

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
TUESDAY, JUNE 10 2014
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

CLOSED SESSION REPORT

MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PUBLIC PRESENTATIONS – None

PUBLIC COMMENT - Members of the audience wishing to address the Council on City business matters not on the agenda may do so at this time. For those desiring to speak on items on the agenda, but unable to stay for the item, may also address the Council at this time.

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

- When recognized by the Mayor, please come forward to the podium and state your name and address for the record. Comments are to be limited to three minutes.
- All remarks shall be addressed to Council, as a whole, and not to any individual member thereof.
- The Council respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, commission and/or staff.
- Please refrain from public displays or outbursts such as unsolicited applause, comments or cheering.
- Any disruptive activities that substantially interfere with the ability of the City Council to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in City Council meetings is welcome and your courtesy will be appreciated.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk, (805) 772-6205. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A. CONSENT AGENDA

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 SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON MAY 27, 2014; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE CITY COUNCIL MEETING HELD ON MAY 27, 2014; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 STATUS REPORT OF A MAJOR MAINTENANCE & REPAIR PLAN (MMRP) FOR THE EXISTING WASTEWATER TREATMENT PLANT; (PUBLIC SERVICES)

RECOMMENDATION: Receive and file.

A-4 WATER RECLAMATION FACILITY (WRF) PROJECT STATUS AND DISCUSSION; (PUBLIC SERVICES)

RECOMMENDATION: Review this informational item.

A-5 ADOPTION OF RESOLUTION NO. 36-14, VARIOUS SECTIONS OF THE CITY COUNCIL POLICIES AND PROCEDURES RELATING TO MAYOR PRO TEMPORE; (CITY ATTORNEY)

RECOMMENDATION: Adopt Resolution No. 36-14 amending the existing language in the City Council Policies and Procedures Manual (the "Manual") changing the references to "Vice Mayor" to "Mayor Pro Tempore."

A-6 RESOLUTION NO. 35-14 APPROVING A COOPERATION AGREEMENT BETWEEN THE COUNTY OF SAN LUIS OBISPO AND THE CITY OF MORRO BAY FOR JOINT PARTICIPATION IN THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, THE EMERGENCY SOLUTIONS GRANT PROGRAM, AND THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM FOR FISCAL YEARS 2015-2017; (PUBLIC SERVICES)

RECOMMENDATION: Approve Resolution No. 35-14 including authorization for the City Manager to submit a letter of intent for participation in the Urban County for Fiscal Years 2015-2017.

A-7 REQUEST FOR ADDITIONAL FUNDING FOR MORRO BAY NORTH T-PIER REPAIR PROJECT # MB-2013-H1; (HARBOR)

RECOMMENDATION: Approve the request for additional funding of \$55,000 to be allocated to the North T-Pier Reconstruction Capital Account.

A-8 APPROVAL OF PROCLAMATION DECLARING JUNE 2ND AND 3RD, 2014 AS SPECIAL OLYMPICS – LAW ENFORCEMENT TORCH RUN DAYS; (ADMINISTRATION)

RECOMMENDATION: Adopt Proclamation.

B. PUBLIC HEARINGS - NONE

C. UNFINISHED BUSINESS / SECOND READING AND ADOPTION OF ORDINANCES

C-1 DISCUSSION AND CLARIFICATION OF COUNCIL POLICY REGARDING COUNCIL SUPPORT OF THE MORRO BAY 50TH CELEBRATION; (ADMINISTRATION)

RECOMMENDATION: Provide staff direction on clarification of support of the Morro Bay 50th Celebration.

C-2 ADDITIONAL DISCUSSIONS AND DIRECTION FOR PROPOSED FY 2014/15 BUDGET; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Continue discussions and provide direction for proposed FY 2014/15 Budget.

D. NEW BUSINESS

D-1 RESOLUTION 37-14 APPROVING SUBMITTAL OF A CALIFORNIA ENERGY COMMISSION 1% LOAN APPLICATION FOR UP TO \$562,000 TO COMPLETE ENERGY EFFICIENT HVAC UPGRADES AND ENERGY GENERATION PROJECTS; (RECREATION & PARKS)

RECOMMENDATION: Adopt Resolution 37-14 authorizing staff to submit an application for a low interest loan from the California Energy Commission Program Opportunity Notice (PON-13-401) to further the City's advancements in improved energy efficiency and carbon footprint reduction.

D-2 APPOINTMENT OF VOTING DELEGATE(S) TO THE CALIFORNIA JOINT POWERS INSURANCE AUTHORITY; (ADMINISTRATION)

RECOMMENDATION: Appoint Mayor Irons as the official representative of the City of Morro Bay on the California Joint Powers Insurance Authority (CJPIA) Board of Directors. It is also recommended that Interim City Manager, Ed Kreins is appointed as the first alternate and Risk Manager, Dana Swanson as the second alternate.

E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

F. ADJOURNMENT

THIS AGENDA IS SUBJECT TO AMENDMENT UP TO 72 HOURS PRIOR TO THE DATE AND TIME SET FOR THE MEETING. PLEASE REFER TO THE AGENDA POSTED AT CITY HALL FOR ANY REVISIONS OR CALL THE CLERK'S OFFICE AT 772-6205 FOR FURTHER INFORMATION.

MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE CITY COUNCIL AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION AT CITY HALL LOCATED AT 595 HARBOR STREET; MORRO BAY LIBRARY LOCATED AT 625 HARBOR STREET; AND MILL'S COPY CENTER LOCATED AT 495 MORRO BAY BOULEVARD DURING NORMAL BUSINESS HOURS.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN A CITY MEETING, PLEASE CONTACT THE CITY CLERK'S OFFICE AT LEAST 24 HOURS PRIOR TO THE MEETING TO INSURE THAT REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.

AGENDA NO: A-1

MEETING DATE: 6/10/14

MINUTES – MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING –
MAY 27, 2014
CITY HALL CONFERENCE ROOM – 5:00 P.M.

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Edward Kreins	Interim City Manager
	Joe Pannone	City Attorney

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Irons called the meeting to order at 5:00pm.

SUMMARY OF CLOSED SESSION ITEMS - The Mayor read a summary of Closed Session items.

CLOSED SESSION PUBLIC COMMENTS - Mayor Irons opened the meeting for Public Comments; seeing none, the public comment period was closed.

The City Council moved to Closed Session and heard the following item:

CS-1 CONFERENCE WITH LABOR NEGOTIATORS

City Designated Representatives: Interim City Manager

Employee Organizations: Morro Bay Firefighters' Association; Morro Bay Police Officers' Association; Service Employee's International Union, SEIU Local 620; Management Employees; and, Confidential Employees

CITY COUNCIL RECONVENED TO OPEN SESSION

ADJOURNMENT

The meeting adjourned at 5:44pm.

Recorded by:

Jamie Boucher
City Clerk

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – MAY 27, 2014
VETERAN’S MEMORIAL HALL – 6:00P.M.

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Edward Kreins	Interim City Manager
	Joe Pannone	City Attorney
	Jamie Boucher	City Clerk
	Susan Slayton	Administrative Services Director
	Rob Livick	Public Services Director
	Eric Endersby	Harbor Director
	Steve Knuckles	Fire Chief
	Rick Sauerwein	Capital Projects Manager

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE

CLOSED SESSION REPORT – Interim City Attorney Joe Pannone reported that with regards to the Closed Session Item: Conference with Labor Negotiators regarding Morro Bay Firefighters’ Association; Morro Bay Police Officers’ Association; Service Employee’s International Union, SEIU Local 620; Management Employees; and, Confidential Employees the Council did not take any reportable action pursuant to the Brown Act.

MAYOR AND COUNCILMEMBERS’ REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PUBLIC PRESENTATIONS

There was a presentation made by Cal Poly student, Remy CantoAdams featuring a model concept aquarium. Tara Melzone, Executive Director of the Central Coast Aquarium, a non-profit organization offering marine science education programs for children K-12. When they considered responding to the City’s RFP process, they wanted to honor and build upon what the Tylers have accomplished over the past 46 years. Their vision for a future Morro Bay Aquarium would be to serve as a hub for marine education, outreach, research and conservation efforts. It would serve as a public aquarium and a teaching research facility with direct access to the Morro Bay Estuary and coastal ocean. It is their hope to partner with other educational organizations that share the same mission. Cal Poly Professor, Dean Wendt, spoke as a potential partner with the Central Coast Aquarium recognizing the potential educational benefit. To help realize that vision, they spoke to an Architecture class at Cal Poly; they took from the vision and built a series of models as a visual representation of this vision. Remy then presented his project model stating what could become the future of the Morro Bay Aquarium giving us a typical visit to the possible new aquarium site.

PUBLIC COMMENT

Robert Davis spoke on Item D-2, Review of List of Unmet Bike Needs. He appreciates the work Mr. Livick has done in presenting the report. One item that he feels requires immediate attention is the Class 1 Multi-use trail from Main to the Cloisters; they are in fear of losing the path due to root infringement. This path has constant daily use and is also a safe route to schools for MBHS students.

Bonnie Johnson also spoke on Item D-2; encouraging Council to look at the intersection of Radcliffe and Main (adjacent to the proposed bike park location) as it poses a safety hazard. She suggested looking at a variety of fixes including radar cameras, flashing lights on the cross walk, painting the bike lane green – the big issue is getting people off of Radcliffe onto Main Street.

Matt Makowetski also spoke on Item D-2 stressing that the safe route to school path on Greenwood from Avalon to Sequoia contains very dilapidated asphalt. The pathway is very important to that part of town as it is used by children and adults alike. He hopes this will create another bout of momentum to go after the safe routes to schools. He hopes this puts in people's minds to think about for the future.

Dave Albrecht spoke on Item D-2 complimenting the efforts that have been done so far and hopes they will continue. He too feels the bike path at Main to the Cloisters is a liability for the City and encourages the City to seek funds to repair and maintain it. Another unmet bike need is bike parking; in order to support increased bike usage, you need increased bike parking. He suggests the use of bike corrals; placing bike parking on the street reduces bikes on the sidewalk which increases walking space.

Jennifer Redman presented Chamber of Commerce news. She thanked the Bay News for their promotion of local business and Chamber events. She also stated that a new paper, Morro Bay Life is now being mailed to everybody in Morro Bay and they too are doing a great job in letting people know what is going on. The sign ordinance meetings have been completed. A new business package has been developed which hopefully will make business licensing easier on new businesses. Lisa Winn has been promoted to Acting Director and an administrative assistant has been hired. The mobile app is continuing to be worked on.

Lisa Winn stated that the “doing business packet” is available and includes: general information on the business license process; a business license application; zoning map; check list for different types of permits needed; phone numbers and addresses; fee schedules and a sign permit application. Also included is information on the Chamber as well as history on Morro Bay. These packets will be available at the Chamber and the Planning Department.

Trina Daugherty announced the Green Light Eco Fair being sponsored by Eco Rotary. This is the 2nd Annual event and is being held on Sunday, June 1st at St. Timothy's Church from noon – 5pm. It is a free community event. It is their goal to send 150 lights to PACE Universal, a girl's school in India as well as lights to support Hands in Nepal and the Maxine Lewis Homeless Shelter.

Brent Haugen stated that the Chamber and the Tourism Bureau have met and created a vision team to define their roles in the community and eliminate duplication of efforts of those two organizations as well as assist the City with the overall topic of economic development. They

have created overall goals and objectives: defined economic development; and, the major pillars and roles that make up the 4 pillars of Economic Development in Morro Bay. Pillar 1 – overall philosophy, build upon Morro Bay’s economic foundation; Pillar 2 – role of the City, create a climate that supports, retains, attracts and grows business; Pillar 3 – role of the Chamber, facilitate existing businesses and support new businesses and investments; and Pillar 4 – role of Tourism Bureau, to market and promote all Morro Bay’s hospitality businesses. They hope to create synergy amongst all players to be focused on using existing resources to maximize the strengths of each entity to reach the overall goals and objectives. He is asking for support to help facilitate a dynamic economic development plan for Morro Bay.

Homer Alexander spoke on the budget process. Last year the focus was on the expenditure of \$134,000, approximately 4/10ths of 1% of the budget and City staff made decisions on the remaining 99.6%. He suggests talking to the City Manager and Finance Director and asking how the revenue projections were developed. He urged Council not to review each department’s expense structure unless you were willing to add or subtract an employee. He urged Council to understand the cost allocation plan, how was it developed and how often is it updated. He urged Council understand the City’s financial exposure to liabilities that are not covered by insurance. He urged Council to review and understand every Measure Q request, is the money being spent as promised. He urged that time be spent discussing the capital budget so the public knows how the money is being spent. He thought it was important to focus on the dollars not the percentages other cities have put aside for their reserve. He stated that the combined balances in the City’s 5 major reserve funds, as of June 30, 2013 was 13 million dollars; if the figures in the budget are accurate, as of June 30, 2015, that total will be less than 4 million, those numbers should scare you to death.

Carla Wixom voiced her disappointment at the fact that the budget workshop isn’t put on prior to the election. She is also disappointed that there is no funding for the Economic Development, and sees other re-appropriations of funds such as Measure Q streets monies going to the pedestrian bridge – that should be done in workshops and prior to the election. It’s disappointing we don’t have all the money for the pedestrian bridge as has been stated.

Barry Brannin stated that about 4 months ago, State Parks came and made a presentation about the 27 unit rv park they are developing at Morro Strand State Park. We haven’t heard anything since. He then stated that there was a contractors meeting last week for this project and bids are due on June 3rd. He’s concerned that there are no mitigation factors for surfers getting to the beach or anything else. This is like having a 27 unit RV Park being plunked down right next to the City with no impact fees for sewer, water, or anything else. The construction starts in October and should be done by March. The citizens need to be alerted this is happening and he feels that there should be mitigation funds from the State.

John Heading spoke regarding the proposed budget and echoed Mr. Alexander’s concerns. There are unfunded mandates coming down that will impact the City significantly. There are a number of areas where personnel haven’t received adequate raises. He’s heard talk of another rate hike / ½ cent sales tax initiative and is concerned about that. The bridge is exciting and important but in the scheme of things, what are the priorities for spending? Do you fully understand the dire financial stress that’s impacting the City? He is concerned that 5 years down the road, this spending puts us in the category of being broke.

The public comment period was closed.

A. CONSENT AGENDA

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

A. CONSENT AGENDA

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 CITY COUNCIL MEETING HELD ON APRIL 22, 2014; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON MAY 13, 2014; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE CITY COUNCIL MEETING HELD ON MAY 13, 2014; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 APPROVAL OF NEW LICENSE AGREEMENT WITH MORRO BAY HOOKERS BAITING SERVICE; (HARBOR)

RECOMMENDATION: Approve a two-year License Agreement with Lonnie Carter, doing business as “Morro Bay Hookers” baiting service, that includes an option to extend for one, two-year period.

A-5 QUARTERLY FINANCIAL STATUS REPORTS FOR THE FISCAL YEAR ENDED MARCH 31, 2014; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Accept the reports as presented.

A-6 AWARD OF SELF CONTAINED BREATHING APPARATUS (SCBA) BID; (FIRE)

RECOMMENDATION: Award of bid to Bauer Compressors for the 2013 National Fire Protection Agency (NFPA) compliant MSA G1 Self Contained Breathing Apparatus (SCBA) for \$223,125.84.

A-7 ADOPTION OF RESOLUTION REGARDING THE SITING OF A NEW WATER RECLAMATION FACILITY AND FORMATION OF A TECHNICAL REVIEW COMMITTEE; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Resolution 34-14.

Mayor Irons opened up the public comment period for items on the Consent Calendar; seeing none, the public comment period was closed.

MOTION: Councilmember Nancy Johnson moved the City Council approve the Consent Calendar as presented. The motion was seconded by Councilmember Christine Johnson and carried unanimously, 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

B. PUBLIC HEARINGS

B-1 RESOLUTION NO. 33-14 CONTINUING THE PROGRAM AND LEVYING THE ASSESSMENTS FOR THE 2014/15 FISCAL YEAR FOR THE MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT (MBTBID); (ADMINISTRATIVE SERVICES)

Administrative Services Director Susan Slayton presented the staff report; she presented a redlined version of the Resolution making some changes that memorialized the history of the assessment district.

Mayor Irons opened up the public hearing for Item B-1; seeing none, the public hearing was closed.

MOTION: Councilmember Christine Johnson moved to approve the amended Resolution 33-14, continuing the program and levying the assessments for the 2014/15 Fiscal Year for the Morro Bay Tourism Business Improvement District. The motion was seconded by Councilmember Leage and carried unanimously, 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

C. UNFINISHED BUSINESS

C-1 ADOPTION OF ORDINANCE NO. 586 AMENDING SECTION 2.08.120 OF THE MORRO BAY MUNICIPAL CODE RELATING TO MAYOR PRO TEMPORE; (CITY ATTORNEY)

City Attorney Joe Pannone presented the staff report.

Mayor Irons opened the public comment period for Item C-1; seeing none, the public comment period was closed.

Mayor Irons stated that as an ordinance becomes outdated, aren't working or aren't consistent; it's up the Council to bring them forward.

MOTION: Councilmember Leage moved to adopt of Ordinance 586, amending Section 2.08.120 of the Morro Bay Municipal Code relating to Mayor Pro Tempore. City Attorney Joe Pannone read the ordinance title into the record. The motion was seconded by Councilmember Christine Johnson and carried unanimously, 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

C-2 ADOPTION OF ORDINANCE NO. 587 AMENDING SECTION 3.12.030 OF THE MORRO BAY MUNICIPAL CODE RELATING TO PRESENTING AND FILING CLAIMS AGAINST THE CITY; (CITY ATTORNEY)

City Attorney Joe Pannone presented the staff report.

Mayor Irons opened the public comment period for Item C-2; seeing none, the public comment period was closed.

MOTION: Councilmember Christine Johnson moved to adopt Ordinance 587, amending Section 3.12.030 of the Morro Bay Municipal Code relating to presenting and filing claims against the City. City Attorney Joe Pannone read the ordinance title into the record. The motion was seconded by Councilmember Leage and carried unanimously, 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

D. NEW BUSINESS

D-1 STREETS SUMMIT: A REVIEW OF THE 2013/14 ACTIVITIES AND RECOMMENDATIONS FOR FUTURE WORK; (PUBLIC SERVICES)

Public Services Director Rob Livick and Capital Projects Manager Rick Sauerwein presented the staff report.

Mayor Irons opened up the public comment period for Item D-1.

Barry Brannin spoke on the color chart found on page 150 of the agenda packet. He was hoping that staff could provide a map so the public can find where some of these street designations are; how do you tell the difference between Sandalwood 1 and Sandalwood 2. And who can the public call for pothole problems. Mr. Livick responded that the best way to notify the City on pothole issues was through the "Let Us Know" process found on the City's website.

The public comment period for Item D-1 was closed.

Mayor Irons stated that from last year's Street Summit, there was overwhelming public input on how we do our pavement management plan. Regarding looking at the index, we don't want to go beyond our index because the cost goes up exponentially; even with that input, and understanding we want to catch the streets before they start degrading too quickly; there was input from the community that we need to revisit how we are addressing how we pave our streets and maybe spread it out a bit, especially in north Morro Bay. We may not meet the index number exactly but we need to revisit it from a geographical standpoint. How we address that with this street summit and public input will come when we re-assess the 5 year plan.

Councilmember Smukler stated this has been an involved process; there has been better communication between engineering and maintenance which seems to have translated into improved work on the streets. A nice feature of the "Let us Know" link is that you can track the progress of the complaint, allowing for two-way communication. He felt it important to look at the possible need to identify additional revenue sources; there was a discussion approximately a

year ago that came out of the Street Summit where a sub-committee made up of Councilmember Nancy Johnson and himself was formed to look into that option. He wondered if this was a good time to start that process and bring up whether it needed pursuing. Would be a good time for the sub-committee to meet with staff and bring back a report.

Councilmember Christine Johnson agrees we need to put at least \$262,000 into streets this year. She needs to make sure we look at the Measure Q money going into the budget for this year. She supports starting the conversation to increase revenue sources to for streets.

Councilmember Smukler recalled from action on the sub-committee; we've taken all the action from the council side to establish the committee and ask for that information to be returned after we meet; it's his feeling they can just meet.

MOTION: Councilmember Smukler moved to receive the report and adopt the priorities of the streets via the budgeting process as proposed. The motion was seconded by Councilmember Nancy Johnson and carried unanimously 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

D-2 REVIEW OF LIST FROM MORRO BAY CITIZENS BIKE COMMITTEE LIST OF "UNMET BICYCLE NEEDS"; (PUBLIC SERVICES)

Public Services Director Rob Livick presented the staff report.

Councilmember Christine Johnson stated based on feedback she has received; there has been great progress regarding bicycling barriers; specifically we have more bike lanes in the City and we have addressed gaps in the bicycling network. She feels it would be simple to add "sharrows" (shared biking lane) on the Embarcadero as this shouldn't take away anything from the driver. Also, currently we are redeveloping several lease sites there and some plans show taking out some of the parking on the side, maybe we could incorporate bike parking/corrals. She agrees that reaching out to merchants to encourage business support for bike corrals as it should increase foot traffic. She asked what the timeline was for repairs at the path from Coral to the high school. Mr. Livick responded that repairs would likely need to wait until school was out and that he would work with Maintenance Superintendent Mike Wilcox on that.

Mayor Irons agrees with getting the business community more involved. He would also like to see the bike committee more involved. He agrees with the list provided. He met with a group today at the Del Mar Park pathway from the Ironwood parking lot to Island Street (going towards the tennis courts). He would like to see staff look into this area for repair. On Radcliffe and Main, he gently reminded staff that if there is something with a planning grant thru Cal Trans, to keep that in mind. He brought up a new striping technique he heard about that can be used as a paint and rumble strip combined and would like that considered as well.

Mayor Irons opened up the public comment period for Item D-2; seeing none, the public comment period was closed.

Mr. Livick stated that Radcliffe and Main isn't a City street and nothing can be done without Cal Trans approval, it is their right-of-way.

Councilmember Nancy Johnson would hate to see the Class 1 bike lane deteriorate any farther. She spoke about the corner of Quintana and Main and feels that area needs help from the perspective of public and personal safety. She also stated that restriping on Main Street has really helped a lot.

Councilmember Smukler stated that knowing we can do the work in-house, he'd suggest raising the priority on the Cloisters Bike Path, item #3, from medium to high. He would like to add the Del Mar pathway improvements and maintenance components as a low or medium priority. He'd like to increase bike parking from low to medium priority. He'd also like to see general safety improvements to the Embarcadero. Mr. Livick stated the improvements to the Embarcadero (sharrows) could be incorporated into the street paving/resurfacing project necessary in the upcoming sewer maintenance project that has been scheduled; it could be a medium priority. As far as the Del Mar pathway, it's a general maintenance issue, he'd put it as the same priority as the Cloisters path; and the work could be done in conjunction with the parking lot work with Chevron. It was then suggested to move the Del Mar pathway to high priority.

There was Council consensus to make those adjustments to the worksheet.

MOTION: Councilmember Smukler moved to receive the Unmet Bike Needs List and add Del Mar Pathway in conjunction with the parking improvements as a high priority; add safety improvements/sharrows on the Embarcadero in conjunction with the collection system work as a high priority; upgrade the Cloisters item #3, from medium to high priority; and upgrade item #8, Bike Parking from low to medium and with those changes forward this list to SLOCOG as soon as possible. The motion was seconded by Councilmember Nancy Johnson and carried unanimously.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Smukler requested an item to review the performance and recognition of the new solar energy system at the Teen Center (possible presentation from the project contractor); Mayor Irons and Councilmember Christine Johnson concurred with this request.

