



AGENDA NO: PC

MEETING DATE: February 28, 2023

**AGENDA CORRESPONDENCE
RECEIVED BY THE CITY COUNCIL FOR
PUBLIC REVIEW PRIOR TO THE MEETING**

Dana Swanson

From: Lynda Merrill <[REDACTED]>
Sent: Wednesday, February 15, 2023 3:12 PM
To: Dana Swanson
Subject: Fw: Public Comment for City Council, 2/14/2023

CAUTION: This is an external email. Please take care when clicking links or opening attachments.

Dear Dana , please include this in Correspondence for the Feb. 28th, 2023, Morro Bay City Council meeting.

Dear Mayor Wixom and Councilwomen,

Regarding Public Comment on Feb. 14, 2023

Some speakers during Public Comment period demonstrated a lack of respect for our rules of engagement.

GUIDELINES AND EXPECTATIONS • 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. •

Mayor Wixom it is important that you uphold these rules.

No matter the passion people have for whatever subject they are speaking about they need to refrain from making personal remarks against any elected official , Councilwoman Ford should not be subjected to verbal abuse! She has made her position clear as to her votes on the Council. The Attorney has agreed.

Please, enforce our rules and don't let our Council meetings continue to be ruined by a few disgruntled, rude, disrespectful people.

We depend on you to stick up for good government meetings and our Council members.

*Sincerely, Lynda Merrill
MB resident*

Dana Swanson

From: Terry Simons <[REDACTED]>
Sent: Tuesday, February 21, 2023 4:32 PM
To: Dana Swanson
Subject: cwixom@morrobayca.gov morrobayca.gov/223/Planning-Commission
Attachments: Comment for PC 2 2.0.pdf

CAUTION: This is an external email. Please take care when clicking links or opening attachments.

Dana,
Attached please find my Public Comments for the record for tonights PC meeting and please include in the next CC agenda as public comment thanks,
ts [REDACTED]

Comment for PC 2/21/23 re Item C-2 City Goals and Action Items

Reviewing the Staff Report for item C-2 on the PC Feb 21 Agenda I have the following comments for inclusion in the Public Record:

I have taken excerpts of the Staff Report (*seen in italic below*) and **yellow highlighted** specific language/issues in the report for which I am providing comment.

Attachment 1. City of Morro Bay 2022 Goals and Short Term Actions document

Interestingly, this report from Staff is basically a digital restatement of the 2022 Goals statement as attached. Perhaps the CC and PC should be directed to review this document in advance of reading the Staff report as it would significantly shorten and simplify the context of this Staff Report.

Thanks for taking the time to review my comments.
ts

City's core services do not fall under the proposed Council goals-

Recent Public comments at the CC award of a PW works contract regarding improvements to the City Park at Harbor/Morro Bay Boulevard highlighted the gap in public transparency as to projects that move through the approval system without significant Public opportunity to comment early in the process.

Communicate all of the important day-to-day City functions-

It is not clear just how the public should be given additional insights into City projects. When the City needs to get a permit from Community Development, the Public should be notified via traditional methods. The potential for City projects that do affect significant numbers of the public but are not required to get Community Development Permits should perhaps be notified via the City Managers monthly new letter or other methods.

2) Conduct a capital needs assessment-

The Staff report does not provide any information on how this proposed needs assessment will be created. Clearly these ultimately will be budget items generated on a Department level review of budgets. Will this be via consultants?

while striving to achieve competitive compensation-

Historically, compensation in the Central Coast and Morro Bay in particular has been less than what might be defined as “competitive” when compared to other areas. There are subjective benefits to working/living in Morro Bay that those of us who live here accept as “compensation”. We do need to look at ways to make working for the City attractive, but perhaps looking at ways to make **living** in Morro Bay via: housing subsidies; City Owned workforce housing; and other alternative benefits that the City could provide in leu of direct financial compensation. It should be a City Goal to encourage City Employees to live within the City.

7) Educate the Council on new and existing State legislation related to housing-

It would be hoped that the Community Development Department can provide a review of the level of Morro Bay Compliance with the noted State legislation specifically how the City is doing as to meeting the State/COSLO goals of housing related to the number of future housing the City is mandated to provide and how our housing element (has it been approved by CC) meets this requirement.

9) Continue the Community Development Department's efforts to expedite the development review process-

A Recent appeal of the Laurel Street building approval demonstrated the need for continued efforts to make the review process more accessible to the Public early in the Development Review Process. I have previously recommended that the City adopt some form of Design Review Commission/Committee. A process that would encourage development applicants to apply for Conceptual Review at a Public review body could go a long way to facilitate public engagement early in the process. By creating a process that takes projects directly/indirectly to the Planning Commission add significant cost and time on both the part of applicants and the City. I believe that early Conceptual/Schematic review of projects in a noticed public forum not the Planning Commission could actually help to expedite the development review process. The application information for this preliminary review should be significantly less than a full building plan set with all the appurtenant engineering etc. This could be information typically needed for a preapplication meeting to get a general idea of what potential challenges the proposed project will have with the numerous departments that ultimately review projects.

12) Consider opportunities to reduce reliance on carbon producing energy sources

The City is becoming involved in two “energy projects” Vistra BESS and Offshore Wind. The Fed and State has preempted most of the “opportunities” for the City to be involved in the process for development of these projects. However, as a significant Harbor coastal resource, I feel that our priorities should be in favor of the project that best fits with the maritime history of our community. This would be the establishment of full service marine facility consistent with the needs of our local economy and the offshore windfarm.

Our Harbor needs substantial restoration of long neglected infrastructure. A sensitively developed expansion of the maritime facilities could provide significant funding for this purpose. There is substantial onshore land available in the absence of the proposed BESS.

The BESS is NOT a coastal dependent use and can and should be located at a remote and secure facility such as Diablo Canyon. The original proposal and development plan at Diablo envisioned 6 reactor facility (3-2 unit buildings of which only Unit 1&2 have been build) and all the right of way for power distribution is in place for this scale of transmission. Because of the long term nuclear waste storage on site, the facility will remain a high security site for the next 1000 years. There is also a multi story office complex on site that can be modified to provide space for the operational needs of a Diablo BESS.

Clearly there will be a need for cooperation between Vistra and PG&E but since the State have provided a \$1.5B funding for PG&E to work towards its re-licensing, it would seem that there

should be sufficient incentive for PG&E to work cooperatively to protect our energy future. Vistra, as a relative newcomer to the California energy market, should be encouraged to work with FED, State and Local regulators towards a more appropriate location for their proposal. To my mind the most logical location would be at Diablo Canyon. Our City should make it clear to all parties that Morro Bay and the old PGE site is not an appropriate location for a BESS. It is unfortunate that this was not City policy early on and that Vistra has been encouraged to spend significant dollars to fund an EIR that should ultimately be rejected by the City.

14) Educate Council and staff about Diversity, Equity, and Inclusion (DEI) and engage in a community conversation

It is not clear from this statement who is responsible for the “education” in our community. Clearly this is a national dialog that is and will continue to be ongoing. It seems unlikely that our local community does not get constant reminders of the issues every night in the news.

Walker Consultants is under contract for the next phase of the pilot [parking] program.

An update and reference location for the contract would be useful to better understand this item.

“Pursue grant opportunities for the Coleman Beach area.” ... Staff will begin the planning process soon.

It would be useful to have more information on what and how the staff will be doing: In house vs consultant, level of development review with public input???

a contract with Townsend Public Affairs to represent the... City's federal lobbyist (The Ferguson Group) through FY 2022-23.

