



# CITY OF MORRO BAY HARBOR ADVISORY BOARD A G E N D A

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

## **Regular Meeting Thursday, August 5, 2021 – 5:30 P.M. Held Via Teleconference**

Cherise Hansson	Waterfront Leaseholders
Gene Doughty	South Bay/Los Osos
Lynn Meissen	Member at Large
Cal Myers	Recreational Boating
Jeremiah O'Brien	Morro Bay Commercial Fishermen's Organization
Christopher Vaile	Member at Large
Mary Witkowski	Marine Oriented Business
Lori French	Alternate to Jeremiah O'Brien (MBCFO)
Pete Griffin	Alternate to Jeremiah O'Brien (MBCFO)

ESTABLISH QUORUM AND CALL TO ORDER  
MOMENT OF SILENCE  
PLEDGE OF ALLEGIANCE  
CHAIR, ADVISORY BOARD MEMBER & LIAISON ANNOUNCEMENTS

### PRESENTATIONS

Bill Luffee, President of Friends of the Morro Bay Harbor Department, will provide an update on their current fundraising campaign and the generous donation from Castle Winds, LLC.

Alla Weinstein, principle of Castle Winds, LLC, will be providing a presentation on the status of the current California coastal offshore wind power generation initiatives and Bureau of Ocean Energy Management offshore leasing process as they pertain to the proposed offshore wind generation projects proposed off the Central Coast, and be available for a brief question-and-answer session with the Board.

### PUBLIC COMMENT

*Pursuant to Executive Order N-08-21, issued by Governor Newsom on June 11, 2021, 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 Veterans' 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-08-21, 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 encouraged to submit agenda correspondence in advance of the meeting via email to the Harbor office at [lstilts@morrobayca.gov](mailto:lstilts@morrobayca.gov) prior to the meeting and 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 on a specific agenda item by logging in to the Zoom webinar at the **beginning** of the meeting 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=aWZpTzZwTHIRTk9xaTlmWVNWRWFUQT09>  
**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

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

- A-1 Approval of Minutes from the Harbor Advisory Board meeting held on May 6, 2021.  
**RECOMMENDATION: Approve as submitted.**
- A-2 Harbor Department Status Report.  
**RECOMMENDATION: Receive and file report.**

#### B. BUSINESS ITEMS

- B-1 Update from the Boatyard/Marine Services Facility Ad-Hoc Committee on Committee’s Recent Activities, and Reestablishment of Committee’s Purview and Membership.  
**RECOMMENDATION: Receive and file committee update, if any, reaffirm committee’s purview and priorities, and reestablish committee’s membership.**
- B-2 Update from the Finance & Budget Ad-Hoc Committee on Committee’s Recent Activities, Consideration of Committee Makeup and Report on the Approved FY 21/22 Harbor Fund Budget.  
**RECOMMENDATION: Receive and file committee and budget reports, and reconsider the Budget and Finance committee’s membership.**
- B-3 Harbor Advisory Board Recommendations for the Upcoming 2021/2022 City Council Goals and Objectives-Setting Process.  
**RECOMMENDATION: Staff recommend the Harbor Advisory Board (HAB) review their input from their June 3, 2021 meeting regarding goals and actions items, and develop a cohesive package to present the City Council ahead of their review of the City Goals for 2021/2022.**
- B-4 Harbor Advisory Board Member Public Engagement Outreach Assignment Reporting.  
**RECOMMENDATION: Staff recommend the Harbor Advisory Board (HAB) receive member outreach effort reports to date.**

### C. DECLARATION OF FUTURE AGENDA ITEMS

Pending items previously declared:

- Goals and Objectives – Working Waterfront Designation
- Measure D
- Explore Benefits of Becoming a Harbor or Port District
- Wind Energy Generation off the Coast of Morro Bay
- Creation of an Embarcadero Business District to Fund Harbor Infrastructure
- Review of TBID Assessment funding
- Eelgrass Committee to propose an action plan to be included in the GPLCP update
- Discussion of the Castle Wind Community Benefit funds
- Review the RV Camping Program
- Consideration of a RV Camping Program AD-Hoc Committee

### D. ADJOURNMENT

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

Materials related to an item on this Agenda are available for public inspection during normal business hours at the Harbor Department, 1275 Embarcadero Road, or online at [www.morrobayca.gov](http://www.morrobayca.gov). Materials related to an item on this Agenda submitted to the Board after publication of the Agenda packet are available for inspection at the Harbor Department during normal business hours or at the scheduled meeting.

