



CITY OF MORRO BAY CITY COUNCIL AGENDA

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

Regular Meeting Tuesday, May 23, 2023 – 5:30 P.M. Veterans Memorial Hall 209 Surf St., Morro Bay, CA

Public Participation:

Public participation is allowed in the following ways:

- Community members may attend the meeting in person at the Morro Bay Veterans Hall.
- Alternatively, members of the public may watch the meeting and speak during general Public Comment or on a specific agenda item by logging in to the Zoom webinar using the information provided below. Please use the “raise hand” feature to indicate your desire to provide public comment.

Please click the link below to join the webinar:

- <https://us02web.zoom.us/j/82722747698?pwd=aWZpTzcwTHlRTk9xaTlmWVNWRFUQT09>
Password: 135692
 - Or Telephone Attendee: 1 (408) 638-0968 or 1 (669) 900 6833 or 1 (346) 248 7799; Webinar ID: 827 2274 7698; Password: 135692; Press * 9 to “Raise Hand” for Public Comment
- Members of the public may watch the meeting either on cable Channel 20 or as streamed on the City [website](#).
 - Community members are encouraged to submit agenda correspondence in advance of the meeting via email to the City Council at council@morrobayca.gov prior to the meeting. Agenda Correspondence received at council@morrobayca.gov by 10 a.m. on the meeting day will be posted on the City website.

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

PRESENTATIONS

- Hunger Awareness Day Proclamation
- National Safe Boating Week Proclamation
- Emergency Medical Services Week Proclamation

PUBLIC COMMENT

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

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

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

A. CONSENT AGENDA

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

A-1 APPROVAL OF MINUTES FOR THE APRIL 25, 2023, CITY COUNCIL MEETING; (CITY CLERK)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE MAY 4, 2023 AND MAY 5, 2023, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (CITY CLERK)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE MAY 5, 2023, CITY COUNCIL CLOSED SESSION MEETING; (CITY CLERK)

RECOMMENDATION: Approve as submitted.

A-4 ADOPTION OF RESOLUTION NO. 31-23 APPROVING CONTINUED PARTICIPATION WITH THE URBAN COUNTY (CDBG PROGRAM) FOR YEARS 2024-2026; (COMMUNITY DEVELOPMENT DEPARTMENT)

RECOMMENDATION: Staff recommends the City Council review and approve Resolution No. 31-23 approving continued participation in the Urban County (CDBG Program) for Program Years 2024-2026.

A-5 THIRD QUARTER INVESTMENT REPORT (PERIOD ENDING MARCH 31, 2023) FOR FISCAL YEAR (FY) 2022-23; (ADMINISTRATIVE SERVICES DEPARTMENT)

RECOMMENDATION: Receive the Third Quarter Investment Report (period ending March 31, 2023) for FY 2022-23.

A-6 GENERAL PLAN ANNUAL PROGRESS REPORT FOR REPORTING YEAR 2022; (COMMUNITY DEVELOPMENT DEPARTMENT)

RECOMMENDATION: Staff recommends the City Council review and accept the General Plan Annual Progress Report.

A-7 APPROVAL OF AMENDMENT NO. 2 TO CONTRACT WITH PAPICH CONSTRUCTION COMPANY, INC. FOR THE PAVEMENT MANAGEMENT PROJECT FY 21/22; (PUBLIC WORKS DEPARTMENT)

RECOMMENDATION: Staff recommends that the City Council approve in substance an Amendment No. 2 (Attachment 1 hereto) to an existing Agreement with Papich Construction Company, Inc., for Project No. MB2021-ST01, Pavement Management Project FY 21/22 for the amount of \$300,000 and authorize the City Manager to execute the contract amendment.

A-8 ADOPTION OF RESOLUTION ESTABLISHING A POLICY WHICH DELEGATES TORT LIABILITY CLAIMS HANDLING RESPONSIBILITIES TO THE CALIFORNIA JOINT POWERS INSURANCE AUTHORITY; (HUMAN RESOURCES/RISK MANAGER)

RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 33-23 to delegate tort liability claims handling responsibilities to the California Joint Powers Insurance Authority.

A-9 ADOPTION OF ORDINANCE NO. 657: AMENDING SECTION 10.56 OF THE MORRO BAY MUNICIPAL CODE TO UPDATE SPEED ZONES AND SPEED LIMITS IN THE CITY OF MORRO BAY; (PUBLIC WORKS DEPARTMENT)

RECOMMENDATION: Staff recommends the City Council consider adoption, by second reading and by title only with further reading waived, of Ordinance No. Ordinance No. 657 Amending Section 10.56.010 of the MBMC to Update Speed Limits and add New Speed Zones in the City of Morro Bay.

A-10 SUPPORT LETTER FOR COUNTY ENCAMPMENT RESOLUTION FUNDING GRANT APPLICATION; (COMMUNITY DEVELOPMENT DEPARTMENT)

RECOMMENDATION: Authorize the City Manager to provide a letter of support to the County Homeless Service Division in support of an ERF-2-R grant application to the State.

A-11 PROCLAMATION DECLARING JUNE 2, 2023 AS "HUNGER AWARENESS DAY"; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-12 PROCLAMATION DECLARING THE WEEK OF MAY 21-27, 2023 AS EMERGENCY MEDICAL SERVICES WEEK; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-13 PROCLAMATION DECLARING JUNE 2023 AS PRIDE MONTH; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-14 PROCLAMATION DECLARING NATIONAL SAFE BOATING WEEK AS MAY 20-26, 2023; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

B. PUBLIC HEARING ITEMS - NONE

C. BUSINESS ITEMS

C-1 RESOLUTION OF INTENTION TO APPROVE AN AMENDMENT TO THE CONTRACT BETWEEN THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS) AND THE CITY COUNCIL OF THE CITY OF MORRO BAY; AND INTRODUCTION (FIRST READING) OF AN ORDINANCE AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY COUNCIL OF MORRO BAY AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA EMPLOYEES' RETIREMENT SYSTEM; (HUMAN RESOURCES MANAGER)

RECOMMENDATION: Staff recommends the City Council take the following separate actions:

- 1) **Adopt Resolution No. 32-23 giving notice of the City's intention to approve an amendment to the contract between the City of Morro Bay and the California Public Employees' Retirement System (CalPERS) Board of Administration, and**
- 2) **Introduce for first reading by title only, with further reading waived, Ordinance No. 658 Authorizing an Amendment to the Contract between the City of Morro Bay and the Board of Administration of the California Public Employees' Retirement System (CalPERS) Implementing Section 20516 (Employees Sharing Additional Cost) for local members in the Service Employees International Union (SEIU) and Unrepresented Confidential, Unrepresented Management and Unrepresented Department Heads, and**
- 3) **Authorize the Mayor, City Manager, City Clerk, or their designees, to execute CalPERS forms as required to facilitate the CalPERS contract amendment process.**

C-2 BUDGET STUDY SESSION – REVIEW OF FISCAL YEAR 2023-24 DRAFT PROPOSED BUDGET; (ADMINISTRATIVE SERVICES DEPARTMENT)

RECOMMENDATION: Receive the Proposed Fiscal Year (FY) 2023-24 Citywide Operating and Capital Budget and provide feedback prior to budget adoption, scheduled for June 13, 2023.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

E. ADJOURNMENT

The next Regular Meeting will be held on **Tuesday, June 13, 2023 at 5:30 p.m.**

THIS AGENDA IS SUBJECT TO AMENDMENT UP TO 72 HOURS PRIOR TO THE DATE AND TIME SET FOR THE MEETING. PLEASE REFER TO THE AGENDA POSTED AT CITY HALL, 595 HARBOR ST, MORRO BAY, CA 93442 FOR ANY REVISIONS OR CALL THE CLERK'S OFFICE AT 805-772-6205 FOR FURTHER INFORMATION.

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

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

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PRESENT: Carla Wixom Mayor
Laurel Barton Council Member
Cyndee Edwards Council Member
Jennifer Ford Council Member
Zara Landrum Council Member

ABSENT: None

STAFF: Greg Carpenter Interim City Manager
Chris Neumeyer City Attorney
Dana Swanson City Clerk
Sarah Johnson-Rios Assistant City Manager/Admin Services Dir.
Greg Kwolek Public Works Director
Scot Graham Community Development Director
Daniel McCrain Fire Chief
Amy Watkins Police Chief

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Wixom called the meeting to order at 5:33 p.m., with all but Council Member Barton present. Council Member Barton joined the meeting at 5:36 p.m.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION – None

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

MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/JY-e6zb-erE?t=98>

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

<https://youtu.be/JY-e6zb-erE?t=617>

PRESENTATIONS

<https://youtu.be/JY-e6zb-erE?t=1568>

- Morro Bay Chamber of Commerce Quarterly Update

PUBLIC COMMENT

<https://youtu.be/JY-e6zb-erE?t=2516>

Sean Alexander, Morro Bay, offered baby oak trees to the City and community members.

Linda Winters, Morro Bay, encouraged mobile home park residents to educate themselves, learn about where they live, and stand up for their rights.

Rachel Wilson, Cayucos, commented on crew transfer vessels associated with offshore wind energy and potential impacts to the waterfront.

Lee Johnson, Morro Bay, spoke in support of the Chamber's efforts to promote Morro Bay.

Richard Sadowski, Morro Bay, requested financial support to purchase a new air monitoring device.

Betsy Gaudette-Cross, Morro Bay, asked the City to remove Vistra's weblink from its website or, alternatively, add a link to the Citizens for Estero Bay Preservation website on the same page.

Helene Finger, Morro Bay, spoke regarding the short-term rental (STR) ordinance, asking that permitted STRs not meeting the minimum transient occupancy tax threshold be identified.

Glenn Silloway, Morro Bay, spoke regarding the lack of affordable housing and announced upcoming League of Women Voters events on this topic. Visit <http://lwvslo.org> for more information.

Judi Brown, Morro Bay, read an email response she received from Public Works Director Kwolek regarding street sweeping services.

Terry Simons, Morro Bay, responded to Mr. Kwolek's announcement regarding the status of the Highway 1 / 41 interchange project and asked why it hadn't moved forward more quickly.

Betty Winholtz, Morro Bay, responded to Mr. Simons' comments regarding Highway 1 / 41 interchange, noting it is a controversial subject with varying opinions. She hoped the options would be presented equally and without bias.

Mayor Wixom closed public comment.

A. CONSENT AGENDA
<https://youtu.be/JY-e6zb-erE?t=4339>

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

A-1 APPROVAL OF MINUTES FOR THE MARCH 28, 2023, CITY COUNCIL MEETING;
(CITY CLERK)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE APRIL 5, 2023, CITY COUNCIL SPECIAL
MEETING; (CITY CLERK)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE APRIL 11, 2023, CITY COUNCIL SPECIAL
CLOSED SESSION MEETING; (CITY CLERK)

RECOMMENDATION: Approve as submitted.

A-4 ADOPTION OF RESOLUTION NO. 22-23 UPHOLDING THE FEBRUARY 7, 2023
PLANNING COMMISSION APPROVAL OF COASTAL DEVELOPMENT PERMIT
#CDP22-025 WITH CHANGES IN CONDITIONS FOR THE PROPOSED NEW HOME
AT 2440 LAUREL AVENUE; (COMMUNITY DEVELOPMENT DEPARTMENT)

**RECOMMENDATION: Staff recommends the Council adopt Resolution No. 22-23
upholding the February 7, 2023 Planning Commission approval of Coastal**

2

Development Permit #CDP22-025 with changes in conditions as approved by the City Council at the April 11, 2023 Public Hearing.

- A-5 ADOPTION OF RESOLUTIONS APPROVING AGREEMENTS TO SHARE COSTS OF THE CALPERS EMPLOYER CONTRIBUTION PURSUANT TO GOVERNMENT CODE SECTION 20516 – UNREPRESENTED MANAGEMENT, UNREPRESENTED CONFIDENTIAL AND UNREPRESENTED DEPARTMENT HEAD EMPLOYEES; (HUMAN RESOURCES MANAGER)

RECOMMENDATION: Staff recommends the City Council adopt Resolution Nos. 23-23, 24-23, and 25-23 approving agreements to share costs of the employer contribution of the City’s California Public Employees Retirement System (CalPERS) contributions for the Tier 1 and Tier 2 miscellaneous and safety unrepresented management, unrepresented confidential and unrepresented department head employees.

- A-6 AUTHORIZATION TO LOWER THE CITY’S WATER CONSERVATION REQUIREMENTS FROM SEVERELY RESTRICTED CONDITIONS TO MODERATELY RESTRICTED CONDITIONS; (PUBLIC WORKS DEPARTMENT)

RECOMMENDATION: Staff recommends that the City Council direct staff to lower the City’s water conservation requirements from Severely Restricted Conditions to Moderately Restricted Conditions.

- A-7 CONSIDERATION OF APPOINTMENT OF KATHRYN HOVERSTEN TO THE CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE; (CITY CLERK)

RECOMMENDATION: Staff recommends the City Council consider the appointment of Kathryn Hoversten to the Citizens Oversight/Finance Advisory Committee (“CFAC”) to complete an unexpired term through January 31, 2026.

Mayor Wixom opened the public comment for the Consent Agenda; seeing none, the public comment period was closed.

Mayor Wixom pulled Item A-7.

MOTION: Council Member Ford moved approval of Items A-1 through A-6. The motion was seconded by Council Member Barton and carried 5-0 by roll call vote.

- A-7 CONSIDERATION OF APPOINTMENT OF KATHRYN HOVERSTEN TO THE CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE; (CITY CLERK)
<https://youtu.be/JY-e6zb-erE?t=4432>

Mayor Wixom invited Kathy Hoversten to the podium to introduce herself.

MOTION: Mayor Wixom moved approval of Item A-7. The motion was seconded by Council Member Barton and carried 5-0.

B. PUBLIC HEARINGS

- B-1 PUBLIC HEARING AND ADOPTION OF RESOLUTION NO. 26-23, WHICH RESCINDS RESOLUTIONS NO. 33-22 AND 66-22 AND ADOPTS THE FY 2023-24 MASTER FEE SCHEDULE; (ASSISTANT CITY MANAGER/ADMIN SERVICES DIRECTOR)

Assistant City Manager/Administrative Services Director Johnson-Rios provided the report and responded to Council inquiries.

<https://youtu.be/JY-e6zb-erE?t=4558>

Mayor Wixom opened the Public Hearing.

Mayor Wixom opened Public Comment.

Jeff Heller, Morro Bay, raised questions about the harbor and in-lieu affordable housing fees.

Terry Simons, Morro Bay, spoke in support of applying a CPI increase to fees.

Betty Winholtz, Morro Bay, opposed a CPI increase to the appeal fee.

The Public Hearing was closed.

Staff responded to additional Council inquiries.

Mayor Wixom recommended the appeal fee remain at the current rate to allow the community to participate without financial burden and would like to revisit the question on Harbor fees.

MOTION: Mayor Wixom moved to adopt Resolution No. 26-23 which rescinds Resolution Nos. 33-22 and 66-22 and adopts FY 2023-24 Master Fee Schedule, with the exception of the CPI increase on the appeal fee, and replaces it in its entirety for the new fiscal year. The motion was seconded by Council Member Landrum and carried 5-0 by roll call vote.

The Council took a brief recess at 7:13 p.m. The meeting reconvened at 7:26 p.m. with all members present.

C. BUSINESS ITEMS

C-1 COST ALLOCATION PLAN UPDATE; (ASSISTANT CITY MANAGER/ADMIN SERVICES DIRECTOR)

<https://youtu.be/JY-e6zb-erE?t=6817>

Assistant City Manager/Administrative Services Director Johnson-Rios introduced the item and turned it over to Jeannette Hahn, ClearSource Financial Consulting, who provided the report and responded to Council inquiries.

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

Terry Simons, Morro Bay, urged the Council to rely on staff analysis and concurrence with the consultant's recommendations.

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

MOTION: Council Member Ford moved to approve the resulting interfund charges for inclusion in the FY 2023-24 budget, and directed staff to update the Cost Allocation Plan data annually using the interactive model provided. The motion was seconded by Council Member Edwards and carried 5-0 by roll call vote.

C-2 CONTINUED DISCUSSION AND ADOPTION OF FY 2023-24 AND FY 2024–25 CITY COUNCIL GOALS AND ACTION ITEMS; (INTERIM CITY MANAGER)
<https://youtu.be/JY-e6zb-erE?t=9062>

Interim City Manager Carpenter provided the report and responded to Council inquiries.

The public comment period for Item C-2 was opened.

Jeff Heller, Morro Bay, suggested the City hold a community forum to provide rough order of magnitude for infrastructure improvements and possible revenue sources to address those needs. He also supported deed restricted affordable housing.

Terry Simons, Morro Bay, asked if there was a revenue benefit to subsidizing the local fishing industry and recommended the City explore additional revenue streams to fund infrastructure improvements. He opined offshore wind energy may be Morro Bay's future.

Cal Myers, Morro Bay, requested the Council add the Waterfront Master Plan to the list of action items.

Betty Winholtz, Morro Bay, restated comments submitted as agenda correspondence.

The public comment period for Item C-2 was closed.

The Council offered the following comments:

Goal #1

- Be cognizant of the costs of the infrastructure needs assessment as that funding can be put into an actional item.
- Prioritize Council Chamber audio/visual upgrades.

Goal #2

- Consider using a commercial realtor to manage City-owned commercial rental property.
- Remove review of the Vistra property battery project

Goal #3

- For clarification, insert review of possible upzone of Seashell Estates property for proposed housing project

Goal #4

- Add Historical Preservation Ordinance using existing draft ordinance prepared by the Historical Society.

MOTION: Council Member Edwards moved to adopt the proposed City Council goals, goals' statements, and action Items with the changes listed tonight. The motion was seconded by Mayor Wixom and carried 5-0 by roll call vote.

C-3 CONSIDER APPROVING A REQUEST TO THE CALIFORNIA COASTAL COMMISSION TO PROCESS A CONSOLIDATED COASTAL DEVELOPMENT PERMIT WITH THE COUNTY OF SAN LUIS OBISPO FOR THE MORRO BAY TO CAYUCOS TRAIL CONNECTOR PROJECT; (PUBLIC WORKS DEPARTMENT)
<https://youtu.be/JY-e6zb-erE?t=12669>

Public Works Director Kwolek introduced the item and introduced Elizabeth Kavanaugh from San Luis Obispo County Parks & Recreation Department who provided the report and responded to Council inquires.

There was Council consensus to go up to 30 minutes past the 9:30 p.m. end time.

The public comment period for Item C-3 was opened.

<https://youtu.be/JY-e6zb-erE?t=13896>

Rick Ellison, Executive Director of Bike SLO County, urged the Council to approve a consolidated coastal permit.

Helene Finger, Morro Bay, attended previous public meetings regarding the project, cited safety as a benefit of using Toro Lane rather than continuing along Highway 1, and concurred with the staff recommendation to approve a consolidated permit.

Jim Shuler, Toro Lane property owner, was in favor of the project but believed the plan to divert onto Toro Lane violated the public easement.

Gary Havas, Board President of Bike SLO County, commented on the positive impacts this project provides residents and visitors and hoped the Council would support staff's recommendation to approve a consolidated permit.

Lea Brooks, San Luis Obispo, urged the Council to approve the consolidated permit.

Terry Simons, Morro Bay, offered alternatives the Council might consider to avoid litigation.

John Lindsay, SLOCOG Regional Transportation Planner, noted this project is a top priority and was eager to see the Coastal segment of the connector path through to completion according to the schedule.

Jeanette Evers, Morro Bay, commented on traffic and safety concerns if the path were diverted onto Toro Lane and was concerned a consolidated permit process would limit public input. She urged the Council to pause until more information was available.

Carl Evers, Morro Bay, commented on the lack of a recommendation by the Public Works Advisory Board and opined Toro Lane was too narrow for 2-way vehicle and bicycle traffic.

Babak Naficy, Attorney representing the North Point Homeowners' Association, addressed the procedural aspects stating if the City votes for a consolidated permit, it will not have an opportunity to evaluate and vote on 90% plans. He noted several attorneys had reviewed the easement and concluded the private road cannot be used for a bike path.

Betty Winholtz, Morro Bay, urged the Council to postpone a decision until it had more information and was assured a consolidated permit would not limit public input.

Beth Levy, Toro Lane resident, expressed concerns about safety and lack of notice by the County to Toro Lane residents.

Karl Levy, President of North Point Homeowners' Association, expressed concerns about traffic, lack of engagement from the County, and commented the EIR Addendum included no study of safety or traffic circulation of the Toro Lane alignment. He recommended the

Council defer the decision and ask the County to reevaluate putting the pathway up along Highway 1.

The public comment period for Item C-3 was closed.

Mr. Kwolek and Ms. Kavanaugh responded to questions raised during public comment.

Council Member Landrum was in favor of a bike path but wanted the community to be involved in that process.

MOTION: Council Member Barton moved to adopt Resolution No. 27-23 approving a request to the California Coastal Commission to process a Consolidated Coastal Development Permit with the County of San Luis Obispo for the Morro Bay to Cayucos Trail Connector Project. The motion was seconded by Council Member Ford and carried 3-2 by roll call vote with Council Member Landrum and Mayor Wixom opposed.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

None

E. ADJOURNMENT

The meeting adjourned at 10:17 p.m.

Recorded by:

Dana Swanson
City Clerk

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MINUTES - MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING –
MAY 4, 2023 AT 8:30 A.M.
MAY 5, 2023 AT 1:00 P.M.
FIRE STATION TRAINING ROOM

AGENDA NO: A-2
MEETING DATE: May 23, 2023

PRESENT: Carla Wixom Mayor
 Laurel Barton Council Member
 Cyndee Edwards Council Member
 Jennifer Ford Council Member
 Zara Landrum Council Member

ABSENT: None

STAFF: Greg Carpenter Interim City Manager
 Rachael Hendricks Human Resources Manager
 Greg Nelson Mosaic Public Partners
 Brian Noblett Mosaic Public Partners

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Wixom called the meeting to order at 8:30 a.m. on May 4, 2023, with all members present.

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

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

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

CS-1 PUBLIC EMPLOYEE EMPLOYMENT

City Manager pursuant to Government Code section 54957.

The Council recessed at 4:37 p.m. to reconvene at 1:00 p.m. on May 5, 2023.

The meeting reconvened in Closed Session on Friday, May 5, 2023 at 1:00 p.m. with all but Council Member Landrum present. Council Member Landrum joined the meeting at 1:11 p.m.

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

ADJOURNMENT - The meeting adjourned at 4:39 p.m.

Recorded by:

Dana Swanson
City Clerk

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MINUTES - MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING –
MAY 5, 2023 AT 4:00 P.M.
FIRE STATION TRAINING ROOM

AGENDA NO: A-3
MEETING DATE: May 23, 2023

PRESENT: Carla Wixom Mayor
 Laurel Barton Council Member
 Cyndee Edwards Council Member
 Jennifer Ford Council Member
 Zara Landrum Council Member

ABSENT: None

STAFF: Greg Carpenter Interim City Manager
 Chris Neumeyer City Attorney
 Stephen Onstot Special Counsel
 Greg Kwolek Public Works Director
 Paul Amico WRF Program Manager, Carollo Engineers

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Wixom called the meeting to order at 4:45 p.m. with all members present.

SUMMARY OF CLOSED SESSION ITEMS – The Mayor read a summary of Closed Session item(s).

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

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

CS-1 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code subdivision 54956.9(d)(2)

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

ADJOURNMENT - The meeting adjourned at 5:52 p.m.

Recorded by:

Heather Goodwin
Deputy City Clerk

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AGENDA NO: A-4

MEETING DATE: May 23, 2023

Staff Report

TO: Honorable Mayor and City Council

DATE: May 11, 2023

FROM: Cindy Jacinth, Senior Planner

SUBJECT: Adoption of Resolution No. 31-23 approving continued participation with the Urban County (CDBG program) for Years 2024-2026

RECOMMENDATION

Staff recommends the City Council review and approve Resolution No. 31-23 approving continued participation in the Urban County (CDBG Program) for Program Years 2024-2026.

ALTERNATIVES

The City Council may move to decline participation in the Urban County of San Luis Obispo which would decline federal formula CDBG allocation or entitlement and become an eligible applicant to the competitive State CDBG, HOME and ESG programs.

FISCAL IMPACT

Fiscal impact is anticipated to be negligible as County staff administer most of the program. The City is able to use a portion of its CDBG funding for administrative staff costs. Total City and County administrative costs are limited to 20% per federal requirements.

BACKGROUND/DISCUSSION

Since 2011, the City of Morro Bay has participated with other cities and the County of San Luis Obispo as an "Urban County" for purposes of U.S. Department of Housing and Urban Development (HUD) entitlement funding of Community Development Block Grant (CDBG), HOME, and Emergency Shelter Grant (ESG) funds. The City's cooperation agreement with the Urban County runs in a 3-year cycle and currently expires June 30, 2024. On May 4, 2023, the City received a letter (Attachment 2) from the County announcing an invitation to participate again in the Urban County. Participation in the Urban County would extend the City's involvement for an additional three years of HUD entitlement funding and include three fiscal years 2024-25, 2025-26, and 2026-27 with a new expiration date of June 30, 2027.

To continue participation in the Urban County for the 2024-2026 term, the County is requesting that each city in the Urban County submit a resolution from City Council approving participation.

By continuing to participate in the Urban County, the City would receive annual federal entitlement funding from HUD via the County of San Luis Obispo as the recipient and the City as the subrecipient. The benefits of this participation allow for continued consistent annual funding allocations. Although

Prepared By: <u> CJ </u>	Dept Review: <u> SG </u>
City Manager Review: <u> GC </u>	City Attorney Review: <u> CFN </u>

the City receives only a small amount of funding each year, it does provide the City with an ability to provide funding to eligible projects. Discontinuing participation with the Urban County would make the City eligible to instead apply for State CDBG and HOME funding which is a competitive statewide program for non-entitlement cities which has greater funding availability but a lower likelihood of funding because applications submitted are based on various criteria such as State funding priorities which vary from year to year, community need, poverty statistics, and census statistics. Since the 2010 Census update, the poverty and census statistics for the city have changed such that the city is far less competitive to get State funding compared to other small cities statewide.

For the next 3-year cycle, staff recommends the City continue its participation with the Urban County which maintains the ability to receive annual entitlement funding instead of the uncertainty of applying competitively to the State's Small Cities CDBG program. The estimated amount of federal CDGB funding is anticipated to be consistent with previous year's entitlement allocations. CDBG funding has varied over the years between \$52,000- \$70,000 dependent on U.S. Congressional funding to HUD. In the most recent program year, the City received \$52,000 of funding which was awarded to both the 5 Cities Homeless Coalition and a second award to the Public Works Department for ADA accessibility upgrades to the signalized intersection of Main Street and Quintana Rd.

The County of San Luis Obispo is the lead agency for the Urban County and its federal requirements. The County will perform most of the work in preparing the five-year consolidated plan, annual plans and the various federally required reports, conducting citizen participation efforts and providing training to City staff on federal CDBG requirements as consistent with previous cooperation agreement. City staff will still be responsible for some administrative activities in order to comply with federal requirements, and the City will be able to use a small portion of its CDBG allocation for those staff costs.

CONCLUSION

Staff has attached Resolution No. 31-23 which approves continued participation in the Urban County and authorizes the City Manager to sign the Cooperation Agreement expected to be received by the County in the next couple weeks. If the Resolution is adopted, the next steps would be to execute a Cooperation Agreement between the County of San Luis Obispo and City of Morro Bay which would be subsequently presented with all participating Urban County city resolutions to the County Board of Supervisors for their approval approximately mid- summer 2023.

ATTACHMENTS

1. Resolution No. 31-23
2. May 2, 2023 Invitation to Participate Letter

RESOLUTION NO. 31-23

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
APPROVING CONTINUED PARTICIPATION BETWEEN THE
COUNTY OF SAN LUIS OBISPO AND THE CITY OF MORRO BAY
FOR JOINT PARTICIPATION IN THE URBAN COUNTY FOR PURPOSES OF RECEIVING
FEDERAL FUNDING UNDER COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, THE
HOME INVESTMENT PARTNERSHIP PROGRAM,
AND THE EMERGENCY SOLUTIONS GRANT PROGRAM,
FOR PROGRAM YEARS 2024-2026**

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

WHEREAS, the County of San Luis Obispo, a political subdivision of the State of California (“County”), and the City of Morro Bay, a municipal corporation (“City”), desire to participate in the Community Development Block Grant (CDBG) program (Program) administered by the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, the Program will promote the public health, safety and welfare by providing grant funds to be used by the City and County to improve housing opportunities for low and moderate-income households, to encourage economic reinvestment, to improve community facilities and public services, and to provide other housing-related facilities, or services; and

WHEREAS, the County submitted to the City an Invitation to Participate letter to be included in the Urban County of San Luis Obispo for Purposes of Federal CDBG, HOME, and ESG Funding in a letter dated May 4, 2023; and

WHEREAS, the County’s May 4, 2023 letter states the instructions for participating in the Urban County for the 2024-2026 term which include that the City must notify the County whether the City elects to participate in the Urban County; and

WHEREAS, the City desires to participate jointly with the County in said program and responded via email correspondence dated May 11, 2023 indicating the City’s intent to remain in the Urban County as requested by the County; and

WHEREAS, HUD requires that the parties enter into a cooperation agreement to define their rights and obligations as a prerequisite of participation in the CDBG program; and

WHEREAS, HUD requires that the parties enter into a cooperation agreement to define their rights and obligations as a prerequisite of participation in the CDBG program; and

WHEREAS, continued participation in the Urban County for the proposed 2024-2026 term is consistent with the General Plan and with City and County policies encouraging cooperation between agencies on issues of regional significance such as affordable housing and public improvements; and

WHEREAS, proposed continued participation in the Urban County will promote the public health, safety and welfare by enabling the City and County to participate in the U.S. Department of Housing and Urban Development’s CDBG program under an “urban county” entitlement; thus making available funds for a variety of housing, economic development, and public services programs not otherwise available; and

WHEREAS, the City and County enter into yearly subrecipient agreements which establish administrative policies and procedures, performance standards, and guidelines for funding specific CDBG programs and projects; and

WHEREAS, participation in the Urban County and cooperation agreement is not a “project” for purposes of compliance with the provisions of the California Environmental Quality Act (CEQA) and the City’s CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, as follows:

1. The City Council hereby approves and authorizes the City Manager to participate in the Urban County for the 2024-2026 term and also enter into a cooperation agreement with the County to enable joint participation in the Program for the 2024-2026 term.
2. The City Manager or his/her designee is hereby authorized to act on behalf of the City in connection with the implementation of the agreement, ongoing operation of the Program for the 2024-2026 term, and other activities necessary to carry out the intent of the cooperation agreement.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 23th day of May, 2023 on the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:

Carla Wixom, Mayor

ATTEST:

Dana Swanson, City Clerk



COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF SOCIAL SERVICES
Homeless Services Division
Devin Drake *Director*

May 2, 2023

Greg Carpenter, Interim City Manager
City of Morro Bay
595 Harbor Street
Morro Bay, CA 93442

Subject: Invitation to Participate in the San Luis Obispo Urban County

Dear Mr. Carpenter,

We would like to thank the City of Morro Bay for participating in the San Luis Obispo Urban County (“Urban County”) undertaking essential community development and housing assistance activities. We invite the City to participate in the Urban County for the 2024–2026 Cooperation Agreement term. The City’s current (2021–2023) Cooperation Agreement with the County will expire on June 30, 2024.

Instructions for Participating in the Urban County for the 2024-2026 Term

A new Cooperation Agreement must be completed with each City that will participate in the Urban County for the 2024–2026 term which includes fiscal years 2024–2025, 2025–2026, and 2026–2027. To remain in the Urban County, please complete the following steps.

- Notify the County of the City’s intention to remain in the Urban County by emailing Marge Castle (mrcastle@co.slo.ca.us) by June 1, 2023.
- Present a resolution to your City Council to approve participation in the Urban County for 2024–2026 fiscal years. Provide a copy of the approved resolution by June 12, 2023.
- If we don’t receive a response by the due date, it will be considered an acceptance of participation in the Urban County for all three fiscal years (2024–2026).

If the City elects to remain in the Urban County, the City would be eligible to receive funding from the U.S. Housing and Urban Development (HUD) entitlement funds (CDBG Entitlement program) through the Urban County for all three fiscal years (2024–2025, 2025–2026, and 2026–2027). This does not preclude the Urban

County of San Luis Obispo Department of Social Services

P.O. BOX 8119, San Luis Obispo, CA 93403-8119

| (P) 1-805-788-9491 | (F) 805-788-2457 | slocounty.ca.gov/dss

Attachment 2

County from applying to the State for Home Funds, State CDBG Funds or State ESG funds. As a participant in the Urban County, the City would be ineligible to apply for grants under the State CDBG Program.

If the City chooses to be excluded from the Urban County, the City is required to notify the County and HUD field office by June 12, 2023.

If you have any questions or concerns regarding this process or the County's HUD programs, please contact Marge Castle, Program Manager at (805) 788-9491.

Best regards,

A handwritten signature in blue ink, appearing to read "Joe Dzvonic".

Joe Dzvonic
Division Manager



AGENDA NO: A-5

MEETING DATE: May 23, 2023

Staff Report

TO: Honorable Mayor and Councilmembers **DATE:** May 14, 2023

FROM: Sarah Johnson-Rios, Asst City Manager/Admin Services Director
Emily Conrad, Finance Manager

SUBJECT: Third Quarter Investment Report (period ending March 31, 2023) for Fiscal Year (FY) 2022-23

RECOMMENDATION

Receive the Third Quarter Investment Report (period ending March 31, 2023) for FY 2022-23.

FISCAL IMPACT

There is no fiscal impact associated with this recommendation.

DISCUSSION

Attached for your consideration is the Third Quarter Investment Report for FY 2022-23. As of March 31, 2023, the City's weighted portfolio yield of 3.039% for the quarter was above the Local Agency Investment Fund (LAIF) yield of 2.74% for that quarter, as the Second Quarter Investment Report indicated was likely to occur. The interest rates have continued to increase during this quarter, though are expected to level off and drop in the fourth quarter. As of March 31, 2023, the City had recorded \$447,266 in interest earnings for the fiscal year to date. This is a significant improvement over the interest earned through the third quarter of FY 2021-22, which was \$178,922.

As major construction activity on the first two phases of the Water Reclamation Center winds down, staff has gradually invested additional funds given a reduced need for liquidity. This quarter, staff replaced a matured certificate of deposit with a yield of 3.2% with a one-year certificate of deposit with a yield of 5.00%. In addition, staff diversified the City's investment portfolio with a \$3.9 million, one-year investment in Federal Home Loan Banks (FHLB) with an average yield of 4.838%. Furthermore, the City's Mechanics Bank Money Market account realized another interest rate increase from 2.78% to 4.07%. The Fourth Quarter Investment Report will reflect a \$2.9 million investment in US Treasury Bills with a yield of 4.78% made in April 2023. To capitalize on higher interest rates, staff is continuing to diversify the City's investment portfolio consistent with the Council adopted investment goals of safety, liquidity, and yield in accordance with Resolution No. 69-22.

CONCLUSION

Staff recommends that the City Council receive the Third Quarter Investment Report (period ending March 31, 2023) for Fiscal Year 2022-23.

ATTACHMENT

1. Third Quarter Investment Report for FY 2022-23 (period ending March 31, 2023)

Prepared By: EC

Dept Review: SJR

City Manager Review: GC

City Attorney Review: CFN

CITY OF MORRO BAY
QUARTERLY PORTFOLIO PERFORMANCE
3/31/2023

INVESTMENT OR CUSIP NUMBER	INSTITUTION	PURCHASE PRICE	INTEREST RATE	PURCHASE DATE	MATURITY DATE	DAYS TO MATURITY
POOLED MONEY INVESTMENT ACCOUNT:						
LAIF	LOCAL AGENCY INVESTMENT FUND	\$ 41,238,058	2.74%	DAILY	DAILY	1
MONEY MARKET ACCOUNT:						
MM	MECHANICS BANK - MONEY MARKET	13,233,899	4.07%	DAILY	DAILY	1
SWEEP	MECHANICS BANK - SWEEP	4,207,399	0.01%	DAILY	DAILY	1
PUBLIC AGENCY RETIREMENT SERVICES - RESTRICTED INVESTMENTS						
PARS OPEB	Public Agency Retirement Services	2,086,546	5.48%	DAILY	DAILY	1
PARS Pension Trust	Public Agency Retirement Services	1,045,788	1.57%	DAILY	DAILY	1
CERTIFICATES OF DEPOSIT:						
3090683803	US BANK (FORMERLY STATE FARM BANK)	250,435	3.050%	10/21/2013	10/24/2023	207
61690UDL1	ZIONS BANK - Morgan Stanley Bk NA	246,000	3.100%	1/24/2019	1/24/2024	299
90307LAB0	ZIONS BANK - Uncle Cr Union Livermore CA	248,000	5.000%	1/25/2023	1/25/2024	300
1731202F5	ZIONS BANK - Citibank NA	246,000	3.200%	1/25/2019	1/25/2024	300
052392BM8	ZIONS BANK - Austin Telco Fed. Cred. Union Tex	249,000	3.400%	8/12/2022	8/12/2024	500
795451BQ5	ZIONS BANK - Sallie Mae	245,000	3.400%	7/6/2022	7/7/2025	829
20825WAZ3	ZIONS BANK - Connexus Cred. Union	249,000	3.400%	8/15/2022	8/15/2025	868
27002YFE1	ZIONS BANK - Eaglebank - Bethesda	249,000	3.300%	8/18/2022	8/18/2025	871
254673Q33	ZIONS BANK - Discover Bank Greenwood	245,000	3.350%	8/16/2022	8/17/2026	1,235
856285G21	ZIONS BANK - State Bank of India NY	250,000	1.750%	2/9/2022	2/9/2027	1,411
02589ABQ4	ZIONS BANK - American Express Natl	247,000	2.000%	3/9/2022	3/9/2027	1,439
14042TFJ1	ZIONS BANK - Capital One	246,000	2.700%	4/6/2022	4/13/2027	1,474
U.S. OBLIGATIONS						
3130AV3G5	Federal Home Loan Banks	401,974	5.125%	3/20/2023	2/23/2024	329
3130ARHG9	Federal Home Loan Banks	3,590,680	4.550%	3/27/2023	2/28/2024	334
U.S. TREASURY NOTES & BONDS						
91282CFQ9	US Treasury Notes	<u>996,718</u>	4.375%	10/31/2022	10/31/2024	580
		<u>\$ 69,771,496</u>				
			RECORDED INTEREST AS OF 3/31/2023	% OF LIQUID PORTFOLIO HOLDINGS	WEIGHTED AVERAGE RATE OF EARNINGS	WEIGHTED AVERAGE MATURITY
			<u>447,266</u>	<u>84.102%</u>	<u>3.039%</u>	<u>63</u>

Portfolio holdings as of the quarter ended March 31, 2023, are in compliance with the current Investment Policy. With 84.102% of the portfolio held in liquid instruments, allowing the City to meet cash flow needs for at least six months, in compliance with the investment policy approved by the City Council in June 2022. The investment policy will be updated annually as required by state law.



AGENDA NO: A-6

MEETING DATE: May 23, 2023

Staff Report

TO: Honorable Mayor and City Council

DATE: May 11, 2023

FROM: Scot Graham, Community Development Director
Cindy Jacinth, Senior Planner

SUBJECT: General Plan Annual Progress Report for Reporting Year 2022

RECOMMENDATION

Staff recommends the City Council review and accept the General Plan Annual Progress Report.