Please provide links to documents referenced above.

There appears to be interest in forming a BID, but no further action has been taken.

More details would be useful.

“Review development opportunities for the Market Plaza property.”

It would be useful to have more information on how this project is being handled from a Public Oversight perspective. To date, there seem to be several Closed Sessions agenzized concerning one developers interest in the property, but as there have been “nothing to report” coming from these meetings, it is concerning that the process is proceeding “behind closed doors” and lacking the reasonable concept plan review that the public should be made aware of before it is announced that a MOU has been signed by the City and the developer without Public input.

City staff will need to do an RFP for a new development impact fee study.

Why can't this process start with a simple CPI based review without the need for an expensive and time consuming RFP process. Once a CPI impact is done (a simple Spread sheet exercise) then a line item discussion could follow to validate (or not) the reasonableness of the increases. This assumes it is Staff's intent to encourage “increases” in development impact fees. To the degree that this may be counter productive to encouraging investment in our community, perhaps this aspect of development fees should be discussed PRIOR to moving to an RFP to justify increasing fees.

Vistra has submitted a project application for the BESS project and removal of the decommissioned power plant and smoke stacks, an Environmental Impact Report is being prepared and a master plan process is underway for the property. There has been one master plan workshop

To date, the nature of the “outreach” seems inadequate and the Mayor has recently suggested additional workshops including the CC to further this outreach. Hopefully this will be followed through by Staff ASAP

, but there are portions of the zoning code that are pending before the California Coastal Commission,

Please provide specifics as to what is lacking and if all aspects of PLAN MORRO BAY have been successfully approved by Coastal specifically the Housing Element which was lagging in the approval process.

“Develop stock Accessory Dwelling Unit (ADU) templates to provide to public for free.”

Please comment on the application process, fees and additional documentation needed for a successful ADU application process.

Council received an update on housing legislation and a general overview of City efforts to address housing needs in Morro Bay.

Please provide links and explanation of the process being pursued by staff as to this issue.

- *“Implement Housing Element.” The City updated zoning code was approved by City Council in November of 2022 and includes new inclusionary housing and density bonus policies. The objective design standards are undergoing final City review and will be complete in February/March of 2023*

Please provide link and or further explanation of the “objective standards” noted.

- *“Complete Cityworks online plan check application.” Cityworks online is fully functioning, and City is now accepting electronic Building and Planning applications. Community Development has also incorporated an online plan check application, Digeplan, into Cityworks which allows for plan check to be completed electronically, eliminating the need for paper plans.*

Will applicants for small project or those without access to digital production methods still be able to process “paper” applications?

- *“Initiate work with the Planning Commission ad hoc committee for the review of the planning process.” The Community Development Director will be discussing this item with the Planning Commission as part of the goals discussion in February*

I feel that the ad hoc committee should have one or more member of the general public (ideally persons involved with the Planning Process as applicants). I would be glad to join this effort as a public member. Lacking that, I will continue to provide input to the CC and PC via the Public Comment Process available.

- *“Pursue electric vehicle charging station funding.”*

It would appear that the Private Sector is working to develop the needed charging facilities. There is a new facility about to be available in the Albertson's Center next to McD's. It would be interesting to know how the Permitting process for this project was done. If there was any "public notification" of the plans for this facility and how the public will get an opportunity to be involved in the Staffs proposal.

- "Promote Central Coast Community Energy (3CE) new construction electrification program." City staff published a climate action webpage where this information resides. "Create city webpage with links to energy efficient websites." City staff published a climate action webpage where this information resides.

Please provide links to the above

- "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 in February 2022. It is not clear how the Climate rating system is being used. Please provide further clarification of Crisis vs Emergency and the source of this language.

Once the input was reviewed, it was clear that additional education was necessary before the electrification code could be brought back for City adoption

Please provide details as to the information received that lead to the state conclusion that more work was needed.

. The new plan was adopted by the SLO County Board of Supervisors in August 2022, and implementation is underway

Please provide link to COSLO Homeless 10 year Plan.

a warming center, but was not funded. Work continues to bring mental health resources to our homeless population, joining efforts that have been in place for years through the Estero Bay Alliance of Care and Los Osos Cares and Community Connections. The City continues to evaluate opportunities to lend its support to this important issue.

I am currently working with representatives of the Five Cities Homeless Coalition to help facilitate a site in Morro Bay for expanded Homeless services. I will provide more to the CC and PC as this effort develops.

a 5-year agreement with the Central Coast Boys and Girls Club

Please provide link to copy of this agreement.

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, and of course meeting those needs will be dependent upon available resources.

Current City Goals and Action Items Most Relevant to the Community Development and Planning Commission Goals

Clearly the described goals in this report are too numerous for the capacity of Staff with current resources. It would seem that further engagement with the volunteers available in our community to assist with projects would be a potentially cost effective way to address this need.

Further, a ranking of issues to triage the issues by way of CC and PC importance would be useful to set an Order of Work so that the volume of projects is more manageable.

Other Potential Goal Items

1. The Planning Commission has previously voted to recommend to City Council development of a historic preservation ordinance be added to the Council goals

2. At the February 14, 2023 Council meeting, the City Council voted to form an ad hoc committee to consider development of a downtown design district to address the height increase in the downtown.

Note: the above 2 action items could be housed under a Goal Title of "City Policy Update"

I have and will continue to recommend that the CC and PC consider a Morro Bay Design Review Commission or Committee as a permanent adjunct to the Community Development process to review a specific set of Development proposals in a preliminary but public forum to allow for early on input by the public on projects that may develop into controversial items if approved at the Administrative level.

Historic Preservation, Signs of significance and other publicly visible issues being contemplated by other City departments would come under preliminary review by the MB-DRC.

The MB-DRC would also be charged with helping draft Design Guideline for the recently approved Down Town Area as to how the extended heights allowed by the revised Zoning Code would be regulated.

to pick one major priority item

It would appear that Staff would prefer to limit PC discussion to a focused "one item" rather than be involved in the rather extensive presentation of Community Goals. This seems to defeat the purpose of PC review of the issues

Planning Commission areas of interest/authority?

4) Please provide any other input you think would be helpful with regard to City Goals and Action Items

Please elaborate on what the areas of "interest/Authority" Staff feels that the PC has jurisdiction over per City regulations and State mandate.

Attachment 1. City of Morro Bay 2022 Goals and Short Term Actions document

Interestingly, this report from Staff is basically a digital restatement of the 2022 Goals statement as attached. Perhaps the CC and PC should be directed to review this document in advance of reading the Staff report as it would significantly shorten and simplify the context of this Staff Report.

Thanks for taking the time to review my comments.
ts

Excerpts for the Staff Report-

It should be noted that **many of the City's core services do not fall under the proposed Council goals**, and staff continues to work to develop clearer ways 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 brought forward recommendations to Council as part of the (FY) 2022-23 Budget process and will do so again if needed through the mid-year budget process.

City Goals' Statements (2021-2022) 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**

- **"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 Advisory Boards and Council will review results of this next phase on the pilot in the next couple months.

- **"Pursue grant opportunities for the Coleman Beach area."** The City received a \$600,000 California State Prop 68 grants for improvements at the Coleman Beach park area. Staff will begin the planning process soon.

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**. Council extended their contract, as well as the contract for the City's federal lobbyist (The Ferguson Group) through FY 2022-23.

