



AGENDA NO: PC

MEETING DATE: March 28, 2023

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

Heather Goodwin

From: Haley Goodman <hgoodman@dimension-energy.com>
Sent: Wednesday, March 22, 2023 1:55 PM
To: Council
Cc: cityclerk@morrobay.gov
Subject: RE: Invitation to Support California's Community Solar Program
Attachments: CCSA Explanation of NVBT.pdf; Community Solar Municipal Support Letter.docx; California Community Solar (Dimension Energy).pdf; California Community Solar_March 2023.pptx

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

Hello City Council of Morro Bay,

I hope you are all faring well amidst the storms that California has been inundated with recently.

I am following up on my email below because I planned to present this information to you all last Tuesday during the Council meeting, however it was canceled due to the storm. I now plan to speak to you all about Community Solar during the public comment period for this coming Tuesday's Council meeting.

My goal is to introduce the Community Solar + Storage program to the city and it's benefits to Morro Bay residents. I am currently gathering signatures from Mayors that support the program to ensure the program is implemented by the CPUC efficiently so that residents can start seeing utility bill savings and the program can capture federal funding allocated for 2023 and 2024. The open letter of support currently has support from the Mayor of Benicia and will be submitted on March 31st.

Thank you all for your time in reading this email and I look forward to speaking to you all on Tuesday! Please feel free to follow up with me by phone or email with any questions before then.

Be well,

Haley Goodman

Associate, Business Development
hgoodman@dimension-energy.com | Mobile: 914-233-6000
www.dimension-energy.com

From: Haley Goodman
Sent: Wednesday, March 8, 2023 2:38 PM
To: council@morrobayca.gov
Cc: cityclerk@morrobay.gov
Subject: Invitation to Support California's Community Solar Program

Dean City Council of Morro Bay,

I hope this email finds you all well, and pleasure to e-meet you all. My name is Haley Goodman and I work with the Business Development team at Dimension Renewable Energy, a nation-wide developer of community solar projects. Dimension focuses specifically on developing projects to expand the accessibility of solar benefits to historically underserved and underrepresented communities in the clean energy transition.

I was advised to reach out to you by Dana Swanson. I'd like to invite your municipality to join us in supporting a new community solar program recently passed in California that's designed to bring energy savings to communities throughout the state. The program, currently awaiting implementation by the California Public Utilities Commission, would greatly expand energy equity throughout the state by bringing the benefits of solar to disadvantaged communities that have historically been excluded from them. Please see attached materials and [this article from the Energy news Network](#) for more details.

The program's benefits include:

- **Accessibility:** every project will reserve a minimum of 51% capacity to serve low- to moderate-income households. Any resident can subscribe to the other half of each project.
- **Affordability:** guaranteed discounts on utility bills.
- **Job creation:** about 20-30 high-paying union jobs per project.
- **Strong consumer protections:** no credit checks, no sign-up/termination payments, and no long-term contracts.

The program's supporters include:

- The Ratepayer Advocate for California (TURN)
- Organized Labor (such as CA Coalition of Utility Employees)
- Environmental Justice Groups (such as CA Environmental Justice Alliance and NRDC)

I am currently gathering signatures for an open letter of support from Mayors throughout California to ensure that the CPUC implements the program equitably and efficiently. The letter of support is attached for reference. We plan to submit the letter of support on **March 31st**.

I plan to present some information on Community Solar during the public comment portion of your Council meeting on 3/14. I look forward to sharing information with you and look forward to answering any questions you might have.

Respectfully,

Haley Goodman

Associate, Business Development

hgoodman@dimension-energy.com | Mobile: 914-233-6000

www.dimension-energy.com

To:

Commissioner Alice Reynolds
President, California Public Utilities Commission

RE: Support for a Timely Community Solar Program

Dear Commissioner Reynolds,

California needs a community solar + storage program that provides homeowners, renters, and businesses access to the economic and environmental benefits of solar energy while supporting a stronger and more reliable electric grid.

Our citizens need reliable energy to work and live, and many need help to make ends meet. As California modernizes its grid and prepares for fire, flood, heat, and cold, we need solutions that harness the power of the market to bring clean energy investments to the grid and benefits directly to people.

The Coalition for Community Solar Access has proposed a program that provides:

- Access for all Californians,
- Lower energy costs,
- Improved electric grid reliability,
- High-paying jobs, and
- Strong consumer protections.

The time is now to bring this program forward and leverage the federal benefits available to communities that adopt community solar + storage programs. We, the undersigned, urge you and your fellow commissioners to move quickly and approve the community solar + storage program proposed by the Coalition for Community Solar Access in proceeding A.22-05-022.

Respectfully submitted,

[signature blocks]

California Community Solar

There is a new way to adopt solar energy and reduce energy costs even if you don't own your home or apartment

What is community solar?

Community solar is a state program that gives everyone the opportunity to share the benefits of clean, renewable energy without the need to install expensive solar panels at home.



