



CITY OF MORRO BAY CITY COUNCIL AGENDA

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

Regular Meeting Tuesday, May 10, 2022 – 5:30 P.M. Veterans Memorial Hall 209 Surf St., Morro Bay, CA

Pursuant to Assembly Bill 361 (2021-22) and Government Code section 54953 this Meeting will be conducted in a hybrid format with both in-person and virtual public participation. Ways to watch this meeting and submit public comment are provided below.

Public Participation:

Public participation is allowed in the following ways:

- Community members may attend the meeting in person at the Morro Bay Veterans Hall.
- 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.

Please click the link below to join the webinar:

- <https://us02web.zoom.us/j/82722747698?pwd=aWZpTzcuTHlRTk9xaTlmWVNWRFUQT09>
Password: 135692
 - Or Telephone Attendee: 1 (408) 638-0968 or 1 (669) 900 6833 or 1 (346) 248 7799; Webinar ID: 827 2274 7698; Password: 135692; Press *9 to “Raise Hand” for Public Comment
- Members of the public may watch the meeting either on cable Channel 20 or as streamed on the City [website](#).
 - Community members are encouraged to submit agenda correspondence in advance of the meeting via email to the City Council at council@morrobayca.gov prior to the meeting. Agenda Correspondence received at council@morrobayca.gov by 10 a.m. on the meeting day will be posted on the City website.

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

PRESENTATIONS

- Proclamation Honoring George Leage
- National Foster Care Month Proclamation
- National Public Works Week Proclamation
- Emergency Medical Services Week Proclamation
- Vistra Presentation

PUBLIC COMMENT

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

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

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

A. CONSENT AGENDA

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

A-1 APPROVAL OF MINUTES FOR THE FEBRUARY 8, 2022, CITY COUNCIL MEETING;
(CITY CLERK)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE FEBRUARY 22, 2022, CITY COUNCIL SPECIAL
CLOSED SESSION MEETING; (CITY CLERK)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE APRIL 27, 2022, CITY COUNCIL SPECIAL
CLOSED SESSION MEETING; (CITY CLERK)

RECOMMENDATION: Approve as submitted.

A-4 RESOLUTION MAKING FINDINGS RELATED TO THE CONTINUED EXISTENCE OF A STATE OF EMERGENCY DUE TO COVID-19 AND RE-AUTHORIZING FOR PUBLIC HEALTH AND SAFETY THE CONDUCT OF PUBLIC MEETINGS OF THE LEGISLATIVE BODIES OF THE CITY VIA REMOTE TELECONFERENCING (INCLUDING PARTIALLY REMOTE) FOR A CONTINUED 30-DAY PERIOD PURSUANT TO THE RALPH M. BROWN ACT AS AMENDED BY ASSEMBLY BILL NO. 361; (CITY ATTORNEY)

RECOMMENDATION: Staff recommends Council consider adoption of attached Resolution No. 40-22 reauthorizing for public health and safety the conduct of public meetings of the legislative bodies of the City via remote teleconferencing (including partially remote) for 30 days, thereby allowing the City Council and the City's advisory bodies to meet remotely (including partially remote) through June 9, 2022.

A-5 THIRD QUARTER INVESTMENT REPORT (PERIOD ENDING MARCH 31, 2022) FOR FISCAL YEAR (FY) 2021-22; (ADMINISTRATIVE SERVICES DEPARTMENT)

RECOMMENDATION: Staff recommends the City Council Receive the Third Quarter Investment Report (period ending March 31, 2022) for FY 2021-22.

A-6 PROCLAMATION HONORING GEORGE LEAGE; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-7 PROCLAMATION DECLARING MAY AS NATIONAL FOSTER CARE MONTH; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-8 PROCLAMATION DECLARING MAY 15-21, 2022 AS PUBLIC WORKS WEEK; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-9 PROCLAMATION DECLARING MAY 15-21, 2022 AS EMERGENCY MEDICAL SERVICES WEEK; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

B. PUBLIC HEARING ITEMS – NONE

C. BUSINESS ITEMS

C-1 ADOPTION OF RESOLUTION NO. 41-22 APPROVING THE ENGINEER'S REPORT AND DECLARING THE INTENT TO LEVY THE ANNUAL ASSESSMENT FOR THE CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS DEPARTMENT)

RECOMMENDATION: Staff recommends City Council adopt Resolution No. 41-22 declaring the intent to levy the annual assessment for the maintenance of the Cloisters Park and Open Space for fiscal year 2022/23 and approving the Engineer's Report.

- C-2 ADOPTION OF RESOLUTION NO. 42-22 APPROVING THE ENGINEER'S REPORT AND DECLARING THE INTENT TO LEVY THE ANNUAL ASSESSMENT FOR THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS DEPARTMENT)

RECOMMENDATION: Staff recommends City Council adopt Resolution No. 42-22 approving the Engineer's Report and declaring the intent to levy the annual assessment for maintenance of the North Point Natural Area.

- C-3 INTRODUCTION OF ORDINANCE NO. 652 ALLOWING SMOKING RECEPTACLES WITHIN THE CITY RIGHT-OF-WAY; (PUBLIC WORKS DEPARTMENT)

RECOMMENDATION: Introduce for first reading, by title only with further reading waived, Ordinance No. 652 to amend Chapter 9.24 (Secondhand Smoking Regulations) of Title 9 of the Municipal Code.

- C-4 CITY COUNCIL GOALS AND ACTION ITEMS UPDATE; (CITY MANAGER)

RECOMMENDATION: Staff recommends the City Council receive an update from staff on the City's progress on City goals and related short-term action items and provide direction as appropriate.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

E. ADJOURNMENT

The next Regular Meeting will be held on **Tuesday, May 24, 2022 at 5:30 p.m.**

THIS AGENDA IS SUBJECT TO AMENDMENT UP TO 72 HOURS PRIOR TO THE DATE AND TIME SET FOR THE MEETING. PLEASE REFER TO THE AGENDA POSTED AT CITY HALL FOR ANY REVISIONS OR CALL THE CLERK'S OFFICE AT 805-772-6205 FOR FURTHER INFORMATION.

MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE CITY COUNCIL AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION UPON REQUEST BY CALLING THE CITY CLERK'S OFFICE AT 805-772-6205.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN A CITY MEETING, PLEASE CONTACT THE CITY CLERK'S OFFICE AT LEAST 24 HOURS PRIOR TO THE MEETING TO INSURE REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.

City Council conducted this meeting in accordance with Assembly Bill 361 (2021-22) and Government Code section 54953 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:	John Headding	Mayor
	Dawn Addis	Council Member
	Laurel Barton	Council Member
	Jennifer Ford	Council Member
	Jeff Heller	Council Member
ABSENT:	None	
STAFF:	Scott Collins	City Manager
	Chris Neumeyer	City Attorney
	Dana Swanson	City Clerk
	Sarah Johnson-Rios	Assistant City Manager/Admin Services Dir.
	Greg Kwolek	Public Works Director
	Scot Graham	Community Development Director
	Daniel McCrain	Fire Chief
	Eric Endersby	Harbor Director
	Amy Watkins	Police Commander

ESTABLISH QUORUM AND CALL TO ORDER

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

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION – None

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

MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/8wrHGhzE-uk?t=171>

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS - None

PRESENTATIONS

<https://youtu.be/8wrHGhzE-uk?t=1208>

- Presentation by Bill Luffee, Friends of the Morro Bay Harbor Department

PUBLIC COMMENT

<https://youtu.be/8wrHGhzE-uk?t=1595>

Shana Paulson, CAPSLO We Are the Care Initiative, provided a program update. For more information visit www.first5slo.org

Betty Winholtz, Morro Bay, commended Todd's Garage for inventing a device to prevent catalytic converter thefts, and commented on the WRF pavement along Quintana as well as staff handling of agenda correspondence.

Nicole Dorfman, Morro Bay, requested the Council return to in-person or hybrid meetings. Regarding Item C-4, she opposed the City taking a position on this issue without polling the community.

Melanie Williams-Mahan, Morro Bay, expressed concern regarding the WRF project and opposed Item C-4.

Mayor Heading closed public comment.

The Council and staff responded to issues raised during public comment.

A. CONSENT AGENDA
<https://youtu.be/8wrHGzE-uk?t=2601>

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

A-1 APPROVAL OF MINUTES FOR THE NOVEMBER 18, 2021, CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE JANUARY 25, 2022, CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE JANUARY 26, 2022, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 ADOPTION OF RESOLUTION NO. 12-22 DECLARING PURSUANT TO GOVERNMENT CODE SECTION 54221 THAT REAL PROPERTY OWNED BY THE CITY OF MORRO BAY, LOCATED AT 714 EMBARCADERO AND 781 MARKET STREET (APN: 066-321-025, 026, 027, 028 & APN: 066-112-007, APN: 066-321-008) IS NON-EXEMPT SURPLUS LAND AND NOT NECESSARY FOR THE CITY'S USE; TAKING RELATED ACTIONS; AND AUTHORIZING STAFF TO PROCEED TO DISPOSE OF THE PROPERTY PURSUANT TO THE SURPLUS LAND ACT; (COMMUNITY DEVELOPMENT / CITY ATTORNEY)

RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 12-22 declaring pursuant to Government Code Section 54221 that real property owned by the City of Morro Bay, located at 714 Embarcadero and 781 Market street (APN: 066-321-025, 026, 027, 028 & APN: 066-112-007, APN: 066-321-008) ("Subject Property") is non-exempt surplus land and not necessary for the City's use; taking related actions; and authorizing staff to proceed to dispose of the property pursuant to the Surplus land Act.

- A-5 REIMBURSEMENT AGREEMENT WITH VISTRA FOR BATTERY ENERGY STORAGE SYSTEM (BESS) PROJECT; (CITY ATTORNEY)

RECOMMENDATION: Authorize the City Manager to execute the Deposit and Reimbursement Agreement with Morro Bay Power Company, LLC (Vistra) dated as of January 24, 2022.

Mayor Heading opened public comment for the Consent Agenda.
<https://youtu.be/8wrHGhzE-uk?t=2610>

Betty Winholtz, Morro Bay, opposed Item A-4.

The public comment period was closed.

Mayor Heading pulled Item A-4. Councilmember Heller pulled Item A-5.

MOTION: Council Member Heller moved approval of all items on Consent except Items A-4 and A-5. The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

- A-4 ADOPTION OF RESOLUTION NO. 12-22 DECLARING PURSUANT TO GOVERNMENT CODE SECTION 54221 THAT REAL PROPERTY OWNED BY THE CITY OF MORRO BAY, LOCATED AT 714 EMBARCADERO AND 781 MARKET STREET (APN: 066-321-025, 026, 027, 028 & APN: 066-112-007, APN: 066-321-008) IS NON-EXEMPT SURPLUS LAND AND NOT NECESSARY FOR THE CITY'S USE; TAKING RELATED ACTIONS; AND AUTHORIZING STAFF TO PROCEED TO DISPOSE OF THE PROPERTY PURSUANT TO THE SURPLUS LAND ACT; (COMMUNITY DEVELOPMENT / CITY ATTORNEY)

<https://youtu.be/8wrHGhzE-uk?t=2891>

Staff responded to concerns raised by the Council and during public comment.

Council Member Ford recused herself from a vote related to 781 Market Ave.

MOTION: Mayor Heading moved to adopt Resolution No. 12-22 declaring pursuant to Government Code Section 54221 that real property owned by the City of Morro Bay, located at 714 Embarcadero and 781 Market street (APN: 066-321-025, 026, 027, 028 & APN: 066-112-007, APN: 066-321-008) ("Subject Property") is non-exempt surplus land and not necessary for the City's use; taking related actions; and authorizing staff to proceed to dispose of the property pursuant to the Surplus land Act. The motion was seconded by Council Member Addis and carried 4-0-1 with Council Member Ford having abstained.

- A-5 REIMBURSEMENT AGREEMENT WITH VISTRA FOR BATTERY ENERGY STORAGE SYSTEM (BESS) PROJECT; (CITY ATTORNEY)

<https://youtu.be/8wrHGhzE-uk?t=3490>

At the Council's request, City Attorney Neumeyer provided a summary report regarding the proposed reimbursement agreement.

MOTION: Council Member Heller moved to authorize the City Manager to execute the Deposit and Reimbursement Agreement with Morro Bay Power Company, LLC (Vistra) dated as of January 24, 2022. The motion was seconded by Mayor Heading and carried 5-0 by roll call vote.

B. PUBLIC HEARINGS – NONE

C. BUSINESS ITEMS

- C-1 CERTIFY RESULTS OF CITIZENS INITIATIVE PETITION ENTITLED “AN INITIATIVE MEASURE TO PROHIBIT TENT CAMPING AND ALL CLASSES OF VEHICLE CAMPING (DRY OR OTHERWISE) IN CERTAIN SPECIFIED AREAS OF THE CITY OF MORRO BAY” AND EITHER: 1) ADOPT THE ORDINANCE WITHOUT ALTERATION; OR, 2) SUBMIT THE ORDINANCE TO THE QUALIFIED VOTERS OF THE CITY AS A PROPOSED MEASURE AT A REGULAR MUNICIPAL ELECTION; OR, 3) ORDER A REPORT ON THE EFFECTS OF THE PROPOSED INITIATIVE; (CITY CLERK)
<https://youtu.be/8wrHGhzE-uk?t=3913>

City Clerk Swanson provided the report and responded to Council inquires.

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

Betty Winholtz, Morro Bay, requested the initiative be placed on the June ballot.

Carole Truesdale, Morro Bay, thanked the other proponents for their work and stated the importance the initiative be subject to a vote of the people.

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

MOTION: Council Member Addis moved to request a report on the effect of the proposed initiative to be presented to the Council within 30 days. Following review of that recommended forthcoming report, the Council pursuant to statute shall choose to either adopt the ordinance without alteration or submit the ordinance to the qualified voters of the City at an upcoming qualified election. The motion was seconded by Council Member Barton for discussion.

Following individual comments, the motion carried 5-0 by roll call vote.

- C-2 AUTHORIZATION FOR ATTENDANCE AT THE C-MANC ANNUAL WASHINGTON D.C. “WASHINGTON WEEK” MEETINGS, AND DISCUSSION OF THE WASHINGTON WEEK AGENDA; (HARBOR DEPARTMENT)
<https://youtu.be/8wrHGhzE-uk?t=5075>

Harbor Director Endersby provided the report and responded to Council inquires.

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

MOTION: Council Member Heller moved to authorize up to a three-person delegation consisting of the Mayor, Harbor Director and Public Works Director to attend the California Marine Affairs and Navigation conference (C-MANC) 2022 “Washington Week” meetings virtually and in Washington D.C. to represent the City’s interests in the nation’s capital, and to provide any desired input on the elements herein. The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

- C-3 CITY COUNCIL GOALS AND ACTION ITEMS UPDATE; (CITY MANAGER)
<https://youtu.be/8wrHGhzE-uk?t=5915>

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

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

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

C-4 CONSIDERATION OF RESOLUTION OF SUPPORT FOR STATEWIDE EFFORTS TO EXPAND HEALTH CARE FOR ALL IN CALIFORNIA; (CITY MANAGER)
<https://youtu.be/8wrHGhE-uk?t=6810>

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

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

Walter Heath, Morro Bay, spoke in favor of the item, noting the cost of healthcare is a budget issue for residents, employers and local agencies.

Carole Truesdale, Morro Bay, opposed the item.

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

Council Member expressed concern the Council was taking a position on this complex issue without polling the community.

MOTION: Council Member Heller moved to table the item and, as a future agenda item, consider a policy on how to address state and federal issues. The motion died for lack of a second.

MOTION: Council Member Addis moved to adopt Resolution No. 13-22, supporting efforts to expand health care for all in California. The motion was seconded by Council Member Barton and carried 4-1 by roll call vote with Council Member Heller opposed.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
None

E. ADJOURNMENT

The meeting adjourned at 8:00 p.m.

Recorded by:

Dana Swanson
City Clerk

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MINUTES - MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING –
FEBRUARY 22, 2022 - 4:00 P.M.
TELECONFERENCE

AGENDA NO: A-2
MEETING DATE: May 10, 2022

City Council conducted this meeting in accordance with Assembly Bill 361 (2021-22) and Government Code section 54953 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: John Headding Mayor
Dawn Addis Council Member
Laurel Barton Council Member
Jennifer Ford Council Member
Jeff Heller Council Member

ABSENT: None

STAFF: Scott Collins City Manager
Chris Neumeyer City Attorney
Lona Laymon Assistant City Attorney
Scot Graham Community Development Director
Eric Endersby Harbor Director
Greg Kwolek Public Works Director

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Headding called the meeting to order at 4:00 p.m. with all members present.

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

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

Paul Van Beurden, Dutchman’s Seafood House, requested the City approve a new lease agreement that would allow them to amortize the investment for previous and planned improvements over 40 years.

Brad LaRose, Vintage Traditions Foundation, is seeking to purchase a Vietnam war-era Navy PT boat and requested the Council consider reduced dockage fees at the South T-Pier for a proposed historical educational attraction.

The public comment period was closed.

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

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

Property: Lease Site 78-81/78W-81W, Dutchman’s Seafood House, 701 Embarcadero Rd.
Property Negotiators: Paul and Leon Van Beurden
Agency Negotiators: Eric Endersby, Harbor Director; Scott Collins, City Manager; and Chris Neumeyer, City Attorney
Negotiation: Price and Terms of Payment

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

Property: South T-Pier, 1185 Embarcadero Rd., space for one vessel
Property Negotiator: Brad LaRose, Vintage Traditions Foundation
Agency Negotiators: Eric Endersby, Harbor Director; Scott Collins, City Manager; and Chris Neumeyer, City Attorney
Negotiation: Price and Terms of Payment

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

Property: Assessor Parcel No. 073-010-017
Property Negotiators: Michael Martz, et al.
Agency Negotiators: Scott Collins, City Manager; Greg Kwolek, Public Works Director; Kyle Rohrer, WRF Program Manager and Chris Neumeyer, City Attorney
Under Negotiation: Price and Terms of Payment

CS-4 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code subdivision 54956.9(d)(1)

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

ADJOURNMENT - The meeting adjourned at 5:07 p.m.

