

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 – NOVEMBER 10, 2008

**CLOSED SESSION – NOVEMBER 10, 2008
CITY HALL CONFERENCE ROOM - 5:00 P.M.
595 HARBOR ST., MORRO BAY, CA**

CS-1 GOVERNMENT CODE SECTION 54957.6; CONFERENCE WITH LABOR NEGOTIATOR. Conference with the City's Designated Representative, for the purpose of reviewing the City's position regarding the terms and compensation paid to employees groups and giving instructions to the Designated Representative.

CS-2 GOVERNMENT CODE SECTION 54957; PERSONNEL ISSUES. Discussions regarding Personnel Issues including two (2) public employees regarding evaluation, specifically the City Attorney and City Manager.

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

**PUBLIC SESSION – NOVEMBER 10, 2008
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 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETING OF OCTOBER 27, 2008; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 RESOLUTION NO. 75-08 APPROVING A SUBLEASE AGREEMENT BETWEEN 801 EMBARCADERO LLC AND MICHELE LEARY AND ZOE ANDRES, DBA, CENTRAL COAST SPORTFISHING FOR THE FLOATING DOCK ON LEASE SITE 86/86W LOCATED AT 801 EMBARCADERO; (HARBOR)

RECOMMENDATION: Adopt Resolution No. 75-08.

A-3 RESOLUTION NO. 74-08 AUTHORIZING SUBMISSION OF RURAL TRANSIT FUND GRANT APPLICATIONS; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Resolution No. 74-08.

A-4 CONSIDERATION TO APPROVE PARK-IN-LIEU FUNDS TO ENHANCE CENTENNIAL PARKWAY AND PUBLIC RESTROOMS; (RECREATION & PARKS)

RECOMMENDATION: Approve the use of up to \$15,000 of Park-in-Lieu funds for the enhancement of Centennial Parkway and public restrooms.

A-5 RESOLUTION ADOPTING THE MEMORANDUM OF UNDERSTANDING WITH THE MORRO BAY POLICE OFFICERS ASSOCIATION AND RELATED COMPENSATION; (ADMINISTRATION)

RECOMMENDATION: Adopt Resolution No. 71-08.

A-6 RESOLUTION NO. 72-08 ADOPTING MEMORANDUM OF UNDERSTANDING WITH THE MISCELLANEOUS EMPLOYEES AND RELATED COMPENSATION; (ADMINISTRATION)

RECOMMENDATION: Adopt Resolution No. 72-08.

A-7 RESOLUTION NO. 73-08 ADOPTING MEMORANDUM OF UNDERSTANDING WITH THE CONFIDENTIAL EMPLOYEES AND RELATED COMPENSATION; (ADMINISTRATION)

RECOMMENDATION: Adopt Resolution No. 73-08.

A-8 RESOLUTION NO. 78-08 AMENDING SALARIES AND BENEFITS OF THE MANAGEMENT EMPLOYEES; (ADMINISTRATION)

RECOMMENDATION: Adopt Resolution No. 78-08.

A-9 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.

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 PRESENTATION FROM THE AMERICAN RED CROSS ON DISASTER PREPAREDNESS

RECOMMENDATION: Receive the presentation for information.

C. UNFINISHED BUSINESS

C-1 FUNDING OPTIONS FOR THE BUXTON COMPANY ON RETAIL MARKETING STRATEGIES FOR MORRO BAY; (PUBLIC SERVICES)

RECOMMENDATION: Authorize the City Manager to execute the contract with the Buxton Company and initiate the retail marketing program for the City.

C-2 APPROVAL OF RESOLUTION NO. 76-08 AMENDING THE COUNCIL POLICIES & PROCEDURES MANUAL REGARDING THE ORDER OF BUSINESS ON THE CITY COUNCIL AGENDA, APPOINTMENT OF VICE MAYOR, FILLING COUNCIL VACANCIES, AND THE APPOINTMENT OF COUNCIL MEMBERS TO DISCRETIONARY BOARDS; (CITY ATTORNEY)

RECOMMENDATION: Adopt Resolution No. 76-08.

D. NEW BUSINESS

D-1 CONSIDERATION OF THE ADOPTION OF RESOLUTION NO. 77-08 SUPPORTING THE MORRO BAY COMMUNITY POOL FOUNDATION AND THEIR GOAL OF PROVIDING AN AQUATIC CENTER IN CONJUNCTION WITH THE COUNTY OF SAN LUIS OBISPO, SAN LUIS COASTAL UNIFIED SCHOOL DISTRICT AND CITY OF MORRO BAY; (RECREATION & PARKS)

RECOMMENDATION: Consider support of the Morro Bay Community Pool Foundation and their goal of providing an Aquatic Center in conjunction with the County, School District, and the City of Morro Bay.

D-2 PRESENTATION ON ADOPT-A-TREE PROGRAM AND DISCUSSION ON CITY TREES; (PUBLIC SERVICES)

RECOMMENDATION: Receive presentation for information.

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.

MINUTES - MORRO BAY CITY COUNCIL
CLOSED SESSION 6 OCTOBER 27, 2008
CITY HALL CONFERENCE ROOM - 5:00 P.M.

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

PRESENT:	Janice Peters	Mayor
	Melody DeMeritt	Councilmember
	Rick Grantham	Councilmember
	William Peirce	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 54957.6; CONFERENCE WITH LABOR NEGOTIATOR. Conference with the City's Designated Representative, for the purpose of reviewing the City's position regarding the terms and compensation paid to employees groups and giving instructions to the Designated Representative.

CS-2 GOVERNMENT CODE SECTION 54956.8; REAL PROPERTY TRANSACTIONS. Instructing City's real property negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease of real property as to 1 parcel.

Property: Morro Bay Power Plant Outfall.
Negotiating Parties: Dynegy and City of Morro Bay.
Negotiations: Lease Terms.

CS-3 GOVERNMENT CODE SECTION 54957; PERSONNEL ISSUES. Discussions regarding Personnel Issues including two (2) public employee regarding evaluation, specifically the City Attorney and Interim City Manager.

The meeting adjourned to Closed Session at 5:00 p.m. and returned to regular session at 5:55 p.m.

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

The meeting adjourned at 5:55 p.m.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING ó OCTOBER 27, 2008
VETERANS MEMORIAL HALL - 6:00 P.M.

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

PRESENT:	Janice Peters	Mayor
	Melody DeMeritt	Councilmember
	Rick Grantham	Councilmember
	William Peirce	Councilmember
	Betty Winholtz	Councilmember
STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney
	Jamie Boucher	Deputy City Clerk
	Rick Algert	Harbor Director
	Bruce Ambo	Public Services Director
	John DeRohan	Police Chief
	Mike Pond	Fire Chief
	Susan Slayton	Finance 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'S REPORTS & ANNOUNCEMENTS

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 announced an Open House for the Fire Station Apparatus Bay would be held on November 15, 2008 at 11:00 a.m. He also acknowledged Tom and Mary Hay of Hay Printing for what they do for the community.

Bill Black announced a Thanksgiving dinner would be held on Thanksgiving Day from 1:00 p.m. ó 3:00 p.m. at the Community Center. He thanked those who helped sponsor this event.

Joyce Lundy reviewed the monthly statistics for the Morro Bay Chamber of Commerce. She also announced the replica ship Nina would be arriving in Morro Bay on November 4, 2008.

Joan Solu, Chair of the Recreation & Parks Commission, reviewed a letter submitted to the City Council from the Recreation & Parks Department regarding the Commission's unanimous support in working with the Community Pool Foundation on a community pool in Morro Bay.

MINUTES - MORRO BAY CITY COUNCIL
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Bill Woodson stated he supports a community pool in Morro Bay. He also said there is an article on Morro Bay in the November issue of Sunset magazine. Mr. Woodson stated the Planning Commission would not be able to meet the City Council's deadline request on the ordinance relating to floor-to-area ratio due to lack of staffing in the Public Services Department. He addressed Item D-7 (Definition Of Landmark Trees) stating he does endorse this concept especially relating to public property. Mr. Woodson congratulated the City on the roundabout, which seems to be running smoothly.

Noah Smukler expressed support for Item D-7 and the consideration of an Adopt-a-Tree Program.

George Leage congratulated the candidates who participated in this election campaign. He encouraged all citizens to vote on November 4th.

Kathy Wells expressed concern with the Council's action in not renewing the lease for the Outrigger Restaurant.

Peter Risley stated the Morro Bay Fire Department is successful in providing for the needs of the citizens. He said contracting out City services would not lower the costs for the public but hides the responsibility of mismanaged funds.

Roger Ewing expressed support for Item D-7 on Landmark Trees and the consideration of an Adopt-a-Tree Program. He thanked his fellow candidates for a positive campaign season.

Lynda Merrill thanked the Council on their efforts for the City. She also thanked AGP Video for providing televised City meetings. Ms. Merrill expressed support for Item A-6 (Authorizing A New Lease Agreement With The Morro Bay Commercial Fisherman's Organization For The Fisherman's Gear Storage Area). She referred to Item D-1 (Presentation From Buxton Company On Retail Marketing Strategies For Morro Bay) noting she looked forward to hearing the presentation on bringing businesses into the community.

David Nelson referred to reopening negotiations on the Morro Bay Power Plant Outfall Lease Agreement and noted once-through cooling is damaging to the estuary and fishing industry. He said extending the lease until 2012 is criminal by taking away the right to protect the environment for monetary compensation.

John Barta shared an image of the proposed conference center and said this project is too large for the Embarcadero.

Anthony Santos referred to Item D-4 (Discussion On Requiring A Business License From Businesses That Make Deliveries Within The City Limits) and said delivery of auto parts is a free service, and should not be required to pay a business license fee to the City.

MINUTES - MORRO BAY CITY COUNCIL
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Mayor Peters closed the hearing for public comment.

Mayor Peters called for a break at 7:04 p.m.; the meeting resumed at 7:12 p.m.

DECLARATION OF FUTURE AGENDA ITEMS

Councilmember DeMeritt requested to agendize a discussion on support for the Morro Bay Community Pool Foundation; Councilmember Winholtz and Mayor Peters concurred.

Mayor Peters requested to agendize the consideration of the Affordable Housing Assistance Application Fee.

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 MEETINGS OF SEPTEMBER 22, 2008 AND OCTOBER 13, 2008; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 RESOLUTION NO. 65-08 AUTHORIZING PARTICIPATION IN THE CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP) AND DESIGNATING TRANSACTION OFFICERS; (FINANCE)

RECOMMENDATION: Adopt Resolution No. 65-08.

A-3 APPROVAL OF RESOLUTION NO. 67-08 AUTHORIZING THE CITY OF MORRO BAY TO ENTER INTO ABANDONED WATERCRAFT ABATEMENT FUND CONTRACT #08-214-505 WITH THE DEPARTMENT OF BOATING AND WATERWAYS; (HARBOR)

RECOMMENDATION: Adopt Resolution No. 67-08.

A-4 APPROVAL OF RESOLUTION NO. 68-08 AUTHORIZING THE CITY OF MORRO BAY TO ENTER INTO THE SECOND AMENDMENT TO GRANT AGREEMENT #05-128-980 WITH THE DEPARTMENT OF BOATING AND WATERWAYS FOR STATE PARK MARINA REHABILITATION PROJECT PLANNING; (HARBOR)

RECOMMENDATION: Adopt Resolution No. 68-08.

MINUTES - MORRO BAY CITY COUNCIL
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A-5 APPROVAL OF RESOLUTION NO. 69-08 AUTHORIZING A BERTHING LEASE AGREEMENT #HSCG89-09-L-6-63-002 WITH THE UNITED STATES COAST GUARD FOR BERTHING SPACE AND USE OF A PORTION OF THE NORTH T-PIER, AND FOR USE OF PARKING SPACES IN THE VICINITY OF THE NORTH T-PIER; (HARBOR)

RECOMMENDATION: Adopt Resolution No. 69-08.

A-6 APPROVAL OF RESOLUTION NO. 70-08 AUTHORIZING A NEW LEASE AGREEMENT WITH THE MORRO BAY COMMERCIAL FISHERMAN'S ORGANIZATION FOR THE FISHERMAN'S GEAR STORAGE AREA LOCATED AT 1622 EMBARCADERO; (HARBOR)

RECOMMENDATION: Adopt Resolution No. 70-08.

A-7 AUTHORIZATION TO FILL THE PLANNING MANAGER VACANCY AT THE SENIOR PLANNER LEVEL AND AMENDMENT TO THE SENIOR PLANNER JOB DESCRIPTION; (PUBLIC SERVICES)

RECOMMENDATION: Authorize staff to fill the Planning Manager vacancy at the Senior Planner level and approve the updated job description for the Senior Planner.

A-8 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-9 AUTHORIZATION TO FILL THE ASSOCIATE PLANNER VACANCY; (PUBLIC SERVICES)

RECOMMENDATION: Authorize staff to fill the Associate Planner vacancy.

Councilmember Winholtz pulled Item A-4 of the Consent Calendar; Councilmember DeMeritt pulled Items A-7, A-8 and A-9.

MOTION: Councilmember Peirce moved the City Council approve the Consent Calendar with the exception of Items A-4, A-7, A-8 and A-9. The motion was seconded by Councilmember DeMeritt and carried unanimously. (5-0)

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING 6 OCTOBER 27, 2008

A-4 APPROVAL OF RESOLUTION NO. 68-08 AUTHORIZING THE CITY OF MORRO BAY TO ENTER INTO THE SECOND AMENDMENT TO GRANT AGREEMENT #05-128-980 WITH THE DEPARTMENT OF BOATING AND WATERWAYS FOR STATE PARK MARINA REHABILITATION PROJECT PLANNING; (HARBOR)

Councilmember Winholtz addressed this item for public information.

MOTION: Councilmember Winholtz moved the City Council approve Item A-4 of the Consent Calendar. The motion was seconded by Councilmember Peirce and carried unanimously. (5-0)

A-7 AUTHORIZATION TO FILL THE PLANNING MANAGER VACANCY AT THE SENIOR PLANNER LEVEL AND AMENDMENT TO THE SENIOR PLANNER JOB DESCRIPTION; (PUBLIC SERVICES)

Councilmember DeMeritt requested to consider Items A-7 and A-9 together. She said instead of filling the Associate Planner position, she would like to hire an Economic Development Director in order to assist in bringing retail business to the City. She said she would like to contract out for the Senior Planner position for a period of time.

Councilmember Winholtz stated she would prefer to hire a Senior Planner and not the Associate Planner due to the present budget situation.

Public Services Director Bruce Ambo stated it would be in the City's best interest to hire a Senior Planner, which is a cost saving by not hiring a Planning Manager, and hire an Associate Planner as soon as possible.

MOTION: Councilmember DeMeritt moved the City Council approve hiring a Senior Planner at this time, and postpone the hiring of an Associate Planner until the mid-year budget review. The motion was seconded by Councilmember Winholtz and failed with Councilmember Grantham, Councilmember Peirce and Mayor Peters voting no. (2-3)

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

A-8 CONTINUATION OF EMERGENCY PER PUBLIC CONTRACT CODE SECTION 22050 FOR THE INSTALLATION OF DESALINATION PLANT ENERGY RECOVERY EQUIPMENT; (PUBLIC SERVICES)

Councilmember DeMeritt requested staff to address this item for public information. Utilities/Capital Projects Manager Dylan Wade reviewed information on the City's current water supply.

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MOTION: Councilmember DeMeritt moved the City Council approve Item A-8 of the Consent Calendar. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

A-9 AUTHORIZATION TO FILL THE ASSOCIATE PLANNER VACANCY;
(PUBLIC SERVICES)

MOTION: Councilmember Peirce moved the City Council approve Item A-9 of the Consent Calendar. The motion was seconded by Councilmember Grantham and carried with Councilmember DeMeritt and Councilmember Winholtz voting no. (3-2)

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 APPROVAL OF RESOLUTION NO. 66-08 ACCEPTING \$100,000 GRANT FROM THE STATE OF CALIFORNIA CITIZENS OPTION FOR PUBLIC SAFETY (COPS) PROGRAM; (POLICE)

Police Chief John DeRohan stated since 1996, the Citizenø Option for Public Safety (COPS) established by AB 1913 and codified as Government Code Section 30061, has been distributing State grant funds to local law enforcement agencies to supplement front line law enforcement services. This year the Police Department is scheduled to receive a minimum of \$100,000 in COPS grant funds. These funds will be tracked separately by the Finance Department in a separate account with any interest earned credited to the account. Chief DeRohan recommended the City Council open the public hearing, and adopt Resolution No. 66-08 authorizing the proposed spending plan for the \$100,000 grant funds.