ALTERNATIVES

No alternatives are being recommended.

FISCAL IMPACT

There is no fiscal impact associated with this recommendation.

SUMMARY

All jurisdictions statewide are required to provide the Governor's Office of Planning and Research an Annual Progress Report on its General Plan documenting implementation over the previous year's 12-month reporting period. This staff report provides that documentation.

BACKGROUND:

On May 26, 2021 the City Council adopted a comprehensive update to its General Plan which combined the General Plan (GP) and Local Coastal Program Coastal Land Use Plan (LCP) into a combined document also known as Plan Morro Bay. The City's GP/LCP is available online at <https://www.morrobayca.gov/DocumentCenter/View/15424/Plan-Morro-Bay-GP-LCP-Final>

State law requires that a City's General Plan have the following eight required Elements: Land Use, Circulation, Housing, Conservation, Open Space, Noise, Public Safety, and Environmental Justice, The City's General Plan includes each of these eight Elements along with the following additional Elements: Community Design and Economic Development.

The Governor's Office of Planning and Research (OPR) provides annual updates and guidance to cities on the maintenance, required updates, and report of General Plans thereof. As a general law city, Morro Bay is required to provide an annual report to its legislative body on the status of our General Plan and its implementation under Government Code Section 65400. The annual report is intended to be a summary of activities for all elements that were implemented, reporting on planning activities undertaken.

DISCUSSION

The General Plan Annual Progress Report (APR) is organized into two sections. The first section covers the legal requirements of the APR and status of each of the General Plan Elements and any

Prepared By: CJ Dept Review: SG
City Manager Review: GC City Attorney Review: CFN

proposed General Plan amendments. The second section of the APR covers a summary of 2022 activity. Section 2 also includes the General Plan Implementation Table with a column identifying status of each Implementation Action. The Implementation Action items are part of Chapter 5 of the General Plan's Implementation Strategy. The implementation strategy provides a framework to coordinate citywide efforts to execute the policies identified throughout the plan and provides a structure for monitoring, maintain, and updating the document. For the reporting year 2022, the implementation table in this report includes the status and progress to date.

CONCLUSION

OPR requires that cities present the APR to the local legislative body for review and acceptance. Staff recommends the City Council review and accept the General Plan Annual Progress Report for filing. Upon review of this item, the APR will be forwarded to OPR.

ATTACHMENT

1. General Plan Annual Progress Report including Exhibit 1 General Plan Implementation Table Status and Exhibit 2 List of Major Development Applications for 2022.

ONLINE LINK:

1. [Morro Bay General Plan/ Local Coastal Program Coastal Land Use Plan \(LCP\)](#)

SECTION 1 - INTRODUCTION

The General Plan Annual Progress Report (GP APR) is a report to the legislative body and public regarding the implementation of the General Plan. This report is a summary of activities for all elements that were implemented. The City of Morro Bay as a general law city is required to provide an annual report to the City Council on the status of its General Plan and its implementation under Government Code Section 65400.

A. PURPOSE OF THE GENERAL PLAN ANNUAL PROGRESS REPORT

Scope and Content

Reporting Period Type: Calendar year report
Reporting Period: January 1, 2022 – December 31, 2022.
Date of Presentation/Acceptance: May 23, 2023

B. PURPOSE OF THE GENERAL PLAN

The General Plan is a city's long-term blueprint for future development and for meeting our community's long-term vision for the future. Pursuant to State law, the General Plan must accommodate the required amount of projected population growth the State of California estimates for each city.

C. STATUS OF ADOPTED GENERAL PLAN AND STATUS OF AMENDMENTS

State law allows the General Plan (GP) to be amended four times annually. This allows the General Plan to remain a current document responsive to the community's needs. The City of Morro Bay completed a comprehensive update to its entire General Plan which was adopted by City Council on May 25, 2021. As a combined General Plan/Local Coastal Plan, it was subsequently certified by the California Coastal Commission on August 12, 2021. The below table include the GP update history organized by each General Plan Element.

Element Name:	Date of Last Update:	Description
Land Use	2021	The Land Use Element regulates how land in the City will be used in a way that maximizes public safety and social well-being, protects coastal resources, and benefits the local economy.
Community Design	2021 – New Optional Element	The Community Design Element addresses the components of Morro Bay's unique style that will be preserved and enhanced through this LCP as the City changes over time. This element focuses primarily on building design, landscaping, scale, and style.
Economic Development	2021 – New Optional Element	This Element lays the groundwork for improving and sustaining economic health through 2040 through long-range policies focused on supporting existing and new local- and visitor-serving retail uses and attracting and retaining jobs in the city. The element may be implemented from time to time by shorter-range 5- to 10-year economic development strategies that seek to accomplish portions of the long-term economic vision.
Circulation	2021	This element includes a description of the existing transportation network, parking facilities in the coastal zone, the transportation network diagram, and multimodal transportation infrastructure. It also covers key transportation issues in Morro Bay and the goals and policies which will guide efforts by the City, developers, and officials to improve travel mobility and efficiency in Morro Bay.
Noise	2021	The Noise Element is intended to serve as Morro Bay's general guide in public and private development matters related to

		<p>outdoor noise. The purpose of this element is to identify noise problems in the community, protect sensitive noise environments important to the community, establish a land use pattern that minimizes the community's exposure to excessive noise, and identify noise reduction strategies to address existing and foreseeable noise problems.</p>
Housing	2021	<p>The balance between the city's residents, workforce, and economic growth is an outcome of the Housing Element through a long range plan that provides direction towards creating greater access to housing for people with low and moderate incomes to fulfill that General Plan vision.</p> <p>The Housing Element Annual Report was submitted to the State Department of Housing & Community Development (HCD) on April 1, 2023. Report linked here.</p>
Conservation	2021	<p>Conservation Element goals and policies seek to reconcile conflicts between community resource demands and conservation needs. The element also discusses the community benefits derived from these resources, such as healthy food and clean water, climate change mitigation, and recreation.</p>
Open Space	2021	<p>The Open Space Element establishes goals and policies to protect and conserve Morro Bay's open space resources and addresses opportunities to expand the open space system by assessing park and trail facilities, coastal facilities, and recreation programs.</p>
Public Safety	2021 – New Optional Element	<p>This element places a specific focus on climate change-related hazards and policies that will prepare the City to address the changes that are likely to come from coastal hazards, including sea</p>

		level rise, and for future emergency situations, but also includes information on other potential environmental hazards and emergency response procedures.
Environmental Justice	2021 - New Optional Element	The Environmental Justice Element addresses the social aspects of community design. It anticipates the ways in which the built environment affects the overall wellbeing of residents and visitors and allows needs to be met easily and affordably. A person's social, physical, and mental well-being are inexorably linked, and this element touches on all three aspects and includes policies to improve the conditions that influence them.

D. PROPOSED GENERAL PLAN AMENDMENTS

One amendment to the General Plan was proposed and approved in 2022. The General Plan/ Coastal Land Use Plan map was amended for the 14,810 square foot commercial property located at 1260 Main Street. The amendment included changing the land use designation from District Commercial (DC) to Community Commercial (CC). The District Commercial designation provides for larger-scale development to meet both local and regional demands for that type of development, whereas the Community Commercial designation is intended to satisfy more community-oriented uses and development. The land use designation change at this site was recommended for approval by Planning Commission on April 19, 2022 and approved by City Council on June 14, 2022. The land use map change was certified by Coastal Commission on October 14, 2022.

SECTION 2 – SUMMARY OF 2022 ACTIVITY

A. IMPLEMENTATION ACTIVITY SUMMARY

See attached table (General Plan Implementation Table – Exhibit 1)

B. LOCAL LEGISLATIVE PRIORITIES IN 2022

Annually, the City Council completes a goal-setting process to determine major city goals in response to community input and public comment. In 2022, the major City goals were:

- **City Council Goal: Fiscal Sustainability & Economic Vitality**
 - Review development opportunities for Market Plaza property - identify buyer/developer for property and execute purchase and sale agreement
 - Continue Review of the Vistra proposed battery project - complete EIR and Master Plan process for the site and bring to Planning Commission (PC) and City Council for review
 - Complete (Development Impact) fee study - complete final draft fee study, share with Chamber for review/comment and bring forward to Council for adoption
- **City Council Goal: Housing**
 - Complete Zoning Code update - Continue to work with Coastal Commission Staff on final edits and bring to PC and Council for review and adoption in summer of 2022
 - Development of Stock Accessory Dwelling Unit (ADU) plans to provide to public for free - Finalize the stock ADU plans, create informational webpage on how to access and utilize the plans in summer of 2022
 - Bring land use amendment forward for the Seashell estates property to increase density to 7 - 15 units per acres - complete environmental review for the proposed a land use amendment, revise draft zoning code to reflect the change and bring forward for review by PC and Council in summer of 2022
- **City Council Goal: Climate Action**
 - Pursue funding to complete Climate Action Plan (CAP) update - review latest funding opportunities released by the State and Federal Government for funds that could be used to update the CAP.
 - Create City webpage with links to energy efficient websites - create climate action webpage with resource links to greenhouse gas reduction, and energy conservation resources in summer of 2022
 - Implement 3CE Reach Code incentive program for electrification of new residential construction with adoption of the 2022 building code in Jan 2023.

C. MASTER PLAN CREATION AND/OR UPDATES

In 2022 the City of Morro Bay started development of a Master Plan for the Morro Bay Power Plant Site. The Master Plan project for the property located at 1290 Embarcadero was a result of General Plan/LUP Policy LU-5.4 which requires creation of a master plan for the redevelopment of the former Vistra power plant site and surrounding area. Vistra has an open application for a coastal development permit and conditional use permit to development a 600-MW battery energy storage system project which triggered the requirement for creation of the Master Plan as specified in the policy below. Thus far, the city has held one community meeting for the Master Plan in summer of 2022, and a community survey was released to solicit feedback on attributes of the future Master Plan.

POLICY LU-5.4: Vistra Site Master Plan. Create a master plan for the redevelopment of the former Vistra power plant site and surrounding area, which could include reuse of some of the existing buildings. The master plan will be the responsibility of the developer or property owner upon property development. Encourage extensive community participation in the master plan process. Ensure that the land use map identified in Figure LU-4 and development capacity established in Table LU-2 guide land planning for the site. Other objectives for the master plan include creating a better connection between the two sides of the Embarcadero at the Vistra site and creating a pedestrian-friendly atmosphere along the site's Embarcadero street frontage. The master plan shall be incorporated into the LCP via an LUP amendment with Chapter 3 of the Coastal Act with the standard of review prior to any CDP processing for associated development.

D. MAJOR DEVELOPMENT APPLICATIONS PROCESSED

See attached table (Exhibit 2) which includes all projects reviewed or open by Planning Commission in 2022.

E. INTERAGENCY/ INTERGOVERNMENTAL COORDINATION EFFORTS

The City of Morro Bay participates on intergovernmental coordination efforts with the County of San Luis Obispo. This includes the County's Air Pollution Control District (APCD), Integrated Waste Management Authority (IWMA), County Planning, County Public Works, County Sheriff, and other agencies. Initiatives include greenhouse gas

reduction measures, education on solid waste recycling, affordable housing and homelessness response measures, mutual aid agreements for emergency response, and participation in the Broadband & Digital Roundtable.

F. IMPLEMENTATION OF MITIGATION MEASURES FROM GENERAL PLAN FINAL ENVIRONMENTAL IMPACT REPORT

The Mitigation Monitoring & Reporting Program from the General Plan Final Environmental Impact Report outlines the various mitigation measures, action required, monitoring frequency, and responsible agency or party. Mitigation measures are implemented according to each of the identified impacts.

G. DEPARTMENT GOALS, OBJECTIVES, ACTIVITIES, AND RESPONSIBILITIES AS RELATED TO LAND USE PLANNING

The goal for the Community Development Department is to provide the community with direction and guidance to achieve the goals and objectives set forth in the General Plan and Local Coastal Plan.

The main objective for the department is to create and facilitate an effective partnership with the residents and businesses in the community by providing an open and transparent planning process with an emphasis on citizen involvement and participation that results in a fair, objective, predictable, and accountable planning process.

The Planning Commission is a five member voting body appointed by the City Council. The adopted plans and City documents used by the Planning Commission in considering permit application and policy development is [here](#). The function of the Planning Commission is to:

- Develop a general plan and recommend its adoption by the City Council
- Maintain the general plan after its adoption by the City Council
- Develop specific plans as may be necessary to implement the general plan
- Periodically review the capital improvement program of the city for recommendations to the City Council

H. CUSTOMER SERVICE IMPROVEMENTS AND METHODS

The City of Morro Bay implemented an Electronic Plan Review (EPR) program for applicants to submit both building and planning permit plans online and streamline the application process, reduce paper waste, reduce expense, and reduce the inconvenience of printing and shipping multiple copies of construction plans. Electronic plan review also allows for concurrent review by staff which reduces plan review times and creates a consolidated corrections list that can be used to track and respond to comments.

I. GRANT ADMINISTRATION

The City has successfully received multiple state and federal grants to assist with General Plan implementation. This includes funding from the State Department of Housing & Community Development (HCD), State Coastal Commission, Ocean Protection Council (OPC). In 2022, Community Development Department staff managed grant administration of these grants which funding was used to implement General Plan policies including Housing Element implementation and Local Coastal Plan (LCP) implementation.

J. TECHNOLOGY REVIEW INCLUDING WEBSITE UPDATES

The City has continued to provide regular updates on the City website including refinements to the Community Development Department page. These include:

1. Creation of a new Climate Action Plan website at www.morrobayca.gov/climateaction which includes public information update and resources available to the public.
2. Maintenance of the Department's Current Planning Projects page which includes public information updates on high profile projects of interest at www.morrobayca.gov/currentplanningprojects.
3. Announcement of Citywide projects and initiatives through use of the Hot Topics alert feature on the main City website at www.morrobayca.gov.

#	Relevant Goals	Element	Action	Type of Action	Responsibility	Funding Source	EIR Mitigation?	Time	GP Annual Progress Report Status 2022
LU-1	Goal LU-1	Land Use	Amend the Zoning Map to establish consistency between land use designations and zoning districts.	Zoning Code Update	Community Development	General Fund		Concurrent	In Progress
LU-2	Goal LU-1	Land Use	Establish zoning districts and development standards to correspond with land use designations and character areas.	Zoning Code Update	Community Development	General Fund		Concurrent	In Progress
LU-3	Goal LU-1	Land Use	Modify zoning and development standards to allow and facilitate tiny houses, co-housing, live/work housing, and intergenerational housing.	Zoning Code Update	Community Development	General Fund		Concurrent	In Progress
LU-4	Goal LU-1	Land Use	Designate base zones during the Zoning Code update for the Beach Street Specific Plan area which protect the existing unique mix of land uses.	Zoning Code Update	Community Development	General Fund		Concurrent	In Progress
LU-5	Goal LU-1	Land Use	Continue to implement the North Main Street Specific Plan through the actions in this plan and the actions in the specific plan.	Process	Community Development	General Fund		Concurrent	In Progress
LU-6	Goal LU-3	Land Use	When the city's population reaches 11,700, reopen public discussions about the Measure F 12,200-person limit and undertake a process to either affirm, amend, or repeal Measure F. At that time, consider exempting affordable housing projects from established population limits.	Process	City Council	General Fund		As Needed	-
LU-7	Goal LU-4	Land Use	As part of the Zoning Code update, maintain land use and zoning that protects visitor-serving and coastal dependent uses, including commercial fishing.	Zoning Code Update	Community Development	General Fund		Concurrent	In Progress
LU-8	Goal LU-4	Land Use	Clarify the meaning of "clearly incidental" in the Zoning Code and provide additional certainty and consistency in the development review process for properties in the Measure D zone/Commercial/Recreational Fishing land use designation.	Zoning Code Update	Community Development	General Fund		Once	-
LU-9	Goal LU-4	Land Use	Update the Fishing Community Sustainability Plan every five years.	Process	Harbor	General Fund; Grants		Periodic	-
LU-10	Goal LU-4	Land Use	Modify zoning and development standards to allow interim uses in areas designated for coastal-dependent uses until the existing owners have an approved coastal-dependent development. The City considers this type of interim temporary use exempt from coastal development permits. Interim uses shall be limited to projects which a) have relocatable structures, b) are compatible with the character of surrounding areas, c) preserve established viewsheds, and d) are limited to the following uses: <ul style="list-style-type: none"> • Visitor access, paths, lookout points • Recreational vehicle parking • Automobile parking • Picnic areas • Community gardens • Campgrounds • Restrooms and service facilities • Playgrounds • Temporary boat storage • Temporary boat repair area • Ancillary uses for the above • Other uses serving visitors or commercial fishing which do not require permanent structures 	Zoning Code Update	Community Development	General Fund		Concurrent	-
LU-11	Goal LU-4	Land Use	Track needs of the commercial fishing industry annually through the Harbor Advisory Board as the community faces climate and economic changes.	Process	Harbor	General Fund		Annually	-

LU-12	Goal LU-6	Land Use	<p>Perform a survey of all hotels and motels in the city every two years. The survey should include documentation of the number of accommodations (for 2-4 person occupancy) and their average costs. Upon completing the survey, use the established City threshold to determine what proportion of hotels and motels can be considered low cost visitor-serving accommodations. This process will be completed between January and April to capture realistic peak-season prices. Notice that the survey will be completed and the threshold and proportion information will be updated based on the survey will be given three months in advance of conducting the survey. Notice will be given to all accommodations owners and any applicants who have submitted applications for hotels or motels in the last year. Once the survey is updated it will be sent to this group as well.</p>	Process	Community Development	General Fund; TOT		Periodic	-
LU-13	Goal LU-6	Land Use	<p>New mid-price hotel and motel projects that are developed on state-owned tidelands and do not have lower-cost accommodation options shall incorporate non-overnight facilities and amenities, either within or as a component of the development, which will be generally available for passive public use. Such amenities may include public plazas and spaces, restaurants, retail units/shops, gardens, viewing areas, free Wi-Fi access, bike parking facilities, or other day-use features that may be used by the public at no or relatively low cost. The quality and quantity of amenities shall be considered in the Coastal Development Permit review process. This standard does not prohibit a new hotel or motel project from charging a user fee or resort fee for active amenities, such as pool and spa access, recreation activities and equipment, or organized group activities on the property.</p>	Development Standards	Community Development	Development Fees		As Needed	-
LU-14	Goal LU-6	Land Use	<p>Use fee revenues from new developments with the potential to directly displace existing lower- and mid-price accommodations to provide as-needed rehabilitation grants to Low-Cost Visitor-Serving Accommodations (LCVSAs) to ensure the LCVSAs stay on the market at an affordable price point.</p>	Program	Community Development	Development Fees		As Needed	-
LU-15	Goal LU-6	Land Use	<p>Require any new hotel or motel development that does not include lower-cost overnight accommodations (and that is not directly displacing lower-cost lodgings) to provide mitigation as a condition of approval of a Coastal Development Permit. Mitigation actions shall include a mitigation payment to provide funding for the establishment of lower-cost overnight visitor accommodations elsewhere in the city, including granting the state "rights-of-way" to expand or using fees for linear coastal park improvements.</p>	Program	Community Development	Development Fees		As Needed	Ongoing. This is a project requirement reviewed for applicability on all new projects.
LU-16	Goal LU-6	Land Use	<p>Require that hotel or motel development projects in Morro Bay provide units at a lower-cost rate approved by the Coastal Commission if they directly displace either (a) existing lower-cost accommodations or (b) accommodations above the lower-cost threshold that include additional amenities or higher capacity.</p>	Program	Community Development	Development Fees		As Needed	Ongoing. This is a project requirement on all new projects.

LU-17	Goal LU-6	Land Use	Require new hotel and motel projects that do not have lower-cost accommodation options to incorporate non-overnight facilities and amenities, either within or as a component of the development, which will be generally available for passive public use. Such amenities may include public plazas and spaces, restaurants, retail units, gardens, viewing areas, free Wi-Fi, bike parking facilities, or other day-use features that may be used by the public at no or relatively low cost. The quality and quantity of amenities shall be considered in the Coastal Development Permit review process. This standard does not prohibit a new hotel or motel project from charging a user fee or resort fee for active amenities, such as pool and spa access, recreation activities and equipment, or organized group activities on the property.	Program	Community Development	Development Fees		As Needed	Ongoing. This is a project requirement on all new projects.
LU-18	Goal LU-7	Land Use	Continue to implement lateral access wayfinding and open access through enforcement of City design standards and sign regulations.	Code Enforcement	Community Development	General Fund; Development Fees		Ongoing	In Progress
LU-19	Goal LU-7	Land Use	Name and brand the entire lateral accessway through the lateral access focus area and beyond (as applicable) as the Morro Bay Harborwalk. This should be reflected in all wayfinding and signage and city materials.	Program	Harbor; Community Development	General Fund		Ongoing	Ongoing. This is a project requirement on all new projects.
LU-20	Goal LU-8	Land Use	Update the Waterfront Master Plan.	Process	Community Development	General Fund		Periodic	Staff is researching grant funding opportunities.
LU-21	Goal LU-8	Land Use	Monitor and repair existing seawalls and revetments along the Embarcadero.	Physical Improvement	Public Works	General Fund; development fees		As Needed	City is preparing an RFP to conduct a survey of waterfront infrastructure including revetments
CD-1	Goal CD-1	Community Design	Develop design standards as part of the Zoning Code update tailored to each character area (as appropriate) and include regulations on building design, landscaping, amenities, and facilities.	Zoning Code Update	Community Development; Public Works	General Fund		Once	Completed, Zoning Code adopted 11/22/22.
CD-2	Goal CD-1	Community Design	Develop citywide design guidelines with a focus on certain character areas. The guidelines for each character area should be sensitive to the design objectives and unique characteristics of each area. Those character areas include Downtown, the Embarcadero, North Morro Bay, Cloisters, North Embarcadero, and Highway 1 Commercial. Considerations for the guidelines will include allowing sufficient flexibility, use types generally allowed, building size and massing, and allowing for eclectic design features. Design standards should address senior housing that is accessible to public transit, health and community facilities, and services.	Process	Community Development	General Fund		Once	Completed, Zoning Code adopted 11/22/22.
CD-3	Goal CD-1	Community Design	Develop design guidelines for North Morro Bay that encourage building or expanding commercial centers to serve the neighborhood at identified locations in the area. Another objective is to make North Main Street more pedestrian friendly and aesthetically pleasing.	Process	Community Development	General Fund		Once	Completed, Zoning Code adopted 11/22/22.
CD-4	Goal CD-1	Community Design	In mixed-use areas, lateral accessways shall be provided according to the location of historically used portions of the site and projected future use by residents, and shall include provision of continuous lateral access across the site. Access easements may be located in view corridors.	Development Standards	Community Development	Development Fees		As Needed	Ongoing. This is a project requirement on all new projects.
CD-5	Goal CD-1	Community Design	Design guidelines for the Embarcadero character area should be crafted to maintain and improve lease site buildings and structures for visitors and waterfront commercial uses and to protect against sea level rise, create consistent wayfinding and signage, improve circulation for bicycles, pedestrians, and vehicles, and develop opportunity sites.	Process	Community Development	General Fund		Concurrent	Completed, Zoning Code adopted 11/22/22.
CD-6	Goal CD-1	Community Design	Design guidelines for the Downtown character area should include connecting Downtown with the waterfront through new buildings and activities, developing opportunity sites, maintaining and improving the pedestrian experience, and increasing office and residential opportunities on second stories.	Process	Community Development	General Fund		Concurrent	Completed, Zoning Code adopted 11/22/22.

CD-7	Goal CD-1	Community Design	Amend the Zoning Code to allow for features such as vegetative roofs, edible landscaping, gardening, and the keeping of specified small animals in appropriate residential and commercial zones.	Zoning Code Update	Community Development	General Fund		Concurrent	Completed, Zoning Code adopted 11/22/22.
CD-8	Goal CD-2	Community Design	Update the City's building code to meet Tier 2 of the Green Building Code and incorporate resilient and sustainable building design standards such as passive heating and cooling, redundant water and waste systems, energy production and storage, and disaster-resilient building materials. Review the code periodically to ensure it incorporates emerging materials, technology, and best practices.	Municipal Code Update	Fire	General Fund		Periodic	Completed, 2022 California Building Code adopted.
ED-1	Goal ED-1	Economic Development	Determine the types of buildings and spaces needed in Morro Bay to support economic growth. Identify the appropriate height and sizes of nonresidential buildings, along with any design considerations necessary for desired economic growth.	Zoning Code Update	Community Development	General Fund		Concurrent	-
ED-2	Goal ED-1	Economic Development	Regularly review City policies and practices to ensure they allow new businesses to be easily established and enable existing businesses to easily grow, avoiding unnecessarily restrictive or financially burdensome regulations.	Process	City Manager	General Fund		Periodic	-
ED-3	Goal ED-1	Economic Development	Maximize energy from renewable resources, and work to improve the affordability of energy and telecommunication resources.	Program	City Manager	General Fund; Grants		Ongoing	City is a member of Central Coast Community Energy
ED-4	Goal ED-1	Economic Development	Explore opportunities to establish Community Financing Districts and additional Business Improvement Districts.	Program	City Manager	General Fund; District Proceeds		Ongoing	City contracted with the Morro Bay Chamber of Commerce to conduct outreach and to provide information on the formation of a downtown BID. Project is complete and next steps are up to the downtown business owners.
ED-5	Goal ED-1	Economic Development	Adopt, and ensure City staff is trained on, proper customer service techniques and practices when working with community members on permits, applications, and other processes.	Process	Community Development	General Fund		Ongoing	In progress
ED-6	Goal ED-1	Economic Development	Review, and modify as needed, the development process to improve and streamline the review process, ensure proper communication between departments and the applicant, and provide support for businesses and homeowners.	Process	Community Development	General Fund		Periodic	In progress
ED-7	Goal ED-1	Economic Development	Carry out implementation of the Economic Development Strategic Plan.	Process	City Manager	General Fund		Ongoing	In progress
ED-8	Goal ED-2	Economic Development	Be knowledgeable and present in local events, activities, and marketing with local businesses, recreation providers, and organizations to provide support and promotion, and to facilitate good relationships with the community.	Program	City Manager	General Fund		Ongoing	In progress
ED-9	Goal ED-2	Economic Development	Strengthen partnerships with Cal Poly, Cuesta College, the Economic Vitality Corporation, the County of San Luis Obispo, REACH Central Coast, Visit SLO CAL, Morro Bay Chamber of Commerce, and the cities in the county to work together on regional tourism and marketing that highlights Morro Bay as a tourist destination and business-friendly location.	Program	City Manager	General Fund; TOT		Ongoing	In progress
ED-10	Goal ED-2	Economic Development	Identify commercial areas in need of rejuvenation and work with property owners to identify funding sources and revitalization strategies to improve the appearance, sustainability, and longevity of buildings and amenities.	Program	City Manager	General Fund		Ongoing	-
ED-11	Goal ED-3	Economic Development	Ensure that zoning and design standards along the Embarcadero, in downtown, along Main Street, and in other locations allow for new nonresidential development. Consider allowances for retail/residential and retail/office mixed-use buildings.	Process	Community Development	General Fund		Concurrent	In progress
ED-12	Goal ED-3	Economic Development	Prioritize the location of businesses that will bring needed and diverse services, livable wages, and employment generation.	Program	City Manager	General Fund		Ongoing	-

ED-13	Goal ED-4	Economic Development	Partner with Cal Poly, Cuesta College, and the Workforce Development Board, as well as other key agencies and organizations, to bring workforce programs, projects, and needed workers to Morro Bay.	Program	City Manager	General Fund		Ongoing	-
ED-14	Goal ED-4	Economic Development	Provide incentives such as reduced development fees, expedited processing, or other benefits for businesses that will pay a living wage to employees.	Zoning Code Update	Community Development	General Fund		Ongoing	-
CIR-1	Goal CIR-1	Circulation	Review the Morro Bay Bicycle and Pedestrian Master Plan annually to identify opportunities for implementation and ensure consistency with existing local and regional plans.	Process	Community Development	General Fund		Ongoing	-
CIR-2	Goal CIR-1	Circulation	Identify future funding and ways to remove permitting barriers to install fiber optic Internet or other similar communications infrastructure that will support the increase of smart transportation technology and connected vehicles.	Physical Improvement	Public Works	General Fund; Grants		Once	-
CIR-3	Goal CIR-1	Circulation	Prioritize projects in the CIP that improve local and regional connectivity and mobility by increasing access and connecting to existing systems, including transit, sidewalks, bike lanes, and roadways.	Process	Public Works	General Fund; Grants		Ongoing	-
CIR-4	Goal CIR-1	Circulation	Update the City's development impact fee program to provide funding for future circulation improvements including pedestrian, bicycle, and public transit facilities and amenities. Also, consider other local financing options such as an Enhanced Infrastructure Financing District (EIFD).	Process	Community Development	General Fund		Periodic	-
CIR-5	Goal CIR-1	Circulation	Include the San Luis Obispo Bicycle Club, Bike SLO County, SLO Nexus, and other bicycling groups as key stakeholders in planning and transportation system projects to identify concerns and opportunities in the active transportation system.	Process	Community Development	General Fund		Ongoing	-
CIR-6	Goal CIR-1	Circulation	Designate a representative to attend locally relevant meetings held by San Luis Obispo Regional Transit Authority, Caltrans, and other regional agencies to represent the interests of Morro Bay.	Process	Community Development	General Fund		Ongoing	-
CIR-7	Goal CIR-1	Circulation	Work with business owners to streamline and integrate goods movement throughout Morro Bay in a way that improves loading, unloading, and transportation processes, while minimizing health, safety, and nuisance impacts.	Program	Community Development	General Fund		Ongoing	-
CIR-8	Goal CIR-1	Circulation	Consider updating the Morro Bay Municipal Code Title 10 (Vehicles and Traffic) to incorporate recent best practices, local needs, and make consistent with Plan Morro Bay.	Municipal Code Update	Community Development	General Fund		Once	-
CIR-9	Goal CIR-1	Circulation	Seek funding from sources such as Safe Routes to School and Complete Streets programs to improve sidewalk conditions and streetscapes, particularly in the downtown area.	Physical Improvement	Community Development	Grants		Ongoing	-
CIR-10	Goal CIR-1	Circulation	Pursue grant funding to prepare a Complete Streets Plan to integrate with updates to the Morro Bay Bicycle & Pedestrian Master Plan.	Process	Community Development	Grants		Ongoing	-
CIR-11	Goal CIR-2	Circulation	Develop standards for bicycle, pedestrian, and trail improvements and amenities in new development and redevelopment projects. Include requirements for adequate, safe, and accessible bicycle parking, drinking fountains, public restrooms, benches, landscaping, and lighting. Require new development and redevelopment projects to be pedestrian and bicycle-friendly, and to provide adequate connections to the existing and proposed bicycle and pedestrian network.	Process	Community Development	General Fund		Once	-
CIR-12	Goal CIR-2	Circulation	Update design guidelines and standards for bicycle and pedestrian facilities and amenities that meet local, state, and federal standards. Include a uniform citywide signage plan and comply with all Americans with Disabilities Act (ADA) requirements.	Process	Community Development	General Fund		Once	-

CIR-13	Goal CIR-2	Circulation	Design and install comprehensive wayfinding signage in key locations of the city that address all modes of travel including transit, trucks, bicycles, and cars. Excessive signs and other visually intrusive landscape features shall be avoided.	Program	Community Development	General Fund		As Needed	Comprehensive wayfinding signage program installed citywide at end of 2022.
CIR-14	Goal CIR-2	Circulation	Update the Morro Bay Zoning Code to allow for compact development and supporting active transportation amenities in key areas of the city. Standards to implement this policy could include bike parking requirements, pedestrian access requirements, and circulation requirements for commercial uses.	Zoning Code Update	Community Development	General Fund		Concurrent	-
CIR-15	Goal CIR-3	Circulation	Formally adopt level of service (LOS) and VMT as the standard for monitoring impacts to the complete transportation system, including standards for acceptable thresholds and mitigations.	Development Standards	Community Development	General Fund		Concurrent	-
CIR-16	Goal CIR-3	Circulation	Monitor ongoing progress toward VMT and the transportation-related goals of the Morro Bay Climate Action Plan, and update guidelines for transportation impact analysis to maintain acceptable progress.	Process	Community Development	General Fund		Ongoing	-
CIR-17	Goal CIR-4	Circulation	Revise the Morro Bay Zoning Code to eliminate minimum parking requirements where appropriate in new or significantly renovated developments, and establish maximum parking standards.	Zoning Code Update	Community Development	General Fund		Concurrent	
CIR-18	Goal CIR-4	Circulation	Periodically conduct a citywide parking study to analyze the city's existing parking infrastructure in order to effectively address and manage current and future parking needs.	Program	Community Development; Public Works	General Fund; User Fees		Periodic	-
NOI-1	Goal NOI-1	Noise	Use the noise and land use compatibility matrix (Table NOI-3) and Future Noise Contour Map (Figure NOI-3) as criteria to determine acceptability of a land use, including the improvement/construction of streets and highways. Do not permit new noise-sensitive uses – including residential development, schools, hospitals, churches, meeting halls, auditoriums, music halls, theaters, libraries, transient lodging (i.e., motels and hotels), playground/parks, and offices – where noise levels are “normally unacceptable” or higher, if alternative locations are available for the uses in the city.	Development Standards	Community Development	Development Fees		As Needed	This is a requirement that is reviewed on all new projects.
NOI-2	Goal NOI-1	Noise	Mitigate noise created by new proposed stationary noise sources, or by existing stationary noise sources which undergo modifications that may increase noise levels, so as not to exceed the noise level standards of Table NOI-5 on lands designated for noise-sensitive land use.	Development Standards	Community Development	Development Fees		As Needed	This is a requirement that is reviewed on all new projects.
NOI-3	Goal NOI-1	Noise	Ensure that interior noise levels in new residential construction do not exceed 45 dBA Ldn, in accordance with the State of California's Noise Insulation Standards. For nonresidential construction, the acceptable interior noise levels should not exceed the interior noise levels in Table NOI-4.	Development Standards	Community Development	Development Fees		As Needed	This is a requirement that is reviewed on all new projects.
NOI-4	Goal NOI-1	Noise	Continue to enforce Title 25 insulation standards, including the interior noise level standards of 45 dBA Ldn in all habitable rooms for dwelling units.	Development Standards	Community Development	Development Fees		As Needed	This is a requirement that is reviewed on all new projects.
			Require acoustical studies for all discretionary development proposals that are likely to be exposed to existing or projected future noise levels that exceed the “normally acceptable” community noise exposure standard (Table NOI-3); and for projects that are likely to generate noise in excess of the community noise exposure standard (Table NOI-3); or as determined by the Community Development Director. For discretionary projects, acoustical analysis will be required at the time the application is accepted for processing. For development not subject to discretionary approval and/or environmental review, the requirements for an acoustical analysis shall be implemented prior to the issuance of a building permit. An acoustical analysis						

NOI-5	Goal NOI-1	Noise	<p>prepared pursuant to the Noise Element shall:</p> <p>A. Be the financial responsibility of the applicant.</p> <p>B. Be prepared by a qualified person experienced in the fields of environmental noise assessment and architectural acoustics.</p> <p>C. Include representative noise level measurements with sufficient sampling periods and locations to adequately describe local conditions. Where actual field measurements cannot be conducted, all sources of information used for calculation purposes shall be fully described. When the use being studied is commercial or industrial use, all noise sources related to the service and maintenance of the facility shall be considered, including but not limited to parking lot and landscape maintenance, refuse collection, truck loading/unloading activities, amplified sound, outdoor sales and activities, and all other noise sources associated with operation, maintenance, and service.</p> <p>D. Estimate existing and projected (20 years) noise levels in terms of the descriptors used in Tables NOI-4 and NOI-5, and compare those levels to adopted policies of the Noise Element. Projected future noise levels shall take into account noise from planned streets, highways, and road connections.</p> <p>E. Recommend appropriate mitigation to meet or exceed the policies and standards of the Noise Element, giving preference to site planning and design strategies over mitigation measures which require the construction of noise barriers or structural modifications to buildings which contain noise-sensitive land uses.</p> <p>F. Estimate noise exposure after the prescribed mitigation measures have been implemented.</p> <p>G. Describe a post-project assessment program which could be used to evaluate the effectiveness of the proposed mitigation measures.</p>	Development Standards	Community Development	Development Fees		As Needed	This is a requirement that is reviewed on all new projects.
NOI-6	Goal NOI-1	Noise	Require the incorporation of mitigation measures for projects that could expose noise-sensitive land uses to excessive noise levels to reduce such impacts. Table NOI-3 specifies the maximum noise levels that are normally acceptable, conditionally acceptable, and unacceptable for new development.	Development Standards	Community Development	Development Fees		As Needed	This is a requirement that is reviewed on all new projects.
NOI-7	Goal NOI-1	Noise	<p>When mitigation is required to satisfy the adopted policies and programs the following priorities for mitigation shall be observed where feasible:</p> <p>First: Setback/open space separation</p> <p>Second: Site layout/orientation/shielding of noise-sensitive uses with non-noise-sensitive uses</p> <p>Third: Construction of earthen berms</p> <p>Fourth: Structural measures, including acoustical treatment of buildings and noise barriers constructed of concrete, wood, or materials other than earth</p>	Development Standards	Community Development	Development Fees		As Needed	This is a requirement that is reviewed on all new projects.
NOI-8	Goal NOI-1	Noise	Prepare a Noise Guidelines Manual based on the Acoustical Design Manual to ensure consistency with General Plan standards and policies and contemporary practices.	Process	Community Development; Public Works	General Fund		Once	-
NOI-9	Goal NOI-1	Noise	Develop and employ procedures to ensure that noise mitigation measures required pursuant to an acoustical analysis are implemented in the development review and building permit processes.	Program	Community Development	General Fund		Once	-

