

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, FEBRUARY 24, 2015
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

- Update on the status of LEAP Program

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 FEBRUARY 10, 2015; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE CITY COUNCIL MEETING HELD ON FEBRUARY 10, 2015; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF THE PROCLAMATION DECLARING TUESDAY, FEBRUARY 24, 2015 AS "WORLD SPAY DAY"; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 ADOPTION OF 2015-16 CITY GOALS AND PROGRAM OBJECTIVES; (ADMINISTRATION)

RECOMMENDATION: Adopt the 2015-16 City Goals and Program Objectives, as presented.

A-5 APPROVAL OF THE PROCLAMATION CELEBRATING THE GRAND RE-OPENING OF THE MORRO BAY LIBRARY ON MARCH 1, 2015; (ADMINISTRATION)

RECOMMENDATION: Approve and file.

A-6 CONSIDERATION AND ADOPTION OF RESOLUTION NO. 09-15 UPDATING THE CITY'S CONFLICT OF INTEREST CODE; (ADMINISTRATION / CITY ATTORNEY)

RECOMMENDATION: Adopt Resolution 09-15.

B. PUBLIC HEARINGS - None

C. UNFINISHED BUSINESS / SECOND READING AND ADOPTION OF ORDINANCES

- C-1 STATUS UPDATE ON THE MORRO BAY POWER PLANT AND POTENTIAL DIRECTION; (ADMINISTRATION / PUBLIC WORKS)

RECOMMENDATION: Receive and discuss report and provide staff direction.

D. NEW BUSINESS

- D-1 DISCUSSION ON USE OF DISTRICT TRANSACTION TAXES (MEASURE Q) TO PAY FOR UNFUNDED MANDATES; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Permit the use Measure Q funds to pay for unfunded mandates in the approved-use categories of Storm Drains, Streets, and Public Safety.

- D-2 UPDATE AND REVIEW OF A MEMORANDUM OF UNDERSTANDING (MOU) WITH CAYUCOS SANITARY DISTRICT FOR THE PRELIMINARY WORK NEEDED FOR THE DESIGN & CONSTRUCTION OF THE NEW WATER RECLAMATION FACILITY (WRF); (PUBLIC WORKS)

RECOMMENDATION: Review and provide direction to staff regarding the draft MOU to be incorporated into the final draft document that will be presented to, and discussed with the Cayucos Sanitary District (CSD) at the March joint meeting of the two bodies.

- D-3 DISCUSSION AND APPROVAL OF CITY SUPPORT FOR DAYTIME EVENTS ON JULY 4, 2015; (ADMINISTRATION)

RECOMMENDATION: Partner with other persons and organizations in the City of Morro Bay for the purpose of conducting a 4th of July community celebration.

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.

MINUTES of MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING of
FEBRUARY 10, 2015
CITY HALL CONFERENCE ROOM at 4:00 P.M.

AGENDA NO: A-1

MEETING DATE: February 24, 2015

PRESENT: Jamie Irons Mayor
 John Headding Councilmember
 Christine Johnson Councilmember
 Matt Makowetski Councilmember
 Noah Smukler Councilmember

STAFF: David Buckingham City Manager
 Joe Pannone City Attorney

ESTABLISH QUORUM AND CALL TO ORDER

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 for items only on the agenda; seeing none, the public comment period was closed.

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

**CS-1 CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION
PURSUANT TO GOVERNMENT CODE 54956.9(d)(1)**

Medina v. City of Morro Bay, San Luis Obispo Superior Court Case #14CV0214

**CS-2 GOVERNMENT CODE SECTION 54956.8 - CONFERENCE WITH REAL
PROPERTY NEGOTIATOR:**

Property: Lease Site 124-128/124W-128W, MMBS, LLC, 1215 Embarcadero

Agency Negotiators: Joseph Pannone, City Attorney and Eric Endersby,
Harbor Director

Under Negotiation: Price and Terms of Payment

CS-3 PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: City Manager and City Attorney

CS-4 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: 1
Matter

The City Council reconvened to Open Session.

The City Attorney reported that with regards to the Closed Session Items, the Council did not take any reportable action pursuant to the Brown Act.

ADJOURNMENT

The meeting adjourned at 5.56p.m.

Recorded by:

Dana Swanson, City Clerk

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING ó FEBRUARY 10, 2015
VETERANøS MEMORIAL HALL ó 6:00P.M.

PRESENT:	Jamie Irons	Mayor
	John Headding	Councilmember
	Christine Johnson	Councilmember
	Matt Makowetski	Councilmember
	Noah Smukler	Councilmember
STAFF:	David Buckingham	City Manager
	Joe Pannone	City Attorney
	Dana Swanson	City Clerk
	Rob Livick	Public Works Director
	Eric Endersby	Harbor Director
	Amy Christey	Police Chief
	Susan Slayton	Administrative Services Director
	Scot Graham	Community Development Manager

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CLOSED SESSION REPORT

City Attorney Joe Pannone reported that with regard to the Closed Session items, the Council did not take any reportable action pursuant to the Brown Act.

MAYOR AND COUNCILMEMBERSø REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PUBLIC PRESENTATIONS

- Economic Vitality Corporation (EVC) Presentation

Mike Manchak, President & CEO of Economic Vitality Corporation presented an update on the local economy and current countywide economic strategy. EVC is a non-profit organization, a public/private partnership supported by both the business community and local government, in its 20th year. There are over 8,000 businesses in this county and a large percentage of those (56%) are very small businesses with 1-4 employees. EVC partners with resources to help our economy and grow businesses, especially with access to capital. The county, including Morro Bay, has gotten a lot of press, typically focused on tourism which is important, however we want to let the world know this is a great place to do business. Local economic challenges include lack of head of household jobs, companies are challenged to attract employees from outside the region, lower median income than the California average, high cost of living, and one of the least affordable housing markets nationwide. He noted the San Luis Airport is doing well, particularly compared to other similar sized airports. They are working to attract more flights. He encourages everyone to fly local. Business may contact Mike directly at 788-2013. The City is clearly doing the right thing with the LEAP activities.

PUBLIC COMMENT

The public comment period was open.

The business spot was provided by Jackie Kinsey, Librarian and Branch Manager of the Morro Bay Library, who shared the renovation of the Morro Bay Library is near completion. Services stopped last Saturday to transition materials back to the building. A ribbon cutting ceremony and Open House is scheduled for Saturday, March 1st from 2-4 pm. Regular services will resume the following Tuesday. She thanked the City for use of a temporary office building the past nine months and the community for financial support of this project and enthusiasm for library services. Please see www.slolibrary.org for upcoming programs.

Robert Davis, Morro Bay Friends of the Library, invited the public to the library reopening on Saturday, March 1st, from 2-4pm. He thanked beautiful citizens of MB who have supported the local library since 1922.

Barry Brannin, Morro Bay, spoke regarding importance and economic impact of proper supervision of City-owned property and leases, noting this should be a major function in the City.

Linna Thomas, owner Coalesce Bookstore, presented the Council with 21 pages of signatures protesting the parklet. She looks forward to Council discussion on this item on March 24.

Dan Podesto, Morro Bay resident, business owner and past President of Morro Bay 4th committee, shared that after a large outreach there was not enough public interest to run the Morro Bay 4th event and it is highly likely it will be canceled in 2015. Morro Bay 4th has run the event for five years and believes the city has benefitted both financially and socially. This is an opportunity for the City to consider taking on some, or all, of the event.

Lynda Merrill, Morro Bay, spoke regarding Item D-4 and asked the Council to consider adding protection of our natural resources as a quality of life item.

Ric Deschler, Morro Bay, shared that after a massive windstorm, a large tree landed on his car, and he was unable to find Morro Bay city offices in the phone book.

Pat Bietz, owner of Top Dog Coffee Bar, spoke to dispel several myths about the parklet and asks the community to give the parklet a chance. He is saddened we can't work together as a community to look forward.

Roger Ewing, Morro Bay, spoke in opposition to the parklet and asked the Council be transparent in its decisions and policies. He also thanked Rob Livick, Public Works Director for his integrity and honesty.

Jeremiah O'Brien, representing the Morro Bay Commercial Fishermen's Organization shared concerns regarding the Chumash sanctuary proposal recently submitted to the Federal government. He is displeased that a County Supervisor stated his support for the sanctuary

before reaching out to the commercial fisherman organizations. He asked the Council to agendaize the issue for discussion.

Susan Stewart, Morro Bay resident and business owner, suggests the City's goals address the value of having a strategic regional outreach that attracts people from the county to the city.

Neal Maloney, Morro Bay business owner Morro Bay Oyster Company, expressed concern regarding the proposed Chumash marine sanctuary and how further governmental oversight would affect his business.

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-1 APPROVAL OF MINUTES FOR THE SPECIAL CITY COUNCIL MEETING HELD ON JANUARY 21, 2015; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE SPECIAL CITY COUNCIL MEETING HELD ON JANUARY 27, 2015; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE CITY COUNCIL MEETING HELD ON JANUARY 27, 2015; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 APPROVAL OF MINUTES FOR THE SPECIAL CITY COUNCIL MEETING HELD ON JANUARY 28, 2015; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-5 STATUS REPORT OF A MAJOR MAINTENANCE & REPAIR PLAN (MMRP) FOR THE EXISTING WASTEWATER TREATMENT PLANT; (PUBLIC WORKS)

RECOMMENDATION: Receive and file.

A-6 WATER RECLAMATION FACILITY (WRF) PROJECT UPDATE; (PUBLIC WORKS)

RECOMMENDATION: Receive and file.

A-7 RESOLUTION NO. 08-15 ADOPTING A NEW CITY SEAL; (ADMINISTRATION)

RECOMMENDATION: Adopt Resolution No. 08-15

A-8 AWARD OF CONTRACT TO ELLISON ENVIRONMENTAL, INC. DBA FLUID RESOURCE MANAGEMENT OF GROVER BEACH, CA FOR THE PROJECT NO. MB2015-WC01: LIFT STATION 1 MAINTENANCE AND REPAIRS; (PUBLIC WORKS)

RECOMMENDATION: Award contract as recommended.

A-9 AUTHORIZATION FOR ATTENDANCE AT THE C-MANC ANNUAL WASHINGTON, D.C., WASHINGTON WEEK MEETINGS; (HARBOR)

RECOMMENDATION: Approve Authorization for a Three-Person Delegation to Attend the C-MANC "Washington Week" Meetings in Washington D.C.

A-10 RESOLUTION NO. 06-15 AUTHORIZING EXECUTION OF A DEED OF TRUST FOR THE LEASE AGREEMENT ON LEASE SITE 144/144W (1287 EMBARCADERO); (HARBOR)

RECOMMENDATION: Approve Resolution 06-15 Authorizing Execution of a Deed of Trust.

The public comment period for the consent calendar was open; seeing none, the public comment period was closed.

Councilmember Headding pulled Item A-8. Councilmember Smukler pulled A-9.