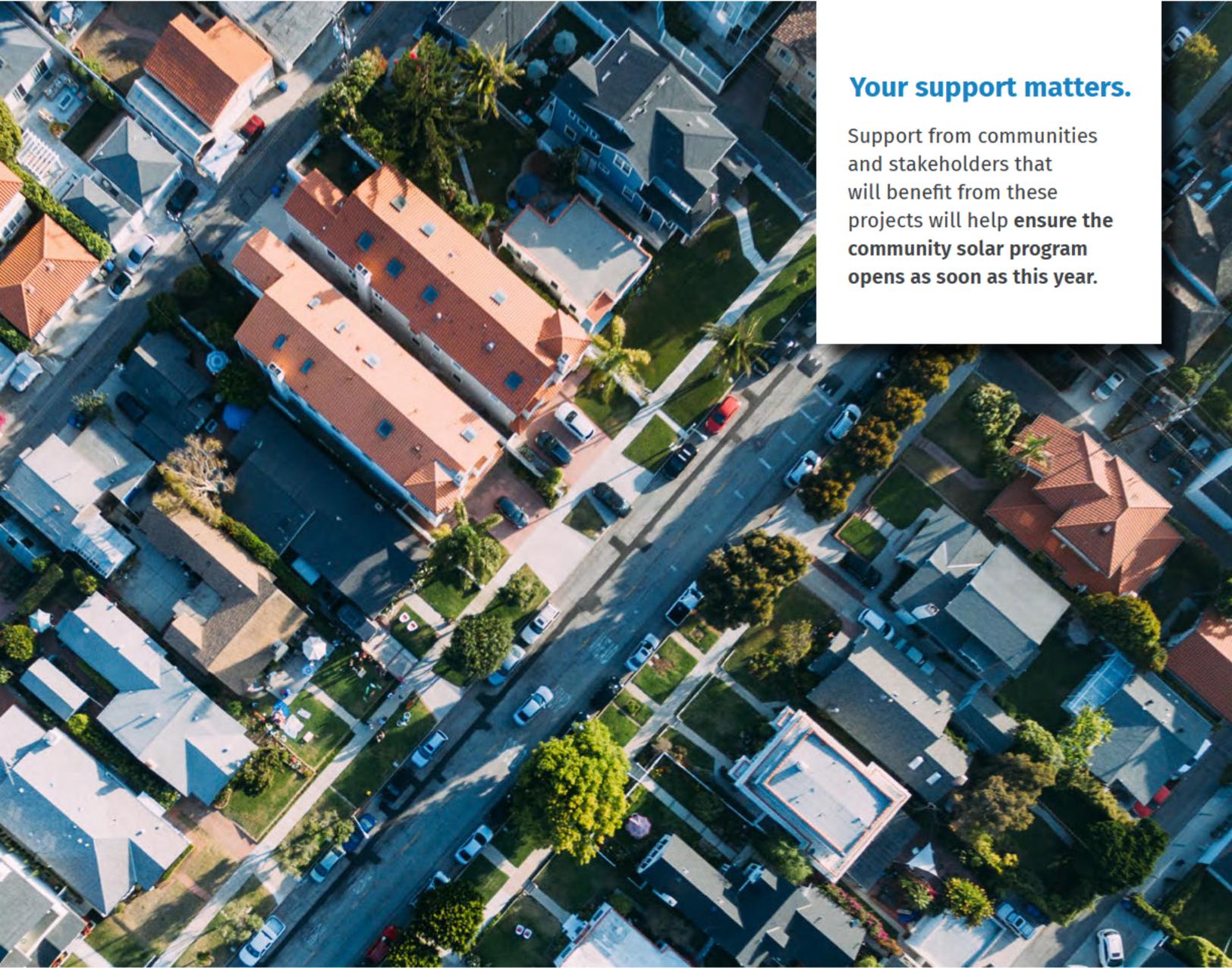
Community solar projects invest in local communities by providing energy savings for local residents, high-quality union jobs, local grid reliability, and expanded access to green energy for underserved populations.



Community solar is coming to California thanks to the signing of Assembly Bill 2316 in September 2022 and will help the state overcome clean energy access barriers while strengthening the power grid.



The California Public Utilities Commission and California Energy Commission are currently in the process of developing rules and guidelines that will govern the implementation of community solar in California.



Your support matters.

Support from communities and stakeholders that will benefit from these projects will help ensure the community solar program opens as soon as this year.

About Dimension

Dimension is the largest community solar developer in California and a firm advocate for expanding solar access to all. We are developing community solar projects across the Golden State that will deliver benefits to more than 75,000 households. Our projects deliver energy savings to local and low-and-moderate income residents, and they serve as catalysts for workforce development, education, and non profit programs. Dimension understands that real partnerships deliver real benefits to the community and we are dedicated to localizing the impacts from our projects to the greatest extent possible.

Want to learn more? Please feel free to reach out via email or phone to:

Haley Goodman
Business Development
hgoodman@dimension-energy.com
(914) 233-6000

Bryan Bentrott
Vice President of Origination
bbentrott@dimension-energy.com
(650) 380-1450

www.dimension-energy.com





Net Value Billing Tariff Proposal

February 27, 2023

Advancing Energy Access for Everyone

Overview

- Basic Tariff Structure
- Crediting Mechanics
- Consumer Protection

Basic Tariff Structure

- **Generator Account** - customer account creating credits from exported energy(\$ x kWh)
- **Benefiting Account** - customer account receiving credits based on subscription
- **Monthly crediting with indefinite rollover on Benefiting Account**
- **Avoided Cost-based Compensation => Export Credit Rate (ECR)**
 - ACC “value stack” + day ahead CAISO energy values = Hourly value of exported energy
- **Eligible Facilities**
- **Solar + storage or wind generators**
- **Must connect to IOU distribution system**

Basic Tariff Structure

- **Benefitting Accounts**
 - Any customer class, bundled or unbundled
 - Service under any otherwise applicable rate
 - Same distribution service territory as facility
 - Leave service territory: forfeit subscription
 - Move within service territory: subscription can transfer
 - No tariffed minimum duration of service
 - Subscription size: expected annual kWh usage
- **Generator Account**
 - Facility enrollment: executed interconnection agreement and non-ministerial permit obtained
 - Unallocated credits can be banked for up to two years

Crediting Mechanics

- Facility enrollment: executed interconnection agreement and non-ministerial permit obtained
- IOU reads Generating Account meter
- Monthly report identifies % allocation to each Benefiting Account
- Simplified customer billing option upon request of Facility Owner

Consumer Protection

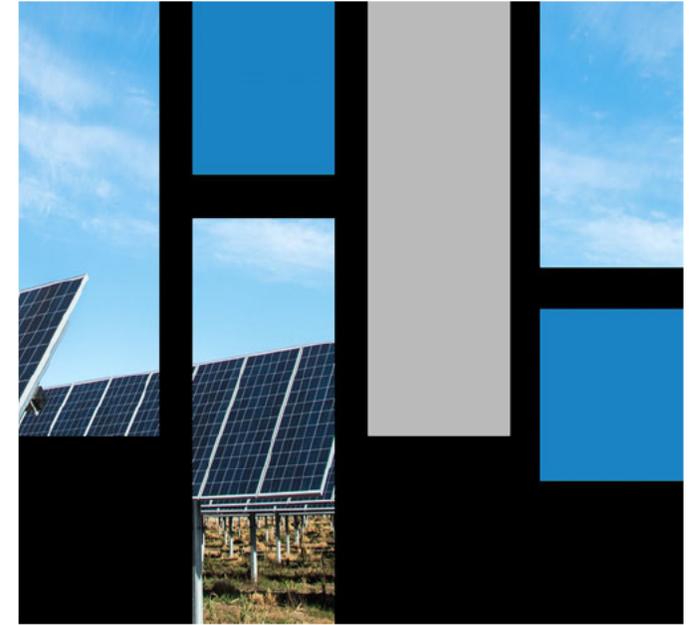
- Termination fees prohibited for Low-income participants*
- Use of credit scores prohibited for Low-income participants
- All Benefiting Accounts receive standardized, Commission-approved disclosure
- Facility Owner and Subscription Coordinators must be registered with the Commission

Q&A

Joseph Wiedman - joe@jfwiedman.com

Derek Chernow - derek@communitysolaraccess.org

Thank You!