- **"Assess viability for business improvement districts (BID) for Downtown and Embarcadero."** The City and Chamber are partnered to review this opportunity. A survey of businesses was conducted in those areas to assess needs and potential support for creation of a BID in mid-2022. **There appears to be interest in forming a BID, but no further action has been taken.**

- **"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.

- **"Complete fee study (development impact fees)."** City staff will need to do an RFP for a new development impact fee study.

- **"Continue review of Vistra proposed battery project (BESS)."** Vistra has submitted a project application for the BESS project and removal of the decommissioned power plant and smoke stacks, an Environmental Impact Report is being prepared and a master plan process is underway

for the property. **There has been one master plan workshop**, stakeholder outreach is underway and the City has released a survey in support of the master plan process.

- “Assess cyber security needs.” C
- “Complete zoning code update.” City Council approved the zoning code update in fall 2022. A majority of the zoning is now in effect, **but there are portions of the zoning code that are pending before the California Coastal Commission**, with certification anticipated in spring 2023.
- “Develop stock Accessory Dwelling Unit (ADU) templates to provide to **public for free**.” ADU plans are complete and City is in the process of having them updated to the 2022 Building Code. Staff anticipates this work to complete soon, 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.” The City updated zoning code was approved by City Council in November of 2022 and includes new inclusionary housing and density bonus policies. The **objective design standards are undergoing final City review** and will be complete in February/March of 2023.
- “Seashell Estate land use amendment regarding density.” City Council moved forward the process to upzone these properties, and that work is on-going. Based upon concerns of the Planning Commission and Chamber, The City Manager formed an ad hoc group of Councilmembers, Planning Commissioners, City staff and Chamber representatives on this item. Information from this group will **be presented to Council in 2023**. The owner of the Seashell Estate property **will be submitting an application** for a multifamily housing project in February/March 2023.
- “Complete Cityworks online plan check application.” Cityworks online is fully functioning, and City is now accepting electronic Building and Planning applications. Community Development has also incorporated an online plan check application, Digeplan, into Cityworks which allows for plan check to be completed electronically, eliminating the need for paper plans.
- “Initiate work with the Planning Commission ad hoc committee for the review of the planning process.” **The Community Development Director will be discussing this item with the Planning Commission as part of the goals discussion in February**
- “Pursue funding to complete the Climate Action Plan Update.” City is actively reviewing grant opportunities to update the Climate Action Plan.
- “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
- “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. Trash rate increases were approved following a Proposition 218 process in June 2022, to support this effort.
- “Promote Central Coast Community Energy (3CE) new construction electrification program.” City staff published **a climate action webpage where this information resides.**
- “Create city webpage with links to energy efficient websites.” **City staff published a climate action webpage where this information resides.**
- “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 in February 2022.
- “Implement 3CE Reach Code Incentive Program for new residential development.” City developed a draft electrification code and sent out a survey to gather input from the public on the draft ordinance. **Once the input was reviewed, it was clear that additional education was necessary before the electrification code could be brought back for City adoption.** The City is working with 3C-REN on an educational campaign for the electrification code. Improve Community Health
- “Provide education to City Council and Staff about Diversity, Equity and Inclusion issues.” Council has discussed these issues throughout 2022, and adopted different policies to support inclusion and belonging in the Morro Bay community and within the City.
- “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 represented Morro Bay on the countywide group charged with updating the longterm plan to reduce homelessness. **The new plan was adopted by the SLO County Board of Supervisors in August 2022, and implementation is underway.**

- “Explore opportunities to support countywide efforts to address homeless issues on the North Coast.” The City applied for state funding to create a warming center, but was not funded. Work continues to bring mental health resources to our homeless population, joining efforts that have been in place for years through the Estero Bay Alliance of Care and Los Osos Cares and Community Connections. The City continues to evaluate opportunities to lend its support to this important issue.
- “Support Filipino-American group (FANHS) rededication event of their historic monument at Coleman Beach.” City hosted the rededication event with FANHS in October 2022 (at Coleman Beach) and coordination efforts are underway to help improve the monument area.
- “Review opportunity for Boy and Girls Club to offer teen services.” The City Council approved a 5-year agreement with the Central Coast Boys and Girls Club to provide teen services to Morro Bay residents out the Morro Bay Teen Center. They will open their doors in coordination with the beginning of the next school year.

Organizational Capacity

Staff will continue to monitor staffing and other needs to achieve the action items (and additional action items added through the goal process) and carry out the remainder of staff duties. As members of Council acknowledged in the 2021/2022 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, and of course meeting those needs will be dependent upon available resources.

DISCUSSION The City is currently in the process of collecting community input, including asking each of the advisory boards and commissions for their thoughts and priorities. That input will be shared with City Council during a community forum, likely in late March 2023.

Below is a summary of current City Goals and Action Items having bearing on the Community Development Department and PC (for progress updates on the Action Items, please see above). Current City Goals and Action Items Most Relevant to the Community Development and Planning Commission Goals

- Improve Public Infrastructure
- Achieve Fiscal Sustainability and Economic Vitality
 - Housing
 - Climate Action

Other Potential Goal Items

1. The Planning Commission has previously voted to recommend to City Council development of a historic preservation ordinance be added to the Council goals

2. At the February 14, 2023 Council meeting, the City Council voted to form an ad hoc committee to consider development of a downtown design district to address the height increase in the downtown.

Note the above 2 action items could be housed under a Goal Title of “City Policy Update”

Next Steps and Questions for PC to Consider

Staff recommends that PC members review the information above and ask questions of staff for any clarifications. Staff also recommends that PC members consider the questions below as a starting point for development of a goals recommendation to City Council. That summary will serve as the basis for the PC to deliberate and provide formal input to City Council to inform Council’s efforts to update the City Goals and Action Items.

Questions

- 1) If you had to pick one major priority item for Community Development Department and Planning Commission to work on, what would it be?
- 2) Do you believe the current five city goals reflect the priorities of the Community Development Department and Planning Commission? Yes/No
- 3) What action items should the City pursue related to the Community Development Department and Planning Commission areas of interest/authority?
- 4) Please provide any other input you think would be helpful with regard to City Goals and Action Items.

Attachment 1. City of Morro Bay 2022 Goals and Short Term Actions document



AGENDA NO: A-3

MEETING DATE: February 28, 2023

**AGENDA CORRESPONDENCE
RECEIVED BY THE CITY COUNCIL FOR
PUBLIC REVIEW PRIOR TO THE MEETING**

Dana Swanson

From: betty winholtz [REDACTED]
Sent: Tuesday, February 28, 2023 1:23 AM
To: Carla Wixom; Laurel Barton; Jennifer Ford; Zara Landrum; Cyndee Edwards
Cc: Dana Swanson; Sarah Johnson-Rios
Subject: agenda item a-3

CAUTION: This is an external email. Please take care when clicking links or opening attachments.

Dear City Council:

I would like to support the total allocation of the almost \$600,000 in Streets not be used for the Rock parking lot bathroom (these are street monies), but instead be used for repairing city streets which have degraded even further during these winter storms. There is another \$200,000 available in the Trust and Agency Fund that is earmarked for the 1/41 roundabout that should be used on street repair instead. Finally, there is over \$650,000 in Administration fees. That's a total of \$1,450,000 available right now for the \$2 million required minimum to keep our streets in fair to below fair condition.

I would like to support the total allocation of the almost \$300,000 in Parks be used for the totality of upgrading the Lila Kaiser Parking lot, not just for ADA access.

I support the use of the fees, but not in the way presented. Rather, we have obvious needs; these monies should be spent now on infrastructure--our streets and park--not held or partially held back.