MOTION: Councilmember Johnson moved the City Council approve Items A-1, A-2, A-3, A-4, A-5, A-6, A-7 and A-10 of the Consent Calendar. The motion was seconded by Councilmember Headding and carried unanimously, 5-0.

A-8 AWARD OF CONTRACT TO ELLISON ENVIRONMENTAL, INC. DBA FLUID RESOURCE MANAGEMENT OF GROVER BEACH, CA FOR THE PROJECT NO. MB2015-WC01: LIFT STATION 1 MAINTENANCE AND REPAIRS; (PUBLIC WORKS)

Councilmember Headding pulled Item A-8 to discuss the additional \$20,000 requested from the sewer fund for this project. He is not opposed the staff recommendation, but thought rather than make this a consent item, it should have been an action item for discussion. Council concurred.

MOTION: Councilmember Headding moved the Council award the contract, as recommended by staff. The motion was seconded by Councilmember Makowetski and carried unanimously, 5-0.

A-9 AUTHORIZATION FOR ATTENDANCE AT THE C-MANC ANNUAL WASHINGTON, D.C., WASHINGTON WEEK MEETINGS; (HARBOR)

Councilmember Smukler noted the authorization of this trip is a routine item and suggested the opportunity be used to speak to representatives and regulatory agencies regarding the WRF efforts. Mayor Irons agreed with possibly pursuing a dual purpose trip next year and suggests a future agenda item to discuss.

MOTION: Councilmember Smukler moved the Council authorize a three-person delegation attend C-MANC, noting most of the expense is grant funded. The motion was seconded by Councilmember Johnson and carried unanimously, 5-0.

B. PUBLIC HEARINGS - NONE

C. UNFINISHED BUSINESS / SECOND READING AND ADOPTION OF ORDINANCES - NONE

D. NEW BUSINESS

D-1 2014 ANNUAL WATER REPORT AND ALLOCATION OF 2015 WATER EQUIVALENCY UNITS; (PUBLIC WORKS/COMMUNITY DEVELOPMENT)

Public Works Director Livick presented the staff report and responded to Council inquiries.

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

Barry Brannin, Morro Bay, questioned the 3.7% unaccounted water loss asking for discussion on how to diminish this number.

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

Director Livick spoke to the 3.7% unaccounted water loss as shown on Table 5, noting at least some of the unaccounted for loss can likely be attributed to water going past the old mechanical meters. There also may be some leaks in the water lines, though there is an annual inspection plan in place. City Manager Buckingham noted that one of the City goals includes consideration of automated meter reading that would replace all water meters in the city.

Council discussed the continued importance of water conservation and public education. There was consensus for a municipal code update to change the reporting date and support for staff recommendations.

MOTION: Mayor Irons moved the City Council adopt Resolution No. 07-15, including staff recommendations 1 ó 6. The motion was seconded by Councilmember Heading and carried unanimously, 5-0.

D-2 PRESENTATION THE DRAFT CONCEPT PLAN FOR THE CITIZENS FINANCE COMMITTEE FOR THE CITY OF MORRO BAY; (ADMINISTRATIVE SERVICES)

Administrative Services Director Slayton presented the staff report with proposed changes to the draft Citizens Finance Advisory Committee Policy.

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

Council recognizes the difference between public and private sector accounting and noted it is important to separate strategic from operational budget oversight. There was consensus that operational oversight can be accomplished through citizen group that would meet semi-annually, or more as needed. Council recognizes there are many financial challenges ahead and several strong financial/planning people in the community that could be folded into the process, comparing this to WRFCAC and the value those citizen experts have brought to the WRF development process.

MOTION: Mayor Irons moved the City Council direct staff to move forward with establishment of Citizens Finance Committee, as presented and amended at this meeting, including language clarifying the advisory board reports to the City Council, and bring back a Resolution to formalize the Committee. The motion was seconded by Councilmember Heading.

City Manager Buckingham asked for clarification on whether the amendment strikes the review of contracts, as suggested, or includes review of contract expenditures, as discussed. Council concurred that review of contract expenditures should be included.

REVISED MOTION: Mayor Irons moved the City Council direct staff to move forward with establishment of Citizens Finance Committee, as presented and amended and recommended by staff, including language clarifying the advisory board reports to the City Council, and bring back a Resolution to formalize the Committee. The motion was seconded by Councilmember Heading, and carried unanimously 5-0.

Council further discussed timing for establishing this committee and asked staff to bring back a Resolution in early April. In addition, staff should approach the current Measure Q Committee members to see if that committee is interested in serving both roles.

MOTION: Councilmember Smukler moved the City Council state a preference for a dual financial oversight committee comprised of Measure Q Committee members, and directs Administrative Services Director Slayton to communicate with and bring back recommendation to Council. The motion was seconded by Councilmember Johnson and carried unanimously, 5-0.

D-3 APPROVAL OF THE 2015/16 BUDGET CALENDAR; (ADMINISTRATIVE SERVICES)

Administrative Services Director Slayton presented the staff report, noting the need to revise the date for having Revenue and expenditure estimates to Finance to March 20 to avoid conflict with planned vacation.

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

Councilmember Johnson supports calendar as presented and would like to select a date for the 1st Budget Workshop. Staff suggested Tuesday, March 3rd prior to the Planning Commission meeting; Council concurred noting the importance of public outreach.

MOTION: Councilmember Johnson moved the City Council approve the Budget Calendar, as presented with the 1st Budget Workshop to be held on Tuesday, March 3, beginning at 4:00 pm. The motion was seconded by Councilmember Headding and carried unanimously, 5-0.

D-4 DISCUSSION OF 2015-16 CITY GOALS AND PROGRAM OBJECTIVES; (ADMINISTRATION)

City Manager Buckingham presented the staff report.

The public comment period for Item D-4 was opened; seeing none, the public comment period was closed.

Council reviewed 10 City goals and program objectives, as revised and presented by staff, and provided direction to staff for edits to be presented for final approval at the February 24, 2015 City Council meeting.

D-5 UPDATE AND DISCUSSION OF CITY OWNED PROPERTIES FOR POTENTIAL SALE; (PUBLIC WORKS)

Public Works Director Livick presented the staff report, focusing on 10 properties with a potential opportunity for sale, including Mindoro Street , San Jacinto @ Coral, 460 Bonita Street, Downing Street, Civic Center blocks, 570 Dunes, 985 Shasta, ~1500 Main (planned Bike Park location), Main @ Hwy 1, and 700 block of Embarcadero.

MOTION: Councilmember Headding moved the Council extend the meeting beyond 11:00. The motion was seconded by Councilmember Johnson and carried unanimously, 5-0.

The public comment period for Item D-5 was opened.

Barry Brannin, Morro Bay, expressed concerned about the concept of potentially selling City properties and encourages extensive investigation. Real estate needs to be managed now and used to generate income properly in the future.

The public comment period for Item D-5 was closed.

MOTION: Mayor Irons moved the City Council continue this item to a date uncertain. The motion was seconded Councilmember Smukler and carried unanimously, 5-0.

E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Johnson requested staff bring back options for City support for daytime events on 4th of July 2015, to be heard at the February 24, 2015 Council meeting; Council concurred.

Councilmember Headding requested a discussion about responsibility for overhead power lines and process for undergrounding. Councilmember Smukler noted the 2007 report to the Public Works Advisory Board be reviewed and supports a memo from staff with possible follow up at Public Works Advisory Board. Mayor Irons, Councilmembers Johnson and Makowetski concurred.

Councilmember Smukler asked to revisit the citizen request for traffic calming at Pacific and Main Street be referred to Public Works Advisory Board for review and recommendation to the City Council; Council concurred.

Councilmember Smukler requested discussion of an integrated pest management policy. Councilmember Johnson supported the item without urgency. Mayor Irons noted there is another related item currently on the agenda planning guide; Councilmembers Headding and Makowetski concurred.

Councilmember Smukler referred to the memo received from the Planning Commission recommending discussion of a solar-ready ordinance and commercial design guidelines. In addition, he would like to include discussion of a dual plumbing/gray water ordinance. Mayor Irons supports commercial design guidelines, but is hesitant on solar and gray water given the other priorities and workload. He suggested a report on these and the other Planning items currently on the agenda planning guide be brought back for discussion and prioritization; Council concurred.

ADJOURNMENT

The meeting adjourned at 11:23 p.m.

Recorded by:

Dana Swanson
City Clerk

**A PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY
DECLARING**

**Tuesday, February 24, 2015 as
“WORLD SPAY DAY”**

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

WHEREAS, pets provide companionship to 68% of U.S. households; and

WHEREAS, nearly 3 million healthy and adoptable cats and dogs are put down in animal shelters each year due to a lack of critical resources and public awareness; and

WHEREAS, nearly 90% of pets living in poverty, and 98% of community (feral and stray) cats are unaltered; and

WHEREAS, spaying and neutering has been shown to dramatically reduce the number of animals who are put down in animal shelters; and

WHEREAS, programs exist to assist with the cost of spaying or neutering pets living in poverty and community cats; and

WHEREAS, veterinarians, national and local animal protection organizations, and private citizens worked together to ensure the spaying or neutering of more than 68,000 pets and community cats through “World Spay Day” in the United States and throughout the world in 2014; and

WHEREAS, veterinarians, national and local animal protection organizations, and private citizens have joined together again to advocate the spaying and neutering of pets and community cats on “World Spay Day 2015”.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morro Bay, does hereby proclaim February 24, 2015, as “**WORLD SPAY DAY**” calling for the citizens of Morro Bay to observe the day by having their own pets spayed or neutered or by sponsoring the spaying or neutering of a pet in need.

IN WITNESS WHEREOF I have
hereunto set my hand and caused the
seal of the City of Morro Bay to be
affixed this 24th day of February, 2015

Jamie L. Irons, Mayor
City of Morro Bay, California



AGENDA NO: A-4

MEETING DATE: February 24, 2015

Staff Report

TO: Honorable Mayor & City Council

DATE: February 13, 2015

FROM: David W. Buckingham, City Manager

SUBJECT: Adoption of 2015-16 City Goals and Program Objectives

RECOMMENDATION

Staff recommends the City Council adopt the 2015-16 City Goals and Program Objectives, as presented.

FISCAL IMPACT

The fiscal impact of approval of the City Goals and Program Objectives will be discussed in the 2015/16 budget process.

BACKGROUND/ DISCUSSION

Study sessions were held on January 13 and 27, 2015 to discuss, modify and reprioritize the current City Goals, identify program objectives for each, and extend those goals through July 2016. Based on discussion at those study sessions, staff presented City Goals and Program Objectives for 2015-16 for discussion at the February 24 City Council meeting. Attached are the final 2015-16 City Goals and Program Objectives for Council adoption.

Goal 3, Objective 3.1 is slightly reworded from the version discussed at the February 10 Council meeting. All others are precisely as presented or modified at that meeting.