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

MOTION: Councilmember Peirce moved the City Council adopt Resolution No. 66-08 accepting \$100,000 grant from the State of California Citizens Option for Public Safety Program. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

C. UNFINISHED BUSINESS ó NONE.

MINUTES - MORRO BAY CITY COUNCIL
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D. NEW BUSINESS

D-1 PRESENTATION FROM BUXTON COMPANY ON RETAIL MARKETING STRATEGIES FOR MORRO BAY; (PUBLIC SERVICES)

Public Services Director Bruce Ambo introduced Lisa Hill of the Buxton Company who presented a proposal on developing a Retail Development Strategy for Morro Bay.

MOTION: Councilmember Peirce moved the City Council direct staff to return to the November 10, 2008 City Council meeting with information on funding the development of a Retail Development Strategy for Morro Bay. The motion was seconded by Councilmember Grantham.

Councilmember Winholtz stated she could not support funding this proposal at this time.

Councilmember DeMeritt expressed concern that this proposal only addresses retail development and does not include light industrial business.

VOTE: The motion carried with Councilmember DeMeritt and Councilmember Winholtz voting no. (3-2)

D-2 CONSIDERATION OF FINANCIAL ASSISTANCE FROM THE AFFORDABLE HOUSING IN-LIEU FUND FOR A 15-UNIT WORK FORCE HOUSING PROJECT AT THE SEA SHELL RETIREMENT HOME LOCATED AT 1405 TERESA DRIVE; (PUBLIC SERVICES)

Public Services Director Bruce Ambo stated the project associated with this request was approved by the Planning Commission on January 22, 2008 and subsequently approved by the City Council on May 12, 2008. The applicant is requesting a total of \$214,208 in financial assistance through a credit of Building and Plan Check Fees and the remaining balance in Affordable Housing In-Lieu Fees. The project includes three deed-restricted affordable units for a term of 30-years, and 12 work force housing units for a total of 15 studio units. Mr. Ambo recommended the City Council direct staff to credit \$43,660 in Building and Plan Check Fees, and release \$170,598 in Affordable Housing In-Lieu Fees upon issuance of a Certificate of Occupancy for this project.

Cathy Novak, representing the applicant, gave a presentation on this project and noted the applicant is requesting the City Council consider waiving the Building and Plan Check Fees at this time instead of obtaining a credit. Ms. Novak stated she was available to answer questions of the City Council.

Councilmember Winholtz stated she is supportive of low-income housing projects; however, she would like an exchange for the requested housing in-lieu funding for an additional affordable unit.

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Councilmember Peirce stated he supports funding the \$43,660 from the housing in-lieu funding up front and releasing the \$170,598 upon issuance of a Certificate of Occupancy with the requirement that a bond is obtained for collateral.

Councilmember Grantham stated this is a good project and he supports the funding request with the requirement that a bond is obtained.

Councilmember DeMeritt stated she does support funding the \$139,500 in housing in-lieu funds for the construction of the project; she does not support giving away sewer impact or building permit fees.

Mayor Peters stated she supports funding this project from the in-lieu housing funds with the requirement that a bond is obtained.

MOTION: Councilmember Grantham moved the City Council approve funding of \$214,258 from the Affordable Housing In-Lieu Funds; direct the City Attorney to ensure the completion of the project; and approve the release of the remaining \$170,598 upon issuance of a Certificate of Occupancy. The motion was seconded by Councilmember Peirce and carried with Councilmember DeMeritt and Councilmember Winholtz voting no. (3-2)

D-3 PRESENTATION FROM THE AMERICAN RED CROSS ON DISASTER PREPAREDNESS; (COUNCIL)

This item was pulled from the agenda.

D-4 DISCUSSION ON REQUIRING A BUSINESS LICENSE FROM BUSINESSES THAT MAKE DELIVERIES WITHIN THE CITY LIMITS; (FINANCE)

Finance Director Susan Slayton stated the Municipal Code states that all businesses will be charged a business license fee. In order to equitably treat all persons conducting business within the Morro Bay City limits, vendors who make deliveries to Morro Bay should pay a business license fee. Staff sent out an inquiry to other California cities to find out how they manage delivery trucks. The majority of respondents charge a fee unless the interstate commerce law covers the delivery vehicle. Ms. Slayton recommended the City Council continue charging delivery vehicles a business license fee.

MOTION: Councilmember Grantham moved the City Council direct staff to return with an amendment to the Morro Bay Municipal Code to exempt those companies who make deliveries in the City from paying a Business License fee. The motion was seconded by Councilmember Peirce and carried unanimously. (5-0)

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING ó OCTOBER 27, 2008

D-5 CONSIDERATION OF A TWO-YEAR BUSINESS LICENSE RENEWAL CYCLE; (FINANCE)

Finance Director Susan Slayton stated the Management Partnersø report suggested the business license renewal cycle change from an annual to a biennial process in order to reduce the frequency of the renewal process. Ms. Slayton recommended the City Council approve maintaining the one-year Business License renewal cycle and change the renewal date to coincide with the business start date.

MOTION: Councilmember Winholtz moved the City Council approve maintaining the one-year Business License renewal cycle and change the renewal date to coincide with the business start date. The motion was seconded by Councilmember Peirce and carried unanimously. (5-0)

D-6 DISCUSSION REGARDING AMENDING COUNCIL POLICIES & PROCEDURES RELATED TO THE APPOINTMENT OF VICE-MAYOR, THE APPOINTMENT OF COUNCIL MEMBERS TO DISCRETIONARY BOARDS, THE ORDER OF BUSINESS ON THE CITY COUNCIL AGENDA, AND THE USE OF CITY LETTERHEAD; (CITY ATTORNEY)

City Attorney Robert Schultz stated at various Council meetings this year, the City Council has requested staff bring back potential changes to the Policies and Procedures Manual regarding the appointment of Vice-Mayor, the appointment of Council Members to discretionary boards, the order of business on the City Council agenda, and the use of City letterhead. Mr. Schultz recommended the City Council review the proposed amendments to the City Council Policies and Procedures Manual and direct staff accordingly.

The City Council discussed the following amendments to the City Council Policies and Procedures:

- Maintain Moment of Silence;
- Remove øThought of the Dayö;
- Add Department Head Reports;
- Appointment of Vice-Mayor shall be rotated on an annual basis; when a new Council is seated, the Vice-Mayor seat will go to the Council Member with the most seniority that has not been Vice-Mayor within the last two years;
- County discretionary board appointments shall be appointed by majority vote of the Council.

MOTION: Mayor Peters moved the City Council direct staff to bring back changes to the City Council Policies and Procedures as discussed by the City Council. The motion was seconded by Councilmember Peirce and carried unanimously. (5-0)

MINUTES - MORRO BAY CITY COUNCIL
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D-7 DISCUSSION ON RESOLUTION NO. 11-07 AMENDING AND ESTABLISHING GUIDELINES FOR MAJOR VEGETATION REMOVAL, REPLACEMENT AND PROTECTION; AND MUNICIPAL CODE SECTION 12.08 (CITY TREE REGULATIONS) IN REFERENCE TO THE DEFINITION OF LANDMARK TREES; (COUNCIL)

Councilmember Winholtz stated the City has lost a number of trees due to storm, disease, and construction in the last decade and a half; and there are some significant, individual trees left. Street trees currently enjoy a level of protection with some discussion about whether City park trees are included in that umbrella; and private trees have no protection. With the upcoming Urban Forest Management Plan, it would be helpful to decide whether to include a place for heritage/specimen trees. Councilmember Winholtz recommended the following: 1) decide if the Council wants a heritage/specimen tree definition added to the Municipal Code for public and/or private trees; 2) if so, decide what criteria Council considers significant; 3) have PWAB craft an ordinance change in consultation with the City Attorney and City Engineer; and 4) make it part of their discussion of the City's Urban Forest Management Plan.

MOTION: Councilmember Winholtz moved the City Council request the Public Works Advisory Board to return to Council with a definition of heritage/specimen trees to be added to the Municipal Code for public trees and voluntarily-designated private trees, and make it part of their discussion of the City's Urban Forest Management Plan. The motion was seconded by Councilmember DeMeritt and carried unanimously. (5-0)

ADJOURNMENT

The meeting adjourned at 9:44 p.m.

Recorded by:

Jamie Boucher
Deputy City Clerk



AGENDA NO: A-2

MEETING DATE: 11/10/08

Staff Report

TO: Honorable Mayor and City Council

DATE: 11/10/08

FROM: Rick Albert, Harbor Director

SUBJECT: Resolution No. 75-08, Approving a Sublease Agreement Between 801 Embarcadero LLC and Michele Leary and Zoe Andres, dba, Central Coast Sportfishing for the Floating Dock on Lease Site 86/86W Located at 801 Embarcadero

RECOMMENDATION:

Staff recommends that the City Council adopt Resolution No. 75.08 approving a sublease agreement between 801 Embarcadero LLC and Michele Leary and Zoe Andres, dba Central Coast Sportfishing for the floating dock on Lease Site 86/86W, located at 801 Embarcadero.

FISCAL IMPACT:

None

SUMMARY:

Lease Site 86/86W was assigned to Burt Caldwell in August 2006 and subsequently assigned to Embarcadero 801 LLC, a partnership of Doug Redican and Burt Caldwell on April 23, 2007. Embarcadero 801 LLC is asking City approval of a sublease with Michele Leary, dba Central Coast Sportfishing to operate a charter boat/commercial fishing business on the existing floating dock at Lease Site 86/86W.

DISCUSSION:

The lease agreement for Lease Site 86/86W requires City Council approval of any sublease on the site. The tenants have turned in the completed application form, paid the sublease approval fee and provided a copy of the sublease agreement. Ms. Leary and Ms. Andres have provided a statement detailing the proposed business. Embarcadero 801 LLC is in compliance with the terms and conditions of the lease agreement for Lease Site 86/86W.

CONCLUSION:

Staff recommends that the City Council adopt Resolution No. 75.08 approving the sublease agreement for the existing floating dock on Lease Site 86/86W between 801 Embarcadero LLC and Michele Leary and Zoe Andres dba, Central Coast Sportfishing.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

RESOLUTION NO. 75-08

**APPROVAL OF A SUBLEASE AGREEMENT BETWEEN
801 EMBARCADERO LLC AND MICHELE LEARY AND ZOE ANDRES,
DBA, CENTRAL COAST SPORTFISHING
FOR THE FLOATING DOCK ON LEASE SITE 86/86W
LOCATED AT 801 EMBARCADERO**

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

WHEREAS, the City of Morro Bay is the lessor of certain properties on the Morro Bay Waterfront described as Lease Site 86/86W, located at 801 Embarcadero; and,

WHEREAS, the lessee of said Lease Site is 801 Embarcadero LLC; and,

WHEREAS, said Lease Site requires City Council approval of any sublease on the site; and,

WHEREAS, 801 Embarcadero LLC and Michel Leary and Zoe Andres, dba Central Coast Sportfishing, have paid the sublease application fee and provided all necessary sublease documents; and,

WHEREAS, 801 Embarcadero LLC is in compliance with the terms and conditions of the lease agreement for Lease Site 86/86W; and,

WHEREAS, the City Council of the City of Morro Bay finds that the approval of the Lease Agreement is exempt from review under CEQA because it involves the lease and minor alteration of existing facilities as described in State CEQA Guidelines Section 15301 and is exempt under Class 1, Existing Facilities, Title 2, California Code of Regulations, Section 2905 (a)(2).

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that the sublease agreement between Embarcadero 801 LLC and Michele Leary and Zoe Andres, dba Central Coast Sportfishing for the floating dock on Lease Site 86/86W, located at 801 Embarcadero is hereby approved.

BE IF FURTHER RESOLVED, that the Mayor is hereby authorized to execute said sublease documents.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 10th day of November, 2008 on the following vote:

AYES:

NOES:

ABSENT:

JANICE PETERS, MAYOR

ATTEST:

BRIDGETT BAUER, CITY CLERK



AGENDA NO: A-3

MEETING DATE: November 10, 2008

Staff Report

TO: Honorable Mayor and City Council **DATE:** November 5, 2008
FROM: Janeen Burlingame, Management Analyst
SUBJECT: Resolution No. 74-08 Authorizing Submission of Rural Transit Fund Grant Applications

RECOMMENDATION:

Staff recommends the City Council adopt Resolution No. 74-08 authorizing submission of Rural Transit Fund (RTF) grant applications for operating assistance and the purchase of various materials, supplies and equipment needed for operation of the Morro Bay Dial-A-Ride and Trolley services.

FISCAL IMPACT:

Total estimated costs for the RTF projects are \$130,689 of which \$128,529 is requested from RTF and the remaining \$2,160 would be needed from the general fund.

SUMMARY:

On December 5, 2002 the San Luis Obispo Council of Governments (SLOCOG) adopted Resolution No. 02-16 to create a RTF program. The creation of the program was designed to streamline the lengthy federal process of applying for, receiving and using Federal Transportation Administration Section 5311 funds for rural transit agency projects by programming the region's share of Section 5311 funds to the Regional Transit Authority (RTA) for operations and exchanging it with a like amount of State Transportation Development Act (TDA) funds, programmed through SLOCOG, to create the RTF.

SLOCOG, RTA and City staff worked on developing program policies and procedures that would govern the RTF program for SLOCOG Board approval that would preserve the intent of the Section 5311 program in terms of who and what projects would be eligible for funds. The SLOCOG Board adopted the policies and procedures in October 2003. The City of Morro Bay is an eligible recipient to apply for these funds.

Approximately \$512,466 is available for competitive distribution for the FY 2009/2010 cycle. Applications are due December 5 and applicants are requested to rank multiple project applications in case all requests cannot be funded.

Prepared By: J Burlingame

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

DISCUSSION:

The City intends to submit applications for the FY 2009/2010 cycle for the following projects: operating assistance for Morro Bay Dial-A-Ride; operating assistance for Morro Bay trolley; and trolley information display cases. The projects have been ranked in order of importance.

- **1st Priority:** The operating assistance for Morro Bay Dial-A-Ride project would be for the request of \$81,471 in operating assistance, after taking into account an anticipated decrease in TDA, to offset the need from the general fund in order to operate existing levels of service under the existing fare structure.
- **2nd Priority:** The operating assistance for Morro Bay trolley project would be for the request of \$31,218 in operating assistance to offset the need from the general fund in order to operate existing levels of service under the existing fare structure.
- **3rd Priority:** The trolley information display cases project will be for the purchase of new display cases for the redesigned trolley routes so operational information and route maps showing trolley stops can be placed at each trolley stop. The current display cases are too narrow to accommodate a route map. Implementation of this project would complete a recommendation from the adopted North Coast Transit Plan to provide an route map at all trolley stops.

The estimated project cost is \$18,000 of which \$15,840 will be requested from the RTF and the remaining \$2,160 would come from the general fund for the required local match.

Historically, operating assistance requests tend not to be funded as several years back the San Luis Obispo Council of Governments (SLOCOG) adopted a policy whereby capital projects were first priority and operating assistance requests could only be considered if all capital needs had been met.

The San Luis Obispo Regional Transit Authority (RTA) recently requested and received approval from the SLOCOG Board to use RTF funds from a previously approved capital project for operating assistance in the current fiscal year due to a large budget deficit so that the RTA could continue providing existing service levels.

Given that and the anticipated decrease in the Transportation Development Act (TDA) funds the City would receive for FY 2009/2010, due to the economic downturn resulting in lower sales tax generation (the basis for the Local Transportation Fund portion of TDA) and the increased use of transit statewide due to higher fuel prices resulting in lower gasoline tax generation (the basis for the State Transit Assistance portion of TDA), staff feels it is appropriate to request operating assistance for the Dial-A-Ride and trolley programs as there are no critical capital needs for vehicles or communications equipment.

CONCLUSION:

Staff recommends the City Council adopt Resolution No. 74-08 authorizing submission of Rural Transit Fund (RTF) grant applications for Morro Bay Dial-A-Ride and trolley operating assistance and purchase of trolley display cases.

