

# City of Morro Bay

## City Council Agenda

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### *Mission Statement*

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

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**REGULAR MEETING – JANUARY 26, 2009  
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.

COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

A. CONSENT CALENDAR

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

- A-1 PROCLAMATION IN SUPPORT OF THE PEDAL TO PIER BICYCLE EVENT; (ADMINISTRATION)

**RECOMMENDATION: Adopt Proclamation.**

- A-2 APPROVAL OF SIDE LETTER TO SEIU MEMORANDUM OF UNDERSTANDING REGARDING JOB TITLE CHANGES FOR CERTAIN POSITIONS; (ADMINISTRATIVE SERVICES DEPARTMENT)

**RECOMMENDATION: Approve job title changes to certain positions in the Service Employees International Unit to more accurately reflect their duties.**

- A-3 PROPOSED CALENDAR FOR THE 2009-2011 BIENNIAL BUDGET; (ADMINISTRATIVE SERVICES DEPARTMENT)

**RECOMMENDATION: Approve the schedule of events leading to adoption of the biennial budget.**

- A-4 CONTINUATION OF EMERGENCY PER PUBLIC CONTRACT CODE SECTION 22050 FOR THE INSTALLATION OF ENERGY RECOVERY EQUIPMENT; (PUBLIC SERVICES)

**RECOMMENDATION: Determine the necessity to continue the emergency per Public Contract Code 22050 for the installation of desalination plant energy recovery equipment.**

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

- B-1 PRESENTATION REGARDING THE MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT; (ADMINISTRATION)

**RECOMMENDATION: Receive presentation for information.**

- B-2 RECONSIDERATION OF THE CITY'S INVOLVEMENT WITH THE COUNTYWIDE BUSINESS IMPROVEMENT DISTRICT; (ADMINISTRATION)

**RECOMMENDATION: Reconsider the consent given to the County of San Luis Obispo to form the San Luis Obispo County Business Improvement District.**

B-3 MID YEAR BUDGET REVIEW AND RECOMMENDED BUDGET AMENDMENTS; (ADMINISTRATIVE SERVICES DEPARTMENT)

**RECOMMENDATION: Direct staff to return with a resolution authorizing the approved budget adjustments.**

C. UNFINISHED BUSINESS – NONE.

D. NEW BUSINESS

D-1 PRESENTATION ON THE 10-YEAR PLAN TO END HOMELESSNESS IN SAN LUIS OBISPO COUNTY

**RECOMMENDATION: Receive presentation for information.**

D-2 SELECTION OF TWO COUNCIL MEMBERS TO SERVE ON THE JPA AND MOBILEHOME SUB-COMMITTEES; (CITY ATTORNEY)

**RECOMMENDATION: Appoint or reappoint two members to the Mobile Home and JPA Sub-Committees.**

D-3 LETTER TO THE BOARD OF SUPERVISORS REGARDING THE STATE PARKS AND COUNTY CONTRACT; (CITY COUNCIL)

**RECOMMENDATION: Approve sending letter to the San Luis Obispo County Board of Supervisors regarding the State Parks and County of San Luis Obispo Contract.**

E. ADJOURNMENT

**THIS AGENDA IS SUBJECT TO AMENDMENT UP TO 72 HOURS PRIOR TO THE DATE AND TIME SET FOR THE MEETING. PLEASE REFER TO THE AGENDA POSTED AT CITY HALL FOR ANY REVISIONS OR CALL THE CLERK'S OFFICE AT 772-6200 FOR FURTHER INFORMATION.**

**MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE CITY COUNCIL AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION AT CITY HALL LOCATED AT 595 HARBOR STREET; 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: 1/26/09

**A PROCLAMATION OF THE CITY OF MORRO BAY  
DECLARING PEDAL TO PIER  
BENEFITS SAN LUIS OBISPO ALPHA, INC.**

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

**WHEREAS**, more than 2,700 infants are born in San Luis Obispo County annually, and 29% of these are born to unwed and/or low-income mothers; and

**WHEREAS**, **San Luis Obispo ALPHA, Inc.** has been providing emotional and practical support without cost to teen and adult women, infants 12 months and younger, and their families; and