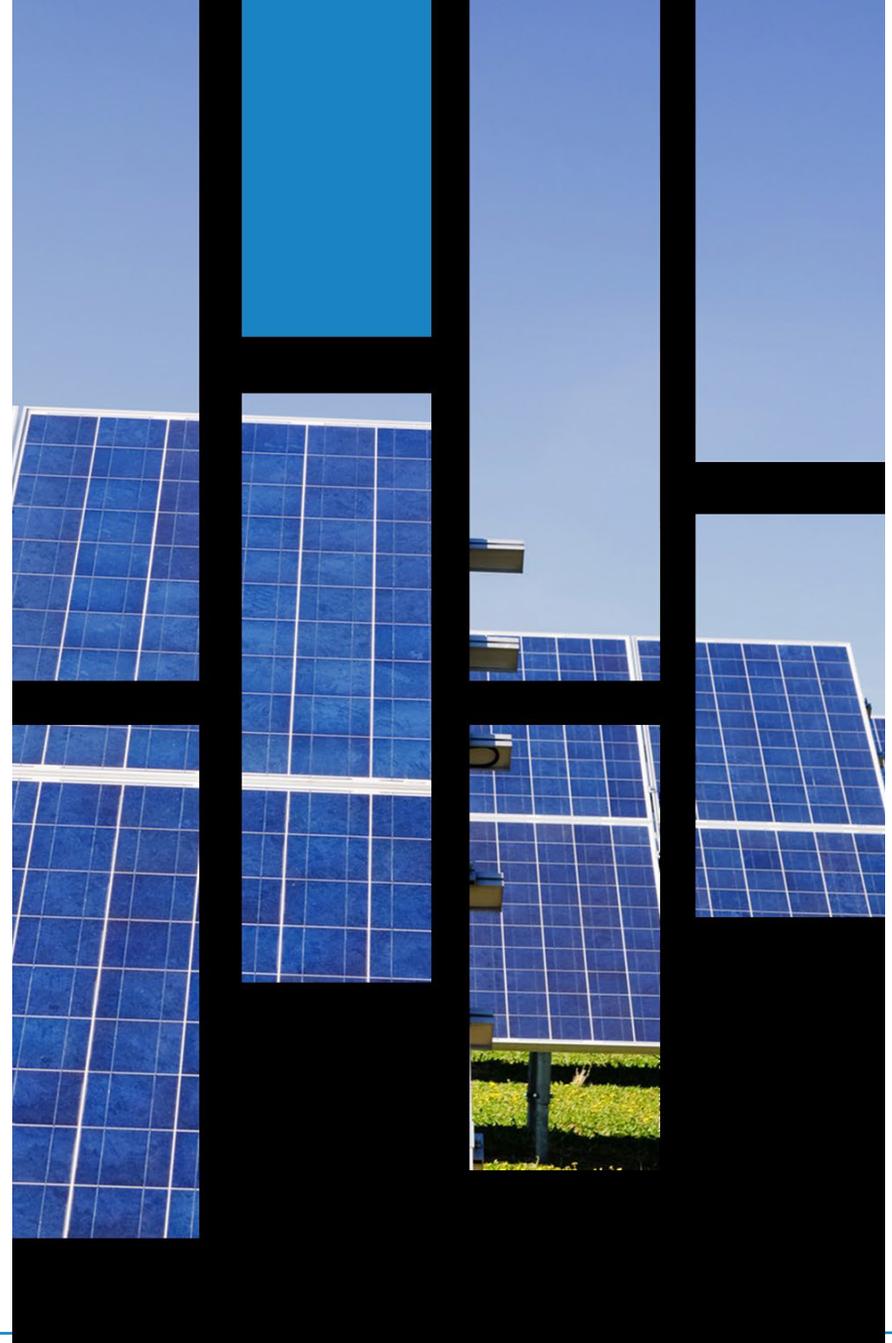
California Community Solar

Energy Savings for All Families



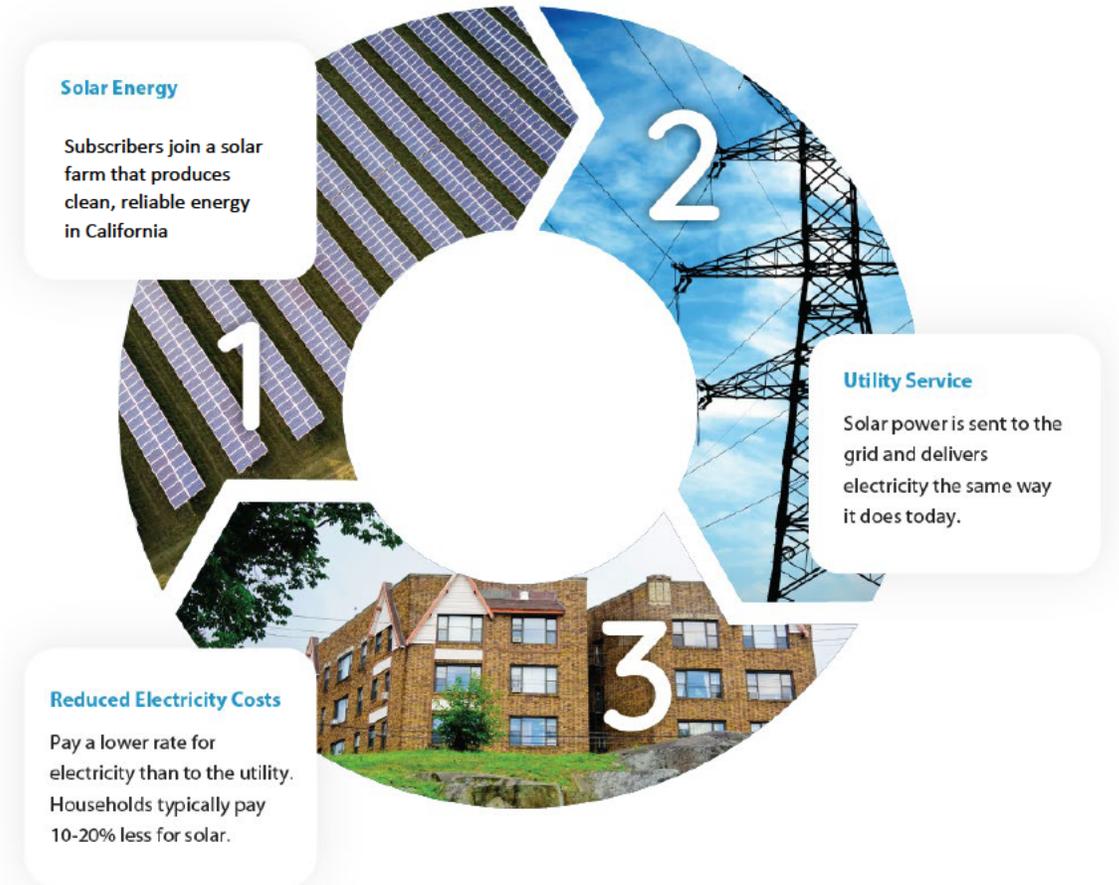
Introduction

- Community Solar: How It Works
- Community Solar and Your Electric Bill
- Customer and Community Benefits
- Community Solar Timeline

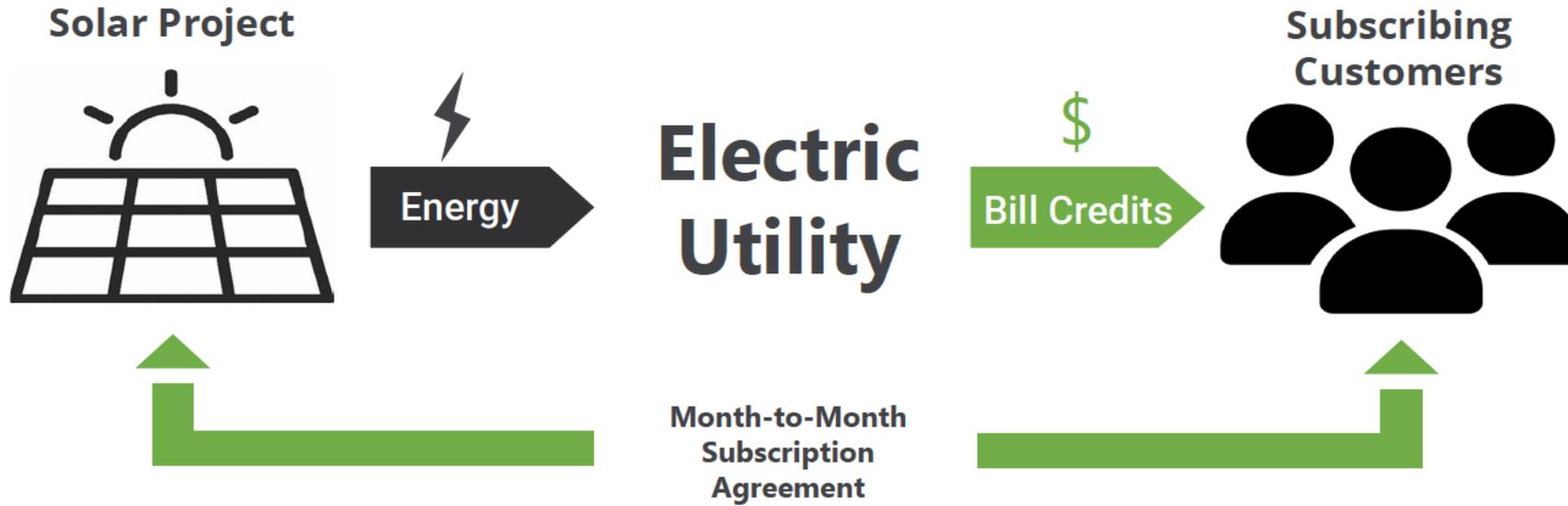


Community Solar: How It Works

- Community solar brings the benefits of solar to everyone, regardless of income or location
- Participants subscribe to part of the solar project and receive savings on their utility bill every month
- No long-term contract obligations or fees
- Subscribers can move within their utility service territory or terminate the arrangement at any time
- Subscribers still receive one bill from their current utility



