

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.

**CLOSED SESSION – JUNE 29, 2009
CITY HALL CONFERENCE ROOM - 4:00 P.M.
595 HARBOR ST., MORRO BAY, CA**

CS-1 GOVERNMENT CODE SECTION 54956.9(C); CONFERENCE WITH LEGAL COUNSEL DUE TO ANTICIPATED LITIGATION. Initiation of litigation exists based upon existing facts and the advice of legal counsel as to one (1) matter.

- Parties: City of Morro Bay and Y. Hayashi & Sons Farms
Issue: Determining whether to file litigation for nitrate contamination in groundwater.

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

**SPECIAL MEETING –JUNE 29, 2009
VETERANS MEMORIAL HALL - 5:00 P.M.
209 SURF ST., MORRO BAY, CA**

- I. ESTABLISH QUORUM AND CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. PUBLIC COMMENT PERIOD - Members of the audience wishing to address the Council on the City budget may do so at this time.
- IV. APPROVAL OF THE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF JUNE 22, 2009
- V. REVIEW OF THE 2009/10 FISCAL YEAR BUDGET
- VI. DISCUSSION OF RESOLUTION NO. 78-08 WHICH AMENDED THE SALARIES AND BENEFITS OF THE MANAGEMENT EMPLOYEES; AND, POTENTIAL ADOPTION OF RESOLUTION NO. 38-09 TO WITHDRAW RESOLUTION NO. 78-08
- VII. ASSESSMENT OF CITY DEPARTMENT – POLICE DEPARTMENT
- VIII. RESOLUTION NO. 37-09 TO ADOPT THE 2009/10 OPERATING BUDGETS
- IX. PRESENTATION ON IMPLEMENTATION ON GOALS A & B FROM THE MANAGEMENT PARTNERS GOAL SETTING WORKSHOP
- X. ADJOURNMENT

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

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

AGENDA NO: IV

MEETING DATE: 6/29/09

MINUTES - MORRO BAY CITY COUNCIL
CLOSED SESSION – JUNE 22, 2009
CITY HALL CONFERENCE ROOM - 5:00 P.M.

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

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

STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney

CLOSED SESSION

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

Mayor Peters read the Closed Session Statement.

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

CS-2 GOVERNMENT CODE SECTION 54956.9(a); CONFERENCE WITH LEGAL COUNSEL REGARDING PENDING LITIGATION.

- Wallick v. City of Morro Bay

CS-3 GOVERNMENT CODE SECTION 54956.9(C); CONFERENCE WITH LEGAL COUNSEL DUE TO ANTICIPATED LITIGATION. Initiation of litigation exists based upon existing facts and the advice of legal counsel as to one (1) matter.

- Parties: City of Morro Bay and Y. Hayashi & Sons Farms
Issue: Determining whether to file litigation for nitrate contamination in groundwater.

CS-4 GOVERNMENT CODE SECTION 54956.8; REAL PROPERTY TRANSACTIONS. Instructing City's real property negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease of real property as to two (2) parcels.

- Property: Lease Site 82-85/ 725 Embarcadero/ Rose' Landing
Negotiating Parties: 725 Embarcadero LLC and City of Morro Bay
Negotiations: Lease Terms and Conditions.
- Property: Lease Site 71-72/699 Embarcadero/Marina Square.
Negotiating Parties: Morro Bay Marina and City of Morro Bay
Negotiations: Lease Terms and Conditions

The meeting adjourned to Closed Session at 5:00 p.m. and returned to regular session at 6:00 p.m.

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

The meeting adjourned at 6:00 p.m.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 22, 2009
VETERANS MEMORIAL HALL - 6:00 P.M.

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

PRESENT:	Janice Peters	Mayor
	Carla Borchard	Councilmember
	Rick Grantham	Councilmember
	Noah Smukler	Councilmember
	Betty Winholtz	Councilmember
STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney
	Bridgett Bauer	City Clerk
	Rick Algert	Harbor Director
	Bruce Ambo	Public Services Director
	John DeRohan	Police Chief
	Rob Livick	City Engineer
	Mike Pond	Fire Chief
	Susan Slayton	Administrative Services Director
	Dylan Wade	Utilities/Capital Projects Manager
	Joe Woods	Recreation & Parks Director

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

MAYOR AND COUNCIL MEMBERS REPORTS, ANNOUNCEMENTS & PRESENTATIONS

CLOSED SESSION REPORT - City Attorney Robert Schultz reported the City Council met in Closed Session, and no reportable action under the Brown Act was taken; Item CS-3 was continued to Closed Session on June 29, 2009, and the City Council may adjourn tonight's regular session to continue discussion on Item CS-1.

PUBLIC COMMENT

Keith Taylor gave an update on Phase II of the Fire Department project.

Hank Roth thanked those who made the Child Seat Safety Check a successful event.

Deb Jeffers announced the first Relay for Life would be held in Morro Bay on August 1st at Morro Bay High School.

Christie Hilliard stated the United Methodist Children's Center has a Preschool Program located at the Morro Elementary Building on Napa Avenue and an After School Care Program located at the church site on Hemlock Avenue.

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Susan Heinemann announced the Estero Bay Community Garden Organic Chicken Barbecue would be held on June 28th to benefit the United Methodist Children's Center.

Mary Golden requested Council's support in approving Item A-7 (Resolution No. 35-09 Supporting the "Save California's State Parks" Campaign). She also requested support for a \$15 surcharge to California State vehicle license fees in order to allow access to all State parks.

Hugh McAffrey expressed opposition to the proposed parking fee at Tidelands boat launch parking lot.

Bill Martony clarified some misstatements made in an article written in the *Bay News* regarding the settlement in the lawsuit *Martony v. City of Morro Bay*.

David Nelson suggested the City reactivate the New Futures Committee to consider large proposals, such as a Redevelopment Agency.

Mayor Peters closed the hearing for public comment.

A. CONSENT CALENDAR

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

A-1 APPROVAL OF MINUTES FOR THE SPECIAL CITY COUNCIL MEETING OF MAY 26, 2009, AND THE REGULAR CITY COUNCIL MEETING OF JUNE 8, 2009; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF RESOLUTION NO. 30-09 CONTINUING THE 2008/09 ANNUAL BUDGET; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 30-09.

A-3 RESOLUTION NO. 34-09 ADOPTING REVISIONS TO THE MASTER FEE SCHEDULE; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 34-09.

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A-4 AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSAL (RFP) FOR TRANSIENT OCCUPANCY TAX AUDIT SERVICES; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Authorize the issuance of an RFP for Transient Occupancy Tax audit services.

A-5 RESOLUTION NO. 33-09 AUTHORIZING SAN LUIS OBISPO COUNTY ASSESSOR TO ASSESS AMOUNTS DUE ON DELINQUENT SOLID WASTE COLLECTION ACCOUNTS AS TAX LIENS AGAINST THE PROPERTIES; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Resolution No. 33-09.

A-6 STATUS REPORT ON APPLICATIONS FOR ECONOMIC STIMULUS FUNDING; (ADMINISTRATION)

RECOMMENDATION: Receive report for information.

A-7 RESOLUTION NO. 35-09 SUPPORTING THE “SAVE CALIFORNIA’S STATE PARKS” CAMPAIGN; (ADMINISTRATION)

RECOMMENDATION: Adopt Resolution No. 35-09.

A-8 RESOLUTION NO. 36-09 AUTHORIZING THE CITY ATTORNEY TO COOPERATE WITH THE LEAGUE OF CALIFORNIA CITIES, OTHER CITIES AND COUNTIES IN LITIGATION CHALLENGING THE CONSTITUTIONALITY OF ANY SEIZURE BY STATE GOVERNMENT OF THE CITY’S STREET MAINTENANCE FUNDS; (ADMINISTRATION)

RECOMMENDATION: Adopt Resolution No. 36-09.