ADJOURNMENT

The meeting adjourned at 8:37pm.

Recorded by:

Jamie Boucher
City Clerk



AGENDA NO: A-3

MEETING DATE: June 10, 2014

Staff Report

TO: Honorable Mayor and City Council DATE: June 3, 2014

FROM: Rob Livick, PE/PLS - Public Services Director/City Engineer

SUBJECT: Status Report of a Major Maintenance & Repair Plan (MMRP) for the Existing Wastewater Treatment Plant

RECOMMENDATION

Staff recommends this report be received and filed.

ALTERNATIVES

As no action is requested, there are no recommended alternatives.

FISCAL IMPACT

No fiscal impact at this time as a result of this report. Fiscal impact is addressed through the budget process.

BACKGROUND

This staff report is intended to provide an update on the development of the MMRP for the WWTP. At the February 14, 2013, joint meeting the Council and District Board approved the development of an MMRP and made the following motion:

- Direct staff to prepare a time sensitive and prioritized MMRP for the WWTP with an anticipated rolling 2 year budget;
- The City and District solicit proposals from a qualified firm, or firms, to provide technical advice and analysis on an as needed basis as determined by Morro Bay's Public Services Director and Cayucos Sanitary District Manager; and
- The Morro Bay Public Services Director and Cayucos Sanitary District Manager report back to the Council and District Board on a semi-annual basis on the progress and costs associated with the MMRP.

Development of a MMRP will assist the City and District in projecting the budgeting of expenditures required to keep the current plant operating in compliance with regulatory requirements.

Prepared by: RL/BK/RS Dept. Review: RL

City Manager Review: _____

City Attorney's Review: _____

Staff's primary focus has continued to be on execution of the projects contained within the FY13/14 WWTP budget and development of the budget for FY14/15. The FY13/14 budget contains \$1.04M in funding for MMRP projects presented during the budget hearing at the JPA meeting. Staff has continued to work on the implementation schedule for the projects funded in the FY13/14 budget. This staff report includes a description of recommended MMRP projects and funding for FY14/15.

DISCUSSION

Digester #2 Repair

Cor-Ray Painting completed the sandblasting and coating project per the specifications contained within the Request for Proposals on May 6, 2014. The project was successfully completed on budget with only two small change orders totaling \$4,400. The project also included repairs to the gas lances on the digester gas recirculation system. MCS Inspection group provided coating inspection throughout the project.

Plant staff completed the work tasks and repairs for projects required to bring the digester back on-line. Prior to filling the digester and bringing it back on-line, they proofed all valving and piping to ensure no debris or obstructions and to ensure there were no leaks where piping or valving had been repaired or replaced.

Plant staff is currently in the process of bringing the digester back on-line. This process should take approximately ten weeks to get the digester in a position where it can be used as the primary digester.

Headworks Influent Screening Project

The Headworks Influent Screening Project remains on schedule. MKN and Vulcan Industries worked through the submittal of the shop drawings and Vulcan Industries was given approval for fabrication of the equipment. The fabrication of the equipment will take nineteen weeks and the equipment is scheduled to arrive in late August.

MKN has developed a draft set of plans and specifications (bid package) for hiring a contractor to install the screen units. City and District staff have provided comments on the draft set of plans and specifications.

Chlorine Contact Basin Improvements

Based on increases to the cost estimates for various aspects of the Chlorine Contact Tank Improvements, staff has opted to delay the completion of the draft bid package for the purchase and installation of new chains and flights as well as various concrete repairs to the basin. Plant staff drained the chlorine contact tank on May 14, 2014, for further assessment and investigation of tank components and condition. Engineers from both MKN and B&V were on site to observe the tank and provide input to better define the scope of work for the project. While the tank was drained, plant staff made minor repairs as time allowed.

Development of MMRP Projects and Budget for FY14/15

The agenda for the June 12, 2014, JPA meeting contains an item for consideration of the FY14/15 WWTP budget for the Council and Board's review and approval. The MMRP budget for FY14/15 projects is estimated at \$596K. Coupled with the carry-over of funds for the headworks screen project (\$425K) and the chlorine contact project (\$200K), this would bring the total MMRP budget for FY14/15 to \$1.221M.

The following narrative provides a summary of the MMRP projects funded in the FY13/14 budget and a brief discussion of the projects proposed for FY14/15.

Five MMRP projects were identified and funded in the FY13/14 budget. Three of the projects, the cleaning and coating of digester #2, the interstage pump and valve project and the reconditioning of the chlorine building were successfully completed.

The other two MMRP projects, the headworks screening project and the chlorine contact tank equipment replacement project, identified in the FY13/14 budget are on-going at this time and are expected to be completed in September or October of 2014 (FY14/15).

- 1) The Headworks Influent Screen Project: This project is on-going at this time with the screens procurement process underway and scheduled for delivery in August, 2014. An RFP is being prepared by Nunley and Associates for installation of the screening equipment in September, 2014. The payment for, and installation of, the screens by an outside contractor will occur in FY14/15; the original project was budgeted in FY13/14 at \$500,000. Approximately \$75,000 has been expended in engineering services to date, so \$425,000 will need to be carried over into the FY14/15 budget to complete the project.
- 2) The Chlorine Contact Tank Equipment Replacement Project: This project is also on-going at this time. Plant staff is working with staff from MKN and B&V to better refine the scope of work. Staff anticipates this project will occur in FY14/15; the original project was budgeted in FY 13/14 at \$200,000. This \$200K will need to be carried over into the FY14/15 budget for completion.

New MMRP Projects for the FY14/15 fiscal year:

Based on a review of the MMRP coupled with the experience gleaned from the repair of digester #2 and input from B&V and MKN on the MMRP, staff is recommending the following MMRP projects be included in the FY14/15 budget. As stated earlier, the MMRP budget for FY14/15 projects is estimated at \$596K. Coupled with the carry-over of funds for the headworks screen project (\$425K) and the chlorine contact project (\$200K), this would bring the total MMRP budget to \$1.221M.

- 1) Cleaning and Coating of Digester #1: This will provide funding for the cleaning and coating of digester #1; in addition, structural analysis and potential structural repair work will be required. This project also includes funding for piping and valving repairs on digester #3 and digester #2 and replacement of various equipment required

to operate the digesters. Cost estimates for the various components are: \$180,000 for cleaning and coating digester #1; \$50,000 for the purchase of valves and piping for digester recirculation and transfer lines on digester #1; \$60,000 for piping repairs to Digester #3 and #2; and, \$20,000 for replacement of the sludge recirculation pump on digester #3. In addition, there is a list of equipment and components that will need to be repaired or replaced. These repairs would coincide with the digester cleaning and rehabilitation project and include the replacement of the spark arrestors and vacuum/pressure relief valves on the top of all three digesters (\$15,000) and purchase of three hot water circulation pumps for the hot water loop used to heat the digesters (\$6,000). All items are vital for the operational and safety components of the anaerobic digestion process. The total estimated cost for cleaning, rehabilitation, and equipment repair and replacement for digester #1 is \$331,000.

- 2) Rehabilitation of Primary Clarifier #2: This will provide funding for the highest priority projects on primary clarifier #2 and includes repairs to the metal framework on the flights and skimmer cage assembly; repair and replacement of piping and valving; and other associated repairs. Estimated cost for these projects is \$50,000.
- 3) Purchase and Installation of New Distributor Arms on Biofilter Improvement Project: This will provide funding for several projects to improve biofilter #2 and the interstage pump station to include the purchase and installation of new distributor arms on biofilter #2 and replacement of the main bearing on the turntable (\$65,000). The biofilter arms are badly corroded and have exceeded their useful life. These units are a critical component of the secondary treatment system. Funds will also be used to install flood walls around the periphery of the two biofilters and interstage pumps to prevent inundation during a flooding event (\$150,000). Total cost estimate for this work is \$215,000.

CONCLUSION

Staff will continue to bring a status report on the development of the MMRP at City Council meetings on a monthly basis.



AGENDA NO: A-4

MEETING DATE: June 10, 2014

Staff Report

TO: Mayor and City Council

DATE: May 29, 2014

FROM: Rob Livick, PE/PLS – Public Services Director/City Engineer

SUBJECT: Water Reclamation Facility (WRF) Project Status and Discussion

RECOMMENDATION

Staff recommends the City Council review this informational item.

ALTERNATIVES

Not applicable at this time.

FISCAL IMPACT

Not applicable at this time.

SUMMARY

Staff provides this report as a monthly update to the progress made to date on the new WRF project.

BACKGROUND

With the denial of the permit for the WWTP project in its current location, the City has embarked on a process for a WRF. This staff report provides a review of what has occurred to date.

DISCUSSION

Below is a brief review of dates, status and accomplishments on the WRF facility project. Note the bolded information has been added since your last review.

<u>Date</u>	<u>Action</u>
01/03/13	Special City Council meeting – City Adopted Resolution No. 07-13 supporting the California Coastal Commission staff recommendation for denial.
01/08/13	WWTP Project denied by the California Coastal Commission (CCC).
01/08/13	January JPA not held due to CCC meeting.
01/24/13	City Staff, Morro Bay JPA Sub-Committee, Cayucos SD representatives, staff and attorney meet and discuss strategy and moving forward.
02/14/13	February JPA meeting held, “Discussion and Consideration of Next Steps for the WWTP Upgrade Project” was on the agenda and discussed.
02/26/13	City Council meeting - draft schedule/project timeline presented to City

Prepared By: RL

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

Council.
City Council directed staff to prepare an RFP for a project manager.

03/11/13 City Council goal session, WRF established as Essential City Goal.

03/14/13 City Council goal session, WRF established as Essential City Goal.

03/14/13 March JPA meeting held, “Status Report on the Discussion with RWQCB Staff Renewal Process for the WWTP NPDES Permit No. CA0047881” and “Verbal Report by the City and District on the Progress of the future WWTP” were on the agenda and discussed.

03/18/13 RFP issued.

03/26/13 City Council meeting - City Council approves citizens to serve on the RFP selection committee.

03/27/13 Announcement placed on City website, etc. regarding citizen selection committee application period.

04/05/13 Citizen selection committee deadline.

04/09/13 City Council meeting - appointment of 5 citizens for the RFP selection committee at City Council meeting.

04/10/13 Addendum to RFP issued, re: selection committee

04/11/13 April JPA meeting held, “Verbal Report by the City and District on the Progress of the future WWTP” and Discussion and Approval to Terminate the Consultant Services Agreements with Delzeit; Dudek, McCabe and Company; and Montgomery Watson Harza (MWH)” were on the agenda and discussed.

04/15/13 RFP due.

04/16/13 Study Session on WRF facility announced for April 29, 2013.

04/23/13 City Council meeting –reaffirmation of 5 members of citizen selection committee.

04/25/13 Quarterly Meeting with California Coastal Commission staff, WRF discussion and status report on the meeting agenda.

04/25/13 Initial meeting with Selection Committee for the RFP for Planning Services for the WRF.

04/29/13 WRF Study Session at Veteran’s Hall.

05/02/13 Interviews to recommend the individual/team for the WRF project manage.

05/09/13 May JPA meeting held, “Verbal Report by the City and District on the Progress of the future WWTP” was on the agenda and discussed.

05/14/13 City Council meeting – Approval of John F. Rickenbach, Consulting as the Preliminary Planning Consultant for the WRF project.

05/15/13 Public Services staff continues to work with John F. Rickenbach, Consulting to finalize the consultant contract.

05/28/13 Closed Session Item scheduled to discuss Righetti appraisal.

06/13/13 JPA Meeting – Cayucos Veteran’s Hall.

06/24/13 Kick-off Meeting with John Rickenbach and team members.

06/24/13-06/28/13 Work with Rickenbach to determine updated schedule pursuant to the scope of work in the RFP. Determination of Stakeholder groups/individuals.

07/03/13 Tentative Schedule from Rickenbach for the New WRF posted online and available.

07/03/13 Working with Coastal Commission staff to finalize date for quarterly meeting/teleconference.

07/11/13 July JPA Meeting Cancelled.

07/18/13 Quarterly Coastal Commission/City of Morro Bay meeting, Rickenbach Team participated in review and discussion of the status of the WRF project.

07/19/13 WSC Report entitled Conceptual Wastewater Treatment Alternatives Technical Memorandum commissioned by the Cayucos Sanitary District (CSD) released on the CSD website and delivered to the City. Report located at the following address:
www.cayucossd.org/documents/Conceptual%20WW%20Treatment%20AltTM_CSD.pdf

07/24/13-07/25/13 Stakeholder Interviews conducted by Rickenbach team.

08/08/13 August JPA Meeting Cancelled.

08/15/13 Community Workshop #1 held at MB Veteran's Hall.

Week of 8/19/13 Workshop Summary posted on City's website.
Comments Form available on City's website for additional comments on the workshop and/or project.

09/12/13 September JPA Meeting held.

09/16/13 Biosolids and Treatment Options Workshop at MB Veteran's Hall.

09/27/13 October 2013 JPA Meeting cancelled.

10/21/13 Quarterly Coastal Commission/City of Morro Bay Meeting .

10/29/13 Release of Public Draft – Options Report.

11/04/13 Public Works Advisory Board – Options Report to Board for Public Feedback.

11/05/13 Second Public Workshop – Presentation of Options Report for Public Feedback.

11/12/13 Presentation of Options Report to City Council.

11/14/13 November 2013 JPA Meeting Cancelled.

11/19/13 Meeting with RWCQB Staff regarding project Status and Permit Renewal.

12/10/13 Presentation of Options Report to City Council.

12/19/13 December JPA Meeting held – Verbal update by both CMB and CSD.

01/16/14 January JPA Meeting canceled.

01/20/14 Received proposal from Cleath-Harris to study Chorro Creek discharge and effect on City water supply. Estimated fees not to exceed \$7,500.

01/23/14 Onsite staff meeting with property owner at Rancho Colina to tour a potential location.

01/23/14 Telephone discussion with City's Water Attorney regarding water rights to creek discharge of wastewater.

1/29/14 Received proposal from Rickenbach for a contract amendment to perform due diligence on alternative WRF sites for final site selection. Estimated fees not to exceed \$63,806.

01/31/14 Status report preparation assigned to Public Services Director.

02/11/14 Mid-year Budget adjustment to include additional funding for WRF alternative site analyses. \$100,000 was approved.

02/13/14 WRF Sub-Committee meeting to discuss the 5 year time schedule and grant opportunities.

02/13/14 February JPA Meeting held.

02/25/14 City Council received a status update on the New WRF and adopted Resolution 17-14 prescribing a 5-year time frame for the construction of the New WRF.

02/28/14 Received a revised scope of work for a contract amendment received from Rickenbach recognizing the accelerated time schedule for the WRF. Estimated fees not to exceed \$76,129.

03/06/14 Scheduled WRF Subcommittee meeting with staff to discuss grant opportunities and schedules.

03/10/14 March JPA Meeting cancelled.

03/20/14 WRF Sub-Committee meeting along with staff and property owner at the “Rancho Colina” Morro Valley site to get an overview of the potential for it as a project location.

03/21/14 Meeting between City of Morro Bay (Irons/Smukler) and CSD (Enns/Lloyd) Sub-Committees along with Morro Bay and CSD County and Water Board Staff to discuss overall project status and the CMC option.

04/10/14 April JPA Meeting cancelled

04/11/14 "Rancho Colina" site visit with staff and Council person C. Johnson.

04/18/14 Letter sent to property owners of potential WRF sites, inviting a discussion regarding siting potential

04/21/14 “Rancho Colina" site visit with staff and Council persons Leage and N. Johnson.

04/23/14 Meeting to review the “Rancho Colina” site with the Morro Bay and CSD Sub-Committees along with Water Board staff.

05/01/14 Scheduled site visit at Giannini site with WRF Subcommittee, JRF Consulting and Property Owner.

05/08/14 May JPA Meeting cancelled.

05/13/14 Council Approved New Water Reclamation Facility Project Report on Reclamation and Council Selection of a WRF Site and provided direction to staff to return to Council with a resolution that captured the motions made.

5/22/14 The City Clerk posted the notice of the formation of a new, limited term and scope, i.e. Water Reclamation Facility Citizen's Advisory Committee. Applications are due to the Clerk by Friday, June 13, 2014.

5/23/14 Selected Bartle Wells as Water and Sewer Rate Study consultant. The estimated fee for the study is not to exceed \$57,440.

5/27/14 City Council adopted Resolution 34-14 that provides direction to staff regarding the “Rancho Colina” site, continuing parallel path discussion regarding the CMC site, and forming a Citizen’s Advisory Committee.

CONCLUSION

City Council, since the Coastal Commission’s denial of the WWTP Coastal Development Permit in January 2013, has made measured and deliberate progress in the WRF project, as outlined above.



AGENDA NO: A-5

Meeting Date: June 10, 2014

Staff Report

TO: Mayor and City Council **DATE:** May 28, 2013
FROM: Joseph W. Pannone, Interim City Attorney
SUBJECT: Adoption of Resolution No. 36-14, Various Sections of the City Council Policies and Procedures Relating to Mayor Pro Tempore

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 36-14 amending the existing language in the City Council Policies and Procedures Manual (the "Manual") changing the references to "Vice Mayor" to "Mayor Pro Tempore."

ALTERNATIVES

There are no alternatives being suggested as this action is necessary to be administratively consistent.

FISCAL IMPACT

There is no fiscal impact, other than the use of staff time, to carry out this action.

BACKGROUND / DISCUSSION

The City Council adopted Ordinance 586, amending Section 2.08.120 of the Morro Bay Municipal Code ("MBMC") changing references to Vice Mayor to Mayor Pro Tempore. The MBMC was amended to read as follows:

2.08.120 Mayor Pro Tempore

In the event the Mayor cannot be physically present to preside at any Council meeting and in order to expedite the orderly procedure of that meeting, the Council shall elect some other member of the City Council who shall act as Mayor Pro Tempore in the Mayor's absence, pursuant to Government Code Sections 36801 and 36802.

When Ordinance 586 was introduced for first reading, a citizen pointed out that change would create an inconsistency with various provisions of the Manual due to its use of the term "Vice Mayor." Based on those comments, various sections of the Manual are being recommended for amendment to change "Vice Mayor" and "Mayor Pro Tem" to "Mayor Pro Tempore."

Prepared By: JWP

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

Also, please note, when the Manual was reviewed for the above changes, other changes were found to be needed. The Manual will be returned to the Council for further amendments in the near future. However, that may not be before Ordinance 586 becomes effective (June 26, 2014). So to avoid the inconsistency regarding the use of Vice Mayor and be responsive to the citizen's input, this amendment to the Manual is being brought to the Council now.

CONCLUSION

Upon adoption of Resolution No. 36-14, the Manual would be amended and an updated copy put on the City's website.

RESOLUTION NO. 36-14

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING VARIOUS SECTIONS OF THE CITY COUNCIL
POLICIES AND PROCEDURES MANUAL REGARDING
MAYOR PRO TEMPORE**

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

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

WHEREAS, to ensure all Councilmembers are familiar with and understand the City of Morro Bay’s philosophies and policies regarding serving on the City Council, on July 23, 2001, the City Council adopted Resolution 47-01 approving an early version of the Manual; and

WHEREAS, the Manual has been amended several times throughout the years; and

WHEREAS, at its meeting of May 27, 2014, through adoption of Ordinance 586, the City Council amended the Morro Bay Municipal Code regarding references to Vice Mayor and Mayor Pro Tempore; and

WHEREAS, that amendment requires amendments to various Sections of the Manual as they, too, refer to Vice Mayor.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, as follows:

SECTION 1. The Manual is readopted, as attached hereto as Exhibit A.

SECTION 2. This Resolution shall be effective as of June 27, 2014

PASSED AND ADOPTED by the City Council, City of Morro Bay at a regular meeting thereof held on the 10th day of June, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JAMIE L. IRONS, Mayor

ATTEST:

JAMIE BOUCHER, City Clerk

City of Morro Bay

Council Policies and Procedures

SCOPE

This resolution shall establish the procedures for the conduct of all meetings of the City Council of the City of Morro Bay. The purpose of this resolution is to provide that the City Council's meeting procedures will be consistent with the Brown Act (Government Code Sections 54950 et seq.) establish procedures which will be convenient for the public and contribute to the orderly conduct of the City's business. The procedures herein are in addition to, and not in place of, Morro Bay Municipal Code 2.08 and any other applicable ordinances and statutes, and in the event of conflict between this resolution and applicable ordinances or statutes, the latter shall govern.

**RESOLUTION NO: 46-02
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON
AUGUST 12, 2002 APPROVING AND ADOPTING
THE COUNCIL POLICIES AND PROCEDURES MANUAL
AND RESCINDING RESOLUTION NO. 47-01**

**RESOLUTION NO: 54-03
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON
NOVEMBER 13, 2003 AMENDING COUNCIL
POLICIES AND PROCEDURES MANUAL
SECTIONS 1.2.2 AND 1.3.7.1.1**

**RESOLUTION NO: 37-04
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON
JUNE 24, 2004 AMENDING COUNCIL
POLICIES AND PROCEDURES MANUAL
SECTION 1.3.9.3.5**

**RESOLUTION NO: 42-05
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON
NOVEMBER 14, 2005 AMENDING COUNCIL
POLICIES AND PROCEDURES MANUAL
SECTION 4.5**

**RESOLUTION NO: 23-06
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON
MAY 22, 2006 AMENDING COUNCIL
POLICIES AND PROCEDURES MANUAL
REGARDING CANCELLATION OF MEETINGS**

**RESOLUTION NO. 24-07
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON
MAY 14, 2007 AMENDING COUNCIL
POLICIES AND PROCEDURES MANUAL
REGARDING EX PARTE COMMUNICATIONS**

**RESOLUTION NO. 50-07
ADOPTED BY THE CITY COUNCIL OF**

**THE CITY OF MORRO BAY ON
OCTOBER 8, 2007 ADDING TO AND AMENDING COUNCIL
POLICIES AND PROCEDURES MANUAL
REGARDING USE OF CITY LETTERHEAD AND
USE OF SPEAKER SLIPS AT CITY COUNCIL MEETINGS**

**RESOLUTION NO. 76-08
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON
NOVEMBER 10, 2008 AMENDING COUNCIL
POLICIES AND PROCEDURES MANUAL
REGARDING THE ORDER OF BUSINESS ON THE
CITY COUNCIL AGENDA, APPOINTMENT OF VICE MAYOR
AND FILLING COUNCIL VACANCIES**

**RESOLUTION NO. 11-10
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON
FEBRUARY 22, 2010 ADDING TO AND AMENDING COUNCIL
POLICIES AND PROCEDURES MANUAL
REGARDING EXPENSE REIMBURSEMENT POLICY FOR
ELECTED AND APPOINTED OFFICIALS, CITY LETTERHEAD
AND THE COUNCIL COMPENSATION COMMITTEE**

**RESOLUTION NO. 28-10
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON
JUNE 14, 2010 AMENDING COUNCIL POLICIES AND PROCEDURES
MANUAL REGARDING SECTION 2.2, RETIREMENT,
MEDICAL, DENTAL, VISION, AND LIFE INSURANCE**

**RESOLUTION NO. 46-10
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON SEPTEMBER 27, 2010
AMENDING THE COUNCIL POLICIES AND PROCEDURES
MANUAL IN REGARD TO CALLING CLOSED SESSION MEETINGS;
IN REGARD TO ALL REAL PROPERTY CONTRACTS GOING TO CLOSED
SESSION PRIOR TO OPEN SESSION; IN REGARD TO COUNCIL LIAISONS
TO ADVISORY BOARDS; AND, IN REGARD TO CITY COUNCIL INPUT ON
HIRING AND EVALUATION OF DEPARTMENT HEADS**

**RESOLUTION NO. 11-11
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON JANUARY 25, 2011
ADDING TO AND AMENDING THE COUNCIL POLICIES
AND PROCEDURES MANUAL REGARDING
REGULAR MEETING TIMES AND PLACING ITEMS ON THE AGENDA**

**RESOLUTION 64-12
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON DECEMBER 11, 2012
AMENDING THE COUNCIL POLICIES AND PROCEDURES MANUAL
REGARDING ELECTRONIC MAIL (EMAIL), THE PUBLIC RECORDS ACT
AND THE BROWN ACT**

**RESOLUTION 19-13
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON MARCH 12, 2013
AMENDING THE COUNCIL POLICIES AND PROCEDURES MANUAL
REGARDING STUDY SESSIONS, PLACING AN ITEM ON THE AGENDA,
RECONSIDERATION, ORDER OF BUSINESS AND PUBLIC COMMENT**

**RESOLUTION NO. 53-13

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING SECTION 2.2 OF THE CITY COUNCIL POLICIES AND
PROCEDURES MANUAL REGARDING RETIREMENT, MEDICAL, DENTAL,
VISION, AND LIFE INSURANCE UNSPENT DOLLARS**

RESOLUTION NO. -14

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING VARIOUS SECTIONS OF THE CITY COUNCIL POLICIES AND
PROCEDURES MANUAL REGARDING MAYOR PRO TEMPORE**

CHAPTER ONE
MEETING GUIDELINES & PROCEDURES

1.1 MEETING SCHEDULE

1.1.1 MEETINGS OF COUNCIL

The Council shall provide by ordinance the time and place of holding meetings and the manner in which special meetings may be called. Public interest and convenience shall be primary considerations when decisions are made as to time, location and frequency.