RESOLUTION NO. 74-08

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY,
CALIFORNIA AUTHORIZING SUBMISSION OF APPLICATIONS TO THE RURAL
TRANSIT FUND GRANT PROGRAM**

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

WHEREAS, the San Luis Obispo Council of Governments (SLOCOG) annually adopts the Federal Transit Administration (FTA) Section 5311 formula funds Program of Projects (POP); and

WHEREAS, SLOCOG began the Rural Transit Fund (RTF) program with Resolution 02-16 on December 5, 2002 by programming FTA Section 5311 funds to the San Luis Obispo Regional Transit Authority (RTA); and

WHEREAS, RTA has agreed to use these Federal funds for operating support and SLOCOG has agreed to exchange a similar amount of TDA funds for use in the RTF program; and

WHEREAS, SLOCOG, RTA, and other rural transit operators worked together to develop a process to exchange FTA Section 5311 formula funds with Transportation Development Act (TDA) funds to create the Rural Transit Fund, including Policies and Procedures to govern the RTF program; and

WHEREAS, the Policies and Procedures developed ensure that all funds will be used solely for rural transit projects consistent with the original intent of the FTA Section 5311 program, which is to maintain a reliable funding source for transit capital in the non-urbanized areas of San Luis Obispo county; and

WHEREAS, there is \$512,466 available for competitive distribution and project applications for the 2009/2010 RTF cycle are due December 5, 2008.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that the Public Services Director is authorized to submit applications to the Rural Transit Fund for the following projects: operating assistance for the Morro Bay Dial-A-Ride, operating assistance for the Morro Bay trolley and purchase of trolley information display cases.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 10th day of November, 2008 on the following vote:

AYES:
NOES:
ABSENT:

JANICE PETERS, MAYOR

ATTEST:

BRIDGETT BAUER, CITY CLERK



AGENDA NO:

MEETING DATE:

Staff Report

TO: Honorable Mayor and City Council

DATE: November 10, 2008

FROM: Recreation and Parks Director

SUBJECT: Consideration to Approve Park-In-Lieu Funds to Enhance Centennial Parkway and Public Restrooms

RECOMMENDATION:

Staff recommends City Council approve the use of up to \$15,000 of Park in Lieu funds for the enhancement of Centennial Parkway and public restrooms.

FISCAL IMPACT:

Up to \$15,000 financial impact of park in lieu funds, however \$0 impact to the General Fund. Currently the fund balance is \$148,593.

SUMMARY:

Staff is proposing the replacement of the Giant Chess piece storage shed with construction of two new chess piece storage sheds, the addition of an interpretive panel, and the replacement of two public restroom water heaters with tank- less water heater units. This request was presented to the Recreation and Parks Commission on November 6, 2008. Their recommendation to expend Park in Lieu monies was taken into consideration and staff feels enhancements proposed at Centennial Parkway and the Tidelands and Harbor Restrooms would be in the best interest of the citizens of Morro Bay.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

DISCUSSION:

Staff recommends the following:

- a. Replacement of the chess piece storage shed with a larger unit to house all wooden chess pieces.
- b. Construct a new chess piece storage shed to house recently purchased smaller plastic chess pieces.
- c. Design and install an interpretive panel next to the Giant Chess Board to illustrate the historical story of the chess board and chess pieces.
- d. Replacement of the water heaters at Tidelands and Harbor restrooms with tank-less water heaters.

Due to the age of the storage shed and its construction, staff feels a replacement is required. The improvement would prolong the historic wooden pieces and allow safe retrieval and storage of the pieces. The addition of a smaller shed would allow for the Department's new plastic pieces to be stored next to the Giant Chess Board and allow for easy access. The intent is to have the plastic chess pieces available for the general public and the wooden pieces utilized by the Morro Bay Chess Club on Saturdays and special events. The Department is working with the Chamber of Commerce on a policy allowing access to the plastic chess pieces through their office.

The Interpretive panel would be similar to those currently along the waterfront. The panel would illustrate the history of the Giant Chess Board. Currently, the Department distributes the "Morro Bay's Giant Chessboard and its Story" as a paper handout and would like the story available to all the public at the Giant Chessboard site.

At two waterfront locations, Tidelands Park and the North T-Pier, the City has public shower facilities. Both locations are using conventional water heaters with tanks. Over the years, staff has dealt with various issues based on the design of such heaters; corrosion and water temperature. Staff would like to replace the existing water heaters with tank-less water heaters. These new units would provide the same temperature of water regardless of the number of showers, and this would be a significant improvement to the existing service

CONCLUSION:

Staff is recommending that up to \$15,000 be allocated from the Park in Lieu fund for these projects. These funds (satisfying the Quimby Act) are collected when a new subdivision is approved in Morro Bay. The funds are required in lieu of parkland dedication in subdivisions with less than 50 parcels. The funds are to be used for a local facility which bears a reasonable relationship to serve the present and future recreation needs of the residents of the subdivision (MBMC 16.16.030). In the past the Park in Lieu fund was used for the re-lighting of Keiser East softball field and the parking lot lights at Keiser Park, the Coleman Park Enhancement Plan and Lila Keiser Park parking lot repairs.



AGENDA NO:

MEETING DATE:

Staff Report

TO: Honorable Mayor and City Council **DATE:** November 6, 2008
FROM: Andrea K. Lueker, City Manager
SUBJECT: Resolution No. 71-08 Adopting Memorandum of Understanding with
the Morro Bay Police Officers Association and Related Compensation

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 71-08 approving an agreement with the Morro Bay Police Officers Association. The term of the agreement is from July 1, 2007 through June 30, 2010.

FISCAL IMPACT

The approximate fiscal impact of the contract is as follows:

FY 07/08 - Salary increases total \$32,406 of which the total is General Fund. The increase in uniform allowance is approximately \$1,680 for sworn and \$ 600 for non-sworn.

FY 08/09 - Salary increases total \$67,402 of which the total is General Fund. The increase in P.O.S.T. Pay is approximately \$2,040 for sworn and potentially \$ 1,440 for non-sworn.

FY 09/10 - Salary increases total \$70,101 of which the total is General Fund. The increase in P.O.S.T. Pay is approximately \$2,040 for sworn and potentially \$1,440 for non-sworn.

The POA contract expired on June 30, 2007 and as such, lags one year behind the other employee contracts. Staff is confident the cost of the contract for the first year (07/08) can be covered by accumulated cash in the General Fund. Years 08/09 and 09/10 can be covered through city-wide salary savings; however, by 10/11, a year not covered by this agreement, additional revenue and/or further cost-cutting measures must be implemented in order to cover the costs of future contracts.

SUMMARY

The attached MOU includes the following changes:

- A 2% cost-of-living increase effective the pay period including July 1, 2007, a 4% cost-of-living increase effective the pay period including July 1, 2008 and a 4% cost-of-living increase effective the pay period including July 1, 2009.
- Effective July 1, 2008, Compensatory Time-Off (CTO) may be accrued up to a maximum of 100 hours (the current cap is 80 hours).

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

- The existing health insurance formula has been replaced with that of the SEIU unit. Effective January 1, 2009 the City shall contribute \$0-Employee only, \$30-Employee + 1 and \$40-Employee +2+ for medical insurance rate increases, the same amounts will be added on January 1, 2010.
- The sick leave to vacation conversion, similar to the language found in the SEIU contract, will be added.
- Effective the pay period containing July 1, 2007, \$20 shall be added to each P.O.S.T. certificate pay for sworn. P.O.S.T. certificate pay for non-sworn will be added.
- Effective the pay period containing July 1, 2007, the uniform allowance will increase to \$900 for sworn and \$600 for non-sworn.

The agreement has been ratified by the Morro Bay Police Officers Association.

DISCUSSION:

The contract with the Police Officers Association expired on June 30, 2007. Negotiations had been sporadic and in Spring 2008, were suspended by mutual agreement while the City analyzed the information in the Management Partners Study as well as reviewed the Priority Goals set by the City Council in June 2008.

For the past several years, the City of Morro Bay has only been successful in competing one-year agreements with many of its employee units. This 3-year contract is a milestone in recent contract negotiations. The contract mandates the need for the City to seriously review, pursue and implement revenue strategies. This contract also meets the No. 2 Priority Goal set by the City Council on June 30, 2008 which is "Provide Funding For Competitive Salaries and Encourage Retention of all City Employees".

RESOLUTION NO. 71-08

**RESOLUTION RELATING TO THE CLASSIFICATION, COMPENSATION AND TERMS
OF EMPLOYMENT OF POLICE EMPLOYEES OF THE
CITY OF MORRO BAY**

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

WHEREAS, in accordance with the provisions of the California Government Code Section 3500 et. seq. and Resolution No. 74-69 of the City of Morro Bay, the City's representatives have met and conferred in good faith pertaining to the subject of wages, benefits and conditions of employment with Morro Bay Peace Officers Association; and

WHEREAS, On June 30, 2008, the City Council, City Manager, City Attorney and Department Head Team participated in a City Council Goal Setting Workshop to review current and future policy goals and objectives, discuss progress toward meeting such goals and objectives and identify new policy goals and objectives that the City Council may wish to pursue; and

WHEREAS, One of the key discussion topics identified as an outcome of the June 2008 Goal Setting Workshop was employee recruitment and retention and the requirement to look at and give serious consideration to City employee compensation and benefit issues that directly impact the ability of the City to recruit and retain both qualified and quality employees; and

WHEREAS, After discussion, the City Council identified twenty goals to pursue and included 6 within those twenty as "Priority Goals"; and

WHEREAS, in accordance with the agreed upon Priority Goals set by the City Council on June 30, 2008, this 3-year contract meets Priority Goal No. 2 "Provide Funding For Competitive Salaries and Encourage Retention of all City Employees"; and

WHEREAS, the meetings between the Morro Bay Peace Officers Association and the City have resulted in a mutual agreement and understanding to recommend that the employees represented by Morro Bay Peace Officers Association accept all of the terms and conditions as set forth in a Memorandum of Understanding, an agreement attached and made a part of this resolution herewith; and

WHEREAS, the City now desires to provide said salaries, benefits and conditions to said Police employees of the City of Morro Bay.

NOW, THEREFORE, BE IT RESOLVED that the Morro Bay City Council does hereby approve and adopt in full the Memorandum of Understanding for the period July 1, 2007 through June 30, 2010 as attached and made a part of this resolution.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute the Memorandum of Understanding on behalf of the City.

PASSED AND ADOPTED by the Morro Bay City Council at a meeting thereof held this 10th day of November 2008 by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

JANICE PETERS, Mayor

BRIDGETT BAUER, City Clerk



AGENDA NO:

MEETING DATE:

Staff Report

TO: Honorable Mayor and City Council **DATE:** October 31, 2008
FROM: Andrea K. Lueker, City Manager
SUBJECT: Resolution No. 72-08 Adopting Memorandum of Understanding with
the Miscellaneous Employees and Related Compensation

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 72-08 approving an agreement with SEIU Local 620 representing the Morro Bay Miscellaneous employees. The term of the agreement is from July 1, 2008 through June 30, 2011.

FISCAL IMPACT

The approximate fiscal impact of the contract is as follows:

FY 08/09 - Salary increases total \$68,671 of which \$30,901 is General Fund. Health Insurance increases are approximately \$6,720 of which \$3,360 is General Fund. The increase in standby pay is estimated at approximately \$6,270 of which none is General Fund.

FY 09/10 - Salary increases total \$85,261 of which \$38,367 is General Fund. Health Insurance increases are approximately \$13,440 of which \$6,720 is General Fund. The increase in standby pay is estimated at approximately \$6,270 of which none is General Fund.

FY 10/11 - Salary increases total \$118,332 of which \$53,204 is General Fund. Health Insurance increases are approximately \$6,720 of which \$3,360 is General Fund. The increase in standby pay is estimated at approximately \$6,270 of which none is General Fund.

There may be future costs for payment to take certification tests (Section 16.1), but at this time all employees hold the required certifications.

Staff is confident the cost of the contract for the first two years can be covered through city-wide salary savings; however, by year 3 some additional revenue and/or cost cutting measures must be implemented in order to cover the entire cost of employee contracts.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

SUMMARY

The attached MOU includes the following changes:

- A 2% cost-of-living increase effective the pay period including July 1, 2008, a 1% cost-of-living increase effective the pay period including January 1, 2009, a 3% cost-of-living increase effective the pay period including July 1, 2009 and a 4% cost-of-living increase effective the pay period including July 1, 2010
- Effective January 1, 2009 the City shall contribute \$0-Employee only, \$30-Employee + 1 and \$40-Employee +2+ for medical insurance rate increases, the same amounts will be added on January 1, 2010 and January 1, 2011.
- Effective the first payroll period in July 2009, the City shall commence reporting the Employer Paid Member Contribution (EPMC) to PERS as special compensation.
- Employees shall be paid for time spent outside normal working hours to take City required certification tests.
- A benchmark salary study shall be conducted prior to February 28, 2011.
- Employees called back to work shall be eligible for mileage reimbursement when utilizing their personal vehicle.
- Vacation shall also be considered as time worked for overtime calculation purposes.

This agreement has been ratified by SEIU Local 620 Miscellaneous employees.

DISCUSSION:

The contract with the Miscellaneous unit expired on June 30, 2008. The City has been negotiating with the Miscellaneous employees for a successor agreement since Spring 2008. The negotiations were suspended by mutual agreement while the City analyzed the information gathered in the Management Partners Study as well as reviewed the Priority Goals set by the City Council in June 2008.

For the past several years, the City of Morro Bay has only been successful in completing one-year agreements with many of its employee units. This 3-year contract is a milestone in recent contract negotiations. The contract mandates the need for the City to aggressively review, pursue and implement revenue strategies. This contract also meets the No. 2 Priority Goal set by the City Council on June 30, 2008 which is "Provide Funding For Competitive Salaries and Encourage Retention of all City Employees".

RESOLUTION NO. 72-08

**RESOLUTION RELATING TO THE CLASSIFICATIONS, COMPENSATION AND
TERMS OF EMPLOYMENT OF THE MISCELLANEOUS EMPLOYEES OF
THE CITY OF MORRO BAY**

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

WHEREAS, in accordance with the provisions of the California Government Code Section 3500 et. seq. and Resolution No. 74-69 of the City of Morro Bay, the City's representatives have met and conferred in good faith pertaining to the subject of wages, benefits and conditions of employment with SEIU Local 620 representing the Miscellaneous employees; and

WHEREAS, On June 30, 2008, the City Council, City Manager, City Attorney and Department Head Team participated in a City Council Goal Setting Workshop to review current and future policy goals and objectives, discuss progress toward meeting such goals and objectives and identify new policy goals and objectives that the City Council may wish to pursue; and

WHEREAS, One of the key discussion topics identified as an outcome of the June 2008 Goal Setting Workshop was employee recruitment and retention and the requirement to look at and give serious consideration to City employee compensation and benefit issues that directly impact the ability of the City to recruit and retain both qualified and quality employees; and

WHEREAS, After discussion, the City Council identified twenty goals to pursue and included 6 within those twenty as "Priority Goals"; and

WHEREAS, in accordance with the agreed upon Priority Goals set by the City Council on June 30, 2008, this 3-year contract meets Priority Goal No. 2 "Provide Funding For Competitive Salaries and Encourage Retention of all City Employees"; and

WHEREAS, the meetings between the SEIU Local 620 and the City have resulted in a mutual agreement and understanding to recommend that the employees represented by SEIU Local 620 accept all of the terms and conditions as set forth in a Memorandum of Understanding, an agreement attached and made a part of this resolution herewith; and

WHEREAS, in accordance with the agreed upon Priority Goals set by the City Council on June 30, 2008, this 3-year contract meets Priority Goal No. 2 "Provide Funding For Competitive Salaries and Encourage Retention of all City Employees"; and

WHEREAS, the City now desires to provide said salaries, benefits and conditions to said Miscellaneous employees of the City of Morro Bay.

NOW, THEREFORE, BE IT RESOLVED that the Morro Bay City Council does hereby approve and adopt in full the Memorandum of Understanding for the period July 1, 2008 through June 30, 2011 as attached and made a part of this resolution.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute the Memorandum of Understanding on behalf of the City.

