

City of Morro Bay

City Council Agenda

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.

REGULAR MEETING

**PUBLIC SESSION – SEPTEMBER 11, 2012
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 72 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 CITY COUNCIL MINUTES FOR THE REGULAR MEETING OF AUGUST 28, 2012; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 RESOLUTION NO. 42-12 ADOPTING THE AGREEMENT WITH THE MORRO BAY CONFIDENTIAL EMPLOYEES AND RELATED COMPENSATION; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution 42-12.

A-3 RESOLUTION NO. 41-12 ESTABLISHING THE COMPENSATION AND WORKING CONDITIONS FOR MANAGEMENT EMPLOYEES OF THE CITY OF MORRO BAY; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution 41-12.

A-4 ADOPT RESOLUTION NO. 47-12 AUTHORIZATION FOR THE EXECUTION OF THE CERTIFICATIONS AND ASSURANCES FOR THE PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT BOND PROGRAM; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Resolution 47-12.

A-5 PROCLAMATION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY DECLARING THE MONTH OF OCTOBER, 2012 AS "ENERGY AWARENESS MONTH"; (ADMINISTRATION)

RECOMMENDATION: Adopt Proclamation.

A-6 RESOLUTION AUTHORIZING THE CITY OF MORRO BAY TO ENTER INTO 2012/2013 \$80,000 BOATING SAFETY AND ENFORCEMENT GRANT CONTRACT WITH THE DEPARTMENT OF BOATING AND WATERWAYS; (HARBOR)

RECOMMENDATION: Adopt Resolution 48-12

A-7 RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA OPPOSING THE CENTRAL COASTAL CALIFORNIA SEISMIC IMAGING PROJECT; (ADMINISTRATION)

RECOMMENDATION: Adopt Resolution 49-12.

A-8 RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, AFFIRMING THE INTENDED USE OF THE CITY'S ONE-HALF CENT DISTRICT TRANSACTION TAX, COMMONLY KNOWN AS MEASURE Q; (CITY COUNCIL)

RECOMMENDATION: Adopt 46-12.

B. PUBLIC HEARINGS, REPORTS & APPEARANCES - None

C. UNFINISHED BUSINESS - None

D. NEW BUSINESS

D-1 DISCUSSION AND APPROVAL OF THE CHAMBER OF COMMERCE ECONOMIC DEVELOPMENT PROPOSAL AND LEASE CONDITIONS FOR CITY PROPERTY LOCATED AT 695 HARBOR STREET; (ADMINISTRATION)

RECOMMENDATION: Review the Economic Development proposal, provide input, discuss potential milestones for achievement and approve the proposal. In addition, approve the lease terms for the building located at 695 Harbor.

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 772-6205 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 AT CITY HALL LOCATED AT 595 HARBOR STREET; MORRO BAY LIBRARY LOCATED AT 625 HARBOR STREET; AND MILL'S COPY CENTER LOCATED AT 495 MORRO BAY BOULEVARD DURING NORMAL BUSINESS HOURS.

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 THAT REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.

AGENDA NO: A-1

MEETING DATE: 09/11/2012

MINUTES - MORRO BAY CITY COUNCIL
CLOSED SESSION – AUGUST 28, 2012
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
	Susan Slayton	Administrative Services Director

CLOSED SESSION

Mayor Yates adjourned the meeting to Closed Session.

Mayor Yates read the Closed Session Statement.

CS-1 GOVERNMENT CODE SECTION 54957.6; CONFERENCE WITH LABOR NEGOTIATOR:

Conference with City Manager, the City's Designated Representative, for the purpose of reviewing the City's position regarding the terms and compensation paid to the City Employees and giving instructions to the Designated Representative.

The meeting adjourned at 5:25pm.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – AUGUST 28, 2012
VETERAN'S MEMORIAL HALL – 6:00P.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
	Jamie Boucher	City Clerk
	Susan Slayton	Administrative Services Director
	Mike Pond	Fire Captain

Mike Lewis
Rob Livick
Eric Endersby
Joe Woods

Interim Police Chief
Public Services Director
Harbor Director
Recreation & Parks Director

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 Shultz reported that City Council met in Closed Session and no reportable action under the Brown Act was taken.

PUBLIC COMMENT

Keith Taylor presented 2 Reserve Firefighters, Dylan Kessner and Joe Rawson, with a \$500 scholarship each for their continued fire studies. These scholarships are made available through the sale of bricks at the new Fire Department. The sales will continue through Labor Day.

Karen Croley, a member of the Community Pool Foundation, spoke on the continued need for a local pool for our MBHS swimmers and water polo players, for recreational opportunities as well as lap swimmers. They are focusing on fundraising to build a pool and information can be found on their website located at MorroBayPool.org.

Robert ‘Red’ Davis spoke on behalf of the Morro Bay Friends of the Library who are excited about their upcoming remodel of the Library. Construction is scheduled to begin next spring. It is their goal to have a library that reflects the uniqueness of Morro Bay. They have raised over \$266,000 to date and continue to take donations. Their next book sale is scheduled for Saturday, November 3rd at 9am.

Mark Shaffer advertised the Fun Ride Program which has now come to Morro Bay. Fun Ride is the green way to drive. They have a Honda Insight available at Bank of America. You can join as a member, then go on-line (myfunride.com) and utilize a vehicle for \$7.50/hr which includes fuel. Now through the end of September, the \$30 annual membership fee is waived.

Robert Bacon, a resident of the Cloisters, spoke on Item D1, Discussion on the Formation of a Cloisters Advisory Board, hoping that Council takes no action and instead allows the incoming Council taking office in December make this decision. If that doesn’t occur, then he recommends that this Advisory Board meet 3 times a year – April (meet with contractor), May (make recommendations as to what should be placed in the bid) and June (make recommendation on the hiring of the contractor to perform the maintenance).

Craig Schmidt requested that the Chamber of Commerce be housed at 695 Harbor as that location has office space for what they hope to be a Business Resource Center. It can house the Chamber, its staff, Economic Development Coordinator, Agency Partners to service clients in the Morro Bay area and would allow for the establishment of a Morro Bay Business Incubator

serving up to 4 start-up businesses at a time, all for a minimal cost. This could also be a temporary location for the Library's public area while they are doing their renovations.

Betty Winholtz spoke on Item D-4, Update from the California State Lands Commission Hearings regarding Seismic Testing, encouraging Council to take advantage of the opportunity to have our voices heard before the California Coastal Commission as well as the California Fish and Game Commission as this is a very critical issue to the fisherman and the people who live here.

Richard Sadowsky agreed that the seismic testing is a very important issue for the whole Estero Bay. He also feels there was liquefaction damages to the Cayucos Collection System as a result of the 2003 earthquake and the County Supervisors as well as City staff have ignored this situation. He also feels there are many falsehoods in the rebuttal to the Coastal Commission's staff report.

Dawn Beattie spoke regarding the formation of the Cloisters Advisory Board. She is not in favor of creating such a board as she is more concerned with performance. She feels there are already a number of channels to communicate to and with the City.

Marla Jo Bruton wanted to ensure that we provide updates when the JPA meetings will be help so that people are aware this very large project is ongoing. She also is fearful that seismic testing will have an adverse effect on marine mammals.

Garry Johnson was offended by comments made at the prior meeting by a public speaker. He feels that all speakers should be afforded their first amendment rights. He wished that the opposition would please keep their remarks civil.

Aaron Ochs, managing editor of The Rock and co-host of Rock Talk hopes that Council approves the radio contract. He also stressed that the seismic testing would have adverse impacts on local fish, the economy, as well as many ripple down effects to local business.

Joan Solu and Karen Biaggini read a letter prepared by the Morro Bay Tourism Advisory Board and signed by many hoteliers requesting the City fund the TBID with an additional \$58,500 as well as step forward and split construction costs not to exceed \$10,000 for site improvements to the Visitor's Center relocation.

Ken Vesterfelt congratulated the Fire Department and the recipients of the \$500 scholarships. He also warned Council that there is land located at San Jacinto and Main that is being used as a walk-thru by many and is worried that land might be taken away as it has been done in the past. He also wants to bring the alley-way behind the Police Department to Council's attention as it is in disrepair.

Mayor Yates closed the public comment period.

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 CITY COUNCIL MINUTES FOR THE REGULAR MEETING OF AUGUST 14, 2012; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 REQUEST TO APPROVE A RESPONSE TO THE GRAND JURY REGARDING MEDICAL MARIJUANA; (CITY ATTORNEY)

RECOMMENDATION: Review the attached letter and authorize its submittal to the Grand Jury.

A-3 RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, DIRECTING A TIMELINE FOR COMPLETION OF CAPITAL PROJECTS APPROVED BY COUNCIL; (CITY COUNCIL)

RECOMMENDATION: Adopt Resolution 45-12.

A-4 APPROVAL OF MANAGEMENT AGREEMENT BETWEEN THE CITY OF MORRO BAY AND ESTERO BAY COMMUNITY RADIO TO OPERATE A LOW POWER FM (LPFM) RADIO STATION;(CITY ATTORNEY)

RECOMMENDATION: Review and approve the Management Agreement between the City of Morro Bay and Estero Bay Community Radio (EBCR) to operate a “Low Power FM” (LPFM) Radio Station.

Councilmember Smukler pulled Items A-1 and A-4 from the Consent Calendar.

MOTION: Councilmember Smukler moved the City Council approve Items A-2 and A-3 of the Consent Calendar. The motion was seconded by Councilmember Johnson and carried unanimously 5-0.

A-1 APPROVAL OF CITY COUNCIL MINUTES FOR THE REGULAR MEETING OF AUGUST 14, 2012; (ADMINISTRATION)

Councilmember Smukler pulled Item A-1 hoping to make the following addition to his comments on Item D-3 “Councilmember Smukler questioned the delivery truck restrictions and hoped to be able to explore conversation on that topic. He thinks that this would make for a good Business Forum topic. *He also requested that potential pilot project opportunities, including traffic flow and pedestrian promenade expansions be included in the review when the item returns to Council.*”

MOTION: Councilmember Smukler moved the City Council approve Item A-1 with the proposed amendment. The motion was seconded by Councilmember Borchard and carried unanimously 5-0.

A-4 APPROVAL OF MANAGEMENT AGREEMENT BETWEEN THE CITY OF MORRO BAY AND ESTERO BAY COMMUNITY RADIO TO OPERATE A LOW POWER FM (LPFM) RADIO STATION;(CITY ATTORNEY)

Councilmember Smukler pulled Item A-4 as he had questions about the insurance requirements of \$1,000,000 vs \$500,000 for liability insurance. He was concerned about the additional costs to the non-profit if the \$1,000,000 was required. He then questioned whether he should be recused from this item as he a non-voting member of the Board of Directors. City Attorney Rob Schultz felt that would be appropriate. Councilmember Smukler stepped down from the dais due to a conflict of interest.

MOTION: Councilmember Borchard moved approval of Item A4 however if changes to the insurance requirements occur and/or if the insurance costs became unaffordable for the non-profit, then the item would come back. The motion was seconded by Councilmember Leage and carried 4-0-1 with Councilmember Smukler abstaining.

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 APPEAL OF MINOR USE PERMIT #UP0-240, COASTAL DEVELOPMENT PERMIT #CP0-294 AND PARKING EXCEPTION #AD0-043 FOR THE CONVERSION OF 820 SQUARE FEET OF COMMERCIAL SPACE TO A RESIDENTIAL UNIT AND A PARKING EXCEPTION TO WAIVE THE REQUIREMENT OF TWO COVERED AND ENCLOSED PARKING SPACES AND PROVIDING TWO OPEN AND UNCOVERED PARKING SPACES, LOCATED AT 2176 MAIN STREET (PINANARAN, APPLICANT); (PUBLIC SERVICES)

Public Services Director Rob Livick presented the staff report.

John McDonald, representing the applicant, presented their arguments in favor of overturning the Planning Commission's decision.

Mayor Yates opened the hearing for public comment.

Betty Winholtz quoted 2 Municipal Code Ordinances that directly relate to this item, Ordinance 17.40.070 – Combining Mixed Use Overlay, and 17.44.020 – Parking Facilities. The word “shall” in 17.40.070 stipulates that two or more zoning districts may be applied to the same property in mixed use areas combining commercial and residential designations, then the commercial district shall be the primary district and at least fifty percent of the gross floor area of the project shall be devoted to commercial or office space. The word “may” applies to residential uses which may be permitted in conjunction with the primary use, and shall be located on upper stories or to the rear of the primary use. Regarding 17.44.020, there also is no diagram of parking in the packet so you aren't able to know where the parking is going to go – it's about the quantity of spaces.

Mayor Yates closed the hearing for public comment.

Mr. Livick provided clarification on staff's interpretation of the codes as they have been applied.

MOTION: Councilmember Borchard moved approval of the appeal of Minor Use Permit #UP0-240, Coastal Development Permit #CP0-294 and Parking Exception #AD0-043 for the Conversion of 820 Square Feet of Commercial Space to a Residential Unit and a Parking Exception to Waive the Requirement of Two Covered and Enclosed

Parking Spaces and Providing Two Open and Uncovered Parking Spaces, Located at 2176 Main Street including conditions in Attachment #2. The motion was seconded by Councilmember Johnson and carried 4-1 with Councilmember Smukler voting no.

Councilmember Smukler feels that his interpretation of Ordinance 17.40.070 is more in align with the original Planning Commission's decision as at least 50% of the per site requirement of the gross floor area of the project is not being devoted to commercial uses.

C. UNFINISHED BUSINESS - None

D. NEW BUSINESS

D-1 DISCUSSION ON THE FORMATION OF A CLOISTERS ADVISORY BOARD TO MAKE RECOMMENDATIONS REGARDING CLOISTERS MAINTENANCE WORK; (RECREATION & PARKS AND CITY ATTORNEY)

Recreation and Parks Director, Joe Woods presented the staff report.

Councilmember Smukler disagrees with some of the Cloisters speakers as he feels this is a formal opportunity for the Cloisters residents to make comments and if this concept works, it will ultimately save time. He also felt it important to appoint a representative from both Indigo Circle as well as Emerald Circle.

Mayor Yates is leaning towards not giving this support. Mr. Woods has stepped up to the plate and the problems are getting fixed. He also doesn't sense support for this from the Cloisters residents.

Councilmember Borchard agrees with the quarterly meetings and could support continued quarterly meetings with staff without forming the official advisory board.

Councilmember Johnson feels that Ms. Beattie has done a good job on keeping staff moving forward. She could go either way. She also wants to ensure that Council is provided status reports and the budget to date at the end of the year so that Council knows beforehand, when talks are begun next year, what has happened. She would also like to see a performance report on the contractor at this same time.

