



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, May 8, 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

- Hunger Awareness Day 2018 Proclamation Presented to SLO Food Bank

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 APRIL 10, 2018 CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-2 APPROVAL OF MINUTES FOR THE APRIL 24, 2018 CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-3 ADOPTION OF RESOLUTION NO. 22-18 APPROVING THE FISCAL YEAR 2018/19 BUSINESS TAX SCHEDULE; (FINANCE)

RECOMMENDATION: Council review the Business Tax schedule and adopt Resolution No. 22-18, setting the Fiscal Year (FY) 2018/19 Business Tax Schedule.

- A-4 SECOND READING AND ADOPTION OF ORDINANCE NO. 613, TO LIMIT THE NUMBER OF VACATION RENTALS IN RESIDENTIAL ZONES TO 250 AT ANY ONE TIME. ORDINANCE 613 AMENDS SECTION 5.47.050 OF THE MORRO BAY MUNICIPAL CODE; (COMMUNITY DEVELOPMENT)

RECOMMENDATION: City Council waive reading of Ordinance 613 in its entirety and adopt Ordinance No. 613 amending section 5.47.050 of the Morro Bay Municipal Code (MBMC) to limit the number of vacation rentals to not more than 250 at any given time on residentially zoned property.

- A-5 PROCLAMATION – NATIONAL TRAVEL AND TOURISM WEEK; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-6 PROCLAMATION DECLARING JUNE 1, 2018 AS HUNGER AWARENESS DAY; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-7 PROCLAMATION DECLARING MAY 19, 2018, AS MORRO BAY SAFE BOATING DAY; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

B. PUBLIC HEARINGS

- B-1 ADOPTION OF RESOLUTION NO. 23-18 APPROVING THE ENGINEER'S REPORT AND DECLARING THE INTENT TO LEVY THE ANNUAL ASSESSMENT FOR THE CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS)

RECOMMENDATION: City Council adopt Resolution No. 23-18 declaring the intent to levy the annual assessment for the maintenance of the Cloisters Park and Open Space for fiscal year 2018/19 and approving the Engineer's Report.

- B-2 ADOPTION OF RESOLUTION NO. 24-18 APPROVING THE ENGINEER'S REPORT AND DECLARING THE INTENT TO LEVY THE ANNUAL ASSESSMENT FOR THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS)

RECOMMENDATION: Council adopt Resolution No. 24-18 approving the Engineer's Report and declaring the intent to levy the annual assessment for maintenance of the North Point Natural Area.

- B-3 CONSIDERATION OF THE MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT (TBID) ANNUAL REPORT AND CONTINUATION OF THE TBID ASSESSMENT FOR FY 2018/19; AND ADOPTION OF RESOLUTION NO. 25-18 DECLARING THE INTENT TO CONTINUE THE PROGRAM AND LEVY ASSESSMENTS FOR THE FISCAL YEAR 2018-19 AND SCHEDULING A PUBLIC HEARING TO LEVY THE ASSESSMENTS; (TOURISM)

RECOMMENDATION:

1. Receive and file report from staff on their evaluation of Tourism efforts; and
2. Adopt Resolution No. 25-18 approving the draft Fiscal Year 2018-19 Tourism Business Improvement District (“TBID”) Annual Report for expenditure of funds to be derived from the annual assessment, and declaring the intention to continue the program and levy assessments and set the public hearing date for June 12, 2018 to continue the 3% TBID Assessment in FY 2018/19; and
3. Direct staff to review inclusion of vacation rentals and recreational vehicle parks in the TBID, evaluating the proportionate assessment rate to the benefit received by such entities, and bring back recommendations for City Council consideration.

C. BUSINESS ITEMS

- C-1 DISCUSSION AND ADOPTION OF RESOLUTIONS APPROVING COUNCIL POLICIES & PROCEDURES, ADVISORY BODIES HANDBOOK AND BY-LAWS, AND READOPTING CIVIL DISCOURSE POLICY AND DIRECTION REGARDING POSSIBLE CHANGE TO THE MORRO BAY MUNICIPAL CODE REQUIREMENT FOR PREPARATION OF COUNCIL MEETING MINUTES; (CITY CLERK)

RECOMMENDATION: City Council:

1. Discuss and adopt Resolution 26-18 approving the Council Policies & Procedures, including proposed amendments; and
2. Adopt Resolution 27-18 reaffirming its commitment to follow best practices of civility and civil discourse; and
3. Discuss and adopt Resolution 28-18 approving the Advisory Bodies Handbook and By-laws; and
4. Discuss and provide direction regarding amending the Morro Bay Municipal Code regarding the timing of preparing Council meeting minutes.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

E. ADJOURNMENT

The next Regular Meeting will be held on **Tuesday, May 22, 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.