MINUTES-MORRO BAY HARBOR ADVISORY  
BOARD MEETING – May 6, 2021  
TELECONFERENCE – 5:30 P.M.

AGENDA NO: A-1

MEETING DATE: August 5, 2021

*Harbor Advisory Board 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.*

PRESENT: Cherise Hansson Chair  
Gene Doughty Member  
Jeremiah O'Brien Member  
Christopher Vaile Member

ABSENT: Lynn Meissen Vice-Chair

STAFF: Eric Endersby Harbor Director  
Lori Stilts Harbor Business Coordinator

ESTABLISH QUORUM AND CALL TO ORDER

<https://youtu.be/ROn6l1xu3AM?t=47>

The meeting was called to order at 5:43 p.m., with a roll call quorum present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CHAIR AND ADVISORY BOARD MEMBER, LIAISON ANNOUNCEMENTS

Chair Hansson thanked former Board Member Dana McClish for his many valuable years of service on the Board.

PRESENTATIONS

None

PUBLIC COMMENT

<https://youtu.be/ROn6l1xu3AM?t=1200>

The public comment period was opened and closed with no comments.

A. CONSENT AGENDA

<https://youtu.be/ROn6l1xu3AM?t=1254>

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

- A-1 Approval of Minutes from the Harbor Advisory Board meeting held on March 4, 2021.  
**RECOMMENDATION: Approve as submitted.**

MOTION: Board Member Vaile moved to approve the March 4, 2021 minutes, item A-1 on the consent agenda. The Motion was seconded by Board Member Doughty and carried 4-0 by roll call vote.

Chair Hansson pulled item A-2 from the consent agenda.

- A-2 Harbor Department Status Report.

**RECOMMENDATION: Receive and file report.**

MOTION: Board Member Doughty moved approval of item A-2 on the consent agenda. The Motion was seconded by Board Member O'Brien and carried 4-0 by roll call vote.

**B. BUSINESS ITEMS**

<https://youtu.be/ROn6l1xu3AM?t=2150>

B-1 UPDATE FROM THE BOATYARD/MARINE SERVICES FACILITY AD-HOC COMMITTEE ON COMMITTEE'S RECENT ACTIVITIES, AND CONSIDERATION OF APPOINTMENT OF A NEW CHAIR OF COMMITTEE DUE TO MEMBER RESIGNATION

Director Endersby presented the staff report for item B-1.

Member Hansson moved to nominate Member Vaile as Boatyard/Marine Committee chair. The motion was seconded by Member Doughty and carried 4-0 by roll call vote.

The public comment period was opened and closed with no comments.

B-2 UPDATE FROM THE FINANCE & BUDGET AD-HOC COMMITTEE ON COMMITTEE'S RECENT ACTIVITIES, AND, REPORT ON THE STATUS OF THE FY 20/21 HARBOR DEPARTMENT BUDGETS, AND UPDATE ON THE CURRENT DRAFT FY 21/22 HARBOR DEPARTMENT BUDGETS

<https://youtu.be/ROn6l1xu3AM?t=2485>

Director Endersby presented the staff report, reviewed the budget spreadsheets for item B-2 and responded to Board Member inquiries.

The public comment was opened and closed with no comments.

**C. DECLARATION OF FUTURE AGENDA ITEMS**

<https://youtu.be/ROn6l1xu3AM?t=3363>

Chair Hansson requested the Board to provide their one most important item to be discussed from the pending list of future agenda items.