NOI-10	Goal NOI-2	Noise	New development of noise-sensitive land uses shall not be permitted in areas exposed to existing or future levels of noise from transportation noise sources which exceed 60 dBA Ldn or CNEL (70 Ldn/CNEL for playgrounds and neighborhood parks) unless the project design includes effective mitigation measures to reduce noise in outdoor activity areas and interior spaces to or below the levels specified for the given land use in Table NOI-4.	Development Standards	Community Development	Development Fees		As Needed	This is a requirement that is reviewed on all new projects.
NOI-11	Goal NOI-2	Noise	Noise created by new transportation sources, including roadway improvement projects, shall be mitigated so as not to exceed the levels specified in Table NOI-4, within the outdoor activity and interior spaces of existing noise-sensitive land uses.	Zoning Code Update	Community Development	General Fund		Concurrent	This is a requirement that is reviewed on all new projects.
NOI-12	Goal NOI-2	Noise	Routes for use by heavy trucks will be located away from noise-sensitive land uses when feasible.	Municipal Code Update	Public Works	General Fund		Once	-
NOI-13	Goal NOI-2	Noise	Encourage Caltrans and the County Engineer to incorporate noise reduction methods, including innovative noise reduction strategies, in the design of new and modified roads and highways. Sound walls should not be placed where they will block views in areas of scenic interest.	Process	Public Works	General Fund		Ongoing	-
NOI-14	Goal NOI-2	Noise	Seek funding for and implement alternative transportation improvements in an effort to reduce traffic-related noise in Morro Bay.	Program	Public Works	General Fund; Grants		Periodic	-
C-1	Goal C-2	Conservation	Become a Certified Local Government (CLG) by developing a historic preservation ordinance, establishing a historic preservation committee, and maintaining a system to regularly update cultural resources.	Process	Community Development	General Fund; Grants		Once	-
C-2	Goal C-2	Conservation	Conduct inventories of historic and cultural resources in Morro Bay. Update these inventories as needed to ensure up-to-date information.	Process	Community Development	General Fund; Grants		Periodic	-
C-3	Goal C-2	Conservation	Establish a local register that mimics requirements of the California Register of Historic Resources and the National Register of Historic Places, but focuses on locally important historic themes, such as Morro Bay's legacy as a fishing village.	Program	Community Development	General Fund; Grants		Ongoing	-
C-4	Goal C-2	Conservation	Identify historical themes and develop a historic context statement that is used to identify significant historical themes within a community that are often represented in the built environment, such as houses and infrastructure.	Process	Community Development	General Fund; Grants		Once	-
C-5	Goal C-2	Conservation	Require all discretionary proposals within the cultural resources overlay to consider the potential to disturb cultural resources. If preliminary reconnaissance suggests that cultural resources may exist, a Phase I cultural resources study shall be performed by a qualified professional meeting the Secretary of the Interior's (SOI) Professional Qualification Standard (PQS) for archaeology and/or architectural history, as appropriate (NPS 1983). A Phase I cultural resources study shall include a pedestrian survey of the project site and sufficient background research and field sampling to determine whether subsurface prehistoric or historic remains may be present. Archival research should include a records search at the Central Coast Information Center (CCIC) and a Sacred Lands File (SLF) search with the Native American Heritage Commission (NAHC). Where identified or potential resources are of Native American origin, the appropriate Native American tribe(s) will participate with the qualified professional. The technical report documenting the study shall include recommendations to avoid or, if avoidance is not feasible, reduce impacts to cultural resources.	Process	Community Development	User Fees	Yes	Ongoing	This is a requirement that is reviewed on all new projects.
C-6	Goal C-4	Conservation	Establish greenhouse gas emissions thresholds of significance and standardize potential mitigation measures for both discretionary and ministerial actions.	Process	Community Development	General Fund		Once	-

C-7	Goal C-4	Conservation	Update the City's Climate Action Plan for consistency with SB 32 and SB 1383..	Process	Community Development	General Fund		Once	-
C-8	Goal C-4	Conservation	Regularly communicate with County, state, and federal departments and agencies, medical providers, and organizations regarding available grant funding, such as for active transportation and healthy communities, that can aid the City in reaching its emissions targets. Work with local homeowners, businesses, and organizations to take advantage of these grants.	Process	Community Development	Grants		Ongoing	-
C-9	Goal C-5	Conservation	Develop, and update regularly, a database of low-cost and free programs for energy efficiency and weatherization for low-income homeowners, and create a process for reaching out to such residents when opportunities are available.	Program	Community Development	General Fund; Grants		Ongoing	In progress. This information is included on a new page of the City website at www.morrobayca.gov/climateaction
C-10	Goal C-6	Conservation	Participate in regional energy efficiency financing programs, such as low-interest revolving loans, the California Comprehensive Residential Building Retrofit Program, California First, and Property Assessed Clean Energy (PACE), that enable property owners to obtain low-interest financing for energy improvements.	Program	Community Development	General Fund; Grants		Ongoing	-
C-11	Goal C-7	Conservation	Study the economic and environmental feasibility of obtaining water from additional sources, including brackish water reverse osmosis at the water treatment plant and rainwater harvesting and management. If a method is deemed feasible, develop a plan to incorporate it into the City's water management plan.	Process	Public Works	General Fund; User Fees		Periodic	-
C-12	Goal C-7	Conservation	Identify and regulate point sources of pollution to protect riparian and marine areas.	Process	Public Works	General Fund; Grants		Ongoing	-
C-13	Goal C-7	Conservation	Continue to promote and enforce water conservation efforts in Morro Bay through methods such as tiering of water pricing, water usage restrictions, and incentives or requirements for water-efficient building, landscaping, and street design.	Program	Public Works	General Fund; User Fees		Ongoing	Completed and ongoing
C-14	Goal C-8	Conservation	Continue to update Chapter 14.75 (Mandatory Construction and Demolition Debris Recycling Program) of the Morro Bay Municipal Code as higher diversion rates become feasible, necessary, or required.	Municipal Code Update	Community Development	General Fund		As Needed	City has implemented SB 1383.
C-15	Goal C-8	Conservation	Work with local and state agencies and organizations such as CalRecycle and the San Luis Obispo Integrated Waste Management Authority to support the food waste curbside collection program and provide low-cost composting starter kits to residents interested in beginning a home composting bin.	Program	Public Works	Grants		Ongoing	City has implemented SB 1383.
C-16	Goal C-8	Conservation	Designate a Zero Waste champion from City staff to work with CalRecycle, San Luis Obispo Integrated Waste Management Authority, local private waste management companies, residents, business owners, and multifamily housing landlords to teach and promote the zero waste goal and methods of attainment that are mutually beneficial.	Program	Public Works	General Fund		Once	Public Works Department has dedicated staff that partners with IWMA to implement SB 1383.
C-17	Goal C-8	Conservation	Require that all multifamily and commercial facilities provide an adequate number of attractive and convenient waste diversion receptacles, as well as clear and convenient instructions regarding recyclable and compostable materials.	Municipal Code Update	Public Works	General Fund		As Needed	-
C-18	Goal C-8	Conservation	Create and adopt a Zero Waste Action Plan to reach 100% waste diversion.	Process	Public Works	General Fund; Grants		Once	-
C-19	Goal C-9	Conservation	Conduct a view analysis to further delineate protected views identified in this section and implement Zoning Code criteria identifying scenic viewpoints to be protected, and development review procedures for designing future projects to protect scenic viewpoints.	Zoning Code Update	Community Development	General Fund		Concurrent	-

C-20	Goal C-9	Conservation	Amend Section 17.48.190 (Protection of visual resources and compatible design) of the Zoning Code to incorporate the viewpoints and scenic views described in Figures C-7 and C-8 of the General Plan and impose specific visual standards for projects that could potentially impact those viewpoints and views.	Zoning Code Update	Community Development	General Fund		Concurrent	Completed, Zoning Code adopted 11/22/22.
C-21	Goal C-9	Conservation	Review and update the Municipal Code, including sign standards, building requirements, and visual resources, to ensure standards remain consistent with updated design standards and the existing environment.	Municipal Code Update	Community Development	General Fund		As Needed	Completed, Zoning Code adopted 11/22/22.
C-22	Goal C-9	Conservation	Establish an in-lieu fee program to fund infrastructure and utility undergrounding efforts.	Program	Community Development	General Fund; Grants		Once	-
C-23	Goal C-9	Conservation	Consider establishing a tree bank near Del Mar Park or another suitable location to sequester carbon and mitigate for impacts from the loss of trees in other areas of the city. The tree banking program would have guidelines and regulations established for how the mitigation could be utilized and for growing and maintaining the trees.	Program	Community Development	User Fees		Ongoing	-
OS-1	Goal OS-1	Open Space	Partner with the school district, community groups, and neighboring communities to identify and apply for grant opportunities to maintain, enhance, and expand park and recreational opportunities.	Process	Recreation Services	Grants		Periodic	-
OS-2	Goal OS-1	Open Space	Work with local businesses, organizations, and landowners to install temporary public uses on vacant lots, particularly in the downtown and Embarcadero areas. Such uses could include parklets, community gardens or markets, or other temporary recreational facilities.	Program	Recreation Services	General Fund; Grants		Ongoing	-
OS-3	Goal OS-1	Open Space	Implement an incentive program for local waterfront businesses and leaseholders to encourage regular maintenance and upgrades of infrastructure at nearby trails or parks.	Program	Community Development, Harbor	General Fund		Once	-
OS-4	Goal OS-2	Open Space	Identify opportunities in existing and future parks and open space to include multigenerational recreational facilities and gathering spaces, and seek funding opportunities to install and upgrade such facilities.	Program	Recreation Services	Grants		Ongoing	-
OS-5	Goal OS-2	Open Space	Complete a community recreational needs assessment that includes an evaluation of programs and events, access to parks and recreational uses, ability of residents of all ages and abilities to fully utilize these facilities, and ongoing maintenance needs. Use the assessment to determine budget allocation, program offerings, and needed projects and equipment, and consider incorporating into a Parks Master Plan.	Process	Recreation Services	General Fund; Grants		Periodic	-
OS-6	Goal OS-2	Open Space	Review park needs annually to determine community needs in relation to the allocation of available resources.	Process	Recreation Services	General Fund		Periodic	-
OS-7	Goal OS-3	Open Space	Partner with local organizations, schools, and regional agencies to collectively pursue funding opportunities, including grants and private sponsorships, to improve and maintain recreational areas and facilities in Morro Bay, and coordinate programming and amenities to maximize public access.	Process	Recreation Services	Grants		Periodic	-
OS-8	Goal OS-3	Open Space	Create a sponsorship program for parks and community programs that details the levels of sponsorship that a business or organization can provide, and any benefits or incentives the sponsor can receive in return. Allow for flexibility in the sponsorship program to accommodate the individual needs of the City and sponsor.	Program	Recreation Services	General Fund; Sponsorships		Once	-
OS-9	Goal OS-3	Open Space	Identify coastal access points and citywide trails and incorporate them into the City's GIS data and maps.	Program	Community Development	General Fund		Once	-
OS-10	Goal OS-6	Open Space	Develop park design guidelines that implement design techniques to decrease flood risk through floodwalls, foreshore structures or improvements, sea gates, and surge barriers.	Process	Recreation Services	General Fund; Grants		Once	-

OS-11	Goal OS-6	Open Space	Formally identify park structures and features that will require protection from or adaptation to sea level rise and changing climatic events, and seek funding to implement the identified adaptation strategies.	Process	Recreation Services	General Fund; Grants		Periodic	-
OS-12	Goal OS-7	Open Space	When approving development in areas near agricultural areas, consider potential long-term impacts and require mitigation as part of development approval.	Development Standards	Community Development	Development Fees		As Needed	This is a requirement that is reviewed for applicability on all new projects.
PS-1	Goal PS-2	Public Safety	Inventory unreinforced brick masonry, soft-story, and other seismically vulnerable private buildings. Identify potential funding sources to assist with seismic retrofits.	Process	Community Development	General Fund; Grants		Once and Periodic	-
PS-2	Goal PS-4	Public Safety	Create a multifaceted emergency communications plan that details multiple methods of warning and communication systems, emergency response, and evacuation assistance. This could include identification of "resiliency hubs." Such a plan should include social media, traditional news outlets, available apps, and "Amber Alert" style SMS messaging to residents, and identify the persons responsible for each role in the emergency communications plan. The plan should include coordination with the County and other regional emergency response agencies.	Process	Police	General Fund; Grants		Ongoing	-
PS-3	Goal PS-4	Public Safety	Develop and pursue a list of City building improvements that would be resilient and habitable during a prolonged power or heating outage.	Process	Community Development	General Fund; Grants	Once	Periodic	-
EJ-1	Goal EJ-1	Environmental Justice	Annually, meet with San Luis Obispo County Public Health and other potential partners to work to provide enrichment programs for families and children, including after-school programs.	Program	Recreation Services	General Fund; Grants		Periodic	-
EJ-2	Goal EJ-1	Environmental Justice	Offer community equity training and diversity training to City staff either through the City or in partnership with other agencies or groups in the region. If possible, make the training available to government staff throughout the region and to the broader community.	Program	City Council	General Fund		Ongoing	-
EJ-3	Goal EJ-2	Environmental Justice	Work with community organizations and local and regional agencies to develop brochures, web content, and other materials to promote public awareness of health and social services available in the area.	Program	Community Development	General Fund; Grants		Ongoing	-
EJ-4	Goal EJ-3	Environmental Justice	Work with medical providers, transit agencies, private transit providers, and community representatives to develop an access plan that can provide service to major medical facilities in the region. Include recommendations for locating future medical facilities close to public transit.	Process	Recreation Services	General Fund		Once	-
EJ-5	Goal EJ-3	Environmental Justice	Promote local food sourcing through procurement preferences and policies at local government facilities, schools, businesses, and institutions. Continue to promote marketing and distribution initiatives that connect local agriculture to new markets such as retailers, restaurants, schools, food banks, and other businesses.	Program	Community Development	General Fund; Grants		Periodic	-
EJ-6	Goals EJ-4	Environmental Justice	Update the Morro Bay Community Vulnerability and Resilience Assessment every 10 years to include updated modeling and projections. This will allow the City to identify current priorities for vulnerable assets, populations, and environmental features.	Process	Community Development	General Fund; Grants		Periodic	-

2022 Major Development Applications Processed / In Process

Exhibit 2

Number	Type Description	Project Description	Location	Status
CDP22-003	Coastal Development Permit (Regular CDP)	Creation of 48 lot subdivision. Environmental review pending	3300 PANORAMA DR, Morro Bay, CA, 93442	OPEN
CUP22-05	Combined Concept & Precise CUP	Creation of 48 lot subdivision.	3300 PANORAMA DR, Morro Bay, CA, 93442	OPEN
CDP22-004	Coastal Development Permit (Regular CDP)	Live/work mixed use, 5 residential units & 2 commercial units	1140 ALLESANDRO ST, Morro Bay, CA, 93442	OPEN
CUP22-06	Conditional Use Permit (CUP)	Live/work mixed use, 5 residential units & 2 commercial units	1140 ALLESANDRO ST, Morro Bay, CA, 93442	OPEN
CUP22-07	Conditional Use Permit (CUP)	Construction of a new 1855 sf, 3 level family dwelling unit with an attached 2 car garage; previous home was destroyed in a fire.	320 ORCAS ST, Morro Bay, CA, 93442	OPEN
CDP22-010	Coastal Development Permit (Regular CDP)	Construction of a new 1855 sf, 3 level family dwelling unit with an attached 2 car garage; previous home was destroyed in a fire.	320 ORCAS ST, Morro Bay, CA, 93442	OPEN
CUP22-09	Combined Concept & Precise CUP	Reconstruct existing bar/restaurant w/new coffee shop, add 7 unit hotel second floor and construct Harborwalk	801 Embarcadero	OPEN
CDP22-023	Coastal Development Permit (Regular CDP)	Demolition of severely damaged existing structure built in 1971; construction of new 3335 sf single family residence, 4 bed, 4 bath with 665 sf 2-car garage.	3009 BEACHCOMBER DR, Morro Bay, CA, 93442	ISSUED
CUP22-10	Conditional Use Permit (CUP)	New 9460 sf second story addition to existing 6450 sf single story hotel, a kitchen and complimentary dining area for hotel guest use.	1050 Morro Ave	OPEN
CDP22-039	Coastal Development Permit (Regular CDP)	New 9460 sf second story addition to existing 6450 sf single story hotel, a kitchen and complimentary dining area for hotel guest use.	1050 Morro Ave	OPEN
MAJ22-001	Major Modification	Proposed modifications to existing AT&T rooftop cell site.	590 MORRO AVE, Morro Bay, CA, 93442	OPEN
CDP22-041	Coastal Development Permit (Regular CDP)	New 2,368 sf one story single family residence and 2 car garage on a vacant lot.	2285 Emerald Circle	OPEN
CUP22-12	Conditional Use Permit (CUP)	New 2,368 sf one story single family residence and 2 car garage on a vacant lot.	2285 Emerald Circle	OPEN
MAJ22-002	Major Modification	Dutchman site at 701 & 715 Embarcadero; CUP modification of MAJ20-004 to retain existing fish processing area and modifications to Harborwalk coastal access based on Coastal Commission approved CDP.	701 EMBARCADERO RD, Morro Bay, CA, 93442	ISSUED



AGENDA NO: A-7

MEETING DATE: May 23, 2023

Staff Report

TO: Honorable Mayor & City Council **DATE:** May 16, 2023

FROM: Eric Riddiough, P.E. – City Engineer

SUBJECT: Approval of Amendment No. 2 to Contract with Papich Construction Company, Inc. for the Pavement Management Project FY 21/22

RECOMMENDATION

Staff recommends that the City Council approve in substance an Amendment No. 2 (Attachment 1 hereto) to an existing Agreement with Papich Construction Company, Inc., for Project No. MB2021-ST01, Pavement Management Project FY 21/22 for the amount of \$300,000 and authorize the City Manager to execute the contract amendment.

ALTERNATIVE

The recommended action is to approve Amendment No. 2 to the contract with Papich Construction Company, Inc. (Papich), a general contractor from Arroyo Grande, CA, for the purposes of performing emergency / storm-related interim and permanent road repairs to roadways including South Bay Boulevard and Preston Lane with significant damage resulting from the January and March flood events. The City of Morro Bay (City) declared an emergency for both events and has performed several infrastructure repair projects in response to storm damage. These repairs are necessary and can be performed under this existing contract with minimal delay.

The alternative is not to move forward with Amendment No. 2 to the contract and forego this emergency work. This action would mean that the City would procure these items at a future date when budgeted and when and if funding has been received from Federal Emergency Management Agency (FEMA) and Federal Highway Administration (FHWA) for damages that were reported resulting from the storms and flooding. Procurement would then follow Public Contract Code requirements for a new procurement, which would delay the work and likely increase the cost because of the preparation of design and bidding documents and increased mobilization and contract costs.

FISCAL IMPACT

The total cost for Amendment No. 2 with Papich is \$300,000. If approved, the total amount for the contract with Papich will increase from \$1,339,709.70 to \$1,639,709.70. The not-to-exceed estimates for the extra work to be performed on South Bay Boulevard and for Preston Lane are \$200,000 and \$100,000 accordingly.

The original contract for this project with Papich was for arterial digout pavement repairs to various roadways including Main Street, Pacific Street, Harbor Street, Beach Street, Coral Avenue, San Jacinto Street, and South Bay Boulevard. All work has been completed on that project except for pavement work on South Bay Boulevard, which will be completed in the coming weeks. Amendment No. 1 of the contract was to initiate use of the contract contingency of \$63,795.70 (5% of the contract

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Prepared By: <u>ER</u>	Dept Review: <u>GK</u>
City Manager Review: <u>GC</u>	City Attorney Review: <u>LNL</u>

value) for additional work in quantities and other time and materials work due to unforeseen subgrade conditions on Coral Avenue. Amendment No. 2 would cover the emergency road work on South Bay and Preston Lane. The overall scope of work for Amendment No. 2 is described in the Discussion section of this staff report.

Pavement Management Project FY 21/22 Project Cost Summary

FY 21/22 Budgeted Project Budget	\$1,414,600.00
Original Papich Contract	\$1,275,914.00
Papich Amendment No. 1 (5% Contingency)	\$63,795.70
Current Papich Total Contract Amount	\$1,339,709.70
Proposed Papich Amendment No. 2	\$300,000.00
South Bay Boulevard at Chorro Creek Shoulder Emergency Repair	\$200,000
Preston Lane Interim Roadway Repair – Pulverize Existing Asphalt and Replace with Compacted Asphalt Grindings	\$100,000
New Papich Total Amended Contract Amount (Including Amendments 1 and 2)	\$1,639,709.70
Additional Project Costs Not Part of this Contract (Construction Management, Inspection, Testing, Etc.)	\$74,890.30
Total Estimated Project Cost At Completion	\$1,714,600.00
Total Additional Funds Needed to Perform Emergency Roadway Work (Funds to be used from Pavement Management 9614 Fund)	\$300,000.00

DISCUSSION

On September 6, 2022, the City Council authorized the City Manager to execute a contract with Papich for the Pavement Management Project FY 21/22, and this contract was executed on October 10, 2022, with a base contract amount of \$1,275,914.00. Amendment No. 1 of the contract for the project contingency in the amount of \$63,795.70 has an execution date of March 6, 2023, by the City Manager for a current approved contract total of \$1,339,709.70. The project is 80% complete with the remaining portion of work to be done on South Bay Boulevard including digout and replacement of asphalt pavement between Quintana Road and the City Limits, south of Chorro Creek. The work on South Bay was delayed due to rainy weather including the January and March storms, which brought tremendous rain and runoff to the area saturating the subgrade of South Bay Boulevard. In addition, due to the roadway’s proximity to Chorro Creek and the tidal influence of the bay, the roadway conditions have not yet improved to allow for necessary pavement work. The work is currently scheduled to be completed in June once conditions have improved for the contract work to be performed.

On both January 9 and March 10, 2023, the City experienced storms of epic proportions that brought intense rain and flooding to the Morro Creek and Chorro Creek basins. Flooding resulted in closures of South Bay Boulevard resulting from both storm events. The March 10, 2023, flooding event left several areas of the west shoulder of South Bay scoured with heavy erosion and extensive damage. The bike lane is currently closed off in areas with delineators because of the washed-out areas. If repairs are not made to the shoulder of South Bay, the asphalt will soon shear off, crack, and fall into

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the bay and creek, which will impact the safety of this critical corridor between Morro Bay and Los Osos. Since work on South Bay is already planned and has yet to be completed with the Pavement Management Project, the City proposes to use Papich on an emergency basis to complete this additional repair and restoration work through Amendment 2 of this contract. The work includes excavation and removal of damaged shoulder/roadway material, placement of new subbase, geosynthetics, base and asphalt, and re-establishment of roadway striping. The work on South Bay has been estimated to not exceed \$200,000. The City has set aside storm response funds in the mid-cycle budget to cover these repairs currently found in the Pavement Management Fund (915-9614), and concurrently the City has applied for disaster assistance with the FHWA and FEMA with the hopes of being reimbursed for the work. If FHWA were to cover the reimbursement, the full cost would be covered, however with FEMA, the cost is only 75% reimbursable with California Office of Emergency Services (CalOES) potentially covering another 12.75% and the remaining covered by the City.

The January 9 and March 10 events also caused major flooding near Morro Creek. Preston Lane was inundated with water and mud for several days after both flooding events. The road was in poor condition prior to the storms, but flooding and cleanup efforts that followed caused irreparable damage to the asphalt pavement. The City is seeking FEMA funding for long-term repairs to the roadway, but it is unknown at this time how much of the repairs FEMA funding would cover since the road was in poor condition. Public Works staff held a community meeting on March 30th with community members and businesses on Preston Lane to review the storm damage, discuss short- and long-term options for repair, and come to consensus on a plan forward. Following the meeting, staff communicated to the residents and businesses on Preston Lane that there will be a short-term solution on Preston Road to pulverize existing asphalt road pieces that remain, import recycled asphalt grindings and place 4-6 inches of grindings on a newly graded subgrade surface, and grade to drain. The grindings will be topped with an oil surface coat to hold grindings in the interim while funds are obtained for a more complete road repair. The not-to-exceed cost for this work is \$100,000 including all materials, labor, equipment, and incidentals. The interim graded roadway will provide an even driving surface for residents using the street. The City proposes to utilize Papich by adding the additional work to Papich's scope services through an Amendment 2 to Papich's current, ongoing contract for street and pavement work. A long-term solution to fully reconstruct Preston Lane is dependent on future capital funding and necessary stormwater system upgrades. Staff submitted a Notice of Interest for a long-term project to CalOES for hazard mitigation funds to redesign and upsize the storm drains in this area to capture more surface water runoff, which could help mitigate against future flooding, and this work would require the reconstruction of Preston Lane.

Since the City has competitively bid the original pavement project to Papich, and the work performed has met and exceeded the City's expectations for work of that class, the Public Works Department recommends Papich performing the additional work under its existing contract. This opportunity to take advantage of equipment that will already be in the City for other work as well as the ability to deliver the work in a timely manner will allow for the most efficient delivery of necessary repairs so that the roadways can be opened fully to traffic while awaiting federal and state funds to arrive for future long-term completion of the disaster work.

CONCLUSION

The requested Amendment No. 2 for additional work by Papich will provide timely, necessary emergency repairs to the City's roadways that have been damaged heavily during the 2023 storm season. These improvements will give the City the ability to fully open South Bay Boulevard with a restored shoulder and bike lane. It will also provide an interim road surface that is drivable for residents using Preston Lane while the City completes the FHWA, FEMA and CalOES processes for

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disaster assistance and funding reimbursement.

ATTACHMENTS

1. Amendment No. 2 to the contract with Papich Construction Company, Inc.
2. Exhibits A and B to Amendment No. 2
3. FHWA Form 1273 and SAMGOV Federal Wage Rates

CITY OF MORRO BAY

AMENDMENT NO. 2 TO THE AGREEMENT
FOR CONSTRUCTION SERVICES
BETWEEN THE CITY OF MORRO BAY
AND PAPICH CONSTRUCTION COMPANY, INC.

This AMENDMENT NO. 2 TO THE AGREEMENT FOR CONSTRUCTION SERVICES BETWEEN THE CITY OF MORRO BAY AND PAPICH CONSTRUCTION COMPANY, INC. (“Amendment 2”) is entered by and between the CITY of Morro Bay, a municipal corporation (“CITY”) and Papich Construction Company, Inc., a California corporation (“CONTRACTOR”).

RECITALS

WHEREAS, CITY and CONTRACTOR (collectively, the “Parties”) entered into an agreement as of October 10, 2022, for construction services for CONTRACTOR to complete the work for the Pavement Management Project FY 21/22, Project Number MB2021-ST01, (the “Project”) which was approved by the CITY Council on September 13, 2023, for a base contract amount of \$1,275,914.00 (the “Agreement”);

WHEREAS, the Parties amended the Agreement, as of March 6, 2023, to expand the tasks to be provided by Contractor and to increase the compensation payable in the amount of \$63,795.70 (“Amendment 1”), increasing the total compensation payable pursuant to the Agreement to \$1,339,709.70;

WHEREAS, the Agreement and Amendment 1 are referred to collectively as the "Amended Agreement;”

WHEREAS, the Parties agree to amend the Amended Agreement because the construction services for the Project require an expansion of the tasks to be provided by CONTRACTOR pursuant to the Amended Agreement;

WHEREAS, due to the expansion of tasks to be provided, the compensation payable pursuant to the Agreement must be increased.

NOW THEREFORE, CITY and CONTRACTOR mutually agree to amend the Amended Agreement as follows:

1. The additional services to be provided by CONTRACTOR, pursuant to the Amended Agreement, are hereby amended to include the following additional scope items (“Additional Work”) as listed below totaling \$300,000 and further described in the Exhibits A and B to this Amendment 2:

- A. South Bay Boulevard at Chorro Creek Shoulder Emergency Repair - The work includes excavation and removal of damaged shoulder/roadway material, placement of new subbase, geosynthetics, base and asphalt, and re-establishment of roadway striping. The not-to-exceed total cost is \$200,000.

B. Preston Lane Interim Roadway Repair - The work on Preston Road will be to pulverize existing asphalt road pieces that remain, import recycled asphalt grindings and place 4-6 inches of grindings over entire roadway area and grade to drain. The grindings will be topped with an oil surface coating to hold grindings in the interim while funds are obtained for a more complete road repair. The not-to-exceed total cost is \$100,000.

2. CONTRACTOR shall not commence on any Additional Work until and unless CONTRACTOR receives a written Change Order giving notice to proceed and signed by the CITY's Public Works Director with total of the change orders not to exceed the amended amount of \$300,000.

3. With the amount added for the Additional Work, the total compensation paid pursuant to the Amended Agreement, as hereby amended, shall not exceed \$1,639,709.70 as approved by the CITY Council.

4. CONTRACTOR shall not be compensated for any further services rendered in connection with its performance of the Amended Agreement that are in addition to those set forth in this Amendment 2.

5. Requests for additional contract time shall not be added with this Amendment 2. All time extensions for the Amended Agreement shall be completed and recorded using the CITY's Change Order form process signed by the Public Works Director.

6. In addition, since CONTRACTOR performed disaster damage Emergency Opening work on Federal-Aid classified roadways during the course of the contract, FHWA Form 1273 and Federal Wage Rates must be attached in the contract documents and are added in their entirety to this contract Amendment 2.

7. Except as expressly stated herein, all terms and conditions in the Amended Agreement shall remain in full force and effect.

8. The effective date of this Amendment 2 shall be deemed to be May 23, 2023.

IN WITNESS WHEREOF, the parties have caused this Amendment 2 to be executed by their duly authorized representatives as of the day first written above.

CITY OF MORRO BAY

CONTRACTOR

By: _____

By: _____

Greg Carpenter,
Interim City Manager

Its _____

Attest:

By: _____

Dana Swanson, City Clerk

Its _____

Approved As To Form:

Chris Neumeyer, City Attorney

EXHIBIT A – SOUTH BAY BOULEVARD AT CHORRO CREEK SHOULDER EMERGENCY REPAIR

U.S. Department of Transportation
Federal Highway Administration-
California Division- Title 23
Damage Assessment Form (DAF)

DAF # _____ - _____ - _____
Sheet # 4 _____ of 54 _____
Applicant _____

Photos, Sketches and/or Narrative

Photo description: South Bay Boulevard - Flood and road damage



EXHIBIT B – PRESTON LANE INTERIM ROADWAY REPAIR



PAPICH CONSTRUCTION CO., INC.

398 Sunrise Terrace
 Arroyo Grande, Ca 93420
 Papich Contact: Steve Manos/ Matt Evers
 Phone: 805-473-3016
 Fax: 805-473-2217

Quote To: City of Morro Bay
Attn: Dale Simpson/ Greg Kwolek
Email: dsimpson@morrobayca.gov
Phone: 925-389-6509
Fax:

Plan Date: N/A
Revision Date: N/A
Soils Report: N/A
Specifications: N/A
Addenda: N/A
Oil Index Date: N/A

Estimate #:

California License: 767055 A & Haz
 California DIR #1000004169

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1	MOBILZIATION	1.00	LS	13,000.00	13,000.00
2	REMOVE 10 TO 12-IN FROM EX ROADWAY	650.00	CY	52.00	33,800.00
3	PREP SUBGRADE	17,500.00	SF	0.35	6,125.00
4	PLACE / FINISH GRADE GRINDINGS	17,500.00	SF	1.75	30,625.00
5	LOWER / RAISE UTILITIES IN ROADWAY	3.00	EA	1,300.00	3,900.00
6	OIL ROADWAY WITH CUT SS1H	17,500.00	SF	0.39	6,825.00
GRAND TOTAL					\$94,275.00

NOTES:

Contractor's Licenses: ID RCE-56388, ND 49214, NV 007873, UT 11795539-5501, VA 2705154065, WA 604-625-160

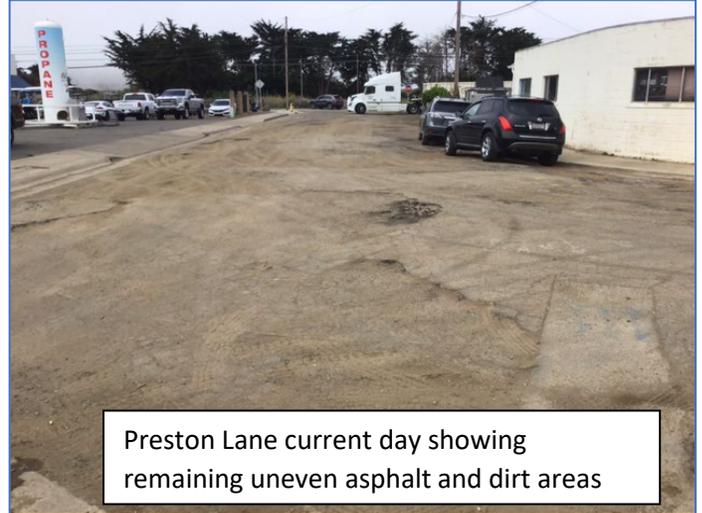
PROPOSAL CLARIFICATION AND NOTES:

- Papich Construction is a signatory contractor.
- Bid price is subject to change if any of the proposed work is eliminated, phased, or otherwise divided.
- This proposal includes only the listed items as shown or as noted.
- This proposal is based on having clear unobstructed access to our work area.
- Should payment and performance bonds be required, Papich's bond rate (1.15%) will be added to the contract total.
- Papich Construction's fleet of heavy-duty off-road, on-road, and stationary construction equipment complies with all current CARB requirements. No additional provisions have been made for emissions reduction beyond that required by current law.
- Please take special note of the 30-day expiration of this proposal. Due to volatile material pricing, our proposal is based on costs quoted at bid time and prices can be confirmed upon acceptance of our proposal. Papich Construction reserves the right to address any cost revisions associated with price increases or shortages due to circumstances beyond our control (material shortages, energy crisis, weather, war, major impacts to industry, economy, pandemic, etc.)
- Payment shall be made 30-days from submission of invoice, interest shall accrue at 1.5% per month thereafter. Retention shall be released upon 30 days completion of Papich's work.
- A baseline fuel price of \$4.87 / gallon for off-road diesel was utilized for this proposal and includes coverage for a price increase of no greater than \$0.15 per gallon. Any fuel price increases beyond this maximum will be invoiced monthly ([Actual Fuel Price - Bid Fuel Price] x Actual Fuel Used).
- The asphalt products quoted herein are indexed and will follow the Caltrans Crude Oil Index.

THIS PROPOSAL SPECIFICALLY EXCLUDES THE FOLLOWING:

- A. Fees, permits, bonds, special insurance, engineering, materials or other testing, and inspections unless otherwise noted in our proposal.
- B. Survey control to be provided by others, complete prior to mobilization, and clearly marked in the field.
- C. Additional move-ins (price based on one (1) move-in) unless otherwise noted in this proposal.
- D. Overtime or accelerated schedules. Bid is based on straight time unless otherwise noted in this proposal.
- E. SWPPP, NPDES, NOI, erosion control plans, permits, or implementation of such plans beyond routine housekeeping.
- F. Dust control at the site and street sweeping when our crews are not physically working on the project, such as after normal working hours, weekends, or holidays.
- G. Site environmental, safety, or other training. All required training(s) will be completed on a T&M basis.
- H. All demolition including removal, realignment, or abandonment of existing utility systems unless otherwise noted in this proposal.
- I. All landscape and landscape irrigation work including any replacement if necessary.
- J. All costs associated with contaminated, hazardous, or buried materials including well abandonment.
- K. Construction water or construction water meters. Our proposal is based upon taking water from an onsite hydrant or other nearby source provided at no cost by others. Water must be provided in sufficient quantities as to allow work to be completed as bid and on schedule.
- L. All sub drain work (trench drains, wall drains, waterproofing, and perforated pipe drains), unless otherwise noted in this proposal.
- M. Rock excavation. If rock, or other similar materials, are encountered which cannot be excavated efficiently with our project standard excavation equipment (i.e. Cat 320 size excavator @ 100 cy/hr), work will cease immediately and notification will be provided. Any additional costs incurred to efficiently excavate for the project shall be paid on a time and materials basis. Papich Construction has not included any breaking, drilling, or blasting in this proposal.
- N. Dewatering, including groundwater, ponded, or nuisance water.
- O. Over-excavation of unsuitable soils, including any imported materials or remedial action necessary for stabilization. On-site soils may not be suitable for fill or backfill due to over optimum moisture content or other soils issues. Weather or schedule may not allow time to dry soil. The cost for suitable imported fill, chemical treatment, pumping of rain water, or excessive spreading and drying of wet material is not included in this proposal.
- P. Excavation for walls, wall footings, or curb footings unless otherwise noted in this proposal.
- Q. Fence removal or replacement.
- R. Dump fees associated with export of material. City to provide a suitable dump site within 30 min of the site.
- S. Surface concrete replacement or construction unless otherwise noted in this proposal.

Preston Lane Photos



**REQUIRED CONTRACT PROVISIONS
FEDERAL-AID CONSTRUCTION CONTRACTS**

- I. General
- II. Nondiscrimination
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ATTACHMENTS

A. Employment and Materials Preference for Appalachian Development Highway System or Appalachian Local Access Road Contracts (included in Appalachian contracts only)

I. GENERAL

1. Form FHWA-1273 must be physically incorporated in each construction contract funded under title 23, United States Code, as required in 23 CFR 633.102(b) (excluding emergency contracts solely intended for debris removal). The contractor (or subcontractor) must insert this form in each subcontract and further require its inclusion in all lower tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services). 23 CFR 633.102(e).

The applicable requirements of Form FHWA-1273 are incorporated by reference for work done under any purchase order, rental agreement or agreement for other services. The prime contractor shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider. 23 CFR 633.102(e).

Form FHWA-1273 must be included in all Federal-aid design-build contracts, in all subcontracts and in lower tier subcontracts (excluding subcontracts for design services, purchase orders, rental agreements and other agreements for supplies or services) in accordance with 23 CFR 633.102. The design-builder shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.

Contracting agencies may reference Form FHWA-1273 in solicitation-for-bids or request-for-proposals documents, however, the Form FHWA-1273 must be physically incorporated (not referenced) in all contracts, subcontracts and lower-tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services related to a construction contract). 23 CFR 633.102(b).

2. Subject to the applicability criteria noted in the following sections, these contract provisions shall apply to all work

performed on the contract by the contractor's own organization and with the assistance of workers under the contractor's immediate superintendence and to all work performed on the contract by piecework, station work, or by subcontract. 23 CFR 633.102(d).

3. A breach of any of the stipulations contained in these Required Contract Provisions may be sufficient grounds for withholding of progress payments, withholding of final payment, termination of the contract, suspension / debarment or any other action determined to be appropriate by the contracting agency and FHWA.

4. Selection of Labor: During the performance of this contract, the contractor shall not use convict labor for any purpose within the limits of a construction project on a Federal-aid highway unless it is labor performed by convicts who are on parole, supervised release, or probation. 23 U.S.C. 114(b). The term Federal-aid highway does not include roadways functionally classified as local roads or rural minor collectors. 23 U.S.C. 101(a).

II. NONDISCRIMINATION (23 CFR 230.107(a); 23 CFR Part 230, Subpart A, Appendix A; EO 11246)

The provisions of this section related to 23 CFR Part 230, Subpart A, Appendix A are applicable to all Federal-aid construction contracts and to all related construction subcontracts of \$10,000 or more. The provisions of 23 CFR Part 230 are not applicable to material supply, engineering, or architectural service contracts.

In addition, the contractor and all subcontractors must comply with the following policies: Executive Order 11246, 41 CFR Part 60, 29 CFR Parts 1625-1627, 23 U.S.C. 140, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.), and related regulations including 49 CFR Parts 21, 26, and 27; and 23 CFR Parts 200, 230, and 633.

The contractor and all subcontractors must comply with: the requirements of the Equal Opportunity Clause in 41 CFR 60-1.4(b) and, for all construction contracts exceeding \$10,000, the Standard Federal Equal Employment Opportunity Construction Contract Specifications in 41 CFR 60-4.3.

Note: The U.S. Department of Labor has exclusive authority to determine compliance with Executive Order 11246 and the policies of the Secretary of Labor including 41 CFR Part 60, and 29 CFR Parts 1625-1627. The contracting agency and the FHWA have the authority and the responsibility to ensure compliance with 23 U.S.C. 140, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), and Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.), and related regulations including 49 CFR Parts 21, 26, and 27; and 23 CFR Parts 200, 230, and 633.

The following provision is adopted from 23 CFR Part 230, Subpart A, Appendix A, with appropriate revisions to conform to the U.S. Department of Labor (US DOL) and FHWA requirements.