Recorded by:

Dana Swanson
City Clerk

MINUTES - MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING –
APRIL 26, 2022 – 4:00 P.M.
TELECONFERENCE

AGENDA NO: A-3
MEETING DATE: May 10, 2022

City Council conducted this meeting in accordance with Assembly Bill 361 (2021-22) and Government Code section 54953 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: John Headding Mayor
 Dawn Addis Council Member
 Laurel Barton Council Member
 Jennifer Ford Council Member
 Jeff Heller Council Member

ABSENT: None

STAFF: Scott Collins City Manager
 Chris Neumeyer City Attorney
 Collin Tanner Special Labor Counsel
 Dana Swanson City Clerk/HR Manager

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Headding called the meeting to order at 4:00 p.m. with all members present.

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

CLOSED SESSION PUBLIC COMMENT – Mayor Headding opened public comment for items on the agenda; seeing none, the public comment period was closed.

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

CS-1 CONFERENCE WITH LABOR NEGOTIATORS

City Designated Representative: Colin Tanner, Special Labor Counsel
Employee Organizations: Morro Bay Firefighters' Association; Morro Bay Peace Officers' Association;
Service Employee's International Union - SEIU Local 620; and unrepresented Management,
Confidential and Executive employees

CS-2 PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Conduct an employee evaluation of City Attorney pursuant to Government Code section 54957

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

ADJOURNMENT - The meeting adjourned at 4:58 p.m.

Recorded by:

Dana Swanson
City Clerk

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AGENDA NO: A-4

MEETING DATE: May 10, 2022

Staff Report

TO: Honorable Mayor and City Council

DATE: May 4, 2022

FROM: Chris F. Neumeyer, City Attorney

SUBJECT: Resolution Making Findings Related to the Continued Existence of a State of Emergency Due to COVID-19 and Re-Authorizing for Public Health and Safety the Conduct of Public Meetings of the Legislative Bodies of the City via Remote Teleconferencing (including partially remote) for a Continued 30-Day Period Pursuant to the Ralph M. Brown Act as Amended by Assembly Bill No. 361

RECOMMENDATION

Staff recommends Council consider adoption of attached Resolution No. 40-22 reauthorizing for public health and safety the conduct of public meetings of the legislative bodies of the City via remote teleconferencing (including partially remote) for 30 days, thereby allowing the City Council and the City's advisory bodies to meet remotely (including partially remote) through June 9, 2022.

ALTERNATIVES

Do not consider adoption of the attached resolution and/or provide further direction to staff.

FISCAL IMPACT

No immediate fiscal impact.

BACKGROUND

On March 4, 2020, the Governor proclaimed a State of Emergency to exist in California because of the spread of COVID-19. Beginning in March, 2020 the Governor also issued a number of Executive Orders (e.g., N-25-20, N-29-20, N-35-20) (the "Brown Act Orders") for the public health and safety that waived requirements in the Brown Act that expressly or impliedly required the physical presence of City Councilmembers, staff, or the public at meetings of the City Council, Planning Commission and other City boards, commissions and committees ("legislative bodies") that are subject to the Brown Act. The Brown Act Orders allowed City legislative bodies that are subject to the Brown Act to modify how meetings were conducted to protect the health and safety of staff and the public while ensuring transparency and accessibility for open and public meetings. The most recent Brown Act Order expired on September 30, 2021.

On September 16, 2021, Governor Newsom signed Assembly Bill 361 ("AB 361") into law. AB 361 was made effective on October 1, 2021, on an urgency basis, to correspond to the timing of expiration of the Brown Act Orders. AB 361 provides for the ability to continue teleconferencing (whether completely or hybrid) Brown Act meetings of City legislative bodies for public health and safety

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

reasons under certain conditions, akin to the authority to do so under the Brown Act Orders.

DISCUSSION

Assembly Bill 361 allows City legislative bodies to continue to utilize remote/virtual platforms for public meetings (consistent with certain statutory requirements) during a state of emergency proclaimed by the Governor that includes the City if certain conditions are met.

On October 26, 2021, the City Council adopted Resolution No. 70-21 making findings related to the continued existence of a state of emergency due to COVID-19 and re-authorizing for public health and safety the conduct of public meetings of City's legislative bodies via remote teleconferencing for an initial 30-day period pursuant to the Ralph M. Brown Act as amended by Assembly Bill No. 361. On November 9, 2021, and no later than every 30 days thereafter, the City Council reviewed the need for continuing the conduct of public meetings of City's legislative bodies via remote teleconferencing for public health and safety as authorized by AB 361, and upon making necessary findings, adopted resolutions authorizing such meetings for an additional thirty days.

If a state of emergency remains active, or State or local officials have imposed or recommended measures to promote social distancing, AB 361 imposes certain requirements to continue use of its provisions after the initial 30-day period, or a 30-day period thereafter, has elapsed.

Government Code section 54953(e)(3) provides that "not later than 30 days after teleconferencing for the first time pursuant" to AB 361, "and every 30 days thereafter," the City Council shall make the following findings by majority vote for the City to continue using the teleconferencing provisions of AB 361:

1. The City Council has reconsidered the circumstances of the state of emergency; **and**
2. Either of the following circumstances exist:
 - a. The state of emergency continues to directly impact the ability of the members to meet safely in person, **or**
 - b. State or local officials continue to impose or recommend measures to promote social distancing.

At the March 22, 2022 Meeting, the City Council directed staff to bring back timely subsequent AB 361 resolutions to provide a remote option for Council Members and Advisory Board members should the need occur.

CONCLUSION

Staff recommends Council consider adoption of the proposed Resolution No. 40-22 making the findings required to re-authorize use of AB 361. Doing so will allow meetings of the City Council, City boards and City commissions to continue to occur by teleconference (including under a hybrid format) for the public health and safety. Continued reliance on AB 361 will require adoption of a new resolution making the required findings every 30 days thereafter.

ATTACHMENT

1. Resolution No. 40-22

RESOLUTION NO. 40-22

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
MAKING FINDINGS RELATED TO THE CONTINUED EXISTENCE OF A STATE OF
EMERGENCY DUE TO COVID-19 AND RE-AUTHORIZING FOR PUBLIC HEALTH AND
SAFETY THE CONDUCT OF PUBLIC MEETINGS OF THE LEGISLATIVE BODIES OF THE
CITY VIA REMOTE TELECONFERENCING FOR A CONTINUED
30-DAY PERIOD PURSUANT TO THE RALPH M. BROWN ACT
AS AMENDED BY ASSEMBLY BILL NO. 361**

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

WHEREAS, the City Council of the City of Morro Bay (“City”) is committed to preserving and nurturing public access and participation in meetings of the Legislative Bodies (as that term is defined in Government Code §54952, including the City Council, commissions, boards and committees subject to the Brown Act) of the City; and

WHEREAS, all meetings of the Legislative Bodies are open and public as required by the Ralph M. Brown Act, codified as Government Code §§ 54950 *et seq.*, so that any member of the public may attend, participate, and observe the Legislative Bodies conduct their business; and

WHEREAS, the Brown Act, at Government Code § 54953(e), as amended by Assembly Bill (AB) 361 effective October 1, 2021, makes provision for remote teleconferencing participation in public meetings by members of a Legislative Body without compliance with the provisions of Government Code § 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition under Government Code § 54953(e) for its initial use is that the meeting is held during a state of emergency that has been declared by the Governor pursuant to Government Code § 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code § 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the City’s boundaries, caused by natural, technological, or human-caused disasters

WHEREAS, a required condition under Government Code § 54953(e) for its initial use is that state or local officials have imposed or recommended measures to promote social distancing, or that the legislative body is meeting to determine or has previously determined that meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS, starting in March 2020, in response to the spread of COVID-19 in the State of California, the Governor proclaimed a state of emergency for the State of California and thereafter issued a number of executive orders aimed at containing COVID-19; and

WHEREAS, on March 19, 2020, the City Council adopted Resolution No. 23-20, proclaiming and affirming the existence of a local emergency, and confirming and ratifying proclamation by City's Director of Emergency Services of Existence of a Local Emergency, in response to COVID-19 (Coronavirus). The Legislative Bodies have since conducted meetings via remote teleconferencing consistent with the declaration of local emergency and executive orders issued by the Governor; and

WHEREAS, the executive orders issued by the Governor, among other things, for the public health and safety waived requirements of the Brown Act expressly or impliedly requiring the physical presence of members of the legislative body, the clerk or other personnel of the body, or of the public as a condition of participation in or for the purpose of establishing a quorum for a public meeting; and

WHEREAS, on June 11, 2021, the Governor issued Executive Order N-08-21, which rescinded the modifications made by the aforementioned executive orders, effective September 30, 2021. On September 16, 2021, the Governor signed AB 361, creating a modified set of provisions for local agencies for compliance with the Brown Act relative to remote meetings. AB 361 was made effective on October 1, 2021; and

WHEREAS, on October 26, 2021, the City Council adopted Resolution No. 70-21 making findings related to the continued existence of a state of emergency due to COVID-19 and re-authorizing for public health and safety the conduct of public meetings of City's legislative bodies via remote teleconferencing for an initial 30-day period pursuant to the Ralph M. Brown Act as amended by Assembly Bill No. 361; and

WHEREAS, On November 9, 2021, the City Council reviewed the need for continuing the conduct of public meetings of City's legislative bodies via remote teleconferencing for public health and safety as authorized by AB 361, and upon making necessary findings, adopted Resolution No. 78-21 authorizing such meetings for an additional thirty days; and

WHEREAS, On November 18, 2021, the City Council reviewed the need for continuing the conduct of public meetings of City's legislative bodies via remote teleconferencing for public health and safety as authorized by AB 361, and upon making necessary findings, adopted Resolution No. 81-21 authorizing such meetings for an additional thirty days; and

WHEREAS, On December 14, 2021, the City Council reviewed the need for continuing the conduct of public meetings of City's legislative bodies via remote teleconferencing for public health and safety as authorized by AB 361, and upon making necessary findings, adopted Resolution No. 84-21 authorizing such meetings for an additional thirty days; and

WHEREAS, On January 11, 2022, the City Council reviewed the need for continuing the conduct of public meetings of City's legislative bodies via remote teleconferencing for public health and safety as authorized by AB 361, and upon making necessary findings, adopted Resolution No. 03-22 authorizing such meetings for an additional thirty days; and

WHEREAS, On January 25, 2022, the City Council reviewed the need for continuing the conduct of public meetings of City's legislative bodies via remote teleconferencing for public health and safety as authorized by AB 361, and upon making necessary findings, adopted Resolution No. 07-22 authorizing such meetings for an additional thirty days; and

WHEREAS, On February 22, 2022, the City Council reviewed the need for continuing the conduct of public meetings of City's legislative bodies via remote teleconferencing for public health and safety as authorized by AB 361, and upon making necessary findings, adopted Resolution No. 16-22 authorizing such meetings for an additional thirty days; and

WHEREAS, On March 22, 2022, the City Council reviewed the need for continuing the conduct of public meetings of City's legislative bodies via remote teleconferencing for public health and safety as authorized by AB 361, and upon making necessary findings, adopted Resolution No. 25-22 authorizing such meetings for an additional thirty days; and

WHEREAS, On April 12, 2022, the City Council reviewed the need for continuing the conduct of public meetings of City's legislative bodies via remote teleconferencing (including partially remote) for public health and safety as authorized by AB 361, and upon making necessary findings, adopted Resolution No. 29-22 authorizing such meetings for an additional thirty days; and

WHEREAS, the Governor's proclaimed state of emergency and the City's proclaimed local emergency related to COVID-19 remain in effect and encompass the jurisdictional boundaries of the City; and

WHEREAS, the California Department of Public Health continues to impose or recommend measures to promote social distancing, and the Centers for Disease Control and Prevention ("CDC") continues to impose or recommend measures to promote social distancing; and

WHEREAS, Government Code Section 54953(e)(3) requires that the City Council review the need and make findings for continuing the conduct of public meetings of City's legislative bodies via remote teleconferencing as authorized by AB 361 at least once every thirty days until the Governor terminates the state of emergency; and

WHEREAS, for the public health and safety the Council wishes to affirm the need and findings necessary for continuing the conduct of public meetings of City's legislative bodies via remote teleconferencing as authorized by AB 361; and

WHEREAS, the City Council does hereby intend that, as a consequence of the persisting state of emergency and the imposed or recommended social distancing measures, the Legislative Bodies shall be authorized to continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code § 54953, as authorized by subdivision (e) of Government Code § 54953, and that the Legislative Bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of Government Code § 54953; and

WHEREAS, consistent with AB 361, during the effectiveness of this Resolution, the Legislative Bodies meeting pursuant to the requirements of Government Code § 54953(e)(2) and their staff will give notice of the manner by which members of the public may access the Legislative Bodies' meetings and offer public comment; identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option; and allow members of the public to access the meeting, and the agenda shall include an opportunity for members of the public to address the Legislative Body directly.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct and are incorporated herein by reference.

SECTION 2. The City Council hereby acknowledges and affirms the continued effectiveness of the Governor's proclaimed state of emergency and the City's proclaimed local emergency (as may have been amended since their initial proclamation) which encompass their jurisdictional boundaries.

SECTION 3. The City Council finds as follows: 1) they have reconsidered the circumstances of the state of emergency; 2) the state of emergency remains active within their jurisdictional boundaries; 3) the state of emergency continues to directly impact the ability of the City Council, the City's Legislative Bodies, City staff and the public to meet safely in person; and 4) State officials continue to impose or recommend measures to promote social distancing.

SECTION 4. The Legislative Bodies and staff are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution, including conducting all open and public meetings of the Legislative Bodies in accordance with Government Code § 54953(e) and other applicable provisions of the Brown Act.

SECTION 5. This Resolution shall take effect immediately upon its adoption by the City Council and shall be effective for until the earlier of (i) June 9, 2022, or (ii) such time as the City Council adopts a subsequent resolution in accordance with Government Code § 54953(e)(3) to extend the time during which the Legislative Bodies may continue to teleconference without compliance with paragraph (3) of subdivision (b) of Government Code § 54953.

SECTION 6. Should any provision, section, paragraph, sentence or word of this Resolution be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this Resolution as hereby adopted shall remain in full force and effect.

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SECTION 7. The City Clerk shall certify to the adoption of this Resolution and enter it into the book of original Resolutions.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 10th day of May 2022 by the following vote:

AYES:
NOES:
ABSENT:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk

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AGENDA NO: A-5

MEETING DATE: May 10, 2022

Staff Report

TO: Honorable Mayor and Councilmembers **DATE:** May 4, 2022

FROM: Emily Conrad, Finance Manager

SUBJECT: Third Quarter Investment Report (period ending March 31, 2022) for Fiscal Year (FY) 2021-22

RECOMMENDATION

Staff recommends the City Council receive the attached Third Quarter Investment Report (period ending March 31, 2022) for FY 2021-22.

FISCAL IMPACT

There is no fiscal impact associated with this recommendation.

DISCUSSION

Attached for your consideration is the Third Quarter Investment Report for FY 2021-22. As of March 31, 2022, the City's weighted portfolio yield of 0.414% was slightly above the Local Agency Investment Fund (LAIF) yield of 0.32%. Yields remain low, reflecting the uncertainty of the economic climate, but are climbing gradually. As of March 31, 2022, the City had recorded \$39,353 in interest earnings for the fiscal year to date.

Staff continues to keep significant cash in the City's LAIF account to ensure cash flow for the ongoing Water Reclamation Facility (WRF) project. Staff continues to replace maturing certificates of deposit with similar instruments as they mature. Staff recommends that no additional investment actions be taken at this time due to the ongoing liquidity needs for the WRF project. Staff plans to evaluate investment options more comprehensively when the WRF project is complete or nearing completion. At that time, staff will focus on renewed assessment of cash flow needs and research the most prudent ways to balance Council adopted investment goals of safety, liquidity, and yield as well as social responsibility in accordance with Resolution No. 50-21.

CONCLUSION

Staff recommends that the City Council receive the Third Quarter Investment Report (period ending March 31, 2022) for Fiscal Year 2021-22.

ATTACHMENT

1. Third Quarter Investment Report for FY 2021-22 (period ending March 31, 2022)

Prepared By: EC

Dept Review: SJR

City Manager Review:

City Attorney Review: CFN

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**A PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY
EXPRESSING APPRECIATION FOR THE DEDICATION,
PUBLIC SERVICE AND CONTRIBUTIONS
OF GEORGE WILLIAM LEAGE**

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

WHEREAS, the City of Morro Bay has learned with profound sorrow of the passing of George William Leage, former Morro Bay City Council Member, life-long Morro Bay businessman, entrepreneur and community member; and

WHEREAS, the Leage family moved to Morro Bay in 1952 and acquired the Cannery at 225 Main Street where George worked in the family business procuring and processing oysters, sea urchins, abalone and other seafood; and

WHEREAS, George proudly served his country as a Drill Sergeant in the United States Army during the Vietnam War; and

WHEREAS, in 1964 George worked for his father-in-law at the iconic Harbor Hut restaurant, eventually taking over management and purchasing the business in 1978; and

WHEREAS, in 1981 George partnered in Brebe's Restaurant, which eventually became Great American Fish Company Restaurant under George's ownership, one of the Morro Bay waterfront's most notable and successful businesses that George owned and operated with his family until his recent passing; and

WHEREAS, in the early 1980's George launched and operated the popular and unique Tiger's Folly II dinner cruise boat in Morro Bay; and

WHEREAS, in 1988 George built the successful Harbor House Inn on Beach and Main in Morro Bay; and

WHEREAS, George was a partner in several other business ventures in Morro Bay, including the Outrigger and Brannigan's Restaurants, among others; and

WHEREAS, George served as Council Member for the City of Morro Bay from December 2010 to December 2014; and

WHEREAS, George was appointed to Vice-Mayor to serve in 2013; and

WHEREAS; George will be remembered by the City and community as a dedicated and passionate community member, businessman and father who anchored several business legacies in Morro Bay and left this community a better place.