Member Doughty- Discussion of the Castle Wind Community Benefit funds & Review the RV Camping Program

Member Vaile - Explore Benefits of Becoming a Harbor or Port District & Wind Energy Generation off the Coast of Morro Bay

Member O'Brien - Explore Benefits of Becoming a Harbor or Port District

Chair Hansson - Review the RV Camping Program

Chair Hansson requested to add goals to the future agenda items. There was Board support to add the item.

Pending items previously declared:

- Goals and Objectives – Working Waterfront Designation
- Measure D
- Explore Benefits of Becoming a Harbor or Port District
- Wind Energy Generation off the Coast of Morro Bay
- Creation of an Embarcadero Business District to Fund Harbor Infrastructure

- Review of TBID Assessment funding
- Eelgrass Committee to propose an action plan to be included in the GP/LCP update
- Discussion of the Castle Wind Community Benefit funds
- Review the RV Camping Program

D. ADJOURNMENT

Member Doughty motion the meeting to be adjourned. The motion was seconded by Member O'Brien and passed by a roll-call vote.

This meeting was adjourned at 6:53 p.m. The next Regular Meeting will be held on June 3, 2021 at 5:30 p.m. via teleconference.

Lori Stilts  
Harbor Business Coordinator



AGENDA NO: A-2

MEETING DATE: August 5, 2021

## Staff Report

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

**DATE:** July 30, 2021

### RECOMMENDATION

Receive and file report.

### DISCUSSION

#### **Recent Department Activity:**

Harbor Patrol statistics for June and July 2021 were 36 emergency responses, 202 calls for service, 99 assists of other agencies, 54 enforcement contacts, 21 weather warnings, and no hazardous bar warning.



Over the last two months Harbor Patrol responded to two sinking old commercial fishing vessels. The first one was successfully raised and pumped immediately. Coast Guard hired a hazardous waste company to pump all fuel and oil off the boat to mitigate the threat to pollute. The boat sits with multiple pumps on it to ensure it keeps above water. The second boat sank to the bottom on a mooring near the launch ramp. This vessel had been watched for several years as a threat to pollute and also had the fuel and oil pumped off by Coast Guard. At the time of this printing, the vessel still remains underwater with a plan to raise it and demolish it as soon as safely possible.

There were multiple fire alarm calls this summer that Harbor Patrol responded to, but luckily none that resulted in true fire. The sprinkler system on the North T Pier was a victim to corrosion and leakage, and sections of it needed to be replaced after it set off the alarm system. A restaurant on the waterfront was also closed to public for a time because of a smoking electrical panel in a defunct elevator system. A smoldering beach bonfire was put out and the citizens were given a citation for illegal fire on the beach.

Waterfront Camping has been booked full most weekends of the summer providing alternative lodging for those with RV style vehicles. Harbor Patrol opened up three additional camp spaces

Prepared By: EE

Dept Review: EE

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

near Tidelands Park on the east side of the roadway with a beautiful view of the bay.

Multiple medical aids calls were dispatched for Harbor to respond to including two overdoses on boats and two suicidal attempts on the waterfront.

Safe boating training was given to the Junior Lifeguard program by Harbor Patrol. Different age groups were able to participate in Rescue Water Craft training and Harbor Patrol boat operations.

The Friends of the Morro Bay Harbor Departed hosted their 3<sup>rd</sup> annual Marine Swap Meet on June 26, which was a huge success.



### **Morro Bay Fire Chief Steve Knuckles' Retirement**

After 22 years serving the City of Morro Bay, Chief Steve Knuckles retired on July 30, 2021. Knuckles began as a Fire Captain Paramedic in 1999, and was promoted to Fire Chief in 2012. He has led the department through multiple emergency incidents, increasing our community's response capabilities, emergency plan development and most recently orchestrated the City's emergency response to the COVID-19 pandemic. Prior to coming to Morro Bay, Chief Knuckles started his fire career in 1982 as a Reserve Firefighter for the City of Atascadero, promoting to a Fire Engineer Paramedic in 1993.



