

# City of Morro Bay

## City Council Agenda

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### *Mission Statement*

*The City of Morro Bay is dedicated to the preservation and enhancement of the quality of life. The City shall be committed to this purpose and will provide a level of municipal service and safety consistent with and responsive to the needs of the public.*

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**REGULAR MEETING – TUESDAY, OCTOBER 11, 2011**

**CLOSED SESSION – TUESDAY, OCTOBER 11, 2011  
CITY HALL CONFERENCE ROOM - 5:00 P.M.  
595 HARBOR ST., MORRO BAY, CA**

**CS-1 GOVERNMENT CODE SECTION 54957; PERSONNEL ISSUES**

Discussions regarding Personnel Issues including two (2) public employees regarding evaluation, specifically the City Attorney and the City Manager.

**IT IS NOTED THAT THE CONTENTS OF CLOSED SESSION MEETINGS  
ARE CONFIDENTIAL AND EXEMPT FROM DISCLOSURE.**

**PUBLIC SESSION – TUESDAY, OCTOBER 11, 2011**  
**VETERANS MEMORIAL HALL - 6:00 P.M.**  
**209 SURF ST., MORRO BAY, CA**

ESTABLISH QUORUM AND CALL TO ORDER  
MOMENT OF SILENCE  
PLEDGE OF ALLEGIANCE  
MAYOR AND COUNCILMEMBERS ANNOUNCEMENTS & PRESENTATIONS  
CLOSED SESSION REPORT

PUBLIC COMMENT PERIOD - Members of the audience wishing to address the Council on City business matters (other than Public Hearing items under Section B) may do so at this time.

To increase the effectiveness of the Public Comment Period, the following rules shall be followed:

- When recognized by the Mayor, please come forward to the podium and state your name and address for the record. Comments are to be limited to three minutes.
- All remarks shall 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.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk, (805) 772-6205. Notification 24 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A. CONSENT CALENDAR

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion.

A-1 APPROVAL OF THE MINUTES FOR THE JOINT CITY COUNCIL/ PLANNING COMMISSION MEETING ON SEPTEMBER 13, 2011, AND THE REGULAR CITY COUNCIL MEETING OF SEPTEMBER 27, 2011; (ADMINISTRATION)

**RECOMMENDATION: Approve minutes as submitted.**

A-2 ADOPTION OF ORDINANCE NO. 573 AMENDING CHAPTER 2.06 OF THE MORRO BAY MUNICIPAL CODE FROM COUNCILMEN TO COUNCILMEMBERS AND ADDING SECTION 2.06.040 REGARDING APPOINTMENT OF BOARDS AND COMMISSIONS; (CITY ATTORNEY)

**RECOMMENDATION: Adopt Ordinance No. 573.**

A-3 RESOLUTION NO. 69-11 INTENTION TO APPROVE AN AMENDMENT TO THE CONTRACT BETWEEN THE BOARD OF ADMINISTRATION OF CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND THE CITY OF MORRO BAY - MISCELLANEOUS EMPLOYEES; (ADMINISTRATIVE SERVICES)

**RECOMMENDATION: Adopt Resolution No. 69-11.**

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 INTRODUCTION AND FIRST READING OF ORDINANCE NO. 574 AUTHORIZING THE AMENDMENT OF SECTION 20475 (DIFFERENT LEVEL OF BENEFITS); SECTION 21353 (2% @ 60 FULL FORMULA); AND SECTION 20037 (THREE-YEAR FINAL COMPENSATION) FOR NEW HIRES IN THE PERS MISCELLANEOUS GROUP – INTRODUCTION AND FIRST READING; (ADMINISTRATIVE SERVICES)

**RECOMMENDATION: Approve introduction and first reading of Ordinance No. 574 by number and title only.**

C. UNFINISHED BUSINESS – NONE.

D. NEW BUSINESS

D-1 DISCUSSION ON THE STATUS OF THE CITY RENTAL PROPERTY ON SHASTA STREET; (RECREATION & PARKS)

**RECOMMENDATION:**

D-2 DISCUSSION ON TOILET RETROFIT REBATE PROGRAM; (PUBLIC SERVICES)

**RECOMMENDATION: Review and discuss the City's Toilet Retrofit Rebate Program and provide direction to staff on any changes.**

D-3 STATUS REPORT ON MORRO ROCK PARKING LOT SOLID WASTE SERVICE; (PUBLIC SERVICES)

**RECOMMENDATION: Receive report and provide direction as necessary.**

E. DECLARATION OF FUTURE AGENDA ITEMS

F. ADJOURNMENT

**THIS AGENDA IS SUBJECT TO AMENDMENT UP TO 72 HOURS PRIOR TO THE DATE AND TIME SET FOR THE MEETING. PLEASE REFER TO THE AGENDA POSTED AT CITY HALL FOR ANY REVISIONS OR CALL THE CLERK'S OFFICE AT 772-6200 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 AT CITY HALL LOCATED AT 595 HARBOR STREET DURING NORMAL BUSINESS HOURS OR AT THE SCHEDULED MEETING.**

MINUTES - MORRO BAY CITY  
COUNCIL/PLANNING COMMISSION  
JOINT MEETING – SEPTEMBER 13, 2011  
VETERANS MEMORIAL HALL - 5:00 P.M.

AGENDA NO: A-1  
MEETING DATE: 10/11/11

Mayor Yates called the meeting to order at 5:00 p.m.

PRESENT:	William Yates	Mayor
	Carla Borchard	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
	Rick Grantham	Chairman
	Jamie Irons	Planning Commissioner
	Paul Nagy	Planning Commissioner
	Jessica Napier	Planning Commissioner
ABSENT:	John Solu	Vice-Chair
STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney
	Rob Livick	Public Services Director
	Kathleen Wold	Planning Manager

I. ESTABLISH QUORUM AND CALL MEETING TO ORDER

II. PLEDGE OF ALLEGIANCE

III. DUTIES AND RESPONSIBILITIES

Pursuant to the Municipal Code Section 2.28.120 D., the Planning Commission shall meet with City Council twice each year to discuss proposed policies, programs, goals and objectives, budgeting, future planning, or any other planning matter requiring joint deliberation.

IV. PUBLIC COMMENT PERIOD - Members of the audience wishing to address the Council and Planning Commission on matters on this special meeting agenda may do so at this time – there was no public comment.

V. JOINT MEETING DISCUSSION ITEMS

Council Member Requested Discussion Item:

**A) Update on the Zoning Ordinance and General Plan/Local Coastal Plan Amendment**

Planning Manager Kathleen Wold provided an update on the General Plan/Local Coastal Plan amendment, and provided the City Council and Planning Commission with a letter from the Coastal Commission.