Councilmember Leage doesn't believe we need an Advisory Board. No one is adamant about its formation and Mr. Woods and staff have done a good job in fixing things.

Councilmember Smukler feels it important that in going forward, we set up a structure that's understood and that would give the residents the ability to review the budget and engineer's report in a timely manner as well as having a strong performance evaluation of the contractor. If that can be satisfied informally without forming the board he could support this. He also feels a survey of the residents can prove helpful.

MOTION: Councilmember Smukler moved to direct staff to continue their communication with Cloisters residents to ensure a well-timed opportunity for review of the budget and Engineer's Report as well as a performance evaluation of the contractor

and report back to Council as necessary. The motion was seconded by Mayor Yates and carried unanimously 5-0.

D-2 DISCUSSION ON THE PROCESSING AND LICENSING OF TEMPORARY USE PERMITS AND PUBLIC AREA USE PERMITS AND HOW IT RELATES TO NEW BUSINESS; (CITY ATTORNEY)

Councilmember Smukler presented the staff report stressing that it is clear to him that this is an area that needs cleaning up. He is not looking at stopping events but when we look at how well our current codes and ordinances are working, there isn't a plan for how well a local business can protect their rights. He is looking for a formal process.

Councilmember Johnson feels that there is a current process in place and that if a business is concerned with the current process, there is an avenue to complain.

Councilmember Borchard doesn't think there is a resolve for this. We invite vendors to enhance our events and hopes that the event organizers will be more cognizant of local businesses. Councilmember Johnson tends to agree that, "it is what it is".

MOTION: Councilmember Smukler moved to direct the City Attorney to evaluate ways to improve our Public Area Use Permit and Temporary Use Permit process as time allows. The motion was seconded by Councilmember Borchard and carried 4-1 with Mayor Yates voting no.

D-3 DISCUSSION AND RECOMMENDATION OF THE MORRO BAY CHAMBER OF COMMERCE BEING HOUSED IN A CITY-OWNED FACILITY; (ADMINISTRATION)

City Manager Andrea Lueker presented the staff report.

Both Mayor Yates and Councilmember Leage are in full support of this happening.

Councilmember Borchard is on the fence as she has concerns because they originally talked about surplussing that property. She was under the understanding that they would be housed at the Transportation building. Also, she is still unsure what their Economic Development Plan is.

Councilmember Johnson agrees with Councilmember Borchard and is waiting for their Economic Development Plan. She would like the Chamber to entertain a 1 year lease at the Transportation building feeling all activities can be done there as well.

Councilmember Smukler is fully in favor of this as it is clear that the Chamber has some really exciting ideas about what to do with the additional space in the building. He does feel that approval would be contingent upon approval of their Economic Development Plan.

MOTION: Councilmember Smukler moved approval in concept of the City leasing to the Chamber of Commerce the Fire Station Modular located at 695 Harbor with final approval contingent upon the approval of the lease as well as the Economic Development

Program. The motion was seconded by Mayor Yates and carried 3-2 with Councilmembers Borchard and Johnson voting no.

D-4 UPDATE FROM THE CALIFORNIA STATE LANDS COMMISSION HEARINGS HELD ON AUGUST 14 & 20, 2012 AND DIRECTION TO STAFF FOR FURTHER MONITORING OF THE SEISMIC TESTING FOR DIABLO CANYON; (ADMINISTRATION)

City Manager Andrea Lueker presented the staff report.

Mayor Yates's goal is to generate a Resolution strongly opposing the Seismic testing with enough time to get it to the California Coastal Commission as well as Fish and Game and State Lands. There was unanimous consensus of all Councilmembers for this action.

Councilmember Smukler also asked staff to evaluate options that the City could look at as well as possibly help those going through the claims process in an effort to help people through that confusing procedure. He feel that there will very likely be a rippling economic effect on local businesses. He also wanted to ensure that staff tailored their comments to the jurisdiction/focus group that the communications were being sent to. We need to try and build more public awareness about this situation.

Councilmembers Borchard and Smukler hope that we can place the link back to our website as well as a link to the claims process through PG&E.

MOTION: Mayor Yates moved to direct staff to institute items 1, 2 and 3 under discussion in the staff report adding environmental and cultural stakeholders to Item 2 and adding fish processing, fish landing docks and fuel docks to the beginning of Item 3b and to produce a Resolution strongly opposing the Seismic testing that is proposed by PG&E off our coast. The motion was seconded by Councilmember Smukler and carried unanimously 5-0.

E. DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Borchard requested an agenda item discussing TBID's request for additional funding; all Councilmember concurred.

Councilmember Borchard requested the first Delayed Project Status report come to Council at the second meeting in September; Mayor Yates and Councilmember Johnson concurred.

ADJOURNMENT

The meeting adjourned at 8:41 p.m.

Recorded by:

Jamie Boucher
City Clerk



AGENDA NO: A-2

MEETING DATE: 09/11/2012

Staff Report

TO: Honorable Mayor and City Council **DATE:** July 27, 2012
FROM: Susan Slayton, Administrative Services Director/Treasurer
SUBJECT: Resolution No. 42-12 Adopting the Agreement with the Morro Bay Confidential Employees and Related Compensation

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. 42-12, approving the Agreement with the Morro Bay Confidential Employees. The term of the Agreement is from September 12, 2012 through June 30, 2013.

FISCAL IMPACT

As per City Council's direction, this Agreement reflects minimal cost to the City.

SUMMARY:

The July 2011 – June 2012 Agreement is currently on the City's website (link: "Employee Compensation Information"). The proposed September 12, 2012 – June 30, 2013 Agreement, which is attached in a draft blue-lined format, includes no substantive changes.

The Agreement has been accepted by the Confidential employees.

Prepared By: _____ Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

RESOLUTION NO. 42-12

**RESOLUTION OF THE CITY OF MORRO BAY
ADOPTING THE AGREEMENT WITH THE
MORRO BAY CONFIDENTIAL EMPLOYEES AND RELATED COMPENSATION**

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

WHEREAS, representatives of the City of Morro Bay (CITY) and representatives of the Confidential Group met and discussed the terms and conditions of employment, through the Meet and Confer process; and

WHEREAS, the meetings between the Confidential Group and the CITY have resulted in a mutual agreement and understanding; and

WHEREAS, the employees represented by the Confidential Group accept all of the terms and conditions as set forth in the Agreement attached and made a part of this Resolution herewith; and

WHEREAS, the CITY now desires to provide said salaries, benefits and conditions to said Confidential Group of the CITY.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morro Bay does hereby adopt this Resolution adopting an Agreement on the compensation and working conditions for the Confidential Group for the period September 12, 2012 through June 30, 2013, and authorizes the City Manager to execute all necessary documents to implement said changes.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a meeting thereof held this 11th day of September, 2012 by the following vote:

AYES:

NOES:

ABSENT:

WILLIAM YATES, Mayor

ATTEST:

JAMIE BOUCHER, City Clerk

AGREEMENT
BETWEEN THE
CONFIDENTIAL EMPLOYEES
AND
THE CITY OF MORRO BAY

~~JULY 1~~ SEPTEMBER 12, 2012 - JUNE 30, 201~~2~~3

**AGREEMENT BETWEEN
THE CONFIDENTIAL EMPLOYEES AND THE CITY OF MORRO BAY**
~~July~~September 12, 2011~~2~~ – ~~June 2012~~3

ARTICLE 1 - PURPOSE

- 1.1 **WHEREAS**, the City of Morro Bay is a municipal corporation existing under the laws of the State of California as a general law city; and
- 1.2 **WHEREAS**, the City of Morro Bay is limited, insofar as funds are concerned because of a fixed tax rate; and in structure because it is a public entity rather than a profit making business; and
- 1.3 **WHEREAS**, Confidential Group and the City of Morro Bay recognize that the mission and the purpose of the City is to provide for high-quality and economical municipal services and facilities to the residents of the City of Morro Bay.
- 1.4 **THEREFORE**, this AGREEMENT (hereinafter referred to as “AGREEMENT”) is entered into as of ~~_____~~September 12, 2011~~2~~, between the City of Morro Bay, referred to as "CITY," and the Confidential Group.
- 1.5 It is the intent and purpose of this AGREEMENT to assure sound and mutually beneficial working and economic relations and conditions between the parties hereto; to provide for an orderly and peaceable method and manner of resolving any differences which may arise and to negotiate any misunderstanding which could arise and to set forth herein the basic and full agreement between the parties concerning the pay, wages, hours of employment, and other terms and conditions of employment.

ARTICLE 2 - MANAGEMENT

- 2.1 In order to ensure that the CITY shall continue to carry out its municipal functions, programs, and responsibilities to the public imposed by law, and to maintain efficient public service for the citizens of Morro Bay, the CITY continues to reserve and retain solely and exclusively all management rights, regardless of the frequency of use, including those rights and responsibilities set forth by law and those CITY rights set forth in the CITY’s Personnel Rules and Regulations and including but not limited to the following:
 - 2.1.1 To manage the CITY and determine policies and procedures and the right to manage the affairs of all Departments.
 - 2.1.2 To determine the existence or nonexistence of facts which are the basis of the management decision in compliance with State law.
 - 2.1.3 To determine the necessity, organization, implementation, and termination of any service or activity conducted by the CITY or other government jurisdiction and to

expand or diminish services.

- 2.1.4 To direct, supervise, recruit, select, hire, evaluate, promote, transfer, discipline, discharge, terminate, demote, reduce, suspend, reprimand, withhold salary increases and benefits for disciplinary reasons, or otherwise discipline employees in accordance with Department or CITY rules, regulations, or ordinances.
- 2.1.5 To determine the nature, manner, means, extent, type, time, quantity, quality, technology, standard, and level of services to be provided to the public.
- 2.1.6 To require performance of other public services not specifically stated herein in the event of emergency or disaster, as deemed necessary by the CITY.
- 2.1.7 To lay off employees because of lack of work or funds or under conditions where continued work would be inefficient or nonproductive or not cost effective, as determined by the CITY.
- 2.1.8 To determine and/or change facilities, methods, technology, equipment, operations to be performed, organization structure, and allocate or assign work by which the CITY operations and services are to be conducted.
- 2.1.9 To determine method of financing.
- 2.1.10 To plan, determine, and manage Departments' budget which includes, but is not limited to, changes in the number of locations and types of operations, processes and materials to be used in carrying out all functions and the right to contract or subcontract any work or operations.
- 2.1.11 To determine the size and composition of the work force, assign work to employees of the CITY in accordance with requirements determined by the CITY and to establish and require compliance to work hours and changes to work hours, work schedules, including call back, standby, and overtime, and other work assignments, except as otherwise limited by this agreement, or subsequent agreements.
- 2.1.12 To establish and modify goals and objectives related to productivity and performance programs and standards, including but not limited to quality and quantity, and required compliance therewith.
- 2.1.13 To determine qualifications, skills, abilities, knowledge, selection procedures and standards, job classification, job specifications, and to

reallocate and reclassify employees in accordance with division and/or CITY Rules and Regulations.
- 2.1.14 To determine the issues of public policy and the overall goals and objectives of the CITY and to take necessary action to achieve the goals and objectives of the CITY.

- 2.1.15 To hire, transfer intra or inter Department, promote, reduce in rank, demote, reallocate, terminate and take other personnel action for non-disciplinary reasons in accordance with Department and/or CITY Rules, Regulations and Ordinances.
 - 2.1.16 To determine policies, procedures and standards for recruiting, selecting, training and promoting employees.
 - 2.1.17 To establish, implement, and/or modify rules and regulations, policies, and procedures related to productivity, performance, efficiency, personal appearance standards, code of ethics and conduct, safety, health, and order, and to require compliance therewith.
 - 2.1.18 To maintain order and efficiency in facilities and operation.
 - 2.1.19 To restrict the activity of an employee organization on CITY facilities except as set forth in this agreement.
 - 2.1.20 To take any and all necessary steps and actions to carry out the service requirements and mission of the CITY in emergencies or any other time deemed necessary by the CITY and not specified above.
- 2.2 Nothing herein is meant to diminish CITY rights provided by the Government Code.
- 2.3 **AUTHORITY OF THIRD PARTY NEUTRAL - MANAGEMENT RIGHTS**
- All management rights, powers, authority and functions, whether heretofore or hereinafter exercised, shall remain vested exclusively with the CITY. No third party neutral shall have the authority to diminish any of the management rights which are included in this agreement.
- 2.4 Nothing herein is meant to diminish employee rights provided by the Government Code.

ARTICLE 3 - RECOGNITION

- 3.1 The Confidential Group is comprised of the following classifications:

Executive Secretary/City Clerk
 Senior Accounting Technician
 Human Resources Analyst
Legal Assistant/Deputy City Clerk
 Personnel Technician
Accounting Technician
 Account Clerk III_-_Confidential

The term “employee” or “employees” as used herein shall refer only to the foregoing classifications.

- 3.2 Employees working on a regular basis in a classified position, but less than full-time,

shall receive vacation and sick leave accruals on a pro-rated basis commensurate with hours worked. All benefits for new hires, including insurance benefits, will be allocated on a pro-rated basis commensurate with hours worked.

3.3 ELECTRONIC DEPOSIT

All employees shall receive their pay by electronic methods. New hires must present account information for a checking or a savings account with an ACH member financial institution.

ARTICLE 4 - TERM

Except as otherwise specifically provided herein, the term of this AGREEMENT commences on ~~July~~September 12, 2011~~2~~ and expires and is otherwise fully terminated at midnight on June 30, 2012~~3~~.

ARTICLE 5 - ANTI-DISCRIMINATION

The CITY and Confidential Group mutually agree they will not discriminate against employees for the exercise of their rights under the State of California Government Code Section 3502.

ARTICLE 6 - WORK SCHEDULE

This article is intended to define the normal hours of work and shall not be construed as a guarantee of work per day or per week, or of days of work per week.

- 6.1 **WORKDAY:** The normal workday shall be eight (8) hours of work in a twenty-four (24) consecutive hour period, except in cases of emergencies. Alternative work schedules can be implemented upon approval of the City Manager, and providing they are not in violation of FLSA regulations.
- 6.2 **WORKSHIFT:** Employees shall be scheduled to work on regular workshifts having regular starting and quitting times. Except for emergencies, employees' workshifts shall not be changed without 24 hour prior notice to the employee. Call-out or overtime does not constitute as change in workshift.
- 6.3 **WORKWEEK:** The normal workweek shall be five (5) workdays and two (2) consecutive days of rest in a seven (7) day period beginning Saturday, 12:00 a.m. and ending seven days later on Friday night at 11:59 p.m., except in cases of emergencies, or at the specific request of an employee and approval of department head. Nothing herein shall be construed to eliminate currently established irregular work schedules.