On the waterfront, Knuckles was instrumental in working with the Harbor Department to more closely align the missions, training and emergency responses of the Harbor and Fire departments, which has no doubt led to superior public safety for our waterfront, boaters and community.

While we congratulate Chief Knuckles, he will be missed and we wish him well in his retirement.

## **New Morro Bay Fire Chief Daniel McCrain**

Morro Bay City Manager, Scott Collins, announced the appointment of Daniel McCrain to be the City of Morro Bay's new Fire Chief. Mr. McCrain begins his work with the City team July 31st.

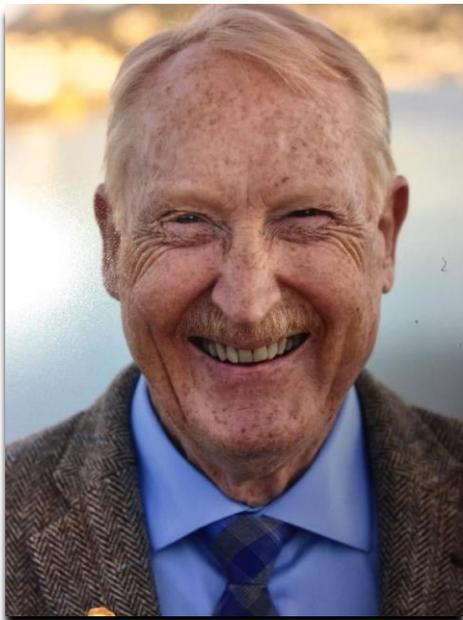
McCrain comes to Morro Bay with over 27 years in fire/paramedic and emergency management service experience, previously serving as Fire Captain for the Cambria Community Services District Fire Department, where he oversaw emergency response for his shift and the agency's fire prevention, community education and commercial business inspection programs. Prior to that, he was the Operations Director/Paramedic for the Cambria Community Healthcare District, where he managed paramedic and EMT staff, training, and records.

Welcome Chief McCrain!



## **It is with heavy hearts we share the loss of our beloved Councilmember Red Davis.**

Councilmember Robert "Red" Davis passed away peacefully on Saturday, July 24th at his residence. Red is survived by his loving wife Gail Davis, and their daughter Catherine Sullivan, son-in-law Pat, and granddaughters Caitlyn and Sara. He was 76 years old.



Red Davis began his service as Councilmember in 2017, and won a second four-year term in November 2020. Councilmember Davis was instrumental, along with his Council colleagues, in moving forward the Water Reclamation Facility, improving the City's financial condition, and enhancing communication with the community.

The City, along with Councilmember Davis' family, will host a public celebration of Red's life within the next couple weeks, most likely at the Morro Bay Community Center. Event details will be posted to the City website once they are finalized.

### Recent City Council Activity

June 8, Council Appointed Cal Myers as the Recreational Boating Representative on the Harbor Advisory Board.

Also on June 8, Council considered the Harbor Advisory Board (HAB) input and recommendations as they pertain to revenue generation opportunities and needs for the Harbor Fund as determined at their June 3, 2021, meeting.

June 22, Council adopted Resolution No. 37-21, setting forth a repayment program for any remaining deferred Tidelands Trust Master Tenant waterfront lease site rents due to the COVID-19 pandemic, and authorizing, in arrears, the deferment of Tidelands Trust Master Tenant rents from July, 2020 through July, 2021, inclusive, without penalty or interest.

