

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 – MARCH 9, 2009

**CLOSED SESSION – MARCH 9, 2009
CITY HALL CONFERENCE ROOM - 5:00 P.M.
595 HARBOR ST., MORRO BAY, CA**

**CS-1 GOVERNMENT CODE SECTION 54956.9(A); CONFERENCE WITH
LEGAL COUNSEL REGARDING PENDING LITIGATION.**

- CITY OF MORRO BAY vs. MARTONY and PEKAREK

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

**PUBLIC SESSION – MARCH 9, 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.

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 MINUTES FOR THE REGULAR CITY COUNCIL MEETING OF FEBRUARY 23, 2009; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 AUTHORIZATION TO SECURE A USDA LOAN TO FUND FIRE STATION 53 PHASE II; (FIRE)

RECOMMENDATION: Authorize the City Manager to sign loan documents with the United States Department of Agriculture to secure funding for Phase II of the Fire Station 53 replacement project in an amount not to exceed \$3,000,000 and annual payments not to exceed \$200,000 per year.

A-3 APPROVAL OF MAYOR AND COUNCIL MEMBERS TO ATTEND THE LEAGUE OF CALIFORNIA CITIES "LEGISLATIVE ACTION DAYS"; (ADMINISTRATION)

RECOMMENDATION: Approve sending the Mayor and/or Council Members to attend the League of California Cities "Legislative Action Days" in Sacramento.

A-4 APPROVAL OF PARCEL MAP PM MB 05-0357 (594 KINGS AVENUE) AND ACCEPTANCE OF OFFER OF DEDICATION; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Resolution No. 10-09.

A-5 RESOLUTION IN SUPPORT OF THE ADOPT-A-TREE PROGRAM; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Resolution No. 11-09.

A-6 POTENTIAL TOPICS FOR THE JOINT PLANNING COMMISSION/CITY COUNCIL MEETING; (PUBLIC SERVICES)

RECOMMENDATION: Consider potential discussion topics for the joint Planning Commission/City Council meeting on March 30, 2009.

A-7 CONTINUATION OF EMERGENCY PER PUBLIC CONTRACT CODE SECTION 22050 FOR THE INSTALLATION OF DESALINATION PLANT 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.

A-8 APPROVAL OF RESOLUTION NO. 09-09 AUTHORIZING THE CITY OF MORRO BAY TO ENTER INTO A DERELICT VESSEL ABATEMENT GRANT WITH THE MORRO BAY NATIONAL ESTUARY PROGRAM; (HARBOR)

RECOMMENDATION: Adopt Resolution No. 09-09.

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 RECOMMENDATION ON CONTRACTING WITH CAL FIRE FOR FIRE SERVICES IN MORRO BAY; (FIRE)

RECOMMENDATION: Advise Cal Fire that the City is not interested in continuing the process toward a full service contract at this time.

C. UNFINISHED BUSINESS

C-1 DISCUSSION ON REVENUE GENERATING BALLOT MEASURES FOR THE JUNE 2010 ELECTION; (CITY ATTORNEY)

RECOMMENDATION: Direct Staff regarding which revenue-generating ballot measures to begin preparing for consideration at a City Workshop.

D. NEW BUSINESS

D-1 SANITARY SEWER MANAGEMENT PLAN; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Chapters 3,4,6 and 7 of the Sanitary Sewer Management Plan, and direct staff to continue to prepare the remaining Chapters in conjunction with the Public Works Advisory Board.

D-2 REVIEW PRELIMINARY DESIGN AND COST ESTIMATES FOR THE NORTH MAIN STREET CLASS II BIKE LANE PROJECT; (PUBLIC SERVICES)

RECOMMENDATION: Consider the feasibility and direct staff on whether to proceed further toward the installation of Class II bike lanes on North Main Street.

D-3 REPORT ON THE DRAFT GOALS AND OBJECTIVES FROM THE GOALS SETTING WORKSHOP; (ADMINISTRATION)

RECOMMENDATION: Adopt the Goal Setting Workshop Outcomes for 2009 as designated priorities.

E. DECLARATION OF FUTURE AGENDA ITEMS

F. ADJOURNMENT

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

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

MINUTES - MORRO BAY CITY COUNCIL
CLOSED SESSION 6 FEBRUARY 23, 2009
CITY HALL CONFERENCE ROOM - 5:00 P.M.

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

PRESENT:	Janice Peters	Mayor
	Carla Borchard	Councilmember
	Rick Grantham	Councilmember
	Noah Smukler	Councilmember
	Betty Winholtz	Councilmember

STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney

CLOSED SESSION

MOTION: Councilmember Winholtz moved the meeting be adjourned to Closed Session. The motion was seconded by Councilmember Grantham and unanimously carried. (5-0)

Mayor Peters read the Closed Session Statement.

CS-1 GOVERNMENT CODE SECTION 54956.8; REAL PROPERTY TRANSACTIONS. Instructing City's real property negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease of real property as to one (1) parcel.

- **Property:** Lease Site 150 Extension/180 Atascadero Road
Negotiating Parties: Hanson Aggregates and City of Morro Bay.
Negotiations: Lease Terms and Conditions.

The meeting adjourned to Closed Session at 5:00 p.m. and returned to regular session at 5:40 p.m.

MOTION: Councilmember Grantham moved the meeting be adjourned. The motion was seconded by Councilmember Borchard and unanimously carried. (5-0)

The meeting adjourned at 5:40 p.m.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING ó FEBRUARY 23, 2009
VETERANS MEMORIAL HALL - 6:00 P.M.

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

PRESENT:	Janice Peters	Mayor
	Carla Borchard	Councilmember
	Rick Grantham	Councilmember
	Noah Smukler	Councilmember
	Betty Winholtz	Councilmember
STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney
	Bridgett Bauer	City Clerk
	Rick Algert	Harbor Director
	Bruce Ambo	Public Services Director
	John DeRohan	Police Chief
	Mike Pond	Fire Chief
	Susan Slayton	Administrative Services Director
	Dylan Wade	Utilities/Capital Projects Manager
	Joe Woods	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 Schultz reported the City Council met in Closed Session, and no reportable action under the Brown Act was taken.

PUBLIC COMMENT

Keith Taylor addressed the USDA funding for Phase II of the Fire Department noting the Emergency Center Treatment Room is very important to include in this plan. He urged the City Council's support when considering this loan at the March 9th City Council meeting.

John Flores, representative of the U.S. Census, requested the community's support in the upcoming census.

Jonni Biaggini announced Neil Farrell would be presenting an economic stimulus plan for the City of Morro Bay at this week's Business Forum.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING ó FEBRUARY 23, 2009

Joan Solu thanked the Galley Restaurant for their generosity in sponsoring a fundraiser for the Community Foundation, which raised \$1,600 for the Foundation. She said there would be a silent and live auction and barbecue at Del Mar Elementary School on March 29th. Ms. Solu also noted the Dixon Spaghetti Dinner Fundraiser would be held on February 27th.

Steve Eckes, Morro Bay Pups, gave a status report on the proposed dog park at Del Mar Park. He invited the public to a party to kick off the Capital Fundraising Campaign for the dog park at Del Mar Park on March 1st.

David Nelson addressed the need to repair the potholes around the City. He asked the cost of the roundabout. Mr. Nelson stated there is enough talent within the City that the City does not need to hire consultants.

Melody DeMeritt addressed Dynegy's request to extend its outfall lease, which expires in 2012. She said the New Futures Ad-Hoc Committee provided a report that provided all the Brownfield Act funding, the entitlements they could get, the attraction of flat coastal land that would generate tourism and tax-base for the City. Ms. DeMeritt requested the City Council only negotiate with Dynegy for what would benefit the City.

Mayor Peters closed the hearing for public comment.