PASSED AND ADOPTED by the Morro Bay City Council at a meeting thereof held this 10th day of November 2008 by the following vote:

AYES:

NOES:

ABSENT:

JANICE PETERS, Mayor

ATTEST:

BRIDGETT BAUER, City Clerk

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MEMORANDUM OF UNDERSTANDING BETWEEN
SERVICE EMPLOYEES' INTERNATIONAL UNION, LOCAL NO. 620, AFL-CIO
AND THE CITY OF MORRO BAY
JULY 2008-JUNE 2011

ARTICLE 1 – PURPOSE

- 1.1 WHEREAS, the City of Morro Bay is a municipal corporation existing under the laws of the State of California as a general law city; and
- 1.2 WHEREAS, the City of Morro Bay is limited, insofar as funds are concerned, because of a fixed tax rate, and in structure because it is a public entity rather than a profit making business; and
- 1.3 WHEREAS, Service Employees' International Union Local No. 620 and the City of Morro Bay recognize that the mission and the purpose of the City is to provide for high-quality and economical municipal services and facilities to the residents of the City of Morro Bay.
- 1.4 THEREFORE, this Memorandum of Understanding is entered into as of October __, 2008 between the City of Morro Bay, referred to as "CITY" and Service Employees' International Union Local No. 620, referred to as the "UNION."
- 1.5 It is the intent and purpose of this memorandum to assure sound and mutually beneficial working and economic relations and conditions between the parties hereto; to provide for an orderly and peaceable method and manner of resolving any differences which may arise, and to negotiate any misunderstanding which could arise, and to set forth herein the basic and full agreement between the parties concerning the pay, wages, hours of employment, and other terms and conditions of employment.

ARTICLE 2 – MANAGEMENT

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

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

- 2.1.13 To determine qualifications, skills, abilities, knowledge, selection procedures and standards, job classification, job specifications, and to reallocate and reclassify employees in accordance with division and/or CITY Rules and Regulations.
- 2.1.14 To determine the issues of public policy and the overall goals and objectives of the CITY, and to take necessary action to achieve the goals and objectives of the CITY.
- 2.1.15 To hire, transfer intra- or inter-Department, promote, reduce in rank, demote, reallocate, terminate, and take other personnel action for non-disciplinary reasons, in accordance with Department and/or CITY Rules, Regulations and Ordinances.
- 2.1.16 To determine policies, procedures and standards for recruiting, selecting, training and promoting employees.
- 2.1.17 To establish, implement, and/or modify rules and regulations, policies, and procedures related to productivity, performance, efficiency, personal appearance standards, code of ethics and conduct, safety, health, and order, and to require compliance therewith.
- 2.1.18 To maintain order and efficiency in facilities and operation.
- 2.1.19 To restrict the activity of an employee organization on CITY facilities, except as set forth in this agreement.
- 2.1.20 To take any and all necessary steps and actions to carry out the service requirements and mission of the CITY in emergencies or any other time deemed necessary by the CITY and not specified above.

2.2 Nothing herein is meant to diminish CITY rights provided by the Government Code.

2.3 **AUTHORITY OF THIRD PARTY NEUTRAL - MANAGEMENT RIGHTS**
All management rights, powers, authority and functions, whether heretofore or hereinafter exercised, shall remain vested exclusively with the CITY. No third party neutral shall have the authority to diminish any of the management rights which are included in this agreement.

2.4 Nothing herein is meant to diminish employee rights provided by the Government Code.

ARTICLE 3 – RECOGNITION

3.1 Pursuant to Resolution No. 74-69, the Employer-Employee Relations Resolution of the City of Morro Bay and applicable state law, Service Employees International Union Local 620 (hereafter "UNION") was designated by the City of Morro Bay (hereafter "CITY") City Council as the exclusive representative of City employees in the Miscellaneous Employees Unit (hereafter "UNIT"). The UNIT is comprised of the following classifications:

Account Clerk I
Account Clerk II
Administrative Technician
Administrative Utilities Technician
Assistant Planner
Associate Planner
Building Inspector
Engineering Technician I
Engineering Technician II
Engineering Technician III
Facility Maintenance Worker
Harbor Business Coordinator
Harbor Patrol Officer
Housing Programs Coordinator
Maintenance Leadworker (Facilities, Parks, Water, Fleet, Streets, Collections)
Maintenance Worker I (Facilities, Parks, Water, Fleet, Streets, Collections)
Maintenance Worker II (Facilities, Parks, Water, Fleet, Streets, Collections)
Maintenance Worker III (Facilities, Parks, Water, Fleet, Streets, Collections)
Office Assistant II
Office Assistant III
Office Assistant IV
Permit Technician
Recreation Supervisor - Sports
Recreation Supervisor - Youth
Wastewater Collections System Supervisor
Wastewater Treatment Plant Operator In-Training
Wastewater Treatment Plant Operator I
Wastewater Treatment Plant Operator II
Wastewater Treatment Plant Operator II/Lab Analyst
Wastewater Treatment Plant Supervisor
Water Systems Supervisor

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

3.2 Employees working on a regular basis in a classified position, but less than full-time, shall receive vacation and sick leave accruals on a pro-rated basis commensurate

with hours worked. Effective January 1, 1998, all benefits for new hires, including insurance benefits, will be allocated on a pro-rated basis commensurate with hours worked.

3.3 ELECTRONIC DEPOSIT:

All Employees hired after the effective date of this contract shall receive their pay by electronic methods. New hires must present account information for a checking or a savings account with an ACH-member financial institution.

ARTICLE 4 - UNION BUSINESS

- 4.1 Employee representatives designated by the UNION shall be granted time off, without loss of pay, to attend "meet and confer" sessions with the City Manager, and/or his/her designee, on subjects within the scope of representation when such meetings are scheduled during regular working hours. Should such meeting extend beyond an employee representative's regular working hours, the employee representative shall be paid for only the regular working hours.

It is understood that this time-off provision shall only apply to a maximum of three employees attending any one meeting between CITY and UNION. Where exceptional circumstances warrant, the City Manager may approve the attendance at such meetings of additional employee representatives. The UNION shall, whenever practicable, submit the names of all employee representatives to the Municipal Employee Relations Officer at least two working days in advance of such meetings. Provided further: 1) that no employee representative shall leave his/her duty or work station or assignment without specific approval of the department head or other authorized CITY management official; and 2) that any such meeting is subject to scheduling by CITY management and UNION in a manner consistent with operating needs and work schedules.

- 4.2 Nothing provided herein shall limit or restrict CITY management and UNION from scheduling such meetings before or after regular CITY or work hours.
- 4.3 Off-duty employees will not be paid for attending meet and confer sessions, nor will over-time be paid for same.

ARTICLE 5 - AUTHORIZED AGENTS

For the purpose of administering the terms and provisions of this agreement:

- 5.1 Management's principal authorized agent shall be the City Manager, or his/her duly authorized representative (address: 595 Harbor Street, Morro Bay, CA 93442; telephone: (805) 772-6200), except where a particular management representative is specifically designated in the agreement.

- 5.2 The UNIT's principal authorized representative shall be: Service Employees International Union Local 620 (address 974 Santa Rosa, San Luis Obispo, CA 93401 (805) 963-0601).
- 5.3 The UNION shall furnish the CITY's City Manager with a written list, identifying by name and work location up to three (3)^[SS1] stewards and one (1) chief steward.
- 5.4 UNION stewards shall be authorized when participating in the investigation and processing of a grievance to take a reasonable amount of CITY. time, without loss of compensation or benefits, to perform these duties.
- 5.5 UNION stewards shall be selected in accordance with current SEIU written policy on file with the CITY Personnel Office.

ARTICLE 6 – UNION SECURITY and WITHHOLDING OF UNION DUES/FEES

6.1 ~~M~~aintenance of Membership+

All UNIT employees who, on the effective date of this Memorandum, are members of SEIU, Local 620, and all such employees, who thereafter voluntarily become members of Local 620, shall maintain their membership in Local 620; subject to the right to resign membership during the period commencing thirty (30) days prior to the June 30 of each year of this MOU.

6.2 Agency Shop

Pursuant to UNION's initiation allowed by an amendment to the Meyers-Milias-Brown Act, the CITY and the UNION will abide by the following provisions as they relate to an agency shop.

Agency Shop as defined under Meyers-Milias-Brown means ~~a~~n arrangement that requires an employee, as a condition of continued employment, either to join the recognized employee organization, or to pay the organization a service fee in an amount not to exceed the standard initiation fee, periodic dues, and general assessments of the organization.+ CITY recognizes that UNION has petitioned for and a majority of employees have cast ballots in a secret ballot election in favor of agency shop for this bargaining unit.

The United States Supreme Court has decided that Unions may not charge non-members for expenses unrelated to the actual representation of the employees in the bargaining unit such as political contributions, organizing activities, and member-only benefits. Employees who question whether the amount of the Union's Agency Fee contains unlawful charges may file a written objection with the Union to the Agency Fee and, if successful, have their Agency Fee reduced to cover only the lawfully

chargeable amount. Any costs related to this objection process will be borne by the Union.

6.3 Conscientious Objection:

Any employee who is a member of a bona fide religion, body, or sect that has historically held conscientious objections to joining or financially support public employee organizations shall not be required to join or financially support any public employee organization as a condition of employment. Such employees shall be required to, in lieu of periodic dues, initiation fees, or agency fees, pay sums equal to the dues, initiation fees, or agency fees to a nonreligious, non-labor charitable fund exempt from taxation under Section 501(C)(3) of the Internal Revenue Code, chosen by the employee from the following: Hospice, CASA, or United Way for the purpose of payroll deductions. Proof of payments shall be made on a monthly basis to the Public Agency as a condition of continued exemption from the requirement of financial support to the UNION.

6.4 Covered employees shall execute written authorization for either UNION dues deductions, the agency fee, or, if eligible, the charitable contribution. In the absence of a written authorization, the CITY shall deduct the agency fee from the employeesq paycheck pursuant to California Government Code Sec. 3502. The CITY agrees to promptly remit to the UNION all monies deducted accompanied by a %Agency Fee Deduction Report+to include the names and amounts of deductions in the same manner and timeframes as the current provision of the dues deduction reports.

6.5 Rescission of Agency Shop

This agency shop provision may be rescinded by a majority vote of all the employees in the unit covered by the Memorandum of Understanding, provided that:

6.5.1 A request for such a vote is supported by a petition of at least 30% of the employees in the bargaining unit;

6.5.2 The vote is by secret ballot;

6.5.3 The vote may be taken at any time during the term of the Memorandum of Understanding, but in no event shall there be more than one vote taken during each contract year.

6.6 Applicability

An agency shop arrangement shall not apply to management, confidential, or supervisory employees.

6.7 Reporting Requirement.

The UNION shall keep an adequate itemized record of its financial transactions and shall make available annually, to the CITY and to the employees who are members of the organization, within 60 days after the end of its fiscal year, a detailed written financial report thereof in the form of a balance sheet and an opening statement,

certified as to accuracy by its president and treasurer or corresponding principal officer, a certified public accountant, or as otherwise required by law.

6.8 Indemnification.

The UNION shall indemnify and hold the CITY harmless against any liability arising from any claims, demands, or other action relating to the CITY's compliance with the agency shop obligation. The UNION shall comply with all statutory and legal requirements with respect to Agency Shop.

ARTICLE 7 - TERM

Except as otherwise specifically provided herein, the term of this Agreement commences July 1, 2008, and expires and is otherwise fully terminated at midnight on June 30, 2011.

ARTICLE 8 - RENEGOTIATIONS

8.1 In the event either party wants to renegotiate a successor Agreement, such party shall serve upon the other during the period December 1, 2010 to January 15, 2011, its written request to begin negotiations as well as its full and entire written proposals amending this agreement.

8.2 The parties agree that, except by mutual agreement, no new subjects may be introduced into the process after the third (3rd) negotiations meeting.

8.3 Upon receipt of such written notice and proposals, negotiations shall begin no later than February 28, 2011.

8.4 The CITY shall conduct and provide to the UNION a benchmark salary survey prior to February 28, 2011.

ARTICLE 9 - ANTI-DISCRIMINATION

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

ARTICLE 10 - WORK SCHEDULE

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

10.1 WORKDAY:

The normal workday shall be eight (8) hours of work in a twenty-four (24) consecutive hour period, except in cases of emergencies. Alternative work schedules can be

implemented upon approval of the City Manager, and providing they are not in violation of FLSA regulations.

10.2 WORK SHIFT:

Employees shall be scheduled to work on regular work shifts having regular starting and quitting times. Except for emergencies, employees' work shifts shall not be changed without 24 hour prior notice to the employee. Call-out or overtime does not constitute as change in work shift.

10.3 WORKWEEK:

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

10.4 OVERTIME COMPENSATION:

10.4.1 All work required by the CITY and actually performed beyond forty (40) hours worked in a workweek is defined as Fair Labor Standards Act (FLSA) overtime. FLSA overtime shall be compensated at one and one-half (1.5) times the employee's regular rate of pay, as defined by FLSA.

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

10.4.3 There shall be no double compensation for the same hours of work, nor any pyramiding of overtime.

10.5 COMPENSATORY TIME OFF (CTO):

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

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

10.5.3 An employee's CTO balance shall not exceed a maximum of sixty (60) hours. If overtime is earned which would exceed this limit, the excess shall be paid in cash.

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

10.6 EMERGENCIES:

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

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

10.7 SHIFT ROTATION:

Shift rotation shall coincide with the first day of a pay period.

ARTICLE 11 - VACATION LEAVE

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

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

Maximum Entitlement		
Service Years	Days	Hours
1 thru 2	10	80
3 thru 4	11	88
5 thru 6	12	96
7 thru 8	13	104
9 thru 10	14	112
11 thru 12	15	120
13 thru 14	16	128
15 thru 16	17	136
17 thru 18	18	144
19 thru 20	19	152
21 or more	20	160

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

11.3 MAXIMUM ACCUMULATION:

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

11.3.1 CITY and UNION agree that the vacation cap to be in place for this unit will be 220 hours, to be achieved in the following manner:

11.3.1.1 Unused vacation leave may be carried over into the calendar year 2008 and subsequent calendar years to a maximum of 220 hours. Employees exceeding the 220 hour maximum as of the pay period containing November 1 will be paid off for vacation time exceeding the 220 hour maximum. Payment shall be computed based upon the employee's base hourly rate of pay as of June 30 of the same calendar year. Vacation pay out will occur in the first pay period occurring on or after December 1.

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

ARTICLE 12 - HOLIDAYS

12.1 For the purpose of this agreement, the following days are the holidays for the employees in this unit:

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

- 12.2 Holidays falling on Saturday shall be observed on the preceding Friday and holidays falling on Sunday shall be observed on the following Monday; and, shall be considered designated holidays for purposes of overtime.
- 12.3 One holiday equals eight hours. Accrued holiday time may be taken in less than eight hour increments.
- 12.4 It is agreed that when a holiday is proclaimed by the Mayor of the CITY, then each employee shall be granted time-off in the same number of equivalent work hours. Such time-off shall be selected by the Department Head.
- 12.5 Employees may accumulate up to a maximum of 48 hours holiday time for holidays worked. Hours of holiday time accumulated over 48 hours will be paid off. When an employee terminates employment with the CITY, he/she shall receive pay for his/her current holiday balance up to a maximum of 48 hours at his/her current base hourly rate.
- 12.6 CITY's denial of requested holiday time off shall be neither arbitrary nor capricious.
- 12.7 Employees who work on a CITY designated holiday shall have eight hours banked and also shall be paid one and one-half (1.5) times their base hourly rate for the hours actually worked on the holiday.

ARTICLE 13 - SICK LEAVE

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

<u>Sick Leave Utilization</u>	<u>Sick Leave</u>	<u>Maximum Conversion To Vacation Leave</u>
0 hours	96 hours	48 hours
0 to 8 hours	72 hours	36 hours
8 1/4 to 16 hours	48 hours	24 hours
16 1/4 to 25 hours	24 hours	12 hours
Over 25 hours	0	0

At least 160 hours shall remain in employee's sick leave bank after any conversion is authorized.

- 13.3 Upon the service retirement of an employee who has more than ten (10) years of service with the CITY, said employee shall be entitled to receive payment for up to the first ninety (90) days of his/her accrued sick leave at thirty percent (30%) of the employee's rate of pay as of the date of service retirement.

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

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

ARTICLE 14 - RETIREMENT BENEFITS

- 14.1 The CITY shall contribute 7% percent of an employee's salary on behalf of the employee to the Public Employees Retirement System (hereinafter referred to as PERS).
- 14.2 The CITY contribution will be the employee's actual PERS obligation to a maximum of seven (7) percent.
- 14.3 These amounts paid by the CITY are employee contributions and are paid by the CITY to partially satisfy the employee's obligation to contribute to PERS.
- 14.4 An employee has no option to receive the contributed amounts directly instead of having them paid by the CITY to PERS on behalf of the employee.
- 14.5 UNION understands and agrees that employees bear the risk of payment of any increases in the employee contribution above the current percentage made by action of the PERS or the state legislature.
- 14.6 Parties agree that CITY payment of PERS contributions are made based upon tax treatment currently permitted by the State Franchise Tax Board and the IRS.
- 14.7 Should current tax treatment change, the UNION and the employee shall hold harmless the CITY, its officers and agents from any and all claims or costs of any type including but not limited to liability for back taxes, arising out of this agreement to pay part of the employee's PERS contribution.
- 14.8 Should current tax treatment change, the UNION shall have the opportunity to meet and confer regarding any such changes.