Except as otherwise provided by law, all meetings of the Council shall be open to the public.

1.1.2 REGULAR MEETINGS

1.1.2.1 Regular meetings shall be held the second and fourth Tuesday of each month beginning at 6:00 p.m. In the event that a regular meeting of the Council shall fall on a legal holiday, that regular meeting shall be held at the same place and time on the next succeeding working day. (MBMC 2.08.010). A regular meeting can only be cancelled after polling the majority of the Council in favor of the cancellation. (Reso. 23-06), (part) (Reso. 11-11), (part)

1.1.2.2 Regular meetings shall be held in the Veterans Memorial Building, 209 Surf Street, in the City of Morro Bay. (MBMC 2.08.010)

1.1.2.3 Regular meetings shall be between the hours of 6:00 p.m. - 11:00 p.m. It shall be the policy of the City Council to complete meetings by 11:00 p.m. unless a majority of the Council elects to continue past the adjournment hour. If at the hour of 11:00 p.m. the City Council has not concluded its business, the Council will review the balance of the agenda and determine whether to extend the meeting beyond the hour of 11:00 p.m., continue any remaining items, or adjourn the meeting to another date and time.

1.1.3 STUDY SESSIONS (Open to the public)

- 1.1.3.1 The purpose of these meetings shall be for informal discussions between staff, advisory bodies or consultants, the public, and the City Council regarding specific programs, projects or policies. Council may provide direction, but no formal action will be taken during a Study Session. Study Sessions may be conducted in a variety of formats, including Public Workshops. (Reso 19-13), (part)
- 1.1.3.2 Study Sessions will be held at a time and place within the City limits and convenient to Council and advantageous for public participation.

1.1.4 SPECIAL MEETINGS

- 1.1.4.1 Special meetings may be called by the Mayor or three members of the City Council. (GC α 54956) Written notice of each special meeting must be given not less than twenty-four (24) hours before such meeting to each Member of the City Council not joining the call. Special meetings may be cancelled only by consent of a majority of the members of the Council not less than 24 hours before the date of the special meeting. Notice of such cancellation shall be given to all Council Members and written notice shall be posted for the public not less than 24 hours before the meeting. (Reso. 23-06), (part)
- 1.1.4.2 Written notice must be given to the City Council and to the media twenty-four hours prior to each meeting. (GC α 54956)
- 1.1.4.3 A supplemental telephone call shall be made if necessary to notify each Council Member.
- 1.1.4.4 No business other than that announced shall be discussed.
- 1.1.4.5 Any special meeting held at a place other than the Veterans Memorial Building shall be open to the public. Such meetings shall be held within the city limits. Notice requirements of the Brown Act shall be complied with for any such meetings; regular minutes shall be taken by the City Clerk and shall be available for public inspection.

1.1.5 USE OF COUNCIL CHAMBERS

- 1.1.5.1 The City Manager, or designee, is responsible for maintaining a calendar on the use of the Council Chamber and all requests for reservations shall be cleared through the administrative office.
- 1.1.5.2 When a question arises regarding permission for any group to use the facility, the City Manager shall have authority to make the final decision. The following rules are established as a guide:
- a. Use of the Council Chamber for regular meetings by City commissions, committees, and other advisory bodies shall take precedence over any other group or agency. To the extent possible, special meetings will be scheduled around other regularly scheduled non-city uses. In the event of a conflict, the City will give priority to rescheduling or relocating any use displaced by a city-related use.
 - b. Council chambers is available for other use on a first-come-first-serve basis, after City, city-affiliated and other regular uses are scheduled.
 - c. With the approval of the City Manager, and within the provisions of existing video production agreements, other local governmental agencies may use the Council Chamber for the purpose of live or video cablecasting public hearings and/or public meetings during regular or non-business hours.

1.2 AGENDA

1.2.1 ESTABLISHING THE COUNCIL AGENDA

The purpose of the agenda is to provide a framework within which Council meetings can be conducted and to effectively implement the approved Council Goals, Financial Plan and Budget, and also work programs, objectives, and business of the City as established by the present or earlier City Councils. Agenda items also include recommendations to the City Council from advisory bodies, land use and zoning actions or appeals, bid and purchasing procedures, and mandates from other levels of government. Staff shall work within the policy context established by the Council and will not arbitrarily place matters on the agenda that are outside the scope of existing work programs of the City, except as approved by the Mayor or a majority of the Council, and to inform and advise the Council of matters necessary to the proper operation and well-being of the City.

- a. Tentative Council Meeting Agenda - published before the close of business on the second Friday prior to the Council meeting.
- b. Full agenda packet published before the close of business Thursday prior to the Council meeting.

The process for determining the format and order of the agenda is based primarily on the order of business adopted by the City Council (See Section 1.2.8). The process for establishing the order of specific business and public hearing items is a collaborative one determined largely by anticipated public attendance (those matters involving greater audience attendance are usually scheduled ahead of other items). The City Manager shall meet with department heads on the day of the City Council meeting to discuss issues and to review upcoming agenda items.

In addition, the City Manager shall review the agenda materials with the Mayor, or in the Mayor's absence, the ~~Vice-Mayor~~ Pro Tempore. The final agenda is set subject to the approval of the Mayor (or ~~Vice-Mayor~~ Pro Tempore), after consultation with the City Manager.

1.2.2 PLACING AN ITEM ON THE AGENDA (COUNCIL MEMBER)

Any Council Member may request an item be placed on a future agenda by submitting a request, orally or in writing, to consider the matter and by discussing the request during the "Declaration of Future Agenda Items" section of the regular agenda. If a majority of the Council approves, staff will prepare a staff report for the next available agenda if formal Council action is required. (Reso. 11-11), (part)

If only one other Council Member supports hearing the item, an item will be listed on the next available agenda. The Council Member who made the request for the agenda item shall be responsible for providing the Council report and the Council will take no action on the substance of the matter at this review unless there is adequate public notice and information is provided for the Council to make an informed decision. If no other Council Member supports hearing the item, the item will not be placed on the agenda. (Reso. 54-03), (part), (Reso. 11-11), (part)

Pursuant to Policy 1.2, the Mayor is responsible for establishing the Agenda and may place an item on the agenda without Council support. In such a situation, the Mayor, or Council Member who the Mayor is accommodating, shall be responsible for providing a Mayor or Council Report. (Reso. 11-11)

Additionally, an individual Council Member may place an urgency item on an agenda with a minimum of 72 hours legal notice and a memorandum from the Council Member to the Council and staff setting forth the substantive issues of the item. For purposes of this paragraph, urgency shall arise in those limited

situations where an item requires immediate action, and the need to take immediate action came to the attention of the Council Member subsequent to the distribution of the agenda.

1.2.3 PLACING AN ITEM ON THE AGENDA (ADVISORY BODIES)

Recommendations made by advisory bodies, as part of their normal scope of duties and responsibilities, shall be timely placed on the City Council agenda by staff, who shall comply with the City's approved Council Agenda Preparation Policy. In the event that an advisory body desires to bring a matter of special consideration to the City Council (new ideas or concerns, for example), it may request that an item be placed on a future agenda by submitting a written request to the Council approved by a majority of the advisory body members and signed by the Chair. During Declaration of Future Agenda Items, any member of the Council may ask for consideration of the request and upon a majority of Council, a staff report will be prepared and approved by the City Manager or his/her designee. (Reso 19-13), (part)

1.2.4 PLACING AN ITEM ON THE AGENDA (THE PUBLIC)

A member of the public may request an item be placed on a future agenda during the Public Comment period at the beginning of every Council meeting, or via other communication with Council Members. Any Member of the Council may ask for consideration of the request pursuant to those procedures set out in 1.2.2.

1.2.5 EMERGENCY ITEMS

Emergency items may be placed on the agenda only in accordance with state law. Generally, only those matters affecting public health or safety may be considered emergency in nature. A four-fifths vote of Council is necessary to add an emergency item.

1.2.6 RECONSIDERATION

Reconsideration of issues previously acted upon is discouraged. However, in extraordinary situations, a request to reconsider an action taken by the City Council may be considered. The request must be presented by a Council Member who voted with the majority at the Council meeting at which the original vote was taken. The vote may be reconsidered during that meeting, but no later than the next Council meeting. Debate is limited to the question of whether or not there is a majority of the Council interested in reconsidering the matter. If a majority of the council votes to reconsider an action, the matter will be placed on the next or future agenda. (Reso. 19-13), (part)

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 Closed Session Report
- 1.2.7.5 Mayor and Council Members Reports, Announcements and Presentations
- 1.2.7.6 Public Presentations
- 1.2.7.7 Public Comment
- 1.2.7.8 Consent Agenda
- 1.2.7.9 Public Hearings (shall start no sooner than 7:00 p.m.)
- 1.2.7.10 Unfinished Business / Second Reading and Adoption of Ordinances
- 1.2.7.11 New Business
- 1.2.7.12 Council Declaration of Future Agenda Items
- 1.2.7.13 Adjournment
(Reso. 76-08), (part), (Reso. 19-13), (part)

1.2.8 NOTIFICATION AND ADVERTISING

The City will advertise all matters of significant neighborhood or community public interest that appear on a City Council or Planning Commission agenda where advertising is required by law. Said advertisements shall include location maps, project descriptions and posting of property, if required, written in plain English in order to fully inform all interested individuals.

All advertising shall be accomplished in an economical manner. All affidavits of publication shall be reviewed by the City Clerk and will be available to interested members of the public.

1.3 MEETING PROCEDURES

1.3.1 PRESIDING OFFICER

- 1.3.1.1 The Mayor is the Presiding Officer and acts as Chair at Council meetings.
- 1.3.1.2 In the absence or incapacity of the Mayor, the ~~Vice Mayor~~ Mayor Pro Tempore will serve as Presiding Officer.
- 1.3.1.3 In the absence of both the Mayor and ~~Vice Mayor~~ Mayor Pro Tempore, a majority of the quorum shall select a temporary Mayor Pro Tempore ~~pro tem shall be selected from the quorum present. The pro tem shall to~~ act as Chair for the meeting.
- 1.3.1.4 Seating arrangement of the Council:

The Mayor, with the approval of individual Council Members, shall establish seating arrangements for regular Council meetings.

1.3.1.5 Signing of City Documents:

The Mayor, unless unavailable, shall sign all ordinances, resolutions, contracts and other documents which have been adopted by the City Council and require an official signature, except where the City Manager has been authorized by Council to sign documents. In the event the Mayor is unavailable, the ~~Vice Mayor's~~ Mayor Pro Tempore signature may be used.

1.3.2 QUORUM

A majority of the Council Members shall constitute a quorum for the transaction of business.

1.3.3 DISCUSSION RULES

1.3.3.1 Obtaining the floor:

1.3.3.1.1 A Member of the City Council or staff shall first address the Mayor and gain recognition.

1.3.3.1.2 Comments and questions should be limited to the issue before Council.

1.3.3.1.3 Cross-exchange between Council Members and public should be avoided.

1.3.3.2 Questions to Staff:

A Council Member shall, after recognition by the Presiding Officer, address questions to the designated staff member. Council Members are encouraged to provide questions to staff prior to meetings. (Reso. 19-13), (part)

1.3.3.3 Interruptions:

1.3.3.3.1 Once recognized, a Council Member shall not be interrupted while speaking except to make a point of order or personal privilege.

1.3.3.3.2 If a Council Member is called to order while speaking, the individual shall cease speaking until the question of order is determined.

1.3.3.3.3 Upon being recognized by the Mayor, members of staff shall hold the floor until completion of their remarks or until recognition is withdrawn by the Mayor.

1.3.3.4 Limitation on Discussion:

No Council Member shall speak more than once on a particular subject until every other Council Member has had the opportunity to speak. Council Members are encouraged to discuss items during the decision-making process.

1.3.3.5 Tabling Procedure:

The purpose of the Motion to Lay on the Table also known as a Motion to Table is to enable the City Council, by majority vote and without debate, to lay a pending question aside temporarily when something else of immediate urgency has arisen or when something else needs to be addressed before consideration of the pending question is resumed. The Motion shall not be used to cut off debate and shall only be used when it is necessary to suspend consideration of a main motion in order to deal with another matter that has come up unexpectedly and which must be dealt with before the pending motion can be properly addressed. (Reso. 19-13), (part)

1.3.3.6 Right of Protest:

A Council Member is never required to state reasons for dissent.

1.3.3.7 Rules of Procedure:

The Council shall determine its own rules of procedure.

1.3.3.8 Council Minutes:

If a Council Member wishes a stated opinion to be entered in the minutes, he/she should precede the statement with "for the record," or request the City Clerk to enter it into the record following the statement.

1.3.4 **PARLIAMENTARY PROCEDURE**

Those rules in effect according to the City Council policy (State law and Robert's Rules). The following summarizes the most frequently used actions.

1.3.5 PROTOCOL

- 1.3.5.1 Council Members and staff shall:
 - 1.3.5.1.1 Work earnestly to preserve appropriate order and decorum during all meetings.
 - 1.3.5.1.2 Side conversations, disruptions, interruptions or delaying efforts are discouraged.
- 1.3.5.2 Persons demonstrating rude, boisterous, or profane behavior will be called to order by the Mayor. If such conduct continues, the Mayor may call a recess, request the removal of such person(s) from the Council Chamber, adjourn the meeting, or take such other appropriate action as permitted by the Brown Act.
- 1.3.5.3 Only the City Council, staff, Designated Representatives, and those authorized by the Mayor shall be permitted to sit at the Council or staff tables.
- 1.3.5.4 Enforcement of order:
 - 1.3.5.4.1 The Police Chief or his/her designee shall act as the Sergeant-at-Arms.
 - 1.3.5.4.2 Any Council Member may request the Mayor to enforce the rules of protocol. Upon motion and majority vote, the Mayor shall be required to do so.

1.3.6 VOTING PROCEDURES

- 1.3.6.1 When present, all Council Members shall vote. Failure of a seated Council Member to vote will be construed as an affirmative vote.
- 1.3.6.2 No ordinance, resolution or motion shall be passed or become effective without receiving the affirmative vote of at least three Members of the Council.
- 1.3.6.3 A conflict of interest shall be declared whenever appropriate and in compliance with State law and the Council Member will

step down, disclose the nature of the conflict of interest, and shall not make, participate in making, or influence the decision.

- 1.3.6.4 A vote may be changed by a Council Member only immediately after the vote announcement by the City Clerk and prior to the introduction of the next agenda item.
- 1.3.6.5 The City Clerk shall restate the motion prior to the vote or request the Mayor or Presiding Officer to restate the motion, if required for Council or public clarification.
- 1.3.6.6 Voice voting is the preferred method for recording Council votes.
- 1.3.6.7 A roll call vote may be taken at the discretion of the Mayor or Mayor Pro Tempore. The City Clerk will call the roll for the roll call vote in the following manner: 1) Maker of the motion; 2) Member who has seconded the motion; 3) Additional council members in alphabetical order by last name; and, 4) Mayor last. The City Clerk shall state for the record the name of any Council member who is recused or has abstained. (Reso. 19-13), (part)
- 1.3.6.8 General consent vote may be taken at the discretion of the Chair, if there are no negative votes or objections by Council Members.
- 1.3.6.9 Upon the request of any Member, the ayes and noes shall be taken and recorded on any vote.
- 1.3.6.10 The ayes and noes shall be taken upon the passage of all ordinances and resolutions and entered upon the journal of the proceedings of the Council.
- 1.3.6.11 Following the vote the Mayor or Presiding Officer shall announce whether the questions have been carried or defeated.
- 1.3.6.12 Tie votes: Should a tie vote occur, the Council is required to continue the item by majority vote or make motions until an action receives three affirmative votes.
- 1.3.6.13 The Mayor may publicly explain the effect of the vote for the audience or may direct a member of the staff to do so.

1.3.7 PUBLIC COMMENT

Members of the public may address the City Council in a variety of ways. Written comments on agenda items are encouraged. As a courtesy to the Council,

citizens are encouraged to present written comments at least one day prior to the meeting. This provides the Council with a greater opportunity to review and consider issues and/or concerns expressed in written communications prior to a meeting. Written material distributed at the meeting will be made a part of the public record. If the material is too voluminous for Council to review during the meeting or is new material not previously considered, Council may at its discretion continue the item to a future meeting. The following are guidelines for providing public comments: (Reso. 19-13), (part)

1.3.7.1 During Public Comment period, at the beginning of every meeting, members of the public may address the City Council on items that are not on the printed agenda. For Consent Items, Public Hearing Items, and Business Items, the Mayor will invite comments from the public in support of, or in opposition to each specific Agenda Item following the staff report and any questions from Council to Staff. (Reso. 19-13), (part)

1.3.7.2 Individuals desiring to speak shall:

1.3.7.2.1 Address the Council from the podium after giving name and city of residence. Speakers shall direct their comments to the Council, not the audience.

1.3.7.2.2 Limit comments to three (3) minutes or to the interval specified by the Mayor or Mayor Pro Tempore. The Mayor or Mayor Pro Tempore with the majority of Council Members, may reopen public comment after all have spoken, if necessary to qualify questions, comments or concerns. A speaker may not yield their time to another speaker. (Reso. 19-13)

1.3.7.2.3 Each person addressing the City Council shall do so in an orderly manner and the Council respectfully requests that speakers refrain from making repetitious, slanderous or irrelevant remarks, or engaging in any other disorderly conduct which disrupts, disturbs, or otherwise impedes the orderly conduct of the Council meeting. Any person who so disrupts the meeting may, at the discretion of the Mayor or a majority of the City Council, be subject to ejection from that meeting. (Reso. 54-03), (part)

1.3.7.2.4 Persons addressing the Council shall address the Council as a whole and shall not engage in a dialogue with individual Council Members, City staff or members of the audience. No questions shall be asked of a Council Member or a member of

City staff without first obtaining permission of the Mayor. The Mayor shall determine whether, or in what manner, an answer will be provided. Any person violating this rule while addressing the Council shall be called to order by the Mayor.

1.3.7.3 Pursuant to the Brown Act, action may not be taken on issues not listed on the agenda. Staff may be asked to follow-up on such items.

1.3.7.4 Applicants or Applicant Representatives or Appellants desiring to speak shall:

1.3.7.4.1 Shall be permitted to speak first during the public comment portion of the public hearing for not more than ten (10) minutes.

1.3.7.4.2 Address the Council from the podium after giving their name and address, and/or the name and address of the applicant/appellant they are representing.

1.3.7.5 Council Members actions

1.3.7.5.1 Council Members may question the person addressing the Council at the conclusion of the person's comments or upon expiration of the person's time to speak. Such questions shall be directed to the person through the Mayor.

1.3.7.5.2 Council Members shall not engage the person addressing the Council in a dialogue with the City Council or City staff but shall confine communication to a question and answer format conducted through the Mayor.

1.3.7.5.3 If a member of the audience has addressed the Council on matters which are not on the agenda, Council Members shall refrain from extended discussion of the matter. If a Council Member so wishes, the Council Member may direct the City Manager to place the matter on the next agenda.

1.3.7.6 After the public hearing is closed, no member of the public shall be permitted to address the Council or the staff from the

audience, except at the discretion of the Mayor or the majority of the Council.

1.3.7.7 Upon violation of the rules of order and decorum established in Section 1.3.2 – 1.3.7 of this Resolution, the procedure to enforce the rule shall be as follows:

1.3.7.7.1 Warning. The Mayor shall request that a person who is violating the rules of decorum cease such conduct. If, after receiving a warning from the Mayor, the person persists in disturbing the meeting, the Mayor shall order the person to leave the City Council meeting. If the person does not leave the meeting, the Mayor may order any law enforcement officer who is on duty at the City Council meeting as sergeant-at-arms to remove the person from the City Council chambers.

1.3.7.7.2 Removal. Any law enforcement officer who is serving as sergeant-at-arms at the City Council meeting shall carry out the orders and instructions given by the Mayor for the purpose of maintaining order and decorum. Upon instruction of the Mayor, it shall be the duty of the sergeant-at-arms to remove from the City Council meeting any person who is disturbing the proceedings of the City Council.

1.3.7.7.3 Resisting Removal. Any person who resists removal by the sergeant-at-arms may be charged with a violation of the rules of order and decorum as well as any other applicable ordinance or law.

1.3.7.7.4 Motion to Enforce. If the presiding officer of the City Council fails to enforce the rules of order and decorum set forth in Section 1.3.2 – 1.3.7, any Member of the City Council may move to require the Mayor to do so, and an affirmative vote of a majority of the City Council shall require the Mayor to do so, and an affirmative vote of a majority of the Council may appeal to the entire Council the ruling of the Mayor that a person be removed from the meeting, in which event the decision of the Council majority shall govern and conclusively determine such question. If the Mayor fails to carry out the will of the majority of the City Council, the majority may designate another Member of the City

Council to act as Mayor for the limited purpose of enforcing the rules of order and decorum established in Section 1.3.2 - 1.3.7.

- 1.3.7.7.5 Clearing the Room. If a meeting of the City Council is disturbed or disrupted in such a manner as to make infeasible or improbable the restoration of order, the Mayor or a majority of the City Council may exercise the authority granted in the California Government Code section 54957.9 by ordering the meeting room cleared and continuing in session in the manner authorized by Section 54957.9 of the Government Code.

1.3.8 CONSENT ITEMS

Consent items are the first items on the agenda. Only items that are routine, relate to implementation of approved budget items or to City operations, or are second readings of ordinances, or are items to be later set for public hearing are to be placed on the Consent Agenda. Items of significant neighborhood or community public interest should be heard as a Public Hearing or Business item, and not placed on the Consent Agenda.

