



CITY OF MORRO BAY CITY COUNCIL AGENDA

The City of Morro Bay provides essential public services and infrastructure to maintain a safe, clean and healthy place for residents and visitors to live, work and play.

Regular Meeting - Tuesday, April 10, 2018 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
RECOGNITION
CLOSED SESSION REPORT
MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS
CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS
PRESENTATIONS

- Morro Bay High School Cinco de Mayo Scholarship Presentation
- Sexual Assault Awareness Month Proclamation Presented to RISE
- SLOCOG Bike to Work Day Presentation

PUBLIC COMMENT PERIOD

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 city of residence 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.

A. CONSENT AGENDA

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion. The public will also be provided an opportunity to comment on consent agenda items.

A-1 APPROVAL OF MINUTES FOR THE MARCH 21, 2018 CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE MARCH 28, 2018 CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF JOB DESCRIPTION AND SALARY SCHEDULE FOR ACCOUNT CLERK IN-TRAINING; (HUMAN RESOURCES/FINANCE)

RECOMMENDATION: Council review and approve the proposed Account Clerk In-Training job description and salary range.

A-4 APPROVAL OF PROCLAMATION DECLARING APRIL 2018 AS SEXUAL ASSAULT AWARENESS MONTH; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-5 APPROVAL OF PROCLAMATION DECLARING APRIL 2018 FAIR HOUSING MONTH; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-6 ADOPTION OF RESOLUTION NO. 15-18 INITIATING PROCEEDINGS TO LEVY THE ANNUAL ASSESSMENT FOR THE CLOISTERS PARK AND OPEN SPACE - LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS)

RECOMMENDATION: City Council adopt Resolution No. 15-18 ordering the preparation of an Engineer's Report detailing the expenses projected for Fiscal Year 2018-19 for the maintenance of the Cloisters Park and Open Space under the provisions of the "Landscaping and Lighting Act of 1972."

A-7 ADOPTION OF RESOLUTION NO. 16-18 INITIATING PROCEEDINGS TO LEVY THE ANNUAL ASSESSMENT FOR THE NORTH POINT NATURAL AREA - LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS)

RECOMMENDATION: City Council adopt Resolution No. 16-18 ordering the preparation of an Engineer's Report detailing the expenses projected for Fiscal Year 2018-19 for the maintenance of the North Point Natural Area under the provisions of the "Landscaping and Lighting Act of 1972."

A-8 APPROVAL OF AMENDMENT NO. 2 TO CITY'S CONTRACT WITH MIKE BRANNAGAN (TERRA SOLUTIONS) FOR CONSULTING SERVICES FOR ARCGIS SERVER SETUP AND MAINTENANCE AND FOR OVERALL GIS DATA MANAGEMENT; (COMMUNITY DEVELOPMENT)

RECOMMENDATION: Council authorize the City Manager to execute Amendment No. 2 to the agreement with Mike Brannagan (Terra Solutions), in the amount of \$15,000, for maintenance of the City's ArcGIS server and management of City Geographic Information System (GIS) data.

B. PUBLIC HEARINGS

- B-1 PUBLIC HEARING AND ADOPTION OF RESOLUTION NO. 17-18, WHICH RESCINDS RESOLUTION 11-17 AND AMENDS AND ADOPTS THE COMPLETE FY 2018/19 MASTER FEE SCHEDULE AND CONSIDERATION TO RELEASE A REQUEST FOR PROPOSALS TO SEEK QUALIFIED FIRMS TO PERFORM A COMPREHENSIVE FEE STUDY AND COST ALLOCATION PLAN; (FINANCE)

RECOMMENDATION: City Council:

- A. Conduct the formally noticed public hearing, review the proposed fee schedule, and adopt Resolution No. 17-18, which updates the City Master Fee Schedule for Fiscal Year (FY) 2018/19. That Resolution will also rescind Resolution No. 11-17 that adopted the current FY 2017/18 Master Fee Schedule and replaces it in its entirety; and
- B. Authorize the release of a Request for Proposals (RFP) to seek qualified consulting firms to perform a Comprehensive Fee Study and Cost Allocation Plan.

C. BUSINESS ITEMS

- C-1 AWARD OF CONTRACT FOR PROFESSIONAL SERVICES: PROGRAM MANGEMENT FOR THE MORRO BAY WATER RECLAMATION FACILITY PROJECT TO CAROLLO ENGINEERS; (CITY MANAGER/PUBLIC WORKS)

RECOMMENDATION: City Council:

1. Award a four-year and eight-month contract to Carollo Engineers, as the most qualified respondent to the request for proposal, for Program Management services for the City's Water Reclamation Facility ("WRF") project in the initial amount of \$292,000, to cover services through the end of 2018; and
2. Authorize the City Manager to execute the agreement with Carollo Engineers, in a form approved by the City Attorney; and
3. Provide direction to staff to precisely define the level of effort and budget required for FY18/19 and include that amount in the Capital Projects section of the City's annual budget, along with the other fiscal needs of the project.

- C-2 PRESENTATION AND DISCUSSION OF THE FISCAL YEAR 2016/17 COMPREHENSIVE ANNUAL FINANCIAL REPORT; (FINANCE)

RECOMMENDATION: Council receive and provide feedback on the FY 2016/17 Comprehensive Annual Financial Report for the period July 1, 2016 through June 30, 2017.

- C-3 RECEIPT OF SECOND QUARTER INVESTMENT REPORT (OCTOBER THROUGH DECEMBER 2017) FOR FISCAL YEAR 2017/18 AND APPROVAL OF THE RECOMMENDED LIQUIDITY RATIO; (FINANCE)

RECOMMENDATION: Council:

1. Receive the attached Second Quarter Investment Report (October through December 2017) for Fiscal Year 2017/18; and
2. Approve staff's recommended liquidity ratio of 65% to 70% of the City's total investment portfolio.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

E. ADJOURNMENT

The next Regular Meeting will be held on **Tuesday, April 24, 2018 at 6:00 p.m.** at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

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 REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.

MINUTES - MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING –
MARCH 21, 2018 – 5:00 P.M.
CITY HALL CONFERENCE ROOM

AGENDA NO: A-1
MEETING DATE: April 10, 2018

PRESENT: Jamie Irons Mayor
Robert Davis Council Member
John Headding Council Member (*arrived at 5:45*)
Marlys McPherson Council Member

ABSENT: Matt Makowetski Council Member

STAFF: Scott Collins City Manager
Joseph Pannone City Attorney (*via teleconference*)
Scot Graham Community Development Director

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 5:04 p.m. with Mayor Irons, Council Member Davis and Council Member McPherson present.

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

CLOSED SESSION PUBLIC COMMENT – Mayor Irons opened the meeting for public comment for items on the agenda.

Ken Green, Morro Bay Open Space Alliance, asked the Council to keep the value of open space in mind for both residents and our neighbors.

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

CS-1 CONFERENCE WITH REAL PROPERTY NEGOTIATOR – GOVERNMENT CODE SECTION 54956.8

Property: Chevron Estero Bay (Former Marine Terminal) Property, north and East of the City: Lot 1, APN: 073-092-052, Lot 6, APN's: 073-075-016, 015, Lot 7, APN's: 073-092-053, 073-075-010, 073-075-011

Property Negotiators: Chevron & Trust for Public Lands

Agency Negotiators: Scott Collins, City Manager, Scot Graham, Community Development Director and Joseph Pannone, City Attorney

Under Negotiation: Price and Terms

At 5:25 p.m., Mayor Irons reopened Public Comment:

Daniel Bohlman, The Land Conservancy, presented the Council with information regarding Chevron Estero Bay property and efforts by The Land Conservancy, Trust for Public Lands and other conservation groups to acquire sections in a phased manner for preservation purposes. Once acquired, they will look to public agencies to take over long-term care of these properties.

Council Member Headding joined the meeting at 5:45 p.m.

The Council reconvened to Closed Session at 6:02 p.m.

RECONVENE IN OPEN SESSION – The City Council reconvened in Open Session. The Council did not take any reportable action pursuant to the Brown Act.

ADJOURNMENT - The meeting adjourned at 6:18 P.M.

Recorded by:

Dana Swanson, City Clerk

MINUTES - MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING –
MARCH 28, 2018 – 4:30 P.M.
CITY HALL CONFERENCE ROOM

AGENDA NO: A-2
MEETING DATE: April 10, 2018

PRESENT:	Jamie Irons	Mayor
	Robert Davis	Council Member
	John Heading	Council Member
	Matt Makowetski	Council Member
	Marlys McPherson	Council Member
STAFF:	Scott Collins	City Manager
	Joseph Pannone	City Attorney

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 4:34 p.m. with all members present

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

CLOSED SESSION PUBLIC COMMENT – Mayor Irons opened the meeting for public comment for items on the agenda; seeing none, the public comment period was closed.

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

CS-1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: City Attorney

RECONVENE IN OPEN SESSION – The City Council reconvened in Open Session. The Council did not take any reportable action pursuant to the Brown Act.

ADJOURNMENT - The meeting adjourned at 5:24 p.m.

Recorded by:

Dana Swanson, City Clerk

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Staff Report

TO: Honorable Mayor and City Council

DATE: April 3, 2018

**FROM: Jennifer Callaway, Finance Director
Dana Swanson, City Clerk/Risk Manager**

SUBJECT: Approval of Job Description and Salary Schedule for Account Clerk In-Training

RECOMMENDATION

Council review and approve the proposed Account Clerk In-Training job description and salary range.

FISCAL IMPACT

The adopted FY 2017/18 budget includes two full-time Account Clerk II positions to provide utility billing services at City Hall. Filling one of those positions with an Account Clerk In-Training will result in an overall savings to the Water and Sewer Enterprise Funds of approximately \$16,000 annually.

BACKGROUND/DISCUSSION

The FY 2017/18 budget includes two full-time Account Clerk II positions to provide front counter utility billing customer service at City Hall. During recent personnel transitions, staff has evaluated the skill set and proficiency needed to adequately provide service to the community and determined one Account Clerk II, along with an entry level Account Clerk In-Training would meet Department needs and provide an excellent entry level job classification and career path for those entering the work force with basic skills, but limited experience in an office setting. The Account Clerk In-Training position is designed to provide flexibility for an employee to progress through the Account Clerk series as she/he gains more experience and knowledge. Front counter coverage is currently provided by one Account Clerk II and a temporary part-time Office Assistant III. The Department assessments of front counter needs supports two full-time positions and the new classification of Account Clerk In-Training aligns guidance recently provided by Cal-ICMA regarding their talent initiative.

Cal-ICMA talent initiative program centers around the business imperative of attracting, retaining, and growing talent within an organization. The talent initiative points to the fact that local governments, more than ever, need to grow their own talent. According to the research completed by Cal-ICMA, employees who are learning and growing are more likely to stay with an organization. Creating the Account Clerk In-Training position meets the needs of both the Department as well as providing an opportunity to grow our own talent within the City with the hopes of stabilizing staffing within the Finance Department, which has experienced significant turnover within the last several years.

The Account Clerk-In-Training job classification would be a member of the Service Employee International Union (SEIU) 620. Staff provided the proposed classification and salary range to SEIU representatives on March 23rd with an offer to meet and discuss any questions or concerns. SEIU responded favorably to the request.

CONCLUSION

The proposed Account Clerk In-Training job classification provides a career path opportunity for those entering the work force with basic skills but limited experience in an office setting. Upon Council

approval of this classification, staff will begin a recruitment to fill the current vacancy.

ATTACHMENTS

1. Job Description for Account Clerk In-Training
2. FY 2017/18 Salary Schedule including proposed new classification

CITY OF MORRO BAY

ACCOUNT CLERK IN-TRAINING

DEFINITION

Under close supervision and training to perform entry level account record keeping, financial record keeping, and statistical record keeping procedures; to perform cashier duties; extensive public contact; and related work, as required.

DISTINGUISHING CHARACTERISTICS

Employees generally work under close supervision performing repetitive or closely related duties according to established procedures. While a variety of tasks may be assigned, each step usually fits a pattern that has been established and explained before work is started. Work is observed and reviewed during performance and upon completion. Changes in procedures or exceptions to rules are explained in detail as they arise. Account Clerks In-Training are in the entry level class, in the Account Clerk series. Advancement in the series to an Account Clerk I classification can occur upon successful completion of all five steps in the Account Clerk In-Training range.

ESSENTIAL DUTIES & RESPONSIBILITIES

1. Under supervision performs a variety of account, financial, and statistical record keeping duties and assignments.
2. Performs cashiering duties at a counter, receiving payments and maintaining records.
3. Checks, posts, and balances records.
4. Under supervision may prepare receipts and deposit slips.
5. Assists with the establishment of new accounts.
6. May check and process water connection information.
7. Processes a variety of records.
8. Performs clerical duties and typing work.
9. Performs reconciliations and more complex duties as abilities and proficiencies increase.
10. Performs related duties as required.

QUALIFICATIONS

Knowledge of:

Filing procedures; arithmetic; correct English usage, spelling, grammar, and punctuation; receptionist and telephone techniques; standard office machines; computer programs for spreadsheets and word processing.

Ability to:

Perform routine clerical work, perform the less difficult account, financial, and statistical record keeping work; perform cashiering duties and maintain records of collected monies; perform arithmetic calculations with speed and accuracy; learn the performance of a wide variety of more difficult assignments in the assigned work area; learn office methods, rules, and policies; understand and carry out oral and written directions; read and write at the level required for successful job performance; maintain cooperative working relationships.

Education and Experience:

Equivalent to graduation from high school.

and

One year of recent experience in clerical, financial accounting, bookkeeping or in a related field
or

Any equivalent combination of education and experience.

TOOLS & EQUIPMENT USED

Personal computer, word processing, basic Microsoft Excel skills; ten-key calculator, telephone, and fax, copy and postage machines.

PHYSICAL DEMANDS

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is frequently required to sit and talk or hear. The employee is occasionally required to walk; use hands to operate, finger, handle, or feel objects, tools, or controls; and reach with hands and arms.

The employee must occasionally lift and/or move up to 25 pounds. Specific vision abilities required by this job include close vision and the ability to adjust focus.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be

made to enable individuals with disabilities to perform the essential functions.

The noise level in the work environment is usually moderately quiet.

SELECTION GUIDELINES

Formal application, rating of education and experience, oral interview and reference check; job related tests might be required.

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to the position.

The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

Approved by the Morro Bay City Council on April xx, 2018

**CITY OF MORRO BAY
 COMBINED SALARY SCHEDULE
 FISCAL YEAR 2017-18**

TITLE	GROUP	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
ACCOUNT CLERK IN-TRAINING	S	31,200	32,760	34,398	36,118	37,924	
ACCOUNT CLERK I	S	37,720	39,606	41,586	43,665	45,848	
COLLECTION SYSTEM OPERATOR I	S	37,720	39,606	41,586	43,665	45,848	
OFFICE ASST. III	S	37,720	39,606	41,586	43,665	45,848	
OFFICE ASST. IV	S	40,781	42,820	44,961	47,209	49,569	
ACCOUNT CLERK II	S	42,368	44,486	46,710	49,046	51,498	
COLLECTION SYS OPERATOR II	S	42,368	44,486	46,710	49,046	51,498	
CONSOLIDATED MAINTENANCE WRK II	S	42,368	44,486	46,710	49,046	51,498	
WATER SYSTEM OPERATOR I	S	42,368	44,486	46,710	49,046	51,498	
WASTEWATER SYSTEMS OIT	S	42,368	44,486	46,710	49,046	51,498	
WWTP OIT	S	42,368	44,486	46,710	49,046	51,498	
PERMIT TECHNICIAN	S	43,390	45,559	47,837	50,229	52,741	
ACCOUNT CLK III	S	45,377	47,646	50,028	52,529	55,156	
COLLECTION SYS OPERATOR III	S	45,377	47,646	50,028	52,529	55,156	
CONSOLIDATED MAINTENANCE WRK III	S	45,377	47,646	50,028	52,529	55,156	
WASTEWATER SYSTEM OP I	S	45,377	47,646	50,028	52,529	55,156	
WWTP OPR I	S	45,377	47,646	50,028	52,529	55,156	
ADMINISTRATIVE TECHNICIAN	S	46,178	48,487	50,912	53,457	56,130	
ADMINISTRATIVE UTILITIES TECH	S	46,178	48,487	50,912	53,457	56,130	
PERMIT TECHNICIAN - CERTIFIED	S	46,178	48,487	50,912	53,457	56,130	
SUPPORT SERVICES TECHNICIAN	S	46,178	48,487	50,912	53,457	56,130	
MECHANIC	S	47,655	50,038	52,540	55,167	57,925	
LEGAL ASSISTANT/DEPUTY CITY CLERK	C	50,061	52,564	55,192	57,951	60,849	
WATER SYSTEM OPERATOR II	S	50,478	53,002	55,652	58,434	61,356	
WASTEWATER SYSTEMS OP II	S	50,478	53,002	55,652	58,434	61,356	
WWTP OPERATOR II	S	50,478	53,002	55,652	58,434	61,356	
SUPPORT SERVICES COORDINATOR	C	52,567	55,195	57,955	60,853	63,895	
HARBOR PATROL OFFICER	S	52,650	55,283	58,047	60,949	63,997	
COLLECTIONS SYS LEADWORKER	S	52,802	55,442	58,215	61,125	64,182	

**CITY OF MORRO BAY
 COMBINED SALARY SCHEDULE
 FISCAL YEAR 2017-18**

TITLE	GROUP	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
CONSOLIDATED MAINT LW	S	52,802	55,442	58,215	61,125	64,182	
ENGINEERING TECHNICIAN III	S	52,802	55,442	58,215	61,125	64,182	
WATER SYSTEM OPERATOR III	S	53,001	55,651	58,434	61,356	64,423	
WASTEWATER SYSTEMS OP III	S	53,001	55,651	58,434	61,356	64,423	
WWTP OPERATOR II/LAB ANALYST	S	53,001	55,651	58,434	61,356	64,423	
RECREATION SUPERVISOR	S	53,977	56,676	59,510	62,486	65,610	
ASSISTANT PLANNER	S	54,314	57,030	59,881	62,875	66,019	
ASSISTANT CIVIL ENGINEER	S	56,484	59,308	62,273	65,387	68,656	
BUILDING INSPECTOR	S	56,484	59,308	62,273	65,387	68,656	
ENGINEERING TECHNICIAN IV	S	56,484	59,308	62,273	65,387	68,656	
WASTEWATER SYSTEMS LEADWORKER	S	56,484	59,308	62,273	65,387	68,656	
WWTP LEADWORKER	S	56,484	59,308	62,273	65,387	68,656	
FIREFIGHTER	F	56,771	59,610	62,590	65,720	69,006	
HUMAN RESOURCES ANALYST	C	58,715	61,651	64,734	67,970	71,369	
SENIOR ACCOUNTING TECHNICIAN	C	58,715	61,651	64,734	67,970	71,369	
POLICE SUPPORT SERVICES MANAGER	M	58,715	61,651	64,734	67,970	71,369	
HARBOR BUSINESS COORD	S	58,794	61,734	64,820	68,061	71,464	
RECREATION COORDINATOR	S	58,794	61,734	64,820	68,061	71,464	
POLICE OFFICER	P	60,184	63,193	66,353	69,671	73,154	76,812
HARBOR PATROL SUPERVISOR	S	62,017	65,118	68,374	71,792	75,382	
FIRE ENGINEER	F	62,066	65,169	68,428	71,849	75,442	
ASSOCIATE CIVIL ENGINEER	S	63,211	66,372	69,691	73,175	76,834	
ASSOCIATE PLANNER	S	63,211	66,372	69,691	73,175	76,834	
BUILDING INSPECTOR/PLANS EXAMINER	S	63,211	66,372	69,691	73,175	76,834	
COLLECTION SYSTEM SUPERVISOR	S	63,211	66,372	69,691	73,175	76,834	
CONSOLIDATED MAINT FIELD SUPV	S	63,211	66,372	69,691	73,175	76,834	
WATER SYSTEM SUPERVISOR	S	63,211	66,372	69,691	73,175	76,834	
WWTP SUPERVISOR	S	63,211	66,372	69,691	73,175	76,834	
MANAGEMENT ANALYST	M	64,541	67,768	71,156	74,714	78,449	

**CITY OF MORRO BAY
 COMBINED SALARY SCHEDULE
 FISCAL YEAR 2017-18**

TITLE	GROUP	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
POLICE DETECTIVE	P	63,194	66,354	69,671	73,155	76,813	80,653
POLICE SCHOOL RESOURCE OFFICER	P	63,194	66,354	69,671	73,155	76,813	80,653
POLICE SENIOR OFFICER	P	63,194	66,354	69,671	73,155	76,813	80,653
POLICE CORPORAL	P	63,781	66,970	70,318	73,834	77,526	81,402
FIRE CAPTAIN	F	71,345	74,912	78,658	82,591	86,720	
WASTEWATER SYSTEMS SUPV	S	72,692	76,327	80,143	84,150	88,358	
BUDGET/ACCOUNTING MANAGER	M	75,482	79,256	83,219	87,380	91,749	
SENIOR CIVIL ENGINEER	M	75,482	79,256	83,219	87,380	91,749	
CAPITAL PROJECTS MANAGER	M	75,482	79,256	83,219	87,380	91,749	
CONSOLIDATED MAINTENANCE SUPT	M	75,482	79,256	83,219	87,380	91,749	
ENVIRONMENTAL PROGRAMS MANAGER	M	75,482	79,256	83,219	87,380	91,749	
INFORMATION SERVICES TECHNICIAN	M	75,482	79,256	83,219	87,380	91,749	
RECREATION SERVICES MANAGER	M	75,482	79,256	83,219	87,380	91,749	
SENIOR PLANNER	M	75,482	79,256	83,219	87,380	91,749	
TOURISM MANAGER	M	75,482	79,256	83,219	87,380	91,749	
POLICE SERGEANT	P	75,057	78,810	82,750	86,888	91,232	95,793
PLANNING MANAGER	M	83,032	87,184	91,543	96,120	100,926	
CITY CLERK / RISK MANAGER	M	83,436	87,608	91,988	96,588	101,417	
FIRE MARSHAL	F	84,693	88,927	93,374	98,042	102,944	
COMMUNITY DEVELOPMENT MANAGER	M	97,855	102,747	107,885	113,279	118,943	
UTILITY DIVISION MANAGER	M	97,855	102,747	107,885	113,279	118,943	
WASTEWATER DIVISION MANAGER	M	97,855	102,747	107,885	113,279	118,943	
POLICE COMMANDER	M	109,861	115,354	121,122	127,178	133,537	
DEPUTY CITY MANAGER	E	119,940	125,937	132,234	138,845	145,788	
COMMUNITY DEVELOPMENT DIRECTOR	E	119,940	125,937	132,234	138,845	145,788	
FINANCE DIRECTOR	E	119,940	125,937	132,234	138,845	145,788	
PUBLIC WORKS DIRECTOR	E	124,412	130,633	137,165	144,023	151,224	
ADMINISTRATIVE SERVICES DIRECTOR	E	124,412	130,633	137,165	144,023	151,224	
HARBOR DIRECTOR	E	126,733	133,070	139,723	146,709	154,045	sworn

**CITY OF MORRO BAY
 COMBINED SALARY SCHEDULE
 FISCAL YEAR 2017-18**

TITLE	GROUP	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
FIRE CHIEF	E	126,733	133,070	139,723	146,709	154,045	sworn
POLICE CHIEF	E	126,733	133,070	139,723	146,709	154,045	sworn
ASSISTANT CITY MANAGER	E	129,326	135,792	142,582	149,711	157,196	
CITY MANAGER	E	167,690	171,882	176,179	180,583	185,098	

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**A PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY DECLARING
APRIL 2018 AS “SEXUAL ASSAULT AWARENESS MONTH”**

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

WHEREAS, Sexual Assault Awareness Month calls attention to the fact that sexual violence is widespread and impacts every person in San Luis Obispo County; and

WHEREAS, rape, sexual assault, and sexual harassment harm our community, and statistics show that one in five women and one in 71 men will be raped at some point in their lives; and

WHEREAS, child sexual abuse prevention must be a priority to confront the reality that one in six boys and one in four girls will experience a sexual assault before age 18, and youth ages 12 to 17 are 2.5 times as likely to be victims of sexual violence; and

WHEREAS, our local student population is also at high-risk – nationally one in four women and one in 16 men are sexually assaulted during their time in college; and

WHEREAS, last year RISE received 979 crisis calls from members of our community and sent advocates out 149 times to accompany sexual assault survivors at SART medical exams, law enforcement interviews, etc.; and

WHEREAS, the number of RISE clients receiving counseling for sexual assault related issues continues to increase every year, with a total of 2,207 hours of counseling provided at low or no cost to community members across the County last year; and

WHEREAS, the theme of this year’s Sexual Assault Awareness Month campaign is, “Embrace Your Voice.” The campaign promotes language as an agent for change and seeks to empower individuals and communities to speak up, support survivors, and continue having the difficult but important conversations about sexual assault; and

WHEREAS, the City of Morro Bay joins RISE and other advocates and communities across the country in taking action to prevent sexual violence, and acknowledges that each day of the year is an opportunity to create change for the future.

NOW, THEREFORE, BE IT RESOLVED that the Morro Bay City Council does hereby proclaim April 2018 as “Sexual Assault Awareness Month” in Morro Bay.

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the City of Morro Bay to be affixed this 10th day of April, 2018

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

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**A PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY
DECLARING THE MONTH OF APRIL
“FAIR HOUSING MONTH”**

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

WHEREAS, the City of Morro Bay is joining with the United States Department of Housing and Urban Development (HUD) and other housing agencies in celebrating the anniversary of the National Fair Housing Law, Title VII of the Civil Rights Act of 1968.

WHEREAS, the City of Morro Bay encourages fair housing through its support for affordable housing both through housing rehabilitation programs and its affordable housing in-lieu program;

WHEREAS, discrimination in housing is against the law, no person shall be discriminated against because of race, color, religion, sex, handicaps, familial status, or national origin in the sale, rental, or advertising of dwelling, in the provisions of brokerages services, or in the availability of residential real estate related transactions;

WHEREAS, if any City resident believes he or she has been discriminated against, the resident should contact the Department of Fair Employment and Housing District Office at 1732 Palma Dr., #200, Ventura, CA 93003, (805) 654-4514 or online at www.dfeh.ca.gov. The Fair Housing Information Office helps to ensure that all residents of the City of Morro Bay and surrounding communities are treated fairly and that all the property owners and landlords abide by the letter and spirit of the Fair Housing Law; and

WHEREAS, the City of Morro Bay, the State of California, HUD and various local agencies are working together to ensure equal treatment of all citizens, we urge everyone to practice the Fair Housing Law.

NOW, THEREFORE, BE IT RESOLVED, that I, Mayor Jamie L. Irons and the City Council of the City of Morro Bay, declare the month of April as Fair Housing Month in the City of Morro Bay.

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the City of Morro Bay to be affixed this 10th day of April, 2018

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

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AGENDA NO: A-6

MEETING DATE: April 10, 2018

Staff Report

TO: Honorable Mayor and City Council **DATE:** April 3, 2018

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

SUBJECT: Adoption of Resolution No. 15-18 Initiating Proceedings to Levy the Annual Assessment for the Cloisters Park and Open Space - Landscaping and Lighting Maintenance Assessment District

RECOMMENDATION

Staff recommends City Council adopt Resolution No. 15-18 ordering the preparation of an Engineer's Report detailing the expenses projected for Fiscal Year 2018-19 for the maintenance of the Cloisters Park and Open Space under the provisions of the "Landscaping and Lighting Act of 1972."

ALTERNATIVE

Staff does not recommend any alternatives to the recommendation.

FISCAL IMPACT

The F.Y. 2018-19 assessments provided \$148,944 for the maintenance of the Cloisters Park and Open space totaling 34 acres.

BACKGROUND

On September 23, 1996, the City Council passed Resolution No. 69-96, which approved the final map for Tract 1996, known as the Cloisters Sub-division, consisting of 124 lots. With that approval, the City Council accepted lots 121 and 122 of the Cloisters subdivision, 34 acres of open space and organized park. Prior to the acceptance of the final map and pursuant to the Conditions of Approval, an assessment district was formed to cover the cost of maintenance of the parkland and open space. The assessment district formation proceedings began in August 1996 and concluded with the final public hearing for formation on September 23, 1996, which levied the annual assessment of \$148,944 for the maintenance of the 34 acres of parkland and open space.

After the initial formation of the assessment district; each year, for the assessment to continue, the City must adopt a series of three resolutions to confirm the levy of assessment for the upcoming fiscal year. The first resolution, which is the one being proposed by this staff report, initiates the annual levy process and directs the preparation of an Engineer's Report; the second resolution approves the Engineer's Report and notices the intent to levy the assessment; and the third resolution levies the assessment for the upcoming fiscal year.

DISCUSSION

After the adoption of Resolution No. 15-18, which initiates the proceedings to levy the annual assessment, an Engineer's Report will be prepared for review, modification, acceptance or rejection at the May 8, 2018 City Council meeting. At that meeting will be a resolution for consideration declaring the City Council's intent to levy and collect the assessment. That Resolution will list the improvements, names the district and gives its general location; it also

refers to the proposed assessment and gives notice of the time and place for a meeting regarding the levy of the continuing assessment. The Government Code states the third and final meeting must be noticed in accordance with Sections 22500 *et seq.* of the California Streets and Highways Code, and is tentatively scheduled for June 26, 2018.

The Cloisters Landscaping and Lighting Maintenance Assessment District is a separate fund from all other City funds and can only be utilized for improvements within the District. Once set, the annual assessment is transmitted to the County Auditor for recording on the County assessment role. The assessment amount will then appear each year on the parcel owner's property tax bill.

In conformance with Proposition 218, The Right to Vote on Taxes Act, passed in 1996 by the voters in the State of California, the Cloisters Landscaping and Lighting Maintenance Assessment District was approved, at that time, by one hundred percent (100%) of the owners for which the assessment is to be levied. All property owners were fully apprised of the costs and benefits associated with the district, prior to its approval by them.

CONCLUSION

Resolution No. 15-18 has been prepared for City Council review and adoption. The Resolution serves as the initiation of the annual assessment proceedings and orders the preparation of the Annual Engineer's Report detailing the proposed costs for the maintenance of the Cloisters Park and Open Space for assessing property owners of lots located within the bounds of Tract Map No. 1996 (excluding the City's property). The Resolution also gives notice review and acceptance or rejection of the Engineer's Report, will be scheduled for the May 8, 2018, Council meeting.