- 14.9 The CITY agrees to continue providing PERS Miscellaneous employees in this unit with the following PERS optional benefits:
- 14.9.1 2.7% at 55 plan
 - 14.9.2 Sick Leave Credit Option (Section 20965)
 - 14.9.3 Military Service Credit (Section 21024)
 - 14.9.4 Single Highest Year
 - 14.9.5 1959 Survivor Benefit, Level 4 (See footnote 1)
- 14.10 The CITY agrees to provide PERS Safety employees (Harbor Officers) in this unit with the following PERS optional benefits:
- 14.10.1 Highest Single Year Compensation (Section 20042)
 - 14.10.2 Sick Leave Credit (Section 20965)
 - 14.10.3 1959 Survivor Benefit (Section 21580)
 - 14.10.4 3% @ 50 Retirement Formula (Section 21362.2)
 - 14.10.5 3rd Level Survivor Benefit (Section 21573)
 - 14.10.6 Military Service Credit (Section 21204)
 - 14.10.7 4th Level Survivor Benefit (Section 21574).
- 14.11 If the State Legislature adopts a two-tier PERS retirement program applicable to unit members, then all unit members employed after the effective date of such PERS changes shall be placed in a new retirement plan or one selected by the CITY. Current employees at the time of plan adoption will have a one-time option to enter the new plan; enrollment period to be selected by CITY.
- 14.12 Effective the first payroll period in July 2009, the CITY shall commence reporting the Employer Paid Member Contribution (EPMC) to PERS as special compensation.

ARTICLE 15 - HEALTH BENEFITS

15.1 MEDICAL INSURANCE:

During the term of this Agreement, the CITY shall offer PERS medical insurance plans.

- 15.1.1 Employees of this unit shall participate in the PERS medical insurance plans on a cafeteria style basis, with the CITY contributing a maximum of \$97.20/month to the active employee's medical insurance and \$1.00/month or the amount required by PERS to retiree medical insurance. Effective January 2009, the contribution for active employees will increase to \$the minimum medical contribution as specified by PERS. Any costs in excess of these contribution rates shall be paid by the employee and Retiree.

15.1.2 The program described in the previous MOU in section 15.1.2, that provided for a lump sum payment to employees to purchase health benefits, was discontinued as of the pay period containing January 1, 2003. The amount of money employees were receiving as of the pay-period containing January 1, 2003 in lieu of insurance benefits (commonly known as "cash-back") was frozen at amounts received as of the pay-period containing January 1, 2003. Cash-back was eliminated for employees currently using all insurance dollars for insurance and any new hires, commencing 01/01/2004. If a cash-back employee changes the structure of their insurance (add dependents, delete dependents, drop insurance with the CITY, change carriers, etc.) cash-back is not an option. Cash-back will be eliminated for employees during the open enrollment period in 2003 for the 2004, and in subsequent years, if said employees are required (because of eliminated plans) to change carrier. In the event an employee receiving cash-back is forced to make a plan change because the CITY changes plans and/or ceases to contract with PERS for insurance, that employee will maintain cash-back.

15.1.3 Effective the pay period containing January 1, 2008, Unit employees received a medical insurance contribution (including the amount required by PERS in 15.1.1 above) as follows:

Employee only up to \$715/month or cost of insurance, whichever is less
Employee + 1 . up to \$857/month or cost of insurance, whichever is less

*Employee + family - up to
\$930/month or cost of insurance,
whichever is less*

15.1.4 The CITY shall contribute an additional \$30.00 for Employee +1 and \$40.00 for Employee +2+ for medical insurance rate increases annually, beginning January 1, 2009, 2010 and 2011. The remainder of any increase shall be paid by employee.

15.2 DENTAL AND VISION INSURANCE:

15.2.1 During the term of this Agreement, the CITY shall offer dental/life and vision insurance and each employee shall be required to carry both dental/life and vision insurance for self. Life Insurance is provided at \$20,000 per employee. The following rates are effective January 1, 2008.

VISION	DENTAL	LIFE	TOTALS		
Employee Only		\$8.30	\$40.40	\$6.20	\$54.90
Employee +1		\$16.47	\$107.00	\$6.20	\$129.27
Employee +2+		\$21.26	\$107.00	\$6.20	\$134.46

Employee will be responsible for the following monthly amounts for dental/life and vision beginning with the pay period including January 1, 2009:

Employee Only	\$2.20
Employee + 1	\$7.31
Employee + 2+	\$7.80

CITY will pay the remaining premium for dental/life and vision.

Any changes to the dental/life or vision premiums that occur during the term of this Agreement shall be shared one half by the employee and one half by the CITY.

- 15.3 Any coverage made available to future retirees beyond COBRA time requirements shall be paid for by the retiree.
- 15.4 The provisions of this section shall be binding on the parties through the remainder of this agreement and for the term of the agreement that will be effective July 1, 2008. The parties agree herewith that no further collective bargaining will occur with respect to this section for the term of the agreement ending June 30, 2011.

ARTICLE 16 - EDUCATION INCENTIVES

- 16.1 CITY agrees to reimburse the costs for job related and job-required certifications, correspondence courses, and licenses (except Class III driver's license) upon successful completion of the examination or course by the employee having written authorization in advance from their department head. This shall include application fees, examination fees, and certificate fees. Renewal fees may be paid in advance by the CITY. This provision does not apply to continuing education requirements.

CITY agrees to provide a CITY vehicle, when available, during normal working hours for required transportation and will permit paid time for employee to take examinations scheduled during normal working hours. No mileage payments are authorized for personal transportation, and time spent outside normal working hours shall not be compensated, except that tests taken for CITY required certifications shall be taken in paid status.

16.2 COLLEGE DEGREES:

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

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

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

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

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

16.2.4 Based on the new job descriptions for all classifications which were adopted in May 1996, employees currently in positions now required to hold an AA or BA degree according to the job description for the classification they hold, will continue to receive an educational incentive for said degree. Any employees hired on or after January 1, 1998 or current employees promoted on or after January 1, 1998 to positions requiring degrees will be subject to section 16.2.3 above.

ARTICLE 17 - WORK UNIFORMS

17.1 CITY will provide work coveralls, including laundry service, for each employee whose working conditions create undue wear and tear on work clothing.

CITY will select and provide uniform work shirt, including laundry service, for all field employees. Work shirts shall include a CITY logo and the employee's name.

17.2 Determination of individual entitlement to CITY-provided work uniforms will be at the discretion of the appropriate department head, and with the approval of the City Manager. Unit members in classifications currently receiving uniforms shall continue to do so.

17.3 SAFETY SHOES:

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

ARTICLE 18 – WAGES AND INCENTIVES

18.1 Effective the pay period beginning June 28, 2008, salaries shall be increased by 2%. Effective the pay period beginning December 27, 2008, salaries shall be increased by 1%. Effective the pay period beginning June 27, 2009, salaries shall be increased by 3%. Effective the pay period beginning June 26, 2010, salaries shall be increased by 4%.

18.2 Required Certificate. Employees in the Maintenance Worker classifications in the Water division shall receive a \$75 per month incentive for the State of California Water Distribution Operator Certificate required by their classification.

Employees in the Maintenance Worker classifications in the Collections division shall receive a \$75 per month incentive for the California Water Environment Association Collections Certificate required by their classification.

18.3 Additional Certificate. An employee certified as a Wastewater Treatment Plant Operator with a certificate issued by the California State Water Resources Control Board, or those employees certified as set forth in section 18.2 above, shall receive a \$50 per month incentive for one certification above that required by the position held.

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

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

18.6 Attached Exhibit A reflects wages for members of this unit for the duration of this Agreement.

ARTICLE 19 - SPECIAL PAY PRACTICES

19.1 STANDBY:

19.1.1 Standby duty is defined as that circumstance which requires an employee so assigned to:

Be ready to respond immediately to a call for service;

Be readily available at all hours by telephone or other agreed upon communication equipment; and

Refrain from activities which might impair his/her assigned duties upon call.

19.1.2 It is agreed that personnel who are scheduled, on a routine basis, for standby duty shall be compensated at the rate of thirty-five dollars (\$35.00) per day for each day of scheduled standby duty performed. This amount will be retroactive to the pay period including July 1, 2008.

19.2 CALL BACK:

19.2.1 Call back is defined as that circumstance which requires an employee to unexpectedly return to work after the employee has left work at the end of the employee's work shift; except that an early call in of up to two (2) hours prior to the scheduled start of a work shift shall not be counted as a call back.

19.2.2 CITY will guarantee a minimum of three work hours credit (four and one half (4.5) hours compensation), for each employee called back for work as defined above.

19.2.3 Whenever an employee is called back to work, the CITY considers the employee "on-duty" for three (3) hours even if employee returns home. No additional call-back time pay is allowed during this period if the employee is again called back. However, if more than three (3) hours have passed since the initial call-back and the employee is called back to work again, the employee may claim an additional three work hours credit (4½ hours call-back compensation) under the conditions set forth in 19.2.1 above.

19.2.4 Said employee shall receive either pay or compensatory time-off, pursuant to Article 10 - Overtime Compensation, for the minimum or for all time actually worked, whichever is greater.

19.2.5 Employees called back to work pursuant to this section shall be eligible for mileage reimbursement when utilizing their personal vehicle.

19.3 Members of this Unit who are required by their supervisor to attend meetings outside of the normal work schedule shall be paid a minimum of three hours at time and one-half without regard to hours actually worked during the work week. Meetings during regular work hours shall be included in employees regular rate of pay and not compensated beyond that.

ARTICLE 20 - PROBATION

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

ARTICLE 21 - GRIEVANCE PROCEDURE

21.1 PURPOSE OF PROCEDURE:

The primary purpose of this procedure shall be to provide a means whereby an employee, without jeopardizing his/her employment, can express a personal grievance relating to his/her wages, hours of work, and working conditions, and obtain a fair and equitable disposition of his/her grievance.

21.2 DEFINITION OF INFORMAL GRIEVANCE:

An informal grievance is defined as an oral (or email) concern by an employee expressed to his/her supervisor with a request to informally discuss the grievance with the supervisor and/or the department head.

21.3 DEFINITION OF FORMAL GRIEVANCE:

A formal grievance shall be defined as any formal written complaint of an employee filed with his/her immediate supervisor within thirty (30) days of the action or inaction by the CITY which constitutes the subject of the grievance relating to his/her wages, hours of work, and working conditions. Such grievance shall not include performance evaluations or reprimands. However, employees may provide a written rebuttal to a performance evaluation or written reprimand that will be attached to the original document for placement in the employee's file.

21.4 INFORMAL DISCUSSION WITH SUPERVISOR:

An employee shall first pursue all informal grievances with his/her supervisor and at any time that the employee deems that the informal grievance is a formal grievance, the employee may reduce it to a formal written grievance.

21.5 FORMAL CONFERENCE WITH SUPERVISOR:

If an employee does not obtain satisfaction of his/her informal grievance by means of an informal discussion with his/her supervisor, or if employee is unable to communicate with his/her supervisor, employee and/or his/her representative may, by written grievance, request and shall be accorded a formal conference within ten (10) days with the supervisor and/or department head. The decision of the supervisor shall be reported to the employee and/or his/her representative within five (5) business days of the date the conference was held with the supervisor.

21.6 DEPARTMENT REVIEW:

In the event the employee does not obtain satisfaction at any level of review by means of informal or formal grievance and a formal conference with his/her supervisors, employee and/or his/her representative may submit the grievance in writing to the supervisor or department head. The procedure to be followed by the supervisor who receives a grievance in writing shall be established by each department head for his/her department, and shall include review of the grievance by the immediate supervisor and such successively higher levels of management as may be determined by the department head. A cumulative record of the decision and the reason for the decision at each level of review shall be maintained. The ultimate decision shall be that of the department head. The decision must be reported to the employee in writing within ten (10) business days of the date that the request for departmental review was submitted to the supervisor.

21.7 MEDIATION:

If, within ten (10) working days after receipt of the written decision of the department head the employee is still dissatisfied, he or she may request the services of a mediator from the State Mediation and Conciliation Service. CITY is not bound by the determination and/or recommendations of said mediator.

21.8 APPEAL TO THE CITY MANAGER:

In the event the employee does not obtain satisfaction by means of the mediator, employee and/or his/her representative shall submit the grievance in writing to the City Manager within ten (10) days after notification of the mediator's determination is given to the employee. The City Manager may meet with the employee and/or his/her representative, the mediator and the department head before making a decision; or may waive administrative review and refer the grievance directly to a committee of the City Council appointed to hear grievances. A copy of the City Manager's decision on the matter must be presented to the employee within ten (10) business days of the date the grievance was filed with the City Manager.

21.9 SUBMISSION TO A COMMITTEE OF THE CITY COUNCIL:

In the event that the employee does not obtain satisfaction by means of the administrative procedures outlined above, he/she may request a hearing by a committee of the City Council. The hearing shall be held by the committee within fifteen (15) business days of the date of receipt of the request at the convenience of all parties, unless waived by mutual consent of the employee and the department head. The hearing shall be informal. The employee and/or his/her representative, the department head and/or the City Manager shall appear before the committee to present the facts pertinent to the case. The burden of proof shall rest with the employee. The committee shall limit its review of the grievance to the subject matter contained in the previous steps of the grievance procedure and shall make its decision within thirty (30) days after the termination of the hearing unless a reasonable time extension is deemed necessary and all parties are notified.

21.10 TIME LIMITS:

In case the time limits outlined above are not observed by the representative of the CITY, the employee and/or his/her representative shall have the right to carry the grievance directly to the next higher level of review.

21.11 GROUP GRIEVANCE PROCEDURE:

The recognized employee organizations may present a general grievance (affecting several employees) in writing directly to the City Manager. Upon receipt of such grievance, the City Manager shall establish a time for a hearing, at which time all affected parties may appear before the City Manager to present facts pertinent to the issue. The decision of the City Manager shall be presented to all parties concerned within fifteen (15) business days and, within five (5) business days of receipt of the City Manager's decision which is unacceptable, shall be appealable by the group to a committee of the City Council for their findings and recommendations within thirty (30) days thereafter. If either party wishes to appeal, they may file an appeal with the City Council as a whole within five (5) business days of the final decision of the committee of the City Council.

ARTICLE 22 - NO STRIKE, NO LOCK-OUT

22.1 During the term of this Agreement, the CITY will not lockout any employees nor will Unit employees or the UNION cause, authorize, advise or encourage any interruption of work or any other concerted action. The term "interruption of work" shall mean any work stoppage +sick out+, or strike (including economic, sympathy, and unfair labor

practice strikes) or any intentional slowdown of work. The term "other concerted action" includes picketing or boycott activities by the UNION.

- 22.2 There shall be no refusal to work on, handle or produce any materials or equipment because of a labor dispute.
- 22.3 Any employee engaging in any action prohibited by this Article shall be subject to immediate discharge or such other discipline as the CITY may assess. Such discharge or discipline shall not be reviewable through the Grievance Procedure.

ARTICLE 23 - FULL UNDERSTANDING, MODIFICATION, WAIVER

- 23.1 This Agreement sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements by the parties, whether formal or informal, regarding any such matters are hereby superseded or terminated in their entirety.
- 23.2 It is agreed and understood that each party hereto voluntarily and unqualifiedly waives its right to negotiate, and agrees that the other party shall not be required to negotiate, with respect to any matter covered herein. Notwithstanding the foregoing, It is agreed that from time-to-time the CITY may introduce changes in its Personnel Rules and offer the Union an opportunity to meet and confer prior to implementing changes within the scope of bargaining.
- 23.3 No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed in writing by all parties hereto, and if required, approved by the CITY and ratified by the membership of the UNION.
- 23.4 The waiver of any breach of any term, or condition of this Agreement by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

ARTICLE 24 - SEVERABILITY

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

Date: _____

Date: _____

SEIU LOCAL 620

CITY OF MORRO BAY

Bruce Corsaw, Field Representative

Danny Robertson, Team Member

Eric Zatt, Team Member

Rebecca Kelly, Team Member

William Avery, Chief Negotiator

Andrea Lueker, City Manager

Susan Slayton, Administrative Services
Director



AGENDA NO:

MEETING DATE:

Staff Report

TO: Honorable Mayor and City Council DATE: October 31, 2008
FROM: Andrea K. Lueker, City Manager
**SUBJECT: Resolution No. 73-08 Adopting Memorandum of Understanding
with
the Confidential Employees and Related Compensation**

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 73-08 approving an agreement with the Confidential employees. The term of the agreement is from July 1, 2008 through June 30, 2011.