**WHEREAS**, **San Luis Obispo ALPHA, Inc.** also provides community education about maintaining a healthy pregnancy, early parenting, and about the impact of alcohol, tobacco, and drugs on the developing fetus and potentially for a lifetime; and

**WHEREAS**, the **PEDAL TO PIER** event financially supports Alpha's practical and emotional assistance and education programs that benefit our local citizens; and

**WHEREAS**, **PEDAL TO PIER** through the generosity of locally-based **High Road Sports** provides an opportunity for local cyclists to join the professional cyclists of Team Columbia on a scenic ride between Avila Beach and Cayucos including scenic Morro Bay; and

**WHEREAS**, **PEDAL TO PIER** is a community event that allows an opportunity for community businesses, service clubs, individuals and groups to make a difference while supporting a fun and healthy pastime.

**NOW, THEREFORE, BE IT RESOLVED** the City Council of the City of Morro Bay declare that Saturday, February 7, 2009, is the inaugural kick-off to **PEDAL TO PIER**, an innovative cycling event benefiting hundreds of Central Coast families. We further urge citizens to support and participate in this unique community event.

IN WITNESS WHEREOF I have  
hereunto set my hand and caused the  
seal of the City of Morro Bay to be  
affixed this 26th day of January 2009.

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JANICE PETERS, Mayor  
City of Morro Bay, California



AGENDA NO: A-2

MEETING DATE: 01/26/09

# Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** January 14, 2009  
**FROM:** Andrea K. Lueker, City Manager  
**SUBJECT:** Approval of Side Letter to SEIU Memorandum of Understanding Regarding Job Title Changes for Certain Positions

## RECOMMENDATION

Staff recommends the City Council approve job title changes to certain positions in the Service Employees International Unit (SEIU) to more accurately reflect their duties.

## FISCAL IMPACT

Not applicable.

## DISCUSSION

During contract negotiations, the SEIU bargaining team requested that the City amend certain job titles to more accurately reflect their job duties as well as to certification(s) each position requires. Both the SEIU bargaining team and City Staff have agreed with the proposed title changes (see attached red line), with the City Council providing final authority. It should be noted that this staff report is not requesting amendments to any job description. These changes will add to the clarity and consistency throughout the band of SEIU job titles as well as ensure the revised job titles are more comparable with other jurisdictions, which will be helpful when comparison studies are done.

u.w.council.SEIU side letter approval 09

Prepared By: \_\_\_\_\_      Dept Review: \_\_\_\_\_  
City Manager Review: \_\_\_\_\_  
City Attorney Review: \_\_\_\_\_



AGENDA NO: \_\_\_\_\_

MEETING DATE: \_\_\_\_\_

# Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** December 30, 2008

**FROM:** Susan Slayton, Finance Director

**SUBJECT:** Proposed Calendar for the 2009 – 2011 Biennial Budget

**RECOMMENDATION:**

Staff recommends that the City Council approve the schedule of events leading to adoption of the biennial budget.

**SUMMARY:**

The following budget calendar is presented in reference to the preparation of the 2009 - 2011 budget:

January 26	Proposed budget calendar to City Council for consideration
February 16	Finance distributes revenue/expenditure estimate requests to all departments
April 6	Estimates due to Finance from all departments
April 13 ó 17	Review preliminary budget with City Manager
May 6	First Public Budget Workshop
May 13	Second Public Budget Workshop, if needed
May 26	City Council adopts FY 2009/10 operating budget

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

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

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



AGENDA NO: A-4

MEETING DATE: 01/26/09

# Staff Report

**TO:** Honorable Mayor and City Council                      **DATE:** January 20, 2009  
**FROM:** Dylan Wade Utilities/ Capital Projects Manager  
**SUBJECT:** Continuation of Emergency per Public Contract Code Section 22050 for  
the Installation of Desalination Plant Energy Recovery Equipment

**RECOMMENDATION:**

Staff recommends the City Council determine the necessity to continue the emergency per Public Contract Code Section 22050 for the installation of desalination plant energy recovery equipment.

**BACKGROUND:**

At your October 13, 2008 Council meeting, The City Council adopted resolution 64-08 declaring that an emergency condition exists regarding immediate improvements to its Desal plant.