- 1.3.8.1 Minor Questions. A Council Member may ask questions on any item without it being pulled from the Consent Agenda. When a Council Member has a minor question for clarification concerning a consent item that will not involve extended discussion, the item may be pulled for clarification at the beginning of the meeting and the questions will be addressed along with the rest of the Consent Agenda. There should be no objections at this time. Council Members are encouraged to seek clarifications prior to the meeting (if at all possible).
- 1.3.8.2 No Vote. When a Council Member wishes to pull an item simply to register a dissenting vote, a request should be made that the item be pulled for separate vote without discussion. Such items will also be handled at the beginning of the meeting along with the rest of the Consent Agenda.
- 1.3.8.3 Any item may be pulled by a Council Member for discussion. A member of the public may request the Council to pull an item for discussion.
- 1.3.8.4 Pulled items shall be heard at the close of the Consent Agenda unless a majority of the Council chooses another time.

1.3.9 NOTICED PUBLIC HEARINGS

During the pendency of any Public Hearing that is a quasi-judicial proceeding, no Council member or Planning Commission member shall engage in an ex parte communication with any "Interested Party" who intends to influence the decision of the council or board member in a proceeding unless the council or board member discloses the ex parte communication in the council or board's record. "Interested Party" means any individual with an interest in the quasi-judicial proceeding that is greater than the general interest of the public as a whole. The term includes, but is not limited to, parties involved in the proceeding, parties that may be significantly affected by the decision, and nonprofit or public interest organizations and associations with a special interest in the matter regulated. A member of the public at large who expresses a casual or general opinion about a pending proceeding would not necessarily be an "Interested Party." (Reso. 24-07)

Matters which are required to be heard in a noticed Public Hearing shall be conducted in the following manner:

- 1.3.9.1 Time for Consideration. Matters noticed to be heard by the City Council shall commence no earlier than the time specified in the notice of hearing, or as soon thereafter as is reasonably possible, and shall continue until the same has been completed or until other disposition of the matter has been made.
- 1.3.9.2 Continuance of Hearing. Any hearing being held or noticed or ordered to be held by the City Council may, by order or notice of continuance, be continued or re-continued to any subsequent meeting.
- 1.3.9.3 Conduct of Hearings. When a matter for Public Hearing comes before the City Council, the presiding officer shall open the public hearing and;
 - 1.3.9.3.1 Call for a report on noticing from the City Clerk.
 - 1.3.9.3.2 Call for a report on written communications received by the City pertaining to the item being heard.
 - 1.3.9.3.3 Request that staff present the staff report and any other relevant evidence. Presentation of the staff report prior to the formal opening of the Public Hearing shall not prevent its consideration as evidence. Any such evidence shall be made a part of the record of the Public Hearing.
 - 1.3.9.3.4 The Mayor shall then recognize the proponents or appellants in the cause, who shall be permitted 5

minutes to present evidence related to the matter under consideration.

1.3.9.3.5 The Mayor shall then recognize members of the public. No person may speak without first being recognized by the Mayor. Members of the City Council who wish to ask questions of the speakers or each other during the Public Hearing may do so. Members should be mindful that the purpose of the Public Hearing is to obtain testimony, and not to debate the merits of the item under consideration. Members should avoid debate and expressions of personal opinion until after the close of the public testimony portion of the Public Hearing. The Presiding Officer shall conduct the hearing in such a manner as to afford due process to all affected persons. For Public Hearings, when 10 or more members of the public desire to speak, the Mayor or Mayor Pro Tempore may require speaker slips be completed and delivered to the Clerk before the item is considered. Comments from the public shall be limited to three (3) minutes per speaker for Public Hearings, unless the City Council affirmatively decides otherwise. For Public Hearings that have the potential to be appealed to the California Coastal Commission, members of the public who desire to receive notice of any further proceedings shall write their name and address on the interested parties list at the back of the room. (Reso. 37-04) (Reso. 50-07), (part)

1.3.9.3.6 The Mayor shall then close the public testimony portion of the Public Hearing. Council Members may still, however, ask questions of staff or members of the public. Upon conclusion of Council deliberations and immediately prior to a motion, the Mayor shall formally close the public hearing. Upon formal closing of the public hearing, no additional public testimony shall be solicited or received without reopening the hearing.

1.3.9.4 Evidence. All persons interested in the matter being heard by the City Council shall be entitled to submit written evidence or remarks, as well as other graphic evidence. All such evidence presented shall be retained by the City Clerk as part of the Clerk's record. Prior to declaring the public hearing open, the Mayor may establish a time limit for the entire public hearing,

or establish time limits for the presentation of each individual speaker.

1.3.10 CLOSED SESSION MEETINGS (closed to the public)

1.3.10.1 Closed Session Meetings may be called by the majority of the Council and are regulated pursuant to the Brown Act. The most common purpose of a closed session is to avoid revealing confidential information that may, in specified circumstances, prejudice the legal or negotiating position of the City or compromise the privacy interests of employees. Closed sessions should be conducted keeping those narrow purposes in mind. (Reso. 46-10), (part)

1.3.10.2 No Member of the Council, employee of the City, or anyone else present shall disclose to any person the content or substance of any discussion which takes place in a closed session unless authorized by a four-fifths vote of the Council.

1.4 MEETING COVERAGE

The purpose of cablecasting meetings of the Morro Bay City Council is to enhance the awareness and education of the general public regarding the actions and deliberations of the City Council.

1.4.1 Coverage of City Council meetings shall be gavel-to-gavel; whether presented to the public live or taped, Council coverage is not to be edited or subjected to editorial comment.

1.4.2 All City Council meetings shall be cablecast or taped for broadcast, except for meetings or portions of meetings which are closed to the public, or when the majority of the Council directs otherwise.

1.4.3 Cameras used for the gavel-to-gavel coverage shall be operated only by City employees, firms, or persons authorized by the City.

1.4.4 Cameras shall be operated so that they are primarily focused on the officially recognized speaker, and on any visually displayed information they may be showing.

1.4.5 “Reaction” shots will not be permitted.

1.4.6 The City Clerk’s minutes shall remain the official record of Council proceedings.

CHAPTER TWO COUNCIL COMPENSATION

Council compensation and benefits are established every other year by Council action.

2.1 SALARIES FOR MAYOR AND COUNCIL MEMBERS

Pursuant to Morro Bay Municipal Code 2.20.010, compensation for services rendered in an official capacity shall be provided as follows: Members of the City Council shall receive \$300 per month. Pursuant to Morro Bay Municipal Code 2.20.015, the Mayor will receive an additional \$200 per month beyond the compensation paid to Council Members.

2.2 RETIREMENT, MEDICAL, DENTAL, VISION, AND LIFE INSURANCE

The Mayor and Council Members are required to participate in P.A.R.S. retirement. The City shall pay a contribution to P.A.R.S. equal to 1% of salary. The City shall pay, in full, the cost of the Mayor's and Council Members' participation in lowest cost HMO or PPO medical plan (self-only), dental, vision, and life insurance. (Reso. 28-10), (part) (Reso. 53-13)

2.3 PROFESSIONAL DEVELOPMENT

The Mayor and each Council Member shall be reimbursed for normal and customary business expenses as follows:

2.3.1 BUSINESS TRAVEL EXPENSE AND CONFERENCE REGISTRATION

The Mayor and each Council Member shall be reimbursed for normal and incidental expenses and for costs of professional development and educational conferences designed to improve understanding of and proficiency in municipal affairs. Such reimbursement shall be for out-of-county expenses only and shall be reimbursed in accordance with accepted City Travel Guidelines.

2.3.1.1. Authorized Expenses. City funds, equipment, supplies (including letter head), titles, and staff time must only be used for authorized City business. Expenses incurred in connection with the following types of activities generally constitute authorized expenses, as long as the other requirements of this section are met:

- Communicating with representatives of regional, state and national government on City-adopted positions.
- Attending educational seminars designed to improve official's skill and information levels.

- Participating in regional, state and national organizations whose activities affect the City’s interests.
- Recognizing service to the City (i.e. thanking a longtime employee with a retirement gift or celebration of nominal value and cost).
- Meetings such as those listed above for which a meeting stipend is expressly authorized under this section.

All other expenditures require prior approval by the City Council, including international and out of state travel.
(Reso. 11-10)

2.3.1.2. Expenses Not Eligible for Reimbursement.

- The personal portion of any trip.
- Political or charitable contributions or events.
- Family expenses, including partner’s expenses, when accompanying official on City-related business.
- Entertainment expenses, including theater, movies, sporting events (including gym, massage and/or golf related expenses) or other cultural events.
- Alcohol/personal bar expenses.
- Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline.
- Personal losses incurred while on City business.

(Reso. 11-10)

2.4 CITY BUSINESS AND MILEAGE REIMBURSEMENT

The Mayor and each Council Member shall be reimbursed as follows:

2.4.1 CITY BUSINESS

For costs incurred in connection with official City business, Mayor and Council Members shall be reimbursed for in-county expenses including meals, tickets, periodicals, dues, subscriptions, and similar miscellaneous expenses.

2.4.2 MILEAGE

For official travel within the County of San Luis Obispo, reimbursement shall be made upon submittal of an official mileage expense form.

2.4.3 TRANSPORTATION

If trip arrangements are made, as a convenience, for spouse or family members, reimbursement to the City for any advanced expenses should be received by the City prior to the trip. When attending conferences or meetings that are of such distances that is more economical to take commercial transportation, if an official proposes to drive his/her car in those cases, commercial air fare will be paid and not automobile mileage. Government and group rates must be used when available. (Reso. 11-10)

- 2.4.3.1. Airfares that are reasonable and economical shall be eligible for purposes of reimbursement. (Reso. 11-10)
- 2.4.3.2. Automobile mileage is reimbursed at IRS rates in effect at the time of travel. These rates are designed to compensate the driver for gasoline, insurance, maintenance, and other expenses associated with operating the vehicle. This amount does not include bridge and road tolls which are also reimbursable. (Reso. 11-10)
- 2.4.3.3. Car Rental rates that are reasonable and economical shall be eligible for purposes of reimbursement. (Reso. 11-10)
- 2.4.3.4. Taxi and shuttle fares may be reimbursed, including a 15% gratuity per fare, when the cost of such fares is equal or less than the cost of car rentals, gasoline and parking combined, or when such transportation is necessary for time-efficiency. (Reso. 11-10)

2.4.4 LODGING

Lodging expenses will be reimbursed or paid for when travel on official City business reasonably requires an overnight stay. If such lodging is in connection with a conference, lodging expenses must not exceed the group rate published by the conference sponsor for the meeting in question if such rates are available at the time of booking. Travelers must request government rates, when available. If the group rate is not available, reimbursement at the IRS rate in effect at the time of travel shall apply (IRS Publication 463). (Reso. 11-10)

2.4.5 MEALS

A local expense reimbursement policy identifying a “per diem” of reasonable rates for meals is not adopted. Receipts for expenses for meals shall be required. Actual expenses shall be reimbursed subject to the maximum per diem for the mean as set by the IRS rate in effect at the time of travel. (Cal. Gov’t. Code 53232.2) and Publication 1542 at www.irs.gov or [www.policyworks.gov/per diem](http://www.policyworks.gov/perdiem).) The City will not pay for alcohol/personal bar expenses. (Reso. 11-10)

2.4.6 MISCELLANEOUS EXPENSES

Officials will be reimbursed for actual telephone, fax, and parking expenses incurred on City business. Telephone bill should identify which calls were made on City business. (Reso. 11-10)

2.4.7 CASH ADVANCE POLICY

From time to time, it may be necessary for an official to request a cash advance to cover anticipated expenses while traveling or doing business on the City's behalf. Such request for an advance should be submitted to the City Manager ten working days prior to the need for the advance with the following information:

1. The purpose of the expenditures
2. The benefits of such expenditures to the residents of the City.
3. The anticipated amount of the expenditures(s) (for example, hotel rates, meal costs, and transportation expenses).
4. The dates of the expenditure.

Any unused advance must be returned to the City within five working days of the official's return, along with an expense report and receipts documenting how the advance was used. In the event the City Manager is uncertain as to whether a request complies with this policy, such individual must seek resolution from the City Council. (Reso. 11-10)

2.4.8 CREDIT CARD USE POLICY

The City issues credit cards to individual office holders for selected City expenses. City office holders may use the City's credit card for such purposes as airline tickets, hotel reservations and/or meals by following the said procedures for cash advances. Receipts documenting expenses incurred on the City credit card and compliance with this section must be submitted within thirty working days of use. Credit cards may not be used for personal expenses, even if the official subsequently reimburses the City. (Reso. 11-10)

2.4.9 EXPENSE REPORT CONTENT AND SUBMISSION DEADLINES

All cash advance expenditures, credit card expenses and expense reimbursement requests must be submitted on an expense report form provided by the City. This form shall include the following advisory:

“All expenses reported on this form must comply with the City's policies relating to expenses and use of public resources. The information submitted on this form is a public record. Penalties for misusing public resources and violating the City's policies

include loss of reimbursement privileges, restitution, civil and criminal penalties as well as additional income tax liability. “

Expense reports must document that the expense in question met the requirements of this Policy. Officials must submit their expense reports within thirty calendar days of an expense being incurred, accompanied by receipts documenting each expense. Restaurant receipts, in addition to any credit card receipts, are also part of the necessary documentation.

Inability to provide such documentation within 30 calendar days of travel may result in the expense being borne by the official.

In the event the official does not attend the trip and non-refundable expenses have been incurred for registration, lodging and/or travel, the non-attending official shall submit a written explanation of the reasons for non-attendance to the City Manager. The City Manager shall determine if the public funds advanced must be reimbursed to the City. Any decision of the City Manager may be appealed to the City Council. (Reso. 11-10)

2.4.10 REPORTS TO CITY COUNCIL

At the next regular City Council meeting, each official shall briefly report on the meetings attended at City expense. If multiple officials attended, a joint report may be made. (Reso. 11-10)

2.4.11 COMPLIANCE WITH LAWS; VIOLATION

City officials should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All City expenditures are public records subject to disclosure under the Public Reports Act and other applicable laws. Use of public resources or falsifying expense reports is a violation of this Policy and may result in any or all of the following: 1) loss of reimbursement privileges, 2) a demand for restitution to the City, 3) the City's reporting the expenses as income to the elected official to state and federal tax authorities, 4) civil penalties of up to \$1,000 per day and three times the value of the resources used, and 5) prosecution for misuse of public resources. (Reso. 11-10)

2.5 GENERAL PROCEDURES AND LIMITATIONS

Appropriate budgetary practices and accounting controls shall be established to ensure that expenditures and reimbursements are in compliance with approved budget allocations. The Mayor and each Council Member is expected to plan business activities so as to stay within budget. When exceptional circumstances require that additional amounts be allocated to accounts, formal Council action shall be required.

2.5.1 ACCOUNTING

An account shall be established in the name of each Council Member with all expenditures charged to the individual Council Member or Mayor. Receipts shall be submitted within the fiscal year. The Council budget shall be available for public review in the City Clerk's Office and the Mayor and Council Members shall receive periodic statements.

2.5.2 REIMBURSEMENT LIMITATION

The City's adopted Travel Guidelines shall govern all expenditures for non-local professional development and conferences. These guidelines include all non-local official meals, tuition or fees, transportation to meeting sites, materials and telephone usage.

2.5.3 SPECIAL EXPENSES

For occasions when the Mayor and/or a Council Member is designated by the City Council to represent the City at special meetings, reimbursement shall be made from the appropriate Travel Expense Account.

2.5.4 HONORARIUM

If the Mayor or a Council Member receives an honorarium as a result of his/her participation in a meeting or conference, the amount of the honorarium shall be deducted from the amount normally provided by the City for that meeting or conference if the City paid for the Council Member's attendance at such meeting or conference.

2.5.5 OTHER GUIDELINES

Any other travel-related issue not specifically governed in this resolution shall be adjudicated in accordance with the City of Morro Bay Travel Expense Reimbursement Policy.

2.6 COUNCIL COMPENSATION COMMITTEE

A five-member review committee may be appointed by January 31, in even-numbered years and shall bring its proposed recommendations in resolution form to the City Council within 90 days, or no later than May 1st. (Reso. 11-10), (part)

2.6.1 MEMBERSHIP

The committee membership shall have as broad a representation as possible, including but not limited to, two former elected officials who are not currently serving on the Council, and one citizen-at-large.

2.6.2 REVIEW RESPONSIBILITY

The committee shall review the full Council compensation package including salary, benefits, expense reimbursement, professional development allowances and any other compensation provided the City Council. Review should include, but shall not be limited to: 1) compensation of Council and Mayors of cities of similar population and/or budget size; 2) compensation practices of both Charter and General Law cities; 3) Government Code provisions for General Law cities; and 4) Council and Mayor responsibilities in Morro Bay at the time of the committee's review; and, 5) any structural changes that may have occurred in municipal government either as a result of State legislation or by actions of the local electorate that may have added to or deducted from the duties and responsibilities of the Council Members and/or Mayor.

CHAPTER THREE

COUNCIL POWERS & APPOINTMENTS

3.1 MAYOR - POWER AND DUTIES

- 3.1.1 The Mayor shall preside at all meetings of the City Council and perform such other duties consistent with the office as may be imposed by the Council or by vote of the people. The Mayor shall be entitled to, and must vote when present, but shall possess no veto power.
- 3.1.2 The Mayor shall be recognized as the official head of the City for all ceremonial purposes.
- 3.1.3 The Mayor may order flags flown on City property to be lowered to half-staff in mourning for any member of the community designated to have made significant contributions to the City of Morro Bay, in accordance with recognized customs or practices not inconsistent with State and Federal law.
- 3.1.4 The Mayor shall exercise such other powers and perform such other duties as may be prescribed by law or ordinance or by resolution of the Council, except as limited by law.

3.2 APPOINTMENT OF ~~VICE~~-MAYOR ~~PRO TEMPORE~~

The appointment of the ~~Vice~~-Mayor Pro Tempore shall be for a one-year term and shall be made at the first meeting in December. For appointment as ~~Vice~~-Mayor Pro Tempore, a Council Member must be on the Council at least one year. Of those who have been on the Council for at least one year, the Council Member who has not yet held the position shall be appointed ~~Vice~~-Mayor Pro Tempore. If there are two Council Members who have not yet held the position, the Council Member receiving the highest number of votes in the most recent election shall be appointed ~~Vice~~-Mayor Pro Tempore. If all have held the position, the Council Member who has held it the least number of times shall be appointed ~~Vice~~-Mayor. If all Council Members have held it for the same number of years, the Council Member for whom it has been the longest period of time since holding the position shall be appointed ~~Vice~~-Mayor Pro Tempore. (Reso. 76-08), (part)

3.3 FILLING COUNCIL VACANCIES

3.3.1 SPECIAL ELECTION

Measure “R” 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. (Reso. 76-08)

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. (Reso. 76-08)

3.4 GENERAL POWERS OF THE COUNCIL

Subject to the provisions of law and the delegation of power to any person, officer, Board, or Commission, the Council shall have the power in the name of the City, to do and perform all acts and things appropriate to a municipal corporation and the general welfare of its inhabitants and that are not specifically forbidden by the Constitution and laws of the State of California.

3.5 ADMINISTERING OATHS: SUBPOENAS

Each Member of the Council shall have the power to administer oaths and affirmations in any investigation or proceeding pending before the Council. The Council shall have the power and authority to compel the attendance of witnesses, to examine them under oath and compel the production of evidence before it. Subpoenas may be issued in the name of the City and be attested by the City Clerk. Disobedience of such subpoena or the refusal to testify (upon other than constitutional grounds), shall be deemed contempt and shall be punishable as provided by the general laws of the State.

3.6 LIMITATIONS

No Member of the Council shall be appointed to or serve as a voting Member of any City Board, Committee, or Authority, whether composed of citizen volunteers, City employees, or a combination of both. This is not to be construed as prohibiting Members of the Council from serving on Committees or Subcommittees of the Council itself, or of agencies representing other local, state or federal government.

3.7 METHOD OF ACTION BY COUNCIL

All action by the Council shall be taken only by means of ordinance, resolution, or oral motion duly made and passed.

Ordinances shall become a part of the Municipal Code and so remain until amended or voided. All municipal laws relating to taxation or to possible criminal action against an offender shall be in the form of ordinances.

Resolutions shall be serially numbered and filed sequentially in the office of the City Clerk.

Oral motions shall be recorded only in the minutes of any regular or special meeting of the Council.

3.8 ORDINANCES

The consideration and adoption of ordinances shall be in accordance with relevant state law. Ordinances not legally required to have a public hearing shall be set for a public hearing if the subject matter is controversial or of a special nature. In addition, a majority of the City Council may direct that the consideration of an ordinance will be set for public hearing.

No ordinance, resolution or motion shall be passed or become effective without receiving the affirmative vote of at least three Members of the Council.

3.9 ACCEPTANCE OF GRANTS OR DEEDS

The Mayor and ~~Vice~~-Mayor Pro Tempore of the City of Morro Bay are hereby authorized to accept and consent to the recording of any deed or grant conveying any interest in or easement upon real property to the City of Morro Bay.

3.10 LEGISLATIVE ACTION PROGRAM

The City has a legislative program to strengthen local government, promote City goals, and defend the City against legislative actions by state and federal governments that would weaken local government or take away traditional revenue sources. In order to respond promptly and proactively to fast-paced legislative changes, City staff is authorized to take positions on legislation provided the positions are consistent with the Legislative Actions of the City Council, and/or resolutions or recommendations of the League of California Cities.

3.11 AMICUS CURIAE PARTICIPATION

The City is frequently requested to join as *amicus curiae* (friend of court) in cases of statewide significance to cities. Because of the often short time limits for filing *amicus curiae* briefs, the City Attorney is authorized to participate in such briefs, at no cost to the City, if the Legal Advisory Committee of the League of California Cities has urged participation.

CHAPTER FOUR THE BROWN ACT

4.1 APPLICABILITY AND PENALTIES

The entire City organization conducts its business in compliance with the Ralph M. Brown Act, State Government Code Sections 54950 et seq. The intent of the Act is to ensure that deliberations and actions of local public agencies are conducted in open and public meetings. The law provides for misdemeanor penalties for Members of a board who violate the Act (GC \square 54959). In addition, violations are subject to civil action (GC \square 54960). A current copy of the Act will be provided to all Council Members assuming office, but the provisions that most directly affect the Council are summarized in this Chapter.

4.2 MAJOR PROVISIONS

4.2.1 APPLICABILITY

The Act applies to Council, City staff and all bodies that advise Council. (GC \square 54952.2)

4.2.2 MEETINGS

All meetings shall be open and public.

4.2.2.1 A meeting takes place whenever a quorum (three or more) Members are present and information about the business of the board is received; discussions qualify for a meeting.

4.2.2.2 Serial meetings take place when any Member of Council contacts more than one other Council Member for the purpose of deliberating or acting upon an item pending before the City Council (does not apply to the public or media).