FISCAL IMPACT

The approximate fiscal impact of the contract is as follows:

FY 08/09 - Salary increases total \$6,698 of which \$5,358 is General Fund. Health Insurance increases are approximately \$660 of which \$528 is General Fund.

FY 09/10 - Salary increases total \$8,346 of which \$6,676 is General Fund. Health Insurance increases are approximately \$1,320 of which \$1,056 is General Fund.

FY 10/11 - Salary increases total \$11,570 of which \$9,256 is General Fund. Health Insurance increases are approximately \$1,320 of which \$1,056 is General Fund.

Staff is confident the cost of the contract for the first two years can be covered through city-wide salary savings; however, by year 3 some additional revenue and/or further cost-cutting measures must be implemented in order to cover the entire cost of all the employee contracts.

SUMMARY

The attached MOU includes the following changes:

- A 2% cost-of-living increase effective the pay period including July 1, 2008, a 1% cost-of-living increase effective the pay period including January 1, 2009, a 3% cost-of-living increase effective the pay period including July 1, 2009 and a 4% cost-of-living increase effective the pay period including July 1, 2010.

MOU/conf mou 7/1

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

- Effective January 1, 2009 the City shall contribute \$0-Employee only, \$30-Employee + 1 and \$40-Employee +2+ for medical insurance rate increases, these same amounts will be added on January 1, 2010 and January 1, 2011.

Confidential Memorandum of Understanding 08/09 to 10/11

Page 2

- Effective the pay period containing July 1, 2008, Administrative Leave shall be increased from 27 to 36 hours.
- The City will investigate an enhanced Life Insurance program as well as the Flex Health Benefit program.

This agreement has been agreed to by the Confidential employees.

DISCUSSION:

The contract with the Confidential employees expired on June 30, 2008. Contract negotiations were initiated by the Confidential group in Spring 2008, but did not continue until the City analyzed the information gathered from the Management Partners Study as well as reviewed the Priority Goals set by the City Council in June 2008.

This 3-year contract, while more aggressive in later years, is a milestone in recent contract negotiations. The contract mandates the need for the City to seriously review, pursue and implement revenue strategies. This contract also meets the No. 2 Priority Goal set by the City Council on June 30, 2008 which is "Provide Funding for Competitive Salaries and Encourage Retention of all City Employees".

RESOLUTION NO. 73-08

**RESOLUTION RELATING TO THE CLASSIFICATION, COMPENSATION
AND TERMS OF EMPLOYMENT OF CONFIDENTIAL EMPLOYEES
OF THE CITY OF MORRO BAY**

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

WHEREAS, in accordance with the provisions of the California Government Code Section 3500 et. seq. and Resolution No. 74-69 of the City of Morro Bay, the City's representatives have met and conferred in good faith pertaining to the subject of wages, benefits, and conditions of employment with the Confidential employees; and

WHEREAS, On June 30, 2008, the City Council, City Manager, City Attorney and Department Head Team participated in a City Council Goal Setting Workshop to review current and future policy goals and objectives, discuss progress toward meeting such goals and objectives and identify new policy goals and objectives that the City Council may wish to pursue; and

WHEREAS, One of the key discussion topics identified as an outcome of the June 2008 Goal Setting Workshop was employee recruitment and retention and the requirement to look at and give serious consideration to City employee compensation and benefit issues that directly impact the ability of the City to recruit and retain both qualified and quality employees; and

WHEREAS, After discussion, the City Council identified twenty goals to pursue and included 6 within those twenty as ~~Priority Goals~~; and

WHEREAS, in accordance with the agreed upon Priority Goals set by the City Council on June 30, 2008, this 3-year contract meets Priority Goal No. 2 "Provide Funding For Competitive Salaries and Encourage Retention of all City Employees"; and

WHEREAS, the meeting between the Confidential employees and the City has resulted in a mutual agreement and understanding to recommend that the employees represented by the Confidential unit accept all of the terms and conditions as set forth in a Memorandum of Understanding, an agreement attached and made a part of this resolution herewith; and

WHEREAS, the City now desires to provide said salaries, benefits, and conditions to said Confidential employees of the City of Morro Bay.

NOW, THEREFORE, BE IT RESOLVED that the Morro Bay City Council does hereby approve and adopt in full the Memorandum of Understanding for the period July 1, 2008 through June 30, 2011 as attached and made a part of this resolution.

PASSED AND ADOPTED by the Morro Bay City Council at a result meeting thereof held this 10th day of November 2008 by the following vote:

AYES:

NOES:

ABSENT:

JANICE PETERS, Mayor

ATTEST:

BRIDGETT BAUER, City Clerk

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE CONFIDENTIAL EMPLOYEES
AND THE CITY OF MORRO BAY
July 2008 – June 2011**

ARTICLE 1 - PURPOSE

- 1.1 WHEREAS, the City of Morro Bay is a municipal corporation existing under the laws of the State of California as a general law city; and
- 1.2 WHEREAS, the City of Morro Bay is limited, insofar as funds are concerned because of a fixed tax rate; and in structure because it is a public entity rather than a profit making business; and
- 1.3 WHEREAS, Confidential Employees and the City of Morro Bay recognize that the mission and the purpose of the City is to provide for high-quality and economical municipal services and facilities to the residents of the City of Morro Bay.
- 1.4 THEREFORE, this Memorandum of Understanding is entered into as of _____ 2008, between the City of Morro Bay, referred to as "CITY" and the Confidential Employees, referred to as the "UNIT."
- 1.5 It is the intent and purpose of this memorandum to assure sound and mutually beneficial working and economic relations and conditions between the parties hereto; to provide for an orderly and peaceable method and manner of resolving any differences which may arise and to negotiate any misunderstanding which could arise and to set forth herein the basic and full agreement between the parties concerning the pay, wages, hours of employment, and other terms and conditions of employment.

ARTICLE 2 - MANAGEMENT

- 2.1 In order to ensure that the City shall continue to carry out its municipal functions, programs, and responsibilities to the public imposed by law, and to maintain efficient public service for the citizens of Morro Bay, the City continues to reserve and retain solely and exclusively all management rights, regardless of the frequency of use, including those rights and responsibilities set forth by law and those City rights set forth in the City's Personnel Rules and Regulations and including but not limited to the following:
 - 2.1.1 To manage the City and determine policies and procedures and the right to manage the affairs of all Departments.

- 2.1.2 To determine the existence or nonexistence of facts which are the basis of the management decision in compliance with State law.
- 2.1.3 To determine the necessity, organization, implementation, and termination of any service or activity conducted by the City or other government jurisdiction and to expand or diminish services.
- 2.1.4 To direct, supervise, recruit, select, hire, evaluate, promote, transfer, discipline, discharge, terminate, demote, reduce, suspend, reprimand, withhold salary increases and benefits for disciplinary reasons, or otherwise discipline employees in accordance with Department or City rules, regulations, or ordinances.
- 2.1.5 To determine the nature, manner, means, extent, type, time, quantity, quality, technology, standard, and level of services to be provided to the public.
- 2.1.6 To require performance of other public services not specifically stated herein in the event of emergency or disaster, as deemed necessary by the City.
- 2.1.7 To lay off employees because of lack of work or funds or under conditions where continued work would be inefficient or nonproductive or not cost effective, as determined by the City.
- 2.1.8 To determine and/or change facilities, methods, technology, equipment, operations to be performed, organization structure, and allocate or assign work by which the City operations and services are to be conducted.
- 2.1.9 To determine method of financing.
- 2.1.10 To plan, determine, and manage Departments= budget which includes, but is not limited to, changes in the number of locations and types of operations, processes and materials to be used in carrying out all functions and the right to contract or subcontract any work or operations.
- 2.1.11 To determine the size and composition of the work force, assign work to employees of the City in accordance with requirements determined by the City and to establish and require compliance to work hours and changes to work hours, work schedules, including call back, standby, and overtime, and other work assignments, except as otherwise limited by this agreement, or subsequent agreements.

- 2.1.12 To establish and modify goals and objectives related to productivity and performance programs and standards, including but not limited to quality and quantity, and required compliance therewith.
- 2.1.13 To determine qualifications, skills, abilities, knowledge, selection procedures and standards, job classification, job specifications, and to reallocate and reclassify employees in accordance with division and/or City Rules and Regulations.
- 2.1.14 To determine the issues of public policy and the overall goals and objectives of the City and to take necessary action to achieve the goals and objectives of the City.
- 2.1.15 To hire, transfer intra or inter Department, promote, reduce in rank, demote, reallocate, terminate and take other personnel action for non-disciplinary reasons in accordance with Department and/or City Rules, Regulations and Ordinances.
- 2.1.16 To determine policies, procedures and standards for recruiting, selecting, training and promoting employees.
- 2.1.17 To establish, implement, and/or modify rules and regulations, policies, and procedures related to productivity, performance, efficiency, personal appearance standards, code of ethics and conduct, safety, health, and order, and to require compliance therewith.
- 2.1.18 To maintain order and efficiency in facilities and operation.
- 2.1.19 To restrict the activity of an employee organization on City facilities except as set forth in this agreement.
- 2.1.20 To take any and all necessary steps and actions to carry out the service requirements and mission of the City in emergencies or any other time deemed necessary by the City and not specified above.
- 2.2 Nothing herein is meant to diminish City rights provided by the Government Code.
- 2.3 **AUTHORITY OF THIRD PARTY NEUTRAL - MANAGEMENT RIGHTS**

All management rights, powers, authority and functions, whether heretofore or hereinafter exercised, shall remain vested exclusively with the City. No third

party neutral shall have the authority to diminish any of the management rights which are included in this agreement.

- 2.4 Nothing herein is meant to diminish employee rights provided by the Government Code.

ARTICLE 3 - RECOGNITION

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

Executive Secretary/City Clerk
Senior Accounting Technician
Personnel Technician
Account Clerk III-Confidential

The term ~~%an~~employee+or ~~%an~~employees+as used herein shall refer only to the foregoing classifications.

- 3.2 Employees working on a regular basis in a classified position, but less than full-time shall receive vacation and sick leave accruals on a pro-rated basis commensurate with hours worked. All benefits for new hires, including insurance benefits, will be allocated on a pro-rated basis commensurate with hours worked.

- 3.3 ELECTRONIC DEPOSIT

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

ARTICLE 4 - TERM

Except as otherwise specifically provided herein, the term of this Agreement commences on July 1, 2008 and expires and is otherwise fully terminated at midnight on June 30, 2011.

ARTICLE 5 - ANTI-DISCRIMINATION

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

ARTICLE 6 - WORK SCHEDULE

This article is intended to define the normal hours of work and shall not be construed as a guarantee of work per day or per week, or of days of work per week. 6 .1

WORKDAY:

The normal workday shall be eight (8) hours of work in a twenty-four (24) consecutive hour period, except in cases of emergencies. Alternative work schedules can be implemented upon approval of the City Manager, and providing they are not in violation of FLSA regulations.

6 .2 WORKSHIFT:

Employees shall be scheduled to work on regular workshifts having regular starting and quitting times. Except for emergencies, employees' workshifts shall not be changed without 24 hour prior notice to the employee. Call-out or overtime does not constitute as change in workshift.

6.3 WORKWEEK:

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

6.4 OVERTIME COMPENSATION

6.4.1 All work required by the City and actually performed beyond forty (40) hours worked in a workweek is defined as Fair Labor Standards Act (FLSA) overtime. FLSA overtime shall be compensated at one and one-half (1.5) times the employee's regular rate of pay, as defined by FLSA.

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

6.5 COMPENSATORY TIME OFF (CTO)

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

6.5.2 CTO may be accrued. An employee's CTO balance shall indicate the amount of CTO available for employee's use. For example, if an

employee works two (2) hours of FLSA overtime and elects to accrue CTO, the employee's CTO balance shall indicate three (3) hours.

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

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

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

6.6 EMERGENCIES:

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

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

ARTICLE 7 - VACATION LEAVE

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

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

Service Years	Entitlement in Days
1 thru 2	10
3 thru 4	11
5 thru 6	12
7 thru 8	13
9 thru 10	14
11 thru 12	15
13 thru 14	16

15 thru 16	17
17 thru 18	18
19 thru 20	19
21 or more	20

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

7.3 MAXIMUM ACCUMULATION

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

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

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

ARTICLE 8 - HOLIDAYS

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

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

- 8.2 Holidays falling on Saturday shall be observed on the preceding Friday and holidays falling on Sunday shall be observed on the following Monday; and, shall be considered designated holidays for purposes of overtime.
- 8.3 One holiday equals eight hours. Accrued holiday time may be taken in less than eight hour increments.
- 8.4 It is agreed that when a holiday is proclaimed by the Mayor of the CITY, then each employee shall be granted time-off in the same number of equivalent work hours. Such time-off shall be selected by the Department Head.
- 8.5 Employees may accumulate up to a maximum of 48 hours holiday time. Hours of holiday time accumulated over 48 hours will be paid off. When an employee terminates employment with the CITY, he/she shall receive pay for his/her current holiday balance up to a maximum of 48 hours at his/her current base hourly rate.
- 8.6 CITY's denial of requested holiday time off shall be neither arbitrary nor capricious.

ARTICLE 9 - ADMINISTRATIVE LEAVE

- 9.1 Each member of this Unit is eligible to earn thirty six (36) hours of administrative leave per fiscal year. The time during the fiscal year at which an employee may take administrative leave shall be determined by their department head with regard for the wishes of the employee and particular regard for the needs of the services.
- 9.2 Up to 24 hours of administrative leave may be rolled over into the following fiscal year. Upon termination, employee will be paid the pro-rated amount commensurate with that portion of the fiscal year worked.

ARTICLE 10 - SICK LEAVE

- 10.1 During the term of this agreement, sick leave shall be earned at the rate of one (1) eight-hour workday for each calendar month of service. Sick leave used shall be actual employee time off. For example, if an employee works four (4) ten (10) hour days per week and is off sick for one of the ten (10) hour days, ten (10) hours shall be deducted from employee's sick leave balance. There shall be no maximum to the amount of sick leave that an employee may accumulate.

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

<u>Sick Leave Utilization</u>	<u>Maximum Conversion</u>	
	<u>Sick Leave</u>	<u>To Vacation Leave</u>
0 hours	96 hours	48 hours
0 to 8 hours	72 hours	36 hours
8 1/4 to 16 hours	48 hours	24 hours
16 1/4 to 25 hours	24 hours	12 hours
Over 25 hours	0	0

At least 160 hours shall remain in employee's sick leave bank after any conversion is authorized.

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

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

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

ARTICLE 11 - RETIREMENT BENEFITS

- 11.1 The CITY added the 7% PERS Miscellaneous amount to employee's salary and the employee shall pay her/his own contribution by payroll deduction consistent with the provision of 414 (h) 2 of the Internal Revenue Code. It is understood that the City will experience no significant increase in its costs as a result of this change.
- 11.2 UNIT understands and agrees that employees bear the risk of payment of any increases in the employee contribution above the current percentage made by action of the PERS or the state legislature.
- 11.3 Parties agree that CITY payment of PERS contributions are made based upon tax treatment currently permitted by the State Franchise Tax Board and the IRS.

- 11.4 Should current tax treatment change, the UNIT and the employee shall hold harmless the CITY, its officers and agents from any and all claims or costs of any type including but not limited to liability for back taxes, arising out of this agreement to pay part of the employee's PERS contribution.
- 11.5 Should current tax treatment change, the UNIT shall have the opportunity to meet and confer regarding any such changes.
- 11.6 The CITY agrees to continue providing PERS Miscellaneous employees in this unit with the following PERS optional benefits:
- 2.7% at 55 plan (Section 21354)
 - Sick Leave Credit Option (Section 20965)
 - One-Year Final Compensation (20042)
 - Military Service Credit (21024)
 - 1959 Survivor Benefit, Level 4 (21574)
- 11.7 If the State Legislature adopts a two-tier PERS retirement program applicable to unit members, then all unit members employed after the effective date of such P.E.R.S. changes shall be placed in a new retirement plan or one selected by the CITY. Current employees at the time of plan adoption will have a one-time option to enter the new plan; enrollment period to be selected by CITY.