NOW, THEREFORE, BE IT RESOLVED, that the Morro Bay City Council does hereby thank George William Leage for his dedicated service to the City of Morro Bay, community and country, and we extend our sincere sympathy to his family and many friends during this difficult time.

IN WITNESS WHEREOF I have
hereunto set my hand and caused the
seal of the City of Morro Bay to be
affixed this 10th day of May 2022

JOHN HEADDING, MAYOR
City of Morro Bay, California

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**A PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY
PROCLAIMING MAY AS “NATIONAL FOSTER CARE MONTH”**

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

WHEREAS, The City of Morro Bay recognizes the importance of providing children safe, healthy and loving homes when they are unable to remain in the home of their biological family; and

WHEREAS, there are more than 430,000 children in the United States in the foster care system; and

WHEREAS, more than 60,000 children in California are in the foster care system; and

WHEREAS, there are over 350 children, youth, and teenagers in the County of San Luis Obispo who are in the foster care system; and

WHEREAS, to help these children have a healthy, loving and stable home environment where they can thrive and feel connected to a community that cares for them, and to support the resource families that provide these critical homes, the City of Morro is acknowledging National Foster Care Month to raise awareness about the need for more resource family homes in our county for local children and join other organizations to celebrate resource families in our community; and

WHEREAS, this effort, along with similar celebrations in all 50 states and the District of Columbia, will offer children the chance to live with healthy, loving and stable resource families when they cannot live with their birth families and encourage other dedicated individuals to make a powerful difference in the lives of a child through resource family care.

NOW, THEREFORE, BE IT RESOLVED, that the City Council for the City of Morro Bay do hereby proclaim May as “National Foster Care Month” in the City of Morro Bay and in so doing, urge all citizens to join in a national effort to raise awareness about the importance of foster care and resource family care.

IN WITNESS WHEREOF: I have hereunto set my hand and caused the seal of the City of Morro Bay to be affixed this 10th day of May, 2022

JOHN HEADDING, MAYOR
City of Morro Bay, California

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**A PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY
DECLARING NATIONAL PUBLIC WORKS WEEK
MAY 15 THROUGH MAY 21, 2022
“READY AND RESILIENT”**

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

WHEREAS, public works professionals focus on infrastructure, facilities, emergency management, and services that are of vital importance to sustainable and resilient communities and the public health, high quality of life, and well-being of the people of the City of Morro Bay; and

WHEREAS, these infrastructures, facilities, and services could not be provided without the dedicated efforts of public works professionals, who are federally mandated first responders, and the engineers, managers, maintenance workers, leads, analysts, operators, and support staff at all levels of government and our private sector partners, who are responsible for rebuilding, maintaining, improving, and protecting our nation’s transportation, water supply, water treatment and solid waste systems, wastewater systems, public buildings, parks, street trees and other structures and facilities essential for our citizens; and

WHEREAS, it is in the public interest for the citizens, civic leaders, and children in the City of Morro Bay to gain knowledge and maintain ongoing interest and understanding of the importance of public works first responders and public works programs in their respective communities; and

WHEREAS, the year 2022 marks the 62nd annual National Public Works Week sponsored by the American Public Works Association/Canadian Public Works Association; and

WHEREAS, the women and men comprising the Public Works Department in the City of Morro Bay are dedicated to building, maintaining, and beautifying our critical infrastructure in the service of improvements in quality of life for Morro Bay residents and visitors through projects such as the Water Reclamation Facility program, which will provide long-term water supply resiliency, and the Transit Hub Improvements project, which will upgrade the City’s transit hub with an aesthetically pleasing shelter design for riders and create enhanced accessibility.

NOW, THEREFORE, BE IT RESOLVED, that the City Council for the City of Morro Bay do hereby designate the week May 15–21, 2022, as National Public Works Week; I urge all citizens to join with representatives of the American Public Works Association and government agencies in activities, events, and ceremonies designed to pay tribute to our public works professionals, engineers, managers, and employees and to recognize the substantial contributions they make to protecting our national health, safety, and quality of life.

IN WITNESS WHEREOF: I have hereunto set my hand and caused the seal of the City of Morro Bay to be affixed this 10th day of May, 2022

JOHN HEADDING, MAYOR
City of Morro Bay, California

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**A PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY
DECLARING THE WEEK OF MAY 15 - 21, 2022 AS
“EMERGENCY MEDICAL SERVICES WEEK”**

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

WHEREAS, Emergency Medical Services is a vital public service; and

WHEREAS, the members of Emergency Medical Services teams are ready to provide lifesaving care to those in need 24 hours a day, seven days a week; and

WHEREAS, access to quality emergency care dramatically improves the survival and recovery rate of those who experience sudden illness or injury; and

WHEREAS, Emergency Medical Services has grown to fill a gap by providing important, out of hospital care, including preventative medicine, follow-up care, and access to telemedicine; and

WHEREAS, the Emergency Medical Services System consists of first responders, emergency medical technicians, paramedics, emergency medical dispatchers, firefighters, police officers, educators, administrators, pre-hospital nurses, emergency nurses, emergency physicians, trained members of the public, and other out of hospital medical care providers; and

WHEREAS, the members of Emergency Medical Services Teams, whether career or volunteer, engage in thousands of hours of specialized training and continuing education to enhance their lifesaving skills; and

WHEREAS, it is appropriate to recognize the value and the accomplishments of Emergency Medical Services Providers by designating Emergency Medical Services Week.

NOW THEREFORE, BE IT RESOLVED, that the Morro Bay City Council does hereby proclaim the week of May 15-21, 2022, as “Emergency Medical Services Week.”

IN WITNESS WHEREOF I have hereunto
set my hand and caused the seal of the
City of Morro Bay to be affixed this 10th
day of May, 2022

JOHN HEADDING, MAYOR
City of Morro Bay, California

AGENDA NO: A-9

MEETING DATE: May 10, 2020



AGENDA NO: C-1

MEETING DATE: May 10, 2022

Staff Report

TO: Honorable Mayor and City Council

DATE: May 4, 2022

FROM: Eric Riddiough, PE – City Engineer

SUBJECT: Adoption of Resolution No. 41-22 Approving the Engineer’s Report and Declaring the Intent to Levy the Annual Assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District

RECOMMENDATION

Staff recommends City Council adopt Resolution No. 41-22 declaring the intent to levy the annual assessment for the maintenance of the Cloisters Park and Open Space for fiscal year 2022/23 and approving the Engineer’s Report.

FISCAL IMPACT

The Engineer’s Report estimates the annual costs of maintaining the Cloisters Park and Open Space for the upcoming year to be in excess of \$148,944, which is the total assessment amount as established by Resolution 68-96 in the year 1996 when the district was formed. The true costs of maintaining Cloisters Park, Open Space, trails, as well as the medians and parkways within the district, exceed the revenue received. All maintenance costs in excess of the district’s available revenues will be subsidized by the General Fund per City Council direction on May 24, 2004.

The original formation of the assessment district in 1996 set the fixed assessment of \$1,241.20 per parcel or \$148,944 for the entire Cloisters Landscaping and Lighting Maintenance Assessment District (CLLMAD). In 1996, the Consumer Price Index (CPI) was 157 and in March of this year, the CPI was 287 and continues to escalate sharply every year. This alone has resulted in an 83 percent drop in the purchasing power of the assessment district funds.

The district will have a fund balance of approximately \$1400,000 at the end of FY 2021-22, pending actual expenditures and revenues this year. The fund balance is to be used for deferred maintenance and one-time expenses, permits, and savings for future capital projects. Since the assessment collected will no longer have a surplus to be added for further accumulation of this fund, the fund will be exhausted once remaining funds are used for upcoming capital project needs. A Citywide assessment to prioritize capital needs will be performed in partnership with district participation for incorporation into future budget cycles. The fund balance and its use is not part of the content of the Engineer’s Report. In alignment with the Government Finance Officer’s Association (GFOA) recommendations to simplify budgeting and budget presentations to the public, and to reduce duplicate budgeting associated with interfund transfers, the Cloisters Accumulation Fund will be

Prepared By: <u>ER</u>	Dept Review: <u>GK</u>
City Manager Review: <u>SC</u>	City Attorney Review: <u>CFN</u>

consolidated with the Cloisters Assessment District Fund (570) at the end of FY 2021-22. This is also consistent with Council direction on April 26, 2022 to eliminate enterprise accumulation funds. Any remaining fund balance in the Accumulation Fund at the end of FY 2021-22 will be transferred to and tracked in the Cloisters Assessment District Fund (570) going forward.

SUMMARY

On April 12, 2022, City Council adopted Resolution No. 27-22, which initiated the proceedings to levy the annual assessment to fund the maintenance of the Cloisters Park and Open Space. As ordered by the Council and required by law, an Engineer's Report has been prepared detailing the estimated annual assessment for the parcel owners for fiscal year 2022/23 and expenditures for the district. Staff intends to continue to perform most maintenance tasks with City Maintenance staff and directly allocate their time to the assessment district. Upon adoption of Resolution No. 41-22, the next and final step in the annual levy of assessment process is the public hearing after which the City Council orders the levy of assessment.

BACKGROUND/DISCUSSION

Tract 1996, known as the Cloisters development, is a 124-lot subdivision bounded by State Highway One at the east, Atascadero State Beach at the west, Morro Bay High School at the south, and Azure, Coral, and San Jacinto Streets at the north.

It was well known that any development at the Cloisters would require a balance between continuation of lateral and vertical access within and through the property, while at the same time conserving the sensitive plant and wildlife resources present. Zoning on most of the Cloisters site is Planned Development, Single-Family Residential with the sand dunes and wetlands zoned Environmentally Sensitive Habitat (ESH). The purpose of the Planned Development (PD) overlay zone is to provide for detailed and substantial analysis of development on parcels, which because of location, size or public ownership, warrant special review. That overlay zone was also intended to allow for the modification of, or exemption from, the development standards of the primary zone, which would otherwise apply if such action would result in better design or other public benefit.

The findings and conditions of approval for the project were numerous. For example, City Council made findings that the Cloisters project could cause significant environmental impacts relating to land use, visual/aesthetics, affordable housing, traffic generation, air quality noise, geology, drainage and water quality, ecological resources, and public services; but those impacts were mitigated by the recommended conditions. In addition, City Council made further findings the Cloisters project was in compliance with the specific policies of the General Plan/Land Use Plan (GP/LUP) and Zoning Ordinance with respect to protection of views, environmentally sensitive resources, public access, circulation, hazards and other requirements so long as the environmental impacts were mitigated.

Finally, City Council made findings that the Cloisters project complies with the Morro Bay Municipal Code (MBMC) with respect to optional subdivision design and related improvements, and the optional design is justified in order to contribute to a better community environment through the dedication of extensive public areas, restoration of the ESH area, provision of scenic easements, provision of larger than usual lots adjacent to such areas, and maintenance of a consistent lot layout pattern adjacent to existing development on the north side of Azure Street.

In order to mitigate the environmental impacts of the project, and to provide a greater than normal public benefit (upon modification of otherwise applicable standards) as required in a PD overlay zone, the conditions of approval for the project required the applicant to form an assessment district for the maintenance of the public park, bicycle pathway, right-of-way landscaping, coastal access ways, ESH restoration areas and any other improved common areas to be privately held or dedicated to the City.

The public park area, as well as all open space improvements and the assessment district, were part of many detailed discussions during City and Coastal Commission hearings.

The assessment district formation proceedings began in August 1996, with the owners of the real property within the proposed district petitioning the City and consenting in writing to the formation of the district pursuant to the Landscape and Lighting Act of 1972. The assessment district formation proceedings concluded with the final public hearing for formation on September 23, 1996, which levied the annual assessment of \$148,944 for the maintenance of the 27.75 acres of park and open space.

In preparing the various purchase and sale documents for each individual lot, including the Conditions, Covenants, and Restrictions, the developer was especially careful to call out the existence of the assessment district and to make certain the existence of the assessment district would not come as a surprise to anyone who purchased one of the lots. The Developer assured the City, "there will be no surprises to prospective owners about the assessments or their amounts."

In drafting all the project documents, the City and the developer reinforced the special benefits for the residents of the Cloisters Project with the public amenities and easements. Each Cloister's lot directly benefits from the public park, bicycle pathway, right-of-way landscaping, coastal access ways, ESH restoration areas and coastal access ways. There was also created and reserved in favor of each owner in the Cloisters Development, Conservation Space in parcels 065-386-005 & 0065-386-016, and a Scenic Conservation Easement in parcel 065-386-020 for view, open space, scenic, passive recreation and coastal access, none of which will be developed with any improvements or structures, unless necessary and proper for the restoration and maintenance of the Environmentally Sensitive Habitat Area.

On September 23, 1996, the City Council passed Resolution No. 69-96, which accepted the final map for Tract 1996 known as the Cloisters Subdivision, consisting of 124 lots. Lots 1 through 120 were for single-family residential purposes, Lots 121, 122 (APN 065-386-005 & 016 on attached Assessor's Map) were for the 27.75-acre park and open space, Lot 124 was dedicated for a fire station and Lot 123 was offered to the State. Lots 121, 122, 123, and 124 are not part of the assessment district. Lot 124 was declared as surplus by the city and sold in 2021. The new owner is now going through the process of developing the property which will need to be annexed to Cloisters LLMAD as stated in the conditions of the development permit.

As part of the annual assessment process, staff is required to provide an Engineer's Report, which is an estimate of costs for maintenance of the Cloisters LLMAD. The cost estimates are based on the maintenance standards currently adhered to in existing parks within Morro Bay and included in the Flat Rate Manual for Parks Maintenance, as well as maintenance costs from the current fiscal year. Personnel costs, as well as supplies and services, have risen significantly in the last several years.

The true cost of maintaining the assessment district exceeds the revenue received from the district and is estimated to be 25-30% higher than assessment revenues collected. However, all maintenance costs in excess of the district's available revenues will be subsidized by the General Fund per City Council direction on May 24, 2004. The assessment for providing maintenance of the Cloisters LLMAD is \$1,241.20 per parcel for fiscal year 2022/23 for a total annual assessment of \$148,944. The increase in the cost of goods and services now precludes a fund surplus for carryover to be set aside for capital projects. Once the remaining surplus funds are exhausted, the City will propose capital improvements through the normal budget process with the use of General Funds, Measure Q & E Funds, or other sources such as grant funding.

CONCLUSION

The process for the annual levy of assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District requires the City Council to receive the Engineer's Report, approve and/or modify the report and adopt a Resolution of Intention. The Resolution of Intention gives notice of the time, date and place for a public hearing by the City Council on the issue of the levy of assessment. The public hearing has been set for a regular City Council meeting on June 28, 2022. A summary of the Resolution of Intention shall be published in the newspaper as legal notice of a public hearing, to which all interested parties are afforded the opportunity to be heard either through written or oral communication. Upon completion of the public hearing on June 28, 2022, the City Council may adopt a resolution ordering the levy of the annual assessment.

ATTACHMENT

1. City Council Resolution No. 41-22
2. Engineer's Report

RESOLUTION NO. 41-22

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
DECLARING THE CITY'S INTENTION TO LEVY THE ANNUAL ASSESSMENT FOR
CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT
PURSUANT TO THE "LANDSCAPING AND LIGHTING ACT OF 1972" (STREETS AND
HIGHWAYS SECTIONS 22500 ET.SEQ.) FOR FISCAL YEAR 2021/22**

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

WHEREAS, all property owners of the Cloisters subdivision requested the City of Morro Bay form a maintenance assessment district to fund the maintenance of the Cloisters Park and Open Space; and

WHEREAS, the Landscaping and Lighting Act of 1972 (Streets and Highways Code sections 22500 et. seq.) (the "Act") enables the City to form assessment districts for the purpose of maintaining public improvements; and

WHEREAS, pursuant to Section 22623 of the Act, the City Engineer has filed in the Office of the City Clerk, and submitted for review to the City Council, a report entitled "Engineer's Report - Cloisters Landscaping and Lighting Maintenance Assessment District", dated May 4, 2022, prepared in accordance with Article 4 of the Act, commencing with Section 22565; and

WHEREAS, pursuant to Section 22608.2 of the Act, the subdivider was required by City Ordinance to install improvements for which an assessment district was required to assure continued and uninterrupted maintenance of the Cloisters Park and Open Space; and

WHEREAS, pursuant to the intent of Article XIII, Section 4, of the California Constitution, the property owners have elected to form the Cloisters Landscaping and Lighting Maintenance Assessment District.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Morro Bay,

Section 1. The City Council approves the Engineer's Report.

Section 2. It is the intent of the Council to order the annual levy and collection of assessments for the Cloisters Landscaping and Lighting Maintenance Assessment District at a public hearing to be held at the Regular City Council Meeting on June 28, 2022, at or about 5:30 p.m., at the Veterans Hall in Morro Bay.

Section 3. The improvements to be maintained at the Cloisters Park and Open Space are specified in the Engineer's Report dated May 4, 2022, which is hereby approved.

Section 4. The assessment upon assessable lots within the district is proposed to total \$148,944 or \$1,241.20 per assessable parcel for Fiscal Year 2022/23.