Community Solar and Your Electric Bill



Without Community Solar
Utility Electric Bill:
\$100

Total Electric Bill: **\$100**

With Community Solar (*Illustrative*)
Utility Electric Bill: **\$ 0**

Community Solar Bill: **\$80**

Total Electric Bill: **\$80**

Savings: **\$20**

Customer & Community Benefits

Benefits for **People**

- Electric bill savings every month
- Access to solar without panels at home
- No long-term contract obligations or fees
- No personal credit requirements (no FICO scores) for low-income families
- Everything on one utility bill

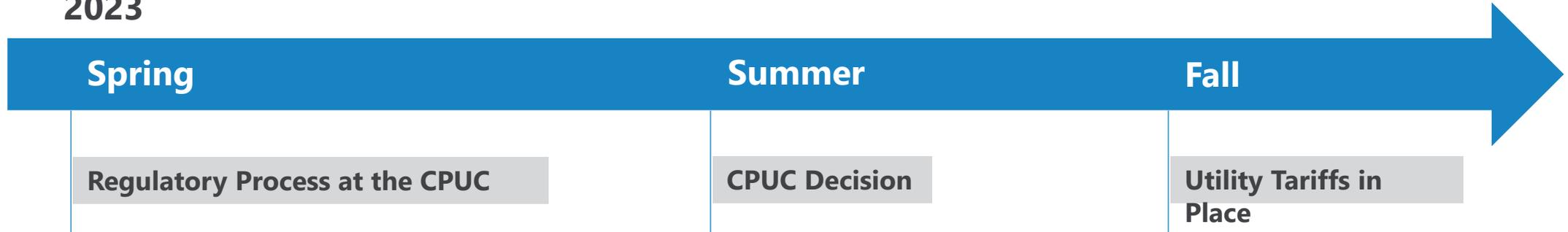
Contributions to the **Community**

- No city or county obligations
- Construction jobs for each project
- Workforce training opportunities
- Projects primarily serve low-income families