ATTACHMENT

1. Proposed Resolution No. 15-18

RESOLUTION NO. 15-18

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
INITIATING PROCEEDINGS TO LEVY THE ANNUAL ASSESSMENT
FOR CLOISTERS LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT PURSUANT TO THE
“LANDSCAPING AND LIGHTING ACT OF 1972”
(STREETS AND HIGHWAYS SECTIONS 22500 *ET SEQ.*)**

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

WHEREAS, the City Council has placed certain conditions on the development of Tract 1996, The Cloisters, requiring formation of a property Maintenance Assessment District encompassing and coterminous with the proposed subdivision to provide for the maintenance of a public park, bicycle pathway, right-of-way landscaping, coastal access ways, ESH restoration area, and other common area improvements to be held by or dedicated to the City of Morro Bay as required by City Ordinance and;

WHEREAS, those conditions are more specifically identified in Vesting Tentative Tract Map (condition 10e) and Precise Plan (condition 2c) as required by City Ordinance; and

WHEREAS, the owners of the real property within the proposed district (the “Owners”) consented in writing to the formation of the district pursuant to the Landscaping and Lighting Act of 1972 (Streets and Highways Code sections 22500 *et seq.*) (the “Act”), and are the only owners of property to be subject to assessments within the district; and

WHEREAS, the Owners offered, in fee and in perpetuity, Lot 121 (Parcel 1) and Lot 122 of Tract 1996, and the City has accepted that Offer of Dedication; provided, that the costs of maintenance thereof, are borne by an assessment district as required by the Conditions of Approval of the project; and

WHEREAS, one hundred percent of the property owners, at the time of the subdivision of the land, approved formation of the district to assure conformance with the “Right to Vote on Taxes Act” (Proposition 218, California Constitution Act XIII C & D); and

WHEREAS, subsequent owners of the lots within the subdivision have received “constructive notice” of the existence of the assessment district through the real estate disclosures, title report process, and publicly available records.

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

1. The City Council of the City of Morro Bay hereby declares its intent to initiate the proceedings to levy and collect assessments pursuant to the Act.
2. The improvements to be subject to assessment for maintenance by such District shall include those enumerated in the conditions of project approval and in Section 22525 of the Act, which were installed by the developer as a condition of approval of Tract 1996; pursuant to the Final Improvement Plans for the Cloisters Project as approved by the City.

3. The Assessment District is a District located in the City of Morro Bay, County of San Luis Obispo. A map showing the boundaries of the District is attached as Exhibit A which is hereby incorporated herein.
4. An Engineer's Report will be prepared for consideration by the City Council at the May 8, 2018, meeting and that date is set to review and accept, modify or reject that report.
5. This District is called the "Cloisters Landscaping and Lighting Maintenance Assessment District."

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 10th day of April 2018 by the following vote:

AYES:

NOES:

ABSENT:

Jamie L. Irons, Mayor

ATTEST:

Dana Swanson, City Clerk

AGENDA NO: A-7

MEETING DATE: April 10, 2018

Staff Report

TO: Honorable Mayor and City Council **DATE:** April 3, 2018
FROM: Rob Livick, PE/PLS – Public Works Director/City Engineer
SUBJECT: Adoption of Resolution No. 16-18 Initiating Proceedings to Levy the Annual Assessment for the North Point Natural Area - Landscaping and Lighting Maintenance Assessment District

RECOMMENDATION

Staff recommends City Council adopt Resolution No. 16-18 ordering the preparation of an Engineer's Report detailing the expenses projected for Fiscal Year 2018-19 for the maintenance of the North Point Natural Area under the provisions of the "Landscaping and Lighting Act of 1972."

ALTERNATIVE

Staff does not recommend any alternatives to the recommendation.

FISCAL IMPACT

The F.Y. 2017-18 assessments provided \$5,645 for the maintenance of the North Point Natural Area.

BACKGROUND

On June 27, 1994, the City Council accepted Lot 11 of the North Point subdivision and accepted the final map for Tract 2110. As per the conditions of approval, a Landscaping and Lighting Maintenance Assessment District was formed for the ongoing maintenance of the 1.3-acre natural area. The area includes a non-irrigated meadow area, decomposed granite and asphalt walkways, stairway/beach access, parking lot, drip irrigation system, public access signage and parking lot.

On December 9, 1996, the City Council adopted Resolution No. 89-96, which ordered the formation of the North Point Landscaping and Lighting Maintenance Assessment District and confirmed the yearly assessment of \$5,645. On January 13, 1997, the City Council adopted Resolution No. 01-97, which approved and accepted the on- and off-site improvements for Tract 2110. By adoption of Resolution No. 01-97, the City officially started the maintenance of the North Point Natural Area.

After the initial formation of the assessment district, each year, for the assessment to continue, the City must follow the procedures specified in the California Streets and Highways Code and adopt a series of three resolutions to confirm the levy of assessment for the upcoming fiscal year. The first resolution, which is the one being proposed by this staff report, initiates the annual levy process and directs the preparation of an Engineer's Report; the second resolution approves the Engineer's Report and notices the intent to levy the assessment; and the third resolution levies the assessment for the upcoming fiscal year.

DISCUSSION

Upon adoption of Resolution No. 16-18, which initiates the proceedings to levy the annual assessment, an Engineer's Report will be prepared for review and acceptance or rejection at the May 8, 2018 City Council meeting. At that meeting will be a resolution for consideration declaring the City Council's intent to levy and collect the assessment. That Resolution will list the improvements, names the district and gives its general location; it also refers to the proposed assessment and gives notice of the time and place for a meeting regarding the levy of the continuing assessment. The Government Code states the third and final meeting must be noticed in accordance with Sections 22500 *et seq.* of the California Streets and Highways Code, and is tentatively scheduled for June 26, 2018.

The North Point Natural Area Landscaping and Lighting Maintenance Assessment District is a separate fund from all other City funds and can only be expended for improvements authorized for the District. Once set, the annual assessment is transmitted to the County Auditor for recordation on the County assessment role. The assessment amount will then appear each year on the parcel owner's property tax bill.

In conformance with Proposition 218, "The Right to Vote on Taxes Act," passed in 1996 by the voters in the State of California, the North Point Natural Area Landscaping and Lighting Maintenance Assessment District was approved, at that time, by one hundred percent (100%) of the owners for which the assessment is to be levied. All property owners were fully apprised of the costs and benefits associated with the district, prior to its approval by them.

CONCLUSION

Resolution No. 16-18 has been prepared for City Council review and adoption. The Resolution serves as the initiation to the annual assessment proceedings and orders an Engineer's Report detailing the proposed costs for the maintenance of the North Point Natural Area for assessing private property owners of Tract Map No. 2110 (excluding the City's property). The Resolution also gives notice review and acceptance or rejection of the Engineer's Report, will be scheduled for the May 8, 2018, Council meeting.

ATTACHMENT

1. Proposed Resolution No. 16-18

RESOLUTION NO. 16-18

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
INITIATING PROCEEDINGS TO LEVY THE ANNUAL ASSESSMENT
FOR THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT PURSUANT TO THE
"LANDSCAPING AND LIGHTING ACT OF 1972"
(STREETS AND HIGHWAYS SECTIONS 22500 *ET SEQ.*)**

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

WHEREAS, the City placed certain conditions on the development of Tract 2110 "North Point," requiring formation of a property Landscaping and Lighting Maintenance Assessment District encompassing and coterminous with the proposed subdivision to provide for the maintenance of a natural area, parking lot, landscaping, decomposed granite and asphalt walkways, and coastal access stairway and other common area improvements to be held by or dedicated to the City of Morro Bay; and

WHEREAS, those conditions are more specifically identified in the Precise Plan (condition F1-F7) related to North Point; and

WHEREAS, the owners of the real property within the proposed district (the "Owners") consented to the formation of the district pursuant to the Landscaping and Lighting Act of 1972 (Streets and Highways Code sections 22500 *et seq.*) (the "Act"), and are the only owners of property to be subject to assessments within the district; and

WHEREAS, the Owners offered, in fee and in perpetuity, Lot 11 of Tract 2110, and the City accepted that Offer of Dedication; provided, that the cost of maintenance, thereof, would be borne by an assessment district as required by the Conditions of Approval of North Point; and

WHEREAS, one hundred percent of the property owners, at the time of the subdivision of the land, approved formation of the District to assure conformance with the "Right to Vote on Taxes Act" (Proposition 218, California Constitution Act XIII, C & D); and

WHEREAS, subsequent owners of the lots within the subdivision have received "constructive notice" of the existence of the assessment district through the real estate disclosures, title report process, and publicly available records.

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

1. The City Council of the City of Morro Bay hereby declares its intent to initiate the proceedings to levy and collect assessments pursuant to the Act.

2. The improvements to be subject to assessment for maintenance by the District shall include those enumerated in the conditions of approval of North Point and in Section 22525 of the Act, which were installed by the developer as a condition of approval of Tract 2110 or which are hereafter installed by developer; pursuant to the Final Improvement Plans for North Point as approved by the City.
3. The Assessment District is a District located in the City of Morro Bay, County of San Luis Obispo. A map showing the boundaries of the proposed District is attached as Exhibit A which is hereby incorporated herein.
4. An Engineer's Report will be prepared for consideration at the May 8, 2018, City Council meeting and that date is set to review and accept, modify or reject that report.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 10th day of April 2018 by the following vote:

AYES:

NOES:

ABSENT:

Jamie L. Irons, Mayor

ATTEST:

Dana Swanson, City Clerk

Staff Report

TO: Honorable Mayor and City Council **DATE:** March 30, 2018
FROM: Scot Graham, Community Development Director
SUBJECT: Approval of Amendment No. 2 to City's Contract with Mike Brannagan (Terra Solutions) for consulting services for ArcGIS server setup and maintenance and for overall GIS data management

RECOMMENDATION

Council authorize the City Manager to execute Amendment No. 2 to the agreement with Mike Brannagan (Terra Solutions), in the amount of \$15,000, for maintenance of the City's ArcGIS server and management of City Geographic Information System (GIS) data.

ALTERNATIVES

1. Review the report and provide direction to staff for revision, amendment or alteration to the Amendment and continue item to a future meeting.
2. Deny the Amendment request, discontinuing contracted GIS services

FISCAL IMPACT

Cost of the GIS contract services is shared between Public Works (2/3rds) and Community Development (1/3rd). Funds for the additional \$15,000 will be sourced from the Consultant Services accounts for each Department (6105). Public Works portion of the contract is also being supported by the cost savings realized by two vacant positions (Engineering Technician and Intern).

BACKGROUND/DISCUSSION

The City contracted with Mike Brannagan, of Terra Solutions, in August of 2017 for assistance in setting up the City's ArcGIS server and to help manage the City's GIS data. The contract was precipitated by the implementation process for Cityworks, the City's new Permitting, Asset Management and Work Order application. Cityworks is a GIS based application, and it is therefore vital that the City's GIS data is up to date and accurate. The City does not have in-house expertise in GIS, hence the need to contract for outside services.

The City entered into a contract with Mike Brannagan, of Terra Solutions, on August 22, 2017, for a six-month period ending February 22, 2018. The original contract amount was \$24,960.00 with the ability to approve additional work not to exceed 25% of the initial Agreement amount or \$6,240.00 (See Contract Agreement provided as Attachment 1.) Mr. Brannagan works on site five days a week, for approximately four hours a day, at a rate of \$60.00 an hour. The City has an ongoing need for GIS services and staff subsequently executed Amendment 1 to the original agreement extending the contract through April 11, 2018 (See Amendment 1 provided as Attachment 2.) Staff was able to extend the timeframe for the agreement through April; however, the compensation amount for Amendment 1 was limited to 25% of the original contract amount or \$6,240.00. Section 3.08.170 of the Morro Bay Municipal Code allows the City Manager to approve contracts up to \$125,000 without

Council authorization; however, contract amendments are limited to the lesser of \$50,000 or 25% of the original contract amount. See section 3.08.170 provided below:

3.08.170 - Award and amendment of contracts.

A. *The city manager, or his/her written designee, is authorized to award and sign any contract or purchase order for supplies, services or equipment with a total dollar amount that does not exceed one hundred twenty-five thousand dollars or is subject to the bid procedures, as described in [Section 3.08.140](#); provided, that such authorizations are only effective to the extent the expenditure for the contract has been approved by the city council, by adoption of, or amendment to, the city's budget.*

B. *Any contract or purchase order, approved in accordance with this code, may be amended by the city manager, or his/her written designee, so long as each amendment does not exceed the lesser of twenty-five percent of the contract/purchase order amount or fifty thousand dollars.*

Given the contract amendment limitation noted above, Staff is requesting Council approval to execute a second Amendment to the Agreement, increasing compensation by a maximum of \$15,000.00 to continue contract GIS service levels at four hours a day, five days a week, through the end of the fiscal year (June 30, 2018).

It is Staff's intent to continue to contract GIS services into next fiscal year and to that end staff has developed an Information Technology Fee for consideration as part of the FY 18/19 Master Fee Schedule review. If the Master Fee schedule is adopted with the new I.T. fee, then it will cover the cost of GIS consultant services in the future.

CONCLUSION

GIS services are an integral part of the City's new Project Tracking, Asset Management and Work Order application and it is therefore crucial to the success of this system that the GIS component function properly. The City does not have in-house GIS expertise, dictating the need to contract for those services. To that end, staff has been contracting with Mike Brannagan for GIS services since August of 2017 and in order to maintain adequate GIS services through the remainder of the fiscal year, it is necessary to increase the contract amount for consultant services by \$15,000.00.

ATTACHMENTS

1. Brannagan (Terra Solutions) Agreement
2. Brannagan Contract Amendment No. 1
3. Draft Brannagan Contract Amendment No. 2

**ATTACHMENT 1
CITY OF MORRO BAY**

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made, by and between, the City of Morro Bay, a municipal corporation (“City”) and Mike Brannagan, dba Terra Solutions (“Consultant”). In consideration of the mutual covenants and conditions set forth herein the parties agree as follows:

1. TERM

This Agreement shall commence on August 22, 2017, and shall remain and continue in effect until tasks described herein are completed, but in no event later than February 22, 2018, unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

Consultant shall perform the tasks described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. Consultant shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A.

3. PERFORMANCE

Consultant shall at all times faithfully, competently and to the best of their ability, experience, and talent, perform all tasks described herein. Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. CITY MANAGEMENT

City’s Community Development Director shall represent City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but not including the authority to enlarge the Tasks to Be Performed or change the compensation due to Consultant. City’s City Manager shall be authorized to act on City’s behalf and to execute all necessary documents which enlarge the Tasks to Be Performed or change Consultant’s compensation, subject to Section 5 hereof.

5. PAYMENT

(a) City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit A, attached hereto and incorporated herein by this reference as though set forth in full, and based upon actual time spent on the above tasks. That amount shall not exceed Twenty-Four Thousand, Nine Hundred Sixty Dollars and No

Cents (\$24,960.00) for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City Manager and Consultant at the time City's written authorization is given to Consultant for the performance of said services. The City Manager may approve additional work not to exceed twenty five (25%) of the amount of the Agreement, but in no event shall such sum exceed Six Thousand, Two Hundred Forty Dollars and Zero cents (\$6,240.00). Any additional work in excess of this amount shall be approved by the City Council.

(c) Consultant will submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days after receipt of each invoice as to all non-disputed fees. If City disputes any of Consultant's fees, then it shall give written notice to Consultant within fifteen (15) days of receipt of an invoice of any disputed fees set forth on the invoice.

6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

(a) City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon Consultant at least ten-days' (10-days') prior written notice. Upon receipt of said notice, Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If City suspends or terminates a portion of this Agreement, then such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, City shall pay to Consultant the actual value of the work performed up to the time of termination. Upon termination of the Agreement pursuant to this Section, Consultant will submit an invoice to City pursuant to Section 3.

7. DEFAULT OF CONSULTANT

(a) Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date Consultant is notified of default and can terminate this Agreement immediately by written notice to Consultant. If such failure by Consultant to make progress in the performance for work hereunder arises out of causes beyond Consultant's control, and without fault or negligence of Consultant, then it shall not be considered a default.

(b) If the City Manager of his/her delegate determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, then he/she shall cause to be

served upon Consultant a written notice of the default. Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that Consultant fails to cure its default within such period of time, City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

8. OWNERSHIP OF DOCUMENTS

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, and full payment by City for services performed pursuant to, this Agreement, all final work product such as documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of City and may be used, reused, or otherwise disposed of by City without the permission of Consultant. With respect to computer files, Consultant shall make available to City, as a service in addition to those set forth herein, at Consultant's office and upon reasonable written request by City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

9. INDEMNIFICATION

(a) Indemnification for Professional Liability. When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including reasonable attorney's fees and costs to the extent same are caused by any negligent act, error or omission of Consultant, its officers, agents, employees or subconsultants (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this agreement. City agrees to hold harmless and indemnify Consultant from and against all claims, liabilities, losses, damages, and costs, including but not limited to attorney's fees, arising out of or in any way connected with the modification, misinterpretation, misuse or reuse by others of the computer files or any other document provided by Consultant under this Agreement.

(b) Indemnification for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys' fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subconsultants of Consultant.

(c) General Indemnification Provisions. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subconsultant or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth here is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this agreement or this section.

10. INSURANCE

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit B attached to and part of this agreement.

11. INDEPENDENT CONSULTANT

(a) Consultant is and shall at all times remain as to City a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

12. LEGAL RESPONSIBILITIES

Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. Consultant shall at all times observe and comply with applicable legal requirements in effect at the time the drawings and specifications are prepared. City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of Consultant to comply with this Section.

13. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of City will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling City to any and all remedies at law or inequity.

14. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

15. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within City. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

(b) Consultant shall promptly notify City if Consultant, or any of its officers, employees, agents, or subconsultants are served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder or with respect to any project or property located within City. City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate with City by providing the

opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

16. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: City of Morro Bay
595 Harbor Street
Morro Bay, CA 93442
Attention: City Clerk

To Consultant: Terra Solutions
Mike Brannagan
777 Mutsuhito Ave.
San Luis Obispo, CA 93401

17. ASSIGNMENT

Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of City.

18. LICENSES

At all times during the term of this Agreement, Consultant shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement.

19. GOVERNING LAW

City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with jurisdiction over City.

20. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements,

understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

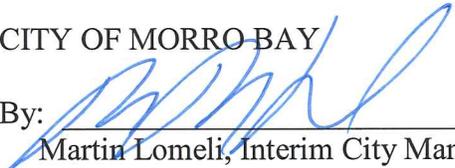
21. CONTENTS OF PROPOSAL

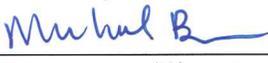
Consultant is bound by the contents of the proposal submitted by Consultant, Exhibit A hereto.

22. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Consultant warrants and represents he/she has the authority to execute this Agreement on behalf of Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF MORRO-BAY
By: 
Martin Lomeli, Interim City Manager

CONSULTANT (2 signatures required)
By: 
(Signature)

Michael Brannagan _____
(Typed Name)

Attest:

Dana Swanson, City Clerk

Its: Owner / GIS Analyst
(Title)

By: 
(Signature)

Michael Brannagan _____
(Typed Name)

Its: Owner / GIS Analyst
(Title)

Approved As To Form:


Joseph W. Pannone, City Attorney

EXHIBIT "A"
SCOPE OF WORK

1. ArcGIS Server Management/Cityworks Implementation

Continue working on ArcGIS Server Management as needed to support Cityworks program and staff requirements. As Cityworks program becomes more integrated review possible additional ArcGIS Server possibilities (public maps for example). Assist with implementation and testing of Cityworks program.

2. GIS Data Management/Geodatabase Management

Work towards having all GIS data in one File Geodatabase. I will confirm this with the Cityworks people but my understanding is that Cityworks needs its data in a Geodatabase but that does not mean that other data can not also be in that same Geodatabase. There would be great benefit to data management to move all existing GIS data into a single Geodatabase. Work with ArcGIS Collector data and incorporate into Geodatabase.

3. GIS Mapping and Map Production

Provide GIS support for day-to-day department functions. Create maps and figures as needed. Incorporate changes to GIS data from updated as-built drawings, staff edits, field collection, etc...

Cost

Terra Solutions proposes to perform the scope of work described herein on a Not to Exceed without Your Approval basis. The proposed cost to perform the work defined is **\$24,960.00** for the 26-week period beginning Monday, August 7th, 2017. I calculated this total by multiplying 26 weeks by 16 hours per week (2 8-hour work days per week) multiplied by \$60 per hour (my normal billing rate). I then broke down that total by an estimate per each task.

Task	Time (Hours)	Rate/Hour	Total
1. ArcGIS Server Management/ Cityworks Implementation	100	\$60	\$6,000
2. GIS Data Management/Geodatabase Management	200	\$60	\$12,000
3. GIS Mapping and Map Production	100	\$60	\$6,000
4. Miscellaneous Tasks/Meetings	16	\$60	\$960
TOTAL			\$24,960

EXHIBIT "B"
INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Agreement, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to City in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to City.

Consultant shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office "Commercial General Liability" policy from CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Business Auto Coverage on ISO Business Auto Coverage from CA 00 01 including symbol 1 (Any Auto) or the exact equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant's employees will use personal autos in any way to perform the Scope of Services, then Consultant shall provide evidence of personal auto liability coverage for each such person.

Property Damage Insurance in an amount of not less than \$1,000,000 for damage to the property of each person on account of any one occurrence.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer's liability limits.

Excess or Umbrella Liability Insurance (Over Primary) if used to meet limit requirements, shall provide coverage at least as broad as specified for the underlying coverages. Any such coverage provided under an umbrella liability policy shall include a drop down provision providing primary coverage above a maximum \$25,000 self-insured retention for liability not covered by primary but covered by the umbrella. Coverage shall be provided on a "pay on behalf" basis, with defense costs payable in addition to policy limits. Policy shall contain a provision obligating insurer at the time insured's liability is determined, not requiring actual payment by the insured first. There shall be no cross liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to City for injury to employees of Consultant, subcontractors or others involved in the Work. The scope of coverage provided is subject to approval of City following receipt of proof of insurance as required herein. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designated to protect against acts, errors or omissions of Consultant and "Covered Professional Services" as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than \$2,000,000 per claim and in the aggregate. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The policy retroactive date shall be on or before the effective date of this agreement.

Insurance procured pursuant to these requirements shall be written by insurer that are admitted carriers in the state California and with an A.M. Best's rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Consultant. Consultant and City agree to the following with respect to insurance provided by Consultant:

1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds the City of Morro Bay, its officials, employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992. Consultant also agrees to require all Consultants, and subcontractors to do likewise.
2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant's employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against City regardless of the applicability of any insurance proceeds, and to require all Consultants and subcontractors to do likewise.
3. All insurance coverage and limits provided by Consultant and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to City or its operations limits the application of such insurance coverage.
4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.
5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any Consultant or subcontractor.
6. All coverage types and limits required are subject to approval, modification and additional requirements by City, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.

7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to City at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, City has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by City shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at City's option.
8. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subcontractor, is intended to apply first and on a primary, noncontributing basis in relation to any other insurance or self-insurance available to City.
9. Consultant agrees to ensure that subcontractors, and any other party involved with the Scope of Services who is brought onto or involved in the Scope of Services by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the Scope of Services will be submitted to City for review.
10. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any Consultant, Subcontractor, Architect, Engineer or other entity or person in any way involved in the performance of the Scope of Services to self-insure its obligations to City. If Consultant's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to City. At the time City shall review options with Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.
11. City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to Consultant, the City will negotiate additional compensation proportional to the increase benefit to City.
12. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.
13. Consultant acknowledges and agrees that any actual or alleged failure on the part of City to inform Consultant of non-compliance with any insurance requirements in no way imposes any additional obligations on City nor does it waive any rights hereunder in this or any other regard.

14. Consultant will renew the required coverage annually as long as City, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until City executes a written statement to that effect.
15. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City within five days of the expiration of the coverages.
16. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents.
17. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.
18. These insurance requirements are intended to be separate and distinct from any other provision in this agreement and are intended by the parties here to be interpreted as such.
19. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.
20. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the Scope of Services reserves the right to charge City or Consultant for the cost of additional insurance coverage required by this agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.
21. Consultant agrees to provide immediate notice to City of any claim or loss against Consultant arising out of the work performed under this agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

**ATTACHMENT 2
AMENDMENT NO. 1 TO THE
AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE CITY OF MORRO BAY AND MIKE BRANNAGAN**

This Amendment No. 1 is entered into by and between the City of Morro Bay, a municipal corporation (“City”) and Mike Brannagan, dba Terra Solutions (“Consultant”).

RECITALS

WHEREAS, City and Consultant entered into an agreement as of August 22, 2017, for consulting services related to setup of ArcGIS server, GIS data management and assistance with Cityworks implementation (the “Project”), which was approved by City for a not to exceed amount of \$24,960.00 (the “Agreement”); and

WHEREAS, due to the need for additional services the Parties agree to amend the Agreement, extending Consultant GIS services through June 30, 2018, for an additional Six Thousand Two Hundred Forty Dollars and No Cents (\$6,240.00); and

WHEREAS, the Agreement’s term may be extended by City’s City Manager, pursuant to Section 4. of the Agreement; and

WHEREAS, Consultant continues to have specific knowledge and experience to provide GIS support services to City, consistent with the Scope of Work identified in the Exhibit A of the Agreement.

NOW THEREFORE, City and Consultant mutually agree to amend the Agreement as follows:

1. The term of the Agreement shall be extended through April 11, 2018, unless terminated earlier.
2. The compensation to be paid for the extend term shall not exceed \$6,240.00 for a total not to exceed amount of \$31,200.00.
3. Except as expressly stated herein, all terms and conditions in the Agreement shall remain in full force and effect.
3. The effective date of this Amendment No. 1 shall be deemed to be February 22, 2018.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to be executed by their duly authorized representatives.

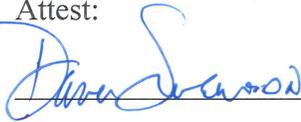
City

By: 
Scott Collins, City Manager

Consultant

By: 
Michael Brannagan Owner/GIS Analyst
Printed Name and Title

Attest:



Dana Swanson, City Clerk

APPROVED AS TO FORM


Joseph W. Pannone, City Attorney

**AMENDMENT NO. 2 TO THE
AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE CITY OF MORRO BAY AND MIKE BRANNAGAN**

This Amendment No. 2 is entered into by and between the City of Morro Bay, a municipal corporation (“City”) and Mike Brannagan, dba Terra Solutions (“Consultant”).

RECITALS

WHEREAS, City and Consultant entered into an agreement as of August 22, 2017, for consulting services related to setup of ArcGIS server, GIS data management and assistance with Cityworks implementation (the “Project”), which was approved by City for a not to exceed amount of \$24,960.00 (the “Agreement”); and

WHEREAS, City and Consultant executed Amendment No. 1 to the Agreement (“Amendment No. 1”), extending Consultant GIS services through April 11, 2018, for an additional Six Thousand Two Hundred Forty Dollars and No Cents (\$6,240.00); and

WHEREAS, the Agreement and Amendment No. 1 are hereafter referred to as the Amended Agreement; and

WHEREAS, due to the need for additional services the Parties agree to amend the Agreement, extending Consultant GIS services through June 30, 2018, for Fifteen Thousand Dollars and No Cents (\$15,000.00); and

WHEREAS, Consultant continues to have specific knowledge and experience to provide GIS support services to City, consistent with the Scope of Work identified in the Exhibit A of the Amended Agreement.

NOW THEREFORE, City and Consultant mutually agree to amend the Amended Agreement as follows:

1. The term of the Amended Agreement shall be extended through June 30, 2018, unless terminated earlier.
2. The compensation to be paid for the extended term of the Amended Agreement shall not exceed \$15,000.00 for a total not to exceed amount of \$46,200.00 for the total term of the Amended Agreement.
3. Except as expressly stated herein, all terms and conditions in the Amended Agreement shall remain in full force and effect.
3. The effective date of this Amendment No. 2 shall be deemed to be April 12, 2018.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 2 to be executed by their duly authorized representatives.

City

Consultant

By: _____
Scott Collins, City Manager

Mike Brannagan

Attest:

Dana Swanson, City Clerk

APPROVED AS TO FORM

Joseph W. Pannone, City Attorney

Staff Report

TO: Honorable Mayor and City Council

DATE: March 15, 2018

FROM: Jennifer Callaway, Finance Director

SUBJECT: Public Hearing and Adoption of Resolution No. 17-18, which Rescinds Resolution 11-17 and Amends and Adopts the Complete FY 2018/19 Master Fee Schedule and Consideration to Release a Request for Proposals to Seek Qualified Firms to Perform a Comprehensive Fee Study and Cost Allocation Plan

RECOMMENDATION

Staff recommends the City Council:

- A. Conduct the formally noticed public hearing, review the proposed fee schedule, and adopt Resolution No. 17-18, which updates the City Master Fee Schedule for Fiscal Year (FY) 2018/19. That Resolution will also rescind Resolution No. 11-17 that adopted the current FY 2017/18 Master Fee Schedule and replaces it in its entirety; and
- B. Authorize the release of a Request for Proposals (RFP) to seek qualified consulting firms to perform a Comprehensive Fee Study and Cost Allocation Plan.

BACKGROUND

Annually, the City reviews and revises the adopted Master Fee Schedule, which dictates what charges are approved for various City provided services. "Fee" activities are services and functions provided by the City to individuals who receive some direct material benefit above and beyond services offered to residents at general taxpayer expense. Council has directed this annual process be revised to have one consolidated fee schedule brought forward in late Spring. This format allows staff to implement any revised fees into budget preparations for the upcoming fiscal years.

The Morro Bay Municipal Code Chapter 3.34, Master Fee Schedule, stipulates how the City shall move forward with amending the Master Fee Schedule. Relevant sections of that chapter are included below for reference.

3.34.010 – Established

The City Master Fee Schedule is established, which shall set forth a consolidated listing of fees as fixed and adopted by the City Council, in accordance with all applicable provisions of state and city laws.

3.34.020 – Fee Revisions and Reviews

Any fees included in the Master Fee Schedule may be reviewed and revised annually by the City Council. The city's cost of providing the services shall be computed and reflected in these fees. The fees shall then be enumerated, and the revised Master Fee Schedule

adopted by resolution of the City Council.

On July 14, 2015, the City Council established December as the desired index for Consumer Price Index (CPI) and Engineering News Record (ENR) Construction Cost Index for the San Francisco-Oakland-San Jose area as the adjusting factor. The CPI and ENR adjustments between December 2015 and December 2016, were increases of 2.9% and 3.5%, respectively.

The draft Master Fee Schedule was distributed to the department directors, who have included proposed fee adjustments for the FY 2018/19 draft budget (pending Council adoption).

DISCUSSION

Staff prepared Resolution No. 17-18 to adopt the proposed FY 2018/19 Master Fee Schedule and rescind and replace in its entirety Resolution 11-17 that established the FY 2017/18 Master Fee Schedule. Attached for Council reference is an updated FY 2018/19 Comprehensive Fee Schedule (Exhibit A to Attachment 2) reflecting all City Fees. Attachment 3 contains a red-lined version of the proposed FY 2018/19 Comprehensive Fee Schedule with proposed changes highlighted. Most fees were adjusted by either CPI or ENR; however, some fees were adjusted by different amounts as identified by department below (page numbers to Attachment 3 have been provided as reference):

General Fees

The Non-refundable appeal fee for non-land use administrative decisions is proposed to increase from \$250 to \$822 to align with the cost of the Community Development Appeal fee (page 2). This will allow greater cost recovery of staff time to process an appeal.