Section 5. Staff is directed to continue the Major Maintenance/Capital Improvement Program that will address items requiring significant expenditures in future budget cycles with available fund balance until it is exhausted. Any projects identified with input from the community

shall utilize surplus fund balance and shall be approved through the budget or budget amendment process by the City Council prior to implementation.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting held on this 10th day of May 2022 by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JOHN HEADDING, Mayor

ATTEST:

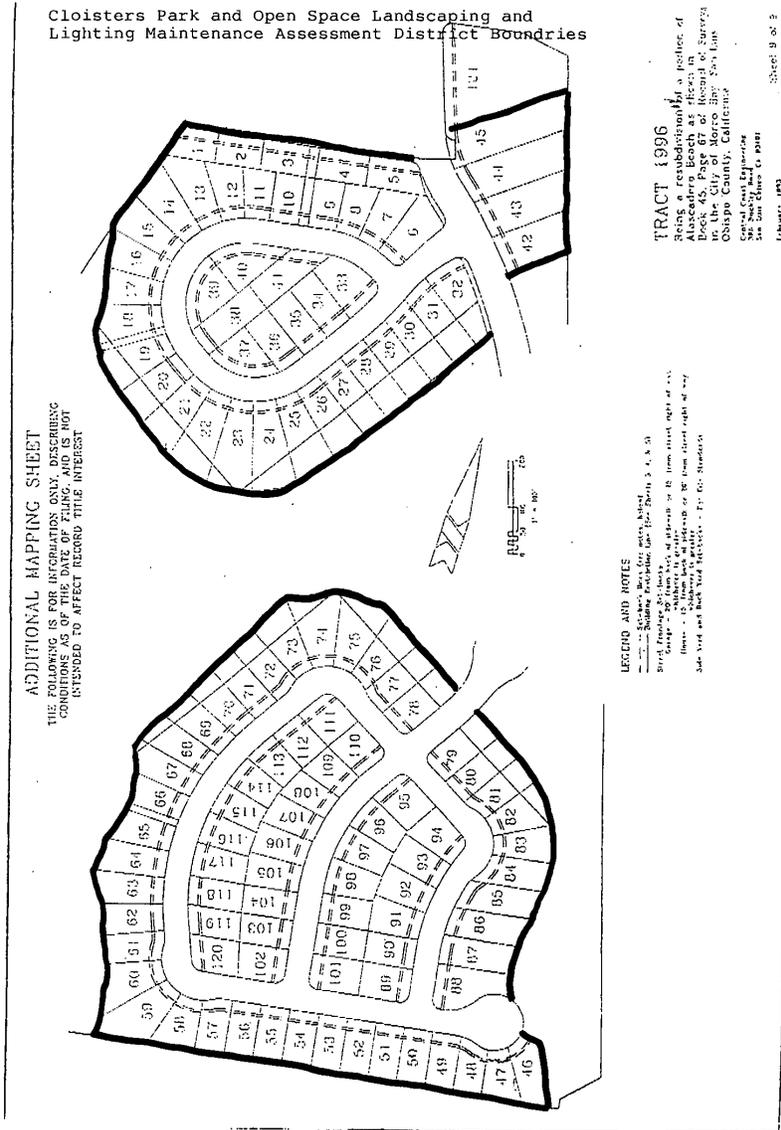
DANA SWANSON, City Clerk

EXHIBIT A

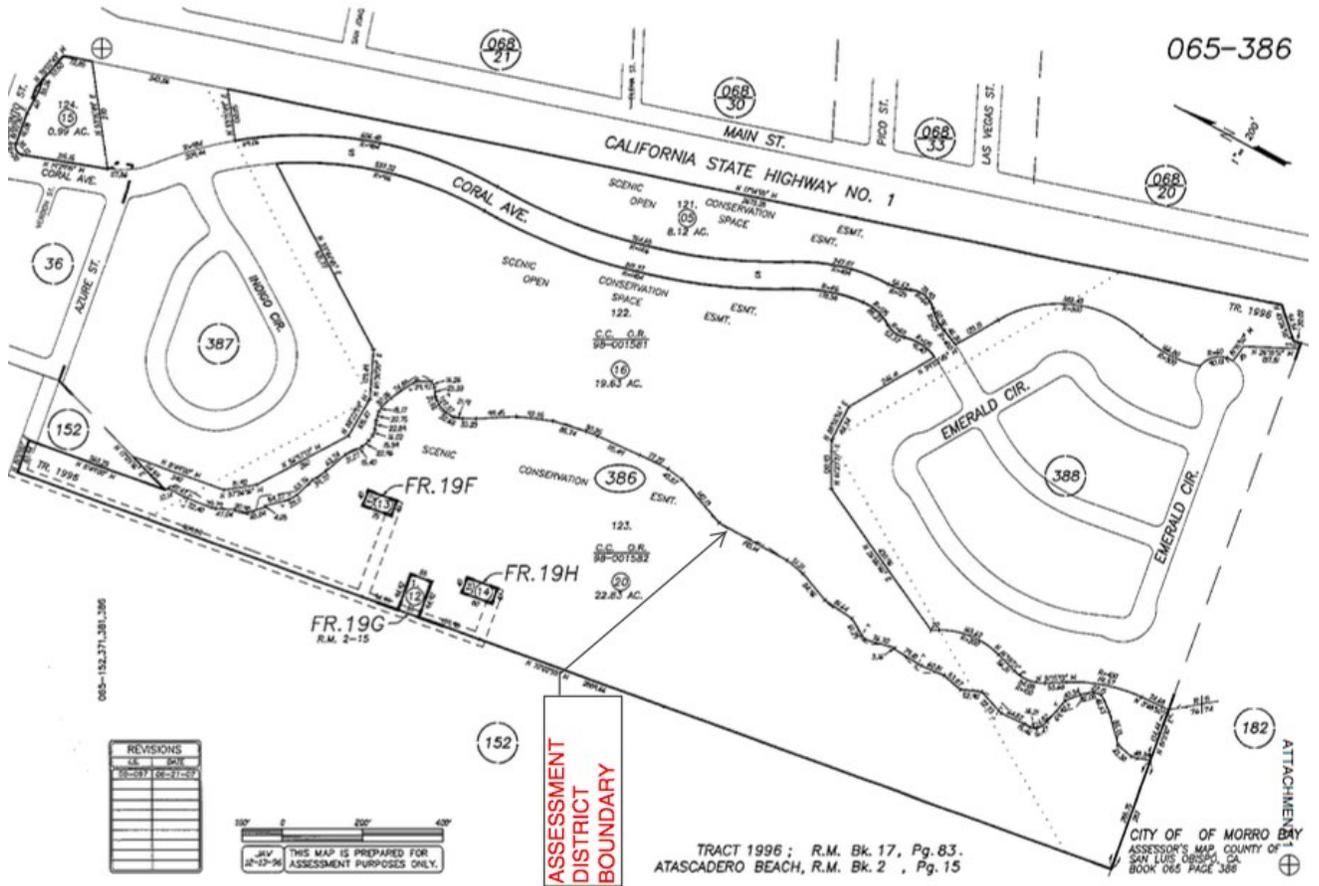
CLOISTERS
LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT

DISTRICT BOUNDARY DIAGRAM

The boundary diagrams for the District have previously been submitted to the City Clerk in the format required under the 1972 Act and, by reference, are hereby made part of this Report. The boundary diagrams are available for inspection at the office of the City Clerk during normal business hours. The following diagrams provides an overview of the District.



065-386



065-152,371,381,386

REVISIONS	
NO.	DATE

110° 0' 0" 0' 200' 400'

JUL 14-12-26 THIS MAP IS PREPARED FOR ASSESSMENT PURPOSES ONLY.

ASSESSMENT DISTRICT BOUNDARY

TRACT 1996 ; R.M. Bk. 17, Pg. 83.
ATASCADERO BEACH, R.M. Bk. 2 , Pg. 15

CITY OF MORRO BAY
ASSESSOR'S MAP, COUNTY OF SAN LUIS OBISPO, CA
BOOK 065 PAGE 386

ATTACHMENT 1



CITY OF MORRO BAY

**CLOISTERS
LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT**

2022/23 ENGINEER'S ANNUAL LEVY REPORT

May 4, 2022

AFFIDAVIT FOR 2022/23 ENGINEER'S ANNUAL LEVY REPORT

CITY OF MORRO BAY

**CLOISTERS
LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT**

This report describes the proposed maintenance, improvements, budgets, zone of benefit and assessments to be levied on parcels of land within the Cloisters Landscaping and Lighting Maintenance Assessment District for the fiscal year 2022/23, as the same existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the San Luis Obispo County Assessor's maps for a detailed description of the lines and dimensions of parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council and, to the best of my knowledge, information, belief, the report, the assessments and diagrams have been prepared and computed in pursuant to the Landscaping and Lighting Act of 1972.

Dated this 4th day of May, 2022



Eric Riddiough, PE – City Engineer

CITY OF MORRO BAY

CLOISTERS

LANDSCAPING AND LIGHTING

MAINTENANCE ASSESSMENT DISTRICT

ENGINEER’S REPORT

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District Budget - Fiscal Year 2022/23	Attachment B
Parcel/Assessment Table	Attachment C
District Boundary Diagram	Attachment D

I. Overview

A. Introduction

The City Council of the City of Morro Bay (hereafter referred to as “City”), County of San Luis Obispo, State of California, previously formed and has levied and collected annual assessments for the district designated as:

CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT

(hereafter referred to as “District”) pursuant to the provisions of the Landscaping and Lighting Act of 1972, being Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500 (hereafter referred to as the “1972 Act”), and in compliance with the provisions of the California State Constitution Articles XIIC and XIID (hereafter referred to as the “Constitution” or “Proposition 218”).

This Report has been prepared in accordance with Chapter 1, Article 4 (commencing with Section 22565) of the 1972 Act and describes the District and changes to the District including: territories annexed; modifications to the improvements or organization; and the proposed budgets and assessments applicable for fiscal year 2022/23.

Project History

Tract 1996, known as the Cloisters development, is a 124-lot subdivision bounded by State Highway One at the east, Atascadero State Beach at the west, Morro Bay High School at the south, and Azure, Coral, and San Jacinto Streets at the north (the “Cloisters”).

The Cloisters, prior to development, was a privately owned 80-plus acre expanse of open land. The property was historically used for lateral and vertical access and contained a large area of sensitive sand dunes abutting the eastern edge of Atascadero State Beach. Over the years, it was the subject of various land development proposals including an RV park, a 390-unit condominium development, a 466-unit single family residential development, a 455-unit mixed residential development, and a 213-unit residential development. The City approved none of these development proposals.

It was well known that any development at the Cloisters was going to require a balance between continuation of lateral and vertical access within and through the property, while at the same time conserving the sensitive plant and wildlife resources present. In addition, the negative impacts of development on the site would have to be sufficiently offset by public resources and public amenities from the site.

Zoning on most of the Cloisters site is Planned Development, Single-Family Residential with the sand dunes and wetlands zoned Environmentally Sensitive Habitat (ESH). The purpose of the Planned Development (PD) overlay zone is to provide for detailed and substantial analysis of

development on parcels, which because of location, size or public ownership, warrant special review. This overlay zone is also intended to allow for the modification of, or exemption from, the development standards of the primary zone which would otherwise apply if such action would result in better design or other public benefit.

On September 23, 1996, the City Council passed Resolution No. 69-96, which accepted the final map for Tract 1996, known as the Cloisters Subdivision, consisting of 124 lots. Lots 1 through 120 were for single-family residential purposes; Lots 121,122 and 124¹ (dedicated for a fire station) were offered to the City subject to the completion of the public improvements; and Lot 123 was offered to the State.

The findings and conditions of approval for the project were numerous. For example, the City Council made findings that the Cloisters project could cause significant environmental impacts relating to land use, visual/aesthetics, affordable housing, traffic generation, air quality, noise, geology, drainage and water quality, ecological resources, and public services; but that these impacts could be mitigated by the recommended conditions. In addition, the City Council made further findings that the Cloisters project was in compliance with the specific policies of the General Plan/Local Coastal Plan (GP/LCP) and zoning ordinance with respect to protection of views, environmentally sensitive resources, public access, circulation, hazards and other requirements so long as the environmental impacts were mitigated. Finally, the City Council made further findings that the Cloisters project complied with MBMC with respect to optional subdivision design and related improvements, and that the optional design was justified in order to contribute to a better community environment through the dedication of extensive public areas, restoration of the ESH area, provision of scenic easements, and provision of larger than usual lots adjacent to such areas, and maintenance of a consistent lot layout pattern adjacent to existing development on the north side of Azure Street.

In order to mitigate the environmental impacts of the project and to provide a greater public benefit as required in a PD overlay zone, the conditions of approval for the project required the applicant to form an assessment district for the maintenance of the public park, bicycle pathway, right of way landscaping, coastal access ways, ESH restoration areas and any other improved common areas to be privately held or dedicated to the City. The public park area, as well as all open space improvements and the assessment district were part of many detailed discussions during each City and Coastal Commission hearing. Without this Condition of Approval and the creation of the assessment district, the project would not have been approved and there would not be a Cloisters Development.

B. Assessment History and Current Legislation

In November 1996, California voters approved Proposition 218 that established specific requirements for the ongoing imposition of taxes, assessments and fees. The provisions of the

¹ Lot 124 of the Cloisters Subdivision (Tract 1996) has been sold and is going through the entitlement process for development of several single-family homes, which will be annexed to the District as required by the development permit. As a result, the assessment per lot will be adjusted.

Proposition are now contained in the California Constitutional Articles XIIC and XIID. All assessments described in this Report and approved by the City Council are prepared in accordance with the 1972 Act and in compliance with these provisions of the Constitution.

Pursuant to the Article XIID Section 5 of the Constitution, certain existing assessments were exempt from the substantive and procedural requirements of the Article XIID Section 4, and property owner balloting is not required until such time that a new or increased assessment is proposed. Specifically, the City determined that the annual assessments originally established for the Cloisters were imposed in accordance with a consent and waiver as part of the original development approval for the properties within these areas. As such, pursuant to Article XIID Section 5b, all the property owners approved the existing District assessments at the time the assessments were created (originally imposed pursuant to a 100% landowner petition). Therefore, the pre-existing assessments (the maximum assessment rates adopted prior to the passage of Proposition 218) for this district is exempt from the procedural requirements Article XIID Section 4. However, any new or increased assessment for the Cloisters shall comply with both the substantive and procedural requirements of Article XIID Section 4 before such assessments are imposed.

The assessment district formation proceedings began in August 1996, and concluded with the final public hearing on September 23, 1996 for formation of the District pursuant to the 1972 Act. This formation led to the annual assessment levy of \$148,944 (the "Assessment") for the maintenance of the thirty-four (34) acres of public resource lands including open space and natural lands, wetland area and pond used for drainage mitigation for homes constructed in Cloisters, median landscaping, trees, a neighborhood park and recreation area, fencing and other public improvements. The maximum assessment rates that existed and were adopted in fiscal year 1996/1997 did not include the assessment range formulae (inflationary adjustment) for their maximum assessment rates and therefore will remain static unless those being assessed vote to increase the assessments. Refer to section III D – "Maintenance Costs" for an analysis of the decision to not include an inflationary adjustment in the formulae.

In preparing the various purchase and sale documents for each individual lot, including the Conditions, Covenants, and Restrictions, the owners and developer called out the existence of the assessment district and to make certain that the existence of assessment district was disclosed to anyone who purchased one of these lots. In drafting all the project documents, the City and the developer reinforced the special benefits for the residents of the Cloisters Project from the public amenities and easements maintained by the assessment.

II. Description of the District

A. Improvements Authorized by the 1972 Act

As applicable or may be applicable to this proposed District, the 1972 Act defines improvements to mean one or any combination of the following:

- the installation or planting of landscaping
- the installation or construction of statuary, fountains, and other ornamental structures and facilities
- the installation or construction of public lighting facilities
- the installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities
- the maintenance or servicing, or both, of any of the foregoing
- the acquisition of any existing improvement otherwise authorized pursuant to this section.

Incidental expenses associated with the improvements including, but not limited to:

- the cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment
- the costs of printing, advertising, and the publishing, posting and mailing of notices
- compensation payable to the County for collection of assessments
- compensation of any engineer or attorney employed to render services
- any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements
- any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5²
- costs associated with any elections held for the approval of a new or increased assessment.

The 1972 Act defines "Maintain" or "maintenance" to mean furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

- repair, removal, or replacement of all or any part of any improvement
- providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury
- the removal of trimmings, rubbish, debris, and other solid waste
- the cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

B. Maintenance Items

The ongoing maintenance for the District, and the costs thereof, paid from the levy of the annual assessments, are generally described below.

² There is no existing bond debt nor is any anticipated at this time.

Replacement, maintenance and servicing of improvements include, but are not limited to, turf, ground cover, shrubs, trees, other landscaping, irrigation systems, fencing, signage, trails, walkways, recreation facilities, lighting, restroom facilities, parking and all necessary appurtenances, and labor, materials, supplies, utilities and equipment. The public resources maintained by the assessments from the District are further summarized as follows:

- Parkland: 4 Acres
- Open space meadow and natural land: 18.15 Acres
- Wetland: 5.5 Acres
- Medians and parkways within the public rights-of-way: 1.6 Acres

Within those areas, the following items are maintained through the levy of assessments:

1. Landscaping

- a. Turf
- b. Planted medians
- c. Planter beds (formerly demonstration garden)
- d. Drainage systems, including gabion channels
- e. Irrigation system (spray and drip)
- f. Scrub/meadow plantings
- g. Trees & shrubs along the sound wall
- h. Willows
- i. Wetland area plantings and pond

2. Hardscaping

- a. Asphalt path system
- b. Concrete walkways
- c. Parking lot
- d. Decomposed granite paths
- e. Play area surfacing
- f. Bridge on City owned property

3. Facilities and miscellaneous

- a. Barbeques
- b. Bike rack
- c. Benches
- d. Directional signs
- e. Drinking fountains
- f. Fences:
 - i. 6' and 3' solid – Bike Path and Fire Access Fencing
 - ii. Habitat Area (ESHA) fencing and keep out signs
- g. Interpretive panels
- h. Light bollards
- i. Monuments with lights
- j. Observation pier at pond
- k. Picnic tables
- l. Play equipment and sand lot
- m. Restroom
- n. Sound wall
- o. Trash cans

III. Method of Apportionment

A. General

This section of the Engineer's Report includes an explanation of the special benefits to be derived from the installation, maintenance and servicing of the improvements and the methodology used to apportion the total assessment to properties within the District.