1. Equal Employment Opportunity: Equal Employment Opportunity (EEO) requirements not to discriminate and to take affirmative action to assure equal opportunity as set forth under laws, executive orders, rules, regulations (see 28 CFR Part 35, 29 CFR Part 1630, 29 CFR Parts 1625-1627, 41 CFR Part 60 and 49 CFR Part 27) and orders of the Secretary of Labor as modified by the provisions prescribed herein, and imposed pursuant to 23 U.S.C. 140, shall constitute the EEO and specific affirmative action standards for the contractor's project activities under this contract. The provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) set forth under 28 CFR Part 35 and 29 CFR Part 1630 are incorporated by reference in this contract. In the execution of this contract, the contractor agrees to comply with the following minimum specific requirement activities of EEO:

a. The contractor will work with the contracting agency and the Federal Government to ensure that it has made every good faith effort to provide equal opportunity with respect to all of its terms and conditions of employment and in their review of activities under the contract. 23 CFR 230.409 (g)(4) & (5).

b. The contractor will accept as its operating policy the following statement:

"It is the policy of this Company to assure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, sexual orientation, gender identity, color, national origin, age or disability. Such action shall include: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship, pre-apprenticeship, and/or on-the-job training."

2. EEO Officer: The contractor will designate and make known to the contracting officers an EEO Officer who will have the responsibility for and must be capable of effectively administering and promoting an active EEO program and who must be assigned adequate authority and responsibility to do so.

3. Dissemination of Policy: All members of the contractor's staff who are authorized to hire, supervise, promote, and discharge employees, or who recommend such action or are substantially involved in such action, will be made fully cognizant of and will implement the contractor's EEO policy and contractual responsibilities to provide EEO in each grade and classification of employment. To ensure that the above agreement will be met, the following actions will be taken as a minimum:

a. Periodic meetings of supervisory and personnel office employees will be conducted before the start of work and then not less often than once every six months, at which time the contractor's EEO policy and its implementation will be reviewed and explained. The meetings will be conducted by the EEO Officer or other knowledgeable company official.

b. All new supervisory or personnel office employees will be given a thorough indoctrination by the EEO Officer, covering all major aspects of the contractor's EEO obligations within thirty days following their reporting for duty with the contractor.

c. All personnel who are engaged in direct recruitment for the project will be instructed by the EEO Officer in the contractor's procedures for locating and hiring minorities and women.

d. Notices and posters setting forth the contractor's EEO policy will be placed in areas readily accessible to employees, applicants for employment and potential employees.

e. The contractor's EEO policy and the procedures to implement such policy will be brought to the attention of employees by means of meetings, employee handbooks, or other appropriate means.

4. Recruitment: When advertising for employees, the contractor will include in all advertisements for employees the notation: "An Equal Opportunity Employer." All such advertisements will be placed in publications having a large circulation among minorities and women in the area from which the project work force would normally be derived.

a. The contractor will, unless precluded by a valid bargaining agreement, conduct systematic and direct recruitment through public and private employee referral sources likely to yield qualified minorities and women. To meet this requirement, the contractor will identify sources of potential minority group employees and establish with such identified sources procedures whereby minority and women applicants may be referred to the contractor for employment consideration.

b. In the event the contractor has a valid bargaining agreement providing for exclusive hiring hall referrals, the contractor is expected to observe the provisions of that agreement to the extent that the system meets the contractor's compliance with EEO contract provisions. Where implementation of such an agreement has the effect of discriminating against minorities or women, or obligates the contractor to do the same, such implementation violates Federal nondiscrimination provisions.

c. The contractor will encourage its present employees to refer minorities and women as applicants for employment. Information and procedures with regard to referring such applicants will be discussed with employees.

5. Personnel Actions: Wages, working conditions, and employee benefits shall be established and administered, and personnel actions of every type, including hiring, upgrading, promotion, transfer, demotion, layoff, and termination, shall be taken without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, age or disability. The following procedures shall be followed:

a. The contractor will conduct periodic inspections of project sites to ensure that working conditions and employee facilities do not indicate discriminatory treatment of project site personnel.

b. The contractor will periodically evaluate the spread of wages paid within each classification to determine any evidence of discriminatory wage practices.

c. The contractor will periodically review selected personnel actions in depth to determine whether there is evidence of discrimination. Where evidence is found, the contractor will promptly take corrective action. If the review indicates that the discrimination may extend beyond the actions reviewed, such corrective action shall include all affected persons.

d. The contractor will promptly investigate all complaints of alleged discrimination made to the contractor in connection with its obligations under this contract, will attempt to resolve such complaints, and will take appropriate corrective action

within a reasonable time. If the investigation indicates that the discrimination may affect persons other than the complainant, such corrective action shall include such other persons. Upon completion of each investigation, the contractor will inform every complainant of all of their avenues of appeal.

6. Training and Promotion:

a. The contractor will assist in locating, qualifying, and increasing the skills of minorities and women who are applicants for employment or current employees. Such efforts should be aimed at developing full journey level status employees in the type of trade or job classification involved.

b. Consistent with the contractor's work force requirements and as permissible under Federal and State regulations, the contractor shall make full use of training programs (i.e., apprenticeship and on-the-job training programs for the geographical area of contract performance). In the event a special provision for training is provided under this contract, this subparagraph will be superseded as indicated in the special provision. The contracting agency may reserve training positions for persons who receive welfare assistance in accordance with 23 U.S.C. 140(a).

c. The contractor will advise employees and applicants for employment of available training programs and entrance requirements for each.

d. The contractor will periodically review the training and promotion potential of employees who are minorities and women and will encourage eligible employees to apply for such training and promotion.

7. Unions: If the contractor relies in whole or in part upon unions as a source of employees, the contractor will use good faith efforts to obtain the cooperation of such unions to increase opportunities for minorities and women. 23 CFR 230.409. Actions by the contractor, either directly or through a contractor's association acting as agent, will include the procedures set forth below:

a. The contractor will use good faith efforts to develop, in cooperation with the unions, joint training programs aimed toward qualifying more minorities and women for membership in the unions and increasing the skills of minorities and women so that they may qualify for higher paying employment.

b. The contractor will use good faith efforts to incorporate an EEO clause into each union agreement to the end that such union will be contractually bound to refer applicants without regard to their race, color, religion, sex, sexual orientation, gender identity, national origin, age, or disability.

c. The contractor is to obtain information as to the referral practices and policies of the labor union except that to the extent such information is within the exclusive possession of the labor union and such labor union refuses to furnish such information to the contractor, the contractor shall so certify to the contracting agency and shall set forth what efforts have been made to obtain such information.

d. In the event the union is unable to provide the contractor with a reasonable flow of referrals within the time limit set forth in the collective bargaining agreement, the contractor will, through independent recruitment efforts, fill the employment vacancies without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, age, or disability; making full efforts to obtain qualified and/or qualifiable minorities and women. The failure of a union to provide

sufficient referrals (even though it is obligated to provide exclusive referrals under the terms of a collective bargaining agreement) does not relieve the contractor from the requirements of this paragraph. In the event the union referral practice prevents the contractor from meeting the obligations pursuant to Executive Order 11246, as amended, and these special provisions, such contractor shall immediately notify the contracting agency.

8. Reasonable Accommodation for Applicants / Employees with Disabilities: The contractor must be familiar with the requirements for and comply with the Americans with Disabilities Act and all rules and regulations established thereunder. Employers must provide reasonable accommodation in all employment activities unless to do so would cause an undue hardship.

9. Selection of Subcontractors, Procurement of Materials and Leasing of Equipment: The contractor shall not discriminate on the grounds of race, color, religion, sex, sexual orientation, gender identity, national origin, age, or disability in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The contractor shall take all necessary and reasonable steps to ensure nondiscrimination in the administration of this contract.

a. The contractor shall notify all potential subcontractors, suppliers, and lessors of their EEO obligations under this contract.

b. The contractor will use good faith efforts to ensure subcontractor compliance with their EEO obligations.

10. Assurances Required:

a. The requirements of 49 CFR Part 26 and the State DOT's FHWA-approved Disadvantaged Business Enterprise (DBE) program are incorporated by reference.

b. The contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to:

- (1) Withholding monthly progress payments;
- (2) Assessing sanctions;
- (3) Liquidated damages; and/or
- (4) Disqualifying the contractor from future bidding as non-responsible.

c. The Title VI and nondiscrimination provisions of U.S. DOT Order 1050.2A at Appendixes A and E are incorporated by reference. 49 CFR Part 21.

11. Records and Reports: The contractor shall keep such records as necessary to document compliance with the EEO requirements. Such records shall be retained for a period of three years following the date of the final payment to the contractor for all contract work and shall be available at reasonable times and places for inspection by authorized representatives of the contracting agency and the FHWA.

a. The records kept by the contractor shall document the following:

(1) The number and work hours of minority and non-minority group members and women employed in each work classification on the project;

(2) The progress and efforts being made in cooperation with unions, when applicable, to increase employment opportunities for minorities and women; and

(3) The progress and efforts being made in locating, hiring, training, qualifying, and upgrading minorities and women.

b. The contractors and subcontractors will submit an annual report to the contracting agency each July for the duration of the project indicating the number of minority, women, and non-minority group employees currently engaged in each work classification required by the contract work. This information is to be reported on [Form FHWA-1391](#). The staffing data should represent the project work force on board in all or any part of the last payroll period preceding the end of July. If on-the-job training is being required by special provision, the contractor will be required to collect and report training data. The employment data should reflect the work force on board during all or any part of the last payroll period preceding the end of July.

III. NONSEGREGATED FACILITIES

This provision is applicable to all Federal-aid construction contracts and to all related construction subcontracts of more than \$10,000. 41 CFR 60-1.5.

As prescribed by 41 CFR 60-1.8, the contractor must ensure that facilities provided for employees are provided in such a manner that segregation on the basis of race, color, religion, sex, sexual orientation, gender identity, or national origin cannot result. The contractor may neither require such segregated use by written or oral policies nor tolerate such use by employee custom. The contractor's obligation extends further to ensure that its employees are not assigned to perform their services at any location under the contractor's control where the facilities are segregated. The term "facilities" includes waiting rooms, work areas, restaurants and other eating areas, time clocks, restrooms, washrooms, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing provided for employees. The contractor shall provide separate or single-user restrooms and necessary dressing or sleeping areas to assure privacy between sexes.

IV. DAVIS-BACON AND RELATED ACT PROVISIONS

This section is applicable to all Federal-aid construction projects exceeding \$2,000 and to all related subcontracts and lower-tier subcontracts (regardless of subcontract size), in accordance with 29 CFR 5.5. The requirements apply to all projects located within the right-of-way of a roadway that is functionally classified as Federal-aid highway. 23 U.S.C. 113. This excludes roadways functionally classified as local roads or rural minor collectors, which are exempt. 23 U.S.C. 101. Where applicable law requires that projects be treated as a project on a Federal-aid highway, the provisions of this subpart will apply regardless of the location of the project. Examples include: Surface Transportation Block Grant Program projects funded under 23 U.S.C. 133 [excluding recreational trails projects], the Nationally Significant Freight and Highway

Projects funded under 23 U.S.C. 117, and National Highway Freight Program projects funded under 23 U.S.C. 167.

The following provisions are from the U.S. Department of Labor regulations in 29 CFR 5.5 "Contract provisions and related matters" with minor revisions to conform to the FHWA-1273 format and FHWA program requirements.

1. Minimum wages (29 CFR 5.5)

a. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph 1.d. of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph 1.b. of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

b.(1) The contracting officer shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(i) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(ii) The classification is utilized in the area by the construction industry; and

(iii) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(2) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(3) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(4) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs 1.b.(2) or 1.b.(3) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

c. Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

d. If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

2. Withholding (29 CFR 5.5)

The contracting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract, or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics,

including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the contracting agency may, after written notice to the contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

3. Payrolls and basic records (29 CFR 5.5)

a. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

b.(1) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the contracting agency. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the contracting agency for transmission to the State DOT, the FHWA or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the contracting agency.

(2) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or

subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(i) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i), and that such information is correct and complete;

(ii) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR part 3;

(iii) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(3) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph 3.b.(2) of this section.

(4) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under 18 U.S.C. 1001 and 31 U.S.C. 231.

c. The contractor or subcontractor shall make the records required under paragraph 3.a. of this section available for inspection, copying, or transcription by authorized representatives of the contracting agency, the State DOT, the FHWA, or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the FHWA may, after written notice to the contractor, the contracting agency or the State DOT, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and trainees (29 CFR 5.5)

a. Apprentices (programs of the USDOL).

Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State

Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice.

The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed.

Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination.

In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

b. Trainees (programs of the USDOL).

Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration.

The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration.

Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the

corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed.

In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

c. Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

d. Apprentices and Trainees (programs of the U.S. DOT).

Apprentices and trainees working under apprenticeship and skill training programs which have been certified by the Secretary of Transportation as promoting EEO in connection with Federal-aid highway construction programs are not subject to the requirements of paragraph 4 of this Section IV. 23 CFR 230.111(e)(2). The straight time hourly wage rates for apprentices and trainees under such programs will be established by the particular programs. The ratio of apprentices and trainees to journeymen shall not be greater than permitted by the terms of the particular program.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract as provided in 29 CFR 5.5.

6. Subcontracts. The contractor or subcontractor shall insert Form FHWA-1273 in any subcontracts and also require the subcontractors to include Form FHWA-1273 in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

7. Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract as provided in 29 CFR 5.5.

9. Disputes concerning labor standards. As provided in 29 CFR 5.5, disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor

set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

10. Certification of eligibility (29 CFR 5.5)

a. By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

b. No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

c. The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

V. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

Pursuant to 29 CFR 5.5(b), the following clauses apply to any Federal-aid construction contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by 29 CFR 5.5(a) or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

1. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek. 29 CFR 5.5.

2. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph 1 of this section, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph 1 of this section, in the sum currently provided in 29 CFR 5.5(b)(2)* for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph 1 of this section. 29 CFR 5.5.

* \$27 as of January 23, 2019 (See 84 FR 213-01, 218) as may be adjusted annually by the Department of Labor; pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990).

3. Withholding for unpaid wages and liquidated damages.

The FHWA or the contracting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph 2 of this section. 29 CFR 5.5.

4. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs 1 through 4 of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs 1 through 4 of this section. 29 CFR 5.5.

VI. SUBLETTING OR ASSIGNING THE CONTRACT

This provision is applicable to all Federal-aid construction contracts on the National Highway System pursuant to 23 CFR 635.116.

1. The contractor shall perform with its own organization contract work amounting to not less than 30 percent (or a greater percentage if specified elsewhere in the contract) of the total original contract price, excluding any specialty items designated by the contracting agency. Specialty items may be performed by subcontract and the amount of any such specialty items performed may be deducted from the total original contract price before computing the amount of work required to be performed by the contractor's own organization (23 CFR 635.116).

a. The term "perform work with its own organization" in paragraph 1 of Section VI refers to workers employed or leased by the prime contractor, and equipment owned or rented by the prime contractor, with or without operators. Such term does not include employees or equipment of a subcontractor or lower tier subcontractor, agents of the prime contractor, or any other assignees. The term may include payments for the costs of hiring leased employees from an employee leasing firm meeting all relevant Federal and State regulatory requirements. Leased employees may only be included in this term if the prime contractor meets all of the following conditions: (based on longstanding interpretation)

- (1) the prime contractor maintains control over the supervision of the day-to-day activities of the leased employees;
- (2) the prime contractor remains responsible for the quality of the work of the leased employees;
- (3) the prime contractor retains all power to accept or exclude individual employees from work on the project; and
- (4) the prime contractor remains ultimately responsible for the payment of predetermined minimum wages, the submission of payrolls, statements of compliance and all other Federal regulatory requirements.

b. "Specialty Items" shall be construed to be limited to work that requires highly specialized knowledge, abilities, or

equipment not ordinarily available in the type of contracting organizations qualified and expected to bid or propose on the contract as a whole and in general are to be limited to minor components of the overall contract. 23 CFR 635.102.

2. Pursuant to 23 CFR 635.116(a), the contract amount upon which the requirements set forth in paragraph (1) of Section VI is computed includes the cost of material and manufactured products which are to be purchased or produced by the contractor under the contract provisions.

3. Pursuant to 23 CFR 635.116(c), the contractor shall furnish (a) a competent superintendent or supervisor who is employed by the firm, has full authority to direct performance of the work in accordance with the contract requirements, and is in charge of all construction operations (regardless of who performs the work) and (b) such other of its own organizational resources (supervision, management, and engineering services) as the contracting officer determines is necessary to assure the performance of the contract.

4. No portion of the contract shall be sublet, assigned or otherwise disposed of except with the written consent of the contracting officer, or authorized representative, and such consent when given shall not be construed to relieve the contractor of any responsibility for the fulfillment of the contract. Written consent will be given only after the contracting agency has assured that each subcontract is evidenced in writing and that it contains all pertinent provisions and requirements of the prime contract. (based on longstanding interpretation of 23 CFR 635.116).

5. The 30-percent self-performance requirement of paragraph (1) is not applicable to design-build contracts; however, contracting agencies may establish their own self-performance requirements. 23 CFR 635.116(d).

VII. SAFETY: ACCIDENT PREVENTION

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

1. In the performance of this contract the contractor shall comply with all applicable Federal, State, and local laws governing safety, health, and sanitation (23 CFR Part 635). The contractor shall provide all safeguards, safety devices and protective equipment and take any other needed actions as it determines, or as the contracting officer may determine, to be reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of the work covered by the contract. 23 CFR 635.108.

2. It is a condition of this contract, and shall be made a condition of each subcontract, which the contractor enters into pursuant to this contract, that the contractor and any subcontractor shall not permit any employee, in performance of the contract, to work in surroundings or under conditions which are unsanitary, hazardous or dangerous to his/her health or safety, as determined under construction safety and health standards (29 CFR Part 1926) promulgated by the Secretary of Labor, in accordance with Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3704). 29 CFR 1926.10.

3. Pursuant to 29 CFR 1926.3, it is a condition of this contract that the Secretary of Labor or authorized representative thereof, shall have right of entry to any site of contract performance to inspect or investigate the matter of compliance

with the construction safety and health standards and to carry out the duties of the Secretary under Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3704).

VIII. FALSE STATEMENTS CONCERNING HIGHWAY PROJECTS

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

In order to assure high quality and durable construction in conformity with approved plans and specifications and a high degree of reliability on statements and representations made by engineers, contractors, suppliers, and workers on Federal-aid highway projects, it is essential that all persons concerned with the project perform their functions as carefully, thoroughly, and honestly as possible. Willful falsification, distortion, or misrepresentation with respect to any facts related to the project is a violation of Federal law. To prevent any misunderstanding regarding the seriousness of these and similar acts, Form FHWA-1022 shall be posted on each Federal-aid highway project (23 CFR Part 635) in one or more places where it is readily available to all persons concerned with the project:

18 U.S.C. 1020 reads as follows:

"Whoever, being an officer, agent, or employee of the United States, or of any State or Territory, or whoever, whether a person, association, firm, or corporation, knowingly makes any false statement, false representation, or false report as to the character, quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed or to be performed, or the cost thereof in connection with the submission of plans, maps, specifications, contracts, or costs of construction on any highway or related project submitted for approval to the Secretary of Transportation; or

Whoever knowingly makes any false statement, false representation, false report or false claim with respect to the character, quality, quantity, or cost of any work performed or to be performed, or materials furnished or to be furnished, in connection with the construction of any highway or related project approved by the Secretary of Transportation; or

Whoever knowingly makes any false statement or false representation as to material fact in any statement, certificate, or report submitted pursuant to provisions of the Federal-aid Roads Act approved July 11, 1916, (39 Stat. 355), as amended and supplemented;

Shall be fined under this title or imprisoned not more than 5 years or both."

IX. IMPLEMENTATION OF CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT (42 U.S.C. 7606; 2 CFR 200.88; EO 11738)

This provision is applicable to all Federal-aid construction contracts in excess of \$150,000 and to all related subcontracts. 48 CFR 2.101; 2 CFR 200.326.

By submission of this bid/proposal or the execution of this contract or subcontract, as appropriate, the bidder, proposer, Federal-aid construction contractor, subcontractor, supplier, or vendor agrees to comply with all applicable standards, orders

or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal Highway Administration and the Regional Office of the Environmental Protection Agency. 2 CFR Part 200, Appendix II.

The contractor agrees to include or cause to be included the requirements of this Section in every subcontract, and further agrees to take such action as the contracting agency may direct as a means of enforcing such requirements. 2 CFR 200.326.

X. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, consultant contracts or any other covered transaction requiring FHWA approval or that is estimated to cost \$25,000 or more – as defined in 2 CFR Parts 180 and 1200. 2 CFR 180.220 and 1200.220.

1. Instructions for Certification – First Tier Participants:

a. By signing and submitting this proposal, the prospective first tier participant is providing the certification set out below.

b. The inability of a person to provide the certification set out below will not necessarily result in denial of participation in this covered transaction. The prospective first tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective first tier participant to furnish a certification or an explanation shall disqualify such a person from participation in this transaction. 2 CFR 180.320.

c. The certification in this clause is a material representation of fact upon which reliance was placed when the contracting agency determined to enter into this transaction. If it is later determined that the prospective participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the contracting agency may terminate this transaction for cause of default. 2 CFR 180.325.

d. The prospective first tier participant shall provide immediate written notice to the contracting agency to whom this proposal is submitted if any time the prospective first tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances. 2 CFR 180.345 and 180.350.

e. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180, Subpart I, 180.900-180.1020, and 1200. "First Tier Covered Transactions" refers to any covered transaction between a recipient or subrecipient of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant

who has entered into a covered transaction with a recipient or subrecipient of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

f. The prospective first tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction. 2 CFR 180.330.

g. The prospective first tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions," provided by the department or contracting agency, entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the \$25,000 threshold. 2 CFR 180.220 and 180.300.

h. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. 2 CFR 180.300; 180.320, and 180.325. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. 2 CFR 180.335. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the System for Award Management website (<https://www.sam.gov/>). 2 CFR 180.300, 180.320, and 180.325.

i. Nothing contained in the foregoing shall be construed to require the establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of the prospective participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

j. Except for transactions authorized under paragraph (f) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default. 2 CFR 180.325.

2. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – First Tier Participants:

a. The prospective first tier participant certifies to the best of its knowledge and belief, that it and its principals:

(1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency, 2 CFR 180.335;.

(2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property, 2 CFR 180.800;

(3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (a)(2) of this certification, 2 CFR 180.700 and 180.800; and

(4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default. 2 CFR 180.335(d).

(5) Are not a corporation that has been convicted of a felony violation under any Federal law within the two-year period preceding this proposal (USDOT Order 4200.6 implementing appropriations act requirements); and

(6) Are not a corporation with any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability (USDOT Order 4200.6 implementing appropriations act requirements).

b. Where the prospective participant is unable to certify to any of the statements in this certification, such prospective participant should attach an explanation to this proposal. 2 CFR 180.335 and 180.340.

3. Instructions for Certification - Lower Tier Participants:

(Applicable to all subcontracts, purchase orders, and other lower tier transactions requiring prior FHWA approval or estimated to cost \$25,000 or more - 2 CFR Parts 180 and 1200). 2 CFR 180.220 and 1200.220.

a. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

b. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department, or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

c. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous by reason of changed circumstances. 2 CFR 180.365.

d. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180, Subpart I, 180.900 – 180.1020, and 1200. You may contact the person to which this proposal is

submitted for assistance in obtaining a copy of those regulations. "First Tier Covered Transactions" refers to any covered transaction between a recipient or subrecipient of Federal funds and a participant (such as the prime or general contractor). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a recipient or subrecipient of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

e. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated. 2 CFR 1200.220 and 1200.332.

f. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the \$25,000 threshold. 2 CFR 180.220 and 1200.220.

g. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the System for Award Management website (<https://www.sam.gov/>), which is compiled by the General Services Administration. 2 CFR 180.300, 180.320, 180.330, and 180.335.

h. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

i. Except for transactions authorized under paragraph e of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment. 2 CFR 180.325.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Participants:

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals:

(a) is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency, 2 CFR 180.355;

(b) is a corporation that has been convicted of a felony violation under any Federal law within the two-year period preceding this proposal (USDOT Order 4200.6 implementing appropriations act requirements); and

(c) is a corporation with any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability. (USDOT Order 4200.6 implementing appropriations act requirements)

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant should attach an explanation to this proposal.

XI. CERTIFICATION REGARDING USE OF CONTRACT FUNDS FOR LOBBYING

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts which exceed \$100,000. 49 CFR Part 20, App. A.

1. The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

2. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

3. The prospective participant also agrees by submitting its bid or proposal that the participant shall require that the language of this certification be included in all lower tier

subcontracts, which exceed \$100,000 and that all such recipients shall certify and disclose accordingly.

XII. USE OF UNITED STATES-FLAG VESSELS:

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, or any other covered transaction. 46 CFR Part 381.

This requirement applies to material or equipment that is acquired for a specific Federal-aid highway project. 46 CFR 381.7. It is not applicable to goods or materials that come into inventories independent of an FHWA funded-contract.

When oceanic shipments (or shipments across the Great Lakes) are necessary for materials or equipment acquired for a specific Federal-aid construction project, the bidder, proposer, contractor, subcontractor, or vendor agrees:

1. To utilize privately owned United States-flag commercial vessels to ship at least 50 percent of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners, and tankers) involved, whenever shipping any equipment, material, or commodities pursuant to this contract, to the extent such vessels are available at fair and reasonable rates for United States-flag commercial vessels. 46 CFR 381.7.
2. To furnish within 20 days following the date of loading for shipments originating within the United States or within 30 working days following the date of loading for shipments originating outside the United States, a legible copy of a rated, 'on-board' commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (b)(1) of this section to both the Contracting Officer (through the prime contractor in the case of subcontractor bills-of-lading) and to the Office of Cargo and Commercial Sealift (MAR-620), Maritime Administration, Washington, DC 20590. (MARAD requires copies of the ocean carrier's (master) bills of lading, certified onboard, dated, with rates and charges. These bills of lading may contain business sensitive information and therefore may be submitted directly to MARAD by the Ocean Transportation Intermediary on behalf of the contractor). 46 CFR 381.7.

**ATTACHMENT A - EMPLOYMENT AND MATERIALS
PREFERENCE FOR APPALACHIAN DEVELOPMENT
HIGHWAY SYSTEM OR APPALACHIAN LOCAL ACCESS
ROAD CONTRACTS (23 CFR 633, Subpart B, Appendix B)**

This provision is applicable to all Federal-aid projects funded under the Appalachian Regional Development Act of 1965.

1. During the performance of this contract, the contractor undertaking to do work which is, or reasonably may be, done as on-site work, shall give preference to qualified persons who regularly reside in the labor area as designated by the DOL wherein the contract work is situated, or the subregion, or the Appalachian counties of the State wherein the contract work is situated, except:

a. To the extent that qualified persons regularly residing in the area are not available.

b. For the reasonable needs of the contractor to employ supervisory or specially experienced personnel necessary to assure an efficient execution of the contract work.

c. For the obligation of the contractor to offer employment to present or former employees as the result of a lawful collective bargaining contract, provided that the number of nonresident persons employed under this subparagraph (1c) shall not exceed 20 percent of the total number of employees employed by the contractor on the contract work, except as provided in subparagraph (4) below.

2. The contractor shall place a job order with the State Employment Service indicating (a) the classifications of the laborers, mechanics and other employees required to perform the contract work, (b) the number of employees required in each classification, (c) the date on which the participant estimates such employees will be required, and (d) any other pertinent information required by the State Employment Service to complete the job order form. The job order may be placed with the State Employment Service in writing or by telephone. If during the course of the contract work, the information submitted by the contractor in the original job order is substantially modified, the participant shall promptly notify the State Employment Service.

3. The contractor shall give full consideration to all qualified job applicants referred to him by the State Employment Service. The contractor is not required to grant employment to any job applicants who, in his opinion, are not qualified to perform the classification of work required.

4. If, within one week following the placing of a job order by the contractor with the State Employment Service, the State Employment Service is unable to refer any qualified job applicants to the contractor, or less than the number requested, the State Employment Service will forward a certificate to the contractor indicating the unavailability of applicants. Such certificate shall be made a part of the contractor's permanent project records. Upon receipt of this certificate, the contractor may employ persons who do not normally reside in the labor area to fill positions covered by the certificate, notwithstanding the provisions of subparagraph (1c) above.

5. The provisions of 23 CFR 633.207(e) allow the contracting agency to provide a contractual preference for the use of mineral resource materials native to the Appalachian region.

6. The contractor shall include the provisions of Sections 1 through 4 of this Attachment A in every subcontract for work which is, or reasonably may be, done as on-site work.

"General Decision Number: CA20230012 04/07/2023

Superseded General Decision Number: CA20220012

State: California

Construction Types: Building, Heavy (Heavy and Dredging) and Highway

County: San Luis Obispo County in California.

BUILDING, DREDGING (does not include hopper dredge work), HEAVY (does not include water well drilling, AND HIGHWAY CONSTRUCTION PROJECTS

Note: Contracts subject to the Davis-Bacon Act are generally required to pay at least the applicable minimum wage rate required under Executive Order 14026 or Executive Order 13658. Please note that these Executive Orders apply to covered contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but do not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(2)-(60).

<p>If the contract is entered into on or after January 30, 2022, or the contract is renewed or extended (e.g., an option is exercised) on or after January 30, 2022:</p>	<ul style="list-style-type: none"> . Executive Order 14026 generally applies to the contract. . The contractor must pay all covered workers at least \$16.20 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in 2023.
<p>If the contract was awarded on or between January 1, 2015 and January 29, 2022, and the contract is not renewed or extended on or after January 30, 2022:</p>	<ul style="list-style-type: none"> . Executive Order 13658 generally applies to the contract. . The contractor must pay all covered workers at least \$12.15 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on that contract in 2023.

The applicable Executive Order minimum wage rate will be adjusted annually. If this contract is covered by one of the Executive Orders and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must still submit a conformance request.

Additional information on contractor requirements and worker protections under the Executive Orders is available at <http://www.dol.gov/whd/govcontracts>.

Modification Number	Publication Date
0	01/06/2023
1	01/13/2023
2	02/10/2023
3	03/17/2023
4	04/07/2023

ASBE0005-002 07/04/2022

	Rates	Fringes
Asbestos Workers/Insulator (Includes the application of all insulating materials, protective coverings, coatings, and finishes to all types of mechanical systems).....	\$ 49.58	25.27
Fire Stop Technician (Application of Firestopping Materials for wall openings and penetrations in walls, floors, ceilings and curtain walls).....	\$ 32.09	19.66

ASBE0005-004 07/04/2022

	Rates	Fringes
Asbestos Removal worker/hazardous material handler (Includes preparation, wetting, stripping, removal, scrapping, vacuuming, bagging and disposing of all insulation materials from		

mechanical systems, whether they contain asbestos or not)....\$ 23.52 13.37

 BOIL0092-004 01/01/2021

Area within a 25 mile radius of City of Santa Maria

	Rates	Fringes
BOILERMAKER.....	\$ 46.03	38.81

 BOIL0549-007 01/01/2021

Remainder of County outside a 25 mile radius of City of Santa Maria

	Rates	Fringes
BOILERMAKER.....	\$ 45.60	38.99

 * BRCA0004-006 05/01/2020

	Rates	Fringes
BRICKLAYER; MARBLE SETTER.....	\$ 41.83	17.51

*The wage scale for prevailing wage projects performed in Blythe, China lake, Death Valley, Fort Irwin, Twenty-Nine Palms, Needles and 1-15 corridor (Barstow to the Nevada State Line) will be Three Dollars (\$3.00) above the standard San Bernardino/Riverside County hourly wage rate

 BRCA0018-008 06/01/2022

	Rates	Fringes
MARBLE FINISHER.....	\$ 37.87	14.13
TILE FINISHER.....	\$ 32.44	12.54

 BRCA0018-011 06/01/2022

	Rates	Fringes
TILE LAYER.....	\$ 45.05	18.33

 CARP0213-001 07/01/2021

	Rates	Fringes
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CARPENTER

(1) Carpenter, Cabinet Installer, Insulation Installer, Hardwood Floor Worker and acoustical installer.....	\$ 51.60	16.28
(2) Millwright.....	\$ 52.10	16.48
(3) Piledrivermen/Derrick Bargeman, Bridge or Dock Carpenter, Heavy Framer, Rock Bargeman or Scowman, Rockslinger, Shingler (Commercial).....	\$ 51.73	16.28
(4) Pneumatic Nailer, Power Stapler.....	\$ 51.85	16.28
(5) Sawfiler.....	\$ 51.69	16.28
(6) Scaffold Builder.....	\$ 42.80	16.28
(7) Table Power Saw Operator.....	\$ 51.70	16.28

FOOTNOTE: Work of forming in the construction of open cut sewers or storm drains, on operations in which horizontal lagging is used in conjunction with steel H-Beams driven or placed in pre- drilled holes, for that portion of a lagged trench against which concrete is poured, namely, as a substitute for back forms (which work is performed by piledrivers): \$0.13 per hour additional.

 CARP0213-002 07/01/2021

	Rates	Fringes
Diver		
(1) Wet.....	\$ 834.40	16.28
(2) Standby.....	\$ 445.84	16.28
(3) Tender.....	\$ 437.84	16.28
(4) Assistant Tender.....	\$ 413.84	16.28

Amounts in "'Rates' column are per day

 CARP0213-004 07/01/2021

	Rates	Fringes
Drywall		
DRYWALL INSTALLER/LATHER....	\$ 51.60	16.28
STOCKER/SCRAPPER.....	\$ 22.16	8.62

CARP0721-001 07/01/2021

	Rates	Fringes
Modular Furniture Installer.....	\$ 21.85	7.15

ELEC0639-001 01/01/2023		

	Rates	Fringes
Electricians		
Wireman/Technician.....	\$ 51.50	22.80

FOOTNOTES:

CABLE SPLICER: 10% additional per hour above Wireman/Technician basic hourly rate.

Work from trusses, swinging scaffolds, open ladders, scaffolds, bosun chairs, stacks or towers, where subject to a direct fall from the ground floor or support structure from a distance of fifty (50) feet to ninety (90) feet: to be paid time and one-half. Work from trusses, swinging scaffolds, open ladders, scaffolds, bosun chairs, stacks or towers, where subject to a direct fall from the ground floor or support structure from a distance over ninety (90) feet: to be paid double the regular straight time rate of pay. Where workers are required to work under compressed air or in areas where injurious gases, dust or fumes are present in amounts necessitating the use of gas masks or self-contained breathing apparatus (particle masks are not considered self-contained breathing apparatus) or where workers work on poles at a distance of seventy-five (75) feet or more from the ground: to be paid a bonus of straight time pay. This shall be at a minimum of one hour, and thereafter, each succeeding hour or fraction thereof shall constitute an hour at the bonus rate. Tunnel work: to be paid at the time and one-quarter hourly rate.

All employers may request workmen to report direct to a job within a free zone to include everything west of ten (10) miles east of Highway 101, as the crow flies, and then (10) miles north and south of Highway 46, as the crow flies, to the junction of Highway 41 and Highway 46. Everything outside this area shall be paid at full subsistence provide said job is of five (5) days duration or more and provide there is storage on the job for the Employee's tools. The Employer will be responsible for loss of tools under such circumstances. (Road: The most direct route on a surfaced road).

On all jobs or projects outside the free zone, as stated above, Employees may be required to report to the job site in their own transportation at the regular starting time and remain on the job site until the regular quitting time and these shall be paid at fifty dollars (\$50.00) per day or fifty-one cents (\$0.51) per mile for each road mile from shop to job and job to shop (round trip). (Day worked shall mean at least four (4) hours on the job unless sent home on account of weather, emergency, sickness, or injury).

The Employer shall pay for traveling time and furnish transportation from shop to job, job to job, and job to shop. Travel time shall be at the appropriate rate of pay for that day of the week. (Monday through Friday, straight time, Saturday and Sunday, double time.)

 ELEC0639-003 12/27/2021

COMMUNICATIONS AND SYSTEMS WORK

SAN LUIS OBISPO COUNTY

	Rates	Fringes
Communications System		
Installer.....	\$ 41.68	15.90
Technician.....	\$ 30.89	11.66

SCOPE OF WORK: Installation, testing, service and maintenance of systems utilizing the transmission and/or transference of voice, sound, vision and digital for commercial, educational, security and entertainment purposes for the following: TV monitoring and surveillance, background - foreground music, intercom and telephone interconnect, microwave transmission, multi-media, multiplex, nurse call systems, radio page, burglar alarms and fire alarm (see last paragraph below).

Communication Systems that transmit or receive information and/or control systems that are intrinsic to the above listed systems; inclusion or exclusion of terminations and testings of conductors determined by their function; excluding all other data systems or multiple systems which include control function or power supply; excluding installation of raceway systems, conduit systems, line voltage work, and energy management systems.

Fire alarm work shall be performed at the current inside

electrician total cost package.

ELEC1245-001 06/01/2022

	Rates	Fringes
LINE CONSTRUCTION		
(1) Lineman; Cable splicer..	\$ 64.40	22.58
(2) Equipment specialist (operates crawler tractors, commercial motor vehicles, backhoes, trenchers, cranes (50 tons and below), overhead & underground distribution line equipment).....	\$ 50.00	21.30
(3) Groundman.....	\$ 38.23	20.89
(4) Powderman.....	\$ 51.87	18.79

HOLIDAYS: New Year's Day, M.L. King Day, Memorial Day,
Independence Day, Labor Day, Veterans Day, Thanksgiving Day
and day after Thanksgiving, Christmas Day

ELEV0008-003 01/01/2023

	Rates	Fringes
ELEVATOR MECHANIC.....	\$ 77.61	37.335+a+b

FOOTNOTE:

a. PAID VACATION: Employer contributes 8% of regular hourly rate as vacation pay credit for employees with more than 5 years of service, and 6% for 6 months to 5 years of service.

b. PAID HOLIDAYS: New Year's Day, Memorial Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving Day, Friday after Thanksgiving, and Christmas Day.

ENGI0012-003 07/01/2022

	Rates	Fringes
OPERATOR: Power Equipment (All Other Work)		
GROUP 1.....	\$ 51.90	30.70
GROUP 2.....	\$ 52.68	30.70
GROUP 3.....	\$ 52.97	30.70

GROUP 4.....	\$ 54.46	30.70
GROUP 5.....	\$ 48.96	25.25
GROUP 6.....	\$ 54.68	30.70
GROUP 8.....	\$ 54.79	30.70
GROUP 9.....	\$ 49.29	25.25
GROUP 10.....	\$ 54.91	30.70
GROUP 11.....	\$ 49.41	25.25
GROUP 12.....	\$ 55.08	30.70
GROUP 13.....	\$ 55.18	30.70
GROUP 14.....	\$ 55.21	30.70
GROUP 15.....	\$ 55.29	30.70
GROUP 16.....	\$ 55.41	30.70
GROUP 17.....	\$ 55.58	30.70
GROUP 18.....	\$ 55.68	30.70
GROUP 19.....	\$ 55.79	30.70
GROUP 20.....	\$ 55.91	30.70
GROUP 21.....	\$ 56.08	30.70
GROUP 22.....	\$ 56.18	30.70
GROUP 23.....	\$ 56.29	30.70
GROUP 24.....	\$ 56.41	30.70
GROUP 25.....	\$ 56.58	30.70

OPERATOR: Power Equipment
(Cranes, Piledriving &
Hoisting)

GROUP 1.....	\$ 53.25	30.70
GROUP 2.....	\$ 54.03	30.70
GROUP 3.....	\$ 54.32	30.70
GROUP 4.....	\$ 54.46	30.70
GROUP 5.....	\$ 54.68	30.70
GROUP 6.....	\$ 54.79	30.70
GROUP 7.....	\$ 54.91	30.70
GROUP 8.....	\$ 55.08	30.70
GROUP 9.....	\$ 55.25	30.70
GROUP 10.....	\$ 56.25	30.70
GROUP 11.....	\$ 57.25	30.70
GROUP 12.....	\$ 58.25	30.70
GROUP 13.....	\$ 59.25	30.70

OPERATOR: Power Equipment
(Tunnel Work)

GROUP 1.....	\$ 54.53	30.70
GROUP 2.....	\$ 54.82	30.70
GROUP 3.....	\$ 54.96	30.70
GROUP 4.....	\$ 55.18	30.70
GROUP 5.....	\$ 55.29	30.70
GROUP 6.....	\$ 55.41	30.70
GROUP 7.....	\$ 55.71	30.70

PREMIUM PAY:

\$3.75 per hour shall be paid on all Power Equipment Operator work on the following Military Bases: China Lake Naval

Reserve, Vandenberg AFB, Point Arguello, Seely Naval Base, Fort Irwin, Nebo Annex Marine Base, Marine Corp Logistics Base Yermo, Edwards AFB, 29 Palms Marine Base and Camp Pendleton

Workers required to suit up and work in a hazardous material environment: \$2.00 per hour additional. Combination mixer and compressor operator on gunite work shall be classified as a concrete mobile mixer operator.