The City Council requested the update of the Zoning Ordinance and General Plan/Local Coastal Plan be placed higher on the priority list. A sub-committee was appointed to review the update of the Zoning Ordinance and General Plan/Local Coastal Plan, consisting of: Planning Commissioner Irons, Councilmember Johnson and Councilmember Borchard.

Planning Commission Requested Discussion Items:

**A) Implementation of the Planning Commission By-Laws**

City Attorney Robert Schultz reviewed the procedures for the Planning Commission By-Laws.

**B) Changes to the Subdivision Ordinance**

The City Council and Planning Commission discussed the importance to expedite the review of the Subdivision Ordinance in order to streamline projects.

**C) Discussion of a New Initiative to Better Serve the Measure D Area**

The majority of the Planning Commission was to not change Measure D at this time.

**D) Planning Commission Meeting Frequency**

The Planning Commission chose to continue meeting twice per month.

VI. ADJOURNMENT – 5:35 p.m.

This meeting adjourned to the regularly scheduled City Council meeting.

**AGENDA NO: A-1**  
**MEETING DATE: 10/11/11**

MINUTES - MORRO BAY CITY COUNCIL  
CLOSED SESSION – SEPTEMBER 27, 2011  
CITY HALL CONFERENCE ROOM - 5:00 P.M.

Mayor Yates called the meeting to order at 5:00 p.m.

PRESENT:	William Yates	Mayor
	Carla Borchard	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember

STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney

CLOSED SESSION

Mayor Yates adjourned the meeting to Closed Session and read the Closed Session Statement.

Mayor Yates read the Closed Session Statement.

**CS-1 GOVERNMENT CODE SECTION 54957; PERSONNEL ISSUES**

Discussions regarding Personnel Issues including two (2) public employees regarding evaluation, specifically the City Attorney and the City Manager.

**CS-2 GOVERNMENT CODE SECTION 54956.8; REAL PROPERTY TRANSACTIONS**

Instructing City's real property negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease of real property as to at least one (1) parcel:

- Property: Chorro Valley Property  
Negotiating Parties: Chorro Valley Property Owners and City of Morro Bay  
Negotiations: Water rights.

The meeting adjourned at 5:50 p.m.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – SEPTEMBER 27, 2011  
VETERANS MEMORIAL HALL - 6:00 P.M.

Mayor Yates called the meeting to order at 6:00 p.m.

PRESENT:	William Yates	Mayor
	Carla Borchard	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney
	Bridgett Kessler	City Clerk
	Eric Endersby	Harbor Operations Manager
	Susan Lichtenbaum	Harbor Business Manager
	Rob Livick	Public Services Director
	Tim Olivas	Police Chief
	Joe Woods	Recreation & Parks Director
	Janeen Burlingame	Management Analyst

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

MAYOR AND COUNCIL MEMBERS REPORTS, ANNOUNCEMENTS &  
PRESENTATIONS

CLOSED SESSION REPORT - City Attorney Robert Schultz reported the City Council met in Closed Session, and no reportable action under the Brown Act was taken.

PUBLIC COMMENT

Todd Collins introduced his family restaurant, Rocca's Italian Restaurant on the Embarcadero. He reviewed special entrees on the menu and events that his family sponsors in the City.

Angela Nelson, Program Coordinator from RideShare, referred to Item A-8 (Proclamation Declaring October 2011 As "Rideshare Month") and reviewed special events that will be taking place during Rideshare Month.

Chuck Rose acknowledged Neighborhood Watch which is sponsored through the Police Department. He said Neighborhood Watch promotes additional awareness around neighborhoods in the City. Mr. Rose stated the organization meets monthly and they have a website: [www.neighborhoodwatchmorrobay.com](http://www.neighborhoodwatchmorrobay.com) for those who are interested in participating in this program.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – SEPTEMBER 27, 2011

Dan Reddell, Chamber of Commerce Board Member, addressed Item C-1 (Report on the Findings of the Morro Bay Visitors Center Workshop and Discussion of Options for Continued Operations) and stated the Executive Director Craig Schmidt is very professional and friendly. Mr. Reddell said he supports staff recommendation to continue to contract with the Chamber of Commerce for the operation of the Visitors Center.

Craig Schmidt, Chamber of Commerce Executive Director, thanked those who volunteered at the Avocado/Margarita Festival which was a tremendous success. He also acknowledged the Merchants Pavilion at the Harbor Festival who has reached out to the business community to allow them to showcase their businesses at a low cost for the weekend. Mr. Schmidt thanked the City for hosting the Visitor Center Workshops which provided several different recommendations to make the Visitor Center a better experience for the City's visitors. He assured the City Council of the Chamber's commitment to creating a culture of adapting, inventing and re-inventing and always looking into ways to improve its approach in promoting tourism.

John Solu addressed Item C-1 stating the hoteliers agree with the status quo with the Chamber contract until June 2012. He said the hoteliers are 1/3 contributors to the Visitor Center, and they will continue to make sure the Chamber of Commerce is making the changes and doing what needs to be done to accommodate the visitors. Mr. Solu requested the City Council send back to the Community Promotions Committee and/or the Tourism Business Improvement District Advisory Board the task to continue researching the promotion of a Director of Tourism.

Garry Johnson reviewed upcoming photo events. He said there will be a photography show where pictures will be judged at the Harbor Festival; the Bird Festival is scheduled in January 2012; and, the Morro Photo Expo is scheduled for March 2012.

John Weiss, Chamber of Commerce President, addressed Item C-1 and reviewed the upgrades made to the Visitors Center. He requested the City Council approve a 9-month extension to the Chamber contract to operate the Visitors Center which would allow for more effective planning, better budgeting and implementation of continuity for requests of stakeholders. Mr. Weiss thanked those who are involved and participated in the Eco-Rotary Program at the Avocado/Margarita Festival and Harbor Festival.

Dan Glesmann thanked those Council Members who supported the adoption of the labor contract for the SEIU employees for the City. He said the importance of holding the City pension commitments to a sustainable level became clear with an article he shared on the down-turn of pension funds. Mr. Glesmann also thanked the City for adopting the two-tier retirement system for future hires.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – SEPTEMBER 27, 2011

Joan Solu reviewed the Tourism Business Improvement District Advisory Board activities for the past two months. She requested the City Council send back to the Tourism Business Improvement District Advisory Board the task of how to create a Director of Tourism/Marketing position.

Hunter Kilpatrick, Executive Director of Harbor Festival, reviewed the events and activities for the upcoming festival.