Sincerely,
Betty Winholtz



AGENDA NO: C-2

MEETING DATE: February 28, 2023

**STAFF PRESENTATION
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Midyear Budget Report FY 2022-23

Morro Bay City Council
February 28, 2023





Midyear Summary and Outlook

- Stable but cautious midyear report
- At midyear, revenues and expenditures are on track
- Major revenue sources projected to level off
- Expenditure growth will outpace revenue growth

Fiscal Outlook





Revenue Trends

- Sales Tax (Gen Fund and Measure E)
 - Leveling off; growth slowing this year
 - FY 23-24 – projected 0.6% growth
 - FY 24-25 – projected 2-3% growth
- Transient Occupancy Tax –
 - Declines projected regionally this year
 - Conservative budgeting and spring events – no budget change this year
 - New hotel coming online will help in FY 23-24



Revenue Trends

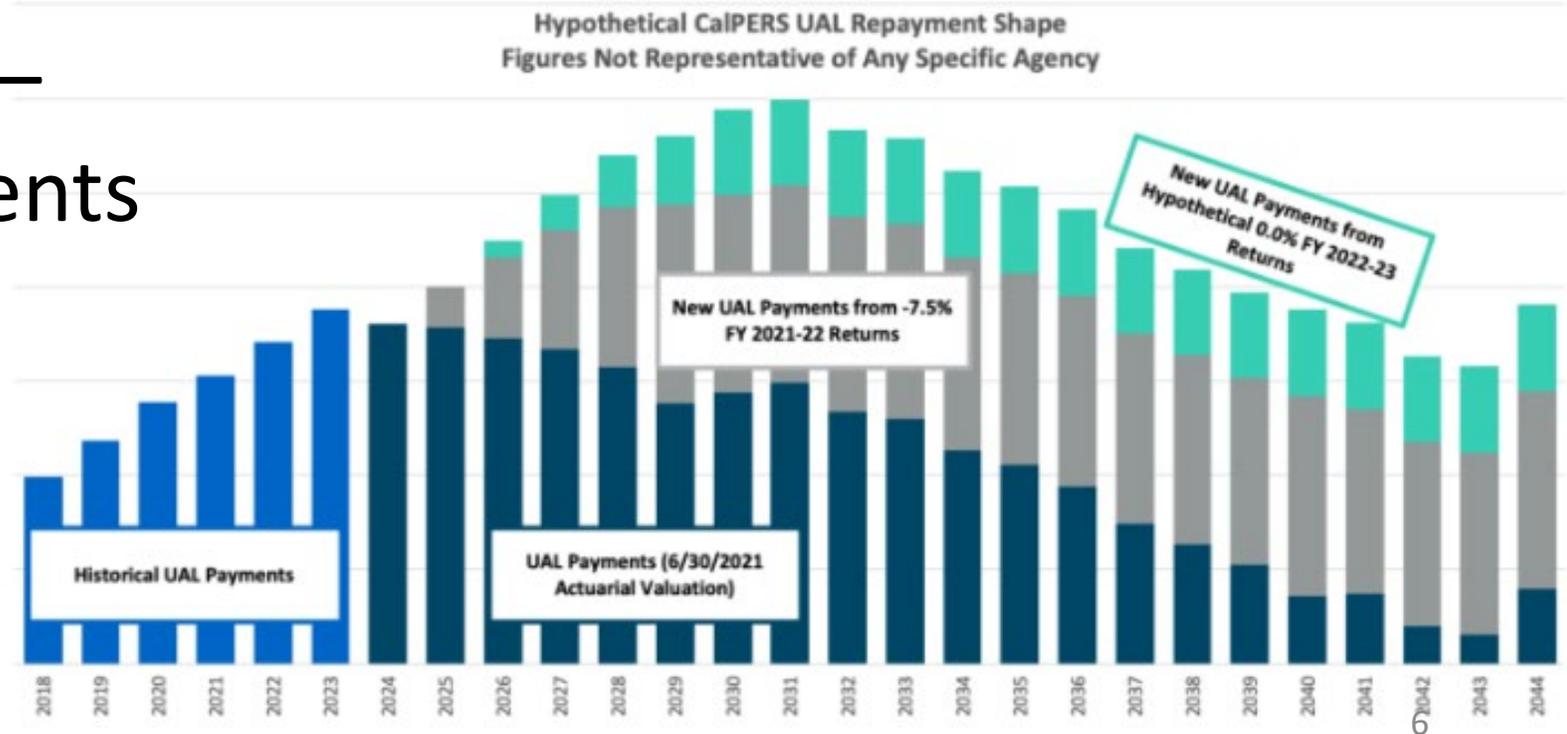
- Property Tax
 - No changes recommended to current year budget
 - County projects Morro Bay's revenue to be 2.9% higher in FY 23-24 than current year
- Other Major Revenues
 - Measure E – sales tax revenues leveling off
 - Harbor Fund – largest driver is sales tax trends
 - Enterprise Funds – rates flat



Expenditure Trends

- Personnel Costs
 - 4% negotiated wage increase in FY 23-24

- Pension Liability – increasing payments on past debt





Expenditure Trends

- Storm Emergency Recovery Costs
 - Full cost still unknown but significant
 - Reimbursement amounts unknown
- Unfunded Capital Needs
 - Current year budget to begin needs assessments

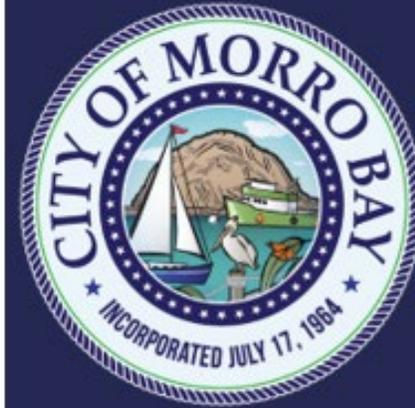


Near-Term – Caution Needed

- Expenditure growth will likely outpace revenue growth in next couple/few years
- FY 2023-24 Budget Development
 - Steady, cautious approach
 - Work to complete capital projects on the books now
- Prioritize storm recovery – determine full scope, reimbursement potential, and impact to reserves

City of Morro Bay Midyear Budget Report FY 2022-23

This Report covers the seven-month period through January 31, 2023.
This report provides an update on the City's primary revenues and expenditures in its major funds, and outlines recommended budget adjustments.