Community Solar In California: Timeline

2023



Regulatory Implementation:

- Set bill credits and other program rules
- Consumer protections
- Low-income benefits
- Leverage and maximize Federal incentives



From: [Judy Setting](#)
To: [Ted Schiafone](#); [Greg Carpenter](#); [Cyndee Edwards](#); [Laurel Barton](#); [Carla Wixom](#); [Zara Landrum](#); [Jennifer Ford](#); [Scot Graham](#); [Dana Swanson](#)
Subject: An Examination into Offshore Wind Farm Industrialization
Date: Monday, March 20, 2023 4:12:56 PM

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

Dear Council & City Staff,

On March 16th, Congressman Jeff Van Drew held a hearing to listen to experts regarding the impacts Offshore Wind Farm Industrialization is having on our society. It is so interesting and a bit frightening. You can watch it on YouTube... '[An Examination Into the Offshore Wind Farm Industrialization](#)'. Start at about 35 minutes. I believe we are about a year or so behind the East Coast...you will hear many similarities.

This campaign to fast-forward Offshore Wind Farms seems to be a massive ponzi scheme....designed to capitalize on massive government funding before the science, and decimated tourism and environment reveal the dangers.

Dana, will you please submit this correspondence, including the link, with public comment at our 3/28/23 City Council meeting?

Thank you for protecting our rare coastal environment and tourism industry.

Judy Lynn Setting





AGENDA NO: A6

MEETING DATE: March 28, 2023

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

From: [Jeffrey Heller](#)
To: [Council](#)
Subject: Agenda Correspondence-Reg. CC Mtg 3/28/23-item A-6
Date: Sunday, March 26, 2023 2:41:49 PM

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

This item references an updated COI policy---which is always a good idea.

Please also consider developing a COI policy for Morro Bay (public agency), as required by California Public Contract Code, for instances when we choose to use the "design/build" delivery method for capital projects.

Our failure to have had this policy in place, prior to awarding consultant and/or construction contracts for the WRF Program, resulted in millions of dollars of unnecessary cost overruns.

Thank you
Jeff Heller
Former City Council Member

Dana Swanson

From: betty winholtz <[REDACTED]>
Sent: Tuesday, March 28, 2023 5:21 AM
To: Carla Wixom; Laurel Barton; Jennifer Ford; Zara Landrum; Cyndee Edwards
Cc: Dana Swanson
Subject: agenda item a-6

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

Dear City Council:

On page 52 of 135, a paragraph states that Consultants, as much as elected officials and certain full time employees, are legally subject to conflicts of interest.

This brings to mind Mr. Heimel who receives pay from the City of Morro Bay and officials in Los Osos. §475 (b)(1) of Title 16, Division 5 of the California Code of Regulations states, "(b) Conflict of Interest: (1) If a licensee provides professional services for two or more clients on a project or related projects, the licensee shall disclose in writing to those clients and property owners or their authorized representatives his or her relationship to those clients."

I assume the city manager did not make an exception for Mr. Heimel, and he was subject to conflict of interest paperwork.

My question is: Is his paperwork, along with other consultants, as well as your own statements available for the asking from the City Clerk, or must it be requested through a Public Records Act?

Sincerely,
Betty Winholtz



AGENDA NO: A7 & A8

MEETING DATE: March 28, 2023

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

From: [Jeffrey Heller](#)
To: [Council](#)
Subject: Agenda Correspondence-Reg. CC Mtg 3/28/23-Items A7 and A8
Date: Sunday, March 26, 2023 2:51:34 PM

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

Does the City have a written policy re: posting of generic proclamations on our agendas? If not, what is the process for getting proclamations included? Each of the 12 months of the year must have 10+ "causes" associated with them. Who/how are they chosen for our meetings? What is the purpose/benefit to our residents for having generic proclamations? Some cities do not allow proclamations on their agendas--as they are sometimes contentious and divisive.

I support proclamations that recognize the achievements of local businesses, non-profits, or individuals who have gone above and beyond to improve our community. Otherwise, generic proclamations have no place on our agendas.

Thank you all for your service
Jeff Heller
Former Council Member



AGENDA NO: A9

MEETING DATE: March 28, 2023

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

Dana Swanson

From: betty winholtz [REDACTED]
Sent: Monday, March 27, 2023 12:19 AM
To: Carla Wixom; Laurel Barton; Jennifer Ford; Zara Landrum; Cyndee Edwards
Subject: agenda item a-9

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

Dear City Council:

Is this paragraph saying that this project was going to happen eventually anyway, but now it is in need of imminent repair due to storms? Or is it saying that a different project was going to happen eventually, but now some of those funds are needed for immediate damage repair.

- 1.) If the latter, why was the project over-budgeted, so there are extra funds available.
- 2.) If the two projects that need immediate repair due to storm damage are estimated at \$73,000, why is \$80,000 being requested?

This is the paragraph I find confusing:

"The Boat Launch Ramp & Float Replacement Planning capital improvement project (CIP) project has several contracts that total \$117,000 (including a 25% contingency). That CIP project has a budget of \$210,000. That should provide approximately \$80,000-\$90,000 in budget saving. The intent of this project was to complete planning for replacement in order to seek construction funds either through grants or in future budget years. Repairs for the boat ramp fingers are estimated to be \$52,000. A separate contract for the three finger docks is estimated to be \$21,000. The two projects are estimated to cost a total of \$73,000."

Sincerely,
Betty Winholtz



AGENDA NO: B1

MEETING DATE: March 28, 2023

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

Dana Swanson

From: betty winholtz <[REDACTED]>
Sent: Monday, March 27, 2023 12:28 AM
To: Carla Wixom; Laurel Barton; Jennifer Ford; Zara Landrum; Cyndee Edwards
Cc: Cindy Jacinth; Dana Swanson
Subject: resubmittal agenda b-1

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

Dear City Council:

Every year the City receives Block Grant money whose intent is to "benefits low-income and very low-income families or persons, project feasibility, cost effectiveness, and organization's experience or knowledge regarding program requirements."