Betty Winholtz addressed Item A-6 (Adoption of Ordinance No. 572 Repealing Chapter 2.28 of the Morro Bay Municipal Code Related to the Planning Commission and Implementing Instead the Planning Commission By-Laws) noting state law requires the Planning Commission belongs in the Municipal Code. She referred to Item B-3 (Ordinance No. 573 Amending Section 2.06 of the Morro Bay Municipal Code from Councilmen to Councilmembers and Adding Section 2.06.040 Regarding Appointment of Boards and Commissions) that places the Planning Commission in the Advisory Board Handbook, which she objects to because the guidelines for the Planning Commission are easily manipulated in a document that requires a simple resolution versus one that is more rigorously reviewed. Ms. Winholtz also referred to numerous entities that adopted proclamations recognizing “Sea Otter Awareness Month”.

John Barta addressed Item C-1 stating there is no clear line of responsibility for who is going to take charge in promoting the City’s tourism, and why it is a good idea to have a Director of Tourism. He said with all of the influences involved it may be difficult to see the big picture, and he hopes Council’s discussion will assist in resolving some of these issues.

Mayor Yates closed the hearing for public comment.

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion.

A. CONSENT CALENDAR

A-1 APPROVAL OF MINUTES FOR REGULAR CITY COUNCIL MEETING OF  
SEPTEMBER 13, 2011; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – SEPTEMBER 27, 2011

A-2 RESOLUTION NO. 66-11 AUTHORIZING PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS (EPMC) FOR THE SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU), LOCAL 620, EMPLOYEES; (ADMINISTRATIVE SERVICES)

**RECOMMENDATION: Adopt Resolution No. 66-11.**

A-3 RESOLUTION NO. 67-11 ACCEPTANCE OF AN OFFER OF DEDICATION OF PUBLIC PEDESTRIAN EASEMENT FOR SIDEWALK PURPOSES ON ERROL STREET FOR TACO BELL (1700 MAIN ST.); (PUBLIC SERVICES)

**RECOMMENDATION: Adopt Resolution No. 66-11.**

A-4 ADOPTION OF ORDINANCE NO. 570 AMENDING THE CITY OF MORRO BAY MUNICIPAL CODE TITLE 13 PUBLIC UTILITIES, CHAPTER 13.04 WATER SERVICE AND RATES, SECTION 13.04.070 APPLICATION FOR REGULAR SERVICE - TO REQUIRE IDENTIFICATION; (ADMINISTRATIVE SERVICES)

**RECOMMENDATION: Adopt Ordinance No. 570.**

A-5 ADOPTION OF ORDINANCE NO. 571 AMENDING THE CITY OF MORRO BAY MUNICIPAL CODE TITLE 3 REVENUE AND FINANCE, CHAPTER 3.30 UNCLAIMED MONEY AND PROPERTY, SECTION 3.30.080 PROCEEDS TO BE DEPOSITED IN GENERAL FUND TO READ DISPOSITION OF PROCEEDS; (ADMINISTRATIVE SERVICES)

**RECOMMENDATION: Adopt Ordinance No. 571.**

A-6 ADOPTION OF ORDINANCE NO. 572 REPEALING CHAPTER 2.28 OF THE MORRO BAY MUNICIPAL CODE RELATED TO THE PLANNING COMMISSION AND IMPLEMENTING INSTEAD THE PLANNING COMMISSION BY-LAWS; (CITY ATTORNEY)

**RECOMMENDATION: Adopt Ordinance No. 572.**

A-7 REPORT ON THE FINDINGS RELATING TO THE MORRO BAY MARKETING WORKSHOP; (ADMINISTRATION)

**RECOMMENDATION: Review the findings from the Marketing Workshop.**

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – SEPTEMBER 27, 2011

A-8 PROCLAMATION DECLARING OCTOBER 2011 AS “RIDESHARE MONTH”; (ADMINISTRATION)

**RECOMMENDATION: Adopt Proclamation.**

Councilmember Smukler pulled Items A-1, A-6 and A-7 from the Consent Calendar.

**MOTION:** Councilmember Johnson moved the City Council approve the Consent Calendar with the exception of Items A-1, A-6 and A-7. The motion was seconded by Councilmember Smukler and carried unanimously. (5-0)

A-1 APPROVAL OF MINUTES FOR REGULAR CITY COUNCIL MEETING OF SEPTEMBER 13, 2011; (ADMINISTRATION)

Councilmember Smukler referred to a correction to a name on page 6 of the September 13, 2011 City Council minutes. City Clerk Bridgett Kessler noted the correction on page 6 of the minutes had already been amended prior to the meeting.

**MOTION:** Councilmember Smukler moved the City Council approve Item A-1 of the Consent Calendar. The motion was seconded by Mayor Yates and carried unanimously. (5-0)

A-6 ADOPTION OF ORDINANCE NO. 572 REPEALING CHAPTER 2.28 OF THE MORRO BAY MUNICIPAL CODE RELATED TO THE PLANNING COMMISSION AND IMPLEMENTING INSTEAD THE PLANNING COMMISSION BY-LAWS; (CITY ATTORNEY)

Councilmember Smukler asked if the City Attorney had any comments based on the public comments made. City Attorney noted he had no comments, other than he is moving forward with the adoption of Ordinance No. 572 based on the approval of the first reading and introduction at the September 13<sup>th</sup> City Council meeting; and, he noted the City is in compliance with state law.

**MOTION:** Councilmember Smukler moved the City Council approve Item A-6 of the Consent Calendar. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – SEPTEMBER 27, 2011

A-7 REPORT ON THE FINDINGS RELATING TO THE MORRO BAY  
MARKETING WORKSHOP; (ADMINISTRATION)

Councilmember Smukler noted for public information that the results of the Marketing Workshop can be reviewed on the City's website.

MOTION: Councilmember Smukler moved the City Council approve Item A-7 of the Consent Calendar. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

Mayor Yates called for a break at 6:56 p.m.; the meeting resumed at 7:09 p.m.

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 CONSIDERATION OF ESTERO BAY TRANSIT SERVICE PROPOSAL;  
(PUBLIC SERVICES)

Management Analyst Janeen Burlingame stated the City currently operates Morro Bay Transit Service which is a hybrid transit system combining a fixed route with limited door-to-door service. The Morro Bay Transit fixed route has specific stops throughout the City and the Call-A-Ride trips deviate off route within  $\frac{3}{4}$  of a mile to pick up/drop off riders before returning back on route. The fixed route and Call-A-Ride service is provided hourly Monday through Friday from 6:35am to 5:30pm. The San Luis Obispo Council of Governments (SLOCOG) is proposing the development of a cooperative agreement between the City of Morro Bay, San Luis Obispo County, the RTA and SLOCOG to provide local transit services within and between the communities of Morro Bay and Los Osos. The proposal does not include the City's trolley services and should the Council accept the proposed service concept, a separate arrangement would need to be made regarding trolley operations. Ms. Burlingame recommended the City Council review the Estero Bay Transit Service proposal from SLOCOG, and the discussion and recommendation made by the Public Works Advisory Board and direct staff accordingly.