With the equipment design of the brackish membrane trains now complete, and a shipping date set in early December, it would take a minimum of several months to get the bid specifications completed, advertise, accept bids and bring a contract award to the Council. The delivery projections for State Water during the next calendar year are currently at 15%. There is insufficient time to go through the normal bidding procedures and complete the upgrade in between the end of this year's State Water shutdown and the beginning of next year's reduced State Water deliveries. Given the reduction in State Water deliveries and the increasing nitrate pollution we are experiencing in both the Morro and Chorro groundwater basins it is critical that we get the brackish water system operational as quickly as possible, and as such we need to continue the emergency per Public Contract Code (PC) Section 22050 for the installation of energy recovery equipment.

Pursuant to PC 22050(c)(1) the City Council must review that action and reaffirm by 4/5<sup>th</sup> vote at every regularly scheduled meeting until that action is terminated. Accordingly staff will place this item on each subsequent agenda until the project is complete.

**STATUS REPORT:**

During the week of December 9th an independent electrical engineer reviewed our electrical system and made recommendations on upgrading our electrical system on handling the new electrical loads. The City of Morro Bay staff will be coordinating this and the control system efforts, but may need additional assistance from consultants. Specialty construction has continued to work on the layout and installation of the system and the associated piping systems. On January 9th Staff meet with a representative from the California Department of Public Health

Prepared By: _____	Dept Review: _____
City Manager Review: _____	
City Attorney Review: _____	

(CDPH) to have our water system annual sanitary survey and to discuss modifications to our drinking water permit. Based on those discussions it is anticipated that our new drinking water permit, authorizing the use of the brackish treatment trains, will be issued in the next several months.

**CONCLUSION:**

Staff recommends the City Council determine the necessity to continue the emergency per Public Contract Code Section 22050 for the installation of desalination plant energy recovery equipment.



**AGENDA NO.: B-1**

**Meeting Date: 1/26/09**

**THIS IS AN ORAL  
PRESENTATION -  
THERE IS NO WRITTEN  
INFORMATION PROVIDED.**



AGENDA NO: B-2

MEETING DATE: 01/26/09

# Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** January 14, 2009  
**FROM:** Andrea K. Lueker, City Manager  
**SUBJECT:** Reconsideration of the City's Involvement in the Countywide Business Improvement District

## **RECOMMENDATION**

Staff recommends the City Council reconsider the consent given to the County of San Luis Obispo to form the San Luis Obispo County Tourism Business Improvement District (SLOCTBID).

## **FISCAL IMPACT**

Not applicable.

## **BACKGROUND**

In July 2006, the County Board of Supervisors adopted a resolution taking the first step toward setting up a countywide Business Improvement District (BID) as a mechanism to raise money from the hospitality industry for promotion and marketing. The County Visitor and Conference Bureau (VCB) expended efforts contacting businesses in the County explaining and promoting this approach.

After approval at the County level, the discussion shifted to the local City Councils. The VCB requested the Morro Bay City Council adopt a resolution giving consent to include the City of Morro Bay within the County BID.

At the November 13, 2006 City Council meeting, the Council passed Resolution No. 58-06 (attached) which conditionally granted consent to the County to form the San Luis Obispo County Tourism Business Improvement District. The resolution contained several conditions, which are as follows:

- a. The SLOCTBID will not levee an assessment on mobile home or recreational vehicle parks.
- b. Use of assessment proceeds for promotion of a City will not be dependent upon the level of the City of Morro Bay's financial contribution to the San Luis Obispo County Visitors and Conference Bureau.

**Prepared By:** \_\_\_\_\_      **Dept Review:** \_\_\_\_\_  
**City Manager Review:** \_\_\_\_\_  
**City Attorney Review:** \_\_\_\_\_

- c. The Cities and County will be reimbursed for indirect costs as determined by their respective Finance Officers.
- d. Vacation rentals will be included in the assessment.
- e. The revenue formula has a ceiling of 1% of room rental revenue.
- f. A sunset clause is included.