SEE ZONE DEFINITIONS AFTER CLASSIFICATIONS

POWER EQUIPMENT OPERATORS CLASSIFICATIONS

GROUP 1: Bargeman; Brakeman; Compressor operator; Ditch Witch, with seat or similar type equipment; Elevator operator-inside; Engineer Oiler; Forklift operator (includes loed, lull or similar types under 5 tons; Generator operator; Generator, pump or compressor plant operator; Pump operator; Signalman; Switchman

GROUP 2: Asphalt-rubber plant operator (nurse tank operator); Concrete mixer operator-skip type; Conveyor operator; Fireman; Forklift operator (includes loed, lull or similar types over 5 tons; Hydrostatic pump operator; oiler crusher (asphalt or concrete plant); Petromat laydown machine; PJU side dum jack; Screening and conveyor machine operator (or similar types); Skiploader (wheel type up to 3/4 yd. without attachment); Tar pot fireman; Temporary heating plant operator; Trenching machine oiler

GROUP 3: Asphalt-rubber blend operator; Bobcat or similar type (Skid steer); Equipment greaser (rack); Ford Ferguson (with dragtype attachments); Helicopter radioman (ground); Stationary pipe wrapping and cleaning machine operator

GROUP 4: Asphalt plant fireman; Backhoe operator (mini-max or similar type); Boring machine operator; Boxman or mixerman (asphalt or concrete); Chip spreading machine operator; Concrete cleaning decontamination machine operator; Concrete Pump Operator (small portable); Drilling machine operator, small auger types (Texoma super economatic or similar types - Hughes 100 or 200 or similar types - drilling depth of 30' maximum); Equipment greaser (grease truck); Guard rail post driver operator; Highline cableway signalman; Hydra-hammer-aero stomper; Micro Tunneling (above ground tunnel); Power concrete curing machine operator; Power concrete saw operator; Power-driven jumbo form setter operator; Power sweeper operator; Rock Wheel Saw/Trencher; Roller operator (compacting); Screed operator

(asphalt or concrete); Trenching machine operator (up to 6 ft.); Vacuum or much truck

GROUP 5: Equipment Greaser (Grease Truck/Multi Shift).

GROUP 6: Articulating material hauler; Asphalt plant engineer; Batch plant operator; Bit sharpener; Concrete joint machine operator (canal and similar type); Concrete planer operator; Dandy digger; Deck engine operator; Derrickman (oilfield type); Drilling machine operator, bucket or auger types (Calweld 100 bucket or similar types - Watson 1000 auger or similar types - Texoma 330, 500 or 600 auger or similar types - drilling depth of 45' maximum); Drilling machine operator; Hydrographic seeder machine operator (straw, pulp or seed), Jackson track maintainer, or similar type; Kalamazoo Switch tamper, or similar type; Machine tool operator; Maginnis internal full slab vibrator, Mechanical berm, curb or gutter (concrete or asphalt); Mechanical finisher operator (concrete, Clary-Johnson-Bidwell or similar); Micro tunnel system (below ground); Pavement breaker operator (truck mounted); Road oil mixing machine operator; Roller operator (asphalt or finish), rubber-tired earth moving equipment (single engine, up to and including 25 yds. struck); Self-propelled tar pipelining machine operator; Skiploader operator (crawler and wheel type, over 3/4 yd. and up to and including 1-1/2 yds.); Slip form pump operator (power driven hydraulic lifting device for concrete forms); Tractor operator-bulldozer, tamper-scraper (single engine, up to 100 h.p. flywheel and similar types, up to and including D-5 and similar types); Tugger hoist operator (1 drum); Ultra high pressure waterjet cutting tool system operator; Vacuum blasting machine operator

GROUP 8: Asphalt or concrete spreading operator (tamping or finishing); Asphalt paving machine operator (Barber Greene or similar type); Asphalt-rubber distribution operator; Backhoe operator (up to and including 3/4 yd.), small ford, Case or similar; Cast-in-place pipe laying machine operator; Combination mixer and compressor operator (guniting work); Compactor operator (self-propelled); Concrete mixer operator (paving); Crushing plant operator; Drill Doctor; Drilling machine operator, Bucket or auger types (Calweld 150 bucket or similar types - Watson 1500, 2000 2500 auger or similar types - Texoma 700, 800 auger or similar types - drilling depth of 60' maximum); Elevating grader operator; Grade checker; Gradall operator; Grouting machine operator; Heavy-duty repairman; Heavy equipment robotics operator; Kalamazoo balliste regulator or similar type; Kolman belt loader and similar type; Le Tourneau blob compactor or

similar type; Loader operator (Athey, Euclid, Sierra and similar types); Mobark Chipper or similar; Ozzie padder or similar types; P.C. slot saw; Pneumatic concrete placing machine operator (Hackley-Presswell or similar type); Pumpcrete gun operator; Rock Drill or similar types; Rotary drill operator (excluding caisson type); Rubber-tired earth-moving equipment operator (single engine, caterpillar, Euclid, Athey Wagon and similar types with any and all attachments over 25 yds. up to and including 50 cu. yds. struck); Rubber-tired earth-moving equipment operator (multiple engine up to and including 25 yds. struck); Rubber-tired scraper operator (self-loading paddle wheel type-John Deere, 1040 and similar single unit); Self-propelled curb and gutter machine operator; Shuttle buggy; Skiploader operator (crawler and wheel type over 1-1/2 yds. up to and including 6-1/2 yds.); Soil remediation plant operator; Surface heaters and planer operator; Tractor compressor drill combination operator; Tractor operator (any type larger than D-5 - 100 flywheel h.p. and over, or similar-bulldozer, tamper, scraper and push tractor single engine); Tractor operator (boom attachments), Traveling pipe wrapping, cleaning and bending machine operator; Trenching machine operator (over 6 ft. depth capacity, manufacturer's rating); trenching Machine with Road Miner attachment (over 6 ft depth capacity): Ultra high pressure waterjet cutting tool system mechanic; Water pull (compaction) operator

GROUP 9: Heavy Duty Repairman

GROUP 10: Drilling machine operator, Bucket or auger types (Calweld 200 B bucket or similar types-Watson 3000 or 5000 auger or similar types-Texoma 900 auger or similar types-drilling depth of 105' maximum); Dual drum mixer, dynamic compactor LDC350 (or similar types); Monorail locomotive operator (diesel, gas or electric); Motor patrol-blade operator (single engine); Multiple engine tractor operator (Euclid and similar type-except Quad 9 cat.); Rubber-tired earth-moving equipment operator (single engine, over 50 yds. struck); Pneumatic pipe ramming tool and similar types; Prestressed wrapping machine operator; Rubber-tired earth-moving equipment operator (single engine, over 50 yds. struck); Rubber tired earth moving equipment operator (multiple engine, Euclid, caterpillar and similar over 25 yds. and up to 50 yds. struck), Tower crane repairman; Tractor loader operator (crawler and wheel type over 6-1/2 yds.); Woods mixer operator (and similar Pugmill equipment)

GROUP 11: Heavy Duty Repairman - Welder Combination, Welder -

Certified.

GROUP 12: Auto grader operator; Automatic slip form operator; Drilling machine operator, bucket or auger types (Calweld, auger 200 CA or similar types - Watson, auger 6000 or similar types - Hughes Super Duty, auger 200 or similar types - drilling depth of 175' maximum); Hoe ram or similar with compressor; Mass excavator operator less than 750 cu. yards; Mechanical finishing machine operator; Mobile form traveler operator; Motor patrol operator (multi-engine); Pipe mobile machine operator; Rubber-tired earth-moving equipment operator (multiple engine, Euclid, Caterpillar and similar type, over 50 cu. yds. struck); Rubber-tired self-loading scraper operator (paddle-wheel-auger type self-loading - two (2) or more units)

GROUP 13: Rubber-tired earth-moving equipment operator operating equipment with push-pull system (single engine, up to and including 25 yds. struck)

GROUP 14: Canal liner operator; Canal trimmer operator; Remote-control earth-moving equipment operator (operating a second piece of equipment: \$1.00 per hour additional); Wheel excavator operator (over 750 cu. yds.)

GROUP 15: Rubber-tired earth-moving equipment operator, operating equipment with push-pull system (single engine, Caterpillar, Euclid, Athey Wagon and similar types with any and all attachments over 25 yds. and up to and including 50 yds. struck); Rubber-tired earth-moving equipment operator, operating equipment with push-pull system (multiple engine-up to and including 25 yds. struck)

GROUP 16: Rubber-tired earth-moving equipment operator, operating equipment with push-pull system (single engine, over 50 yds. struck); Rubber-tired earth-moving equipment operator, operating equipment with push-pull system (multiple engine, Euclid, Caterpillar and similar, over 25 yds. and up to 50 yds. struck)

GROUP 17: Rubber-tired earth-moving equipment operator, operating equipment with push-pull system (multiple engine, Euclid, Caterpillar and similar, over 50 cu. yds. struck); Tandem tractor operator (operating crawler type tractors in tandem - Quad 9 and similar type)

GROUP 18: Rubber-tired earth-moving equipment operator, operating in tandem (scrapers, belly dumps and similar types in any combination, excluding compaction units - single engine, up to and including 25 yds. struck)

GROUP 19: Rotex concrete belt operator (or similar types); Rubber-tired earth-moving equipment operator, operating in tandem (scrapers, belly dumps and similar types in any combination, excluding compaction units - single engine, Caterpillar, Euclid, Athey Wagon and similar types with any and all attachments over 25 yds. and up to and including 50 cu. yds. struck); Rubber-tired earth-moving equipment operator, operating in tandem (scrapers, belly dumps and similar types in any combination, excluding compaction units - multiple engine, up to and including 25 yds. struck)

GROUP 20: Rubber-tired earth-moving equipment operator, operating in tandem (scrapers, belly dumps and similar types in any combination, excluding compaction units - single engine, over 50 yds. struck); Rubber-tired earth-moving equipment operator, operating in tandem (scrapers, belly dumps, and similar types in any combination, excluding compaction units - multiple engine, Euclid, Caterpillar and similar, over 25 yds. and up to 50 yds. struck)

GROUP 21: Rubber-tired earth-moving equipment operator, operating in tandem (scrapers, belly dumps and similar types in any combination, excluding compaction units - multiple engine, Euclid, Caterpillar and similar type, over 50 cu. yds. struck)

GROUP 22: Rubber-tired earth-moving equipment operator, operating equipment with the tandem push-pull system (single engine, up to and including 25 yds. struck)

GROUP 23: Rubber-tired earth-moving equipment operator, operating equipment with the tandem push-pull system (single engine, Caterpillar, Euclid, Athey Wagon and similar types with any and all attachments over 25 yds. and up to and including 50 yds. struck); Rubber-tired earth-moving equipment operator, operating with the tandem push-pull system (multiple engine, up to and including 25 yds. struck)

GROUP 24: Rubber-tired earth-moving equipment operator, operating equipment with the tandem push-pull system (single engine, over 50 yds. struck); Rubber-tired earth-moving equipment operator, operating equipment with the tandem push-pull system (multiple engine, Euclid, Caterpillar and similar, over 25 yds. and up to 50 yds. struck)

GROUP 25: Concrete pump operator-truck mounted; Rubber-tired

earth-moving equipment operator, operating equipment with the tandem push-pull system (multiple engine, Euclid, Caterpillar and similar type, over 50 cu. yds. struck)

CRANES, PILEDIVING AND HOISTING EQUIPMENT CLASSIFICATIONS

GROUP 1: Engineer oiler; Fork lift operator (includes loed, lull or similar types)

GROUP 2: Truck crane oiler

GROUP 3: A-frame or winch truck operator; Ross carrier operator (jobsite)

GROUP 4: Bridge-type unloader and turntable operator; Helicopter hoist operator

GROUP 5: Hydraulic boom truck; Stinger crane (Austin-Western or similar type); Tugger hoist operator (1 drum)

GROUP 6: Bridge crane operator; Cretor crane operator; Hoist operator (Chicago boom and similar type); Lift mobile operator; Lift slab machine operator (Vagtborg and similar types); Material hoist and/or manlift operator; Polar gantry crane operator; Self Climbing scaffold (or similar type); Shovel, backhoe, dragline, clamshell operator (over 3/4 yd. and up to 5 cu. yds. mrc); Tugger hoist operator

GROUP 7: Pedestal crane operator; Shovel, backhoe, dragline, clamshell operator (over 5 cu. yds. mrc); Tower crane repair; Tugger hoist operator (3 drum)

GROUP 8: Crane operator (up to and including 25 ton capacity); Crawler transporter operator; Derrick barge operator (up to and including 25 ton capacity); Hoist operator, stiff legs, Guy derrick or similar type (up to and including 25 ton capacity); Shovel, backhoe, dragline, clamshell operator (over 7 cu. yds., M.R.C.)

GROUP 9: Crane operator (over 25 tons and up to and including 50 tons mrc); Derrick barge operator (over 25 tons up to and including 50 tons mrc); Highline cableway operator; Hoist operator, stiff legs, Guy derrick or similar type (over 25 tons up to and including 50 tons mrc); K-crane operator; Polar crane operator; Self erecting tower crane operator maximum lifting capacity ten tons

GROUP 10: Crane operator (over 50 tons and up to and including 100 tons mrc); Derrick barge operator (over 50 tons up to and including 100 tons mrc); Hoist operator,

stiff legs, Guy derrick or similar type (over 50 tons up to and including 100 tons mrc), Mobile tower crane operator (over 50 tons, up to and including 100 tons M.R.C.); Tower crane operator and tower gantry

GROUP 11: Crane operator (over 100 tons and up to and including 200 tons mrc); Derrick barge operator (over 100 tons up to and including 200 tons mrc); Hoist operator, stiff legs, Guy derrick or similar type (over 100 tons up to and including 200 tons mrc); Mobile tower crane operator (over 100 tons up to and including 200 tons mrc)

GROUP 12: Crane operator (over 200 tons up to and including 300 tons mrc); Derrick barge operator (over 200 tons up to and including 300 tons mrc); Hoist operator, stiff legs, Guy derrick or similar type (over 200 tons, up to and including 300 tons mrc); Mobile tower crane operator (over 200 tons, up to and including 300 tons mrc)

GROUP 13: Crane operator (over 300 tons); Derrick barge operator (over 300 tons); Helicopter pilot; Hoist operator, stiff legs, Guy derrick or similar type (over 300 tons); Mobile tower crane operator (over 300 tons)

TUNNEL CLASSIFICATIONS

GROUP 1: Skiploader (wheel type up to 3/4 yd. without attachment)

GROUP 2: Power-driven jumbo form setter operator

GROUP 3: Dinkey locomotive or motorperson (up to and including 10 tons)

GROUP 4: Bit sharpener; Equipment greaser (grease truck); Slip form pump operator (power-driven hydraulic lifting device for concrete forms); Tugger hoist operator (1 drum); Tunnel locomotive operator (over 10 and up to and including 30 tons)

GROUP 5: Backhoe operator (up to and including 3/4 yd.); Small Ford, Case or similar; Drill doctor; Grouting machine operator; Heading shield operator; Heavy-duty repairperson; Loader operator (Athey, Euclid, Sierra and similar types); Mucking machine operator (1/4 yd., rubber-tired, rail or track type); Pneumatic concrete placing machine operator (Hackley-Presswell or similar type); Pneumatic heading shield (tunnel); Pumpcrete gun operator; Tractor compressor drill combination operator; Tugger hoist operator (2 drum); Tunnel locomotive operator (over 30 tons)

GROUP 6: Heavy Duty Repairman

GROUP 7: Tunnel mole boring machine operator

ENGINEERS ZONES

\$1.00 additional per hour for all of IMPERIAL County and the portions of KERN, RIVERSIDE & SAN BERNARDINO Counties as defined below:

That area within the following Boundary: Begin in San Bernardino County, approximately 3 miles NE of the intersection of I-15 and the California State line at that point which is the NW corner of Section 1, T17N, R14E, San Bernardino Meridian. Continue W in a straight line to that point which is the SW corner of the northwest quarter of Section 6, T27S, R42E, Mt. Diablo Meridian. Continue North to the intersection with the Inyo County Boundary at that point which is the NE corner of the western half of the northern quarter of Section 6, T25S, R42E, MDM. Continue W along the Inyo and San Bernardino County boundary until the intersection with Kern County, as that point which is the SE corner of Section 34, T24S, R40E, MDM. Continue W along the Inyo and Kern County boundary until the intersection with Tulare County, at that point which is the SW corner of the SE quarter of Section 32, T24S, R37E, MDM. Continue W along the Kern and Tulare County boundary, until that point which is the NW corner of T25S, R32E, MDM. Continue S following R32E lines to the NW corner of T31S, R32E, MDM. Continue W to the NW corner of T31S, R31E, MDM. Continue S to the SW corner of T32S, R31E, MDM. Continue W to SW corner of SE quarter of Section 34, T32S, R30E, MDM. Continue S to SW corner of T11N, R17W, SBM. Continue E along south boundary of T11N, SBM to SW corner of T11N, R7W, SBM. Continue S to SW corner of T9N, R7W, SBM. Continue E along south boundary of T9N, SBM to SW corner of T9N, R1E, SBM. Continue S along west boundary of R1E, SMB to Riverside County line at the SW corner of T1S, R1E, SBM. Continue E along south boundary of T1s, SBM (Riverside County Line) to SW corner of T1S, R10E, SBM. Continue S along west boundary of R10E, SBM to Imperial County line at the SW corner of T8S, R10E, SBM. Continue W along Imperial and Riverside county line to NW corner of T9S, R9E, SBM. Continue S along the boundary between Imperial and San Diego Counties, along the west edge of R9E, SBM to the south boundary of Imperial County/California state line. Follow the California state line west to Arizona state line, then north to Nevada state line, then continuing NW back to start at the point which is the NW corner of Section 1, T17N, R14E, SBM

\$1.00 additional per hour for portions of SAN LUIS OBISPO, KERN, SANTA BARBARA & VENTURA as defined below:

That area within the following Boundary: Begin approximately 5 miles north of the community of Cholame, on the Monterey County and San Luis Obispo County boundary at the NW corner of T25S, R16E, Mt. Diablo Meridian. Continue south along the west side of R16E to the SW corner of T30S, R16E, MDM. Continue E to SW corner of T30S, R17E, MDM. Continue S to SW corner of T31S, R17E, MDM. Continue E to SW corner of T31S, R18E, MDM. Continue S along West side of R18E, MDM as it crosses into San Bernardino Meridian numbering area and becomes R30W. Follow the west side of R30W, SBM to the SW corner of T9N, R30W, SBM. Continue E along the south edge of T9N, SBM to the Santa Barbara County and Ventura County boundary at that point which is the SW corner of Section 34. T9N, R24W, SBM, continue S along the Ventura County line to that point which is the SW corner of the SE quarter of Section 32, T7N, R24W, SBM. Continue E along the south edge of T7N, SBM to the SE corner to T7N, R21W, SBM. Continue N along East side of R21W, SBM to Ventura County and Kern County boundary at the NE corner of T8N, R21W. Continue W along the Ventura County and Kern County boundary to the SE corner of T9N, R21W. Continue North along the East edge of R21W, SBM to the NE corner of T12N, R21W, SBM. Continue West along the north edge of T12N, SBM to the SE corner of T32S, R21E, MDM. [T12N SBM is a think strip between T11N SBM and T32S MDM]. Continue North along the East side of R21E, MDM to the Kings County and Kern County border at the NE corner of T25S, R21E, MDM, continue West along the Kings County and Kern County Boundary until the intersection of San Luis Obispo County. Continue west along the Kings County and San Luis Obispo County boundary until the intersection with Monterey County. Continue West along the Monterey County and San Luis Obispo County boundary to the beginning point at the NW corner of T25S, R16E, MDM.

\$2.00 additional per hour for INYO and MONO Counties and the Northern portion of SAN BERNARDINO County as defined below:

That area within the following Boundary: Begin at the intersection of the northern boundary of Mono County and the California state line at the point which is the center of Section 17, T10N, R22E, Mt. Diablo Meridian. Continue S then SE along the entire western boundary of Mono County, until it reaches Inyo County at the point which is the NE corner of the Western half of the NW quarter of Section 2, T8S, R29E, MDM. Continue SSE along the entire western boundary of Inyo County, until the intersection with Kern County at the point which is the SW corner of the SE 1/4 of Section 32, T24S, R37E, MDM.

Continue E along the Inyo and Kern County boundary until the intersection with San Bernardino County at that point which is the SE corner of section 34, T24S, R40E, MDM. Continue E along the Inyo and San Bernardino County boundary until the point which is the NE corner of the Western half of the NW quarter of Section 6, T25S, R42E, MDM. Continue S to that point which is the SW corner of the NW quarter of Section 6, T27S, R42E, MDM. Continue E in a straight line to the California and Nevada state border at the point which is the NW corner of Section 1, T17N, R14E, San Bernardino Meridian. Then continue NW along the state line to the starting point, which is the center of Section 18, T10N, R22E, MDM.

REMAINING AREA NOT DEFINED ABOVE RECIEVES BASE RATE

ENGI0012-004 08/01/2022

	Rates	Fringes
OPERATOR: Power Equipment		
(DREDGING)		
(1) Leverman.....	\$ 61.60	32.50
(2) Dredge dozer.....	\$ 55.63	32.50
(3) Deckmate.....	\$ 55.52	32.50
(4) Winch operator (stern winch on dredge).....	\$ 54.97	32.50
(5) Fireman-Oiler, Deckhand, Bargeman, Leveehand.....	\$ 54.43	32.50
(6) Barge Mate.....	\$ 55.04	32.50

IRON0433-006 01/01/2023

	Rates	Fringes
IRONWORKER		
Fence Erector.....	\$ 41.28	25.66
Ornamental, Reinforcing and Structural.....	\$ 46.20	34.30

PREMIUM PAY:

\$6.00 additional per hour at the following locations:

China Lake Naval Test Station, Chocolate Mountains Naval Reserve-Niland, Edwards AFB, Fort Irwin Military Station, Fort Irwin Training Center-Goldstone, San Clemente Island, San Nicholas Island,

Susanville Federal Prison, 29 Palms - Marine Corps, U.S. Marine Base - Barstow, U.S. Naval Air Facility - Sealey, Vandenberg AFB

\$4.00 additional per hour at the following locations:

Army Defense Language Institute - Monterey, Fallon Air Base, Naval Post Graduate School - Monterey, Yermo Marine Corps Logistics Center

\$2.00 additional per hour at the following locations:

Port Hueneme, Port Mugu, U.S. Coast Guard Station - Two Rock

LAB00220-001 07/01/2022

	Rates	Fringes
LABORER (TUNNEL)		
GROUP 1.....	\$ 45.68	23.30
GROUP 2.....	\$ 46.00	23.30
GROUP 3.....	\$ 46.46	23.30
GROUP 4.....	\$ 47.15	23.30
LABORER		
GROUP 1.....	\$ 36.39	21.04
GROUP 2.....	\$ 36.94	21.04
GROUP 3.....	\$ 37.49	21.04
GROUP 4.....	\$ 39.04	21.04
GROUP 5.....	\$ 39.39	21.04

LABORER CLASSIFICATIONS

GROUP 1: Cleaning and handling of panel forms; Concrete screeding for rough strike-off; Concrete, water curing; Demolition laborer, the cleaning of brick if performed by a worker performing any other phase of demolition work, and the cleaning of lumber; Fire watcher, limber, brush loader, piler and debris handler; Flag person; Gas, oil and/or water pipeline laborer; Laborer, asphalt-rubber material loader; Laborer, general or construction; Laborer, general clean-up; Laborer, landscaping; Laborer, jetting; Laborer, temporary water and air lines; Material hose operator (walls, slabs, floors and decks); Plugging, filling of shee bolt holes; Dry packing of concrete; Railroad maintenance, repair track person and road beds; Streetcar and railroad construction track laborers; Rigging and signaling; Scaler; Slip form raiser; Tar and mortar; Tool crib or tool house laborer; Traffic control by any method; Window cleaner; Wire mesh pulling - all concrete pouring operations

GROUP 2: Asphalt shoveler; Cement dumper (on 1 yd. or larger mixer and handling bulk cement); Cesspool digger and installer; Chucktender; Chute handler, pouring concrete, the handling of the chute from readymix trucks, such as walls, slabs, decks, floors, foundation, footings, curbs, gutters and sidewalks; Concrete curer, impervious membrane and form oiler; Cutting torch operator (demolition); Fine grader, highways and street paving, airport, runways and similar type heavy construction; Gas, oil and/or water pipeline wrapper - pot tender and form person; Guinea chaser; Headerboard person - asphalt; Laborer, packing rod steel and pans; Membrane vapor barrier installer; Power broom sweeper (small); Riprap stonepaver, placing stone or wet sacked concrete; Roto scraper and tiller; Sandblaster (pot tender); Septic tank digger and installer(lead); Tank scaler and cleaner; Tree climber, faller, chain saw operator, Pittsburgh chipper and similar type brush shredder; Underground laborer, including caisson bellower

GROUP 3: Buggymobile person; Concrete cutting torch; Concrete pile cutter; Driller, jackhammer, 2-1/2 ft. drill steel or longer; Dri-pak-it machine; Gas, oil and/or water pipeline wrapper, 6-in. pipe and over, by any method, inside and out; High scaler (including drilling of same); Hydro seeder and similar type; Impact wrench multi-plate; Kettle person, pot person and workers applying asphalt, lay-kold, creosote, lime caustic and similar type materials ("applying" means applying, dipping, brushing or handling of such materials for pipe wrapping and waterproofing); Operator of pneumatic, gas, electric tools, vibrating machine, pavement breaker, air blasting, come-alongs, and similar mechanical tools not separately classified herein; Pipelayer's backup person, coating, grouting, making of joints, sealing, caulking, diapering and including rubber gasket joints, pointing and any and all other services; Rock slinger; Rotary scarifier or multiple head concrete chipping scarifier; Steel headerboard and guideline setter; Tamper, Barko, Wacker and similar type; Trenching machine, hand-propelled

GROUP 4: Asphalt raker, lute person, ironer, asphalt dump person, and asphalt spreader boxes (all types); Concrete core cutter (walls, floors or ceilings), grinder or sander; Concrete saw person, cutting walls or flat work, scoring old or new concrete; Cribber, shorer, lagging, sheeting and trench bracing, hand-guided lagging hammer; Head rock slinger; Laborer, asphalt- rubber distributor boot person; Laser beam in connection with laborers' work; Oversize concrete vibrator operator, 70 lbs. and over; Pipelayer

performing all services in the laying and installation of pipe from the point of receiving pipe in the ditch until completion of operation, including any and all forms of tubular material, whether pipe, metallic or non-metallic, conduit and any other stationary type of tubular device used for the conveying of any substance or element, whether water, sewage, solid gas, air, or other product whatsoever and without regard to the nature of material from which the tubular material is fabricated; No-joint pipe and stripping of same; Prefabricated manhole installer; Sandblaster (nozzle person), water blasting, Porta Shot-Blast

GROUP 5: Blaster powder, all work of loading holes, placing and blasting of all powder and explosives of whatever type, regardless of method used for such loading and placing; Driller: All power drills, excluding jackhammer, whether core, diamond, wagon, track, multiple unit, and any and all other types of mechanical drills without regard to the form of motive power; Toxic waste removal

TUNNEL LABORER CLASSIFICATIONS

GROUP 1: Batch plant laborer; Changehouse person; Dump person; Dump person (outside); Swamper (brake person and switch person on tunnel work); Tunnel materials handling person; Nipper; Pot tender, using mastic or other materials (for example, but not by way of limitation, shotcrete, etc.);

GROUP 2: Bull gang mucker, track person; Chucktender, Cabletender; Concrete crew, including rodder and spreader; Loading and unloading agitator cars; Vibrator person, jack hammer, pneumatic tools (except driller)

GROUP 3: Blaster, driller, powder person; Chemical grout jet person; Cherry picker person; Grout gun person; Grout mixer person; Grout pump person; Jackleg miner; Jumbo person; Kemper and other pneumatic concrete placer operator; Miner, tunnel (hand or machine); Nozzle person; Operating of troweling and/or grouting machines; Powder person (primer house); Primer person; Sandblaster; Shotcrete person; Steel form raiser and setter; Timber person, retimber person, wood or steel; Tunnel Concrete finisher

GROUP 4: Diamond driller; Sandblaster; Shaft and raise work

LAB00220-004 07/01/2022

Rates Fringes

Brick Tender.....\$ 37.32 21.45

LAB00300-005 08/01/2022

Rates Fringes

Asbestos Removal Laborer.....\$ 39.23 23.28

SCOPE OF WORK: Includes site mobilization, initial site cleanup, site preparation, removal of asbestos-containing material and toxic waste, encapsulation, enclosure and disposal of asbestos- containing materials and toxic waste by hand or with equipment or machinery; scaffolding, fabrication of temporary wooden barriers and assembly of decontamination stations.

LAB00345-001 07/01/2022

Rates Fringes

LABORER (GUNITE)

GROUP 1.....\$ 48.50 21.37
GROUP 2.....\$ 47.55 21.37
GROUP 3.....\$ 44.01 21.37

FOOTNOTE: GUNITE PREMIUM PAY: Workers working from a Bosn'n's Chair or suspended from a rope or cable shall receive 40 cents per hour above the foregoing applicable classification rates. Workers doing gunite and/or shotcrete work in a tunnel shall receive 35 cents per hour above the foregoing applicable classification rates, paid on a portal-to-portal basis. Any work performed on, in or above any smoke stack, silo, storage elevator or similar type of structure, when such structure is in excess of 75'-0"" above base level and which work must be performed in whole or in part more than 75'-0"" above base level, that work performed above the 75'-0"" level shall be compensated for at 35 cents per hour above the applicable classification wage rate.

GUNITE LABORER CLASSIFICATIONS

GROUP 1: Rodmen, Nozzlemen

GROUP 2: Gunmen

GROUP 3: Reboundmen

	Rates	Fringes
Laborers: (HORIZONTAL DIRECTIONAL DRILLING)		
(1) Drilling Crew Laborer...	\$ 40.69	18.25
(2) Vehicle Operator/Hauler.	\$ 40.86	18.25
(3) Horizontal Directional Drill Operator.....	\$ 42.71	18.25
(4) Electronic Tracking Locator.....	\$ 44.71	18.25
Laborers: (STRIPING/SLURRY SEAL)		
GROUP 1.....	\$ 41.90	21.32
GROUP 2.....	\$ 43.20	21.32
GROUP 3.....	\$ 45.21	21.32
GROUP 4.....	\$ 46.95	21.32

LABORERS - STRIPING CLASSIFICATIONS

GROUP 1: Protective coating, pavement sealing, including repair and filling of cracks by any method on any surface in parking lots, game courts and playgrounds; carstops; operation of all related machinery and equipment; equipment repair technician

GROUP 2: Traffic surface abrasive blaster; pot tender - removal of all traffic lines and markings by any method (sandblasting, waterblasting, grinding, etc.) and preparation of surface for coatings. Traffic control person: controlling and directing traffic through both conventional and moving lane closures; operation of all related machinery and equipment

GROUP 3: Traffic delineating device applicator: Layout and application of pavement markers, delineating signs, rumble and traffic bars, adhesives, guide markers, other traffic delineating devices including traffic control. This category includes all traffic related surface preparation (sandblasting, waterblasting, grinding) as part of the application process. Traffic protective delineating system installer: removes, relocates, installs, permanently affixed roadside and parking delineation barricades, fencing, cable anchor, guard rail, reference signs, monument markers; operation of all related machinery and equipment; power broom sweeper

GROUP 4: Striper: layout and application of traffic stripes

and markings; hot thermo plastic; tape traffic stripes and markings, including traffic control; operation of all related machinery and equipment

 LAB01414-001 08/03/2022

	Rates	Fringes
LABORER		
PLASTER CLEAN-UP LABORER....	\$ 38.92	23.32
PLASTER TENDER.....	\$ 41.47	23.32

Work on a swing stage scaffold: \$1.00 per hour additional.

 PAIN0036-007 07/01/2019

	Rates	Fringes
Painters:		
(1) Repaint Including Lead Abatement.....	\$ 25.40	15.87
(2) High Iron & Steel.....	\$ 32.12	16.03
(3) Journeyman Painter including Lead Abatement....	\$ 30.04	16.03
(4) Industrial.....	\$ 34.02	16.49
(5) All other work.....	\$ 30.04	16.03

REPAINT of any previously painted structure. Exceptions: work involving the aerospace industry, breweries, commercial recreational facilities, hotels which operate commercial establishments as part of hotel service, and sports facilities.

HIGH IRON & STEEL:
 Aerial towers, towers, radio towers, smoke stacks, flag poles (any flag poles that can be finished from the ground with a ladder excluded), elevated water towers, steeples and domes in their entirety and any other extremely high and hazardous work, cooning steel, bos'n chair, or other similar devices, painting in other high hazardous work shall be classified as high iron & steel

 PAIN0036-008 09/01/2022

	Rates	Fringes
DRYWALL FINISHER/TAPER.....	\$ 46.28	23.52

PAIN0169-002 01/01/2023

	Rates	Fringes
GLAZIER.....	\$ 44.33	28.88

PAIN1247-002 01/01/2023

	Rates	Fringes
SOFT FLOOR LAYER.....	\$ 41.60	16.38

PLAS0200-001 08/03/2022

	Rates	Fringes
PLASTERER.....	\$ 47.37	19.64

PLAS0500-002 07/01/2020

	Rates	Fringes
CEMENT MASON/CONCRETE FINISHER...	\$ 38.50	25.91

PLUM0016-001 09/01/2022

	Rates	Fringes
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PLUMBER/PIPEFITTER

Work ONLY on new additions and remodeling of bars, restaurant, stores and commercial buildings not to exceed 5,000 sq. ft. of floor space.....	\$ 53.51	25.28
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Work ONLY on strip malls, light commercial, tenant improvement and remodel work.....	\$ 40.95	23.61
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All other work except work on new additions and remodeling of bars, restaurant, stores and commercial buildings not to exceed 5,000 sq. ft. of floor space and work on strip malls, light commercial, tenant improvement and remodel work.....	\$ 55.18	26.26
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PLUM0345-001 09/01/2022

	Rates	Fringes
PLUMBER		
Landscape/Irrigation Fitter.\$	38.20	25.65
Sewer & Storm Drain Work....\$	42.29	23.03

ROOF0036-002 08/01/2022

	Rates	Fringes
ROOFER.....	\$ 43.47	19.52

FOOTNOTE: Pitch premium: Work on which employees are exposed to pitch fumes or required to handle pitch, pitch base or pitch impregnated products, or any material containing coal tar pitch, the entire roofing crew shall receive \$1.75 per hour ""pitch premium"" pay.

* SFCA0669-014 04/01/2023

	Rates	Fringes
SPRINKLER FITTER.....	\$ 44.32	27.25

SHEE0273-002 08/01/2019

	Rates	Fringes
SHEET METAL WORKER.....	\$ 45.48	30.05

HOLIDAYS: New Year's Day, Martin Luther King Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day & Friday after, Christmas Day

TEAM0011-002 07/01/2022

	Rates	Fringes
TRUCK DRIVER		
GROUP 1.....	\$ 36.19	32.54
GROUP 2.....	\$ 36.34	32.54
GROUP 3.....	\$ 36.47	32.54
GROUP 4.....	\$ 36.66	32.54
GROUP 5.....	\$ 36.69	32.54

GROUP 6.....	\$ 36.72	32.54
GROUP 7.....	\$ 36.97	32.54
GROUP 8.....	\$ 37.22	32.54
GROUP 9.....	\$ 37.42	32.54
GROUP 10.....	\$ 37.72	32.54
GROUP 11.....	\$ 38.22	32.54
GROUP 12.....	\$ 38.65	32.54

WORK ON ALL MILITARY BASES:

PREMIUM PAY: \$3.00 per hour additional.

[29 palms Marine Base, Camp Roberts, China Lake, Edwards AFB, El Centro Naval Facility, Fort Irwin, Marine Corps Logistics Base at Nebo & Yermo, Mountain Warfare Training Center, Bridgeport, Point Arguello, Point Conception, Vandenberg AFB]

TRUCK DRIVERS CLASSIFICATIONS

GROUP 1: Truck driver

GROUP 2: Driver of vehicle or combination of vehicles - 2 axles; Traffic control pilot car excluding moving heavy equipment permit load; Truck mounted broom

GROUP 3: Driver of vehicle or combination of vehicles - 3 axles; Boot person; Cement mason distribution truck; Fuel truck driver; Water truck - 2 axle; Dump truck, less than 16 yds. water level; Erosion control driver

GROUP 4: Driver of transit mix truck, under 3 yds.; Dumpcrete truck, less than 6-1/2 yds. water level

GROUP 5: Water truck, 3 or more axles; Truck greaser and tire person (\$0.50 additional for tire person); Pipeline and utility working truck driver, including winch truck and plastic fusion, limited to pipeline and utility work; Slurry truck driver

GROUP 6: Transit mix truck, 3 yds. or more; Dumpcrete truck, 6-1/2 yds. water level and over; Vehicle or combination of vehicles - 4 or more axles; Oil spreader truck; Dump truck, 16 yds. to 25 yds. water level

GROUP 7: A Frame, Swedish crane or similar; Forklift driver; Ross carrier driver

GROUP 8: Dump truck, 25 yds. to 49 yds. water level; Truck repair person; Water pull - single engine; Welder

GROUP 9: Truck repair person/welder; Low bed driver, 9 axles or over

GROUP 10: Dump truck - 50 yds. or more water level; Water pull - single engine with attachment

GROUP 11: Water pull - twin engine; Water pull - twin engine with attachments; Winch truck driver - \$1.25 additional when operating winch or similar special attachments

GROUP 12: Boom Truck 17K and above

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at <https://www.dol.gov/agencies/whd/government-contracts>.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the

cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of ""identifiers"" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than ""SU"" or ""UAVG"" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the ""SU"" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate

that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on a wage determination matter
- * a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour National Office because National Office has responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISIO"

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AGENDA NO: A-8

MEETING DATE: May 23, 2023

Staff Report

TO: Honorable Mayor and City Council

DATE: May 11, 2023

FROM: Rachael Hendricks / Human Resources/Risk Manager

SUBJECT: Adoption of Resolution Establishing a Policy Which Delegates Tort Liability Claims Handling Responsibilities to the California Joint Powers Insurance Authority

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 33-23 to delegate tort liability claims handling responsibilities to the California Joint Powers Insurance Authority.