Mayor Yates opened the hearing for public comment.

Ron DeCarli, Director of SLOCOG, stated their agency is a planning and programming agency as well as an oversight agency on public transit. He said overall public transit in the county and in the state is in trouble with the increase in costs and decrease in funding. Mr. DeCarli stated the prime concern is the City's current system is not sustainable, and that is why they are considering a consolidated system to reduce costs. He said the City has no connection with the regional agency which would help increase the fair box ratio.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – SEPTEMBER 27, 2011

Mr. DeCarli recommended the City Council consider reduce overhead costs, increase fares, increase ridership through regional ridership, and continue to work with RTA and SLOCOG.

Mark Lancaster stated he is a North Morro Bay resident and noted the service up there has been rectified. He said it would be good to coordinate the local and regional buses in the morning.

Amy Wyatt, Manager of Marketing for RTA, stated senior services is very high and the fixed route service is working well. She said they are working to make the system work for everyone with what funding they have.

Mayor Yates closed the hearing for public comment.

Councilmember Borchard stated the challenge is financing transportation in Morro Bay. She said there is a potential to take this opportunity and continue to work with SLOCOG and RTA in trying to refine this program. She said she agrees the City's existing program is not sustainable and she is hopeful there might be a way to move forward with some other options.

Councilmember Johnson stated the current system is not sustainable and not meeting the needs of the citizens. She also said the concept that is being proposed is not serving the City's needs, and the City should go back and refine the system and find something that will work more efficiently for its citizens.

Councilmember Leage stated the current system is not sustainable and something needs to be done immediately because good service for the citizens is important.

Councilmember Smukler stated there is concern with the loss of service in North Morro Bay. He said it would be helpful to have service for high school students with extra-curricular activities. Councilmember Smukler stated the review of the Cost Allocation Plan will be important for Council to make their decision.

Mayor Yates stated he supports staff recommendation #1. He said sustainability is of political will, and there needs to be a desire to want this service and be able to afford it within the budget.

MINUTES - MORRO BAY CITY COUNCIL  
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MOTION: Councilmember Borchard moved the City Council direct staff to: 1) work with the San Luis Obispo Council of Governments to determine whether or not the current transit service proposal can be modified to address the proposed service concept deficiencies; 2) return to the Public Works Advisory Board no later than its December 2011 meeting for consideration and recommendation to Council for either a revised proposed concept or the current proposed concept; and 3) return to Council in January 2012 for consideration of either a revised proposed concept or the current proposed concept. The motion was seconded by Councilmember Smukler and carried unanimously. (5-0)

B-2 RESOLUTION NO. 68-11 ACCEPTING \$100,000 GRANT FROM THE STATE OF CALIFORNIA CITIZENS OPTION FOR PUBLIC SAFETY (COPS) PROGRAM; (POLICE)

Police Chief Tim Olivas stated the City Council is required to hold a public hearing and consider whether the recommendation submitted by the Police Chief complies with the requirements of the Government Code. Once adopted, the recommendation is then forwarded to the County Oversight Committee who then distributes the COPS funds to the local jurisdictions. The funds can then be expended and/or encumbered by the Police Department. Chief Olivas recommended the City Council adopt Resolution No. 68-11 authorizing the proposed spending plan for the \$100,000 that will be received from the Citizens Option for Public Safety (COPS) grant program

Mayor Yates opened the hearing for public comment; there were no comments, and Mayor Yates closed the hearing for public comment.

MOTION: Councilmember Borchard moved the City Council adopt Resolution No. 68-11 authorizing the proposed spending plan for the \$100,000 that will be received from the Citizens Option for Public Safety (COPS) grant program. The motion was seconded by Councilmember Leage and carried unanimously. (5-0)

Mayor Yates called for a break at 7:56 p.m.; the meeting resumed at 8:07 p.m.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – SEPTEMBER 27, 2011

B-3 ORDINANCE NO. 573 AMENDING SECTION 2.06 OF THE MORRO BAY MUNICIPAL CODE FROM COUNCILMEN TO COUNCILMEMBERS AND ADDING SECTION 2.06.040 REGARDING APPOINTMENT OF BOARDS AND COMMISSIONS - FIRST READING/INTRODUCTION; (CITY ATTORNEY)

City Attorney Robert Schultz stated Ordinance No. 573 will change the title and content from “Councilmen” to “Councilmembers” in order to be gender neutral. In addition, Ordinance No. 573 will add Section 2.06.040 in regard to the appointment of Boards and Commissions in order to make certain the City is in compliance with state law. Mr. Schultz recommended the City Council accept public comment and move for introduction and first reading of Ordinance No. 573, by number and title only.

Mayor Yates opened the hearing for public comment; there were no comments, and Mayor Yates closed the hearing for public comment.

MOTION: Councilmember Johnson moved the City Council approve Ordinance No. 573 for first reading and introduction amending Section 2.06 of the Morro Bay Municipal Code from “Councilmen” to “Councilmembers” and adding Section 2.06.040 Regarding Appointment of Boards and Commissions. The motion was seconded by Councilmember Leage and carried unanimously. (5-0)

City Manager Andrea Lueker read Ordinance No. 573 by number and title only.

C. UNFINISHED BUSINESS

C-1 REPORT ON THE FINDINGS OF THE MORRO BAY VISITORS CENTER WORKSHOP AND DISCUSSION OF OPTIONS FOR CONTINUED OPERATIONS; (ADMINISTRATION)

City Manager Andrea Lueker stated a workshop was held on September 8, 2011 to focus on identifying opportunities to enhance the effectiveness of the Visitors Center and the roles of the various organizations and partners. This workshop was held by direction of the City Council from their June 14, 2011 meeting. In addition, over the past eleven months, the City Council as well as the Visitors Center have both initiated significant changes that enhance the operation of the Visitors Center. With the changes that have been made at the Visitors Center and the information gathered from the Visitors Center Workshop, Ms. Lueker recommended the City Council continue to contract with the Morro Bay Chamber of Commerce for the operation of the Visitors Center, extending their contract through June 2012.

MINUTES - MORRO BAY CITY COUNCIL  
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Mayor Yates stated he is supportive of the Chamber and its Executive Director and all of the changes they have instituted. He said he would like to move forward with the consideration of a Director of Tourism.