ARTICLE 12 - HEALTH BENEFITS/DEFERRED COMPENSATION PROGRAM

12.1 MEDICAL INSURANCE

During the term of this Agreement, the City shall offer PERS medical insurance plans.

12.1.1 Employees of this unit shall participate in the PERS medical insurance plans on a cafeteria style basis, with the CITY contributing a maximum of \$97.20/month to the active employee's medical insurance and \$1.00/month or the amount required by PERS to retiree medical insurance. Effective January 2009, the contribution for active employees will increase to the minimum medical contribution as specified by PERS. Any costs in excess of these contribution rates shall be paid by the employee and Retiree.

12.1.2 The program described in the previous MOU in section 12.1.2, that provided for a lump sum payment to employees to purchase health benefits, is discontinued as of the pay period containing July 1, 2002. The amount of money employees are receiving as of the pay-period

containing July 1, 2002 in lieu of insurance benefits (commonly known as cash-back) will be frozen at amounts received as of the pay-period containing July 1, 2002. Cash-back is eliminated for employees currently using all insurance dollars for insurance and any new hires. If a cash-back employee changes the structure of their insurance (add dependents, delete dependents, drop insurance with the City, change carriers, etc.) cash-back is not an option. Cash-back will be eliminated for employees during the open enrollment period in 2003 for the 2004 calendar year, and in subsequent years, if said employees are required (because of eliminated plans) to change carrier. In the event an employee receiving cash-back is forced to make a plan change because the City changes plans and/or ceases to contract with PERS for insurance, that employee will maintain cash-back.

12.1.3 Effective the pay period containing January 1, 2008, Unit employees received a medical insurance contribution (including the amount required by PERS in 15.1.1 above) as follows:

Employee only up to \$715/month or cost of insurance, whichever is less
 Employee + 1 up to \$857/month or cost of insurance, whichever is less
 Employee + family - up to \$930/month or cost of insurance, whichever is less

12.1.4 The CITY shall contribute an additional \$30.00 for Employee +1 and \$40.00 for Employee +2+ for medical insurance rate increases annually, beginning January 1, 2009, 2010 and 2011. The remainder of any increase shall be paid by employee.

12.2 DENTAL AND VISION INSURANCE

12.2.1 During the term of this Agreement, the City shall offer dental/life and vision insurance and each employee shall be required to carry both dental/life and vision insurance for self. Life Insurance is provided at \$20,000 per employee. The following rates are effective January 1, 2008:

	<u>VISION</u>	<u>DENTAL</u>	<u>LIFE</u>	<u>TOTALS</u>
Employee Only	\$8.30	\$40.40	\$6.20	\$54.90
Employee +1	\$16.47	\$107.00	\$6.20	\$129.27
Employee +2+	\$21.26	\$107.00	\$6.20	\$134.46

Employee will be responsible for the following monthly amounts for dental/life and vision beginning with the pay period including January 1, 2009:

Employee Only	\$2.20
Employee + 1	\$7.31
Employee + 2+	\$7.80

City will pay the remaining premium for dental/life and vision

12.2.3 Any changes to the dental/life or vision premiums that occur during the term of this Agreement shall be shared one half by the employee and one half by the City.

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

12.4 CONTRIBUTION TO OTHER PROGRAMS

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

ARTICLE 13 - EDUCATION INCENTIVES

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

CITY agrees to provide a CITY vehicle, when available, during normal working hours for required transportation and will permit paid time for employee to take examinations scheduled during normal working hours. No mileage payments are authorized for personal transportation, and time spent outside normal working hours shall not be compensated.

13.2 COLLEGE DEGREES

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

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

- 13.2.2 If an employee's job description requires an AA degree and the employee has a Bachelors Degree, the employee will receive only the difference between an AA and a BA degree, or \$600 annually.
- 13.2.3 If an employee's job description requires a degree or if an employee is promoted to a classification that requires a degree, the employee shall not receive education incentive pay for the required degree.

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

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

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

ARTICLE 14 - SALARIES

- 14.1 Effective the pay period beginning June 28, 2008, salaries shall be increased by 2%. Effective the pay period beginning December 27, 2008, salaries shall be increased by 1%. Effective the pay period beginning June 27, 2009, salaries shall be increased by 3%. Effective the pay period beginning June 26, 2010, salaries shall be increased by 4%.

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

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

ARTICLE 15 - SPECIAL PAY PRACTICES

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

ARTICLE 16 – PROBATION

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

ARTICLE 17 - NO STRIKE, NO LOCK-OUT

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

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

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

ARTICLE 18 - FULL UNDERSTANDING, MODIFICATION, WAIVER

- 18.1 This Agreement sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements by the parties, whether formal or informal, regarding any such matters are hereby superseded or terminated in their entirety.
- 18.2 It is agreed and understood that each party hereto voluntarily and unqualifiedly waives its right to negotiate, and agrees that the other party shall not be required to negotiate, with respect to any matter covered herein.
- 18.3 No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed in writing by all parties hereto, and if required, approved by the City and ratified by the membership of the UNIT.
- 18.4 The waiver of any breach of any term, or condition of this Agreement by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

ARTICLE 19 - SEVERABILITY

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

Date: _____

Date: _____

CONFIDENTIAL EMPLOYEES UNIT

CITY OF MORRO BAY

Laurie Goforth, Senior Acct. Tech.

Andrea K Lueker, City Manager

Jamie Boucher, Personnel Tech.

Susan Slayton, Admin. Services Dir.



AGENDA NO:

MEETING DATE:

Staff Report

TO: Honorable Mayor and City Council DATE: October 31, 2008
FROM: Andrea K. Lueker, City Manager
SUBJECT: Resolution No. 78-08 Amending Salaries and Benefits of the Management Employees

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 78-08 amending certain salaries and benefits of the Management employees for the term of July 1, 2008 through June 30, 2011.

FISCAL IMPACT

The approximate fiscal impact of this resolution is as follows for the management employees:

FY 08/09 - Salary increases total \$32,727 of which \$22,909 is General Fund. Health Insurance increases are approximately \$1,500 of which \$1,050 is General Fund.

FY 09/10 - Salary increases total \$34,045 of which \$23,831 is General Fund. Health Insurance increases are approximately \$3,000 of which \$2,100 is General Fund.

FY 10/11 - Salary increases total \$47,208 of which 33,045 is General Fund. Health Insurance increases are approximately \$3,000 of which \$2,100 is General Fund.

Pursuant to the language in Executive Contracts, the following fiscal impacts will be realized by the Executive employees upon authorization of the resolution amending the compensation for Management Employeesø

FY 08/09 - Salary increases total \$29,503 of which \$26,258 is General Fund. Health Insurance increases are approximately \$1,380 of \$1,228 is General Fund.

FY 09/10 - Salary increases total \$36,759 of which \$32,716 is General Fund. Health Insurance increases are approximately \$2,760 of which \$2,456 is General Fund.

FY 10/11 - Salary increases total \$50,971 of which \$45,364 is General Fund. Health Insurance increases are approximately \$2,760 of which \$2,456 is General Fund.

Staff is confident the cost of the amendments for the first two years can be covered through city-wide salary savings; however, by year 3 some additional revenue and/or cost-cutting measures must be implemented.

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

SUMMARY

The attached resolution includes the following changes:

- A 2% cost-of-living increase effective the pay period including July 1, 2008, a 1% cost-of-living increase effective the pay period including January 1, 2009, a 3% cost-of-living increase effective the pay period including July 1, 2009 and a 4% cost-of-living increase effective the pay period including July 1, 2010
- Effective January 1, 2009 the City shall contribute \$0-Employee only, \$30-Employee + 1 and \$40-Employee +2+ for medical insurance rate increases, the same amounts will be added on January 1, 2010 and January 1, 2011.
- A boot allowance will be added in the amount of \$120 each year for those employees who wear steel-toed boots.
- The City will investigate an enhanced Life Insurance program as well as the Flex Health Benefit program.

DISCUSSION:

The contract with the Management employees expired on June 30, 2008. Contract negotiations were initiated by the Management group in Spring 2008, but did not continue until the City analyzed the information gathered from the Management Partners Study as well as reviewed the Priority Goals set by the City Council in June 2008. Negotiations concluded in November 2008 and Resolution No. 78-08, consistent with the direction provided by the City Council in Closed Session, is attached for approval.

RESOLUTION NO. 78-08

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

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

WHEREAS, representatives of the City have discussed amending salaries and benefits of the Management employees; and

WHEREAS, on June 30, 2008, the City Council, City Manager, City Attorney and Department Head Team participated in a City Council Goal Setting Workshop to review current and future policy goals and objectives, discuss progress toward meeting such goals and objectives and identify new policy goals and objectives that the City Council may wish to pursue; and

WHEREAS, one of the key discussion topics identified as an outcome of the June 2008 Goal Setting Workshop was employee recruitment and retention and the requirement to look at and give serious consideration to City employee compensation and benefit issues that directly impact the ability of the City to recruit and retain both qualified and quality employees; and

WHEREAS, after discussion, the City Council identified twenty goals to pursue and included 6 within those twenty as "Priority Goals"; and

WHEREAS, in accordance with the agreed upon Priority Goals set by the City Council on June 30, 2008, this 3-year resolution meets Priority Goal No. 2 "Provide Funding For Competitive Salaries and Encourage Retention of all City Employees"; and

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

1. RECOGNITION

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

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

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

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

1.3 **ELECTRONIC DEPOSIT**

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

2. TERM

Except as otherwise specifically provided herein, the term of this Resolution commences on July 1, 2008 and expires and is otherwise fully terminated at midnight on June 30, 2011.

3. ANTI-DISCRIMINATION

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

4. WORK SCHEDULE

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

4.1 **WORKDAY:**

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

4.2 **WORKSHIFT:**

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

4.3 **WORKWEEK:**

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

4.4 **OVERTIME COMPENSATION**

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

4.5 **EMERGENCIES:**

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

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

5. VACATION LEAVE

5.1 During the term of this resolution paid vacation leave shall be earned at the following rate:

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

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

5.3 **MAXIMUM ACCUMULATION**

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

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

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

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

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

6. HOLIDAYS

6.1 For the purpose of this resolution the following days are the holidays for the employees in this unit:

Independence Day	July 4
Labor Day	1st Monday in September
Veteran's Day	November 11
Thanksgiving Day	4th Thursday in November

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

- 6.2 Holidays falling on Saturday shall be observed on the preceding Friday and holidays falling on Sunday shall be observed on the following Monday; and, shall be considered designated holidays for purposes of overtime.
- 6.3 One holiday equals eight hours. Accrued holiday time may be taken in less than eight hour increments.
- 6.4 It is agreed that when a holiday is proclaimed by the Mayor of the CITY, then each employee shall be granted time-off in the same number of equivalent work hours. Such time-off shall be selected by the Department Head.
- 6.5 Employees may accumulate up to a maximum of 48 hours holiday time. Hours of holiday time accumulated over 48 hours will be paid off. When an employee terminates employment with the CITY, he/she shall receive pay for his/her current holiday balance up to a maximum of 48 hours at his/her current base hourly rate.
- 6.6 CITY's denial of requested holiday time off shall be neither arbitrary nor capricious.

7. ADMINISTRATIVE LEAVE

- 7.1 Each member of this Unit is eligible to earn sixty-four (64) hours of administrative leave per fiscal year. The time during the fiscal year at which an employee may take administrative leave shall be determined by their department head with regard for the wishes of the employee and particular regard for the needs of the services.
- 7.2 Up to 24 hours of administrative leave may be rolled over into the following fiscal year. Upon termination, employee will be paid the pro-rated amount commensurate with that portion of the fiscal year worked.
- 7.3 Each member of the unit may be eligible for additional administrative leave upon authorization from the City Manager. Such administrative leave may be granted when employees are required to perform their responsibilities in times of immediate threat to public health, safety and property, beyond their regular work schedule. The approval of such time is not guaranteed, and sole discretion without appeal rights rests with the City Manager, and is expressly eliminated from the Grievance Procedure. Recognizing the impact of the Fair Labor Standards Act, employees in this unit will be sensitive to the operational needs and financial limitations of the City, and will therefore attempt to limit the use of overtime by employees in their respective areas of responsibility.
- 7.4 Each new member of this Unit hired during the term of this agreement shall, at time of hire, be eligible for forty (40) hours of administrative leave. Use and accumulation of such leave will be in

accordance with the other provisions of Article 9, except in the event that employee terminates before completing probation, administrative leave shall not be compensated.

8. SICK LEAVE

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

<u>Sick Leave Utilization</u>	<u>Sick Leave</u>	<u>Maximum Conversion To</u>	<u>Vacation Leave</u>
0 hours	96 hours		48 hours
0 to 8 hours	72 hours		36 hours
8 1/4 to 16 hours	48 hours		24 hours
16 1/4 to 25 hours	24 hours		12 hours
Over 25 hours	0		0

At least 160 hours shall remain in employee's sick leave bank after any conversion is authorized.

- 8.3 Upon the service retirement of an employee who has more than ten (10) years of service with the CITY, said employee shall be entitled to receive payment for up to the first seven hundred twenty (720) days of his/her accrued sick leave at thirty-five percent (35%) of the employee's rate of pay as of the date of service retirement.

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

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

9. EXEMPT TIME OFF

This policy is established in accordance with the Fair Labor Standards Act, which exempts employees of this unit from requiring the City to pay time and one-half for time worked over 40 hours. Effective July 1, 2002, Unit members will use accumulated leave time to take time off for sick leave, medical appointments, personal business, vacation, etc. for time off that is less than one full day in the same manner as issued for taking time off that exceeds one day; that is, filling out leave forms and noting time off on time cards. The exception to this policy is that time off less than two (2) continuous hours per day need not be recorded. Abuses of this exception, i.e., taking 1/2 hour here and there throughout the day, will not be allowed.

10. RETIREMENT BENEFITS

- 10.1 UNIT understands and agrees that employees bear the risk of payment of any increases in the employee contribution above the current percentage made by action of the PERS or the state legislature.
- 10.2 Parties agree that CITY payment of PERS contributions are made based upon tax treatment currently permitted by the State Franchise Tax Board and the IRS.
- 10.3 Should current tax treatment change, the UNIT and the employee shall hold harmless the CITY, its officers and agents from any and all claims or costs of any type including but not limited to liability for back taxes, arising out of this agreement to pay part of the employee's PERS contribution.
- 10.4 Should current tax treatment change, the UNIT shall have the opportunity to meet and confer regarding any such changes.
- 10.5 If the State Legislature adopts a two-tier P.E.R.S. retirement program applicable to unit members, then all unit members employed after the effective date of such P.E.R.S. changes shall be placed in a new retirement plan or one selected by the CITY. Current employees at the time of plan adoption will have a one-time option to enter the new plan; enrollment period to be selected by CITY.
- 10.6 PERS Miscellaneous Employees
 - 10.6.1 The CITY added the 7% PERS Miscellaneous amount to employee's salary and the employee shall pay her/his own contribution by payroll deduction consistent with the provision of 414 (h) 2 of the Internal Revenue Code. It is understood that the City will experience no significant increase in its costs as a result of this change.
 - 10.6.2 The CITY agrees to continue providing PERS Miscellaneous employees in this unit with the following PERS optional benefits:
 - 2.7% at 55 plan (Section 21354.5)
 - Sick Leave Credit Option (Section 20965)
 - Military Service Credit (21024)
 - One-Year Final Compensation (20042)
 - 4th Level Survivor Benefit (Section 21574)
- 10.7. PERS Safety Employees
 - 10.7.1 CITY added the equivalent amount (9% PERS Safety) to employee's salary and the employee shall pay his/her own contribution by payroll deduction consistent with the provisions of 414 (h) 2 of the Internal Revenue Code. It is understood that the City will experience no significant increase in its costs as a result of this change.
 - 10.7.2 The CITY agrees to continue to provide PERS Safety employees in this unit with a retirement benefit program through the Public Employees Retirement System (PERS) as follows:
 - Highest Single Year Compensation effective 6-22-91 (Section 20042)
 - Sick Leave Credit effective 6-24-89 (Section 20965)
 - 1959 Survivor Benefit effective 6-24-89 (Section 21580)
 - 3% @ 50 Retirement Formula effective 6-24-89 (Section 21362)
 - 3rd Level Survivor Benefit effective 6-24-89 (Section 21573)

11. HEALTH BENEFITS/DEFERRED COMPENSATION PROGRAM

11.1 MEDICAL INSURANCE

During the term of this resolution, the City shall offer PERS medical insurance plans.