ATTACHMENTS

Signed copy of 2015-2016 City Goals and Objectives

Prepared By: DWB

Dept Review: _____

City Manager Review: DWB

City Attorney Review: _____



CITY OF MORRO BAY

CITY HALL

595 Harbor Street
Morro Bay, CA 93442

Memorandum For City Council, Staff and General Public

Date: Feb 18, 2015

Subject: 2015-2016 City Goals and Objectives

1. **Purpose.** The purpose of this document is to identify City of Morro Bay Goals and Objectives. These 10 goals represent areas of general interest and priority for the City and are presented for adoption at the Feb 24, 2015 City Council meeting.
 - a) These goals were initially developed in the spring of 2013 and were discussed, modified and reaffirmed in January and February of 2015 . These goals are intended to remain valid and in force at least through June 2016.
 - b) The program objectives under each goal identify a number of specific objectives the City intends to accomplish in the February 2015 to June 2016 time period. Accomplishing these objectives, however, is dependent on adequate resourcing – both staff time and money. Thus, some objectives may not be completed if adequate resources are not allocated during the fiscal year 2015/2016 budget process.
 - c) City staff intends to develop simple action plans, including milestones and basic metrics, for each of these program objectives. Staff will update the Council on the status of work on each objective in the autumn of 2015.
 - d) During 2015, the City intends to develop a strategic planning framework and adopt City Vision, Values and Mission. The City further intends to conduct a new goal setting process in 2016 to identify a new set of 5 year goals relevant for the second half of this decade, and specific 2-year objectives related to each goal. The City hopes the strategic planning framework will synchronize long term goals with 2-year objectives, a 2-year budget cycle, and the two year election cycle.
2. **Goals and Objectives.** Following are the City of Morro Bay's 10 Goals and subordinate program objectives:

Goal #1 - Develop New WRF

- a) **Public Input.** Ensure robust WRFCAC and public engagement for major WRF decisions.

- b) **Governance.** Bring a recommendation to City Council for the governance structure with the Cayucos Sanitary District for the future WRF.
- c) **MOU for Now.** Bring a recommendation to Council for an interim agreement with the Cayucos Sanitary District defining the roles and responsibilities for the preliminary engineering and environmental review phase of the WRF project.
- d) **Fatal Flaws.** Complete a detailed “fatal flaws” analysis of the “Rancho Colina” site including: Cultural Resources, Biological Resources, Geotechnical and Groundwater.
- e) **FMP.** Complete the first phase of Facilities Master Plan, including: consultant team selection, decision regarding direction for the use of reclaimed water and a robust analysis of new treatment technologies that meet the anticipated requirements for use of reclaimed water.
- f) **Environmental Review.** Complete an Initial Study for the preparation of an appropriate environmental review document.

Goal #2 - Improve Streets

- a) **Streets Ballot Measure.** Research and bring to Council for decision a ballot measure for a district transaction tax, Bond measure or other financing mechanism that would provide revenue to secure financing to rebuild/repair all Morro Bay streets in 5 years.
- b) **Traffic Management Plan.** Prepare and bring to Council for adoption a neighborhood traffic management plan for both residential and commercial neighborhoods that is consistent with the State of California’s “Complete Streets” requirements and improves safety and access for all users: vehicles, bikes, and pedestrians. Implement five traffic safety and/or calming measures, as recommended in the adopted plan.
- c) **Traffic Control Measures.** Prepare an asset database and maintenance plan for all traffic control devices, including signs, signals, feedback devices and pavement markings.
 - i) Refresh marking of all crosswalks; stop bars; legends; parking stall markings; and bicycle lane marking in commercial districts, collector and arterial streets, designated pedestrian routes, and on all routes to schools.
 - ii) Replace 20-percent per year of the regulatory signs that do not meet FHWA’s retro-reflectivity requirements.
- d) **Pavement System.** Update the Pavement Management System software and inspection verification to evaluate streets for maintenance needs. Crack seal all applicable streets in the East Beach Tract (AKA Island Streets).

- e) **Bike Needs.** Bring one or more unmet bike needs and/or maintenance of existing bike paths to Council for funding consideration in the 2015/2016 budget process.

Goal #3 - Review and Update Significant City Land Use Plans

- a. **GP/LCP.** Complete GP / LCP update and integration by December 2017.
- b. **Secondary Unit Ordinance.** Complete revision / update of the City's Secondary Unit Ordinance.
- c. **Sign Ordinance.** Complete revision / update of the City's Sign Ordinance.
- d. **Neighborhood Design.** Develop and implement neighborhood design guidelines.
- e. **Downtown Specific Plan.** Update the existing Downtown Specific Plan for implementation and certification with design guidelines to establish the identity and vision of downtown, include "Old Town" resolution as part of the update process.

Goal #4 - Maintain Core Public Safety Services

- a. **CERT and EOC.** Complete four regional Community Emergency Response Team (CERT) courses with bi-monthly continuing education for our citizens and enhance our Emergency Operations Center (EOC) position training for City employees, volunteers, and City Council.
- b. **Drought Annex.** Complete the drought annex to Part II of our City's Multi-Hazard Emergency Response Plan.
- c. **IT Communication.** Create and implement IT solutions to enhance public safety communication to the community.
- d. **Code Enforcement.** Bring a proposal for a proactive code enforcement program to Council for decision and immediate implementation.
- e. **Emergency Plan Updates.** Complete all emergency plan updates presented by San Luis Obispo County Office of Emergency Services that affect our Mass Casualty, Nuclear, Hazardous Materials, and Tsunami events.
- f. **Body-Worn Cameras.** Complete implementation of body-worn camera technology for all police officers.
- g. **PD Strategic Planning.** Establish Police Chief's Advisory Committee and complete Police Department Strategic Plan to enhance organizational efficiency and community collaboration.

- h. **Public Safety Ordinances.** Bring to Council ordinances related to emerging public safety trends.
- i. **FD Strategic Plan.** Complete a Fire Department strategic plan update to improve organizational efficiency.

Goal #5 - Ensure Fiscal Sustainability

- a. **Budget Process.** Retool the City's budgeting process, improving transparency and simplicity while considering biennial and program-based budgeting. Develop a 5-year strategic budget forecast.
- b. **Financial Reporting and Oversight.** Bring to Council a recommendation to establish a Financial Oversight body. Develop an improved process for financial reporting that is transparent and easy to understand.
- c. **Capital Replacement.** Establish capital replacement accounts in FY 2015/16 for all major capital assets and include a minimum contribution to each account in the 2015/16 budget.
- d. **Fee Recovery.** Review and bring to Council for decision balanced cost recovery for City fees and charges (AS)
- e. **Management Partners.** Research and implement or bring to Council for adoption or rejection all Management Partners recommendations (AS)
- f. **Vehicle Leasing.** Research and decide on City vehicle leasing vs. ownership policy.
- g. **Energy.** Explore renewable energy projects that reduce energy costs.

Goal #6 - Support Economic Development

- a. **LEAP.** Provide a high degree of staff support and participation in the Local Economic Action Plan process; bring appropriate LEAP proposals to Council.
- b. **Economic Development Strategic Plan.** Bring to Council for decision, a proposal to retain a consultant to help the City create a 5-year Economic Development Strategic Plan.
- c. **High-Speed Fiber.** Coordinate and bring to Council for decision, options for a public / private partnership to deliver high-speed fiber connectivity in Morro Bay
- d. **Tri-W Property.** Research and bring to Council for decision and possible incorporation into the General Plan / LCP, partial business development of the "Tri-W" property while preserving a large portion of the space as a green belt and dedicating a portion to affordable housing.

- e. **Marine Services Facility.** Evaluate the ongoing boatyard studies and bring to Council for guidance, the feasibility and/or proposals for establishing a marine services facility in Morro Bay.
- f. **Event Coordination.** Implement, or bring to Council for decision, appropriate measures to improve event coordination and support in Morro Bay and consider an event coordinator function.
- g. **Chamber of Commerce/Tourism Bureau Relationships.** Evaluate, analyze and present to Council alternate models for partnerships between the City and both the Chamber of Commerce and Morro Bay Tourism Board.
- h. **Projects.** Continue forward momentum on various projects including: Maritime Museum, Marine Research Center / Aquarium, Coast Guard facility, and Tidelands Park fish cleaning station.

Goal #7 - Improve City Infrastructure, Facilities and Public Spaces.

- a. **Old Town Link.** Design and bring to Council for approval a specific plan to link the Embarcadero with Old Town at Centennial Parkway. If approved, begin work as soon as resources allow.
- b. **Embarcadero Promenade.** Develop constraints and cost analysis, then pilot, design and bring to Council for decision, an Embarcadero Promenade project to widen the west side Embarcadero sidewalk to ~15 feet as part of a Waterfront Master Plan.
- c. **Parking.** Leveraging the 2007 Parking Management Plan, begin implementation of specific parking management and improvement actions, including enforcement and targeted use of pay parking. Consider implementation of 60/90-degree angle center aisle parking to increase parking density. Consider lease of vacant lots for parking. Convert the “triangle lot” to temporary parking and plan for its future use.
- d. **ADA Compliance.** Complete a full ADA compliance assessment of all City facilities and develop a plan to address issues, budgeting and executing for an appropriate amount for ADA compliance in FY 15/16.
- e. **Needs Assessments.** Complete Harbor and Police Department’s needs assessment for recapitalization of department buildings.
- f. **City Property.** Research and bring to Council for consideration, best future use of all City properties.

- g. **Sidewalk Improvement.** Conduct a complete assessment of all City sidewalks and develop a plan for grinding and/or replacement with a focus on parks, school zones and business districts.
- h. **Sidewalk Responsibility.** Bring to Council for decision, a process for implementation of the California Streets and Highways requirements for street frontage maintenance.
- i. **Street Signs.** Design and bring to Council for decision, a distinctive design that captures Morro Bay's image for new street name signs.
- j. **Way-Finding Signs.** Update and/or replace 20% of "way-finding" signs across all of Morro Bay.

Goal #8 - Enhance Quality of Life

- a. **New Pool.** Develop and implement a plan to operate the community-use portion of the new high school pool, including a new Joint Use Facilities Agreement with the San Luis Coastal Unified School District (SLCUSD).
- b. **Access to Healthcare.** Initiate outreach to appropriate healthcare providers with the goal of reestablishing a health center in Morro Bay that provides improved accessibility to our medically underserved residents.
- c. **Funding of Non-City Events.** Develop and bring to Council for approval, policies and procedures regulating the use of City funds for non-City events.
- d. **City Events.** Bring to Council for decision, a list of City of Morro Bay sponsored events. Focus resources to enhance those events.
- e. **QOL Survey.** Implement annual community quality of life/customer service surveys.
- f. **Community Needs Assessment.** Conduct a community needs assessment to reestablish recreational priorities for residents and visitors.
- g. **Recreation Program Improvements.** Improve marketing and execution of core recreation programs.

Goal #9 - Improve Water Supply Diversification

- a. **State Water.** Conduct an assessment of the long-term requirements for continued participation in the State Water Project, conduct initial determination what level of participation is appropriate, and identify timeline for contract renewal.