Three Budget Adjustment Categories

1. Previously Approved by Council this Fiscal Year (\$0.14 M)
2. Additional Budget Amendments for Consideration (\$0.64 M)
3. Near-Term Storm Recovery (\$1.78 M)



January Storm Adjustments by Category & Fund Summary

FY 2022-23 Recommended Mid-Year Budget Adjustments for January Storm Costs by Category				
<u>Category</u>	<u>Category Description</u>	<u>Completed</u>	<u>In process - to be completed by 6/30</u>	<u>Total FY 2022/23</u>
A	Debris Clearance	\$ 476,900	\$211,000	\$687,900
B	Protective Measures	\$64,000	\$0	\$64,000
C	Road Systems	\$15,000	\$486,019	\$501,019
D	Water Control Facility	\$0	\$0	\$0
E	Buildings and Equipment	\$0	\$427,674	\$427,674
F	Public Utility System	\$0	\$100,000	\$100,000
	Totals	\$555,900	\$1,224,693	\$1,780,593
FY 2022-23 Estimated Repair Costs by Fund				
Fund	001-General Fund	\$938,100		
Fund	915-General Fund Capital	\$556,019		
Fund	311-Water Operating	\$281,474		
Fund	331-Harbor Operating	\$5,000		
	Total	\$1,780,593		



Funding Sources for Proposed Changes

- Citywide and across all funds - \$2.6M net expenditure increases
85-90% are one-time expenditures (not ongoing)

Net Expenditure Increase (appx)	Funding Source
\$1.5 M	General Fund Emergency Reserve
\$0.4 M	General Fund Balance
\$0.3 M	Water Fund Balance
\$0.1 M	Sewer Fund Balance
\$0.2 M	Harbor Fund Balance
\$0.1M	Other (ARPA, Ironman)
\$2.6 M Total	

General Fund

Status Highlights & Recommend Budget Amendments





Midyear Revenues & Expenditures

FY 2022-23 General Fund Total Revenues and Expenditures

	Adopted Budget	01/31/23 Actuals	% Rec'd/ Used
Total Revenues	18,353,748	8,897,744	49%
Total Expenditures	20,571,918	11,653,433	56%
GRAND TOTAL	(2,218,170)*	(2,745,026)	

**Budgeted use of fund balance for pension reserve funding and USDA loan payoff.*

- General Fund revenues fiscal year-to-date are on track
- Percentage collected is slightly lower due to routine lag in collections of major revenue sources



General Fund Revenues

Total GF Revenue Budget: \$18.4M

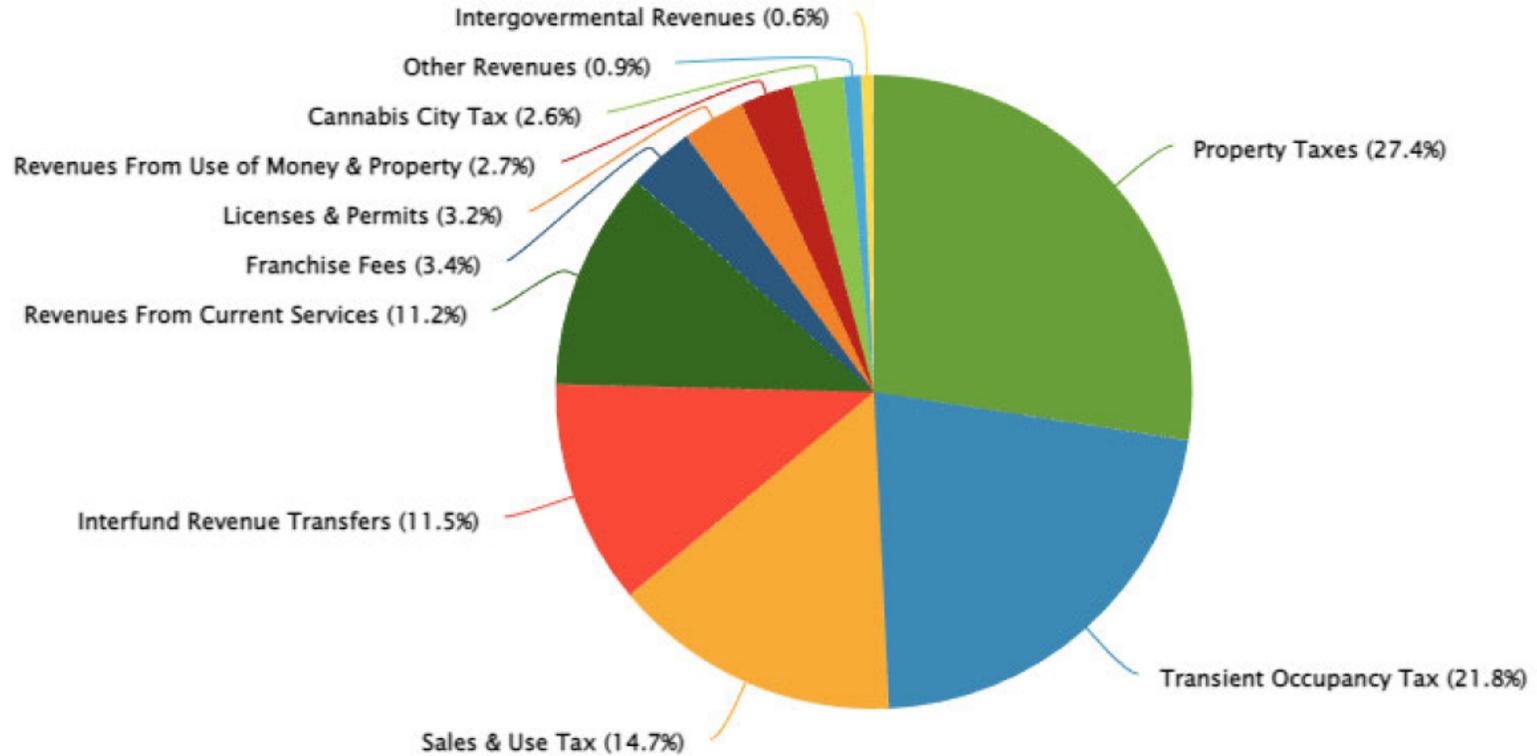
Property Tax – no increase

Transient Occupancy Tax (TOT) – leveling off

Sales Tax – leveling off

Charges for service – stable

Other revenues - stable





General Fund Expenditures by Type

Expenditure Type	FY2023 Adopted	FY2023 thru 1-31	FY2023 % Spent
Personnel Services	\$12,586,490	\$7,377,394	59%
Supplies	\$630,847	\$285,895	45%
Other Expense	\$156,641	\$124,771	80%
Services	\$3,468,003	\$1,364,942	39%
Capital Outlay	\$0	\$3,853	--
Debt Service	\$1,169,169	\$1,216,193	104%*
Interfund Transfers	\$2,560,769	\$1,280,385	50%
Total Expense Objects:	\$20,571,918	\$11,653,433	56%

*The Debt Service expenditures are higher than budgeted due to the early payoff of the Fire Station loan. The actual final payoff amount was higher than the estimated cost provided by the loan agency at the time of budget development. A budget amendment is being sought to address the discrepancy.



General Fund Expenditures by Department

Department	2023 Adopted	FY2023 thru 1-31	FY2023 % Spent
City Council	\$155,220	\$68,709	44%
City Manager's Office	\$1,260,834	\$670,781	53%
City Attorney	\$408,174	\$194,412	47%
Administrative Services	\$1,153,104	\$590,617	51%
Police Department	\$4,156,363	\$2,249,404	54%
Fire	\$2,941,340	\$2,087,043	71%*
Public Works	\$2,843,293	\$1,581,584	55%
Community Development	\$1,464,709	\$916,981	62%
Recreation	\$1,428,240	\$749,710	52%
Non-Departmental	\$4,760,642	\$2,544,191	53%
Total Dept. Expenditures:	\$20,571,918	\$11,653,433	56%

*Fire Department expenditures are higher in the first half of the fiscal year due to higher fire response activity in the July-November period. Expenditures associated with mutual aid response are reimbursed to the City. While not anticipated, year-end budget adjustments would be made if needed.