### Status of Pending HAB Recommendations:

	HAB Recommendation	Date	Status
1	Staff draft letter to Council encouraging the City to pursue negotiating with State Parks the City assume both marina and café concessions.	5/7/15	Staff's last contact with Parks indicated no Parks interest in giving up the café concession. Since that time, all of Parks' key personnel on the SPM have either retired or positions turned over. Staff's current thinking is we're at a "start-over" point with Parks to begin talks anew and are acting accordingly before taking anything back to the Council. 11/1/17. Staff have reached out to Parks to renew discussions. 12/20/17. Spoke with office of Director for State Parks; tentative meeting set for week of January 8-12. 2/13/18. Spoke with office of Director of Concessions office left message with assistant for our concession specialist to set up conference call. No response. 2/22/18 Called again left message. 2/23/18. new Parks concession specialist contacted department. 4/23/18. Harbor Director email sent to Parks. 4/27/18. Contacted Parks staff, discussions underway. 5/17/18. Harbor Director met with Dan Falat, District Superintendent, regarding reviving discussions, putting concessions out to bid and prospects for City taking over operation and management of the marina. Staff was recently informed by the district superintendent that State Parks in Sacramento is potentially bringing this item off the back burner. 4/26/19 Meeting still pending. No new updates.

2	Marine Services Facility/Boatyard	2/2/17	<p>2/14/17. Council approved the release of a Request for Qualifications (RFQ) document as-proposed. RFQ is out, and responses due July 14, 2017.</p> <p>7/27/17. No responses to RFQ.</p> <p>8/3/17. HAB meeting to consider next steps.</p> <p>11/3/17. Put together a RFP for a financial feasibility study to go to Council for approval.</p> <p>12/1/17. Draft proposal in process for HAB review 2/2018.</p> <p>12/18/17. Tentatively on Council agenda for 1/23/18. to lay out scope of work and get authorization for a financial feasibility study.</p> <p>1/18/18. Discussing at HAB meeting 2/1/18 during item C1.</p> <p>4/27/18. Working on draft RFP to go to Council. Tentatively on 6/26/18 City Council agenda for consideration of issuance.</p> <p>Tentatively on 8/28/18 City Council agenda for consideration of issuance.</p> <p>8/28/18. Council approved issuance of a financial feasibility RFP. RFP to be issues asap.</p> <p>Request for Proposals issued for financial feasibility study services for the proposed boatyard. RFP due February 1, 2020.</p> <p>No proposal submissions received. HAB to consider next steps 3/13/19.</p> <p>4/26/19 Staff not recommending any further expenses be undertaken on boatyard financial feasibility study at this time.</p> <p>5/31/19 Boatyard/Marine Services Facility remains on the City Council's goals.</p>
3	City to share tax revenues that are collected in the Harbor fund (and not currently going to the Harbor Fund) and used for Harbor Capitol maintenance and improvements.	6/1/17	<p>Pending until a new Finance Director and City Manager are in place.</p> <p>10/30/17. Per the SLC it is normal for these taxes to go into the City's General municipal funds.</p> <p>4/5/18. Chair Reisner requesting City Manager to provide a memorandum on this item.</p> <p>Chair Reisner met with the City Manager.</p> <p>No new updates.</p>
4	City Council to include proposed eelgrass language into General Plan/Local Coastal Plan updates, and to review the proposed outline for the eelgrass policy to decide if the elements are appropriate.	6/7/17	<p>7/28/17. Consultant Anchor QEA is developing a proposal to review existing information and documentation, research typical projects that have eelgrass issues, interview NEP personnel, and meet with Eelgrass Ad-Hoc committee members to discuss Newport Beach management plan.</p> <p>11/1/17. Staff engaged with Anchor on eelgrass proposal.</p> <p>12/1/17. Update to HAB on 12/7/17 on revised consultant contract scope of work.</p> <p>12/18/17. Draft eelgrass consultant agreement submitted to legal for review and approval.</p> <p>1/18/18. executed contract with Anchor QEA.</p>