4.2.2.3 Correspondence that merely takes a position on an issue is acceptable. (GC \square 54953)

4.2.3 AGENDAS

Agendas for regular meetings must be posted 72 hours in advance of the meeting and must meet various requirements. (GC \square 54954.2)

4.2.4 ACTIONS

No action shall be taken on any item not appearing on the posted agenda.
Exceptions:

- 4.2.4.1 An emergency situation exists, (determined by a majority of the Council.)
- 4.2.4.2 That the need to take action arose subsequent to the agenda being posted (determined by 4/5 of the Council; or if less than 4/5 are present, by unanimous vote.)
- 4.2.4.3 The item was continued to another meeting that was scheduled and posted within five days of the original agenda. (GC \square 54954.2)

4.2.5 PUBLIC INPUT

The public has an opportunity to address the Council on any item of interest to the public that is within the jurisdiction of the Council. The City has the right to establish time limits on speakers and the total time allocated for a particular issue. (GC \square 54954.3)

4.2.6 PUBLIC DISRUPTIONS

A portion or all of the public may be removed if willful disruption makes conducting the meeting "unfeasible"; the press may remain unless they participate in the disruption. (GC \square 54957.9)

4.2.7 CORRESPONDENCE

All writings distributed for discussion or consideration at a public meeting are public records. (GC \square 54957.5) The public is encouraged to submit written material regarding agenda items to the City Clerk a week prior to the Council meeting so that it may be included in the public packet. Written material distributed at the meeting will be made a part of the public record. If the material is too voluminous for Council to review during the meeting or is new material not previously considered, Council may at its discretion continue the item to a future meeting.

4.2.8 CLOSED SESSIONS MAY BE HELD TO DISCUSS:

- 4.2.8.1 Real Property. The purchase, sale, exchange or lease of real property with the City's negotiator; the real property and the person(s) with whom the City may negotiate must be announced in open session prior to the closed session. (GC \square 54956.8). All Real Property transactions shall be held in

closed session prior to final decision in open session and Council shall be provided with a copy of the draft real property agreement. (Reso. 46-10), (part)

- 4.2.8.2 Litigation pending or a significant exposure to litigation, or the decision to initiate litigation; the litigation or title must be identified in open session prior to the closed session unless the Council states that to do so would jeopardize its ability to conclude existing settlement negotiation or effectuate service of process. (GC α 54956.9)
- 4.2.8.3 Compensation (salaries and benefits) of employees; to review its position and instruct designated representatives. (GC α 54957.6)
- 4.2.8.4 Personnel. The appointment, employment, evaluation of performance, or dismissal, of a public employee, or to hear complaint against the employee, unless the employee requests a public hearing. (GC α 549576)

4.3 SPECIAL MEETINGS

Special Meetings may be called by the Mayor or a majority of the Council, with strict notification requirements delivered to the media and Council 24 hours before the time of the meeting. (GC α 54956)

4.4 EMERGENCY MEETINGS

Emergency meetings may be called without the normal 24 hour notice and posting requirements if prompt action is required due to the disruption or threatened disruption of public facilities. Only work stoppages, crippling disasters or other activities that severely impair the public health and/or safety qualify for emergency meetings. (GC α 54956.5.)

4.5 ELECTRONIC MAIL (EMAIL), THE PUBLIC RECORDS ACT AND THE BROWN ACT

City email is no less a part of “official city business” than any other written correspondence, and there is no expectation of privacy for city email messages. Good judgment and common sense should therefore prevail at all times regarding its appropriate use.

City email is subject to disclosure under the Public Records Act and is subject to the requirements of the Brown Act. While the Brown Act does not prohibit the use of email to make individual contacts between Members of the Council, or the public or staff, great care should be taken to avoid the use of email to contact a

majority of the Council, either individually or serially, “in a connected plan to engage in collective deliberation on public business.”

City email should not be used in any case where a record of any event, occurrence or statement is required or intended to be retained by the City in the ordinary course of business. City emails are intended to fulfill the same general function as ordinary daily verbal communications among City Council and City staff and are considered “transitory” documents (work-in-progress), and therefore are not subject to records retention requirements. For file management and storage purposes, City email messages should only be retained for as long as needed. In most instances this means deleting messages as you have read them, and shortly after you have sent them. (Reso. 42-05) (Reso. 64-12), (part)

If an email message, including any attachments thereto, is considered an official city record, such emails should be printed as a hard copy and filed in accordance with the city’s records retention policy. Generally, the sender of the email should be the person responsible for printing and filing it accordingly, but persons responsible for a particular program or project file shall be responsible for retaining all e-mail they send or receive related to that program or project. (Reso. 42-05)

It is the responsibility of individual City Council Members, employees and their department heads to determine if email is an official city record that must be retained in accordance with the city’s record retention policy. The city attorney will assist you in making such a determination. You should keep in mind, however, that preliminary drafts, notes or interagency or intra-agency memoranda that are not retained by the city in the ordinary course of business are generally not considered to be official city records subject to disclosure. City Council Members and employees are encouraged to delete documents that are not otherwise required to be kept by law or whose preservation is not necessary or convenient to the discharge of your duties or the conduct of the city’s business. (Reso. 42-05) (Reso. 64-12), (part)

Periodically, the city receives requests for inspection or production of documents pursuant to the Public Records Act, as well as demands by subpoena or court order for such documents. In the event such a request or demand is made for e-mail, the City Council Members or employees having control over such e-mail, once they become aware of the request or demand, shall use their best efforts, by any reasonable means available, to temporarily preserve any e-mail that is in existence until it is determined whether such e-mail is subject to preservation, public inspection or disclosure. The city clerk shall be contacted regarding any such emails within the City Council member or employee’s control. (Reso. 42-05) (Reso. 64-12), (part)

4.6 OTHER PROVISIONS

The Act provides many other restrictions and requirements; this chapter is intended merely as a Council summary and overview of the Act, and nothing in this Chapter supersedes the provisions of the Brown Act. Since State law constantly changes, it is important to ensure you have the latest information. Please check with the City Attorney and/or the City Clerk for more information.

CHAPTER FIVE COUNCIL/STAFF RELATIONSHIPS AND CONDUCT

5.1 INTENT

The City Council as a whole retains full power to accept, reject, amend, influence, or otherwise guide and direct staff actions, decisions, recommendations, workloads and schedules, departmental priorities, and the conduct of City business.

This chapter addresses the relationship and conduct between Council Members and staff with the intent of the Council to: 1) affirm that governing shall be by will of the collective Council, and 2) establish guidelines for Council and staff to ensure orderly, consistent and open City government.

5.2 GUIDELINES FOR COUNCIL MEMBERS

The Council shall recognize that the primary functions of staff are to execute Council policy and actions taken by the Council, and to keep the Council informed.

5.2.1 REQUESTS FOR INFORMATION

Individual Council Members as well as the Council as a whole shall be permitted complete freedom of access to any information requested of staff, and shall receive the full cooperation and candor of staff in being provided with any requested information.

Council Members shall make routine requests for information through the appropriate department head. Complex or comprehensive requests for information shall be made through the City Manager.

5.2.2 DIRECTION TO STAFF

Generally, Council Members shall make requests for work to be done through the City Manager. Individual Members of the Council shall make no attempt to pressure or influence staff decisions, recommendations, workloads, and schedules, and departmental priorities without the prior knowledge and approval of the Council as a whole.

5.3 GUIDELINES FOR STAFF

Staff shall recognize that its primary function is to execute Council policy and to keep the Council informed. Staff shall present the Council with all relevant information, as well as alternatives, in an objective, succinct manner. The City Manager and staff are committed to treating each Council Member equally.

5.3.1 TIMELY RESPONSE

City staff will make every effort to respond in a timely and professional manner to all requests made by individual Council Members for information or assistance, provided that, in the judgment of the City Manager the request is not of a magnitude, either in terms of workload or policy, which would require that it more appropriately be assigned to staff through the collective direction of the City Council. In terms of making this judgment, the following guidelines should be considered: The request should be specific and limited in scope so that staff can respond without altering other priorities and with only minimal delay to other assignments; the request should only impose a "one-time" work requirement, as opposed to an on-going work requirement; the response to the request should not require a significant allocation of staff resources (generally defined as consisting of more than one staff person, or a single staff person working on the issue in excess of 1-2 hours).

5.3.2 DIRECTION FROM COUNCIL

Staff is obligated to take guidance and direction only from the Council as a whole or from the appropriate management superiors as may be the case. Staff is directed to reject any attempts by individual Members of the Council to unduly influence or otherwise pressure them into making, changing or otherwise suppressing staff decisions or recommendations, or changing departmental work schedules and priorities. Staff shall report such attempts to influence them in confidence to the City Manager, who may inform the Council as a whole of such attempts.

5.3.3 STAFF SUPPORT TO INDIVIDUAL COUNCIL MEMBERS

An exception to the above guidelines may be staff work required in support of a Council Member designated by the City Council to represent the City in an intergovernmental role (e.g., Membership on Joint Powers Authority), or relative to a special assignment (e.g., a special task force).

5.3.4 INFORMATION DISTRIBUTION

In cases where a staff response to an individual Council Member request involves written material that may be of interest to other Council Members, the City Manager will provide copies of the material to all other Council Members. In making this judgment, the City Manager will consider whether the information is significant or new or otherwise not available to the Council or of interest to the Council.

5.3.5 SIGNIFICANT INFORMATION

Any information, service-related needs, or policy positions perceived as necessary by individual Council Members, which cannot be fulfilled per the above guidelines, should be raised by the individual Council Member under the "Declaration of Future Agenda Items" category of a regularly scheduled City Council meeting. If so directed by the collective action of the Council, then staff will proceed to complete the work within Council established deadlines.

5.4 USE OF CITY LETTERHEAD

Staff will not prepare correspondence representing a Councilmember's personal point of view or a dissenting point of view from an official City policy or Council position. If Councilmembers use their title, position, or City letterhead to express a personal opinion, the letter shall state "I am writing this letter on behalf of myself" and, the official City position must also be stated clearly so the audience understands the difference/relationship between the official City position and the viewpoint of the Councilmember. If a letter is written on behalf of the majority of the City Council, the letter shall state "I am writing this letter on behalf of the City Council". A copy of any and all correspondence developed by or for a Councilmember on City letterhead shall be provided to the City Manager and the rest of the City Council. (Reso. 50-07), (Reso. 11-10), (part)

5.5 INPUT ON HIRING AND EVALUATION OF DEPARTMENT HEADS

5.5.1 HIRING

In an outside recruitment situation where the City Manager is hiring a Department Head, the City Council, as a group will be invited to an informal social setting, such as lunch, to meet the top candidates for the position. Following the event, Council members will provide the City Manager with any comments regarding the candidates prior to the final decision of the City Manager. (Reso. 46-10)

In an internal recruitment situation, the City Manager will provide the hiring plan to the City Council in a closed session, and Council members will have an opportunity for comments, prior to final hiring. (Reso. 46-10)

5.5.2 INPUT ON EVALUATION OF DEPARTMENT HEADS

Prior to the City Manager's completion of the annual evaluation of each Department Head (usually in December of each year), the City Council will be asked to submit in writing, that will remain confidential, any comments they would like the City Manager to consider in regard to the performance of the Department Head. (Reso. 46-10)

**CHAPTER SIX
ADVISORY BOARD PROCEDURES**

6.1 COUNTY OR REGIONAL REPRESENTATION

Annually, the Mayor 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 6.5 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.

6.2 OTHER COUNCIL REPRESENTATION, SUBCOMMITTEES

6.2.1 COUNCIL LIAISON ASSIGNMENTS

The City Council shall assign a Council liaison to each of the following advisory boards: Recreation & Parks Commission, Harbor Advisory Board, Public Works Advisory Board, , and Tourism Business Improvement District Advisory Board. (Reso. 46-10), (part)

The purpose of the liaison assignment is to facilitate communication between the City Council and the advisory body. The liaison also helps to increase the Council's familiarity with the membership, programs and issues of the advisory body. In fulfilling their liaison assignment, members should either attend advisory body meetings or watch the meeting broadcasts and maintain communication with the advisory body on a regular basis. (Reso. 46-10)

Members should be sensitive to the fact that they are not participating members of the advisory body, but are there rather to create a linkage between the City Council and the advisory body. In interacting with advisory bodies, Council Members are to reflect the views of the Council as a body. Being an advisory body liaison bestows no special right with respect to advisory body business. (Reso. 46-10)

6.2.2 OTHER COUNCIL SUBCOMMITTEES

Council may establish subcommittees of no more than two members to address areas of concern and/or study.

6.3 ROLE OF ADVISORY BOARD MEMBERS AT COUNCIL MEETINGS

6.3.1 INTENT

To honor advisory board deliberations, views and positions on issues before Council; enhance communications between Council and their advisory bodies; and allow participation and input by advisory board members.

6.3.2 COUNCIL AGENDA REPORTS

6.3.2.1 Recommendation Differences. For those rare occasions when the City Manager recommendation differs from an advisory board recommendation, the difference should be clearly noted.

6.3.3 COUNCIL MEETINGS

6.3.3.1 Members of an advisory board are free to appear and give testimony before Council using the public microphone, after identifying whether they are speaking as a representative of the advisory board or as a private citizen.

6.3.3.2 Reports to Council must be in written form.

6.3.3.3 Advisory boards will provide quarterly written or oral reports to the City Council on a rotating member basis. (Reso. 46-10)

6.4 ROLE OF CITY STAFF PERSONS

Staff support and assistance may be provided or made available, but advisory bodies do not have supervisory authority over City employees. While they may work closely with advisory bodies, staff members remain responsible to their immediate supervisors and ultimately to the City Manager and Council. The members are responsible for the functions of the advisory board and the chairperson is responsible for committee compliance with applicable policies and procedures.

Staff support includes preparation of a summary agenda in conjunction with the Chairperson, and preparation of agenda reports providing a brief background of the issue, a list of alternatives, recommendations, and appropriate backup material, if necessary. Members of advisory bodies are volunteers and should be treated with respect and courtesy. Advisory board members should have sufficient information to reach decisions based upon a clear explanation of the issues within their charge. Sometimes members of advisory bodies may request information not related to their area of service. Staff members should in this case provide the same level of information and assistance as would be accorded any citizen. If in the judgment of staff the request goes beyond that standard, the

matter will be turned over to the City Manager. A staff person will be assigned to serve as Secretary, taking minutes as needed.

It is important that advisory bodies wishing to communicate with the City Council do so through adopted or approved Council agenda procedures. Staff members shall assist the advising board to insure appropriate review and that City and State legislation is complied with.

6.5 APPOINTMENT PROCEDURES

The following procedures shall be the policy of the City Council in regard to appointment of volunteer citizens to the various advisory bodies of the City.

6.5.1 PURPOSE

The purpose of establishing these procedures shall be to insure that well-qualified, responsible and willing citizens are given the opportunity to serve the City and participate in the governing of their community. These procedures will apply to all appointments and reappointments to standing advisory bodies.

6.6 PROCESS

6.6.1 QUALIFICATIONS

6.6.1.1 The applicant must be a resident and registered voter of the City at the time and during the entire term of appointment, unless excepted by State law or Council approved special requirements in advisory committee by-laws.

6.6.1.2.1 The applicant must be at least 18 years of age at the time of appointment.

6.6.1.2.2 Elected Officials, Officers and Employees of the City of Morro Bay shall not be considered for appointment.

6.6.2 TERMS

6.6.2.1 The term of office for each appointee to an advisory board shall be a maximum of four years unless excepted by State law or Council approved special requirements in advisory committee by-laws. The terms are staggered so that in no event, will all terms on any committee expire in the same year. Incumbents may apply for subsequent terms of service. Terms of Office will expire on January 31, of the specified year.

6.6.2.2 Persons appointed to fill the remainder of a vacated office term may reapply to serve on the same advisory board.

- 6.6.2.3 Mid-term appointment to a vacant seat shall not preclude the appointee from serving additional terms.
- 6.6.2.4 As a general policy, an applicant shall not be appointed to serve on more than one advisory board, except that a member may also serve on one technical or special-purpose committee at the same time. If appointed to another committee, he/she will be expected to resign from one board upon being appointed to another.

6.6.3 PROCESS

- 6.6.3.1 Applications are obtained and filed with the City Clerk's Office.
- 6.6.3.2 Prior to November 30, of each year, the City Clerk shall advise the City Council of the terms that are due to expire on each advisory board. The City Clerk shall also notify each advisory member whose term is due to expire. Each of these members shall be given the opportunity to apply for reappointment.
- 6.6.3.3 The City Clerk shall then place an advertisement in the local newspaper, inviting citizens to apply for consideration as an appointment to an advisory board, with instructions regarding the application process.
- 6.6.3.4 It is recommended that applicants attend at least one meeting of the advisory body applied for prior to the interview with the City Council.
- 6.6.3.5 The City Council shall, in a noticed public meeting, interview qualified applicants. In making appointments, the Council shall strive for a representative cross-section of both lay and professional knowledge. The Council will act by separate motion on each appointment made.
- 6.6.3.6.1 Applicants not appointed will be advised and their applications held for up to one year for consideration in the event of a future vacancy.
- 6.6.3.6.2 Candidates not appearing for interview before the City Council will be considered for appointment only upon a finding of the City Council by motion that the absence arises from excusable neglect.



AGENDA NO: A-6

MEETING DATE: June 10, 2014

Staff Report

TO: Honorable Mayor and City Council

DATE: May 28, 2014

FROM: Cindy Jacinth, Associate Planner

SUBJECT: Resolution No. 35-14 Approving a Cooperation Agreement between the County of San Luis Obispo and the City of Morro Bay for Joint Participation in the Community Development Block Grant Program, the Emergency Solutions Grant Program, and the Housing Opportunities for Persons with Aids Program for Fiscal Years 2015-2017

RECOMMENDATION

Council review, and approve Resolution No. 35-14 including authorization for the City Manager to submit a letter of intent for participation in the Urban County for Fiscal Years 2015-2017.

ALTERNATIVES

The City Council may move to decline participation in the Urban County of San Luis Obispo, which would decline federal formula CDBG allocation or entitlement and become an eligible applicant to the competitive State CDBG, HOME and ESG programs.

FISCAL IMPACT

Fiscal impact is anticipated to be negligible as the County proposed general administration changes will be offset by increased County-administration of CDBG grants and corresponding decreased City staff administrative responsibilities.

BACKGROUND/DISCUSSION

Since 2011, the City of Morro Bay has participated with other cities and the County of San Luis Obispo as an "Urban County" for purposes of U.S. Department of Housing and Urban Development (HUD) entitlement funding for fiscal years ending 2012-2014. The City's cooperation agreement with the Urban County expires June 30, 2014.

On May 14, 2014, the City received a letter (attachment 1) from the County announcing a notice of opportunity to be included in the Urban County of San Luis Obispo for purposes of Federal CDBG, HOME, and ESG Funding Programs. In order to continue participation in the Urban County, City staff has drafted a letter of intent (attachment 2) as requested by the County. The letter of intent is subject to Council approval of the Cooperation Agreement (attachment 3) by adoption of Resolution No. 35-14 (attachment 4) in order for the City of Morro Bay to

Prepared By: CJ

Dept Review: RL

City Manager Review: _____

City Attorney Review: _____

participate.

An Urban County receives annual, formal-based grants from the federal Department of Housing and Urban Development (HUD) under the Community Development Block Grant (CDBG), Home Investment Partnership Act (HOME) and Emergency Solutions Grants (ESG) programs. San Luis Obispo has been an Urban County since 1994 with current participating cities of Arroyo Grande, Atascadero, Paso Robles, San Luis Obispo and Morro Bay. The cities of Pismo Beach and Grover Beach do not participate as part of the Urban County program and instead apply as needed for grant monies as independent cities to the State Department of Housing and Community Development (HCD).

For the next 3-year cycle, staff's recommendation is the City of Morro Bay continue its participation with the Urban County, rather than apply for funds as an individual city. The estimated amount of the CDGB funding is \$60,236. If the City decides to end its participation in the Urban County program, then that could only occur at the end of the 3-year cycle.

If the City participates in the 2015-2017 cycle, then the County of San Luis Obispo will be lead agency for the Urban County. The County will perform most of the work in preparing the five-year consolidated plan, annual plans and the various federally required reports, conducting citizen participation efforts and providing training to City staff on federal CDBG requirements as well as increased administrative responsibilities from the previous cooperation agreement. City staff will still be responsible for some administrative activities in order to comply with federal requirements, but the City will be able to use up to 7% of its CDBG allocation for those staff costs.

Proposed Changes to 2015-2017 Agreement

General Grant Administration: The current 2012-2014 cooperation agreement between the City and the County allows the City to retain 20% of its allocation for general administration staff costs. The County is proposing change to that from 20% to 7%, in order for the County to cover its costs of administering the City's CDBG projects and general CDBG program administration to federal requirements; tasks which are currently the City's responsibility under the 2012-2014 agreement. Communication received from the County regarding that change is due to the dramatic increase by HUD nationwide in the level of local effort necessary to demonstrate compliance with the various federal requirements.

Minimum Funding Recommendations: Historically, CDBG funding has been a method for cities to make small public service funding awards. However, recent HUD direction nationwide has been to discourage the funding of awards that cost more to administer than the grant award itself. To address that concern by HUD, the County has proposed, in the cooperation agreement, the City shall not recommend an individual CDBG award of less than \$8,000 for public service activities due to the staff cost of processing such awards in compliance with federal requirements.

Past public service-category funding recipients have been the Community Action Partnership of SLO County in 2012 for \$8,630 and the Senior Nutrition Program in 2013 for \$8,701 and 2014 for an anticipated \$7,830 (pending announcement of final allocation). Federal requirements limit jurisdictions from awarding a maximum of 15 percent of allocation on public service activities.

For purposes of illustration, fifteen percent of the estimated Morro Bay allocation of \$60,236 would be \$9,035, if the Council approves the proposed cooperation agreement.

CONCLUSION

Staff has attached Resolution No. 35-14, which both authorizes the City Manager to submit a letter of intent and approves the Cooperation Agreement between the County of San Luis Obispo and the City of Morro Bay for participation. If the Resolution is adopted, then the Cooperation Agreement is scheduled to be presented to the County Board of Supervisors for their approval at their July 8, 2014 meeting.

ATTACHMENTS

1. May 14, 2014 Notice of Opportunity Letter
2. May 29, 2014 Letter of Intent
3. Proposed Cooperation Agreement 2015-2017 Letter
4. Resolution 35-14

ATTACHMENT 1



SAN LUIS OBISPO COUNTY

DEPARTMENT OF PLANNING AND BUILDING

Promoting the wise use of land – Helping to build great communities

May 14, 2014

Edward S. Kreins, Interim City Manager
City of Morro Bay
595 Harbor Street
Morro Bay, CA 93442

Subject: Notice of Opportunity to be Included in Urban County of San Luis Obispo for Purposes of Federal CDBG, HOME, and ESG Funding Programs

Dear Mr. Kreins:

The purpose of this letter is to notify you that the City of Morro Bay has the opportunity to participate with other cities and the County of San Luis Obispo in qualifying as an "Urban County" for fiscal years (FY) 2015-2017. You know this already because we have been in communication with your staff regarding the terms of the cooperation agreements, but HUD requires that the County send this letter to you.

Under HUD regulations, the City must notify the County in writing whether the City elects to participate or not. The County is required to provide copies of the letters from the cities no later than July 25, 2014. Additionally, if the City wishes to participate, it must execute a cooperation agreement with the County. The County must then provide a copy of all executed cooperation agreement no later than July 25, 2014.

Urban counties receive annual, formal-based grants directly from the federal Department of Housing and Urban Development (HUD) under the Community Development Block Grant (CDBG), Home Investment Partnerships Act (HOME), and Emergency Solutions Grant (ESG) programs. San Luis Obispo has been an urban county since fiscal year 1994. The current participating cities include Arroyo Grande, Atascadero, Morro Bay, Paso Robles and San Luis Obispo. The cities of Grover Beach Bay and Pismo Beach decided not to participate as part of the Urban County in 2012. Agreements between the participating jurisdictions established a formula allocating CDBG funds by jurisdictions. The HOME, and ESG funds were not formally divided up, but the cities provided recommendations to the county on these programs.

