD) continues to provide 24-hour, 7 day a week, Law Enforcement services to our Community. MBPD is a full-service agency which includes 18 sworn positions, 4 non-sworn civilian positions, and a dedicated group of both volunteer and youth explorer staff members who support the mission of the department. Morro Bay Police Department is truly a community-oriented police agency who strives to serve our community with a true partnership in community-policing.

The Morro Bay Police Department performs all police/law enforcement related functions including: responding to all calls for service from our resident and business community members and city guests, proactive patrol activities, detailed and complex investigations, crime prevention and community relations, traffic safety, enforcement and control, enforces local, state and federal laws, evaluates and implements crime reduction strategies and techniques, addresses community safety and quality of life issues and responds to emergencies and critical incidents.

The Morro Bay Police Department continues to be part of a much larger public safety network of First Responders working closely with Morro Bay Fire and Harbor Departments as well as regional and allied agencies including State Parks, SLO County Sheriff, CHP, SLO County Probation, Cal Trans and surrounding municipal police agencies. Together, we have formed a collaborative network of highly skilled and trained personnel and resources that keep our communities safe every day.

BUDGET OVERVIEW

The MBPD FY 2020/21 budget includes the defunding of 1.0 FTE Police Officer position due to needed budgetary reductions resulting from the COVID-19 pandemic. In addition, the budget includes 5% salary concessions from all employees through December 31, 2020, at which time the City's financial position will be reevaluated and new bargaining agreements will be negotiated based on more up to date information. The FY 2020/21 budget allows us to maintain basic policing services within budgetary constraints and guidelines. Both Measure Q and SLESF/COP's Grant funding continue to be vital to the Department in maintaining all basic functions and operational needs to supplement general fund support of the Department. During FY 2019/20, MBPD was able to reallocate one personnel position to maintain the Administrative Sergeant position allowing patrol supervisors more time to focus on patrol operations in the field. We replaced outdated handheld radios, obtained a Weapons Simulator system to provide enhanced weapons and range training capabilities, ordered Active Shooter Emergency Response kits for all sworn personnel, provided field tourniquets for all patrol officers and ordered Tasers to replace the current outdated and failing units.

□ POLICE DEPARTMENT ○

Objectives	FY 2019/20 Accomplishments
<p>Implementation of the Administrative Sergeant position</p>	<ul style="list-style-type: none"> • This position takes several ancillary duties/functions from patrol sergeants and places them in an administrative capacity allowing patrol supervisors to focus on field operations and to streamline internal administrative duties.
<p>Successful recruitment of Police Commander</p>	<ul style="list-style-type: none"> • Establishes a solid Second-in-Command position to help oversee the daily operational needs of the department in the areas of Patrol Operations, Investigations, and Community Outreach.
<p>Recruitment/ Hiring:</p>	<ul style="list-style-type: none"> • Successfully recruited and hired five new officer positions to backfill recent retirements and resignations.
<p>Chief's Advisory Committee</p>	<ul style="list-style-type: none"> • Successfully recruited and implemented a five-member committee to act as a resource for the Chief in the formation of strategies, development of community policing concepts and increasing public awareness. The committee provides a forum for discussions concerning community and quality of life issues.
<p>Citizen's Police Academy</p>	<ul style="list-style-type: none"> • Successfully implemented/completed a 9-week in-depth look at the inner workings of the Morro Bay Police Department to create a more collaborative working partnership with our community members. This educational opportunity gave citizens a broader knowledge, and a clearer understanding of how the Morro Bay Police Department operates and the duties of the officers and staff. The Academy promotes greater insight into our Department's policies and practices, the various services we provide and an opportunity to meet the individuals that protect and serve our community.

□ **POLICE DEPARTMENT** ○

Objectives	FY 2019/20 Accomplishments
<p>Tobacco Enforcement Grant</p>	<ul style="list-style-type: none"> • MBPD conducted a series of Tobacco Enforcement and Educational details utilizing Grant funds to help reduce the use (and abuse) of tobacco products, and target those who supply these products to our youth and through our school systems.
<p>Community Safety and Engagement</p>	<ul style="list-style-type: none"> • MBPD has continued to focus on community engagement and interaction through a variety of events including, but not limited to the following: Harbor Festival, Avocado/Margarita Festival, Cruisin Morro Bay Car Show, City 4th of July event, Special Olympics Tip-a-Cop BBQ and Torch Run. • In addition, MBPD personnel are heavily involved in Project Surf Camp, Operation Surf, National Night Out, Caroling Cops, Community Thanksgiving Dinner, Annual Haunted House and Coffee w/a Cop. MBPD also continues to support regional community events such as Cops-N-Kids Day sponsored by International Footprinters Association, and Sheriff’s Family Day at Madonna Inn sponsored by the Sheriff’s Advisory Foundation
<p>MBPD Policy Updates</p>	<ul style="list-style-type: none"> • Conducted a thorough review/update of Morro Bay Police Department Policy manual and placed the policy manual on our department website to meet legislative requirements for public transparency.
<p>Emergency Preparedness & State Mandated Training</p>	<ul style="list-style-type: none"> • Continue to meet all Legislative and P.O.S.T. Mandated Training requirements for Operational Readiness • Obtained new Handheld Radios • Ordered Active Shooter/Critical Incident Response Kits for all sworn personnel • Obtained Weapon Simulator System for enhanced Range training and weapon proficiency. • All officers provided with Emergency tourniquet • Working to obtain new Tasers to replace outdated models.

○ POLICE DEPARTMENT ○

Police Department
DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2016/17	2017/18	2018/19	2019/20	2019/20	2020/21
	Actuals	Actuals	Actuals	Amended	Estimated	Proposed
REVENUES						
<i>Intergovernmental Revenue</i>	\$ 41,232	\$ 29,876	\$ 22,495	\$ 26,225	\$ 26,225	\$ 26,474
<i>Fines & Forfeitures</i>	8,420	10,003	4,834	5,000	5,141	6,000
<i>Charges for Service</i>	17,829	38,546	59,908	177,489	177,489	201,446
<i>Other Revenues</i>	17,123	3,986	23,299	6,000	9,190	6,500
<i>Transfer In</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 84,604	\$ 82,411	\$ 110,536	\$ 214,714	\$ 218,045	\$ 240,420
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 3,017,682	\$ 3,200,243	\$ 3,088,708	\$ 3,503,995	\$ 3,311,713	\$ 3,239,925
<i>Supplies</i>	104,542	107,726	74,952	88,985	82,062	75,200
<i>Services</i>	208,537	196,839	195,594	220,138	294,497	215,088
<i>Capital Outlay</i>	2	-	-	-	-	-
<i>Other</i>	11,253	16,741	-	-	-	-
<i>Equipment Replacement</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 3,342,016	\$ 3,521,549	\$ 3,359,254	\$ 3,813,118	\$ 3,688,272	\$ 3,530,213

	2016/17	2017/18	2018/19	2019/20	2019/20	2020/21
	Actuals	Actuals	Actuals	Amended	Estimated	Proposed
Expenditures By Fund						
<i>Police General Fund Operating</i>	\$ 3,094,039	\$ 3,276,678	\$ 3,121,942	\$ 3,532,020	\$ 3,407,469	\$ 3,256,818
<i>Support Services</i>	\$ 247,977	\$ 244,871	\$ 237,312	\$ 281,098	\$ 280,803	\$ 273,395
TOTAL EXPENDITURES	\$ 3,342,016	\$ 3,521,549	\$ 3,359,254	\$ 3,813,118	\$ 3,688,272	\$ 3,530,213



□ POLICE DEPARTMENT ○

Summary of Department FTEs

	2018/19 Funded	2019/20 Funded	2020/21 Funded
<i>Police Department</i>			
Chief of Police	1.0	1.0	1.0
Police Commander	1.0	1.0	1.0
Police Sergeant	4.0	4.0	4.0
Administrative Sergeant	1.0	1.0	1.0
Police Corporal	1.0	1.0	1.0
Senior Officer	4.0	4.0	4.0
Officer	4.0	4.0	3.0
Officer -SRO	0.0	1.0	1.0
Officer - Detective	1.0	1.0	1.0
Support Services Manager	1.0	1.0	1.0
Records Clerk/Training Coordinator	1.0	1.0	1.0
Support Services Technician	1.0	0.63	0.63
Property Technician	0.75	0.75	0.75
Total Department FTEs	20.75	21.38	20.38



Police Department

General Fund Program 4110

PROGRAM PURPOSE

Morro Bay Police Department continues to actively recruit professional sworn and non-sworn staff who join in our mission to provide the highest level of police services in partnership with our community and share our Organizational values of accountability, integrity, honesty and professionalism. Our vision of “Excellence in Service” is accomplished daily by our dedicated staff of men and women who provide full-time police services. Our department provides a wide range of community-based law enforcement services to address crime, traffic and quality of life issues throughout our community. Our Administration and staff understand the necessity to stay current with relevant, consistent and up to date training and the latest technologically advanced equipment, by researching and procuring cost-effective training opportunities and specialty equipment for the detection and prevention of criminal behavior, to manage our reports and records systems, recover and process evidence and enhance officer and public safety.

MBPD will continue to research and evaluate additional equipment needs that will enhance our community safety efforts such as Automated License Plate Readers, CCTV systems, SHOT Spotter technology and other technologically advanced equipment options. Utilizing these types of advanced systems can prepare officers to better handle real life situations and increase the likelihood of positive outcomes while mitigating or reducing injury to officers and the public.

Our dedicated Police Volunteers continue to supplement our limited police personnel resources by volunteering hundreds of hours each year to perform a variety of police related functions including administrative/clerical support, traffic control and education, community events and outreach, and a variety of other crime prevention strategies.

BUDGET OVERVIEW

The Police Department’s budget for FY 2020/21 will continue to provide financial challenges in recruiting and retaining highly qualified and skilled employees and obtaining and/or replacing needed equipment and resources. As previously discussed, the FY 2020/21 budget includes 8 to 5 percent salary concessions and the defunding of one Police Officer Position resulting in 1.0 reduced FTE.



○ POLICE DEPARTMENT ○
General Fund

Police
Fund 001-4110

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
REVENUES						
<i>Intergovernmental Revenue</i>	\$ 41,232	\$ 29,876	\$ 22,495	\$ 26,225	\$ 26,225	\$ 26,474
<i>Service Charges</i>	17,829	38,546	59,908	177,489	177,489	201,446
<i>Licenses & Permits</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	8,420	10,003	4,834	5,000	5,141	6,000
<i>Other Sources</i>	17,123	3,986	23,299	6,000	9,190	6,500
TOTAL REVENUES	\$ 84,604	\$ 82,411	\$ 110,536	\$ 214,714	\$ 218,045	\$ 240,420
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 2,781,342	\$ 2,974,477	\$ 2,866,386	\$ 3,237,455	\$ 3,042,987	\$ 2,978,053
<i>Supplies</i>	101,672	104,039	71,782	85,300	81,023	74,500
<i>Services</i>	199,770	181,421	183,774	209,265	283,459	204,265
<i>Capital Outlay</i>	2	-	-	-	-	-
<i>Other</i>	11,253	16,741	-	-	-	-
<i>Equipment Replacement</i>						
TOTAL EXPENDITURES	\$ 3,094,039	\$ 3,276,678	\$ 3,121,942	\$ 3,532,020	\$ 3,407,469	\$ 3,256,818

Notes:

FY 2017/18 – The SRO was no longer funded at 50% by School District due to reduced budget and was incorporated into the City’s budget for 100% for six months (approx. \$77K). The remaining six months were to be funded in Measure Q. The SRO position was eventually eliminated due to budget constraints.

FY 2019/20- The SRO position was re-negotiated with SLCUSD to be fully funded by the San Luis Coastal Unified School District.

FY 2020/21- The SRO continues to be fully funded by the San Luis Coastal Unified School District.



○ POLICE DEPARTMENT ○
General Fund

Summary of Department FTEs

	2018/19 Funded	2019/20 Funded	2020/21 Funded
<i>Police Department</i>			
Chief of Police	1.00	1.00	1.00
Police Commander	1.00	1.00	1.00
Police Sergeant	4.00	4.00	4.00
Administrative Sergeant	1.00	1.00	1.00
Police Corporal	1.00	1.00	1.00
Senior Officer	4.00	4.00	4.00
Officer	4.00	4.00	3.00
Officer -SRO	0.00	1.00	1.00
Officer - Detective	1.00	1.00	1.00
Records Clerk/Training Coordintor	0.66	0.00	0.00
Total Department FTEs	17.66	18.00	17.00



○ POLICE DEPARTMENT ○
General Fund

FY 2020/21 KEY PROJECTS

Objectives	Key Projects
Community Safety/Crime Reduction Strategies	<ul style="list-style-type: none"> Continue to monitor and evaluate current crime trends and effective crime prevention strategies for enhanced community safety. (ie; CCTV, improved street/park lighting, engage neighborhood watch groups, address issues of homelessness, illegal drugs, alcohol abuse, gun safety, etc)
Neighborhood Cop Program	<p>(Currently in development)</p> <ul style="list-style-type: none"> The Neighborhood Cop Program will revitalize the age-old concept of neighborhood community-policing. Officers working with citizens to address localized problems in the neighborhoods they care about. This personalized partnership will enhance our community/police relationships, build trust and increase transparency. An enhanced mobile/computer App will be available for users.
Enhanced Critical Incident Training	<ul style="list-style-type: none"> Continue high quality training to prepare officers to effectively deal with any stressful real-life emergency situations likely to create intense psychological crises or trauma. A professional response in a crisis situation requires adequate training to ensure that the intervention is successful.
Complete Department Annual Report	<ul style="list-style-type: none"> The Department Annual Report is designed to promote an understanding of our purpose, goals and accomplishments. The report will contain budget information, crime statistics and data and highlight department personnel and resources.

Recruitment & Retention	<ul style="list-style-type: none">• Research recruitment strategies, Identify and understand target candidates, determine the best advertising opportunities, streamline hiring process, engage staff, focus on retention of valuable employees
Conduct Community Survey of Police Services	<ul style="list-style-type: none">• Obtain community perspective and opinions of current police services. Obtain reliable feedback of police performance and expectations of community members to address the following: Community Involvement, Safety, Procedural Justice, Performance, Contact and Satisfaction.



□ POLICE DEPARTMENT □
General Fund

FY 2020/21 KEY PROJECTS

Objectives	Key Projects
<p>Develop updated Strategic & Succession Plans</p>	<ul style="list-style-type: none">• The strategic planning process sets into motion a thought process for future planning based on the department's vision, mission and goals. Strategic planning determines where a department is going over a specified amount of time. Strategic planning lays out a plan for the department mapping the course for the department to proceed while considering the departments mandates. It defines clear and succinct goals for each of the members and outlines what the members should work towards. The strategic plan typically focuses on the major functions of the department, for example investigating and deterring crimes, however the plan should include the entire department's work goals and tasks.• The succession plan is a process to identify and develop internal people with the potential to fill key leadership positions throughout the organization. Succession planning increases the availability of experienced and capable employees that are prepared to assume these roles as they become available.



□ POLICE DEPARTMENT □
General Fund

POLICE PERFORMANCE INDICATORS AND MEASURES

Activity and Workload Highlights	2017/18 ACTUALS	2018/19 ACTUALS	2019/20 Actuals	2020/21 Budget
Average hours of training per sworn Officer	113	125	115	117
Average hours of training for non-sworn personnel	62	39	21	40
Total Number of Volunteer Hours	2254	2300	2300	
Response times	3-5 min avg	3-5 min avg	3-5 min avg	3-5 min avg
Calls for Service	11648	11706	11443	11559
Total Arrests	642	495	527	555
Total number of reports written	1941	1500	1557	1666
Percentage of reported Traffic Collisions involving drugs or Alcohol	23%	14%	10%	15%
Number of traffic citations issued (excluding courtesy citations)	122	288	285	231
Criminal citations issued	152	117	116	128
Courtesy citations issues	398	366	337	367
DUI Arrests	82	66	79	75
Traffic collision reports	274	249	92	205
injury collisions	23		17	13
Percentage of criminal complaints issued by District Attorney with charges filed	DA claims approx. 90% of Mis-filed cases	DA claims approx. 90% of Mis-filed cases	DA claims approx. 90% of Mis-filed cases	
Percentage of criminal complaints denied by District Attorney	13%	13%	13%	
Number of cases investigated	1536	1300	1300	
Number of Parking Citations Issued	298	378	272	316
Number of parking permits issued	N/A	N/A	N/A	N/A
Number of abandoned vehicles removed from public streets	28 tows for 72 Hour viol. and 6 for exp reg. (Total 33)	41 tows for 72 Hour viol. and 32 for exp reg. (Total 74)	29 tows for 72 Hour viol. and 36 for exp reg. (Total 65)	57
Revenue received on parking permits issued	N/A	N/A	N/A	N/A
Revenue received on parking citations issued	\$3096.88	\$2080	\$3394	\$2856

Police Department

SUPPORT SERVICES PROGRAM 4150

PROGRAM PURPOSE

For the Morro Bay Police Department (MBPD) to perform the public safety function, support services functions and personnel are crucial. Support Services collect, index, process, maintain, retrieve, copy, distribute and update confidential police records, reports and property. We provide information to Local/State and National Databases, legal counsel, law enforcement personnel and the public. Support Services staff are responsible for maintaining the confidentiality of highly sensitive information in strict compliance with established codes, rules and regulations.

BUDGET OVERVIEW

The FY 2020/21 Support Services is consistent with prior year's budget with a few notable exceptions. The proposed budget includes 5 percent salary concessions through December 31, 2020 for all employees in this department as well as reduced supplies costs, all efforts to contain and reduce expenditures due to the fiscal impact of the COVID-19 pandemic.

○ POLICE DEPARTMENT ○
SUPPORT SERVICES

Police Support Services
Fund 001-4150
SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 236,340	\$ 225,766	\$ 222,322	\$ 266,540	\$ 268,726	\$ 261,872
<i>Supplies</i>	2,870	3,687	3,170	3,685	1,039	700
<i>Services</i>	8,767	15,418	11,820	10,873	11,038	10,823
<i>Capital Outlay</i>	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-
<i>Equipment Replacement</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 247,977	\$ 244,871	\$ 237,312	\$ 281,098	\$ 280,803	\$ 273,395

Notes:

FY 2014/15 – In October 2014, Police and Fire dispatch services were consolidated with San Luis Obispo County (Sheriff/CalFire). This division was renamed Support Services to reflect the change from City-Wide Communications. The increase in services category is due to the SLO County Sheriff's contract for emergency dispatch services, which is offered by the reduction in personnel costs.