In December 2007, this item was brought back for reconsideration because when the SLOCTBID concept was presented, it was proposed for the County of San Luis Obispo's unincorporated areas, and the cities of Atascadero, Arroyo Grande, Grover Beach, Morro Bay, San Luis Obispo, Paso Robles and Pismo Beach. At that time, the only other organizations that passed a resolution consenting to a countywide formation were the County of San Luis Obispo, the City of Atascadero and the City of Morro Bay (Arroyo Grande has since adopted a resolution for inclusion). There was a concern by the City of Morro Bay regarding the lack of cities participating. After reconsideration, the City Council approved a motion to continue with the Countywide BID by a 4-1 vote.

### **DISCUSSION**

To date the Countywide BID has yet to be instituted, however, the Resolution of Intention for the BID is tentatively scheduled to be presented to the Board of Supervisors at their February 3, 2009 meeting. Staff is once again presenting this item to the City Council for reconsideration as the original ordinance (see attached draft dated 1/12/2009) language has been changed since the City of Morro Bay passed Resolution No. 58-06. Specifically those changes are as follows:

1. The revenue formula has been changed from 1% to 2%, with 50% going to the promote the unincorporated areas of the County and the participating cities as a tourism destination and the remaining 50% intended to be used to promote tourism in the local area in which the funds are collected and overseen by the Local Advisory Board appointed by the City Council such as the Community Promotions Committee.
2. An added authorized use of the collected funds includes a "tourism fund" which is defined as a strategy that includes investing grant approved visitor dollars in projects which enhance and sustain the natural, historic and rural culture of the District.

As the Council is aware, there is currently a group proposing formation of a local Business Improvement District in Morro Bay (MBTBID) at 3% and this amount would be used solely for promotion of Morro Bay.

It is extremely important to note that by allowing the Countywide BID to proceed at 2% and the Morro Bay BID proceed at 3%, the City of Morro Bay may have difficulty successfully implementing an increase in the City's Transient Occupancy Tax (TOT). While procedurally, the TOT could certainly be put on the June 2010 General Election, however it is unlikely that such a measure would be passed based on the increases from the County and City BIDs.



AGENDA NO: \_\_\_\_\_

MEETING DATE: 01/26/09

# Staff Report

**TO:** Honorable Mayor and City Council                      **DATE:** January 22, 2009

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

**SUBJECT:** Mid-Year Budget Review and Recommended Budget Amendments

**RECOMMENDATION:**

Staff recommends that Council direct staff to return with a Resolution, authorizing the approved budget adjustments, as amended.

**FISCAL IMPACT:**

Revenue adjustments:

General Fund	\$560,000
Measure Q	\$115,000
Transit	(\$15,126)

Expenditure adjustments:

General Fund	\$557,747
Harbor Equipment Replacement	\$ 43,000
Transit	(\$15,126)
Sewer Revenue	\$ 28,024
Harbor Operating	\$ 45,500
MB/CSD Wastewater Treatment Plant	\$ 54,000
General Govt Capital Improvement	\$110,000
Sewer Capital Improvement	\$ 50,000

**SUMMARY:**

The 2008/09 mid-year budget adjustments are presented as summarized above. Specific detail is provided in the attachments. Staff recommends that Council direct staff to return with a Resolution of adoption.

**DISCUSSION:**

The requested budget adjustments are presented on the attached pages with a description justifying each request. Included with this is a December 31, 2008 budget performance report for the General Fund, which has been economically adjusted to move certain applicable revenues, such as transient occupancy tax and sales tax, into the proper reporting period.

Prepared by: _____	Dept Review: _____
City Manager Review: _____	
City Attorney Review: _____	Page 1 of 2

The City of Morro Bay's General Fund has a structural deficit as has been identified and addressed in the report by Management Partners and further identified in this report. This means that even when the economy is performing at its best, our ongoing revenues do not match or exceed our ongoing expenditures. Past precedent has been to include grant money and the money from the agreement with Dynegy (formerly Duke Energy) in order to balance our General Fund budget. While the Budget Performance Report demonstrates an economically-adjusted surplus of \$400K, it contains \$850K of one-time or limited-duration funds. In short, we are not matching our ongoing long-term revenue stream to our ongoing long-term expenditure flow. We are, and have been, spending beyond our means.