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 MINUTES FOR THE REGULAR CITY COUNCIL MEETING OF FEBRUARY 9, 2009; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 AUTHORIZATION TO FILE NOTICE OF COMPLETION FOR FIRE STATION 53 (HARBOR STREET) APPARATUS BAY REPLACEMENT PROJECT; (PUBLIC SERVICES)

RECOMMENDATION: Accept the project as completed by Specialty Construction Incorporated and authorize the filing of a Notice of Completion.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING ó FEBRUARY 23, 2009

A-3 AUTHORIZATION FOR THE ATTENDANCE AT THE C-MANC ANNUAL MEETING IN WASHINGTON D.C.; (HARBOR)

RECOMMENDATION: Authorize for a two-person delegation to attend C-MANC'S Washington Week meetings scheduled for March 23-25, 2009.

A-4 APPROVAL OF LETTER IN SUPPORT OF CAL-EMA ON PUBLIC SAFETY POLICY COMMITTEE;

RECOMMENDATION: Approve letter of support of CAL-EMA on Public Safety Policy Committee.

A-5 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.

Councilmember Winholtz pulled Items A-1, A-2, A-3, and A-4 of the Consent Calendar.

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

A-1 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETING OF FEBRUARY 9, 2009; (ADMINISTRATION)

Councilmember Winholtz requested the following amendment be made to the minutes of February 9, 2009, page 10, paragraph 1:

~~The consensus of the City Council was to include vacation rentals in a Business Improvement District but not recreational vehicle parks.~~ **The consensus of the City Council was to not include vacation rentals or recreational vehicle parks, and to revisit this at the end of the calendar year 2009.**

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

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING ó FEBRUARY 23, 2009

A-2 AUTHORIZATION TO FILE NOTICE OF COMPLETION FOR FIRE STATION 53 (HARBOR STREET) APPARATUS BAY REPLACEMENT PROJECT; (PUBLIC SERVICES)

Councilmember Winholtz requested clarification regarding the construction costs.

Utilities/Capital Projects Manager Dylan Wade responded the total project cost included any staff time billed to the project, any consultant time spent on the project, and any direct cost the City had. The construction contract cost would be any cost of the contractor.

MOTION: Councilmember Grantham moved the City Council approve Item A-2 of the Consent Calendar. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

A-3 AUTHORIZATION FOR THE ATTENDANCE AT THE C-MANC ANNUAL MEETING IN WASHINGTON D.C.; (HARBOR)

MOTION: Councilmember Winholtz moved the City Council designate Mayor Peters and Harbor Director Rick Algert to attend the C-MANC Washington Week meetings. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

A-4 APPROVAL OF LETTER IN SUPPORT OF CAL-EMA ON PUBLIC SAFETY POLICY COMMITTEE

MOTION: Councilmember Winholtz moved the City Council continue this item to the March 9, 2009 City Council meeting. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

Mayor Peters called for a break at 6:50 p.m.; the meeting resumed at 7:00 p.m.

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 CONSIDERATION OF CONTRACTING WITH CAL FIRE FOR FIRE SERVICES IN MORRO BAY; (FIRE)

Fire Chief Mike Pond requested the City Council receive the Cooperative Fire Protection Agreement Proposal for Morro Bay Fire Department and the presentation provided by Cal Fire Chief Matt Jenkins and staff. Chief Pond stated staff would provide a report with recommendations for Council consideration at the March 9th City Council meeting.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING ó FEBRUARY 23, 2009

Mayor Peters opened the hearing for public comment.

David Nelson stated there is not a lot of savings in the proposal by Cal Fire and the City should maintain local control.

John Sigler stated the City should not give up its local fire services. He said by giving up local control would give up exclusive management of our Fire Department.

Walter Heath stated the dynamic in accountability is different between employer/employee and employer/vendor. He urged the Council to reject the proposal of Cal Fire and fully fund our local Fire Department.

Peter Risley stated the City should not lose local control of its Fire Department.

Joan Solu asked what the legacy cost of going with Cal Fire would be. She said she would like to maintain local control of the City's Fire Department.

Ken Vesterfelt stated it has been reiterated in the proposal that the City would be in control of the contract with Cal Fire.

Mayor Peters closed the public comment hearing.

Councilmember Grantham stated it is a rare occurrence to reverse a contract such as what is being proposed by Cal Fire. He said once there is a contract, the City is in it for the long haul. Councilmember Grantham also said it would be prudent to know how much it would cost to bring the Bonita Street Station up to code.

Councilmember Winholtz stated she understands one of the biggest concerns of our fire fighters is that of safety. She said the option of using Station 11 was the concern of the residents of North Morro Bay to reduce response time.

Councilmember Smukler stated a five-year strategic plan would be a good outline of what the City needs to address the objective of managing and operating the Fire Station in Morro Bay and not continue dialogue with Cal Fire. He said the City should look internally, consider how to resolve the issues, achieve the objectives, and prioritize the needs of the Fire Department before going any further with negotiations with Cal Fire.

Councilmember Borchard stated the opportunities Cal Fire can provide in Package Two is interesting to her at a cost-savings. She said she is interested in pursuing options that would save money and improve response times.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING ó FEBRUARY 23, 2009

Mayor Peters stated Options 1, 1.1 and 2 would give the City some savings. She said with the time spent on the proposal, she supports continuing to the next meeting to receive staff's recommendations.

MOTION: Mayor Peters moved the City Council continue the consideration of contracting with Cal Fire for Fire Services in Morro Bay to the City Council meeting of March 9, 2009 or April 13, 2009. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

Mayor Peters called for a break at 9:00 p.m.; the meeting resumed at 9:06 p.m.

B-2 ADOPTION OF RESOLUTION NO. 08-09 DECLARING THE CITY'S INTENTION TO ESTABLISH THE MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT (MBTBID), DECLARING ITS INTENTION TO LEVY AN ASSESSMENT ON LODGING BUSINESSES WITHIN SUCH DISTRICT, AND FIXING THE TIME AND PLACE OF A PUBLIC MEETING AND A PUBLIC HEARING THEREON AND GIVING NOTICE THEREOF; (CITY ATTORNEY)

City Attorney Robert Schultz stated State law allows cities to form assessment districts, pursuant to the Parking and Business Improvement Area Law of 1989, California Streets and Highways Code Sections 36500, *et seq.* Representatives of Morro Bay lodging establishments have suggested the City consider establishing a tourism business improvement district to provide resources for the purpose of promoting tourism within business districts in order to create jobs, attract new business, and enhance the business district. At the February 9, 2009 City Council meeting, the City Council directed staff to return with a Resolution Declaring the City's Intention to Establish the Morro Bay Tourism Business Improvement District. The City Council directed staff to set the annual assessment rate at 2% and to exclude vacation rentals and recreational vehicle parks. Mr. Schultz recommended the City Council adopt Resolution No. 08-09 declaring the City's intention to establish the Morro Bay Tourism Business Improvement District, declaring its intention to levy an assessment on lodging businesses within such district, and fixing the time and place of a public meeting and a publish hearing thereon and giving notice thereof.

Mayor Peters opened the hearing for public comment.

John Solu stated he would like to have this Business Improvement District in place by June 1, 2009. He said there has been no indication of an administrative cost, which there should be a cap placed in the ordinance. Mr. Solu stated the stakeholders should name the representatives from the lodging industry who would serve on the advisory board. He said the goal for year one is to be competitive in promoting Morro Bay.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING ó FEBRUARY 23, 2009

Jonni Biaggini stated the first year rate should be at the highest rate (3%); then the City can promote a transient occupancy tax initiative, this is a private business improvement initiative. She said the City role is to collect and enforce, and the businesses role as stakeholders is how best to spend this money.