- b. **DeSal Permit.** Complete the Coastal permitting of the City's existing desalination plant support infrastructure including the seawater wells and the outfall.
- c. **Rate Study.** Complete the ongoing water (and sewer) rate study and bring to Council for decision, a balanced plan to ensure the fiscal sustainability of City Water (and Sewer) Funds
- d. **WRF Water Usage.** Develop a reuse plan for WRF recycled water that protects and enhances the City's current water supply, while considering additional appropriate uses of recycled water in accordance with the City's approved Local Coastal Plan policies.
- e. **Regional DeSal.** Research and, if appropriate, bring to Council for information, the potential of a public-private partnership (3P) to design, build and operate a regional desalination facility (eg Poseidon Facility) that could sell drinking water into regional / state water system.
- f. **Conservation.** Continue City implementation and community education to improve water conservation.
- g. **Groundwater Improvement.** Evaluate Morro and Chorro creek groundwater basins for salts and nutrients and identify strategies to improve water quality and annual capacity of water source.

Goal #10 - Improve City Operations

- a. **Public Input.** Provide opportunities for robust public involvement and input in all major City decisions.
- b. **Vision, Values and Mission.** Develop and bring to Council for adoption, City of Morro Bay Vision, Values and Mission Statement.
- c. **Strategic Planning.** Research and bring to Council for adoption, a City strategic planning framework.
- d. **Information Technology.** Fundamentally remake IT operations in the City - consider every approach, system, platform, software solution and best practice to gain efficiency, effectiveness, collaboration and transparency using IT solutions. Write IT Master Plan.
- e. **Public Information.** Measurably improve public information and public outreach, maximizing IT solutions while ensuring residents less tech-oriented have appropriate access to public information.
- f. **Water Metering and Billing.** Research and bring to Council for decision, a contracted arrangement for automated water meter reading and complete billing operations.

- g. **Customer Service.** Take customer service to world class level. Develop and implement employee customer service standards. Develop and implement an employee recognition system for providing great customer service.
- h. **Grants.** Research and apply for all possible grants to help fund renewal, operations and capital improvements.



David W. Buckingham
City Manager

**A PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY
CELEBRATING THE GRAND RE-OPENING
OF THE MORRO BAY LIBRARY
ON MARCH 1, 2015**

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

WHEREAS, Morro Bay’s first library was established in 1922 in the Sewall building located at 361 Main Street; and

WHEREAS, the library moved to several different locations on Main Street and Morro Bay Boulevard between 1929 and 1982; and

WHEREAS, Morro Bay Friends of the Library was formed in 1974, and in 1982 began raising funds to build the library in its current location at 625 Harbor Street; and

WHEREAS, Morro Bay Friends of the Library successfully raised more than \$500,000 to pay for the current library remodel project including funds raised from countless Friends’ quarterly book sales; and

WHEREAS, Morro Bay Friends of the Library and the County of San Luis Obispo created an extremely successful public/private partnership in order to design and construct a library interior that is unified, integrated and efficient; and

WHEREAS, Morro Bay Friends of the Library worked diligently toward the vision for a remodeled library that is welcoming, open, flexible, inclusive, technologically current and reflective of our community; and

WHEREAS, the City wishes to acknowledge the extraordinary leadership efforts of current and past board members of Morro Bay Friends of the Library along with the exceptional generosity of the Morro Bay community-at-large who joined forces “expanding more than minds” and created a beautiful and functional library of the future that will continue to serve all people in the City of Morro Bay.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morro Bay, does hereby recognize the achievements and history of the Morro Bay Library and joins the community in celebration of the grand re-opening on March 1, 2015.

IN WITNESS WHEREOF I have
hereunto set my hand and caused the
seal of the City of Morro Bay to be
affixed this 24th day of February,
2015

Jamie L. Irons, Mayor
City of Morro Bay, California



AGENDA NO: A-6

MEETING DATE: February 24, 2015

Staff Report

TO: Honorable Mayor and City Council

DATE: February 17, 2015

FROM: Dana Swanson, City Clerk
John W. Fox, Assistant City Attorney

SUBJECT: Consideration and Adoption of Resolution No. 09-15 Updating the City's Conflict of Interest Code

RECOMMENDATION

Staff recommends that the City Council update the City's Conflict of Interest Code by adopting the proposed Resolution No. 09-15.

ALTERNATIVES

In addition to the recommended option, the City Council may consider adopting the Resolution in modified form or return the matter to staff for further consideration of the content to return to the City Council with a revised version at a future Council meeting.

FISCAL IMPACT

As this Resolution will update the City's current Conflict of Interest Code and does not create any new obligations or responsibilities for City staff, the adoption of this Resolution will not have any measurable fiscal impact.

BACKGROUND

Government Code, section 83700 requires all cities to adopt a Conflict of Interest Code. A Conflict of Interest Code shall have the force of law, and any violation of a Conflict of Interest Code by a designated employee shall be deemed a violation of this chapter. To simplify the preparation and adoption of Conflict of Interest Codes, the Fair Political Practices Commission has adopted a form Conflict of Interest Code which is found at 2 California Code of Regulations, section 18730. As such, the City may comply with Government Code, section 83700 by doing all of the following: (1) Adopting the form Conflict of Interest Code; (2) identifying designated positions and boards that must comply with the requirements of the Conflict of Interest Code; and (3) identifying financial disclosure categories to which each designation position and board fall within.

01181.0001/242571.1

Prepared By: JWF

Dept Review: DS

City Manager Review: _____

City Attorney Review: _____

Previously the City adopted and updated its Conflict of Interest Code through the adoption of the following resolutions: Resolution No. 76-76 adopted 27 September 1976, Resolution No. 59-85 adopted 24 June 1985, Resolution No. 10-91 adopted 28 January 1991, Resolution 84-94 adopted 12 September 1994, and Resolution No. 47-06 adopted on September 25, 2006.

DISCUSSION

Staff has determined that it is now necessary to update the City's Conflict of Interest Code once again as it has not been updated since 2006 and since that time new positions and committees have been created and job responsibilities have changed within existing positions. By adopting the attached Resolution No. 09-15, the City Council will ensure that the City's Conflict of Interest Code is up to date and reflects the current organization and operations of the City.

CONCLUSION

Staff recommends the City Council adopt the attached Resolution No. 09-15

ATTACHMENTS

Resolution No. 09-15 Adopting a Revised Conflict Of Interest Code and Repealing Resolutions in Conflict Therewith

Exhibit A - List of Designated Positions

Exhibit B - Disclosure Categories

RESOLUTION NO. 09-15

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
ADOPTING A REVISED CONFLICT OF INTEREST CODE
AND REPEALING RESOLUTIONS IN CONFLICT THEREWITH**

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

WHEREAS, pursuant to the provisions of the Government Code Sections 87300 et seq., each agency is required to adopt a Conflict of Interest Code; and

WHEREAS, the Fair Political Practices Commission has adopted a regulation, 2 Cal. Code Reg. Section 18730, which contains the terms of a standard model Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments to the Political Reform Act; and

WHEREAS, the Fair Political Practices Commission recommends each agency incorporate Commission Regulations 18730 and 18720 by reference as the body of their Code, and that all changes to the Political Reform Act and to Regulations 18730 and 18720 will automatically be part of the City's Conflict of Interest Code; and

WHEREAS, the City of Morro Bay incorporated its Conflict of Interest Code with the adoption of Resolution No. 76-76 adopted 27 September 1976, Resolution No. 59-85 adopted 24 June 1985, Resolution No. 10-91 adopted 28 January 1991, Resolution 84-94 adopted 12 September 1994, Resolution No. 47-06 adopted on September 25, 2006 and its Conflict of Interest Code is in further need of updating; and

WHEREAS, the City Council has determined that the documents attached to this Resolution as Exhibits A and B accurately set forth the current designated positions regulated by the Conflict of Interest Code, and the respective categories of financial interests which should be made reportable and those boards and commissions which should be designated and the respective categories of financial interests which should be made reportable by their members; and

WHEREAS, this action will ensure the City's Conflict of Interest Code is up to date and in compliance with the law.

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

SECTION 1. Resolution No. 47-06 and any other resolutions in conflict with this

Resolution are hereby repealed in their entirety.

SECTION 2. The terms of Title 2, Division 6 of the California Code of Regulations, Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, incorporated herein by reference, along with the attached documents entitled Exhibit A in which members and employees are designated, and Exhibit B in which disclosure categories are set forth, constitute the Conflict of Interest Code for the City of Morro Bay.

SECTION 3. Pursuant to the Code, any person holding a designated position, including any person holding a designated position in an acting capacity, shall file a Statement of Economic Interest with the City Clerk. Additionally, any person hired for a position not covered by the Code, who makes or participated in making a governmental decision shall file a Statement of Economic Interest.

SECTION 4. The City Clerk is the filing official for the Mayor, Councilmembers, City Manager, City Attorney, and Planning Commissioners. For the persons holding these positions, the City Clerk accepts the filing, retains a copy, and forwards the original to the Fair Political Practices Commission in Sacramento. For all other persons holding designated positions, the City Clerk is the filing officer and retains the statements. The City Clerk will make the statements available for public inspection and reproduction. (Government Code Section 81008)

SECTION 5. Any future amendments to the City's Conflict of Interest Code including, but not limited to, amendments to the designated positions list or to the financial disclosure categories, shall be made by resolution duly adopted by the City Council of the City of Morro Bay.

SECTION 6. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on this ____ day of _____, 2015 on the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

EXHIBIT A
RESOLUTION NO. 09-15

CITY OF MORRO BAY

LIST OF DESIGNATED POSITIONS
CONFLICT OF INTEREST CODE

Position	Disclosure Category
Mayor, Council Members, City Manager, City Attorney, City Clerk, City Treasurer, Planning Commission Members	As required by State law
<u>Boards, Committees & Commissions</u>	
Citizens Oversight Committee	1,2
Harbor Advisory Board	1,2
Public Works Advisory Board	1,2
Recreation & Parks Commission	1,2
Tourism Business Improvement District Advisory Board	1,2
Water Reclamation Facility Citizens Advisory Committee	1,2
<u>Administration</u>	
Human Resources Analyst	1,2
Information Systems Technician	1,2
<u>Harbor</u>	
Harbor Director	1,2
Harbor Business Coordinator	2,3,4,6
<u>Fire</u>	
Fire Chief	1,2
Fire Captain	2,3,6
Administrative Technician	2,6
<u>Police</u>	
Police Chief	1,2
Police Commander	2,3,6
Support Services Manager	2,3,6

Public Works

Public Works Director	1,2
Management Analyst	1,2
Capital Project Manager	1,2
Associate Engineer	2,3,4,6
Assistant Engineer	2,3,4,6
Engineering Technician IV	2,3,4,6
WWTP Manager	2,4,6
WWTP Supervisor	2,4,6
Maintenance Superintendent	2,4,6
Collection Systems Supervisor	2,4,6
Water Systems Supervisor	2,4,6
Streets/Parks Leadworker	2,4,6
Facility Maintenance Leadworker	2,4,6

Community Development

Community Development Manager	2,3,4,6
Assistant Planner	2,3,4,6

Recreation

Recreation Director	1,2
Recreation Supervisor ó Sports Services	6
Recreation Supervisor ó Youth Services	6

Consultants

1,2

Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation: The City Manager may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The City Manager's determination is a public record and shall be retained for public inspection in the same manner and location as the Conflict of Interest Code.