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements which include the construction, maintenance and servicing of public lights, landscaping and appurtenant facilities. The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

The proceeds from the District are used to fund the maintenance and upkeep of public resources within the Cloisters development project for the special benefit of the properties located within the project. The continued maintenance and upkeep of these important items is a distinct and special benefit to properties within the District.

Easements were created and reserved in favor of each owner in the Cloisters Development for view, open space, scenic, passive recreation and coastal access across the entirety of Lots 121, 122 and 123; these lots shall not be developed with any improvements or structures unless necessary and proper for the restoration and maintenance of the ESHA. This is another distinct and special benefit conferred on property within the District.

B. Benefit Analysis

Each of the proposed improvements, the associated costs and assessments have been carefully reviewed, identified and allocated based on special benefit pursuant to the provisions of the Constitution and 1972 Act. The improvements associated with the District have been identified as necessary, required and/or desired for the orderly development of the properties within the District to their full potential, consistent with the proposed development plans and applicable portions of the City GP/LCP as identified previously in this report. As such, these improvements would be necessary and required of individual property owners for the development of such properties, and the ongoing operation, servicing and maintenance of these improvements would be the financial obligation of those properties. Therefore, the improvements and the annual costs of ensuring the maintenance and operation of the improvements are of direct and special benefit to the properties. The method of apportionment (method of assessment) is based on the premise that each assessed parcel within the District receives special benefit from various improvements provided by the

District. The desirability and security of properties is enhanced by the presence of local improvements in close proximity to those properties. The special benefits associated with landscaped improvements are specifically:

- Enhanced desirability of properties through association with the improvements
- Improved aesthetic appeal of properties providing a positive representation of the area
- Enhanced adaptation of the urban environment within the natural environment from adequate green space and landscaping.

C. Maintenance Tasks

A list of typical maintenance tasks required to maintain the District in acceptable condition for public use was originally developed based on maintenance standards established for existing parks within the City and is included in this report as Attachment A. Larger maintenance items that are not routine, deferred maintenance, and capital projects are not included in this attachment.

D. Maintenance Costs

The estimated annual cost of maintaining the District was originally developed by the Recreation and Parks Department based on the tasks required and the City's Flat Rate Manual for Parks Maintenance and appeared to be a conservative estimate. District costs include labor, utilities, insurance, engineering services and depreciation/reserves. The cost of maintenance for the 2022/23 fiscal year is estimated to exceed the assessment amount of \$148,944.

The original formation of the assessment district in 1996 set the fixed assessment of \$148,944 (or \$1,241.20 per assessed parcel) for the entire Cloisters Landscape Lighting Maintenance Assessment District. In 1996, the Consumer Price Index (CPI) was 157 and today (3/2022) the CPI is at 287. This has resulted in a substantial drop of 83% in the purchasing power of the assessment district funds, but due to increased efficiency in the service delivery along with some reductions in service originally provided in district, the City has been able to maintain the facilities and accrue an accumulation over time with subsidy from the General Fund. However, the accumulation of funds is not projected to continue after this fiscal year.

The cost estimate, included in this report as Attachment B, shows the estimated allocation of funds collected for the purposes of maintenance of the district. The true costs of maintaining Cloisters Park, as well as the medians and parkways within the Cloisters Assessment District, exceeds the revenue received from the District. The true cost of maintenance is estimated to be 25-30% higher than revenues collected. However, all maintenance costs in excess of the District's available revenues will be subsidized by the General Fund per City Council direction on May 24, 2004.

This estimate in Attachment B shows the allocation of expenses as they will be covered by the assessment revenues. A transfer to the City's General Fund in the amount of \$11,942.00 for allocation of overhead costs is not directly charged to the District. This Cost Allocation Plan (CAP) includes, but is not limited to, costs for: accounting, management oversight, IT, share of

vehicle and equipment use, and general City overhead. This allocation was approved when City Council adopted the Master Fee Schedule in 2019 where the CAP was approved.

E. Apportionment of Assessment

The total assessment for the District is apportioned equally to each of the one hundred and twenty residential lots. Lots 121 and 122 (Parcel 1) Cloisters Park and Open Space, Lot 124 (dedicated for a fire station, declared as surplus by the City and sold - currently vacant, but new owner is going through the entitlement process to develop several single-family homes and is conditioned to be annexed to the Cloisters LLMAD once developed); and Lot 123 offered to the State are not assessed. Individual assessments are listed in the table shown in Attachment C.

Attachment A

CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT

TYPICAL MAINTENANCE TASKS

Task	Weekly	Twice Weekly	Monthly	Twice Annually	Annually	As Needed
I <i>Turf Maintenance</i>						
Mow						XX
Edge/Trim						XX
Fertilize				XX		XX
Aerate/Seed				XX		XX
II <i>Other Landscape Maint.</i>						
Prune plants/shrubbery				XX		XX
Maintain weed free						XX
Maintain bark mulch						XX
Rake/distribute gravel/sand			XX			XX
Fertilize				XX		
III <i>Tree Maintenance</i>						
Prune trees					XX	
Maintain tree supports						XX
Remove dead trees						XX
IV <i>Irrigation</i>						
Maintain/repair irrigation system						XX
Program/check controllers			XX			XX
Hand water as required						XX
Monitor water usage			XX			
V <i>Weed control</i>						
Mow open areas				XX		XX
Remove noxious weeds				XX		
Weed identified areas				XX		XX
VI <i>Wetlands</i>						
Coordinate maint. with city						XX
VII <i>Paths, walkways, parking lot maintenance</i>						
Conduct general safety inspection					XX	XX
Remove foreign objects						XX

Trim/spray pathways						XX
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**CLOISTERS
LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT**

TYPICAL MAINTENANCE TASKS (cont.)

Task	Weekly	Twice Weekly	Monthly	Twice Annually	Annually	As Needed
VII <i>Paths, walkways, parking lot maintenance (cont.)</i>						
Inspect hardscape for damage			XX			XX
Remove dog litter						XX
VIII <i>Pest/Disease Control</i>						
Control pests/rodents and plant diseases						XX
IX <i>Litter/trash control</i>						
Litter pick up throughout						XX
Remove trash from garbage cans		XX				
Empty ashes from bbq's		XX				
X <i>Restroom</i>						
Clean/sanitize/service	Daily M-F					
Maintain roof						XX
Maintain plumbing						XX
Paint structure						XX

Attachment B

**CLOISTERS
LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT
DISTRICT BUDGET - FISCAL YEAR 2022/23**

NAME: Cloisters Landscaping and Lighting Maintenance Assessment District

DIAGRAM: Attached, as Attachment D

PLANS AND SPECIFICATIONS: On file in the Office of the City Engineer.

ESTIMATED COST OF MAINTENANCE: The table on the following page outlines the estimated budget for the maintenance of the District for fiscal year 2022/23. It also provides a look back at the previous fiscal year including the current fiscal year with expenses as of March 2022.

CONTRACT SERVICES

Includes non-routine maintenance and repair costs, as needed.

PERSONNEL SERVICES

Includes all daily and routine tasks as well as non-routine maintenance and repair costs.

INTERFUND TRANSFERS

Is the accounting practice that calculates and spreads the proportionate share of agency-wide indirect cost to departments and funds that receive a service from other departments (e.g., Payroll, Administration).

SUPPLIES

Includes all supplies used in daily tasks as well as non-routine repair and maintenance.

SERVICES

Includes utilities, outside engineering, insurance and contract services.

CAPITAL/DEFERRED MAINTENANCE RESERVE (ACCUMULATION)

Accumulated funds to be directed towards future use on capital projects, permits, and other one-time expenses.

CURRENT ACCUMULATION FUND BALANCE	\$142,941
ESTIMATED ACCUMULATION FUND BALANCE END FY 2022/23	\$142,941
TOTAL ASSESSMENT:	\$148,944.00
PER PARCEL YEARLY ASSESSMENT (\$148,944/120 parcels)	\$1,241.20

Detailed Financial Summary

Fund Name	Description	ACCOUNT#	Account Type	FY21 Actual	FY22 Projected	FY22/FY23 Requested
Cloisters Park Maint AD	Regular Pay	XXX-XXXX-4110	Personnel Services	\$42,369	\$43,723	\$40,094
Cloisters Park Maint AD	Overtime Pay	XXX-XXXX-4120	Personnel Services	\$144	\$146	\$150
Cloisters Park Maint AD	Standby Pay	XXX-XXXX-4515	Personnel Services	\$2,855	\$2,855	\$0
Cloisters Park Maint AD	Other Pay	XXX-XXXX-4599	Personnel Services	\$1,119	\$1,119	\$4,443
Cloisters Park Maint AD	Employer Paid Benefits	XXX-XXXX-4910	Personnel Services	\$21,492	\$23,369	\$14,000
Cloisters Park Maint AD	Pension Normal Cost	XXX-XXXX-4911	Personnel Services	\$7,223	\$7,304	\$5,566
Cloisters Park Maint AD	PERS Unfunded Accrued Liability	XXX-XXXX-4912	Personnel Services	\$9,830	\$0	\$9,244
Cloisters Park Maint AD	Labor Costs Applied	XXX-XXXX-4999	Personnel Services	\$2,689	\$0	\$0
Cloisters Park Maint AD	Uniforms/Safety Equipment	XXX-XXXX-5109	Supplies		\$61	\$65
Cloisters Park Maint AD	Miscellaneous Operating Supplies	XXX-XXXX-5199	Supplies		\$0	\$0
Cloisters Park Maint AD	Grounds Maintenance Supplies	XXX-XXXX-5501	Supplies	\$2,767	\$6,500	\$15,062
Cloisters Park Maint AD	Building Maint. Supplies	XXX-XXXX-5502	Supplies	\$162	\$22	\$200
Cloisters Park Maint AD	Small Tools	XXX-XXXX-5530	Supplies		\$222	\$1,000
Cloisters Park Maint AD	Contractual Services	XXX-XXXX-6106	Services	\$240	\$250	\$250
Cloisters Park Maint AD	Other Professional Services	XXX-XXXX-6199	Services		\$0	\$0
Cloisters Park Maint AD	Utilities	XXX-XXXX-6300	Services		\$0	\$0
Cloisters Park Maint AD	Electricity	XXX-XXXX-6301	Services	\$2,221	\$2,795	\$2,811
Cloisters Park Maint AD	Water	XXX-XXXX-6303	Services	\$40,090	\$31,062	\$40,000
Cloisters Park Maint AD	Disposal	XXX-XXXX-6305	Services	\$3,458	\$3,563	\$4,117
Cloisters Park Maint AD	Equipment Rental	XXX-XXXX-6810	Services	\$0	\$0	\$0
Cloisters Park Maint AD	Transfers Out	XXX-XXXX-8501	Interfund Transfers	\$270	\$0	\$0
Cloisters Park Maint AD	Transfer to General Fund	XXX-XXXX-8510	Interfund Transfers	\$11,092	\$11,476	\$11,942
Cloisters Park Maint AD	TRFR To Capital Imp Fund	XXX-XXXX-8540	Interfund Transfers	\$0	\$0	\$0
			Total:	\$148,021	\$134,467	\$148,944

Attachment C

**CLOISTERS
LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT**

PARCEL/ASSESSMENT TABLE

Lot Number	County Assessor's Parcel Number	Annual Assessment
1	065-387-001	\$1,241.20
2	065-387-002	\$1,241.20
3	065-387-003	\$1,241.20
4	065-387-004	\$1,241.20
5	065-387-005	\$1,241.20
6	065-387-006	\$1,241.20
7	065-387-007	\$1,241.20
8	065-387-008	\$1,241.20
9	065-387-009	\$1,241.20
10	065-387-010	\$1,241.20
11	065-387-011	\$1,241.20
12	065-387-012	\$1,241.20
13	065-387-013	\$1,241.20
14	065-387-014	\$1,241.20
15	065-387-015	\$1,241.20
16	065-387-016	\$1,241.20
17	065-387-017	\$1,241.20
18	065-387-018	\$1,241.20
19	065-387-019	\$1,241.20

Lot Number	County Assessor's Parcel Number	Annual Assessment
20	065-387-053	\$1,241.20
21	065-387-054	\$1,241.20
22	065-387-055	\$1,241.20
23	065-387-023	\$1,241.20
24	065-387-024	\$1,241.20
25	065-387-025	\$1,241.20
26	065-387-026	\$1,241.20
27	065-387-027	\$1,241.20
28	065-387-028	\$1,241.20
29	065-387-029	\$1,241.20
30	065-387-030	\$1,241.20
31	065-387-031	\$1,241.20
32	065-387-032	\$1,241.20
33	065-387-033	\$1,241.20
34	065-387-034	\$1,241.20
35	065-387-035	\$1,241.20
36	065-387-036	\$1,241.20
37	065-387-037	\$1,241.20
38	065-387-038	\$1,241.20
39	065-387-039	\$1,241.20
40	065-387-040	\$1,241.20
41	065-387-041	\$1,241.20
42	065-387-042	\$1,241.20
43	065-387-043	\$1,241.20

Lot Number	County Assessor's Parcel Number	Annual Assessment
44	065-387-044	\$1,241.20
45	065-387-045	\$1,241.20
46	065-388-001	\$1,241.20
47	065-388-002	\$1,241.20
48	065-388-003	\$1,241.20
49	065-388-004	\$1,241.20
50	065-388-005	\$1,241.20
51	065-388-006	\$1,241.20
52	065-388-007	\$1,241.20
53	065-388-008	\$1,241.20
54	065-388-009	\$1,241.20
55	065-388-010	\$1,241.20
56	065-388-011	\$1,241.20
57	065-388-012	\$1,241.20
58	065-388-013	\$1,241.20
59	065-388-014	\$1,241.20
60	065-388-015	\$1,241.20
61	065-388-016	\$1,241.20
62	065-388-017	\$1,241.20
63	065-388-018	\$1,241.20
64	065-388-019	\$1,241.20
65	065-388-020	\$1,241.20
66	065-388-021	\$1,241.20
67	065-388-022	\$1,241.20

Lot Number	County Assessor's Parcel Number	Annual Assessment
68	065-388-023	\$1,241.20
69	065-388-024	\$1,241.20
70	065-388-025	\$1,241.20
71	065-388-026	\$1,241.20
72	065-388-027	\$1,241.20
73	065-388-028	\$1,241.20
74	065-388-029	\$1,241.20
75	065-388-030	\$1,241.20
76	065-388-031	\$1,241.20
77	065-388-032	\$1,241.20
78	065-388-033	\$1,241.20
79	065-388-034	\$1,241.20
80	065-388-035	\$1,241.20
81	065-388-036	\$1,241.20
82	065-388-037	\$1,241.20
83	065-388-038	\$1,241.20
84	065-388-039	\$1,241.20
85	065-388-040	\$1,241.20
86	065-388-041	\$1,241.20
87	065-388-042	\$1,241.20
88	065-388-043	\$1,241.20
89	065-388-044	\$1,241.20
90	065-388-045	\$1,241.20
91	065-388-046	\$1,241.20

Lot Number	County Assessor's Parcel Number	Annual Assessment
92	065-388-047	\$1,241.20
93	065-388-048	\$1,241.20
94	065-388-049	\$1,241.20
95	065-388-050	\$1,241.20
96	065-388-051	\$1,241.20
97	065-388-052	\$1,241.20
98	065-388-053	\$1,241.20
99	065-388-054	\$1,241.20
100	065-388-055	\$1,241.20
101	065-388-056	\$1,241.20
102	065-388-057	\$1,241.20
103	065-388-058	\$1,241.20
104	065-388-059	\$1,241.20
105	065-388-060	\$1,241.20
106	065-388-061	\$1,241.20
107	065-388-062	\$1,241.20
108	065-388-063	\$1,241.20
109	065-388-064	\$1,241.20
110	065-388-065	\$1,241.20
111	065-388-066	\$1,241.20
112	065-388-067	\$1,241.20
113	065-388-068	\$1,241.20
114	065-388-069	\$1,241.20
115	065-388-070	\$1,241.20

Lot Number	County Assessor's Parcel Number	Annual Assessment
116	065-388-071	\$1,241.20
117	065-388-072	\$1,241.20
118	065-388-073	\$1,241.20
119	065-388-074	\$1,241.20
120	065-388-075	\$1,241.20
121	065-386-005	0
122 (Parcel 1)	065-386-016	0
123 (Parcel 2)	065-386-017 065-386-018 065-386-019 065-386-012 065-386-013 065-386-014 065-386-010	0
124	065-386-015	0