Joan Solu requested the City Council consider allowing the hoteliers to define the by-laws. She also requested if there is an administrative fee, that it is capped at 2%. Ms. Solu stated the Business Improvement District Formation Committee would like the Council to consider moving the contribution for the stimulus plan from 2% to 3% until 2010; and, allow the hoteliers to decide if and when a transient occupancy tax increase is suggested by the City, and if and when it is approved by the voters, it would allow the hoteliers to consider the 3% assessment and what impacts it can bear.

Susan Stewart stated she supports a Business Improvement District at 3%.

Mayor Peters closed the public comment hearing.

Councilmember Winholtz stated she supports a City Business Improvement District at 2%, with hopes of approving a 1% County Business Improvement District. She also supports placing a transient occupancy tax initiative on the next ballot.

Councilmember Grantham stated he supports a Business Improvement District at 2%, and placing a transient occupancy tax initiative on the next ballot.

Councilmember Smukler stated he supports a Business Improvement District at 3% to get the infusion to the highest level possible at this time, and it can be reduced in the future if necessary.

Councilmember Borchard stated the process has made her decision a difficult one, and one she is still considering

Mayor Peters stated she supports the Business Improvement District at 3% this year, and 2% thereafter; then Council could decide what to do with the transient occupancy tax.

MOTION: Mayor Peters moved the City Council adopt Resolution No. 08-09 declaring the City's intention to establish the Morro Bay Tourism Business Improvement District, declaring its intention to levy an assessment on lodging businesses within such district, and fixing the time and place of a public meeting and a publish hearing thereon and giving notice thereof; and, approve 3% for one year and 2% as of June 2010. The motion was seconded by Councilmember Borchard and carried with Councilmember Grantham and Councilmember Winholtz voting no. (3-2)

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING ó FEBRUARY 23, 2009

C. UNFINISHED BUSINESS ó NONE.

D. NEW BUSINESS

D-1 SELECTION OF TWO COUNCIL MEMBERS TO SERVE ON THE
BUSINESS DEVELOPMENT AD-HOC COMMITTEE; (CITY ATTORNEY)

City Attorney Robert Schultz stated at the May 12, 2008 City Council meeting, the City Council established an ad-hoc committee to determine which businesses would be viable for Morro Bay and to recruit them. The City Council unanimously appointed then Councilmember Peirce, Councilmember Grantham, the Executive Director of the Morro Bay Chamber of Commerce or his/her designee, one member who is a current retail business owner, one member of the Public Services Department; and others as deemed necessary. Mr. Schultz recommended the City Council decide whether to appoint or reappoint two members to the Business Development Ad-Hoc Committee.

Councilmember Smukler stated he would bring back a report on the focus of the Committee.

MOTION: Mayor Peters moved the City Council continue this item to a future date. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

D-2 SCHEDULE AND COMPOSITION OF ADDITIONAL BUDGET REPORT(S);
(CITY COUNCIL)

Councilmember Smukler stated additional budget updates strategically included at consistent points within the budgetary year, would give the Council and staff another benchmark to comparatively measure current performance to previous years. Finance staff has recommended April as a relatively light workload period appropriately spaced between the Mid-Year Budget Review and the end of the fiscal year. He recommended the City Council discuss the concept and direct Administrative Services to adopt an additional budget performance update annually scheduled for April.

MOTION: Councilmember Smukler moved the City Council adjust the budget update to include the end of the first quarter if possible and end of the third quarter and accept those reports as information for general awareness of the City's budget situation. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

E. DECLARATION OF FUTURE AGENDA ITEMS ó None.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING ó FEBRUARY 23, 2009

ADJOURNMENT

The meeting adjourned at 10:13 p.m.

Recorded by:

Bridgett Bauer
City Clerk



AGENDA NO: A-2

MEETING DATE: 3/9/09

Staff Report

TO: Honorable Mayor and City Council **DATE:** March 2, 2009
FROM: Michael Pond, Fire Chief
SUBJECT: Authorization to Secure a USDA Loan to Fund Fire Station 53 Phase II

RECOMMENDATION:

Staff recommends the City Council authorize the City Manager to sign loan documents with the United States Department of Agriculture to secure funding for Phase II of the Fire Station 53 replacement project, in an amount not to exceed \$3,000,000 and annual payments not to exceed \$200,000 per year.

FISCAL IMPACT:

Phase II construction is estimated to cost up to \$3,000,000. The USDA will currently provide a loan at 4.75% for up to 40 years. The annual debt service on \$3,000,000 for 40 years is \$168,900. Annual payments for terms shorter than 40 years are available. Approving an annual payment not to exceed \$200,000 gives the City flexibility in securing the best loan terms for the City. If approved, Staff would ask that Council allocate Measure Q revenues, during the budget process, to service the annual debt payments.

BACKGROUND:

Completing construction of Fire Station 53 was identified as one of the top seven goals for the City Council in 2008. At the recent 2009 Goal-Setting Workshop, this project advanced to one of the top five goals. Phase II of the Fire Station 53 replacement project includes the construction of offices, training room/secondary EOC, and living quarters. The following information chronicles activities affecting the Fire Station 53 Phase II project.

- November 16, 2006 - Council approved the total demolition of the old fire station and directed Chief Pond and Bill Boucher to identify space needs for Phase II offices and living quarters.
- January 8, 2007 - Council directed that funding options for architects' costs for Phase II of the fire station be part of the mid-year budget discussion.
- April 23, 2007 - Council unanimously approved the award of a design contract in the amount of \$189,800 to Fraser/Seiple Architects for Phase II of Fire Station 53.
- July 14, 2007 - The old Fire Station 53 was demolished.
- July 21, 2008 - The Planning Commission unanimously approved the Phase II Fire Station 53 project.

Prepared By: _____ Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

DISCUSSION:

Fraser/Seiple Architects believe construction plans for Phase II of Fire Station 53 will be complete and ready for bid in June of 2009. In order for the City to keep the process moving, funding must be secured to support the award of the construction contract. The USDA advised that we need to move expeditiously, to assure funding is approved and in place, to accommodate our going out to bid in June of 2009.

Staff also considered an I-Bank loan to fund this project. While the I-Bank presented a good interest rate, we found that they charge a premium for paying off a loan early and there is an ongoing annual administrative fee. The USDA does not have a penalty for paying off the loan early and there is no on-going administrative fee. The ability to pay off the loan early is an important consideration for the City. On July 11, 2005 council unanimously approved a motion directing proceeds from the sale of the Cloisters property be used for fire stations. When sold, proceeds will be used to pay down the loan and offset much of the costs of this project. A USDA loan provides an interim funding source until the Cloisters property is sold.

Staff believes Measure Q revenues are an appropriate funding source to service the annual debt payments of \$168,000-\$200,000 for this new facility. These annual payments are well under previous Measure Q allocations to the Fire Department. In 2007 council allocated 60% of Measure Q revenues to the Fire Department with \$445,000 being used for a new fire engine. In 2008 council allocated \$250,000 to the fire station project and an additional \$125,000 for the purchase of a new rescue vehicle.

Staff would like Council's approval to continue working to secure this USDA loan, however, we recently became aware of other significant funding opportunities. The Federal Stimulus package of February 2009 provides \$210,000,000 for new fire stations and equipment. These funds are accessible through the Fire Act Grant and there is an additional amount available through USDA grants. The Morro Bay Fire Department will be submitting grant applications and aggressively pursue these federal grants. While we are hopeful for an award, we have not seen the limitations of the grants. There is never a guarantee of success with any grant but the Phase II project was previously submitted as a shovel-ready project.

CONCLUSION:

Funding this project with a USDA loan, will allow the City Council to accomplish a significant project that is identified as one of the top 5 goals for 2009. Staff is confident that ongoing Measure Q revenues will be sufficient to service the debt until the Cloisters property sells. Once the Cloisters property is sold, proceeds can be used to significantly pay down any debt. Staff will continue a parallel path to aggressively pursue federal grant funding available through the stimulus package. If this staff recommendation is approved, Council will still have an opportunity to provide final approval or denial of the construction contract award in the late summer or early fall of 2009.