EXHIBIT B
RESOLUTION NO. 09-15

CITY OF MORRO BAY

DISCLOSURE CATEGORIES

General Provisions

When a designated employee or individual is required to disclose investments, business positions and sources of income, he or she need only disclose investments in business entities and sources of income which do business in the City, plan to do business in the City or have done business in the City within the past two (2) years. In addition to other activities, a business entity is doing business within the City if it owns real property within the City. When a designated employee or individual is required to disclose real property, he or she need only disclose that which is located in whole or in part within or not more than two (2) miles outside the boundaries of the City or within two (2) miles of any land owned or used by the City.

Designated employees shall disclosed their financial interests pursuant to the appropriate disclosure category as indicated in Exhibit 0A0.

Disclosure Categories

- Category 1: All investments, business positions and sources of income. (See Statement of Economic Interests Schedules A-1, A-2, C, D and E.)
- Category 2: All interests in real property. (See Statement of Economic Interests, Schedule B.)
- Category 3: All investments, business positions, interests in real property and sources of income subject to the regulatory, permit or licensing authority of the department. (See Statement of Economic Interests Schedules A-1, A-2, B, C, D and E.)
- Category 4: Investments in business entities and sources of income which engage in land development, construction or the acquisition of real property. (See Statement of Economic Interests Schedules A-1, A-2, B, C, D and E.)
- Category 5: Investments in business entities and sources of income of the type which contracts with the City to provide services, supplies, materials, machinery or equipment to any City department. (See Statement of Economic Interests Schedules A-1, A-2, B, C, D and E.)
- Category 6: Investments in business entities and sources of income of the type which contracts with the City to provide to the designated employee's department services, supplies, materials, machinery, or equipment. (See Statement of Economic Interests Schedules A-1, A-2, B, C, D and E.)



AGENDA NO: C-1

MEETING DATE: February 24, 2015

Staff Report

TO: Honorable Mayor & City Council

DATE: February 19, 2015

FROM: David W. Buckingham, City Manager
Joseph W. Pannone, City Attorney

SUBJECT: Status update on the Morro Bay Power Plant and Potential Direction

RECOMMENDATION

Staff recommends the City Council review and file this information.

FISCAL IMPACT

None.

PURPOSE

The purpose of this report is to provide the City Council and general public a brief update on the status of the Morro Bay Power Plant (MBPP), associated property, current situation and City influence on the future.

SUMMARY

The MBPP has changed ownership a number of times in recent years from PG&E to Duke Energy to the current owner, Dynegey Morro Bay, LLC, a Delaware limited liability corporation (Dynegey). In those years, some power plant property was retained, specifically the "Switch-yard" by PG&E, some property has been ceded to the City of Morro Bay, some property was under consideration for transfer to the City and the balance of the property is currently owned by Dynegey. One purpose of this report is to clarify the status of the major parcels of property.

The MBPP and power plants at Moss Landing and in Oakland are currently owned by Dynegey. Dynegey is apparently planning to make a complete break from business in California and all three of those properties are up for sale. The MBPP is private property owned by a private corporation. While the City maintains a certain level of influence over the eventual use of the property, we have influence but not control. A second purpose of this report is to clarify the major levers of influence open to the City, and identify the major restrictions and limitations affecting future development.

01181.0001/243057.3

Prepared By: DWB

Dept Review: _____

City Manager Review: DWB

City Attorney Review: JWP

DISCUSSION

Part 1 – MBPP Property. Following is a review of the major pieces of former and current MBPP property. They are broken down into four areas: transferred to the City of Morro Bay, under consideration for transfer but not transferred, owned by Dynegy, and owned by PG&E.

- 1. Owned by the City of Morro Bay.** Exhibit 1 shows the only parcel fairly recently deeded from Dynegy to the City. This is the “Triangle Parking Lot” which is approximately 2.5 acres and is zoned M-2/PD/I (Coastal Dependent Industrial). At least temporarily, staff intends to make minor improvements to turn this property into a free parking lot serving the Embarcadero, Rock and future Morro Creek Bike Bridge area. Staff intends to remove the top 2/3 of the existing wall between the Triangle Lot and the Embarcadero to improve visibility/safety, and to emplace temporary, beach-like parking aids (likely reclaimed/salvaged pilings and directional signs) and to mark that lot as free parking. Staff does not plan on paving the lot. However, some access controls will likely need to be emplaced to improve safety at the intersection with the Embarcadero. (See Exhibit 2.)
- 2. Under Consideration For Transfer but not Transferred.** Several contiguous parcels were under consideration for transfer to the City in lieu of Dynegy’s annual \$525,000 payment to the City. (See Exhibit 3.) These negotiations were conducted over the past ~18 months. The parcels included Lila Kaiser Park and other “green space” on the north side of the main power plant facilities. For a number of reasons, the City and Dynegy did not agree on any land transfers and Dynegy has now paid the City that \$525,000 payment. Those parcels are therefore, “off the table” for the foreseeable future, likely at least until the property is sold and perhaps redeveloped. Those parcels have been, and remain, Dynegy property. Lila Kaiser Park is leased to the City for ten years with an automatic 10-renewal if the lease is not terminated. That lease can be terminated by Dynegy if that property is necessary for the redevelopment of the main Dynegy property. (The City has and will continue receiving the \$40,000 fire service payment per year each January, and has received the final annual prorated payment of \$80,535 of the annual \$525,000.)
- 3. Dynegy Property.** Dynegy remains the owner of the majority of MBPP land and facilities. Most of that property is contiguous to the existing power plant. (See Exhibit 4.) In addition to the main MBPP land and facilities, Dynegy owns the large Intake Building on the bay side of the Embarcadero, and a significant part of the parking lot between the Great American Fish Company and the Harbor Hut. The parking lot parcel is currently in use by the City/public through an informal agreement with Dynegy. There is no lease associated with that parking lot. (See Figure 5.) As noted, all of the Dynegy Property is currently for sale. We understand all the property is for sale as an entire block and Dynegy is likely not interested in splitting the Morro Bay Power Plant from the Moss Landing and Oakland properties, and is likewise not entertaining any offers for pieces or parts of the MBPP property. That is, it is highly unlikely that anyone will be able to split off any pieces of the Dynegy property for separate sale.

4. **PG&E Property.** PG&E owns a significant portion of the “power plant” land. (See Exhibit 5.) That “switchyard” property is essential to PG&E’s electricity distribution operations throughout central California. Power generated in the central valley is transmitted to the PG&E switchyard where it is further distributed to consumers around the central coast. That switchyard is a critical link for PG&E. It is not for sale and will likely remain essential to PG&E operations long into the future.

Part II - MBPP Future. The purpose of this section is to provide a brief, broad overview of the future of the MBPP.

1. **Ownership.** As noted, the MBPP is owned by Dynegy. Thus, a critical point for City and public understanding is the MBPP is essentially private property. The City of Morro Bay has no controlling interest, and, in fact, little if any influence on the company and, thus, on the corporation’s plans for the future. That said, the City does have governmental land use control of the property’s use.
2. **Land Use.** The MBPP is currently zoned M2/PD/I (Coastal Dependent Industrial). One of the City’s authorities is over land use, essentially zoning, so the City does have some influence over future development of the property. That is, if someone wanted the property re-zoned to Commercial and wanted to build an outlet mall, that zoning decision would be made by the City. (It would also have to be approved by other bodies and processes, including the California Coastal Commission.) So, the City has effective control over redevelopment. That said, the City’s control is not total.
3. **Economically Viable Use.** California law requires when property is rezoned it must retain economically viable use for the property owner. That is, the City cannot take zoning action that results in leaving the property with no economic viability. For example, if Dynegy sells the MBPP, the City could not re-zone the property to public open space or for public institutional uses. Put differently, whatever redevelopment is allowed through the land use entitlement process would have to be something that would provide the developer sufficient economic benefit from that redevelopment.
4. **Deed Restriction.** Council should be aware there is an existing covenant that effects the reuse of the Dynegy property. This covenant was recorded when PG&E sold the MBPP to Duke Energy Morro Bay, LLC. The covenant states the property will not be used for health care facilities, hotels, schools, day care centers for children, parks or recreational uses. Since that provision was to limited PG&E’s potential liability for injuries from hazardous materials that may be on the property, a new buyer/developer of that property could have the covenant removed by indemnifying PG&E. However, that is another hurdle to redevelopment.
5. **The “20-year, \$1 Clause.”** There is a clause in the current deed that states the City of Morro Bay may purchase the entire MBPP for one dollar, 20-years after power generation

stops. (The actual language revolves around a calculation of 15 years after the end of any 5-year consecutive period of the plant not selling or generating at least 876K megawatt hours of electricity - so the time period is effectively 20-years from the date of last production of those megawatt hours.) The start date for that 20 years is likely September 30, 2013. So, whether or not Dynegy sells the MBPP, the City would be able to purchase the property around 2033 for \$1, if 876K megawatt hours are not produced at the plant between September 30, 2013 and September 30, 2018. That said, the cost to tear down and cleanup the site is extremely high, perhaps too high for even the Morro Bay of 2033 to afford. There is no requirement for the City to purchase the MBPP at the end of those 20 years.

6. **Future Use.** The City, elected officials and staff, have been involved in some broad consultation with potential buyers and developers. At this point, none of those buyers have found a business case that has resulted in their purchase of the property. The City remains engaged and reaching out to potential buyers with a special interest in appropriate redevelopment that may result in the removal of some of the most unsightly parts of the MBPP facility.

CONCLUSION

The MBPP as it currently stands is, and may remain, a significant presence in Morro Bay long into the future. A small portion of the property has been transferred to the City, and the City has received our \$525,000 and \$80,535 payments from Dynegy. The City will continue to receive the annual \$40,000 fire service payment. No other major property or financial transfers are anticipated in the near or medium term future, unless or until Dynegy is able to sell the MBPP. The PG&E switchyard will likely remain in place and operational for generations.

While the City's land use authority provides measurable influence over future use, the MBPP remains private property and while we can be a partner, we are more in the passenger seat than the driver's seat – unless we had ~\$100M or so handy to buy the facility and property and perform a major environmental cleanup project.

ATTACHMENTS

Exhibits 1-5

Exhibit 1: Recently Transferred Properties



Exhibit 2: "Triangle Parking Lot"



Exhibit 3: Properties Under Consideration for Transfer but not Transferred

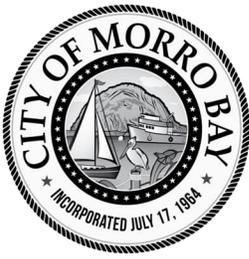


Exhibit 4: Remaining Dynegy Properties



Exhibit 5: PG&E Owned Properties





AGENDA NO: D-1

MEETING DATE: February 24, 2015

Staff Report

TO: Honorable Mayor and City Council **DATE:** January 31, 2015

FROM: Susan Slayton, Administrative Services Director

SUBJECT: Discussion on Use of District Transaction Taxes (Measure Q) to pay for Unfunded Mandates

RECOMMENDATION

Staff recommends the City Council permit the use Measure Q funds to pay for unfunded mandates in the approved-use categories of Storm Drains, Streets, and Public Safety.