Councilmember Borchard pulled Item A-2 from the Consent Calendar, Mayor Peters pulled Item A-3, and Councilmember Winholtz pulled Items A-4 and A-7.

MOTION: Councilmember Winholtz moved the City Council approve Items A-1, A-5, A-6, and A-8 of the Consent Calendar. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

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A-2 APPROVAL OF RESOLUTION NO. 30-09 CONTINUING THE 2008/09
ANNUAL BUDGET; (ADMINISTRATIVE SERVICES)

MOTION: Councilmember Borchard moved the City Council adopt Resolution No. 30-09 continuing the 2008/09 annual budget, and direct staff to return with a resolution rescinding the previous resolution amending the salaries and benefits of the management employees. The motion was seconded by Councilmember Winholtz and carried with Mayor Peters voting no. (4-1)

A-3 RESOLUTION NO. 34-09 ADOPTING REVISIONS TO THE MASTER FEE
SCHEDULE; (ADMINISTRATIVE SERVICES)

The City Council discussed reducing the proposed parking fee at the Tidelands boat launch ramp.

Councilmember Grantham stated he was not in support of this concept; however, he would consider a yearly pass at a discount rate for frequent users of the boat launch ramp.

Councilmember Winholtz stated she agrees that \$10 to go out fishing all day is not unreasonable; and if they are going out several times per week, are they sports fishing or commercial fishing.

MOTION: Mayor Peters moved the City Council amend the Master Fee Schedule, Harbor Department - parking fee at Tidelands boat launch ramp to \$5.00 per day. The motion was seconded by Councilmember Smukler.

Councilmember Winholtz expressed opposition to the \$5.00 fee stating it would not be worth it, and noted this fee is to help supplement the City's Harbor division.

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

MOTION: Councilmember Grantham moved the City Council amend the Master Fee Schedule, Recreation and Parks Department – Skate Park rental, increasing the rate for profit groups to \$150 for a 2 hour minimum. The motion was seconded by Councilmember Smukler and carried with Councilmember Winholtz voting no. (4-1)

MOTION: Mayor Peters moved the City Council adopt Resolution No. 34-09 approving the Master Fee Schedule as amended. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

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A-4 AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSAL (RFP) FOR
TRANSIENT OCCUPANCY TAX AUDIT SERVICES; (ADMINISTRATIVE
SERVICES)

Councilmember Winholtz stated she would like to amend the audit to start in 2005/06 for those businesses that have records.

MOTION: Councilmember Winholtz moved the City Council authorize staff to issue a Request for Proposal for transient occupancy tax audit services. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

MOTION: Councilmember Winholtz moved the City Council direct staff to begin a three-year cycle beginning in fiscal year 2009/10, and then every three years the audit is initiated. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

A-7 RESOLUTION NO. 35-09 SUPPORTING THE “SAVE CALIFORNIA’S
STATE PARKS” CAMPAIGN; (ADMINISTRATION)

Councilmember Winholtz reviewed suggested amendments to the resolution.

Mayor Peters expressed opposition to attaching a \$15 surcharge to vehicle license fees.

MOTION: Councilmember Winholtz moved the City Council adopt Resolution No. 35-09 supporting the “Save California’s State Parks” Campaign as amended. The motion was seconded by Councilmember Smukler and carried with Mayor Peters voting no. (4-1)

Mayor Peters called for a break at 7:04 p.m.; the meeting resumed at 7:14 p.m.

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 RESOLUTION NO. 31-09 DIRECTING THE LEVY OF THE ANNUAL
ASSESSMENT FOR THE CLOISTERS LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT; (RECREATION & PARKS)

Recreation & Parks Director Joe Woods stated at the May 11, 2009 City Council meeting, the Council adopted Resolution No. 21-09 approving the Engineer’s Report describing the annual maintenance to be completed at the Cloisters Park and Open Space,

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and declaring the City's intent to levy an annual assessment to finance this maintenance. The County Assessor will collect the assessment, projected at \$1,241.20 per assessable lot in the Cloisters subdivision. By adopting Resolution No. 31-09, \$148,944 will be collected through an assessment of all parcel owners in the Cloisters subdivision for the maintenance of the Cloisters Park and Open Space. Mr. Woods recommended the City Council adopt Resolution No. 31-09 directing the levy of the annual assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District.

Mayor Peters opened the hearing for public comment.

David Nelson expressed support for the levy of the annual assessment to finance this maintenance stating a deal is a deal.

Mayor Peters closed the public comment hearing.

MOTION: Councilmember Grantham moved the City Council adopt Resolution No. 31-09 directing the levy of the annual assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

B-2 RESOLUTION NO. 32-09 DIRECTING THE LEVY OF THE ANNUAL ASSESSMENT FOR THE NORTH POINT LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (RECREATION & PARKS)

Recreation & Parks Director Joe Woods stated at the May 11, 2009 City Council meeting, the Council adopted Resolution No. 22-09 approving the Engineer's Report describing the annual maintenance to be completed at the North Point Natural Area, and declaring the City's intent to levy an annual assessment to finance this maintenance. The County Assessor will collect the assessment, projected at \$564.50 per assessable lot in the North Point subdivision. By adopting Resolution No. 32-09, \$5,645 will be collected through an assessment of all parcel owners in the North Point subdivision for the maintenance of the North Point Natural Area. Mr. Woods recommended the City Council adopt Resolution No. 32-09 directing the levy of the annual assessment for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District.

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

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MOTION: Councilmember Grantham moved the City Council adopt Resolution No. 32-09 directing the levy of the annual assessment for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

B-3 CONSIDERATION OF THE REDEVELOPMENT FEASIBILITY STUDY;
(PUBLIC SERVICES)

Public Services Director Bruce Ambo stated the City Council received the Redevelopment Feasibility Study prepared by Urban Futures, Inc. on June 17, 2009. The workshop was continued as a public hearing to receive public input, and recommended by staff that Council continue it to the July 13, 2009 City Council meeting for further consideration and input.

Mayor Peters opened the hearing for public comment.

David Nelson stated the power plant should be in the redevelopment scenario. He said he has concern with the cost and the timeframe on moving forward with this study.

Jack McCurdy stated the workshop was poorly noticed. He said the study has inadequate and faulty information on the power plant. Mr. McCurdy stated the citizens should analyze this feasibility study.

Bill Martony stated he met someone from WestPac who enlightened him on plans for the Dynegy lease site. He suggested the City invite this person to speak at a public meeting regarding the green energy proposals that WestPac is considering.

Mayor Peters closed the public comment hearing.

The City Council requested that the cost of the study and the start up fees are discussed at the next meeting.

MOTION: Councilmember Smukler moved the City Council continue the public hearing on the Redevelopment Feasibility Study to the July 13, 2009 City Council meeting. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

Mayor Peters called for a break at 8:12 p.m.; the meeting resumed at 8:18 p.m.

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C. UNFINISHED BUSINESS

D. NEW BUSINESS

D-1 DISCUSSION OF EXTENDING THE HIRING FREEZE TO ALL CITY POSITIONS AND AUTHORIZATION TO RECRUIT FOR A FIREFIGHTER AND A WATER SYSTEMS SUPERVISOR; (ADMINISTRATIVE SERVICES)

City Manager Andrea Lueker stated at the June 8, 2009 City Council meeting, staff was directed to amend the proposed budget resolution to include all positions in the City workforce in the hiring freeze. Since 2006/07, only General Fund positions, with the exception of safety, had been subject to the hiring freeze. Staff expressed concern with the inclusion of safety and the Enterprise Funds' personnel in the hiring freeze. Staff also requested authorization to begin the recruitment process for the Firefighter, which was included in the 2009/10 Measure Q budget discussions on May 6th and May 13th, and the Water Systems Supervisor, whose job description was approved at the June 8th meeting. Ms. Lueker recommended the City Council consider extending the hiring freeze and consider authorizing the commencement of the recruitment process for the Firefighter and Water Systems Supervisor positions.