Community Development

Building Division Fee

An Information Technology (IT) Services Fee has been added at a rate of .0075x valuation (page 4). This will help to recover IT related costs such as Cityworks, Citysource, ArcGis Server and GIS maintenance.

Special Inspection & Plan Review Fees

The \$38 fee for retrofit upon transfer of sale is being proposed to be removed from the fee schedule as this is no longer a service provided by the City (page 5).

Development Impact Fee

The Residential, Single-Family Building Impact Fee is proposed to decrease to \$4.43 from \$5.75. This is to more accurately reflect impact related expenses incurred and to reflect that park impact fees are identified separately in the fee schedule (page 5).

Likewise, the Residential, Multi-Family Building Impact Fee is proposed to decrease to \$7.10 from \$9.13 to more accurately reflect impact related expenses incurred and to reflect that park impact fees are identified separately in the fee schedule (page 5).

An accessory dwelling unit (ADU) fee of \$1.08 per square foot is being proposed (page 5). This is a new fee. The \$1.08 impact fee for accessory dwelling units is added because the City cannot treat

them as single-family homes. Per SB 1069, ADU's cannot be considered new residential uses for the purposes of calculating utility connection fees or capacity charges including water and sewer. For ADU's these types of fees must be proportionate to the burden of the unit on City services and may not exceed the reasonable cost of providing the service.

The Single-Family Park Impact fee is proposed to increase to \$1.38 from \$1.33. This reflects a correction to prior year's fees which were slightly overstated and will align the fee with the Single Family Residential Park impact fee for Public Facilities (page 6).

Planning Division: Miscellaneous Fees

The Appeal of City Decision, excluding Coastal Permits in the appeal jurisdiction – refundable if applicant prevails fee is proposed to increase from \$277 to \$820 (page 9). Per the City's Fee resolution this fee is to be cost recovery. The proposed increase will allow for greater cost recovery of staff time to process an appeal.

Public Works

Engineering Development Review Fees: Encroachment Permits

Staff is proposing to add clarifying language to the Special – Private Encroachments fee to qualify this for Permanent constructed encroachments. The fee itself is proposed to increase by the ENR of 3.5% from \$1,490 to \$1,542 (page 14).

Similarly, staff is proposing to add language to clarify that landscape installation is encompassed under the Regular – Surface Improvements fee. The fee itself is proposed to increase by the ENR of 3.5% from \$194 to \$201 (page 14).

Water: Meter Installations/Connections

Staff is proposing to increase the refundable deposit for the Hydrant Meter Rental, per day plus cost of water at current rate to a \$1,500 refundable deposit from \$500. In addition, staff is proposing to read and bill these meters on a monthly basis (page 17). Currently, the meters are only read and billed when removed from service. Billing on a monthly basis will serve as a reminder to the customer who has rented the meter, as well as aid the City in properly accounting and recording for water sold during the year.

Other Fees

Staff proposes to change the Dedication 15-gallon tree and plaque to \$525 from \$250. This is to more accurately reflect the cost of the plaque and tree (page 17).

Staff proposes to add language clarifying the dedication fees. This proposed language change would remove the term Park and allow for dedication of a bench anywhere with 1 plaque space available. This fee is proposed to be \$545, an increase from \$450 to reflect cost recovery (page 17).

Staff is also proposing to alter the language of the Tidelands park bench dedication to include dedication of a whole bench with 3 plaque spaces, this would be anywhere in the city with a proposed fee of \$1,632, an increase from \$900 (page 17). The increase reflects cost recovery.

Harbor

Vessel Fees

The Transient Slips – Monthly sublease rate per foot fee is proposed to increase to \$10.00 from \$8.92 to align more closely with market rate of \$12 to \$14 per foot (page 25).

The Transient Slips – Daily rate per foot fee is proposed to decrease to \$1.00 from \$1.24. The rate of \$1.24 has demonstrated to be excessive and resulting in limited use of the facilities (page 25).

A proposed Impound Fee of \$213.00 has been added (page 26). This is to help recover the cost of the Harbor Patrol Officer's time and vessel usage to impound a vessel.

Mooring Fees

Staff is proposing to add language under the mooring fees to clarify that without prior approval of the Harbor Department, Guest mooring stays, limited to 30 days in any 6-month period, are subject to the mooring fees identified on page 26.

Service Fees

Staff is proposing to add clarifying language to the service fees that would prescribe fees for the Dry Storage fee for use of each designated approximate 9-foot by 20-foot space to be charged on a minimum monthly basis (page 26).

Staff is proposing to alter the Dry Storage rate to a monthly rate of \$97.00 rather than the \$3.05 daily rate (page 26). This is for easier management by City staff.

Equipment & Personnel Charges (Formerly referred to as Vessel Assistance Fees)

Staff is proposing to change the Vessel Assistance Fees category to Equipment & Personnel Charges to align with the Fire fee structure and fire calls since the fees include the use of vehicles. The proposed fee schedule is set-up to allow for one free assistance call per year per vessel, and recovery of costs thereafter on an hourly basis with a minimum of a one-hour charge (page 27).

Staff is proposing to add a One Patrol Officer + Vehicle Per hours charge of \$130.00. This is to recover costs when an Harbor Patrol Officer uses vehicles to assist events (page 27). This is based on the Harbor Patrol Officers fully loaded rate plus a utility vehicle rate which aligns with that of the Fire Department.

Staff is also proposing to add a Lifeguard rate of \$25.00 per hour. In some instances, such as event support, lifeguards are utilized for assistance (page 27). Adding this rate would allow for cost recovery of the lifeguard support. Previously the "additional patrol officer rate" was utilized which is not appropriate. The Lifeguard rate is based on the fully loaded rate for the lifeguard plus administrative overhead expenses to account for the lifeguard supervisor or Harbor Patrol supervisor coordination of the lifeguard schedule.

Recreation

Teen Center

Staff is proposing to change the Teen Center fees to an hourly rate as follows:

The Up to 20 participants; 3-hour fee is proposed to change to a per hour – up to 50- participants, includes one staff at a rate of \$75 per hour for both resident and non-resident groups (page 31).

Similarly, the 21-30 participants; 3-hour fee is proposed to change to a per hour – over 50 participants, includes two staff at a rate of \$90 per hour both resident and non-resident groups (page 31).

With acceptance of these changes, staff is proposing to eliminate the 31-40 participants; 3 hours (maximum – 40 participants) at a rate of \$478 (page 31).

Additional Fees

Staff is proposing to add a Security Deposit of \$750 for alcohol and/or live music over 200 people (page 31).

Staff is also proposing to change the janitorial fee to a facility impact fee at a rate of \$153 for 100-200 participants (increased from \$149) and \$306 for 201 or more participants (increase from \$298) (page 31).

Park and Open Space Rentals

Staff is proposing to eliminate the Del Mar Roller Hockey Rink from the fee schedule and add the Del Mar Pickleball Courts. The same proposed change is included in the Hourly and Park Use Fees section of the fee schedule (page 33).

Comprehensive Fee Study and Cost Allocation Plan

The City continues to be faced with limited financial resources and it is critical for the City to ensure fees for requested services have been developed or updated to ensure maximum appropriate cost recovery, so the revenues generated by fees cover the cost of those services to the best extent possible. That was formally ratified by Council as part of the 2018 Citywide Goals and Objective review as follows:

Goal #1 Financial Sustainability and Economic Sustainability, item d -“Evaluate opportunities for new or expanded revenue sources including, but not limited to, paid parking, other tax measures and a review of City fees.”

As such, staff has prepared a draft Request for Proposal (RFP) to solicit bids for Comprehensive Fee Study and Cost Allocation Plan. Included in the RFP is an optional add-on to complete an updated Development Impact Fee Study. Staff recommends that the City Council authorize the issuance of an RFP for a Comprehensive Fee Study and Cost Allocation Plan.

A fee study is the foundation for improved cost recovery for grants and other reimbursements, as it will support a full review and update to the City’s general fee structure. Based on the results of the study, certain fees may be recommended to increase or decrease to reflect current program costs, while other fees may remain unchanged due to the City’s desire to be more “user friendly” or more comparable to other cities. For FY 2015/16 staff went through an internal evaluation to review fees and adjust them based on staff’s analysis of costs. To obtain a true cost recovery structure, a complete fee study would need to be conducted.

In addition, a full Cost Allocation Plan review and update will provide current support for the City to base the cost allocations to the enterprise funds (Water, Sewer and Harbor) to ensure charges to

those funds for general City support are sufficient and adequately supported. The last Cost Allocation Plan study was completed in 2009. Since that time the City has changed in many respects. The organizational structure and composition of the City has evolved with positions having changed, and the overall costs to provide services, both from an employee and operational perspective. Those changes have not been fully accounted for within the existing cost allocation plan.

Issuance of an RFP to complete an updated Comprehensive Fee Study and Full Cost Allocation Plan is also in line with the May 2015 Management Partners Financial and Organizational Study. In that study, Management Partners stated: "Many service fees are well below typical cost recovery rates." As a result, management partners recommended the following:

"Recommendation 1. Conduct a City-wide review of cost recovery and fee policies and set fees accordingly. This review includes determining a subsidy, if any, to be provided for each service and requiring a cost allocation plan to assure overhead costs are covered. Many consultants do this kind of work and the project can be combined with the cost allocation project in the recommendation below. There is potential for a several hundred thousand dollar increase in revenues from all user-supported programs if subsidies are kept to a minimum."

Management Partners further stated: "The current Cost Allocation Plan (CAP) does not provide for all funds to contribute their fair share of administrative costs to the General Fund providing these services. This makes it difficult to determine the actual cost of providing some services."

"A new CAP has the potential to increase revenues to the General Fund. It may also reveal that other funds levy inadequate user fees to support the total cost of their services, which includes their share of overhead."

Management Partners also recommended the following:

"Recommendation 2. Require all funds to pay a share of General Fund costs such as accounting, investment, legal, and general administration. This recommendation applies to all funds, not just those funds that include labor costs."

"Recommendation 3. Prepare an OMB A-87 compliant Cost Allocation Plan on which to base contributions from all funds. Doing so will allow the City to be sure each fund is truly paying its fair share of General Fund overhead costs. This could be included in the same project as the cost recovery recommendation above. (OMB a-87 establishes principles and standards for determining costs for federal awards carried out through grants, cost reimbursement contracts, and other agreements with state and local governments and is a good standard for cost allocation.)"

Optional Development Impact Fee Study Add-On:

Development Impact Fees are one-time fees charged to new development that are used to defray some of the costs of providing these additional facilities. In addition to providing the City with an additional source of revenue for critical public infrastructure, impact fees help ensure that new development pays for the public facilities it requires, rather than the cost being borne by the taxpayers in the community. For example, while a mixed-use development or new business development brings welcome business and vitality to the community, it can also bring more vehicles, which has an impact on the City's streets, creates more burden on the City's Water and

Wastewater systems, and increases need for public safety. Those needs are offset through the payment of impact fees as appropriate for the type, size, location of the new development project.

In 1987 the legislature of the State of California passed AB 1600 or the "Mitigation Fee Act." The Mitigation Fee Act is found in Government Code section 66000 *et seq.* and sets forth requirements that local agencies must follow in order to impose a fee on new development for the purpose of providing new or expanded public capital facilities required to serve the new development. Generally, the Mitigation Fee Act states the fee must bear a relationship or nexus to the impact that it is intended to mitigate. That means there must be a reasonable connection between the "need" for additional facilities and the new development and it must show the fee payer will "benefit" in some way from the fee. In addition, the calculation of the fee must be based on a proportionate "fair share" formula. If a development impact fee does not relate to the impact created by development or exceeds the reasonable cost of providing public services, then the fee may be declared a special tax and would be subject to two-thirds voter approval.

A Development Impact Fee study is needed in order to assist the City with the adoption of a Development Impact Fee Program by assuring compliance with State law and best practices, determining adequate funding for public capital facilities, and providing the nexus for the established fee. Being cognizant of limited available funding to complete all three studies, the Comprehensive Fee Study, Cost Allocation Plan Study and Development Impact Fee Study, staff has included the Development Impact Fee Study as an optional add-on to the contract. If adequate funding is available to fund all three components of the study, then staff will provide a recommendation to do so with an identified funding source. Staff believes there are additional Development Impact Fees the City may consider adopting, including additional fire related impact fees and new Harbor related impact fees.

ALTERNATIVES

Alternatives would be to approve some or none of the requested proposed fee adjustments, or to approve fee adjustments of different amounts than proposed. Adjustments greater than what is being proposed would need to be reviewed to ensure the new fee did not exceed the actual cost of providing the service.

FINANCIAL IMPACT

Fees are maintained to provide for the recovery of costs associated with City services. The proposed fee adjustments reflect an increase in the CPI or ENR, and, therefore, better represent the cost to deliver services. Staff will incorporate the fee changes into the City's FY 2018/19 Operating and Capital Budget using conservative activity projections.

Staff believes the Comprehensive Fee Study and Full Cost Allocation Plan will range between \$45,000 to \$75,000. The optional add-on Development Impact Fee study would likely add an additional \$30,000 to \$40,000 to the total cost. If the RFP is approved for issuance, then once proposals are received and evaluated, staff will have a refined cost. Accompanying any future recommendation to award contract for the studies, staff would recommend appropriate funding sources at that time.

CONCLUSION

Staff recommends the City Council review the fee changes contained in the Draft Fiscal Year 2018/19 Master Fee Schedule and make changes as desired. In addition, staff recommends the City Council Adopt Resolution No. 17-18, establishing the Fiscal Year 2018/19 Master Fee Schedule, as amended, and rescinding and replacing Resolution 11-17. Staff also recommends that the City Council authorize the release of a Request for Proposals (RFP) to seek qualified

consulting firms to perform a Comprehensive Fee Study and Cost Allocation Plan.

ATTACHMENTS

1. Resolution No. 17-18
2. Proposed FY 2018/19 Master Fee Schedule
3. Proposed FY 2018/19 Master Fee Schedule (red-lined)
4. Request for Proposal for Comprehensive Fee Study and Full Cost Allocation Plan

RESOLUTION NO. 17-18

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
ADOPTING FISCAL YEAR 2018/19 MASTER FEE SCHEDULE**

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

WHEREAS, the City Council finds fees and charges for City services are annually in need of review for possible updating to reflect changes in the cost of providing those services; and

WHEREAS, pursuant to the California Constitution, with certain expectations, if a City Fee exceeds the City's cost for providing the service covered by that fee, that fee is considered a tax; and

WHEREAS, the City has reviewed the attached fees, and finds they do not exceed the actual costs of providing related services when that limitation is applicable; and

WHEREAS, California Government Code section 66000, *et seq*, mandate numerous detailed and stringent requirements for all development fees levied by local government on new construction projects; and

WHEREAS, Section 66017 of the California Government Code requires a 60-day "waiting period" before any development fee increase can become effective; and

WHEREAS, pursuant to government Code section 66016, *et seq.*, specific fees to be charged for services must be adopted by City Council resolution or ordinance, after providing notice and holding a public hearing; and

WHEREAS, the City's Municipal Code Section 3.34.020 Fee revisions and reviews, states: *Any fees, included in the Master Fee Schedule, may be reviewed and revised annually by the city council. The City's cost of providing the services shall be completed and reflected in these fees. The fees shall then be enumerated, and the revised Master Fee Schedule adopted by resolution of the City Council;* and

WHEREAS, on July 14, 2015, City Council adopted Resolution No. 55-15, specifying the month of December as the determinate for retrieving Consumer Price Index (CPI) and Engineering News Record (ENR) Construction Cost Index adjustment factors; and

WHEREAS, with the adoption of Resolution 55-15, the City Council set the San Francisco-Oakland-San Jose area as the comparable area to the City of Morro Bay for consumer price index changes; and

WHEREAS, on August 11, 2008, the City Council adopted Resolution No. 49-08, which stated the "Master Fee Schedule will be brought back in its entirety for review annually; and

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

SECTION 1. Effective 60 days after adoption of this Resolution, Resolution No. 11-17 shall be rescinded.

SECTION 2. Effective 60 days after adoption of this Resolution, the Fiscal Year 2018/19 Master Fee Schedule, attached hereto and incorporated herein, shall be adopted.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 10th day of April 2018, by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

JAMIE L. IRONS, Mayor

DANA SWANSON, City Clerk

CITY OF MORRO BAY FEE SCHEDULE FOR THE FISCAL YEAR 2018/19

All fees adjust annually by either the December Consumer Price Index (CPI = 2.9%) or Construction Cost Index (ENR = 3.5%). The CPI used is for the San Francisco-Oakland-San Jose area.

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GENERAL FEES

FEE NAME	ADOPTED FEE
Photocopies (unless otherwise defined)	\$0.40 per page \$0.70 per 11 x 17" page
Print material mailed	Cost of copying/printing and postage
Non-refundable appeal fee for non-land use administrative decisions	\$822 per appeal
Elections filing fee - Notice of intention to circulate petition; this amount is refundable under Elections Code Section 9202(b), with conditions	\$200

FINANCE	
FEE NAME	ADOPTED FEE
Budget document, per copy	Per page cost for photocopying
City audit document, per copy	Per page cost for photocopying
Master Fee Schedule	Per page cost for photocopying
Business Tax Schedule	Per page cost for photocopying
Returned check charge, per CA Civil Code Section 1719	\$25 for the first check \$35 for each subsequent check
UTILITY BILLING	
Water service application fee	\$29
Physical posting of shut-off notice at customer location	\$62.27
Refundable/transferrable deposit - residential tenants only on signup (MC 13.04.220)	\$100
Deposit required for service termination for delinquent non-payment (residential tenants only, if a deposit has not previously been collected)	\$100
Reconnection (MC 13.040.310)	\$52.48

COMMUNITY DEVELOPMENT

BUILDING DIVISION

FEE NAME	ADOPTED FEE
Valuation of from 0 - \$3,000 (including electrical service less than 600 amp, and minor plumbing alternatives)	\$94
\$3,001 and up	.025 x total valuation as determined by the Building Official (50% submittal/50% at issuance)
Construction Operation After Hours	\$36
Building Re-Address Processing	\$35
Demo Commercial	\$514
Demo Residential	\$309
In-lieu Housing Fee (if unit not affordable housing) - per square foot	\$0.37
General Plan Maintenance	6% surcharge on all Building Permits
I.T. Service Fee	.0075 x valuation
SMIP Category I (Residential)	.00013 x valuation
SMIP Category II (Commercial)	.00028 x valuation
Unsafe Building repair, demolition or moving structure	Charged at cost
Inspection Fees - outside of normal work hours - per hour, 2 hour minimum	\$173
Re-Inspection Fees - per hour	\$129
Property condition report for Condominium Conversions (Review/Inspection)	\$206
Inspection for which no fee is otherwise indicated - per hour, 1 hour minimum – Use for Certificate of Occupancy	\$129

Additional Plan Review required by changes, additions, revisions to the approved plans - per hour, 1hour minimum	\$129
Use of outside consultants for special plan checking and inspection	Charged at cost + 25% Administration Fee
Permits – Change Ownership/Add Contractor	\$129
Permit Extension of Time	\$129
Residential Solar Permit 1kW to 15 kW	\$360
Residential Solar over 15kW	\$360 + \$15 per kW above 15kW
Commercial Solar Permit below 50kW	\$772
Commercial Solar Permit 50kW – 250kW	\$772 + 5\$ per kW above 50kW

SPECIAL INSPECTION & PLAN REVIEW FEES

Penalty for commencing construction without permit(s). This is in addition to the standard building permit fees.	\$120 + 2 times the permit fee

DEVELOPMENT IMPACT FEES

Building fees per square foot, including garages (enclosed spaces). Single family residential additions of 500 square feet or less are exempt. Water and Wastewater fees are additional. An increase in meter size resulting from the need to comply with the hydraulic demand associated with Fire Sprinklers is exempt.

Residential, Single Family	\$4.43
Residential, Multi-family	\$7.10
Accessory Dwelling Unit	\$1.08
Non-residential, commercial	\$4.50
Non-residential, office	\$3.17
Non-residential, industrial	\$1.63

Park fees for residential in-fill lots, per square foot	
Single-family	\$1.38
Single-Family, Detached Accessory Structure	\$0.34
Accessory Dwelling Unit	\$0.34
Multi-family	\$2.29
Public Facilities Fees, per square foot.	
Single-family residential:	
General Government	\$1.32
Police	\$0.44
Parks	\$1.38
Fire	\$0.48
Storm Drain	\$0.06
Traffic	\$2.13

DEVELOPMENT IMPACT FEES (continued)	
Multi-family residential:	
General Government	\$2.18
Police	\$0.72
Parks	\$2.29
Fire	\$0.81
Storm Drain	\$0.07
Traffic	\$3.31
Public Facilities Fees, per square foot	
Non-residential, commercial:	
General Government	\$0.28
Police	\$0.07
Parks	\$0.02
Fire	\$0.25
Storm Drain	\$0.04
Traffic	\$3.78
Non-residential, office:	
General Government	\$0.36
Police	\$0.09
Parks	\$0.02
Fire	\$0.35
Storm Drain	\$0.04
Traffic	\$2.30
Non-residential, industrial:	
General Government	\$0.10
Police	\$0.04
Parks	\$0.02
Fire	\$0.09

Public Facilities Fees, per square foot (continued)	
Storm Drain	\$0.04
Traffic	\$1.33
PLANNING DIVISION	
Affordable Housing In-Lieu:	
Funding assistance application fee	\$620
Reasonable Accommodation (ADA) fee (no fee required if in conjunction with other discretionary permit)	\$120
Coastal Permits (may be billed at direct cost):	
Coastal Permit in combination with Conditional Use Permit	No fee
Coastal Permit (Administrative)	\$806
Regular CDP Without CUP - New single family and single family additions over 25%, Multiple Dwelling, Office, Commercial, Convention, Industrial & Institutional	\$5,653
Additions between 10% and 25% to a Single Family Dwelling in Coastal Appeals area (Planning Commission)	\$2,174
Emergency Permit (excluding required regular CDP)	\$726
Other administrative – Tree Removal, private	\$277
Environmental (may be billed at direct cost):	
Categorical Exemption	\$98
Negative Declaration	\$1,575
Mitigated Negative Declaration If contracted = contract amount + 25% administrative fee	\$3,844, if done in house or as a deposit for outside consultant
Filing Fee - for environmental document	\$200
Environmental Impact Report - Contract Amount + 25% administrative fee	\$5,000 deposit

Archaeology Research Fee – Santa Barbara Central Coast Information Services	\$100
Miscellaneous:	
Letter regarding land use confirmation or other research – per hour cost	\$98
Development Agreement – charged at fully allocated hourly rates for all personnel involved, plus any outside costs	\$10,000 deposit
Applicant Requested Continuance	\$127
Fine, in addition to permit fee	\$100 + two times the permit fee + plus \$50 per day – after notice.
Appeal of City decision, excluding Coastal Permits in the appeal jurisdiction – refundable if applicant prevails	\$820
Copy of Planning Commission DVD	\$13
Street name/Rename Processing	\$461
Conceptual Review Fee – Fee is credited toward any future discretionary permit application	\$1,543
Notification fees:	
Planning Commission Hearing	\$326
Administrative Permit Noticing	\$163
Special Events	Actual staff cost
Sign Permits:	
Sign Permit	\$217
Sign Exception (CUP)	\$979
Pole Sign (CUP)	\$979
Fines – Temporary, beyond time allowed by Ordinance – per day after notice given	\$55
Fines – Permanently attached sign w/o permit – per day after notice	\$55

Subdivisions: all Subdivisions may be billed at direct cost	
Tentative Parcel Map Application	\$7066
Tentative Tract Map 0 to 10 lots, add \$100.00 per lot over 10 lots	\$7066
Amendments to Existing Tract or Parcel Maps	\$3,261
Lot Line Adjustment	\$1,088
Certificate of compliance (legal determination) – initial fee covers up to 4 lots. Add \$250 per lot over 4 lots	\$2,130 + \$250 per lot for every lot over 4
Lot Mergers	\$1,088
Text Amendments & Annexations (May be billed at direct cost)	
Zone Ord. Changes/LCP <ul style="list-style-type: none"> - Minor (single section revisions/additions) - Major (multiple sections revised/added) If contracted – contract amount + 25% administrative fee. Fee amount becomes an initial deposit.	Minor = \$7,610 Major = \$10,871
Specific Plan (Billed as deposit with charges at the fully allocated hourly rates for all personnel involved + any outside costs). If contracted = cost + 25% administration fee. Fee amount becomes an initial deposit.	\$5,000 deposit
General Plan/Local Coastal Plan Amendment: <ul style="list-style-type: none"> - Minor (single section revisions/additions) - Major (multiple sections revised/added) If contracted – cost + 25% administrative fee. Fee amount becomes an initial deposit.	\$7,610 \$10,871
Annexations – Deposit to be determined by staff. Billed at fully allocated staff cost. If contracted – contract amount + 25% administrative fee.	\$5,355
Time Extensions	
Time extension for CUP, regular Coastal Permits and variance (Planning Commission)	\$979

Time Extensions for Tract Maps and Parcel Maps	\$979
Time Extension - Administrative	\$272
Use Permits <ul style="list-style-type: none"> - All use permits may be billed at direct cost at the discretion of the Community Development Manager and the scheduled fee would then be deemed as a deposit. - All Projects in the Planned Development Overlay require a Use Permit 	
Conditional Use Permit (CUP)	\$5,653
CUP Concept Plan	\$8,697
CUP Precise Plan	\$3,261
CUP Combined Concept/Precise Plan	\$8,697
Conditional Use Permit for an SFR addition of 25% or less of the existing floor area. (appeals area only)	\$2,174
One SFR in a Planned Development Zone or Bluff Area	\$1,6315
Occupancy Change in Commercial/Industrial Zones	\$871
Additions to non-conforming structures, not adding units or new uses	\$2,130
Minor Use Permit (Residential & Industrial Uses)	\$619
Temporary Use Permit – Longer than 10 days	\$1,088
Outdoor display and sales and outdoor dining	\$988
Administrative Temporary Use Permit – 7 consecutive days or 10 non-consecutive days	\$163
Amendments to Existing Permits (Planning Commission)	\$2,827
Major modification while processing	\$1,672
Minor amendments to existing permits (Administrative)	\$211
Special Use Permit (Minor – PC Review)	\$2,174
Special Use Permit (Major – PC Review)	\$5,653

Variations	
Variance	\$2,174
Variance processed with other permits	\$830
Minor Variance	\$457
Parking Exception (will always be accompanied by a Conditional Use Permit, Minor Use Permit or Coastal Development Permit)	\$213
Laserfiche Applies to all Planning and Building Permits	
Laserfiche of planning and building documents, including scanning and storage. Fee based on plan set pages only.	\$15 for first page of plan set, and \$7 for each additional page.