ALTERNATIVES

1. Establish a monetary limit for the use of Measure Q funds for unfunded mandates in approved-use categories; or
2. Deny the use of Measure Q funds for any and all unfunded mandates.

SUMMARY

Staff has researched the Measure Q campaign materials and discussions available, and has found no evidence showing the public was told Measure Q monies would not be used for unfunded mandates. This issue initially came up during the Fiscal Year 2012/13 transactions review by the Citizens Oversight Committee. Staff believes, while the Committee has been an excellent steward of this tax, there is no basis for the decision, either in the campaign material or the ballot measure language, to ban the use of these monies for unfunded mandates in the approved-use categories established by Resolution 46-12.

BACKGROUND

With the November 2006 election, the citizens of Morro Bay voted in a ½ cent district sales tax, which had been placed on the ballot by a grassroots citizens committee as Measure Q. This is a General Fund tax and has no sunset date.

The ballot measure read as follows:

"MEASURE Q-06

The Morro Bay Vital Public Services Restoration and Protection Measure. To preserve Morro Bay's safety and character by funding essential services including upgrading

Prepared By: SS

Dept Review: SS

City Manager Review: _____

City Attorney Review: _____

firefighter/paramedic equipment, fire stations, police, street and pothole repairs, improving storm drains to protect the bay from pollution and other general city services, shall an ordinance be adopted increasing the City sales tax by one-half cent, subject to independent annual financial audits, and establishing an independent citizens' advisory committee to review annual expenditures?"

The Citizens Oversight Committee has always ensured funds have been properly spent only on categories included within the campaign materials, and communicated to the public, which are Fire, Streets, Storm Drains and Public Safety.

To further memorialize the appropriate use of Measure Q funds, former Mayor Bill Yates signed Resolution No. 46-12 on September 11, 2012. That Resolution states, "a volunteer community group formed a campaign committee to promote the approval of Measure Q, stressing to the public that the money would be used to replace the earthquake-damaged Fire Station, provide equipment for public safety, maintain streets and repair storm drains." It further states "although the ballot measure language covered a wider scope of service than those promoted to the citizens, it passed based on the campaign committee's efforts."

The Resolution also identified the approved uses for Measure Q funds as: 1) improve the Fire Department; 2) enhance public safety; 3) street maintenance; and 4) storm drain maintenance and prevention of toxic runoff into the bay.

With the 2013/14 mid-year budget review presented to Council at its February 11, 2014 meeting, the Measure Q Committee presented its report regarding the Fiscal Year 2012/13 financial transactions review for the District Transaction Tax Fund (Measure Q). As part of that presentation, the Committee disputed funding unfunded mandates with Measure Q money, and recommended "Measure Q revenues should not be used to fund mandated government expenses."

Chairperson Homer Alexander stated the basic premise, as conveyed to the voters in 2006, was the money would only be used for those projects above and beyond the budget's normal ability to pay for things. He recommended the Council revisit Resolution 46-12, which established the approved uses for the District Transaction Tax, and add a sentence that would address the mandate issue.

Council discussed this, and concluded by declaring a future agenda item to discuss Resolution 46-12, and amending the Resolution to include a restriction on using Measure Q monies for unfunded mandates.

On January 27, 2015, the 2014/15 mid-year budget review was presented to Council, which included the Measure Q Committee's comments on the 2013/14 fiscal year end transactions. The Committee Chairperson read the following concluding comments from their letter:

"Last year, the majority of the City Council discussion, regarding our report, centered on our recommendation to reverse the \$70k unfunded, mandated EPA expense for the New Phase II MS4 Storm Water Permit. At the conclusion of the City Council meeting, Mayor Irons and Council Member Christine Johnson approved Council Member Smukler's request for a future agenda item to discuss whether or not Measure Q funds should be utilized for unfunded Federal or Unfunded Mandates. The Committee would encourage the City Council to have that discussion prior to the start of the 2015/16 budget process."

At the conclusion of the January 27th meeting, the Mayor Irons asked that this item be brought to Council at its February 24th meeting.

DISCUSSION

Nowhere in the ballot language, or the campaign information, does it state District Transaction Tax (Measure Q) monies would or could only be used for those projects above and beyond the budget's normal ability to pay for things. Additionally, nothing states it would not or could not be used to pay for unfunded mandates.

As such, staff believes unfunded mandates, within the approved categories as defined by Resolution No. 46-12, are an appropriate use of Measure Q funds. The City Council, as the decision-making body of the City, controls the use of the tax money received, and may fund, restrict, or choose not fund any expenditure staff requests, to include unfunded mandates.

CONCLUSION

Staff recommends the City Council continue managing the Measure Q District Transaction Tax fund as it successfully has since Fiscal Year 2006/07, and consider unfunded mandate requests, as part of the approved-use categories as defined by Resolution 46-12, during the budget process.

Attachments:

1. Campaign material
2. Resolution No. 46-12
3. February 11, 2014, meeting minutes

The Morro Bay Vital Public Services Restoration and Protection Measure. To preserve the safety and character of Morro Bay, with priority on funding essential services such as fire, paramedics, street and pothole repairs, storm drains, police, youth and park programs and other general community services, shall an ordinance be adopted increasing the City sales tax by one-half cent, subject to independent annual financial audits, and establishing an independent taxpayers' advisory committee to review annual expenditures?	Yes
	No

SECTION 3. The City Clerk is hereby directed to forward a copy of Resolution Nos. 32-06 and 37-06 and to the County Clerk for inclusion in the ballot for the November 7, 2006 General Municipal Election.

SECTION 4. The measures shall pass only if a majority of the votes cast by voters voting on the measures are "yes" votes and shall, if passed, take precedence over any other conflicting measure receiving less votes in this election.

SECTION 5. The City Council hereby directs the City Attorney to prepare an impartial written analysis of the measures, not to exceed 500 words in length, showing the effect of the measures on existing law and the operation of the measures. The impartial analysis shall be filed by the date set by the City Clerk for the filing of primary arguments.

SECTION 6. The City Council authorizes its members to file written arguments for or against the measures described above and which are contained in Exhibit A to this resolution, which exhibit is incorporated by reference. All written arguments filed by any person in favor or against the measure(s) shall be accompanied by the names and signatures of the persons submitting the arguments as required by applicable law and any names, signatures and arguments may be filed until the time and date fixed by the City Clerk, after which no change may be submitted to the City Clerk unless permitted by law.

SECTION 7. The City Clerk shall cause the text of the measures, which is contained in Exhibit A, together with the City Attorney's impartial analysis, and any arguments for or against the measure, to be mailed to all qualified voters with the ballot. In addition to other notices and publications required by law, the City Clerk, not less than forty (40) days and not more than sixty (60) days before the General Municipal Election, shall cause the text of the measures to be published once in the official newspaper. The City Clerk is authorized to give such notices and to fix such times and dates as are required by law or which are appropriate to properly conduct the election.

SECTION 8. The provisions of Resolution No. 32-06 refer to more particulars concerning the General Municipal Election to be held on November 7, 2006 and in all respects the election shall be held and conducted as provided for by applicable law. The City Clerk is authorized and directed to procure and furnish any official ballots, notices, printed materials and

RESOLUTION NO. 46-12

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

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

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

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

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

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

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

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

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

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

- 1) Improve the Fire Department
- 2) Enhance public safety
- 3) Street Maintenance
- 4) Storm drain maintenance and prevention of toxic runoff into the bay

Background

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

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

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

Discussion

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

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



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

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

Save Our Services.

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

YES on Measure Q!

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

Our city needs money to:

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

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



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

Attachment 1--Direct Mail (front)

URGENT! VOTE YES ON MEASURE Q SAVE OUR SERVICES

Dear Neighbor:

Why do we need Measure Q?

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

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

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

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

Fact: This revenue cannot be stolen by the State.

Who will pay?

Citizens and visitors who make taxable purchases.

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

What will it cost me?

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

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

How will I benefit?

The money generated by Measure Q will help to:

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

Will there be financial accountability?

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

Vote Yes on Measure Q

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

From: Citizens in Support of Measure Q

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

Attachment 1--Direct Mail (back)

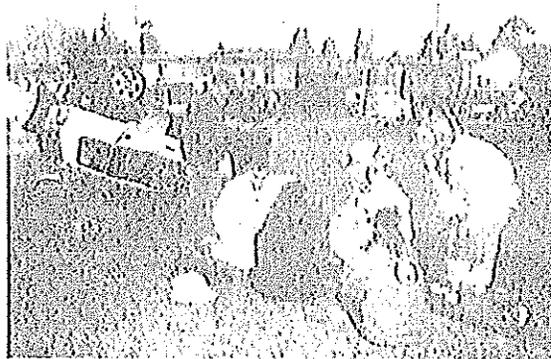
YES *on* Q

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

Our city needs money to:

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

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



Save Our Services.

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

Attachment 2—Door Hanger

URGENT: VOTE YES ON MEASURE Q

SAVE OUR SERVICES

Dear Morro Bay Neighbor:

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Vote Yes on Measure Q

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From: Citizens in Support of Measure Q

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

Attachment 3—Newspaper Ads

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

YES

NO

PROPOSITION 84

WATER QUALITY, SAFETY AND SUPPLY, FLOOD CONTROL, NATURAL RESOURCE PROTECTION, PARK IMPROVEMENTS, BONDS, INITIATIVE STATUTE.

Funds water, flood (flood), natural resources, park and preservation projects by authorizing \$308,000,000 in general obligation bonds. Emergency drinking water safety provisions. Fiscal Impact: State cost of \$10.5 billion over 10 years to repay bonds. Reduced local property tax revenues of several million dollars annually. Unknown state and local operations and maintenance costs; potentially tens of millions of dollars annually.

YES

NO

PROPOSITION 85

WAITING PERIOD AND PARENTAL NOTIFICATION BEFORE TERMINATION OF MINOR'S PREGNANCY, INITIATIVE CONSTITUTIONAL AMENDMENT.

Amends California Constitution prohibiting abortion for unemancipated minor until 48 hours after physician notifies minor's parent/guardian, except in medical emergency with parental waiver. Mandates reporting requirements. Authorizes monetary damages against physicians for violation. Fiscal Impact: Potential unknown net state costs of several million dollars annually for health and social services programs, court administration, and state health agency administration combined.