General Fund and General Capital Recommended Budget Amendments Summary by Category

Category	Revenue Adjustments	Expenditure Adjustments	Net Impact to Fund
Previously Approved by Council-GF	20,000	103,800	83,800
Previously Approved by Council-GF CIP	33,342	33,342	0
New Budget Amendments	40,000	416,312	376,312
January Storm Adjustments-GF	938,100	938,100	0*
January Storm Adjustments-GF CIP	556,019	556,019	0*
Total	1,587,461	\$2,047,573	460,112

Net Impact:

- Leaves appx \$3.7 M in GF balance
- Leave appx. \$3.9 M in GF Emergency Reserve Fund Balance

** Impacts to General Fund Emergency Reserve (separate fund from General Fund). Refer to Attachment FY 2022-23 Mid-year report itemized list of amendments by category.*

1. General Fund Expenditure Amendments Previously Approved by Council

Previously Approved by Council General Fund Expenditure Budget Amendments

Description	Department	Increase (Decrease) Amount	One-time/Ongoing	Account	Object Desc
Boys & Girls Club to provide Teen Services	Public Works	10,000	One-time	001-5215-6106	Contract Services
Multi-Use Trail Repair (Bike Path Repairs)	Public Works	13,800	One-time	001-5215-5501	Grounds Maint. Supplies
Cost to prepare an environmental document (mitigated Negative Declaration) for a proposed land use change for the Shepard Martz property.	Community Development	14,000	One-time	001-7105-6106	Contract Services
Community Development-Granicus Contract	Community Development	28,000	Ongoing	001-7105-6105	Consulting Services
Ironman Event Contract Expenses-PW	Public Works	15,000	TBD	001-5215-4120	Overtime Pay
Ironman Event Contract Expenses -PD	Police	15,000	TBD	001-4110-4120	Overtime Pay
Ironman Event Contract Expenses-Fire	Fire	3,000	TBD	001-4310-4120	Overtime Pay
Ironman Event Contract Expenses-Transfer from GF to Harbor for OT Expenses	Finance	5,000	TBD	001-7710-8570	Transfer out to Enterprise
	Total	103,800			



1. General Capital Fund Expenditure Amendments Previously Approved by Council

Previously Approved by Council General Govt Capital Fund Expenditure Budget Amendments

Description	Department	Increase (Decrease) Amount	One-time/ Ongoing	Account	Object Desc.
Pavement Management Project	Public Works	33,342	Ongoing	915-9614-6106	Contractual Services
Reduce Expense Budget from SD- Pipeline Kern & Anchor Project	Public Works	-166,838	One-time	915-9934-6106	Contractual Services
Increase Expense Budget for Elena Slope Repair Project	Public Works	166,838	One-Time	915-9949-6106	Contractual Services
	Total	33,342			



2. Additional General Fund Expenditure Amendments



New Recommended General Fund Expenditure Budget Amendments

Description	Department	Increase (Decrease) Amount	One-time/ Ongoing	Account	Object Desc.
Office Furniture Purchase for Admin. Technician (Desk, Hutch, Filing Cabinet(s))	PW Engineering & Administration	3,853	One-time	001-5205-7311	Office Furniture
Office furniture for new City Hall HR office	City Manager	3,800	One-time	001-3140-6106	Misc. Operating Supplies
Repair Police Station Plumbing	PW Consolidated Maintenance	20,000	One-time	001-5215-6106	Contractual Services
Retrofit existing office space for new HR Manager Position	Human Resources	25,000	One-time	001-3140-6106	Contractual Services
Leave accrual payout for HR Analyst	Human Resources	14,525	One-time	001-3140-4599	Other Pay
Transfer Out from GF to Cloisters to cover cost of IT contribution	Finance	420	One-time	001-7710-8580	Transfers Out
Leave accrual payout for City Manager	City Manager	52,000	One-time	001-3110-4599	Other Pay
City Manager Recruitment Expenses	City Manager	53,000	One-time	001-3140-6760	Recruitments
Leave accrual payout for Police Chief	Police	28,314	One-time	001-4110-4599	Other Pay
Development Impact Fee Study	Finance	50,000	One-time	001-3510-6105	Consulting Services
On-Call services for E&A Consulting Services	PW Engineering & Administration	40,000	Ongoing	001-5205-6105	Consulting Services
Fleet Maintenance	PW Consolidated Maintenance	10,400	Ongoing	001-5215-5199	Miscellaneous Operating Supplies
Homeless Outreach Case Manager Position to Gen Fund	Human Resources	50,000	Ongoing	001-4110-4110	Regular Pay
Fire Station Loan Payoff Higher than Estimated by USDA	Non-Departmental	65,000	One-Time	001-1111-8130	Principal Repayment
	Total	416,312			

3. General Fund and General Capital January Storm Recovery Amendments

Description	Increase (Decrease) Amount	Account Number*
Revenue		
Insurance coverage for Maintenance Service Truck replacement vehicle	35,000	001-5215-3911
Transfer in from General Fund Emergency Reserve	903,100	001-7710-3801
Total Revenues and Transfers In	938,100	
Expenses		
Removal of sludge, mud, vegetation debris	100,000	001-5215-6106
Debris removal from ditch that is impeding storm water flow	150,000	001-5230-6106
Road closure; traffic control; debris removal; storm drain debris removal; jetting road and storm drain (Main from SR-1 to SR-41, Preston Lane, and Errol Street)	145,000	001-5230-6305
Road closure; traffic control; debris removal; storm drain debris removal; jetting road and storm drain (Atascadero Road from Park Street to Embarcadero Road)	120,000	001-5230-6106
Silt removal, replacing playground woodchips – Lila Keiser Park	50,000	001-5215-5501
Silt removal, replacing playground woodchips – Del Mar Park	50,000	001-5215-5501
Fallen tree removal; damaged power and communication lines (388 Main); debris removal under Morro Creek bridge blocking flow (big tree and silt from storm flows)	15,000	001-5230-6106
Water usage for clean up efforts for #13	15,000	001-5230-6303
Sludge disposal (due to drying bed damage at WWTP could not dry/dispose of new sludge at old plant and needed to dry/dispose from 555 SBB)	9,000	001-5215-5501
Fallen tree removal – Franklin Riley Park	5,100	001-5230-6106
Fallen tree removal; fence damage (1) – Lila Keiser Park	5,000	001-5230-6106
Street sweeper cleaning throughout South Bay Blvd. in Morro Bay city limits and County's portion with truck stage site.	5,000	001-5230-6106
Fallen tree removal – Bayshore Bluffs Park	3,600	001-5230-6106
Road closure; traffic control; debris removal	3,000	001-5230-6106
Fallen tree removal; took out power and communication lines – Main at Harbor and Dunes	2,200	001-5230-6106
Debris, mud clean up	2,000	001-5230-6106
Debris, mud clean up	2,000	001-5230-6106
Debris, mud clean up; on demand water heater	6,000	001-5230-6106
Debris removal roll off bins	60,000	001-4210-5130
Sand for sandbags	3,500	001-5215-6303
Waddle to protect path to pickleball courts	500	001-5215-5501
Rock Parking Lot Restoration	15,000	001-5215-6106
Maintenance (fluids, filters, etc.) due to running vehicles through floodwater; repair PW inspector truck	7,000	001-5205-5504

Description	Increase (Decrease) Amount	Account Number*
Snake rooter	5,400	001-5215-5530
Pressure washer	5,000	001-5215-5530
Pavement grinder	5,000	001-5215-5530
Cement cutter	5,000	001-5215-5530
Maintenance (fluids and air filter changes) due to running vehicles through floodwater	5,000	001-5215-5199
Mowers (4)	4,800	001-5230-5530
Apparatus and vehicle repairs and maintenance from flood water traversing	4,400	001-4210-6604
Weed eaters (7)	3,600	001-5230-5530
PPE damaged and contaminated by biohazard	3,500	001-4210-5109
Water dispenser, welder and welding equipment	3,200	001-5215-5502
Paint sprayer	3,000	001-5215-5530
General mini rooter	1,600	001-5215-5530
Breakroom refrigerator, table, 6 chairs, water dispenser	1,500	001-5215-5502
Edgers (3) Briggs & Stratton	1,500	001-5230-5530
Pole saws (2)	1,200	001-5215-5530
Chop saw (STI)	1,000	001-5215-5530
Hedge trimmer	500	001-5230-5530
Repair washed out/undermined road; traffic control; Several truckloads of 12"- 14" Gabion rock was dumped and placed for road support; placed 1-1/2" rock as 1st layer bedment	30,000	001-5215-6106
Work truck (2017 Ford F250)-Josh's Truck	60,000	001-5215-7202
John Deere mower	15,000	001-5215-7301
Carpet tiles (1 palette)	4,000	001-5215-5502
Total Expenditures	938,100	

* Note that the account numbers for a few expenditure line items are pending; budget will be in the General Fund operating budget, primarily in Public Works.