6.4 OVERTIME COMPENSATION

- 6.4.1 All work required by the CITY and actually performed beyond forty (40) hours worked in a workweek is defined as Fair Labor Standards Act (FLSA) overtime. FLSA overtime shall be compensated at one and one-half (1.5) times the

employee's regular rate of pay, as defined by FLSA.

6.4.2 Designated CITY holidays shall be considered as time worked for purposes of computing overtime for personnel working a Monday through Friday, 8 hours a day, schedule with Saturday and Sunday as regular days off. Employees working other schedules will accrue 8 hours holiday time and, if working on the CITY designated holiday, be paid at the rate of one and one-half (1.5) times the employee's regular rate of pay, as defined by FLSA.

6.5 COMPENSATORY TIME OFF (CTO)

6.5.1 At the employee's option, Compensatory Time Off may be taken in lieu of payment for overtime.

6.5.2 CTO may be accrued. An employee's CTO balance shall indicate the amount of CTO available for employee's use. For example, if an employee works two (2) hours of FLSA overtime and elects to accrue CTO, the employee's CTO balance shall indicate three (3) hours.

6.5.3 An employee's CTO balance shall not exceed a maximum of forty (40) hours. If overtime is earned which would exceed this limit, the excess shall be paid in cash.

6.5.4 FLSA overtime shall be accrued and taken at one and one-half (1.5) times the amount of overtime actually worked. For example, if an employee works two (2) hours FLSA overtime in a workweek, the employee shall be entitled to either two (2) hours pay at one and one-half (1.5) times the employee's regular rate of pay, or three (3) hours of CTO.

6.5.5 All CTO requested by an employee shall be approved in advance by the employee's Department Head.

6.6 EMERGENCIES:

6.6.1 Nothing herein shall be construed to limit or restrict the authority of management to make temporary assignments to different or additional locations, shifts, or duties for the purpose of meeting an emergency. Such emergency assignments shall not extend beyond the period of said emergency.

6.6.2 Short staffing caused solely by absences due to employees taking approved paid leave shall not be considered an emergency.

ARTICLE 7 - VACATION LEAVE

NOTE: ALL LEAVE TIME (VACATION, SICK LEAVE, HOLIDAY, ETC.), WILL BE TAKEN OFF ON AN HOUR FOR HOUR BASIS EQUALING EMPLOYEE ACTUAL TIME OFF, REGARDLESS OF ACCUMULATION RATES.

7.1 During the term of this agreement, paid vacation leave shall be earned at the following rate:

<u>SERVICE YEARS</u>	<u>ENTITLEMENT IN DAYS</u>
1 thru 2	10
3 thru 4	11
5 thru 6	12
7 thru 8	13
9 thru 10	14
11 thru 12	15
13 thru 14	16
15 thru 16	17
17 thru 18	18
19 thru 20	19
21 or more	20

7.2 The standard for vacation time is eight (8) hours equals one (1) day.

7.3 **MAXIMUM ACCUMULATION**

It is recognized long-standing accumulations of vacation time exist for some employees. In order to compensate employees for this unused vacation time and reduce this liability for the City, CITY and Confidential Group agree on the following policy:

7.3.1 Unused vacation leave may be carried over into the following year to a maximum of four hundred (400) hours. Employees exceeding the 400 hour maximum as of the pay period containing November 1 of each year will be paid off for vacation time exceeding the 400 hour maximum. The CITY shall make said payment with the pay period containing December 1 of each year. Payment shall be computed based upon the employee's base hourly rate of pay as of June 30 of the same calendar year. At employee's further option, said payment may be put into deferred compensation.

7.3.2 Employees separating from the CITY are entitled to pay for accumulated vacation based upon employee's base hourly rate of pay as of June 30 prior to separation.

7.4 A member of the Confidential Group may exercise an option to convert into cash a maximum of forty (40) hours of accrued vacation leave each fiscal year. Such conversion shall be computed at the employee's current base hourly rate on an hour per hour basis.

ARTICLE 8 - HOLIDAYS

8.1 For the purpose of this agreement, the following days are the holidays for the employees in the Confidential Group:

Independence Day.....	July 4
Labor Day.....	1 st Monday in September
Veteran's Day.....	November 11

Thanksgiving Day.....	4 th Thursday in November
Day after Thanksgiving Day.....	4 th Friday in November
Christmas Day.....	December 25
New Year's Day.....	January 1
Martin Luther King, Jr., Day.....	3 rd Monday in January
Lincoln's Birthday.....	February 12
President's Day.....	3 rd Monday in February
Memorial Day.....	Last Monday in May
Floating Holiday.....	Varies
Floating Holiday.....	Varies

8.2 Holidays falling on Saturday shall be observed on the preceding Friday, and holidays falling on Sunday shall be observed on the following Monday; and, shall be considered designated holidays for purposes of overtime.

8.3 One holiday equals eight hours. For those employees working the 9/80 alternative work schedule, one holiday may equal up to 9 hours. Accrued holiday time may be taken in less than eight hour increments.

8.4 It is agreed that when a holiday is proclaimed by the Mayor of the CITY, then each employee shall be granted time-off in the same number of equivalent work hours. Such time-off shall be selected by the Department Head.

8.5 Employees may accumulate up to a maximum of forty-eight (48) hours holiday time. Hours of holiday time accumulated over 48 hours will be paid off. When an employee terminates employment with the CITY, he/she shall receive pay for his/her current holiday balance up to a maximum of 48 hours at his/her current base hourly rate.

8.6 CITY's denial of requested holiday time off shall be neither arbitrary nor capricious.

ARTICLE 9 - ADMINISTRATIVE LEAVE

9.1 Each member of the Confidential Group is eligible to earn thirty-six (36) hours of administrative leave per fiscal year. The time during the fiscal year at which an employee may take administrative leave shall be determined by their department head with regard for the wishes of the employee and particular regard for the needs of the services.

9.2 Up to twenty-four (24) hours of administrative leave may be rolled over into the following fiscal year. Upon termination, employee will be paid the pro-rated amount commensurate with that portion of the fiscal year worked.

ARTICLE 10 - SICK LEAVE

10.1 During the term of this agreement, sick leave shall be earned at the rate of one (1) eight-hour workday for each calendar month of service. Sick leave used shall be actual employee time off. For example, if an employee works four (4) ten (10) hour days per week and is off sick for one of the ten (10) hour days, ten (10) hours shall be deducted

from employee's sick leave balance. There shall be no maximum to the amount of sick leave that an employee may accumulate.

- 10.2 Based on individual utilization of paid sick leave in the preceding fiscal year, employee may convert unused accumulated sick leave into paid vacation leave once during the following fiscal year, pursuant to the formula below:

<u>Sick Leave Utilization</u>	<u>Maximum Conversion</u>		<u>Vacation Leave</u>
	<u>Sick Leave</u>	<u>To</u>	
0 hours	96 hours		48 hours
.25 to 8 hours	72 hours		36 hours
8.25 to 16 hours	48 hours		24 hours
16.25 to 25 hours	24 hours		12 hours
Over 25 hours	0 hours		0 hours

At least one hundred sixty (160) hours shall remain in employee's sick leave bank after any conversion is authorized.

- 10.3 Upon the service retirement of an employee who has more than ten (10) years of service with the CITY, said employee shall be entitled to receive payment for up to the first ninety (90) days of his/her accrued sick leave at twenty-five percent (25%) of the employee's rate of pay as of the date of service retirement.

Service retirement is defined as service retirement from both the CITY and the respective retirement system thereof.

NOTE: Sick leave converted to service credit for CalPERS purposes cannot be compensated (converted to dollars).

ARTICLE 11 - RETIREMENT BENEFITS

- 11.1 All members of the Confidential Group pay 100% of the employee contribution to CalPERS.
- 11.2 Confidential Group understands and agrees that employees bear the risk of payment of any increases in the employee contribution above the current percentage made by action of the CalPERS or the state legislature.
- 11.3 Parties agree that CITY payment of CalPERS contributions are made based upon tax treatment currently permitted by the State Franchise Tax Board and the IRS.
- 11.4 Should current tax treatment change, the Confidential Group shall hold harmless the CITY, its officers and agents from any and all claims or costs of any type including, but not limited to, liability for back taxes, arising out of this agreement to pay part of the employee's CalPERS contribution.
- 11.5 Should current tax treatment change, the Confidential Group shall have the opportunity to meet and confer regarding any such changes.

11.6 For employees hired prior to ~~the implementation of the PERS Contract Amendment regarding 2-Tier Retirement Formulas and Final Compensation for PERS Miscellaneous Employees~~December 10, 2011, the CITY agrees to continue to provide CalPERS Miscellaneous Employees with the following CalPERS optional benefits:

2.7% at 55 plan (Section 21354)
Sick Leave Credit Option (Section 20965)
One-Year Final Compensation (20042)
Military Service Credit (21024)
1959 Survivor Benefit, Level 4th (21574)

11.7 For employees hired on or after ~~the date of the implementation of the PERS Contract Amendment regarding 2-Tier Retirement Formulas and Final Compensation for PERS Miscellaneous employees~~December 10, 2011, the CITY will provide a retirement benefit program through ~~Public Employees Retirement System (CalPERS)~~ with the following CalPERS optional benefits:

2% @ 60 plan (21353)
Sick Leave Option (Section 20965)
Final Compensation Average 36 consecutive highest months (20037)
Military Service Credit (21024)
1959 Survivor Benefit 4th Level (21574)

ARTICLE 12 - HEALTH BENEFITS/DEFERRED COMPENSATION PROGRAM

12.1 HEALTH INSURANCE

12.1.1 Employees of the Confidential Group shall participate in the CalPERS medical insurance plans on a cafeteria style basis, with the CITY contributing the CalPERS minimum (currently ~~\$108~~112/month) to the active employee's medical insurance and \$1.00/month or the amount required by CalPERS to retiree medical insurance. Any costs in excess of these contribution rates shall be paid by the employee and retiree.

12.1.2 The Confidential Group receives a cafeteria plan contribution (including the amount required by CalPERS in 12.1.1 above) as follows:

Employee only - up to \$715/month or cost of insurance, whichever is less
Employee + 1 - up to \$947/month or cost of insurance, whichever is less
Employee + family - up to \$1050/month or cost of insurance, whichever is less

12.1.3 Effective January 1, 2013 (beginning December 1, 2012), Confidential Group employees receive a cafeteria plan contribution (including the amount required by PERS in 12.1.1 above) as follows:

Employee only - up to \$715/month or cost of insurance, whichever is less

Employee + 1 – up to \$967/month or cost of insurance, whichever is less
Employee + family - up to \$1080/month or cost of insurance, whichever is less

12.2 DENTAL AND VISION INSURANCE:

12.2.1 During the term of this Agreement, the CITY shall offer dental/life and vision insurance and each employee shall be required to carry both dental/life and vision insurance for self. Life Insurance is provided at \$20,000 per employee (\$30,000 beginning January 1, 2013). The following rates are effective January 1, 2012.

	<u>VISION</u>	<u>DENTAL</u>	<u>LIFE</u>	<u>TOTALS</u>
Employee Only	\$ 8.63	-\$ 3740.7607	\$ <u>53.680</u>	\$ 52. <u>307</u>
Employee +1	\$17.26	\$106.39	\$ <u>53.680</u>	\$12 <u>97.3325</u>
Employee +2	\$22.29	\$1 <u>0611.3974</u>	\$ <u>53.680</u>	\$13 <u>47.363</u>

Employee will be responsible for the following monthly amounts for dental/life and vision beginning with the pay period including January 1, ~~2011~~2012:

Employee Only	\$ <u>2.932</u>
Employee + 1	\$ <u>711.75</u>
Employee + 2+	\$ <u>812.221</u>

CITY will pay the remaining premium for dental/life and vision. Any increases to vision, dental and/or life will be borne by the employee.

12.3 Any coverage made available to future retirees beyond COBRA time requirements shall be paid for by the retiree.

12.4 The provisions of this section shall be binding on the parties through the remainder of this agreement and for the term of the agreement that will be effective ~~July 1~~September 12, 2012. The parties agree herewith that no further collective bargaining will occur with respect to this section for the term of the agreement ending June 30, 20123.

12.5 CONTRIBUTION TO OTHER PROGRAMS

CITY will contribute up to \$1,000 per calendar year to employee's deferred compensation or approved retiree medical savings plan on a 2:1 basis (i.e., employee contributes \$2, CITY contributes \$1).

ARTICLE 13 - EDUCATION INCENTIVES

13.1 CITY agrees to reimburse the costs for ~~job--~~related and job-required certifications, correspondence courses, and licenses (except Class III driver's license) upon successful completion of the examination or course by the employee having written authorization in advance from their department head. This shall include application fees, examination fees, and certificate fees. Renewal fees may be paid in advance by the CITY.

CITY agrees to provide a City vehicle, when available, during normal working hours for required transportation and will permit paid time for employee to take examinations

scheduled during normal working hours. No mileage payments are authorized for personal transportation, and time spent outside normal working hours shall not be compensated.

13.2 COLLEGE DEGREES

13.2.1 CITY agrees to pay the following education incentives on base salary to regular employees hired prior to January 1, 1998 who hold degrees above the minimum required in their respective classification.

Associate of Arts Degree - \$600 annually
Bachelors Degree - \$1200 annually

13.2.2 If an employee's job description requires an AA degree and the employee has a Bachelor's Degree, the employee will receive only the difference between an AA and a BA degree, or \$600 annually.

13.2.3 If an employee's job description requires a degree or if an employee is promoted to a classification that requires a degree, the employee shall not receive education incentive pay for the required degree.

The parties agree that this section shall not be interpreted to reduce the amount of education incentive pay that any employee hired prior to January 1, 1998 receives, notwithstanding the fact that the employee is promoted to a higher position requiring a particular degree, or the fact that the job description for the employee's existing position has been revised to require a particular degree. In the event an employee hired prior to January 1, 1998 promotes to a position requiring a degree not required by the lower position, or if the job description for an employee hired prior to January 1, 1998 is revised to require a degree not previously required for the position, the employee shall continue to receive the amount of the education incentive pay received in the lower position or previous job description.

13.2.4 Based on the new job descriptions for all classifications which were adopted in May 1995, as well as salary survey implementation over the last three years, employees currently in positions now required to hold an AA or BA degree according to the job description for the classification they hold, will continue to receive an educational incentive for said degree. Any employees hired on or after January 1, 1998 or current employees promoted on or after January 1, 1998 to positions requiring degrees will be subject to section 13.2.3 above.

13.2.5 Employees hired on or after January 1, 1998 shall not be eligible for this incentive.

ARTICLE 14 - SALARIES

14.1 ~~Effective pay period beginning July 9, 2011, employees in the Confidential Group will take a 2% salary reduction.~~ Salaries shall remain unchanged for the term of this

| Agreement.

| 14.2 All salary adjustments, including, but not limited to, merit increases, educational incentives, and any other pay adjustments will take effect at the beginning of the next payroll period after the scheduled effective date of the increase.