PUBLIC WORKS	
FEE NAME	AMOUNT
IMPACT FEES	
Water Impact fee (Capacity Credit is given for existing meter) Based on Water & Wastewater Impact Fee Update, Bartle Wells Associates, 3/17/15	
Less than 1-inch meter	\$5,581
1 inch meter	\$7,487
1-1/2 inch meter	\$14,972
2 inch meter	\$23,956
3 inch meter	\$44,918
Wastewater fee (Capacity Credit is given based on existing water meter size) Based on Water & Wastewater Impact Fee Update, Bartle Wells Associates, 3/17/15	
Less than 1-inch meter	\$5,636
1 inch meter	\$7,514
1-1/2 inch meter	\$15,062
2 inch meter	\$24,047
3 inch meter	\$45,087
ENGINEERING DEVELOPMENT REVIEW FEES	
Flood Hazard Development Permit (MC 14.72.040) - time and materials costs may be added to minimum, when actual cost exceeds the minimum fee (PW):	
Permit, minimum fee	\$219
Flood plain letter	\$110
City Engineer Map Review Fees Subdivisions - (PW):	
Final Map - Tract, minimum fee (MC 16.24.040J)	\$5,167
Final Map – Tract, Per lot for every lot over 4 lots	\$136
Final Parcel Maps	\$5,167

Final Maps Amendment Review, minimum fee	\$1,176
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Public Improvement Plans Inspections/Plan Review - time and materials costs may be added to minimum, when actual cost exceeds the minimum fee:	
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Public/Subdivision Improvement Plan Check, and Inspection as a Percentage of the Engineer's estimate for Subdivision Improvements	5 - Percent
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Abandonment Process:	
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Street/R-O-W Abandonment Process	\$6,359
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Encroachment Permits (MC 13.16.140) - time and materials costs may be added to minimum, when actual cost exceeds the minimum fee (PW):	
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Regular – Surface Improvements	\$201
Regular – Underground Improvements	\$440
Special - Private Encrachsments into the Public R/W, Landscaping plant materials and exempt.	\$1,542
Traffic Control Plan Review, in Addition to Encroachment Permit.	\$114
Annual Utility Encroachment Permit	\$1,922
Wide Load Permit with Traffic Control Plans - Per Year (Set by State of California)	\$90
Wide Load Permit with Traffic Control Plans - One Time (Set by State of California)	\$16

Street & Sidewalks:	
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Exception Application Exception Application (Sidewalk Deferral)	\$184
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PLANNING AND ENGINEERING DEVELOPMENT REVIEW FEES	
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Storm Water Fees (PW):	
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Single Family; Other than Single Family (per 6,000 square foot lot area, or fraction thereof):	
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Planning review of preliminary stormwater plan	\$165
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Building permit review of stormwater plan	\$215
Inspection of stormwater facility/erosion control	\$115
Trees (PW):	
Removal Permit (to trim, brace or remove, MC 12.08.110)	\$297

WATER	
Water Service:	
Application (MC 13.04.07)	\$29
Connection - Outside City), only by Council Resolution (MC 13.04.100)	2 x Fee
Meter Installations/Connections:	
3/4 inch Meter/Service (Only installed where Fire sprinklers are not required)	\$1,565
1 inch meter Meter/Service	\$2,099
1" Meter/1-1/2" Service (for residential fire sprinklers)	\$2,656
1" Meter/2" Service (for residential fire sprinklers)	\$3,323
1-1/2" inch meter and above	T&M (\$3,625 deposit)
Meter Box Installation	\$253
Water Meter Re-Read	\$53
Reconnection (MC 13.04.310)	\$53
After - Hours Water Meter Turn Off/On	\$226

"Drop in" meter fee, up to 2 inches	0.75 x Reg Meter Fee
Relocation of water meter for customer convenience	0.5 x Reg Meter Fee
Water meter lock and any other damage. Subject to Police investigation and potential prosecution for theft of water and tampering with City Property	T&M (\$53 minimum)

Meter Installations/Connections (continued):	
Water Meter Testing (Remove, test and replace meter); fee refunded if meter test indicates an overage of greater than 2%	\$165
Water Equivalency Unit (WEU) "In-Lieu" Fee - per WEU required. In-lieu fee is an alternative for an applicant that does not provide the WEU offset, as required and set by Council Resolution	2 x \$3,139/WEU required = \$6,278
Fire Hydrants/Non-Potable - Meter Installation and Removal for Contractor Use (MC 13.04.360):	\$53 Installation; \$53 Removal
Hydrant Meter Rental, per day plus cost of water at current rate structure.	\$5 + \$1,500 Refundable Deposit, will be read and billed on a monthly basis
Certificate of Compliance – Water Retrofit	\$28
Water Service Refundable Deposit - residential tenants only	\$104
WASTEWATER	
Connection Permit - This is in addition to an Encroachment Permit.	\$88
Discharge Fee - Recreational Vehicles and Campers	\$26 + 0.25/gal or fraction there of
Discharge Fee - Tank Trucks and Commercial per truck, for gallon. No septage allowed	\$104 + \$0.25/gal or fraction there of
Raising Manhole to Grade	T&M (\$776 min)
Sewage Spill Cleanup - cost of providing service Sewage spill clean up	T&M (\$776 min)
OTHER FEES	
Dedication 15 Gallon Tree and Plaque	\$525
Dedication Bench and 1 Plaque Space	\$545
Dedication Whole Bench with 3 Plaque Spaces	\$1,632
Other Park Amenity Dedication	To Be Determined on an individual basis

POLICE SERVICES	
FEE NAME	ADOPTED FEE
Permits and Licenses:	
Tow/Taxi Service Provider Application Fee	\$673
Taxi Operator Permit Application Fee	\$428
Taxi Operator Permit Application Renewal Fee	\$71
Second Hand Dealer Permit - City Application Fee (does not include Department of Justice fee) (MBMC 5.40.330)	\$358
Second Hand Dealer Permit renewal - City Application Fee (does not include Department of Justice fee) (MBMC 5.40.330)	\$178
Massage Therapist/Parlor Permit Application Fee (MBMC 5.40.330)	\$149
Support Services Activity:	
Digital Photo Reproduction to CD - per hour, 1 hour minimum	\$60
Audio/Video Tape Reproduction - per hour, 1 hour minimum	\$60
Record Searches/Reviews/Clearance/Responses - per hour, 1 hour minimum	\$60
Officer Activity:	
Equipment Citation Sign Off	\$17
Vehicle Impound Fee Administrative Costs (CVD 22850.5)	\$178
Abandoned Vehicle Removal (junk vehicles/parts)	\$358
Other Police Services:	
Firearms-seizure/storage (PC 33880)	\$60

State Mandated Costs	
Concealed Weapons Permit (does not include DOJ or other fees (PC25455))	\$119
Renewal of Concealed Weapons Permit (does not include cost of ID card)	\$29
Subpoena Duces Tecum (does not include costs of report, etc) (EC 1563(b)(1))	\$17
Delinquent Parking Citation Copy (VC 40206.5)	\$2
Repossessed Vehicle (GC 41612)	\$17
Booking Fees (current cost-cost is dependent on charges by County) (GC 53150) & (GC 29550.1)	\$130
Live scan Fingerprint Fees (PC 13300(e))	\$23
Criminal History Review (PC13322)	\$29
Cost Recovery:	
DUI Emergency Response (MBMC 3.40.030)	Actual Cost
False Alarm Response (after 3 rd false alarm in a year) (MBMC 9.22.020)	\$239

FIRE	
FEE NAME	ADOPTED FEE
Permits:	
Permit Inspection Fees:	
Any single permit identified in Title 24 CFC and not specifically addressed in the Master Fee Schedule	\$146
Any combination of permits shall not exceed	\$438
Special Occurrence or Use Permit (equipment & personnel charges additional)	\$146
Special Permits:	
Marine Welding Permit: Vessel, Pier, Wharf, Waterfront	\$73
Aircraft Landing Permit, per occurrence (required Fire standby equipment & personnel charges additional)	\$146
Equipment & Personnel Charges:	
Engine or Truck: per hour, per vehicle (personnel charges additional)	\$129
Squad/Rescue: per hour, per vehicle (personnel charges additional)	\$94
Utility/Command Vehicle: per hour, per vehicle (personnel charges additional)	\$45
Personnel charges	Per hour, per person - 2 hour minimum, unless otherwise specified, at current productive hourly rate

Plan Review Fees:	
Fire Plan Concept Review	Personnel charges, as specified in Equipment and Personnel Charges
Plan Review	0.9% of total valuation plus use of outside consultant for Plan Review & Inspection is based on actual cost plus \$67 fee
Additional Plan Review required by changes, additions or revisions to approved plans	Personnel charges, as specified in Equipment & Personnel Charges, on an hourly basis, plus actual cost of outside consultant for Plan Review
Fire Protection:	
System & Equipment Fees:	
Fire Sprinkler System Installation Inspection - (above ground):	
Residential	\$146 + \$0.55 per head
Commercial	\$219 + \$0.55 per head
Commercial projects or tenant improvements under 1,000 sq. ft.	\$146 + \$0.55 per head
Underground water line inspection	\$146
Fire Alarm System Installation Inspection:	
0 - 15 devices	\$146
16 - 50 devices	\$219
51 - 100 devices	\$292
101 - 500 devices	\$365
501 and up	\$365 + \$292 for each additional 100 devices or portion thereof
Specialized Fire Protection System Inspection, e.g., Halon, Dry Chemical Commercial Kitchen Hood System	\$146
Flammable or Combustible Tank Installation Inspection	\$73
On-site Hydrant System Installation Inspection	\$146
Use of Outside Consultants for Plan Review & and/or Inspection	\$146 + actual cost
Request for Building Fire Flow Calculations	\$73
Request for Hydrant Flow Information	\$73

Fire Protection (continued):	
Request for Hydrant Flow Test	\$73 fee plus personnel & equipment as specified in Personnel and Equipment Charges, 1 hr min
Engine company business inspection:	
1st and 2nd inspections	No charge
3rd and subsequent inspections	\$219
Fire Prevention:	
New and annual business/facility inspection fees:	
1st and 2nd inspections	No charge
3rd and subsequent inspections	\$146
Administrative citation for failure to correct a violation shall be charged per 1.03.050 of the Municipal Code	\$146
Administrative citation for second violation of the same ordinance in the same year shall be charged per 1.03.050 of the Municipal Code	\$292
Administrative citation for third and each additional violation of the same ordinance in the same year shall be charged per 1.03.050 of the Municipal Code	\$584
Annual weed and hazard abatement inspection fees:	
1st inspection for compliance	No charge
2nd and subsequent inspections	\$146
Administrative citation for failure to correct a violation shall be charged per 1.03.050 of the Municipal Code	\$146
Administrative citation for second violation of the same ordinance in the same year shall be charged per 1.03.050 of the Municipal Code	\$292
Administrative citation for third and each additional violation of the same ordinance in the same year shall be charged per 1.03.050 of the Municipal Code	\$584

Incident Response Fees:	
Hazardous Material/Chemical Incident	No charge first half-hour (excluding negligent/intentional acts) Each additional hour, or fraction thereof, will be charged as specified in the Personnel and Equipment Charges plus the cost of any materials and contract services used
Negligent Incidents	Response due to negligent/malicious act (e.g., DUI traffic accident, climber on Morro Rock, incendiary fire, negligent hazardous material incident, negligent confined space incident, etc.) Two hour minimum to be charged as specified by Personnel & Equipment Charges plus any material costs and contract services used.
Excessive or Malicious False Alarms	Emergency response due to "Failure to Notify" when working on or testing fire/alarm system 0.5 hours minimum to be charged as specified by Personnel & Equipment Charges.
Malicious False Alarms	.5 hour minimum to be charged as specified by Personnel & Equipment Charges plus any material costs.
Alarm system malfunction resulting in 2 in 30 days or 3 in 12 months	Charged as specified by Personnel & Equipment Charges plus any material costs
Other Fire Services:	
Copy of response report, per report	\$28
Additional copies, per page	See General Fees for copy charges
Cause & Origin investigation reports, per report	\$116
Non-renewal of required annual permit	Charge double permit fee rate
Failure to obtain permit	Charge double permit fee rate
Missed site inspection appointment	\$73
Failure to meet permit requirements/requiring re-inspection	\$73

Permits - California Fire Code:	
See operational and construction permits identified in the California Fire Code, Section 105	
Special Occurrence or Use Permit includes 1 inspection	
Plan Review Fees:	
Plan Review Fees	Total valuation to recover the cost of providing service
Use of outside consultant for Plan Review and/or Inspection	\$73 plus actual cost of consultant
All Plan Review Fees shown are minimum amounts, based on average processing. Large or complex projects may be subject to increased fees based upon time, costs, or equipment costs as shown per Equipment & Personnel Charges.	

HARBOR DEPARTMENT

- 1. All fees are due in advance. At the Harbor Department's discretion, billing in arrears for qualified and registered vessels with current account status may be allowed.**
- 2. Any account past due over 10 days will be charged a \$35 late fee on a monthly basis. Accounts are due and payable by the 10th of every month.**

VESSEL FEES

- 1. All vessel fees based on the length of the vessel or the length of the slip, whichever is greater, with a 36-foot minimum.**
- 2. The Harbor Director may waive dockage fees for "tall ships" visiting Morro Bay Harbor for any period less than 30 days with written notice.**
- 3. Transient Slip fees will be charged by the day or by the month, whichever is less.**
- 4. Transient Slip monthly subleases shall be limited to 3 months in any slip as long as there are vessels appropriate to the slip size on the sublease waiting list.**
- 5. Floating Dock and Anchorage stay limited to 30 days in any 6 month period.**
- 6. A 10% discount is available for assigned Commercial Fishing Vessel slips when paid one full year in advance during the first month of the fiscal year after adoption of the Master Fee Schedule for that fiscal year.**

Commercial Fishing Slips – monthly rate per foot	\$5.10
Commercial Fishing Slip Waiting List Deposit	\$435
Head Float Berth – monthly rate	\$205
Transient Slips – monthly sublease rate per foot	\$10
Transient Slips – daily rate per foot	\$1
T-Piers – daily rate per foot	\$0.30
Floating Dock	\$0.30
A1-5 Anchorage Area – first 5 days	\$0.00
A1-5 Anchorage Area – daily rate/foot over 5 days	\$0.25

Vessel Fees (continued)	
Temporary Moorage – large vessels or equipment requiring special accommodation – daily rate	\$182
Impound Fee	\$213
Impounded Vessels – daily storage rate per foot	\$1.50
MOORING FEES	
<p>1. A 10% discount is available for Private and City mooring fees when paid one full year in advance during the first month of the fiscal year after adoption of the Master Fee Schedule for that fiscal year.</p> <p>2. Guest Mooring stay limited to 30 days in any 6 month period without prior approval of the Harbor Department.</p>	
City Moorings – monthly rate	\$260
Private Moorings – monthly rate	\$90
Guest Moorings – daily rate per foot	\$0.30
Mooring Ownership Transfer – private moorings	\$1,205
SERVICE FEES	
<p>1. South T-Pier Hoist may only be used for fish unloading in certain cases; see Harbor Department Rules and Regulations.</p> <p>2. Dry Storage fee for use of each designated approximate 9-foot by 20-foot space, minimum monthly increments.</p>	
T-Pier Electrical – daily rate	\$2.85
South T-Pier Hoist – rate per use	\$15.40
South T-Pier Hoist Fish Unloading – per hour	\$80.50
Wharfage – rate per ton	\$1.05
Loaned Electric Cord or Adaptor Replacement	\$175
Dry Storage – monthly rate	\$97

LIVEABOARD FEES

1. Liveaboard permits are valid for 2 fiscal years. Any Liveaboard application, submitted during the period January 1 through June 30, is valid only for that fiscal year and the following fiscal year, but will be prorated by reducing the Liveaboard application fee, stated herein, by 25%. Any Liveaboard application, submitted July 1 through December 31, will not be prorated.

2. Liveaboard Permit Inspections may be conducted by the Harbor Patrol or by a qualified Marine Surveyor acceptable to the City.

Liveaboard Permit Administration - biennial	\$184
Liveaboard Permit Inspection – biennial (if done by Harbor Patrol)	\$88
Service Fee, Moorings - monthly	\$17.40
Service Fee, City Slips - monthly	\$35.80

EQUIPMENT & PERSONNEL CHARGES

1. Vessels requiring non-emergency assistance more than once in any 12-month period may be charged at the rates established herein.

2. Officers and vessels charged on an hourly basis with a 1-hour minimum.

3. Officers and vehicles charged on an hourly basis with a 1-hour minimum.

One Patrol Officer + Patrol Vessel – per hour	\$213
Each Additional Patrol Officer – per hour	\$88
One Patrol Officer + Vehicle – per hour	\$130
Lifeguard	\$25

LAUNCH RAMP PARKING FEES

1. Launch Ramp Parking fees apply to the extended yellow-striped truck and trailer parking spaces at the Launch Ramp parking lot and Tidelands Park.

2. Annual Parking Permits are valid for one calendar year and may be prorated to the nearest month.

Daily (or any part thereof)	\$5
Annual Permit	\$115
Failure to Pay Established Fee	\$60

Failure to Visibly Display Receipt	\$60
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LEASE ADMINISTRATION FEES	
Master Lease Approval	\$2,200
Actions Requiring City Council Approval	\$700
Actions Requiring Administrative Approval	\$265

RECREATION

FACILITY RENTALS:

COMMUNITY CENTER

	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
Auditorium – Per Hour	\$82	\$121
Auditorium, one-half – Per Hour	\$50	\$72
Multi-Purpose Room – Per Hour	\$45	\$67
Lounge – Per Hour	\$36	\$54
Studio – Per Hour	\$28	\$41
Kitchen – Per Hour Note: Kitchen only rentals permitted Monday – Friday; weekend rentals must be combined with room rental.	\$22	\$27
Kitchen – 8 Hours	\$109	\$136

VETERAN'S MEMORIAL BUILDING

	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
Assembly, w/o kitchen – Per Hour	\$36	\$48
Complete, w/o kitchen – Per Hour	\$41	\$54
Meeting, w/o kitchen – Per Hour	\$30	\$40
Kitchen & barbeque – Per Hour Note: Kitchen only rentals permitted Monday – Friday; weekend rentals must be combined with room rental.	\$22	\$27
Kitchen – 8 hours	\$109	\$136

RECREATION FACILITY RENTALS (continued)		
TEEN CENTER		
	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
Per hour – up to 50 participants, includes one staff	\$75	\$75
Per hour - over 50 participants, includes two staff	\$90	\$90
ADDITIONAL FEES		
Processing Fee: \$10, non-refundable Public Special Event/Festival Processing Fee: \$30, non-refundable		
Security Deposit: \$150, no alcohol or live music \$500, alcohol and/or live music \$750, alcohol and/or live music over 200 people The City reserves the right to require additional security deposit limits at its discretion.	Facility Impact fee, non-refundable, per event based on group size: 100-200 participants: \$153 201 or more participants: \$306	
Event set-up: \$50 per hour Event breakdown: \$50 per hour Veteran’s Memorial Building stage use, set-up and breakdown: \$100 flat rate	Facility Attendant(s): \$16 per hour each Security Guard(s): \$31 per hour each (Required for events with alcohol and/or dancing) Unscheduled overtime: \$75 per hour	
Insurance: cost based on event size/type	Cancellations: 20% charge of invoiced costs	
PARK and OPEN SPACE RENTALS		
	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups

<p>Anchor Memorial Park Open Area Bayshore Bluffs Open Area Centennial Parkway Open Area City Park Open Area Cloisters Park Open Area General Open Area Monte Young Open Area Morro Rock Open Area Tidelands Park Open Area</p>	<p>Single Area: \$54 Rental Fee/Area Multi-Area, Entire Park, Multi-Day Event: \$107/Day + Rental Fee</p>	<p>Single Area: \$80 Rental Fee/Area Multi-Area, Entire Park, Multi-Day Event: \$160/Day + Rental Fee</p>
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Park and Open Space Rentals (continued)		
	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
City Park Basketball Courts Coleman Park Coleman Basketball Courts Del Mar Park Hillside or Meadow Del Mar Park Basketball Courts Del Mar Pickleball Courts Del Mar Tennis Courts Lila Keiser Park BBQ (Excluding Tournament Use) Monte Young Tennis Courts North Point Overlook	Single Area: \$54 Rental Fee/Area Multi-Area, Entire Park, Multi-Day Event: \$213/Day + Rental Fee Note: See courts/rink hourly rental charges below, which are in addition to area rental fee.	Single Area: \$80 Rental Fee/Area Multi-Area, Entire Park, Multi-Day Event: \$319/Day + Rental Fee
Lila Keiser Park Tournament Use (does not include field prep, or hourly use rates)	\$533	\$1,066
Public Special Event/Festival	\$533	\$1,066
HOURLY and PARK USE FEES		
	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
Giant Chessboard – Wooden Pieces	\$43	\$116
Giant Chessboard – Plastic Pieces	\$12	\$14
Basketball Courts, Pickleball Court & Tennis Court Hourly	\$7	\$8

HOURLY and PARK USE FEES (continued)		
Lila Keiser hourly field rental w/o lights	\$7	\$8
Lila Keiser hourly field rental w/ lights	\$19	\$21
Lila Keiser field preparation	\$30	\$33
City Park Banner Placement	\$107/wk	\$159/wk
ADDITIONAL FEES		
Processing Fee: \$10, non-refundable Public Special Event/Festival Processing Fee: \$30, non-refundable		
Security Deposit: \$50, Bounce House \$150, no alcohol or live music \$500, alcohol and/or live music \$500 Organized Sporting Event (tournaments) \$500 Public Special Event/Festival The City reserves the right to require additional security deposit limits at its discretion	Lila Keiser Support Services: \$27 per hour Insurance: cost based on event size/type Cancellations: 20% of invoiced costs	
MISCELLANEOUS PROPERTY USE		
	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
Recreation equipment rental, per bag Includes one: Horseshoes, Badminton, Volleyball, Bocce Ball	\$12	\$14
Skate Park - Per Hour (2 hour minimum)	\$115	\$172
Photography/Filming – Per Day	\$533	\$1,065
ADDITIONAL FEES		
Equipment Rental Deposit: \$50 Photography/Filming Deposit: \$1,000		

MORRO BAY TRANSIT AND TROLLEY

Morro Bay Transit - Fixed Route

Regular fare, per ride	\$1.50
Discount fare, per ride	\$0.75
Regular punch pass (11 rides for the price of 10)	\$15
Discount punch pass (11 rides for the price of 10)	\$7.50
Regular day pass	\$4
Discount day pass	\$2

Morro Bay Transit - Call-a-Ride:

Fare, per ride	\$2.50
Call-A-Ride punch pass (11 rides for the price of 10)	\$25

Morro Bay Trolley Fares (Ages 12 and up):

Per ride (Children, under 12 years old ride free, but must be accompanied by a fare-paying adult)	\$1
All day pass	\$3

Morro Bay Trolley Advertising:

Exterior Side of Trolley (approx. 36"x20") - with supplied sign	\$401
Exterior Side of Trolley (approx. 36"x20") - MB Community Foundation supplied sign	\$468
Exterior Rear of Trolley (approx. 24"x20") - with supplied sign	\$365
Exterior Rear of Trolley (approx. 24"x20") - MB Community Foundation supplied sign	\$401
Interior (approx. 26"x12") - with supplied sign	\$172
Interior (approx. 26"x12") - MB Community Foundation supplied sign	\$208

Morro Bay Trolley Rental Rates:

Hourly rate includes driver, fuel, cleaning, standby mechanic and administration, unless otherwise noted.

One day, within City Limits, per hour (2 hour minimum):

Transportation of passengers to and from one location to another or continuous loop with multiple stops; plus cost of fuel	\$114
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One day, outside City limits, per hour (3 hour minimum)

Transportation of passengers to and from one location to another or continuous loop with multiple stops; plus cost of fuel	\$114
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CITY OF MORRO BAY FEE SCHEDULE FOR THE FISCAL YEAR ~~2017~~2018/198

All fees adjust annually by either the December Consumer Price Index (CPI = ~~23.95~~%) or Construction Cost Index (ENR = ~~43.507~~%). The CPI used is for the San Francisco-Oakland-San Jose area.

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GENERAL FEES	
FEE NAME	ADOPTED FEE
Photocopies (unless otherwise defined)	\$0.40 per page \$0.70 per 11 x 17" page
Print material mailed	Cost of copying/printing and postage
Non-refundable appeal fee for non-land use administrative decisions	\$250-822 per appeal
Elections filing fee - Notice of intention to circulate petition; this amount is refundable under Elections Code Section 9202(b), with conditions	\$200

FINANCE	
FEE NAME	ADOPTED FEE
Budget document, per copy	Per page cost for photocopying
City audit document, per copy	Per page cost for photocopying
Master Fee Schedule	Per page cost for photocopying
Business Tax Schedule	Per page cost for photocopying
Returned check charge, per CA Civil Code Section 1719	\$25 for the first check \$35 for each subsequent check
UTILITY BILLING	
Water service application fee	\$28 29
Physical posting of shut-off notice at customer location	\$60.51 62.27
Refundable/transferable deposit - residential tenants only on signup (MC 13.04.220)	\$100
Deposit required for service termination for delinquent non-payment (residential tenants only, if a deposit has not previously been collected)	\$100
Reconnection (MC 13.040.310)	\$51 52.48

COMMUNITY DEVELOPMENT

BUILDING DIVISION

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FEE NAME	ADOPTED FEE
Valuation of from 0 - \$3,000 (including electrical service less than 600 amp, and minor plumbing alternatives)	\$9294
\$3,001 and up	.025 x total valuation as determined by the Building Official (50% submittal/50% at issuance)
Construction Operation After Hours	\$3536
Building Re-Address Processing	\$3435
Demo Commercial	\$500514
Demo Residential	\$300309
In-lieu Housing Fee (if unit not affordable housing) - per square foot	\$0. 3637
General Plan Maintenance	6% surcharge on all Building Permits
<u>I.T. Service Fee</u>	<u>.0075 x valuation</u>
SMIP Category I (Residential)	.00013 x valuation
SMIP Category II (Commercial)	.00028 x valuation
Unsafe Building repair, demolition or moving structure	Charged at cost
Inspection Fees - outside of normal work hours - per hour, 2 hour minimum	\$168173
Re-Inspection Fees - per hour	\$1295
Property condition report for Condominium Conversions (Review/Inspection)	\$2060
Inspection for which no fee is otherwise indicated - per hour, 1 hour minimum – Use for Certificate of Occupancy	\$1295

Additional Plan Review required by changes, additions, revisions to the approved plans - per hour, 1hour minimum	\$12 95
Use of outside consultants for special plan checking and inspection	Charged at cost + 25% Administration Fee
Permits – Change Ownership/Add Contractor	\$12 95
Permit Extension of Time	\$12 95
Residential Solar Permit 1kW to 15 kW	\$36 50
Residential Solar over 15kW	\$36 50 + \$15 per kW above 15kW
Commercial Solar Permit below 50kW	\$77 250
Commercial Solar Permit 50kW – 250kW	\$750-772 + 5\$ per kW above 50kW
SPECIAL INSPECTION & PLAN REVIEW FEES	
Penalty for commencing construction without permit(s). This is in addition to the standard building permit fees.	\$117-120 + 2 times the permit fee
Retrofit upon transfer of sale	\$38
DEVELOPMENT IMPACT FEES	
Building fees per square foot, including garages (enclosed spaces). Single family residential additions of 500 square feet or less are exempt. Water and Wastewater fees are additional. An increase in meter size resulting from the need to comply with the hydraulic demand associated with Fire Sprinklers is exempt.	
Residential, Single Family	\$5-754.43
Residential, Multi-family	\$9-137.10
<u>Accessory Dwelling Unit</u>	\$1.08
Non-residential, commercial	\$4-3750
Non-residential, office	\$3-0817
Non-residential, industrial	\$1-5863

Park fees for residential in-fill lots, per square foot	
Single-family	\$ 1.38133
Single-Family, Detached Accessory Structure	\$0. 343
Accessory Dwelling Unit	\$0. 343
Multi-family	\$2. 293
Public Facilities Fees, per square foot.	
Single-family residential:	
General Government	\$1. 3228
Police	\$0. 443
Parks	\$1. 384
Fire	\$0. 487
Storm Drain	\$0.06
Traffic	\$2. 0713

DEVELOPMENT IMPACT FEES (continued)	
Multi-family residential:	
General Government	\$2. 12 <u>18</u>
Police	\$0. 70 <u>72</u>
Parks	\$2. 23 <u>29</u>
Fire	\$0. 79 <u>81</u>
Storm Drain	\$0.07
Traffic	\$3. 22 <u>31</u>
Public Facilities Fees, per square foot	
Non-residential, commercial:	
General Government	\$0. 27 <u>28</u>
Police	\$0.07
Parks	\$0.02
Fire	\$0. 24 <u>25</u>
Storm Drain	\$0.04
Traffic	\$3. 73 <u>78</u>
Non-residential, office:	
General Government	\$0. 35 <u>36</u>
Police	\$0.09
Parks	\$0.02
Fire	\$0. 34 <u>35</u>
Storm Drain	\$0.04
Traffic	\$2. 24 <u>30</u>
Non-residential, industrial:	
General Government	\$0.10
Police	\$0.04
Parks	\$0.02
Fire	\$0.09

Public Facilities Fees, per square foot (continued)	
Storm Drain	\$0.04
Traffic	\$1. 29 33
PLANNING <u>DIVISION</u>	
Affordable Housing In-Lieu:	
Funding assistance application fee	\$ 602 620
Reasonable Accommodation (ADA) fee (no fee required if in conjunction with other discretionary permit)	\$ 471 20
Coastal Permits (may be billed at direct cost):	
Coastal Permit in combination with Conditional Use Permit	No fee
Coastal Permit (Administrative)	\$ 783 806
Regular CDP Without CUP - New single family and single family additions over 25%, Multiple Dwelling, Office, Commercial, Convention, Industrial & Institutional	\$5, 494 653
Additions between 10% and 25% to a Single Family Dwelling in Coastal Appeals area (Planning Commission)	\$2, 443 174
Emergency Permit (excluding required regular CDP)	\$ 706 726
Other administrative – Tree Removal, private	\$ 269 277
Environmental (may be billed at direct cost):	
Categorical Exemption	\$9 8 5
Negative Declaration	\$1, 534 575
Mitigated Negative Declaration If contracted = contract amount + 25% administrative fee	\$3, 736 844, if done in house or as a deposit for outside consultant
Filing Fee - for environmental document	\$200
Environmental Impact Report - Contract Amount + 25% administrative fee	\$5,000 deposit

Archaeology Research Fee – Santa Barbara Central Coast Information Services	\$100
Miscellaneous:	
Letter regarding land use confirmation or other research – per hour cost	\$9598
Development Agreement – charged at fully allocated hourly rates for all personnel involved, plus any outside costs	\$10,000 deposit
Applicant Requested Continuance	\$123127
Fine, in addition to permit fee	\$100 + two times the permit fee + plus \$50 per day – after notice.
Appeal of City decision, excluding Coastal Permits in the appeal jurisdiction – refundable if applicant prevails	\$277820
Copy of Planning Commission DVD	\$13
Street name/Rename Processing	\$448461
Conceptual Review Fee – Fee is credited toward any future discretionary permit application	\$1,5 4300
Notification fees:	
Planning Commission Hearing	\$317326
Administrative Permit Noticing	\$158163
Special Events	Actual staff cost
Sign Permits:	
Sign Permit	\$211217
Sign Exception (CUP)	\$951979
Pole Sign (CUP)	\$951979
Fines – Temporary, beyond time allowed by Ordinance – per day after notice given	\$5355
Fines – Permanently attached sign w/o permit – per day after notice	\$5355

Subdivisions: all Subdivisions may be billed at direct cost	
Tentative Parcel Map Application	\$6,867,066
Tentative Tract Map 0 to 10 lots, add \$100.00 per lot over 10 lots	\$6,867,066
Amendments to Existing Tract or Parcel Maps	\$3,169,261
Lot Line Adjustment	\$1,057,088
Certificate of compliance (legal determination) – initial fee covers up to 4 lots. Add \$250 per lot over 4 lots	\$2,070,130 + \$250 per lot for every lot over 4
Lot Mergers	\$1,057,088
Text Amendments & Annexations (May be billed at direct cost)	
Zone Ord. Changes/LCP - Minor (single section revisions/additions) - Major (multiple sections revised/added) If contracted – contract amount + 25% administrative fee. Fee amount becomes an initial deposit.	Minor = \$7,396,610 Major = \$10,565,871
Specific Plan (Billed as deposit with charges at the fully allocated hourly rates for all personnel involved + any outside costs). If contracted = cost + 25% administration fee. Fee amount becomes an initial deposit.	\$5,000 deposit
General Plan/Local Coastal Plan Amendment: - Minor (single section revisions/additions) - Major (multiple sections revised/added) If contracted – cost + 25% administrative fee. Fee amount becomes an initial deposit.	\$7,396,610 \$10,565,871
Annexations – Deposit to be determined by staff. Billed at fully allocated staff cost. If contracted – contract amount + 25% administrative fee.	\$5,355
Time Extensions	
Time extension for CUP, regular Coastal Permits and variance (Planning Commission)	\$951,979

Time Extensions for Tract Maps and Parcel Maps	\$951979
Time Extension - Administrative	\$264272
Use Permits	
<ul style="list-style-type: none"> - All use permits may be billed at direct cost at the discretion of the Community Development Manager and the scheduled fee would then be deemed as a deposit. - All Projects in the Planned Development Overlay require a Use Permit 	
Conditional Use Permit (CUP)	\$5,494653
CUP Concept Plan	\$8,452697
CUP Precise Plan	\$3,169261
CUP Combined Concept/Precise Plan	\$8,452697
Conditional Use Permit for an SFR addition of 25% or less of the existing floor area. (appeals area only)	\$2,113174
One SFR in a Planned Development Zone or Bluff Area	\$1,5856315
Occupancy Change in Commercial/Industrial Zones	\$846871
Additions to non-conforming structures, not adding units or new uses	\$2,070130
Minor Use Permit (Residential & Industrial Uses)	\$602619
Temporary Use Permit – Longer than 10 days	\$1,057088
Outdoor display and sales and outdoor dining	\$960988
Administrative Temporary Use Permit – 7 consecutive days or 10 non-consecutive days	\$158163
Amendments to Existing Permits (Planning Commission)	\$2,747827
Major modification while processing	\$1,625672
Minor amendments to existing permits (Administrative)	\$205211
Special Use Permit (Minor – PC Review)	\$2,113174
Special Use Permit (Major – PC Review)	\$5,494653

Variations	
Variance	\$2, 113 <u>174</u>
Variance processed with other permits	\$ 807 <u>830</u>
Minor Variance	\$ 444 <u>457</u>
Parking Exception (will always be accompanied by a Conditional Use Permit, Minor Use Permit or Coastal Development Permit)	\$ 207 <u>213</u>
Laserfiche Applies to all Planning and Building Permits	
Laserfiche of planning and building documents, including scanning and storage. Fee based on plan set pages only.	\$15 for first page of plan set, and \$7 for each additional page.