Attachment D

CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT

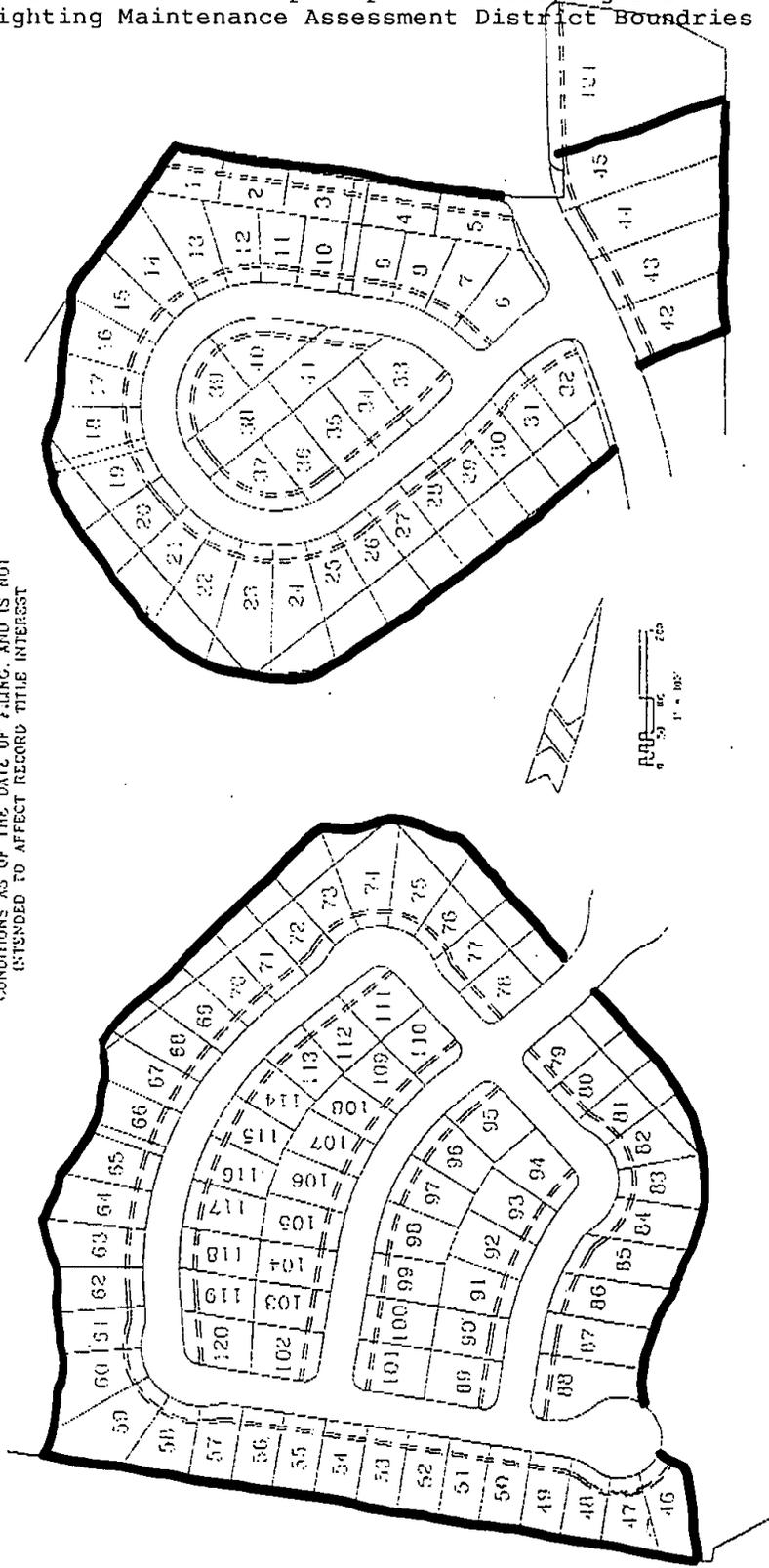
DISTRICT BOUNDARY DIAGRAM

The boundary diagrams for the District have previously been submitted to the City Clerk in the format required under the 1972 Act and, by reference, are hereby made part of this Report. The boundary diagrams are available for inspection at the office of the City Clerk during normal business hours. The following diagrams provides an overview of the District.

Cloisters Park and Open Space Landscaping and Lighting Maintenance Assessment District Boundaries

ADDITIONAL MAPPING SHEET

THE FOLLOWING IS FOR INFORMATION ONLY, DESCRIBING CONDITIONS AS OF THE DATE OF FILING, AND IS NOT INTENDED TO AFFECT RECORD TITLE INTEREST



LEGEND AND NOTES

- Subdivided lots (see notes, attached)
- Subdivided lots (see notes, attached)
- Street Frontage - 20 feet
- Garage - 20 feet from back of sidewalk or 25 feet from street right of way
- House - 15 feet from back of sidewalk or 20 feet from street right of way
- Side Yard and Back Yard Setbacks - For City Standards

TRACT 1996
 Being a resubdivision of a portion of
 Alacran Beach as shown in
 Book 45, Page 67 of Record of Surveys
 in the City of Morro Bay, San Luis
 Obispo County, California

Central Coast Engineering
 302 Shady Road
 San Luis Obispo, CA 93401

February, 1993 Sheet 9 of 9



AGENDA NO: C-2

MEETING DATE: May 10, 2022

Staff Report

TO: Honorable Mayor and City Council

DATE: May 4, 2022

FROM: Eric Riddiough, PE – City Engineer

SUBJECT: Adoption of Resolution No. 42-22 Approving the Engineer’s Report and Declaring the Intent to Levy the Annual Assessment for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District

RECOMMENDATION

Staff recommends City Council adopt Resolution No. 42-22 approving the Engineer’s Report and declaring the intent to levy the annual assessment for maintenance of the North Point Natural Area.

FISCAL IMPACT

Based on the Engineer’s Report, which estimates the annual costs of maintaining the North Point Natural Area for the upcoming fiscal year, the fiscal impact is estimated at \$5,645. Those costs will be offset by the collection of an assessment for the same amount from the parcel owners in the North Point Subdivision.

The original formation of the assessment district in 1996 set the fixed assessment of \$564.50 per parcel or \$5,645 for the entire North Point Landscape Lighting Maintenance Assessment District. In 1997, the Consumer Price Index (CPI) was 160 and in March of this year, the CPI was 287. This has resulted in a drop in the purchasing power of the assessment district funds, but due to increased efficiency and a reduction in the service originally provided in the district, the City has been able to maintain the facilities.

SUMMARY

On April 12, 2022 City Council adopted Resolution No. 26-22, which initiated the proceedings to levy the annual assessment to fund the maintenance of the North Point Natural Area. Additionally, staff was directed to have an Engineer’s Report prepared, detailing the estimated annual assessment for the parcel owners for fiscal year 2022/23. Upon adoption of Resolution No. 42-22, the next and final step in the annual levy of assessment process is the public hearing after which the City Council orders the levy of assessment.

BACKGROUND/DISCUSSION

As part of the annual assessment process, staff is required to provide an Engineer’s Report, which is an estimate of costs for maintenance of the North Point Natural Area. The cost estimates are based on the maintenance standards currently adhered to in existing parks within Morro Bay and included in the Flat Rate Manual for Parks Maintenance, as well as maintenance costs from the current fiscal year. Personnel costs, as well as supplies and services, have risen significantly in the last several years.

Prepared By: <u>ER</u>	Dept. Review: _____
City Manager Review: <u>SC</u>	City Attorney Review: <u>CFN</u>

The true costs of maintaining the assessment district exceed the revenue received from the district. The true cost of maintenance is estimated to be 25-30% higher than assessment revenues collected. However, all maintenance costs in excess of the district's available revenues will be subsidized by the General Fund per City Council direction on May 24, 2004. The assessment for providing maintenance of the North Point Natural Area is \$564.50 per parcel for fiscal year 2022/23 for a total annual assessment of \$5,645. The increase in the cost of goods and services has made it so that there is no longer an excess of funds accumulation, over time, for any needed capital maintenance projects. The City will have to make capital improvements through the use of General Fund, Measure Q & E Funds, or pursue other funding sources such as grants.

CONCLUSION

The process for the annual levy of assessment for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District requires the City Council to receive the Engineer's Report, approve and/or modify the report and adopt a Resolution of Intention. The Resolution of Intention gives notice of the time, date and place for a public hearing by the City Council on the issue of the levy of assessment.

The public hearing has been set for the Regular City Council meeting on June 28, 2022 at or about 5:30 p.m. to be held at the Morro Bay Veterans Hall. Upon completion of the public hearing on June 28, 2022, the City Council may adopt a resolution ordering the levy of the annual assessment.

ATTACHMENT

1. Resolution No. 42-22
2. North Point Landscaping and Lighting Maintenance Assessment District Engineer's Report

RESOLUTION NO. 42-22

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
APPROVING THE ENGINEER'S REPORT AND DECLARING
THE CITY'S INTENTION TO LEVY THE ANNUAL ASSESSMENT FOR THE
MAINTENANCE OF THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT PURSUANT TO THE "LANDSCAPING AND
LIGHTING ACT OF 1972" (STREETS AND HIGHWAYS SECTIONS 22500 ET SEQ.) FOR
THE 2022/23 FISCAL YEAR**

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

WHEREAS, all property owners of the North Point subdivision requested the City of Morro Bay form a maintenance assessment district to fund the maintenance of the North Point Natural Area; and

WHEREAS, the Landscaping and Lighting Act of 1972, commencing with Streets and Highways Code section 22500 (the "Act") enables the City to form assessment districts for the purpose of maintaining public improvements; and

WHEREAS, pursuant to Section 22623 of the Act, the City Engineer has filed in the Office of the City Clerk, and submitted for review to the City Council, a report entitled "Engineers Report North Point Natural Area Landscaping and Lighting Maintenance Assessment," dated May 4, 2022, prepared in accordance with Article 4 of the Act, commencing with Section 22565 (the "Engineer's Report"); and

WHEREAS, pursuant to Section 22608.2 of the Act, the subdivider was required by City ordinance to install improvements for which an assessment district was required in order to assure continued and uninterrupted maintenance of the North Point Natural Area; and

WHEREAS, pursuant to the intent of Article XIII, Section 4, of the California Constitution, the property owners have elected to form the North Point Natural Area Landscaping and Lighting Maintenance Assessment District.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Morro Bay,

Section 1. The City Council approves the Engineer's Report.

Section 2. It is the intent of the Council to order the annual levy and collection of assessments for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District generally located as shown in Exhibit "A" attached hereto at a public hearing to be held at the Regular City Council meeting on June 28, 2022 at or about 5:30 p.m., at the Morro Bay Veterans Hall.

Section 3. The improvements to be maintained at the North Point Natural Area are specified in the Engineer's Report dated May 4, 2022 which is hereby approved.

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Section 4. The assessment upon assessable lots within the district is proposed to total \$5,645 or \$564.50 per assessable parcel for fiscal year 2022/23.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held this 10th of May 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JOHN HEADDING, Mayor

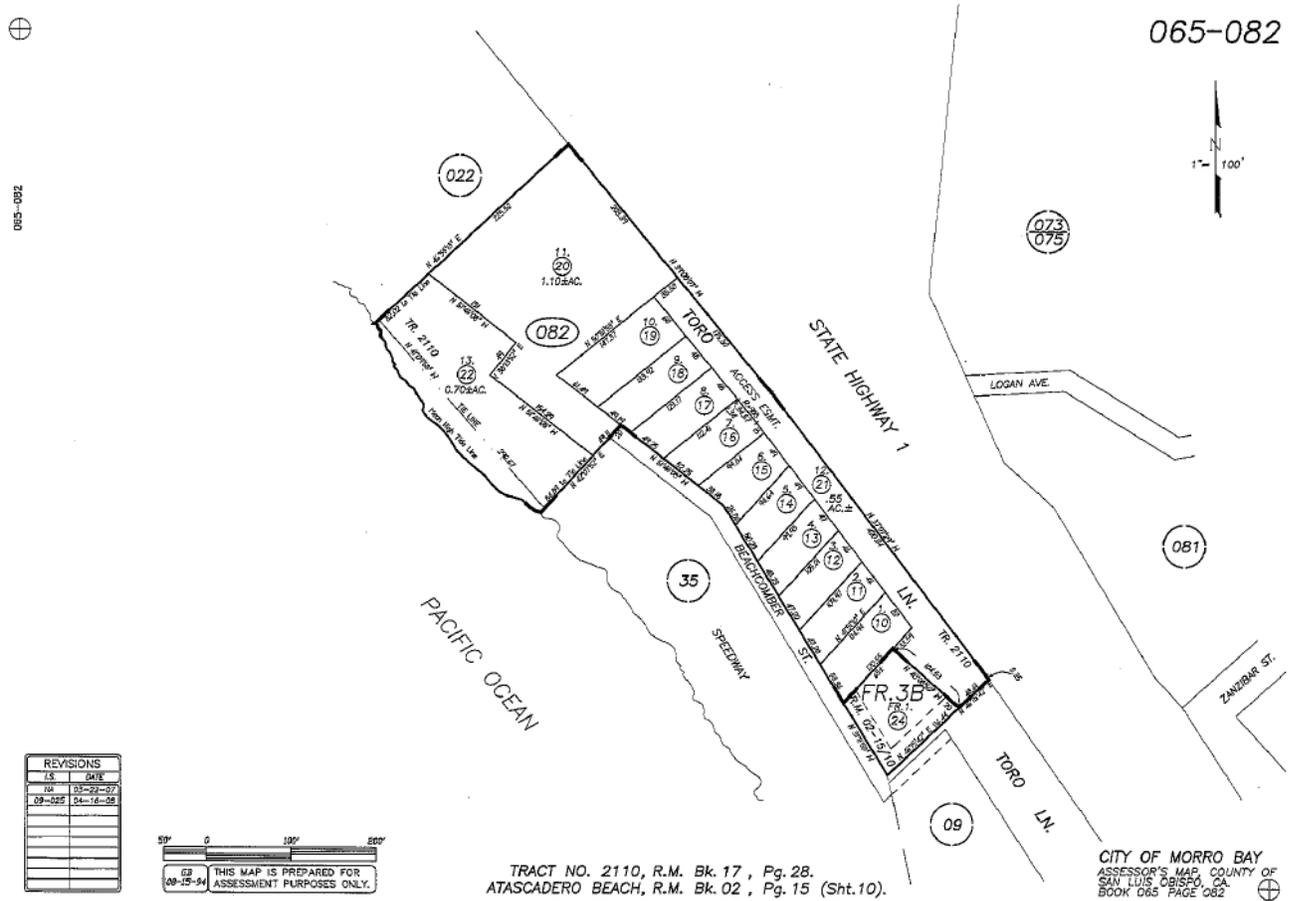
ATTEST:

DANA SWANSON, City Clerk

EXHIBIT A

DISTRICT BOUNDARY DIAGRAM

The boundary diagrams for the District have previously been submitted to the City Clerk in the format required under the Act and, by reference are hereby made part of this Report. The boundary diagrams are available for inspection at the office of the City Clerk during normal business hours. The following diagram provides an overview of the District.





CITY OF MORRO BAY

**NORTH POINT NATURAL AREA
LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT**

2022/23 ENGINEER'S ANNUAL LEVY REPORT

May 4, 2022

AFFIDAVIT FOR 2022/23 ENGINEER'S ANNUAL LEVY REPORT

CITY OF MORRO BAY

**NORTH POINT NATURAL AREA
LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT**

This report describes the proposed maintenance, improvements, budgets, zone of benefit and assessments to be levied on parcels of land within the North Point Natural Area Landscaping and Lighting Maintenance Assessment District for the fiscal year 2022/23, as the same existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the San Luis Obispo County Assessor's maps for a detailed description of the lines and dimensions of parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council and, to the best of my knowledge, information, belief, the report, the assessments and diagrams have been prepared and computed in pursuant to the Landscaping and Lighting Act of 1972.

Dated this 4th of May 2022



Eric Riddiough, PE – City Engineer

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B. Benefit Analysis	
C. Maintenance Tasks	
D. Maintenance Costs	
E. Apportionment of Assessment	
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 District Budget – Fiscal Year 2022/23	 Attachment B
 Parcel/Assessment Table	 Attachment C
 District Boundary Diagram	 Attachment D

I. Overview

A Introduction

The City Council of the City of Morro Bay (hereafter referred to as “City”), County of San Luis Obispo, State of California, previously formed and has levied and collected annual assessments for the District designated as:

NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT

(hereafter referred to as “District”) pursuant to the provisions of the Landscaping and Lighting Act of 1972, being Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500 (hereafter referred to as the “1972 Act”), and in compliance with the provisions of the California State Constitution Articles XIIC and XIID (hereafter referred to as the “Constitution” or “Proposition 218”).

This Report has been prepared in accordance with Chapter 1, Article 4 (commencing with Section 22565) of the 1972 Act and describes the District and changes to the District including: territories annexed; modifications to the improvements or organization; and the proposed budgets and assessments applicable for fiscal year 2022/23.

History

As a condition of approval for Tract No. 2110, the North Point subdivision, the developers were required to offer to the City for dedication Lot 11 of the subdivision for park purposes, and to construct improvements on Lot 11 including a paved parking area, a stairway providing access to the beach, benches, landscaping and irrigation, lighting, and other improvements. The subdivision was also conditioned to provide maintenance of the park by establishing an assessment district. Lot 11 of Tract No. 2110 is identified as the North Point Natural Area.

B Assessment History and Current Legislation

In November 1996, California voters approved Proposition 218 that established specific requirements for the ongoing imposition of taxes, assessments and fees. The provisions of the Proposition are now contained in the California Constitutional Articles XIIC and XIID. All assessments described in this Report and approved by the City Council are prepared in accordance with the 1972 Act and in compliance with these provisions of the Constitution.

Pursuant to the Article XIID Section 5 of the Constitution, certain existing assessments were exempt from the substantive and procedural requirements of the Article XIID Section 4, and property owner balloting is not required until such time that a new or increased assessment is proposed. Specifically, the City determined that the annual assessments originally established for the North Point were imposed in accordance with a consent and waiver as part of the original development approval for the properties within these areas. As such, pursuant to Article XIID Section 5b, all the property owners approved the existing District assessments at the time the assessments were created (originally imposed pursuant to a 100% landowner petition). Therefore, the pre-existing assessments (the maximum assessment rates adopted prior to the passage of Proposition 218) for this District is exempt from the procedural requirements Article XIID Section 4. However, any new or increased assessment for the North Point Natural Area shall comply with

both the substantive and procedural requirements of Article XIIID Section 4 before such assessments are imposed.