AGENDA NO: A-3

MEETING DATE: 3/9/09

Staff Report

TO: Mayor and City Council

DATE: March 2, 2009

FROM: Bridgett Bauer, City Clerk

SUBJECT: Approval of Mayor and Council Members to Attend the League of California Cities "Legislative Action Days"

RECOMMENDATION

Approve sending the Mayor and/or Council Members to attend the League of California Cities "Legislative Action Days" in Sacramento.

BACKGROUND

The League of California Cities "Legislative Action Days" is scheduled for April 15-16, 2009 in Sacramento. Local elected officials and appointed leaders from around the state will be present to work together to protect local revenue in the state budget process; learn the latest on infrastructure bond allocation and anticipated federal economic stimulus; and receive updates on climate change regulations and other key legislation. **Registration is free.**

Prepared By: B. Bauer

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: _____

Meeting Date: March 9, 2009

Action: _____

Staff Report

TO: Honorable Mayor and City Council **DATE:** March 2, 2009

FROM: Rob Livick, PE/PLS – City Engineer

SUBJECT: Approval of Parcel Map PM MB 05-0357 (594 Kings Avenue) and acceptance of Offer of Dedication

RECOMMENDATION:

Staff recommends City Council approve the Parcel Map PM MB 05-0357 and accept the offer of dedication, of approximately 24 feet by 2 feet wide public pedestrian easement located behind the driveway approach constructed to city standards, by Resolution No. 10-09.

FISCAL IMPACT:

The cost of normal maintenance of standard improvements: including curb, gutter and sidewalk along this frontage.

BACKGROUND/DISCUSSION:

At its regular meeting on January 23, 2006 the City Council overturned the Planning Commission's denial (November 7, 2005) and approved a Tentative Parcel Map, Conditional Use Permit and Coastal Development Permit to subdivide and construct four new single-family residences at 594 Kings Avenue. Since then, the applicant has satisfied all Conditions of Approval and Subdivision Map Act requirements for the recordation of this map. As part of the Parcel Map requirements, the owner has constructed and installed the required public improvements. The public improvements have been approved and accepted by the City Engineer.

CONCLUSION:

Approval of a parcel map is a "ministerial act", pursuant to the California Subdivision Map Act (Government Code Section 66474 .1), once the map is found to be in substantial conformance with the approved tentative map. This parcel map has met all City regulations and no further discretionary approvals are required. Staff recommends the City Council approve the Parcel Map and accept the offer of dedication by adopting Resolution No. 10-09.

Attachment 1: Resolution 10-09

Attachment 2: Copy of Parcel Map PM MB 05-0357 Sheet 2

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

Page 1 of 2

RESOLUTION NO. 10-09

A RESOLUTION OF THE CITY COUNCIL OF MORRO BAY APPROVING THE PARCEL MAP FOR AN A 4-LOT RESIDENTIAL SUBDIVISION KNOWN AS PM MB 05-0357 AND ACCEPTING THE OFFER OF DEDICATION OF A PUBLIC PEDESTRIAN EASEMENT

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

WHEREAS, on January 23, 2006 the City Council did hold a public hearing, received public testimony, both written and oral, and after closing the public hearing fully considered the various issues surrounding the case, including the denial from the Planning Commission during the public hearing that they held on November 7, 2005; and

WHEREAS, the Council did approve the Tentative Map for Parcel Map PM MB 05-0357, and associated development applications, based on certain Conditions of Approval; and

WHEREAS, the Council has previously made findings required by the California Environmental Quality Act (CEQA) and the City of Morro Bay procedures for implementation of CEQA; and

WHEREAS the applicant has since satisfied all Conditions of Approval and requests permission to record the Parcel Map; and

WHEREAS, the recordation of the final map is a ministerial act pursuant to the City of Morro Bay Subdivision Ordinance and California Subdivision Map Act;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that the City hereby accepts the final map for Parcel Map PM MB 05-0357 and the associated dedication of a public pedestrian easement.

PASSED AND ADOPTED by the City Council of the City of Morro Bay, California, at a regular meeting held on the 9th day of March 2009, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Janice Peters, Mayor

BRIDGETT BAUER, City Clerk



AGENDA NO: _____

Meeting Date: March 9, 2009

Staff Report

TO: Honorable Mayor and City Council **DATE:** March 2, 2009

FROM: Rob Livick, PE/PLS – City Engineer

SUBJECT: Resolution in Support of the Adopt-a-Tree Program

RECOMMENDATION:

It is recommended that the City Council adopt Resolution No. 11-09 in support of the Morro Bay Beautiful's Adopt-a-Tree Program.

FISCAL IMPACT:

The cost to maintain the trees planted under the adopt-a-tree program after the adoption period has lapsed is estimated to average \$100 per tree per year over the lifetime of the tree after the end of the two-year adoption period.

BACKGROUND:

Council referred this item to staff on November 10, 2008. Subsequent to that referral, the Public Works Advisory Board (PWAB) had discussed the Adopt-a-Tree program with Morro Bay Beautiful at its September 24, and October 8, 2008 meetings and formed an adopt a tree ad-hoc committee, for the planning of the adopt-a-tree event on November 24, 2009.

DISCUSSION:

The adopt-a-tree program is being managed by Morro Bay Beautiful and being supported by Public Services staff when ever possible. The current adopt-a-tree program is responsible for the planting and care of sixteen newly planted trees.

The adopt-a-tree program has three levels of support:

- *Urban Gardener*- Commitment to water a new street tree through a minimum of two dry seasons.
- *Urban Forester* ó Urban Gardner level, plus the donation of one hundred dollars to Morro Bay Beautiful.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

Page 1 of 4

- *Forest Sponsor* - Minimum donation of \$275 and includes a permanent plaque at the site of one new street tree.

CONCLUSION:

Staff recommends that the City Council adopt Resolution No. 11-09 in support of the Morro Bay Beautiful adopt-a-tree program.

Attachment: Resolution No.11-09

RESOLUTION NO. 11-09

A RESOLUTION OF THE CITY COUNCIL OF MORRO BAY SUPPORTING THE EFFORTS OF MORRO BAY BEAUTIFUL ADOPT-A-TREE PROGRAM

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

WHEREAS, Morro Bay has been designated a "Tree City USA" by application to the Arbor Day Foundation, and

WHEREAS, trees provide urban wildlife habitat, provide scenic beauty, create privacy, minimize erosion and the threat of landslides, reduce the effect of pollution in the air, mitigate climatic problems such as summer heat and high wind velocities, calm traffic, and add value to private property; and

WHEREAS, trees require planting, maintenance, and protection in order to provide these benefits; and

WHEREAS, on February 13, 2007, the City Council for the City of Morro Bay unanimously agreed to begin the process of designing an Urban Forest Management Plan for Morro Bay.

WHEREAS, Morro Bay Beautiful is a community volunteer organization that is willing and able to spearhead and organize the efforts of the community to help maintain the City's Urban Forest.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that the City hereby supports the efforts of Morro Bay Beautiful's Adopt-a-Tree program.

PASSED AND ADOPTED by the City Council of the City of Morro Bay, California, at a regular meeting held on the 9th day of March 2009, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Janice Peters, Mayor

BRIDGETT BAUER, City Clerk



AGENDA NO: A-6

MEETING DATE: March 9, 2009

Staff Report

TO: Mayor and Councilmembers

DATE: March 3, 2009

FROM: Bruce Ambo, Public Services Director

SUBJECT: Potential Topics for the Joint Planning Commission/City Council Meeting

RECOMMENDATION:

It is recommended that the City Council consider and discuss potential discussion topics for the joint Planning Commission/City Council meeting on March 30, 2009

FISCAL IMPACT:

There is no fiscal impact associated with this action other than the administrative costs for staff support at the meeting.