Councilmember Borchard stated the Enterprise Fund employees should be considered in the hiring freeze the same as all employees during the current budgetary times.

Councilmember Smukler stated he supports going forward in the hiring of the Firefighter and Water Systems Supervisor; however, due to the economy, he would like to consider each vacant position including the Enterprise Fund positions as they become vacant.

Councilmember Grantham stated he supports the hiring freeze for all employee positions except public safety employees because the competition places the City at a disadvantage.

Councilmember Winholtz supports hiring the Firefighter but does not support hiring the Water Systems Supervisor. She said she agrees with the hiring freeze excluding those positions that Council has agreed to not include.

Mayor Peters stated she supports extending the hiring freeze excluding public safety. She said she would like to move forward with the recruitment process for the Firefighter and Water Systems Supervisor positions.

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MOTION: Mayor Peters moved the City Council extend the hiring freeze excluding public safety employees, which includes police officers, dispatchers, and firefighters. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

MOTION: Mayor Peters moved the City Council direct staff to recruit for the Water Systems Supervisor position. The motion was seconded by Councilmember Grantham and carried with Councilmember Winholtz voting no. (4-1)

MOTION: Mayor Peters moved the City Council direct staff to recruit for the Firefighter position to be paid with Measure Q funds. The motion was seconded by Councilmember Borchard.

Councilmember Grantham expressed opposition to this motion because it is a bad use of Measure Q funds, which is suppose to be used as needed and not meant for long-term use.

VOTE: The motion carried with Councilmember Grantham voting no. (4-1)

D-2 PARKING METERS IMPLEMENTATION; (PUBLIC SERVICES)

City Engineer Rob Livick stated on October 8, 2007, the City Council adopted Resolution No. 48-07 implementing the Parking Management Plan. The adopted study area boundary included the Embarcadero and downtown areas. The fiscal impact of installing, maintaining, collecting fees and enforcing parking meter zones is unknown at this time. Mr. Livick recommended the City Council review the information provided on parking meter implementation and direct staff accordingly.

MOTION: Mayor Peters moved the City Council approve placing a parking kiosk in the City parking lot on the Embarcadero and charge \$1 per hour. The motion was seconded by Councilmember Grantham and failed with Councilmember Borchard, Councilmember Smukler and Councilmember Winholtz voting no. (2-3)

No further action was taken on this item.

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E. DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Winholtz requested to agendize the following items:

- a) Discussion on Council Term Limits (Council concurred);
- b) Discussion on Placing the Primary Election Process on the Ballot (Council concurred);
- c) Review of the City's Noise Ordinance Enforcement (Councilmember Winholtz to investigate the City of San Luis Obispo's ordinance);
- d) Staff to prepare a memorandum on the action taken and the progress to date on the Coleman Park Concept Plan.

MOTION: Mayor Peters moved the City Council adjourn this meeting to the Closed Session agenda. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

ADJOURNMENT

The meeting adjourned at 8:57 p.m.

Recorded by:

Bridgett Bauer
City Clerk

BACKGROUND:

At the May 26, 2009 regular City Council meeting, Council did not approve the fiscal year 2009/10 General Fund operating budget as presented. The City Council was concerned about the \$388,000 loan from the Water Revenue Fund to the General Fund. The loan was comprised of two factors:

1. Approximately \$160,000 of the amount was the cost of water that General Fund departments used. These water costs had traditionally been paid by the Water Fund. However, this year as well as last fiscal year, in an effort for increased clarity, staff presented the amount as a loan with the intent to reflect the amount as a true General Fund liability.
2. The remaining \$228,000 represents salaries that were transferred in 2005 to the Water Revenue Fund and have remained paid by the Water Fund since that time.

After discussion at the May 26th meeting, the City Council directed staff to meet and confer with the unrepresented employee groups as well as identify other available resources.

At the June 8, 2009 meeting, staff presented two options for the \$388,000; both options included the cost allocation of \$158,000 of City Attorney Department costs and using the excess \$193,719 of General Fund monies that had yet to be put into the Risk Management Fund. In order to cover the remaining approximate \$37,000, staff suggested several solutions including the use of General Fund monies that had yet to be put into the ADA Capital Project, reducing the travel/training budgets or deferral of Cost of Living Adjustments (COLA's) to the unrepresented Management and Executive employees.

After discussion, the City Council accepted the cost allocation of the City Attorney Department, but redirected staff to come back with another plan to cut the remaining \$230,000 at a special Budget Workshop scheduled for Monday, June 29, 2009.

On June 22, 2009, the City Council met in Closed Session to continue their efforts to cut personnel costs through labor negotiations. The action out of that meeting was two-fold; first the City Council directed staff to contact Morro Bay's represented employee groups; the Police Officers Association, the Fire Fighters Association and the Service Employees International Union, and ask them to meet and confer in regard to their contracts. Potential discussion issues may include 2-tied PERS retirement formulas, health care dollars and mandatory furloughs as well as other items. The second action directed staff to contact all city employees currently eligible to retire and discuss a "golden handshake" offer. Staff will be moving forward on both of these items in the near future.

DISCUSSION:

Over the past several years, while costs have risen, the City of Morro Bay has continued to prepare and present budgets that are conservative. In fiscal year 2004/05, the General Fund budget was \$10,580,971; in over 5 years, the proposed General Fund budget has risen 1% with a proposed general fund budget for fiscal year 2009/10 of \$10,677,943. The General Fund budget proposed for the upcoming fiscal year is \$63,500 less than the fiscal year 2008/09, even including all employee cost-of-living increases for the 2009/10 budget. This is a result of the continued "slimming" of the organization and "streamlining" of services. In looking at the City's Organizational Chart, the reduction in personnel from last fiscal year is 2.5 full time positions,

and in looking at the changes over the past 9 -10 years, a total of 14 positions have been eliminated. In addition, City Engineer functions and City Attorney functions have been brought in-house, thus creating significant savings. While the majority of the cities in the county are borrowing from their reserve balances to meet this year and potential future year budgets, the City of Morro Bay is not borrowing from established reserves to balance the 2009/10 fiscal year budget. Furthermore, the City of Morro Bay has no debt, which is an anomaly among cities statewide. During the past week, the City received information regarding upcoming health care costs, which are slated to increase less than 2.5 %, the smallest increase in a number of years. As well, the City has been in contact with PERS, and there are likely to be little or no increases in the PERS retirement rate for fiscal years 2009/10 and 2010/11. It should be noted that the City has factored in a 2% PERS increase for 2010/11 fiscal year that likely will not be needed. The City Council also has authorized staff to continue to work on both an increase to the Transient Occupancy Tax and a Parcel Tax; both would likely be voted on in June 2010 and if passed would provide additional revenue to the City.

In preparing this staff report, staff predominantly concentrated on cuts that would not significantly affect the service level to the community, specifically cuts that would continue to allow adherence to the City's 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." However, there are some exceptions to the impact on service levels, such as the elimination and/or reduction of the Teen Center, as that was a specific request from the City Council during the last budget hearing. Staff has also included the previous suggestions for cuts including a portion of the funds slated to be deposited into the Risk Management fund as those are General Fund dollars that were deducted from individual department budgets, dollars that are available for any use.