14.3 Any and all special pay incentives will be calculated on base salary.

ARTICLE 15 - SPECIAL PAY PRACTICES

Members of the Confidential Group who are required by their supervisor to attend meetings outside of the normal work schedule for the purpose of taking minutes of said meetings shall be paid a minimum of four hours at time and one-half without regard to hours actually worked during the work week. Minutes taken at meetings during regular work hours shall be included in employees' regular rate of pay and not compensated beyond that.

ARTICLE 16 – PROBATION

The probationary period for newly hired employees shall be twelve (12) months. The probationary period for employees promoted to a higher classification shall be six (6) months in the new classification. The CITY shall have the option of granting a newly hired employee regular status at any time after nine (9) months of service.

ARTICLE 17 - NO STRIKE, NO LOCK-OUT

17.1 During the term of this Agreement, the CITY will not lockout any employees nor will the Confidential Group members cause, authorize, advise or encourage any interruption of work or any other concerted action. The term "interruption of work" shall mean any work stoppage or strike (including economic and unfair labor practice strikes) or any intentional slowdown of work. The term "other concerted action" includes picketing or boycott activities by the Confidential Group.

17.2 There shall be no refusal to work on, handle or produce any materials or equipment because of a labor dispute.

17.3 Any employee engaging in any action prohibited by this Article shall be subject to immediate discharge or such other discipline as the CITY may assess. Such discharge or discipline shall not be reviewable through the Grievance Procedure.

ARTICLE 18 - FULL UNDERSTANDING, MODIFICATION, WAIVER

18.1 This Agreement sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements by the parties, whether formal or informal, regarding any such matters are hereby superseded or terminated in their entirety.

18.2 It is agreed and understood that each party hereto voluntarily and unqualifiedly waives

its right to negotiate, and agrees that the other party shall not be required to negotiate, with respect to any matter covered herein.

18.3 No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed in writing by all parties hereto, and if required, approved by the CITY and ratified by the membership of the Confidential Group.

18.4 The waiver of any breach of any term, or condition of this Agreement by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

ARTICLE 19 - SEVERABILITY

If any provision(s) are held to be contrary to law by a court of competent jurisdiction, such provision(s) will not be deemed valid and subsisting except to the extent permitted by law, but all other provisions will continue in full force and effect.

Date: _____

Date: _____

CONFIDENTIAL EMPLOYEES GROUP

____ CITY OF MORRO BAY

Laurie Goforth, Human Resources Analyst

Andrea K Lueker, City Manager

Jamie Boucher, City Clerk

Susan Slayton, Admin. Services Dir.

Cris Brazzi, Senior Accounting Technician



AGENDA NO: A-3

MEETING DATE: 09/11/2012

Staff Report

TO: Honorable Mayor and City Council **DATE:** August 27, 2012
FROM: Susan Slayton, Administrative Services Director/Treasurer
SUBJECT: Resolution No. 41-12 Establishing the Compensation and Working Conditions for Management Employees of the City of Morro Bay

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. 41-12. The term of the Resolution is from September 12, 2012 through June 30, 2013.

FISCAL IMPACT

As per City Council's direction, this Resolution reflects minimal cost to the City, approximately \$6,500.

SUMMARY:

The July 1, 2011 – June 30, 2012 Terms and Conditions of Employment for the Management Employees is currently on the City's website. The proposed September 12, 2012 – June 30, 2013 Compensation and Working Conditions for the Management Employees, which is attached in a draft blue-lined format, includes no substantive changes.

City representatives and the Management Group were not successful in reaching an agreement. Therefore, staff is presenting Resolution #41-12 to implement the compensation and working conditions for the Management Group for the period of September 12, 2012 – June 30, 2013.

Prepared By: _____ Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

RESOLUTION NO. 41-12

A RESOLUTION ESTABLISHING THE COMPENSATION AND WORKING CONDITIONS FOR THE MANAGEMENT EMPLOYEES OF THE CITY OF MORRO BAY

THE CITY COUNCIL City of Morro Bay, California

WHEREAS, representatives of the City of Morro Bay (CITY) and representatives of the Management Group met and discussed the terms and conditions of employment, through the meet and confer process; and

WHEREAS, at the end of the meet and confer process, the groups could not come to agreement on the total compensation and working conditions package for the Management Group; and

WHEREAS, without reaching an agreement, the CITY must move forward with Resolution No. 41-12, which establishes the compensation and working conditions for the Management Group.

NOW, THEREFORE, BE IT RESOLVED that the Morro Bay City Council does hereby adopt the following Resolution establishing the compensation and working conditions of the Management Group, and authorizes the Mayor to execute all necessary documents to implement said changes.

1. RECOGNITION

- 1.1 The Management Group is comprised of the following classifications:
Commander, City Engineer, Senior Civil Engineer, Utilities and Capital Projects Manager, Planning Manager, Building Official, Wastewater Division Manager, ~~Public Services Superintendent~~, Information Systems ~~Administrator~~ Technician, Accountant, Management Analyst, ~~Facilities Superintendent~~, Senior Planner, ~~Parks Superintendent~~, Support Services Manager, Recreation and Parks Maintenance Superintendent, Harbor Operations Manager, Harbor Business Manager.

The term “employee” or “employees” as used herein shall refer only to the foregoing classifications.

- 1.2 Employees working on a regular basis in a classified position, but less than full-time, shall receive vacation and sick leave accruals on a pro-rata basis commensurate with hours worked. All benefits for new hires, including insurance benefits, will be allocated on a pro-rata basis commensurate with hours worked.
- 1.3 **ELECTRONIC DEPOSIT**
All employees shall receive their pay by electronic methods. New hires must present account information for a checking or a savings account with an ACH member financial institution.

2. TERM

Except as otherwise specifically provided herein, the term of this Resolution commences on ~~July~~September 12, 20112, and expires, and is otherwise fully terminated, at midnight on June 30, 20123.

3. ANTI-DISCRIMINATION

The CITY and Management Group mutually agree they will not discriminate against employees for the exercise of their rights under the State of California Government Code Section 3502.

4. WORK SCHEDULE

This article is intended to define the normal hours of work, and shall not be construed as a guarantee of work per day or per week, or of days of work per week.

4.1 WORKDAY:

The normal workday shall be eight (8) hours of work in a twenty-four (24) consecutive hour period, except in cases of emergencies. Alternative work schedules ~~can~~may be implemented upon approval of the City Manager.

4.2 WORKSHIFT:

Employees shall be scheduled to work on regular work shifts having regular starting and quitting times. Except for emergencies, employees' work shifts shall not be changed without 24-hour prior notice to the employee.

4.3 WORKWEEK:

The normal workweek shall be five (5) workdays and two (2) consecutive days of rest in a seven (7) day period beginning Saturday, 12:00 a.m. and ending seven days later on Friday night at 11:59 p.m., except in cases of emergencies, or at the specific request of an employee and approval of his/ her department head. Nothing herein shall be construed to eliminate currently established irregular work schedules.

4.4 OVERTIME COMPENSATION

Employees in this group are considered "exempt" employees within the definition of FLSA, and do not receive overtime for time worked outside of the regular work schedule.

4.5 EMERGENCIES:

4.5.1 Nothing herein shall be construed to limit or restrict the authority of management to make temporary assignments to different or additional locations, shifts, or duties for the purpose of meeting an emergency. Such emergency assignments shall not extend beyond the period of said emergency.

4.5.2 Short staffing caused solely by absences due to employees taking approved paid leave shall not be considered an emergency.

5. VACATION LEAVE

5.1 During the term of this Resolution, employees shall earn paid vacation leave at the following rate:

<u>Service Years</u>	<u>Entitlement in Days</u>
1 thru 2	10
3 thru 4	11
5 thru 6	12
7 thru 8	13
9 thru 10	14
11 thru 12	15
13 thru 14	16
15 thru 16	17
17 thru 18	18
19 thru 20	19
21 or more	20

5.2 The standard for vacation time is eight (8) hours equals one (1) day.

5.3 MAXIMUM ACCUMULATION

It is recognized that long-standing accumulations of vacation time exist for some employees. In order to compensate employees for this unused vacation time and reduce this liability for the City, CITY and Management Group agree on the following policy:

5.3.1 Unused vacation leave may be carried over into the following year to a maximum of 400 hours. Employees exceeding the 400 hour maximum as of the pay period containing November 1 of each year will be paid off for vacation time exceeding the 400 hour maximum. The CITY shall make said payment with the pay period containing the December 1 of each year. Payment shall be computed based upon the employee's base hourly rate of pay as of June 30 of the same calendar year. At the employees' further option, said payment may be put into deferred compensation.

5.3.2 Employees separating from the CITY are entitled to pay for accumulated vacation, based upon employee's base hourly rate of pay as of June 30 prior to separation.

5.4 Members of the Management Group may exercise the option to convert into cash a maximum of forty (40) hours of accrued vacation leave each fiscal year. Such conversion shall be computed at the employee's current base hourly rate on an hour per hour basis.

Note: All leave time (vacation, sick leave, holiday, etc.) will be taken off on an hour for hour basis equaling employee actual time off, regardless of accumulation rates.

6. HOLIDAYS

6.1 For the purpose of this Resolution, the following days are the holidays for employees in this group:

Independence Day	July 4
Labor Day	1st Monday in September
Veteran's Day	November 11
Thanksgiving Day	4th Thursday in November
Day after Thanksgiving	Friday after Thanksgiving
Christmas Day	December 25
New Year's Day	January 1
Martin Luther King, Jr. Day	3rd Monday in January
Lincoln's Birthday	February 12
Washington's Birthday	3rd Monday in February
Memorial Day	Last Monday in May
Floating Holiday	Varies
Floating Holiday	Varies

6.2 Holidays falling on Saturday shall be observed on the preceding Friday, and holidays falling on Sunday shall be observed on the following Monday.

6.3 One holiday equals eight (8) hours. For those employees working the 9/80 alternative work schedule, one holiday may equal up to nine (9) hours. Accrued holiday time may be taken in less than eight hour increments.

6.4 It is agreed that when a holiday is proclaimed by the Mayor of the CITY, then each employee shall be granted time-off in the same number of equivalent work hours. Such time-off shall be approved by the Department Head.

6.5 Employees may accumulate up to a maximum of forty-eight (48) hours holiday time. Hours of holiday time accumulated over 48 hours will be paid off. When an employee terminates employment with the CITY, he/she shall receive pay for his/her current holiday balance up to a maximum of 48 hours at his/her current base hourly rate.

6.6 CITY's denial of requested holiday time off shall be neither arbitrary nor capricious.

7. ADMINISTRATIVE LEAVE

7.1 Each member of the Management Group is eligible to earn sixty-four (64) hours of administrative leave per fiscal year. The time during the fiscal year at which an employee may take administrative leave shall be determined by their Department Head, with regard for the wishes of the employee and particular regard for the needs of the services.

- 7.2 Up to twenty-four (24) hours of administrative leave may be rolled over into the following fiscal year. Upon termination, employee will be paid the pro-rata amount commensurate with that portion of the fiscal year worked.
- 7.3 Each member of the Management Group may be eligible for additional administrative leave upon authorization from the City Manager. Such administrative leave may be granted when employees are required to perform their responsibilities in times of immediate threat to public health, safety and property, beyond their regular work schedule. The approval of such time is not guaranteed, and sole discretion without appeal rights rests with the City Manager, and is expressly eliminated from the Grievance Procedure. Recognizing the impact of the Fair Labor Standards Act, employees of the Management Group will be sensitive to the operational needs and financial limitations of the CITY, and will therefore attempt to limit the use of overtime by employees in their respective areas of responsibility.
- 7.4 Each new member of the Management Group, hired during the term of this agreement, shall, at the time of hire, be eligible for forty (40) hours of administrative leave. Use and accumulation of such leave will be in accordance with the other provisions of Article 9, except in the event that employee terminates before completing probation, administrative leave shall not be compensated.

8. SICK LEAVE

- 8.1 During the term of this Resolution, sick leave shall be earned at the rate of one (1) eight-(8) hour workday for each calendar month of service. Sick leave used shall be actual employee time off. For example, if an employee works four (4) ten (10) hour days per week and is off sick for one (1) of the ten (10) hour days, ten (10) hours shall be deducted from employee’s sick leave balance. There shall be no maximum to the amount of sick leave that an employee may accumulate.
- 8.2 Based on individual utilization of paid sick leave in the preceding fiscal year, employee may convert unused accumulated sick leave into paid vacation leave once during the following fiscal year, pursuant to the formula below:

<u>Sick Leave Utilization/FY</u>	<u>Sick Leave</u>	to	<u>Vacation Leave</u>
0 hours	96 hours		48 hours
.25 to 8 hours	72 hours		36 hours
8.25 to 16 hours	48 hours		24 hours
16.25 to 25 hours	24 hours		12 hours
Over 25 hours	0 hours		0 hours

- At least one hundred sixty (160) hours shall remain in employee’s sick leave bank after any conversion is authorized.
- 8.3 Upon the service retirement of an employee who has more than ten (10) years of service with the CITY, said employee shall be entitled to receive payment for up to the first seven hundred twenty (720) days of his/her accrued sick leave at thirty-five percent (35%) of the employee's rate of pay as of the date of service retirement.

Service retirement is defined as service retirement from both the CITY and the respective retirement system thereof.

NOTE: Sick leave converted to service credit for PERS purposes cannot be compensated (converted to dollars).

9. EXEMPT TIME OFF

This policy is established in accordance with the Fair Labor Standards Act, which exempts employees of this group from requiring the CITY to pay time and one-half for time worked over 40 hours. Effective July 1, 2002, group- members will use accumulated leave time to take time off for sick leave, medical appointments, personal business, vacation, etc., for time off that is less than one full day in the same manner as issued for taking time off that exceeds one day; that is, filling out leave forms and noting time off on time cards.

The exception to this policy is that time off of less than two (2) continuous hours per day need not be recorded. Abuses of this exception, i.e., taking ½ hour here and there throughout the day, will not be allowed.