With the country in a severe recession, our problem is further exacerbated. The State of California has sent stop notices to California cities to cease activities funded by State grant funds. This notice affected our Harborwalk Project. We currently have over \$2M outstanding from the State on projects such as the Fire Station. The State is also delaying payments to cities to capture the extra interest in its coffers. The COPS grant for \$100k that was normally paid in full in October has been changed to monthly installments. We've received two installments, and the remaining two are subject to possible loss of 10%. While we expect to eventually receive these funds that are due to the City, the timing is such that our current year budget and future year budgets may be adversely affected. There is also a slim possibility that the State will not reimburse the City, which would be an extremely significant hit to City cash flow.

The serious economic situation presents Council with two difficult options to choose from in order to maintain Morro Bay as an incorporated city: increase revenues or decrease expenditures. Revenue options were presented at the January 12<sup>th</sup> meeting, with one of the three approved to move forward (TOT) immediately after the mid-year review and in conjunction with the Business Improvement District discussions and the other two (UUT and 911 fee) coming back within the next two months. A decision on the Buxton study, which will identify future businesses looking to relocate to an area such as Morro Bay, has also been held until at or after the mid-year budget review. The Buxton study can be funded over two fiscal years, with a portion of the funding coming from the Harbor Fund (\$15,000) and the remaining being funded from the General Fund Accumulation Fund (\$17,500 this fiscal year and \$17,500 next fiscal year), or funded from the \$49K of unallocated Measure Q funding. This amendment is not included in your attachments.

As the Council is aware, one of the six priority goals set at the June 2008 Goal-Setting Workshop was to establish new revenue sources. Decisions on these revenue options will declare the Council's next move. If revenue enhancements are approved, expenditure curtailment will remain in place and the City can begin funding its depleted equipment replacement fund once again and building its reserves. If additional revenue options are not authorized, Council must direct staff to make deep expenditure cuts. This will mean a reduction in service levels and programs. We are at a pivotal point in Morro Bay's existence.

A Resolution, adopting the mid-year budget adjustments based on Council's actions, will be brought back to the next meeting as a consent item.



**AGENDA NO.: D-1**  
**Meeting Date: 1/26/09**

**THIS IS AN ORAL  
PRESENTATION -  
THERE IS NO WRITTEN  
INFORMATION PROVIDED.**



AGENDA NO: D-2

MEETING DATE: January 26 2009

## Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** January 20, 2009  
**FROM:** Rob Schultz, City Attorney  
**SUBJECT:** Selection of Two Council Members to Serve on the JPA and Mobile Home Sub-Committees

### **RECOMMENDATION:**

Staff requests that Council appoint and/or reappoint two members to the Mobile Home and JPA Sub-Committees.

### **DISCUSSION:**

At the December 12, 2008 Council meeting the Mayor made annual appointments to County and/or Regional committees pursuant to the process set forth in our Council Policies and Procedures Manual. The Mayor also made appointments and/or reappointments to the Mobile Home and JPA Sub-Committees. These committees are not County and/or Regional committees and therefore should be decided and voted on by the Council.

Prepared By: \_\_\_\_\_      Dept Review: \_\_\_\_\_  
City Manager Review: \_\_\_\_\_  
City Attorney Review: \_\_\_\_\_



AGENDA NO: D-3

MEETING DATE: 1/26/09

## Staff Report

**TO:** City Council **DATE:** January 22, 2009  
**FROM:** Betty Winholtz, Council Member  
**SUBJECT:** Letter to the Board of Supervisors regarding the State Parks  
and County Operating Agreement

### **RECOMMENDATION:**

City Council send a letter to the County Board of Supervisors stating Council's preference for no kiosk at the entrance to Montana de Oro State Park and encourage the Board to pay the State Department of Parks and Recreation (DPR) annual rent.

### **FISCAL IMPACT:**

None to the City, but potentially to individual residents.

### **SUMMARY:**

Morro Bay State Golf Course is within the City limits, and many City residents use and volunteer at coastal State Park facilities. Therefore, it is appropriate for the City Council on behalf of its citizens to make comment regarding the alternatives upon which the Board will be deciding.