ALTERNATIVES

Continue to have the City Risk Manager process tort liability claims, including preparing and providing duplicate letters to claimants.

FISCAL IMPACT

There is no additional cost to the City to utilize this service. There are negligible cost savings associated with efficiencies, including City staff time saved, printing and postage costs.

BACKGROUND/SUMMARY

The City of Morro Bay is part of the California Joint Powers Insurance Authority (CJPIA) which is an insurance risk pool that manages and reduces tort liability claims. The California Joint Powers Insurance Authority (California JPIA) is one of the largest municipal self-insurance pools in the state, with more than 120 member cities and other governmental agencies. Members, including the City of Morro Bay, actively participate in shaping the organization to provide important insurance coverage for their operations. The California JPIA provides innovative risk management solutions through a comprehensive portfolio of programs and services, including liability, workers' compensation, pollution, property, and earthquake coverage, as well as extensive risk management training and loss control services.

The City has utilized CJPIA and its third-party claims administrator, Carl Warren and Company to work with the City's Risk Management staff to review, investigate, and define a course of action for liability claims filed against the City. While the City works closely with CJPIA on various aspects of the claim, it is the City that is responsible for making the final claim rejection and settlement determinations.

Our current process requires that the City's Risk Manager accept, reject, return as insufficient or return as untimely any Claims for Damages filed against the City. When a claim against the City is

Prepared By: RH

Dept Review:

City Manager Review: GC

City Attorney Review: CFN

submitted to the Risk Manager, the Risk Manager forwards the claim to CJPIA and Carl Warren and Company. After analysis of all pertinent facts of the claim, Carl Warren and Company sends their findings letter to the claimant. The City then follows up with a rejection letter if it's determined appropriate to do so. In an effort to streamline the claims handling process, the City recommends delegating the responsibility of claim notices to Carl Warren.

This action allows CJPIA, through Carl Warren and Company to send, accept, reject, return as insufficient or return as untimely any claims against it, and to provide any notices authorized under those statutes on behalf of the City of Morro Bay. The CJPIA has effectively been managing the City's liability claims for years and this resolution will allow our assigned claims team to respond to claims in a more efficient manner and will eliminate the formal paperwork staff is required to process prior to the start of the claims review. Carl Warren would mail notifications directly to claimants and forward electronic copies to the City for our recordkeeping.

CONCLUSION

Staff recommends that the City Council adopt Resolution Nos. 33-23 and delegate the responsibility of tort liability claims handling to the California Joint Powers Insurance Authority.

ATTACHMENT

1. Resolution No. 33-23

RESOLUTION NO. 33-23

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
ESTABLISHING A POLICY WHICH DELEGATES TORT LIABILITY
CLAIMS HANDLING RESPONSIBILITIES TO THE
CALIFORNIA JOINT POWERS INSURANCE AUTHORITY AS AUTHORIZED
BY GOVERNMENT CODE SECTIONS 910, ET SEQ.**

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

WHEREAS, the City of Morro Bay is a member of the California Joint Powers Insurance Authority (California JPIA), and pursuant to Government Code sections 990.4, et seq. and 6500 et seq., the City pools its self-insured liability claims and losses with other California JPIA members under a Memorandum of Coverage; and

WHEREAS, the Joint Powers Agreement creating the California JPIA authorizes it to exercise powers common to members and appropriate to defend and indemnify members from liability claims under the Memorandum of Coverage.

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

SECTION 1. City of Morro Bay delegates to California JPIA authority to act on its behalf pursuant to Government Code sections 910, et seq. to accept, reject, return as insufficient, or return as untimely any claims against it, and to provide any notices authorized under those statutes on behalf of the City of Morro Bay.

SECTION 2. This Resolution shall become effective immediately upon its adoption.

SECTION 3. The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on this 23rd day of May 2023 on the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:

CARLA WIXOM, Mayor

ATTEST:

DANA SWANSON, City Clerk

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AGENDA NO: A-9

MEETING DATE: May 23, 2023

Staff Report

TO: Honorable Mayor and City Council

DATE: May 16, 2023

FROM: Eric Riddiough, PE – City Engineer

SUBJECT: Adoption of Ordinance No. 657: Amending Section 10.56 of the Morro Bay Municipal Code to Update Speed Zones and Speed Limits in the City of Morro Bay

RECOMMENDATION

Staff recommends the City Council consider adoption, by second reading and by title only with further reading waived, of Ordinance No. 657 Amending Section 10.56.010 of the MBMC to Update Speed Limits and add New Speed Zones in the City of Morro Bay.

DISCUSSION / BACKGROUND:

At their regular meeting on May 9, 2023, the City Council was presented with the findings of the 2023 Citywide Speed Survey, which included recommendations to lower speed limits in several areas throughout the City. Speed surveys serve as legal justifications for speed limits and are necessary to maintain enforceability of speed limits by the Police Department. Speed surveys do expire, and they must be updated every 7-14 years. The City’s prior speed survey was set to expire on May 23, 2023. Completion of the recent speed survey allows for continuity of speed limit enforcement of Morro Bay. However, changing speed limits in Morro Bay requires an ordinance amendment because the City’s speed limits are outlined in the Morro Bay Municipal Code (MBMC).

The earliest possible date of adoption for an ordinance amendment without an urgency designation would have been June 22, 2023. If the ordinance had been adopted in this manner, it would result in a speed enforcement gap of approximately one month. To avoid this, the City Council unanimously voted to adopt Urgency Ordinance No. 656 and introduce Ordinance No. 657 for adoption and first reading. The adoption of Urgency Ordinance No. 656 was pursuant to Government Code section 36937(b) to update speed limits and speed zones as presented in the report and adopt the Citywide Speed Survey for the City of Morro Bay – Final Recommendation Report so that the City of Morro Bay Police Department may legally enforce new speed limits after May 25, 2023, finding the urgency of a need for an immediate preservation of the public peace, health and safety. The urgency ordinance is in effect now and overlaps with the regular ordinance that is up for second reading at this meeting. Best practices when adopting urgency ordinances is to also adopt the same ordinance by the regular method of two readings and then an effective date of 30 days after the second reading.

The second reading Ordinance No. 657 is going before the Council at this meeting for adoption.

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

CONCLUSION

Staff recommends the City Council consider adoption, by second reading and by title only with further reading waived, of Ordinance No. 657 “An Ordinance of The City Council of the City of Morro Bay, California, Amending Section 10.56.010 Of the Morro Bay Municipal Code to Update Speed Limits and Add New Speed Zones in the City of Morro Bay.”

ATTACHMENT

1. Ordinance No. 657

ORDINANCE NO. 657

**AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
AMENDING SECTION 10.56.010 OF THE MORRO BAY MUNICIPAL CODE
TO UPDATE SPEED LIMITS AND ADD NEW SPEED ZONES IN THE CITY OF
MORRO BAY**

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

WHEREAS, Assembly Bill 43 states that existing law establishes various default speed limits for vehicles upon highways, as specified. Existing law authorizes state and local authorities to adjust these default speed limits, as specified, based upon certain findings determined by an engineering and traffic survey. Existing law defines an engineering and traffic survey and prescribes specified factors that must be included in the survey, including prevailing speeds and road conditions. Existing law authorizes local authorities to consider additional factors, including pedestrian and bicyclist safety; and

WHEREAS, Section 10.56.010 of the Morro Bay Municipal Code (MBMC) states that prima facie speed limits shall be determined by the city traffic engineer pursuant to provisions set forth in the California Vehicle Code. A speed limit established pursuant to this section shall be effective when appropriate signs giving notice thereof are erected upon a street; and

WHEREAS, the California Vehicle Code (CVC) requires that Engineering & Traffic Surveys (E&TS) be updated every 7-14 years to maintain enforceability of speed limits by the local Police Department; and

WHEREAS, the City and its consultants surveyed the eleven speed zones and speed limits currently listed in the MBMC and an additional nine zones to be added; and

WHEREAS, roadway volumes and radar speed data were collected in December 2022 and April 2023 at the identified locations and certified by a licensed Traffic Engineer and approved by the City Engineer; and

WHEREAS, the current 2008 Speed Survey for the City of Morro Bay adopted by City Council by Ordinance 548 on May 26, 2009, will expire on May 25, 2023; and

WHEREAS, the City Council deemed it necessary to adopt Urgency Ordinance No. 656 pursuant to Government Code section 36937(b) to update speed limits and speed zones so that the City of Morro Bay Police Department could legally enforce speed limits after May 25, 2023, in the short term, to the immediate preservation of the public peace, health and safety, up until this Ordinance No. 657 takes effect; and

WHEREAS, the City Council deems it necessary to adopt an ordinance to update speed limits and speed zones so that the City of Morro Bay Police Department could legally enforce speed limits after expiration of Urgency Ordinance No. 656; and

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

01181.0001/664359.5 CFN

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

SECTION 2. CODE AMENDMENT. 10.56.010 - Speed limit designation of the MBMC is hereby amended to read as follows (new text in ***bold, italics and underlined*** and text to be removed struck through):

“10.56.010 - Speed limit designation.

Prima facie speed limits shall be determined by the city traffic engineer pursuant to provisions set forth in the California Vehicle Code. A speed limit established pursuant to this section shall be effective when appropriate signs giving notice thereof are erected upon a street. The following speed limits are so designated:

Name of Street or Portion Affected	Speed Limit (miles per hour)
Main Street: Yerba Buena Street to Atascadero Road (State Highway 41)	40 35
Main Street: Atascadero Road (State Highway 41) to Radcliff	35 <u>30</u>
Main Street: Marina Street to Morro Bay State Park	30 <u>25</u>
Quintana Road: Morro Bay Blvd. to La Loma Ave.	35
Quintana Road: La Loma Ave. to Easterly City Limits	40
South Bay Blvd.: State Highway 1 to Southerly City Limits	40
Avalon Street: Laurel Avenue to Main Street	25
Atascadero Road: State Highway 1 to Embarcadero Road	25
Piney Way: Morro Bay Blvd. to Main Street	25
Embarcadero road: Beach Street to Coleman Drive	30 <u>25</u>
Coleman Drive: Embarcadero Road to Morro Rock	25
<i><u>Coral Avenue: San Jacinto St to South End</u></i>	<u>25</u>
<i><u>Easter Street: SR 1 to West End</u></i>	<u>25</u>
<i><u>Kern Avenue: Morro Bay Blvd to Ridgeway St</u></i>	<u>25</u>
<i><u>Kings Avenue: Quintana Ave to Pacific Ave</u></i>	<u>25</u>
<i><u>Ironwood Avenue: Del Mar Park to SR-41</u></i>	<u>25</u>
<i><u>Morro Bay Boulevard: Piney Wy to Quintana Rd</u></i>	<u>25</u>
<i><u>Pacific Avenue: The Embarcadero to Kings Ave</u></i>	<u>25</u>
<i><u>Radcliff Avenue: Main St to East End</u></i>	<u>25</u>
<i><u>Quintana Road: Main St to Morro Bay Blvd</u></i>	<u>25</u>

SECTION 3. CONFLICT. If the provisions in this ordinance conflict in whole or in part with any other City regulation or ordinance adopted prior to the effective date of this section, the provisions in this ordinance will control.

SECTION 4. SEVERABILITY. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this ordinance and each section, subsection, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions thereof may be declared invalid or unconstitutional.

SECTION 5. EFFECTIVE DATE. This ordinance shall be in full force and effect thirty (30) days after its passage.

SECTION 6. CERTIFICATION. The City Clerk shall certify as to the passage and adoption of this ordinance, and the City Clerk shall cause the same to be posted and codified in the manner required by law.

INTRODUCED at a regular meeting of the City Council held on the 9th day of May 9, 2023, by motion of Council Member Barton and seconded by Council Member Ford.

PASSED AND ADOPTED on the 23rd day of May 2023, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:

CARLA WIXOM, Mayor

ATTEST:

DANA SWANSON, City Clerk

APPROVED AS TO FORM:

CHRIS F. NEUMEYER, City Attorney

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

I, Dana Swanson, City Clerk Of The City Of Morro Bay, do hereby certify that the foregoing Ordinance Number 657 was duly adopted by the City Council of the City of Morro Bay at a regular meeting of said Council on the 23rd day of May 2023, and that it was so adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED

City Clerk, Dana Swanson



AGENDA NO: A-10

MEETING DATE: May 23, 2023

Staff Report

TO: Honorable Mayor and City Council DATE: May 15, 2023

FROM: Scot Graham, Community Development Director

SUBJECT: Support Letter for County Encampment Resolution Funding Grant Application

RECOMMENDATION

Authorize the City Manager to provide a letter of support to the County Homeless Service Division in support of an ERF-2-R grant application to the State.

ALTERNATIVES

1. Take no action
2. Provide alternative direction to staff

FISCAL IMPACT

None

BACKGROUND/DISCUSSION:

In April of 2023, the County of San Luis Obispo Homeless Services Division requested the City's collaboration and support in applying for the Second Round of the Encampment Resolution Funding Program (ERF-2-R) provided through the California Interagency Council on Homelessness. Up to \$237,301,738 is available for award through the ERF-2-R program on a rolling basis until June 30, 2023, or until funds are exhausted. The purpose of the grant is to resolve critical encampment concerns and funding can only be used for programs that connect people experiencing homelessness in encampments to interim shelter with clear pathways to permanent housing.

The homeless encampment along the drainage adjacent to Quintana Road, south of the Couch Potato building, has been identified by County Homeless Services as meeting the grant qualification requirements for ERF-2-R funding and the County is seeking to apply for the grant with the intent of establishing a temporary supportive housing campus modeled after the 5 Cities Homeless Coalition's Grover Beach Cabins-for-Change program in this location. The County is proposing to take the lead in writing, submitting and administering the ERF-2-R grant application and is requesting the City assist with development of the program, identification and provision of suitable location for the campus and securing of local permits to develop the site. Grant awards will be prioritized for applications that demonstrate collaboration while protecting the health and well-being of individuals living in encampments.

With support from the City of Morro Bay, the County proposes to apply for five million in ERF-2-R funding for the purpose of operating a temporary supportive housing campus in the City of Morro Bay to directly serve the Quintana Road encampment population. This campus would be modeled after the federally funded 5 Cities Homeless Coalition's Cabins for Change program, that opened in

Prepared By: <u> SG </u>	Dept Review: <u> </u>
City Manager Review: <u> GC </u>	City Attorney Review: <u> LNL </u>

December of 2022 in Grover Beach. The 90-day temporary supportive housing model in Grover Beach operates a closed campus 24-hours a day and features 20 supportive housing units, communal restrooms and bathing facilities, a shared dining hall, a dog wash, assigned storage space, a staff-operations building and two case worker offices. The units are just over 100 sq ft in size and come equipped with heating and air conditioning. To move forward with this model, a temporary County ordinance was approved to establish minimum safety standards for any subject emergency housing facility located on County owned or leased public facilities. Located on County property, the campus is adjacent to the County Public Health Clinic and Drug and Alcohol Services.

A successful grant in Morro Bay will allow the County to work with City Staff to customize a similar County administered model within City limits. The grant application will be for five million dollars and will fund an Encampment Project Manager and a dedicated service provider to manage encampment outreach and onsite operations for the duration of the grant period, which runs through June of 2026. On-site wrap around services will be prioritized as well as a closed campus location that is within walking distance to additional critical services. A full de-mobilization plan will be built into the grant application to ensure the selected site is restored if the program is unsuccessful.

The County is looking at development of 10 – 20 units in this location and they have been in negotiations with the property owner Habib Tabrizi to secure the property.

California Environmental Quality Act (CEQA)

The City finds that this action is not a project under the California Environmental Quality Act pursuant to State Guidelines Section State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378. If a grant is awarded CEQA will be analyzed as part of a future project.

CONCLUSION

Addressing Homelessness is part of the Council's Goals and Objectives and the County has identified a funding opportunity to assist in the development of temporary supportive housing solution that is intended to connect people experiencing homelessness in encampments to interim shelter with clear pathways to permanent housing. Staff requests City Manager authorization to submit the attached letter in support of the ERF-2-F grant application that will be prepared by the County and submitted to the State.

ATTACHMENT

1. City Manager grant support letter



CITY OF MORRO BAY
COMMUNITY DEVELOPMENT DEPARTMENT
955 Shasta Avenue
Morro Bay, CA 93442

May 23, 2023

George Solis
Administrative Services Manager
County of San Luis Obispo
Department of Social Services
P.O. Box 8119
San Luis Obispo, CA 93403

Dear Mr. George Solis,

I am writing to confirm the support from the City of Morro Bay for the County's grant application for ERF-2-R funding to help address a long-standing homeless encampment located along the drainage between Quintana Road and Highway 1 in Morro Bay. The City of Morro Bay is supportive of the proposal to do outreach and engagement of persons living at the encampment, with the goal of helping them transition to permanent housing.

The encampment is located in a drainage area adjacent to commercial uses and poses environmental, safety, and neighborhood impacts. Those living in the encampment are at risk from various issues, most recently due to significant rain events in January and February of this year. The accumulation of trash and debris, resulting from the encampment, has caused a significant increase in service calls to both the Morro Bay Police and Public Works Departments.

Thank you for the County's support and collaboration in addressing and minimizing homelessness in our community. The ERF-2-R grant would make a significant difference in enabling the development of shelter units and addressing many of the challenges posed by this encampment.

Sincerely,

Greg Carpenter
Interim City Manager
City of Morro Bay

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**A PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY
DECLARING JUNE 2, 2023 TO BE
“HUNGER AWARENESS DAY”**

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

WHEREAS, the SLO Food Bank is the lead hunger relief organization in the County; and

WHEREAS, the SLO Food Bank was founded in 1989, and has provided 34 years of hunger relief throughout the community; and

WHEREAS, the SLO Food Bank provides the vital infrastructure for hunger relief and is the primary source of nutritious, free and affordable food for over 80 partner nonprofit agencies that feed the hungry; and

WHEREAS, the SLO Food Bank and its coalition partners deliver nutritious food to over 31,000 County residents every month and in every community, from Nipomo to San Miguel, on the coast from Los Osos to San Simeon, and to points east including Creston, Shandon, and California Valley; and

WHEREAS, the SLO Food Bank provides millions of pounds of only the most wholesome nutrition, which advances and promotes important public health outcomes; and

WHEREAS, the SLO Food Bank is coordinating a countywide call to action called “Hunger Awareness Day” on June 2nd this year; and

WHEREAS, the SLO Food Bank believes that the people of our County will again rally in a one-day push to donate much-needed funds to alleviate local hunger and elevate public health for all; and

WHEREAS, people giving donations on June 2, 2023, will raise critical funds needed to help alleviate hunger.

NOW, THEREFORE, BE IT RESOLVED that the Morro Bay City Council does hereby proclaim June 2, 2023, as Hunger Awareness Day in Morro Bay.

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the City of Morro Bay to be affixed this 23rd day of May, 2023

CARLA WIXOM, MAYOR
City of Morro Bay, California

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**A PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY
DECLARING THE WEEK OF MAY 21-27, 2023 AS
“EMERGENCY MEDICAL SERVICES WEEK”**

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

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

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

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

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

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

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

WHEREAS, it is appropriate to recognize the value and the accomplishments of emergency medical services providers by designating Emergency Medical Services Week; now

NOW THEREFORE, BE IT RESOLVED, that the Morro Bay City Council does hereby proclaim the week of May 21-27, 2023, as “Emergency Medical Services Week” with the theme EMS WEEK: *Where Emergency Care Begins*.

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the City of Morro Bay to be affixed this 23rd day of May, 2023

Carla Wixom, MAYOR
City of Morro Bay, California

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**A PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY
DECLARING JUNE 2023 AS PRIDE MONTH**

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

WHEREAS, this nation was founded on the principle that every individual has infinite dignity and worth, and the City Council calls upon community members to embrace this principle and work to eliminate prejudice everywhere it exists; and

WHEREAS, Pride began as a protest against profiling and violence, and lesbian, gay, bisexual, transgender, and otherwise queer people face intense struggles to this day; and

WHEREAS, LGBTQ+ people have historically struggled to find others like themselves in media and the public, and Pride serves as a crucial time of visibility and community; and

WHEREAS, recognition from one's government is crucial for feeling safe in one's community; and

WHEREAS, human beings deserve not merely the tools for survival but also the opportunity to pursue joy; and

WHEREAS, celebrating Pride Month is a cornerstone of American culture that allows us to lift up our successes while working toward a better, more inclusive, equitable future.

NOW, THEREFORE BE IT RESOLVED that City Council of the City of Morro Bay hereby proclaims the month of June 2023 as Pride Month in support of the LGBTQ+ community.

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the City of Morro Bay to be affixed this 18th day of May 2023

CARLA WIXOM, MAYOR
City of Morro Bay, California

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**A PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY
DECLARING NATIONAL SAFE BOATING WEEK
MAY 20-26, 2023**

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

WHEREAS, for over 100 million Americans, boating continues to be a popular recreational activity. From coast to coast, and everywhere in between, people are taking to the water and enjoying time together boating, sailing, paddling and fishing. During National Safe Boating Week, the U.S. Coast Guard and its federal, state, and local safe boating partners encourage all boaters to explore and enjoy America’s beautiful waters responsibly; and

WHEREAS, safe boating begins with preparation. The Coast Guard estimates that human error accounts for most boating accidents and that life jackets could prevent nearly 86 percent of boating fatalities. Through basic boating safety procedures – carrying lifesaving emergency distress and communications equipment, wearing life jackets, attending safe boating courses, participating in free boat safety checks, and staying sober when navigating – we can help ensure boaters on America’s coastal, inland, and offshore waters stay safe throughout the season; and

WHEREAS, National Safe Boating Week is observed to bring attention to important life-saving tips for recreational boaters so that they can have a safer, more fun experience out on the water throughout the year; and

WHEREAS, on average, 650 people die each year in boating-related accidents in the U.S.; 75 percent of these are fatalities caused by drowning; and

WHEREAS, the vast majority of these accidents are caused by human error or poor judgment and not by the boat, equipment or environmental factors; and

WHEREAS, a significant number of boaters who lose their lives by drowning each year would be alive today had they worn their life jackets.

NOW, THEREFORE, BE IT RESOLVED, that the Morro Bay City Council does hereby support the goals of the Safe Boating Campaign and proclaim May 20-26, 2023 as National Safe Boating Week and the start of the year-round effort to promote safe boating, and urge all those who boat to practice safe boating habits and wear a life jacket at all times while boating.

IN WITNESS WHEREOF I have
hereunto set my hand and caused the
seal of the City of Morro Bay to be
affixed this 23rd day of May, 2023

CARLA WIXOM, MAYOR
City of Morro Bay, California

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AGENDA NO: C-1

MEETING DATE: May 23, 2023

Staff Report

TO: Honorable Mayor and City Council

DATE: May 23, 2023

FROM: Rachael Hendricks / Human Resources Manager

SUBJECT: Resolution of Intention to Approve an Amendment to the Contract Between the Board of Administration of the California Public Employees' Retirement System (CalPERS) and the City Council of the City of Morro Bay; and Introduction (First Reading) of An Ordinance Authorizing an Amendment to the Contract Between the City Council of Morro Bay and the Board of Administration of the California Employees' Retirement System

RECOMMENDATION

Staff recommends the City Council take the following separate actions:

- 1) Adopt Resolution No. 32-23 giving notice of the City's intention to approve an amendment to the contract between the City of Morro Bay and the California Public Employees' Retirement System (CalPERS) Board of Administration, and
- 2) Introduce for first reading by title only, with further reading waived, Ordinance No. 658 Authorizing an Amendment to the Contract between the City of Morro Bay and the Board of Administration of the California Public Employees' Retirement System (CalPERS) Implementing Section 20516 (Employees Sharing Additional Cost) for local members in the Service Employees International Union (SEIU) and Unrepresented Confidential, Unrepresented Management and Unrepresented Department Heads, and
- 3) Authorize the Mayor, City Manager, City Clerk, or their designees, to execute CalPERS forms as required to facilitate the CalPERS contract amendment process.

ALTERNATIVES

No alternatives are recommended.

FISCAL IMPACT

There is no fiscal impact associated with this report.

BACKGROUND/SUMMARY

CalPERS is a state agency that manages pension and health benefits for public employees in California. The City of Morro Bay's contract with CalPERS outlines the terms and conditions of providing retirement benefits to its employees, including contribution rates and cost-sharing arrangements. CalPERS operates as a defined benefit pension plan, which guarantees a specific retirement benefit based on a formula that considers factors such as years of service, age at retirement, and salary history. The cost of providing the CalPERS retirement benefit is shared between the employer and the employee.

Prepared By: RH

Dept Review:

City Manager Review: GC

City Attorney Review: MH

Typically, the employer contributes a certain percentage of the employee's salary to the CalPERS pension fund. This contribution is determined based on actuarial calculations and can vary depending on factors such as the benefit formula, the employee's job classification, and the funding status of the pension system. The employee's contribution to the retirement plan is a fixed percentage of their salary, which is set by law or through collective bargaining agreements. This percentage can also vary depending on factors such as the employee's membership tier, salary level, and the provisions of the retirement plan.

CalPERS and the agencies it provides retirement benefits to have faced financial challenges due to increasing costs and unfunded liabilities. Government Code Section 20516 (Employees Sharing Additional Cost) helps address these shortfalls by allowing a contracting agency and its employees to share the costs of the employer contribution with an amendment of their contract.

Cost-sharing, as it relates to CalPERS, aims to ensure the sustainability and funding of the retirement plan. Employees contribute a portion of their salary towards the employer's cost. This assists with lessening the costs associated with providing retirement benefits to public employees while maintaining a balanced approach between the financial responsibilities of both parties.

The City's retirement contract with CalPERS covers three classifications of employees: police safety employees, fire safety employees, and miscellaneous employees (i.e., non-sworn employees). Each classification has three benefit levels or "tiers" with formulas based on factors such as years of service, age at retirement, and final compensation. The CalPERS retirement contract requires contributions from both employees and the City.

The City and its bargaining units have collaboratively worked together to address increasing CalPERS costs by increasing the amount of contribution by individual employees to the CalPERS employer contribution. For represented employees covered by an MOU, these cost sharing percentages have already been agreed to by the employee organization and the City and are reflected in the current MOUs. For unrepresented employees, the compensation and benefits resolutions adopted by the City Council already specified these cost sharing arrangements. At the April 25, 2023 City Council meeting, Council adopted resolutions evidencing unrepresented employees' agreement with these cost sharing arrangements, which CalPERS requires prior to moving forward with a contract amendment.

Upon approval of this contract amendment, which would bring the CalPERS contract into alignment with the current adopted MOUs and compensation and benefits resolutions, City of Morro Bay employees will have cost sharing as follows:

- a. CalPERS classic Miscellaneous Unit members in SEIU, Unrepresented Management, Unrepresented Department Heads, and Unrepresented Confidential (Tier 1) shall pay 8% as an employee contribution, plus 1% as employee cost sharing, for a total employee contribution of 9%.
- b. CalPERS classic Safety Unit members in SEIU, Unrepresented Management, and Unrepresented Department Heads (Tier 1) shall pay 9% as an employee contribution, plus 1% as employee cost sharing, for a total employee contribution of 10%.
- c. CalPERS classic Miscellaneous Unit members in SEIU, Unrepresented

Management, Unrepresented Department Heads, and Unrepresented Confidential (Tier 2) shall pay 7% as an employee contribution, plus 1% as employee cost sharing, for a total employee contribution of 8%.

- d. CalPERS classic Safety Unit members in SEIU, Unrepresented Management, and Unrepresented Department Heads (Tier 2) shall pay 9% as an employee contribution, plus 1% as employee cost sharing, for a total employee contribution of 10%.
- e. CalPERS classic Safety Unit members in MBPOA and MBFFA (Tier 1) shall pay an additional 1% cost-sharing contribution, for a total employee contribution of 12%.
- f. CalPERS classic Safety Unit members in MBPOA and MBFFA (Tier 2) shall pay an additional 1% cost-sharing contribution, for a total employee contribution of 12%.
- g. CalPERS PEPRA Safety Unit members in MBPOA shall have a reduction of 1% of their cost sharing (from current 2% cost sharing).

Cost sharing for CalPERS PEPRA Safety Unit members in MBFFA will remain unchanged at 2%. No cost sharing is being implemented for CalPERS Miscellaneous or Safety Unit PEPRA members represented by SEIU.

The chart below illustrates the changes to CalPERS contribution which were listed above with employer/employee cost-sharing to be implemented on July 1, 2023.

CalPERS Category	Benefit Tier	Benefit Formula	Effective City (Employer) Rate FY 23-24	Employee Rate FY 23-24	Employee Cost-Share Rate FY 23-24	Net Employee Rate with Cost-Sharing FY 23-24
Miscellaneous	Tier 1	2.7%@55	15.95%	8%	1%	9%
Miscellaneous	Tier 2	2% @ 60	10.10%	7%	1%	8%
Miscellaneous	PEPRA	2% @ 62	7.68%	7.75%	0%	7.75%
Fire/Police	Tier 1	3% @ 50	27.11%	9%	3%	12%
Fire/Police	Tier 2	3% @ 55	22.83%	9%	3%	12%
Fire	PEPRA	2.7%@57	13.54%	13.75%	2%	15.75%
Police	PEPRA	2.7%@57	13.54%	13.75%	1%	14.75%
Fire/Police Chiefs/Mgmt	Tier 2	3% @ 55	22.83%	9%	1%	10%
Harbor Patrol	Tier 1	3% @ 50	27.11%	9%	1%	10%
Harbor Patrol	Tier 2	3% @ 55	22.83%	9%	1%	10%
Harbor Patrol	PEPRA	2.7%@57	13.54%	13.75%	0%	13.75%

Procedurally, CalPERS requires that contract amendments be authorized by the City Council by ordinance. CalPERS also requires that the City Council adopt a Resolution of Intent to Approve the CalPERS contract amendment. The Resolution of Intent may be adopted concurrently with the first

reading of the ordinance authorizing the CalPERS contract amendment.

This CalPERS contract amendment only makes cost-share arrangements part of the CalPERS contract. It does not change any other aspect of the CalPERS contract.

NEXT STEPS:

If approved, the next step will be for the City to conduct a secret ballot election of the affected employees. A simple majority of the affected employees must vote in favor of the proposed cost-share terms.

Following approval by majority vote of the affected employees, the Ordinance will then be brought back for adoption at the June 13th Regular Meeting. If the Ordinance is approved at that meeting, the contract amendment will be effective July 13, 2023, 30 days after adoption. The additional employee contributions will go into effect as of the first full payroll period following the effective date of the amendment to the contract.

City staff will complete the necessary CalPERS certification forms. Once the documents are received and approved by CalPERS, the contract amendment becomes effective and is updated with the effective date on myCalPERS web portal and CalPERS will send a fully executed contract to the City.

CONCLUSION

Staff recommends that City Council adopt Resolution No. 32-23, authorize the Mayor, City Manager or City Clerk to execute the necessary CalPERS forms to facilitate the CalPERS contract amendment process, and introduce by title only, with further reading waived, Ordinance No. 658 Authorizing an Amendment to the contract between the City of Morro Bay and the Board of Administration California Public Employees' Retirement System and the City Council of the City of Morro Bay.

ATTACHMENTS

1. Resolution of Intention No. 32-23
2. Ordinance No. 658 Authorizing an Amendment to Contract with CalPERS.
3. Exhibit A – Amendment to Contract Between the Administration California Public Employees' Retirement System and the City Council of the City of Morro Bay

RESOLUTION NO. 32-23

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
DECLARING THE CITY'S INTENTION TO APPROVE AN AMENDMENT
TO CONTRACT BETWEEN THE BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AND THE CITY OF MORRO BAY**

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

WHEREAS, the Public Employees' Retirement Law permits the participation of public agencies and their employees in the Public Employees' Retirement System by the execution of a contract, and sets forth the procedure by which said public agencies may elect to subject themselves and their employees to amendments to said Law; and

WHEREAS, one of the steps in the procedures to amend this contract is the adoption by the governing body of the public agency of a resolution giving notice of its intention to approve an amendment to said contract, which resolution shall contain a summary of the change proposed in said contract; and

WHEREAS, the following is a statement of the proposed change:

To provide Section 20516 (Employees Sharing Additional Cost) of 1% for classic local miscellaneous members in the Morro Bay Service Employees International Union-Local 620, Unrepresented Management, Unrepresented Department Head, and Unrepresented Confidential Employees; 1% for classic local police members in the Morro Bay Service Employees International Union-Local 620; 1% for local safety members in the Unrepresented Department Head, and Unrepresented Management; and

an additional 1% for classic local police members in the Morro Bay Peace Officers Association, and classic local fire members in the Morro Bay Firefighters Association IAFF Local 3725; and

a reduction of 1% for new local police members in the Morro Bay Peace Officers Association.

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NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morro Bay, California does hereby give notice of intention to approve an amendment to the contract between said public agency and the Board of Administration of the Public Employees' Retirement System, a copy of said amendment being attached hereto, as an "Exhibit" and by this reference made a part hereof.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 23rd day of May 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

RECUSED:

CARLA WIXOM, Mayor

ATTEST:

DANA SWANSON, City Clerk

ORDINANCE NO. 658

**AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE
CITY OF MORRO BAY AND THE BOARD OF ADMINISTRATION OF THE
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
IMPLEMENTING SECTION 20516 (EMPLOYEES SHARING ADDITIONAL COST) FOR
LOCAL MEMBERS IN THE SERVICE EMPLOYEES INTERNATIONAL UNION,
UNREPRESENTED CONFIDENTIAL, UNREPRESENTED MANAGEMENT, AND
UNREPRESENTED DEPARTMENT HEADS**

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

**THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA DOES HEREBY
FIND AND ORDAIN AS FOLLOWS:**

SECTION 1. CONTRACT AMENDMENT. That an amendment to the contract between the City Council of the City of Morro Bay and the Board of Administration, California Public Employees' Retirement System is hereby authorized, a copy of said amendment being attached hereto, marked Exhibit, and by such reference made a part hereof as though herein set out in full.

SECTION 2. EXECUTION. The Mayor of the City Council is hereby authorized, empowered, and directed to execute said amendment for and on behalf of said Agency.

SECTION 3. EFFECTIVE DATE. This Ordinance shall be in full force and take effect 30 days after the date of its adoption, and prior to the expiration of 10 days from the passage thereof shall be published at least once in the New Times SLO, a newspaper of general circulation, published and circulated in San Luis Obispo County and thenceforth and thereafter the same shall be in full force and effect.

SECTION 4. CERTIFICATION. The City Clerk shall certify to the adoption of this ordinance, and shall cause the same to be posted and codified in the manner required by law.

INTRODUCED at a regular meeting of the City Council held on the 23rd day of May 2023, by motion of _____ and seconded by _____.

PASSED AND ADOPTED on the 13th day of June 2023.

CARLA WIXOM, Mayor

ATTEST:

DANA SWANSON, City Clerk

APPROVED AS TO FORM:

CHRIS F. NEUMEYER, City Attorney

STATE OF CALIFORNIA)

COUNTY OF SAN LUIS OBISPO)
CITY OF MORRO BAY)

I, Dana Swanson, CITY CLERK OF THE CITY OF MORRO BAY, DO HEREBY CERTIFY that the foregoing Ordinance Number 658 was duly adopted by the City Council of the City of Morro Bay at a regular meeting of said Council on the 13th day of June 2023, and that it was so adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:

City Clerk, Dana Swanson

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

DANA SWANSON, City Clerk



EXHIBIT

California
Public Employees' Retirement System



AMENDMENT TO CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
City Council
City of Morro Bay



The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective July 1, 1965, and witnessed June 1, 1965, and as amended effective August 15, 1981, November 19, 1983, January 7, 1989, June 24, 1989, June 22, 1991, June 10, 1994, June 9, 1998, October 17, 1998, April 13, 2000, June 22, 2002, September 13, 2002, June 21, 2003, September 27, 2003, July 1, 2006, June 2, 2007, May 31, 2008, March 19, 2011, September 17, 2011, December 10, 2011, June 15, 2019, October 19, 2019, and November 26, 2022, which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 19 are hereby stricken from said contract as executed effective November 26, 2022, and hereby replaced by the following paragraphs numbered 1 through 19 inclusive:

1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for classic local miscellaneous members entering membership in the miscellaneous classification on or prior December 10, 2011, age 60 for classic local miscellaneous members entering membership in the miscellaneous classification after December 10, 2011, age 62 for new local miscellaneous members, age 50 for classic local fire members entering membership in the fire classification on or prior to March 19, 2011, and for those classic local police members entering membership in the police classification on or prior to September 17, 2011, age 55 for classic local fire members entering membership for the first time in the fire classification after March 19, 2011, and for those classic local police members entering membership for the first time in police classification after September 17, 2011, and age 57 for new local safety members.
2. Public Agency shall participate in the Public Employees' Retirement System from and after July 1, 1965, making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.
3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorney fees that may arise as a result of any of the following:
 - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
 - (b) Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas.

- (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.
- 4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Local Fire Fighters (herein referred to as local safety members);
 - b. Local Police Officers (herein referred to as local safety members);
 - c. Employees other than local safety members (herein referred to as local miscellaneous members).
- 5. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:
 - a. **ELECTED OFFICIALS;**
 - b. **APPOINTIVE COMMISSIONS; AND**
 - c. **PERSONS COMPENSATED ON AN HOURLY BASIS.**
- 6. This contract shall be a continuation of the benefits of the contract of the Morro Bay Fire District, hereinafter referred to as "Former Agency", pursuant to Section 20508 of the Government Code, Former Agency having ceased to exist and succeeded by Public Agency on July 1, 1965. Public Agency, by this contract, assumes the accumulated contributions and assets derived therefrom and liability for prior and current service under Former Agency's contract with respect to the Former Agency's employees. Legislation repealed Section 20508, Statutes of 1949, effective January 1, 1988.
- 7. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous member in employment before and not on or after September 27, 2003, shall be determined in accordance with Section 21354 of said Retirement Law (2% at age 55 Full).
- 8. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous member in employment on or after September 27, 2003, and not entering membership for the first time in the miscellaneous classification after December 10, 2011, shall be determined in accordance with Section 21354.5 of said Retirement Law (2.7% at age 55 Full).

9. The percentage of final compensation to be provided for each year of credited current service as a classic local miscellaneous member entering membership for the first time in the miscellaneous classification after December 10, 2011, shall be determined in accordance with Section 21353 of said Retirement Law (2% at age 60 Full).
10. The percentage of final compensation to be provided for each year of credited prior and current service as a new local miscellaneous member shall be determined in accordance with Section 7522.20 of said Retirement Law (2% at age 62 Full).
11. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local fire member entering membership in the fire classification on or prior to March 19, 2011, and for those classic local police members entering membership in the police classification on or prior to September 17, 2011, shall be determined in accordance with Section 21362.2 of said Retirement Law (3% at age 50 Full).
12. The percentage of final compensation to be provided for each year of credited current service as a classic local fire member entering membership for the first time in the fire classification after March 19, 2011, and for those classic local police members entering membership for the first time in the police classification after September 17, 2011, shall be determined in accordance with Section 21363.1 of said Retirement Law (3% at age 55 Full).
13. The percentage of final compensation to be provided for each year of credited prior and current service as a new local safety member shall be determined in accordance with Section 7522.25(d) of said Retirement Law (2.7% at age 57 Full).
14. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Section 20965 (Credit for Unused Sick Leave).
 - b. Section 20042 (One-Year Final Compensation) for those classic local fire members entering membership on or prior to March 19, 2011, those classic local police members entering membership on or prior to September 17, 2011, and those classic local miscellaneous members entering membership on or prior to December 10, 2011.
 - c. Section 21024 (Military Service Credit as Public Service) for local miscellaneous members and local police members only.
 - d. Section 21574 (Fourth Level of 1959 Survivor Benefits).