			<p>4/27/18. Anchor QEA beginning project.</p> <p>4/25/18. Eelgrass Ad-Hoc committee met with Anchor QEA reps in Morro Bay</p> <p>Draft Anchor QEA eelgrass mitigation report on HAB agenda for consideration 8/2/18.</p> <p>8/18 final Morro Bay Conceptual Eelgrass Plan report issued by Anchor QEA for ad-hoc and HAB consideration.</p> <p>Next step of hiring Anchor QEA to approach pertinent regulators with Morro Bay eelgrass mitigation plan concept pending Council consideration on January 8, 2020.</p> <p>2/19/19. staff, eelgrass committee and MBNEP exploring new possible in-lieu mitigation path, as Morro Bay Eelgrass Plan as currently outlined by Anchor QEA is likely not viable.</p> <p>No new updates.</p>
5	<p>Incorporate Working Waterfront land area and uses into General Plan/Local Coastal Plan updates.</p> <p>In General Plan/Local Coastal Plan updates, consideration be given to a list of uses provided, and that the Measure D area and its uses be incorporated into Morro Bay's Working Waterfront.</p>	6/1/17	<p>Tentatively on the July 11, 2017 City Council agenda for consideration with Measure D recommendation above.</p> <p>7/27/17. City Council on 7/11/17 authorized PC subcommittee to jointly work with HAB ad-hoc committee on Measure D ambiguities and Working Waterfront policy language for consideration of incorporation into GP/LCP update process.</p> <p>9/1/17. First joint HAB/PC subcommittee meeting to consider Measure D and Working Waterfronts scheduled for September 8, 2017, at the Community Center Studio room from 3:00-5:00 pm.</p> <p>9/8/17. First joint subcommittee meeting held. General discussion and public input. Second meeting TBD, likely late October or early November.</p> <p>12/18/17.</p> <p>1/11/18. PC/HAB joint meeting, recommendations made to GPAC.</p> <p>4/27/18. Pending GPAC action. Currently at Coastal for comments.</p> <p>Document link on City's Website:  <a href="https://www.morrobayca.gov/943/PlanMB">https://www.morrobayca.gov/943/PlanMB</a></p> <p>No new updates.</p> <p>See HAB 5/2/29 agenda item B-6</p> <p>12/3/21 estimated going to Council late Winter early Spring then to Coastal end of Summer.</p>



AGENDA NO: B-1

MEETING DATE: August 5, 2021

## Staff Report

**TO:** Harbor Advisory Board

**DATE:** July 27, 2021

**FROM:** Eric Endersby, Harbor Director

**SUBJECT:** Update from the Boatyard/Marine Services Facility Ad-Hoc Committee on Committee's Recent Activities, and Reestablishment of Committee's Purview and Membership

### **RECOMMENDATION**

Receive and file committee update, if any, reaffirm committee's purview and priorities, and reestablish the Boatyard/Marine Services Facility committee's membership.

### **BACKGROUND**

While this committee was originally formed to explore and advise on the potential for a new, full-service boatyard being established in Morro Bay, at a recent Harbor Advisory Board meeting there was Board consensus to expand this committee's purview to include other marine services such as marine fueling, berths and slips, commercial fishing infrastructure and other facilities and infrastructure germane to a healthy working waterfront.

### **DISCUSSION & CONCLUSION**

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

In addition, because the Board has recently been populated with three new members, it is recommended the Board reaffirm its commitment to expanding the committee's purview, reestablish what members will be on it, and begin considering what marine service facilities are a priority in Morro Bay so that the Board's goal work plans can be aided by this committee's work.

Prepared By: EE

Dept Review: EE

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_



AGENDA NO: B-2

MEETING DATE: August 5, 2021

# Staff Report

**TO:** Harbor Advisory Board

**DATE:** July 28, 2021

**FROM:** Eric Endersby, Harbor Director

**SUBJECT:** Update from the Finance & Budget Ad-Hoc Committee on Committee's Recent Activities, Consideration of Committee Makeup and Report on the Approved FY 21/22 Harbor Fund Budget

## **RECOMMENDATION**

Receive and file committee and budget reports, and reconsider the Budget and Finance committee's membership.