The criteria for choosing projects includes "funding recommendations and funding priorities developed using **community input**. The program criteria includes consistency with federal regulations and laws, **community support**, seriousness of **community development needs** (page 17 of 37)

I would like to point out that projects for block grant monies have not included the bolded language above: community input, community support, community needs. What traditionally has occurred is that staff identifies the project(s) brings it to city council; there is minimal discussion, and then it is approved.

I would like to suggest that during the next round of block grant money that the public be alerted ahead of time to their ability to make suggestions about how to spend the money and given the opportunity to share their ideas with staff (perhaps through the planning commission) before staff's recommendation goes to city council for approval. This would be closer to fulfilling the criteria for this money.

Sincerely,
Betty Winholtz



AGENDA NO: C1

MEETING DATE: March 28, 2023

**STAFF PRESENTATION
RECEIVED BY THE CITY COUNCIL FOR
PUBLIC REVIEW PRIOR TO THE MEETING**



Morro Bay
California

**Results of the City of Morro Bay
Financial Statement Audit
for the Fiscal Year Ended June 30, 2022**

BROWN ARMSTRONG ACCOUNTANCY CORPORATION

4200 Truxtun Ave., Ste. 300 Bakersfield, CA 93309 | 661.324.4971 | Fax 661.324.4997

www.ba.cpa | Contact: Lindsey Zimmerman, CPA | lzimmerman@ba.cpa



**BROWN
ARMSTRONG**
CERTIFIED PUBLIC ACCOUNTANTS

March 28, 2023

**To the City Council Members
City of Morro Bay**

I am pleased to present to you the results of our audit of the City of Morro Bay (the City's) financial statements for the fiscal year ended June 30, 2022.

I look forward to presenting the results of the audit and addressing your questions.

Sincerely,

**Lindsey Zimmerman, CPA
Partner**

AGENDA

- Scope of Services Recap 4
- Audit Purpose, Responsibilities, and Timelines 6
- Audit Areas of Focus 9
- Annual Comprehensive Financial Report Overview 10
- Financial Highlights 12
- Results of the Audit 19
 - Audit Opinion and Required Communication

SCOPE OF SERVICES RECAP

- ❖ Audit of the City's financial statements in accordance with US generally accepted auditing standards and government auditing standards (GAS).
- ❖ Other communications and reports required by professional standards including:
 - Required Communication
 - Report on Internal Control Over Financial Reporting and on Compliance and Other Matters in Accordance with GAS

SCOPE OF SERVICES RECAP (Continued)

- ❖ Items subject to testing

- ❖ \$373,302,505 in City-wide assets and deferred outflows of resources

- ❖ \$181,498,059 in City-wide liabilities and deferred inflows of resources

- ❖ \$48,510,644 in City-wide revenues

- ❖ \$32,344,332 in City-wide expenses

- ❖ Testing was performed across all 27 funds

AUDIT PURPOSE

- ❖ What is the purpose of the audit?
 - ❖ An audit provide an independent, objective assessment of the stewardship of governmental funds
 - ❖ The City auditor independently and carefully examines and audit the books, records, accounts, and funds
 - ❖ Audits are essential to government accountability to the public

MANAGEMENT'S RESPONSIBILITY

- ❖ Responsible for the financial statements
- ❖ Present the financial statements in accordance with accounting principles generally accepted in the USA.
- ❖ Adopt proper accounting policies
- ❖ Establish and maintain the effectiveness of internal controls over financial reporting and compliance
- ❖ Prevent and detect fraud

AUDITOR'S RESPONSIBILITY

- ❖ Perform the audit in accordance with Auditing Standards Generally Accepted in the USA and Government Auditing Standards
- ❖ Communicate to Those Charged with Governance
- ❖ Assess audit risk of internal controls over financial reporting and compliance
- ❖ Determine the fairness of the presentation of the financials as a whole
- ❖ Issue opinions and required communication letters

AUDIT AREAS OF FOCUS

Significant Risk Areas

Brown Armstrong's Response

Revenue Recognition

- Test of controls was performed over cash receipts
- Other substantive analytics were also performed

Management override of controls

- Journal entries testing
- Inquiries performed with individuals involved in the financial reporting process, and ensuring no inappropriate or unusual activity was noted relating to journal entry processing
- Performed walkthroughs of significant audit areas to review adequate segregation of duties

RESULTS OF THE AUDIT

Report	Summary of Opinion/Required Communication
Report on Financial Statements (Opinion)	<ul style="list-style-type: none">• Unmodified (Clean)
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	<ul style="list-style-type: none">• No noncompliance noted• No material weaknesses and no significant deficiencies

RESULTS OF THE AUDIT (Continued)

Report

Summary of Opinion/Required Communication

Required Communication to the City Council in Accordance with Professional Standards (SAS 114)

- New GASB Statement – GASB Statement No. 87 - *Leases*
- Significant Estimates and Sensitive Disclosures Reviewed
 - Capital assets and depreciation – useful lives
 - Allowance for doubtful accounts
 - Leases
 - Net Pension Liability Estimates
 - Net OPEB Liability Estimates
 - ✓ Based on actuary assumptions
- Difficulties encountered in performing the audit – None
- Corrected and Uncorrected Misstatements – None
- Disagreements with Management – None
- Management representation letter
- Other Audit findings or issues – None

THANK YOU! QUESTIONS?



Lindsey Zimmerman, CPA
Partner

Brown Armstrong Accountancy
Corporation
4200 Truxtun Ave., Suite 300
Bakersfield, CA 93309

 (661) 324-4971

 lzimmerman@ba.cpa



AGENDA NO: C2

MEETING DATE: March 28, 2023

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



City Goals

March 28, 2023

City Council Goals Discussion for FY 2023-24 and FY 2024-25

- ▶ Update on current City Goals - What's been accomplished
- ▶ Community input received to date - What we've heard
- ▶ Next steps for FY 2023-24 and FY 2024-25 Goals process - Determining direction and how to get there

2022 Council Goals

- ▶ Improve Public Infrastructure
- ▶ Achieve Fiscal Sustainability and Economic Vitality
- ▶ Address Housing Needs
- ▶ Climate Action
- ▶ Improve Community Health

- ▶ 36 corresponding “Action Items” - next several slides

15 Completed Action Items

Action Item	Council/City Action
Review options & establish optimal staffing for City Maintenance Division	Complete
State lobbyist contract to assist in obtaining funding for City projects	Two firms now representing/assisting the City
Assess viability for Downtown and Embarcadero business improvement districts (BIDs)	Initial interest survey complete
Review policy options to address pension liabilities	Adopted Pension Reserve Policy, created Trust Fund, and contributed \$1.06M to date
Complete Zoning Code Update	City council approved, CCC certification pending summer 2023
Update to Council on State housing legislation	Complete
Complete online application/plan check process	Complete - systems being used
Implement SB 1383 (organic waste legislation)	Complete

Completed Action Items (cont'd.)