- e. Section 20423 ("Local Safety Member" shall include Harbor or Port Police Officers as described in Government Code Section 20423).
- f. Section 21027 (Military Service Credit for Retired Persons) for local police members only.
- g. Section 20475 (Different Level of Benefits): Section 21363.1 (3% @ 55 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to classic local fire members entering membership for the first time with this agency in the fire classification after March 19, 2011.

Section 21363.1 (3% @ 55 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to classic local police members entering membership for the first time with this agency in the police classification after September 17, 2011.

Section 21353 (2% @ 60 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to classic local miscellaneous members entering membership for the first time with this agency in the miscellaneous classification after December 10, 2011.

- h. Section 20516 (Employees Sharing Additional Cost):

From and after June 15, 2019, and until October 10, 2019, 1% for local police members in the Morro Bay Peace Officers' Association.

From and after October 10, 2019, and until the effective date of this amendment to contract 2% for local police members in the Morro Bay Peace Officers' Association.

From and after November 26, 2022, and until the effective date of this amendment to contract, 2% for local fire members in the Morro Bay Firefighters Association, IAFF Local 3725.

From and after the effective date of this amendment to contract, 3% for classic local police members in the Morro Bay Peace Officers' Association.

From and after the effective date of this amendment to contract, 3% for classic local fire members in the Morro Bay Firefighters Association, IAFF Local 3725.

From and after the effective date of this amendment to contract, 1% for new local police members in the Morro Bay Peace Officers' Association.

From and after the effective date of this amendment to contract, 1% for classic local safety members in the Unrepresented Management group.

From and after the effective date of this amendment to contract, 1% for classic local safety members in the Unrepresented Department Head group.

From and after the effective date of this amendment to contract, 1% for classic local police members in the Morro Bay Service Employees International Union, Local 620.

From and after the effective date of this amendment to contract, 1% for classic local miscellaneous members in the Morro Bay Service Employees International Union, Local 620.

From and after the effective date of this amendment to contract, 1% for classic local miscellaneous members in the Unrepresented Management group.

From and after the effective date of this amendment to contract, 1% for classic local miscellaneous members in the Unrepresented Department Head group.

From and after the effective date of this amendment to contract, 1% for classic local miscellaneous members in the Unrepresented Confidential group.

The portion of the employer's contribution that the member agrees to contribute from his or her compensation, over and above the member's normal contribution ("Cost Sharing Percentage"), shall not exceed the Employer Normal Cost Rate, as that rate is defined in the CalPERS Actuarial Valuation for the relevant fiscal year. If the Cost Sharing Percentage will exceed the relevant Employer Normal Cost Rate, the Cost Sharing Percentage shall automatically be reduced to an amount equal to, and not to exceed, the Employer Normal Cost Rate for the relevant fiscal year.

15. Public Agency, in accordance with Government Code Section 20790, ceased to be an "employer" for purposes of Section 20834 effective on August 15, 1981. Accumulated contributions of Public Agency shall be fixed and determined as provided in Government Code Section 20834, and accumulated contributions thereafter shall be held by the Board as provided in Government Code Section 20834.
16. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.

17. Public Agency shall also contribute to said Retirement System as follows:
 - a. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
 - b. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.
18. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.
19. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the _____ day of _____, _____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
CITY OF MORRO BAY

BY _____
MELODY BENAVIDES, CHIEF
PENSION CONTRACTS AND PREFUNDING
PROGRAMS DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk

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AGENDA NO: C-2

MEETING DATE: May 23, 2023

Staff Report

TO: Honorable Mayor and City Council

DATE: May 18, 2023

**FROM: Greg Carpenter, Interim City Manager
Sarah Johnson-Rios, Assistant City Manager/Admin Services Director**

SUBJECT: Budget Study Session – Review of Fiscal Year 2023-24 Draft Proposed Budget

RECOMMENDATION

Receive the Proposed Fiscal Year (FY) 2023-24 Citywide Operating and Capital Budget and provide feedback prior to budget adoption, scheduled for June 13, 2023.

BACKGROUND

The City of Morro Bay develops an operating and capital budget each fiscal year (FY), which runs from July 1st through June 30th. City Council must review and adopt a budget for the subsequent fiscal year prior to June 30th. Each January, the City Council adopts a budget calendar that guides the budget development process and informs the public about opportunities to provide input. The budget calendar for the FY 2023-24 Budget was as follows:

- February Finance prepares budget framework, training, and instructions
- Feb 21 Midyear Measure Q&E Budget Presentation to CFAC
- Feb 28 Midyear Budget Presentation and Fiscal Update to Council
- March Departments prepare FY 23-24 budget submittals
- April 5 City Council Goals Setting Forum
- April 11 City Council Goals Discussion
- April 25 City Council Goals & Budget Impact Discussion
- April City Manager/Exec Team budget meetings; draft budget development
- May 11 Draft Proposed Budget posted publicly for review (*completed on May 10*)
- May 16 CFAC reviews budget and provides input, emphasis on Measure Q&E
- May 23 Budget Study Session #1
- May 24 Budget Study Session #2
- Jun 13 Budget Adoption

Preliminary input into the City’s FY 2023-24 budget process began in the spring, with a community survey and community input into the City Council’s goal setting process. Council goals inform the budget development process, ensuring that the budget includes funding for all core City services, and to the extent possible, for one-time or additional City Council goals as well. This year’s City Council goals include the following. Each goal also outlines several short-term action items that are [detailed in the Proposed Budget](#).

- Public Infrastructure

Prepared By: SJR

Dept Review: SJR

City Manager Review: GC

City Attorney Review: CFN

- Economic Vitality
- Housing & Homelessness Response
- Community Engagement

These goals are in addition to the full complement of services—police, fire, water, sewer, maintenance, community development, recreation, harbor, and code enforcement—that the City provides to the community on an ongoing basis.

DISCUSSION

The May 23rd Budget Study Session will focus primarily on the Operating Budget, and the May 24th Budget Study Session will focus primarily on the Capital Budget, though Council may discuss either or both during either session. The FY 2023-24 Proposed Operating and Capital Budget is available online in both a web-based format and a printable PDF format (links listed under “Attachments”).

Citywide Budget Summary

The Proposed Budget funds all City services and capital projects from July 1, 2023 through June 30, 2024. The budget makes key investments in operations, City staff, capital improvements, and paying down pension liabilities, while also preserving healthy financial reserves to weather future emergencies and economic downturns.

The proposed FY 2023-24 expenditure budget of \$56.1 million includes \$36.6 million for operations and \$19.5 million for 31 capital projects (excluding transfers between funds). The budget funds the following: the operational departments which provide core services to our community, including police, fire, water, sewer, parks, roads, recreation, community development, code enforcement, and harbor; the supporting administrative services such as human resources, information technology, and finance; and 31 capital projects to improve our shared built environment. A portion of the capital funding will go toward efforts to repair infrastructure damaged by the winter storms.

The City has largely recovered from the economic impacts of the pandemic although recent events related to storm damage, and ongoing global and national events have negatively impacted our financial situation. The City’s major revenue sources, particularly those tied to discretionary spending and tourism, had recovered to or exceeded pre-pandemic levels but are now flattening. Measure E, passed by Morro Bay voters in 2020, continues to support the City’s ability to deliver core public safety services and make progress toward addressing infrastructure needs, though infrastructure needs continue to exceed funds available.

Given macroeconomic uncertainty on the horizon and expenditure growth outpacing revenue growth, the City’s strong financial reserves in all its funds (totaling over \$14 million citywide) can help the City weather a future emergency or recession. This budget also includes a \$1.3 million investment into a pension trust fund to help lower our overall pension liability.

Finally, the Proposed Budget includes approximately \$1.9 million for storm recovery and mitigation efforts, in addition to the \$1.8 million added with FY 22-23 Midyear Budget Amendments. Staff is applying for reimbursement funding from FEMA, insurance payments where eligible, and hazard mitigation funding to help the City mitigate the impacts of future storms. As more is known regarding actual repair costs and reimbursement potential, budget amendments will be taken to Council if needed. If reimbursements are received in FY 23-24 or in future fiscal years, they will fall to the fund balance of the fund that made each expenditure, and will be available for Council to appropriate to other projects or needs in future budget cycles.

Citizens' Finance Advisory Committee (CFAC) Input

Consistent with CFAC's scope of work as outlined in the [Advisory Body Handbook](#), the City Council invites CFAC input on the Measure Q & E Proposed Budget, as well as on the broader Citywide budget as time permits. CFAC met on May 16th and provided the input outlined below.

CFAC is to review Measure Q & E expenditures and proposed budget against Council's established priorities for use of those funds, developed after public input and review of the ballot measure language from both measures. The priorities are as follows:

1. 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 Department personnel and equipment, in addition to the Fire Headquarter debt service and the Fire engine loan repayment;
2. Maintain or enhances the cleanliness and safety of public space 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;
3. 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.
4. Ensure financial health of the City by maintaining appropriate reserves to protect against economic downturns, natural/health emergencies and other unforeseen challenges or opportunities.

The CFAC recommended that Council remove approximately \$1.3 million of the proposed \$5.7 million from the [Proposed Measure Q & E budget](#), as follows:

Harbor patrol response vehicle (<i>recommended funding with Harbor Funds</i>)	(\$72,000)
Active Transportation Plan	(\$67,000)
Local Road Safety Plan Implementation and Safety Improvements	(\$150,000)
Sidewalk Improvements and Street Tree Replacement	(\$150,000)
Reducing funding for Pavement Management Program to \$1 million Q&E	(\$840,000)
Total Recommended Reduction from Measure Q&E Budget	(\$1,279,000)

The CFAC articulated a preference to hold those funds in fund balance (in addition to the baseline projected fund balance of \$85,000 at FY 23-24 year-end) to provide a "cushion" to ensure the City's ability to adequately compensate and retain existing staff, particularly public safety staff funded by Measure Q & E.

CFAC also briefly commented individually on the Citywide budget, citing a need to continue to pursue revenue enhancements including economic development and a need to address utility fund sustainability. The Committee did not make a motion or specific recommended changes to the proposed budget beyond the Measure Q & E Fund.

There are several considerations the Council may want to take into account when evaluating whether to proceed with CFAC's full recommendation, portions of CFAC's recommendation, or the original Draft Proposed Budget.

- The General Fund Emergency Reserve (GFER) policy adopted by Council calls for 33-50% of General Fund and Measure Q&E Fund operating budgets to be held in the General Fund if needed in times of emergency, including significant fiscal distress. The City has not historically

held significant fund balance in the Measure Q & E Fund because the GFER policy serves that purpose and because it has been important for Council to demonstrate to taxpayers that collected funds are being deployed for the priorities stated above.

- Prior year Measure Q & E Fund budgets have included a balance of operating and capital expenditures given the volatile nature of sales tax revenue. It would not be advisable to program 100% of current Measure Q & E revenues for operating expenses in case of a future recession and reduction in sales tax revenue. It is more prudent to balance operating and capital expenditures in the fund to provide flexibility and address the CFAC concern about ensuring that adequate funds exist in future years to address the rising cost of existing services, including staff compensation. Accordingly, the current year Adopted FY 22-23 Budget includes \$2.5 million in capital projects (including \$1.4 million for the Pavement Management project currently underway), and the Proposed FY 23-24 Budget includes \$2.3 million for capital projects. In future years, if additional funding is needed for operating costs, less funding could be allocated to capital projects.
- Council priorities for Measure Q & E expenditures ask that funds be used to: “Invest in infrastructure and equipment such as street paving, storm drains, and vehicle replacements that support City services.” The capital projects included in the FY 23-24 Proposed Measure Q & E budget are consistent with that priority and address public safety by creating safe roadways for motorists, cyclists, pedestrians, and emergency responders.
- Public Infrastructure is one of the City Council’s goals, as has been the case in years past. The first action item under that goal is street paving. This was informed by prior presentations to City Council regarding the erosion of the pavement condition index and the need for investment now in order to prevent rising costs in the future. In addition, the [community survey results](#), which were an input to Council Goals development this year indicated that road condition improvements are the highest priority infrastructure project that the City should focus its resources on now (70% said there was a need to address). Fortunately, 93% of respondents are satisfied or very satisfied with emergency response and 89% are satisfied or very satisfied with public safety. However, only 55% satisfied or very satisfied with the ease of mobility (including roads, sidewalks, bike paths) in Morro Bay. Interestingly, emergency preparedness received the fewest number of votes for local issues that the City should focus on now which is perhaps indicative of Measure E’s success at allowing the City to maintain services in that area.

Should the Council desire to proceed with CFAC’s recommendation to remove those items from the Measure Q & E Fund budget, staff would need direction on whether to refrain from completing those projects/purchases, or where to cut other expenditures to create room for those items. Alternative funding sources available include Harbor Fund balance for the Harbor Patrol response vehicle, and approximately \$0.5 million in General Fund unassigned fund balance projected at the end of FY 23-24 if revenues are realized as budgeted and if no expenditure contingencies arise during the fiscal year. If those resources were to be programmed at budget adoption, there would not be additional resources available during the fiscal year as other items may arise.

The anticipated impacts of not funding these items/projects is as follows:

- Harbor patrol response vehicle – compromised Harbor Patrol response; vehicle past useful life.
- Active Transportation Plan – City may be ineligible and/or uncompetitive for active transportation grants that could reduce costs of new capital projects and already planned projects, such as improvements at the 1/41/Main Street intersection. This would partly threaten the City’s ability to implement the Council-adopted short-term action of pursuing grant opportunities as part of the Economic Vitality goal for 2023-2025.

- Local Road Safety Plan Implementation and Safety Improvements – public safety improvements based on the results of the Local Road Safety Plan (currently in progress), including a crosswalk in front of the Police Department, would not be completed.
- Sidewalk Improvements and Street Tree Replacement – sidewalk deficiencies and hazards created by tree roots would remain unaddressed, leaving the City vulnerable to potential claims.
- Reducing funding for Pavement Management Program to \$1 million Q&E – the annual pavement project scope would be cut in half, reducing the efficiency of expenditures and the amount of streets able to be addressed with pavement improvements. Currently, it is projected that without annual pavement management expenditures of at least \$2.8 million annually, the City's pavement condition index will continue to fall. This translates into new deferred maintenance needs for City streets, which increases costs for roadwork in future years due to further deterioration of the City's roads.

Projected Reserve Balances

By the end of FY 2023-24, the City is projected to be meeting all [reserve policies](#) as adopted by Council with projected [reserve balances](#) of \$14.5 million Citywide, including in enterprise funds that are restricted as to use. Almost half of that total, at \$7.1 million, is projected to be the balance in the General Fund Emergency Reserve (GFER) Fund. This meets the minimum General Fund Emergency Reserve policy of 33% of General Fund and Q&E operating budgets, but not the target of 50%.

Reserves are particularly critical for smaller cities like Morro Bay that have relatively small budgets overall, and for cities that have volatile revenue sources like sales tax and transient occupancy tax comprising a large share of their budget, which Morro Bay does. As the City saw with the winter storms, one natural disaster can cause millions in damages. A development like the pandemic can dramatically reduce the City's core revenues used to fund basic services. Morro Bay has relied on its reserves during these two recent emergencies and may need to do so again in the future.

Fiscal Forecasts for Major Funds

While the City has over 40 active funds, just five of those funds account for over 90 percent of the City's financial activity. The Proposed Budget includes [five-year forecasts for those five major funds](#). The five-year forecasts demonstrate that expenditure growth is currently outpacing revenue growth and may continue to do so during the forecast period. The economy is cooling and the rapid post-pandemic revenue growth has ended. While revenue growth has flattened, inflation persists and it is costing the City more to continue to deliver the same level of services. If expenditure growth does continue to outpace revenue growth in future years, this will leave the City with less funds available for growing capital needs and pension liabilities.

The City's major funds, which include the General Fund, Measure Q & E Fund, and the City's primary enterprise funds (Water, Sewer, and Harbor) will be unable to meet capital needs with current revenue streams. Ongoing revenue increases will be needed to ensure that the City can not only maintain services through attracting, compensating and retaining qualified staff, but can also address significant capital needs and unfunded pension liabilities.

CONCLUSION

While the City's fiscal situation is stable and much improved from years past, challenges that require a fiscally prudent approach from the City remain. Inflationary pressures have increased the City's cost of doing business and implementing capital improvements. While expenditures continue to increase, revenues are leveling off and are projected to remain relatively flat in FY 23-24 and possibly FY 24-25. With expenditure growth outpacing revenue growth, the City is at risk of falling further behind in its ability to keep pace with regionally competitive compensation, a backlog of capital needs, and accrued unfunded pension liabilities. Fortunately, prudent reserve policies leave the City in a positive

position to weather near-term uncertainty. The City will need to continue to proactively pursue ongoing revenue generation increases to ensure longer-term fiscal sustainability.

ATTACHMENTS

1. FY 2023-24 Proposed Capital and Operating Budget –
<https://www.morrobayca.gov/827/Budget>
 - a. Web-Based Version:
<https://city-morro-bay-ca-budget-book.cleargov.com/8736/introduction/transmittal-letter>
 - b. Printable PDF Version: https://www.morrobayca.gov/DocumentCenter/View/17718/FY-2023-24-Proposed-Operating-and-Capital-Budget_51023

City Council Budget Study Session FY 2023-24 Proposed Budget

Item C-2
May 23, 2023





Presentation Outline

May 23

- Proposed Operating Budget
 - Guided by City Council Goals
 - Citywide budget overview
 - CFAC Input on Measure Q & E Budget
- Looking Ahead
 - Forecasts, Reserves, Takeaways

May 24

- Proposed Capital Budget

Proposed FY 2023-24 Operating & Capital Budget





City Council Goals

PUBLIC INFRASTRUCTURE



GOAL STATEMENTS:

- (1) Assess and provide report on state of infrastructure including streets, sewer lines, sidewalks, storm drains and Harbor infrastructure.
- (2) January 2023 storm response and future mitigation.
- (3) Repair, update and enhance Veterans Hall so it can continue to serve the community.
- (4) Striping program to improve sidewalks, crosswalks & accessible parking.

SHORT-TERM ACTIONS

- Street Paving
- Complete Capital Needs Assessments
- Complete Development Impact Fee Study
- Update Council Chamber:
AV upgrades, web-based agenda management system for closed captioning and improved accessibility for visually impaired
- Prioritize storm recovery efforts, maximizing FEMA/insurance reimbursement opportunities; Hazard mitigation / climate resiliency (grant funding eligibility)
- Public safety needs assessment (Standards of Cover)
- Improve streetscape with road striping, parking lines & curb painting



City Council Goals

GOAL STATEMENTS:

- (1) Pursue grant writing opportunities.
- (2) Evaluate opportunities for City-owned properties.
- (3) Streamline permit process for residential and commercial development.

SHORT-TERM ACTIONS

- Market Plaza development opportunities (currently under negotiations)
- Monitor and stay engaged in offshore wind development
- Pursue grant opportunities, including:
 - RFP for full-service Grant Writer & Grant Administration (if successful)
 - Coleman Beach area
 - Climate Action Plan & Waterfront Master Plan
 - DBW grant funding for boat ramp replacement
- Review of City-owned properties, strategy to optimize use or revenues. Explore use of commercial realtor to manage commercial rental property
- Streamline permit processing for residential (including ADUs) and commercial development (also supports Housing goal)
- Presentation to Council on Paid Parking Study and proposed Pilot Program; implement, as directed

ECONOMIC VITALITY





City Council Goals

GOAL STATEMENTS:

- (1) Identify low-income housing opportunities.
- (2) Explore achievable options for unhoused residents.
- (3) Speed up processing of ADU permits to increase availability of affordable housing.

HOUSING HOMELESSNESS RESPONSE



SHORT-TERM ACTIONS

- Housing Element Program Implementation (Housing by-right Policy and Objective Design Guidelines projects underway – \$275K rec'd in grant funding)
- Review possible upzone of Seashell Estates property for proposed housing project
- Explore achievable options at the City level (emergency warming shelters, pallet homes, etc.)
- Continue participation in County's 5-year Housing & Infrastructure Plan
- Continue participation in the County-wide 5-year Strategic Plan to address homelessness
 - *Homeless Outreach Case Manager*
- Identify affordable housing incentive program
- Speed up processing of ADU permits to increase availability of affordable housing



City Council Goals

COMMUNITY ENGAGEMENT



GOAL STATEMENTS:

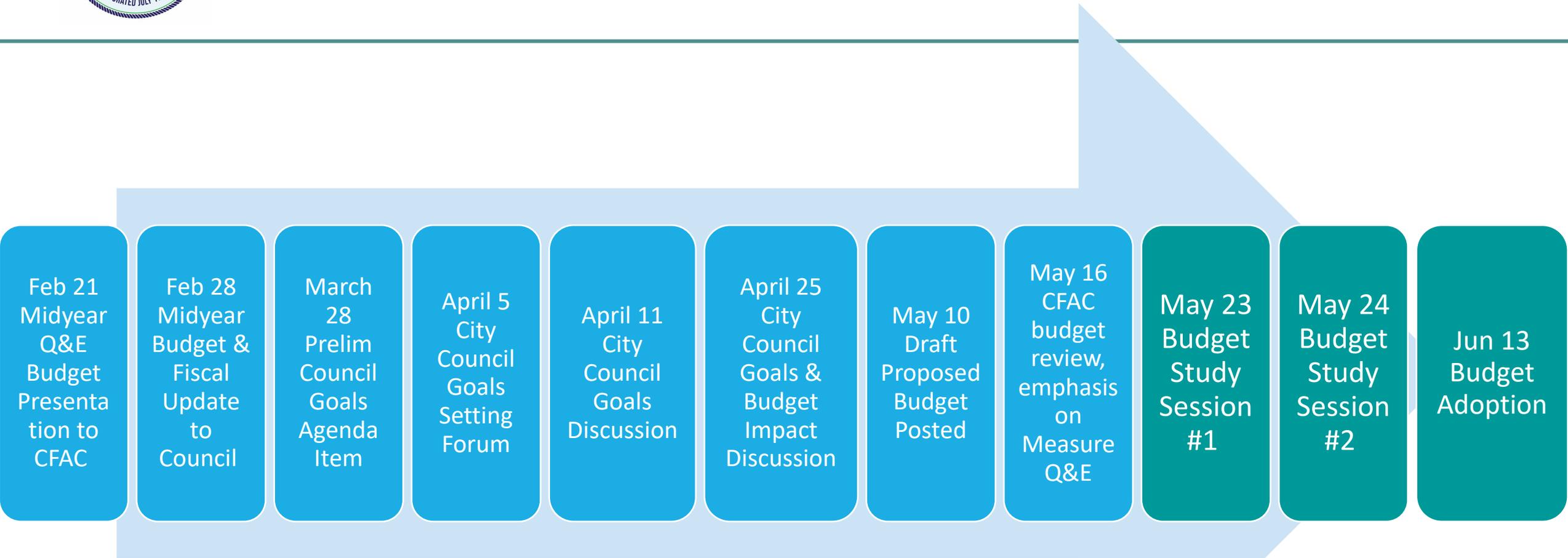
- (1) Build relationships and improve the purpose of advisory bodies to attract and retain members.
- (2) Hold community workshops and study sessions on upcoming development.
- (3) Improve City website and social media presence.

SHORT-TERM ACTIONS

- Leverage partnerships with Chamber, Visit Morro Bay, local service clubs and community organizations, and other event hosts
- Explore/assess available communication tools
- Conduct joint Council/advisory board meetings periodically and consider biannual or annual advisory board reports to Council
- Develop Historic Preservation Ordinance using draft ordinance prepared by Historical Society as a starting point
- Continue MBPD Citizens Academy, Consider Community Academy and other opportunities for project / community outreach, including study sessions and workshops
- Develop and implement outreach and communication plan using different formats to reach broad spectrum of residents
- Ad hoc Committee review of Planning Process



Budget Timeline



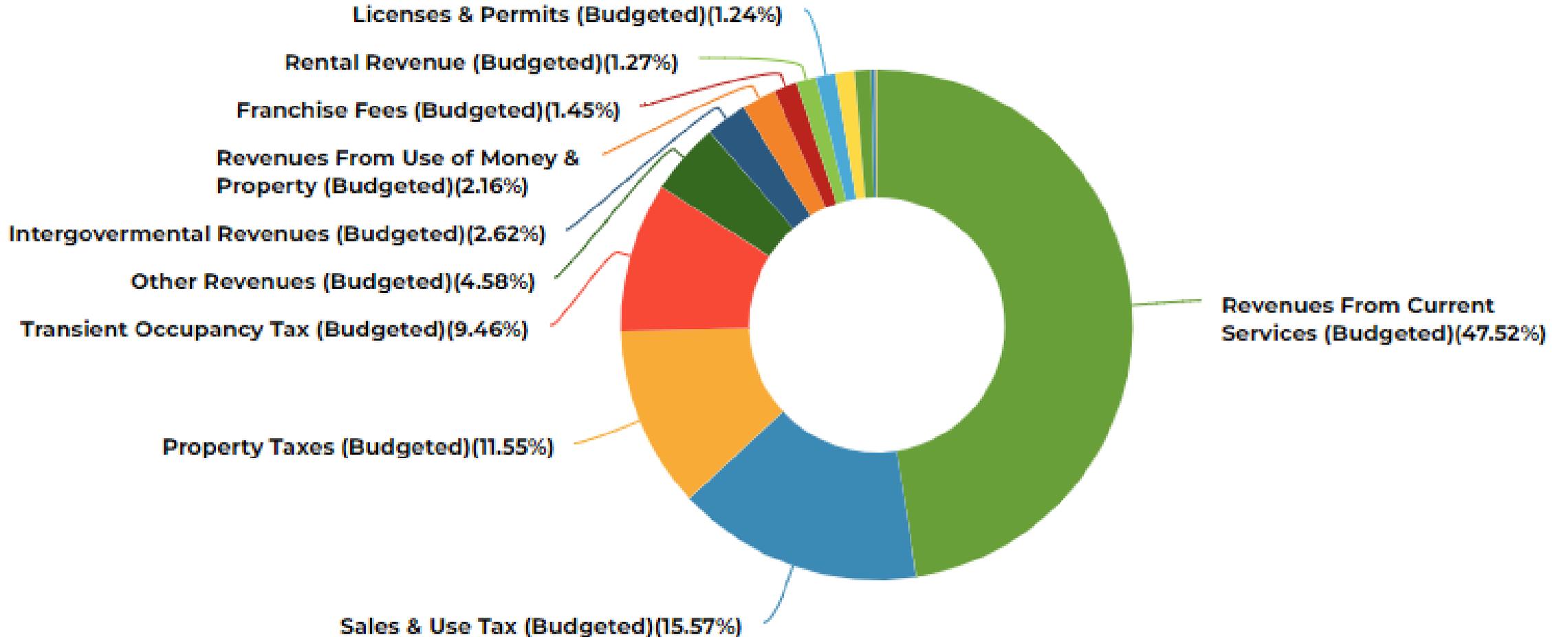


Citywide Proposed Budget Totals

- Expenditure budget totals \$56.1 million (net of transfers) includes:
 - \$36.6 million for Operations
 - \$19.5 million for Capital Projects (net of transfers)
 - Increase of 3.5% from FY 22-23 Budget
- Revenue budget totals \$45.9 million (net of transfers):
 - Decrease of 1% due to no additional COVID relief funds
- Difference b/t revenues and expenditures comes from available fund balance to fund one-time capital needs

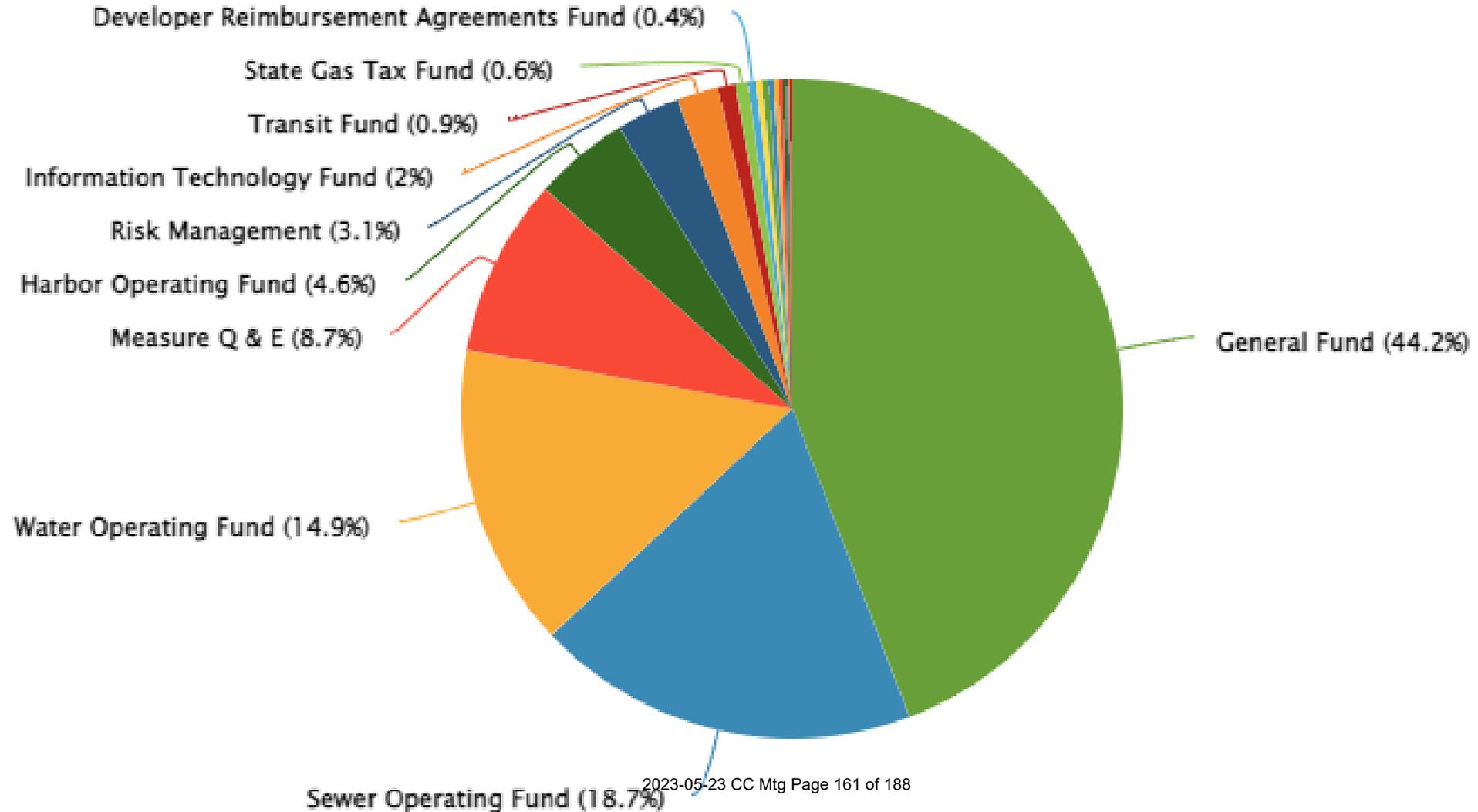


Citywide Revenue by Type



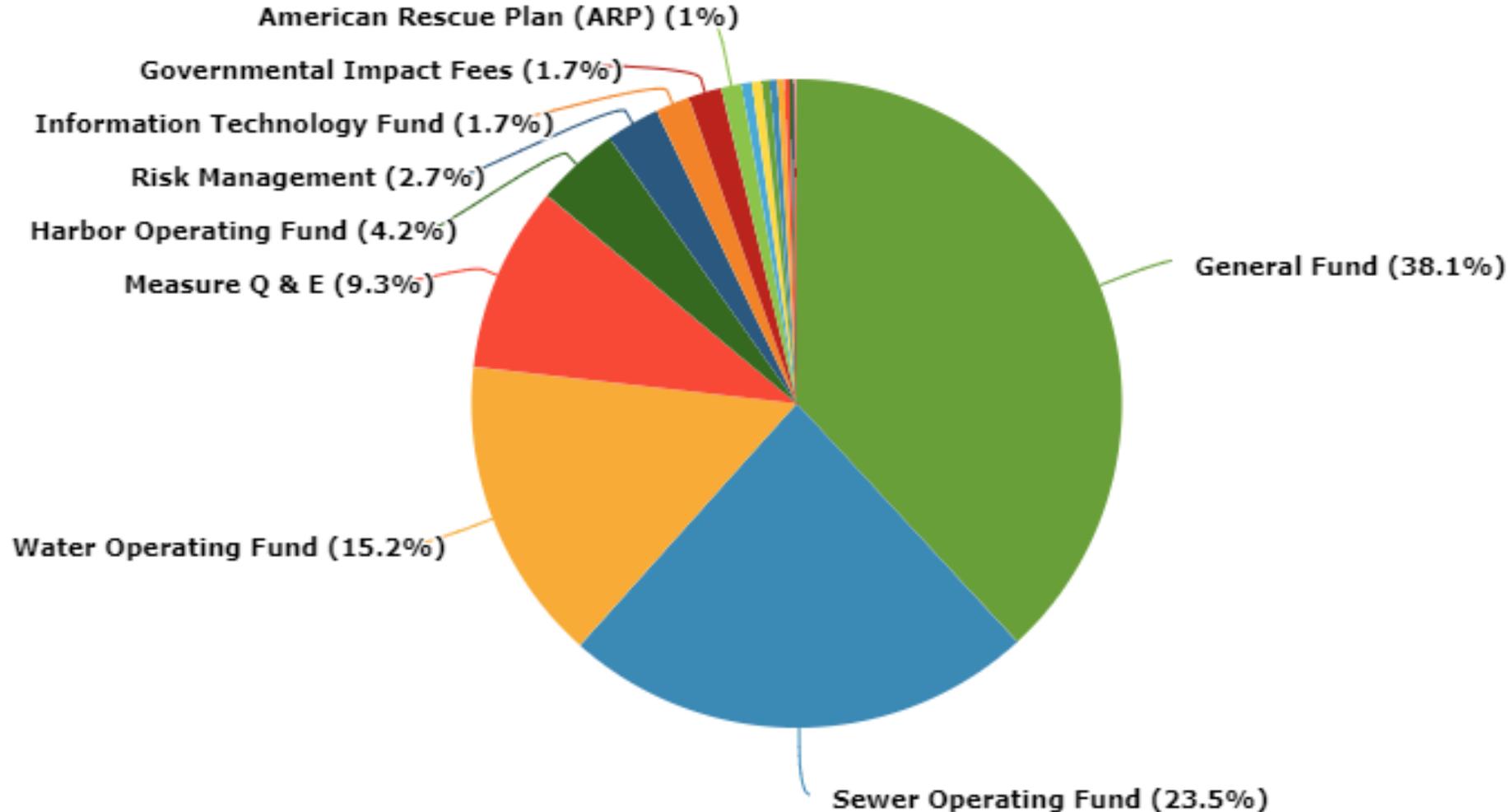


Revenues by Fund



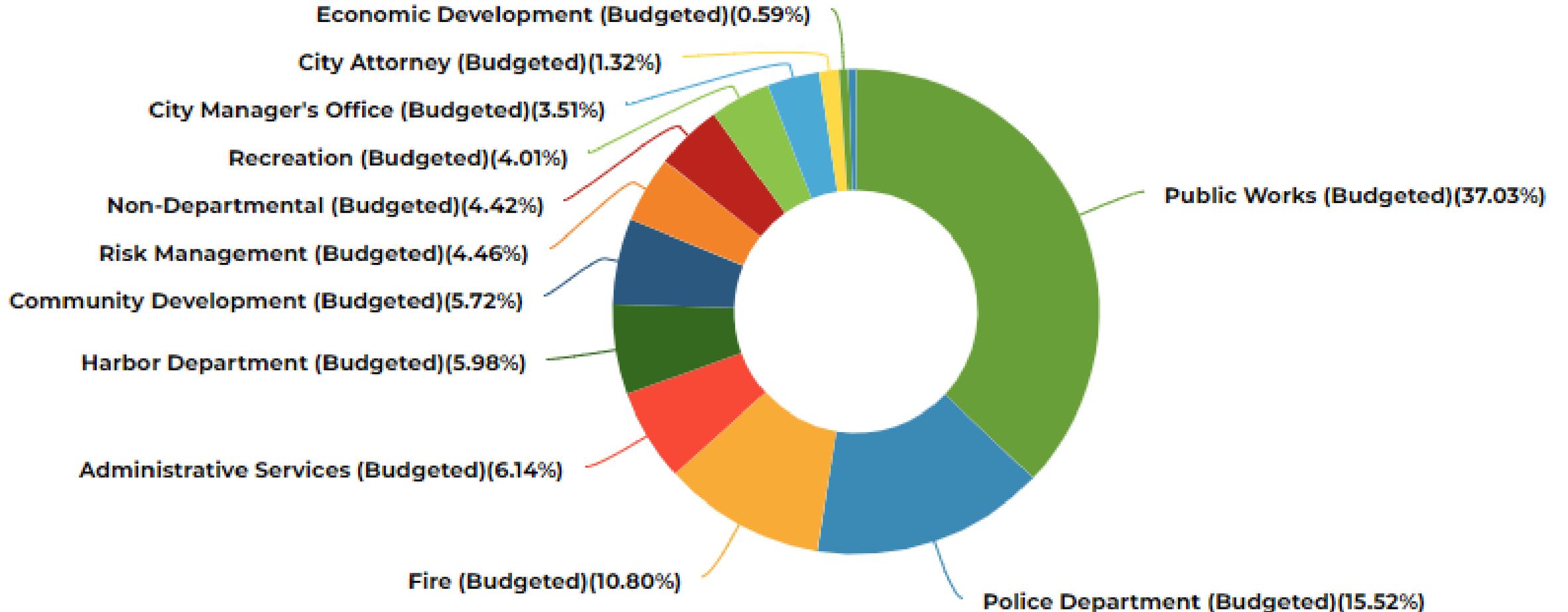


Expenditures by Fund





Expenditures by Department





Personnel Changes

Adding 2.4 net full-time positions

CITYWIDE SUMMARY FULL-TIME STAFFING				
	2020-21	2021-22	2022-23	2023-24
	Funded	Amended	Funded	Budget
<i>Total City FTEs</i>				
City Manager	4.0	5.0	5.0	5.0
Administrative Services	6.0	9.0	9.0	9.0
Recreation Services	2.0	4.0	4.0	4.0
Community Development Dept	5.0	6.0	7.0	7.0
Police Department	20.4	21.4	22.5	22.5
Fire Department	13.8	15.0	15.0	16.0
Public Works	31.0	36.6	36.6	37.0
Harbor Department	6.0	6.0	6.0	7.0
Total City-wide FTEs	88.1	103.0	105.1	107.5