BACKGROUND/DISCUSSION:

Section 2.28.120 of the Morro Bay Municipal Code provides for the Planning Commission and City Council to meet twice annually to discuss policies, programs, goals and objectives, budgeting, future planning, or any other planning matter requiring joint deliberation. On March 2, the Planning Commission also discussed potential topics (draft Minutes were unavailable due to the short time) for the joint meeting and identified the following:

- Environmental incentives to promote green building and planning in the application and approval process. An example was cited from the recent 2030 Challenge on AB811 - relative to energy efficiency improvements and the concept of forming an assessment district for solar power and energy efficiency and the need for further presentations on similar programs and initiatives.
- Strong recommendation on Neighborhood Compatibility Standards
- Downtown Visioning
- Review of the Updated General Plan/Local Coastal Plan from the Coastal Commission
- Newspaper Racks

Neighborhood Compatibility Standards, Downtown Visioning, and the Updated General Plan/Local Coastal Plan are already on the Advanced Planning Work Program and these items and the others on the list could easily require 3 to 5 years of work alone if no new items were added to the work program. A copy of the March 2 Planning Commission staff report is attached.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

RECOMMENDATION:

Similar to the recommendation provided to the Planning Commission, Staff recommends that as a starting point the Council focus on the previously established Advanced Planning Work Program on the Current Planning Processing List, and then carefully consider any new additions and the implications in reordering any new projects, programs and/or priorities.

Attachments:

- 1) March 2 Planning Commission Staff Report
- 2) Current Planning Processing List



AGENDA NO: A-7
MEETING DATE: 02/09/09

Staff Report

TO: Honorable Mayor and City Council **DATE:** March 3, 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. 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 4/5th 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 March 2, 2009 the following activities are taking place:

- 1) The sewer lateral from the desal plant to the wastewater treatment plant is being replaced. Previously, this line ran above grade and emptied into a sewer cleanout and was prone to spilling. It is being revised to run underground and directly into the manhole to minimize future problems.
- 2) Work on the installation of the electrical components has begun.
- 3) The work on the piping interconnections is largely complete and retrofit of the existing piping systems with seismic bracing has begun.

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

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: A-8

MEETING DATE: 3/9/09

Staff Report

TO: Honorable Mayor and City Council

DATE: 3/9/09

FROM: Rick Algert, Harbor Director

SUBJECT: Approval of Resolution No.09 -09 Authorizing the City of Morro Bay to Enter Into A Derelict Vessel Abatement Grant With The Morro Bay National Estuary Program

RECOMMENDATION:

Staff recommends that the City Council adopt Resolution #09-09 authorizing the Harbor Director to execute the attached \$75,000 Derelict Vessel Abatement Program Implementation Grant #35-09, contract with the Morro Bay National Estuary Program for assistance with abatement of abandoned/derelict vessels.

FISCAL IMPACT:

Approval of this \$75,000 grant agreement provides funding for abatement or demolition of several large abandoned/derelict vessels.

DISCUSSION/SUMMARY:

The Harbor Business Coordinator applied for \$75,000 in funding for removal/abatement of large derelict/abandoned vessels through the Morro Bay National Estuary Program Implementation Fund. The grant is for abatement, removal and/or demolition of large derelict/abandoned vessels that cannot be easily hauled out in Morro Bay.

CONCLUSION:

Staff recommends that the City Council adopt Resolution #09. 09, authorizing the City to enter grant contract #35-09 with the Morro Bay National Estuary Program for abatement and or removal of large derelict vessels. Staff also recommends that the City Council authorize the Harbor Director to execute and administer the grant contract.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

RESOLUTION NO. 09-09

**AUTHORIZATION FOR THE CITY OF MORRO BAY TO
ENTER INTO A DERELICT VESSEL ABATEMENT GRANT WITH THE MORRO BAY
NATIONAL ESTUARY PROGRAM**

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

WHEREAS, the City of Morro Bay (City) applied for a grant from the Morro Bay National Estuary Program (MBNEP) under their Implementation Grant program; and,

WHEREAS, MBMEP awarded a grant of \$75,000 under the MBNEP Implementation Grant program to the City for abatement and or removal of large derelict/abandoned vessels; and,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay that the City of Morro Bay is hereby authorized to enter into MBNEP Grant Contract #35-09 for the abatement and or removal of large derelict/abandoned vessels in the amount of \$75,000.

BE IT FURTHER RESOLVED, that the Harbor Director is hereby authorized to execute and administer the grant contract.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting held thereof on the 9th day of March 2009, by the following vote:

AYES:

NOES:

ABSENT:

JANICE PETERS, MAYOR

BRIDGETT BAUER, CITY CLERK



AGENDA NO:

MEETING DATE:

Staff Report

TO: Honorable Mayor and City Council

DATE: March 3, 2009

FROM: Andrea Lueker, City Manager
Michael Pond, Fire Chief

SUBJECT: Recommendation on Contracting with Cal Fire for Fire Services in Morro Bay

RECOMMENDATION:

Staff recommends Council thank Cal Fire Staff for their due diligence and hard work on behalf of the City in providing a proposal for Fire Service.

Staff further recommends the City Council advise Cal Fire that the City is not interested in continuing the process toward a full service contract at this time.

Staff finally recommends the City Council direct staff to provide costs, for consideration in the budget process, to provide a part-time reserve firefighter as a fourth person scheduled each day and investigate the Amador Option 2.2 proposed by staff in this report.

FISCAL IMPACT:

There are no costs associated with a denial of the contract proposal.

If Council decides to move forward with a contract, the costs would be specific to the option selected by council and the hourly rate negotiated between the City and the Morro Bay Firefighters Association Local 3725 in a transitional MOU. Council should refer to potential cost scenarios provided for each option.

BACKGROUND:

Council has been actively working to identify methods for improving fire services in Morro Bay since 2004. Recommendations in the Hunt Report continue to be addressed. Council has approved replacement of the fire station apparatus bays at both fire stations, approved updating our fleet with the purchase of a new fire engine and a new rescue, and passed a significantly more restrictive sprinkler ordinance. The items bulleted below identify specific actions related to Council's desire for better staffing to meet OSHA mandates, deal with the issue of increasing call volume and simultaneous calls, and improve response times to our citizens in north Morro Bay.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

- May 2004 - Morro Bay Fire Department 5-Year Strategic Plan is completed by Hunt and Associates. Key recommendations yet to be addressed include staffing the City with four firefighters and opening a second station in north Morro Bay.
- May 24, 2004 - Council advised staff that their preference was for two fire stations (north and south) and 4 firefighters. Motion approved. (5-0)
- September 25, 2004 - The ad-hoc Emergency Services Committee concurred with the Hunt Report regarding 4 firefighter staffing and 2 fire stations to meet a response standard of 5 minutes or less 90% of the time.
- October 2007 ó The Morro Bay Firefighters Association sent a letter to Council requesting a contract with Cal Fire be investigated as an option to consider for addressing the 4-person staffing and north Morro Bay response time issues.
- November 13, 2007 - Council established the ad-hoc Cal Fire Advisory Committee to investigate contracting fire services with Cal Fire.
- May 27, 2008 - In a report to the City Council, the ad-hoc Cal Fire Advisory Committee advised that further investigation into contracting with Cal Fire may have merit and they recommended Council hold a workshop.
- July 12, 2008 - The City held a community workshop about contracting with Cal Fire.
- Oct. 13 2008 - The City Council held a Public Hearing and approved a Resolution of Intent to Contract Pending Acceptance of a Contract. Resolution 62-08 was approved 3-2. The resolution authorized the City and Cal Fire to meet and develop options with more accurate contract data.
- February 23, 2009 ó The City Council received the Cal Fire Cooperative Agreement Proposal and informational presentation by Cal Fire. Council requested cost comparisons, a driving time study, and information regarding border drops and an Amador option.