FY 2016/17 – The dispatch contract was moved to the Contract Services division.

FY 2018/19 – The dispatch contract funded through Contract services total \$257,821.

Summary of Department FTEs

	2018/19 Funded	2019/20 Funded	2020/21 Funded
<i>Support Services Department</i>			
Support Services Manager	1.0	1.0	1.0
Records Clerk/Training Coordinator	1.0	0.63	0.63
Records Clerk/Training Coordinitor	0.34	1.00	1.00
Total Department FTEs	2.34	2.63	2.63



□ POLICE DEPARTMENT ○
SUPPORT SERVICES

FY 2020/21 KEY PROJECTS

Objectives	Key Projects
Acquiring Enhanced Public Safety Report Management System	<ul style="list-style-type: none"> • Crucial appropriation of a new enhanced Report Management System (RMS) that is compatible with other County-wide law enforcement reporting systems and allows immediate connectivity, crime analysis, crime reporting and arrest information.
Purge Records & Property	<ul style="list-style-type: none"> • Get caught up and remain in compliance with Government Code and the City of Morro Bay retention schedule regarding police reports, body camera footage, In-Unit video and property obtained as evidence, safekeeping & found items.
Cost Recovery/ Restitution	<ul style="list-style-type: none"> • Work with City Attorney and Probation to collect over \$22k in unpaid cost recovery and restitution fees. • All future DUI reports include a request for restitution through probation. This will bring in over \$25k in additional revenue.

KEY PROGRAM SERVICES

- Process Police reports going to District Attorney, Superior Court, Traffic Court, other Law Enforcement Agencies, other State and Federal Agencies and the public
- Manage and maintain the Training Files for all staff at the Police Department
- Process, store, disseminate and purge Found/Safekeeping and Evidence property
- Maintain restraining orders for citizens that live within the City of Morro Bay
- Process Records Requests and Public Records Requests, subpoenas, Criminal State reports, citations (traffic, criminal, infraction, warnings), Cost Recovery for DUI/TC
- Process Live scan for potential employees and the public
- Maintain department budget
- Vehicle Tow and property release
- Provide Administrative Support to Chief, Commander, Sergeants and Officers





Fire Department

PROGRAM 4210

DEPARTMENT PURPOSE

The City of Morro Bay Fire Department provides a full range of all-risk emergency services including structural fire suppression, wildland fire suppression, ocean water rescues, paramedic emergency medical services, hazardous materials responses, vehicle extrication, technical rescue, and confined space response. The Fire Department utilizes 2 engines, 1 aerial ladder truck, 1 rescue, 2 utility vehicles, and 2 command vehicles. Our Fire Department also participates with the Governor's Office of Emergency Services (OES) with an assigned wildland interface engine that participates in larger incidents within our County and State. Our Fire Department members participate regionally in our County Arson Task Force, Hazardous Material Response Team, Urban Search and Rescue team, Fire Prevention Association, Emergency Medical Care Committee, Fire Training Officer's Association, SLO Regional Community Emergency Response Team (CERT) and Fire Chief's Association. In addition, our members participate in local County, State, and Federal Incident Management Teams. It is the mission of the Morro Bay Fire Department, ***"To enhance the quality of life by providing exceptional emergency services."*** Our mission allows us to protect the community through public education, training, fire prevention, fire suppression, emergency rescue, disaster preparedness, mutual aid support, advances in modern technology and other services to minimize the loss of life and property, damage to the environment, and adverse economic impacts due to natural or man-made emergencies or events.

The members of the Morro Bay Fire Department choose the following values to follow:

- ***Integrity***
- ***Professionalism***
- ***Sensitivity***
- ***Vitality***
- ***Cooperation***



□ FIRE DEPARTMENT ○

**FIRE DEPARTMENT
DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES**

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
REVENUES						
<i>Sales & Use Tax</i>						
<i>Licenses & Permits</i>	\$ 788	\$ 976	\$ 1,375	\$ 1,359	\$ 750	\$ 1,500
<i>Intergovernmental Revenues</i>	180,512	349,413	131,093	212,382	203,382	9,600
<i>Charges for Service</i>	133,593	196,051	257,510	283,104	200,104	291,933
<i>Other Revenues</i>	217	10,857	6,145	14,000	20,280	12,422
<i>Transfer In</i>	-	-	-	-	1	-
TOTAL REVENUES	\$ 315,110	\$ 557,297	\$ 396,123	\$ 510,845	\$ 424,517	\$ 315,455
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 2,311,024	\$ 2,916,047	\$ 2,455,861	\$ 2,430,949	\$ 2,537,784	\$ 2,326,026
<i>Supplies</i>	115,815	157,403	115,401	117,579	93,314	100,564
<i>Services</i>	273,903	121,984	136,447	130,868	204,978	143,353
<i>Capital Outlay</i>	-	-	-	31,343	3,231	-
<i>Other</i>	5,275	5,275	5,000	8,750	87,500	9,650
<i>Equipment Replacement</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 2,706,017	\$ 3,200,709	\$ 2,712,709	\$ 2,719,489	\$ 2,926,807	\$ 2,579,593
<hr/>						
	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
PROGRAM						
<i>General Fund</i>	\$ 2,695,762	\$ 3,195,989	\$ 2,705,520	\$ 2,706,942	\$ 2,915,604	\$ 2,567,171
<i>EOC</i>	10,255	4,720	7,189	12,547	11,203	12,422
TOTAL EXPENDITURES	\$ 2,706,017	\$ 3,200,709	\$ 2,712,709	\$ 2,719,489	\$ 2,926,807	\$ 2,579,593

Notes:

Years 2014/2015 through 2018/2019 had mid-year adjustments in revenues and expenditures due to Mutual Aid responses reimbursed through the California Fire Assistance Agreement (CFAA) and Governor's Office of Emergency Services (OES).

□ FIRE DEPARTMENT ○

BUDGET OVERVIEW

**General Fund
Program 4210**

In 2019, the Fire Department had an increase in calls for service by (6.7%). We participated in a program with our local Emergency Medical Services Agency (LEMSA) to reduce code two transports from our care facilities to the hospital for routine testing or evaluation. With the use of Emergency Medical Dispatching (EMD), our dispatchers can ask pertinent questions to the caller to determine the response level of our Fire Department. Today, this program is a permanent EMSA policy helping us control our responses to our care facilities. In 2018-2019, Five Cities Fire Authority joined our regional fire dispatch allowing for a new pricing structure giving us a 39% decrease in 2019-2020 for Fire and Harbor Department dispatch services. This savings can be found in our Contract Services Program.

In 2019-2020, the Fire Department's donation account was used to assist in the purchases of (3) used but updated cardiac monitors to meet new standards set by our local hospitals and Emergency Medical Services Agency to increase the survivability for our cardiac patients. A regional Homeland Security Grant was secured to fund additional Protective Equipment for our personnel for Active Shooter incidents. The Fire Department started our new patient reporting, National Fire Information Reporting (NFIRS). We initiated a new fire inspection program to comply with new State Fire Marshal standards that is funded completely by fire inspections fee paid through our business license process.

The recent Pandemic Emergency has been extremely challenging to our City and your Fire Department. Our focus for the last 12 weeks has been providing for the safety of all City employees and their families, maintaining the well-being of our citizens, reaching out and supporting our vulnerable population, and operating and leading multiple functions in our City's Emergency Operations Center (EOC). With the current revenue short falls, we have reduced our Administrative Assistant position to 75%, reduced the training funding and payroll for our Reserve personnel, and reduced the hours of our Seasonal Firefighter program for the summer. I wish we can do more but even these reductions in our personnel budget, our ability for administrative planning, needed program development and emergency responses especially during our tourist and fire season this summer will be challenged.

2020-2021 budget discussion:

Revenue:

For 2020-2021, we applied for additional grant revenues to focus on improving our Emergency Operations Center (EOC) but also to enhance our City's EOC facility, supplies, and IT function.

□ FIRE DEPARTMENT ○

Like past budgets, we will not spend the proposed funds in our EOC budget if we do not secure the grant funding. I am forecasting a programmed 2% increase in our Ambulance Performance Operations Committee (APOC) funding to \$95,980. This APOC funding continues to support our Paramedic program nearly 100%. As in the past, I did not forecast any funding for our reimbursable mutual aid responses. I will report back to the Finance Director and City Council during our mid-year adjustments for any funding we receive from FEMA or California Office of Emergency Services (OES) to balance out any overtime, equipment, and logistical expenses. I believe our Plan Checking Fees, Inspections and Permit revenues are in line as compared to 2019-2020 to support our current Fire Prevention functions within our department.

To assist with equipment replacement needs, the Department has and will develop additional FEMA grant proposals for assistance in part-time fire inspectors, radio equipment, structure fire personal protection turnouts, and health wellness for Firefighters which will hopefully reduce future hardships on the City's Risk Management fund. In addition, the Fire Department is working with the Friends of the Morro Bay this year raising funds for multiple educational scholarships for fire academy and paramedic school education for our Reserve Firefighters and our "Vial of Life" program. Also, the Fire Department plans to continue our partnership with the Alisa Ann Ruch Burn Foundation assisting with fire prevention material in the Firefighters in School Education program (FISE) providing fire and burn prevention education to 550 school aged children in Morro Bay.

Lastly, the Fire Department is seeking federal funding through Staffing for Adequate Fire and Emergency Response Grants (SAFER) to assist us maintaining our current staffing and reduce our future CalPERS liability with our Reserve Firefighter program. The primary goal of the SAFER grant is to enhance the safety of the public and firefighters with respect to fire-related hazards by providing direct financial assistance to eligible fire departments to increase the abilities to comply with staffing, response and operational standards established by the National Fire Protection Agency (NFPA 1710 and/or NFPA 1720). Grant funding awards are scheduled well after July 1, 2020, and, if successful, the Department will present a proposal to reduce immediate and long-term payroll costs, stabilize daily staffing, enhance the Reserve Firefighter program, and decrease CalPERS liability. In addition, we are keeping a close eye on a proposal at the federal level to prevent layoffs at fire departments by providing funding up to (3) personnel for (3) years to assist us after the Pandemic Emergency in our community.

Expenses:

This budget will show challenges in the general fund as we are struggling with shift augmentation with our Reserve Firefighter component. We currently have 10 Reserve Firefighters qualified to augment our shift personnel with the loss of 9 Reserve Firefighters in 2019-2020 due to fulltime job offers or career changes. We are starting a hiring process and we are hoping to hire up to 6 in July through August. We will host a Reserve Fire Academy this year hoping to get our new recruits fulfilling their badge requirements by January. Starting in May this year, our Seasonal Firefighters will be extremely helpful in our augmentation, hydrant testing, hose testing, engine pump testing, City's Knox Box maintenance, apparatus yearly's, and assist our Fire Marshal in mandated fire inspections in our community. I am forecasting purchasing health insurance for 3.0 Reserve Firefighters this year as per Affordable Healthcare Act (AHA) guidelines.

□ FIRE DEPARTMENT ○

On the service and supply expenditures, we have reduced our proposal as compared to last year. This year's service and supply budget proposal is 9.01% of the total budget with the last 10 years averaging 11 % of the total budgets. The supplies and services of this general fund budget, as well as the last 10 years, does not adequately fund our operational critical maintenance and equipment purchases. In addition, this general fund budget as well as the last 10 years, does not adequately fund our equipment and apparatus replacement plan with many items mandated by State and Federal agencies.

This current budget proposal does not address \$256,971 of needed and mandated purchases required to maintain our Fire Department. A fully needed yearly amortized budget of \$185,717 will be required to meet our Fire Department's equipment and apparatus needs for the next 15 years. The current value of the Fire Department's equipment and fire apparatus is \$5,327,380.

Since 2007, Measure Q, federal grants, private grants, and fundraising in our community by the Friends of the Morro Bay Fire Department has filled the gap to insure we can respond to 100% of our emergency incidents, provide interior attack on structure fires, and have the required equipment and apparatus to meet our community's needs. We could not perform at our community's expectations without our generous financial gifts from our community and grants.



□ FIRE DEPARTMENT ○

The FY 2020-2021 budget includes the following:

- Mobile Communications upgrades and replacement (#001-4210-5108)
- A realized cost savings in Fuel Oil and Lubricants with on-site fuel distribution (#001-4210-5109)
- Replacement of outdated medical equipment and daily medications (#001-4210-5130)
- Tire replacement on 3 fire engines and 3 support vehicles and Class A Foam (#001-4210-5503)
- Yearly Truck 5341 maintenance by certified mechanics in SLO County and yearly OSHA required Self Contained Breathing Apparatus fill machine. (\$5,360) is added to (#001-4210-6106)
- Along with other Morro Bay Public Safety partners, a Black Hill Repeater site repair and long-term changes to our Teresa Road Repeater to improve the communications south east of Black Hill on South Bay BLVD and State Park Roads.
- Support for our crews non-reimbursable lodging and meals while responding throughout the State (#001-4210-6513)



○ FIRE DEPARTMENT ○

Objectives	FY 2019-2020 Accomplishments
Planning	<ul style="list-style-type: none"> • Community Emergency Response Training (CERT), 3 complete courses and 4 team meetings • Completed our Firefighters in School Education (FISE) program educating 485 students in our community • Continued our participation in “Fired Up About Reading,” with Del Mar Elementary Second Graders • Participated in 2019 Fire Chief’s Burn Relay, educated 7,500 children in one day and raised donations for Alisa Ann Ruch Burn Foundation • Developed our Public Safety Power Shutoff and Pandemic Annexes for our City Emergency Plan. • Continued partnership with State Parks on Black Hill Hazardous Fuel Reduction Plan • Updated and finalized our 2019 County Mutual Aid Plan • Design and Development of citywide 4-year inspection program • Trained and utilized Seasonal Firefighters for retail and small business inspections
Logistics	<ul style="list-style-type: none"> • Hired 9 new Reserve Firefighters • Hired two new probationary Firefighter Paramedic • Black Hill Repeater repaired and operational • Provided 1 Health Clinic in partnerships with 11 local non-profits • Hydrant testing and streamlined with Water Department for new ISO standards • Initiate new mandated patient system as per State EMSA • Training and policy development for new mandated fire and medical reporting • Hire 3.5 Seasonal Firefighters for 5 months • Citywide Knox Box maintenance program updated • Development of mobile employee scheduling system • Provided succession training for four Fire Captains • Provided Point of Distribution Drills (Flu Inoculations for City Employees and Volunteers) • Provided support for hardening our City for Public Safety Power Shutoff

○ FIRE DEPARTMENT ○

Objectives	FY 2019-2020 Accomplishments
<p align="center">Operations</p>	<ul style="list-style-type: none"> • 1 Firefighter completed probation and promoted to Fire Engineer • Updated our performance evolutions for wildland and ocean rescue responses • Updated Standard Operation Guide for Rescue Tactical Teams in partnership with MBPD • Continued State Fire Marshal Filming and Motion Picture Safety Officer completed by Fire Marshal to promote filming in Morro Bay • Company Officer training continued for 3 Fire Engineers • Responded personnel and equipment regionally on our local Urban Search & Rescue, SLO County Arson Task Force, and Incident Management Team. • Chief Officer training continued for our Fire Marshal • Executive Officer training continued for our Fire Chief and Fire Marshal • Mutual Aid through CFAA / OES, responded personnel and equipment to 6 incidents within our State for 32 days. • Fire Chief and Fire Marshal assigned to incident management team for Lopez Fire • Fire Chief assigned as Operational Area Coordinator during fire season • Continued collaboration with Harbor Department with updates in our Rescue Water Craft and Fire Boat Operation Training Task Books • Open our City Emergency Operation Center for our Pandemic Emergency on March 16th (Virtual) with 8 Branches and 26 Divisions. Fire Personnel held positions in the Command and General Staff • Development safety and medical plan for City personnel for Pandemic Emergency • Development of Morro Bay Cares program along with our CERT members, Recreation Department, and Finance Department
<p align="center">Finance</p>	<ul style="list-style-type: none"> • Updated administrative rate for California Fire Assistance Agreement • Received grant funding from PG&E for enhancements in our EOC • Completed Fire Act Grant proposal for handheld and mobile radios for Fire Department, EOC, and Harbor Department • Received grant funding for citywide ID card system for our City Employees, Volunteers and Disaster Service Workers within our community • Review, design and complete SAFER grant proposal for 2019-2020, unfunded

○ FIRE DEPARTMENT ○

Summary of Department FTEs

	2018/19 Funded	2019/20 Funded	2020/21 Funded
<i>Fire Department</i>			
Fire Chief	1.0	1.0	1.0
Fire Marshal	1.0	1.0	1.0
Fire Captain	3.0	3.0	3.0
Fire Engineer*	7.0	7.0	7.0
Firefighter	1.0	1.0	1.0
Administrative Technician	0.75	0.75	0.75
Total Department FTEs	13.75	13.75	13.75

*an additional Fire Engineer funded in Measure Q for total of 8 FTE

<i>Temporary Staff Hours</i>			
Reserve and Auxiliary Firefighter	2,200	2,804	2,000
Seasonal Firefighters	2,080	2,016	1,536
Business Inspections			1,260
Limited Term Firefighters	480	2,160	-
Non-FTE Shift Coverage	5,760	3,870	5,952
Total Annual Hours	10,520	10,850	10,748



○ FIRE DEPARTMENT ○

General Fund Fire

Fund 001 4210

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
REVENUES						
<i>Licenses & Permits</i>	788	976	1,375	1,359	750	1,500
<i>Intergovernmental</i>	180,512	349,413	131,093	212,382	203,382	9,600
<i>Charges for Service</i>	133,593	196,051	257,510	283,104	200,104	291,933
<i>Other Revenues</i>	217	330	292	14,000	7,284	-
TOTAL REVENUES	\$ 315,110	\$ 546,770	\$ 390,270	\$ 510,845	\$ 411,520	\$ 303,033
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 2,311,024	\$ 2,916,047	\$ 2,455,861	\$ 2,430,949	\$ 2,537,784	\$ 2,326,026
<i>Supplies</i>	108,394	155,795	111,850	108,579	84,706	91,753
<i>Services</i>	271,069	118,872	132,809	127,321	202,383	139,742
<i>Capital Outlay</i>				31,343	3,231	
<i>Other</i>	5,275	5,275	5,000	8,750	87,500	9,650
<i>Equipment Replacement</i>						
TOTAL EXPENDITURES	\$ 2,695,762	\$ 3,195,989	\$ 2,705,520	\$ 2,706,942	\$ 2,915,604	\$ 2,567,171

Notes:

FY 2014/15 – An 11th Firefighter position was added.