The City can choose from the following options for purposes of the CDBG, HOME and ESG programs:

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Opportunity to be included within Urban County

May 14, 2014

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1. Join the Urban County to receive CDBG allocations through the county. If the City elects to join the Urban County, the City will not be eligible to apply for grants under the state CDBG, HOME or ESG programs.
2. Decline a formula CDBG allocation or entitlement and become an eligible applicant to the competitive State CDBG, HOME and ESG programs.

The county welcomes any city that wishes to join the Urban County, and proposes to allocate an amount of CDBG funds to each participating city the equivalent to the amount that city's population base increases the Urban County's CDBG entitlement. In addition, the County will retain 13% (estimated at \$7,831) of the City's CDBG allocation to cover County costs of administering the City's CDBG projects and general CDBG program administration. This will leave an amount equal to 7% (estimated at \$4,216) of the City's CDBG allocation for City costs of general and project administration. These provisions are incorporated into the cooperation agreement previously provided to your staff.

At the current time, the County does not have the HUD data to calculate the share of CDBG funds per jurisdiction for 2015. However, we have prepared an estimate based on an assumption that the CDBG program may receive a 7.5% cut nationwide.

Estimates of Community Development Block Grant Funds by Jurisdiction

Jurisdiction	Population in Housing Units	Poverty Persons	Persons in Overcrowded Housing Units	CDBG Allocation
Arroyo Grande	17,078	1,230	125	\$65,525
Atascadero	27,345	2,926	282	\$133,395
Grover Beach	13,143	1,801	280	\$83,953
Morro Bay	10,049	1,246	202	\$60,236
Paso Robles	29,280	3,572	440	\$163,259
Pismo Beach	7,707	378	105	\$28,962
San Luis Obispo	43,575	13,290	463	\$422,646
County	105,566	10,320	1,698	\$675,525
Total Urban County	253,743	34,763	3,595	\$1,633,501

Data source: 2008-2012 American Community Survey 5-Year Estimates

Here are a few factors you should consider before deciding whether to continue as part of the Urban County:

1. The County will, as lead agency for the Urban County, prepare the five-year consolidated plan, the annual plans, and the various federally required reports, conduct citizen participation efforts, and provide training to City staff on federal CDBG requirements. The County will also administer the City's CDBG projects, including subrecipient agreements, processing payments,

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Opportunity to be included within Urban County

May 14, 2014

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preparing reports and monitoring of subrecipients. City staff will still be responsible for limited administrative activities in order to comply with federal requirements, but the City will be able to use up to 7% of its CDBG allocation to pay the costs of staff time needed.

2. Once the City enters into the three-year cooperative agreement required to become part of the Urban County, it cannot drop out of the Urban County until the three years pass.

If your City wishes to join the Urban County then the City and the County must execute a new three-year cooperative agreement, unless the City notifies the County in writing of its intent not to participate. The County has tentatively scheduled an item for the Board of Supervisors to approve the cooperation agreements with the cities on July 8, 2014.

We look forward to working with you over the next three years, should you join the Urban County. Please feel free to call me 781-5715 if you have any questions about this matter.

Sincerely,



Dana Lilley, Supervising Planner

cc. Cindy Jacinth, Associate Planner



City of Morro Bay

Morro Bay, CA 93442

(805) 772-6200

www.morro-bay.ca.us

May __, 2014

Dana Lilley, Supervising Planner
San Luis Obispo County
Department of Planning and Building
County Government Center
San Luis Obispo, CA 93408

RE: Intent to Participate Urban County Cooperation Agreement 2015-2017

Dear Mr. Lilley,

Thank you for your letter dated May 14, 2014 regarding the County's notification to the City of the opportunity to participate with other cities and the County as an "Urban County" for fiscal years (FY) 2015-2017.

At its meeting of June 10, 2014, the Morro Bay City Council directed staff to send this letter indicating the City's intent to remain with the Urban County in order to continue to receive CDBG allocations through the County. At that same meeting, the City Council approved the Cooperation Agreement that was previously forwarded to staff by your office, as amended.

It is our understanding with that entitlement allocation; the County would retain 13% (estimated at \$7,831) of the City's CDBG allocation to cover County costs of administering the City's CDBG projects and general CDBG program administration. That would leave an amount equal to 7% (estimated at \$4,216) of the City's CDBG allocation for City costs of general and project administration.

Please feel free to contact Cindy Jacinth in the Planning Division of the Public Services Department at 772-6577 if you have any questions.

Sincerely,

Edward Kreins
Interim City Manager

FINANCE
595 Harbor Street

ADMINISTRATION
595 Harbor Street

FIRE DEPT.
715 Harbor Street

PUBLIC SERVICES
955 Shasta Avenue

HARBOR DEPT.
1275 Embarcadero Road

CITY ATTORNEY
595 Harbor Street

POLICE DEPT.
870 Morro Bay Boulevard

RECREATION & PARKS
1001 Kennedy Way

ATTACHMENT 3

A COOPERATION AGREEMENT BETWEEN THE COUNTY OF SAN LUIS OBISPO AND THE CITY OF MORRO BAY FOR JOINT PARTICIPATION IN THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, THE HOME INVESTMENT PARTNERSHIPS PROGRAM, THE EMERGENCY SOLUTIONS GRANT PROGRAM, AND THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM FOR FISCAL YEARS 2015 THROUGH 2017

THIS AGREEMENT is made and entered into this ____ day of _____, 2014, by and between the County of San Luis Obispo, a political subdivision of the State of California, hereinafter called “the County”; and the City of Morro Bay, a municipal corporation of the State of California, located in the County of San Luis Obispo, hereinafter called “the City” (jointly referred to as “the Parties”).

WITNESSETH

WHEREAS, in 1974, the U.S. Congress enacted and the President signed a law entitled, The Housing and Community Development Act of 1974, herein called “the Act”. The Act is omnibus legislation relating to federal involvement in a wide range of housing and community development activities and contains eight separate titles; and

WHEREAS, Title I of the Act is entitled “Community Development” and governs programs for housing and community development within metropolitan cities and urban counties or communities by providing financial assistance annually for area-wide plans and for housing, public services and public works programs; and

WHEREAS, the Community Development Block Grant (CDBG) Program, the HOME Investment Partnerships (HOME) Program, the Emergency Solutions Grant (ESG) Program, and the Housing Opportunities for Persons with AIDS (HOPWA) Program are consolidated under Title I of the Act; and

WHEREAS, the County has requested of the federal Department of Housing and Urban Development, hereinafter referred to as “HUD,” for the County to be designated as an “urban county”; and

WHEREAS, the County needs to requalify as an urban county and will be eligible to receive CDBG funds; provided, that the County’s entitled cities defer their entitlement to the County to enable both the County and the entitlement cities to jointly participate in the program; and

WHEREAS, the City desires to participate jointly with the County in said program; and

ATTACHMENT 3

WHEREAS, if HUD redesignates the County as an urban county, then the County may also be eligible to receive funds from the Home Investment Partnership Program (hereinafter referred to as “HOME”), the Emergency Solutions Program (hereinafter referred to as “ESG”), and the Housing Opportunities for Persons with Aids Program (hereinafter referred to as “HOPWA”); and

WHEREAS, the CDBG Regulations issued pursuant to the Act provide that qualified urban counties must submit an application to HUD for funds, and cities and smaller communities within the metropolitan area not qualifying as metropolitan cities may join the County in said application and thereby become a part of the County’s more comprehensive effort; and

WHEREAS, as the urban county applicant, the County must take responsibility and assume all obligations of an applicant under federal statutes, including: the analysis of needs, the setting of objectives, the development of community development and housing assistance plans, the consolidated plan, and the assurances of certifications; and

WHEREAS, by executing this Agreement, the Parties hereby give notice of their intention to participate in the urban county CDBG, HOME, ESG, and HOPWA programs.

NOW THEREFORE, in consideration of the mutual promises, recitals and other provisions hereof, the Parties agree as follows:

SECTION I. General.

- A. **Responsible Officers.** The Director of the County’s Department of Planning and Building (hereinafter referred to as “Director”) is hereby authorized to act as applicant for the CDBG, HOME, ESG, and HOPWA programs and to administer funding and activities under the programs. The City Manager is hereby authorized to act as the responsible officer of the City under the programs.
- B. **Full Cooperation.** Parties agree to fully cooperate and to assist each other in undertaking eligible grant programs or projects, including but not limited to community renewal and lower income housing assistance activities, specifically urban renewal and publicly-assisted housing; public services; and economic development.
- C. **Term of Agreement – Automatic Renewal Provision.** The term of this Agreement shall be for a period of three (3) years commencing July 1, 2015 through June 30, 2017. In addition, this Agreement provides for automatic renewal for participation in successive three-year qualification periods, unless the City provides written notice at least 60 days prior to the end of the term that it elects not to participate in a new qualification period.

ATTACHMENT 3

Before the end of the first three-year term, the County will notify the City in writing of its right not to participate in the urban county for a successive three-year term.

The Parties agree to adopt amendments to this Agreement incorporating changes necessary to meet the requirements for cooperation agreements set forth in an Urban County Qualification Notice by HUD for a subsequent three-year urban county qualification period, prior to the subsequent three-year extension of the term. Any amendment to this Agreement shall be submitted to HUD as required by the regulations and any failure to adopt required amendments will void the automatic renewal of this Agreement for the relevant qualification period.

This Agreement remains in effect until the CDBG, HOME, ESG, and HOPWA program funds and income received with respect to the three-year qualification period, and the subsequent three-year renewals are expended and the funded activities are completed. The Parties may not terminate or withdraw from this Agreement while this Agreement remains in effect.

- D. **Scope of Agreement.** This Agreement covers the following formula funding programs administered by HUD where the County is awarded and accepts funding directly from HUD: the CDBG Entitlement Program, the HOME Program, the ESG Program, and the HOPWA Program.

SECTION II. Preparation and Submittal of CDBG Funding Applications.

- A. **Inclusion of City as Applicant.** The Parties agree the City shall be included in the application the County shall submit to the HUD for Title I Housing and Community Development Block funds under the above recited Act.
- B. **Consolidated Plan.** The City shall assist the County by preparing a community development plan, for the period of this Agreement, which identifies community development and housing needs, projects and programs for the City; and specifies both short and long-term City objectives, consistent with requirements of the Act. The County agrees to: (1) include the City plan in the program application, and (2) include City's desired housing and community development objectives, policies, programs, projects and plans as submitted by the City in the County's consolidated plan.
- C. **Application Submittal.** The County agrees to commit sufficient resources to completing and submitting the Consolidated Plan and supporting documents to HUD in time for the Parties to be eligible to receive funding beginning July 1, 2015, and to hold public hearings as required to meet HUD requirements.

ATTACHMENT 3

- D. **The County's Responsibility.** The Parties agree the County shall, as applicant, be responsible for holding public hearings and preparing and submitting the CDBG funding application and supporting materials in a timely and thorough manner, as required by the Act and the federal regulations established by HUD to secure entitlement grant funding beginning July 1, 2015.
- E. **Grant Eligibility.** In executing this Agreement, the Parties understand they shall not be eligible to apply for grants under the Small Cities or State CDBG Programs for appropriations for fiscal years during the period in which the Parties are participating in the urban county CDBG entitlement program; and further, the City shall not be eligible to participate in the HOME, ESG or HOPWA programs, except through the urban county.

SECTION III. Program Administration.

- A. **Program Authorization.** The County Administrator is hereby authorized to carry out activities that will be funded from the annual CDBG, HOME, ESG, and HOPWA programs from fiscal years 2015, 2014, and 2017 appropriations and from any program income generated from the expenditure of such funds.
- B. **Responsibilities of Parties.** The Parties agree the County shall be the governmental entity required to execute any grant agreement received pursuant to the CDBG, HOME, ESG, and HOPWA applications, and subject to the limitations set out in this Agreement; the County shall thereby become liable and responsible, thereunder, for the proper performance of the plan and CDBG, HOME, ESG, and HOPWA under the County programs. The City agrees to act in good faith and with due diligence in performance of the City's obligations and responsibilities under this Agreement and under all subrecipient agreements. The City further agrees it shall fully cooperate with the County in all things required and appropriate to comply with the provisions of any Grant Agreement received by the County pursuant to the Act and its Regulations.
- C. **The City's Assistance.** The City agrees to undertake, conduct, perform or assist the County in performing the essential community development and housing assistance activities identified in the City's community development plan. Pursuant to the Act and pursuant to 24 CFR 570.501(b), the City is subject to the same requirements applicable to subrecipients, including the requirement of a written agreement with the County as set forth in 24 CFR 570.503.

SECTION IV. Use of Program Funds.

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- A. **Allocation of CDBG funds.** All funds received by the County pursuant to this Agreement shall be identified and allocated, as described below, to the specific projects or activities set out in the application, and such allocated amounts shall be expended exclusively for such projects or activities; provided, however, that a different distribution may be made when required by HUD to comply with Title I of the Housing and Community Development Act of 1974, as amended.
- 1) **Metropolitan Cities' Allocation.** The Parties agree the County shall make available to the City a total amount of CDBG funds equal to that which City would have been entitled had it applied separately as a "metropolitan city," using HUD allocation formulas as applied by County, except that an amount equal to thirteen (13) percent of the Metropolitan Cities' allocations of CDBG funds will be deducted by the County to meet its obligations under the terms of this Agreement or HUD requirements for administrative costs. Further, with respect to the availability of the funds, the County agrees to fully cooperate and assist the City in expending such funds.
 - 2) **Non-Metropolitan Cities' Allocation.** The County agrees to allocate a portion of CDBG program funds to the non-Metropolitan, incorporated cities participating in the program. The amount of allocation per city shall be equal to that which the urban county formula award from HUD increases as a result of the HUD allocation formulas as applied by the County, except an amount equal to thirteen (13) percent of the Non-Metropolitan Cities' allocations of CDBG funds will be deducted by the County to meet its obligations under the terms of this Agreement or HUD requirements for administrative costs..
 - 3) The City agrees it shall not recommend an individual CDBG award of less than \$8000 for public service activities due to the staff cost of processing such awards in compliance with federal requirements. The County may question inclusion of such a project. Notwithstanding, the City and County each may make an award of \$8,000 which is aggregated to a greater amount).
- B. **Availability of Funds.** The County agrees to make CDBG funds available to all participating incorporated cities as set out here when HUD makes the CDBG funds available to it. The County shall immediately notify the participating incorporated cities of the availability of the funds.

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It is understood by the Parties hereto the CDBG funds being used for the purposes of this Agreement are funds furnished to the County, through HUD, pursuant to the provisions of the Act. Notwithstanding any other provision of this Agreement, the liability of the County shall be limited to CDBG funds available for the Project. The City understands the County must wait for release of CDBG funds from HUD before CDBG funds may be advanced or reimbursed. The County shall incur no liability to the City, its officers, agents, employees, suppliers, or contractors for any delay in making any such payments, if that delay is the result of a delay in the release of CDBG funds from HUD.

- C. **Administrative and Public Services Costs.** The County hereby acknowledges that City, as subrecipient, incurs certain administrative costs in preparing housing and economic development plans, program planning, management and accounting, professional support services, and other reasonable and necessary expenses to carry out the City's plan; and further, the County agrees, after the availability of CDBG program funds to the City, the County shall not use its remaining balance of funds in any way that would limit the City's ability to use its CDBG funds to the maximum extent allowed by HUD for administrative, public service, or program purposes.
- D. **Income Generated.** The City shall notify the County of any income generated by the expenditure of CDBG funds received by the City. Such program income may be retained by the City subject to the provisions of this Agreement, the Act and its Regulations. Any program income retained must only be used for eligible activities in accordance with all CDBG requirements as they apply.
- E. **Use of Program Income.** The County shall monitor the use of any program income, requiring appropriate record-keeping and reporting by the City as may be needed for this purpose, and shall report the use of such program income to HUD. In the event of close-out or change of status of the City, all program income on hand or received by the City subsequent to the close-out or change of status shall be paid to the County. In the event the City withdraws from the urban county to become an entitlement grantee, as provided under 24 CFR 570.504, all program income on hand or received by the City from urban county activities shall be retained by the City to be used as additional CDBG funds subject to all applicable requirements governing the use of CDBG funds.
- F. **Change in Use of Property.** The City shall notify the County of any modification or change in the use of real property acquired or improved in whole or in part using CDBG funds that is within the control of the

ATTACHMENT 3

City, from that use planned at the time of acquisition or improvement including disposition. Such notification shall be made within thirty (30) calendar days after such change of use and comply with the provisions of 24 CFR 570.505.

- G. **Fair Housing Implementation.** The Parties agree no urban county funding shall be allocated or expended for activities in or in support of any cooperating unit of general local government that does not affirmatively further fair housing within its own jurisdiction or that impedes the County's actions to comply with its fair housing certification.
- H. **Conflict Resolution.** In the event of disagreement between the County and the City as to the allocations, disbursement, use, or reimbursement of CDBG funds, the Parties agree to accept HUD's written determination as to the appropriate resolution or disposition of funds to the extent HUD is willing to resolve such disagreement.

SECTION V. Amendment or Extension of Agreement.

- A. **Subrecipient Agreement.** For each fiscal year during the term of this Agreement, the County and the City shall enter into a Subrecipient Agreement, prepared jointly by the County and the City, which will list the project(s) City will undertake with its CDBG entitlement funds during that program year. Said Subrecipient Agreement will set forth the project changes, time schedule for completion of the project(s), and additional funding sources, if any. If substantial compliance with the completion schedule cannot be met by the City due to unforeseen or uncontrollable circumstances, then the County may extend the schedule for project completion, as allowed by federal regulations.
- B. **Amendments.** Any amendments to this Agreement shall be in writing. The Parties agree any such fully executed amendment or amendments to this Agreement may be entered into at any time if required or necessary to implement the plans contemplated hereunder, or to comply with any grant agreement or the regulations issued pursuant to the Act.

SECTION VI. Compliance with Federal Regulations.

- A. **General.** The Parties agree to take all actions necessary to assure compliance with the urban county's certifications required by section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended, regarding Title VI of the Civil Rights Act of 1964, the Fair Housing Act, affirmatively furthering fair housing, Section 109 of Title I of the Housing and Community Development Act of 1974; the National Environmental Policy Act of 1969; the Uniform Relocation

ATTACHMENT 3

Assistance and Real Property Acquisition Act of 1970; and other applicable laws.

B. **Citizen Participation.** The Parties agree to comply with federal citizen participation requirements of 24 CFR Part 91, and provide citizens with:

- 1) An estimate of the amount of CDBG funds proposed to be used for activities that will benefit persons of low and moderate income; and
- 2) A plan for minimizing displacement of persons as a result of CDBG-assisted activities and programs, and to provide assistance to such persons.

C. **Citizen Participation Plan.** The Parties agree to follow a citizen participation plan which:

- 1) Provide for and encourages citizen participation, particularly those of low or moderate income who reside in slum or blighted areas where CDBG funds are proposed to be used;
- 2) Provide citizens with reasonable and timely access to local meetings, staff reports, and other information relating to grantee's proposed use of funds, as required by HUD regulations related to the actual use of funds under the Act;
- 3) Provides for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least: 1) formulation of needs, 2) review of proposed grant activities, and 3) review of program performance for which public hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation of handicapped persons;
- 4) Provides for a timely written answer to written complaints and grievances, within 15 working days where practicable;
- 5) Identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate; and
- 6) Identifies the use of non-traditional methods of community outreach, including the provision of CDBG documents in a user-friendly format, including but not limited to Braille, large print, oral format, and delivering copies to homebound individuals.

ATTACHMENT 3

D. The Parties hereby certify, to the best of their knowledge and belief,:

- 1) **Conflict of Interest.** No federal grant monies have been paid or will be paid, by or on behalf of the Parties, to any officer or employee or any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan, or cooperative agreement.
- 2) **Influence.** If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- 3) **Certifications Disclosure.** The Parties agree to include this certification in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements), and that all grant subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was entered into.

E. Certification Regarding Policies Prohibiting Use of Excessive Force and Regarding Enforcement of State and Local Laws Barring Entrances.

In accordance with Section 519 Public Law 101-144 (the 1990 HUD Appropriations Act), the City certifies it has adopted and is enforcing.

- 1) A policy prohibiting the use of excessive force by law enforcement agencies within their respective jurisdictions against any individuals engaged in non-violent civil rights demonstrations; and
- 2) A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within their jurisdictions.

ATTACHMENT 3

SECTION VII. Execution of Agreement and Recordkeeping.

- A. **HUD Certification.** The Director is hereby authorized to execute and submit to the County the HUD Certification Form with respect to the community development activities carried out within the boundaries of the City. It is further understood the County will rely upon the certification executed by the Director for purposes of executing a certification form for submission to HUD.

- B. **Maintenance of Records.** The City shall maintain records of activities for any projects undertaken pursuant to the program, and said records shall be open and available for inspection by auditors assigned by HUD and the County on reasonable notice during the normal business hours of the City.

ATTACHMENT 3

NOW, THEREFORE, the Parties hereto have caused this Agreement to be executed and attested by their proper officer thereunder duly authorized, and their official seals to be hereunto affixed, all as of the day first above written.

County Counsel Certification

The Office of the County Counsel hereby certifies that the terms and provisions of this Agreement are fully authorized under State and local laws, and that this Agreement provides full legal authority for the County to undertake or assist in undertaking essential community development and housing assistance activities, specifically urban renewal and publicly assisted housing.

By: _____
Deputy County Counsel

Date: _____
COUNTY OF SAN LUIS OBISPO

By: _____
Chairperson of the Board of Supervisors

Date: _____

ATTEST:

Julie Rodewald, County Clerk

Date: _____

[Signatures continued on page 12]

ATTACHMENT 3

[Signatures continued from page 11]

NOW, THEREFORE, the Parties hereto have caused this Agreement to be executed and attested by their proper officer therunder duly authorized, and their official seals to be hereunto affixed, all as of the day first above written.