DISCUSSION:

The most valuable and costly resource in a fire department is personnel. Through a contract with Cal Fire, Council is considering handing control of all future personnel costs to the State. With no input from the City, the State will be required to pass any negotiated increases with the California Department of Forestry Employees Association (CDFEA) to the City. Due to this change in establishing personnel costs, staff believes it is extremely important that Council consider all ramifications of contracting and not just the positives identified in the proposal. The Cal Fire proposal has effectively identified potential benefits of contracting but staff believes there are issues that may be less apparent and require due diligence to scrutinize. If Council decides to move forward with a contract, staff believes it should be with eyes wide open and all information available. In addition to considering the positives identified in the Cal Fire proposal and the February 23rd presentation, staff advises Council to consider the following issues when making this important decision.

1. The last contract between the State and the CDFEA was the 2001/2006 contract. Since that time there have been side letters agreeing to no pay increases. The employees are currently working under an expired contract and have been for over two

years. Morro Bay costs identified in this proposal include recently approved MOU increases for 08 and 09 but do not include the 3% increase scheduled for 2010. Staff is concerned about future negotiations between the State and CDFEA and what sort of benefits those might entail.

2. In September 2006 the California Department of Personnel Administration contracted with Cooperative Personnel Services (CPS) to conduct a survey. The results of the survey were provided in a report titled 2006 Survey of Total Compensation for Firefighters in California. This report compares Cal Fire positions with 21 local departments around the state employing at least 75 full-time firefighters. The survey found the salaries for Cal Fire Captain-Paramedics lag local fire departments by 26%, fire apparatus engineer-paramedic lag 18.6%, and firefighter-paramedics lag 21.5%. Staff has concerns that future negotiations between the State and CDFEA will attempt to mitigate Cal Fires lagging compensation. This is a similar situation to Morro Bay where MBFD employees are lagging their peers in San Luis Obispo County. Staff is concerned that a 10% increase would eliminate most anticipated savings provided by the least expensive Cal Fire staffing options proposed.
3. The CDFEA 2006 Convention priorities were to achieve pay parity for all employees, to move from a 72-hour work week to a 56-hour work week for all Unit 8 (fire personnel) members with no reduction in total compensation, and protect benefits. While considered unlikely in today's State budget, and not identified as priorities at the 2007 & 2008 Conventions, staff is concerned that if the CDFEA were successful in negotiating pay parity or a 56-hour work week in the future, Cal Fire costs would increase dramatically.
4. In 2006 the CDFEA promoted AB 2683, which would make pay parity and a 56-hour work week for CDFEA firefighters, with no change to their base pay, the law. The state legislature passed AB 2683 but it was eventually vetoed by the Governor. Staff feels this legislative action is indicative of a powerful CDFEA union.
5. The 2001/2006 M.O.U between the State and CDFEA provided a 37% increase in pay to Cal Fire employees according to a June 2006 report to the Board of Forestry and Fire Protection. While much of this was due to the State complying with FLSA requirements for overtime pay, other items such as longevity pay from 1%-7% and paramedic bonuses of up to \$6,000 annually were included. While the CDFEA MOU cost of living (COLA) increases for the past 16 years have averaged 1.4%, the State and CDFEA have negotiated other pay and benefits to improve contracts. Again, staff has concerns over what may be negotiated in the future without City input.
6. Cal Fire advised that the Morro Bay Fire Department operating budget is about \$100,000 less than contracts with both Pismo Beach and Los Osos. In their proposal, Cal Fire states they will make recommended changes to Morro Bays operating budget after the contract is signed. Staff has concerns regarding the City's ability to fund any increases at this time.
7. Only Option 3, utilizing the Bonita Street Fire Station 54, fixes the response time issues in north Morro Bay. All other options make improvements but even the use of Station 11 in Cayucos leaves the area from Avalon to San Juaquin and from Main to Nutmeg beyond the reach of our response time goal.

8. The City must negotiate a lower hourly rate with the Morro Bay Fire Fighters Association (MBFFA) employees prior to a transition to state service. Morro Bay Fire personnel have an hourly rate significantly higher than their peers in Cal Fire. While it has been acceptable to "red circle" (bring employees into state service at a higher hourly rate) employees in the past, Cal Fire will not accept our employees at their current hourly rate, nor would it be affordable for the City. The City is required to pay any negotiated amount above top step Cal Fire positions. The City is required to pay this amount until Cal Fire pay catches up, the person promotes, or the person separates. The City pays this additional cost even if the employee is working in another jurisdiction.
9. The current administrative fee charged by Cal Fire is below their historical average. Staff is concerned that the 9.71% administrative fee may be increased to help offset other State financial problems. The 10-year average administrative rate is 10.36% including 4 years at 11.13%
10. The City's loss of Mutual Aid revenue, for full-time positions, could be significant in a Cal Fire contract. While these reimbursements are not meant to be profitable, reimbursements are funded at top step hourly rates and paid at time and one half for 24-hours each day, even if the employee is already on duty and overtime coverage is not necessary. Also, there is an administrative fee provided as a percentage of the reimbursed amount. In 2008 mutual aid reimbursements totaling \$165,000 covered not only overtime for mutual aid responses but all overtime expenses in the department. This includes station coverage, vacations, sick time, and training.
11. Cal Fire utilizes a different self-contained breathing apparatus (SCBA) than Morro Bay. Cal Fire will require that we standardize to their model. Grant funding may be available, but if not, Morro Bay will be required to fund the 25 SCBA's and spare bottle cache valued at approximately \$175,000.
12. Due to work week differences, Cal Fire utilizes fewer employees to cover similar staffing levels when compared to most municipalities. While Cal Fire may only need 9 of our employees to provide contracted staffing levels, the City will initially have to pay for all 10 employees moving to Cal Fire. The contract cost could be reduced closer to the least expensive Cal Fire costs in each proposal only if and when an employee were to retire, quit, accept another open position within Cal Fire or be terminated (which is not recommended).
13. Cal Fire costs reflect a workforce with fewer people working more hours. The standard fire service workweek is 56-hours with every other day off to recuperate. The typical Cal Fire work week is 72-hours straight with no time off. The 72-hour work week was abandoned by most fire departments decades ago when a third shift was added to address increased workload, provide time off to recuperate, and to meet Fair Labor Standards Act (FLSA) rules, which define a 24-hour employee's workweek as being 53-hours. The Fair Labor Standards Act requires overtime be paid for every hour in excess of 53-hours per week. The 72-hour work week seems to have worked well for Cal Fire, but it may increase the frequency of situations where tired firefighters are making critical decisions.
14. During staffing shortages in fire season, Cal Fire institutes staffing patterns where all