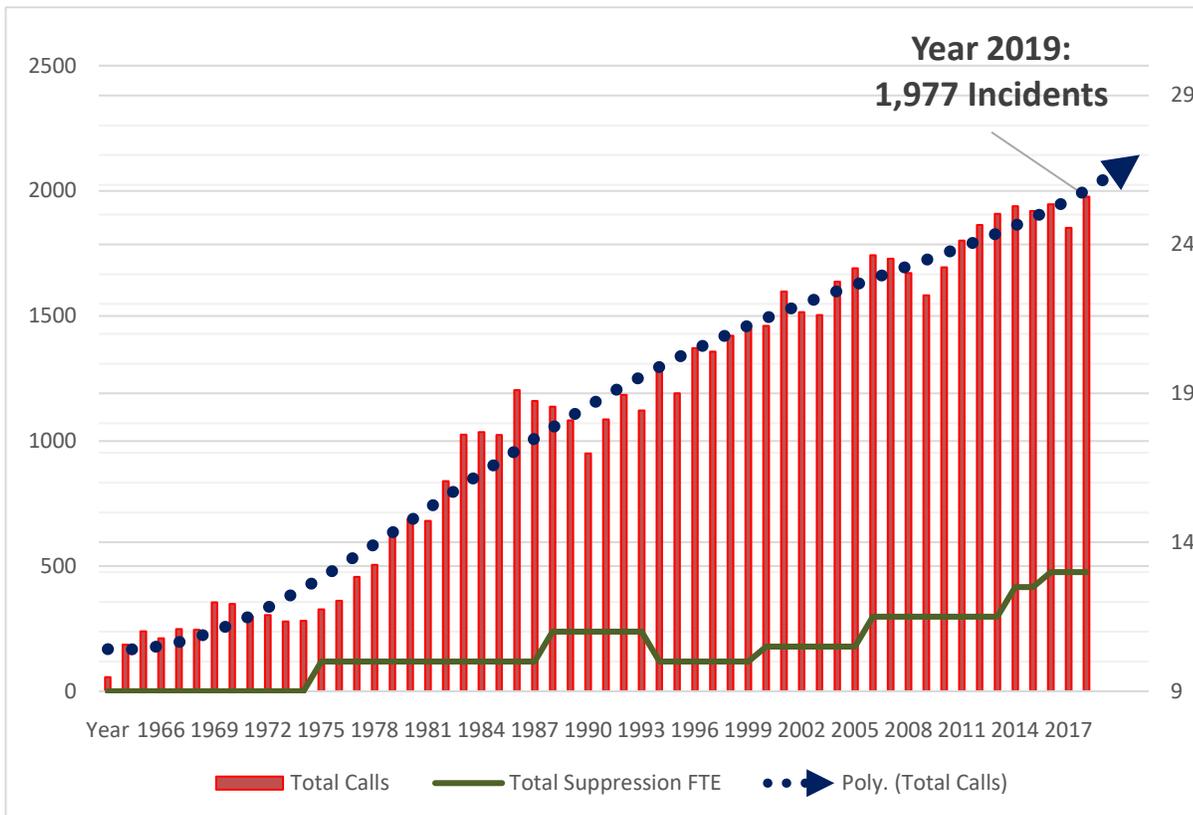
In October 2014, Police and Fire dispatch services were consolidated with San Luis Obispo County (Sheriff/CalFire). The increase in services is primarily due to the CalFire emergency dispatch contract.

FY 2016/17 – Dispatch contract was moved to the Contract Services Program.



□ FIRE DEPARTMENT ○

Incidents and Suppression FTE since Cityhood (1964)

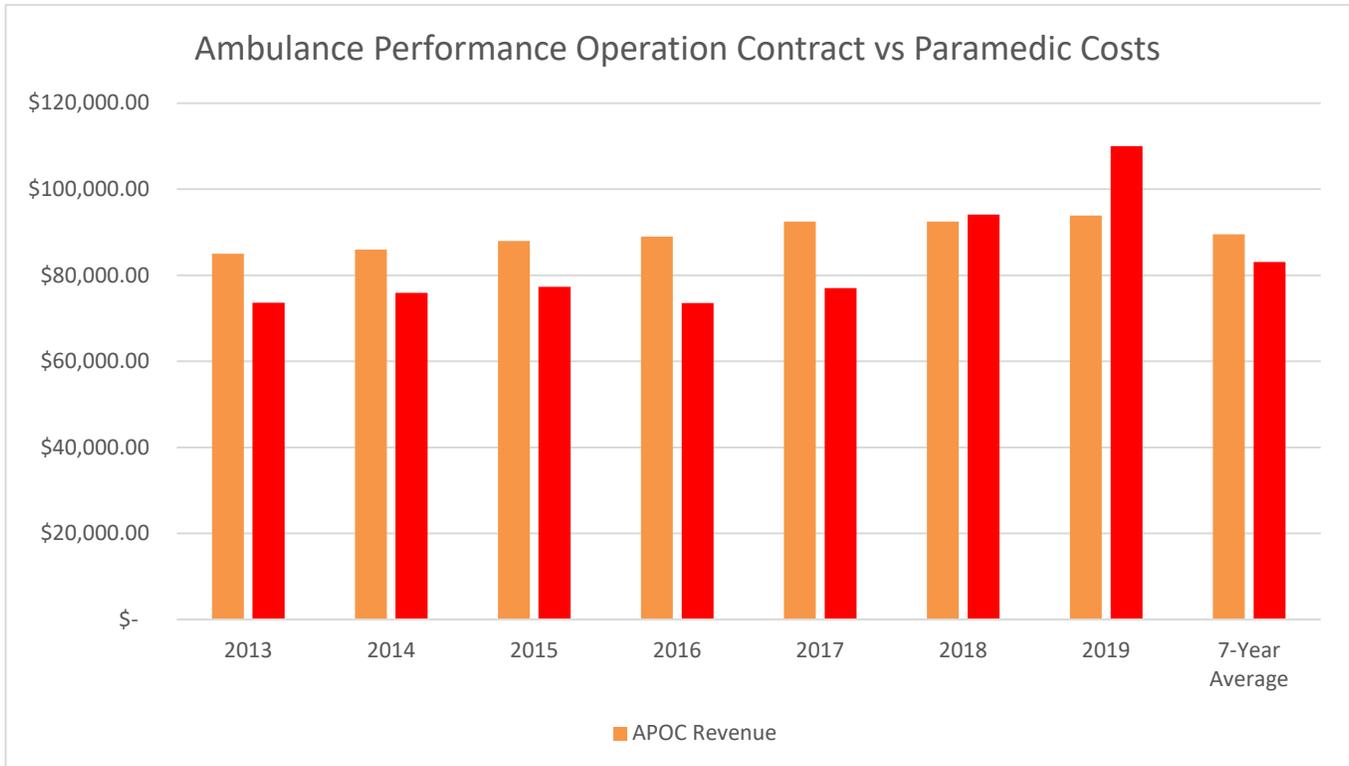


1964 ~ 186 Incidents, 9 Suppression FTE plus Reserves
2018 ~ 1,977 Incidents, 13 Suppression FTE plus Reserves and CERT



FIRE DEPARTMENT ○

Ambulance Performance Operations Contract vs. Paramedic Costs



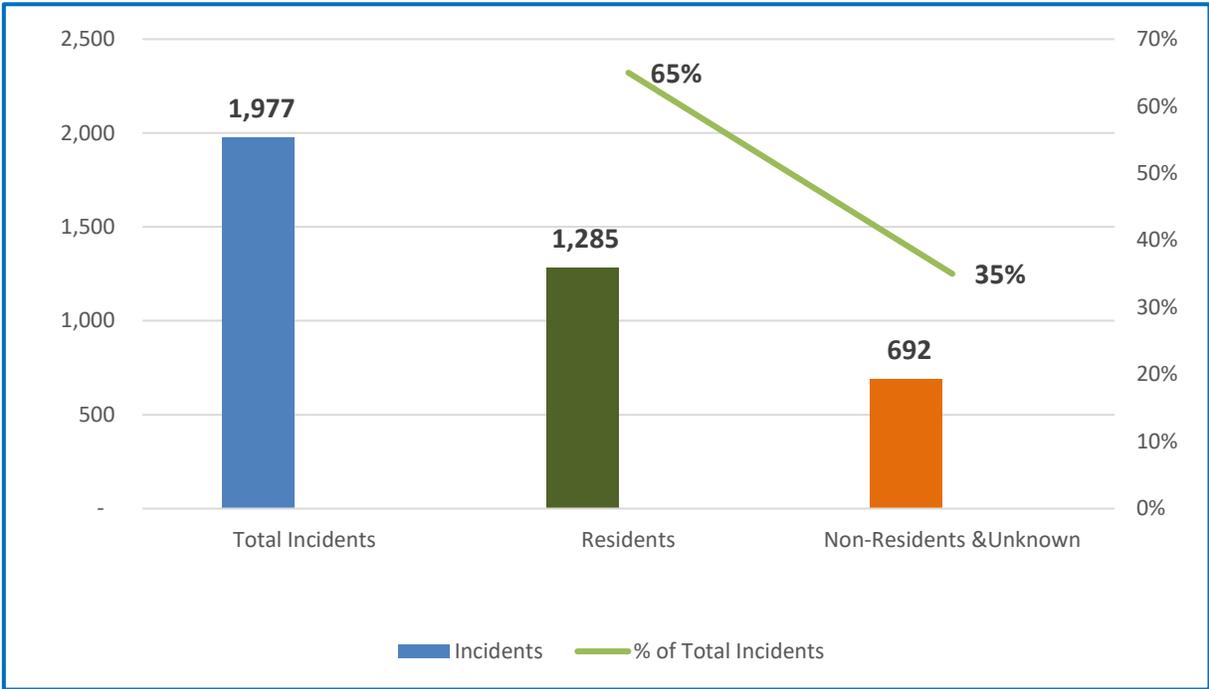
	2013	2014	2015	2016	2017	2018	2019	7-Year Average
APOC Revenue	\$85,000.00	\$86,000.00	\$88,000.00	\$89,000.00	\$92,500.00	\$92,500.00	\$ 93,884.00	\$ 89,554.86
ALS Expenses	\$73,600.00	\$75,893.00	\$77,319.00	\$73,538.00	\$77,014.00	\$94,099.00	\$ 109,987.00	\$ 83,064.29



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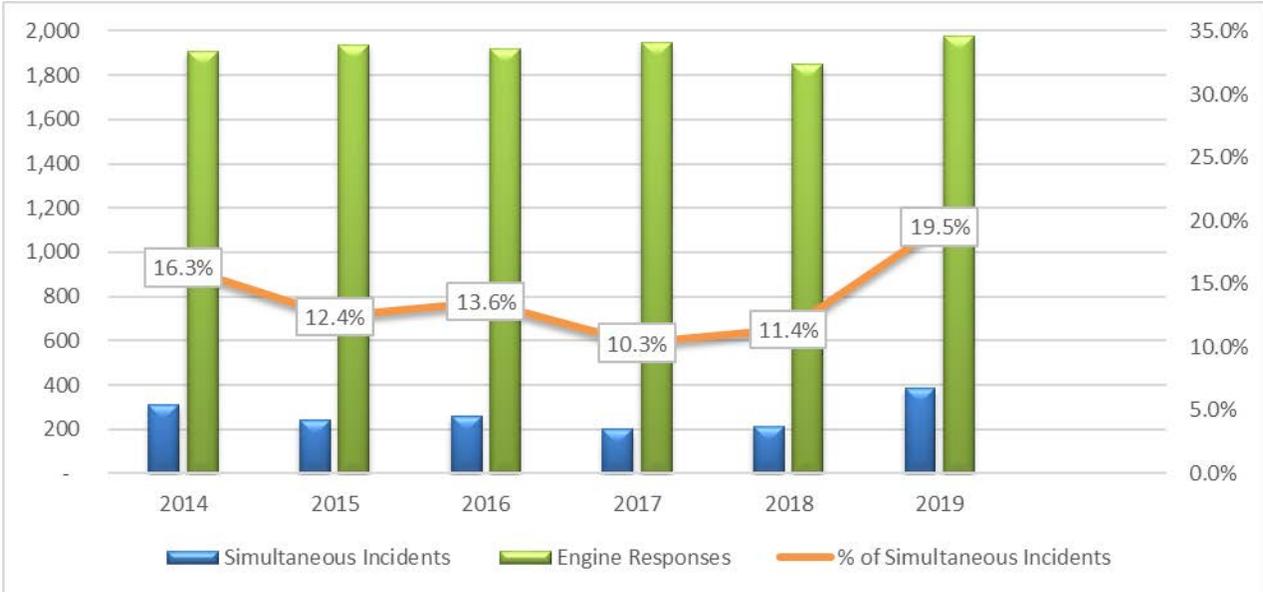
○ FIRE DEPARTMENT ○

2019 Residents vs Non-Residents



○ FIRE DEPARTMENT ○

Simultaneous Incidents



	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Simultaneous Incidents	311	241	261	201	211	386
Engine Responses	1,908	1,939	1,919	1,946	1,852	1,977
% of Simultaneous Incidents	16.3%	12.4%	13.6%	10.3%	11.4%	19.5%

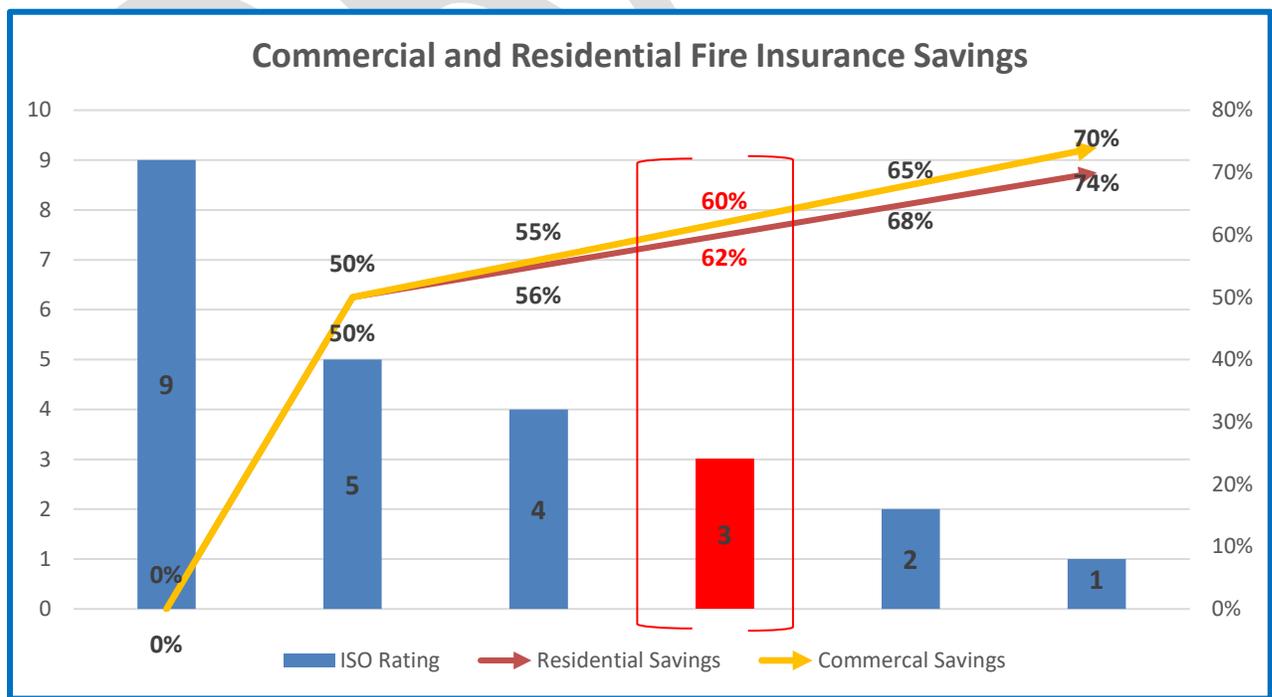


□ FIRE DEPARTMENT ○

Insurance Services Office (ISO) and Morro Bay

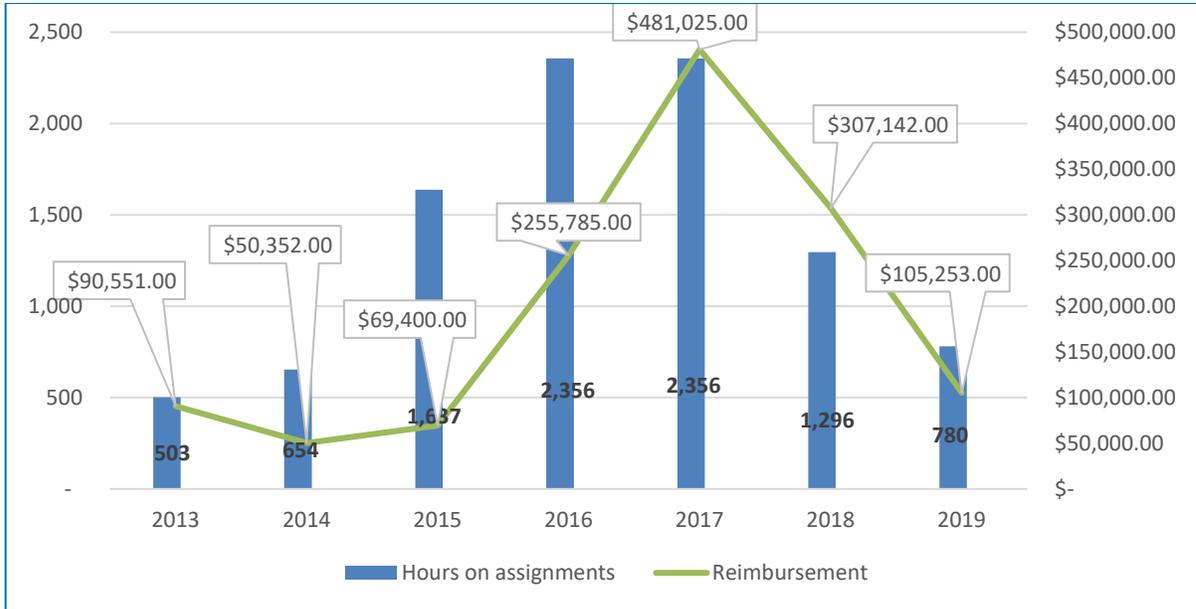
ISO, an organization that tracks property and casualty insurance risk, evaluates and rates a community’s ability to handle fires. Many insurers factor that information into the formulas they use to come up with home and commercial fire insurance premium. The thinking behind using ISO ratings is this: The better equipped a community is to fight fires, the less likely it is that homes and businesses in your area will sustain major fire damage.