CITY OF MORRO BAY

JAMIE IRONS, MAYOR

Date: _____

ATTEST:

JAMIE BOUCHER, CITY CLERK

Date: _____

APPROVED AS TO CONTENT:

ED KREINS, INTERIM CITY MANAGER

Date: _____

APPROVED AS TO FORM:

JOSEPH W. PANNONE, INTERIM CITY ATTORNEY

Date: _____

RESOLUTION NO. 35-14

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
APPROVING A COOPERATION AGREEMENT BETWEEN THE COUNTY OF
SAN LUIS OBISPO AND THE CITY OF MORRO BAY FOR JOINT PARTICIPATION
IN THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, THE HOME
INVESTMENT PARTNERSHIP PROGRAM, THE EMERGENCY SOLUTIONS
GRANT PROGRAM, AND THE HOUSING OPPORTUNITIES FOR PERSONS WITH
AIDS (HOPWA) PROGRAM FOR FISCAL YEARS 2015-2017**

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

WHEREAS, the County of San Luis Obispo (“County”), a political subdivision of the State of California, and the City of Morro Bay (“City”) a municipal corporation, desire to participate in the Community Development Block Grant (CDBG) program administered by the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, said program will promote the public health, safety and welfare by providing grant funds to be used by the City and County to improve housing opportunities for low and moderate income households, to encourage economic reinvestment, to improve community facilities and public services, and to provide other housing-related facilities, or services; and

WHEREAS, the County submitted to the City a Notice of Opportunity to be included in Urban County of San Luis Obispo for Purposes of Federal CDBG, HOME, and ESG Funding in a letter dated May 14, 2014; and

WHEREAS, the County’s May 14, 2014 letter states that under HUD regulation, the City must notify the County in writing whether the City elects to participate in the Urban County; and

WHEREAS, the City desires to participate jointly with the County in said program; and

WHEREAS, HUD requires that the parties enter into a cooperation agreement to define their rights and obligations as a prerequisite of participation in the CDBG program; and

WHEREAS, the proposed cooperation agreement is consistent with the General Plan and with City and County policies encouraging cooperation between agencies on issues of regional significance such as affordable housing; and

WHEREAS, the proposed cooperation agreement will promote the public health, safety and welfare by enabling the City and County to participate in the U.S. Department of Housing and Urban Development’s CDBG program under an “Urban County” entitlement; thus making available funds for a variety of housing, economic development, and public services programs not otherwise available; and

WHEREAS, the City and County enter into yearly subrecipient agreements which establish administrative policies and procedures, performance standards, and guidelines for funding specific CDBG programs and projects; and

WHEREAS, the proposed cooperation agreement is not a “project” for purposes of compliance with the provisions of the California Environmental Quality Act (CEQA) and the City’s CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, as follows:

1. The City Council hereby approves and authorizes the City Manager to submit a letter of intent to participate and also enter into a cooperation agreement with the County to enable joint participation in HUD’s CDBG program.
2. The City Manager or his/her designee is hereby authorized to act on behalf of the City in connection with the implementation of the agreement, ongoing operation of the CDBG program, and other activities necessary to carry out the intent of the cooperation agreement.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 10th day of June, 2014 on the following vote:

AYES:

NOES:

ABSENT:

Jamie L. Irons, Mayor

ATTEST:

Jamie Boucher, City Clerk



AGENDA NO: A-7

MEETING DATE: June 10, 2014

Staff Report

TO: Honorable Mayor and City Council

DATE: May 29, 2014

FROM: Eric Endersby, Harbor Director

**SUBJECT: Request for Additional Funding for Morro Bay North T-Pier Repair Project
MB-2013-H1**

RECOMMENDATION

Staff recommends approval of the request for additional funding of \$55,000 to be allocated to the North T-Pier Reconstruction Capital Account.

ALTERNATIVES

1. Approve request of additional funds (staff recommendation).
2. Do not approve the request.

FISCAL IMPACT

Transfer of an additional \$55,000 from the Harbor Accumulation Fund to the North T-Pier Reconstruction Capital Account.

SUMMARY

The Morro Bay North T-Pier Repair Project was authorized, funded and put out for bid late last year based on the initial Engineering Inspection of the pier. In January, 2014, Associated Pacific Constructors (APC) was awarded the project contract and construction began. The project budget was later augmented with \$125,000 in order to complete additional desired repair elements. An additional amount of \$55,000 is being requested to fund new repair elements that have become known since the pier was opened-up for repair.

BACKGROUND

At the January 28, 2014, City Council meeting, APC was awarded the repair contract for the North T-Pier after the project was put out for bid last fall. Once the bid for the base work was established, staff worked with our Engineering and Construction Management consultants to identify additional necessary and desired repair elements that could be accomplished, in addition to determining what the necessary geotechnical engineering consultant requirements would be for the project. At the

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____

February 11, 2014, City Council meeting, as part of the Mid-Year Budget Amendment process, staff requested and was granted an augmentation of \$125,000 to the project budget to complete the additional repairs and to hire the necessary geotechnical consulting engineer.

DISCUSSION

APC began construction on the project early in May, 2014. As with any major maintenance and repair project of a large wooden structure, there will be hidden or unknown issues that won't be revealed until the pier is "opened-up" for repair. To date, APC has the primary area of repair, the south leg of the pier, un-decked and open to complete access for inspection and repair. While certain assumptions were made in the scope of the bid and repair documents and in funding the project, now that the pier is open, it was determined that almost all of the edge beams on the south leg will require replacement in order to maintain the pier's structural integrity. This is due to the condition of the beams and their attachments, which could not be determined until the structures surrounding them were removed.

Although a contingency amount was built into the budget for unknowns, that contingency is inadequate to take care of the additional edge beams. Staff has evaluated the budget and cost estimate provided by our Engineer and Construction Manager, and determined that an additional \$55,000 should be added to the project budget. That amount includes a \$10,000 contingency for other items that may come up; however, with the south leg of the pier being the primary focus of the project because of its more deteriorated condition, other significant issues are not anticipated as construction progresses.

CONCLUSION

Staff recommends an additional funding amount of \$55,000 be allocated to the North T-Pier Reconstruction project in order that newly revealed structural defects with the pier can be properly addressed. As the piling and other work on the pier progresses, repairing the edge beams cannot wait for funding during the regular budget-setting process, therefore, staff is bringing this funding request forward at this time in order that the project is not interrupted.

AGENDA NO: A-8

MEETING DATE: June 10, 2014

**A PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
DECLARING JUNE 2nd AND 3rd, 2014 AS
SPECIAL OLYMPICS – LAW ENFORCEMENT TORCH RUN DAYS**

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

WHEREAS, each year, Law Enforcement officers join together to run the Special Olympics torch throughout San Luis Obispo County; and

WHEREAS, hundreds of thousands of law enforcement officers give their time to protect our communities every day; and

WHEREAS, hundreds of thousands of athletes participate in Special Olympics activities annually; and

WHEREAS, the efforts of countless volunteers make Special Olympics possible; and

WHEREAS, on June 2 & 3, 2014, law enforcement officers will carry the Special Olympics torch throughout San Luis Obispo County and send it on its way down to the University of Southern California to open the Special Olympics Southern California Summer Games; and

WHEREAS, at this year's meet, many of our area's finest young people and adults will be competing in a variety of sports, enjoying the joy of athletic competition and learning the importance of "doing one's best" in a spirit of sportsmanship.

NOW, THEREFORE, the City Council of the City of Morro Bay does hereby proclaim June 2nd and 3rd, 2014 as "**SPECIAL OLYMPICS LAW ENFORCEMENT TORCH RUN DAYS**" and acknowledge the hard work of the event organizers and congratulating the athletes and officers on their accomplishments.

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the City of Morro Bay to be affixed this 10th day of June, 2014.

JAMIE L. IRONS, MAYOR
City of Morro Bay, California



AGENDA NO: C-1

MEETING DATE: 06/10/14

Staff Report

TO: Mayor Irons and City Council **DATE:** May 27, 2014
FROM: Edward Kreins, Interim City Manager
SUBJECT: Discussion and Clarification of Council Policy regarding Council Support of the Morro Bay 50th Celebration

RECOMMENDATION

Staff recommends the City Council provide staff direction on clarification of support of the Morro Bay 50th Celebration.

ALTERNATIVES

There are no alternatives provided for this item.

BACKGROUND / DISCUSSION

On March 26, 2013 a verbal presentation was made by a volunteer citizen's group, providing a concept plan of a calendar of activities celebrating Morro Bay's 50th. On May 28, 2013, Resolution 31-13 was unanimously approved, supporting the 50th Anniversary Celebration Committees efforts. On November 12, 2013, staff presented the Morro Bay 50th Committee's specific requests, asking for enhanced Council support by allocating funds to the event. Council's response was to allocate \$15,000 for the Committee's use. At the May 13, 2014, Council meeting, as part of "Future Agenda Items", Councilmember Nancy Johnson requested discussion and clarification of Council's support of the Morro Bay 50th Celebration efforts to which she received Council support from Mayor Irons and Councilmember Leage. This item is being brought forth at this time for policy direction.

Resolution 31-13, the November 12, 2013 staff report and corresponding minutes are attached.

Prepared By: JB

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

AGENDA NO: A-6

MEETING DATE: 5/28/2013

RESOLUTION NO. 31-13

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
SUPPORTING THE EFFORTS IN CELEBRATING
THE CITY OF MORRO BAY'S 50TH ANNIVERSARY OF INCORPORATION**

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

WHEREAS, the City of Morro Bay went from an unincorporated area to an incorporated municipality on July 17, 1964; and

WHEREAS, the City of Morro Bay celebrated their 25th Anniversary with several special events and activities; and

WHEREAS, there is extensive community support for a larger celebration for the City's 50th Anniversary in 2014; and

WHEREAS, at the March 26, 2013 City Council meeting there was a presentation from a local citizen's group providing a concept plan for a potential of an 18 month-long celebration; and

WHEREAS, the City Council discussed the concept that was presented and was supportive of partnering with this citizen's group effort to provide events in celebration of the Anniversary to include incorporating a theme into the events; and

WHEREAS, the City Council by consensus, designated Councilmembers Nancy Johnson and George Leage as the City's liaisons to the City of Morro Bay's 50th Anniversary Celebration Committee; and

WHEREAS, the City in support of these efforts, agrees to offer meeting space for the 50th Committee in City facilities, and directs the 50th Committee to work with the Recreation and Parks Department on securing this meeting space; and

WHEREAS, the City Council will also be considering additional support to these efforts, including the potential of fee waivers, funding of events, and/or the use of other City resources to help the City's 50th Anniversary Celebration Committee as it plans and schedules these Community Enhancement and Enrichment Programs and Events.

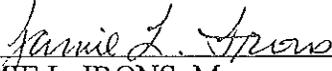
NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morro Bay, California, strongly supports the 50th Anniversary Celebration Committee's efforts and gladly provides meeting space for the committee as well as additional support as their planning efforts continue.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 28th day of May, 2013, by the following vote:

AYES: Irons, C. Johnson, N. Johnson, Leage, Smukler

NOES: None

ABSENT: None



JAMIE L. IRONS, Mayor

ATTEST:



JAMIE BOUCHER, City Clerk

BACKGROUND

On March 26, 2013, Joan Solu and Susan Stewart, representing a local citizen's group presented a concept plan for the City's 50th Anniversary Celebration to see if there was City interest. The City's 50th Anniversary is July 17, 2014. An organized group of residents is laying the groundwork for a number of special activities and events spotlighting Morro Bay. Councilmember Nancy Johnson brought forward this item and recommended that the City Council pass a Resolution supporting the event. After discussion, the City Council voted unanimously to have staff bring back a Resolution in support of the event to include providing City facilities for meetings at no cost.

Following the March 2013 meeting, on May 28, 2013 City Council passed Resolution No. 31-13, acknowledging the importance of the City's 50th Anniversary and confirming the following:

- Designated Councilmembers Nancy Johnson and George Leage as the City's liaisons to the City of Morro Bay's 50th Anniversary Celebration Committee.
- Agreed to offer meeting space for the 50th Committee in City facilities, and directs the 50th Committee to work with the Recreation and Parks Department on securing this meeting space.
- Consideration of additional support to these efforts, including the potential of fee waivers, funding of events, and/or the use of other City resources to help the City's 50th Anniversary Celebration Committee as it plans and schedules these Community Enhancement and Enrichment Programs and Events.

Since the May meeting, the Morro Bay 50th Committee has been meeting and planning and have provided specific requests of support from the City which is included in the discussion section of the staff report.

DISCUSSION

The Morro Bay 50th Committee has been meeting on a regular basis since May and has determined a "wish list" of items/activities/funds that will aid the Morro Bay 50th Committee with their planning and execution of events. The following items are provided by the Committee, for City Council consideration:

1. Authorize staff to purchase and put up logo flags for the main entrances to town (flags to be designed by others);
2. Provide the 50th Anniversary logo for employee uniforms;
3. Use the 50th Anniversary logo on City letter head and business cards;
4. Authorize a City staff member (management level or above) to be designated by the City Manager to serve on the committee to help plan and allocate the authorized funds for each event (porta potties, etc.);
5. Authorize the 50th Anniversary Committee to contact the Chamber of Commerce and TBID/Tourism Bureau to market regionally/promote the event, provide/encourage restaurant specials as well as hotel and retail specials;
6. Authorize the 50th Anniversary Committee to contact the Chamber of Chamber to use the "shop local" campaign for "50 Ways to Shop Locally";
7. Financial involvement in the amount of \$50,000 to fund the Kick-Off Event, End of Celebration Event, a Time Capsule, 50th Anniversary Flags and other items;

8. Support the 50th Anniversary Committee in working with the State Park Foundation to develop and promote a First Day Hike (probably at sunset up Black Hill) in conjunction with the CA State Parks 150th Anniversary;
9. Support the 50th Anniversary Committee in working with local quilters to develop quilts for the State Anniversary; and
10. Support the Morro Bay Tree Committee in planting 50 Monterey Cypress throughout the year.

CONCLUSION

The City of Morro Bay has committed through the adoption of Resolution No. 31-13, the City's support of the 50th Anniversary. At this time the Morro Bay 50th Committee is asking the City to enhance their support by allocating funds to the event.

MOTION: Councilmember Christine Johnson moved to approve the funding recommendations for the 2014 CDBG funds and forward recommendations to the San Luis Obispo County Board of Supervisors for inclusion with the other draft funding requests for the Urban County Consortium. The motion was seconded by Councilmember Leage and carried unanimously 5-0.

D-3 DISCUSSION OF THE CITY OF MORRO BAY'S COMMITMENT TO THE CITY'S 50TH ANNIVERSARY CELEBRATION; (ADMINISTRATION)

City Manager Andrea Lueker presented the staff report.

Councilmember Nancy Johnson presented the requests from the Morro Bay 50th Anniversary Celebration committee; they included appointing Recreation & Parks Director Joe Woods to serve on the committee to help plan and allocate the authorized funds for each event; regarding the 2014 items, the markers are just a guess at this time; the community legacy project – the Women's for Fisheries we hope will be finished; under promotion and promotional items, the hope is that City Council request the Tourism Bureau and the Economic Development Department of the Chamber use their funds to take care of this – banners, advertising and printing; regarding the State's 150th's Anniversary – First Day Hike – hoping there is money to buy t-shirts which will be for sale and the other State event we are already participating in is the Quilt project.

Mayor Irons opened up the public comment period for Item D-3; seeing none, the public comment period was closed.

Councilmember Smukler appreciates the amount of work that has gone into this planning. He is interested in keeping the focus on the citizens of Morro Bay as much as possible; he would like to also see the focus on ideas that won't cost a lot of money; he is interested in limiting the City's financial obligations; and he supports Joe Woods as the City liaison to the committee.

Councilmember Christine Johnson has been able to attend 2 meetings so far and is appreciative of the energy and great ideas. She has been asking people in the community and the feedback that she has received is: keep it simple and focused on the locals; and, don't overdo the events. We have 2 diverse celebration opportunities: the 1st Day Hike and the Quilt project, both in conjunction with the State Parks 150th Celebration. She liked being able to leverage Morro Bay where we can with the 150th Celebration of the State Parks. She loves the idea of a parade and a community picnic which would keep the focus local. She also likes the idea of partnering with other groups such as the Tree Committee, the Bike Committee, etc. She loves the Anniversary logo. And supports Mr. Wood's working with the committee.

Mayor Irons hopes that the Black Hill Gang will be asked to be involved in the First Hike. He is in favor of the logo banners but hopes that maybe we can combine in the investment of them – we wouldn't need a "50th" on each banner which would allow us to continue to use them. He agrees in keeping theme of keeping it local. He asked about the Street Tree project.

Councilmember Nancy Johnson stated that Tyler Newton is raising and giving 50 Cypress trees to local merchants who will be able to use them over the holidays that then will be donated back to the Tree Committee for planting; the events are all community related; most events are tied to already existing events; promotions would be within the City, Economic Development and Tourism Bureau; and the January 11th kickoff event, "This is Your Life Morro Bay", is being co-sponsored by the Chamber of Commerce with ballots being placed in this week's Bay News so that people can nominate "citizens of each decade". If this is going to work, then the committee needs money to get it started; money not used would be reimbursed back to the City. She is asking to approve this as a concept plan and authorize funds to get it started. She is asking for \$50,000. The full request is based on getting the money from Dynegy.

Councilmember Leage was in full support of funding this as this is a once in a lifetime opportunity that will bring people to Morro Bay.

Councilmember Christine Johnson is leaning towards funding this at a level of \$5,000; this is based on previous allocations to other Morro Bay activities/events. She is also cautious of funding events that weren't open to all the public and weren't family friendly.

Councilmember Nancy Johnson responded that funding the full \$50,000 is important as this is not just a "one event" request; it's a calendar of events and does include the entire community. This money will also go towards some advertising.

Councilmember Smukler stated that the City can offer the most support in permitting. He is uncomfortable with writing a check and working backwards, he'd like to see more information. He'd also like to see more in-kind support and not cash.

Mayor Irons stated that everybody can be in agreement that this will be a worthwhile celebration. He feels that some events will be sponsored like the trees but there are some hard cost items like the banners and website. He is leaning towards committing \$15,000 towards the event(s).

Councilmember Smukler continued to be in favor of starting with \$5,000 and then having the group come back with more information about what the event costs would be.

Councilmember Nancy Johnson said that the bare minimum that they would be able to work with is \$36,000 and then hopefully the Chamber and Tourism Bureau could come up with the remaining \$14,000 for promotional items. This is time sensitive as the January 1st and January 11th events are being held prior to the first January Council meeting.

Councilmember Christine Johnson agreed with Councilmember Smukler, it would be good to start with an amount and then get more detail coming back. She would like to see a list and funding needs for the entire years' calendar worth of events.

Councilmember Smukler, after looking at the events calendar, feels that \$5,000 will work for now and should cover the January events and then revisit after more detailed information is brought forward.

MOTION: Mayor Irons moved to fund the Morro Bay 50th Committee \$15,000 to get started. The motion was seconded by Councilmember Christine Johnson and carried 4-1 with Councilmember Smukler voting no.

~~D-4 DISCUSS AMENDING THE CONTRACT WITH SIMAS & ASSOCIATES FOR THE PURPOSE OF TRANSFERRING SIGNATOR FROM MAYOR IRONS TO INTERIM CITY ATTORNEY, AND DISCUSS AUTHORIZING ADDITIONAL FUNDS FOR THE PURPOSE OF COMPLETING PERSONNEL MATTERS WITH OUR CITY ATTORNEY AND CITY MANAGER NOT TO EXCEED 20 HOURS OR \$5000.00 DOLLARS; (MAYOR)~~

~~Mayor Irons presented the staff report.~~

~~Mayor Irons opened the public comment period for Item D-4.~~

~~Kevin Rice stated that it has been exactly 2 months since we started the crusade against the City Attorney. It has been confusing and disappointing with up to \$17,500 in attorney's fees to do what you could have done in 5 minutes. This has been a lot of waste of public money and public frustration and has divided the City.~~

~~The public comment period for Item D-4 was closed.~~

~~Councilmember Christine Johnson wanted to ensure that this would be a "not to exceed an additional \$5,000".~~

~~Councilmember Smukler stated that we need to keep moving through this and find resolution so he is in favor.~~

~~MOTION: Mayor Irons moved approval of the recommendations as stated in the staff report. The motion was seconded by Councilmember Smukler and carried 3-2 with Councilmembers Nancy Johnson and Leage voting no.~~

~~E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS~~

~~Mayor Irons requested a discussion on Dynegy concerning direction to take regarding land and facilities; Councilmembers Smukler and Christine Johnson concurred.~~

~~ADJOURNMENT~~

~~The meeting adjourned at 12:30am.~~

~~Recorded by:~~

~~Jamie Boucher
City Clerk~~



AGENDA NO: C-2

MEETING DATE: 6/10/2014

Staff Report

TO: Honorable Mayor and City Council **DATE:** 6/4/2014

FROM: Susan Slayton, Administrative Services Director

SUBJECT: Additional Discussions and Direction for Proposed FY 2014/15 Budget

RECOMMENDATION

Staff recommends continued dialogue on the proposed FY 2014/15 Budget with the ultimate goal of bringing back a Resolution for adoption to the June 24, 2014 Council meeting, including any amendments made at this meeting.

DISCUSSION

The City Council conducted their initial budget workshop on Thursday, June 5, 2014. At the time of this agenda packet is being made available to the public, it is not known whether or not a second budget workshop will be necessary. This item was placed on this agenda to provide the Council another opportunity to discuss the budget before the proposed adoption at the June 24th meeting, if that is needed.

Prepared By: JB

Dept Review: SS

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: D-1

MEETING DATE: 06/10/14

Staff Report

TO: Honorable Mayor and City Council **DATE:** 5/27/14

FROM: Mike Wilcox, Maintenance Superintendent

SUBJECT: Resolution 37-14 Approving Submittal of a California Energy Commission 1% Loan Application for up to \$562,000 to Complete Energy Efficient HVAC Upgrades and Energy Generation Projects

RECOMMENDATION

Staff recommends Council pass Resolution 37-14 authorizing staff to submit an application for a low interest loan from the California Energy Commission Program Opportunity Notice (PON-13-401) to further the City's advancements in improved energy efficiency and carbon footprint reduction. A complete copy of PON-13-401 is included as Attachment A.

If awarded, the successful completion of the recommendations included in the California Energy Commission (CEC) Energy Audit Letter Report dated November 19 2009, and the successful installation of energy generation projects on City owned roof tops, would satisfy some of our responsibilities as a member of the Central Coast Clean Cities Coalition (C5) resulting in fiscal conservation by eliminating nonessential expenditures.

FISCAL IMPACT

The California Energy Commission Program is offering this low interest loan at 1% interest. The City is requesting funds in the amount of \$562,000 to be used solely for the purpose of completing energy efficiency improvement projects identified by the California Energy Commission in the Energy Audit Letter Report, as well as designing and installing photovoltaic energy generation systems on the roofs of City owned buildings. The list of proposed projects with engineering calculations is included as Attachment B.

The fiscal impact to the City of Morro Bay would be the 1% interest rate to borrow the capital during the term of the loan, as the loan schedule and payments would be calculated by the CEC based on the cost savings from the implemented energy efficiency and energy generation projects so as not to exceed the calculated annual savings from these projects.

If awarded, and upon final payment of the loan, the City of Morro Bay would immediately begin to realize cost savings from these improvements through a reduction in energy

Prepared By: MW

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

consumption and utility costs which could come to over \$35,500 in annual savings. Staff feels this value will increase through the term of the loan due to energy pricing increases.

SUMMARY

Staff has identified \$561,330 in eligible City-wide energy efficiency and energy generation projects. Staff recommends Council approve Resolution No. 37-14 authorizing staff to submit for a low interest loan, not to exceed \$562,000, from the CEC to complete these projects.

This is a low interest loan opportunity designed specifically for energy efficiency projects. Loan repayment will be structured to fit the cost savings of the project(s) funded. In other words, the total dollar amount of annual payments would not exceed the total dollar amount of annual energy savings, a figure that is currently built into the general fund and slated for purchasing energy. The proposed projects have a combined calculated simple payback of 15.73 years. A sample payment schedule is included as Attachment C.

BACKGROUND

At the City Council meeting on December 14, 2009, staff was authorized to apply for Energy Efficiency and Conservation Block Grant (EECBG) funds to initiate projects identified in the California Energy Commission Energy Audit Letter Report. Staff informed Council at that time General Fund monies may be requested to supplement the grant funds to complete the recommendations identified in the audit. On February 8, 2010, Council authorized staff to apply for loan funding through the CEC to supplement the grant funding. The 2010 loan program was similar to this and offered at 3% interest rate. The funding for this program was exhausted before the City application was processed. The CEC recently released a new program with a 1% interest rate. This opportunity may not present itself again as this program is currently only being advertised for the 2014/2015 fiscal year.