Action Item	Council/City Action
Promote Central Coast Community Energy (3CE) new construction electrification program	Complete
Provide information and weblinks to energy efficient websites	Complete
Implement 3CE Reach Code Incentive Program for residential development	Complete
Elevate “Climate Crisis” to “Climate Emergency” by way of resolution and seek funding to move forward in this area	Council declared a Climate Emergency in February 2022
Support SLO County Public Health communication efforts to vaccinate Morro Bay community members	Complete
Inform the County process to update 10-year plan on homelessness	Complete long-term plan to reduce homelessness, approved by the BOS August 2022
Support Filipino-American group rededication event at Coleman Beach	City hosted rededication event with FANHS Oct 2022
Seek opportunity for Boys & Girls Club to offer teen services	Council approved 5-year agreement to provide teen services at the Teen Center to open Fall 2023

19 Action Items Underway or Ongoing

Action Item	Council/City Action
Traffic Speed Study	Preliminary study results to PWAB Apr 2023
Capital Needs Assessment	Budgeted FY 22-23, RFP pending
Paid Parking Pilot Program	Draft recommendations received, pending public outreach and City Council direction
Pursue grant opportunities for Coleman Beach area	\$600,000 received, additional grant to be sought in June
Water Resource Planning	Strategy to be presented to City Council
Market Plaza development opportunities	Currently under negotiation
Complete Development Impact Fee Study	RFP to be prepared and released
Review of Vistra proposed battery project	Review ongoing - public hearings dates likely late 2023 or early 2024
Assess cyber security needs	Initial assessment complete - ongoing effort
Develop stock ADU plan templates	Plans developed, revisions being made for public distribution/use in coming months
Implement Housing Element including by right, objective design guidelines, ADU Ordinance update with incentives, update Density Bonus & inclusionary housing requirements	Some elements complete, others underway/nearly complete
Seashell Estates land use amendment (density)	Ongoing, Ad hoc group formed, preliminary application submitted

19 Action Items Underway or Ongoing

Ad hoc committee review of Planning Process	Committee formed - meetings to commence if item carried forward
Pursue funding to update Climate Action Plan	Seeking grant opportunities
Pursue Electric Vehicle Charging Station funding	Some funding received, pending implementation
Educate Council & staff about Diversity, Equity and Inclusion issues	Policies adopted, training pending
Explore opportunities to support Countywide efforts to address homeless issues on North Coast	Ongoing
Provide information / resources on access to mental health resources to address behavior & mental health crisis, substance abuse issues, depressive illnesses & exacerbation of previously controlled mental health issues	Ongoing

Item not initiated

Action	
Designate one week/year to conduct renewable energy outreach campaign	Not currently scheduled

Goals Process

- ▶ Community input received
- ▶ 3/28 Goals Update
- ▶ 4/5 Community Goals Workshop (facilitated)
- ▶ 4/11 Adoption of Goals (tentative)
- ▶ 5/23 Council Budget Study Session # 1
- ▶ 5/24 Council Budget Study Session # 2
- ▶ 6/13 Budget Adopted at Council Meeting
- ▶ 6/27 Backup date for Budget Adoption
- ▶ Quarterly updates on progress to Council

Community Survey Results

- ▶ 245 responses to date
- ▶ Residents generally satisfied in following areas:
 - ▶ Quality of life in Morro Bay and services provided by City
 - ▶ Public safety
 - ▶ Public spaces
 - ▶ Recreation services
 - ▶ Utility Services
 - ▶ Emergency Services
- ▶ Less satisfied in the following areas:
 - ▶ Economic health of community
 - ▶ Development Services
 - ▶ Mobility, roads, sidewalks

Community Survey Results

- ▶ Respondents identified most important issues as follows:
 - ▶ Homelessness
 - ▶ Financial sustainability for the City
 - ▶ Maintaining community character
 - ▶ Affordable Housing
 - ▶ Cleanliness/attractiveness of public spaces
- ▶ Residents identified most important infrastructure projects as
 - ▶ Road condition improvements
 - ▶ Storm drains/flood mitigation
 - ▶ Harbor/waterfront
 - ▶ Water supply
 - ▶ Sewer line replacements

Community Survey Results

- ▶ Responses to “What one thing you like most about Living/Working in Morro Bay?”
 - ▶ Climate/Weather
 - ▶ Nature/physical setting
 - ▶ Small town character/charm
 - ▶ Community members/neighbors

Community Survey Results

- ▶ Responses to “What are the one to two most important things for the City focus on now?”
 - ▶ Battery Storage plant/power plant reuse
 - ▶ Homelessness
 - ▶ Road conditions and traffic
 - ▶ Maintaining small-town character
 - ▶ City’s financial situation

City Advisory Boards

Below are areas of focus identified by the City's advisory bodies:

- ▶ Planning Commission: Historic Preservation Ordinance, Downtown Design District, Vistra Property Master Plan, explore various policies & initiatives in support of existing housing goal.
- ▶ Harbor: infrastructure, revenue sources, public facilities, parking leaseholder relations
- ▶ Citizens Finance Advisory Committee, Public Works and Recreation & Parks Commission were sent the community survey on City Goals for their individual input and encouraged to make public comment as individuals at the April 5th Goals Forum

Chamber of Commerce

- ▶ Recommended City Goals and Objectives
 - ▶ Sanitation, Maintenance and Beautification of the community
 - ▶ Increasing housing
 - ▶ Improving infrastructure
 - ▶ Improving circulation

Next Steps in Goals Process

- ▶ Complete Goals Workshop - Wednesday, April 5, 2023 at 5:30pm
- ▶ Council formally review and adopt Goals and Action Items - April 11, 2023
- ▶ Budget Study Sessions # 1 - May 23rd
- ▶ Budget Study Session # 2 - May 24th
- ▶ Budget Adoption - June 13th
- ▶ Backup date for budget adoption - June 27th
- ▶ Quarterly progress check-ins with Council

From: [Stephen Peck](#)
To: [Council](#)
Cc: [REDACTED]
Subject: Comments on City Goals and Objectives
Date: Monday, March 27, 2023 8:36:30 AM
Attachments: [Goals and Policies Final 3-27-2023.pdf](#)

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

Honorable Mayor and City Council,

Attached are my comments for Council consideration during its deliberations on community goals and objectives. Due to a potential work commitment, I may not be able to attend the meeting on this matter. Good luck!!