Councilmember Johnson stated she supports the Executive Director of the Chamber of Commerce and extending the Chamber contract until June 2012. She said she would like a big pub sign directing people to the public restroom at the Boatyard building; and, also suggested hiring an outside agency to look at alternate locations for the Chamber/Visitors Center. Councilmember Johnson stated she supports instituting more flexible hours of the Visitors Center dependent on the season. She said she would like to instruct the Tourism Business Improvement District Advisory Board to develop and present a report on how to pay for a Director of Tourism as well as prepare a job description. Councilmember Johnson stated she would like to receive a written report on the profit and loss of special events and trips abroad sponsored by the Chamber of Commerce. She said she would also like to recruit a Volunteer Ambassador Program which will alleviate the need for kiosks or a visitor center.

Councilmember Borchard stated one of the Visitors Center's main purposes is to capture guest information, such as fulfillment. She said there is the need to look at different locations for both the Chamber of Commerce and the Visitors Center, preferably by an outside agency. Councilmember Borchard stated she does support continuing the contract with the Chamber until June 2012.

Councilmember Leage stated it is important to have a restroom open at the Chamber of Commerce location. He also said parking is a problem on the Embarcadero where the Chamber is presently located.

Councilmember Smukler stated he agrees that the Chamber has put a lot of effort in the changes they have instituted. He said it is time to put the Director of Tourism position to rest, and instead direct the Community Promotions Committee and Tourism Business Improvement District Advisory Board to focus on exploring options for a concept of a fair funding mechanism and communicate back to the stakeholders.

MOTION: Councilmember Borchard moved the City Council approve the following:  
1) Continue to contract with the Morro Bay Chamber of Commerce for the operations of the Visitors Center, extending their contract through June 2012.

MINUTES - MORRO BAY CITY COUNCIL  
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- 2) Establish and confirm transparent budget, personnel and performance measures to document that public funds are expended appropriately.
  - 3) Publicize the existing procedure that is used to assure that there is no differentiation between referrals for Chamber and non-Chamber businesses (website, materials in Visitors Center and fulfillment).
  - 4) Coordinate with Barnett Cox and Associates (BCA) and (others) to establish directional signs to the Visitor Center from Hwy 101 (north and south).
  - 5) Explore the possibility of enhanced efforts to establish quality "tourist information centers" along Hwy 101 and/or at city entrances that direct people to the Visitor Center for more information.
  - 6) Implement a review of the current location and parking arrangement of the Visitor Center (either through a cooperative study with the Chamber or outside consultant).
  - 7) Perform reviews at 6-month intervals to ensure the continued implementation of the ideas and recommendations from the workshop.
  - 8) Direct staff to work with the Community Promotions Committee and Tourism Business Improvement District Advisory Board on the potential Director of Tourism/Events Coordinator positions.
- The motion was seconded by Councilmember Leage and carried unanimously. (5-0)

D. NEW BUSINESS – NONE.

E. DECLARATION OF FUTURE AGENDA ITEM – NONE.

ADJOURNMENT

The meeting adjourned at 8:39 p.m.

Recorded by:

Bridgett Kessling  
City Clerk



AGENDA NO: A-2

MEETING DATE: October 11, 2011

## Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** October 4, 2011

**FROM:** Rob Schultz, City Attorney

**SUBJECT:** Adoption of Ordinance No. 573 Amending Chapter 2.06 of the Morro Bay Municipal Code from Councilmen to Councilmembers and Adding Section 2.06.040 Regarding Appointment of Boards and Commissions.

**RECOMMENDATION:**

Staff recommends that the City Council adopt Ordinance No. 573

**SUMMARY:**

Ordinance No. 573 was introduced at the Council meeting held on September 27, 2011. This is the second reading, after which the Ordinance is adopted and will become effective on the 31<sup>st</sup> day after its passage.

Prepared By: \_\_\_\_\_      Dept Review: \_\_\_\_\_

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

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

**ORDINANCE NO. 573**

**AN ORDINANCE OF THE CITY COUNCIL OF THE  
CITY OF MORRO BAY TO AMEND SECTION 2.06 OF THE  
MORRO BAY MUNICIPAL CODE FROM COUNCILMEN TO  
COUNCILMEMBERS AND ADDING SECTION 2.06.040  
REGARDING APPOINTMENT OF BOARDS AND COMMISSIONS**

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

**WHEREAS**, Section 2.06 of the Morro Bay Municipal Code is entitled Mayor and Councilmen and reference is made in the chapter to Councilmen; and

**WHEREAS**, the City desires to amend the Chapter from Councilmen to Councilmember to include both genders; and

**WHEREAS**, the City of Morro Bay needs to add 2.06.040 relating to the appointment of Boards and Commissions in order to comply with state law.

**NOW, THEREFORE**, following the Public Hearing, and upon consideration of the testimony of all persons, the City Council of the City of Morro Bay does ordain Section 2.06 be amended as follows:

**Chapter 2.06 - MAYOR AND COUNCILMEMBERS**

**Sections:**

- 2.06.010 - Positions to be elective.
- 2.06.020 - Mayor—Term.
- 2.06.030 - Council vacancy reform.

**2.06.010 - Positions to be elective.**

The electors shall elect a mayor and four councilmembers.

**2.06.020 - Mayor—Term.**

The term of office of the mayor shall be for two years.

**2.06.030 - Council vacancy reform.**

A. Policy of Full Term Service. Election to public office in the city of Morro Bay creates a covenant to serve to the best of one's ability the full term of that office before seeking alternate public office. Without the enactment of the ordinance codified in this section when a councilmember in the middle of their term moves to an alternate office it also denies the citizens of Morro Bay the right to vote for the person who will fill the vacancy created by that move. If a councilmember wishes to run for alternate office before his or her term has expired he or she should resign from their seat so that the voters may elect their replacement in an orderly manner.

B. How Vacancies Filled. The city council shall immediately call a special election to fill any vacant seat on the council, including the mayor's seat. The special election shall be held on the next established election date, as specified in California Elections Code, which is not less than one hundred fourteen days from the call of the special election. The city council may appoint an elector who is a registered voter in the city of Morro Bay to fill such vacancy prior to the special election. The appointee shall hold office only until the date of said special election.

1. Mailed Ballots. Notwithstanding the provisions of subsection B, if the date of the special election otherwise required under subsection B would not be a consolidated election, the city council may designate the special election to be held by mailed ballot under the provisions of California Elections Code Section 4004 at the next available mailed ballot election date which is not less than one hundred fourteen days from the call of the special election.