PUBLIC WORKS	
FEE NAME	AMOUNT
IMPACT FEES	
Water Impact fee (Capacity Credit is given for existing meter) Based on Water & Wastewater Impact Fee Update, Bartle Wells Associates, 3/17/15	
Less than 1-inch meter	\$5, 392 <u>581</u>
1 inch meter	\$7, 234 <u>487</u>
1-1/2 inch meter	\$14, 466 <u>972</u>
2 inch meter	\$23, 146 <u>956</u>
3 inch meter	\$ 43,399 <u>44,918</u>
Wastewater fee (Capacity Credit is given based on existing water meter size) Based on Water & Wastewater Impact Fee Update, Bartle Wells Associates, 3/17/15	
Less than 1-inch meter	\$5, 445 <u>636</u>
1 inch meter	\$7, 260 <u>7,514</u>
1-1/2 inch meter	\$14, 553 <u>15,062</u>
2 inch meter	\$ 23,234 <u>24,047</u>
3 inch meter	\$ 43,563 <u>45,087</u>
PLANNING AND ENGINEERING DEVELOPMENT REVIEW FEES	
Flood Hazard Development Permit (MC 14.72.040) - time and materials costs may be added to minimum, when actual cost exceeds the minimum fee (PW):	
Permit, minimum fee	\$ 212 <u>219</u>
Flood plain letter	\$ 106 <u>110</u>
City Engineer Map Review Fees Subdivisions - (PW):	
Final Map - Tract, minimum fee (MC 16.24.040J)	\$ 4,992 <u>5,167</u>
Final Map – Tract, Per lot for every lot over 4 lots	\$ 131 <u>136</u>
Final Parcel Maps	\$ 4,992 <u>5,167</u>

Final Maps Amendment Review, minimum fee	\$1,136 <u>1,176</u>
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**Public Improvement Plans
Inspections/Plan Review - time and materials costs may be added to minimum,
when actual cost exceeds the minimum fee:**

Public/Subdivision Improvement Plan Check, and Inspection as a Percentage of the Engineer's estimate for Subdivision Improvements	5 - Percent
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Abandonment Process:

Street/R-O-W Abandonment Process	\$6,144 <u>359</u>
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Encroachment Permits (MC 13.16.140) - time and materials costs may be added to minimum, when actual cost exceeds the minimum fee (PW):

Regular – Surface Improvements	\$194 <u>201</u>
Regular – Underground Improvements	\$425 <u>440</u>
Special - Private Encrachsments into the Public R/W, Landscaping plant materials and exempt.	\$1,490 <u>542</u>
Traffic Control Plan Review, in Addition to Encroachment Permit.	\$110 <u>114</u>
Annual Utility Encroachment Permit	\$1,857 <u>922</u>
Wide Load Permit with Traffic Control Plans - Per Year (Set by State of California)	\$90
Wide Load Permit with Traffic Control Plans - One Time (Set by State of California)	\$16

Street & Sidewalks:

Exception Application Exception Application (Sidewalk Deferral)	\$178 <u>184</u>
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PLANNING AND ENGINEERING DEVELOPMENT REVIEW FEES

Storm Water Fees (PW):

**Single Family;
Other than Single Family (per 6,000 square foot lot area, or fraction thereof):**

Planning review of preliminary stormwater plan	\$159 <u>165</u>
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Building permit review of stormwater plan	\$208 <u>215</u>
Inspection of stormwater facility/erosion control	\$44 <u>115</u>
Trees (PW):	
Removal Permit (to trim, brace or remove, MC 12.08.110)	\$287 <u>297</u>

WATER	
Water Service:	
Application (MC 13.04.07)	\$27 <u>0229</u>
Connection - Outside City), only by Council Resolution (MC 13.04.100)	2 x Fee
Meter Installations/Connections:	
3/4 inch Meter/Service (Only installed where Fire sprinklers are not required)	\$1,512 <u>565</u>
1 inch meter Meter/Service	\$2,028 <u>099</u>
1" Meter/1-1/2" Service (for residential fire sprinklers)	\$2,566 <u>656</u>
1" Meter/2" Service (for residential fire sprinklers)	\$3,211 <u>323</u>
1-1/2" inch meter and above	T&M (\$3,500 <u>625</u> deposit)
Meter Box Installation	\$244 <u>253</u>
Water Meter Re-Read	\$51 <u>53</u>
Reconnection (MC 13.04.310)	\$51 <u>53</u>
After - Hours Water Meter Turn Off/On	\$218 <u>226</u>

"Drop in" meter fee, up to 2 inches	0.75 x Reg Meter Fee
Relocation of water meter for customer convenience	0.5 x Reg Meter Fee
Water meter lock and any other damage. Subject to Police investigation and potential prosecution for theft of water and tampering with City Property	T&M (\$51 -53 minimum)

Meter Installations/Connections (continued):	
Water Meter Testing (Remove, test and replace meter); fee refunded if meter test indicates an overage of greater than 2%	\$159 165
Water Equivalency Unit (WEU) "In-Lieu" Fee - per WEU required . In-lieu fee is an alternative for an applicant that does not provide the WEU offset, as required and set by Council Resolution	2 x \$3,139/WEU required = \$6,278
Fire Hydrants/Non-Potable - Meter Installation and Removal for Contractor Use (MC 13.04.360):	\$51 53 Installation; \$51 53 Removal
Hydrant Meter Rental, per day plus cost of water at current rate structure.	\$5 + \$1,500 Refundable Deposit, <u>will be read and billed on a monthly basis</u>
Certificate of Compliance – Water Retrofit	\$27 28
Water Service Refundable Deposit - residential tenants only	\$100 104
WASTEWATER	
Connection Permit - This is in addition to an Encroachment Permit.	\$85 88
Discharge Fee - Recreational Vehicles and Campers	\$25 26 + 0.25/gal or fraction there of
Discharge Fee - Tank Trucks and Commercial per truck, for gallon. No septage allowed	\$100 104 + \$0.25/gal or fraction there of
Raising Manhole to Grade	T&M (\$750 776 min)
Sewage Spill Cleanup - cost of providing service Sewage spill clean up	T&M (\$750 776 min)
OTHER FEES	
Dedication 15 Gallon Tree and Plaque	\$250 525
Dedication Park Bench and <u>1</u> Plaque <u>Space</u>	\$450 545
Dedication Park Whole Bench <u>at Tidelands Park or Cloisters Park and with 3</u> Plaque <u>Spaces</u>	\$900 1,632
Other Park Amenity Dedication	To Be Determined on an individual basis

POLICE SERVICES	
FEE NAME	ADOPTED FEE
Permits and Licenses:	
Tow/Taxi Service Provider Application Fee	\$654673
Taxi Operator Permit Application Fee	\$416428
Taxi Operator Permit Application Renewal Fee	\$6971
Second Hand Dealer Permit - City Application Fee (does not include Department of Justice fee) (MBMC 5.40.330)	\$348358
Second Hand Dealer Permit renewal - City Application Fee (does not include Department of Justice fee) (MBMC 5.40.330)	\$173178
Massage Therapist/Parlor Permit Application Fee (MBMC 5.40.330)	\$145149
Support Services Activity:	
Digital Photo Reproduction to CD - per hour, 1 hour minimum	\$5860
Audio/Video Tape Reproduction - per hour, 1 hour minimum	\$5860
Record Searches/Reviews/Clearance/Responses - per hour, 1 hour minimum	\$5860
Officer Activity:	
Equipment Citation Sign Off	\$17
Vehicle Impound Fee Administrative Costs (CVD 22850.5)	\$173178
Abandoned Vehicle Removal (junk vehicles/parts)	\$348358
Other Police Services:	
Firearms-seizure/storage (PC 33880)	\$5860

State Mandated Costs	
Concealed Weapons Permit (does not include DOJ or other fees (PC25455))	\$116 <u>119</u>
Renewal of Concealed Weapons Permit (does not include cost of ID card)	\$28 <u>29</u>
Subpoena Duces Tecum (does not include costs of report, etc) (EC 1563(b)(1))	\$17
Delinquent Parking Citation Copy (VC 40206.5)	\$2
Repossessed Vehicle (GC 41612)	\$17
Booking Fees (current cost-cost is dependent on charges by County) (GC 53150) & (GC 29550.1)	\$126 <u>130</u>
Live scan Fingerprint Fees (PC 13300(e))	\$23 <u>2</u>
Criminal History Review (PC13322)	\$29 <u>8</u>
Cost Recovery:	
DUI Emergency Response (MBMC 3.40.030)	Actual Cost
False Alarm Response (after 3 rd false alarm in a year) (MBMC 9.22.020)	\$239 <u>2</u>

FIRE	
FEE NAME	ADOPTED FEE
Permits:	
Permit Inspection Fees:	
Any single permit identified in Title 24 CFC and not specifically addressed in the Master Fee Schedule	\$146
Any combination of permits shall not exceed	\$438
Special Occurrence or Use Permit (equipment & personnel charges additional)	\$146
Special Permits:	
Marine Welding Permit: Vessel, Pier, Wharf, Waterfront	\$73
Aircraft Landing Permit, per occurrence (required Fire standby equipment & personnel charges additional)	\$146
Equipment & Personnel Charges:	
Engine or Truck: per hour, per vehicle (personnel charges additional)	\$129
Squad/Rescue: per hour, per vehicle (personnel charges additional)	\$94
Utility/Command Vehicle: per hour, per vehicle (personnel charges additional)	\$45
Personnel charges	Per hour, per person - 2 hour minimum, unless otherwise specified, at current productive hourly rate

Plan Review Fees:	
Fire Plan Concept Review	Personnel charges, as specified in Equipment and Personnel Charges
Plan Review	0.9% of total valuation plus use of outside consultant for Plan Review & Inspection is based on actual cost plus \$67 fee
Additional Plan Review required by changes, additions or revisions to approved plans	Personnel charges, as specified in Equipment & Personnel Charges, on an hourly basis, plus actual cost of outside consultant for Plan Review
Fire Protection:	
System & Equipment Fees:	
Fire Sprinkler System Installation Inspection - (above ground):	
Residential	\$146 + \$0.55 per head
Commercial	\$219 + \$0.55 per head
Commercial projects or tenant improvements under 1,000 sq. ft.	\$146 + \$0.55 per head
Underground water line inspection	\$146
Fire Alarm System Installation Inspection:	
0 - 15 devices	\$146
16 - 50 devices	\$219
51 - 100 devices	\$292
101 - 500 devices	\$365
501 and up	\$365 + \$292 for each additional 100 devices or portion thereof
Specialized Fire Protection System Inspection, e.g., Halon, Dry Chemical Commercial Kitchen Hood System	\$146
Flammable or Combustible Tank Installation Inspection	\$73
On-site Hydrant System Installation Inspection	\$146
Use of Outside Consultants for Plan Review & and/or Inspection	\$146 + actual cost
Request for Building Fire Flow Calculations	\$73
Request for Hydrant Flow Information	\$73

Fire Protection (continued):	
Request for Hydrant Flow Test	\$73 fee plus personnel & equipment as specified in Personnel and Equipment Charges, 1 hr min
Engine company business inspection:	
1st and 2nd inspections	No charge
3rd and subsequent inspections	\$219
Fire Prevention:	
New and annual business/facility inspection fees:	
1st and 2nd inspections	No charge
3rd and subsequent inspections	\$146
Administrative citation for failure to correct a violation shall be charged per 1.03.050 of the Municipal Code	\$146
Administrative citation for second violation of the same ordinance in the same year shall be charged per 1.03.050 of the Municipal Code	\$292
Administrative citation for third and each additional violation of the same ordinance in the same year shall be charged per 1.03.050 of the Municipal Code	\$584
Annual weed and hazard abatement inspection fees:	
1st inspection for compliance	No charge
2nd and subsequent inspections	\$146
Administrative citation for failure to correct a violation shall be charged per 1.03.050 of the Municipal Code	\$146
Administrative citation for second violation of the same ordinance in the same year shall be charged per 1.03.050 of the Municipal Code	\$292
Administrative citation for third and each additional violation of the same ordinance in the same year shall be charged per 1.03.050 of the Municipal Code	\$584

Incident Response Fees:	
Hazardous Material/Chemical Incident	No charge first half-hour (excluding negligent/intentional acts) Each additional hour, or fraction thereof, will be charged as specified in the Personnel and Equipment Charges plus the cost of any materials and contract services used
Negligent Incidents	Response due to negligent/malicious act (e.g., DUI traffic accident, climber on Morro Rock, incendiary fire, negligent hazardous material incident, negligent confined space incident, etc.) Two hour minimum to be charged as specified by Personnel & Equipment Charges plus any material costs and contract services used.
Excessive or Malicious False Alarms	Emergency response due to "Failure to Notify" when working on or testing fire/alarm system 0.5 hours minimum to be charged as specified by Personnel & Equipment Charges.
Malicious False Alarms	.5 hour minimum to be charged as specified by Personnel & Equipment Charges plus any material costs.
Alarm system malfunction resulting in 2 in 30 days or 3 in 12 months	Charged as specified by Personnel & Equipment Charges plus any material costs
Other Fire Services:	
Copy of response report, per report	\$28
Additional copies, per page	See General Fees for copy charges
Cause & Origin investigation reports, per report	\$116
Non-renewal of required annual permit	Charge double permit fee rate
Failure to obtain permit	Charge double permit fee rate
Missed site inspection appointment	\$73
Failure to meet permit requirements/requiring re-inspection	\$73

Permits - California Fire Code:	
See operational and construction permits identified in the California Fire Code, Section 105	
Special Occurrence or Use Permit includes 1 inspection	
Plan Review Fees:	
Plan Review Fees	Total valuation to recover the cost of providing service
Use of outside consultant for Plan Review and/or Inspection	\$73 plus actual cost of consultant
All Plan Review Fees shown are minimum amounts, based on average processing. Large or complex projects may be subject to increased fees based upon time, costs, or equipment costs as shown per Equipment & Personnel Charges.	

HARBOR DEPARTMENT

1. All fees are due in advance. At the Harbor Department's discretion, billing in arrears for qualified and registered vessels with current account status may be allowed.

2. Any account past due over 10 days will be charged a \$35 late fee on a monthly basis. Accounts are due and payable by the 10th of every month.

VESSEL FEES

1. All vessel fees based on the length of the vessel or the length of the slip, whichever is greater, with a 36-foot minimum.

2. The Harbor Director may waive dockage fees for "tall ships" visiting Morro Bay Harbor for any period less than 30 days with written notice.

3. Transient Slip fees will be charged by the day or by the month, whichever is less.

4. Transient Slip monthly subleases shall be limited to 3 months in any slip as long as there are vessels appropriate to the slip size on the sublease waiting list.

5. Floating Dock and Anchorage stay limited to 30 days in any 6 month period.

6. A 10% discount is available for assigned Commercial Fishing Vessel slips when paid one full year in advance during the first month of the fiscal year after adoption of the Master Fee Schedule for that fiscal year.

Commercial Fishing Slips – monthly rate per foot	\$4.975 <u>10</u>
Commercial Fishing Slip Waiting List Deposit	\$435
Head Float Berth – monthly rate	\$199 <u>205</u>
Transient Slips – monthly sublease rate per foot	\$8.92 <u>10</u>
Transient Slips – daily rate per foot	\$1.24 <u>1</u>
T-Piers – daily rate per foot	\$0.28 <u>30</u>
Floating Dock	\$0.28 <u>30</u>
A1-5 Anchorage Area – first 5 days	\$0.00
A1-5 Anchorage Area – daily rate/foot over 5 days	\$0.23 <u>25</u>

Vessel Fees (continued)	
Temporary Moorage – large vessels or equipment requiring special accommodation – daily rate	\$177 <u>182</u>
<u>Impound Fee</u>	<u>\$213</u>
Impounded Vessels – daily storage monthly rate per foot, minimum monthly increments	\$ \$12.50
MOORING FEES	
<p>1. A 10% discount is available for Private and City mooring fees when paid one full year in advance during the first month of the fiscal year after adoption of the Master Fee Schedule for that fiscal year.</p> <p>2. Guest Mooring stay limited to 30 days in any 6 month period <u>without prior approval of the Harbor Department.</u></p>	
City Moorings – monthly rate	\$251.5 <u>260</u>
Private Moorings – monthly rate	\$87.04 <u>90</u>
Guest Moorings – daily rate per foot	\$0. 28 <u>30</u>
Mooring Ownership Transfer – private moorings	\$1, 471 <u>205</u>
SERVICE FEES	
<p>1. South T-Pier Hoist may only be used for fish unloading in certain cases; see Harbor Department Rules and Regulations.</p> <p>2. Dry Storage fee for use of each designated approximate 9-foot by 20-foot space, <u>minimum monthly increments.</u></p>	
T-Pier Electrical – daily rate	\$2. 75 <u>85</u>
South T-Pier Hoist – rate per use	\$14.96 <u>15.40</u>
South T-Pier Hoist Fish Unloading – per hour	\$78.37 <u>80.50</u>
Wharfage – rate per ton	\$0.97 <u>1.05</u>
Loaned Electric Cord or Adaptor Replacement	\$170.78 <u>175</u>
Dry Storage – daily monthly rate	\$3.05 <u>97</u>

LIVEBOARD FEES

1. Liveboard permits are valid for 2 fiscal years. Any Liveboard application, submitted during the period January 1 through June 30, is valid only for that fiscal year and the following fiscal year, but will be prorated by reducing the Liveboard application fee, stated herein, by 25%. Any Liveboard application, submitted July 1 through December 31, will not be prorated.

2. Liveboard Permit Inspections may be conducted by the Harbor Patrol or by a qualified Marine Surveyor acceptable to the City.

Liveboard Permit Administration - biennial	\$170.78 <u>184</u>
Liveboard Permit Inspection – biennial (if done by Harbor Patrol)	\$85.45 <u>88</u>
Service Fee, Moorings - monthly	\$16.91 <u>17.40</u>
Service Fee, City Slips - monthly	\$34.83 <u>35.80</u>

VESSEL ASSISTANCE FEES EQUIPMENT & PERSONNEL CHARGES

1. Vessels requiring non-emergency assistance more than once in any ~~6~~12-month period may be charged at the rates established herein.

2. Officers and vessels charged on an hourly basis with a ~~2~~1-hour minimum.

3. Officers and vehicles charged on an hourly basis with a 1-hour minimum.

One Patrol Officer + Patrol Vessel – per hour	\$207 <u>213</u>
Each Additional Patrol Officer – per hour	\$85.45 <u>88</u>
<u>One Patrol Officer + Vehicle – per hour</u>	<u>\$130</u>
<u>Lifeguard</u>	<u>\$25</u>

LAUNCH RAMP PARKING FEES

1. Launch Ramp Parking fees apply to the extended yellow-striped truck and trailer parking spaces at the Launch Ramp parking lot and Tidelands Park.

2. Annual Parking Permits are valid for one calendar year and may be prorated to the nearest month.

Daily (or any part thereof)	\$5
Annual Permit	\$110 <u>115</u>
Failure to Pay Established Fee	\$58 <u>60</u>

Failure to Visibly Display Receipt

§5860

LEASE ADMINISTRATION FEES	
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Master Lease Approval	\$ 2,136 <u>200</u>
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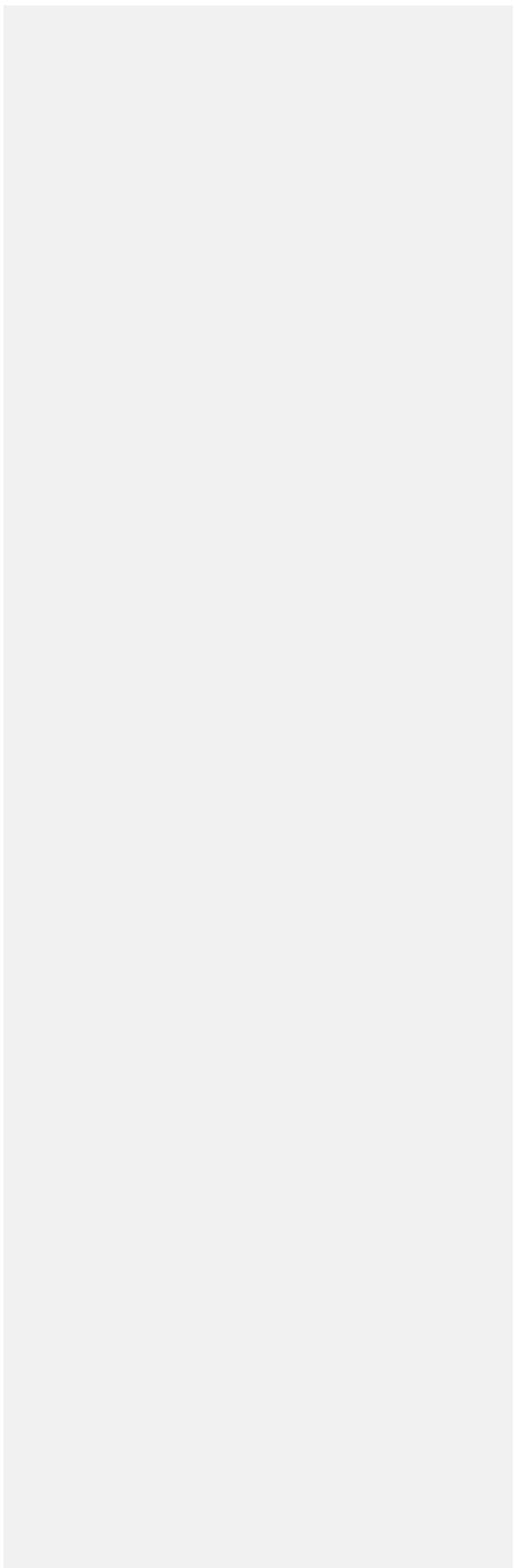
Actions Requiring City Council Approval	\$ 681 <u>700</u>
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Actions Requiring Administrative Approval	\$ 257 <u>265</u>
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RECREATION		
FACILITY RENTALS:		
COMMUNITY CENTER		
	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
Auditorium – Per Hour	\$8082	\$118121
Auditorium, one-half – Per Hour	\$4950	\$7072
Multi-Purpose Room – Per Hour	\$4445	\$6567
Lounge – Per Hour	\$3536	\$5354
Studio – Per Hour	\$2728	\$4041
Kitchen – Per Hour Note: Kitchen only rentals permitted Monday – Friday; weekend rentals must be combined with room rental.	\$2122	\$2627
Kitchen – 8 Hours	\$106109	\$132136
VETERAN'S MEMORIAL BUILDING		
	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
Assembly, w/o kitchen – Per Hour	\$3536	\$4748
Complete, w/o kitchen – Per Hour	\$4041	\$55354
Meeting, w/o kitchen – Per Hour	\$2930	\$3940
Kitchen & barbeque – Per Hour Note: Kitchen only rentals permitted Monday – Friday; weekend rentals must be combined with room rental.	\$2122	\$2627
Kitchen – 8 hours	\$106109	\$132136

RECREATION FACILITY RENTALS (continued)		
TEEN CENTER		
	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
Up to 20 participants; 3 hours Per hour – up to 50 participants, includes one staff	\$32075	\$32075
21-30 participants; 3 hours Per hour - over 50 participants, includes two staff	\$42690	\$42690
31-40 participants; 3 hours (maximum = 40 participants)	-\$478	-\$478
ADDITIONAL FEES		
Processing Fee: \$10, non-refundable Public Special Event/Festival Processing Fee: \$30, non-refundable		
Security Deposit: \$150, no alcohol or live music \$500, alcohol and/or live music \$750, alcohol and/or live music over 200 people The City reserves the right to require additional security deposit limits at its discretion.	Janitorial Facility Impact fee, non-refundable, per event based on group size: 100-200 participants: \$1149153 201 or more participants: \$298306	
Event set-up: \$50 per hour Event breakdown: \$50 per hour Veteran's Memorial Building stage use, set-up and breakdown: \$100 flat rate	Facility Attendant(s): \$15 per 16 per hour each Security Guard(s): \$30 per 31 per hour each (Required for events with alcohol and/or dancing) Unscheduled overtime: \$75 per hour	
Insurance: cost based on event size/type	Cancellations: 20% charge of invoiced costs	
PARK and OPEN SPACE RENTALS		
	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups

<p>Anchor Memorial Park Open Area Bayshore Bluffs Open Area Centennial Parkway Open Area City Park Open Area Cloisters Park Open Area General Open Area Monte Young Open Area Morro Rock Open Area Tidelands Park Open Area</p>	<p>Single Area: \$52-54 Rental Fee/Area Multi-Area, Entire Park, Multi-Day Event: \$104<u>107</u>/Day + Rental Fee</p>	<p>Single Area: \$78-80 Rental Fee/Area Multi-Area, Entire Park, Multi-Day Event: \$155<u>160</u>/Day + Rental Fee</p>
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Park and Open Space Rentals (continued)		
	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
City Park Basketball Courts Coleman Park Coleman Basketball Courts Del Mar Park Hillside or Meadow Del Mar Park Basketball Courts Del Mar Roller Hockey Rink Pickleball Courts Del Mar Tennis Courts Lila Keiser Park BBQ (Excluding Tournament Use) Monte Young Tennis Courts North Point Overlook	Single Area: \$52-54 Rental Fee/Area Multi-Area, Entire Park, Multi-Day Event: \$207213/Day + Rental Fee Note: See courts/rink hourly rental charges below, which are in addition to area rental fee.	Single Area: \$78-80 Rental Fee/Area Multi-Area, Entire Park, Multi-Day Event: \$310319/Day + Rental Fee
Lila Keiser Park Tournament Use (does not include field prep, or hourly use rates)	\$518533	\$1,0351,066
Public Special Event/Festival	\$518533	\$1,035066
HOURLY and PARK USE FEES		
	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
Giant Chessboard – Wooden Pieces	\$4243	\$113116
Giant Chessboard – Plastic Pieces	\$112	\$1314
Roller Hockey Rink, Basketball Courts, Pickleball Court & Tennis Court Hourly	\$67	\$78

HOURLY and PARK USE FEES (continued)		
Lila Keiser hourly field rental w/o lights	\$67	\$78
Lila Keiser hourly field rental w/ lights	\$1819	\$2021
Lila Keiser field preparation	\$2930	\$3233
City Park Banner Placement	\$104107/wk	\$155159/wk
ADDITIONAL FEES		
Processing Fee: \$810 , non-refundable Public Special Event/Festival Processing Fee: \$30, non-refundable		
Security Deposit: \$50, Bounce House \$150, no alcohol or live music \$500, alcohol and/or live music \$500 Organized Sporting Event (tournaments) \$500 Public Special Event/Festival The City reserves the right to require additional security deposit limits at its discretion	Lila Keiser Support Services: \$26 per 27 per hour Insurance: cost based on event size/type Cancellations: 20% of invoiced costs	
MISCELLANEOUS PROPERTY USE		
	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
Recreation equipment rental, per bag Includes one: Horseshoes, Badminton, Volleyball, Bocce Ball	\$412	\$1314
Skate Park - Per Hour (2 hour minimum)	\$42115	\$167172
Photography/Filming – Per Day	\$518533	\$1,035065
ADDITIONAL FEES		
Equipment Rental Deposit: \$50 Photography/Filming Deposit: \$1,000		

MORRO BAY TRANSIT AND TROLLEY	
Morro Bay Transit - Fixed Route	
Regular fare, per ride	\$1.50
Discount fare, per ride	\$0.75
Regular punch pass (11 rides for the price of 10)	\$15
Discount punch pass (11 rides for the price of 10)	\$7.50
Regular day pass	\$4
Discount day pass	\$2
Morro Bay Transit - Call-a-Ride:	
Fare, per ride	\$2.50
Call-A-Ride punch pass (11 rides for the price of 10)	\$25
Morro Bay Trolley Fares (Ages 12 and up):	
Per ride (Children, under 12 years old ride free, but must be accompanied by a fare-paying adult)	\$1
All day pass	\$3
Morro Bay Trolley Advertising:	
Exterior Side of Trolley (approx. 36"x20") - with supplied sign	\$300 <u>401</u>
Exterior Side of Trolley (approx. 36"x20") - MB Community Foundation supplied sign	\$455 <u>468</u>
Exterior Rear of Trolley (approx. 24"x20") - with supplied sign	\$355 <u>365</u>
Exterior Rear of Trolley (approx. 24"x20") - MB Community Foundation supplied sign	\$300 <u>401</u>
Interior (approx. 26"x12") - with supplied sign	\$167 <u>172</u>
Interior (approx. 26"x12") - MB Community Foundation supplied sign	\$198 <u>208</u>

Morro Bay Trolley Rental Rates:

Hourly rate includes driver, fuel, cleaning, standby mechanic and administration, unless otherwise noted.

One day, within City Limits, per hour (2 hour minimum):

Transportation of passengers to and from one location to another or continuous loop with multiple stops; plus cost of fuel

~~\$\$\$~~114

One day, outside City limits, per hour (3 hour minimum)

Transportation of passengers to and from one location to another or continuous loop with multiple stops; plus cost of fuel

~~\$\$\$~~114

CITY OF MORRO BAY

REQUEST FOR PROPOSAL (RFP)

FOR

**Comprehensive Fee Study and Full Cost
Allocation Plan**



PROPOSALS MAY BE
MAILED OR DELIVERED IN
PERSON TO THE
CITY OF MORRO BAY
Attn: Jennifer Callaway
AT 595 Harbor Street, Morro Bay, CA 93442

RFP RELEASE DATE: Tentatively April 12, 2018

PROPOSALS MUST BE RECEIVED BY 4:00
P.M. (Verizon Time) ON THE DATE INDICATED
BELOW:
May 11, 2018

CITY OF MORRO BAY
COMPREHENSIVE FEE SCHEDULE AND FULL COST ALLOCATION PLAN
REQUEST FOR PROPOSALS

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INTRODUCTION

The City of Morro Bay (City) is requesting sealed proposals for a Comprehensive Fee Study and Full Cost Allocation Plan. All proposals must be received by the City, no later than 4:00 pm on Friday, May 11, 2018. Late proposals will not be considered. The original signed proposal and six (6) duplicates are to be submitted in sealed packages with the name of the Consultant and Proposal for Comprehensive Fee Study and Cost Allocation Plan clearly marked on the outside of the package.