YES

NO

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

YES

NO

COUNTY

MEASURE J-06

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

YES

NO

CITY

CITY OF MORRO BAY

MEASURE Q-06

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

YES

NO

Sample Ballot



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EDITORIAL OPINION OF THE TRIBUNE

Cities' sales tax increases: Yes

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

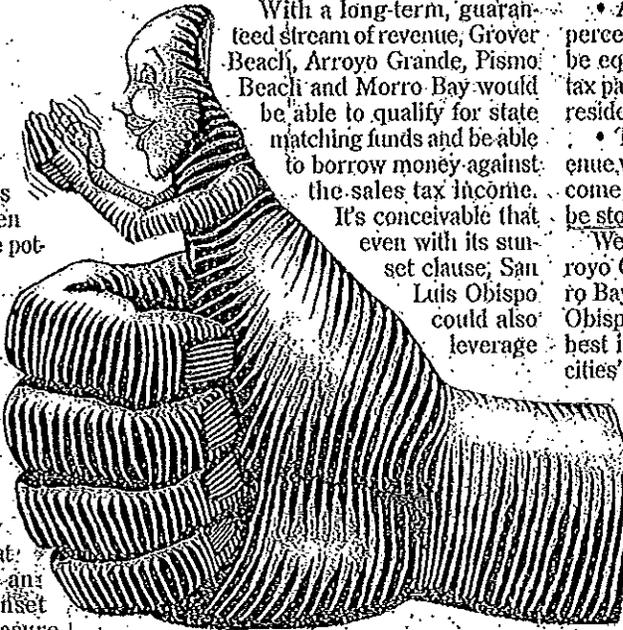
A half-cent increase to 7.7 percent from 7.25 percent would be equal to or less than the sales tax paid by 85 percent of the state residents.

The additional sales tax revenue would be locally generated income for local services that can be stolen by the state.

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

The Tribune urges "yes" votes on:

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



McCLATCHY TRIBUNE

RESOLUTION NO. 46-12

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

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

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

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

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

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

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

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

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

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

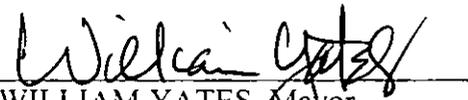
- 1) Improve the Fire Department
- 2) Enhance public safety
- 3) Street Maintenance
- 4) Storm drain maintenance and prevention of toxic runoff into the bay

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

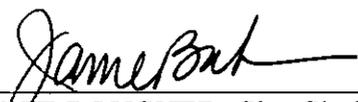
AYES: Borchard, Johnson, Leage, Smukler, Yates

NOES: None

ABSENT: None


WILLIAM YATES, Mayor

ATTEST:


JAMIE BOUCHER, City Clerk

The motion was seconded by Councilmember Smukler and carried 4-0-1 with Councilmember Leage having recused himself.

D-3 RESOLUTION NO. 13-14 AUTHORIZING THE 2013/14 MID-YEAR BUDGET AMENDMENTS, PLUS THE CITIZENS OVERSIGHT COMMITTEE REPORT, DECEMBER 31, 2013 PORTFOLIO PERFORMANCE, AND CONTRACT SERVICES PAYMENTS THROUGH DECEMBER 31, 2013; (ADMINISTRATIVE SERVICES)

Citizen's Oversight Committee (Measure Q) members Homer Alexander, Dan Glesmann and Barbara Spagnola presented the Citizen's Oversight Committee Overview. The Committee met in December 2013 to review all Measure Q transactions made during the 2012/13 fiscal year. The total revenues for the fiscal year were \$917,000; total expenditures were \$1,851,000 which left an ending fund balance of approximately \$746,000. Measure Q spending included the following: >Fire Dept – vacation relief person and overtime to maintain a 4th firefighter position for each shift; additional equipment for the new Fire Station; >Street Maintenance – progress on the Pavement Management Plan; routine street maintenance; >Storm Drains/Creek Maintenance – mutt mitts; \$70,000 budgeted for Storm Drain Master Plan (unspent); and \$70,000 budgeted for New Phase II MS4 Storm Water Permit requirements which the Measure Q Committee does not recommend funding with Measure Q funds; >Police Dept – communications tower and vehicle repeaters; SART exams; School Resource Officer at MBHS which the Measure Q Committee hopes can be renegotiated in future years so that the City and the School District share the expense more equitably. The Measure Q Committee recommends that in addition, we pay off and retire the second USDA loan; that we issue an RFP for a Storm Drain Master Plan this spring and we transfer \$70,000 budgeted for New Phase II MS4 Storm Water Permit requirements to the 2013/14 general fund budget; and, continue progress on the Pavement Management Plan. The Measure Q Committee made the following conclusions: Measure Q revenues should not be used to fund mandated government expenses; with the exception of the cost associated with the 4th firefighter position, limit the Measure Q carryover funds to multi-year projects; and continue progress on funding categories identified in the 2006 Measure Q ballot initiative.

Administrative Services Director Susan Slayton presented the staff report.

Councilmember Smukler questioned the concept of restricting the use of funds for mandates. Mr. Alexander responded that the basic premise told to the voters in 2006 was that the money would only be used for those projects above and beyond the budget's normal ability to pay for things. It would be their intent to revisit Resolution 46-12 and add a sentence that would address the mandate issue.

Councilmember Smukler felt that Council has seen mandated items funded before. Ms. Slayton reviewed prior FY Measure Q expenditures; she doesn't feel we are abusing the intent of Measure Q with the Storm Drain permit.

Mayor Irons stated that regardless of whether or not it is a state mandate, and as we go forward, if something we currently fund becomes a mandate that would pose a question as to how we would fund it moving forward. Per the Resolution, he feels we are meeting the intent.

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

Councilmember Nancy Johnson stated that the City has a responsibility through the general fund to provide for things we need, including state and federal mandates. The public was told the monies from the Measure Q funds would be used to enhance above and beyond what the City is already supposed to do. She has a tough time spending Measure Q money on mandated programs. She asked Mr. Livick where that \$70,000 cost could be found.

Mr. Livick stated that this project is for the expressed purpose of preventing toxic run-off into the bay which made the use of Measure Q funds the logical choice.

Councilmember Christine Johnson understands the mandated program situation and agrees that it is a frustration and a burden. For this particular recommendation, she feels that when she looks at the Measure, storm drains are mentioned and when you look at the Resolution, storm drains and toxic run-off is specifically mentioned. In her opinion, for this year, that information wasn't heard; as such, Council can take a harder look in the future at the mandates issue and likely meet that recommendation looking forward but would have a tough time doing that going backwards.

Councilmember Smukler feels there needs to be a deeper discussion about Measure Q funds and mandates. There could be serious consequences about adopting those restrictions. We should have the conversation moving forward. He is hesitant to reach into an approved budget and change this. He hopes Council can commit to these discussions on how to frame a mandate component moving forward but continue with the recommendations from staff.

Councilmember Nancy Johnson is looking at the expenditure amendments and notice. We are being asked to move \$416,000 from Risk Management to the General Fund for expenses that many of the public felt wasn't necessary. Regarding storm drains, there is a big difference between storm drain maintenance and a federally mandated storm drain permit; if Council chooses to take the \$70,000 out, she will be forced to vote against it.

Mayor Irons feels it still meets the intent of the Measure and the Resolution. Regardless of whether or not it is state mandate, it is going toward one of the 4 items listed on the Resolution which is more important. He questioned how far the mandate will take us - \$500 didn't raise the flag last year but \$70,000 did this year and maybe it would be \$200,000 next year. He is hesitant to apply the restriction of the mandate to this year's requests.

Councilmember Smukler feels that Resolution 46-12 is very clear about the intent of Measure Q, it lays out the 4 items: Fire Department, Public Safety, street maintenance, and storm drain maintenance and prevention of toxic run off into the bay. The Resolution needs to be addressed; in the future we need to have discussion about mandates with the Measure Q Committee and Finance moving forward. He went on to say that LTF Funds are earmarked for the Senior Limo Project and he is requesting to retain that \$24,500 in the Senior Limo/Shuttle Fund, don't spend them on the Morro Creek Bridge and use the unallocated Measure Q funds instead. Councilmember Christine Johnson concurred with this request.

Councilmember Smukler also wanted to clarify that the Risk Management fund was also used to pay down employee vacation balances.

MOTION: Councilmember Smukler moved to adopt Resolution 13-14 authorizing the budget amendments as revised at this meeting, and accept all Citizen Oversight Committee's recommendations with the exception of the \$70,000 transfer of Storm Water Phase II MS4 Permit from Measure Q to the general fund and add the final payment of the Morro Creek Bridge of \$24,500 from the unallocated Measure Q funds. The motion was seconded by Councilmember Christine Johnson and carried 3-2 with Councilmembers Nancy Johnson and Leage voting no.

E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

Mayor Irons requested a report and recommendation for City Manager Recruitment; Councilmembers Christine Johnson, Nancy Johnson and Smukler concurred.

Mayor Irons requested a discussion of the Chamber of Commerce's Economic Development contract; Councilmembers Christine Johnson, Nancy Johnson and Smukler concurred.

Councilmember Nancy Johnson requested discussion on the development of a plan to save money due to the changes to the PERS structure; Mayor Irons and Councilmembers Christine Johnson, and Smukler concurred.

Councilmember Smukler requested a discussion on the Measure Q Resolution 46-12 regarding the intended use of Measure Q monies specific to unfunded mandates with input from the Measure Q Committee; Mayor Irons and Councilmember Christine Johnson concurred.

Councilmember Christine Johnson requested a presentation of the events and financials for the Morro Bay 50th Committee; Mayor Irons and Councilmembers Nancy Johnson and Smukler concurred.

ADJOURNMENT

The meeting adjourned at 10:32pm.

Recorded by:



Jamie Boucher
City Clerk

- City and CSD
- Prepare a framework and outline of the MOU with the Rancho Colina property owner for potential property negotiations.

The attached Draft MOU addresses the Agreement for Nowö and sets the stage for the future governance and relationship between the City and CSD.

The Draft MOU was presented to the Technical Subcommittees for both the Council and CSD for discussion at their February 5, 2015 meeting. The CSD representatives commented since the Draft MOU was a radical departure from the existing agreement, the Draft MOU would need to be presented to their full board prior to any discussions with the City. The CSD representatives also commented that they will likely draft their own agreement to be presented to the City. As of the preparation date of this report, the CSD authored agreement has not been presented to the City, but may be available at this meeting. Additionally, the Draft MOU was reviewed by the City's Water Reclamation Facility Citizens Advisory Committee (WRFCAC) at their February meeting and only had typographical editorial comments. In addition, Staff made a few changes to the Draft MOU after it was presented to the Technical Subcommittees and WRFCAC. Those changes are noted in the attached.

ATTACHMENTS

1. Draft MOU

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF MORRO BAY AND
THE CAYUCOS SANITARY DISTRICT
FOR THE PRELIMINARY DEVELOPMENT OF A NEW WATER RECLAMATION
FACILITY ON THE PROPOSED RANCHO COLINA SITE**

This **MEMORANDUM OF UNDERSTANDING (this MOU)** is hereby made and entered into this ~~__14th~~ day of ~~March~~~~February~~, 2015 (the "Effective Date") by and between the City of Morro Bay, a municipal corporation, (CMB) and the Cayucos Sanitary District (CSD) [formed and operating under the authority set forth in _____] (sometimes referred to individually as the Party and collectively as the Parties).