II. Description of the District

A. Improvements Authorized by the 1972 Act

As applicable or may be applicable to this proposed District, the 1972 Act defines improvements to mean one or any combination of the following:

- The installation or planting of landscaping.
- The installation or construction of statuary, fountains, and other ornamental structures and facilities
- The installation or construction of public lighting facilities.
- The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.
- The maintenance or servicing, or both, of any of the foregoing.
- The acquisition of any existing improvement otherwise authorized pursuant to this section.

Incidental expenses associated with the improvements including, but not limited to:

- The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;
- The costs of printing, advertising, and the publishing, posting and mailing of notices;
- Compensation payable to the County for collection of assessments;
- Compensation of any engineer or attorney employed to render services;
- Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
- Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5.
- Costs associated with any elections held for the approval of a new or increased assessment.

The 1972 Act defines "Maintain" or "maintenance" to mean furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

- Repair, removal, or replacement of all or any part of any improvement.
- Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury.
- The removal of trimmings, rubbish, debris, and other solid waste.
- The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

B. Maintenance Items

A list of maintenance tasks required to maintain the North Point Natural Area in acceptable condition for public use was developed by the City Recreation and Parks Department based on maintenance standards established for existing parks within the City.

III. Method of Apportionment

A General

This section of the Engineer's Report includes an explanation of the special benefits to be derived from the installation, maintenance and servicing of the improvements and the methodology used to apportion the total assessment to properties within the District.

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements which include the construction, maintenance and servicing of public lights, landscaping and appurtenant facilities. The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

The proceeds from the District are used to fund the maintenance and upkeep of public resources within the North Point development project for the special benefit of the properties located within the project. The continued maintenance and upkeep of these important items is a distinct and special benefit to properties within the District.

B. Benefit Analysis

Each of the proposed improvements, the associated costs and assessments have been carefully reviewed, identified and allocated based on special benefit pursuant to the provisions of the Constitution and 1972 Act. The improvements associated with the District have been identified as necessary, required and/or desired for the orderly development of the properties within the District to their full potential, consistent with the proposed development plans and applicable portions of the City General Plan and Local Coastal Plan as identified previously in this report. As such, these improvements would be necessary and required of individual property owners for the development of such properties, and the ongoing operation, servicing and maintenance of these improvements would be the financial obligation of those properties. Therefore, the improvements and the annual costs of ensuring the maintenance and operation of the improvements are of direct and special benefit to the properties. The method of apportionment (method of assessment) is based on the premise that each assessed parcel within the District receives special benefit from various improvements provided by the District. The desirability and security of properties is enhanced by the presence of local improvements in close proximity to those properties. The special benefits associated with landscape improvements are specifically:

- Enhanced desirability of properties through association with the improvements.
- Improved aesthetic appeal of properties providing a positive representation of the area.
- Enhanced adaptation of the urban environment within the natural environment from adequate open space and landscaping.

C. Maintenance Tasks

A list of maintenance tasks required to maintain the North Point Natural Area in acceptable

condition for public use was developed by the Public Works Department based on maintenance standards established for existing parks within the City and is included in this report as Attachment A.

D. Maintenance Costs

The estimated annual cost of maintaining the North Point Natural Area was originally developed by the Recreation and Parks Department based on the tasks required and the City's Flat Rate Manual for Parks Maintenance. Annual maintenance is currently provided through contract services and is supplemented by City Public Works staff. Assessment district costs include labor, utilities, insurance, engineering services and depreciation/reserves. The annual cost of maintenance, including any reserves, for the 2022/23 fiscal year is estimated to exceed the assessment amount of \$5,645.

The original formation of the assessment district in 1996 set the fixed assessment of \$564.50 per parcel or \$5,645 for the entire North Point Landscape Lighting Maintenance Assessment District. In 1997, the Consumer Price Index (CPI) was 160 and today (3/2022) the CPI is at 287. This has resulted in a substantial drop in the purchasing power of the District funds, but due to increased efficiency along with a decreased level in the service originally provided in District, the City has been able to maintain the facilities at a minimal level.

The cost estimate, included in this report as Attachment B, shows the estimated allocation of funds collected for the purposes of maintenance of the District. The true costs of maintaining the assessment District, exceed the revenue received from the District. The true cost of maintenance is estimated to be 25-30% higher than the revenues collected. However, all maintenance costs in excess of the District's available revenues will be subsidized by the General Fund per City Council direction on May 24, 2004.

E. Apportionment of Assessment

The total assessment for the District is apportioned to each of the ten residential lots equally. Lot 11, the North Point Natural Area; Lot 12, a private street; and Lot 13, an open space parcel granted to the State of California; are not assessed. Individual assessments are listed in Attachment C.

Attachment A

NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT MAINTENANCE TASKS

Routine Maintenance Tasks

- Review for vandalism/repair
- Pick-up – paper, trash, cigarette butts, etc
- Empty - trash receptacle(s)
- Clean - benches
- Inspect and maintain as necessary:
 - beach access stairway
 - bike rack
 - lights
 - natural area plantings

Weekly or as needed

- Blow paths, parking lot
- Monthly or as needed
- Check trees
- Check/repair sprinkler system
- Trim trees and bushes as needed
- Critical parts inspections

Annually or as needed

- Paint beach access stairway, public access signage
- New plantings (replacement)
- General safety inspection
- Annual tree pruning
- Remove graffiti
- Mow open space
- Pest/gopher control
- Trim and spray paths
- Repair public access signage

Operational Expenses

- Street Lighting
- Irrigation
- Refuse Service

Attachment B

NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT

NAME: North Point Natural Area Landscaping and Lighting Maintenance Assessment District

DIAGRAM: Attached

PLANS AND SPECIFICATIONS: For a detailed description of the improvements, refer to the plans and specifications for Tract 2110 on file in the office of the City Engineer. No bonds or notes will be issued for this Maintenance Assessment District.

ESTIMATED COST OF MAINTENANCE: The following outlines the estimated budget for the maintenance of the North Point Natural Area for fiscal year 2022/23.

TOTAL ASSESSMENT:	\$5,645.00
PER PARCEL YEARLY ASSESSMENT (10 parcels)	\$564.50
ACCUMULATION BALANCE (March 2022)	\$0
ESTIMATED ACCUMULATION BALANCE AT END OF FY 2022/23	\$0

Detailed Financial Summary

ACCOUNT ID	Description	Fund Name	Account Type	FY21 Actual	FY22 Projected	FY23 Proposed
XXX-XXXX-4110	Regular Pay	North Point Assessment	Personnel Services	\$3,519	\$0	\$1,360
XXX-XXXX-4120	Overtime Pay	North Point Assessment	Personnel Services	\$20	\$0	\$0
XXX-XXXX-4310	Part-Time Pay	North Point Assessment	Personnel Services	\$18	\$0	\$0
XXX-XXXX-4515	Standby Pay	North Point Assessment	Personnel Services	\$180	\$0	\$0
XXX-XXXX-4599	Other Pay	North Point Assessment	Personnel Services		\$0	\$0
XXX-XXXX-4910	Employer Paid Benefits	North Point Assessment	Personnel Services	\$1,443	\$0	\$0
XXX-XXXX-4911	Pension Normal Cost	North Point Assessment	Personnel Services	\$365	\$0	\$0
XXX-XXXX-4912	PERS Unfunded Accrued Liability	North Point Assessment	Personnel Services		\$0	\$0
XXX-XXXX-4999	Labor Costs Applied	North Point Assessment	Personnel Services	\$178	\$0	\$0
XXX-XXXX-5501	Grounds Maintenance Supplies	North Point Assessment	Supplies		\$0	\$0
XXX-XXXX-5502	Building Maint. Supplies	North Point Assessment	Supplies		\$0	\$0
XXX-XXXX-6106	Contractual Services	North Point Assessment	Services		\$0	\$0
XXX-XXXX-6301	Electricity	North Point Assessment	Services	\$178	\$248	\$252
XXX-XXXX-6303	Water	North Point Assessment	Services	\$538	\$538	\$550
XXX-XXXX-6305	Disposal	North Point Assessment	Services	\$2,793	\$2,877	\$3,483
XXX-XXXX-6710	Notices & Publications	North Point Assessment	Services		\$0	\$0
Total			Total:	\$9,232	\$3,663	\$5,645

Attachment C

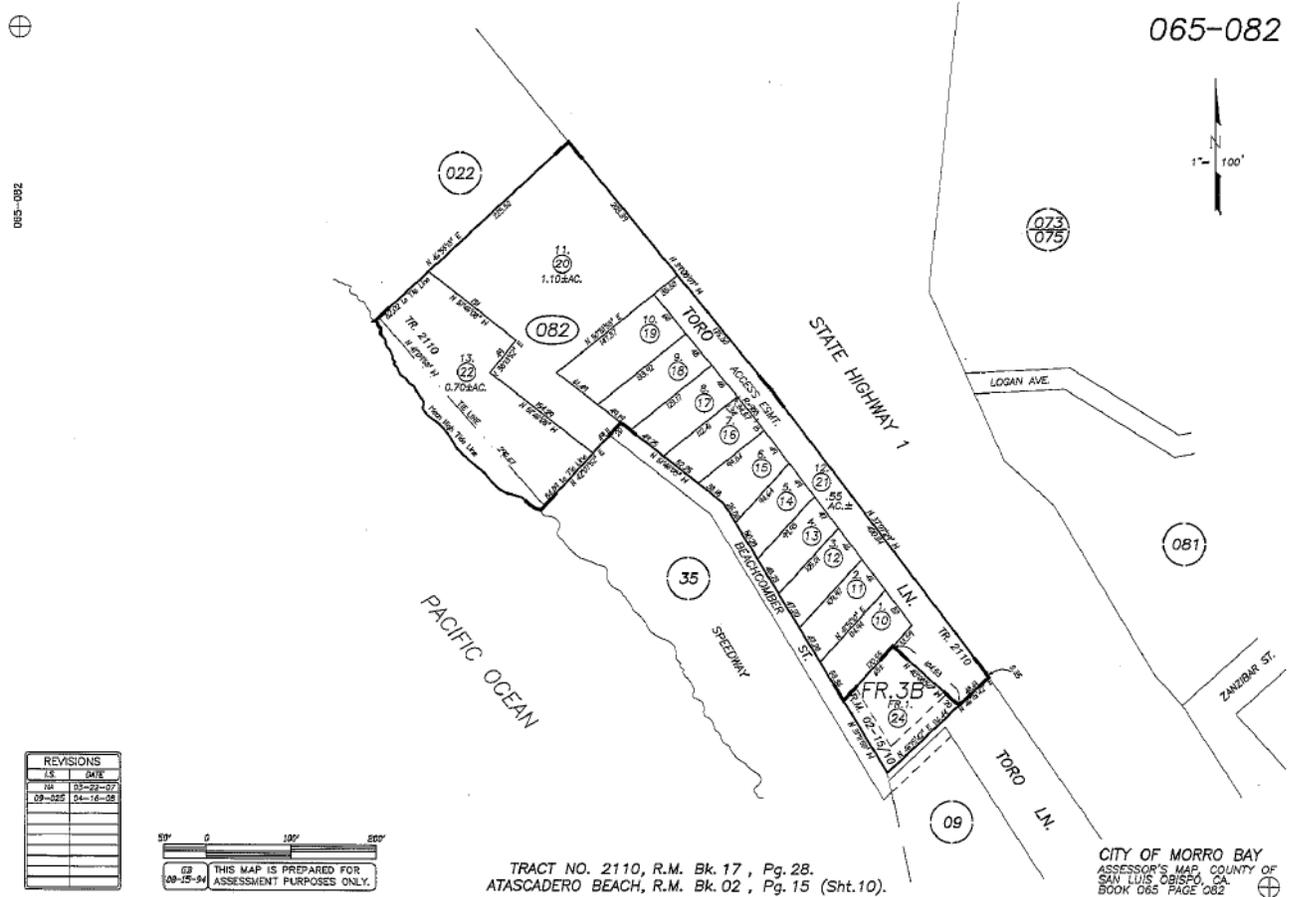
PARCEL/ASSESSMENT TABLE

Lot Number	County Assessor's Parcel Number	Annual Assessment
1	065-082-10	\$564.50
2	065-082-11	\$564.50
3	065-082-12	\$564.50
4	065-082-13	\$564.50
5	065-082-14	\$564.50
6	065-082-15	\$564.50
7	065-082-16	\$564.50
8	065-082-17	\$564.50
9	065-082-18	\$564.50
10	065-082-19	\$564.50
11	065-082-20	\$ 0.00
12	065-082-21	\$ 0.00
13	065-082-22	\$ 0.00

Attachment D

DISTRICT BOUNDARY DIAGRAM

The boundary diagrams for the District have previously been submitted to the City Clerk in the format required under the Act and, by reference are hereby made part of this Report. The boundary diagrams are available for inspection at the office of the City Clerk during normal business hours. The following diagram provides an overview of the District.



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AGENDA NO: C-3

MEETING DATE: May 10, 2022

Staff Report

TO: Honorable Mayor and City Council

DATE: May 1, 2020

FROM: Derek O. Hanson, Engineering Technician

SUBJECT: Introduction of Ordinance No. 652 Allowing Smoking Receptacles within the City Right-of-Way

RECOMMENDATION

Introduce for first reading, by title only with further reading waived, Ordinance No. 652 to amend Chapter 9.24 (Secondhand Smoking Regulations) of Title 9 of the Municipal Code.

ALTERNATIVES

Council could elect to forgo the opportunity to obtain cigarette receptacles from the County of San Luis Obispo Tobacco Control and not move forward with the proposed ordinance.

FISCAL IMPACT

Amending the municipal code would create additional maintenance responsibilities to empty new cigarette receptacles, but fiscal impacts to the Public Works' Maintenance Division would be minimal.

BACKGROUND

Chapter 9.24 of the Morro Bay Municipal Code generally prohibits smoking in public places. Nevertheless, staff has received feedback from residents about smoking-related litter and cigarette butts left behind in high pedestrian traffic areas, such as the Embarcadero, Harborwalk, and Morro Rock Parking Lot. Of particular concern are cigarette butts, which create environmental issues. The City Municipal Code Section 9.24.080(B) at present prohibits the placement of smoking waste receptacles throughout areas where smoking is prohibited, including the Embarcadero. Without a place to put cigarette butts, many smokers simply throw them on the ground.

The City was recently approached by the County of San Luis Obispo Tobacco Control to participate in a pilot program to install cigarette receptacles to measure their use on the Embarcadero and Harborwalk. Staff believes participation in this program would reduce cigarette butt litter in high traffic areas and would result in fewer cigarette butts in waterways and the ocean by directing the waste into receptacles.

DISCUSSION

The proposed ordinance would permit the placement of smoking waste receptacles by the City with

Prepared By: CFN Dept Review: GK
City Manager Review: SC City Attorney Review: CFN

authorization of the Public Works Director within the City right-of-way. However, the alterations would not permit smoking in any location where these public receptacles are installed.

Trash collected in the receptacles would be removed, measured, and safely disposed in a way that prevents contamination in local waterways. Staff will monitor trash on the Embarcadero and in the Bay to determine to what degree the receptacles are reducing smoking litter. If the analysis of the cigarette receptacles determines their effectiveness at reducing cigarette butt litter, Staff will leave the receptacles installed permanently.

CONCLUSION

Staff recommends City Council introduce for first reading the ordinance to allow smoking receptacles in the City.

ATTACHMENT

1. Ordinance No. 652

ORDINANCE NO. 652

**AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
AMENDING SECTION 9.24.080(B) OF THE MORRO BAY
MUNICIPAL CODE TO ALLOW FOR THE PLACEMENT OF
RECEPTACLES FOR SMOKING WASTE BY
THE CITY OF MORRO BAY**

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

WHEREAS, the City of Morro Bay (“City”) is empowered to enact legislation to protect the health, safety, and welfare of the public; and

WHEREAS, secondhand smoke has been shown to be extremely hazardous to the health and safety of those who are exposed to it; and

WHEREAS, the City’s existing secondhand smoke regulations focus on limiting or eliminating secondhand smoke in public areas; and

WHEREAS, current Morro Bay Municipal Code (“MBMC”) section 9.24.040 provides that smoking is prohibited throughout the city, including “all public areas” and “places of hotels, businesses, restaurants, bars and other public accommodations,” and as such prohibits smoking along the Embarcadero, and

WHEREAS, despite this prohibition, the City experiences smoking waste and cigarette butt littering in public spaces, which conflicts with the stated City goal in MBMC section 9.24.010(C) of “a cleaner and more hygienic environment for the city, its residents, and its natural resources”; and

WHEREAS, an intent of this ordinance amendment is to balance the City’s need to address smoking waste and cigarette butt litter in certain areas of the City, while simultaneously maintaining the City’s commitment to “protect the public health, safety and general welfare by prohibiting smoking in certain public places under circumstances where other persons will be exposed to secondhand smoke” (MBMC section 9.24.010(B)); and

WHEREAS, current MBMC section 9.24.080(B) prohibits the placement of smoking waste receptacles in public spaces where smoking is prohibited, and

WHEREAS, the regulations in MBMC Chapter 9.24 (Secondhand Smoking Regulations) have not completely eliminated the risks posed by secondhand smoke to the community nor have they prevented litter caused by smoking waste; and

WHEREAS, the City desires to amend its regulations to allow for participation in a pilot project with County of San Luis Obispo Tobacco Control to measure smoking waste receptacle usage along the Embarcadero and to address ongoing smoking waste litter, and

WHEREAS, the City desires to use information from this pilot project to more effectively protect the community from the harmful effects of secondhand smoking.

01181.0001/787432.1

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA FINDS AND ORDAINS AS FOLLOWS:

SECTION 1. RECITALS. The City Council hereby finds that the recitals set forth above are all true and correct and are incorporated herein by this reference.