Proposal must be responsive to the City's request. The City shall determine the most responsive and qualified consultant providing the best service at the most reasonable cost. Cost alone shall not be the determinative factor.

The request for proposals does not obligate the City to award a contract or complete the project and the City reserves the right to cancel the solicitation if deemed in its best interest. There is no expressed or implied obligation for the City to reimburse respondents for any expenses incurred in preparing proposals in response to this Request for Proposals (RFP), including any expenses incurred due to participation in this RFP process.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that firm is ultimately selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the subsequent contract between the City and the firm selected.

The City wishes to negotiate a fixed price contract with a "not to exceed" dollar total based on a clearly defined scope of work.

BACKGROUND

The City of Morro Bay, population 10,762, is nestled on the Central Coast of California and is a prime hub City at the crossroads of Highway 1 and Highway 41. Just 12 miles north of San Luis Obispo.

The City is a general-law City that operates under a Council-Manager form of government, with a five-member City Council comprised of four Council Members elected at large with overlapping terms of four years and a Mayor elected at Large for a term of two years. The City Council appoints the City Manager and City Attorney. The City is divided into departments that provide a full range of municipal services, including police, fire, public works, community development, administration, Harbor, Water, Sewer and operates a Wastewater Treatment Plant. Information regarding the City and its organization, such as governmental structure, services provided, the Current Operating and Capital Budgets, Annual Financial Reports, and the most recent Comprehensive Fee Schedule, is available on the City website at www.morrobayca.gov

In 2018 the City Council of the City of Morro Bay affirmed the City's Goals. City Goal #1 is Financial Sustainability and Economic Sustainability, item d – "Evaluate opportunities for new or expanded revenue sources including, but not limited to, paid parking, other tax measures and a review of City fees"

Keeping the City's Goal of Financial Sustainability and Economic Sustainability in mind, the purpose of the requested study is to ensure the City utilizes overhead rates that accurately account for the true cost of providing various services, and to assess appropriate fees and rates that will allow the City to recover the actual costs incurred for fee and impact related services.

The last Cost Allocation Plan Update was completed in 2009 and the last Fee Study update was completed in 2006/07.

The City requests proposers submit an additional optional "add-on" proposal and cost to include a Development Impact Fee analysis. This "add-on" option should be clearly labeled as Option A – Development Impact Fee Study and include the required components as outlined later in this RFP.

OBJECTIVE

The objective of the RFP is to receive proposals for a Comprehensive User Fee Study and Full Cost Allocation Plan that includes reviewing and updating all fees and charges for services, recommending additional fees, providing a full cost allocation plan for every department of the City with overhead calculations for cost recovery. Additionally, consultants are invited to provide an "add-on" proposal to review and recommend revisions to Development Impact Fees.

Comprehensive User Fee Study

The City is seeking to evaluate all cost of services provided and examine whether a reasonable relationship exists between the cost of providing services and current service fees, while ensuring compliance with Proposition 26, Proposition 218, and other applicable statutory requirements. The City desires to undertake a comprehensive citywide review and evaluation of user fee and rate charges resulting in a cost-based user fee study. The Comprehensive Fee Study will calculate the full 100% cost of providing certain City services and provide a recommended fee to be charged for each applicable service. The firm shall recommend cost recovery strategies and identify best practices in establishing user fees. These strategies should take into consideration the complexities and demands of each department and program. The selected firm will provide thorough analysis, development of fee models and recommendations including, identifying and recommending new fees and revenue sources. It is the City's goal to have a well-documented and legally-defensible cost of service plan that will identify rates that will be used to recover billable costs for services and develop user fees that comply with Proposition 26, Proposition 218

and other applicable statutory requirements. A survey comparison of rates and fees with similar cities is required.

Full Cost Allocation Plan

The purpose of this project is to ensure that the City of Morro Bay has a basis of applying comprehensive overhead rates and is accurately accounting for the true cost of providing various services by department. A Cost Allocation Plan allocates all direct and indirect costs between funds, as appropriate. Additionally, best practices, accounting standards and EMB 2 CFR part 225 make it necessary for the City to maintain a well-documented cost allocation plan to appropriately allocate general and administrative costs in its budget; properly identify overhead rates that can be used in the calculation of billable hourly rates for federal and state grants, user fees, and reimbursements from other governmental agencies. The results from the Cost Allocation Plan shall be used to develop the Comprehensive Fee Study.

Option A – Development Impact Fee Study

The City has several development impact fees, with a fee study most recently updated in 2006/07 and increased annually based on the ENR Construction Cost Index. The City's current development impact fees are available as part of the City's FY 2017/18 Comprehensive Fee Schedule which can be found at <http://morrobayca.gov/DocumentCenter/View/10853>. In addition, the City has several planning documents that may be helpful in developing the impact fee study:

- General Plan
- Zoning Ordinance
- Comprehensive Fee Schedule – FY 2017/18

The City's impact fee program must comply with the Mitigation Fee Act (California Government Code Section 66000 et seq., also known as Assembly Bill 1600). Should the City elect to retain the additional service of conducting a Development Impact Fee Study, the study shall provide sufficient information and the necessary findings to help the City determine the development impact fees based on the proposed infrastructure requirements to support the City's General Plan growth projections and the City's Capital Improvement Plan. The consultant is expected to work with City staff to determine other supporting infrastructure (i.e. equipment, vehicles, etc.) or other operational services that could rightfully be included in the fee program to ensure the costs of such supporting infrastructure are paid by development. The City would also like feedback from the consultant on recommended best practices to help ensure better collections.

PROJECT SCHEDULE

Below is the desired schedule for initiation of this project; however, dates may be subject to change and adjusted as necessary.

RFP Issued	April 12, 2018
Request for Clarifications due	April 20, 2018
Clarification Responses Provided	April 23, 2018
Proposal Submittal Deadline	May 11, 2018
Oral Interviews (conducted at City discretion)	May 28, 2018 (week of)
Contract awarded by City Council	June 26, 2018

SCOPE OF SERVICES

There is a separate scope of work for each of the studies. Project tasks shall include, but are not necessarily limited to, the following described below. If the firm feels that additional tasks are warranted, they must be clearly identified in the firm's proposal. Firms responding to this RFP shall be prepared to deliver services and perform the work necessary to provide the services within six months after initiation of the project. The City would like to have the study complete by December 31, 2018 for presentation to the City Council in February 2019 and incorporation into the FY 2019/20 Operating and Capital Budget. The project consists of furnishing all labor, materials, supervision, and travel necessary to complete the tasks outlined below:

Comprehensive User Fee Study

Prepare a Comprehensive User Fee Study for the City, which may include the following elements (if the consultant feels that additional tasks are warranted, they must be clearly identified in the consultant's proposal):

1. Work and meet with City staff to refine the project scope, purpose, uses and goals of the City's Comprehensive User Fee Study to ensure that the study will be both accurate and appropriate to the City's needs. Review project schedules and answer any questions pertaining to the successful development of the study.
2. Meet with staff and conduct interviews as needed to gain an understanding of the City's processes and operations. Conduct a comprehensive review of the City's existing fees, rates and charges.
3. Identify the total cost of providing each City service at the appropriate activity level and in a manner consistent with all applicable laws, statutes, rules and regulations governing

the collection of fees, rates, and charges by public entities including, but not limited to, Proposition 26 and Proposition 218.

4. Compare service costs with existing recovery levels. This should include any service areas where the City is currently charging for services as well as areas where perhaps the City should charge, considering the City's practices, or the practices of similar or neighboring cities.
5. Recommend potential new fees and charges for services the City currently provides but does not have any fees and/or charges established. Recommendations should be based on practices by surrounding cities that may charge for similar services, industry best practices, or the consultant's professional opinion.
6. Recommend appropriate fees and charges based on the firm's analysis together with the appropriate subsidy percentage of those fees where full cost recovery may be unrealistic.
7. Prepare a report that identifies each fee service, its full cost, recommended and current cost recovery levels. The report should also identify the direct cost, the indirect cost, and the overhead cost for each service.
8. Prepare a report that identifies the present fees, recommended fees, percentage change, cost recovery percentage, revenue impact and fee comparison with other San Luis Obispo County cities or other California cities that are comparable to the City of Morro Bay, including, but not limited to, those with harbors or ports. A survey comparison of rates and fees with similar cities is required.
9. Report on other matters that come to the Consultant's attention in the course of the evaluation that, in the Consultant's professional opinion, the City should consider.

Provide a computer-based model in Microsoft Excel for adjusting these fees and charges for the City's current and future needs and provide the City with an electronic copy of the final comprehensive study, including related schedules and cost documentation in a format that can be edited and updated by City staff to accommodate changes in the organization or changes in costs. The requirements of the models should allow for:

- a. Additions, revisions, or removal of the direct and overhead costs so the comprehensive fee study can be easily adapted to a range of activities, both simple and complex.
- b. The ability of the City to continuously update the model and fees from year to year as the organization changes.

- c. The addition of hypothetical service area information for future service enhancements, and the ability to calculate the estimated costs of providing the service under consideration (i.e. ad-hoc analysis).
10. Prepare and deliver presentation to the City Council to facilitate their understanding of the plan and its implication for the City and make necessary adjustments as requested.
11. Provide on-site training to enable staff to update fees on an annual basis.
12. Prepare a final report and provide twenty bound copies, and a PDF file of the Comprehensive Fee Study that can be made available to City Staff, Council and Committee members. Models, tables, and graphs should be provided in Excel. Any Comprehensive Fee Study revisions developed shall also be made available to the City in Excel and PDF formats, providing the ability to add, delete and/or update information as needed.
13. Consult with City staff should it become necessary to defend the City's Comprehensive User Fee as a result of any legal or other challenges.

Full Cost Allocation Plan

Prepare the City's Cost Allocation Plan, which may include the following elements (if the consultant feels that additional tasks are warranted, they must be clearly identified in the consultant's proposal):

1. Work and meet with the selected City staff to refine the project scope, purpose, uses and goals of the City's Cost Allocation Plan to ensure that the study will be both accurate and appropriate to the City's needs. Review project schedule and answer any questions pertaining to the successful development of the study.
2. Meet with staff and conduct interviews as needed to gain an understanding of the City's processes and operations. This includes where certain services and functions are performed together or shared through cooperation between different departments. Costs should be identified so they can be allocated to and tracked by appropriate department.
3. Identify the total cost of providing each City service at the appropriate activity level and in a manner consistent with all applicable laws, statutes, rules and regulations governing the collection of fees, rates, and charges by public entities including, but not limited to, the State Controller's Office Guidelines for Cost Claiming and OMB 2 CFR Part 225 standards.

4. Develop a Cost Allocation Model using FY 2017/18 budget and/or actual data for calculation of the full costs of providing each City service. The requirements of the model should allow for:
 - a. Additions, revisions, or removal of direct and overhead costs so the cost allocation plan can be easily adapted to a range of activities, both simple and complex.
 - b. The ability of the City to continuously update the model and full cost allocation plan from year to year as organization and/or service model changes occur over time.
 - c. The addition of hypothetical service area information for future service enhancements, and the ability to calculate the estimated cost of provide the service under consideration (i.e. ad-hoc analysis).
5. Report on other matters that surface during the evaluation that the City should consider.
6. Present the plan to the City's management group and make necessary adjustments as requested.
7. Prepare and deliver presentation to the Council to facilitate their understanding of the plan and its implications to the City.
8. Work with the Finance Department in developing service provisions, cost categories, and allocation criteria for current and future programs.
9. Provide the City with an electronic copy of the final comprehensive review, including related schedules and cost documentation in a format such as Microsoft Word and Excel that can be edited and updated by City staff to accommodate changes in the organization or changes in cost.
10. Prepare a final report and provide twenty bound copies, and a PDF file of the Cost Recovery Plan that can be made available to City staff, Council and Committees. Models, tables, and graphs should be provided in Excel. Any Cost Allocation Model revisions developed shall also be made available to the City in Excel and PDF formats, providing the ability to add, delete and/or update information as needed.
11. Provide a computer-based model in Excel for adjusting these fees and charges for the City's current and future needs and provide the City with an electronic copy of the final comprehensive study, including related schedules and cost documentation in a format

that can be edited and updated by City staff to accommodate changes in the organization or changes in costs.

12. Consult with City staff should the need arise to defend the cost allocation plan as a result of audits or other challenges.

Option A – Development Impact Fee Study

1. Kick-off meeting between consultant and City staff to review objectives of study, agree to methodology, exchange information, timing and schedule for all tasks, and to determine information to be provided by City staff, to support a comprehensive Impact Fee study of each existing fee.
2. Consultant shall also propose new impact fees that the City is not currently collecting for consideration by the City. After consideration of such new Impact Fees, the City may elect to request the consultant prepare the necessary nexus study or studies. Such study or studies shall be deemed “Extra Work” entitled to additional compensation.
3. Impact Fees shall be calculated to provide for facilities, equipment, infrastructure, and services needed to support growth based on forecasts of new development over a 20-year period. The Impact Fees analysis shall consider existing fees, if any, and be compared to both (a) surrounding and (b) comparable cities to ensure reasonableness, consistency and feasibility.
4. The consultant shall prepare either an individual report for each Impact fee for a single compiled report for all Impact Fees that documents the fee study results, including a description of the overall assumptions, approach, and methodology, findings, supporting justification, recommended fee amount and the calculations that provide the legal nexus between the recommended Impact Fee and new development.
5. Review findings with City staff. Consultant to provide information supporting findings to date and proposed fees.
6. City Council meeting to present draft study. Discuss methodology, findings, formal presentation, answer questions about finding, and collect input for preparation of final report.
7. Final City Council meeting to follow up on first meeting and present final report.
8. Please consider the optional meeting in your proposal as separate line item cost – Public meeting to present draft study report. Meeting to share findings with stakeholders, including developers and engineers. Consultant to facilitate meeting, provide exhibits

and formal presentation, collect input and prepare meeting minutes capturing public input.

9. Prepare a final report submitted to the City containing background information, methodology, findings, and recommendations. More specifically, consultant shall prepare a report containing, but not limited to, the following:
 - a. Background Information.
 - b. Description of the overall methodology.
 - c. Supporting justification.
 - d. Calculations that demonstrate the legal nexus between recommended fees and the impact created by new development.
 - e. Relationship between the fee's use and the type of project on which it would be imposed.
 - f. Any additional matters that City staff should be made aware of, findings, and recommendations.
10. If the consultant feels that additional task are warranted, they must be clearly identified in the consultant's proposal under this option.
11. The City reserves the right to modify the scope of services before the contract is awarded.

GENERAL

The Consultant may recommend other tasks that it deems appropriate to achieve the objectives set forth in this RFP.

The successful respondent shall be required to retain all working papers and relating supporting documents, including records of professional time spent, for a period of five years after delivery of the required reports, unless notified in writing by the City of the need to extend the retention period. The Consultant further agrees to allow City staff to review such documents upon written request at any time during the retention period.

City Requirements

The firm must comply with all relevant City requirements, such as a Morro Bay Business Tax, providing proof of insurance for at least the minimum required amounts, and executing a City

contract for consulting services. Information about Morro Bay business tax is available on the City's website at <http://morrobayca.gov/DocumentCenter/View/8253>

Information about current insurance requirements is included in Attachment 2 as part of the City's Standard Consulting Services Contract Template and further described in Attachment 1: Special Conditions, of this RFP.

Note: Attachment 1 sets forth the special conditions applicable to this project.

PROPOSAL FORMAT AND CONTENT

The Consultant shall be responsible for preparing an effective, clear, and concise proposal. The City is requesting six (6) bound paper copies of the proposal, which must contain at a minimum the following information:

1. Letter of Interest: Please include a letter expressing the Consultant's interest in being considered for the project. Include a statement regarding the consultant's availability to dedicate time, personnel, and resources to this effort. The letter of interest must include a commitment to the availability of the Consultants and all key project staff during the planning period and a proposed schedule designed to meet the City's needs for the project.
2. Project Understanding and Approach: Please include a statement demonstrating your understanding of the proposed project. Describe your approach to completing the project successfully; methodologies and technologies you would employ; key milestones and processes you would employ. Describe what information you would expect the City to supply.
3. Relevant Experience: Please include information describing the Consultant's experience with Comprehensive Fee Studies, including cost allocation plans for public agencies. Please provide a minimum of five (5) specific examples of Consultant's relevant experience on Comprehensive Fee Studies and Cost Allocation Plans. At a minimum, the Consultant should provide a list of the most recent projects for which the Consultant has performed similar services of similar size, scope, and complexity. Include the name, contact person, address, phone number and/or e-mail of each party for whom the service was provided, as well as a description of the service performed, the dollar amount of the contract, and the date of performance.

Project Manager/Key Staff: Please include information about the specific relevant experience and billing rates for the proposed Project Manager and all other applicable staff. A Project Manager must be designated and must be the principal contact for the City. Information on the experience of the Project Manager (on similar projects) and at least two references for the Project Manager.

4. Proposed Scope of Services: Please provide a Proposed Scope of Services, which is based on the Scope of Work contained in this RFP; and discuss any ideas for modifying, clarifying, or improving the City's proposed scope of work. Provide a realistic working schedule with key deliverables, milestones and tasks.
5. Conflict of Interest Statement: The proposers shall disclose any financial, business, or other relationship with the City that may have an impact upon the outcome of this contract. Particular attention should be paid to compliance with Government Code section 1090.
6. Comments on or Requested Changes to Contract: The City's standard professional services contract is included as Attachment 2 to this Request for Proposals. The proposer shall identify any objections to and/or request changes to the standard contract language in this section.
7. Cost Proposal: In a Separate Envelope marked cost proposal, provide the following:
 - a. Total All-Inclusive Not to Exceed Maximum Price: The cost proposal should contain all pricing information relative to performing the scope of work as described in this request for proposals. The total all-inclusive maximum not to exceed price is to contain all direct and indirect costs including all out-of-pocket expenses. Provide a budget for each major milestone for the entire scope of services. The proposed budget should be inclusive of all meetings, conference calls, site visits and deliverables. The budget should include a list of anticipated reimbursable expenses with rates charged for each.
 - b. Component Costs: Include separate schedules of all fees and expenses for each of the work tasks and deliverables described in this RFP. These schedules should include hourly rates and number of hours anticipated for each staff level; as well as out-of-pocket expenses such as transportation, meals, communications, and duplication costs. The total of these separate schedules should have a direct relationship to the total all-inclusive maximum price.
 - c. Rates for Additional Professional Services: If it should become necessary for the City to request the successful firm to render any additional services to either supplement services requested in this RFP or to perform any additional work as a result of the specific recommendations included in any report issued resulting from this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the City and the firm.

Any such additional work would be performed at the same rates submitted in the dollar cost bid unless otherwise noted in the proposal.

- d. Manner of Payment: Progress payment will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the consultant's proposal. Interim billings shall cover a period of not less than a calendar month.

Option A – Development Impact Fee Submittal Format

Should proposer choose to submit an option to add the Development Impact Fee study, the proposal for the Optional Development Impact Fee shall include the following:

1. Qualifications of your firm in creating a Development Impact Fee Study and providing Development Impact Fees to other similar governmental agencies.

Firm Profile (to the extent that it is different than described for the Cost Allocation Plan and Comprehensive Fee Study update) – please include the following:

- a. Number and nature of the professional staff to be assigned to this portion of the contract, including qualifications and certifications.
 - b. Additional time necessary to complete this option, beyond the maximum six months previously requested for the Cost Allocation Plan and Comprehensive Fee Study Update.
2. Methodology - Provide a detailed description of the approach and methodology to be used to accomplish the Scope of Work for Option A. The methodology section shall include the following:
 - a. An Implementation Plan that describes the methods, including controls by which your firm or entity manages projects of the type sought in this option.
 - b. The methodology for soliciting and documenting views of internal and external stakeholders.
 - c. Any other project management or implementation strategies or techniques that the respondent intends to employ in carrying out the work.
 - d. Project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion.

- e. Description of specific tasks your firm or entity will require from City staff.
 - f. Provide any other information that would assist us in evaluating your qualifications.
3. References – Provide references from at least three municipal agencies for whom you have provided similar services, with similar composition of staffing as proposed for the City of Morro Bay update.
 4. Fee – Submit the not to exceed fee proposal and standard hourly billing rates in a separate sealed envelope clearly labeled “Option A – Development Impact Fee Study”
 - a. Please clearly break out the optional public meeting cost in your proposal as described above.
 - b. Rates for Additional Professional Services: If it should become necessary for the City to request the successful firm to render any additional services to either supplement services requested in this RFP or to perform any additional work as a result of the specific recommendations included in any report issued resulting from this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the City and the firm. Any such additional work would be performed at the same rates submitted in the dollar cost bid unless otherwise noted in the proposal.

CRITERIA FOR SELECTION

An evaluation committee will evaluate each respondent’s relevant experience and expertise. Proposals will be evaluated based on the information presented in the RFP.

A two-step analysis will be employed. First, staff will review all submittals to ensure that the minimum requirements of the RFP are met.

Secondly, an evaluation committee will review proposals for the following:

- Qualifications as they relate to this project (35%) in the order shown below:
 - Thoroughness and understanding of the tasks to be completed.
 - Background and experience in organizational analysis evaluation.
 - Staff expertise and overall experience of personnel assigned to the work.

- Qualifications of proposed key personnel.
 - Communication Skills.
- Reputation for integrity and competence (30%)
 - Positive Reference Checks
- Proposed Fees and Charges for Service (25%)
- Ability to provide the required services in a timely manner within the City's standard professional service agreement. (10%)

Option A – Development Impact Fee Study Evaluation Criteria

Option A “add on” of the Development Impact Fee study will be evaluated independently. The following factors in this evaluation will be as follows:

1. Experience and Expertise
 - a. Previous related work experience and qualifications in the subject area of personnel assigned.
 - b. Quality of the professional personnel to be assigned to the engagement.
 - c. Responsiveness to the City's needs, including availability of professional personnel assigned.
2. Methodology
 - a. Demonstrate a clear understanding of scope of services.
 - b. Adequacy of implementation plan, sampling techniques, analytical procedures.
 - i. Additional services, innovative data collection methods, cost-saving measures, products, etc. will be considered for their usefulness or contribution to the City.
3. References
 - a. References and recommendations of previous clients.
 - b. History and performance of firm/project team on similar projects.

4. Cost

a. Proposed cost for add-on service.

The City reserves the right to interview any or all responding proposers and/or to award a contract without conducting interviews.

A recommendation for consultant selection will be made to the City Council based on the “best value” evaluation of the proposals/qualifications, which will take into account the consultant team’s qualifications, reference checks, comparable experience and cost, as well as consultant’s availability to undertake the project, complete the tasks timely and deliver a high-quality work product, ability to comply with the City’s standard professional service agreement.

All interested parties are encouraged to submit proposals to the RFP, as the award is not based solely on the lowest cost proposal submitted. Total cost will be taken into consideration, but the Consultant’s capabilities, competence and capacity will be considered as well. The City reserves the right to choose the overall best proposer according to the City’s criteria. The City, and its designated representatives, shall be the sole judge of its own best interest, the proposal, and the resulting negotiated agreement. The City’s decisions will be final.

The above factors, along with other factors that the City may deem appropriate, will be used to identify the proposal that represents the best value, which will be the basis for the contract award. The decision of whether to award a contract and selection of a consultant will be in the sole discretion of the City Council.

PROPOSAL REQUIREMENTS

General Requirements

The City will not give verbal answers to clarifications regarding information in this RFP, or verbal instructions prior to the submission deadline. All clarifications shall be submitted in writing. A verbal statement regarding same by any person shall be non-binding. The City is not liable for any increased costs resulting from the Consultant accepting verbal directions. Any explanation desired by a Consultant must be requested of the City representative in writing no later than April 20, 2018 at 4:00 p.m. (verizon time).

Inquiries concerning the Request for Proposals and the subject of the Request for Proposals must be made to:

Jennifer Callaway
Finance Director
City of Morro Bay
595 Harbor Street
Morro Bay, CA 93442
(805) 772-6217

jcallaway@morrobayca.gov

Submission of Proposal: Proposals submitted by facsimile or emails are not acceptable and will not be considered. The original signed proposal and six (6) duplicates are to be submitted in sealed packages with the name of the Consultant and RFP title clearly marked on the outside of the package. The Proposal shall be received by the City Clerk of the City of Morro Bay by 4:00 p.m. (verizon time) on Friday, May 11, 2018 for a proposal to be considered. The Proposal should address the items listed below and be addressed to the following:

City of Morro Bay
Dana Swanson
City Clerk
595 Harbor Street
Morro Bay, CA 93442

Format for Proposal

To facilitate the review of responses, all responses are required to adhere to the following requirements with regard to their proposal. The City strongly encourages respondents to ensure that RFP submissions are succinct and clearly organized. If the proposal is not in this format or does not include all of the listed items, it may be deemed non-responsive. For ease of handling, all responses are to be provided in a standard 8 ½" x 11" portrait format with binding on the left-hand edge.

1. Title Page showing the request for proposals subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.
2. Table of Contents identifying the materials submitted by section and page number.
3. Detailed Proposal following the order set forth in the Proposal Content.
4. Provide a timeline for the Comprehensive Fee Study and Cost Allocation Plan, indicating dates for completion of the final reports.

ATTACHMENT 1

SPECIAL CONDITIONS

Contract and Insurance Requirements.

The selected consultant shall be required to enter into a city-prepared Professional Services Agreement approved by the City Attorney. Consultants shall be prepared to accept the terms and conditions of the City's Standard Professional Services Agreement including all Insurance Requirements. The successful Consultants bid and the terms and conditions stated in this RFP will be made part of the contract between the City of Morro Bay and the Consultant. This RFP outlines the specifications and requirements, but not necessarily all of the terms and conditions that will be incorporated into the final agreement between the City of Morro Bay and the successful Consultant.

- Commercial General Liability Insurance using Insurance Services Office "Commercial General Liability" policy from CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence.
- Business Auto Coverage on ISO Business Auto Coverage from CA 00 01 including symbol 1 (Any Auto) or the exact equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant's employees will use personal autos in any way to perform the Scope of Services, then Consultant shall provide evidence of personal auto liability coverage for each such person.
- Property Damage Insurance in an amount of not less than \$1,000,000 for damage to the property of each person on account of any one occurrence.
- Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer's liability limits.
- Excess or Umbrella Liability Insurance (Over Primary) if used to meet limit requirements, shall provide coverage at least as broad as specified for the underlying coverages. Any such coverage provided under an umbrella liability policy shall include a drop-down

provision providing primary coverage above a maximum \$25,000 self-insured retention for liability not covered by primary but covered by the umbrella. Coverage shall be provided on a “pay on behalf” basis, with defense costs payable in addition to policy limits. Policy shall contain a provision obligating insurer at the time insured’s liability is determined, not requiring actual payment by the insured first. There shall be no cross-liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to City for injury to employees of Consultant, subcontractors or others involved in the Work. The scope of coverage provided is subject to approval of City following receipt of proof of insurance as required herein. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

- Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designated to protect against acts, errors or omissions of Consultant and “Covered Professional Services” as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than \$2,000,000 per claim and in the aggregate. The policy must “pay on behalf of” the insured and must include a provision establishing the insurer’s duty to defend. The policy retroactive date shall be on or before the effective date of this agreement.

Reservations.

This RFP does not commit the City to award a contract, to defray any costs incurred in the preparation of a proposal pursuant to this RFP, or to procure or contract for work. No payment of any kind will be provided to the Consultant responding to this RFP, or parties they represent, for obtaining any of the information solicited.

Public Records.

All proposals submitted in response to this RFP become the property of the City. Information in the proposal, unless specified as trade protected, may be subject to public review. Any information contained in the proposal that is proprietary must be clearly designated. Marking the entire proposal as proprietary will be neither accepted nor honored. Proprietary information submitted in response to this RFP will be handled in accordance with the California Public Records Act.

Right to Cancel and Amend.

The City reserves the right to cancel, for any or no reason, in part or in its entirety, this RFP, including but not limited to: selection schedule, submittal date, and submittal requirements. If the City cancels or revises the RFP, all Consultants will be notified in writing.

Additional Information.

The City reserves the right to request additional information and/or clarification from any or all Consultants.

Conflict of Interest.

Consultant covenants that the company, its officers, employees and/or agents presently have no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the services requested herein by the City. Consultant further covenants that, in the performance of any contract or agreement resulting from this RFP, no subcontractor or person having such an interest shall be employed. Consultant certifies that to the best of Consultant's knowledge, no one who has or will have any financial interest under any contract or agreement resulting from this RFP is an officer or employee of the City.

Release of Public Information.

Consultants who respond to this RFP who wish to release information to the public regarding selection, contract award or data provided by the City must receive prior written approval from the City before disclosing such information to the public.

Non-Assignment.

If a contract is awarded, the selected Consultant shall neither assign, nor delegate, in part or in whole, any duties without the prior written consent of the City which shall not be unreasonably withheld.

Collusion.

Each Consultant certifies that the company, its officers, employees and/or agents are not a party to any collusive action, fraud, or any action that may be in violation of the Sherman Antitrust Act. The Consultant certifies that the company, its officers, employees and/or agents have not offered or received any kickbacks or inducements from any other bidding Consultant, supplier, manufacturer, or subcontractor in connection with the proposal and that the company, its officers, employees and/or agents have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value. Any or all bids shall be rejected if there is any reason to believe collusion exists among the bidding Consultants. More than one bid from an individual firm, partnership, corporation, or association under the same or different names may be rejected.

Reasonable grounds for believing that a bidding Consultant has interest in more than one proposal for the work being proposed may result in rejection of all bids in which the bidding Consultant is believed to have interest.

Debarment.

By submitting a proposal, the Consultant certifies that the company is not currently debarred from submitting proposals and/or bids for contracts issued by any City or political subdivision or agency of the State of California, and that it is not an agent of a person or entity that is currently debarred from submitting proposals and/or bids for contracts issued by any City or political subdivision or agency of the State of California.

Equal Employment Opportunity Compliance.

The selected Consultant shall not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The Consultant shall take affirmative action to ensure that all employees and applicants for employment shall be treated with equality in all aspects of employment processes including, but not limited to, hiring, transfer, promotion, training, compensation and termination, regardless of their race, creed, color, sex, national origin, age, or physical handicap.

Right to Audit.

The selected Consultant shall maintain such financial records and other records as may be prescribed by the City or by applicable federal and state laws, rules, and regulations. The selected Consultant shall retain these records for a period of three years after final payment, or until they are audited by the City, whichever event occurs first. These records shall be made available during the term of the contract or service agreement and the subsequent three-year period for examination, transcription, and audit by the City or its designees.

Drug-Free Workplace Requirements.

Proposer will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

- a. Publish a statement notifying employees that an unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
- b. Establish a Drug-Free Awareness Program to inform employees about:
 - i. The dangers of drug abuse in the workplace;
 - ii. The person's or organizations policy of maintaining a drug-free workplace;
 - iii. Any available counseling, rehabilitation and employee assistance programs; and
 - iv. Penalties that may be imposed upon employees for drug abuse violations.