C. Limitation of Councilmember Who Runs for Mayor Before Completing Regular Term. A sitting councilmember is disqualified from nomination for election to the office of mayor in the next election if the remainder of their council term after the next election cannot be filled by a vote of the electors on or prior to that election date.

D. Cost Reimbursement.

1. If the special election to fill a council vacancy occurs prior to the next general municipal election and the former councilmember whose seat was vacated causing that special election accepts nomination to run for the office of council or mayor in the next general municipal election, that former councilmember shall reimburse the city for city costs incurred as a result of said special election if the term of service for the seat previously vacated would have otherwise overlapped the term being sought.

2. Any mayor whose election to that office also created the premature vacancy of their council seat shall reimburse the city for city costs incurred in any future special election which must later be called to fill their prematurely vacated seat. As used in this subsection the term "future special election" means a special election that does not occur at the same time or prior to their election to the office of mayor.

E. Severability. If one or more of the provisions of this section should be held invalid the remaining provision or provisions shall remain in full force and effect.

**2.06.040 – Appointment of Boards and Commissions.**

The Mayor and Councilmembers shall establish a planning commission pursuant to Government Code Section 65100. The Mayor and City Council shall establish by resolution and by-laws such other boards and commissions as it deems necessary. All boards and commissions shall comply with their adopted by-laws and Council Policies and Procedures. This Ordinance shall take effect and be in force thirty (30) days from the date of its passage, and before the expiration of fifteen (15) days after its passage, it, or a summary of it, shall be published once, with the names of the City Council members voting for and against the same, in a newspaper of general circulation published in the City of Morro Bay.

**INTRODUCED** at a regular meeting of the City Council of the City of Morro Bay held on the 27th day of September 2011 by motion of Councilmember Johnson and seconded by Councilmember Leage.

**PASSED, APPROVED AND ADOPTED** by the City Council of the City of Morro Bay, on the \_\_\_\_ day of \_\_\_\_\_, 2011 by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
WILLIAM YATES, Mayor

ATTEST:

\_\_\_\_\_  
BRIDGETT KESSLING, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
ROBERT SCHULTZ, City Attorney



AGENDA NO: A-3

MEETING DATE: 10/11/2011

## Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** October 3, 2011

**FROM:** Susan Slayton, Administrative Services Director

**SUBJECT:** Resolution No. 69-11 Intention to Approve an Amendment to the Contract between the Board of Administration of California Public Employees' Retirement System and the City of Morro Bay (Miscellaneous Employees)

### **RECOMMENDATION:**

Per the terms and conditions of Resolution #65-11 between the City of Morro Bay and SEIU Miscellaneous employees, Staff recommends that the City Council adopt Resolution No. 69-11, authorizing an amendment to the City's PERS contract, in accordance with Government Code Section 20475 (Different Level of Benefits), Section 21353 (2% at 60 Full Formula), and Section 20037 (Three-Year Final Compensation) for all new hires in the PERS Miscellaneous Group, thereby establishing a 2<sup>nd</sup> Tier Retirement Formula.

### **FISCAL IMPACT:**

While there will not be a significant fiscal impact at the outset, by virtue of the change of retirement formula, the City will see substantial savings as we hire new employees to replace our existing employees, who either retire or move on to other agencies. It is known that the new employer contribution rate for the new hires will be 7.733% of reportable earnings, as opposed to the current rate of 21.898%.

### **DISCUSSION:**

As a condition of Resolution No. 65-11, the City is to begin the process to amend the current contract with PERS, regarding both the retirement formula, as well as the final compensation formula, to establish a 2<sup>nd</sup> Tier Formula for new hires in the PERS Miscellaneous Group. As such, staff has scheduled the necessary actions required by PERS to complete this amendment process. This action begins tonight with this Resolution of Intention to amend the current PERS contract for new hires only. This will be followed up this evening with a public hearing to introduce and perform a first reading of the required Ordinance. At the November 8, 2011 City Council meeting,

Prepared By: S. SLAYTON/JBoucher      Dept Review: \_\_\_\_\_

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

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

staff will bring the Ordinance back for adoption.

**CONCLUSION:**

Per the terms and conditions of Resolution No. 65-11 between the City of Morro Bay and SEIU, staff is requesting that Council adopt Resolution No. 69-11, which will start the process of amending the current retirement formula and final compensation formula for new hires in the PERS Miscellaneous Group, thus establishing a 2<sup>nd</sup> Tier Retirement Formula.

**RESOLUTION NO. 69-11**

**RESOLUTION OF INTENTION TO APPROVE  
AN AMENDMENT TO CONTRACT BETWEEN  
THE BOARD OF ADMINISTRATION  
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
AND THE CITY COUNCIL OF THE MORRO BAY (MISCELLANEOUS EMPLOYEES)**

**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 the City of Morro Bay 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 City Council of the City of Morro Bay 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 20475 (Different Level of Benefits); Section 21353 (2% @ 60 Full formula); and Section 20037 (Three-Year Final Compensation) applicable to PERS Miscellaneous Employees entering membership for the first time in this classification after the effective date of this amendment to contract.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Morro Bay does hereby give notice of intention to approve an amendment to the contract between the City of Morro Bay 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 11<sup>th</sup> of October, 2011, by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

\_\_\_\_\_  
WILLIAM YATES, Mayor

\_\_\_\_\_  
JAMIE BOUCHER, Deputy City Clerk



AGENDA NO: B-1

MEETING DATE: 10/1/2011

## Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** October 3, 2011

**FROM:** Susan Slayton, Administrative Services Director

**SUBJECT:** Introduction and First Reading of Ordinance No. 574 Authorizing the Amendment of Section 20475 (Different Level of Benefits); Section 21353 (2% @ 60 Full Formula); and Section 20037 (Three-Year Final Compensation) for New Hires in the PERS Miscellaneous Group – Introduction and First Reading

### **RECOMMENDATION:**

Approve the introduction and first reading of Ordinance 574, authorizing the amendment of Different Level of Benefits, 2% @ 60 Full formula and Three-Year Final Compensation for all newly-hired PERS miscellaneous employees.

### **FISCAL IMPACT:**

While there will not be a significant fiscal impact at the outset, by virtue of the change of retirement formula, the City will see substantial savings as we hire new employees to replace our existing employees, who either retire or move on to other agencies. It is known that the new employer contribution rate for the new hires will be 7.733% of reportable earnings, as opposed to the current rate of 21.898%.

### **DISCUSSION:**

Per the contract amendment process, earlier this evening the City Council was presented with Resolution No. 69-11, which authorized the Resolution of Intention to approve an amendment to the contract between the Board of Administration California Public Employees' Retirement System and the City of Morro Bay (Miscellaneous). The process states that the Resolution of Intention be followed by the introduction and first reading of the Ordinance, which is herewith presented.