- days off are canceled. Relief personnel are assigned elsewhere in the state and unavailable to relieve their coworkers here in SLO County. Firefighters remain on duty at the fire station 24-hours per day for weeks at a time.
15. Office hours for the Chief will be reduced. The Cal Fire Battalion Chief (BC) assigned to Morro Bay is scheduled to work three 24-hour days. During the rest of the week citizens would be referred to a chief in San Luis Obispo or Los Osos. Emergency Chief Officer coverage would be provided 24-hours a day from Los Osos, San Luis Obispo, or elsewhere in the County. The Morro Bay BC would also be responsible for calls occurring west of the coastal range and from San Luis Obispo to the county line near Ragged Point.
 16. Dispatch services will include an extra step when compared to current services provided at Morro Bay Police Department. Morro Bay dispatchers must answer the 911 call, ascertain whether it is a police or fire issue, and then transfer the call to the Cal Fire ECC in San Luis Obispo where the interrogation of the caller will occur. The answering of the call, identifying the call type, and making the transfer, while brief, will add to the total time for dispatch of an emergency. Cal Fire must also identify which City is generating the call. For example, there are Main Streets in many communities and it is important that resources are sent from the correct fire station. Benefits to a Cal Fire dispatch include dispatchers trained for emergency medical dispatch (EMD) and there is a fire captain always available to assist with command decisions in dispatch.
 17. Cal Fire occasionally uses entry level Firefighter II as a second person working with a Captain. This forces the Captain to concentrate on driving the vehicle versus thinking about the incident at hand.
 18. Currently in Morro Bay, all vacant shifts creating overtime assignments are covered by employees very familiar with the City. In the Cal Fire models, overtime coverage could be provided by people normally stationed elsewhere in the county and unfamiliar with Morro Bay.
 19. With a Cal Fire contract, the initial attack (IA) area for Morro Bay resources increases from 6.1 square miles to approximately 100 square miles. About 80 calls occurred in this response area last year. Morro Bay currently responds to about half of these calls in the County area due to automatic aid agreements. Morro Bay does not currently respond to medical calls or public assist calls in the county areas. It is anticipated that the reconfigured IA area will add at least 41 additional calls.

Contract Option Comparison

Option 1 This option does not meet the response time standard of 5 minutes 90% of the time. This option does provide a third full-time firefighter in place of a reserve firefighter currently used 43% of the time but it reduces our response capability from two units to one. For MBFD to fund this option (with the increase to 3 full-time paramedics with two at top step engineer and one at top step captain) would take an additional \$120,537 in overtime. This \$120,537 would be reduced by \$37,000 as the full-time augmentation would eliminate the need for a part-time reserve firefighter 43% of the time. To get an exact comparison,

three engineers would have to be demoted to firefighter and eliminate their paramedic pay. This is a close comparison but not exact.

- MBFD total with increased paramedic capability = \$1,932,321 (MBFD totals include recently negotiated raises.)
- Cal Fire with current MBFD employees at Cal Fire rate (2001/2006 MOU pay level) = \$1,993,212
- Cal Fire staffing level (2001/2006 MOU pay level) = \$1,733,657 (This option is valid only after one MBFD employee leaves and any red circle amounts are erased. A 10% MOU increase to Cal Fire compensation would increase costs to a total of \$1,907,022.)

Option 1.1 ó Add \$86,700 in part-time pay to Option 1 to maintain constant staffing of 4 at Station 53 and staff two response units. If the City Council recommends augmentation of staffing, staff recommends council consider no less than this option in order to maintain the two unit response.

Option 2 ó This option improves times for some areas but it does not meet the 5-minute response time standard for much of north Morro Bay. Resources from Station 11 will not be available for Morro Bay when they are committed to one of the 400 calls occurring in Cayucos and County response areas. In these instances, Morro Bay will be covered by just one engine staffed with two. Only one of the two will be a paramedic. Option 2.1 would be a better choice to consider as it maintains a minimum of three firefighters in the City. A wildland engine may be available during fire season to augment some responses. Morro Bay is unable to provide a direct comparison with this option but we offer option 2.2 for consideration. Neither of these options fixes the response time problem for north Morro Bay.

- MBFD = NA
- Cal Fire with current MBFD employees at Cal Fire rate (2001/2006 MOU pay level) = \$1,993,212
- Cal Fire staffing (2001/2006 MOU pay level) = \$1,784,652 (This possible future cost is valid only after one MBFD employee leaves and any red circle amounts are erased. A 10% MOU increase to Cal Fire compensation would total \$1,963,117.)

Option 2.2 ó This is a new option based on guidance provided by Council at the February 23rd meeting. This and all other options proposed may require a meet and confer process with the MBFFA Local 3725 employee group. Cayucos Fire Protection District currently pays an amount not to exceed \$168,717 for an Amador Agreement with Cal Fire. This agreement funds three additional Cal Fire employees for six months to keep the engine at Station 11 staffed year round after fire season closes. The engine responds to 325 calls in Cayucos. Morro Bay could possibly share costs (approximately \$85,000 for each dept.) for this Amador Agreement. Chief Bill Radke of Cayucos Fire Protection District expressed interest in investigating a partnership to share cost for this option. With approval from Cal Fire for this increased local use, the engine would then respond to 325 calls in Cayucos and up to 377 in north Morro Bay. This option and the recognition of a border drop will provide

the closest resource to every incident. Morro Bay helps Cal Fire with the 80 calls in the county area while Station 11 helps us reduce response times by 1-2 minutes on the 377 in north Morro Bay. Station 11 would provide initial fire attack and Basic Life Support (BLS) medical care until Morro Bay paramedic resources arrive. In this option, Morro Bay maintains current daily staffing of three Morro Bay Fire employees and receives augmentation of service in the north from Cal Fire employees at Station 11.

- MBFD cost = \$1,933,740 (estimate based solely on sharing Cayucos Amador costs)

Option 3 ó This option provides the desired level of service that meets the recommendations of the MBFD 5-Year Strategic Plan, Emergency Services Committee recommendations, and Council approved motion. This option is also the only option that provides coverage to the community that meets the 5 minute response time standard in north Morro Bay. MBFD would need to add \$343,411 in full-time staffing plus O.T. costs of \$154,552 less part-time savings of \$37,000, in addition to current costs to maintain 4-person staffing including 3 paramedics.

- MBFD costs = \$2,309,703
- Cal fire with current MBFD employees at Cal Fire Rate (2001/2006 MOU pay level)= \$2,210,732
- Cal Fire staffing level (2001/2006 MOU pay level) = \$2,085,618 (This possible future cost is valid only after one MBFD employee leaves and any red circle amounts are erased. A 10% MOU increase to Cal Fire compensation would total \$2,294,180.)

Option 3.1 ó Add \$86,700 in part-time pay to Option 3.

Response Time Study

At the February 23rd meeting, Council requested we provide a response time study. Our goal is to arrive on scene within 5-minutes 90% of the time. Total response time begins when the 911 call is picked up at dispatch and ends when firefighters arrive on scene. Response times typically include one minute dispatch time, one minute firefighter reflex or turnout time, and three minutes of driving time for a total of 5-minutes. The following table provides data for the driving component of the response time formula. Any driving time beyond 3 minutes will not meet the total response time goal. The North Morro Bay Driving Time Study clearly identifies that the Bonita Street Station 54 provides the best response times for north Morro Bay and the best opportunity for a permanent solution.

	Hwy 1 Yerba Buena	596 Blanca	Hwy 1 San Jacinto	630 San Juaquin	687 Sequoia Ct.	2691 Nutmeg	145 Java	2261 Emerald Circle	Mid- Point Bonita at Main	Avalon at Main	Main Highway 41
Station 11 time	1:40	2:50	2:35	3:15	3:08	5:06	2:55	4:15	3:28	3:35	3:40
miles	1.3	2.4	2.1	2.3	2.6	3.0	1.8	2.8	2.5	2.7	3.1
Station 54 time	2:30	3:35	1:10	1:45	2:30	2:30	2:20	2:50	0:15	0:30	1:05
miles	1.4	1.8	0.6	0.5	0.9	0.7	1.0	1.3	0.1	0.2	0.5
Station 53 time	4:25	5:37	3:35	4:15	4:50	5:25	4:45	5:15	3:27	3:20	2:25
miles	3.6	3.9	2.8	2.9	3.0	3.0	3.2	3.5	2.0	2.2	1.9
	Best overall response time				Best time between 11 & 53						

Station 54 Cost Estimates

On February 25th, staff met with a construction project manager and an engineer to ascertain rough estimates for providing working offices and living quarters at the Bonita Street Fire Station 54. The cost to rehabilitate Fire Station 54 was estimated at \$200,000. New construction to completely tear down and replace this structure was estimated at \$250 per square foot. Currently, the station is approximately 1,000 square feet; however, a space needs assessment indicated that it was not appropriately sized. A more functional 1,500 square foot structure would cost about \$375,000. Staff believes Measure Q funds would be an appropriate source for funding a Station 54 construction project.