11.1.1 Employees of this unit shall participate in the PERS medical insurance plans on a cafeteria style basis, with the CITY contributing a maximum of \$97.20/month to the active employee's medical insurance and \$1.00/month or the amount required by PERS to retiree medical insurance. Effective January 2009, the contribution for active employees will increase to the minimum medical contribution as specified by PERS. Any costs in excess of these contribution rates shall be paid by the employee and Retiree.

11.1.2 The program described in the previous MOU in section 12.1.2, that provided for a lump sum payment to employees to purchase health benefits, is discontinued as of the pay period containing July 1, 2002. The amount of money employees are receiving as of the pay-period containing July 1, 2002 in lieu of insurance benefits (commonly known as "cash-back") will be frozen at amounts received as of the pay-period containing July 1, 2002. Cash-back is eliminated for employees currently using all insurance dollars for insurance and any new hires. If a cash-back employee changes the structure of their insurance (add dependents, delete dependents, drop insurance with the City, change carriers, etc.) cash-back is not an option. Cash-back will be eliminated for employees during the open enrollment period in 2003 for the 2004, and in subsequent years, calendar year if said employees are required (because of eliminated plans) to change carrier. In the event an employee receiving cash-back is forced to make a plan change because the City changes plans and/or ceases to contract with PERS for insurance, that employee will maintain cash-back.

11.1.3 Effective the pay period containing January 1, 2008, Unit employees received a medical insurance contribution as follows:

Employee only up to \$715/month or cost of insurance, whichever is less
Employee + 1 up to \$857/month or cost of insurance, whichever is less
Employee + family - up to \$930/month or cost of insurance, whichever is less

11.1.4 The CITY shall contribute an additional \$30.00 for Employee +1 and \$40.00 for Employee +2+ for medical insurance rate increases annually, beginning January 1, 2009, 2010 and 2011. The remainder of any increase shall be paid by employee.

11.2 DENTAL AND VISION INSURANCE

11.2.1 During the term of this resolution, the City shall offer dental/life and vision insurance and each employee shall be required to carry both dental/life and vision insurance for self. Life Insurance is provided at \$20,000 per employee.

The following rates are effective January 1, 2008.

	VISION	DENTAL	LIFE	TOTALS
Employee Only	\$ 8.30	\$ 40.40	\$6.20	\$ 54.90
Employee +1	\$16.47	\$107.00	\$6.20	\$129.27
Employee +2+	\$21.26	\$107.00	\$6.20	\$134.46

Employee will be responsible for the following monthly amounts for dental/life and vision beginning with the pay period including January 1, 2009:

Employee Only	\$2.20
Employee + 1	\$7.31
Employee + 2+	\$7.80

City will pay the remaining premium for dental/life and vision

11.2.3 Any changes to the dental/life or vision premiums that occur during the term of this resolution shall be shared one half by the employee and one half by the City.

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

11.4 **LTD INSURANCE**

The Management employees shall participate in the City-provided Long Term Disability Insurance Plan. The City shall pay the costs for this plan.

11.5 **CONTRIBUTION TO OTHER PROGRAMS**

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

11.6 **WORKER'S COMPENSATION LEAVE**

Any employee who is absent from duty because of an on-the-job injury in accordance with state worker's compensation law and is not eligible for disability payments under Labor Code Section 4850 shall be paid the difference between his/her base salary and the amount paid by worker's compensation during the first forty-five (45) working days of such temporary disability absence. Eligibility for worker's compensation leave requires an open worker's compensation claim.

12. EDUCATION INCENTIVES

12.1 CITY agrees to reimburse the costs for job related and job-required certifications, correspondence courses, and licenses (except Class III driver's license) upon successful completion of the examination or course by the employee having written authorization in advance from their department head. This shall include application fees, examination fees, and certificate fees. Renewal fees may be paid in advance by the CITY. This provision does not apply to continuing education requirements.

12.2 CITY agrees to provide a CITY vehicle, when available for required transportation and will permit paid time for employee to take examinations scheduled during normal working hours. If no city vehicle is available, City will reimburse mileage for use of personal vehicle.

13. SALARIES

- 13.1 Effective the pay period beginning June 28, 2008, salaries shall be increased by 2%. Effective the pay period beginning December 27, 2008, salaries shall be increased by 1%. Effective the pay period beginning June 27, 2009, salaries shall be increased by 3%. Effective the pay period beginning June 26, 2010, salaries shall be increased by 4%.
- 13.2 All salary adjustments, including but not limited to merit increases, educational incentives, and any other pay adjustments will take effect at the beginning of the next payroll period after the scheduled effective date of the increase.
- 13.3 Any and all special pay incentives will be calculated on base salary.

14. WORK UNIFORMS

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

15. PROBATION

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

16. NO STRIKE, NO LOCK-OUT

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

17. FULL UNDERSTANDING, MODIFICATION, WAIVER

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

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

18. SEVERABILITY

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

PASSED AND ADOPTED by the Morro Bay City Council at a result meeting thereof held this 10th day of November 2008 by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

JANICE PETERS, Mayor

BRIDGETT BAUER, City Clerk



AGENDA NO: A-9

MEETING DATE: 11/10/08

Staff Report

TO: Honorable Mayor and City Council **DATE:** November 3, 2008
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 4/5th 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.

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.

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



AGENDA NO.: B-1

Meeting Date: 11/10/08

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



AGENDA NO:

MEETING DATE: November 10, 2008

Staff Report

TO: Mayor and Councilmembers

DATE: November 3, 2008

FROM: Bruce Ambo, Public Services Director

SUBJECT: Funding Options for the Buxton Company on Retail Marketing Strategies for Morro Bay

RECOMMENDATION:

It is recommended that the City Council authorize the City Manager to execute the contract with the Buxton Company and initiate the retail marketing program for the City.

FISCAL IMPACT:

Funding in the amount of \$50,000 is available in the combined sources of the Harbor and General Funds. In Fiscal Year 08-09 \$16,667 would be funded from the Harbor Department \$8,333 would be funded from the General Fund. The remainder of the payment would be made in FY09-10 for \$25,000 from the General Fund. If the City is successful in attracting new business to the community the potential economic benefit could be substantial and would provide more diversity to the retail mix in the community, which might also be an advantage to residents of the community and tourists.

BACKGROUND/DISCUSSION:

On October 27 the City Council received a presentation from the Buxton Company and directed staff to research financing options for a Retail Economic Development Strategy for Morro Bay. This report identifies the Harbor Fund as a potential source of funding approximately 1/3 of the cost of the study, and the General Fund covering the balance for the remainder of this budget year and next budget year. It is recommended that the City Council authorize the City Manager to execute the contract with the Buxton Company and initiate the retail marketing program for the City.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____



AGENDA NO:

MEETING DATE: November 10, 2008

Staff Report

TO: Honorable Mayor and City Council **DATE:** November 4, 2008

FROM: Rob Schultz, City Attorney

SUBJECT: Approval of Resolution 76-08 Amending the Council Policies & Procedures Manual Regarding the Order of Business on the City Council Agenda, Appointment of Vice Mayor, Filling Council Vacancies, and the Appointment of Council Members to Discretionary Boards.

RECOMMENDATION:

Staff requests that Council adopt Resolution No. 76-08, amending the Council Policies and Procedures Manual to incorporate the requested changes and to ensure we are in compliance with the law.

DISCUSSION:

At the October 27, 2008 Council meeting, the City Council of the City of Morro Bay requested that changes be made to the Council Policies and Procedures Manual regarding the order of business on the City Council agenda, appointment of Vice Mayor, filling council vacancies and the appointment of Council Members to Discretionary Boards.

CONCLUSION:

Staff recommends Council review and approve Resolution 76-08.

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

RESOLUTION NO. 76-08

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MORRO BAY AMENDING THE COUNCIL POLICIES AND PROCEDURES MANUAL
REGARDING THE ORDER OF BUSINESS ON THE CITY COUNCIL AGENDA,
APPOINTMENT OF VICE MAYOR, FILLING COUNCIL VACANCIES, AND THE
APPOINTMENT OF COUNCIL MEMBERS TO DISCRETIONARY BOARDS**

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

WHEREAS, the Council Policies and Procedures Manual for the City of Morro Bay is a combination of City Council actions, policies, references, and information regarding the City Council; and

WHEREAS, to ensure that all Councilmembers are familiar with and understand the City of Morro Bay's philosophies and policies regarding serving on the City Council, the City of Morro Bay adopted Resolution 46-02 and its Council Policies and Procedures Manual on August 12, 2002; and

WHEREAS, the City desires to amend certain sections of the Council Policies and Procedures Manual in regard to the Order of Business on the City Council Agenda, Appointment of Vice Mayor, Filling Council Vacancies, and the Appointment of Council Members to Discretionary Boards, as follows:

1.2.7 ORDER OF BUSINESS shall be as follows:

- 1.2.7.1 Establish Quorum and Call to Order
- 1.2.7.2 Moment of Silence
- 1.2.7.3 Pledge of Allegiance

- 1.2.7.4 Mayor and Council Members Reports, Announcements and Presentations
- 1.2.7.5 Closed Session Report
- 1.2.7.6 Public Comment

- 1.2.7.7 Consent Calendar
- 1.2.7.8 Public Hearings (shall start no sooner than 7:00 p.m.)
- 1.2.7.9 Unfinished Business
- 1.2.7.10 New Business
- 1.2.7.11 Council Declaration of Future Agenda Items

3.2 APPOINTMENT OF VICE MAYOR

The most senior member on the Council who has not previously served as Vice Mayor will be appointed Vice Mayor. Should two members have equal seniority, the member receiving the highest number of votes in the most recent election will be selected. The appointment of the Vice Mayor shall be for a one-year term and shall be made at the first meeting in December.

3.3 FILLING COUNCIL VACANCIES

3.3.1 SPECIAL ELECTION

Measure 5 codified as Ordinance 527 requires the City Council to immediately call a special election to fill any vacant seat on the Council, including the Mayor's seat. The special election shall be held on the next established election date, as specified in California Elections Code, which is not less than 114 days from the call of the special election. The City Council may appoint an elector who is a registered voter in the City of Morro Bay to fill such vacancy prior to the special election. The appointee shall hold office only until the date of said special election.

3.3.2 LIMITATION OF COUNCILMEMBER WHO RUNS FOR MAYOR BEFORE COMPLETING REGULAR TERM.

A sitting Council Member is disqualified from nomination for election to the office of Mayor in the next election if the remainder of their Council term after the next election cannot be filled by a vote of the electors on or prior to that election date.

6.1 COUNTY OR REGIONAL REPRESENTATION

Annually, a majority of the City Council shall make appointments to a variety of County and/or regional committees and boards. One Member of the Council shall serve as a voting representative and one Member shall serve as alternate. (See 6.6.2 for appointment procedures.) To the best of their ability, Voting Delegates shall reflect the majority view of the Council as a whole, rather than their own personal opinions.

NOW, THEREFORE, be it resolved that the City Council of the City of Morro Bay does hereby amend the above-referenced Sections to the Council Policies and Procedures Manual to reflect the above amendments.

PASSED AND ADOPTED by the City Council, City of Morro Bay at a regular meeting thereof held on the 10th day of November 2008 by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

JANICE PETERS, Mayor

ATTEST:

BRIDGETT BAUER, City Clerk



AGENDA NO: _____

Meeting Date: _____ Action: _____

Staff Report

TO: Honorable Mayor and City Council **DATE:** November 10, 2008

FROM: Recreation and Parks Director

SUBJECT: Consideration of the Adoption of Resolution 77-08 Supporting the Morro Bay Community Pool Foundation and their goal of providing an Aquatic Center in conjunction with the County of San Luis Obispo, San Luis Coastal Unified School District and City of Morro Bay.

RECOMMENDATION:

Staff recommends Council review the attached information and considers support of the Morro Bay Community Pool Foundation and their goal of providing an Aquatic Center in conjunction with the County, the School District, and the City of Morro Bay.

FISCAL IMPACT:

None

SUMMARY:

City Council has directed staff to work with San Luis Unified Coastal School District and San Luis Obispo County to form a collaborative effort to reinstate a public pool. Staff has and will continue to work with these agencies to resolve the need for a local community pool. Additionally, a fourth party, the Morro Bay Community Pool Foundation (MBCPF) has emerged with the desire of partnering with the three established agencies. The MBCPF is seeking City of Morro Bay support as they work to provide the community with a state of art aquatics facility.

Prepared By: JW

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

Page 1 of 5

BACKGROUND:

The concept of constructing and operating a public pool has been discussed since the closure and removal of the Morro Bay High School pool back in 1998 and 2001 respectively. In 2004, City Council directed staff to reopen negotiations with the School District in the attempt to reestablish a swimming pool on school property. In 2006, City staff met with School District staff to pursue the concept of a joint project, which would involve the County, School District and the City of Morro Bay. Please find the attached memorandum dated July 31, 2006. All three agencies continued to meet in hopes of developing a Memorandum of Understanding which would outline agency involvement, commitment and responsibilities. While these three agencies continued their work, a fourth party became interested in the swimming pool project. This special interest group formed a nonprofit organization named the Morro Bay Community Pool Foundation and immediately began seeking partnerships with the County, District and City.

DISCUSSION:

The Morro Bay Community Pool Foundation has presented their intent and mission at the Recreation and Parks Commission meeting held, September 2008 meeting. The Foundation does host a web site, www.morrobaypool.org. The following information was derived from their web site and is included for informational and discussion purposes.

Foundation Mission ô The Foundation is an organization of individuals, in partnership with participating agencies that are committed to raising funds to build and sustain a community aquatics center.

Foundation Vision

- Develop a state-of-the-art, attractive aquatics facility that can serve as a community-gathering place for all ages.
- Facilitate the building and maintenance of an aquatic facility for the health, safety, recreation, and competition needs of the community.
- Create adequate facilities so that aspiring athletes may excel to their full potential.
- Enhance community spirit.
- Create opportunities for youth and senior programs, particularly before and after-school programs, vital to the health of the whole community.
- Support activities of value for all ages and a place where the whole family can play and exercise.
- Support swim lessons and programs for all ages.

- Promote safe and healthy swimming.
- Support before and after-school recreational programs that cover a diverse range of safe and supervised activities to meet a variety of individual interests and needs.
- Provide individuals of all backgrounds and ages with experiences that will improve their quality of life as well as promote values of health, sportsmanship, community and excellence.
- Create employment and educational opportunities.
- Enhance economic vitality of the community.

CONCLUSION:

Staff recommends Council review the attached information and adopts Resolution 77-08 which supports the Morro Bay Community Pool Foundation and their goal of providing an Aquatic Center in conjunction with the County, School District, and City of Morro Bay.

RESOLUTION NO. 77-08

**RESOLUTION SUPPORTING THE MORRO BAY COMMUNITY POOL FOUNDATION, A
NONPROFIT ORGANIZATION WITH THE MISSION
TO PARTNER WITH PARTICIPATING AGENCIES THAT ARE COMMITTED TO
RAISING FUNDS TO BUILD AND SUSTAIN A COMMUNITY AQUATICS CENTER**

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

WHEREAS, for many years, San Luis Obispo Unified School District operated an outdoor swimming pool at Morro Bay High School; and

WHEREAS, in 1998, the San Luis Obispo Unified School District closed the outdoor swimming pool at Morro Bay High School due to a lack of funding; and

WHEREAS, the swimming pool at Morro Bay High School was the only public pool available in the community; and

WHEREAS, residents of Morro Bay now have little access to other public swimming pools; and

WHEREAS, a Community Aquatics Center would greatly serve the communities of Morro Bay, Los Osos and Cayucos; and

WHEREAS, the City Council of the City of Morro Bay has directed staff to work with local agencies to reestablish a community swimming pool; and

WHEREAS, the Morro Bay Community Pool Foundation is a local nonprofit organization with the mission to partner with participating agencies that are committed to raising funds to build and sustain a community aquatics center; and

WHEREAS, the Morro Bay Community Pool Foundation is willing to conduct a pool feasibility study using criteria approved by San Luis Obispo County, San Luis Coastal Unified School District and City of Morro Bay; and

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California that they hereby support the Morro Bay Community Pool Foundation in their mission in building and sustaining a community aquatics center.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 10th day of November 2008 on the following vote:

AYES:

NOES:

ABSENT:

JANICE PETERS, MAYOR

ATTEST:

BRIDGETT BAUER, CITY CLERK



AGENDA NO.: D-2

Meeting Date: 11/10/08

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