- c. Every employee who works on the proposed Agreement will:
 - i. Receive a copy of the company's drug-free workplace statement; and
 - ii. Agree to abide by the terms of the company's statement as a condition of employment on the agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both if the City determines that any of the following has occurred: the Proposer has made false certification, or violated the certification by failing to carry out the requirements noted above. (Gov. Code section 8350 et seq.)

ATTACHMENT 2

CITY OF MORRO BAY

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made, by and between, the City of Morro Bay, a municipal corporation ("City") and _____, a California corporation, *and/or* *[insert individual's name]* dba *[insert business name if not a corporation]* ("Consultant"). In consideration of the mutual covenants and conditions set forth herein the parties agree as follows:

1. TERM

This Agreement shall commence on _____, 2018, and shall remain and continue in effect until tasks described herein are completed, but in no event later than _____, 2018, unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

Consultant shall perform the tasks described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. Consultant shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A.

3. PERFORMANCE

Consultant shall at all times faithfully, competently and to the best of their ability, experience, and talent, perform all tasks described herein. Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. CITY MANAGEMENT

City's _____ Director shall represent City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but not including the authority to enlarge the Tasks to Be Performed or change the compensation due to Consultant. City's City

Manager shall be authorized to act on City's behalf and to execute all necessary documents which enlarge the Tasks to Be Performed or change Consultant's compensation, subject to Section 5 hereof.

5. PAYMENT

(a) City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit A, attached hereto and incorporated herein by this reference as though set forth in full, and based upon actual time spent on the above tasks. That amount shall not exceed **{INSERT AMOUNT }** for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City Manager and Consultant at the time City's written authorization is given to Consultant for the performance of said services. The City Manager may approve additional work not to exceed twenty five (25%) of the amount of the Agreement, but in no event shall such sum exceed **{INSERT AMOUNT}**. Any additional work in excess of this amount shall be approved by the City Council.

(c) Consultant will submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days after receipt of each invoice as to all non-disputed fees. If City disputes any of Consultant's fees, then it shall give written notice to Consultant within fifteen (15) days of receipt of an invoice of any disputed fees set forth on the invoice.

6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

(a) City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon Consultant at least ten-days' (10-days') prior written notice. Upon receipt of said notice, Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If City suspends or terminates a portion of this Agreement, then such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, City shall pay to Consultant the actual value of the work performed up to the time of termination. Upon termination of the Agreement pursuant to this Section, Consultant will submit an invoice to City pursuant to Section 3.

7. DEFAULT OF CONSULTANT

(a) Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date Consultant is notified of default and can terminate this Agreement immediately by written notice to Consultant. If such failure by Consultant to make progress in the performance for work hereunder arises out of causes beyond Consultant's control, and without fault or negligence of Consultant, then it shall not be considered a default.

(b) If the City Manager or his/her delegate determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, then he/she shall cause to be served upon Consultant a written notice of the default. Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that Consultant fails to cure its default within such period of time, City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

8. OWNERSHIP OF DOCUMENTS

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, and full payment by City for services performed pursuant to, this Agreement, all final work product such as documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of City and may be used, reused, or otherwise disposed of by City without the permission of Consultant. With respect to computer files, Consultant shall make available to City, as a service in addition to those set forth herein, at Consultant's office and upon

reasonable written request by City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

9. INDEMNIFICATION

(a) Indemnification for Professional Liability. When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including reasonable attorney's fees and costs to the extent same are caused by any negligent act, error or omission of Consultant, its officers, agents, employees or subconsultants (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this agreement. City agrees to hold harmless and indemnify Consultant from and against all claims, liabilities, losses, damages, and costs, including but not limited to attorney's fees, arising out of or in any way connected with the modification, misinterpretation, misuse or reuse by others of the computer files or any other document provided by Consultant under this Agreement.

(b) Indemnification for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys' fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subconsultants of Consultant.

(c) General Indemnification Provisions. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subconsultant or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth here is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this agreement or this section.

10. INSURANCE

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached to and part of this agreement.

11. INDEPENDENT CONSULTANT

(a) Consultant is and shall at all times remain as to City a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

12. LEGAL RESPONSIBILITIES

Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. Consultant shall at all times observe and comply with applicable legal requirements in effect at the time the drawings and specifications are prepared. City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of Consultant to comply with this Section.

13. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of City will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling City to any and all remedies at law or inequity.

14. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

15. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within City. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

(b) Consultant shall promptly notify City if Consultant, or any of its officers, employees, agents, or subconsultants are served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder or with respect to any project or property located within City. City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate with City by providing the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

16. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: City of Morro Bay
595 Harbor Street
Morro Bay, CA 93442
Attention: **City Clerk**

To Consultant:

17. ASSIGNMENT

Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of City.

18. LICENSES

At all times during the term of this Agreement, Consultant shall have in full force and effect, all licenses and tax certificates required of it by law for the performance of the services described in this Agreement.

19. GOVERNING LAW

City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with jurisdiction over City.

20. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no

further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. CONTENTS OF PROPOSAL

Consultant is bound by the contents of the proposal submitted by Consultant, Exhibit A hereto.

22. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Consultant warrants and represents he/she has the authority to execute this Agreement on behalf of Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF MORRO BAY

CONSULTANT (2 signatures required)

By: _____
Scott Collins, City Manager

By: _____
(Signature)

Attest:

Dana Swanson, City Clerk

(Typed Name)

Its: _____
(Title)

By: _____
(Signature)

(Typed Name)

Its: _____
(Title)

Approved As To Form:

Joseph W. Pannone, City Attorney

EXHIBIT A

TASKS TO BE PERFORMED

EXHIBIT B
PAYMENT SCHEDULE

EXHIBIT C

INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Agreement, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to City in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to City.

Consultant shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office “Commercial General Liability” policy from CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Business Auto Coverage on ISO Business Auto Coverage from CA 00 01 including symbol 1 (Any Auto) or the exact equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant’s employees will use personal autos in any way to perform the Scope of Services, then Consultant shall provide evidence of personal auto liability coverage for each such person.

Property Damage Insurance in an amount of not less than \$1,000,000 for damage to the property of each person on account of any one occurrence.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer’s liability limits.

Excess or Umbrella Liability Insurance (Over Primary) if used to meet limit requirements, shall provide coverage at least as broad as specified for the underlying coverages. Any such coverage provided under an umbrella liability policy shall include a drop down provision providing primary coverage above a

maximum \$25,000 self-insured retention for liability not covered by primary but covered by the umbrella. Coverage shall be provided on a “pay on behalf” basis, with defense costs payable in addition to policy limits. Policy shall contain a provision obligating insurer at the time insured’s liability is determined, not requiring actual payment by the insured first. There shall be no cross liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to City for injury to employees of Consultant, subcontractors or others involved in the Work. The scope of coverage provided is subject to approval of City following receipt of proof of insurance as required herein. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designated to protect against acts, errors or omissions of Consultant and “Covered Professional Services” as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than \$2,000,000 per claim and in the aggregate. The policy must “pay on behalf of” the insured and must include a provision establishing the insurer’s duty to defend. The policy retroactive date shall be on or before the effective date of this agreement.

Insurance procured pursuant to these requirements shall be written by insurer that are admitted carriers in the state California and with an A.M. Best’s rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Consultant. Consultant and City agree to the following with respect to insurance provided by Consultant:

1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds the City of Morro Bay, its officials, employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992. Consultant also agrees to require all Consultants, and subcontractors to do likewise.
2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant’s employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against City regardless of the applicability of any insurance proceeds, and to require all Consultants and subcontractors to do likewise.
3. All insurance coverage and limits provided by Consultant and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to City or its operations limits the application of such insurance coverage.

4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.
5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any Consultant or subcontractor.
6. All coverage types and limits required are subject to approval, modification and additional requirements by City, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.
7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to City at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, City has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by City shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at City's option.
8. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subcontractor, is intended to apply first and on a primary, noncontributing basis in relation to any other insurance or self-insurance available to City.
9. Consultant agrees to ensure that subcontractors, and any other party involved with the Scope of Services who is brought onto or involved in the Scope of Services by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the Scope of Services will be submitted to City for review.

10. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any Consultant, Subcontractor, Architect, Engineer or other entity or person in any way involved in the performance of the Scope of Services to self-insure its obligations to City. If Consultant's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to City. At the time City shall review options with Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.
11. City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to Consultant, the City will negotiate additional compensation proportional to the increase benefit to City.
12. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.
13. Consultant acknowledges and agrees that any actual or alleged failure on the part of City to inform Consultant of non-compliance with any insurance requirements in no way imposes any additional obligations on City nor does it waive any rights hereunder in this or any other regard.
14. Consultant will renew the required coverage annually as long as City, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until City executes a written statement to that effect.
15. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City within five days of the expiration of the coverages.

16. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents.
17. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.
18. These insurance requirements are intended to be separate and distinct from any other provision in this agreement and are intended by the parties here to be interpreted as such.
19. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.
20. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the Scope of Services reserves the right to charge City or Consultant for the cost of additional insurance coverage required by this agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.
21. Consultant agrees to provide immediate notice to City of any claim or loss against Consultant arising out of the work performed under this agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

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AGENDA NO: C-1

MEETING DATE: April 10, 2018

Staff Report

TO: Honorable Mayor and City Council **DATE:** April 4, 2018

FROM: Scott Collins – City Manager
Rob Livick, PE/PLS - Public Works Director/City Engineer

SUBJECT: Award of Contract for Professional Services: Program Management for the Morro Bay Water Reclamation Facility Project to Carollo Engineers

RECOMMENDATION

Staff recommends the City Council:

1. Award a four-year and eight-month contract to Carollo Engineers, as the most qualified respondent to the request for proposal, for Program Management services for the City's Water Reclamation Facility ("WRF") project in the initial amount of \$292,000, to cover services through the end of 2018; and
2. Authorize the City Manager to execute the agreement with Carollo Engineers, in a form approved by the City Attorney; and
3. Provide direction to staff to precisely define the level of effort and budget required for FY18/19 and include that amount in the Capital Projects section of the City's annual budget, along with the other fiscal needs of the project.

ALTERNATIVE

Since time is of the essence, staff does not recommend any alternatives to the recommendation.

FISCAL IMPACT

The initial financial impact of hiring Carollo Engineers as the WRF Program Manager will be approximately \$86,000, for the remainder of FY17/18 (April 11 – June 30, 2018), and approximately \$206,000 for first half of FY18/19 (July 1 – December 31, 2018). Staff will be working with the Carollo to precisely define the level of effort and program management budget required for the entirety of FY18/19. That amount will be incorporated into the Capital Projects section of the City's FY18/19 annual budget, to be reviewed by City Council for formal adoption in June 2018. With each subsequent year, the City will review Carollo's scope, fee, budget for the upcoming fiscal year and set those collaboratively for review and approval by City Council through the annual budget process.

This approach allows flexibility as the project moves through each phase and new information is gleaned. The program manager budget for each fiscal year further out is a bit less defined, and, thus, becomes more of an approximation for the anticipated costs for the out years for project completion. It is anticipated the program/project management costs for the entirety of the project

(anticipated end date in FY22/23) will total approximately \$7.64M for all aspects of program management, including construction management. That estimate for the program management including the requisite construction management is consistent with previous estimates established for program management work for the WRF. Those estimates are also comparable to industry standards for program management costs for capital projects that have a similar scope and budget as that of the WRF. At this point, those are estimates for budgeting purposes and prior to authorizing any services the City will negotiate a fee for those services. Staff will then bring the additional work to be completed by the project manager and increased compensation for those additional services to the Council for approval through amendments to the project management agreement.

BACKGROUND

At their January 9, 2018 meeting, City Council directed the City Manager to recruit a program manager to oversee the Water Reclamation Facility (WRF) project moving forward. The Council had originally requested the City Manager to review options for the program management structure in September 2017 and bring back recommendations for Council consideration. Council considered several options at the January 9 meeting, and unanimously determined as the WRF project was nearing critical milestones and a new phase, it was imperative to have a program manager on board to fulfill the owner's agent role. The program manager will be entrusted with defending the City's and community's financial interests and ensuring Morro Bay gets the best deal possible within the existing constraints of the overall project. In discussing the program manager role, Council illuminated the priority characteristics that the program manager should embody, to include, leadership, financial acumen, strategic thinking and effective community engagement, among other qualities.

Following the direction, staff researched best practices in program management, spoke with community members interested in assisting the City in the search and put together the following tenets to guide the City Manager in selecting a qualified program manager for the WRF project:

Owners Agent/Leadership

The City needs a program manager who will develop a good relationship with the existing team of technical experts and City staff. The program manager will also need to quickly develop a good working partnership with WRF facility design and construction team and the teams selected to design and construct the lift station and pipeline, and injection wells.

The complexities involved in those individual components of the project, and in combination, are innumerable. Much work, and some uncertainty, remains in the design phase. That is where the City has the greatest potential for savings, as well as risk. That is why the City must retain an individual or firm that has demonstrated success in bringing a project of the size, scope and complexity to completion on or below budget and on time.

Technical Experience

The City requires an individual or firm who understands the technical complexities of the project. The City is pursuing an innovative project with advanced wastewater treatment and potable reuse combined into one project. While we have faith the eventual WRF design-build project team (to be selected from the RFP) will deliver a good product, we do not want to be overwhelmed and make decisions that hurt our financial or legal position in the future. Therefore, the City requires continued services from a program manager who has experience with large projects, experience in advanced wastewater treatment and water reclamation, and proven negotiation skills.

Communications

The program manager must possess good communication skills, which include understanding and speaking the various technical and detailed languages with the other teams and City staff participating on the project (designers, engineers, planners, environmental and financial experts), while effectively communicating the details and big picture to the City Manager, City Council and community. They must be able to translate the technical details into the commonly understood language. The program manager will need to effectively communicate with the community and City Council throughout the life of the project, particularly at this phase, as the City will put together better estimates of the project cost and begin to study rate options. The community is concerned about significant rate increases, and we believe the program manager should continue to assist in communicating the rate options and impacts in a clear, concise and transparent manner.

Cost and Schedule Control

As noted above in the discussion of the owner's agent role, a significant component of the program managers responsibility is finding cost savings opportunities and managing the overall project budget. In addition, due to the time value of money, controlling the schedule helps to mitigate cost uncertainty.

Those are the most critical and desired skill sets for a program manager. Selecting an individual or firm who possesses those traits will greatly assist the City and community in successfully delivering the future Water Reclamation Facility project on time and on or under budget. Such a program manager will provide a significant return on investment for the public expenditure necessary to bring them on board and retain their services throughout the remainder of the project's lifespan.

DISCUSSION

Program Manager Selection

Sections 4525 through 4529.5 of the Government Code (Mini-Brooks Act) govern contracts between public entities and private architectural, landscape architectural, engineering, environmental, land surveying, and construction project management firms. Those statutes establish a Qualifications-Based Selection method that public agencies in California must use to contract for professional services. That method requires such services be engaged based on demonstrated competence and qualifications for the types of services to be performed and at a fair and reasonable price. That was the method used in the process of reviewing and selecting proposals for the WRF program manager.

Prior to releasing an RFP for program management services, staff and a Citizen representative met with several individuals and firms that supply that service. Some expressed interest in responding to an RFP. At the end of the day, only two entities made the business decision to respond to the City's RFP.

City staff, WRFCAC subcommittee members and the City Council WRF subcommittee interviewed the two highly qualified proposers, John Hollenbeck Consulting and Carollo Engineers, who were responsive to the request for proposal. The Council WRF and WRFCAC subcommittees, along with staff provided their recommendation to the City Manager. The City Manager, after consideration of the various desired characteristics for a program manager, has selected Carollo Engineers.

The Carollo Engineers team, with Eric Casares as the lead, “checked all the boxes” identified above and staff opines Carollo Engineers is the most qualified respondent to the RFP and will deliver this project on time and at or below budget. Mr. Casares has strong program management experience and a good understanding of the WRF project and critical next steps. In addition, Carollo has deep experience in wastewater and reclamation projects, is on the leading edge when it comes to regulations and permit requirements for innovative projects, including various types of potable reuse projects, and has worked with the City staff team and WRF technical team. And, Carollo’s deep bench of technical expertise can be called upon for a variety of tasks and needs, as opposed to the more time consuming process of hiring subcontractors and helps to ensure the project stays on track. As this is a time and materials contract, Carollo staff will only charge the time actually spent working on the project.

Program Manager Contract and Scope

Staff has drafted a contract, reviewed by the City Attorney, that would begin on April 11, 2018 and conclude on December 31, 2022. That will cover the life of the entire project, from design through construction and construction wrap-up. Carollo Engineers will be responsible for Program Management Services to the City related to the Water Reclamation Facility Project and will report directly to the City Manager. The major components of the program include a new WRF and offsite facilities including pipelines and injection wells to facilitate potable reuse via groundwater injection as well as a new main lift station located near the existing wastewater treatment plant, a new raw wastewater force main from the lift station to the WRF, and a treated effluent brine line from the WRF to the existing ocean outfall. Each year, the City will review Carollo’s scope, fee, budget for the upcoming fiscal year and set those collaboratively for consideration and approval by the City Council through the annual budget process and amendments to the contract. That allows flexibility as the project moves through each phase and new information is gleaned.

The initial work outlined in the program manager contract scope (April 2018 – December 2018) includes:

- Conduct an overall assessment of the WRF project.
- Conduct evaluation of the current WRF technical approach.
- Conduct comprehensive review of the design-build request for proposals (RFP) for the WRF facility.
- Support negotiations for the WRF facility design-build contract.
- Develop a program controls plan.
- Develop a program team integration plan (described below).
- Provide regular program updates to the City Manager, City Council and community.

The next stages of the program, for the second half of FY18/19, will be developed and refined to be discussed during the upcoming annual budget process. A more detailed scope for the initial phase and the entire life of the project can be found in the attached draft contract (Exhibit A of the draft contract).

Transition Plan

The program manager and his team will assume leadership of the project through a succession and integration plan. Those steps include: identifying and confirming the division of responsibilities among the program team, establishing accountabilities for performance of each team member, developing and maintaining a program-wide milestone and deliverables schedule and implementing a structured communication and reporting protocols culminating with them

taking full leadership. The integration plan and implementation will ensure there are no duplications of effort between the program manager and the existing technical team and City staff.

As we move through the transition and onboarding of the program manager, changes to scope, fee and budget of the existing technical team entities will be brought forward to City Council. The key is to keep the project moving forward without disruption, in a cost-efficient manner. As noted in the fiscal impact section, it is anticipated the total estimated program management budget (for the lifespan of the project) will not be increased as a result of acquiring Carollo's services as program manager.

CONCLUSION

City Council should consider awarding a four-year and eight-month contract to Carollo Engineers, as the most qualified respondent to the request for proposal, for Program Management services for the City's WRF project in the initial amount of \$292,000, for the period through the end of 2018. Council should direct staff to work with Carollo to precisely define the level of effort required for FY18/19 and that amount will be incorporated into the Capital Projects section of the City's annual budget, along with the other anticipated budget of the WRF project for next fiscal year.

ATTACHMENTS

1. Draft Consultant Agreement with Carollo Engineers
2. [Link to Proposal from Carollo Engineers dated March 16, 2018](#)
3. [Link to Request for Proposal](#) for Program Management Services

CITY OF MORRO BAY

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made, by and between, the City of Morro Bay, a municipal corporation ("City") and Carollo Engineers, Inc., a Delaware corporation authorized to do business in California, ("Consultant"). In consideration of the mutual covenants and conditions set forth herein the parties agree as follows:

1. TERM

This Agreement shall commence on April 11, 2018 and shall remain and continue in effect until tasks described herein are completed, but in no event later than December 31, 2022, unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

Consultant shall perform tasks 1-6 described in Phase 1 and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. Consultant shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A; provided, that the parties understand and agree one or more amendments to this Agreement will be required after the reviews described in Subsection 3. (b), below, and before Consultant is authorized to proceed with additional services; and provided, further, that the total amount payable for any given calendar year for work satisfactorily performed shall not exceed the amount authorized by the City Council pursuant to Subsection 3. (b), below.

3. PERFORMANCE

(a) Consultant shall at all times faithfully, competently and to the best of their ability, experience, and talent, perform all tasks described herein. Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

(b) During the term of this Agreement, staff will conduct a review once every twelve months, more or less. For each review the City Manager and his designee(s) (City Manager) shall determine any changes or additions needed to the scope of work and provide budgetary estimates to be included with the City's budgeting process for each applicable fiscal year.

4. CITY MANAGEMENT

The City Manager shall represent City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but not including the authority to enlarge the tasks to be performed or change the compensation due to Consultant. City Manager or designee shall be authorized to act on City's behalf and to execute all necessary

documents which enlarge the Tasks to Be Performed or change Consultant's compensation, subject to Section 5., hereof.

5. PAYMENT

(a) Subject to the provisions of Section 2. and Subsection 3. (b), above:

(1) City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment, as set forth in Exhibit A and based upon actual time spent on the above tasks; and

(2) that amount shall not exceed Two Hundred Ninety-two Thousand Dollars and No Cents (\$292,000.00) for the initial phase of work, unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement, which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager. Subject to the next sentence, Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City Manager and Consultant at the time City Manager's written authorization is given to Consultant for the performance of those services. The City Manager may approve additional work not to exceed a total of ten percent (10%) of the total amount of the Agreement, as may change from time-to-time pursuant to Section 2. and Subsection 3. (b), above. Any additional work in excess of that amount shall be approved by the City Council.

(c) Consultant will submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days after receipt of each invoice as to all non-disputed fees. If City disputes any of Consultant's fees, then it shall give written notice to Consultant within fifteen (15) days after receipt of an invoice of any disputed fees set forth on the invoice.

6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

(a) City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon Consultant at least ten-days' (10-days') prior written notice. Upon receipt of said notice, Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If City suspends or terminates a portion of this Agreement, then such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, City shall pay to Consultant the actual value of the work satisfactorily performed up to the time of termination. Upon termination of the Agreement pursuant to this Section, Consultant will submit an invoice to City pursuant to Section 5.

7. DEFAULT OF CONSULTANT

(a) Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date Consultant is notified of default and can terminate this Agreement immediately by written notice to Consultant. If such failure by Consultant to make progress in the performance for work hereunder arises out of causes beyond Consultant's control, and without fault or negligence of Consultant, then it shall not be considered a default.

(b) If the Public Works Director or his/her delegate determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, then he/she shall cause to be served upon Consultant a written notice of the default. Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that Consultant fails to cure its default within such period of time, City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

8. OWNERSHIP OF DOCUMENTS

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, and full payment by City for services performed pursuant to, this Agreement, all final work product such as documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of City and may be used, reused, or otherwise disposed of by City without the permission of Consultant. With respect to computer files, Consultant shall make available to City, as a service in addition to those set forth herein, at Consultant's office and upon reasonable written request by City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

9. INDEMNIFICATION

(a) Indemnification for Professional Liability. When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless City and any and all of its officials, employees and

agents (“Indemnified Parties”) from and against any and all losses, liabilities, damages, costs and expenses, including reasonable attorney’s fees and costs to the extent same arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Consultant, its officers, agents, employees or subconsultants (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement; provided, that in no event shall the cost to defend charged to Consultant exceed Consultant’s proportionate percentage of fault. However, notwithstanding the previous sentence, in the event one or more defendants is unable to pay its share of defense costs due to bankruptcy or dissolution of the business, Consultant shall meet and confer with other parties regarding unpaid defense costs. City agrees to hold harmless and indemnify Consultant from and against all claims, liabilities, losses, damages, and costs, including but not limited to attorney’s fees, arising out of or in any way connected with the modification, misinterpretation, misuse or reuse by others of the computer files or any other document provided by Consultant under this Agreement.

(b) Indemnification for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys’ fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subconsultants of Consultant.

(c) General Indemnification Provisions. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subconsultant or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth here is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this agreement or this section.

10. INSURANCE

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit B attached to and part of this agreement.

11. INDEPENDENT CONSULTANT

(a) Consultant is and shall at all times remain as to City a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant’s exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of

Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

12. LEGAL RESPONSIBILITIES

Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. Consultant shall at all times observe and comply with applicable legal requirements in effect at the time the drawings and specifications are prepared. City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of Consultant to comply with this Section.

13. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of City will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling City to any and all remedies at law or inequity.

14. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

15. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the Public Works Director or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or

relating to any project or property located within City. Response to a subpoena or court order shall not be considered “voluntary” provided Consultant gives City notice of such court order or subpoena.

(b) Consultant shall promptly notify City if Consultant, or any of its officers, employees, agents, or subconsultants are served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder or with respect to any project or property located within City. City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate with City by providing the opportunity to review any response to discovery requests provided by Consultant. However, City’s right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

16. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: Rob Livick, PE/PLS - Public Works Director
City of Morro Bay
595 Harbor Street
Morro Bay, CA 93442

To Consultant: Eric Casares, P.E.
Associate Vice President
Carollo Engineers, Inc.
710 W. Pinedale Avenue
Fresno, CA 93711

17. ASSIGNMENT

Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of City.

18. LICENSES

At all times during the term of this Agreement, Consultant shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement.

19. GOVERNING LAW

City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with jurisdiction over City.

20. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. CONTENTS OF PROPOSAL

Consultant is bound by the contents of the proposal submitted by Consultant, Exhibit A hereto.

22. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Consultant warrants and represents he/she has the authority to execute this Agreement on behalf of Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF MORRO BAY

CONSULTANT (2 signatures required)

By: _____
Scott Collins, City Manager

By: _____
(Signature)

Attest:

Dana Swanson, City Clerk

(Typed Name)

Its: _____
(Title)

By: _____
(Signature)

(Typed Name)

Its: _____
(Title)

Approved as to Form:

Joseph W. Pannone, City Attorney

EXHIBIT A

SCOPE OF SERVICES

This Scope of Services is for Consultant (PROGRAM MANAGER) to provide Program Management Services to CITY related to the Water Reclamation Facility Project (PROGRAM). The major components of the PROGRAM include a new Water Reclamation Facility (WRF) and offsite facilities including pipelines and injection wells to facilitate potable reuse via groundwater injection (OFFSITE POTABLE REUSE FACILITIES) as well as a new main lift station located near the existing wastewater treatment plant (WWTP), a new raw wastewater force main from the lift station to the WRF, and a treated effluent brine line from the WRF to the existing ocean outfall (LIFT STATION AND PIPELINES). The design and construction of the new WRF is being completed through a design-build process, while the other components of the PROGRAM are being delivered via a traditional design-bid-build procurement. The CITY is currently in the process of selecting a design-build team for the new WRF and design of the LIFT STATION AND PIPELINES is currently being designed by the CITY'S design consultant. Procurement of a design engineer for the OFFSITE POTABLE REUSE FACILITIES has not yet been initiated.

The duration for the Scope of Services described below is approximately 42 months (3.5 years) in duration, spanning from approximately April 2018 through December 2022. The Scope of Services includes the following elements:

- Evaluation of the PROGRAM
- PROGRAM implementation
- PROGRAM controls
- Permitting support
- Funding support
- Public outreach
- Coordination with other PROGRAM consultants
- Procurement of the WRF design-build team
- WRF design-build contract negotiations
- WRF design-build technical support services
- WRF design-build management services
- Construction oversight for the WRF
- Start-up and operational support services for the WRF
- LIFT STATION AND PIPELINES technical support services
- Construction management for the LIFT STATION AND PIPELINES
- Development of a request for proposals (RFP) for design of the OFFSITE POTABLE REUSE FACILITIES
- Procurement of the designer for the OFFSITE POTABLE REUSE FACILITIES
- Bidding services for the OFFSITE POTABLE REUSE FACILITIES
- Construction management for the OFFSITE POTABLE REUSE FACILITIES

The Scope of Services is based upon the understanding the CITY, and/or the CITY'S consultants, will be the lead for the following project activities: Hydrogeological Investigations; Outside Funding Coordination; Environmental Permitting/Mitigation; and Rate Setting. However, the PROGRAM MANAGER will be responsible for oversight, coordination and management of those activities, as well as other activities related to the PROGRAM currently being led or may in the future be led by other CITY'S consultants.

The PROGRAM MANAGER will be a lead advisor to the CITY for the procurement of the WRF design-build team and the primary contact with the proposing WRF design-build teams on behalf of the CITY. The PROGRAM MANAGER will coordinate the procurement of the LIFT STATION AND PIPELINES contractor, whereas the CITY'S LIFT STATION AND PIPELINES design engineer will take the lead in answering questions and developing addenda during the bid process. The PROGRAM MANAGER will be the advisor to the CITY for the procurement of the OFFSITE POTABLE REUSE FACILITIES and the primary contact with those bidding on that project on behalf of the CITY.

Phase 1 (Program Confirmation) - Phase 1 for PROGRAM MANAGEMENT is included as part of this Scope of Services. Phase 1 will be completed by December 31, 2018. The goal of Phase 1 is to establish a roadmap for the next three years of the PROGRAM and successfully bring on-board the design-build team for the WRF.

Phase 2 (Program Implementation) - Phase 2 for PROGRAM MANAGEMENT is not included as part of this Scope of Services. Phase 2 will begin around January 1, 2019 and continue through December 31, 2019. Phase 2 will focus on program controls, funding support, permitting support, and providing technical direction to the WRF design-build-team. The estimated cost of Phase 2 is \$2,400,000.

Phase 3 (Program Oversight) - Phase 3 for PROGRAM MANAGEMENT is not included as part of this Scope of Services. Phase 3 will begin around January 1, 2020 and continue through December 31, 2021. Phase 3 will focus on program controls, funding support, permitting support, construction oversight for the WRF, construction management for the LIFT STATION AND PIPELINES, procurement support for the design of the OFFSITE POTABLE REUSE FACILITIES, and construction management for the OFFSITE POTABLE REUSE FACILITIES. The estimated cost of Phase 3 is \$5,000,000.

It is anticipated amendments to the Scope of Services will be developed for each fiscal year of the PRORGRAM. An amendment for Phase 2 will be developed following the start of FY 19/20 once the tasks for Phase 2 are better defined through the efforts of the Phase 1 services.

Tasks for Phase 1 Program Confirmation

01181.0001/464220.1

Task 1 - Program Assessment

The PROGRAM MANAGER will conduct an overall assessment of the PROGRAM and determine to what degree the CITY is on track towards meeting its goals and objectives. This analysis will focus on all key PROGRAM components.

Subtask 1.1 - Information Review

The PROGRAM MANAGER will review all available information regarding the initial development of the PROGRAM and its implementation to-date, specifically focusing on the status of key efforts and deliverables as they relate to achieving the PROGRAM goals and other directives established by the City Council and other regulating entities. This information will include:

- Deliverables and other work products prepared by the PROGRAM'S existing technical team
- City Council presentations by CITY staff, the previous program manager, and technical team members
- PROGRAM reporting documentation (regularly reports, meeting minutes, etc.) as available

The PROGRAM MANAGER will augment the information above with face-to-face meetings or telephone conferences with the existing technical team, CITY staff, and other stakeholders as necessary and directed by the City Manager in order to obtain a thorough understanding of PROGRAM progress to-date. Specifically, the PROGRAM MANAGER will attend a City Council Study Session tentatively scheduled for April 25, 2018 with the goal of updating the City Council and community on the status of the PROGRAM.

