



AGENDA NO: I

**MEETING DATE: January 24, 2017
Special Meeting
Goals Study Session**

**THE FOLLOWING PUBLIC CORRESPONDENCE
WAS RECEIVED BY THE CITY COUNCIL
FOLLOWING POSTING OF THE AGENDA**

Dana Swanson

From: Ed [REDACTED]
Sent: Sunday, January 22, 2017 9:51 PM
To: Council
Subject: City Council goal-setting

At the last City Council goal-setting meeting on Jan. 10th, the Council asked for public input. I have two items that I think we as a City should be dealing with.

Number One: We need a plan (long term) to solve the homeless problem in Morro Bay. As you all know, it is a big issue throughout our Nation and we need to address it through our planning process.

Number Two: As part of our "Water Supply" goal, we need a comprehensive long term water harvesting plan. The City and the Citizens can work together to save roof-top water during the rainy months that can be used for summer irrigation of yards. I believe this would save the City from having to buy so much water from the State of California.

Thank you. Ed Boies

Sent from my iPad

Dana Swanson

From: Dianna Jackson [REDACTED]
Sent: Sunday, January 22, 2017 3:53 PM
To: goals
Subject: my 2Cents worth

To fellow residents,

My wish is to see the old power plant blown up and the stacks along with it. It is a terrible eyesore. While I completely understand why some people like looking at it, I would just point out that every picture on every postcard of MB that pictures the Rock or the Embarcadero...every picture is absent the plant and the stacks. Photographers understand that it is an eyesore. Artists understand that it is an eyesore.

I'm happy to volunteer to search for a solution that involved getting rid of the plant and stacks with a group of my fellow residents.

Finally, I'm old enough to remember this community before the plant and stacks and it was so much prettier then. Quaint is a word that comes to mind. A little city nestled by the bay. It could be that again. I'm sure the area could be transformed. Perhaps a 5-star hotel, more shops and restaurants. An RV park. A park. So many possibilities.

The other idea I have is eliminate the store with barking seals. Those poor animals are not meant to be locked up into a tiny area. Their plaintive cries make my heart break. With SeaWorld closing down their Orca shows, it seems that Morro Bay is out of step with current thinking in so far as animals in captivity is concerned. Years ago, it was acceptable. It is unacceptable now and it gives the Embarcadero a black eye. Their business license should be allowed to expire this year.

Most other things are okay except for some of the streets especially on the north end of town. I am sure all are aware, but I thought to mention it anyway.

Thank you for giving us the opportunity to express our ideas and concerns.

Sincerely,

Dianna Jackson
[REDACTED]

Morro Bay

Dana Swanson

From: [REDACTED]
Sent: Saturday, January 21, 2017 5:34 PM
To: goals
Subject: 2017 recommendations (Cribbs)

- Roads are poor, seem to need more than just a "hand full" of asphalt. Patches work for a couple of years but we will be revisiting this continually. Need comprehensive plan especially for residential areas which have been neglected.
- Water - upgrade De-Sal plant and get off any State \$.
- Transparency and plans for Morro Bay public schools (Diablo impacts)
- Bring back morro bay PD iPhone app?

Thanks,
Bill Cribbs

[REDACTED]

Dana Swanson

From: Diane Etchison [REDACTED]
Sent: Sunday, January 22, 2017 2:32 PM
To: goals
Subject: STREET REPAIR

Please, please, please start repairing our streets.

Please do not kick the can down the road another year.

Please set aside a **large amount** of funds in the city budget for this endeavor. Please do this every year until every street in Morro Bay is repaired.

I am inviting any and all City Council/City Administration to take a walk with me in North Morro Bay. I take walks regularly on the streets around my house and down to Del Mar Park. I will show you the streets that are so bad. I will share with you how the street sweepers actually destroy the streets and do not help them in any way that is better than the atrocious shape they are already in. (Although I will admit that I haven't seen the sweepers performing that duty on the streets in several months, maybe you've already cut their services from the budget?)