\$60,000 – Teen Center and Skate Park

The Teen Center operates during Monday early mornings, the afternoons and weekends during the school year, and increases the hours of operation during the summer to accommodate all middle school- and high school-aged children. The Center has operated since 2001, and attendance during the last year has varied from month to month, serving over 700 youth in September 2008, with normal attendance averaging 500 students each month. The Teen Center provides a safe environment where participants develop their social skills, sense of responsibility and appreciation for the community. Participants have the opportunity to engage in a wide variety of self-directed activities including, but not limited to interactive electronic entertainment, computer programs/Internet and a variety of arcade games. Additionally the Teen Center offers special events, homework assistance and a library full of books and magazines. The purchase of the Center was partially funded by a grant from MCI/World COM in the amount of \$400,000. The utility costs to "open the doors" at the Teen Center are approximately \$13.57 each day, which includes repairs and maintenance, water and other utilities. The Teen Center (as well as other Department Programs such as the Jr. Lifeguard Program and Youth Sports) is staffed with part-time recreation employees, the majority of whom have gone from program participants to part-time staff, thus these programs are extremely instrumental in providing employment opportunities to our local youth.

\$25,000 – Reduction of Broadcast of Brown Act Meetings

The City currently broadcasts all Brown Act Meetings including Community Promotions, PWAB, Harbor Advisory Board, Recreation and Parks Commission, City Council and Planning Commission and the recently added the Morro Bay Tourism Business Improvement District Meeting. The contract with AGP is currently at approximately \$67,000, and staff feels that it may be reduced by at least 1/3 if only the Planning Commission and City Council meetings were broadcast. It is important to note that the City is currently working with AGP on contract renewal. The City of Atascadero staff recently suggested elimination of all broadcast meetings, with the City Council finally approving only the broadcast of City Council and Planning Commission meetings. While the broadcast of all the advisory board meetings has been very beneficial, the City may not be able to support this level at this time. Another related cost saving option is to reduce the number of Advisory Board meetings to every other month or quarterly, and/or hold the meetings during the day, all of which would save funds.

\$15,000-25, 000 – Complete Cost Recovery for Special Events

Staff is confident this is a **very unpopular** discussion topic, but it should be noted that the City is currently subsidizing most special events held on City property in terms of equipment use and some City staff costs. Staff estimates that by transferring these costs back to the permittee, the City would recover the above-mentioned subsidy.

\$30,000 Professional Development

Attendance at most conferences/professional development would be halted for a period of one year for all staff.

\$3,000 Meetings

Meetings would be reduced in each Department Budget.

\$5,000 - Association Memberships

Memberships would be reduced in each Department.

\$2,000 - Meals and Lodging, Travel

Due to the decrease in Professional Development, this line item can be reduced.

\$100,000 – Reduction of Deposit to Risk Management Fund

The original proposed budget provides for an excess \$193,719 of the \$915,026 funds taken from individual department budgets to pay for insurance premiums. In the original budget, staff proposed to have this excess put into the Risk Management Fund. By reducing the deposit to \$93,719, the balance of the Risk Management account will be \$2,543,941 which is the largest reserve amount the fund has experienced in many years and exceeds the average balance by approximately \$1,500,000. This allows the Council to continue to build the balance of the Risk Management Fund by a similar amount as the previous year (\$112,211), as well as provide some needed funding for the operating budget.

\$37,000 – ADA Capital Project

Once again, the City was planning to put some funding into the ADA Capital Project to do some work in ADA repairs throughout the City. This, similar to the above description, was an area where General Fund monies can be put and then used as needed for the ADA repairs or returned to the General Fund for other purposes. However, it is important to note that there are not any current ADA projects proposed for this fiscal year because the City is significantly ahead of the repair work that was anticipated due to the repaving/renovation work completed on Morro Bay Blvd.

\$43,000 – Deferment of Management and Executive Cost-of-Living Adjustments (COLA’s)

By deferring the 3% COLA for both the Management and Executive employees, an additional \$43,000 becomes available for the General Fund. The deferment would be for a period of one year, and staff would then discuss with the City Council, during the preparation of the 2010/2011 budget, how to address the deferment in terms of the 2010/11 budget. There are a number of options the Council could take at that time, which could include deferring the COLA for a second time, paying the 3% in fiscal year 2010/2011, etc.

\$Amount Unknown – Various Other Options

Throughout the past meetings regarding the budget, a number of other options have been briefly discussed and/or mentioned. These include, but are not limited to the following:

- Information Technology Department
- Funding to the Visitors and Conference Bureau
- Funding to the Visitors Center
- Funding to the Community Promotions Committee
- Funding for the morrobay.org Website
- Funding to the Morro Bay Tourism Business Improvement District

While many of these items may not popular topics, they are still available for consideration.

CONCLUSION:

The above-mentioned items present a variety of options for the City Council to consider in their effort to locate the additional \$230,000 of funding that has been asked to be identified. As the Council is aware, staff has also been tasked with looking at each Department and their operations over the next year, as well as request to open contacts with the represented employee groups, all of which could realize additional cost savings. Staff is looking forward to resolution for the fiscal year 2009/2010 budget, so that we may move forward your City Council goals and objectives.



AGENDA NO: VI

MEETING DATE: 06/29/09

Staff Report

TO: Honorable Mayor and City Council

DATE: June 23, 2009

FROM: Susan Slayton, Administrative Services Director

SUBJECT: Discussion of Resolution No. 78-08 which Amended the Salaries and Benefits of the Management Employees and Potential Adoption of Resolution No. 38-09 to Withdraw Resolution No. 78-08

RECOMMENDATION:

Council to consider the affects of Resolution No. 78-08 and provide direction related to Resolution No. 38-09.

FISCAL IMPACT:

Cost of Cost-of-Living Adjust (COLA) for Management = \$22,850

Management employees in General Fund = \$14,860

Management employees in Enterprise Funds = \$7,990

Cost of COLA for Executive = \$31,540

Executive employees in General Fund = \$27,640

Executive employees in Enterprise Funds = \$3,900

Total cost of COLA = \$\$54,390

General Fund portion = \$42,500

Enterprise Funds portion = \$11,890

SUMMARY:

At the June 22nd regular City Council meeting, the motion was made to bring back a Resolution to withdraw Resolution No. 78-08 that granted salary and benefit increases to the Management employees. Executive salaries increases are predicated on those granted to Management employees, and are, therefore, presented here. Staff has prepared Resolution No. 38-09, should Council choose to withdraw Resolution 78-08.

BACKGROUND:

In October 2008, the City Council agreed to proceed with 3-year contracts for the Police Officers Association, SEIU, and the unrepresented groups, Confidential, Management and Executive. Resolutions were presented and adopted at the November 10, 2008 regular Council meeting.

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Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

With the presentation of the 2009/10 budget, Council expressed concerns about the “Water Fund Loan” that the City’s General Fund was relying on to balance its budget. This loan consists of the costs of General Fund water services, which have always been paid for by the Water Fund, and General Fund salaries that had been transferred to the Water Fund with the 2004/05 budget cuts. These items previously had not been identified as a loan. With the recent changes in the budgeting process in order to increase transparency, it was determined by staff to declare this amount as a loan. Ensuing discussing resulted to find ways to eliminate that loan, which included deferring the salary increases to the unrepresented groups, with the exception of the Confidential employees. At the June 22nd meeting, Council requested that an agenda item be brought forward to withdraw Resolution 78-08, which amended the salaries and benefits of the Management employees, and based on Executive employees’ contracts, that group as well.