- 50 percent of the score looks at your local fire department, including staffing, training, geographic distribution of firehouses and adequacy of the fire equipment.
- 40 percent of the score considers our water supply, including the placement and condition of fire hydrants and the amount of water that's available to put out fires.
- 10 percent of the score measures the efficiency of emergency communications, such as the 911 system and the number of emergency dispatchers.
- With the support for Fire Department staffing, Measure Q funding, replacement of Truck 5341 through the Bertha Shultz Trust donation, participating in our SLO County Regional Dispatch, and improving our auto aid agreements, we have improved our ISO rating to a “3” in 2015.
- It is hard to determine the exact amount of savings our citizens will save on their fire insurance, but in general our citizens have saved **50% since 1996** and an additional **10% to 12% since 2015** on their residential and commercial fire insurance.



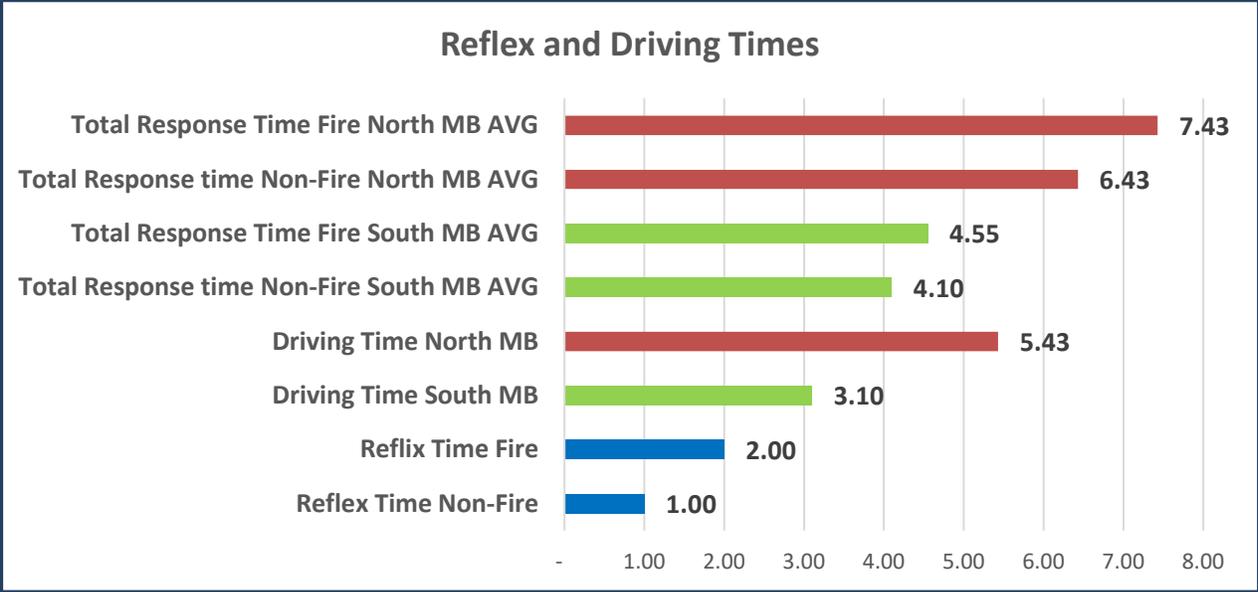
○ FIRE DEPARTMENT ○

Mutual Aid Reimbursement

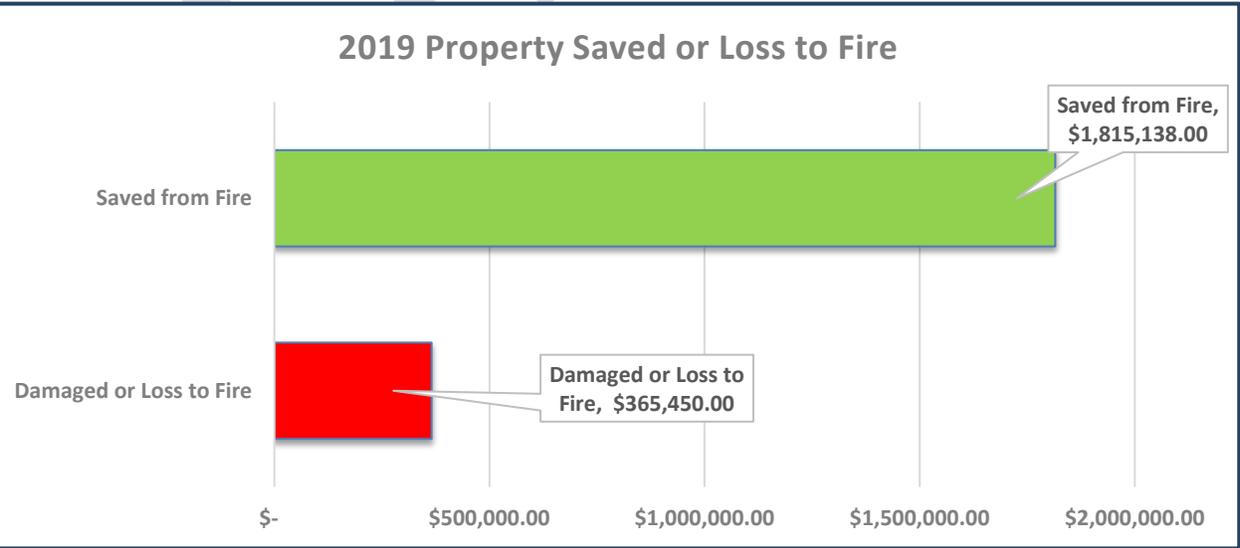


○ FIRE DEPARTMENT ○

2019 Reflex & Driving Times

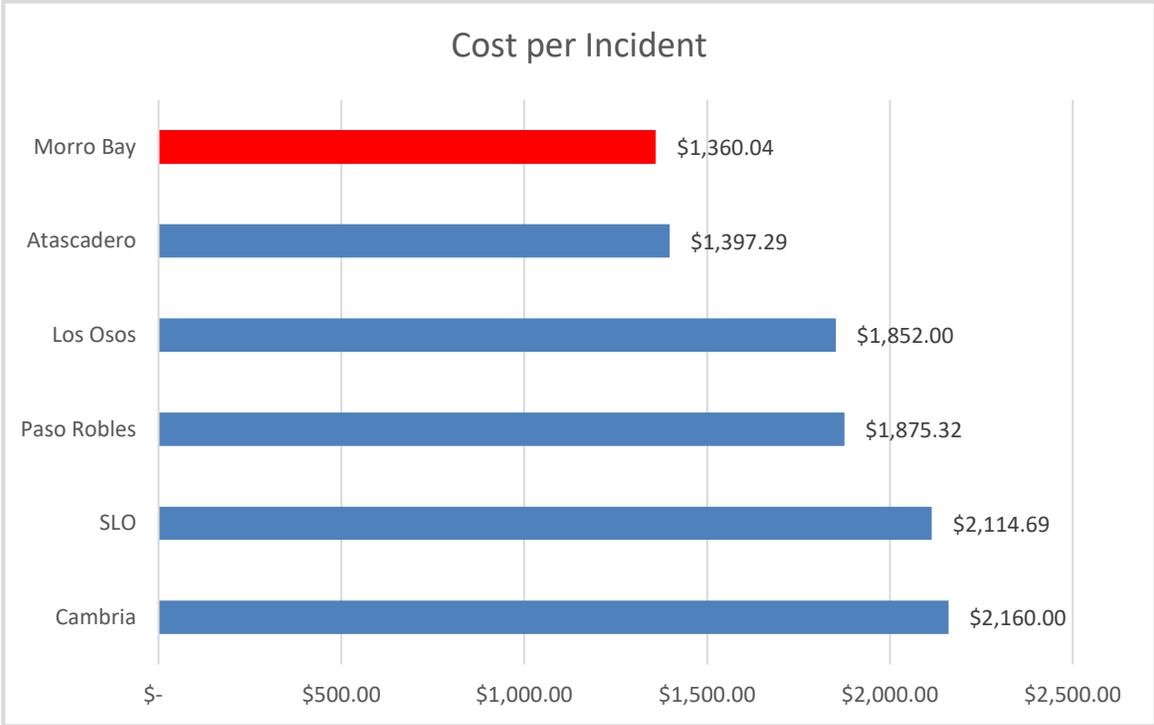


2004 Morro Bay Fire Department Strategic Plan, updated in 2013
Goal A-1: Minimize the life loss, injury and property damage caused by structure fires
Four on duty firefighters shall arrive on scene within 5 minutes of receipt of call at 911 dispatch center, for 90% of all calls.

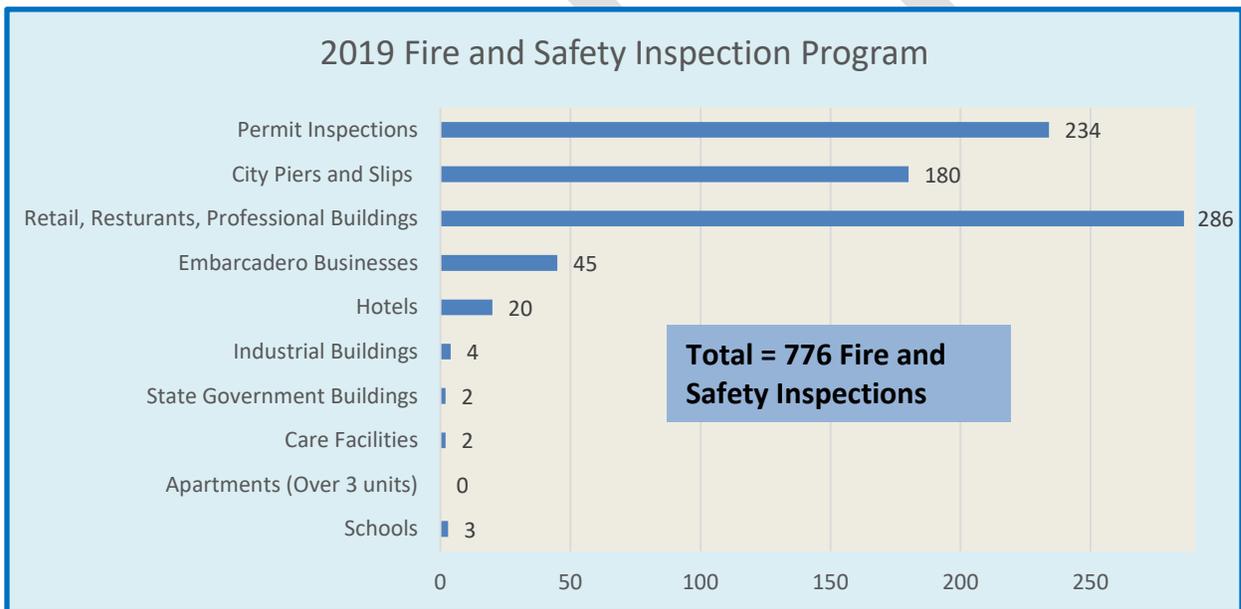
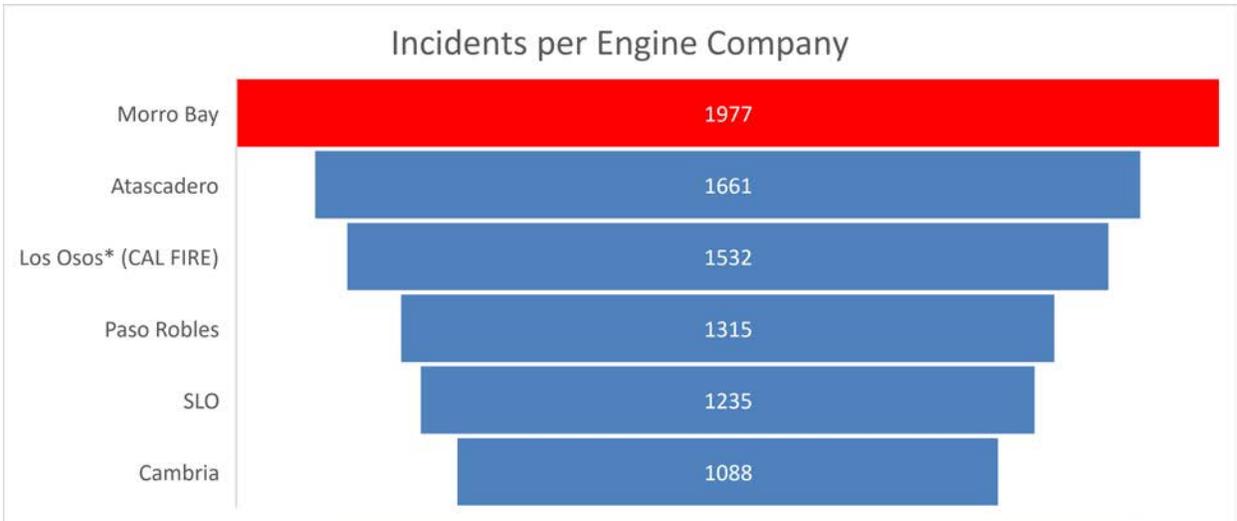


○ FIRE DEPARTMENT ○

Incident Costs



○ FIRE DEPARTMENT ○



□ FIRE DEPARTMENT ○

Objectives	2020-2021 Key Projects
<p align="center">Planning</p>	<ul style="list-style-type: none"> • Continue to support and enhance CERT • Continue to support our EOC during Pandemic Emergency • Prepare and plan for second phase of Pandemic Emergency • Continue to participate in our Firefighters in School Education (FISE) program • Continue our participation in “Fired Up About Reading,” with Del Mar Elementary Second Graders • Provided EOC and Emergency Plan Training to our new City Council, City Staff, CERT members, and volunteers • Initiate Safety Embarcadero Inspection Plan in collaboration with Harbor Department • Schedule our citywide 4-year inspection program to include self-inspection plan • Identified hazards on Embarcadero leading to a future Harbor Safety Plan
<p align="center">Logistics</p>	<ul style="list-style-type: none"> • Probation training for new Reserve hires, one Firefighter Paramedics, and two Fire Engineer Paramedics • Construction of enhanced communication repeater for Fire and Harbor • Provide 1 to 2 Health Clinics in partnerships with local non-profits • Initiate citywide ID card system for our City Employees, Volunteers and Disaster Service Workers within our community • Hydrant testing and maintenance to meet ISO standards • Initiate new fire inspection mobile data system for business inspections • Continue Active Shooter training and participate in MBHS drill in collaboration with MBPD • Provide one Point of Distribution Drills (Flu Inoculations for City employees, volunteers, and citizens)
<p align="center">Operations</p>	<ul style="list-style-type: none"> • Support our City EOC for current phase and second phase of Pandemic Emergency • 1 Probation Firefighter start Paramedic school, probation to lead to Fire Engineer • Initiate new performance evolutions for wildland and ocean rescue responses • Continue cross-training efforts for succession planning • Support and train for Mutual Aid through CFAA / OES, responses • Review and negotiate possible new North Coast Auto / Mutual Aid agreement with partnering neighbors to improve service delivery and employee safety

Objectives	2020-2021 Key Projects
<p>Finance</p>	<ul style="list-style-type: none"> • Update administrative rate for California Fire Assistance Agreement to optimize State and Federal reimbursements • Assist City in FEMA reimbursements for the Pandemic Emergency • Continue to review and develop grant opportunities through PG&E, FEMA, and private trusts using our Fire Department Equipment Replacement Schedule as a guide • Continue supportive role with the Friends of the Morro Bay Fire Department • Initiate citywide ID card system for our City Employees, Volunteers and Disaster Service Workers within our community • Review, design and complete SAFER grant proposal for 2019-2020





Fire Department

EOC DISASTER PREPAREDNESS PROGRAM 4220

PROGRAM PURPOSE

Morro Bay's Emergency Operations Center (EOC) is a tool for coordinating on-scene operations during low-frequency and high-risk incidents. The ability of a community to acquire and allocate necessary resources hinges on being prepared. Our EOC is partnered with our community's Emergency Plan that roots our "all-hazard" preparedness program involving intergovernmental relations and a detailed planning process that includes mutual-aid assistance agreements. The purpose of our EOC is to ensure that departmental response capabilities are maintained, and authoritative information is disseminated to the public. As required by State and Federal Law, we use National Incident Management System (NIMS) as our management tool and communications. As per Morro Bay's Municipal Code, the Fire Department is responsible to facilitate our EOC and Emergency Plan. Morro Bay's primary EOC is located our Community Center, 1001 Kennedy Way, and our secondary EOC is located at our Harbor Street Fire Station, 715 Harbor Street.

BUDGET OVERVIEW

PG&E has been a great partner with our City providing yearly grant funding to assist with EOC facility equipment and our Emergency Plan development. Each year our budget requests are dependent on our success obtaining funding from PG&E or other sources. We are focusing on improving our communications, training our City staff and community volunteers to our new Emergency Plan, and improving our operational equipment.



Objectives	FY 2019-2020 Accomplishments
Planning	<ul style="list-style-type: none"> • Present updated Basic Plan with Public Safety Power Shutoff Annex to City Council • Development of new evacuation plan, recovery plan, and debris removal plan • Progress in our new Local Hazardous Mitigation Plan going through final OES and FEMA approval. • Coordinating through SLO County Fire Chief’s Association a training cadre to instructed EOC management and NIMS
Logistics	<ul style="list-style-type: none"> • Redesigned EOC facility footprint, moved Planning Section and Agency Representatives to separate rooms • Enhance Virtual EOC communications for future events • Moved all supplies in fixed supply cabinet at both EOC facilities • Use of Cal Poly intern student to assist with EOC supply upgrade
Operations	<ul style="list-style-type: none"> • Developed new lesson plan for Council Members • Provided EOC awareness training to CERT members • Lesson plan development through the SLO County Fire Chiefs Association • Regional Training Cadre training
Finance	<ul style="list-style-type: none"> • Secured grant funding for 2020-2021



○ EOC DISASTER PREPAREDNESS ○

**Emergency Operations Center (EOC) Disaster Preparedness
Fund 001-4220**

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Amended	2018/19 Estimated	2019/20 Proposed
REVENUES						
<i>Other Revenues</i>			\$ 10,527	\$ -	\$ 5,853	\$ -
TOTAL REVENUES	\$ -	\$ -	\$ 10,527		\$ 5,853	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>						\$ -
<i>Supplies</i>	\$ 86	\$ 7,421	\$ 1,608	\$ 9,000	\$ 9,000	\$ 9,000
<i>Services</i>	4,231	2,834	3,112	2,967	2,967	3,547
<i>Capital Outlay</i>						-
<i>Other</i>						-
<i>Equipment Replacement</i>						-
TOTAL EXPENDITURES	\$ 4,317	\$ 10,255	\$ 4,720	\$ 11,967	\$ 11,967	\$ 12,547

Notes:

FY 2014/15 – Staff budgeted for a Nuclear Planning Grant in the amount of \$5,000 to purchase secondary EOC supplies.