It always appears that the center of the City (Morro Bay Blvd/Harbor/Pacific/Main St, etc.) down to and including the Embarcadero is the first place the City has the streets repaired/repaved etc. You cannot forget about the rest of Morro Bay. Residents of Ironwood Ave were shocked and dismayed when several years ago the City paved the portion of Ironwood that is closer to Del Mar Park. That was done even though it didn't appear that part of Ironwood even needed to be repaved. Why was the other half of Ironwood (towards Hwy 41) left with scattered pot holes and broken asphalt. That part of Ironwood was completely ignored/forgotten and is still in dreadful disrepair. Maybe that was because the houses on the end of Ironwood nearer to Del Mar Park are bigger and more expensive which appears to hold more weight in the City's decision making. One street that was completely repaved in North Morro Bay the last couple years is Mimosa and it didn't even appear to need it. The City Council/City Administrators need to remember that all the residents of Morro Bay would like to enjoy driving and walking on the city streets as much as the tourists.

Again, one of the biggest goals the City should make, and I am imploring the City Council/City Administrators to do so, is to please repair the streets of beautiful Morro Bay.

Sincerely,
Diane Etchison

[REDACTED]
Morro Bay
[REDACTED]



AGENDA NO: A-5

**MEETING DATE: January 24, 2017
Regular Meeting**

**THE FOLLOWING PUBLIC CORRESPONDENCE
WAS RECEIVED BY THE CITY COUNCIL
FOLLOWING POSTING OF THE AGENDA**

Dana Swanson

From: Ron Reisner [REDACTED]
Sent: Monday, January 23, 2017 11:42 AM
To: Jamie Irons; Marlys McPherson; Headding, John; Robert Davis; Matt Makowetski
Cc: Dave Buckingham; Dana Swanson
Subject: Proposed MKN Amendment 2
Attachments: Nunley Contract Addendum Notes.pdf

Please see the attached Memo regarding MKN's proposed Amendment 2.

Thank you,

Ron Reisner

MEMO

Date: January 20, 2017

Subject: Proposed Amendment 2 to MKN WRF Program Management Contract

To: Morro Bay City Council and City Manager

From: Ron Reisner

The subject of this memo is the proposed Amendment 2 to the Michael K. Nunley & Associates, Inc. (MKN) contract with the City for "Program Management" services relative to the City's Water Reclamation Facility (WRF) project. The background for this memo includes the following: the original MKN contract; Amendment 1 to that contract; the proposed Amendment 2 to that contract; and the content of various published WRF project documents, City Council meetings, and community workshops.

The proposed Amendment 2 as presently worded is not in the best interests of the City, and not in the best interests of the tax payers and rate payers who support the City. I offer the following as a concerned Morro Bay tax payer and rate payer. Additionally, I offer the following as a professional consultant who, for the past thirty-six years, has represented the interests of parties involved in construction projects ranging from a few million dollars to tens of millions of dollars

- A. Presently, the Morro Bay Water Reclamation Facility project has no known end-cost or budget, with the exception of an approved site acquisition budget of 2.4 million. Additionally, project consultant's "... estimated fees over the course of the project ..." are projected as 10 to 12 million dollars – which is "soft" money, without overall specification, without performance requirements and measurement criteria, and without budget approval save for the original Program Management consulting budget of \$920,808 (plus a 10% contingency).
- B. The most recent MKN quarterly report is difficult, if not impossible, to reconcile with the current City Council approved City budget.
- C. According to the current Staff Report for MKN's Amendment 2, the Amendment uses FY 2016/2017 budget numbers approved by the City Council to justify Amendment 2. However, the Staff Report provides no analysis of consultant performance for tax payer monies spent to date, provides no reference to a specific scope of work or consultant performance requirements for Amendment 2 work proposed for the balance of FY 2016/2017, and provides no reference to a specific scope of work or consultant performance requirements for Amendment 2 work stated to extend into 2018.
- D. MKN's proposed contract Amendment 2 states it is for, "Program Management support" for eleven bullet items, and asks for \$1,262,794 in addition to the initial \$920,808. However, the proposed contract Amendment 2 does not appear to detail what portion of the \$1,262,794 will be charged by MKN for its "support" of each of the eleven bullet item activities.
- E. Attachment 1 from MKN in support of the proposed Amendment 2 states in part under "Detailed Work Program", "*It is assumed future authorizations will address the remainder of the program*". This language from MKN is in italics, indicating its emphasis on the part of the consultant, and clearly indicates the open-ended nature of this