### **CONCLUSION:**

The Resolution of Intention and Ordinance are required by PERS in order to amend the PERS contract. PERS' procedure further requires the Ordinance not be finally adopted until 20 days have passed since the adoption of the Resolution of Intention. The Resolution was presented tonight, October 11, 2011. The Ordinance is being presented to you this evening, with the second reading and adoption of the Ordinance scheduled for the November 8, 2011 meeting.

Prepared By: J. Boucher

Dept Review: \_\_\_\_\_

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

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

**ORDINANCE NO. 574**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORRO BAY  
AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE  
CITY COUNCIL OF THE CITY OF MORRO BAY AND THE BOARD OF  
ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT  
SYSTEM (GOVERNMENT CODE SECTION 20475 - DIFFERENT LEVEL OF BENEFITS),  
SECTION 21353 (2% @ 60 FORMULA), AND SECTION 20037 (THREE YEAR FINAL  
COMPENSATION) FOR LOCAL MISCELLANEOUS MEMBERS ONLY**

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

The City of Council of the City of Morro Bay does ordain as follows:

**SECTION 1.** 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 such reference made a part hereof as though herein set out in full.

**SECTION 2.** 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.** This Ordinance shall take effect and be in force thirty (30) days from the date of its passage, and before the expiration of fifteen (15) days after its passage, it, or a summary of it, shall be published once, with the names of the City Council members voting for and against the same, in a newspaper of general circulation published in the City of Morro Bay.

**INTRODUCED** at the regular meeting of the City Council held on the 11<sup>th</sup> day of October 2011, by motion of Councilmember \_\_\_\_\_ and seconded by Councilmember \_\_\_\_\_.

**PASSED, APPROVED, AND ADOPTED**, by the City Council of the City of Morro Bay, on the 8<sup>th</sup> day of November, 2011 by the following vote to wit:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST:

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WILLIAM YATES, MAYOR

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BRIDGETT KESSLING, CITY CLERK



AGENDA NO: D-1

MEETING DATE: 10/11/2011

## Staff Report

**TO:** Honorable Mayor and City Council **DATE:** 10/11/2011

**FROM:** Joseph M. Woods, Recreation and Parks Director

**SUBJECT:** Discussion of the Status of the City Rental Property on Shasta St.

### **RECOMMENDATION:**

Staff recommends the City Council consider the high cost of renovating the real property at 985 and 983 Shasta St. and direct staff to proceed with demolition of each site.

### **FISCAL IMPACT:**

Currently, 975, 985, and 983 Shasta are vacant and generate no income. In 2010/11 the City Council included \$50,500 in the new Deferred Maintenance Program to address deferred maintenance at both 983 and 985 Shasta Sts. as well as the demolition of 975 Shasta. Staff has estimated the total required structural repairs for both 983 and 985 Shasta to be \$102,100. If the renovation was to be directed, \$64,600 would need to be re-allocated from another source whereas a total demolition cost of all three buildings is estimated at only \$38,000 (985 and 983 Shasta at \$25,000, and 975 Shasta at \$13,000).

The approximate yearly revenue from property rental at 985 and 983 Shasta was only \$11,700.

### **SUMMARY:**

Staff has inspected the current condition of the real property at both 985 and 983 Shasta St., and has found that both structures have failing building systems and would be costly to repair. The residences are non-inhabitable due to failing infrastructure, and extremely dilapidated building systems. Both structures contain significant amounts of hazardous material, which by regulation; require specific handling, which would have to be addressed should any repair work or demolition to occur.

### **BACKGROUND:**

The properties were originally purchased by the City for the development of government services. These properties were part of a larger plan to develop up to half of the City block for

Prepared By: JMW

Dept Review: \_\_\_\_\_

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

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

government essential services. The idea was to have a combination Police and Fire station on Shasta St. in between Dunes and Harbor St. The plan also included the development of a Civic Center at 675 Harbor St. The properties on Shasta St. were rented to generate income in the interim period.

**DISCUSSION:**

Since the Shasta St. rental properties were purchased the City has spent approximately \$7,000 a year for maintenance and upkeep. The expenses for the properties have included, but are not limited to, interior painting, electrical system repair, sewer system repair and replacement, pest eradication, roof and window repairs, and appliance replacements.

Recently both 983 and 985 Shasta have recently become vacant, which has allowed staff to perform a more in depth inspection of the building systems. The following is a summary of the deficiencies found and their related costs:

975 Shasta

This property has been vacant for over four years. The house is in complete system failure and has been scheduled for demolition. Cost to demolition and abatement of hazardous material is \$13,000.

985 Shasta

Repair Dry Rot and Bath Fixtures	\$18,000
Repair Plumbing	\$ 5,000
Replacement of Fascia Board and Gutters	\$ 750
Replace Carpet	\$ 1,250
Paint Interior and Exterior	\$ 5,000
Replace Double Wall Furnace	\$ 1,500
Repair Approximately 75% of the Subfloor	\$30,000*
Replace Stove/Oven	\$ 1,000
Treat for Termites	\$ 4,000
Service the Electrical Panel	\$ 850
Remove and Replace Damaged Drywall	\$ 2,500*
Replace the Bathroom Window	\$ 500
Repair Shower/Tub Enclosure	\$ 1,850
<b>Subtotal</b>	<b>\$72,200</b>

\*hazardous material

<u>983 Shasta</u>	
Repair Dry Rot	\$ 5,500
Repair Plumbing	\$ 2,500
Replace Heater	\$ 1,000
Paint Exterior	\$ 3,500
Repair Staircase	\$ 550
Repair Approximately 80% of the Subfloor	\$15,000*
Replaced two Windows	\$ 1,000
Replace Stove/Oven	\$ 350
Replace Water Heater	\$ 500
Subtotal	\$29,900

\*hazardous material

Total estimate for repair of existing buildings at 985 and 983 Shasta, to include handling hazardous materials, is \$102,100. The above estimates are based on current market prices and historical work done on the site.

**CONCLUSION:**

The option of repair costs has doubled based on the deteriorating conditions of the buildings and availability for a more thorough inspection due to the properties now being vacant. Staff feels the benefit of removal of these structures would allow for City resources to be redirected.



AGENDA NO: D-2

MEETING DATE: October 11, 2011

# Staff Report

**TO: Honorable Mayor and City Council**

**DATE: October 3, 2011**

**FROM: Dylan Wade P.E. Utilities/Capital Projects Manager**

**SUBJECT: Discussion on Toilet Retrofit Rebate Program**

**RECOMMENDATION:**

Review and discuss the City of Morro Bay’s Toilet Retrofit Rebate Program and provide direction to staff on any changes.