FY 2020/21 – Staff budgeted for a PG&E grant in the amount of \$9,600. If the grant is awarded, staff will purchase EOC upgrades in communications and new virtual design.



□ EOC DISASTER PREPAREDNESS ○

Objective	FY 2020-2021 Key Projects
<p>Planning</p>	<ul style="list-style-type: none"> • Utilize new Morro Bay Emergency Plan with the new Pandemic Annex. Present updated Basic Plan to City Council with changes. • Coordinate with area partners and provide a streamlined Policy Makers, EOC Manager and Field Workers for County Cities • Review and Evaluate Emergency Management Institute training grant for SLO North Coast for 2020 – 2021 • Coordinate with PG&E hardening our City Community Center for a partnership assisting our citizens during a planned Public Safety Power Shutoff
<p>Logistics</p>	<ul style="list-style-type: none"> • Coordinate supplies between both City EOCs • Continue research for new Virtual Design • Provide EOC Field Training and Emergency Plan Courses in our City • Provide EOC and Emergency Plan Training for new City Council • Evaluate current satellite phone operations
<p>Operations</p>	<ul style="list-style-type: none"> • Support 3 Fire Department personnel membership to local SLO County IMT • Provide Emergency Plan training at CSTI for non-Fire personnel • Participate in November 2019 Countywide drill • Participate in SLO City EOC Training in July 2020
<p>Finance</p>	<ul style="list-style-type: none"> • Secure grant funding for 2021-2022





Public Works

DEPARTMENT PURPOSE

The Public Works Department includes engineering, capital projects, development review, maintenance of the City's parks, buildings, restrooms, medians, rights-of-way, repairs and maintenance of the City's streets, curbs, sidewalks, one traffic signal, City lighting, and storm drains. The department also provides vehicle maintenance, facilities maintenance and environmental programs, including water conservation and contract refuse collection and recycling. The Department oversees and includes the utilities divisions of water, sewer and wastewater collections, the transit program, and City's two assessment active districts.

The Department fills operational functions on a regular basis and, General Fund and Enterprise Fund Capital Projects when funding is available, either through grants funding or other identified funding sources. The Department is tasked with overseeing all Capital Projects for all departments where the project cost exceeds \$25,000 or as otherwise directed by the City Manager.

General Fund departmental services are provided under nine main operational divisions: Engineering/Administration, Consolidated Maintenance; Street Maintenance; Vehicle Maintenance; Street Lighting; Street Trees; Storm Drains, Curbside Recycling and Electricity.

BUDGET OVERVIEW

The FY 2020/21 budget represents a significant reduction in expenditures, budgeted expenditures reduced by \$870,000 from those in prior years. These reductions will equate to significant service reductions, however, prioritize front line services such as basic facility and grounds maintenance. The proposed budget includes 5 percent salary concessions of employees, through December 31, 2020, and a reduction of 4.4 FTE positions, which includes a reduction part-time staff hour and four full-time staff positions, resulting in salary and benefit savings of \$580,000. In addition, the overall public works department operational budget has been reduced by approximately \$300,000. The equivalent of one full-time Consolidated Maintenance Worker II will continue to be funded in the Cloisters Assessment District to provide enhanced labor to the district for general landscaping (weed control) and to maintain infrastructure in the district.

Objective	FY 2019/20 Accomplishments
<p>Maintain Quality Infrastructure</p>	<ul style="list-style-type: none"> • Oversight of the Water Reclamation Facility Program • Annual Pavement Management Project • Completed OneWater Plan • Completed a grant application for EV chargers on the waterfront • Completed a grant application for restroom replacement at Coleman Park • Completed the installation of a security wall at City Hall • Plan Check and Inspection of Public Improvements installed by Private Development

DRAFT

☞ PUBLIC WORKS ☞

PUBLIC WORKS DEPARTMENT

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
REVENUES						
<i>Sales & Use Tax</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	139	-	401	1,500	(103)	-
<i>Intergovernmental</i>		51,915				
<i>Service Charges</i>	1,127	4,369	10,646	5,500	6,389	8,158
<i>Other Revenues</i>	582,656	30,259	30,883	43,032	27,412	27,032
TOTAL REVENUES	\$ 583,922	\$ 86,543	\$ 41,930	\$ 50,032	\$ 33,698	\$ 35,190
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,755,823	\$ 1,652,305	\$ 1,673,180	\$ 2,028,883	\$ 1,870,992	\$ 1,448,933
<i>Supplies</i>	338,955	223,486	218,389	219,325	188,280	166,215
<i>Services</i>	993,565	552,829	527,314	709,203	576,165	475,489
<i>Capital Outlay</i>	-	63	-	-	-	-
<i>Other</i>	48,660	-	-	-	-	-
<i>Debt Service</i>	-	35,078	35,189	35,190	35,189	35,191
TOTAL EXPENDITURES	\$ 3,137,003	\$ 2,463,761	\$ 2,454,072	\$ 2,992,601	\$ 2,670,626	\$ 2,125,828
PROGRAM						
<i>Administration</i>	\$ 703,946	\$ 554,914	\$ 448,925	\$ 811,941	\$ 600,111	\$ 510,478
<i>Consolidated Maintenance</i>	1,073,591	1,195,536	965,205	999,750	995,810	719,214
<i>Vehicle Maintenance</i>	123,630	120,789	132,062	137,686	134,872	118,886
<i>Street Maintenance</i>	298,545	237,262	427,403	460,241	418,581	312,090
<i>Street Trees</i>	103,695	71,168	160,500	175,428	160,979	147,165
<i>Street Lighting</i>	109,011	111,380	68,095	123,000	100,157	79,487
<i>Storm Drains</i>	88,078	80,232	157,647	186,852	162,414	142,216
<i>Curbside Recycling</i>	23,388	23,920	26,406	27,012	27,012	27,012
<i>Electricity</i>	613,119	68,560	67,829	70,691	70,690	69,280
TOTAL EXPENDITURES	\$ 3,137,003	\$ 2,463,761	\$ 2,454,072	\$ 2,992,601	\$ 2,670,626	\$ 2,125,828

☞ PUBLIC WORKS ☞

Departmental Summary of FTEs

	2018/19	2019/20	2020/21
	Funded	Funded	Funded
<i>Public Works</i>			
Public Works Director*	1.0	1.0	1.0
Consolidated Maintenance Superintendent	1.0	1.0	0.0
Environmental Programs Manager	1.0	1.0	1.0
Senior Civil Engineer	0.0	0.0	0.0
Assistant Civil Engineer	1.0	2.0	1.0
Engineering Technician	1.0	0.0	0.0
Consolidated Maintenance Field Supervisor	1.0	1.0	1.0
Mechanic	1.0	1.0	1.0
Consolidated Maintenance Worker III	1.0	1.0	1.0
Consolidated Maintenance Worker II	6.0	6.0	5.0
Consolidated Maintenance Worker I	2.0	2.0	2.0
Management Analyst	1.0	1.0	1.0
Office Assistant IV	1.0	1.0	0.0
Total Department FTEs	18.0	18.0	14.0

*currently underfilled with Acting Public Works Director and City Engineer

<i>Temporary Staff Hours</i>			
Maintenance Worker I	650	-	
Maintenance Aide	700	2,160	1,315
Engineering Intern	1,080	-	
Engineering Intern	1,080	-	
Total Annual Hours	3,510	2,160	1,315

Public Works

Administration and Engineering Program 5205

PROGRAM PURPOSE

The Public Works Administration and Engineering program provides oversight to the City's public works functions, supporting the delivery of services throughout the Department. The administration division is primarily responsible for managing and coordinating the efforts of the Department's programs; overseeing meetings with citizen's, contractor's and other agencies; preparing and developing budget documents; preparing City Council and Commission reports, processing and managing grants, reports to the City Manager. Staff is able to facilitate these efforts through the use of geographic information software (GIS), and for asset management and permitting: CityWorks. CityWorks is in use across all divisions of the Department both in the field and the office. CityWorks also is used by the Engineering staff for the management of the City's land-use, encroachment and building permits.

BUDGET OVERVIEW

The FY 2020/21 budget includes a reduction of 1.68 FTE positions and elimination of the temporary hours to fund an engineering intern. The budget works budget includes an overall reduction of \$300,000, primarily from the reduction in FTE's with employee layoffs and the reallocation of the Office Assistant to the Utilities Division. In addition, the budget includes 5 percent salary concessions from all personnel within the division through December 31, 2020. The budget includes \$70,000 in operational reductions, primarily in consulting services used to augment engineering services.

☞ PUBLIC WORKS ☜
Administration

General Fund Public Works
Fund 001-5205

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
REVENUES						
<i>Licenses and Permits</i>	\$ 139	\$ -	\$ 401	\$ 1,500	\$ (103)	\$ -
<i>Service Charges</i>	1,127	4,369	10,646	5,500	6,389	8,158
<i>Other Revenues</i>	8	140	136	20	-	20
TOTAL REVENUES	\$ 1,274	\$ 4,509	\$ 11,183	\$ 7,020	\$ 6,286	\$ 8,178
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 640,610	\$ 501,229	\$ 394,825	\$ 695,904	\$ 537,679	\$ 466,313
<i>Supplies</i>	17,688	11,312	4,225	9,350	6,019	5,570
<i>Services</i>	45,648	42,373	49,875	106,687	56,413	38,595
<i>Capital Outlay</i>	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-
<i>Debt Service</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 703,946	\$ 554,914	\$ 448,925	\$ 811,941	\$ 600,111	\$ 510,478

Departmental Summary of FTEs

	2018/19 Funded	2019/20 Funded
<i>Public Works - Administration</i>		
Public Works Director	0.41	1.00
Environmental Programs Manager	0.25	0.65
Assistant Civil Engineer	0.45	1.60
Engineering Technician	1.00	0.00
Management Analyst	0.76	0.81
Office Assistant IV	0.53	0.41
Total Department FTEs	3.40	4.47
<i>Temporary Staff Hours</i>		
Engineering Intern	1080	800
Engineering Tech	1080	0
Total Annual Hours	2160	800

**b PUBLIC WORKS ○
Administration**

FY 2020/21 KEY PROJECTS

- **Engineering Development Review**
 - **Sonic Restaurant (Should we still be including this project since we haven't heard anything in over a year?)**
 - **Morro Mist Subdivision**
 - **New Hotel Projects**
 - **Any Other larger dev review projects?**

- **Project Management**
 - **Highway 41/Highway 1/Main Street Intersection Improvements**
 - **Water Reclamation Project**
 - **Facility**
 - **Conveyance System**
 - **Groundwater Injection**
 - **Pavement Management**
 - **Sidewalk Installation (Remove?)**
 - **Vets Hall Rehab**
 - **Morro Creek Streambank Erosion Restoration**
 - **Cloisters Landscaping Rehabilitation**
 - **North Point Parking and Lighting Improvements**
 - **Bocce Ball Courts/Greenhouse Area**
 - **Tidelands Stormwater Pocket Park**
 - **New rest room installation at Coleman Park**
 - **Electric vehicle charger installations in Embarcadero parking lots**

**∞ PUBLIC WORKS ∞
Administration**

KEY PROGRAM SERVICES

- Provides walk-in and telephone customer service for departmental programs and services.
- Provides internal clerical and program support for departmental services, including Accounts Payable and Purchase Order functions
- Oversees regulatory and project operations.
- Manages the Department's budget.
- Pursues grant funding.
- Oversees community beautification projects and sponsorship programs.
- Evaluates, prepares and manages capital construction projects, consultants, and maintenance contracts.
- Facilitates Commission, Committee and Community meetings related to public works issues.
- Provides staff support to the Public Works Advisory Board, Assessment Districts.
- Provides staff support for City-wide Committees, such as the City's Health and Safety Committee, Traffic Safety, and Special Events Committee.
- Administers the processing of encroachment permits.
- Provides services as the Floodplain Administrator, City Surveyor, and Traffic Engineer
- Oversees Department employee training and safety programs.
- Reviews development applications for compliance with City grading and engineering standards and develops project conditions of approval for land use and building permits
- Reviews and approves public improvement plans and certifies technical correctness of final tract maps and parcel maps as required by state law.
- Conducts inspections of work within right-of-way through the encroachment permit process.

☞ PUBLIC WORKS ☞
Administration

Activity and Workload Highlights¹	2017/18 Actuals	2018/19 Actuals	2019/20 Estimates	2020/21 Budget
Number of Encroachment Permits Processed				
Encroachment Permits Issued “at time of application”	90%	90%	85%	85%
Encroachment Permits issued within 2-Working Days	95%	95%	90%	90%
Number of Building/Grading/Improvement Plan Check Processed				
Building/Grading/Improvement Plan Check completed within 30 Days	85%	90%	90%	90%
Number of Planning Reviews				
Planning Review completed within 30 days	95%	95%	95%	95%
Number of Subdivisions/LLA/Abandonments				
Subdivision Final/Parcel Map Review within 30 days	85%	90%	95%	90%
Capital/Major Maintenance Projects, requiring Engineering, completed	4	4	7	4
Purchase Orders Processed	N/A	33	50	50
Invoices Processed for Payment	3150/\$7.2M	3200/\$9M	3500/\$30M	
Respond to Customer Phone or email inquire within 48 Hours	95%	95%	95%	95%

¹ To be refined as CityWorks use matures.

PUBLIC WORKS

Consolidated Maintenance-Facilities & Parks Program 5215

PROGRAM PURPOSE

Consolidated Maintenance-Facilities maintains facilities (public, recreational, & offices) to provide for public and occupant safety, building security, building maintenance, planned and unplanned repairs, and contract support service for all facilities owned and operated by the City of Morro Bay. Consolidated Maintenance-Facilities is responsible for the set-up and break-down of all public meetings, the performance of all aspects of preventive maintenance on buildings, building amenities, essential building systems, time critical response to emergency repairs, accomplishment of unscheduled maintenance services, compliance and service quality oversight for contract support. The Consolidated Maintenance team is also responsible for street, street tree, and storm drain maintenance described in following sections.

Consolidated Maintenance-Parks maintains parks, parklands, and natural areas to provide for public and user safety, community needs, recreational enjoyment, and esthetically pleasing enhancements to the cityscape. Consolidated Maintenance-Parks is responsible for the performance of all aspects of preventive maintenance at 14 designated parks covering more than 65 acres, 21 public restrooms, 6 playgrounds, 2 baseball / softball / soccer fields, 2 basketball courts, 4 tennis courts, 6 Pickleball courts, and several miles of walking and bike paths. Consolidated Maintenance service requests include: those requested by citizens, visitors, and staff, as well as those determined to be necessary by Consolidated Maintenance to maintain our parks and facilities in a manner that is compliant with the requirements of regulatory agencies, consistent with preventive maintenance benchmarks, deemed necessary to keep the facility in fully functioning condition and operating at the highest level of energy efficiency.

BUDGET OVERVIEW

The FY 2020/21 budget reflects the continued reallocation of part-time staff hours to full-time benefited staffing for consistency and enhanced service delivery, funding 4.62 FTE positions and 1,315 hours of part-time Maintenance Aide hours. This is an overall reduction of 1.26 FTE positions through a combination of defunding or reallocation of positions. In addition, the budget includes salary concessions of 5 percent for all employees through December 31, 2020 and reduced operational costs, specifically with contract and consulting services.

☞ PUBLIC WORKS ☜
Consolidated Maintenance

Consolidated Maintenance

Fund 001-5215

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17	2017/18	2018/19	2019/20	2019/20	2020/21
	Actuals	Actuals	Actuals	Amended	Estimated	Proposed
REVENUES						
<i>Other Revenues</i>	\$ 3,189	\$ 1,369	\$ 549	\$ 16,000	\$ 400	\$ -
TOTAL REVENUES	\$ 3,189	\$ 1,369	\$ 549	\$ 16,000	\$ 400	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 729,898	\$ 865,807	\$ 624,513	\$ 622,207	\$ 653,578	\$ 449,750
<i>Supplies</i>	115,643	115,129	117,269	106,200	102,511	76,912
<i>Services</i>	228,050	214,537	223,423	271,343	239,721	192,552
<i>Capital Outlay</i>	-	63	-	-	-	-
<i>Other</i>	-	-	-	-	-	-
<i>Equipment Replacement</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 1,073,591	\$ 1,195,536	\$ 965,205	\$ 999,750	\$ 995,810	\$ 719,214

Departmental Summary of FTEs

	2018/19	2019/20	2020/21
	Funded	Funded	Funded
<i>Public Works - Consolidated Maintenance</i>			
Public Works Director	0.10	0.00	0.00
Consolidated Maintenance Superintendent	0.35	0.35	0.00
Assistant Civil Engineer	0.15	0.15	0.15
Consolidated Maintenance Field Supervisor	0.40	0.40	0.40
Consolidated Maintenance Worker III	0.30	0.30	0.30
Consolidated Maintenance Worker II	2.75	3.00	2.75
Consolidated Maintenance Worker I	1.00	1.00	1.00
Management Analyst	0.02	0.02	0.02
Office Assistant IV	0.25	0.25	0.00
Total Department FTEs	5.32	5.47	4.62

<i>Temporary Staff Hours</i>			
Maintenance Worker I	650	0	0
Maintenance Aide	700	2160	1315
Total Annual Hours	1350	2160	1315

∞ PUBLIC WORKS ∞
Consolidated Maintenance

KEY PROGRAM SERVICES

- Consolidated maintenance is the labor force for all General Fund maintenance activities involving, parks, facilities, streets, storm drains, street trees, street lighting, and fleet maintenance, assessment districts, and deferred maintenance projects not specifically included in the enterprise fund maintenance obligations.
- Manages the ADA Transitions Plan and the improvements and projects that evolve from the plan with support from Administrative and Engineering staff.
- Develops budgets and manage those budgets to ensure that every General Fund Consolidated Maintenance dollar is spent as intended.
- Instructs, trains and cross-trains staff to highest affordable standards to reduce contract and outside labor expenses.
- Administrates and manages construction contracts and service agreements.
- Manages public, inter-departmental service requests along with core duties to maintain the best deployment of staff labor.
- Manages facilities improvement, maintenance, and repair projects.
- Cleans and maintains all public spaces and city owned properties.
- Manages community beautification projects and sponsorship programs
- Provides set-up, break-down, and custodial all for City events and meetings both public and private.
- Manages City banner program and flags throughout the city for businesses and special events throughout the year.
- Meet and confer with PG&E representatives about upgrades and rebate programs, rate schedules, and incentive programs as needed.
- Manages Consolidated Maintenance employee training and safety programs
- Maintains a high level of communication with other Central Coast agencies and affiliated maintenance organizations to ensure that techniques, training, and funding opportunities are fully realized.