DISCUSSION:

Current staff does not remember a time when the General Fund’s water bills have not been paid for by the Water Fund. In reviewing available documents, which go back to 1995, the General Fund has not paid for its water usage. With the passage of Proposition 218, it became important to ensure that all users were paying their fair share, and staff took this to mean that the General Fund should pay for its usage and not rely on the other ratepayers to subsidize us. With the 2008/09 budget, staff implemented this change, and began charging the individual General Fund departments for water usage. However, the General Fund could not afford the \$155,355 cost, so a transfer from the Water Fund was set up to cover this. With the 2009/10 budget, this amount appears as a loan under the Transfer in from Enterprise section of the General Fund Revenues by Source page of the budget.

Staff also felt that it was important to transfer salaries out of the Water Fund that did not belong there. It was decided to move the salaries back to the General Fund, but record a transfer from the Water Fund to cover them, again designating this as a loan under the Transfer in from Enterprise section of the General Fund Revenues by Source page of the budget.

Council has chosen to eliminate this long-standing dependency on the Water Fund, and has tasked staff with the challenge to reduce General Fund expenditures by \$388,000, which is the amount of the Water Fund loan.

Staff has identified the cost allocation amount of \$158,000 of the City Attorney’s budget that has been previously borne by the General Fund for the Enterprise Funds. This reduces the outstanding amount to be rectified as \$230,000. Staff has suggested that Council recover these funds through the following areas:

1. Reduce the General Funds excess contribution to Risk Management Fund (\$193,000); and
2. Eliminate the funding of the ADA facilities (\$37,000) or
3. Reduce the departmental training budgets (\$37,000).

Council has expressed the desire to defer the 2009/10 negotiated COLA for the unrepresented groups, with the exception of the Confidential employees group. This would amount to a savings of approximately \$42,500 to the General Fund.

RESOLUTION NO. 38-09

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MORRO BAY, CALIFORNIA
WITHDRAWING RESOLUTION NO. 78-08 WHICH AMENDED
THE SALARIES AND BENEFITS OF THE MANAGEMENT EMPLOYEES**

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

WHEREAS, the City Council of the City of Morro Bay has been presented with a balanced budget for the fiscal year 2009/10 that includes a \$388,000 loan from the Water Fund; and

WHEREAS, the City Council finds and determines that the loan is not a satisfactory method for balancing a budget; and

WHEREAS, the City Council wishes to defer salary increases that were granted to the Management employees under Resolution No. 78-08; and

WHEREAS, the Executives, by virtue of their contract language, receive any salary and/or benefit increases that are granted to the Management employees; and

WHEREAS, by withdrawing Resolution No. 78-08, salary and benefit increases will be withdrawn from the Management and Executive employees, and deferred for a period of one year when Council will revisit this decision.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that Resolution No 78-08 is withdrawn, and the salary and benefit increases to the Management employees and, by virtue of their contracts, Executive employees are deferred for a period of one year when Council will revisit this decision.

PASSED AND ADOPTED, by the City Council of the City of Morro Bay, at a regular meeting thereof held on the 29th day of June 2009, by the following vote:

AYES:

NOES:

ABSENT:

Janice Peters, Mayor

Bridgett Bauer, City Clerk



AGENDA NO: VII

MEETING DATE: 6/29/09

Staff Report

TO: Honorable Mayor and City Council

DATE: June 23, 2009

FROM: Andrea K. Lueker, City Manager

SUBJECT: Assessment of City Department – Police Department

RECOMMENDATION:

Staff recommends the City Council review the assessment of the Police Department and provides staff with further direction.

This agenda item supports Goal A of the 2009 Goal-setting Workshop: Goal A – Develop and maintain a structurally sustainable budget, Item #10 – Develop a schedule for assessing departments as well as Goal B – Reduce overall administrative costs (through assessment of each Department).

FISCAL IMPACT:

Not applicable at this time.

BACKGROUND:

The City Council held their second Goal-Setting Workshop on February 17 & 18, 2009, which entailed reviewing the progress made on the goals established last year as well as progress toward the Management Partners Recommendations from the August 2008 meeting. The 2009 Goal-Setting Workshop concluded with the City Council identifying five priority goals, nine other goals, and two other carryover goals from last year's process. Finally, the City Council, at their March 9, 2009 meeting unanimously adopted the Goal-Setting Workshop Outcomes for 2009 as designated priorities by the City Council of the City of Morro Bay.

Goal A – “Develop and maintain a structurally sound budget” included a number of sub-tasks, one of which was “developing a schedule for assessing departments.” Staff presented a schedule for assessing all Departments at the May 26, 2009 City Council meeting. However, there was no action regarding the proposed assessment schedule, and the item was deferred to a future meeting. At the June 8, 2009 meeting, after much discussion regarding the proposed budget, staff was charged with bringing City Council an assessment of the Police Department for the Special Meeting scheduled for June 29, 2009.

DISCUSSION:

Conducting a thorough and accurate assessment of a City Department is typically conducted over weeks and/or months, allowing for the assessor to meet with Department Staff and the Department Head, spend time at the Department and perhaps, in the case of the Police Department, accompany an Officer on a ride-along and a sit-along with dispatch. The process described above is essential to ensure the assessment covers all aspects of the Department, and portrays the operation of the Department in a true light.

Unfortunately, due to time constraints, the above procedures were not feasible in the assessment of the Police Department. Staff did make every attempt possible, in the few weeks between the assignment and due date, to gather and evaluate as much information as possible. The assessment will include several issues that have been topics of discussion/concern with the City Council, as well as those assessment factors from the Goal-Setting workshop.

Staff Compensation

Both the City Council and the sub-tasks under Goal B of the Goal-Setting Workshop Outcomes for 2009 generated questions concerning the salaries and benefits for members of the Police Department. Attached is a salary schedule (Attachment A) which depicts each job category in the Police Department as follows:

- Crime Prevention
- Dispatchers
- Code Enforcement (no longer filled) & Dispatch Supervisor
- Support Services Manager
- Police Officer
- Corporal
- Sergeant
- Commander (this is the same salary level as the former Lieutenant position)
- Police Chief

The Police Officer Association (POA-includes Sergeants, Corporals, Officers, Dispatch and Supervisor and Crime Prevention Coordinator) salary schedule features 6 steps with successive 5% increments. Most other employees are based on a 5-step system. The POA went to a 6th step as a concession in bargaining to aid in the recruitment process several years ago. The Police Chief’s salary, as a Department Head, is in a “salary band” with no specific steps (however traditionally 5% step increases have been given and are portrayed in Attachment A for comparison purposes). This salary schedule as well as all others in the City has compaction issues. For example the Police Officer salary range is \$47,514 – 60,641, the next position in the chain of command is Corporal with a range of \$50,353 - \$64,265. As one can see, the top step of the Police Officer salary falls between the 4th and 5th steps in the Corporal range. This issue is found throughout the schedule

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

which makes it difficult in promotional situations; as the increase in the responsibility level is significant while the increase in compensation is not. Furthermore, as the Council is aware, the Commander and the Police Chief are exempt employees not subject to overtime but traditionally working in excess of 40 hours each week. As such, it is highly likely that a Sergeant would make more money over the year based on their ability to earn overtime, than the Commander position. In that same vein, the Dispatch Supervisor will earn more than their supervising Support Services Manager who is also an exempt employee in the Management Unit.

For most of the employees in the POA, in addition to base salary there are certifications including Intermediate Peace Officers Standards and Training (POST) and Advanced POST for sworn Officers as well as Intermediate and Advanced POST certifications for non-sworn dispatch that add to the annual income that are not compensable for either the Supports Services Manager, Commander or Police Chief.

Lastly, while position-to-position comparisons with other local agencies are often not “apples-to-apples”, the employees of the Morro Bay Police Department including the Police Chief and Commander, when comparing Step 5 to Step 5 are generally the lowest paid. With the inclusion of Step 6, those in the POA move slightly above Grover Beach, but below all other agencies.