**FISCAL IMPACT:**

The potential cost impacts to the Water Enterprise fund are highly variable and difficult to estimate. Costs associated with the current mature program are minimal (less than \$10,000 per year). Costs for a more robust program could exceed several hundred thousand per year. The potential costs associated with the loss of grant funding eligibility could be significant but are hard to estimate.

**BACKGROUND:**

In order to comply with the water code and other segments of state law, water utilities that serve more than 3000 customers or sell more than 3000 afy of water are required to prepare an Urban Water Management Plan (UWMP)in years ending in 5 and 10. The UWMP is required to address 14 specific water conservation Demand Management Measures (DMMs) that are roughly equivalent to the California Urban Water Conservation Council’s Best Management Practices (BMP).

Historically the City of Morro Bay was an early and aggressive implementer of water conservation the results of which have led to significant declines (46%) in average per capita water demands from 193 gpcd in 1970 to 106gpcd in 2010. However the City of Morro Bay implemented water conservation too early to receive credit for its previous efforts under current State mandates.

Prepared By: \_\_\_\_\_

Dept Review: \_\_\_\_\_

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

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

As part of the State's goal to reduce water usage 20% by the year 2020 each water purveyor was asked to set and meet certain water conservation targets. Failure to meet those targets will result in ineligibility to receive certain types of State grants and loans. As part of this overall effort to force water conservation by the State, a higher focus on the DMM's has resulted. One of the DMMs is the Residential Toilet Retrofit Rebate program.

**DISCUSSION:**

The City of Morro Bay's retrofit rebate program has been a tremendous success. The program was commenced in 1985 and has a documented saturation rate of approximately 83%. Actual saturation is expected to be higher than the documented rate. Developers retrofitted toilets to allow for their developments at a 15:1 rate. The program was modified in 2001 to pay homeowners \$100 for voluntarily retrofitting an average of 3gpf toilet to one that used 1.6gpf maximum and for updating the sinks and showers in the facility to aerated devices which use less water.

The estimated water savings from an Ultra Low Flow Toilet are based on 2.2 people per residence, 4.4 flushes per person per day and a reduction of 1.5 gallons per flush are approximately 5300 gallons or 5% of the average home's water use (replacement of a 3 gpf toilet with a 1.5 gpf). Estimated savings from replacing ULFT toilets with even lower flow toilets are about 1000 gallons or 1% of the average home's water use (replacement of a 1.6 gpf toilet with a 1.2 gpf).

In 2011 the plumbing code was revised to require all devices in California to be 1.28gpf. The question has been presented and staff has interpreted the retrofit on sale program and the voluntary retrofit rebate program to not apply to the conversion from a 1.6gpf to a 1.28gpf because we do not believe that there will be adequate return on the investment to justify the conversion.

This item is being brought to the Council for discussion on how or if to pursue the retrofit rebate program. Some potential options are outlined below.

1. Keep the current program as it exists and is interpreted. Positive aspects are the City will continue to provide an incentive for the conversion of the few remaining 3gpm toilets. The potential negative aspects are that there are few remaining fixtures out there and that the program in this fashion may not be interpreted as adequate by DWR during the 2015 UWMP review process.
2. Allow and provide an incentive to convert between 1.6gpf and 1.28gpf. The positive aspects are that the City's program would likely be acceptable in the 2015 UWMP review and some additional conservation will be achieved. The negative aspects are the potential liability to the water fund of replacing all of the toilets in Morro Bay at \$100 each.

3. Create a program that provides an incentive for retrofitting below the 1.28gpf such as requiring dual flush toilets that use .8gpf for one flush type and 1.28 for the other. The positive aspects of this decision are that the City's program would likely be acceptable in the 2015 UWMP review and some additional conservation will be achieved. The negative aspects are the potential liability to the water fund of replacing all of the toilets in Morro Bay at \$100 each.
4. Some other alternative that the Council develops that staff did not anticipate.
5. Elimination of the entire program. The positive aspects are the reduced costs associated with implementing the program. The negatives are the potential impact to future grant funding opportunities.

**CONCLUSION:**

In conclusion staff requests that the City Council review and discuss the City of Morro Bay's Toilet Retrofit Rebate program and provide direction to staff on any changes.



AGENDA NO: D-3

MEETING DATE: October 11, 2011

## Staff Report

**TO:** Honorable Mayor and Council **DATE:** October 5, 2011  
**FROM:** Janeen Burlingame, Management Analyst  
**SUBJECT:** Status Report on Morro Rock Parking Lot Solid Waste Service

**RECOMMENDATION:**

Staff recommends the City Council receive the information and provide direction as necessary.

**FISCAL IMPACT:**

There is no fiscal impact to receiving the information.

**DISCUSSION:**

Enclosed is a summary of the solid waste collection activities that take place at Morro Rock parking lot.

1. Morro Bay Garbage Service collection of garbage and recycling is as follows:
  - a. Garbage – 16 aggregate containers on north (13) and south (3) side of parking lot and 3 next to Rock restroom
    - Winter\* – 3 days per week (Monday, Thursday and Saturday)
    - Summer\* – 6 days per week (Monday through Saturday)
  - b. Garbage – 3-yard dumpster next to Rock restroom
    - Locking dumpster collected one day a week year round – this dumpster is used by the part time Harbor employee and Parks employees
  - c. Recycling – 2 3-yard dumpsters next to Rock restroom
    - Winter\* – One day every other week
    - Summer\* – One day per week

\*Winter collection is November through May and summer collection is June through October.

Prepared By: J. Burlingame

Dept Review: \_\_\_\_\_

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

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

Sunday collection was discontinued about 10 years ago as there was not enough interest from businesses to warrant offering the service due to the cost being prohibitive since Morro Bay Garbage Service would have to charge the cost for collection and Sundays would be double time for equipment and personnel.

2. Recreation & Parks – Parks maintenance employees are responsible for garbage collection in the Rock restroom and the immediate surrounding area.
3. Harbor – A part-time Harbor maintenance employee, in addition to other duties, is responsible for garbage collection every Sunday from the 2nd week in May through the 2nd week in September of all the aggregate containers on the waterfront from the launch ramp to the Rock (north and south sides). In the off-season this level of collection activity ceases as the Morro Bay Garbage Service collection schedule suffices to keep up with the volume accumulated. The lack of Sunday trash service and subsequent overflow issue was the genesis of the position being created.
4. Morro Bay Beautiful – The City is aware that Morro Bay Beautiful meets each Monday to collect garbage along the waterfront and Rock parking lot.

**CONCLUSION:**

Staff recommends the City Council receive the information and provide direction as necessary.