CONCLUSION

Budgets are shrinking and energy costs are increasing. Now is the time to invest in energy efficiency. This low interest loan opportunity bridges the gap between current and future budgets by maintaining these already budgeted energy costs at net zero expenditure until the term of the loan, at which time immediate savings will be realized. The completion of the energy efficiency projects identified by the CEC and the installation of energy generating photo voltaic panels is a step in meeting our goal of developing fiscal conservation.

RESOLUTION NO. 37-14

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
TO APPROVE THE SUBMITTAL OF A CALIFORNIA
ENERGY COMMISSION 1% LOAN APPLICATION FOR UP TO \$562,000
TO COMPLETE ENERGY EFFICIENT HVAC UPGRADES
AND ENERGY GENERATION PROJECTS**

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

WHEREAS, the California Energy Commission provides loans to school, hospitals, local governments, special districts, and public care institutions to finance energy efficiency improvements; and

WHEREAS, the City Council authorizes the Recreation and Parks Director to apply for an energy efficiency loan from the California Energy Commission to implement energy efficiency measures; and

WHEREAS, in compliance with the California Environmental Quality Act (CEQA), the City Council finds that the activities funded by the loan are not projects and thus exempt from CEQA pursuant to Section 15301 (Existing Facilities), Class I of the CEQA Guidelines because the projects consist of the repair, maintenance, and minor alteration of existing public structures, facilities, and mechanical equipment involving negligible or no expansion of the existing use; and

WHEREAS, if recommended for funding by the California Energy Commission, the City Council authorizes the Recreation and Parks Director to accept a loan up to five hundred sixty-two thousand dollars (\$562,000); and

WHEREAS, the amount of the loan will be paid in full, plus interest, under the terms and conditions of the Loan Agreement, Promissory Note and Tax Certificate.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Morro Bay, the Recreation and Parks Director is hereby authorized and directed to execute all necessary documents to implement and carry out the terms of the loan and to undertake all actions necessary to undertake and complete the energy efficiency projects.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 10th day of June, 2014 on the following vote:

AYES:
NOES:
ABSENT:

Jamie L. Irons, Mayor

ATTEST:

Jamie Boucher, City Clerk

ENERGY CONSERVATION ASSISTANCE ACT (ECAA)

No application fees, points, or hidden costs

Eligible Applicants: Only the following entities are eligible for these funds:

Cities, Counties, Special Districts, Public College or University (except community colleges), and Public Care Institutions/ Public Hospitals

Interest Rate 1% Loans

FINANCING FOR ENERGY EFFICIENCY
& ENERGY GENERATION PROJECTS

NOTICE and APPLICATION

P O N - 1 3 - 4 0 1
R e l e a s e D a t e :
M a y 2 , 2 0 1 4



EDMUND G. (JERRY) BROWN JR.
Governor

California Energy Commission

<http://www.energy.ca.gov/efficiency/financing/index.html>
Phone: (916) 654-4104 and (916) 654-4550

FINANCING FOR ENERGY EFFICIENCY

Who is Eligible?

Only the following entities are eligible for these funds:

- Cities
- Counties
- Special Districts
- Public College or University (except community colleges)
- Public Care Institutions/ Public Hospitals

*Residential and commercial projects and are **not** eligible for these funds.*

Interest Rate:

The interest rate is fixed at 1% for the term of the loan.

Repayment Terms:

Loans must be repaid from energy cost savings or other legally available funds within a maximum term of 20 years (including principal and interest). The repayment schedule is based on the estimated annual energy cost savings from the aggregated project(s), using energy costs and operating schedules at the time of loan approval.

The loan repayment term cannot exceed the useful life of the loan funded equipment. Loans will be amortized on the estimated annual energy cost savings achieved by the loan-funded project. Applicants will be billed twice a year, in June and December, after the projects are completed.

If the project is located in a leased building, the loan repayment term cannot exceed the remaining term of the lease.

The loan repayment term cannot exceed the time it takes to recover project costs (plus interest) in energy savings. The Energy Commission will amortize the loan based on the number of years borrower needs to repay principal and interest with energy cost savings. The scheduled repayments will not go beyond the period to recoup project costs.

Loan Security Requirements:

It's simple. A promissory note and a loan agreement between you and the Energy Commission are all that is required to secure the loan.

How Much Funding is Available?

Before applying, please contact us first for the most current funding availability information!

Approximately \$6 Million in loan funding is expected to be available during Fiscal Year 2014-15. The Energy Commission reserves the right to increase the amount of funds under this loan notice when additional loan funds become available. The Energy Commission reserves the right to:

- increase the amount of funds under this loan notice when additional loan funds become available.
- add funding sources under this loan notice if and when additional funding sources become available.

The maximum loan amount is \$3 million per applicant.

There is no minimum loan amount. A loan applicant can apply for an additional loan if additional funding becomes available, and when the applicant's loan project is complete.

What is the Funding Source?

Funds used in this loan notice originate from one or more of the following:

- Energy Conservation Assistance Act (ECAA)
- Bond Proceeds from ECAA Tax-Exempt Revenue Bonds

Loan Terms and Conditions

Loans Terms and Conditions are posted at this link:

<http://www.energy.ca.gov/efficiency/financing/>

Applicants must review the loan documents before submitting an application. Please refer to the loan documents posted for PON-13-401:

- Bond Loan Documents
- Non-Bond Loan Documents

When Should Applications be submitted?

Complete applications will be processed and reviewed by technical staff in the order received. Applications are deemed complete when all necessary documentation is submitted to verify eligibility and compliance with all requirements. In the event that there are two or more complete applications received on the same date and time, the application with the lowest simple payback is given the higher priority ranking in the case of a waiting list.

The Energy Commission reserves the right to close or change the loan notice at any time.

How are Loan Funds Disbursed?

The funds are available on a reimbursement basis. For each reimbursement request, receipts and invoices for incurred expenses must be submitted along with proof of payment. The final 10 percent of the funds will be retained until the project is completed. Interest is charged on the unpaid principal balance of the loan computed from the date of each disbursement to the borrower.

What Projects are Eligible?

Projects with proven energy and/or demand cost savings are eligible, provided they meet the ECAA eligibility requirements (see Criteria for Loan Approval below). Projects already funded with an existing loan or already installed are ineligible.

Examples of Qualified Projects:

- Lighting systems
- Heating, ventilation and air conditioning equipment
- Streetlights and LED traffic signals
- Energy management systems and equipment controls
- Pumps and motors
- Building insulation
- Energy generation including renewable energy and combined heat and power projects
- Water and waste water treatment equipment
- Load shifting projects, such as thermal energy storage

When Can Projects Begin?

A loan agreement must be fully executed (i.e. signed by the Energy Commission and loan applicant) before you can start your project. Only approved project-related costs with invoices dated within the term of the executed agreement are eligible for reimbursement under the loan. If the loan is not approved or executed, the Energy Commission is not responsible for reimbursement of any costs.

Project Criteria for loan approval:

- Projects must be technically and economically feasible. A feasibility study is required to verify the estimated energy savings.
- Simple Payback requirement: The loan can fund 100% of the project cost within a 17 year (maximum) simple payback. The loan must be repaid from energy savings (including principal and interest) within a maximum of 20 years.

Simple Payback:

The loan must have a (Simple) payback within a (maximum) term of 17 years. To calculate the simple payback of the project (all of the individual energy measures combined are considered the “project”), divide the amount of the loan request by the total annual savings (\$).

$$\text{Simple Payback (yrs)} = \frac{\text{Amount of Loan (\$)}}{\text{Anticipated Annual Energy Cost Savings (\$)}}$$

This calculation shows how fast the projects will “payback” on the initial investment.

Other Requirements:

- All documents are public records and will **not** be kept confidential.
- Certain loans will require a tax certificate.

How to Apply? Simply submit the following information:

1. Completed and signed **Loan Application** (Attachment 1).
2. Completed **Summary of Recommended Energy Efficiency Measures in Loan Request Table** (Attachment 2).

Feasibility Study (may be submitted via CD or flash drive). The study must contain: a) description of energy efficiency projects and buildings/ facilities affected by these projects, b) discussion of baseline energy use for the affected facilities, including annual energy related utility bills, c) all calculations and assumptions to support the technical feasibility and energy savings of the recommended projects, d) proposed budget detailing all project costs, and e) proposed schedule for implementation of the projects.

If the feasibility study identifies maintenance and operating procedures, applicant shall include estimated date of implementation or provide reason for not implementing.

3. Copy of a signed **resolution, motion, order, etc. from your governing board** (see Attachment 3 for a sample). The resolution must be submitted with the application. The title of the official signing the loan agreement should be the same one named in the resolution, motion, or order.

The resolution/agenda item must include the finding on CEQA compliance.

- If the CEQA finding is in the agenda item, include both the item and the resolution. If the CEQA finding is in the resolution, application does not need to include a copy of the agenda item.

4. **California Environmental Quality Act (CEQA) Compliance Documentation** (See Attachment 4 for more information). Include a copy of documentation demonstrating that the applicant has complied with CEQA in approving the project. There are three possible actions the applicant can take. The applicant could determine that the activity undertaken by the loan is:

- Not a project (include a statement that all projects in the loan are not CEQA projects, and analysis supporting the conclusion that the activity is not a project);
- A project that is EXEMPT:
Include the Notice of Exemption if filed by applicant;
- The project is NOT EXEMPT:
If the project is NOT EXEMPT, include the Notice of Determination and indicate which type of environmental document it has prepared:
 - Negative Declaration
 - Mitigated Negative Declaration
 - Environmental Impact Report

5. **Utility Billing Data**

The applicant must submit copies of 12 months of past usage and billing records from electric and natural gas utilities. This can be submitted to the Energy Commission by one of the following ways:

- Include a Utility Authorization form to allow the Commission to receive/view the last 12 months energy bills directly **OR**
- Submit a feasibility study/audit (completed within past two years) that includes the 12 months of utility and billing data **OR**
- Include copies of 12 months of utility bills- either in hard copy, or on a CD or flash drive

Application Review Process:

Energy Commission staff will review your loan application. It may be necessary to arrange a site visit to discuss your project and loan request

Attachments to this Loan Notice:

- Attachment 1: Loan Application for Energy Commission Financing
- Attachment 2: Summary of Recommended Energy Efficiency Measures in Loan Request
- Attachment 3: Sample Resolution
- Attachment 4: CEQA Information

How to Submit the Application

Send your loan application and all supporting documentation to:

California Energy Commission
ATTN: Local Assistance and Financing Office / ECAA Loan Program
1516 Ninth Street, MS #23
Sacramento, CA 95814-5512

Whom Do I Contact for Assistance/Questions?

Call or email the California Energy Commission to discuss project and facility eligibility, funding availability, and application requirements:

Email: PubProg@energy.ca.gov

For Assistance Call (916) 654-4104

Loan Notice Documents:

A copy of the Loan Notice, Loan Application, sample Loan Agreement, and all Attachments to this Loan Notice are available for downloading at:

<http://www.energy.ca.gov/efficiency/financing/>

Photo Voltaic Panels	Panel Quantity	Panel Output	Total Watts	Cost per Watt Installed	Estimated System Cost	System Output kWh/Year	3 yr. Average Energy Usage	3 yr. Average Energy Cost	Estimated New Energy Cost	Annual Savings	Simple Payback	Scaled System Size
VMB-Tracking	23	275	6325.00	6.80	\$43,010.00	13978.25	13987.00	\$2,666.28	\$1.52	\$2,664.76		1.00
MBCC-Tracking	95	275	26125.00	6.80	\$177,650.00	57736.25	57680.00	\$10,572.58	-\$9.79	\$10,572.58		1.00
MBPD (OLD)-Tracking	126	275	34650.00	6.80	\$235,620.00	76576.50	76393.00	\$16,142.50	-\$31.93	\$16,142.50		1.00
MBPD (NEW)-Tracking	15	275	4125.00	6.80	\$28,050.00	9116.25	8830.00	\$1,732.20	-\$49.81	\$1,732.20		0.97
					\$484,330.00			\$31,113.56	-\$90.00	\$31,112.04	15.57	

1 kW OF SOLAR GENERATES APPROXIMATELY 1,700 kWh OF ELECTRICITY PER YEAR IN MORRO BAY
A UNI-AXIS SOLAR TRACKING PANEL WILL PRODUCE 20%-40% MORE ENERGY THAN A STATIONARY PA
THE OUTPUT CALCULATION ABOVE ASSUMES 30% INCREASED OUTPUT FROM TRACKING

HVAC Replacements	SEER Old vs. New	Tons Per Unit	Quantity of Units	Annual Operating Hours	Current Operating Cost	New Operating Cost	Kwh per Year	Average Cost/kWh Delivered	Replacement Cost	Annual Savings	Simple Payback
Community Center	8.5 / 15	5.0	3	825	\$2,970.00	\$1,683.00	43,510.5	\$0.17	\$24,000.00	\$1,287.00	
Community Center	8.5 / 15	4.0	1	825	\$792.00	\$448.80	11,602.8	\$0.17	\$6,000.00	\$343.20	
City Hall	9.0 / 15	5.0	1	750	\$850.00	\$510.00	13,185.0	\$0.17	\$8,000.00	\$340.00	
Harbor Office	9.0 / 15	3.0	1	750	\$510.00	\$306.00	7,911.0	\$0.17	\$4,500.00	\$204.00	
Public Services	8.5 / 15	2.0	3	750	\$1,080.00	\$612.00	15,822.0	\$0.17	\$9,000.00	\$468.00	
Public Services	8.5 / 15	2.5	2	750	\$900.00	\$510.00	13,185.0	\$0.17	\$7,500.00	\$390.00	
Public Services	8.5 / 15	3.0	1	750	\$540.00	\$306.00	7,911.0	\$0.17	\$4,500.00	\$234.00	
Police Department	9.0 / 15	5.0	1	1585	\$1,796.33	\$1,077.80	27,864.3	\$0.17	\$7,500.00	\$718.53	
Police Department	9.0 / 15	4.0	1	1585	\$1,437.07	\$862.24	22,291.4	\$0.17	\$6,000.00	\$574.83	
									\$77,000.00	\$4,559.56	16.89

ANNUAL OPERATION HOURS ARE BASED ON CEC AUDIT
1 TON OF REFRIGERATION EQUALS 12,000 BTU'S/HOUR
1 BTU/HR EQUALS .293 WATTS OF ENERGY
THEREFORE 1 TON OF REFRIGERATION EQUALS 3.516 kW
COST EFFICIENCY = BTU's per hour * Hours per year * Cost per kWh / SEER Rating / 1000

Combined Simple Payback $\frac{\$561,330.00}{\$35,671.60} = 15.73$ Years

Sample Payment Schedule - CEC Energy Loan

Enter values

Loan amount	\$ 562,000.00
Annual interest rate	1.000%
Loan period in years	16
Start date of loan	6/1/2014

Bi-annual payment	\$ 17,805.02
Number of payments	32
Total interest	\$ 7,760.76
Total cost of loan	\$ 569,760.76

No.	Payment Date	Beginning Balance	Payment	Principal	Interest	Ending Balance
1	7/1/2014	\$ 562,000.00	\$ 17,805.02	\$ 17,336.69	\$ 468.33	\$ 544,663.31
2	1/1/2015	\$ 544,663.31	\$ 17,805.02	\$ 17,351.14	\$ 453.89	\$ 527,312.17
3	7/1/2015	\$ 527,312.17	\$ 17,805.02	\$ 17,365.60	\$ 439.43	\$ 509,946.58
4	1/1/2016	\$ 509,946.58	\$ 17,805.02	\$ 17,380.07	\$ 424.96	\$ 492,566.51
5	7/1/2016	\$ 492,566.51	\$ 17,805.02	\$ 17,394.55	\$ 410.47	\$ 475,171.96
6	1/1/2017	\$ 475,171.96	\$ 17,805.02	\$ 17,409.05	\$ 395.98	\$ 457,762.91
7	7/1/2017	\$ 457,762.91	\$ 17,805.02	\$ 17,423.55	\$ 381.47	\$ 440,339.35
8	1/1/2018	\$ 440,339.35	\$ 17,805.02	\$ 17,438.07	\$ 366.95	\$ 422,901.28
9	7/1/2018	\$ 422,901.28	\$ 17,805.02	\$ 17,452.61	\$ 352.42	\$ 405,448.67
10	1/1/2019	\$ 405,448.67	\$ 17,805.02	\$ 17,467.15	\$ 337.87	\$ 387,981.52
11	7/1/2019	\$ 387,981.52	\$ 17,805.02	\$ 17,481.71	\$ 323.32	\$ 370,499.82
12	1/1/2020	\$ 370,499.82	\$ 17,805.02	\$ 17,496.27	\$ 308.75	\$ 353,003.54
13	7/1/2020	\$ 353,003.54	\$ 17,805.02	\$ 17,510.85	\$ 294.17	\$ 335,492.69
14	1/1/2021	\$ 335,492.69	\$ 17,805.02	\$ 17,525.45	\$ 279.58	\$ 317,967.24
15	7/1/2021	\$ 317,967.24	\$ 17,805.02	\$ 17,540.05	\$ 264.97	\$ 300,427.19
16	1/1/2022	\$ 300,427.19	\$ 17,805.02	\$ 17,554.67	\$ 250.36	\$ 282,872.53
17	7/1/2022	\$ 282,872.53	\$ 17,805.02	\$ 17,569.30	\$ 235.73	\$ 265,303.23
18	1/1/2023	\$ 265,303.23	\$ 17,805.02	\$ 17,583.94	\$ 221.09	\$ 247,719.29
19	7/1/2023	\$ 247,719.29	\$ 17,805.02	\$ 17,598.59	\$ 206.43	\$ 230,120.70
20	1/1/2024	\$ 230,120.70	\$ 17,805.02	\$ 17,613.26	\$ 191.77	\$ 212,507.44
21	7/1/2024	\$ 212,507.44	\$ 17,805.02	\$ 17,627.93	\$ 177.09	\$ 194,879.51
22	1/1/2025	\$ 194,879.51	\$ 17,805.02	\$ 17,642.62	\$ 162.40	\$ 177,236.89
23	7/1/2025	\$ 177,236.89	\$ 17,805.02	\$ 17,657.33	\$ 147.70	\$ 159,579.56
24	1/1/2026	\$ 159,579.56	\$ 17,805.02	\$ 17,672.04	\$ 132.98	\$ 141,907.52
25	7/1/2026	\$ 141,907.52	\$ 17,805.02	\$ 17,686.77	\$ 118.26	\$ 124,220.75
26	1/1/2027	\$ 124,220.75	\$ 17,805.02	\$ 17,701.51	\$ 103.52	\$ 106,519.25
27	7/1/2027	\$ 106,519.25	\$ 17,805.02	\$ 17,716.26	\$ 88.77	\$ 88,802.99
28	1/1/2028	\$ 88,802.99	\$ 17,805.02	\$ 17,731.02	\$ 74.00	\$ 71,071.97
29	7/1/2028	\$ 71,071.97	\$ 17,805.02	\$ 17,745.80	\$ 59.23	\$ 53,326.17
30	1/1/2029	\$ 53,326.17	\$ 17,805.02	\$ 17,760.59	\$ 44.44	\$ 35,565.58
31	7/1/2029	\$ 35,565.58	\$ 17,805.02	\$ 17,775.39	\$ 29.64	\$ 17,790.20
32	1/1/2030	\$ 17,790.20	\$ 17,805.02	\$ 17,790.20	\$ 14.83	\$ 0.00



AGENDA NO: D-2

MEETING DATE: 6/10/2014

Staff Report

TO: Honorable Mayor and City Council **DATE:** May 14, 2014

FROM: Edward Kreins, Interim City Manager

SUBJECT: Appointment of Voting Delegate(s) to the California Joint Powers Insurance Authority

RECOMMENDATION

It is recommended the City Council appoint Mayor Irons as the official representative of the City of Morro Bay on the California Joint Powers Insurance Authority (CJPIA) Board of Directors. It is also recommended that Interim City Manager, Ed Kreins is appointed as the first alternate and Risk Manager, Dana Swanson as the second alternate.

ALTERNATIVES

1. The City Council can appoint a Councilmember or other staff member(s) to serve as the City's representative and/or alternate(s) to the CJPIA Board of Directors.

FISCAL IMPACT

There is no fiscal impact to this decision.

DISCUSSION

On June 23, 2003, the City Council adopted Resolution 38-03 approving the City's membership in CJPIA. The rules of this Joint Powers Agency call for each member agency to appoint a member of its governing board to serve as a representative to the CJPIA Board of Directors. The CJPIA also allows for member agency staff to serve as alternates. The full Board of Directors meets once a year in July, this year the meeting is being held on Wednesday, July 16th at the CJPIA office in La Palma, to elect officers and review claims history. Historically the City has appointed the Mayor to fulfill the duties as the official representative on the CJPIA Board of Directors.

CONCLUSION

It is staff's recommendation the Council appoint Mayor Irons as the official representative to the CJPIA Board of Directors as well as Interim City Manager, Ed Kreins as the first alternate and Risk Manager, Dana Swanson as the second alternate.

Prepared By: JB

Dept Review: _____

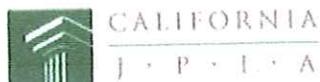
City Manager Review: _____

City Attorney Review: _____

Jamie Boucher - Re: California JPIA 2014 Board of Directors Certification

From: Jamie Boucher
To: Jamie Boucher
Subject: Re: California JPIA 2014 Board of Directors Certification

>>> California JPIA <jfullerton@cjpia.org> 4/29/2014 3:05 PM >>>



www.cjpia.org

2014 Board of Directors Certification

Ms. Jamie Boucher, Personnel Technician
City of Morro Bay

Dear Ms. Boucher:

On an annual basis, the California JPIA asks members to certify designated California JPIA Director and Alternate(s) prior to the annual Board of Directors meeting. This year the meeting is scheduled for Wednesday, July 16, 2014 at 7:00 p.m.

We automated the process and now have a more efficient, paperless, method which allows you to submit certifications electronically.

If required by your agency, the appointments of California JPIA Director and Alternate(s) should be placed on one of your governing board's upcoming agendas so that the certifications may be updated by July 1. The JPIA Director must be a member of your governing board, however the Alternate may be an elected official or staff member from your agency.

If appointments have already been made, or if your process for determining the California JPIA Director and Alternate(s) does not require placement on an agenda, please visit our website immediately to update your agency's records by clicking on the hyperlink below to start the process.

To access the form you will be prompted to enter your agency's Login and Password indicated below the hyperlink, please note they are case sensitive. If your agency has a Director and/or Alternate(s) on file, the form will be

pre-populated with that information. Using the pull-down options and text boxes, you will be able to confirm the appointments or update the information if changes have occurred.

[Click here to complete certification](#)

Login: MORRMO
Password: PUD4374

Please complete all updated by 5:00 pm on Tuesday, July 1, 2014.

We appreciate your assistance and also look forward to representation by your agency at the Board of Directors meeting on July 16 at the California JPIA. Meeting announcements will be distributed in June.

Please contact me at jfullerton@cjpia.org or (562) 467-8774 if you have any questions or need assistance.

Best regards,

Jennifer Fullerton, Administrative Assistant
California JPIA
Phone: (562) 467-8774
Fax: (562) 860-4992

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California JPIA | 8081 Moody Street | La Palma | CA | 90623