CONCLUSION:

Staff cannot say with any certainty that a contract with Cal Fire will be good for Morro Bay in the long run. Potential benefits may not warrant the risk of contracting personnel services with the State at this time. Even if a contract seemed beneficial now, it would be very costly and difficult to opt out and rebuild the Morro Bay Fire Department should the situation change in the future. Staff believes that no matter which way the Council decides, the City will need to continue its pursuit of new revenues to provide for permanent funding of additional staff. The federal SAFER Grant is available to help with funding for each new firefighter for a 4-year period and a fire parcel tax may be a long-term solution worth investigating.



AGENDA NO: D-1

MEETING DATE: 3/9/09

Staff Report

TO: Honorable Mayor and City Council **DATE:** March 2, 2009
FROM: Dylan Wade, Utilities/Capital Projects Manager
Michael Randall, Assistant Engineer
Jim Hayes, Collections System Supervisor
SUBJECT: Sanitary Sewer Management Plan

RECOMMENDATION:

It is recommended that the City Council: 1) adopt Chapters 3,4,6,and 7 of the Sanitary Sewer Management Plan (SSMP) and 2) direct staff to continue to prepare the remaining Chapters (5,8,9,10,11) in conjunction with the Public Works Advisory Board.

FISCAL IMPACT:

To date there have been minimal costs for reproduction of documents and handouts associated with this effort. In addition there has been approximately 1300 hours of staff time invested developing these standards in addition to the routine duties of the Collections department. Implementation of the plan will lead to larger operational expenditures, larger capital expenditures, and larger staffing levels to meet the minimal standards of General Waste Discharge Requirements.

BACKGROUND AND DISCUSSION:

In 2006 the State Water Resources Control Board adopted Order No. 2006-003 General Waste Discharge Requirements For Wastewater Collections Agencies. One requirement of this order is that all Public collections systems in the State of California are required to reduce the risks to Public Health and the environment by creating an SSMP. The purpose of the SSMP is to implement a set of Best Management Practices into the operations of all collections systems in the State.

The SSMP includes eleven (11) mandatory elements ranging in complexity from preparing goals and a mission statements, to performing a complete capacity assessment. During the October 8th 2007 City Council meeting the City Council adopted elements one and two of the

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City Manager Review: _____
City Attorney Review: _____

SSMP, outlined a schedule for preparation of the other chapters of the SSMP, and directed staff to prepare the plan in conjunction with the Public Works Advisory Board.

Staff is now presenting Chapters 3, 4, 6, and 7 of the SSMP for your review and adoption. Staff plans to complete the remaining elements of the SSMP in the upcoming months and will bring the entire plan once completed to the City Council for adoption.

CONCLUSION:

It is recommended that the City Council: 1) adopt Chapters 3,4,6,and 7 of the Sanitary Sewer Management Plan (SSMP) and 2) direct staff to continue to prepare the remaining Chapters (5,8,9,10,11) in conjunction with the Public Works Advisory Board.



AGENDA NO: _____

Meeting Date: March 9, 2009

Staff Report

TO: Honorable Mayor and City Council

DATE: March 2, 2009

FROM: Rob Livick, PE/PLS – City Engineer

SUBJECT: Review preliminary design and cost estimates for the North Main Street Class II Bike Lane project

RECOMMENDATION:

It is recommended that the City Council consider the feasibility and give direction to staff on whether to proceed further toward the installation of Class II bike lanes on North Main Street.

FISCAL IMPACT:

The construction cost for striping, widening, and curb, gutter and sidewalk construction ranges from approximately \$282,000 (with no Bulb-ins) to over \$1 million.

Description of Alternative	Estimated Cost	Impact to Parking
Striping Revisions and minor widening at constrictions	\$283,000	Parking would be removed along Main Street where existing pavement width is less than 36 feet from curb to curb
Striping and widening in areas of identified limited parking	\$305,000	Parking would be removed along Main Street where existing pavement width is less than 36 feet from curb to curb, except in the 2100 and 2800 Blocks of Main Street where parking was previously identified as an issue.
Widening and installation of new curb, gutter and sidewalk	\$1,045,000	No parking restrictions along Main due to installation of bike lanes. The curb to curb pavement width increases to 44 feet.

The City has approximately \$60,000 in funds for the North main bike lane project including the approximately \$30,000 in Transportation Development Act (TDA) money for Citywide bicycle and pedestrian projects. The difference in project costs between the available funds would require either grant(s), a contribution from the General Fund, and/or Measure Q funds or a combination of funds. Additionally, this is one of the projects identified to SLOGOG as a candidate for economic stimulus

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funds.

BACKGROUND:

The North Main Street bike lane was brought to the Council's attention at its February 25, 2008 meeting as one of several unmet needs. Previously, this topic was discussed by the City Council in March, April, and June of 2003. As you can read in the Attachments to the 2003 meetings, the idea of a North Main Street bike lane was considered and rejected.

On December 17, 2008 the Public Works Advisory Board (PWAB) reviewed the design and discussed the proposal. PWAB's issue of concern was the cost of "Bulb-in" construction when there is alternative parking available either onsite or on adjacent streets. PWAB ultimately supported the Class II bike lanes along North Main Street from Highway 41 to Yerba Buena project, and made a recommendation that if funds were not available for the entire reach, to phase the project.

DISCUSSION:

Staff has reviewed and updated the previous design and prepared an opinion of probable costs for a range of projects. The proposed design includes two five foot wide Class II bike lanes, two thirteen foot wide travel lanes and an eight foot wide parking lane. Staff recommends the thirteen-foot wide travel lane due to Main Street's classification as an arterial, the volume of traffic and the speed limit. There is existing right of way that is sufficient for this proposed section.

CONCLUSION:

Staff recommends that the City Council provide direction to staff regarding the desired design of North Main Street bike lanes, and whether to pursue the project should funding become available.

Attachments:

1. Preliminary Plans of North Main Street Bike Lane Project
2. Opinion of Probable Cost
3. Previous Council Reports and Minutes



AGENDA NO: D-3

MEETING DATE: 3/9/09

Staff Report

TO: Honorable Mayor and City Council **DATE:** March 4, 2009

FROM: Andrea K. Lueker, City Manager

SUBJECT: Report on the Draft Goals and Objectives from the Goal Setting Workshop

RECOMMENDATION:

Staff is recommending the City Council adopt the attached Goal Setting Workshop Outcomes for 2009 as designated priorities by the City Council of the City of Morro Bay.

FISCAL IMPACT:

Not applicable.

BACKGROUND:

In November 2007, the City Council determined that conducting an annual Goal Setting Process was an important part of strategic planning for the City of Morro Bay. As a result, in June 2008, the City Council held their first such workshop, facilitated by Amy Paul of Management Partners, which resulted in the establishment of six priority goals (accompanied by success factors for those goals) and 13 Other Goals.

The City Council held their second Goal Setting Workshop on February 17 & 18, 2009, which entailed reviewing the progress made on the goals established last year as well as progress toward the Management Partners Recommendations from an August 2008 meeting. The Goal Setting Workshop concluded with the City Council identifying five Priority Goals, nine Other Goals and two Other Carryover Goals from last year's process.

DISCUSSION:

Attached is the draft document of the goals established during the February 2009 Goal Setting Workshop. Staff is recommending the City Council adopt the Priority Goals and Other Goals as designated priorities by the City Council of the City of Morro Bay.

Staff will then return to the City Council in the near future with the success factors for each of the five Priority Goals as well as a timeline for each of the five Priority Goals.

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City Attorney Review: _____	