Personnel Changes

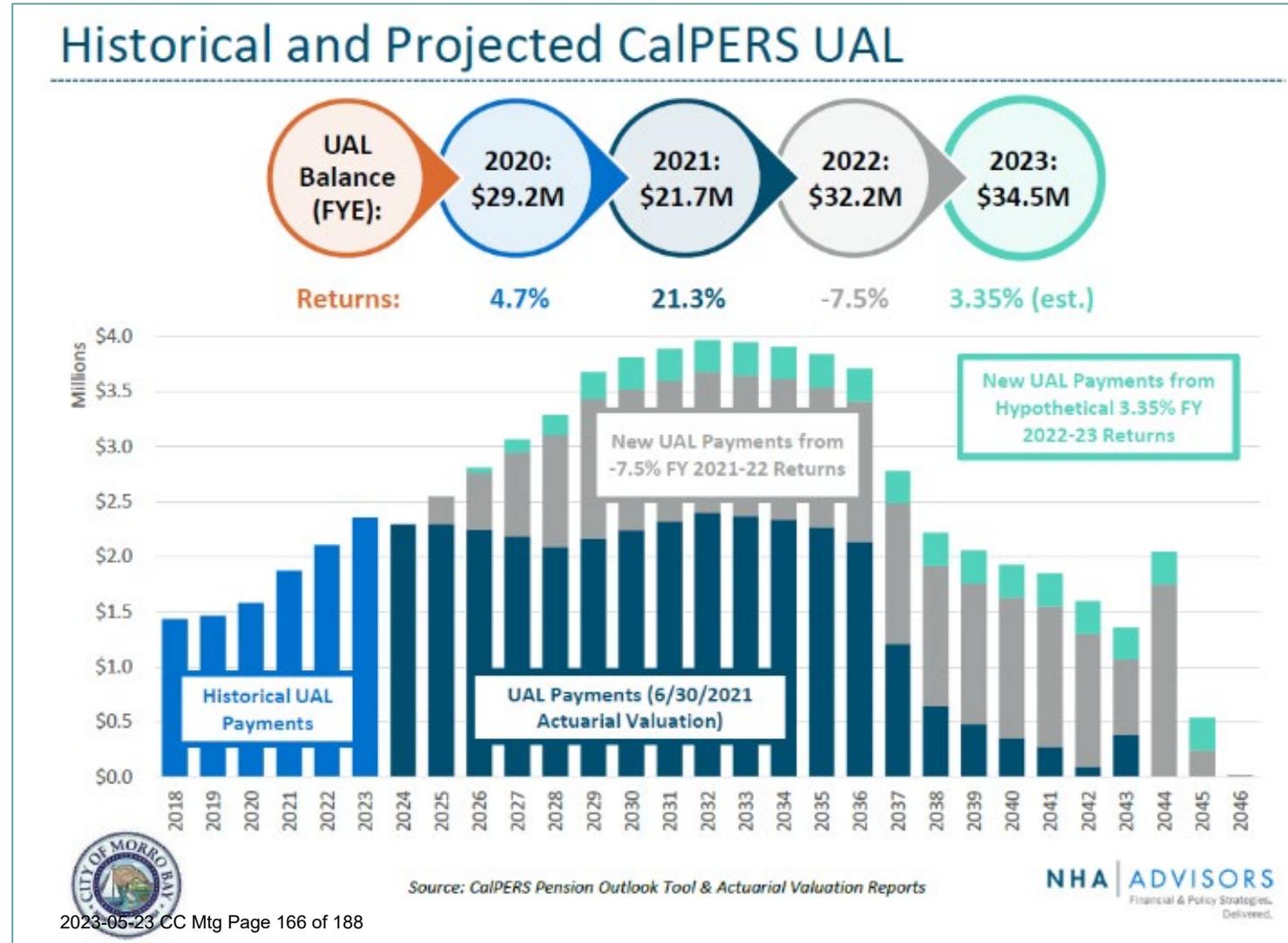
Adding the equivalent of 1.8 part-time positions

CITYWIDE SUMMARY PART-TIME STAFFING				
	2020-21 Funded	2021-22 Amended	2022-23 Funded	2023-24 Budget
Total City FTEs				
Administrative Services	0.3	0.4	0.6	0.9
City Manager's Office	0.0	0.0	0.0	0.2
Recreation Services	0.0	11.2	15.8	16.1
Community Development Dept	1.5	1.5	1.9	2.3
Fire Department	5.2	2.6	4.6	3.2
Public Works	0.7	2.6	2.7	2.5
Police	0.0	0.0	0.0	1.0
Harbor Department	2.4	3.4	3.2	4.4
Total City-wide FTEs	10.0	21.7	28.7	30.5



CalPERS – Ongoing Challenge

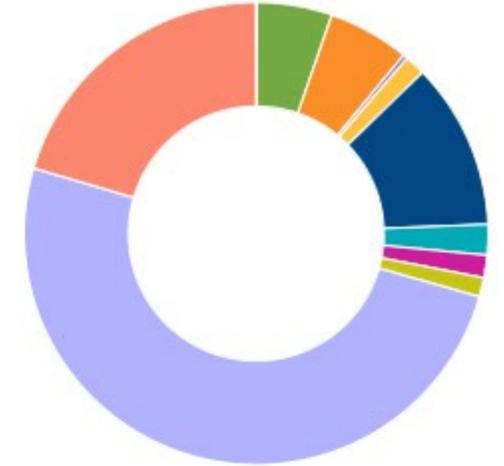
- Poor CalPERS returns will increase unfunded liability payments in future years
- FY 23-24 budget proposes appx. \$1.1 million to pension trust fund to prepare





CIP One-Year Plan

- Investing total of **\$19.5 M** in critical infrastructure - **31 projects**
- \$6.8 M for WRF
- \$3.4 M for sewer main replacement
- \$1.3 M in other sewer projects
- \$1.6 M in water projects
- \$2.1 million in road paving
- \$1.9 M in storm recovery/mitigation
- \$0.8 M in 1/41 intersection



Total Funding Requested by Source

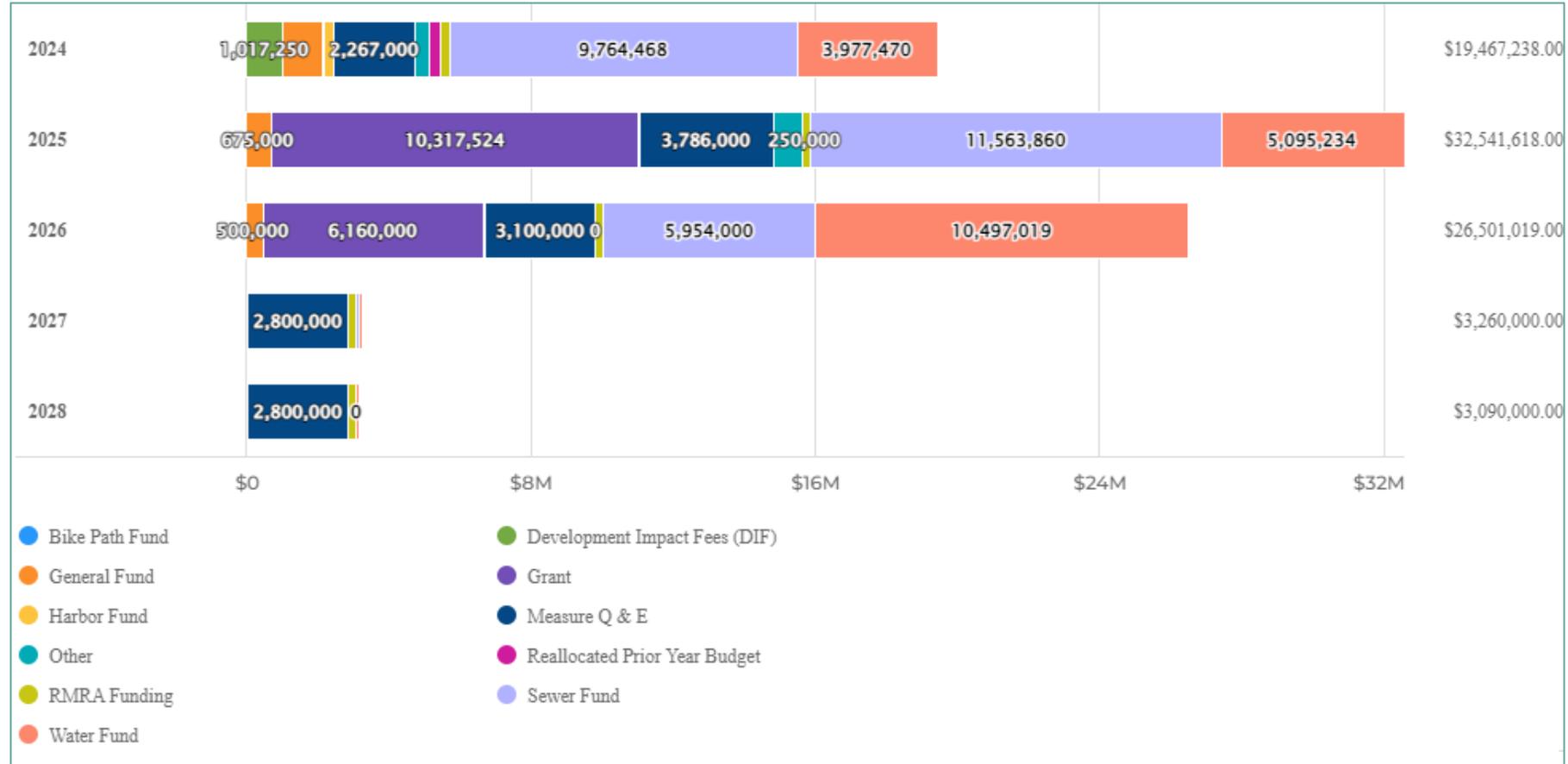
● Bike Path Fund (0%)	\$13,000.00
● Development Impact Fees (DIF) (5%)	\$1,017,250.00
● General Fund (6%)	\$1,106,865.00
● Grant (0%)	\$60,000.00
● Harbor Fund (1%)	\$280,000.00
● Measure Q & E (12%)	\$2,267,000.00
● Other (2%)	\$413,023.00
● Reallocated Prior Year Budget (2%)	\$308,162.00
● RMRA Funding (1%)	\$260,000.00
● Sewer Fund (50%)	\$9,764,468.00
● Water Fund (20%)	\$3,977,470.00

\$19,467,238.00



CIP Multi-Year Plan

- Planning exercise; will refine with CIP assessments
- Planning numbers included in five-year forecasts
- Budget not appropriated until out years
- Insufficient funding to address needs



CFAC Input on Measure Q & E Budget





Background on CFAC Review

- Ordinance requires –
 - Review of Measure expenditures (Muni Code Ch. 3.26).
- Council invites –
 - Input on Measure Q&E budget, and on Citywide budget as time permits.
- Input provided is for –
 - Council consideration at Budget Study Sessions (May 23-24)



Council Priorities for Q & E Funds

- 1. 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 Department personnel and equipment, in addition to the Fire Headquarter debt service and the Fire engine loan repayment.
- 2. Maintain or enhance cleanliness and safety of public space** 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.



Council Priorities for Q & E Funds

3. 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.

4. Ensure financial health of the City by maintaining appropriate reserves to protect against economic downturns, natural/health emergencies and other unforeseen challenges or opportunities.



Measure Q & E Budget Summary

- **Revenues:** \$4.6 million (growth leveled off)
- **Expenditures:** \$5.7 million
- **Ongoing Costs:** \$3.4 million
 - Police: \$0.9 million (14% increase)
 - Fire: \$1.0 million (12% increase)
 - Public Works: \$1.1 million (100% increase)
 - Harbor: \$0.2 million (51% increase)
- **One-time Capital Costs:** \$2.3 million



Proposed Q&E Capital Projects

Project	FY 23-24 Budget
Active Transportation Plan / Active Corridor Studies (partial funding)	\$67,000
Local Road Safety Plan Implementation and Safety Improvements	\$150,000
Trash and Recycling Can Replacements	\$60,000
Sidewalk Improvements and Street Tree Replacement	\$150,000
Annual Pavement Management Program (\$2.1M total including State funding)	\$1,840,000
Total Recommended Reduction from Measure Q&E Budget	\$2,267,000



CFAC Input

Recommended removal of appx \$1.3M from proposed \$5.7M budget

Proposed Items to Remove from Measure Q & E Fund Budget	Amt to Remove
Harbor patrol response vehicle (<i>recommended funding with Harbor Fund</i>)	(\$72,000)
Active Transportation Plan	(\$67,000)
Local Road Safety Plan Implementation and Safety Improvements	(\$150,000)
Sidewalk Improvements and Street Tree Replacement	(\$150,000)
Reducing funding for Pavement Management Program to \$1 million Q&E	(\$840,000)
Total Recommended Reduction from Measure Q&E Budget	(\$1,279,000)

- Desire to preserve funding to use in future years for current staff in Fund
- \$1.3 M would be in addition to proposed fund balance of appx \$0.1M



Anticipated Impacts of Removal

Proposed Items to Remove from Measure Q & E Fund Budget	Anticipated Impact of Not Funding
Harbor patrol response vehicle <i>(CFAC recommended funding w/Harbor Fund)</i>	Vehicle past useful life; potential to compromise Harbor Patrol response.
Active Transportation Plan	City may be ineligible and/or uncompetitive for active transportation grants.
Local Road Safety Plan Implementation and Safety Improvements	Public safety improvements, including a crosswalk in front of the Police Department, would not be completed.
Sidewalk Improvements and Street Tree Replacement	Sidewalk hazards created by tree roots would remain unaddressed.
Reducing funding for Pavement Management Program to \$1 million Q&E	Annual pavement project scope would be cut in half, reducing the efficiency of expenditures and the amount of streets able to be addressed with pavement improvements.



Measure Q & E Budget Considerations

- Council priorities ask Q&E to:
 - **“Invest in infrastructure and equipment** such as street paving, storm drains, and vehicle replacements that support City services.”
 - Prior year budgets have funded CIPs, including paving
- Council’s GFER policy covers Measure Q&E Operating
 - No separate reserve policy for Measure Q & E
- Prudent to balance operating and capital expenditures given volatile revenue source; addresses CFAC’s concern
- Public Infrastructure is a Council Goal and a top community priority (survey data)

Looking Ahead: Forecasts, Reserves, & Key Takeaways



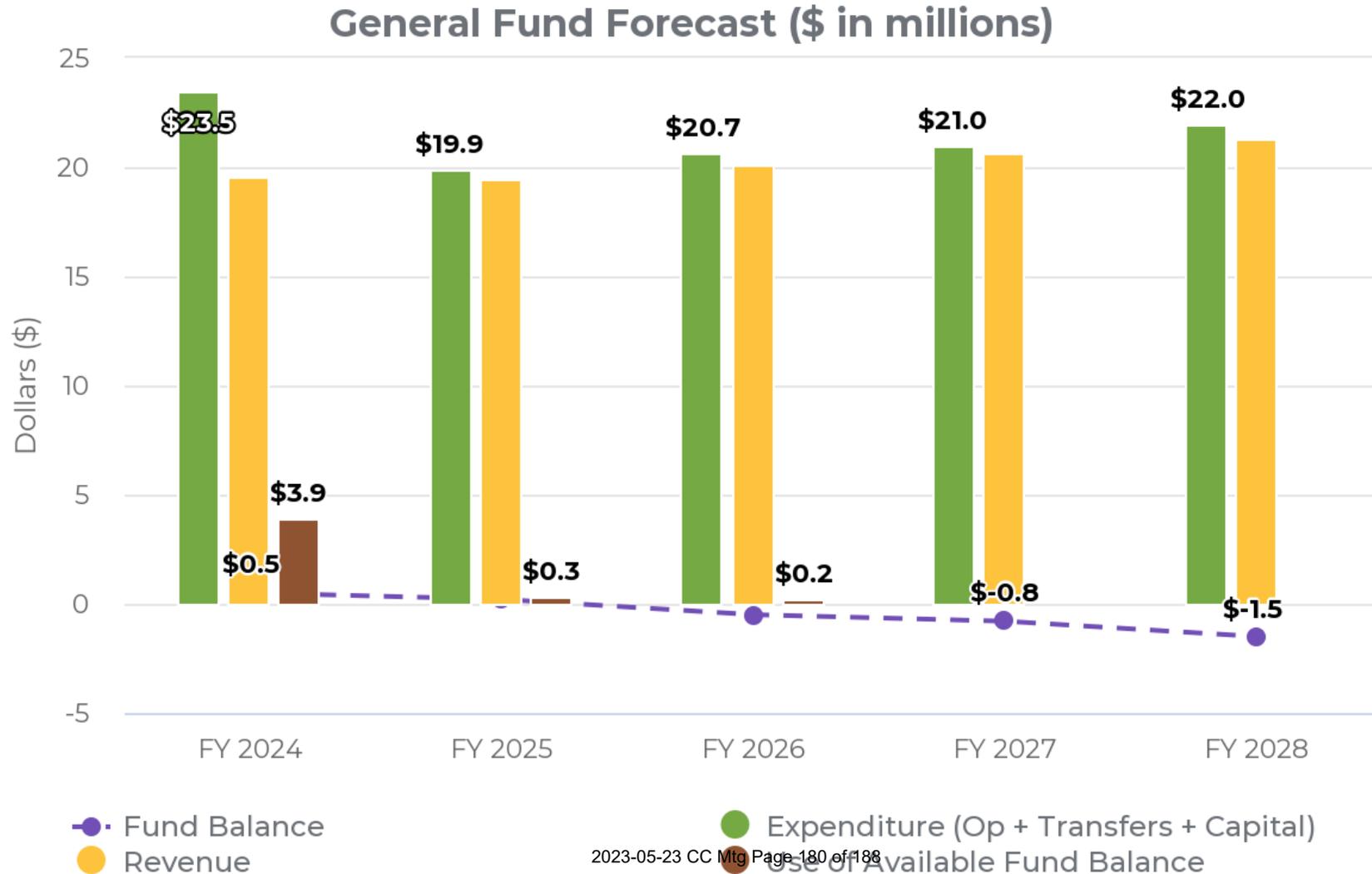


Forecast Assumptions

Revenue/ Expenditure Category	Basis for Projection	Projection Year Increases			
		FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Property Tax	County projections	3.0%	3.0%	3.0%	3.0%
Sales Tax	City consultant projections	2.5%	2.5%	3.0%	3.0%
Transient Occupancy Tax	Visit Morro Bay projections	2.5%	2.5%	3.0%	4.0%
Other Revenue	Fees, interest, other misc.	3.0%	3.0%	3.0%	3.0%
Personnel - Operational Costs	Increasing salary and benefits costs; current staffing levels	4.0%	4.0%	4.0%	4.0%
Personnel - Ongoing costs for long-term liabilities (PERS)	CalPERS estimates	10.9%	12.5%	10.8%	8.8%
Other Operations & Maintenance	Related to CPI, anticipates falling inflation	5.0%	5.0%	4.0%	4.0%

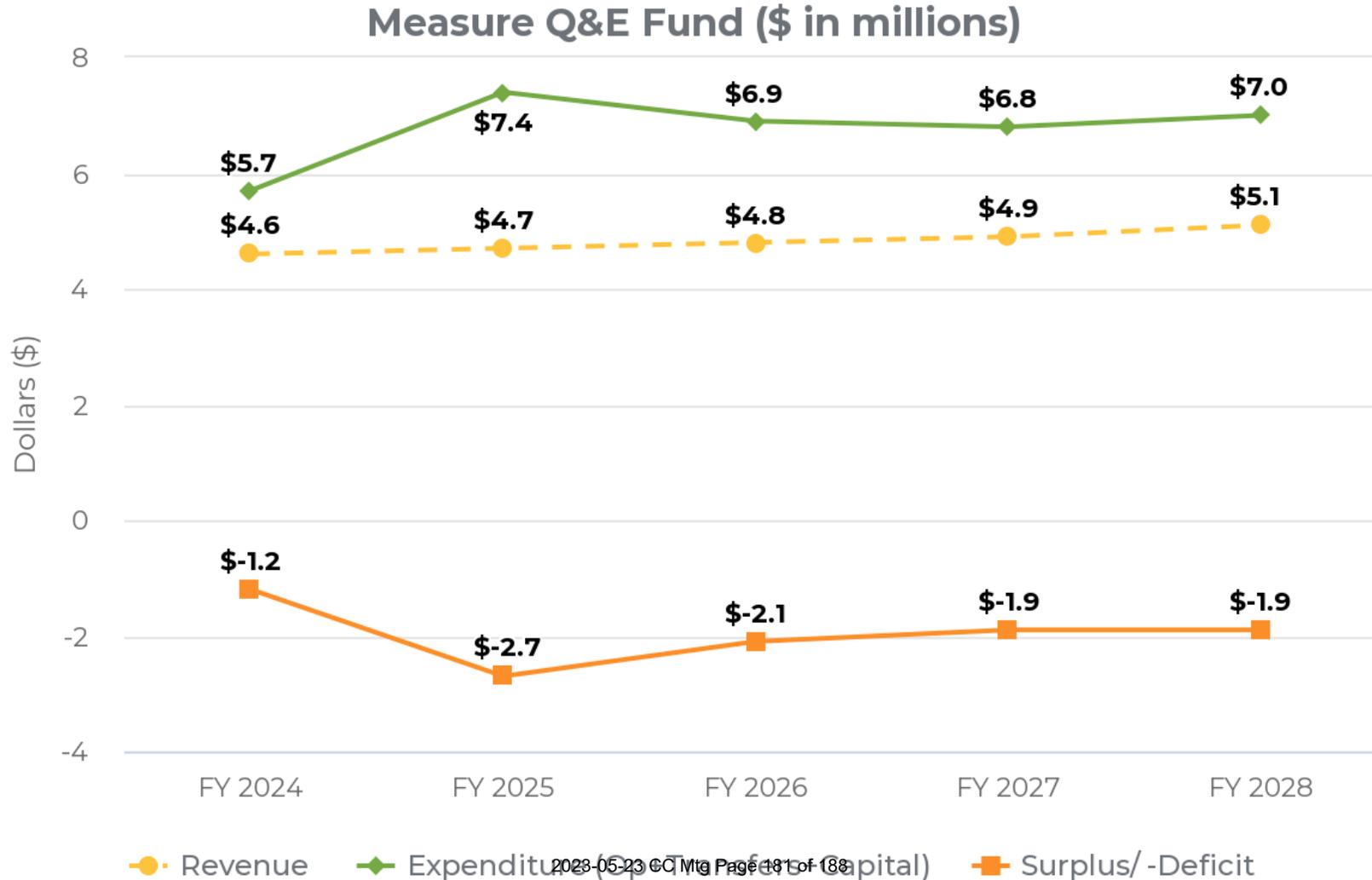


Forecast – General Fund



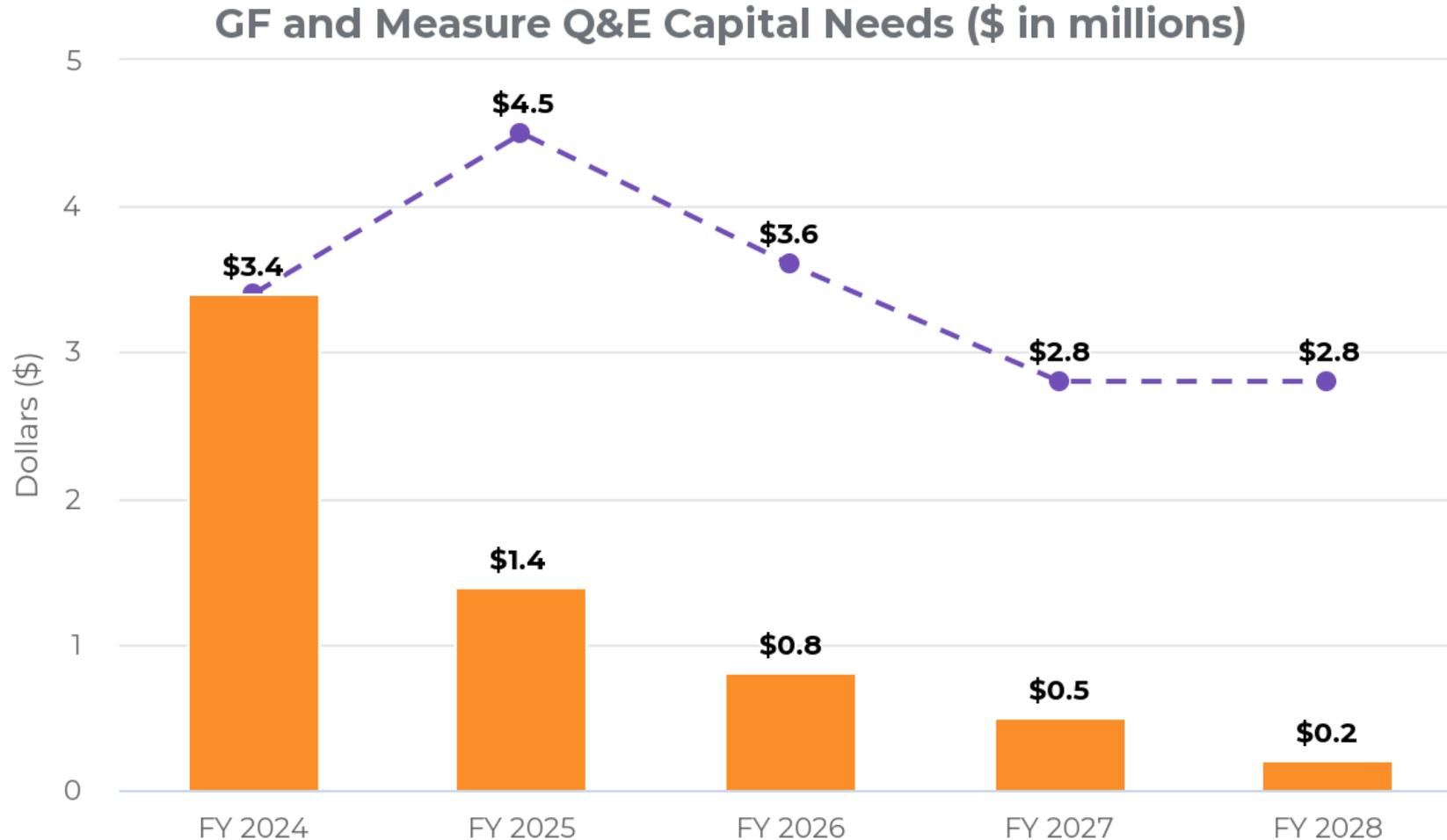


Forecast – Measure Q & E Fund



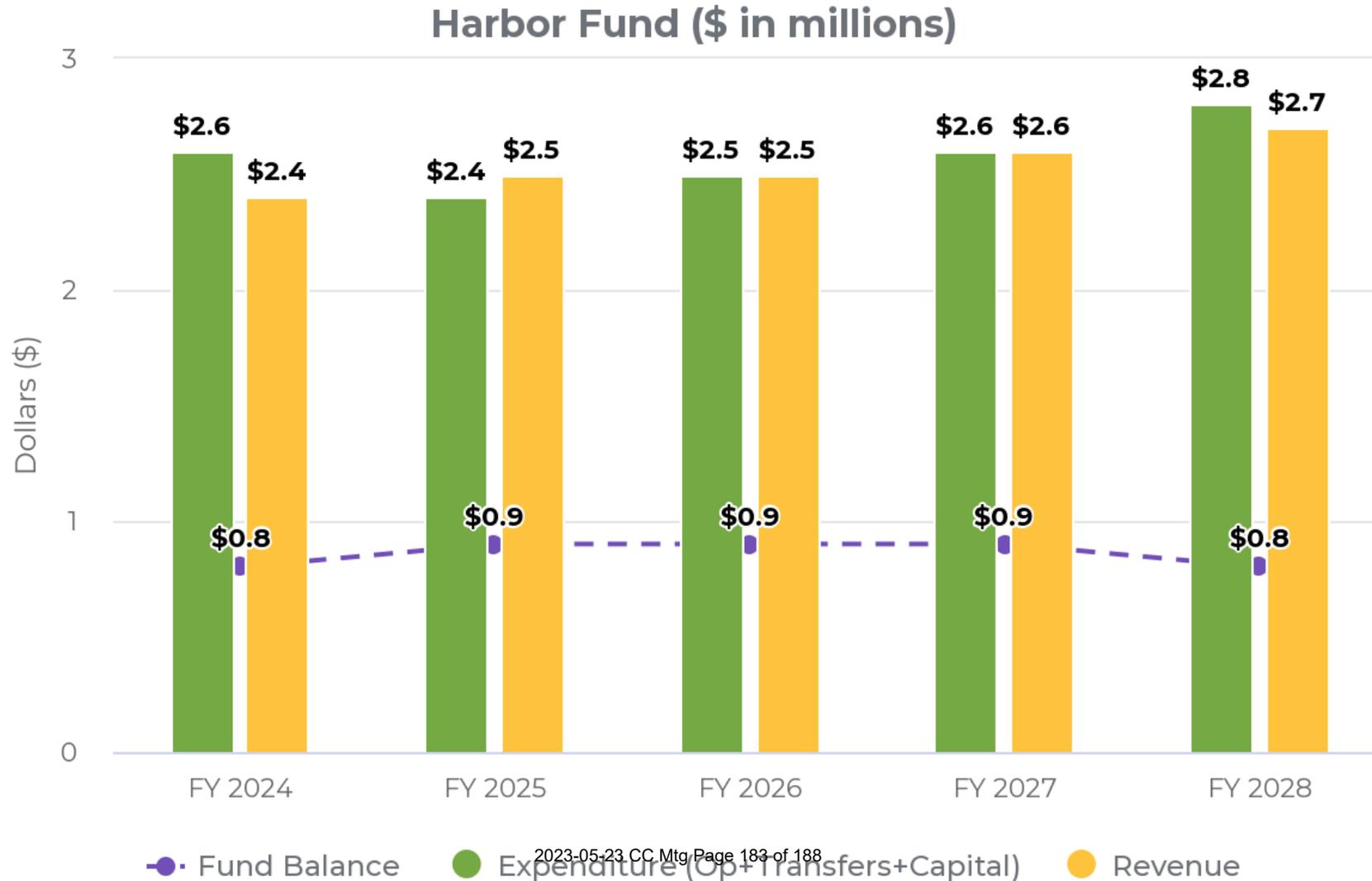


Forecast – Unfunded Capital Needs



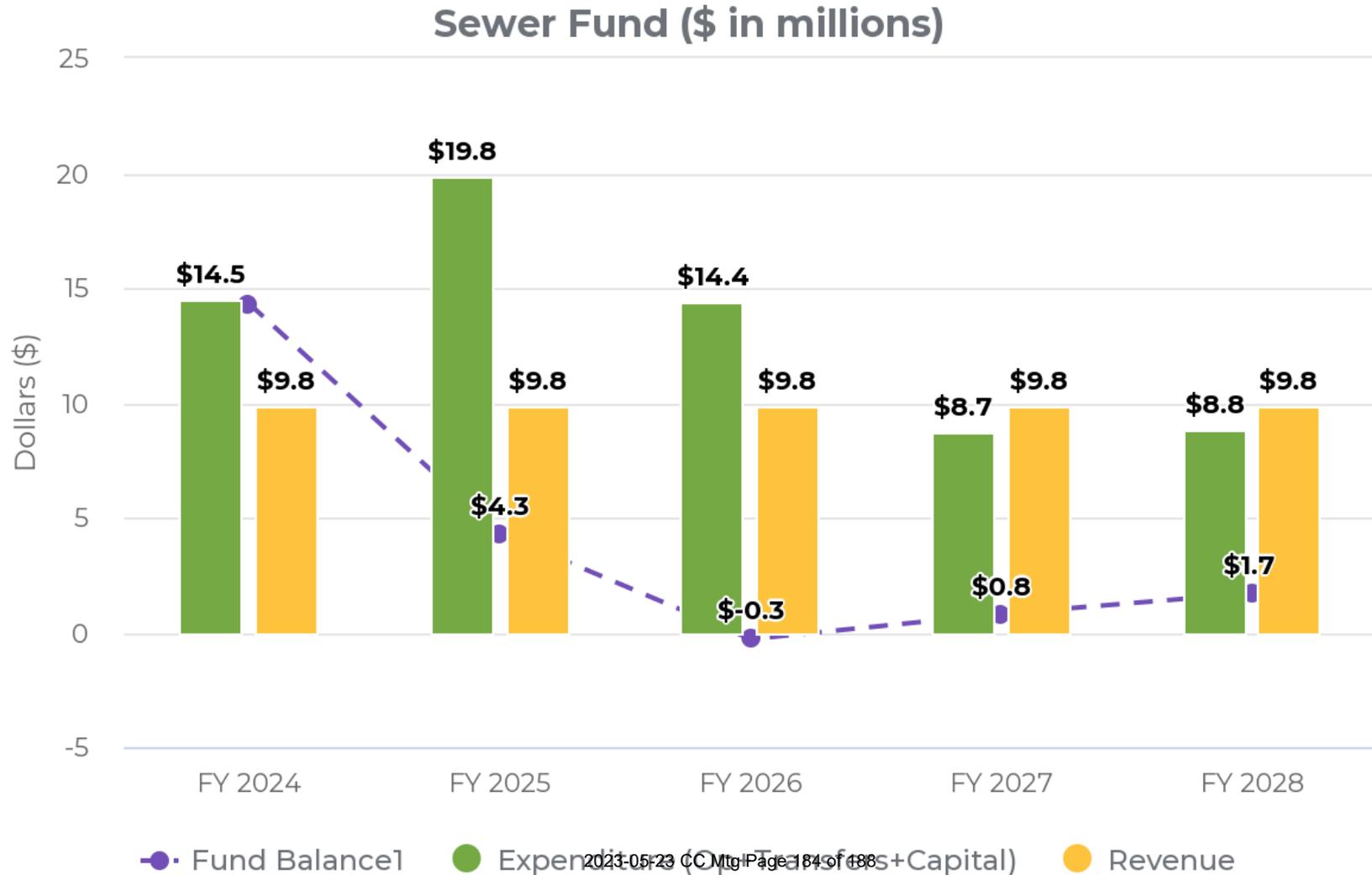


Forecast – Harbor Fund



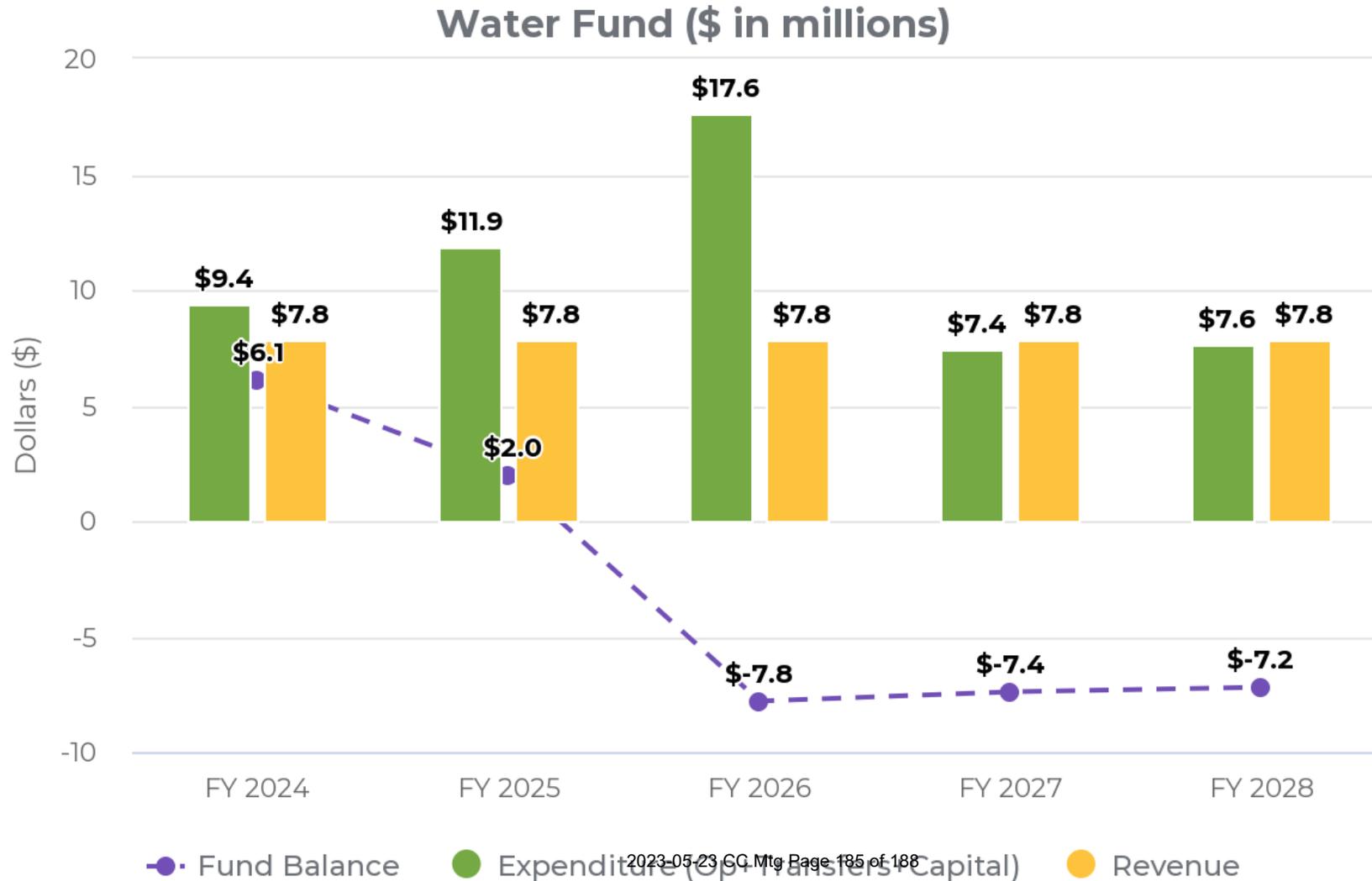


Forecast – Sewer Fund





Forecast – Water Fund





Citywide Reserve Levels

General Fund (001)	\$0.5 million
General Government Compensable Leave Fund (005)	\$0.3 million
General Fund Vehicle Replacement Fund (050)	\$0.8 million
General Fund Emergency Reserve Fund (051)	\$7.1 million
General Fund Facility Maintenance Fund (052)	\$0.1 million
General Fund Capital Accumulation Fund (460)	\$0.6 million
Total General Fund Reserves Projected at FY 2023-24 Year-End	\$9.4 million
Water Fund	\$1.9 million
Sewer Fund	\$1.5 million
Harbor Fund	\$0.5 million
Risk Management	\$0.9 million
Information Technology	\$0.3 million
Citywide Estimated FY 2023-24 Year-End Reserves Total	\$14.5 million

Meets
General
Fund
Emergency
Reserve
Policy

Total
equates to
40% of the
Citywide
Operating
Budget



Key Budget Takeaways

- Strong post-pandemic recovery leveling off
- Measure E helping maintain services, address some capital
- Significant unfunded capital needs
- Storm recovery expenses diverting funds from other capital
- Expenditure growth outpacing revenue growth (inflation)

- Economic cooling; potential recession
- Looming pension challenges
- Strong reserves may help weather challenges
- Ongoing (not just one-time) revenues needed to support capital work



Recommendation

Receive the Proposed Fiscal Year (FY) 2023-24 Citywide Operating and Capital Budget and provide feedback prior to budget adoption, scheduled for June 13, 2023.