10. RETIREMENT BENEFITS

- 10.1 The Management Group understands and agrees that employees bear the risk of payment of any increases in the employee contribution above the current percentage made by action of the PERS or the State Legislature.
- 10.2 Parties agree that CITY payment of PERS contributions are made based upon tax treatment currently permitted by the State Franchise Tax Board and the IRS.
- 10.3 Should current tax treatment change, the Management Group and the employee shall hold harmless the CITY, its officers and agents from any and all claims or costs of any type including but not limited to liability for back taxes, arising out of this agreement to pay part of the employee's PERS contribution.
- 10.4 Should current tax treatment change, the Management Group shall have the opportunity to meet and confer regarding any such changes.
- 10.5 If the State Legislature adopts a two-tier ~~CalPERS~~ retirement program applicable to the Management Group members, then all members employed after the effective date of such ~~CalPERS~~ changes shall be placed in a new retirement plan or one selected by the CITY. Current employees, at the time of plan adoption, will have a one-time option to enter the new plan; with the enrollment period to be selected by CITY.
- 10.6 CalPERS Miscellaneous Employees
 - 10.6.1 All members of the Management Group pay 100% of the employee contribution to CalPERS.
 - 10.6.2 For employees hired prior ~~to the implementation of the PERS Contract Amendment regarding 2-Tier Retirement Formulas and Final Compensation for PERS Miscellaneous employees-December 10, 2011~~ in the Management Group, the CITY agrees to ~~continue to~~ provide the following CalPERS optional benefits:

2.7% at 55 plan (Section 21354)
Sick Leave Credit Option (Section 20965)
One-Year Final Compensation (20042)
Military Service Credit (21024)
1959 Survivor Benefit, Level 4th (21574)

10.6.3 For employees hired on or after ~~the date of the implementation of the PERS Contract Amendment regarding 2-Tier Retirement Formulas and Final Compensation for PERS Miscellaneous employees December 10, 2011~~ in the Management Group, the CITY will provide a retirement benefit program ~~through Public Employees Retirement System (PERS)~~ with the following CalPERS optional benefits:

2% @ 60 plan (21353),
Sick Leave Option (Section 20965),
Final Compensation Average 36 consecutive highest months (20037), Military Service Credit (21024),
1959 Survivor Benefit 4th Level (21574)

10.7. PERS Safety Employees

10.7.1 All members of the Management Group pay 100% of the employee contribution to CalPERS

10.7.2 For employees hired prior to September 17, 2011, ~~(or such later date as the PERS contract is amended pursuant to Section 10.7.3 below)~~ the CITY ~~agrees to continue to will~~ provide CalPERS Safety employees in the Management Group with a retirement benefit program ~~through the Public Employees Retirement System (PERS)~~ as follows:

Highest Single Year Compensation effective 6-22-91 (Section 20042)
Sick Leave Credit effective 6-24-89 (Section 20965)
4th Level Survivor Benefit (Section 21574)
1959 Survivor Benefit effective 6-24-89 (Section 21580)
Military Service Credit effective 6-9-98 (Section 21024)
3% @ 50 Retirement Formula
Pre-Retirement Optional Settlement 2 Death Benefit

10.7.3 For employees hired on or after September 17, 2011, ~~(or such later date as the PERS contract is amended pursuant to this Section)~~ the CITY will provide a retirement benefit program ~~through Public Employees Retirement System (PERS)~~ ~~the retirement benefits set forth in 10.7.2 above will be modified and reads as follows.~~

36 Consecutive Month Final Compensation (Section 20037)
Sick Leave Credit effective 6-24-89 (Section 20965)
4th Level Survivor Benefit (Section 21574)
1959 Survivor Benefit effective 6-24-89 (Section 21580)
Military Service Credit effective 6-9-98 (Section 21024)
3% @ 55 Retirement Formula (Section 21363.1)
Pre-Retirement Optional Settlement 2 Death Benefit

11. HEALTH BENEFITS/DEFERRED COMPENSATION PROGRAM

11.1 HEALTH INSURANCE

11.1.1 Employees of the Management Group shall participate in the CalPERS medical insurance plans on a cafeteria style basis, with the CITY contributing the CalPERS minimum (currently ~~\$108112~~/month) to the active employee's medical insurance and \$1.00/month or the amount required by CalPERS to retiree medical insurance. Any costs in excess of these contribution rates shall be paid by the employee and retiree.

11.1.2 The Management Group receives a cafeteria plan contribution (including the amount required by CalPERS in 11.1.1 above) as follows:

Employee only	Up to \$715/month or cost of insurance, whichever is less
Employee +1	Up to \$947/month or cost of insurance, whichever is less
Employee + family	Up to \$1,050/month or cost of insurance, whichever is less

11.1.3 Effective January 1, 2013 (beginning December 1, 2012), Management Group employees receive a cafeteria plan contribution (including the amount required by CalPERS in 11.1.1 above) as follows:

<u>Employee only</u>	<u>Up to \$715/month or cost of insurance, whichever is less</u>
<u>Employee +1</u>	<u>Up to \$967/month or cost of insurance, whichever is less</u>
<u>Employee + family</u>	<u>Up to \$1,080/month or cost of insurance, whichever is less</u>

11.1.34 Effective January 1, 2009, cash-back was eliminated except as provided herein. Employees receiving cash-back in December 2008 shall continue to receive the same amount for the term of this agreement except that if a cash-back employee changes the structure of their insurance (add dependents, delete dependents, drop insurance with the CITY, change carriers, etc.) cash-back is not an option. Cash-back will be eliminated for employees during the open enrollment period in 2010 for calendar year 2010, and in subsequent years, if said employees are required (because of eliminated plans) to change carrier. In the event an employee receiving cash-back is forced to make a plan change because the CITY changes plans and/or ceases to contract with PERS for insurance, that employee will maintain cash-back.

11.2 DENTAL AND VISION INSURANCE:

11.2.1 During the term of this Agreement, the CITY shall offer dental/life and vision insurance and each employee shall be required to carry both dental/life and vision insurance for self. Life Insurance is provided at \$20,000 per employee (\$30,000 beginning January 1, 2013). The following rates are effective January 1, 2012.

	<u>VISION</u>	<u>DENTAL</u>	<u>LIFE</u>	<u>TOTALS</u>
Employee Only	\$ 8.63	37.76 <u>40.07</u>	5.68 <u>3.60</u>	\$ 52. 07 <u>30</u>
Employee +1	17.26	106.39	5.68 <u>3.60</u>	129.33 <u>127.25</u>
Employee +2	22.29	106.39 <u>111.74</u>	5.68 <u>3.60</u>	134.36 <u>137.63</u>

Employee will be responsible for the following monthly amounts for dental/life and vision

beginning with the pay period including January 1, 201~~4~~2:

Employee Only	\$ 2.32 <u>2.93</u>
Employee + 1	7.75 <u>11.75</u>
Employee + 2+	8.22 <u>12.21</u>

CITY will pay the remaining premium for dental/life and vision. Any increases to Vision/Dental/Life insurance will be borne by the employee.

- 11.3 Any coverage made available to future retirees beyond COBRA time requirements shall be paid for by the retiree.
- 11.4 The provisions of this section shall be binding on the parties through the remainder of this agreement and for the term of the agreement that will be effective ~~July~~September 12, 201~~4~~2. The parties agree herewith that no further collective bargaining will occur with respect to this section for the term of the agreement ending June 30, 201~~2~~3.
- 11.5 LTD INSURANCE
The Management Group shall participate in the City-provided Long Term Disability Insurance Plan. ~~The~~CITY shall pay the costs for this plan.
- 11.6 CONTRIBUTION TO OTHER PROGRAMS
CITY will contribute up to \$1,000 per calendar year to employee's deferred compensation or approved retiree medical savings plan on a 2:1 basis (i.e., employee contributes \$2, City contributes \$1).
- 11.7 WORKER'S COMPENSATION LEAVE
Any employee who is absent from duty because of an on-the-job injury in accordance with state worker's compensation law and is not eligible for disability payments under Labor Code Section 4850 shall be paid the difference between his/her base salary and the amount paid by worker's compensation during the first forty-five (45) working days of such temporary disability absence. Eligibility for worker's compensation leave requires an open worker's compensation claim.

12. EDUCATION INCENTIVES

- 12.1 CITY agrees to reimburse the costs for job related and job-required certifications, correspondence courses, and licenses (except Class III driver's license) upon successful completion of the examination or course by the employee having written authorization in advance from their department head. This shall include application fees, examination fees, and certificate fees. Renewal fees may be paid in advance by the CITY. This provision does not apply to continuing education requirements.
- 12.2 CITY agrees to provide a City vehicle, when available for required transportation and will permit paid time for employee to take examinations scheduled during normal working hours. If no City vehicle is available, CITY will reimburse mileage for use of personal vehicle.

13. SALARIES

- 13.1 ~~Effective the pay period beginning July, 9, 2011, employees in Management Group will take a 2% salary reduction.~~ Salaries remain unchanged for the term of this Resolution.
- 13.2 All salary adjustments, including, but not limited to merit increases, educational incentives, and any other pay adjustments, will take effect at the beginning of the next payroll period after the scheduled effective date of the increase.
- 13.3 Any and all special pay incentives will be calculated on base salary.

14. WORK UNIFORMS

- 14.1 SAFETY SHOES:
Employees, who are required to wear steel-toed safety shoes in the performance of their duties, shall be eligible to receive an allowance for the provision of said shoes in the amount of one hundred twenty dollars (\$120.00) per fiscal year. Proof of purchase is required. Once purchased, such appropriate footwear must be worn while working.

15. PROBATION

The probationary period for newly hired employees in this group shall be twelve (12) months. The probationary period for employees promoted to a higher classification shall be six (6) months in the new classification. The CITY shall have the option of granting a newly hired employee regular status at any time after nine (9) months of service.

16. NO STRIKE, NO LOCK-OUT

- 16.1 During the term of this Resolution, the CITY will not lockout any employees nor will the Management Group cause, authorize, advise or encourage any interruption of work or any other concerted action. The term "interruption of work" shall mean any work stoppage or strike (including economic and unfair labor practice strikes) or any intentional slowdown of work. The term "other concerted action" includes picketing or boycott activities by the Management Group
- 16.2 There shall be no refusal to work on, handle or produce any materials or equipment because of a labor dispute.
- 16.3 Any group employee, engaging in any action prohibited by this Article, shall be subject to immediate discharge or such other discipline as the CITY may assess. Such discharge or discipline shall not be reviewable through the Grievance Procedure.

17. FULL UNDERSTANDING, MODIFICATION, WAIVER

- 17.1 This Resolution sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements by the parties, whether formal or informal, regarding any such matters are hereby superseded or terminated in their entirety.

- 17.2 It is agreed and understood that each party hereto voluntarily and unqualifiedly waives its right to negotiate, and agrees that the other party shall not be required to negotiate, with respect to any matter covered herein.
- 17.3 No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed in writing by all parties hereto, and if required, approved by the CITY and ratified by the membership of the Management Group.
- 17.4 The waiver of any breach of any term, or condition of this Resolution by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

18. SEVERABILITY

If any provision(s) are held to be contrary to law by a court of competent jurisdiction, such provision(s) will not be deemed valid and subsisting except to the extent permitted by law, but all other provisions will continue in full force and effect.

PASSED AND ADOPTED by the Morro Bay City Council at a meeting thereof held this 11th day of September 2012 by the following vote:

AYES:

NOES:

ABSENT:

WILLIAM YATES, Mayor

ATTEST:

JAMIE BOUCHER, City Clerk



AGENDA NO: A-4

MEETING DATE: September 11, 2012

Staff Report

TO: Honorable Mayor and Council **DATE:** September 4, 2012

FROM: Janeen Burlingame, Management Analyst

SUBJECT: Adopt Resolution No. 47-12 Authorization for the Execution of the Certifications and Assurances for the Public Transportation Modernization, Improvement, and Service Enhancement Account Bond Program

RECOMMENDATION:

Staff recommends the City Council adopt Resolution No. 47-12 authorizing execution of certifications and assurances for the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) grant application for a transit vehicle replacement project, including designating the Public Services Director to execute all required documents of the PTMISEA bond program and any Amendments thereto with the California Department of Transportation.

FISCAL IMPACT:

There is no fiscal impact to the general fund to authorize the Public Services Director to execute the certifications and assurances.

BACKGROUND:

The PTMISEA program was created by Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Of the \$19.925 billion available to Transportation, \$3.6 billion dollars was allocated for PTMISEA to be available to transit operators over a ten-year period. Some of the PTMISEA funds are apportioned to operators directly, while much of the funds are allocated on a competitive basis.

DISCUSSION:

In June 2012, the City Council authorized the submission of a grant application for the use of PTMISEA Local Operator share of funds allocated to the City for the purchase of a replacement transit vehicle. The State now requires submission of a City resolution authorizing execution of certifications and assurances for the PTMISEA bond program in Attachment 1, as well as designating a City employee to execute all required documents of the PTMISEA program and any Amendments thereto with the California Department of Transportation.

CONCLUSION:

Staff recommends the City Council adopt Resolution No. 47-12.

Prepared By: J. Burlingame

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

Attachment 1
**Public Transportation Modernization, Improvement, and Service
Enhancement Account (PTMISEA) Bond Program**

Certifications and Assurances

Project Sponsor: City of Morro Bay.

Effective Date of this Document: September 11, 2012.

The California Department of Transportation (Department) has adopted the following certifications and assurances for the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) bond program. As a condition of the receipt of PTMISEA bond funds, project sponsors must comply with these terms and conditions.

A. General

- (1) The project sponsor agrees to abide by the current PTMISEA Guidelines
- (2) The project sponsor must submit to the Department a PTMISEA Program Expenditure Plan, listing all projects to be funded for the life of the bond, including the amount for each project and the year in which the funds will be requested.
- (3) The project sponsor must submit to the Department a signed Authorized Agent form designating the representative who can submit documents on behalf of the project sponsor and a copy of the board resolution appointing the Authorized Agent.

B. Project Administration

- (1) The project sponsor certifies that required environmental documentation is complete before requesting an allocation of PTMISEA funds. The project sponsor assures that projects approved for PTMISEA funding comply with Public Resources Code § 21100 and § 21150.
- (2) The project sponsor certifies that PTMISEA funds will be used only for the transit capital project and that the project will be completed and remains in operation for its useful life.
- (3) The project sponsor certifies that it has the legal, financial, and technical capacity to carry out the project, including the safety and security aspects of that project.
- (4) The project sponsor certifies that they will notify the Department of pending litigation, dispute, or negative audit findings related to the project, before receiving an allocation of funds.
- (5) The project sponsor must maintain satisfactory continuing control over the use of project equipment and facilities and will adequately maintain project equipment and facilities for the useful life of the project.

- (6) Any interest the project sponsor earns on PTMISEA funds must be used only on approved PTMISEA projects.
- (7) The project sponsor must notify the Department of any changes to the approved project with a Corrective Action Plan (CAP).
- (8) Under extraordinary circumstances, a project sponsor may terminate a project prior to completion. In the event the Project Sponsor terminates a project prior to completion, the Project Sponsor must (1) contact the Department in writing and follow-up with a phone call verifying receipt of such notice; (2) pursuant to verification, submit a final report indicating the reason for the termination and demonstrating the expended funds were used on the intended purpose; (3) submit a request to reassign the funds to a new project within 180 days of termination.
- (9) Funds must be encumbered and liquidated within the time allowed in the applicable budget act.