Job Responsibilities

The Police Department employs the following number of sworn employees

<u>Number</u>	<u>Title</u>	<u>Employee Unit</u>
1	Police Chief	Executive-unrepresented
1	Commander	Management-unrepresented
4	Sergeants	Police Officers Association (POA)
5	Corporals	POA
6	Police Officers	POA
	Part-time Reserve Officer	

And the following non-sworn employees:

<u>Number</u>	<u>Title</u>	<u>Employee Unit</u>
1	Support Services Manager	Management –unrepresented
1	Dispatch Supervisor	POA
4	Dispatchers	POA
.5	Crime Prevention	POA
	Part-time Evidence/Property Clerk	
	Part-time Reserve Dispatcher	

The staffing numbers of Police Department staff have decreased over the past 10 years due to a following reasons:

- as a result of the budget reductions in 2005, there was a loss of two Police Officer positions and all part time positions

- the loss of grant funds for a Motorcycle Officer and School Resource Officer
- the loss of the use of the COPS grant for staffing.

The bottom line is that in Morro Bay there are less Police on the street and/or involved with programs than there were 10 years ago. It should be noted that the core services the Department offers have not significantly changed in conjunction with the staffing reduction, thus attaching more duties to those left in the organization.

Beginning at the top of the organization, the Police Chief is responsible for the overall operation and management of the Department; planning, organizing and directing the activities of the Department personnel in preserving order, protecting life and property, and enforcing laws and ordinances.

The second-in-command is the Commander (renamed in 2004 to be consistent with the majority of other similar second-in-command positions in law enforcement agencies, no monetary changes were made at that time). The Commander, under the direct supervision of the Chief of Police, performs a variety of routine and complex public safety work in the administration of the Police Department. Acts as the Chief of Police in the Chief's absence and supervises Patrol Operations, Investigations, Professional Standards, Training and other law enforcement activities as assigned (see attachment B for comparison of the Chief's and Commanders duties).

Next in line are the Sergeants, of which the City currently has 4, who serve as patrol supervisors and typically work with another Corporal and Officer on each patrol shift. Sergeants have responsible charge of patrol and law enforcement operations on an assigned shift, including assignments in patrol, investigation and others. In addition to being a part of the minimum patrol staffing needed, each Sergeant is then assigned to an additional category and associated duties, which are:

Scheduling Sergeant

1. Responsible for the patrol schedule, maintain monthly patrol schedules, master yearly schedule and master vacation plan.
2. Special Event staffing and scheduling.
3. Coordinate the scheduling of all training schools along with training Sergeant.

Traffic Sergeant

1. Respond and supervise the investigation of all major traffic accidents when called out.
2. Continuously review accidents and locations to identify trends and areas of needed enforcement.
3. Monitor Citation inventory.
4. Provide a monthly report at Sergeant's meeting to include the number of accidents, types, and frequent locations, and overview of traffic Officer(s) activity.
5. Parking Cite reviews and appeals.

Field Training Officer (FTO)

1. Supervises the FTO and trainee.
2. Monitors recruits in the FTO program on their shift to insure acceptable progress is being met.
3. Insures FTO manual, tests, and other written materials are up to date.

4. Provides a monthly report on recruit progress and the FTO program overall.
5. Routes weekly FTO evaluations to the Commander.

Training Sergeant

1. Monitors Lexipol Daily Training Bulletins and insures Officers complete the daily bulletins.
2. Coordinates POST training.
3. Coordinates, develops and schedules regular training in areas such as hot stops, building searches, pursuits, bank 211 response, etc.
4. Coordinates the annual master training plan.
5. Prepares a monthly report on patrol training at the Sergeant meeting.
6. Maintains the patrol briefing book and purges as appropriate.

The Corporal positions are next in command, and under general supervision, performing all the duties of a Police Officer as well as special assignment law enforcement work involving patrol, crime prevention/community relations, investigations, training and traffic enforcement. They also serve as the Field Training Officers for new Officer trainees. The Corporal also serves as a supervisor (when assigned). The City of Morro Bay has 5 Corporal positions, 4 of which are assigned to patrol and one assigned to the investigations bureau. The Corporals and the Sergeants, are an essential element of the minimum patrol staffing component.

The Police Officers are the front-line workers and typically their duties consist of patrol, performing law enforcement investigation and crime prevention work, traffic control, enforcement of State and local traffic regulations and preliminary investigative work. The City has 6 Officers, 5 of which are assigned to patrol and one assigned to Detectives. With that level of staffing, based on our challenge in retaining Officers, often times one or more of the newer Officers is completing his/her Field Training and not available to work “normal” patrol shifts, thus creating patrol shift shortages.

As with any small departments, many of the employees have to be “jacks of all trades” and in the case of the Morro Bay Police Department, there are a number of ancillary duties and special training that have to be performed and are assigned to everyone from the Chief to the Officers to the Dispatchers. Often these assignments are not specifically part of the essential duties and responsibilities, but rather are lumped under the catch all “other duties as assigned” or “related work as required”. Attachment C describes those duties (of which some are mentioned above in conjunction with the paragraph on Sergeants) and specialty training.

The remaining staff at the Police Department are non-sworn and include the Support Services Manager, Dispatch Supervisor, 4 Dispatchers, part-time Reserve Dispatcher, part-time Evidence/Property Clerk and ½ time Crime Prevention Coordinator. The Communications budget has been separated out of the Police budget in order to better track the cost of the City Communications Center. This core non-sworn staffing level has remained fairly consistent for the last 20 years and is generally able to handle the dispatch functions as well as the coordination of the office. However, it should be noted that the department had additional part time personnel in the past which included Reserve Police Officers, Equipment Technician, Juvenile Diversion Technician, Special Projects Technician and full-time Code Enforcement.

The Commander Position

Definition - The Commander position at Morro Bay is the second-in-command at the Police Department. A second-in-command in law enforcement is a position that reports directly to the Chief and assumes the duties of the Chief when he/she is absent. This position typically can have different titles such as Commander, Captain, Assistant Chief or Lieutenant, but the duties are all basically the same.

The second-in-command provides highly complex staff assistance to the Chief. This work requires considerable experience and judgment in the interpretation and application of rules, regulations, policies, laws and ordinances. Considerable latitude is permitted for independent action by the second-in-command within the framework of department policies and procedures. To maintain confidentiality, consistency and protocol within the law enforcement profession, second-in-command positions typically communicate and correspond with other second-in-command positions in other agencies.

The second-in-command is an important link to the Sergeant and Corporal supervisory staff at the Police Department. The position is responsible for improving operations, decreasing turnaround times, and streamlining work processes by working cooperatively and jointly to provide quality seamless customer service to the community and allied agencies. As well, the second-in-command is expected to have an open door policy and to possess strong mentoring and coaching skills. These attributes are used to monitor morale and implement opportunities for employees to experience career development and advancement within the command structure of the department.

The Minimum Qualifications for the Commander position include:

- Bachelor Degree from Accredited College
- POST Basic, Advanced, and Supervisory Certificates
- 7 years Peace Officer / At least 3 years rank Sergeant or above

Attached (Attachment D) is a comprehensive list of the Essential Duties and Responsibilities of the Commander position and specific examples of those duties and responsibilities specific to the Morro Bay Commander.

Commander History - The City of Morro Bay was incorporated in July 1964. Chief Holman was recruited from Seal Beach Police Department and tasked with building Morro Bay's first Police Department. Morro Bay officially began operation of their Police Department in July 1965 with the positions of Chief, 3 Sergeants and 7 Officers for a total of 11 sworn positions.