SECTION 2. CODE AMENDMENT. Section 9.24.080(B) of the Morro Bay Municipal Code is hereby amended to read as follows (new text in ***bold italics***, removed text in ~~strike through~~):

“9.24.080 – Allowing, aiding, or abetting smoking.

- B. No person, employer, business, landlord or nonprofit entity shall allow the placement or maintenance of a receptacle for smoking waste in an area under his, her or its legal or de facto control in which smoking is prohibited by this chapter or other law, ~~provided however, that,~~ ***with the following exceptions:***
 - i. A receptacle may be placed at the entry to a nonsmoking area, along with a "No Smoking" sign, in order to encourage any smokers in violation of this chapter to immediately extinguish and properly dispose of smoking materials.
 - ii. ***A receptacle may be placed by the city within the public right-of-way with the authorization of the Public Works Director, consistent with an intent of this chapter to “ensure a cleaner and more hygienic environment,” although the presence of such receptacles shall not be a defense to a charge of smoking in violation of any provision of this chapter.”***

SECTION 3. SEVERABILITY. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this ordinance and each section, subsection, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions thereof may be declared invalid or unconstitutional.

SECTION 4. EFFECTIVE DATE. This ordinance shall be in full force and effect thirty (30) days after its passage.

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SECTION 5. CERTIFICATION. The City Clerk shall certify as to the passage and adoption of this ordinance, and the City Clerk shall cause the same to be posted and codified in the manner required by law.

INTRODUCED at a regular meeting of the City Council held on the ____ day of _____ 2022, by motion of _____ and seconded by _____.

PASSED AND ADOPTED on the ____ day of _____, 2022, by the following vote:

AYES:
NOES:
ABSENT:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk

APPROVED AS TO FORM:

CHRIS F. NEUMEYER, City Attorney

STATE OF CALIFORNIA)
COUNTY OF SAN LUIS OBISPO)
CITY OF MORRO BAY)

I, Dana Swanson, City Clerk for the City of Morro Bay, California, do hereby certify that the foregoing Ordinance No. 652 was duly passed and adopted by the City Council of the City of Morro Bay at the regular meeting thereof, held on the ____ day of _____ 2022, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

IN WITNESS WHEREOF I have hereunto set my hand and affixed the official seal of the City of Morro Bay, California, this _____ day of _____, 2022.

DANA SWANSON, City Clerk

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AGENDA NO: C-4

MEETING DATE: May 10, 2022

Staff Report

TO: Honorable Mayor and City Council

DATE: May 4, 2022

FROM: Scott Collins, City Manager

SUBJECT: City Council Goals and Action Items Update

RECOMMENDATION

Staff recommends the City Council receive an update from staff on the City’s progress on City goals and related short-term action items and provide direction as appropriate.

ALTERNATIVES

None.

FISCAL IMPACT

There is no fiscal impact related to the recommendation. However, many of the action items have associated fiscal impacts, some of which will result in costs to the City when implemented and others which will bring revenue enhancements to the City if implemented. These items will be discussed on an individual basis with Council as they progress forward over the next year or so.

BACKGROUND

Following two goal forums and after consideration of community input received through a survey and the City’s various advisory commission and boards and relevant business boards, City Council adopted City goals and short-term action items to carry through 2022 and into the early part of 2023 at their November 10, 2021, Special Meeting.

The Council approved five major goal areas and goal statements for each of the goals, and further approved 35 short-term action items to help achieve those goals. Council also re-emphasized the City’s Purpose Statement (see below) on November 10, 2021. Finally, Council requested that staff provide quarterly updates to Council and the community on progress toward completing the short-term action items.

DISCUSSION

City Purpose and Related Citywide Efforts

As a reminder, the City’s Purpose Statement (or mission) is as follows:

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

The entire City organization, from Police, Fire, and Harbor to Public Works, Community Development,

Prepared By: SC

Dept Review: _____

City Manager Review: SC

City Attorney Review: CFN

and Recreation, from the City Attorney and City Manager's Office to Finance, Information Technology, and Human Resources is dedicated to that purpose in all things we do. The City Council goals that are discussed below are also aimed at achieving the City's purpose but are more narrowly and strategically focused. It is common for cities to develop goals that are future oriented as is the case for Morro Bay. The City is able to focus on the future because it has been able to provide those core services to the community consistently, and the community has supported these services through fees and increases in City taxes.

It should be noted that many of the City's core services do not fall under the proposed Council goals, and staff is working to develop a clearer way to communicate key elements of broader City work plans and associated objectives that go beyond the five Council goals. The intent is to capture and communicate all of the important day-to-day City functions that our community depends upon. Further, staff continues to analyze our capacity to deliver core services and will bring forward recommendations as part of the Fiscal Year (FY) 2022-23 Budget process.

Approved City Council Goals

City Council developed consensus at the September 29, 2021 Workshop to pursue the following goals for the next 2 to 4 years:

- 1) Improve Public Infrastructure
- 2) Achieve Fiscal Sustainability and Economic Vitality
- 3) Address Housing Needs
- 4) Climate Action
- 5) Improve Community Health

Proposed City Goals' Statements

The approved goal statements help define the goals and focus City actions and initiatives. Below are the statements for each of the goals:

Improve Public Infrastructure

- 1) Address cleanliness (while maintaining sensitivity to wildlife) and safety issues in heavy tourism areas and business corridors
- 2) Conduct a capital needs assessment
- 3) Address traffic circulation in Embarcadero

Achieve Fiscal Sustainability and Economic Vitality

- 4) Create a plan to address the City's unfunded liabilities while striving to achieve competitive compensation
- 5) Determine potential paths to secure funding for capital needs (Harbor and other needs)
- 6) Support expedient catalyst site development

Address Housing Needs

- 7) Educate the Council on new and existing State legislation related to housing
- 8) Identify the opportunities for additional housing options and/or explore partnerships to support these efforts
- 9) Continue the Community Development Department's efforts to expedite the development review process

Climate Action

- 10) Participate with other cities in SLO County to support climate action planning efforts
- 11) Educate Council on the technical terms around climate action to support policy advocacy and the identification of critical next steps for Morro Bay
- 12) Consider opportunities to reduce reliance on carbon producing energy sources

Improve Community Health

- 13) Create a plan to address immediate need for increasing COVID vaccination rates with an emphasis towards target populations with inequitable access or education
- 14) Educate Council and staff about Diversity, Equity, and Inclusion (DEI) and engage in a community conversation

Progress on Short-Term Action Items

Staff has begun work on many of the 35 short-term action items approved by Council. Staff will attempt to pursue all of the short-term action items over the remainder of 2022 and into early 2023 to make progress on the City goals. The full list of approved action items can be found in the attachment to this report. Below is a review of progress that has been achieved to date on specific action items, categorized by the five goal areas. There is no progress to report at this time on the action items that are not listed below.

Improve Public Infrastructure

- *“Conduct a traffic speed survey.”* City staff will request funding to conduct a traffic speed survey through the FY 2022-23 Budget.
- *“Initiate a capital assessment effort.”* City staff will request funding to conduct a capital assessment of the Harbor and other areas of the City through the FY 2022-23 Budget.
- *“Review options and develop optimal staffing for City maintenance efforts.”* Council approved staffing enhancements at the FY 2021-22 mid-year Budget review later in February 2022.
- *“Initiate work on paid parking pilot program and continue work on long-term plan.”* Walker Consultants is under contract for the next phase of the pilot program, which includes seeking further input from the parking stakeholder group. It is expected that Council will review results of this next phase on the pilot around summer/fall 2022.
- *“Pursue grant opportunities for the Coleman Beach area.”* City Council authorized staff to apply for California State Prop 68 grants for improvements at the Coleman Beach park area. It is unknown when grant decisions will be made.

Achieve Fiscal Sustainability and Economic Vitality

- *“Seek state lobbyist contract to assist in obtaining state funding for City projects.”* City Council approved a contract with Townsend Public Affairs to represent the City on important state matters and pursue funding for City projects. Staff will recommend extending this contract, as well as the contract for our federal lobbyist (The Ferguson Group) through the FY 2022-23 Budget.
- *“Assess viability for business improvement districts (BID) for Downtown and Embarcadero.”* The City and Chamber are partnered to review this opportunity and currently are conducting survey of businesses in those areas to assess needs and potential support for creation of a BID.
- *“Review development opportunities for the Market Plaza property.”* The City completed its Notice of Availability timeframe with regard to the State’s surplus land act (AB 1486), and can now pursue redevelopment opportunities on that site at this time.
- *“Complete fee study (development impact fees).”* City staff is in process of completing review

- of the draft study, and will present to Council this summer.
- *“Continue review of Vistra proposed battery project.”* Vistra has submitted a project application and staff is working with a consultant to begin environmental review.
- *“Assess cyber security needs.”* City staff conducted an assessment recently and implemented several additional security measures. Assessments of needs will be on-going.
- *“Prepare and review policy options on liabilities (pension and health care).”* City Council approved the City moving forward with the creation of a 115 Trust Fund for pension liabilities and other post retirement benefits. That will be brought back for Council consideration in FY 2022-23.

Address Housing Needs

- *“Complete zoning code update.”* City staff finalizing draft with review by Coastal Commission staff. Planning Commission to review this summer, followed by City Council this summer/fall.
- *“Develop stock Accessory Dwelling Unit (ADU) templates to provide to public for free.”* City staff is working with County partners to finalize the ADU templates. Staff anticipates this work to complete by June 2022, and relevant documents will be placed on the City website.
- *“Provide update to Council on new state housing legislation (such as SB 9) and general education on housing.”* Council received an update on housing legislation and a general overview of City efforts to address housing needs in Morro Bay.
- *“Implement Housing Element.”* Staff is working to finalize core components of the housing element, including inclusionary housing, objective design standards, and density bonus. Council will likely review these components this summer/fall.
- *“Seashell Estate land use amendment regarding density.”* City staff will present to Planning Commission in June and City Council this summer.
- *“Complete Cityworks online plan check application.”* City staff has implemented the online application and is currently testing the systems.
- *“Initiate work with the Planning Commission ad hoc committee for the review of the planning process.”* The committee is formed and will begin meeting once the Cityworks online application is fully implemented.

Climate Action

- *“Pursue electric vehicle charging station funding.”* The City has received grant funding for several chargers on the waterfront and staff is working through implementation efforts. This will likely require some City funding through the FY 2022-23 Budget to complete the project.
- *“Initiate implementation of SB 1383 (organic waste for residents and businesses).”* Staff is coordinating roles and responsibilities for organic waste management with the Integrated Waste Management Authority of SLO County and Morro Bay Garbage, the City's franchise waste hauler. These roles include food recovery program management, business waiver program, implementation of paper and organic procurement requirements, contamination monitoring, education and outreach, and changes in the collection system that ensure residents and business can comply with SB 1383. These local changes will support the State's efforts to realize a 75% reduction in organic waste going to the landfill. This, in turn, will support reduction of greenhouse gases being emitted from decomposing organic material.
- *“Promote Central Coast Community Energy (3CE) new construction electrification program.”* City staff is developing a climate action webpage where this information will reside, which should be online this summer.
- *“Create city webpage with links to energy efficient websites.”* City staff is developing a climate action webpage where this information will reside, which should be online this summer.
- *“Elevate ‘Climate Crisis’ to ‘Climate Emergency’ by way of resolution and seek funding to move forward in this area.”* City Council approved a resolution to that effect later in February

2022.

- *“Implement 3CE Reach Code Incentive Program for new residential development.”* City Staff is working with the Tri-County Energy network (3C-REN) on development of a REACH code related to electrification of new residential development. 3C-REN is developing background material for preparation of a draft code that will be brought forward as part of the adoption of the 2022 Building Code, and will be brought to City Council for review this upcoming winter.

Improve Community Health

- *“Support SLO County Public Health communication efforts to vaccinate members of the Morro Bay community, particularly underrepresented communities.”* The City continues to supplement County communications to the public regarding COVID-19 and vaccines/boosters through the City website, social media, local media, and at City Council meetings.
- *“Inform the County process to update the 10-year plan on homelessness.”* The City Manager is representing Morro Bay on the countywide group charged with updating the long-term plan to reduce homelessness.
- *“Support Filipino-American group (FANHS) rededication event of their historic monument at Coleman Beach.”* City staff is working with FANHS on their event and to help improve the monument area.

Organizational Capacity

While staff believes we can execute on the proposed short-term action items over the remainder of 2022 into early 2023, we will continue to monitor staffing and other needs to achieve the action items and carry out the remainder of staff duties. As members of Council acknowledged in the Goals Workshop, the City has limited staffing and very ambitious goals and workplans. Adjustments may need to be made to staffing, training and equipment moving forward to ensure these goals can be achieved and workplans completed.

ATTACHMENT

1. City Goals, Goals’ Statements, Action Item Worksheet

CITY OF MORRO BAY 2022

GOALS AND SHORT TERM ACTIONS



CITY PURPOSE

In order to preserve the high quality of life in Morro Bay, the City's purpose is to provide essential public service and infrastructure to maintain a safe, clean and healthy place for residents and visitors to live, work and play. To achieve that purpose, the City invests the vast majority of its resources in services such as public safety, public utilities, recreation services, city planning, infrastructure maintenance and improvement, and the internal financial, human resources, and technology to support these public services.

CITY GOALS, GOAL STATEMENTS, AND SHORT-TERM ACTION ITEMS

The City is able to successfully provide these core services thanks to community support and

volunteerism that resource and supplement the City's talented professional staff. As a result of this success, the City is also able to dedicate some resources to address emerging challenges and future-facing opportunities. In late 2021, the City Council adopted five (5) City goals and thirty-five (35) corresponding short-term action Items to meet emerging needs and opportunities. The City goals each have goal statements that outline what the City aims to achieve. The short-term action items are the areas of focus related to the goals that the City will work on in 2022 and into early 2023 (all listed below).

Combining the City's work on core services with future oriented goals will help ensure our community remains a great place to live, work and play for current and future generations.



PUBLIC INFRASTRUCTURE

GOAL STATEMENT: Address (1) cleanliness (while maintaining sensitivity to wildlife) and safety issues in heavy tourism areas, (2) conduct a capital needs assessment, and (3) traffic circulation in Embarcadero.

SHORT-TERM ACTIONS

- Conduct a traffic speed survey
- Initiate a capital assessment effort (Harbor, facilities, stormwater, etc.)
- Review options and develop optimal staffing for City maintenance efforts
- Continue work to implement paid parking program and continue work on long-term plan
- Pursue grant opportunities for the Coleman Beach area improvements



FISCAL SUSTAINABILITY & ECONOMIC VITALITY

GOAL STATEMENT: (1) Create plan to address the City’s unfunded liabilities while striving to achieve competitive compensation, (2) determine potential paths to secure funding for capital needs (Harbor and other needs), and (3) support expedient catalyst site development.

SHORT-TERM ACTIONS

- Seek state lobbyist contract to assist in obtaining state funding for City projects
- Assess viability for business improvement districts for Downtown and Embarcadero
- Review development opportunities for the Market Plaza property
- Complete fee study (development impact fees)
- Continue review of Vistra proposed battery project
- Assess cyber security needs
- Prepare and review policy options on liabilities (pension and health care)



HOUSING

GOAL STATEMENT: (1) Educate the Council on new and existing State legislation related to housing, (2) identify the opportunities for additional housing options and/or explore partnerships to support these efforts, and (3) continue the Community Development Department’s efforts to expedite the development review process.

SHORT-TERM ACTIONS

- Complete Zoning Code update
- Development of stock Accessory Dwelling Units (ADU) to provide to public for free
- Provide update to Council on new state housing legislation (such as SB 9) and general education on housing
- Implement Housing element, including reviewing housing by right, objective design guidelines, ADU ordinance update with incentives, update Density Bonus and inclusionary housing requirements
- Bring land use amendment forward for the Seashell estates property to increase density to 7 – 15 units per acre for a future multifamily housing project
- Complete Cityworks online plan check application
- Initiate work with the Planning Commission ad hoc committee for the review of the planning process



CLIMATE ACTION

GOAL STATEMENT: (1) Participate with other cities in SLO County to support climate action planning efforts, (2) educate Council on the technical terms around climate action to support policy advocacy and the identification of critical next steps for Morro Bay, and (3) consider opportunities to reduce reliance on carbon producing energy sources.

SHORT-TERM ACTIONS

- Pursue funding to complete Climate Action Plan update
- Continue review of Vistra proposed battery project
- Pursue electric vehicle charging station funding
- Initiate implementation of SB 1383 (organic waste for residents and businesses)
- Promote Central Coast

- Community Energy (3CE) New Construction Electrification Program and include in planning materials and on website
- Designate 1 week a year to conduct a renewable energy outreach campaign targeting a specific group
 - Create city webpage with links to energy efficient websites

- Elevate “Climate Crisis” to “Climate Emergency” by way of resolution and seek funding to move forward in this area
- Implement 3CE Reach Code Incentive Program electrification of new residential construction with the adoption of 2022 Building Code in Jan 2023



COMMUNITY HEALTH

GOAL STATEMENT: (1) Create plan to address immediate need for increasing COVID vaccination rates with an emphasis towards target populations with inequitable access or education. (2) Educate Council and staff about Diversity, Equity, and Inclusion (DEI) and engage in a community conversation.

SHORT-TERM ACTIONS

- Provide education to City Council and staff about DEI issues
- Support SLO County Public Health communication efforts to vaccinate members of the Morro Bay community, particularly underrepresented communities
- Inform the County process to update the 10-year plan on homelessness
- Explore opportunities to

- support County efforts to address homeless issues on the North Coast
- Support Filipino-American group (FANHSA) rededication event of their historic monument at Coleman Beach
 - Review opportunity for Boys and Girls Club to offer enrichment activities for teens in the Estero Bay region

- Provide community information and resources regarding access to mental health resources to address behavioral health or mental health crises: substance abuse issues, depressive illnesses and exacerbation of previously controlled mental health issues