C. Reporting

- (1) Per Government Code § 8879.55, the project sponsor must submit the following PTMISEA reports:
 - a. Semi-Annual Progress Reports by February 15th and August 15th each year.
 - b. A Final Report within six months of project completion.
 - c. The annual audit required under the Transportation Development Act (TDA), to verify receipt and appropriate expenditure of PTMISEA bond funds. A copy of the audit report must be submitted to the Department within six months of the close of the year (December 31) each year in which PTMISEA funds have been received or expended.

D. Cost Principles

- (1) The project sponsor agrees to comply with Title 2 of the Code of Federal Regulations 225 (2 CFR 225), Cost Principles for State and Local Government, and 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- (2) The project sponsor agrees, and will assure that its contractors and subcontractors will be obligated to agree, that (a) Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual project cost items and (b) those parties shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Every sub-recipient receiving PTMISEA funds as a contractor or sub-contractor shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

- (3) Any project cost for which the project sponsor has received payment that are determined by subsequent audit to be unallowable under 2 CFR 225, 48 CFR, Chapter 1, Part 31 or 49 CFR, Part 18, are subject to repayment by the project sponsor to the State of California (State). Should the project sponsor fail to reimburse moneys due to the State within thirty (30) days of demand, or within such other period as may be agreed in writing between the Parties hereto, the State is authorized to intercept and withhold future payments due the project sponsor from the State or any third-party source, including but not limited to, the State Treasurer and the State Controller.

E. Record Retention

- (1) The project sponsor agrees, and will assure that its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred project costs and matching funds by line item for the project. The accounting system of the project sponsor, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices. All accounting records and other supporting papers of the project sponsor, its contractors and subcontractors connected with PTMISEA funding shall be maintained for a minimum of three (3) years from the date of final payment and shall be held open to inspection, copying, and audit by representatives of the State and the California State Auditor. Copies thereof will be furnished by the project sponsor, its contractors, and subcontractors upon receipt of any request made by the State or its agents. In conducting an audit of the costs claimed, the State will rely to the maximum extent possible on any prior audit of the Project Sponsor pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by the project sponsor's external and internal auditors may be relied upon and used by the State when planning and conducting additional audits.
- (2) For the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with the performance of the project sponsor's contracts with third parties pursuant to Government Code § 8546.7, the project sponsor, its contractors and subcontractors and the State shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced parties shall make such materials available at their respective offices at all reasonable times during the entire project period and for three (3) years from the date of final payment. The State, the California State Auditor, or any duly authorized representative of the State, shall each have access to any books, records, and documents that are pertinent to a project for audits, examinations, excerpts, and transactions, and the project sponsor shall furnish copies thereof if requested.
- (3) The project sponsor, its contractors and subcontractors will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by the State, for the purpose of any investigation to ascertain compliance with this document.

F. Special Situations

- (1) A project sponsor may lend its unused funds from one year to another project sponsor for an eligible project, for maximum fund use each fiscal year (July 1 – June 30). The project sponsor shall collect no interest on this loan.
- (2) Once funds have been appropriated in the budget act, a project sponsor may begin a project with its own funds before receiving an allocation of bond funds, but does so at its own risk.
- (3) The Department may perform an audit and/or request detailed project information of the project sponsor's PTMISEA funded projects at the Department's discretion at any time prior to the completion of the PTMISEA program.

I certify all of these conditions will be met.

CITY OF MORRO BAY

BY:

ROB LIVICK, Public Services Director/City Engineer
Public Services Department

RESOLUTION 47-12

AUTHORIZATION FOR THE EXECUTION OF THE CERTIFICATIONS AND ASSURANCES FOR THE PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT BOND PROGRAM

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

WHEREAS, the City of Morro Bay is an eligible project sponsor and may receive state funding from the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) now or sometime in the future for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 88 (2007) named the Department of Transportation (Department) as the administrative agency for the PTMISEA; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing PTMISEA funds to eligible project sponsors (local agencies); and

WHEREAS, the City of Morro Bay wishes to delegate authorization to execute these documents and any amendments thereto to the Public Services Director.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Morro Bay that the fund recipient agrees to comply with all conditions and requirements set forth in the Certification and Assurances document and applicable statutes, regulations and guidelines for all PTMISEA funded transit projects.

BE IT FURTHER RESOLVED, that the Public Services Director be authorized to execute all required documents of the PTMISEA program and any Amendments thereto with the California Department of Transportation.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 11th day of September, 2012 on the following vote:

AYES:
NOES:
ABSENT:

ATTEST:

William Yates, Mayor

Jamie Boucher, City Clerk

**PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY
DECLARING THE MONTH OF OCTOBER, 2012 AS**

“ENERGY AWARENESS MONTH”

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

WHEREAS, the City recognizes and promotes the value of energy efficiency in reducing energy usage to save residents, businesses, and governments money on their utility bills, to improve indoor comfort and air quality; and to limit greenhouse gas emissions; and

WHEREAS, the San Luis Obispo County Energy Watch Partnership, a joint program of the County of San Luis Obispo, The City of San Luis Obispo, The City of Atascadero, The City of Paso Robles, The City of Arroyo Grande, The City of Grover Beach, The City of Pismo Beach, The City of Morro Bay, Pacific Gas and Electric Company, Southern California Gas Company, and the Economic Vitality Corporation, provides marketing of energy efficiency programs, rebates and services, direct installation of energy efficiency equipment for commercial and municipal buildings, and training for industry professionals within San Luis Obispo County; and

WHEREAS, the City of Morro Bay has realized savings through the Direct Install Program totaling approximately 14,540kWh, and \$2,559 in annual savings in municipal buildings and approximately 347,172kWh, and \$61,102 in annual savings small commercial and non-profit buildings since January 2011; and

WHEREAS, the Community Action Partnership of San Luis Obispo County, a nonprofit agency committed to eliminating poverty by empowering individuals and families to achieve economic self-sufficiency, maintains a home weatherization and energy conservation program, among many other programs, for low-income residents that has weatherized 154 homes since January 2011 in Morro Bay, and will observe National Weatherization Day on October 30th; and

WHEREAS, the San Luis Obispo County Energy Watch Partnership, in coordination with the Community Action Partnership of San Luis Obispo, the San Luis Obispo County Air Pollution Control District and local non-profit organizations are hosting many energy efficiency training and education events in the month of October, including “The Energy Event”, featuring informational sessions and interactive workshops for the public, at the San Luis Obispo Veterans Hall on October 20th.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morro Bay does hereby proclaim, the month of October 2012 as “**Energy Awareness Month**” in the City of 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 11th day of September, 2012,

William Yates, MAYOR

Attest:

Jamie Boucher, CITY CLERK



AGENDA NO: A-6

MEETING DATE: September 11, 2012

Staff Report

TO: Honorable Mayor and City Council **DATE:** September 4, 2012

FROM: Eric Endersby, Harbor Director

SUBJECT: Resolution Authorizing the City of Morro Bay to Enter Into 2012/2013 \$80,000 Boating Safety and Enforcement Grant Contract with the Department of Boating and Waterways

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 48-12 authorizing the Harbor Director to execute the attached Boating Safety and Enforcement (BS&E) Equipment and Operation Grant Contract Agreement #12-204-750 with the California Department of Boating and Waterways (DBW) for \$80,000 toward the funding of a new Harbor Patrol vessel.

FISCAL IMPACT

There is no required funding match to this grant. This grant funding will be in addition to the \$200,000 in Harbor Reserve funds approved in the FY 2012/2013 Harbor Equipment Replacement Fund budget. Estimated cost for the vessel is \$250,000 - \$300,000. The department is also seeking sponsorship funding from engine manufacturer Mercury Marine as well as other granting opportunities for this project which will cover the potential of a nominal shortfall.

BACKGROUND

Over the years, the Harbor Department has obtained numerous BS&E grants from DBW for patrol vessel purchases, engine repowers, miscellaneous equipment, and most recently, two rescue personal watercraft. In April 2012, the department applied for and was approved for a grant to replace its oldest Harbor Patrol vessel, a twin-engine PB 68. Although this mission-critical vessel underwent extensive repairs after a structural failure early this year and is currently back in service, we anticipate retiring her after a new twin-engine vessel is put into operation and the department's fleet needs re-evaluated.

DISCUSSION

The BS&E Grant funds will be used toward purchase of a new twin-engine Harbor Patrol vessel in order to modernize the department's aging fleet. A 26' - 29' twin-engine fully equipped patrol vessel with Class C fire fighting capability is estimated to cost between \$250,000 and

Prepared By: EE

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

\$300,000. This \$80,000 grant will be used in addition to the already allocated \$200,000 in Harbor Reserve funds approved in the FY 2012/2013 budget.

In addition, the department has applied for and is being considered for engine sponsorship funding from Mercury Marine, as well as is pursuing other grant opportunities, which will further augment the available funding should they come to fruition.

This equipment purchase will occur through a public bid process. Staff has begun creating the specifications and compiling the bid documents, with the intent of having it out to bid this winter. With an estimate of six to nine months build time, delivery of this vessel is anticipated for August/September, 2013.

CONCLUSION

Staff recommends that the City Council adopt Resolution # 48-12.

RESOLUTION NO. 48-12

**AUTHORIZATION FOR THE CITY OF MORRO BAY
TO ENTER INTO 2012/2013 \$80,000 BOATING SAFETY
& ENFORCEMENT GRANT CONTRACT WITH THE
DEPARTMENT OF BOATING AND WATERWAYS**

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

WHEREAS, City of Morro Bay (City) applied for a grant from the California Department of Boating and Waterways (DBW) under the Boating Safety and Enforcement (BS&E) grant program; and

WHEREAS, DBW awarded a grant of \$80,000 under the BS&E program for the purchase of a new Harbor Patrol vessel.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that the City of Morro Bay is hereby authorized to enter into BS&E contract #12-204-750 with DBW for the purchase of a new Harbor Patrol vessel; and

BE IT FURTHER RESOLVED, that Harbor Director Eric Endersby is hereby authorized to act as the City's agent in regard to all aspects of the grant agreement.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 11th day of September, 2012 on the following vote:

AYES:

NOES:

ABSENT:

William Yates, Mayor

ATTEST:

Jamie Boucher, City Clerk

DEPARTMENT OF BOATING AND WATERWAYS

2000 EVERGREEN STREET, SUITE 100
SACRAMENTO, CA 95815-3888
(888) 326-2822
www.dbw.ca.gov



August 27, 2012

Mr. Eric Endersby
City of Morro Bay
1275 Embarcadero
Morro Bay, CA 93442

Contract #: 12-204-750
Fiscal Year: 2012/2013
Amount: \$ 80,000.00
Item: Patrol Boat and Trailer

Dear Mr. Endersby:

It is our pleasure to inform you that you have been awarded a grant in the amount of \$80,000.00 to replace a 1984 Radon boat, CF 2190 XC, HIN # CJV35271084B.

Enclosed is a complete copy of the Equipment and Operation Contract between the State of California, Department of Boating and Waterways (Department) and the City of Morro Bay. In addition to the contract, several other documents have been enclosed for signature. For your convenience, areas of concern have been tagged. Please read and comply with the following instructions. **Failure to comply as stated herein will result in your contract being disapproved.**

PLEASE NOTE: Do not begin bid process or any bid activities related to this contract until you receive a fully executed contract letter.

If you are replacing a patrol vessel, you must contact the Department of General Services, Office of Fleet Administration Inspector in your region to inspect the above-mentioned vessel to be replaced. Your contract cannot commence until the Department receives the "Equipment Survey Approval OFA-6 form".

1. Signature and Return:

Carefully review the Contract and verify your county information. **Please have all tagged and highlighted forms completed, signed and return to this Department.** A copy of the contract will be sent to you after processing. **DO NOT TAKE THE CONTRACT APART.**

2. Minute Order or Resolution:

We will also need one (1) certified copy of the Minute Order or Resolution of your Board of Supervisors or City Council authorizing the execution of this Contract. **The Minute Order or Resolution must authorize by name and title the signatory of the Contract and must be stamped with a certified county or city seal.**

3. **Contractor Certification Clauses and Recycling Certification:**

Please have the attached Contractor Certification Clauses form CCC298 and Recycling Certification form completed, signed, and returned to this Department along with the Contract and Minute Order or Resolution. **AGAIN, DO NOT TAKE THE CONTRACT APART.**

4. **Procurement Standards:**

This Contract involves State and/or Federal funds. Please follow the procurement instructions contained in this Contract and exhibits. Please pay special attention to the specific procurement standards regarding advertising **by your department**, adequate purchase descriptions, sealed bids, and public openings. You will be asked to provide, with your written request for reimbursement, **a signed certification that you complied with approved procurement procedures.** Please refer to Articles III and XIII of the Contract.

5. **Approval of Boat Specifications:**

The Contract states that the patrol boat to be purchased must be approved by the Department **prior** to the purchase. **This means that the Department must review and approve your boat specifications and you must receive a letter informing you that the contract has been fully executed before the bid process can begin.** We have enclosed a guideline for specification writing that may be of assistance to you.

Due to Federal procedural changes, you must attain a fully executed contract, complete your bid process, obtain a secured purchase order, accept delivery of patrol boat and submit for reimbursement by September 30, 2013. NO EXCEPTIONS.

If you have any questions, please call me directly at (916) 263-8184.