∞ PUBLIC WORKS ∞
Consolidated Maintenance

Activity and Workload Highlights	2016/17 Actuals	2017/18 Actuals	2018/19 Estimates	2020/21 Budget
Service request and work orders completed / closed	519	507	1250	1350
Total acres of landscaped park area maintained monthly	51	51	51	51
Total square feet of buildings maintained annually	146,225	146,225	159,000	159,000
Total square feet of facility landscape maintained annually. Thank you MBIB.	41,125	27,075	27,075	27,075
Total acres of natural parkland maintained annually	11	11	11	11

DRAFT

Public Works

Consolidated Maintenance-Streets Program 5230

PROGRAM PURPOSE

To provide the highest level of safe traversable streets and sidewalks that the resources provided can support. Consolidated Maintenance-Streets evaluate and repair potholes, sidewalks, public parking lots, bike paths, informational / directional / regulatory signage, curb painting and road striping, tree wells, parkways, medians, line of sight / brush management. Consolidated Maintenance is responsible for the performance of all aspects of preventive and reactive maintenance for these services, and the oversight of contract support with the exception of the annual or semi-annual Pavement Management Plan activities.

Contract support includes street sweeping on a regularly scheduled basis. Street sweeping is required as part of the City of Morro Bay's regulatory requirements of the Federal Clean Water Act National Pollution Discharge Elimination System (NPDES), also known as the small Municipal Separate Storm Sewer System (MS4) General Permit. The permit requires the City, among other things, to eliminate trash and pollutants from entering waterways. Street sweeping is one Best Management Practice to meet this regulatory requirement.

Consolidated Maintenance-Streets service requests include those requested by citizen's, visitor's, and staff, as well as those determined to be necessary by Consolidated Maintenance to maintain the highest level of safety for those using our streets.

BUDGET OVERVIEW

The FY 2020/21 budget includes the reallocation of staff time to more accurately reflect staff work throughout the functional areas. The budget includes funding for 2.05 FTE positions, a reduction of 0.77 FTE's from the prior year budgets due to defunding and reallocation of staff. The overall salary and benefits budget is reduced by \$113,000 as a result of these actions, and also includes 5 percent salary concession through December 31, 2020. Other notable decreases in the budget includes reduced supplies and materials for road resurfacing and repair. This department budget includes contractual services for street sweeping.



∞ PUBLIC WORKS ∞
Consolidated Maintenance - Streets

Street Maintenance
 Fund 001-5230
SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
REVENUES						
<i>Other Revenues</i>	8,608	373	3,613	-	1,228	-
TOTAL REVENUES	\$ 8,608	\$ 373	\$ 3,613	\$ -	\$ 1,228	
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 160,252	\$ 92,884	\$ 262,136	\$ 292,480	\$ 279,755	\$ 179,842
<i>Supplies</i>	67,338	77,069	75,970	81,750	62,110	70,962
<i>Services</i>	70,955	67,309	89,297	86,011	76,716	61,286
<i>Capital Outlay</i>	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-
<i>Equipment Replacement</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 298,545	\$ 237,262	\$ 427,403	\$ 460,241	\$ 418,581	\$ 312,090

Departmental Summary of FTEs

	2018/19 Funded	2019/20 Funded	2020/21 Funded
Public Works - Street Maintenance			
Public Works Director	0.03	0.00	0.00
Consolidated Maintenance Superintendent	0.25	0.25	0.00
Consolidated Maintenance Field Supervisor	0.35	0.35	0.35
Consolidated Maintenance Worker III	0.30	0.30	0.30
Consolidated Maintenance Worker II	1.28	1.38	0.88
Consolidated Maintenance Worker I	0.50	0.50	0.50
Management Analyst	0.02	0.02	0.02
Office Assistant IV	0.02	0.02	0.00
Total Department FTEs	2.75	2.82	2.05

∞ PUBLIC WORKS ∞
Consolidated Maintenance - Streets

FY 2020/21 KEY PROJECTS

Objective	Key Projects
<p>Quality Public Infrastructure</p>	<ul style="list-style-type: none"> • On-going maintenance of the City’s infrastructure, including roadway repair and routine maintenance, ensures year-round functionality.

KEY PROGRAM SERVICES

- Maintain visibility of pavement markings, including crosswalks, painted curbs, roadway stripping, and signage.
- Maintain and repair over 53 centerline miles of public streets and all City parking lots East of the Embarcadero.
- Facilitate and /or perform concrete sidewalk, curb and gutter repair and replacement.
- Maintain cleanliness of sidewalks, benches, and waste receptacles.

☞ PUBLIC WORKS ☜
Consolidated Maintenance - Streets

Activity and Workload Highlights	2017/18 Actuals	2018/19 Actuals	2019/20 Estimates	2020/21 Budget
Number of centerline miles swept				
Weekly	10 miles	10 miles	10 miles	10 miles
Monthly	42 miles	42 miles	42 miles	42 miles
Annually	53 miles	53 miles	53 miles	53 miles
Amount of debris removed from streets	245 tons	200 tons	200 tons	200 ton
Amount of sidewalk repaired or replaced	1500 LF	212 LF	100 LF	50 LF
Asphalt placed	204 tons	112 tons	100 ton	100 ton

DRAFT

Public Works

Consolidated Maintenance-Vehicle Maintenance Program 5220

PROGRAM PURPOSE

Consolidated Maintenance-Vehicle Maintenance provides and maintains safe, reliable, fuel-efficient, and regulatory compliant vehicles for all City of Morro Bay departments, and transportation services.

Vehicle Maintenance service requests include; those requested by staff, as well as those determined to be necessary by DMV, and CHP a manner that is compliant with the requirements of regulatory agencies, consistent with preventive maintenance benchmarks, deemed necessary to keep the vehicles in fully functioning condition and operating at the highest level of fuel efficiency.

BUDGET OVERVIEW

The FY 2020/21 budget is generally consistent with prior years, however includes the reduction of 0.10 FTE due to defunding of staff positions and 5 percent salary concessions through December 31, 2020.

☞ PUBLIC WORKS ☜
Consolidated Maintenance – Vehicles Maintenance

Vehicle Maintenance

Fund 001-5220

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17	2017/18	2018/19	2019/20	2019/20	2020/21
	Actuals	Actuals	Actuals	Amended	Estimated	Proposed
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 104,834	\$ 105,854	\$ 115,538	\$ 120,832	\$ 118,312	\$ 106,122
<i>Supplies</i>	7,588	5,343	9,297	9,675	9,381	4,427
<i>Services</i>	11,208	9,592	7,227	7,179	7,179	8,337
<i>Capital Outlay</i>						
<i>Other</i>						
<i>Equipment Replacement</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 123,630	\$ 120,789	\$ 132,062	\$ 137,686	\$ 134,872	\$ 118,886

Departmental Summary of FTEs

	2018/19	2019/20	2020/21
	Funded	Funded	Funded
<i>Public Works</i>			
Public Works Director	0.01	0.00	0.00
Consolidated Maintenance Superintendent	0.08	0.08	0.00
Mechanic	1.00	1.00	1.00
Management Analyst	0.01	0.01	0.00
Office Assistant IV	0.01	0.01	0.00
Total Department FTEs	1.11	1.10	1.00

∞ PUBLIC WORKS ∞
Consolidated Maintenance – Vehicle Maintenance

FY 2020/21 KEY PROJECTS

Objective	Key Projects
<p align="center">Fleet Maintenance: <i>Provide Safe and Functional Vehicles and Equipment</i></p>	<ul style="list-style-type: none"> • Staff will continue to actively manage maintenance schedules to maximize vehicle and equipment life cycles. • Staff will continue to analyze fleet usage and repair cost information and adjust the fleet size as appropriate.

KEY PROGRAM SERVICES

- Provide preventative maintenance and repairs for all emergency service vehicles enterprise fund vehicles, Consolidated Maintenance vehicles, and pool vehicles, as well as all self-propelled and motor assisted support equipment.
- Coordinates and facilitates all outside contract and specialized repairs of fleet vehicles.
- Provides staff transportation to and from repair sites as required.
- Maintains repair facility, hazardous waste storage facility, and records for annual inspections from outside regulatory agencies, CHP, & CUPA

Activity and Workload Highlights	2017/18 Actuals	2018/19 Actuals	2019/20 Estimate	2020/21 Budget
Coordinate the smog inspection of the fleet	½ the smog required fleet			

Public Works

Consolidated Maintenance-Street Trees Program 5232

PROGRAM PURPOSE

Consolidated Maintenance-Street Trees: There are an estimated 8,460 trees in the City, roughly 2,634 of these trees are located in the public rights-of-way and therefore defined by the Morro Bay municipal code as street trees, whether or not they were planted by the City. These street trees provide for a healthy urban forest with a thriving, sustainable mix of tree species which are cared for and valued by both the City and citizens of Morro Bay. As an essential environmental, economic and community asset, the urban forest provides an attractive location for businesses, residents and visitors. The Urban Forest Management Plan seeks to increase age and species diversity in the public tree population and enhance the character and aesthetics of our City for the people who live and work here.

Pruning and Maintaining the Urban Forest:

City maintenance staff prune replace and care for City street trees, City park trees and trees on City-owned property. The downtown trees are currently trimmed on a 5-year routine maintenance schedule. All other public trees are trimmed on an as needed basis. City trees that are dead, dying or in eminent danger of failure or other emergencies including limbs down, broken cracked or hanging branches as addressed on an as needed basis.

Urban Forest regulations:

City tree regulations MBMC 12.08 regulates all trees within the public right-of-way within the City to be a Public tree. The Director of Public Works has jurisdiction and control over tree care, planting, removing and replacement of these public trees within the public right-of-way.



BUDGET OVERVIEW

The FY 2020/21 Department budget is less than in prior years due to 5 percent salary concessions through December 31, 2020 and reduced service expenditure items. There is minimal funding available in the budget to address tree issues that may arise during the fiscal year, as these issues arise staff will return to Council with a budget adjustment.

☞ PUBLIC WORKS ☜
Consolidated Maintenance – Street Trees

Street Trees
Fund 001-5232

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
REVENUES						
<i>Intergovernmental</i>	-	51,915	-	-		-
TOTAL REVENUES	\$ -	\$ 51,915	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 21,884	\$ 15,195	\$ 125,288	\$ 127,962	\$ 127,169	\$ 119,108
<i>Supplies</i>	1,011	1,858	3,627	2,100	1,160	2,407
<i>Services</i>	80,800	54,115	31,585	45,366	32,650	25,650
<i>Capital Outlay</i>	-	-	-	-		-
<i>Other</i>	-	-	-	-		-
<i>Equipment Replacement</i>	-	-	-	-		-
TOTAL EXPENDITURES	\$ 103,695	\$ 71,168	\$ 160,500	\$ 175,428	\$ 160,979	\$ 147,165

Departmental Summary of FTEs

	2018/19 Funded	2018/19 Funded	2020/21 Funded
<i>Public Works - Street Trees</i>			
Public Works Director	0.01	0.00	0.00
Consolidated Maintenance Superintendent	0.20	0.20	0.00
Environmental Programs Manager	0.10	0.01	0.10
Assistant Civil Engineer	0.10	0.01	0.10
Consolidated Maintenance Field Supervisor	0.10	0.10	0.14
Consolidated Maintenance Worker III	0.20	0.20	0.20
Consolidated Maintenance Worker II	0.30	0.30	0.50
Consolidated Maintenance Worker I	0.30	0.30	0.30
Management Analyst	0.02	0.02	0.02
Office Assistant IV	0.02	0.02	0.00
Total Department FTEs	1.35	1.16	1.36

∞ PUBLIC WORKS ∞
Consolidated Maintenance – Street Trees

FY 2020/21 KEY PROJECTS

Objective	Key Projects
<p align="center">Quality Infrastructure</p>	<ul style="list-style-type: none"> • Staff will continue to monitor and maintain the City’s tree canopy. • Staff will continue to prune and maintain trees to prevent hazardous tree situations. • Staff will continue to evaluate trees and remove or treat hazardous and dangers trees. • Staff maintains tree lighting outlets with conduit in the tree canopy for Café style tree lighting in 36 trees downtown.

KEY PROGRAM SERVICES

- Oversee Tree Trimming Contract
- Responds to service calls on trees
- Trim hazardous trees
- Remove hazardous trees
- Plant new trees
- Maintain City’s Tree Canopy
- Maintain Tree City USA status

Activity and Workload Highlights	2017/18 Actuals	2018/19 Actuals	2019/20 Estimates	2020/21 Budget
Downtown tree trimming by a contractor	35	44	50	50
New trees planted	10	10	10	10
Trees removed due to disease/dying/hazardous/storm damage	10	5	10	10
Tree related maintenance requests	167	152	165	200

Public Works

Consolidated Maintenance-Street Lighting Program 5234

PROGRAM PURPOSE

The purpose of street lighting is to provide intersecting lighting assisting drivers, pedestrians, and cyclists in better navigating the intersections during hours of darkness. Many neighborhood groups erroneously believe that extra illumination helps prevent crime. Business district lighting also may help create a pleasant environment.

There are 508 streetlights and three signal-controlled intersections in the City of Morro Bay. Seventeen of the streetlights belong to the City, and the remaining 491 belong to PG&E. One of the traffic signals is owned and maintained by the City and the other two belong to the State of California and are maintained by CalTrans. This budget pays for 50-percent of the maintenance and energy costs to operate these lights.

BUDGET OVERVIEW

The Street Lighting program budget includes the cost to maintain and operate the city's street lights and signal light. There is no staff time allocated to the street lighting program and the budget is consistent with prior years.

☞ PUBLIC WORKS ☜
Consolidated Maintenance – Street Lighting

Street Lighting

Fund 001-5234

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17	2017/18	2018/19	2019/20	2019/20	2020/21
	Actuals	Actuals	Actuals	Amended	Estimated	Proposed
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 350	\$ -	\$ -	\$ -	\$ 157	
<i>Supplies</i>	262	215	64	500	1,500	937
<i>Services</i>	108,399	111,165	68,031	122,500	98,500	78,550
<i>Capital Outlay</i>	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-
<i>Equipment Replacement</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 109,011	\$ 111,380	\$ 68,095	\$ 123,000	\$ 100,157	\$ 79,487

KEY PROGRAM SERVICES

- Respond to and coordinate with PG&E all reported street light outages.
- Review and rectify all street lighting bills and expenses monthly.
- Meet and confer with PG&E representatives about lighting upgrades, rate schedules, and various city requirements as needed.

Public Works

Consolidated Maintenance-Storm Drain/Creek Maintenance Program 5235

PROGRAM PURPOSE

Consolidated Maintenance-Storm Drain/Creek Maintenance keeps our creeks, and storm drain systems clean and functioning. The City's Storm Water Program focuses on watershed protection to ensure water quality in our creeks, bay and ocean by reducing the potential of flooding, erosion and various types of water pollution. Water and watershed quality can be compromised not only from natural events like flooding but also from activities such as changing the oil in your car, fertilizing your lawn, or painting your house. The quality of the water entering our storm drain system can have an extreme impact on our environment. As water is discharged from our storm drain system into our creeks and ocean, we must remember that storm water can have adverse effects on our waterways making them unhealthy for local wildlife, drinking water sources, and recreation.

The storm water program is regulated by the Federal Clean Water Act's National Pollution Discharge Elimination System (NPDES), also known as the small Municipal Separate Storm Sewer System (MS4) General Permit. The permit requires the City, among other things, to eliminate trash and pollutants from entering waterways. The City Storm water program has eight main components: Public education, illicit discharge detection and elimination, construction site runoff control, post-construction, good housekeeping of municipal operations, total maximum daily load (TMDL) compliance, trash control and program effectiveness. The City meet these permit requirements providing street sweeping, maintaining the storm drain system, inspecting private development projects for erosion controls and post-construction compliance, among various other services.

BUDGET OVERVIEW

The Storm Drain/Creek Maintenance program budget has decreased from prior year, primarily due to the reallocation of staff time to other functions. The program funds 1.24 FTEs, including salary adjustments and previously negotiated benefit increases. Also incorporated into the FY 2020/21 budget are slight decreases in supplies and services to assist in offsetting cost increases in other programs.



☞ PUBLIC WORKS ☜
Consolidated Maintenance – Storm Drains/Creek Maint.

Storm Drain/Creek Maintenance

Fund 001-5235

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17	2017/18	2018/19	2019/20	2019/20	2020/21
	Actuals	Actuals	Actuals	Amended	Estimated	Proposed
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 56,682	\$ 47,416	\$ 124,474	\$ 142,486	\$ 127,330	\$ 100,786
<i>Supplies</i>	5,731	12,560	7,937	9,750	5,599	5,000
<i>Services</i>	25,665	20,256	25,236	34,616	29,485	36,430
<i>Capital Outlay</i>	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-
<i>Equipment Replacement</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 88,078	\$ 80,232	\$ 157,647	\$ 186,852	\$ 162,414	\$ 142,216

Departmental Summary of FTEs

	2018/19	2019/20	2020/21
	Funded	Funded	Funded
<i>Public Works - Storm Drain/Creek Maintenance</i>			
Public Works Director	0.05	0.00	0.00
Consolidated Maintenance Superintendent	0.05	0.05	0.00
Environmental Programs Manager	0.25	0.25	0.25
Assistant Civil Engineer	0.05	0.05	0.05
Consolidated Maintenance Field Supervisor	0.10	0.10	0.10
Consolidated Maintenance Worker III	0.20	0.20	0.20
Consolidated Maintenance Worker II	0.35	0.35	0.20
Consolidated Maintenance Worker I	0.20	0.20	0.20
Management Analyst	0.02	0.02	0.02
Office Assistant IV	0.02	0.02	0.00
Total Department FTEs	1.29	1.24	1.02


PUBLIC WORKS

Consolidated Maintenance – Storm Drains/Creek Maint.