## **BACKGROUND**

The committee will be presenting an oral update on their activities. This is a standing sub-committee report agenda item.

In addition, because the Board has recently been populated with three new members, it is recommended the Board reestablish what members will be on the Finance and Budget Committee.

Finally, on June 22, 2021 the City Council approved the City's FY 21/22 Operating and Capital Budgets. The Harbor Department submitted a balanced operating budget of recurring expenses completely met by recurring revenues. Some details of the Harbor Fund's budget are discussed in more detail below.

## **DISCUSSION & CONCLUSION**

### **Harbor Operating Fund**

The approved FY 21/22 Harbor Operating budget includes \$2,150,100 in projected revenues and \$2,054,385 in proposed expenses, for a net annual revenue surplus of ~\$95,700. This surplus was obtained largely because \$80,000 of the Beach Lifeguard program expenses and \$70,000 of disposal expenses are being borne by the Measure Q/E sales tax funds, specifically, because the new 1% Measure E sales tax initiative recently passed, which is providing significant relief to the Harbor Fund.

It should also be noted that the Harbor Operating budget numbers above are net amounts, and include \$38,000 in Launch Ramp Parking revenues transferred to the Accumulation Fund for use on capital projects, and \$70,000 in regular revenues transferred to the Harbor Equipment Replacement Fund for costs related to the new Harbor Patrol boat refit project. In addition, this year is the last year of annual \$135,000 payments for the South T-Pier rebuild loan, which will further free-up revenues for other uses in the future.

Prepared By: EE

Dept Review: EE

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

To bookend that good news, the total current projected funding needs for capital replacement, capital major maintenance and capital equipment *averages over \$700,000 per year over the next ten years* if all those needs were fulfilled on a service life and current needs basis. Therefore, there is more work to be done to ensure the long-term fiscal health of the Harbor Fund.

### **Capital Projects**

Capital budget items approved in the FY 21/22 budget include:

- A. \$600,000 for the south Beach Street Slips replacement project, including:
  - \$130,000 coming from the Castle Wind Community Benefit Agreement Fund
  - \$100,000 in grant funding from the Central California Joint Cable/Fisheries Liaison Committee
  - \$370,000 from the Harbor Accumulation Fund
- B. \$230,000 for the Harbor Patrol Vessel Replacement project, including:
  - \$60,000 of donated funding from the Friends of the Morro Bay Harbor Department
  - \$50,000 from the Harbor Equipment Replacement Fund
  - \$50,000 of Measure E sales tax revenues for a new firefighting system
  - \$70,000 of excess revenues over expenses from the FY 21/22 Harbor Operating Fund, as previously noted
- C. \$10,000 for City repair and maintenance obligations on the commercial fishing ice machine operated by Morro Bay Fish Co.
- D. \$60,000 to develop a new project scope and cost estimate to apply for a new grant to the Division of Boating and Waterways to refurbish the public boat launch ramp and associated amenities.

If all these projects are completely spent, this will essentially deplete the Harbor Accumulation Fund to four figures.

Finally, percent gross sale reporting for last fiscal year is coming in from our waterfront tenants, and preliminary numbers in aggregate are indicating a possible record year last year, despite the pandemic.



AGENDA NO: B-3

MEETING DATE: August 5, 2021

# Staff Report

**TO:** Harbor Advisory Board

**DATE:** July 29, 2021

**FROM:** Eric Endersby, Harbor Director

**SUBJECT:** Harbor Advisory Board Recommendations for the Upcoming 2021/2022 City Council Goals and Objectives-Setting Process

## **RECOMMENDATION**

Staff recommend the Harbor Advisory Board (HAB) review their input from their June 3, 2021 meeting regarding goals and actions items, and develop a cohesive package to present the City Council ahead of their review of the City Goals for 2021/2022.

## **BACKGROUND**

At the June 3, 2021 HAB meeting, item B-4 was consideration of HAB input into the upcoming 2021/2022 City Council Goals and Objectives-setting process. At that meeting, the HAB was asked if the current set of City goals reflected the correct context to address the needs of the Harbor, and if the current action items reflected the priority needs of the Harbor?