- consultant's engagement expectations. Open ended consultant engagements are not in the best interests of the City, the City's tax payers, or the City's rate payers.
- F. While the "tasks" to be performed under this proposed Amendment are described in Exhibit A, to someone who has followed the project, those tasks as described are excessively general and generic. Detailed task definition and specificity are required to clearly understand the consultant's scope of service, and to assess the consultant's performance relative that clearly defined and specified scope of service.
 - G. The "... review once every twelve months ..." as described in paragraph 3.(b) of the proposed Amendment, and which is stated as precursor element in paragraph 2., is much, much too infrequent. A year between reviews makes it very difficult for the City to adequately assess consultant performance, and provides the consultant with much too great an opportunity for obfuscation relative to consultant performance.
 - H. Paragraph 5.(d) inadequately defines, "... sufficient detail ..." as it relates to the information provided in invoices submitted by the consultant. While "... the status of each task ..." is referred to, the consultant does not offer to provide with each invoice a breakdown of charges by: specific task description; who specifically performed the work; how much time (to the tenth of the hour) was charged to each specific task by each person or entity performing that task; or the specifics of provided information that would allow the City to clearly understand and track the status of each task. I can assure the Council that for a million-dollar consulting contract, the consultant offering and agreeing to provide this information is routine in the private sector. Further, the consultant offering and agreeing to provide this information, and the City carefully assessing this information with each invoice submitted, is the minimum necessary to assure tax payers that a public-sector project is being responsibly managed. The requisite consultant invoicing requirements and responsibilities noted above are in line with comments made by the City's own WRFCAC.
 - I. Certainly the consultant should maintain the records referred to in paragraph 8.(a). However, as written, the onus is on the City to go to the consultant to access the data. That data should be provided by the consultant with each and every invoice, annotated to the specific tasks listed in that invoice.
 - J. Paragraph 8.(b) is ambiguous relative to "... full payment by City for services ...", as it relates to consultant's work product becoming the sole property of the City. Does full payment mean at the end of the contract, or incrementally as consultant invoices are paid? Clearly, work product should become the property of the City incrementally as invoices are paid. Also, a provision in this regard is required in the event of partial payment of a given invoice – work product partially paid for becomes the sole property of the City at the time of payment. This brings me back to the need for each and every invoice to be very specific as to the tasks included in that invoice, and for each task within an invoice to be sub-totaled.
 - K. Some job descriptions in the hourly rate Attachment to Amendment 2 do not correspond to the job descriptions in the second Attachment (a spreadsheet) to Amendment 2.
 - L. This is a public sector project. The consultant's overhead burden and margin should be disclosed for each job description embedded in any consultant's contract, as well as any margin on subcontractors engaged under the consultant's contract.

Recommendations

1. Consideration of this one-million dollar plus, open ended contract Amendment should be continued to the next City Council meeting, directing the consultant to submit a budget for services through June 2017, the end of the City's current fiscal year. To allow consideration of the present Amendment 2 as drafted would be irresponsible on the part of the elected officials representing Morro Bay tax payers and Morro Bay rate payers.
2. In the very near future, require the consultant to submit to the City a proposed Amendment 3, which would target on the period FY 2017/2018 (July 1, 2017-June 31, 2018), so that such an Amendment can be made a routine part of the City budgeting process. This recommendation corresponds with the comments provided by the City's own WRFCAC regarding MKN's proposed Amendment 2. An Amendment 3, just as with proposed Amendment 2, must contain a specific scope of work for the calendar period, as well as measurable performance milestones for the specific scope of work.
3. Require all consultant contracts to feature a calendar schedule for deliverables. MKN has already provided hourly estimates for various generic tasks, so a significant amount of the work to generate a schedule of deliverables has been accomplished.
4. A specific scope of work, budget, and schedule = performance evaluation and accountability = compensation.

I believe Morro Bay rate payers will want to be assured that there are firm fiscal controls in place for the WRF project, including for the professional services provided to the project, before the rate payers would agree to a project related rate increase.

Thank you,

Ron Reisner
Morro Bay resident