3. General Fund and General Capital January Storm Recovery Amendments

January Storm Recommended General Fund Capital Expenditure Budget Adjustments

Description	Increase (Decrease) Amount	Account
<u>Revenue</u>		
Transfer in from General Fund Emergency Reserve	556,019	915-7710-3801
Total Revenues and Transfers In	556,019	
<u>Expenditures</u>		
Pavement rehab due to flood damage (1260ft x 32ft x \$11.31/sq ft)	456,019	915-9950-6106
Storm drain failure; slope failure; debris, mud clean up; sewer main failure; temporary bypass; pavement rehabilitation	100,00	915-9949-6106
	556,019	

1-3. General Fund and GF Capital Revenue Amendments



Fund	Category	Description	Increase (Decrease)
GF	Previously Approved by Council	Ironman Event Reimb.	20,000
GF	New Recommended Amendment	Reduce transfer from Traffic Safety Fund	-10,000
GF	New Recommended Amendment	Transfer in from ARPA Fund for Homeless Outreach Manager	50,000
GF	January Storm Recommended Amendment	Transfer in from GFER	938,100
CIP	Previously Approved by Council	Additional State Roads Revenue	33,342
CIP	Previously Approved by Council	Reduce Revenue from Pipeline & Anchor project	-166,838
CIP	Previously Approved by Council	Increase Revenue to Elena Slope Repair Project	166,838
CIP	January Storm Amendment	Transfer in from GFER: Pavement Rehab and storm drain failure	556,019
		TOTAL	1,587,461

Measure E(&Q) Fund

Status Highlights & Recommend Budget Amendments





Priority Expenditure Areas

- Maintain **public safety services** by funding staff positions that are most closely aligned with the purposes of the Measures Q and E. Expenses include costs associated with Morro Bay Fire Department, Morro Bay Police Department and Morro Bay Harbor personnel and equipment, in addition to the Fire Headquarter Debt service and the Fire Engine loan repayment;
- Maintain or enhances **cleanliness and safety of public spaces** such as parks, waterfront and the beach by funding personnel, supplies, expenses and equipment to support City operations in departments including Public Works Consolidated Maintenance and Harbor Department;
- Invest in **infrastructure and equipment** such as street paving, storm drains, and vehicle replacements that support City services. This priority may include **increasing capacity to implement** the backlog of unfunded capital projects; &
- Ensure financial health of the City by **maintaining appropriate reserves** to protect against economic downturns, natural/health emergencies and other unforeseen challenges or opportunities.



Midyear Revenues & Expenditures

FY 2022-23 Measure Q & E Total Revenues and Expenditures

	Adopted Budget	01/31/23 Actuals	% Rec'd/ Used
Total Revenues	4,292,000	1,897,751	44%
Total Expenditures	5,179,167	2,885,542	56%
GRAND TOTAL	(887,167)*	(987,792)	

* Expenditure budget exceeds revenue budget due to intended use of fund balance from prior years.

- Fund Sales tax revenues through (5 of 12 months) as there is a two-month lag in collections.



Midyear Expenditures by Department

Department	Adopted Budget	Actuals	% Used
Police	\$ 788,522	\$ 547,894	72%
Fire	\$ 849,328	\$ 562,006	66%
Public Works	\$ 549,199	\$ 269,932	49%
Harbor	\$ 238,118	\$ 128,709	54%
Interfund Transfers	\$ 2,754,000	\$ 1,377,000	50%
Total	\$ 5,179,167	\$ 2,885,542	56%



Recommended Expenditure Budget Changes

Description	Department	Increase (Decrease) Amount
Server Replacement	Police	20,000
New Automated External Defibrillators (AED's)	Police	12,000
RMS Software support	Police	11,100
Repair Fire Station Cistern	Public Works-Consolidated Maintenance	20,000
Encampment cleanup	Public Works-Consolidated Maintenance	25,000
Sidewalk/curb/gutter on-call services	Public Works-Streets	34,600
	Total	122,700



Recommended Revenue Budget Changes

Measure E(Q) Budget Amendments taken to CFAC at February 21st meeting but there was no quorum.

	Budget Increase
Increase Measure E Sales Tax Revenue Budget	122,700

- Represents a conservative increase (2.9%) based on sales tax consultant's growth estimates.
- Amended revenue budget would be approximately \$4.4 million.

Enterprise Funds

Status Highlights & Recommend Budget Amendments





Harbor Operating Fund Status

Fund status as of June 30, 2022 (FY 2021-22 year-end)

- FY 2021-22 operating surplus of appx \$0.7 million
- Working Capital (spendable fund balance) of appx \$1.04M

Midyear budget status

- Revenue: 17% collected (0.4M of \$2.4M)
- Expended: 56% of operating budget (\$1.2M of \$2.3M) and on track year-to-date
- Capital projects work continues; remaining backlog of needs remains
- Measure Q&E contributing to Harbor needs for FY 2022-23
- January storm recovery will impact fund



Harbor Operating Fund Recommended Budget Amendments Summary by Category

Category	Revenue Adjustments	Expenditure Adjustments	Net Impact to Fund
Previously Approved by Council (Harbor Patrol Officer, Ironman)	5,000	74,285	69,285
New Budget Amendments (Retirement payout, building improvements, legal)	--	96,045	96,285
January Storm Budget Adjustments (temp dock repairs)	--	5,000	5,000
Totals	5,000	175,330	\$170,330

- Net Impact:
- Expenditure increase appx \$0.2M
 - No significant change to projected year-end fund health



Water Funds Status & Changes

Water Operating Fund status as of June 30, 2022 (FY 2021-22 year-end)

- Working Capital (spendable fund balance) of appx \$5.4M
- Sufficient fund balance for preliminary storm recovery project while maintaining required reserves

Midyear budget status

- Collected appx. 56% of revenue (\$3.45M of \$7.7M)
- Expended appx. 42% of expenditure budget (\$3.9M of \$9.4M)



Water Operating Fund Recommended Budget Amendments Summary by Category

Category	Revenue Adjustments	Expenditure Adjustments	Net Impact to Fund
Previously Approved by Council	--	--	--
New Budget Amendments (OT& standby pay)	--	30,000	30,000
January Storm Budget Adjustments (Roof leaks and equipment replacement)	--	281,474	281,000
Totals	-	311,474	311,474

Net Impact:

- Expenditure increase appx \$0.3M
- No significant change to projected year-end fund health