A few years later it became obvious that a second-in-command position was needed to maintain order within the department and assist with providing adequate services to the community. In 1969, a Captain's position was created to be the second-in-command. Sometime prior to 1980, the Captain at that time was demoted back to the rank of Sergeant for disciplinary reasons. The Captain's duties were temporarily reassigned to a Sergeant. In 1980-81 the Chief (Olson) designated a title of Administrative Sergeant to handle the second-in-command duties. In 1982, the Administrative Sergeant position was reclassified to a second-in-command position of Lieutenant (Carpenter). Morro Bay Police Department maintained a Lieutenant as the second-in-command for the next 13 years. In 1989, a fifth Sergeant position was created to supervise the Detective Bureau

and assist the Lieutenant with other administrative duties.

The sudden departure of a City Manager in 1994 created an opportunity for the current Chief (Howell) to accept the position of City Manager. The Lieutenant (Loven) at that time was appointed interim Chief and was officially promoted to the Chief position in 1995. At this time, the second-in-command position was temporarily eliminated. Most of the second-in-command's duties were reassigned to the fifth Sergeant position which was referred to as an Administrative Sergeant. It is important to note that when the decision was made to temporarily eliminate the second-in-command position there were a total of 18.5 sworn positions (including four patrol Sergeants and one administrative Sergeant) and three part time positions assigned to handle code enforcement, vehicle maintenance, equipment testing, evaluation, and purchase.

In 2000, it became apparent the Administrative Sergeant was performing duties that were more appropriately performed by a second-in-command management position. The Administrative Sergeant position was reclassified to a Lieutenant (Beuer), second-in-command position. At this time there were a total of 20 sworn positions, one full time code enforcement position and one part time technician position.

The current Chief (DeRohan) was recruited in 2002 to fill the second-in-command position and to replace the current Chief who had announced his retirement within the year. A short time later the second-in-command position was renamed Commander to be consistent with other second-in-command titles throughout the county and state. This was a change in title only with no additional pay and was also done in order to attract qualified applicants with management experience for the position vacated by Chief DeRohan when he became Chief. The second-in-command position remained vacant through a three month recruiting process. During the recruitment process the Chief remarked that it was three of the most difficult months of his career, trying to perform the duties of a Chief and a second-in-command.

After a three month recruiting and hiring process, the Commander (Olivas) position was filled and remains an integral part of the Police Department's infrastructure. At the time of this report there are 17 sworn positions and no part time positions to perform duties related to code enforcement, vehicle maintenance, and equipment evaluation, maintenance and purchase.

The City of Morro Bay has had a Commander/Lieutenant position since 1984, however during several interim years (1995-1999) the position was classified as a supervising Sergeant.

Commander versus Administrative Sergeant Funding – it has been mentioned that elimination of the Commander position and/or reclassification to an Administrative Sergeant may be a cost saving measure. An important consideration in looking at the cost saving potential is that the Commander is exempt from overtime and is paid a annual salary independent of how many hours he/she works. The Sergeant position is not exempt from overtime and as such, for any hours worked over 40 in a week, time and one-half would be paid. With a very conservative estimate of 7 hours on the average of extra time worked each week (364 hours/yr), the salary range of the Administrative Sergeant would encroach upon the salary range of the Commander position (see below). This table is based on salary information as of 6/09, effective 7/09, the Sergeant's salary range will increase 4% .

Commander Salary Range		Adm. Sgt Salary Range with overtime	Adm. Sgt. Salary Range without overtime
Step 6	n/a	\$88,856	\$75,625
Step 5	\$99,053	\$84,628	\$72,024
Step 4	\$94,337	\$80,597	\$68,594
Step 3	\$89,844	\$76,760	\$65,328
Step 2	\$85,566	\$73,104	\$62,217
Step 1	\$81,492	\$69,620	\$59,254

In addition, if the Management Group COLA is deferred and with the Police Sergeants receiving their scheduled COLA, a even more significant compaction issue will result in which the Sergeants salaries will encroach even closer to the Commander salary.

Scheduling of Patrol Staff

With the number of patrol staff available, the Morro Bay Police Department has spent significant time reviewing their patrol schedule to ensure the current format is the most comprehensive in keeping the residents safe. An actual Patrol Schedule is attached (Attachment E) for the month of June. As shown, there are Patrol “A”-Night and Day shifts and Patrol “B” Night and Day shifts as well as the Reserve Officer schedule, Detectives and Administration. Between scheduled training and vacations as well as unscheduled absences due to sick leave, the schedule is extremely tight and it is difficult to maintain the goal of “three on the street”. As is experienced, when an Officer has to transport to SLO or attend Court, it leaves the City with two and occasionally only one Officer in the City. During the day, when this occurs, the detectives, Commander and/or Chief act as Patrol staff, causing their regular duties to suffer.

In an attempt to maximize Officers on the street, the Chief and Commander have looked at a number of different scenarios for scheduling. Based on the department’s current staffing levels, the 3 days/12 hours per day allows for the maximum number of Officers on patrol. All other law enforcement agencies within the county operate on the same 3/12 schedule with the exception of the Sheriff’s Department (4/10 schedule). The 4/10 schedule requires more Officers.

Sheriffs Proposal.

Staff requested and received from the Sheriff’s Department a proposal (Attachment F) pursuant to Goal A: “Develop and maintain a structurally sustainable budget”, sub item 1 “Help acquire information in the most cost-effective way to determine choices for public safety – comprehensive cost study to examine the Morro Bay Police Department/Sheriff, including dispatch”.

The Sheriff’s Department was asked to provide law enforcement costs on 3 levels, specifically:

1. Costs of services similar to what is currently being offered in the City of Morro Bay.
2. Cost of reduced services, cutting all programs and focusing solely on response to calls.
3. Cost of dispatch services only.

Service Level 1 - would cost the City a minimum additional budget amount of \$283,755 annually to provide similar services to the City. This proposal assumes that the Deputy Sheriff’s Association would

agree to alter their work schedule to Morro Bay's current 3/12 plan. They currently work a 4/10 plan that requires more staffing and vehicles. Morro Bay police patrol staffing utilizes the 3/12 work schedule as it puts more Officers on the street than other work schedule plans. If they disagreed, the Sheriff Proposal would require 3 to 4 additional deputies at an additional cost of approximately \$600,000. Sheriff's command staff believe that the deputies would most likely not agree to the 3/12 work schedule as they have turned it down in the past. This would elevate the costs to \$883,755 above what the city is currently budgeting.

Service Level 2 – which portrays significantly reduced services, would save the City approximately \$211,978 annually. This proposal also assumes that the County staff would agree to work at 3/12 work schedule which is unlikely. If not, it would also require additional 3-4 deputies at an additional cost of more than \$600,000 which would result in no savings and actually cost the City more than it is currently budgeted for with a significant reduction in services.

Service Level 3 – is the Sheriff's Department taking over only dispatch services. This option would exceed the cost of the current city communications budget. There may also be additional costs to implement a call routing system at the Police Department as well as an impact on other city departments besides police and fire to assume their own dispatching and after hours call outs.

There are also additional costs to the above three proposals including facility maintenance and the fact that the Sheriff's Department enjoys a wage parity ordinance which results in COLA's every year. In terms of the proposal from the Sheriff's Department and based on fiscal impact alone, staff would recommend against any further consideration. Should the City Council determine they would like additional information or are interested in consideration, staff has additional "pros" and "cons" for contract consideration.

Management Partners Report

The Management Partners Report Assessment of City Organization and Financial Options, had two recommendations specifically in regard to the Police Department; one was "Obtain formal proposals from the Sheriff on the cost for providing law enforcement service to the City based on reduced service levels", which has been completed and is referenced above. The second recommendation was to "Restore the Morro Bay Police Department's budget to the level of peer cities if the City chooses to keep its own Police Department". The reason for this recommendation, as discussed above, is the extensive study found that the current funding level is insufficient to operate a full-service Police Department let alone ask it to absorb more reductions. Management Partners research staff believed it would be impossible to maintain services, staffing, and professional standards at the current funding level. They felt that eventually circumstances will force the budget upward due to the compensation problems, replacement of failing equipment and procedure or training mandates.