### **BACKGROUND:**

At the last City Council meeting, DPR and County representatives outlined three alternatives the Board of Supervisors will be choosing among to fulfill an agreement made in 1999 that expires in 2019. It is entitled "Operating Agreement Between the County of San Luis Obispo and the California Department of Parks and Recreation for the Use and Operation of Morro Bay State Park Golf Course, Pecho Road in Montana de Oro State Park, Bishop Peak, and the Beach, Pier, Veterans' Memorial Hall and Old Creek in Cayucos. Per the Agreement, DPR has pressed the County to allow it to put up an entrance kiosk on Pecho Road inside of Montana de Oro State Park. Pecho Road runs the length of the Park, but it is owned by the County, thus the need for DPR to acquire County permission to erect a kiosk for the collection of fees. Unfortunately, the 1999 Agreement tied together a possible kiosk at Montana de Oro to the operations at Morro Bay State Golf Course and the other facilities named above.

Prepared By: B. Winholtz

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

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

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

Earlier this month at the ATT Cable Landing hearing before the State Lands Commission in San Luis Obispo, Los Osos residents and County Supervisor Gibson suggested there may be a nexus for ATT to absorb a financial payment on behalf of the County to DPR. The State Lands Commission decision regarding this recommendation is not known at this time. Therefore, it is necessary to examine the other options.

The Los Osos Community Advisory Council (LOCAC) recommendations are in Attachment #2. The recommended City Council letter is Attachment #1; it follows LOCAC's recommendations.

## Attachment #1

### LETTER TO THE BOARD OF SUPERVISORS FROM THE MORRO BAY CITY COUNCIL:

Dear Supervisors:

The City Council of Morro Bay respectfully submits the following comments regarding the OPERATING AGREEMENT BETWEEN THE COUNTY OF SAN LUIS OBISPO AND THE CALIFORNIA DEPARTMENT OF PARKS AND RECREATION FOR THE USE AND OPERATION OF MORRO BAY STATE PARK GOLF COURSE, PECHO ROAD IN MONTANA DE ORO STATE PARK, BISHOP PEAK, AND THE BEACH, PIER, VETERANS' MEMORIAL HALL AND OLD CREEK IN CAYUCOS.

Morro Bay Golf Course lies within our jurisdiction. Many of our residents enjoy and do a variety of volunteer work at Montana de Oro State Park as well as the Cayucos Hall, Pier, and Old Creek.

We concur with the Los Osos Community Advisory Council (LOCAC) that the County should pay the annual rent rather than allow the State Department of Parks and Recreation (DPR) to erect a kiosk on County-owned Pecho Road. It has been suggested that "information only" may be given out at the kiosk. Better that an unobtrusive sign shortly within the Park boundary direct unfamiliar visitors to the Spooners Cove Homestead.

The only reason to construct an entry kiosk is to collect an entrance fee. The alternative, to pay DPR an annual fee, should be shouldered by the County for the reasons stated by LOCAC: time and labor contributions by County residents, difficulty in charging specialty groups, lack of parkland within the County community of Los Osos.

Other options have been suggested should DPR feel the need for more operating money beyond the County's approximate annual rent of \$53,000, i.e. iron rangers in all parking lots. The Agreement states that "a daily fee collection program...is to meet their financial obligations to operate Montana de Oro State Park." Though requested multiple times by LOCAC, DPR has yet to produce documentation that demonstrates the need for such a fee.

Should the Board decide against the recommendations of its coastal constituents and allow the kiosk, we urge you to include in the Agreement:

1. A 10% return on fees DPR collects for maintaining Pecho Road, just as DPR gets a 10% remittance from the Morro Bay State Golf Course,
2. Reduced passes for County residents, and
3. Free passes for volunteers.

In addition, pursuit of ATT to absorb this fee either as a user's fee for their cable landing or a corporate gesture of good will should be actively pursued.

Sincerely,

**Attachment #2**

**SUN BULLETIN ARTICLE DATED OCTOBER 22, 2008  
“LOCAC TO DISCUSS OPTIONS REGARDING MONTANA DE ORO”  
(LOLAC RECOMMENDATION)**