FY 2020/21 KEY PROJECTS

Core Goals	Key Projects
<p>Water Quality Improve and protect water quality in receiving waters</p>	<ul style="list-style-type: none"> <p>• Pollutant load reduction model</p> <p>Use a catchment scale loading model to quantify average annual storm water discharge and pollutant loading. Determine the pollutant loading estimates for each specific catchment. This will provide the pollutant loading and storm water volume baselines. Inventory and assessment of existing Best Management Practices (BMP). Develop relative ranking of catchments for program priorities.</p> <p>• Statewide Trash provisions</p> <p>Land-use based approach that targets high trash generating areas. the City has chosen Tract 2, install partial full capture devices and a combination of other controls to demonstrate full capture equivalency. Goal is to be 100% trash reduction in priority Land-Uses.</p> <p>The City participates in the Statewide Coastal Cleanup day event along with several other local cleanup event throughout the year.</p> <p>• Education and Outreach</p> <p>Education and Outreach information on various areas of Stormwater pollution is available on the City website and information signage in various locations throughout the City. Education is provided to construction sites, restaurants and various commercial businesses through face to face interaction and inspections.</p> <p>• Stormwater/Pocket Park grant</p> <p>The City and the Local Government Commission were awarded a grant from the National Parks and Recreation Association to build a new Pocket park. The pocket park will have a stormwater treatment component to treat the stormwater from the Embarcadero boat wash area.</p>

☞ PUBLIC WORKS ☜
Consolidated Maintenance – Storm Drains/Creek Maint.

KEY PROGRAM SERVICES

- Public Education and Outreach program to educate the public on the importance of reducing pollutant discharges into the storm drain system.
- Illicit discharge detection and elimination program to detect, investigate and eliminate illicit discharges.
- Construction-site runoff control program to prevent construction site discharges of pollutants and impacts on beneficial uses of receiving waters.
- Post-construction program requires source control measures, low impact development and hydromodification measures on new and redevelopment projects.
- Good housekeeping for municipal operations requires implementing appropriate Best Management Practices (BMPs) for preventing or reducing the amount of storm water pollution generated by City operations.
- TMDL compliance requires the City to monitor water quality in Morro Bay to meet the pathogen waste load allocations.
- Trash implementation program requires the City to eliminate all trash within priority land uses in the City.
- Program effectiveness assessment and improvement plan tracks annual and long-term effectiveness of the storm water program



Activity and Workload Highlights	2017/18 Actuals	2018/19 Actuals	2019/20 Estimates	2020/21 Budget
Percent of high priority storm drains cleaned	100%	100%	100%	100%
Percent of high priority construction projects inspected for erosion and sediment controls and/or post-construction stormwater controls	100%	100%	100%	100%
Percent reduction in particulate rate	13%	14%	15%	15%
Percent of priority land-use area trash reduction progress	99%	99%	99%	99%
Violations from Regional Water Quality Control Board	0	0	0	0

Public Works

CURBSIDE RECYCLING PROGRAM 5270

PROGRAM PURPOSE

The Curbside Recycling Program was established to track the Recycling Development Program and monthly Administrative Fee received from Morro Bay Garbage Service that is required per the Solid Waste Recycling and Green Waste Agreement. The fee is used to fund administrative support related to execution and monitoring of the agreement for solid waste, recycling and green waste collection services in the City.

BUDGET OVERVIEW

Each month the City receives from Morro Bay Garbage Service a Recycling Development Program and Administrative Fee. This fee is adjusted each year based on any increase Consumers Price Index (CPI) for the month of January.

The Curbside Recycling Program's FY 2020/21 budget reflects an increase in this fee based on the CPI adjustment that took place for the period beginning January 2020.



∞ PUBLIC WORKS ∞
Curbside Recycling

Curbside Recycling

Fund 001-5270

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17	2017/18	2018/19	2019/20	2019/20	2020/21
	Actuals	Actuals	Actuals	Amended	Estimated	Proposed
REVENUES						
<i>Other Revenues</i>	23,388	23,920	26,585	27,012	27,012	27,012
TOTAL REVENUES	\$ 23,388	\$ 23,920	\$ 26,585	\$ 27,012	\$ 27,012	\$ 27,012
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 23,388	\$ 23,920	\$ 26,406	\$ 27,012	\$ 27,012	\$ 27,012
<i>Supplies</i>	-	-	-	-	-	-
<i>Services</i>	-	-	-	-	-	-
<i>Capital Outlay</i>	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-
<i>Equipment Replacement</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 23,388	\$ 23,920	\$ 26,406	\$ 27,012	\$ 27,012	\$ 27,012

DRAFT

∞ PUBLIC WORKS ∞
Curbside Recycling

FY 2020/21 KEY PROJECTS

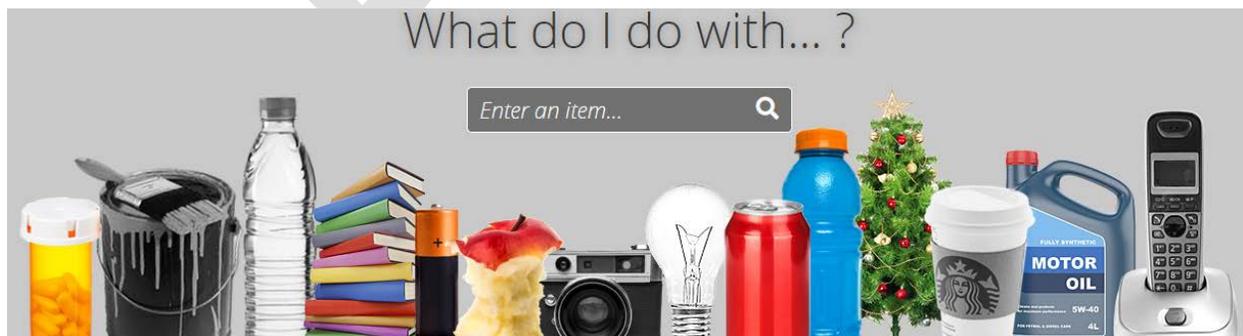
Core Goals	Key Projects
Community Character	<i>Collection Services</i>
	Garbage collection is mandatory, while recycling and green waste collection is voluntary per Municipal Code Section 8.16. The City contracts with Morro Bay Garbage Service for residential and commercial garbage, recycling and green waste collection services.
	<i>Clean Up Week</i>
	There are 2 clean up weeks held every year in the Spring and Fall where customers can put out an additional 2 cubic yards of material to be collected at no additional cost and bulky items can be picked up for a reduced fee.
	<i>Expanded Polystyrene (EPS) Regulations</i>
	Municipal Code Section 8.17 regulates the use and sale of EPS food containers and products in the City. Restaurants and food providers are prohibited from using EPS food and drink containers, and require that a recyclable, compostable or biodegradable product be used instead. Retail sale of any EPS products such as disposable foam coolers, cups, plates, bowls, and packing peanuts are also prohibited.
	<i>Joint Powers Agreement</i>
	The Cities of Morro Bay, Arroyo Grande, Atascadero, Grover Beach, Paso Robles, Pismo Beach and San Luis Obispo, the County of San Luis Obispo, and the Community Service Districts entered into a Joint Powers Agreement and formed a new agency, the San Luis Obispo County Integrated Waste Management Authority (IWMA) to plan and implement solid waste and hazardous waste programs for the region.
	<i>Community Outreach and Awareness</i>
Education and information about various recycling programs and how to get involved is handled through the IWMA. The City’s website provides links to the recycling guideline as well as other solid waste and hazardous waste programs: <ul style="list-style-type: none"> • Residents - comprehensive recycling guide and information about service providers, landfills & transfer stations, food waste, home composting, worm farms, grasscycling, shifting to reusable bags, SLO Take Back program, and how to get involved through responsible consuming, donation locations, reuse as well as information for parents with kids. • Business - information about business hazardous waste, retail take back program, recycling in the workplace, mandatory commercial recycling law (AB341), commercial organics recycling law (AB1826), multi-family/apartment recycling, recycling market development zone loans, 	

PUBLIC WORKS
Curbside Recycling

Core Goals	Key Projects
	<p>construction & demolition debris recycling, and recycling at special events.</p> <ul style="list-style-type: none"> • School Education - offering free classroom programs for K-12 with assistance for schools and teachers, as well as field trips to learn about recycling, vermicomposting, marine debris, the natural resources needed to make paper, household hazardous waste, zero waste, and the Anaerobic Digester facility. • Medical Waste - free disposal program for household over-the-counter and prescription medications, inhalers, and needles and sharps. • Household Hazardous Waste Facility in Morro Bay - free disposal program to provide safe disposal of household hazardous wastes such as bulbs, paint, electronics, pesticides, herbicides, corrosives, flammables, and medical waste.

KEY PROGRAM SERVICES

- Administrative support related to monitoring the agreement between the City and Waste Connections (d.b.a. Morro Bay Garbage Service) for solid waste, recycling and green waste collection services
- Develop informational material and promote Spring and Fall Clean Up Week events on City’s website, Facebook and local government channel community calendar
- Coordinate between City staff and Morro Bay Garbage Service on solid waste and recycling collection containers and service in public areas
- Coordinate with Morro Bay Garbage Service on rate adjustment applications and 218 processes for requested rate increases
- Coordinate with Morro Bay Garbage Service in processing tax liens for delinquent accounts
- Review public area use permit applications and develop special events solid waste and recycling conditions



PUBLIC WORKS
Curbside Recycling

Activity and Workload Highlights	2017/18 Actuals	2018/19 Actuals	2019/20 Estimates	2020/21 Budget
Residential Garbage Tonnage	2796	2700	2700	2700
Commercial Garbage Tonnage	5351	5300	5000	5000
Residuals Tonnage from Materials Recovery Facility	310	307	550	550
Recycling Tonnage	2144	2200	2200	2200
Green Waste Tonnage	1908	1965	1965	1965
Construction & Demolition Recycled Tonnage	407	410	590	590
Clean Up Week Tonnage	84	87	25	25
Household Hazardous Waste Facility Visits by MB Residents	1,261	1,200	1,160	1,160
School Program - # of Presentations and/or Field Trips for MB Schools	22	22	29	26



Public Works

ELECTRICITY FUND 001-7250

PROGRAM PURPOSE

This program is designed to track general fund electricity costs in one location rather than assign to individual departments and report debt service requirements for the California Energy Commission (CEC) loan.

BUDGET OVERVIEW

The electricity program houses the new loan issued in June 2017 by the CEC to reimburse the installation costs of the Solar Energy Efficiency Project. Solar energy panels were installed on 5 city owned buildings to generate electricity to power the operational needs of that building and to transfer any excess power to benefit approximately 17 other electrical meters. The projected savings in electricity costs is anticipated to fund the annual debt service. The loan matures in 2034.

Electricity

Fund 001-7250

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
REVENUES						
<i>Other Revenues</i>	547,463	4,830	-	-	-	-
TOTAL REVENUES	\$ 547,463	\$ 4,830	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 17,925	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Supplies</i>	123,694	-	-	-	-	-
<i>Services</i>	422,840	33,482	32,640	35,501	35,501	34,089
<i>Capital Outlay</i>	-	-	-	-	-	-
<i>Other</i>	48,660	-	-	-	-	-
<i>Debt Service</i>	-	35,078	35,189	35,190	35,189	35,191
TOTAL EXPENDITURES	\$ 613,119	\$ 68,560	\$ 67,829	\$ 70,691	\$ 70,690	\$ 69,280



Community Development Department

PROGRAM 7105

DEPARTMENT PURPOSE

The Community Development Department (CDD) works with elected and appointed officials, other Departments, and the community to guide the physical growth, development, and preservation of the City. Community Development encompasses many aspects of the City and as such the Department oversees several programs and projects designed to benefit its residents and businesses. Department functions include planning, building, code enforcement, economic development, and grant administration.

BUDGET OVERVIEW

Consistent with City policies, the Department's development related services are supported by fees that are established with the goal of being full cost recovery. Established fee rates include development support services and are generated on both a user fee and development impact fee basis.

The FY 2020/21 budget reduces staffing by freezing the vacant full time Assistant Planner position, freezing the vacant part time code enforcement officer position and part-time office assistant position resulting in a reduction of 1.77 FTE positions. In addition, the department budget includes salary concessions between 8 and 5 percent for employees within this department, through December 31, 2020, all of which in savings of approximately \$114,686. Overall, the Departments budget has decreased by approximately \$165,490.

□ **COMMUNITY DEVELOPMENT DEPARTMENT** ○

Objectives	FY 2019/20 Accomplishments
<p>Fiscal Sustainability</p>	<ul style="list-style-type: none"> • There are approximately 110-hotel units currently in process for either Planning or Building permits. • City continues to work on identification of a partner to redevelop the 781 Market property as a mixed-use hotel/restaurant/retail project. • Public Draft of the City’s Housing Element update has been released for public review. Public Draft has been sent to the Department of Housing and Community Development for review and comment. • Wayfinding Sign design is finalized. • City has entered into lease agreements for the two commercial tenant spaces in upper floor of the 781 Market building. • City is partnered with the Chamber on Economic Development. • Staff continues to implement Cityworks, a project tracking, asset management and workorder system and is in process of making the system public-facing for improved permit intake. • Two commercial medical cannabis businesses are permitted and in building plan check for tenant improvements. • Multiple waterfront lease sites have received approval for significant remodel/reconstruction.



○ COMMUNITY DEVELOPMENT DEPARTMENT ○

Objectives	FY 2019/20 Accomplishments
Review/Update City Land Use Plans	<ul style="list-style-type: none">• General Plan/Local Coastal Program Update: The public draft of the plan has been reviewed by the General Plan Advisory Committee (GPAC), Planning Commission (PC) and Coastal Commission Staff and staff is now working on the Final Draft. City Approval is anticipated in Summer/Fall of 2020.• Zoning Code update: Public Draft has been reviewed by the GPAC, PC and the Coastal Commission. Final City approval is anticipated in Fall of 2020.• Staff continues to work with various land conservation groups on preservation of the Estero Marine Terminal and overall Chevron Property.• 2019 Building Code Adopted



○ COMMUNITY DEVELOPMENT DEPARTMENT ○

**Community Development
General Fund 001-7105
SUMMARY OF REVENUES AND EXPENDITURES**

	2016/17	2017/18	2018/19	2019/20	2019/20	2020/21
	Actuals	Actuals	Actuals	Amended	Estimated	Proposed
REVENUES						
<i>Licenses & Permits</i>	\$ 108,688	\$ 132,763	\$ 127,278	\$ 107,000	\$ 119,233	\$ 94,000
<i>Service Charges</i>	395,211	568,318	560,321	450,062	396,253	322,250
<i>Other Revenues</i>	(462)	7,500	-	-	-	9,000
TOTAL REVENUES	\$ 503,437	\$ 708,581	\$ 687,599	\$ 557,062	\$ 515,486	\$ 425,250
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 707,318	\$ 683,596	\$ 793,476	\$ 933,508	\$ 853,233	\$ 818,822
<i>Supplies</i>	17,348	20,130	6,610	9,400	6,332	4,597
<i>Services</i>	84,883	146,180	119,731	134,382	119,749	88,381
<i>Capital Outlay</i>	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-
<i>Equipment Replacement</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 809,549	\$ 849,906	\$ 919,817	\$ 1,077,290	\$ 979,314	\$ 911,800

□ COMMUNITY DEVELOPMENT DEPARTMENT ○

Departmental Summary of FTEs

	2018/19	2019/20	2019/21
	Funded	Funded	Funded
<i>Community Development Department</i>			
Community Development Director	1.0	1.0	1.0
Senior Planner	1.0	1.0	1.0
Assistant Planner	1.0	1.0	0.0
Permit Technician	1.0	1.0	1.0
Office Assistant III/IV	1.0	1.0	1.0
Building Inspector	1.0	1.0	1.0
Total Department FTEs	6.0	6.0	5.0

<i>Temporary Staff Hours</i>			
Code Enforcement	1840	1444	800
Planning Intern	1000	390	780
Office Assistant	1248	1248	0
Contract Planner	1300	1600	1500
Intern	1000	0	0
Total Annual Hours	6388	4682	3080

∞ COMMUNITY DEVELOPMENT DEPARTMENT ○

FY 2020/21 KEY PROJECTS

Objective	Key Projects
Regulatory Updates	<ul style="list-style-type: none">• City approval of GP/LCP/Zoning code and Certification by the California Coastal Commission for.• The Department will continue to implement the DWSP/EDSP, as directed by Council.• Update the City’s vacation rental ordinance• Complete update of the City’s Housing Element
Community Engagement	<ul style="list-style-type: none">• The Department continues to support the Planning Commission, emphasizing the role of the Commission, communication with applicants, California Environmental Quality Act (CEQA), and various aspects of the City’s regulations and procedures.• Engage with and liaison between local business owners regarding local business opportunities, development and support.

KEY PROGRAM SERVICES

- Manage departmental operations, including preparing and managing the departmental budget.
- Provide support for City Council, & Planning Commission.
- Provide support for City projects and initiatives, including Planning, Building and Code Enforcement.
- Oversee General Plan and LCP update.
- Grant management.

**b COMMUNITY DEVELOPMENT DEPARTMENT ○
General Fund**

Activity and Workload Highlights	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Estimates
Building Permits Issued - New Single Family	43	30	10	12
Building Permits Issued - Residential Addition/Alterations	193	160	145	110
Building Permits Issued - New Commercial	1	2	0	2
Building Permits Issued - Commercial Addition/Alteration	29	20	24	30
Building Permits Issued - Multi-Family	21	6	2	3
Building Permits Issued - Miscellaneous	210	165	166	125
Number of building plan checks completed	658	225	354	265
Number of inspections conducted	1134	500	1951	1460
Number of code complaints responded to	252	275	325	500
Number of Encroachment Permits issued	93	75	88	66
Number of Rezoning Applications	0	0	0	1
Number of General Plan Amendments	0	0	0	2
Number of Sign Permits	13	15	13	30
Number of Conditional Use Permit Applications	41	30	14	10
Number of Variance Applications	3	0	2	2
Coastal Development Permit Applications	35	20	38	28
Number of Subdivision Applications	5	3	1	1
Number of Miscellaneous Planning Applications	20	12	30	22



Recreation Services

DEPARTMENT PURPOSE

Recreation Services is committed to providing quality recreational programming and opportunities in a responsive and courteous manner. Enhancing the quality of life, building a sense of community, providing positive role models to children and youth, improving self-esteem, and contributing to the health and safety of all residents and visitors are the Division's top priorities. Recreation Services is comprised of Administration, Recreational Sports, Youth Services and Community Pool.