CONCLUSION:

As mentioned in the summary section of this staff report, unfortunately due to the time constraints surrounding the staff report, there has been little time for in-depth research on the Police Department. With that said, this report touches on the breadth and depth of the department, their job duties and responsibilities as well as, a number of the questions that have been posed concerning the Police Department.



AGENDA NO: VIII

MEETING DATE: 06/29/09

Staff Report

TO: Honorable Mayor and City Council **DATE:** June 23, 2009

FROM: Andrea Lueker, City Manager
Susan Slayton, Administrative Services Director

SUBJECT: Resolution No. 37-09 to Adopt the 2009/10 Operating Budgets

RECOMMENDATION:

Council to adopt Resolution No. 37-09, which adopts the 2009/10 operating budgets, as amended.

MOTION: I move that the City Council adopt Resolution No. 37-09, which adopts the 2009/10 operating budgets, as amended, and direct staff to make the appropriations for the 2009/10 fiscal year.

SUMMARY:

Presented herewith is Resolution No. 37-09, which adopts the Fiscal Year 2009/10 operating budget. A partial list of amendments, based on actions taken at the 5/6 and 5/13 Budget Workshops is attached; any amendments made at this meeting will be incorporated into that list.

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

RESOLUTION NO. 37-09

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MORRO BAY, CALIFORNIA
ADOPTING 2009/10 FISCAL YEAR OPERATING BUDGET**

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

WHEREAS, the City of Morro Bay is required to appropriate and expend public funds to conduct the day-to-day business activities of the City; and

WHEREAS, the Morro Bay City Council finds and determines that the appropriations are necessary for continued efficiency, economy and effectiveness of the City government operations; and

WHEREAS, Section 37208 of the California Government Code provides that payments or demands conforming to an approved budget adopted by ordinance or resolution do not require audit by the City Council prior to payment; and

WHEREAS, the City Council recognizes that Capital Improvement Projects authorized and approved in prior fiscal years may not be completed by June 30, 2009; and

WHEREAS, the continuing efforts of staff to operate the business of the City within an approved budget and to create savings wherever feasible are acknowledged by the City Council.

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

1. The Fiscal Year 2009/10 Operating Budget is adopted, as presented in the Preliminary Budget and in the subsequent Amendments A, and any further amendments made at this meeting;
2. Staff is directed to prepare and publish a final budget document;
3. The City Manager is authorized to transfer appropriations within the adopted budget, so long as the appropriations changes do not have a significant policy impact, and total appropriations are not exceeded;
4. City Council approval is required to transfer appropriations between funds;
5. The City Council authorizes and directs the carry-forward of balances for capital projects approved in prior fiscal years, but not completed by June 30, 2009, to the Capital Improvement Project Fund(s) for the 2009/10 fiscal year;
6. The City Council directs that the hiring freeze be extended for all positions in the City workforce with the exception of Police, Fire and Dispatch; further, the City Council reserves the right to review any vacancies on a case-by-case basis as to its official policy; and

7. The City Council will take action to improve the City's financial outlook for the future by restructuring the City's business model, locating and securing new revenue sources and reviewing services for possible reductions.

PASSED AND ADOPTED, by the City Council of the City of Morro Bay, at a special meeting thereof held on the 29th day of June 2009, by the following vote:

AYES:

NOES:

ABSENT:

Janice Peters, Mayor

Bridgett Bauer, City Clerk

**City of Morro Bay
2009/10 Amendments to Preliminary Budget**

<u>Category</u>	<u>Original Preliminary Budget</u>	<u>As Amended</u>	<u>Impact</u>
General Fund:			
Decrease City Council contingency	\$5,000	\$0	\$5,000
Decrease City Council personnel costs	\$85,565	\$73,686	\$11,879
Increased transfer out to Transit	\$19,414	\$24,874	(\$5,460)
Decrease capital project – ADA facilities	\$45,586	\$37,376	\$8,210
Decrease transfers in – Loan	\$388,000	\$0	(\$388,000)
Decrease contributions to Risk Management	\$326,258		
Increase transfers in from Enterprise Funds – City Attorney office	\$776,680	\$934,680	\$158,000
Decrease ADA capital project	\$37,376		
Reduce travel/training budgets	\$87,738		
District Transaction Tax (Measure Q):			
Fire	\$0	359,121	(\$359,121)
Streets	\$0	275,000	(\$275,000)
Storm Drains	\$0	150,000	(\$150,000)
Police	\$0	64,700	(\$64,700)
Public Safety	\$0	43,250	(\$43,250)
Community Development Grants:			
Decrease revenue - CDBG	\$500,000	\$140,475	(\$359,525)
Decrease revenue – HOME	\$500,000	\$123,150	(\$376,850)
Decrease revenue – CalHOME	\$500,000	\$120,000	(\$380,000)
Decrease revenue - FESG	\$100,000	\$24,000	(\$76,000)
Parking In-Lieu:			
Increase revenue for fees	\$0	\$13,447	\$13,447
Increase revenue for interest income	\$0	\$4,200	\$4,200
Decrease transfer out to Transit	\$41,523	\$24,345	\$17,178
Transit:			
Increase DAR farebox	\$50,668	\$53,418	\$2,750
Increase Trolley farebox	\$8,500	\$15,500	\$7,000
<u>Category</u>	<u>Original Preliminary Budget</u>	<u>As Amended</u>	<u>Impact</u>

Increase transfer in from G/F	\$19,414	\$24,874	\$5,460
Decrease transfer in from SRF	\$41,523	\$24,345	(\$17,178)
Increase DAR expenses	\$321,411	\$326,411	(\$5,000)
Increase RTA assistance	\$68,046	\$71,256	(\$3,210)
Decrease Trolley expenses	\$62,284	\$55,885	\$6,399
Water Revenue:			
Decrease transfer out to General Fund	\$665,064	\$277,064	\$388,000
Increase transfer out to General Fund – CA	\$277,064	\$329,731	(\$52,667)
Decrease transfer in from Accumulation	\$633,915	\$335,333	(\$298,582)
Sewer Revenue:			
Increase transfer out to General Fund – CA	\$176,857	\$229,524	(\$52,667)
Harbor Operating:			
Increase transfer in from Accumulation	\$0	\$59,452	\$59,452
Increase transfer out to General Fund - CA	\$250,016	\$302,682	(\$52,666)
Risk Management			
Decrease	\$915,026		
Water Accumulation:			
Increase outlay for capital improvements	\$0	\$100,000	(\$100,000)
Decrease transfer out to enterprise	\$633,915	\$335,333	\$298,582
Sewer Accumulation:			
Increase outlay for capital improvements	\$0	\$400,000	(\$400,000)
Harbor Accumulation:			
Increase transfer out to enterprise	\$0	\$16,786	(\$16,786)
Decrease outlay for capital improvements	\$75,000	\$65,000	\$10,000
Schedule of Capital Projects:			
Decrease ADA facilities	\$45,586	\$37,376	\$8,210
Increase Nutmeg Tank	\$0	\$100,000	(\$100,000)
Increase Lift Station #3	\$0	\$200,000	(\$200,000)
Increase Lift Station #2	\$0	\$200,000	(\$200,000)
Decrease self-pay parking kiosks	\$25,000	\$15,000	\$10,000

Amendment A



AGENDA NO.: IX

Meeting Date: 6/29/09

**PLEASE BRING YOUR
STAFF REPORT – ITEM D-1
FROM THE
MAY 26, 2009
CITY COUNCIL MEETING.**