Subtask 1.2 - Program Objectives and Metrics Assessment

The PROGRAM MANAGER will review current PROGRAM metrics to confirm whether efforts underway by the existing technical team are in alignment with PROGRAM objectives. Evaluation of the metrics for key PROGRAM components will include:

- Technical
- Procurement
- Financial (funding and user rates)
- Regulatory and permitting
- Political and stakeholder outreach

Considering the current technical and financial factors and public interest regarding the PROGRAM, the PROGRAM MANAGER will identify additional or revised metrics to be applied to the PROGRAM, considering schedule, projected cost, funding, rate impacts, and stakeholder concerns. If deemed necessary by the City Manager or City Council, then the PROGRAM

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MANAGER will work with the CITY to revisit the original goals and objectives driving the PROGRAM, and determine whether they should be adjusted or reframed.

Subtask 1.3 - Program Assessment

Based on the findings of the Subtasks 1.1 and 1.2, the PROGRAM MANAGER will facilitate a half-day workshop with CITY and community to provide an overall assessment of the PROGRAM based on efforts to-date, metrics, and baseline PROGRAM objectives. Using a score card approach, the PROGRAM MANAGER will evaluate the current PROGRAM on a component by component level, and provide recommendations for adjusting the current approach as may be necessary.

Following the meeting, the PROGRAM MANAGER will prepare a technical memorandum that summarizes the Task 1 efforts.

Task 1 Deliverables:

- City Council Study Session (tentatively scheduled for April 25, 2018)
- PROGRAM Assessment Workshop (half-day)
- Draft PROGRAM Assessment Technical Memorandum
- Final PROGRAM Assessment Technical Memorandum

Task 2 - Technical Evaluation

The PROGRAM MANAGER will conduct a re-evaluation of the current PROGRAM technical approach in order to confirm whether it is compatible with factors such as:

- Current and future wastewater treatment requirements
- Drinking water demand forecasts
- Drinking water supply options
- Affordability considerations, including availability of funds and rate impacts
- Permitting and environmental requirements
- Design and construction procurement processes currently underway (see Task 3)
- Stakeholder perception and project support.

The PROGRAM MANAGER will consider a variety of information including the initial PROGRAM objectives, prior analyses regarding WRF design, preliminary facility cost information and associated user rate impacts, recent analyses regarding water supply alternatives, and other relevant information. The PROGRAM MANAGER will particularly focus on more recent analyses, market feedback, and stakeholder concerns regarding the suitability of the current PROGRAM technical approach.

The PROGRAM MANAGER'S findings and recommendations will be discussed with CITY staff in a workshop setting in order to reach consensus on the best technical path forward. Such

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consensus will then be reviewed by the City Council at a public meeting for ratification or modification as deemed necessary. The efforts under Task 2 will allow the CITY to make any necessary adjustments to key PROGRAM elements such as the design-build procurement process currently underway and ongoing financial analyses.

Task 2 Deliverables:

- Technical Evaluation Workshop
- Draft Technical Evaluation Technical Memorandum
- Final Technical Evaluation Technical Memorandum

Task 3 - Design-Build Procurement Support

The PROGRAM MANAGER will conduct an evaluation of the proposals received in response to the CITY'S current design-build Request for Proposals (RFP) for the new WRF. Because the RFP incorporates primarily "performance based" technical design criteria as opposed to design prescription, the goal of this comprehensive evaluation effort will be to facilitate an "apples to apples" comparison of the proposals.

Subtask 3.1 - Proposal Completeness and Responsiveness Review

The PROGRAM MANAGER will review the proposals to determine compliance with the CITY'S RFP in terms of completeness, responsiveness, and other "pass/fail" requirements.

Subtask 3.2 - Proposal Technical Evaluation

The PROGRAM MANAGER will evaluate the proposals with respect to technical merit and compliance with the assumptions, performance requirements, and other directives of the RFP, specifically considering:

- Technical viability of the WRF design
- Robustness of the WRF design in terms of treatment capacity and influent quality variations
- Consideration of future treatment requirements
- Potential longevity of construction approach
- Operation and maintenance requirements
- Repair and replacement intervals
- Energy consumption
- Compliance with environmental requirements

The PROGRAM MANAGER'S findings will be provided to the CITY'S WRF selection committee under Subtasks 3.4.

Subtask 3.3 - Proposal Financial Evaluation

Evaluate the proposals with respect to financial considerations specifically:

- Capital cost (*i.e.* Fixed Design-Build Price)
- Energy usage and pass-through considerations
- Chemical usage and pass-through considerations
- Repair and replacement cost assumptions
- Life-cycle cost / net present value comparison
- Customer user rate impacts (working with CITY'S rate advisor)
- Funding source requirements and considerations

The PROGRAM MANAGER'S findings will be provided to the CITY'S WRF selection committee under Subtasks 3.4.

Subtask 3.4 - Proposal Ranking, Selection, and Procurement Strategy Development

Working with the CITY'S WRF selection committee in a workshop format, the PROGRAM MANAGER will develop ranking and selection recommendations based on technical (Subtask 3.2) and financial (Subtask 3.3) evaluation findings and the evaluation criteria and weightings provided in the CITY'S RFP.

During the one day workshop, the PROGRAM MANAGER and the CITY will also consider the findings of Task 2 (Technical Evaluation of the WRF). If the PROGRAM MANAGER'S findings indicate the proposals and the current WRF approach as described in the RFP are adequately aligned, then negotiation of the design-build contract (Subtask 3.5) can commence. Alternatively, if the Task 2 efforts indicate the original technical approach for the WRF now requires adjustment to better address appropriate concerns, then other options regarding the procurement will be discussed, and a revised strategy will be developed by the group.

The PROGRAM MANAGER will summarize the activities of Subtasks 3.1 through 3.4 in a technical memorandum.

Subtask 3.5 - Design-Build Contract Negotiation Support

If supported by the findings of Subtask 3.4 and authorized by the City Manager, then the PROGRAM MANAGER will provide support to CITY and legal counsel in negotiation of the design-build contract with the highest-ranked WRF design-build team.

Task 3 Deliverables:

- Proposal evaluation and selection/procurement strategy workshop (one day)
- Draft Proposal Evaluation Summary/Procurement Strategy Technical Memorandum
- Final Proposal Evaluation Summary/Procurement Strategy Technical Memorandum

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Task 3 Assumptions:

- The scope and level of effort for this task assumes the PROGRAM MANAGER and CITY will be able to successfully negotiate a design-build contract associated with the current RFP. If the existing procurement process is canceled or significant design effort is required to further define the project to facilitate a new procurement, then an amendment to this task will be required.
- The PROGRAM MANAGER will have the ability to provide detailed design services if required to facilitate selection of a design-build team or as needed to progress the PROGRAM. These design services will require specific authorization from the CITY, including costs, before services are provided.

Task 4 - PROGRAM Controls Plan

Under this task, the PROGRAM MANAGER will first conduct an initial assessment to evaluate the adequacy of the PROGRAM controls currently in place for the PROGRAM. Specifically, the PROGRAM MANAGER will confirm whether the CITY and its technical consultants are employing the proper tools and processes to monitor and report on the progress of the PROGRAM with respect to metrics such as:

- Schedule management
- Cost management
- Document management
- Risk management
- Reporting
- Quality control/quality assurance
- Internal and external stakeholder communication

Based on our evaluation, the PROGRAM MANAGER will develop a PROGRAM Controls Plan that defines the specific monitoring and management tools and procedures that will be developed and implemented under Phase 2 of the PROGRAM.

Task 4 Deliverables:

- Draft PROGRAM Controls Plan Technical Memorandum
- Final PROGRAM Controls Plan Technical Memorandum

Task 5 - PROGRAM Team Integration Plan

The CITY has engaged a team of professional consultants to provide support to the PROGRAM. Under this task, the PROGRAM MANAGER will:

- Identify and confirm the division of responsibilities among the program team
- Establish accountabilities for performance of each team member

- Develop and maintain a PROGRAM-wide milestone and deliverables schedule
- Implement structured communication and reporting protocols

Subtask 5.1 - Master Scope and Schedule Development

The PROGRAM MANAGER will review the scopes of work and milestone schedules for all members of the CITY'S existing technical team including:

- Michael K Nunley and Associates
- ESA
- Far Western
- Kestrel Consulting
- Bartle Wells Associates
- GSI Water
- RRM Design Group
- The Ferguson Group

The PROGRAM MANAGER will develop an integrated master schedule for the PROGRAM showing the relationship of the work efforts among all team members.

Subtask 5.2 - Communication Protocol

Develop a communication and reporting protocol that identifies the content and schedule for regular meetings, conference calls, and internal and external reporting.

Subtask 5.3 - PROGRAM Integration Plan

Incorporating the efforts of Subtasks 5.1 and 5.2, the PROGRAM MANAGER will prepare a Draft PROGRAM Integration Plan that identifies the consolidated efforts, communication and reporting requirements, accountabilities, and schedule commitments of the integrated team for the PROGRAM moving forward.

The PROGRAM MANAGER will then facilitate a half-day integration workshop for the PROGRAM to discuss and adjust the draft PROGRAM Integration Plan.

Task 5 Deliverables:

- Integration Plan Workshop (half-day)
- Draft PROGRAM Team Integration Plan
- Final PROGRAM Team Integration Plan

Task 6 - Routine PROGRAM Update Meetings

In order to keep the public and City Council up to date on the progress or the PROGRAM during Phase 1, the PROGRAM MANAGER will prepare for and attend bi-monthly City Council meetings as an extension of CITY staff.

Task 6 Deliverables:

- City Council Presentations in PowerPoint (total of twelve [12])
- Draft PROGRAM Update Reports
- Final PROGRAM Update Reports

Task 6 Assumptions:

- The PROGRAM MANAGER will attend and present at a total of twelve (12) meeting with the City Council, WRF Citizens Advisory Committee (WRFCAC), or other meetings, forums, or workshops to update stakeholders on the progress of the PROGRAM.

EXHIBIT B
INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Agreement, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to City in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to City..

Consultant shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office “Commercial General Liability” policy from CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Business Auto Coverage on ISO Business Auto Coverage from CA 00 01 including symbol 1 (Any Auto) or the exact equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant’s employees will use personal autos in any way to perform the Scope of Services, then Consultant shall provide evidence of personal auto liability coverage for each such person.

Property Damage Insurance in an amount of not less than \$1,000,000 for damage to the property of each person on account of any one occurrence.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer’s liability limits.

Excess or Umbrella Liability Insurance (Over Primary) if used to meet limit requirements, shall provide coverage at least as broad as specified for the underlying coverages. Any such coverage provided under an umbrella liability policy shall include a drop down provision providing primary coverage above a maximum \$25,000 self-insured retention for liability not covered by primary but covered by the umbrella. Coverage shall be provided on a “pay on behalf” basis, with defense costs payable in addition to policy limits. Policy shall contain a provision obligating insurer at the time insured’s liability is determined, not requiring actual payment by the insured first. There shall be no cross liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to City for injury to employees of Consultant, subContractors or others involved in the Work. The scope of coverage provided is subject to approval of City following receipt of proof of insurance as required herein. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designated to protect against acts, errors or omissions of the Consultant and “Covered Professional Services” as designated in the policy must specifically

include work performed under this agreement. The policy limit shall be no less than \$2,000,000 per claim and in the aggregate. The policy must “pay on behalf of” the insured and must include a provision establishing the insurer’s duty to defend. The policy retroactive date shall be on or before the effective date of this agreement.

Insurance procured pursuant to these requirements shall be written by insurer that are admitted carriers in the state California and with an A.M. Bests rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Consultant.

Consultant and City agree to the following with respect to insurance provided by Consultant:

1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds the City of Morro Bay and its officials, employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992. Consultant also agrees to require all Consultants, and subContractors to do likewise.
2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant's employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against City regardless of the applicability of any insurance proceeds, and to require all Consultants and subContractors to do likewise.
3. All insurance coverage and limits provided by Consultant and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the City or its operations limits the application of such insurance coverage.
4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.
5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any Consultant or subcontractor.
6. All coverage types and limits required are subject to approval, modification and additional requirements by the City, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.
7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to City at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, City has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by City shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at City's option.
8. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subContractor, is intended to apply first and on a

primary, noncontributing basis in relation to any other insurance or self-insurance available to City.

9. Consultant agrees to ensure that subcontractors, and any other party involved with the Scope of Services who is brought onto or involved in the Scope of Services by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the Scope of Services will be submitted to City for review.
10. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any Consultant, subContractor, Architect, Engineer or other entity or person in any way involved in the performance of the Scope of Services to self-insure its obligations to City. If Consultant's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the City. At the time the City shall review options with the Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.
11. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City will negotiate additional compensation proportional to the increase benefit to City.
12. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.
13. Consultant acknowledges and agrees that any actual or alleged failure on the part of City to inform Consultant of non-compliance with any insurance requirements in no way imposes any additional obligations on City nor does it waive any rights hereunder in this or any other regard.
14. Consultant will renew the required coverage annually as long as City, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until City executes a written statement to that effect.
15. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as

required in these specifications applicable to the renewing or new coverage must be provided to City within five days of the expiration of the coverages.

16. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents.
17. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.
18. These insurance requirements are intended to be separate and distinct from any other provision in this agreement and are intended by the parties here to be interpreted as such.
19. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.
20. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the Scope of Services reserves the right to charge City or Consultant for the cost of additional insurance coverage required by this agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.
21. Consultant agrees to provide immediate notice to City of any claim or loss against Consultant arising out of the work performed under this agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

Staff Report

TO: Honorable Mayor and City Council **DATE:** March 23, 2018
FROM: Jennifer Callaway, Finance Director
SUBJECT: Presentation and Discussion of the Fiscal Year 2016/17 Comprehensive Annual Financial Report

RECOMMENDATION

Council receive and provide feedback on the FY 2016/17 Comprehensive Annual Financial Report for the period July 1, 2016 through June 30, 2017.

DISCUSSION

In 2015 the City issued a Request for Proposal (RFP) for auditing services and the Pun Group was selected as the most responsive proposer. The City entered into agreement with the Pun Group to perform auditing services for the fiscal years ending June 30, 2015, 2016, 2017 and 2018, with the option to renew for two additional fiscal years (2019 through 2020). The Auditors were onsite in November 2017 to review expenditures, revenues, contracts and general accounting processes for both accuracy and internal controls (fraud prevention). After the audit team collected its information, the issues discovered are presented as audit findings in the attached Comprehensive Annual Financial Report (CAFR).

There are levels of findings, depending on the severity of the evidence found; those levels that are 1) significant deficiencies; and 2) material weaknesses. A deficiency in internal controls exists when the design, or operation of a control, does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis, with timely basis meaning by the fiscal year-end and prior to the auditor's field work. A deficiency in design exists when a control, necessary to meet a stated objective, is missing, or an existing control is not properly designed, so that even if the control operates as designed, the control's objective would not be met. A deficiency in operation exists when a properly designed control does not operate as planned, or the person performing the control does not possess the necessary authority, or competence, to perform the control effectively to meet the desired objective.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. Adopted Financial Policies and Procedures would abate that issue, as the City would have clearly defined procedures in one manual. Staff members do follow position process instructions and checklists; however, there is no all-encompassing financial policy and procedure manual on which to rely.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with

governance. The existence of significant deficiencies or material weaknesses may already be a known to management and may represent conscious decision by management, or those charged with governance, to accept the risk associated with the deficiencies because of cost or other considerations. City management is responsible for making decisions concerning costs to be incurred and related benefits. The auditor's responsibility is to communicate significant deficiencies and material weaknesses regardless of management's decisions or intentions. The City has agreed to accept some degree of risk associated with deficiencies, based on staffing level decisions alone. However, there are some areas that staff, the auditor's and prior reports from Management Partners, all agree should be implemented to enhance internal controls (i.e. activation of the City's Purchase Order system). It should be noted that the auditors did not find any indication of fraud or misappropriation of public monies.

The Pun Group issued its findings in the Audit, which included the prior years' finding related to Accounting Policies and Procedures, the City's Finance Organization and Internal Controls over the Recording of Expenditures Made Subsequent to Year End. The Findings are briefly described below along with management's response. Management generally concurs with the findings and will be targeting implementation of corrective measures into FY 2018/19. The full report on Internal Control Related Matters Identified in the Audit, including criteria, conditions, cause and effects, recommendation and City response can be found at Attachment 2.

Finding 2017-001 Accounting Policies and Procedures

Recommendation:

We recommend the City develop a comprehensive Accounting Manual that would set the guidelines for recording significant transactions in the general ledger. In addition, Management should consider developing an Accounting Manual which includes at a minimum:

- Specific duties and responsibilities (desk procedures)
- Minimum required qualifications or standards
- Council/Management approved policies relating to specific transactions
- Procedures for processing of specific financial activities
- Appropriate monitoring and review controls

We also recommend the following functions be segregated:

- Initiate, authorize or approve transactions
- Executing the transactions
- Recording the transactions
- Reconcile the transactions

When segregation of duties is not possible, the City should establish compensating controls. The City can implement compensating controls by adding additional reviews and approvals of another person, and/or require reconciliation between systems or reports to ensure that all transactions are properly processed, recorded, and reconciled to the general ledger system. Furthermore, the City should enforce consistent treatment over all processes in accordance to the adopted policies and procedures, require documentation and retain documents necessary, require approval and review signatures, and further investigate when exceptions occur.

Management's Response:

1. With the transitions that occurred within the Finance Department during FY 2015/16 and FY 2016/17 completion of the comprehensive book of policies and procedures has not occurred. The City agrees that it is important to develop a book of comprehensive

policies and procedures and will work towards completing this manual during FY 2018/19. The Department's primary focus at this point is stabilization of staffing, training of City procedures and desk duties, and implementation of the City's Purchasing software.

The City's Finance Director or Accounting and Budget Manager are now reviewing the accounts payable register and batches. The accounts payable process checklist is also reviewed and signed off by the Finance Director or Accounting and Budget Manager. For special accounts payable batches that are outside the normal processing timeline, a new formal approval process is being implemented that requires prior authorization from the Finance Director. Accounts Payable registers and monthly cross fund reconciliations are posted on-line for transparency to the City Council, residents and staff. Similarly, the Finance Director or Accounting and Budget Manager are reviewing and signing off on the bi-weekly payroll registers.

2. Daily cash is balanced by an employee from the Public Works Department who does not, or rarely, takes in cash from customers. The bank deposit is prepared by this person and the bank reconciliation is completed by the Senior Accounting Technician. We continue to count cash in the presence of other clerks for verification as much as possible. For an organization of our size, staff believes there is an adequate separation of duties with this process.
3. The City continues to receive reports from these standalone systems, but do not have the ability to transfer information from the standalone system to the City's main financial software product. The City's deployment of CityWorks was delayed but is now currently being deployed and will be in the testing phase in April 2018. The CityWorks portal has a transfer protocol for both building permits and business tax certificate processes.

The City's Recreation software and Harbor Department software does not have transfer protocols. The City will need to explore software products that will integrate with our current financial software. In the interim, monthly reports are being provided from each of these standalone systems. These reports are compared to the revenue reported in the City's main financial software to ensure that all revenue is recorded accurately.

4. Due to staffing transitions within the Finance Department, the purchase order system has not been implemented. This remains a priority for the City and Department as the Finance team works towards deploying the system which is targeted for FY 2018/19.
5. The Finance Department is providing detailed quarterly budget reports to Council and Departments as well as reviewing budget policies, practices and expectations.

Finding 2017-002 City's Finance Organization

Recommendation:

We recommend that the City define the roles and responsibilities of each position in order to strengthen its internal control over financial reporting, compliance, and to improve the overall control environment.

Management's Response: Management concurs with this recommendation. The Finance

Departments primary focus is to stabilize the staffing within the Department, determine appropriate staffing classifications, structure and roles and responsibilities. Defining roles and responsibilities for each position will be a key component of this effort.

Finding 2017-003 Internal Control over the Recording of Expenditures Made Subsequent to Year End

Recommendation:

We recommend that the City implement procedures to ensure proper cut off of expenditures for year-end closing. Furthermore, sufficient training and oversight should be made.

Management's Response: Management concurs with this recommendation. As part of the organizations efforts at stabilizing the staffing and structure within the Finance Department, an assessment of centralizing the accounts payable process within Finance. Under the current decentralized processing, training of staff in other departments has been a challenge, particularly given the number of transitions within the Finance Department. Returning accountability and control over the accounts payable process may provide another level of oversight for year-end processing and proper accounting of expenditures.

Prior year findings and questioned costs were all considered implemented with the exception of Finding 2016-003 Accounting Policies and Procedures. Finding 2016-003 was considered partially implemented and is again reflected in finding 2017-001.

As indicated in the audit, the Finance staff has had significant turnover in the past two years. Currently, the longest tenured full-time employee is 17 months with the City. This loss of institutional knowledge and time of transition is impactful to the Finance Department but and the City as a whole. Finance staff is working diligently to keep progress moving forward on current needs of the City as well as addressing the findings in the FY 2016/17 and prior year audits. Staff's priority is to deploy the City's Purchase Order system for FY 2018/19.

The CAFR was shared with and presented to the Citizen's Finance Advisory Committee (CFAC) on March 20, 2018. CFAC asked the following items be included in the Council Staff report as they were mentioned in previous audit communication letters but not in the FY 2016/17 audit letter.

1. Bond Coverage Ratio – This was a finding in previous years in which under Section 12(a) of the Water Treatment and Local Facilities Agreement with the San Luis Obispo County Flood Control and Water Conservation District (the Agreement) states, "The contractor will fix, prescribe and collect rates and charges for the Contractor Water System which will be at least sufficient to yield during each fiscal year Contractor net Water System Revenues equal to one hundred twenty-five percent (125%) of the contract payments for such Fiscal Year."

Management Response – On March 26, 2015, the City adopted new water rates that were implemented with the August 31, 2015 billing (July usage). With the new rate structure in place the City's bond coverage ratio has improved significantly. The FY 2016/17 ratio was 2.16, well above the 1.25. Therefore, there was no finding related to the bond coverage ratio in the FY 2016/17 audit.

2. Financial Condition - This was also a finding in previous yeas which stated "the City has suffered significant reductions in net position from operations, which raises uncertainties regarding future operations. As of June 30, 2016, the City's Governmental Activities and

the Harbor Enterprise Fund had an unrestricted net position deficit of \$5,767,414 and \$608,390, respectively. Furthermore, the Capital Improvement Capital Projects fund had an unassigned fund balance deficit of \$406,095, which has now been corrected.”

Management Response – With the implementation of GASB 68 pension costs greatly impacted net positions for many jurisdictions. Staff will monitor revenues and expenditures closely to build up more fiscal sustainability.

Staff would also note CFAC provided valuable feedback in response to the FY 2015/16 CAFR, including several recommendations to improve the CAFR for submission of the Government Finance Officers Association (GFOA) CAFR award program. Staff did not meet the deadline for submitting the 2016/17 CAFR to GFOA for consideration and in an effort to complete the Management Discussion and Analysis of the audit comments and close out the FY 2016/17 audit was not able to take into account CFACs recommendations regarding the Management Discussion and Analysis and Transmittal letter. Staff have already scheduled the interim audit with the Pun Group for FY 2017/18 and will ensure target dates remain on track for proper time to review a draft CAFR and submittal of the CAFR to GFOA for FY 2017/18.

CONCLUSION

Kenneth Pun, Managing Partner of the Pun Group, will present the FY 2016/17 audit report to the Council.

ATTACHMENTS

1. Link to: [Letter from The Pun Group](#)
2. Link to: [Report on Internal Control Related Matters Identified in the Audit for FY 2016/17](#)
3. Link to: [Comprehensive Annual Financial Report for FY 2016/17](#)

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Staff Report

TO: Honorable Mayor and City Council

DATE: March 22, 2018

FROM: Jennifer Callaway, Finance Director

SUBJECT: Receipt of Second Quarter Investment Report (October through December 2017) for Fiscal Year 2017/18 and Approval of the Recommended Liquidity Ratio

RECOMMENDATION

Council:

1. Receive the attached Second Quarter Investment Report (October through December 2017) for Fiscal Year 2017/18; and
2. Approve staff's recommended liquidity ratio of 65% to 70% of the City's total investment portfolio.

FISCAL IMPACT

There is no fiscal impact associated with this recommendation.

DISCUSSION

Attached for your consideration is the Second Quarter Investment Report for FY 2017/18.

As of December 31, 2017, the City's weighted portfolio yield of 0.94% was slightly below the Local Agency Investment Fund (LAIF) yield of 1.20%. With interest rates increasing staff will monitor rates closely and as investments mature replace those investments with an appropriate maturity and credit rating equivalent investment.

During the quarter, yields have generally been increasing anticipating continued economic growth. Passage of the new tax provisions added to investor's belief in growth in the economy and inflation, while also increasing the federal budget deficit and supply of Treasury debt. Many believe that the new tax provisions will lead to higher potential for inflation and higher future interest rates.

As such, staff's strategy will be to focus on the purchase of short-term (two years or less in maturity) investments as the rewards for longer term investments in the three to five-year maturity do not have adequate spreads to justify the risk of holding longer term maturities.

Liquidity Ratio

Staff recommends the City Council approve the recommended liquidity ratio of 65% to 70%. The liquidity ratio is the percentage of portfolio holdings that are readily accessible for the City to respond to emergencies. As the City is examining cash flow needs and options to deal with the CalPERS impacts and possible cash flow needs for the water reclamation facility, staff has been in a holding pattern, waiting to reinvest funds into shorter term CDs until liquidity is assessed and a

reasonable liquidity rate is agreed upon.

A survey was issued on the California Society of Municipal Finance Officer's listserve in efforts to benchmark the City's liquidity ratio against those of other City's in California. Only two City's responded with liquidity guidance, Redwood City and Moorpark. Redwood City maintains a liquidity rate equal to six-months work of operations. Under that methodology and based on an average of Morro's Bay expenditures for the first six months of FY 2016/17 (\$16.8 Million) and the second six months of FY 2016/17 (\$16.1 Million), Morro Bay would maintain approximately \$16.5 Million in liquid assets, a ratio of 73% of liquid assets given the City's current portfolio total of \$22.4 Million.

The City of Moorpark uses a formula based on 36 months of cash flow. The lowest cash flow month is subtracted from the highest outflow month to arrive at a maximum net cash outflow. Moorpark has established a liquidity reserve of 1.5 times the maximum net cash outflow. Under this methodology, the City of Morro Bay's liquidity reserve would be \$12.0 Million or 54% of the current portfolio.

Given that staff is currently reviewing various options to help pre-fund or paydown the City's CalPERS unfunded liability, staff believes 54% liquidity is a bit low and 73% liquidity may be slightly high. An average of the two methodologies above would yield a recommended target liquidity ratio of 65% or \$14.6 Million. Based on the various timing of investments, etc., staff's recommendation is to liquidity is to maintain a liquidity ratio between 65% and 70% of the City's total investment portfolio (\$14.6 Million to \$15.7 Million).

This second quarter investment report was shared with the Citizen's Finance Advisory Committee on March 20, 2018. By consensus discussion, the Committee received the report and concurred with staff's recommended liquidity ratio.

CONCLUSION

Staff recommends the City Council receive the Second Quarter Investment Report (October through December 2017) for Fiscal Year 2017/18 and approve staff's recommendation to maintain a liquidity ratio between 65% and 70% of the City total investment portfolio

ATTACHMENT

1. Second Quarter Investment Report for FY 2017/18 (October through December 2017)

CITY OF MORRO BAY
QUARTERLY PORTFOLIO PERFORMANCE
12/31/2017

INVESTMENT OR CUSIP NUMBER	INSTITUTION	PURCHASE PRICE	MARKET VALUE	COUPON INTEREST RATE	PURCHASE DATE	MATURITY DATE	DAYS TO MATURITY
LAIF	LOCAL AGENCY INVESTMENT FUND	\$ 7,221,091	\$ 7,221,091	1.200%	DAILY	DAILY	1
MONEY MARKET ACCOUNT:							
MM	RABOBANK - MONEY MARKET	2,530,260	2,530,260	0.20%	DAILY	DAILY	1
SWEEP	RABOBANK - SWEEP	4,860,105	4,860,105	0.05%	DAILY	DAILY	1
MM	OPUS BANK	4,030,172	4,030,172	1.30%	DAILY	DAILY	1
Government Agency							
3134G8PD5	FHLM Corp	500,003	497,548	1.350%	3/30/2016	9/30/2019	
3136G1KD0	FNMA	498,933	499,015	1.000%	6/13/2013	4/30/2018	
CERTIFICATES OF DEPOSIT:							
1404202A7	ZION BANK - CAPITAL ONE BANK	250,005	252,772	2.400%	4/12/2017	4/12/2022	1,563
902856	TBK BANK	250,000	250,000	2.050%	1/24/2017	1/11/2019	376
4100093030	LEADER BANK	250,000	250,000	1.551%	1/6/2014	1/6/2019	371
02006LYZ0	ZIONS BANK - ALLY BANK	250,001	249,881	1.000%	3/17/2016	3/19/2018	78
9497484B0	ZION BANK - WELLS FARGO	250,001	249,884	1.100%	3/23/2016	3/23/2018	82
254671VW7	ZION BANK - DISCOVER BANK	250,001	251,224	2.000%	9/11/2013	9/11/2018	254
05568P5Y9	ZION BANK - BMW BANK	250,001	251,262	2.100%	10/25/2013	10/25/2018	298
36160NYZ6	ZION BANK - Synchrony Bank CD	250,001	251,661	2.150%	10/25/2013	10/25/2018	298
38148PGK7	ZION BANK - GOLDMAN SACHS BANK	250,003	245,243	1.550%	8/3/2016	8/3/2021	1,311
3090683803	STATE FARM BANK	250,000	250,000	1.980%	10/21/2013	10/21/2018	294
4923509568	PENTAGON FEDERAL CREDIT UNION	250,000	250,000	3.000%	2/5/2014	2/5/2019	401
		<u>\$ 22,390,577</u>	<u>\$ 22,390,116</u>				
					% OF LIQUID PORTFOLIO HOLDINGS	WEIGHTED AVERAGE RATE OF EARNINGS	WEIGHTED AVERAGE MATURITY
					<u>83.257%</u>	<u>0.940%</u>	<u>60</u>

Portfolio holdings as of the second quarter ended December 31, 2017, are in compliance with the current Investment Policy. With 83.257% of the portfolio held in liquid instruments, the cash needs of the City will be met.