The HAB reviewed the seven remaining HAB goal action items and voted to retain the following, and agreed to bring them back to the August HAB meeting to finalize for presentation to the City Council:

1. Review of revenue-enhancement options
2. Review of parking management options
3. General Plan/Local Coastal Program and Zoning Code update
4. Boatyard/Marine services
5. Pursuit of offshore wind power generation development (during this item there was HAB consensus to bring back in August a discussion of different terminology than "pursuit")
6. Market Street Plaza redevelopment

In addition, there was HAB discussion at their June meeting to add "Rock Master Planning" as a recommended goal item to be discussed at the August HAB meeting.

## **DISCUSSION**

Staff suggest the HAB:

- A. Discuss item #5 above relative to changing the word "pursuit" in the offshore wind power item to something fitting the HAB's sentiment. At the June 3 HAB meeting, suggestions of "facilitate," "support," "play a role" and "advise on harbor impacts" were briefly discussed.

Prepared By: EE

Dept Review: EE

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

- B. Discuss whether or not to recommend “Rock Master Planning” as a goal/action item for Council consideration, and how best to convey that goal to the Council as a discreet item.
- C. Discuss how to present all the recommended goal items to the Council as a package, and any additional information the HAB wishes to convey on or about those items.

### **CONCLUSION**

Updating the City Council goals is an important process to ensure that City goals link back to the current needs and desires of the community. Input from the HAB and community will help bring the various points of public input together as Council begins its process of identifying priority goals and works with City staff to develop a work plan to systematically achieve them through allocation of budget and staff resources.

Input received from the HAB tonight will be conveyed to the City Council in advance of a community goal forum to be held in either August or September.



AGENDA NO: B-4

MEETING DATE: August 5, 2021

# Staff Report

**TO: Harbor Advisory Board**

**DATE: July 30, 2021**

**FROM: Eric Endersby, Harbor Director**

**SUBJECT: Harbor Advisory Board Member Public Engagement Outreach Assignment Reporting**

## **RECOMMENDATION**

Staff recommend the Harbor Advisory Board (HAB) receive member outreach effort reports to date.

## **BACKGROUND**

At their November 5, 2020 meeting, the HAB approved establishment of voluntary “outreach” assignments for HAB members to act as information conduits between various organizations, agencies or specific areas of interest in order to increase the HAB’s public engagement both to and from the HAB and these organizations. This outreach is intended to help inform the HAB’s current and future work, in addition to informing City staff in providing the public access, services and facilities of the Morro Bay harbor and waterfront.

At the February 4, 2021 HAB meeting, the HAB voted to approve specific member engagement/outreach assignments, and at the June 3, 2021 HAB meeting, the HAB considered a list of “conversation starter” questions for the outreach efforts.

## **DISCUSSION & CONCLUSION**

This agenda item is provided for HAB members to provide an update of any of their outreach efforts and results to date, in addition to providing an opportunity for new HAB member Myers to volunteer for assignments.

Current assignments are as follows:

### **Chair Hansson**

*Morro Bay Chamber of Commerce, Embarcadero Leaseholders and Local schools.*

### **Member Doughty**

*Recreational fishing and mariculture businesses.*

### **Member O'Brien**

*Morro Bay Rotary & Lions Clubs, Friends of the Morro Bay Harbor Department and City of Morro Bay Recreation Department.*

Prepared By: EE

Dept Review: EE

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

Member Meissen

*Environmental organizations (Pacific Wildlife, Marine Mammal Center, ECOSLO, Coastwalk, etc.) and Morro Bay National Estuary Program*

Member Vaile

*Quota International, Cal Poly Sailing Club, Morro Bay Youth Sailing Foundation and Central Coast Regional Water Quality Control Board*

Member Witkowski

*CA State Parks and Coast Guard Auxiliary*