Sewer Operating Fund Status

Fund status as of June 30, 2022 (FY 2021-22 year-end-unaudited)

- Working Capital (spendable fund balance) of appx \$17.5M
- Sufficient fund balance to fund recommended budget amendments

Midyear budget status

- Collected appx. 49% of revenue (\$5.8M of \$11.2M)
- Revenue lower than anticipated due to delayed timelines for loan disbursements
- Expended appx. 47% of expenditure budget (\$8.0 of \$15.2 million)



Sewer Operating Fund Recommended Budget Amendments Summary by Category

Category	Revenue Adjustments	Expenditure Adjustments	Net Impact to Fund
Previously Approved by Council (old WWTP appraisal)	--	22,500	22,500
New Budget Amendment (OT & standby pay)	--	60,000	60,000
January Storm Budget Adjustments	--	--	--
Totals	--	82,500	82,500

Net Impact:

- Expenditure increase appx \$0.08M
- No significant change to projected year-end fund health



Transit Operating Fund and Capital Fund

Changes to reflect:

- Council approved additional Rural Transit Grant Award Funds, and Park Transit Hub Funds for the Park Transit Hub Project.
- \$124,632 in Grant funds are already budgeted in the Transit Fund operating budget, but the revenue item needs to be budgeted.



Next Steps – FY 2023-24 Budget

Council Approved Budget Schedule:

- February Finance prepares budget framework, training, and instructions
- Feb 21 FY 2022-23 Measure Q&E Midyear budget presentation to CFAC
- Feb 28 FY 2022-23 Midyear Budget Presentation to Council
- March Departments prepare FY 2023-24 budget submittals
- April City Manager/Exec Team budget meetings; draft budget development
- April Preliminary Council input on budget and/or fiscal policies if needed
- May 16 CFAC reviews budget and provides input, emphasis on Measure Q&E
- May 23 Council Budget Study Session #1
- May 24 Council Budget Study Session #2
- Jun 13 Budget Adopted at Council Meeting
- Jun 27 Backup date for Budget Adoption

Legend

Council Meetings

Advisory Board Meetings

Internal Staff Actions



Recommendations

Staff recommends that the City Council:

1. Receive a fiscal outlook update;
2. Receive the Fiscal Year (FY) 2022-23 Midyear Budget Report;
and
3. Adopt Resolution No. 11-23 authorizing the attached Budget Amendments

Additional Slides for Reference





Transit Operating Fund Recommended Budget Amendments Summary by Category

Category	Revenue Adjustments	Expenditure Adjustments	Net Impact to Fund
Previously Approved by Council (Park Transit Hub project)	--	44,544	44,544
New Budget Amendments	7,379	34,127	26,748
January Storm Budget Adjustments	--	5,000	5,000
Totals	7,379	83,671	76,292

Refer to Attachment FY 2022-23 Mid-year report for itemized list of amendments by category



Transit Capital Fund Recommended Budget Amendments Summary by Category

Category	Revenue Adjustments	Expenditure Adjustments	Net Impact to Fund
Previously Approved by Council	176,555	44,544	132,011
New Budget Amendments	34,127	34,127	0
January Storm Budget Adjustments	--	--	--
Totals	210,682	78,671	132,011

Refer to Attachment FY 2022-23 Mid-year report for itemized list of amendments by category



Other Funds- All Budget Adjustments

Fund Name	Category	Revenue Adjustments	Expenditure Adjustments	Net Impact to Fund
Risk Mgmt. Fund	Previously Approved by Council	--	7,500	7,500
Economic Dev. Fund	Previously Approved by Council	--	10,000	10,000
ARPA Fund	Previously Approved by City Mgr.	--	25,000	--
ARPA Fund	New Budget Amendments	50,000	50,000	--
	ARPA Fund Impact Total	50,000	75,000	25,000
Cloisters AD	New Budget Amendments	420	420	0
IT Fund	New Budget Amendments	--	17,167	17,167
Traffic Safety Fund	New Budget Amendments	10,000	10,000	0
Vehicle Replacement Fund	New Budget Amendments	--	35,000	35,000
GF Emergency Reserve (GFER)	January Storm Budget Adjustments	--	1,469,119	1,469,119

In all cases Fund balance is available to make all budget amendments as recommended



AGENDA NO: C-3

MEETING DATE: February 28, 2023

**AGENDA CORRESPONDENCE
RECEIVED BY THE CITY COUNCIL FOR
PUBLIC REVIEW PRIOR TO THE MEETING**

Heather Goodwin

From: Jeffrey Heller [REDACTED]
Sent: Monday, February 27, 2023 6:57 PM
To: Council
Subject: Agenda Correspondence - Item C-3 - Qtrly WRF Report: Reg. CC Mtg 2/28/23

CAUTION: This is an external email. Please take care when clicking links or opening attachments.

Dear council and staff

1. Since the WRC(sewer plant) and Conveyance (piping) projects are nearly complete, please consider mandating a maximum 20 pg Qtrly Report rather than the 50 pg. report. Hopefully a more digestible and more affordable report will result.
2. I am concerned that Table 1, pg 141 of the staff report only presents "current" budget figures. This simply tracks the increasing expenses as they occur in time. If I were building a sewer plant (or remodeling my house), I would want to know the estimate at completion ("EAC") at each quarterly report. Please require the management team to provide this number in all future reports.
3. The Recycled Water Facility (RWF) is far behind the other two phases of the program. The Basis of Design (BOD) for the injection/extraction wells and processes--has been discussed for over 4 years...but is still not complete. The contract amount for this work has increased 177% above the original value. What has changed over the past 4 years that has prevented the City from having the BOD completed? Why is the budget for well construction \$0? Why is this part of the program going to take at least 2 more years to complete? What is the projected cost per acre foot (\$/AF) to generate the recycled water? Perhaps the council should mandate that the next and all future Qtrly reports contain a \$/AF estimate for the recycled water. Also....the next report should also focus on the RWF until all costs and completion dates are clearly identified for City Council and members of the public.

Thank you
Jeff Heller

[REDACTED]

Dana Swanson

From: Terry Simons [REDACTED]
Sent: Tuesday, February 28, 2023 4:22 PM
To: Dana Swanson
Cc: Jeffrey Heller
Subject: Jeff heller lette re WRF

CAUTION: This is an external email. Please take care when clicking links or opening attachments.

Dana,
Please include the following in the CC record for tonight meeting:

I want to add to comments by Jeff Heller re the One Water Program:
As to the recently toured treatment facility:

- Job well done;
- The facility looks like it will serve the community for many years to come.

- I am concerned about the "Elephant in the Room-Operational Costs:
 - Our historic treatment plant was primarily a Gravity Feed System;
 - We do have some history with Lift Stations;
 - But the existing facilities are dwarfed by the new facilities;
 - The need to push uphill the entire waste of the community 24/7/365;
 - Will take our annual operating cost to levels not seen before;
 - Of even greater concern is that the new facilities use expensive pumps etc.;
 - These pumps have a relatively short life span and a very expensive replacement cost.

We are headed to significant adjustments of rates and no practical way to conserve.

As to the reclaim portion of the Plan:

- I am concerned by some of the assumptions and concepts of the reclaim PLAN:
 - We are injecting water of a high quality into a aquifer of lower quality;
 - I would like to see cost comparison of Full Treatment vs reclaim;
 - The short term cost may be a push and the with a long term savings;
 - Compared to using complete treatment vs injection and then retreating before using.

Looking forward to seeing the NUMBERS \$\$\$

ts [REDACTED]