Sincerely,



Corrina Dugger
Enforcement Unit

Enclosures

STATE OF CALIFORNIA
STANDARD AGREEMENT
 STD 213 (Rev 06/03)

AGREEMENT NUMBER # 12-204-750
REGISTRATION NUMBER # eP 1223368

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

DEPARTMENT OF BOATING AND WATERWAYS

CONTRACTOR'S NAME

CITY OF MORRO BAY

2. The term of this Agreement is: **AUGUST 01, 2012** through **JUNE 30, 2027**
15 YEAR TERM

3. The maximum amount of this Agreement is: **\$ 80,000.00**
EIGHTY THOUSAND DOLLARS AND NO/100

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Contract	5 page(s)
Exhibit A – Standard Terms and Conditions	12 page(s)
Exhibit B – Administrative Requirements	46 page(s)
Exhibit C* – Uniform Audit Requirements	11 page(s)
Exhibit D – Certification Clauses	6 page(s)
Exhibit E – Darfur Contracting Act	2 page(s)

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
 These documents can be viewed at www.ols.dgs.ca.gov/Standard+Language

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR		California Department of General Services Use Only
CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.) CITY OF MORRO BAY		
BY (Authorized Signature) 	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING		
ADDRESS 1275 EMBARCADERO MORRO BAY, CA 93442		
STATE OF CALIFORNIA		
AGENCY NAME DEPARTMENT OF BOATING AND WATERWAYS		
BY (Authorized Signature) 	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING LUCIA C. BECERRA, ACTING DIRECTOR		
ADDRESS 2000 EVERGREEN STREET SUITE 100 SACRAMENTO CA 95815		

Exempt per:

AGENDA NO: A-7

MEETING DATE: 9/11/12

RESOLUTION NO. 49-12

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
OPPOSING THE CENTRAL COASTAL CALIFORNIA
SEISMIC IMAGING PROJECT**

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

WHEREAS, the Central Coastal California Seismic Imaging Project proposes to perform seismic testing from November 1, 2012 through December 31, 2012 in and around the waters of Morro Bay; and,

WHEREAS, the City of Morro Bay sent a letter to the California State Lands Commission regarding the Draft Environmental Impact Report outlining numerous concerns; and,

WHEREAS, those concerns included the extension of recreational rockfish season to December 31st; the short-term, long-term and permanent effects on fish, fishing, and fish stocks; the short-term, long-term and permanent effects on marine mammals; a portion of the seismic project boundary being located within a highly rich Marine Protected Area; and, the inability for vessels to leave and enter the Morro Bay Harbor; and,

WHEREAS, the project has not taken into consideration the land side impacts related to fishing that include, but are not limited to, reduced fish landing and processing activity, fuel docks, fish availability for restaurants, tourism and other environmental issues; and,

WHEREAS, the project has not identified an adequate mitigation and claims process for those affected; and,

WHEREAS, the project does not include an adequate monitoring plan for assessing fish stock recovery in either the short or long term periods.

NOW, THEREFORE, BE IT RESOLVED, that the City of Morro Bay opposes the Central Coastal California Seismic Imaging Project being proposed by Pacific Gas and Electric.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 11th of September 2012, by the following vote:

AYES:

NOES:

ABSENT:

WILLIAM YATES, Mayor

ATTEST:

JAMIE BOUCHER, City Clerk

RESOLUTION NO. 46-12

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA,
AFFIRMING THE INTENDED USE OF THE CITY'S ONE-HALF CENT DISTRICT
TRANSACTION TAX, COMMONLY KNOWN AS MEASURE Q**

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

WHEREAS, as of 2006, the City of Morro Bay had lost more than \$7 million dollars as a result of the State's efforts to balance its own budget; and

WHEREAS, in order for the City to increase its revenues to compensate for the loss, the City hired the Lew Edwards Group to evaluate voter-approved revenue options; and

WHEREAS, based on the Lew Edwards Group's recommendation, the City placed a ballot measure (Measure Q) on the November 2006 ballot, asking voters to approve a one-half cent district transaction tax; and

WHEREAS, a volunteer community group formed a campaign committee to promote the approval of the Measure Q, stressing to the public that the money would be used to replace the earthquake-damaged Fire Station, provide equipment for public safety, maintain streets and repair storm drains; and

WHEREAS, although the ballot measure language covered a wider scope of services than those promoted to the citizens, it passed based on the campaign committee's efforts; and

WHEREAS, a Citizens Oversight Committee was established to ensure the proper use of the Measure Q funds; and

WHEREAS, there is concern that future City Councils might not be aware of the intended purpose of the district transaction, and may authorize spending those funds in areas other than those promoted by the campaign committee and authorized by the voters.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that the Measure Q funds be formally dedicated to the following purposes:

- 1) Improve the Fire Department
- 2) Enhance public safety
- 3) Street Maintenance
- 4) Storm drain maintenance

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 11th of September 2012, by the following vote:

AYES:

NOES:

ABSENT:

WILLIAM YATES, Mayor

ATTEST:

JAMIE BOUCHER, City Clerk

Background

In the spring of 2006 the City hired the Lew Edwards Group (a political consulting firm based in Oakland) to determine which of the various options the voters might approve to increase the City's revenue. The consulting firm conducted both mail and phone surveys to determine if there was voter's interest to increase taxes and if the voters had specific uses for the additional revenue. The results indicated that there was a strong likelihood of the voters approving an increase in the sales tax if the money would be used to 1) replace the earthquake damaged fire station, 2) provide equipment for public safety employees 3) maintain the streets and 4) repair storm drains to prevent toxic runoff into the bay. The surveys also indicated that the public was opposed to using the money for any administrative purposes.

Based on recommendations of the consulting group and the city staff, the City Council voted to put a one-half percent increase in the sales tax on the ballot as a general tax versus a tax for a specific use. The reason for choosing a general tax was there was legitimate concern that a tax for a specific use tax would not receive the necessary two-thirds (66.667%) affirmative vote (as it turned out this decision proved to be correct because while the ballot measure was very successful it was approved by 65.00%). Because of the concern by members of the City Council that the additional revenue would be used for purposes other than what the voters wanted, the ballot measure required that a Citizens Oversight Committee be established to do an in depth review of the prior year's expenses and report to the public and the City Council any uses of the funds that were not part of the voter's intent.

In the months prior to the November 2006 election a volunteer group of citizen formed a campaign committee to promote the approval of the sales tax increase. All of the promotional material stressed that the extra money would be used to for public safety, streets and storm drains. The Fire Chief and the Police Chief spoke at majority of the clubs and organizations in the city to promote the Measure Q. Off duty fire and police employees went to every residence and handed out literature that only promoted public safety, streets and storm drains. The various promotional materials are included in attachments 1, 2 and 3. A copy of the sample ballot is included in attachment 4 and attachment 5 is a copy of *The Tribune's* editorial of September 10, 2006.

Discussion

At the June 12, 2012 City Council meeting the City staff made a number for recommendations for replacing the revenue lost when the MBPP ceases operation at the end of the calendar year. One of those recommendations was to use District Transaction Tax (DTT-Measure Q) revenue to offset the loss in the MBPP revenue.

The District Transaction Tax (Measure Q) is a general tax and therefore it can be legally used for any General Fund purpose that is approved by the City Council. As time passes future City Council might not be familiar with the original intend of the voters. The purpose of this resolution is to reaffirm that the voters approved the increase in the sales tax because they believed it would only be used to for public safety, streets and storm drains.



Save Our Services
P.O. Box 1379
Morro Bay, CA 93443-1379

Presorted Standard
U.S. Postage Paid
Permit # 7
San Luis Obispo, CA

Save Our Services.

Vote Yes on Measure Q. Provide our city with income for critical services.

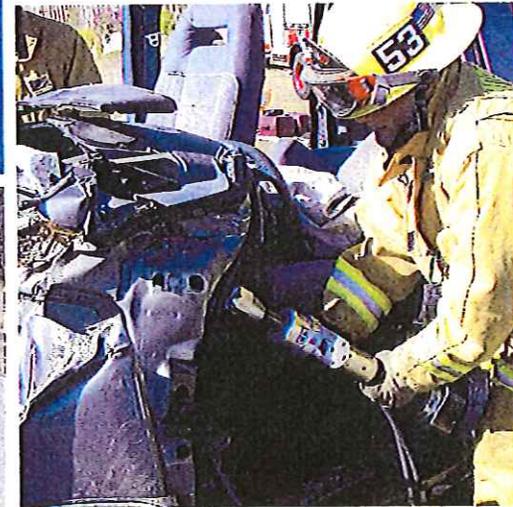
YES on Measure Q!

All California cities lost millions of dollars when the State took money from us to balance its budget. Morro Bay lost more than \$7 million!

Our city needs money to:

- Replace our earthquake-damaged fire station
- Provide equipment for our public safety employees
- Maintain our streets
- Repair storm drains to prevent toxic runoff into the bay

Just 5 cents on each \$10 purchase will help maintain the quality of our city services.
What can you do? Vote YES on Measure Q.



Paid for by Morro Bay Sales Tax Measure ID # 128869, a Citizen's Committee. No city funds were used for this mailing.

Attachment 1--Direct Mail (front)

URGENT: VOTE YES ON MEASURE Q

SAVE OUR SERVICES

Dear Neighbor:

Why do we need Measure Q?

Over the last decade, the State solved its financial problems by taking away millions of dollars of city funds.

Fact: Of the current 7.25% sales tax, Morro Bay receives less than one penny per dollar. Morro Bay receives only 12% percent of your property tax payments.

How much will the City of Morro Bay **keep** from Measure Q?

The revenue from Measure Q is estimated at **\$750,000 annually.**

Fact: This revenue cannot be stolen by the State.

Who will pay?

Citizens and visitors who make **taxable purchases.**

Fact: Visitors use our services and pay a substantial amount of our local sales tax.

What will it cost me?

The cost is **5 cents** on each **\$10.00** taxable purchase.

Fact: Morro Bay's sales tax rate is the lowest in the State.
Santa Maria's sales tax has been 7.75% for 17 years.

How will I **benefit**?

The money generated by Measure Q will help to:

- **Improve emergency response** times by replacing our aged/damaged fire stations.
- Provide our firefighter/paramedics with state of the art **emergency equipment.**
- **Repair and maintain** your city streets.

Will there be **financial accountability**?

- There will be an **independent** Measure Q **Citizens Oversight** Committee.
- Annual **financial audits** will be performed.

Vote Yes on Measure Q

Support the services our community, friends, family, and neighbors need.

From: Citizens in Support of Measure Q

Paid for by Morro Bay Sales Tax Measure ID # 128869, a Citizen's Committee.
No city funds were used for this mailing.

Attachment 1--Direct Mail (back)

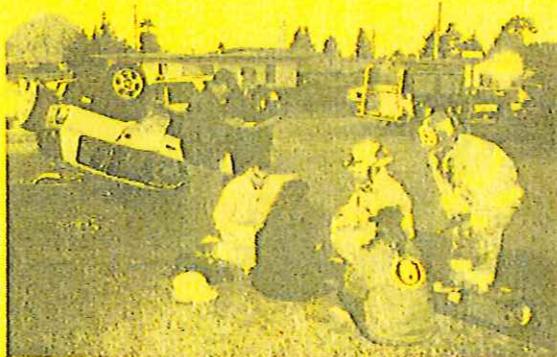
YES *on* Q

All California cities lost millions of dollars when the State took money from us to balance its budget. Morro Bay lost more than \$7 million!

Our city needs money to:

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- Provide equipment for our public safety employees
- Maintain our streets
- Repair storm drains to prevent toxic runoff into the bay

Just 5 cents on each \$10 purchase will help maintain the quality of our city services. What can you do? Vote YES on Measure Q.



Save Our Services.

Paid for by Morro Bay Sales Tax Measure ID # 128869,
a Citizen's Committee. No city funds were used for this mailing.

Attachment 2—Door Hanger

PAID POLITICAL ADVERTISER (11)

URGENT: VOTE YES ON MEASURE Q

SAVE OUR SERVICES

Dear Morro Bay Neighbor:

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- **Improve emergency response** times by replacing our aged/damaged fire stations.
- Provide our firefighter/paramedics with state of the art **emergency equipment.**
- **Repair and maintain** your city streets.

Will there be financial accountability?

- There will be an **independent Measure Q Citizens Oversight Committee.**
- Annual **financial audits** will be performed.

Vote Yes on Measure Q

Support the services our community, friends, family, and neighbors need.

From: Citizens in Support of Measure Q

Paid for by Morro Bay Sales Tax Measure ID # 128869, a Citizen's Committee.
No city funds were used for this mailing.

Attachment 3—Newspaper Ads

blesters. Prohibits residence near schools and parks. Requires Global Positioning System monitoring of registered sex offenders. Fiscal Impact: Net state operating costs within 10 years of up to a couple hundred million dollars annually; potential one-time state construction costs up to several hundred million dollars; unknown net fiscal impact on local governments.

YES NO

PROPOSITION 84
WATER QUALITY, SAFETY AND SUPPLY. FLOOD CONTROL. NATURAL RESOURCE PROTECTION. PARK IMPROVEMENTS. BONDS. INITIATIVE STATUTE. Funds water, flood control, natural resources, park and preservation projects by authorizing \$388,000,000 in general obligation bonds. emergency drinking water safety provisions. Fiscal Impact: State cost of \$10.5 billion over 10 years to repay bonds. Reduced local property tax revenues of several million dollars annually. Unknown state and local operations and maintenance costs, potentially tens of millions of dollars annually.

YES NO

PROPOSITION 85
WAITING PERIOD AND PARENTAL NOTIFICATION BEFORE TERMINATION OF MINOR'S PREGNANCY. INITIATIVE CONSTITUTIONAL AMENDMENT. Amends California Constitution prohibiting abortion for unemancipated minor until 48 hours after physician notifies minor's parent/guardian, except in medical emergency with parental waiver. Mandates reporting requirements. Authorizes monetary damages against physicians for violation. Fiscal Impact: potential unknown net state costs of several million dollars annually for health and social services programs, court administration, and state health agency administration combined.

YES NO

damaging private property to promote other private projects, uses. Limits government's authority to adopt certain land use, housing, consumer, environmental, workplace laws/regulations. Fiscal Impact: Increased annual government costs to pay property owners for losses to their property associated with new laws and rules, and for property acquisitions. These costs are unknown, but potentially significant on a statewide basis.

YES NO

COUNTY

MEASURE J-06
 Shall an ordinance be approved amending the San Luis Obispo County General Plan, Title 22 of the County Code, and the Official Maps to allow for development of the Dalidio Ranch Property, which is located adjacent to the City of San Luis Obispo, between Highway 101 and Madonna Rd., south of the Promenade Shopping Center, and north of the auto dealerships located along Los Osos Valley Road?

YES NO

CITY

CITY OF MORRO BAY

MEASURE Q-06
 The Morro Bay Vital Public Services Restoration and Protection Measure. To preserve Morro Bay's safety and character by funding essential services including upgrading firefighter/paramedic equipment, fire stations, police, street and pothole repairs, improving storm drains to protect the bay from pollution, and other general city services, shall an ordinance be adopted increasing the City sales tax by one-half cent, subject to independent annual financial audits, and establishing an independent citizens' advisory committee to review annual expenditures?

YES NO

Sample Ballot



P.O. Box 112
San Luis Obispo,
CA 93406
letters@the
tribunenews.com
Phone: 781-7852
Fax: 781-7905

Chlp Visci
Publisher
Sandra Duerr
Executive Editor
Bill Morem
Opinion Page Editor
Stephanie Finucane
Associate Editor

SCHEDULE OF
COLUMNISTS

SUNDAY
Victor Davis Hanson

MONDAY
Dan Walters

TUESDAY
David Brooks

WEDNESDAY
Paul Krugman

THURSDAY
Kathleen Parker

FRIDAY
Ellen

EDITORIAL OPINION OF THE TRIBUNE

Cities' sales tax increases: Yes

Voters in five of the county's seven cities will decide Nov. 7 whether to increase sales taxes by a half-cent per dollar.