BUDGET OVERVIEW

The Recreation Services Division's FY 2020/21 has been significantly impacted by the COVID-19 pandemic, with the limitation of social gatherings and shelter-at-home orders, there is limited ability to provide traditional recreational services. Due to this, the department's budget has been substantially impacted, including the defunding of over 70 part-time temporary staff used to run sports programs, adult and youth programming, and pool programs, as well as the defunding of two full-time recreational program positions. With much information still unknown about the reopening of the state and community as well as what activities will be allowed when we are allowed to reopen, the FY 2020/21 budget includes revenue reductions of \$535,000 or almost 70% of nor revenue generated within this department and overall expenditure reductions of \$550,000, almost entirely from the salary and benefit line items. The department budget also includes 5 percent salary concessions through December 31, 2020.

☞ RECREATION SERVICES ☞

Objectives	FY 2019/20 Accomplishments
<p>Fiscal Sustainability</p>	<ul style="list-style-type: none"> • Operated within allocated budget • Renegotiated registration program contract lowering fees.
<p>Improve Public Spaces</p>	<ul style="list-style-type: none"> • Worked with the Morro Bay Senior Citizens, Inc. and Morro Bay in Bloom attempting to add amenities – bocce ball courts and greenhouse – to the existing Shasta/Dunes Street Pocket Park. • Working with CA Dept of Parks for funding to replace Coleman restroom

☞ RECREATION SERVICES ☞

Recreation

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
REVENUES						
<i>Service Charges</i>	497,966	566,849	661,300	665,500	402,030	202,000
<i>Use of Money & Property</i>	61,688	37,304	53,677	50,000	48,445	20,461
<i>Other Revenues</i>	1,200	(9,970)	(29,019)	(19,500)	(18,000)	(10,000)
TOTAL REVENUES	\$ 560,854	\$ 594,183	\$ 685,958	\$ 696,000	\$ 432,475	\$ 212,461
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 771,527	\$ 849,450	\$ 962,997	\$ 1,032,939	\$ 858,069	\$ 498,373
<i>Supplies</i>	\$ 100,306	\$ 106,796	\$ 91,582	\$ 92,950	\$ 78,221	\$ 98,029
<i>Services</i>	105,787	110,687	138,371	142,671	149,331	120,426
<i>Capital Outlay</i>						
<i>Other</i>	13,664	3,972	4,339	8,000	5,395	4,000
<i>Equipment Replacement</i>						
TOTAL EXPENDITURES	\$ 991,284	\$ 1,070,905	\$ 1,197,289	\$ 1,276,560	\$ 1,091,016	\$ 720,828
<hr/>						
	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
PROGRAM						
<i>Administration</i>	\$ 328,656	\$ 279,454	\$ 302,257	\$ 419,109	\$ 333,376	\$ 224,479
<i>Dance 39+</i>	12,757	12,539	11,278	10,000	-	-
<i>Sports</i>	388,725	396,089	441,372	376,800	361,987	169,559
<i>Teens</i>	52,241	45,467	34,456	56,062	26,058	46,170
<i>Youth</i>	208,905	283,005	293,857	264,781	266,948	199,299
<i>Pool</i>	-	54,351	114,069	149,808	102,647	81,321
TOTAL EXPENDITURES	\$ 991,284	\$ 1,070,905	\$ 1,197,289	\$ 1,276,560	\$ 1,091,016	\$ 720,828

RECREATION SERVICES

Departmental Summary of FTEs

	2018/19	2019/20	2020/21
	Funded	Funded	Funded
<i>Recreation</i>			
Recreation Services Manager	1.0	1.0	1.0
Recreation Supervisor	1.0	1.0	0.0
Recreation Coordinator	0.0	1.0	1.0
Administrative Technician	0.0	1.0	0.0
OA IV	1.0	0.0	0.0
OA III	1.0	0.0	0.0
Total Department FTEs	4.0	4.0	2.0

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Recreation Services

Administration Program 6110

PROGRAM PURPOSE

The Administration Division supports all divisions with registration assistance, customer service, numerous reports, billing, budgeting and clerical duties. It oversees the Department's online registration program, manages office functions, works with the Recreation and Parks Commission, acts as liaison to the MB Senior Citizens, Inc., and processes all Film and Use Permits including facility and park reservations both internal to City operations as well as for the public.

BUDGET OVERVIEW

The Administration Division is comprised of 1.0 FTE – the Recreation Services Manager. This is a reduction of 1.45 FTE which is the result of defunding of program staff due to the inability to provide recreation services at this time. In addition, the budget includes 5 percent salary concessions through December 31, 2020.



**55+ Health and
Wellness Faire**

**∞ RECREATION SERVICES ∞
Administration**

Recreation Administration

Fund 001-6110

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17	2017/18	2018/19	2019/20	2019/20	2020/21
	Actuals	Actuals	Actuals	Amended	Estimated	Proposed
REVENUES						
<i>Charges for Service</i>	\$ 61,778	\$ 82,182	\$ 87,256	\$ 95,500	\$ 57,883	\$ 25,000
<i>Use of Money & Property</i>	61,688	37,304	53,677	50,000	48,445	20,461
<i>Other Revenues</i>	1,200	(9,970)	(29,019)	(19,500)	(18,000)	(10,000)
TOTAL REVENUES	\$ 124,666	\$ 109,516	\$ 111,914	\$ 126,000	\$ 88,328	\$ 35,461
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 281,913	\$ 251,596	\$ 264,707	\$ 383,475	\$ 286,819	\$ 191,836
<i>Supplies</i>	7,196	5,642	6,026	2,200	2,876	2,708
<i>Services</i>	25,883	18,244	27,185	25,434	38,286	25,935
<i>Capital Outlay</i>	-	-	-	-	-	-
<i>Other</i>	13,664	3,972	4,339	8,000	5,395	4,000
<i>Equipment Replacement</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 328,656	\$ 279,454	\$ 302,257	\$ 419,109	\$ 333,376	\$ 224,479

Dance 39+

Fund 001 6125

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17	2017/18	2018/19	2019/20	2019/20	2020/21
	Actuals	Actuals	Actuals	Amended	Estimated	Proposed
REVENUES						
<i>Charges for Service</i>	\$ 15,553	\$ 14,752	\$ 13,348	\$ 12,000	\$ -	\$ -
TOTAL REVENUES	\$ 15,553	\$ 14,752	\$ 13,348	\$ 12,000	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Supplies</i>	-	-	-	-	-	-
<i>Services</i>	12,757	12,539	11,278	10,000	-	-
<i>Capital Outlay</i>	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-
<i>Equipment Replacement</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 12,757	\$ 12,539	\$ 11,278	\$ 10,000	\$ -	\$ -

**∞ RECREATION SERVICES ∞
Administration**

Departmental Summary of FTEs

	2018/19 Funded	2019/20 Funded	2020/21 Funded
<i>Recreation - Administration</i>			
Recreation Services Manager	1.00	1.00	1.00
Recreation Supervisor	0.00	0.10	0.00
Recreation Coordinator	0.00	0.35	0.00
Administrative Technician	0.00	1.00	0.00
OA III	0.75	0.00	0.00
Total Department FTEs	1.75	2.45	1.00


RECREATION SERVICES

Administration

FY 2020/21 KEY PROJECTS

Core Goals	Key Projects
Fiscal Sustainability	<ul style="list-style-type: none"> Continue to work with the Community Foundation of Estero Bay to generate funds and receive over \$30k in scholarships for youth.
Improve Public Spaces	<ul style="list-style-type: none"> Work with Morro Bay in Bloom to enhance the landscaping at the Community Center. Work with the local Pickleball group to plan for additional Pickleball courts.

KEY PROGRAM SERVICES

- Develop and monitor the Department’s annual operating budget
- Administer activity classes
- Liaison to MB Senior Citizens, Inc.
- Manage use of City property through Use Permits
- Manage registration system and processes

	2017/18	2018/19	2019/20	2020/21
Activity and Workload Highlights	Actuals	Actuals	Estimate	Budget
Number of participations in Cuesta College Emeritus Classes	0	4100	5000	
Number of permits processed – internal and external	486	550	600	

∞ RECREATION SERVICES ∞

Recreation Services

Sports Program 6130

PROGRAM PURPOSE

The Recreational Sports Division provides adult and youth sports leagues including their end of season tournaments, the annual Brian Waterbury Rock to Pier Run, a Labor Day Softball Tournament, and the Junior Lifeguard programs. The Division also works with youth and adult sports advisory boards to provide All-Star opportunities for some youth sports leagues. Additionally, the Division provides administrative oversight of the Aquatics Programs.

BUDGET OVERVIEW

The Recreational Sports Division's FY 2020/21 budget is reduced from prior years due to the defunding of full-time recreation staffing positions. There is a place holder included for part-time staffing as well as limited revenue estimates should sports be permitted in the fiscal year.



∞ RECREATION SERVICES ∞

Sports

Recreation Sports

Fund 001-6130

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
REVENUES						
<i>Charges for Service</i>	\$ 212,986	\$ 230,697	\$ 242,087	\$ 235,000	\$ 103,300	\$ 25,000
TOTAL REVENUES	\$ 212,986	\$ 230,697	\$ 242,087	\$ 235,000	\$ 103,300	\$ 25,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 259,568	\$ 274,153	\$ 334,566	\$ 255,306	\$ 256,428	\$ 49,988
<i>Supplies</i>	77,168	81,989	62,884	66,350	57,648	73,571
<i>Services</i>	51,989	39,947	43,922	55,144	47,911	46,000
<i>Capital Outlay</i>	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-
<i>Equipment Replacement</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 388,725	\$ 396,089	\$ 441,372	\$ 376,800	\$ 361,987	\$ 169,559

Departmental Summary of FTEs

	2018/19 Funded	2019/20 Funded	2020/21 Funded
Recreation - Sports			
Recreation Supervisor	1.0	0.75	0
OA III	0.25	0.00	0
Total Department FTEs	1.3	0.75	0.00

∞ RECREATION SERVICES ∞
Sports

FY 2020/21 KEY PROJECTS

Core Goals	Key Projects
Fiscal Sustainability	<ul style="list-style-type: none"> • Increase participation numbers for established programs
Improve Public Spaces	<ul style="list-style-type: none"> • Work with City’s Consolidated Maintenance team to maintain athletic facility at Lila Keiser Park

KEY PROGRAM SERVICES

- Provide quality youth and adult sport opportunities
- Offer annual 10k and ½ marathon runs
- Administer summer Junior Lifeguard program
- Work with Community Partners to expand sport offerings
- Liaison with outside sport tournament directors (renters) to ensure smooth events

Activity and Workload Highlights	2017/18 Actuals	2018/19 Actuals	2019/20 Estimate	2020/21 Budget
Youth Basketball Program Registrations	239	262	282	
Youth Soccer Program Registrations	196	201	210	
Junior Lifeguard Program Registrations	171	198	220	

Recreation Services

YOUTH PROGRAMS

Program 6140

PROGRAM PURPOSE

The Youth Services Division provides programming to meet the needs and interests of elementary, middle, and high school aged students and families. The division offers a before and after school enrichment program – licensed by the State of California Community Care Licensing – at our local elementary school as well as managing the Morro Bay Teen Center. Additionally, Youth Services offers enriching day camps for elementary school aged students as well as being responsible for the coordination and delivery of many City special events. It provides and coordinates classes, affiliated clubs, and youth sports camps.

BUDGET OVERVIEW

The Youth Services Division is comprised of 0.95 FTE Recreation Coordinator, a an increase of staffing allocation from the previous year as youth services, specifically child care, is one of the services the City’s recreation program is able to offer during the pandemic services (for emergency responders only). The staffing levels are revenue projections are reduced from prior years as child care services are not running a capacity due to state shelter-at-home orders.



∞ RECREATION SERVICES ∞
Youth Services

Recreation Youth Services

Fund 001 6140

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
REVENUES						
<i>Charges for Service</i>	\$ 204,936	\$ 204,928	\$ 219,331	\$ 225,000	\$ 156,097	\$ 100,000
TOTAL REVENUES	\$ 204,936	\$ 204,928	\$ 219,331	\$ 225,000	\$ 156,097	\$ 100,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 191,017	\$ 253,039	\$ 272,624	\$ 237,538	\$ 229,826	\$ 175,229
<i>Supplies</i>	9,303	12,508	11,473	11,900	10,082	11,750
<i>Services</i>	8,585	17,458	9,760	15,343	27,040	12,320
<i>Capital Outlay</i>	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-
<i>Equipment Replacement</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 208,905	\$ 283,005	\$ 293,857	\$ 264,781	\$ 266,948	\$ 199,299

Departmental Summary of FTEs

	2018/19 Funded	2019/20 Funded	2020/21 Funded
Recreation - Youth			
OA IV	1.0	0.00	0
Recreation Coordinator		0.50	0.95
Total Department FTEs	1.0	0.5	0.95

∞ RECREATION SERVICES ∞
General Fund – Youth Services

FY 2020/21 KEY PROJECTS

Objective	Key Projects
<p>Fiscal Sustainability</p>	<ul style="list-style-type: none"> • Increase program offerings to include Holiday (non-school) camps and special day events

KEY PROGRAM SERVICES

- Provide a quality school-age before and after school program, licensed by the State of California
- Work with other City/County agencies to offer Monster Skate Series (youth skateboard contest)
- Coordinate City special events including Holiday Tree Lighting, Dixon Spaghetti Feed Fundraiser, Halloween Trick or Treat, Mermaid/Pirate Parade, and the City’s 4th of July Celebration
- Provide an enriching day camp program for elementary students during summer and other non-school days

Activity and Workload Highlights	2017/18 Actuals	2018/19 Actuals	2019/20 Estimates	2020/21 Budget
Kids Club Spring Camp	70	100	110	
Kids Club Participations (school year care)	14131	14324	15750	
Kids Camp Participations (summer care)	2193	2430	2675	

Recreation Services

TEEN PROGRAMS PROGRAM 6143

PROGRAM PURPOSE

As part of the Youth Services Division, Teen Programs' purpose is to provide oversight of the Teen Center while offering age appropriate opportunities within the Center. The Teen Action Committee (teen volunteers), coordinated by the Youth Services Coordinator, is a program designed to engage high school students in community volunteerism.

BUDGET OVERVIEW

The FY 2020/21 Youth Services Division – Teen Programs is funded with 0.15 FTE Recreation Coordinator overseeing the program and a small placeholder included for some part-time staffing should the Teen Center and Teen Programs be reopened. The proposed budget is reduced by \$10,000 from previous years, primarily in the area of salary and benefits.



∞ RECREATION SERVICES ∞

TEEN PROGRAMS

Recreation Teen

Fund 001-6143

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Amended	2019/20 Estimated	2020/21 Proposed
REVENUES						
<i>Charges for Service</i>	\$ 2,713	\$ 5,191	\$ 6,640	\$ 6,000	\$ 8,079	\$ 6,000
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 2,713	\$ 5,191	\$ 6,640	\$ 6,000	\$ 8,079	\$ 6,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 39,029	\$ 34,870	\$ 22,155	\$ 44,762	\$ 17,514	\$ 34,499
<i>Supplies</i>	6,639	4,266	6,279	5,500	2,920	6,000
<i>Services</i>	6,573	6,331	6,022	5,800	5,624	5,671
<i>Capital Outlay</i>	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-
<i>Equipment Replacement</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 52,241	\$ 45,467	\$ 34,456	\$ 56,062	\$ 26,058	\$ 46,170

Departmental Summary of FTEs

	2018/19 Funded	2019/20 Funded	2020/21 Funded
Recreation - Teens			
Recreation Coordinator		0.15	0.15
Total Department FTEs		0.15	0.15

**∞ RECREATION SERVICES ∞
Teen Programs**

FY 2020/21 KEY PROJECTS

Core Goals	Key Projects
Fiscal Sustainability	<ul style="list-style-type: none"> • Seek out grant funding to assist with programming efforts • Initiate a scanned membership card system
Improve Public Spaces	<ul style="list-style-type: none"> • Make efforts to create a clean, safe, rentable facility for public use

KEY PROGRAM SERVICES

- Teen Action Committee support to community civic groups, events, adopt a park, and activities
- Provide safe and healthy alternatives to risky behaviors for students in 6th – 12th grades

Activity and Workload Highlights	2017/18 Actuals	2018/19 Actuals	2019/20 Estimates	2020/21 Budget
Teen Center visits	5359	7530	8275	

Recreation Services

COMMUNITY POOL PROGRAM 6144

PROGRAM PURPOSE

As a part of the Recreational Sports Division, the Community Pool Program provides aquatic opportunities to the residents and visitors of the Estero Bay.

BUDGET OVERVIEW

The Community Pool Program's FY 2020/21 budget is substantially reduced as it is unknown rather community pools will reopen and in what fashion they will be allowed to reopen when they do. Therefore, staff has included a placeholder for revenue and expenditure estimates should the pool reopen on a limited (perhaps lap swim only) basis.



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**RECREATION SERVICES 
Community Pool**

Recreation Community Pool

Fund 001 6144

SUMMARY OF REVENUES AND EXPENDITURES

	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Adopted	2019/20 Estimated	2020/21 Proposed
REVENUES						
<i>Charges for Service</i>	\$ -	\$ 29,099	\$ 92,638	\$ 92,000	\$ 76,671	\$ 46,000
TOTAL REVENUES	\$ -	\$ 29,099	\$ 92,638	\$ 92,000	\$ 76,671	\$ 46,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ 35,792	\$ 68,945	\$ 111,858	\$ 67,482	\$ 46,821
<i>Supplies</i>	-	2,391	4,920	7,000	4,695	4,000
<i>Services</i>	-	16,168	40,204	30,950	30,470	30,500
<i>Capital Outlay</i>	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-
<i>Equipment Replacement</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ 54,351	\$ 114,069	\$ 149,808	\$ 102,647	\$ 81,321

Departmental Summary of FTEs

	2018/19 Funded	2019/20 Funded	2020/21 Funded
Recreation - Community Pool			
Recreation Supervisor	0.0	0.15	0
Total Department FTEs	0.0	0.15	0.00

∞ RECREATION SERVICES ∞

Community Pool

FY 2020/21 KEY PROJECTS

Core Goals	Key Projects
<p>Fiscal Sustainability</p>	<ul style="list-style-type: none"> • Ensure cost recovery of 70 – 79% • Maximize use of rented pool space by providing a mix of programs/activities for various age groups simultaneously

KEY PROGRAM SERVICES

- Full-service year-round aquatics programming
- Multi-generational programs/activities

Activity and Workload Highlights	2017/18 Actuals	2018/19 Actuals	2019/20 Estimates	2020/21 Budget
Summer Swim Lessons	0	400	500	