Stephen J, Peck, AICP

[REDACTED]
Morro Bay, CA 93442

March 27, 2023

Morro Bay City Council
c/o Morro Bay City Hall
595 Harbor Street
Morro Bay, CA 93442

Re: Comments on City Goals and Objectives for 2023-2025

Honorable Councilmembers:

Thank you for the opportunity to contribute to the discussion of the goals and objectives for the community over the next two years and beyond. This Council has a special opportunity that other recent past Councils have not (at least for a while), and that is to view the goals and objectives of the community without the burden or urgency of COVID 19, construction of the WRF, or the General Plan/Zoning Ordinance updates. The process of re-structuring and re-staffing City departments is now substantially complete and City staffing is now 5.6 FTE above pre-COVID levels, with increases in Police, Fire and other departments. With the above complete, this council has the opportunity to look beyond those matters and set a long term course for the community rather than concentrating on dodging debris in the water, or re-fueling the boat.

I offer these comments from my perspective as the Vice Chair of the Citizens Finance Advisory Committee, and its existing and potential service roles to the City Council. These comments are mine and mine alone, and are not intended to be considered as representing those of the CFAC or any of the other individual members. That said, the comments have been informed and developed somewhat from listening to comments and concerns from my fellow committee members. The following initial comments are made to offer a little context as the City Council considers its Goals and Objectives for the next two years and beyond.

The breadth of the CFAC's responsibilities is unusual for a City. Most communities limit such committees to (often perfunctory) review of their special sales tax provisions as required by their respective ballot measures and State law. Morro Bay has established a broader vision for this committee, and the CFAC is to ***"...provide citizen input to the City Council regarding specified financial policy issues such as City budgets, ...to help promote citizen participation with, and understanding of, governmental financial information and processes, to review the proposed City budget prior to or in coordination with its presentation, to make recommendations [on the budget] for City Council consideration, with particular emphasis on the budget for Measure Q and E funds, and to undertake special financial projects, as directed by the City Council, City Manager or City Treasurer."*** During my limited term with the CFAC the CFAC has reviewed Q and E expenditures, reviewed the city budget, reviewed and recommended City Council's compensation, reviewed the quarterly WRF report, reviewed and commented on the CAFR/ACFR and city budget, reviewed proposals for addressing the unfunded PERS and OPEB liabilities, and other matters.

Morro Bay has established the CFAC to increase the community's confidence in the City's financial decisions, and to assist the City Council and City staff with "special financial projects". Looking at the recent record, the CFAC has made a material difference in the City's financial outcomes. It has also served the purpose of assembling talented and learned citizens to sort through options and analysis that may be beyond current staff capacity, and/or that require public vetting and comment before they are ready for "prime time" at the City Council level. The committee has tackled "tactical" issues such as the budget, WRF, PERS/OPEB, and other matters, but it has been underutilized, in my opinion, for projects that involved longer term financial planning, such as the Tidelands Trust/Harbor Department's solvency and infrastructure financing, Capital Facilities Planning, and longer term financial planning. These items will likely go un-addressed and unresolved if the current staffing resources are not augmented by CFAC involvement.

The CFAC's effectiveness has also been reduced because of the lack of any meaningful interaction directly with the City Council and other advisory bodies. Those doing the financing planning and analysis (CFAC) would greatly benefit from those looking at the community's infrastructure (PWAB), those responsible for Harbor matters (HAB), and those responsible for the community's General Plan implementation (Planning Commission). In the past, information and communications have been compartmented. And, as an advisory board to the City Council, regular interaction with the City Council is desirable and would increase the committee's effectiveness.

As the City Council considers Goals and Objectives for the next two years and beyond, it should not be timid about addressing longer term structural and financial planning issues. Staffing will always be "constrained" in one way or another, and leveraging your committees and advisory boards to address important issues is essential. As noted above, many significant projects are now complete. We also need to think in terms of "how" we get important tasks done before they become emergencies. Solving the "how" question will open up possibilities of "what" we should be doing. The following are matters that should be considered for CFAC's role in this:

There should be a ten-year revenue and expense forecast. It is becoming increasingly difficult to understand existing backlog of projects, carryover, and forward long term commitments of Q/E funds. A longer term forecast would be more transparent regarding long term commitments, and anticipate downturns and changes in the business cycle that affects city revenues. It would also manage expectations about capacity for Q/E funding of major projects and operations, minimize potential for overspending, and allow reserves or revenues for bonded indebtedness. It will also more accurately address the need for additional revenues, once the Capital Facilities Plan has been developed and prioritized.

Q/E Specific Comments. The City should continue to review revenue priorities and be faithful to the types of expenditures that were originally represented to the voters. There have been concerns expressed at CFAC meetings that general admin, and minor or miscellaneous expenditures are taking the place of tangible and visible Improvements that voters have said they support. The City should also review the GF Reserve policy and limit the use of Measure Q/E to directly fund that.

Council Direction on CFAC's Role. Since the revision of the by-laws last year which eliminated many of the CFAC's duties, there has been little additional guidance on the "special financial projects" that Council expects from CFAC. CFAC, in particular, is well suited to extend and augment staff capacity to address the longer term financial planning issues that need to be addressed. We are blessed in the community by many talented and dedicated citizens who want to work on these problems. This will require regular, meaningful engagement with CFAC's Council Liaison and City Council, and meaningful interaction with other Advisory Committees on issues affecting City finances.



Stephen J. Peck