We believe the increases are in the best interests of residents and urge voters to approve them.

It is true that all of the cities could go on without a sales tax increase. However, quality-of-life services we take for granted — clean and well-maintained parks, senior services, recreation programs and flood control, for example — would be trimmed or eliminated.

More importantly, public health and safety could be affected as emergency medical, police and fire positions are cut back — or go unfilled through hiring freezes — because of tight budgets.

And, long-range traffic fixes — whether they're for repairing potholes, paving or alleviating congestion — will only become more costly if not addressed now.

If residents in each of the cities approve the measures, here are some specific projects that could finally move forward:

• **Grover Beach** (Measure X-06) would be able to make real progress on paving its residential streets.

• **Pismo Beach** (Measure CC-06) would use the money for street repairs, paving and beach access.

Voters in Arroyo, Grover, Pismo, Morro Bay and SLO will benefit

• **Arroyo Grande** (Measure O-06) would invest in clearing up the traffic congestion at the Brisco/Halcyon interchange, as well as building a new police station and making City Hall accessible to the disabled.

• **Morro Bay** (Measure Q-06) would be able to reconstruct its earthquake-damaged firehouse, reinstate police positions that have been trimmed and pave potholed streets.

• **San Luis Obispo** (Measure Y-06) would use the money on streets, senior facilities and flood control.

A point to consider: San Luis Obispo is the only city of the five that decided to put an eight-year sunset clause on its measure. This means, if the measure passes,

that the increase will automatically end in eight years; only voter approval could reinstate it.

While we would have preferred that the other cities included sunset clauses, too, we understand why they didn't.

With a long-term, guaranteed stream of revenue, Grover Beach, Arroyo Grande, Pismo Beach and Morro Bay would be able to qualify for state matching funds and be able to borrow money against the sales tax income.

It's conceivable that even with its sunset clause, San Luis Obispo could also leverage



MCCLATCHY TRIBUNE

its projected \$4.5 million a year in additional sales tax money through matching funds or bonds.

Although there will always be those who philosophically oppose an increase in taxes for any purpose, here are three things to ponder:

• As much as 50 percent of the new sales tax in most of the above cities will be generated by either tourists or people who eat, shop and work in the respective cities but live elsewhere.

• A half-cent increase to 7.75 percent from 7.25 percent would be equal to or less than the sales tax paid by 85 percent of the state's residents.

• The additional sales tax revenue would be locally generated income for local services that can't be stolen by the state.

We believe the residents of Arroyo Grande, Grover Beach, Morro Bay, Pismo Beach and San Luis Obispo will be serving their own best interests by approving their cities' respective sales tax increases. A half-penny on the dollar is a small amount to pay for the benefits it will bring.

The Tribune urges "yes" votes on:

- Measure O-06
- Measure X-06
- Measure Q-06
- Measure CC-06
- Measure Y-06



AGENDA NO: D-1

MEETING DATE: 9/11/12

Staff Report

TO: Honorable Mayor and City Council

DATE: September 6, 2012

FROM: Andrea K. Lueker, City Manager

SUBJECT: Discussion and Approval of the Chamber of Commerce Economic Development Proposal and Lease Conditions for City property located at 695 Harbor Street

RECOMMENDATION

Staff recommends the City Council review the attached Economic Development proposal presented by the Morro Bay Chamber of Commerce, provide input on the proposal, discuss potential milestones for achievement and approve the proposal.

Staff further recommends the City Council approve the following lease terms for the building located at 695 Harbor:

- 3 year lease
- \$1.00/year
- Chamber to be responsible for tenant improvements, insurance and utilities

FISCAL IMPACT

Not applicable.

BACKGROUND

At their August 28, 2012 meeting, the City Council approved in concept, the City leasing to the Chamber of Commerce, the Fire Station Modular building located at 695 Harbor. Final approval is contingent upon the approval of the lease terms as well as the proposed Economic Development Program.

Prepared By: ALueker

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

DISCUSSION

As requested by the City Council, the Morro Bay Chamber of Commerce has provided an overview of the Economic Development Proposal for the Council's consideration. The City Council, at their August 28th meeting, conceptually approved the use of the Fire Station Modular building located at 695 Harbor, pending a review and approval of the Economic Development Proposal. After reviewing the proposal and in light of the use of a City-owned facility at minimal cost, the City Council may want to consider identifying milestones for the Chamber to meet that correspond with the Economic Proposal they have submitted.

Staff is recommending the City Council consider a lease term of 3 years, allowing the Chamber to solidify some of the programs identified in their proposal. A lease term shorter than the 3 years the Chamber has requested may have an adverse effect on the establishment and/or success of their programs. Following City Council's approval of the Economic Development Proposal and the lease terms, staff will move forward on the actual lease document, which we don't anticipate needing to come back to the City Council for further approval.



Morro Bay City Council
595 Harbor Street
Morro Bay, Ca. 93442

September 5, 2012

Dear Council Members,

Given that the Morro Bay Chamber of Commerce will no longer be providing fulfillment services through its operation of the Visitor Center as of January 1, 2013, the Chamber will be looking for a new location to house its operations.

The Chamber requests, for your consideration, the use of one of two locations currently owned by the City. The Transportation Building on Harbor Street could house the Chamber and its Economic Development program and would need little renovation. The second location to consider is the Fire Department Administration location. The Chamber understands that the Fire department will be moving into their new expansion toward the end of the year. The 2400 ft. sq. area, which is substantially larger than the acceptable space of the Transportation Building, would afford the Chamber the opportunity to expand its economic development program to include office and conference space for our partners use in Morro Bay. Those partners include the SCORE program, the SBDC, the Business Entrepreneurial Center of Cuesta College, the Economic Vitality Corporation, the Workforce Investment Board and the Business Innovation and Entrepreneurial Center of Cal Poly. The extra space will also give the Chamber the opportunity to provide incubator space and support for several start-up businesses. Both these activities would greatly enhance the goals of the Economic Development partnership recently approved by City Council. **Without the space of the Fire Admin Building, the incubator and partners area would not be feasible.**

In order to maximize resources for economic development, **the Chamber requests a rent of \$1.00 per year for a period of three years**, as contractual needs for the incubator businesses will range from two to three years. The Chamber would pay all utilities, leaseholder improvements and insurance associated with the facility.

The Chamber Board is excited about its new partnership and focus with the City on economic development and looks forward to a long and productive relationship with the City of Morro Bay. Thank you for your consideration.

Best regards,

A handwritten signature in blue ink, appearing to read "Craig Schmidt".

Craig Schmidt, CEO
Morro Bay Chamber of Commerce

A Case for Strategic Economic Development

What is Economic Development?

One way communities can enhance their chances for a viable future is through the intentional process of proactively creating a preferred economic future with economic development.

By definition, economic development is a concerted effort on the part of a community to influence the private sector to make investments in the community that will provide incomes for local residents, profitable opportunities for people with an entrepreneurial bent to invest in a business and tax revenues for maintaining community infrastructure and services. It is a process of deliberate intervention in the dynamics of the local economy by making economic growth easier or more attractive.

Economic development involves the allocation of limited resources (labor, capital, land and entrepreneurship) in a way that has a positive effect on the level of business activity, employment, income distribution patterns and fiscal solvency. There are three broad components of economic development:

- **Business Retention and Expansion** - enhancing the success of existing businesses. Helping existing base employers be more competitive is the best strategy for most communities. It is a cost-effective approach to economic development. Improved profitability by existing employers can lead to

business expansion. Some strategies include establishing job training programs and identifying external markets for export. It's important for communities to keep in mind that a base employer in their area is considered a prospect by other communities.

- **Business Start-ups** (sometimes called 'growing our own') - encouraging the creation and growth of new businesses. Strategies associated with this objective strive to create new enterprises that serve local markets or those outside the community. The essence of entrepreneurship is the development of new products for manufacturing or the creation of innovative services not presently available.
- **Business Attraction** - attracting to the community expanding or relocating businesses. Recruiting businesses and industries that are looking to move or expand into new locations is an important part of an overall economic development program. Effectively recruiting base employers can help a community diversify its economic base, raise income levels for residents and fill voids.

Secondary strategies:

- **Capture More Local Dollars** - Many of the dollars that come into a community leave just as quickly, in lost retail sales outside the community (referred to as 'leakage'), taxes paid to higher governments and pur-

chases of services and supplies elsewhere. Retaining those dollars can enhance the community's overall wealth. Programs like the 'Shop Fort Collins' and 'Be Local' are aimed at that purpose. Programs that encourage institutions to purchase goods and services locally are another strategy for retaining money already in the local economy. Although of secondary economic benefit, these activities can augment the higher yielding strategies cited above that attract new money into the community.

- **Access Outside Sources of Income and Capital** - In addition to 'traditional' economic development, as outlined above, other sources of outside income for a community exist. One example is retirement income coming in the form of passive income and transfer payments. Another example is money coming into the community from the startup and growth of a firm that creates an equity event upon its sale.

Economic development is a concerted effort on the part of a community to influence the private sector to make investments in the community that will provide incomes for local residents... and tax revenues for maintaining community infrastructure and services.

The Morro Bay Chamber of Commerce and Business Resource Center

695 Harbor Street • Morro Bay, CA 93442 • 805-772-4467

It takes the right mix of tools, networking and know-how for small businesses to succeed in today's competitive environment. Entrepreneurs now have a place they can turn to for help in getting their business off on the right foot:



In partnership with the City of Morro Bay, the Morro Bay Business Resource Center offers valuable services to prospective and new business owners, including mentoring in important areas such as financial planning, marketing, and future growth strategies. Workshops, seminars and classes on all aspects of successful business development are offered, and the Center provides guidance from experienced sources in developing business plans, contacts, pursuing government contracts and opportunities, and gaining recognition for your business through competitions and media resources.

With The Business Resource Center, you have years of experience and proven strategies for success at your disposal. Give us a call today. We've got answers.

How we can help you...

Access to Capital

Entrepreneurs looking for funding to turn their brilliant ideas into reality can turn to The Business Resource Center for guidance. The experts at The Center can help educate new business owners navigating the various funding sources that are available. They can also help individuals evaluate their business structure to determine what kind of capital is needed and the best ways to pursue it. Advice on applying for loans, as well as guidance on pursuing state and federal government contracts and opportunities are also available.

Affordable Space

The Business Resource Center offers an incubation program and facilities for businesses. Through this program, resident businesses can take advantage of low overhead and shared resources such as administrative support, fax and postal services, audiovisual equipment, copying equipment, Conference room and low-cost telephone and internet services. This allows fledgling businesses to concentrate their resources on more important growth areas during their critical early years.

Counseling

Business owners who utilize The Business Resource Center get access to vital counseling and advice from prominent business leaders and business development professionals. Entrepreneurs can tap into the wealth of knowledge and experience possessed by Chamber members and partner economic development agencies to help them at every stage of their growth, from conception onward. Individuals are referred to mentors based on their specific needs, whether it be financing, developing business plans or adopting long-term strategies for growth. The Center also helps advise owners on key items such as bookkeeping and human resources materials they need to get started.

Education

The Business Resource Center offers a multitude of classes, workshops and seminars to aid business owners at every stage of development. These programs cover a variety of topics such as marketing, business planning, website creation, and hiring and management techniques. These programs help owners set a strong foundation that fosters future growth and success.

Marketing

Running a successful business takes more than a great idea and a solid business plan - it requires marketing strategies that will get your name out in front of the public. The Business Resource Center partners with the Small Business Development Center, the Business Entrepreneurial Center, the Economic Development Corporation, the Business Innovation and Entrepreneurial Center and the Senior Corps of Retired Executives to offer a variety of showcase opportunities such as Business Expos, Morning Coffee, Business After Hours and other activities to help you publicize your business.

Member Support

Chamber Business Members are a great source of support for new businesses. After your business plan is created with the help of our Business Resource Center partners, we can make connections for you with our business members. We have real estate experts, graphic designers, printers, signage professionals, marketing professionals, IT professionals, attorneys, accountants, etc. who have years of experience in our local market. Added to their professionalism is the biggest benefit of local networking with Chamber members – they have actually grown businesses in Morro Bay.

Recognition

The Business Resource Center can help business owners find avenues to compete for annual awards at the local, state and national levels, helping them to earn recognition for excellence. By directing business owners to various organizations, associations and

publications, the Center provides opportunities to gain visibility and generate positive promotion and media attention.

THE BUSINESS RESOURCE CENTER

Incubation Program

ABOUT THE PROGRAM

The Morro Bay Chamber of Commerce's Incubation Program is a low-cost program for fledgling businesses that provides them a highly-mentored environment with low overhead and the maximum opportunity for growth and development. In-resident businesses can take advantage of below-market, short-term leases, shared resources, such as meeting rooms, fax and postal services, and reduced-cost telephone and Internet service. Mentoring services are also available.

ELIGIBILITY

If you are a business in the first three years of operation, you may be eligible to become an in-resident client of our Incubation Program. We consider businesses from all industries, excluding professional services, such as medical or law offices, and those dependent on foot traffic.

Candidates must submit a pre-entry application accompanied by their business plan. Pre-entry applications are available below, or at the Business Resource Center, 695 Harbor Street in Morro Bay.

The Business Resource Center Coaching Team evaluates business plans and looks for businesses with potential for growth, success and job creation.

If a prospective business does not have a business plan, we can help develop one. That assistance includes a business plan-seminar, which meets Applicants might also be interested in The SBDC's NxLevel Business Training Program and/or individual mentoring by a professional business executive.

Incubation Program Application

You can download and complete this application electronically, hitting "SUBMIT" to send by email, or

You can print and fill out this application by hand and fax it to 805-772-6038, or

You can print and hand deliver to: The Business Resource Center
695 Harbor Street, Morro Bay, CA 93442

THE BUSINESS RESOURCE CENTER

Incubation Program

SERVICES

If you become a client of the Incubation Program, you will have access to many services and benefits, including:

- Reduced overhead
 - Short-term lease
 - Reduced rate rent
 - Shared office equipment
 - No deposit for utilities
 - Low-cost telephone and Internet service
 - Free receptionist service
- Overnight delivery services.
- Free use of our Conference Room that can accommodate up to 20 people and is equipped with audio-video equipment.
- Minority and women business support from the Chamber's Small Business Taskforce, Minority Business Taskforce and the Women in Business Forum.
- Access to the Center's Coaching Team working together to develop Morro Bay area small businesses. [Click here for more information.](#)
- Special client initiatives that provides in-residents clients with access to federal procurement officers and end-users.
- 24-hour access to the building, etc . . .

**The Morro Bay Chamber of Commerce
and Business Resource Center
695 Harbor Street • Morro Bay, California • 805-772-4467**

In Business For Your Business