WHEREAS, CMB has completed and approved a New (Regional) Water Reclamation Facility (WRF) Preliminary Planning and Siting Study for the replacement of the existing wastewater treatment plant located in the City of Morro Bay with a New WRF initially proposed to be located at the site known as Rancho Colina (sometimes referred to as the Project); and

WHEREAS, the State of California Water Board desires entities to cooperate regionally where feasible for the beneficial treatment of wastewater to effect economies of scale and reduce discharge of waste materials into the waters of the State; and

WHEREAS, on February 25, 2014, the CMB City Council resolved to have a WRF operational prior to the expiration of the discharge permit for the existing Waste Water Treatment Plant (WWTP), being five years more or less;

WHEREAS, the Parties currently share the capacity of the WWTP with CMB using 72% and CSD using 28% (the Current Capacities); and

WHEREAS, the Morro Bay community has provided input on the New WRF project through goal setting designating project goals, including, but not limited to:

- Produce tertiary, disinfected wastewater in accordance with Title 22 requirements for unrestricted urban irrigation in a cost effective manner for all ratepayers.
- Design to be able to produce reclaimed wastewater for potential users, which could include public and private landscape areas, agriculture, or groundwater recharge. A master reclamation plan should include a construction schedule and for bringing on customers in a cost effective manner.
- Allow for onsite composting
- Design for energy recovery
- Design to treat contaminants of emerging concern in the future
- Design to allow for other possible municipal functions
- Ensure compatibility with neighboring land uses; and

WHEREAS, CMB and CSD have been operating under a Joint Powers Agreement (JPA) for the operation of the existing WWTP located in the City of Morro Bay on Atascadero Road

since June 16, 1953, as amended by letters on May 9, 1969, and June 26, 1973; and cancelled and replaced with the current agreement on October 25, 1982; and

WHEREAS, the existing JPA agreement does not ~~anticipate the development and consider, outline, or guide, CMB and CSD in their relationship, obligations, or responsibilities to develop a plan for the proposed~~ construction of a New WRF ~~on a new site~~ at the proposed Rancho Colina site to the benefit of both communities; and

WHEREAS, CMB and CSD have come together to collaborate and to make and develop a plan for the proposed construction of a New WRF at the Rancho Colina site to the benefit of both communities; and

WHEREAS, CMB and CSD believe wastewater generated in both communities will be more advantageously treated at the New WRF proposed to be located at the Rancho Colina site that ultimately will be owned and operated by CMB; and,

WHEREAS, prior to making a final decision to proceed with the New WRF, including making a final determination as to the location of the New WRF, CMB, the lead agency for purposes of California Environmental Quality Act (CEQA) must first complete and approve or certify all legally required environmental analysis under CEQA; and,

WHEREAS, CMB and CSD anticipate at least some of the funding for this project will be provided through federal grants or other federal financing programs and one or more federal permits may be required for this project, which shall constitute federal undertakings requiring environmental review in compliance with the National Environmental Policy Act prior to release of federal funding and/or issuance of federal permits.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the Parties agree as follows:

- 1) **Description of the Project.** The Project is proposed to include the New WRF and related infrastructure to convey (i) municipal sewage to the new WRF from the terminus of CMB's and CSD's existing facilities, including a new raw wastewater pumping station and (ii) treated wastewater to points of discharge into the waters of the State or for beneficial reuse within legally authorized areas. Conveyance infrastructure and facilities may be located within existing or future rights-of-way.
- 2) **Components of the New WRF Project subject to this MOU.** Immediately following execution of this MOU the project team shall commence with the following tasks:
 - Preparation of an RFP and selection of consultant(s) to act as Project Manager
 - Selection of consultants to perform fatal flaws analysis for the following areas:
 - Biological Resources, Cultural Resources, Geotechnical and Groundwater
 - Application for a State Revolving Fund Planning Loan
 - Preparation of an RFP for the Facility Master Plan (FMP)
 - Preparation of an RFP for Environmental Review (ER) (CEQA/NEPA)

- Selection of FMP and ER consultants
- Preparation of the FMP
- Preparation and circulation of the Initial Study for the project based on the results of the FMP

3) **Development of Initial Stage (Reclamation Ready).** The Project shall be developed in stages and the initial stage (Reclamation Ready) shall be developed on a timeline necessary to meet the goal of CMB. The design capacity of the New WRF and necessary conveyance infrastructure and facilities shall accommodate the peak wet weather build-out wastewater flows from both communities with CMB owning 100% of the capacity and CSD having rights to a capacity equal of its share of the Current Capacity.

4) **Roles and Responsibilities**

- a) CSD and CMB shall reimburse each other for all expenses incurred for the development of the New WRF facilities incurred since January 8, 2013, proportional to their respective anticipated capacity (72% CMB share/28% CSD share basis) in the new WRF.
- b) The CSD agrees to support and not oppose grant or loan applications, permit amendments or applications, including land use entitlements or annexation requests, in conjunction with the Project.
- c) The CMB Public Works Director/City Engineer with the assistance of CMB planning, engineering and operations staff will oversee the FMP, ER and preliminary property acquisition process. The CMB Public Works Director/City Engineer shall consult with CSD General Manager for review and to provide opportunity for CSD's input into the process. CMB and CSD staff will hold monthly meetings to review the progress of the Project.
- d) CMB City Council and CSD Board of Directors shall provide policy direction for the Project and shall meet at least quarterly to review the status of the Project, ~~and provide any necessary policy direction~~, as well as needed to ensure CSD's concerns have been heard and considered prior to CMB making any final decisions as to all matters related to the development and construction of the New WRF. Council/Board of Directors meetings related to this MOU shall be separate and distinct meetings from the existing joint (aka JPA) meetings Nothing in this section prevents the new meeting from occurring on the same day and directly following the adjournment of the existing joint meetings.
- e) The ultimate operation and ownership of facilities shall be the responsibility of CMB. CSD shall be a wholesale wastewater customer. The details and terms of that relationship is beyond the scope of this MOU and shall be negotiated, in good faith, by the Parties to this MOU with the goal of achieving an agreement executed on behalf of both Parties prior to the execution of a construction or Design/Build contract by CMB for the new WRF and ancillary infrastructure and facilities.
- f) CSD shall share the cost with CMB for the items listed in ~~section-paragraph 2~~ for the Project. That cost sharing shall be based on the Current Capacities. At a minimum, the Facilities Master Plan report shall address project phasing, treatment methodology and anticipated project costs.

- g) Consultant Selection process shall follow all policies of CMB. CSD shall have the express right to participate and provide input in selection process of consultant firm(s) required to fulfill the items in paragraph 2 and possible final design phases of the Project.
- h) CMB and CSD agree to disseminate information to the public regarding this MOU and the Project jointly, whenever feasible, and will support and assist each other in developing and implementing their respective public information programs.
- i) For purposes of environmental review under the CEQA, CMB shall be the lead agency and CSD shall be a responsible agency. Furthermore, for purposes of any environmental review required for federal funding or permits, CMB shall be the primary contact with any federal agencies conducting any environmental review under the National Environmental Policy Act or any other federal laws or regulations.

5) **Termination of this MOU.** This MOU shall expire at the earliest of (i) when the Parties enter into the agreement as discussed in subparagraph 4e, ~~or (ii) June 30, 2017~~ ~~or without cause by either Party by giving ninety days (90 days) notice to the other Party of the intent of the Party giving notice to terminate this MOU.~~ Notwithstanding the above, this MOU may be extended by written agreement of CMB and CSD. If the time needed for the study of the Project extends beyond the expected timeline set forth herein, then the Parties agree to reasonably negotiate an amendment to this MOU.

6) **Modifications.** Modifications within the scope of this MOU shall be made by mutual consent of the Parties, by the issuance of a written modification, signed and dated by both Parties, prior to any changes being performed.

IN WITNESS WHEREOF, the Parties hereto have executed this Memorandum of Understanding to be effective as of the Effective Date.

APPROVED:

CITY OF MORRO BAY

ATTEST:

JAMIE L. IRONS, Mayor

DANA SWANSON, Deputy City Clerk

CAYUCOS SANITARY DISTRICT

ATTEST:

ROBERT ENNS, President of the Board of Directors

RICK KOON, District General Manager

APPROVED AS TO FORM:

JOSEPH W. PANNONE, ~~CMB Morro Bay~~ City Attorney

[TIMOTHY CARMEL, CSDDistrict GeneralLegal Counsel](#)

c: Agencies and Interested Parties

DRAFT

DISCUSSION

The City of Morro Bay is in the process of determining how best to support community events, and in particular, determine which events, if any, should be City of Morro Bay sponsored signature events.

Some City sponsored events such as the Christmas tree lighting are currently 0% cost recovery as the City produces those events for the good of the entire community and loses money on them. Other events, like Rock to Pier, are close to 100% cost recovery. As the City determines, in the year ahead, which events to support and how to support them, it is not inappropriate for the City to act as lead partner to ensure the 4th of July Celebration in Morro Bay is conducted this year or even at some direct and indirect cost to the City.

As such, staff recommends the City commit to act as lead partner for a day-time only, family-focused, 4th of July celebration, emphasizing Morro Bay residents/families. Staff envisions partnering with other persons/organization in the City to produce a family-friendly picnic in the park event.

Staff anticipates there will be some direct costs. Some of those costs may be defrayed by community group contributions, but it is likely there will be some level of support required from the general fund. This support will be worked out in the budget process in the months ahead.

CONCLUSION

Without City intervention, it is likely there will be no 4th of July celebration in Morro Bay in 2015. Staff, thus, recommends the City Council approve the recommendation made at the beginning of this staff report.

ATTACHMENTS

Morro Bay 4th Advertisement announcing the show may not go on.



Morro Bay 4th of July Will END Without Your Help!

Approximately five and a half years ago, a group of Morro Bay residents came together to form Morro Bay 4th, Inc. with the goal of recreating an abandoned 4th of July event. Two aspects of the event were particularly compelling to motivate this massive volunteer effort:

- (1) Bring together the Morro Bay community and its' guests to celebrate our country's independence.
- (2) Create an economic boost for the local tourism-serving businesses.

In the ensuing months, volunteers mobilized to organize, fundraise and execute an alcohol-free, family-friendly, picnic-style 4th of July celebration at Tidelands Park that included live music, children's activities, a one-mile skateboard race, and the largest bike parade SLO County has ever seen! After five successful 4th of July events put on by Morro Bay 4th, Inc., the few remaining Board members have decided to move on to other causes.

It's time for another group of community-minded individuals to step up and take on this wonderful, rewarding event. The non-profit corporate structure and the "blueprint for success" are already in place. The only thing missing is your volunteer effort. Please contact 805.776.3301 or morrobayfourth@gmail.com for more details on how to get involved.

Outgoing Board of Directors,
Morro Bay 4th, Inc.