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PRESENT:	Jamie Irons	Mayor
	Robert Davis	Council Member
	John Headding	Council Member (<i>arrived at 6:02 p.m.</i>)
	Matt Makowetski	Council Member
	Marlys McPherson	Council Member
STAFF:	Scott Collins	City Manager
	Joseph Pannone	City Attorney
	Dana Swanson	City Clerk
	Jennifer Callaway	Finance Director
	Rob Livick	Public Works Director
	Scot Graham	Community Development Director
	Greg Allen	Police Chief
	Steve Knuckles	Fire Chief
	Eric Endersby	Harbor Director

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:00 p.m., with all but Council Member Headding present. Council Member Headding joined the meeting at 6:02 p.m.

PLEDGE OF ALLEGIANCE
MOMENT OF SILENCE
RECOGNITION – None

CLOSED SESSION REPORT – City Attorney Pannone reported there were three items on the Closed Session Agenda and no reportable action was taken on two of those items. Regarding Initiation of Litigation, there was authorization and direction to bring action, as necessary, to recover damages the City received due to the condition the Off the Hook lease site was left in when her lease terminated by operation of law.

MAYOR AND COUNCIL MEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS
https://youtu.be/l0u_UboGKB4?t=3m56s

CITY MANAGER REPORTS, ANNOUNCEMENTS & PRESENTATIONS - None

PRESENTATIONS
https://youtu.be/l0u_UboGKB4?t=12m51s

- Morro Bay High School Cinco de Mayo Scholarship Presentation
 - Maria Villalvazo, on behalf of the English Language Advisory Council (“ELAC”), invited the public to attend a Cinco de Mayo celebration and scholarship fundraiser on Friday, May 4, 2018 from 4:00 – 7:00 p.m. at Morro Bay High School.
- SLOCOG Bike to Work Day Presentation
 - Peter Williamson, SLOCOG Rideshare Coordinator, announced Bike to Work Day activities planned for Friday, May 18, 2018
- Sexual Assault Awareness Month Proclamation Presented to RISE
 - Jenny Baltes, RISE Client Advocate, and Brian Covarrubias, RISE Education Program Coordinator, accepted the proclamation and announced activities

planned during Sexual Assault Awareness Month. Visit www.walkamileslo.org for more information

PUBLIC COMMENT

https://youtu.be/IOu_UboGKB4?t=31m24s

Haley Green, lead mediator and founder of Open Gate Communication Center located at 325 Pacific Street, provided the business spot. She offers mediation and coaching services for families, co-parents, businesses, landlords/tenants and others who find themselves in difficult circumstances. For more information, visit www.opengatemediate.com.

Ed Griggs, Morro Bay resident speaking on behalf of Morro Bay Stakeholders, read a letter submitted to Mr. Pannone on March 27th inquiring about the 3300 Panorama project.

Aaron Ochs, Save Morro Bay, expressed concern about citizen oversight and the public process related to contracts, stating citizens want to have more dialogue on the water reclamation facility project.

Barry Branin, Morro Bay, stated a group of residents reviewed the WIFIA application and believe misstatements were made and should be corrected.

Eric Foor, Morro Bay, expressed concern regarding the cost of the proposed water reclamation facility and need to repair broken and misaligned sewer pipes. He invited residents to attend the next CAL workshop and organize to protest the bill hike.

Annie Pivarski, Morro Bay, asked if it is the Council's goal to annex the property surrounding the City for future development, justifying the cost of the proposed wastewater treatment plant. She also asked how staff arrived at the proposed amount for appeal fees.

Kerrigan Mahan, Morro Bay, asked why the City is continuing to pursue a \$150 Million sewer plant when it can be accomplished for \$50 Million.

Anne Marie Schnetzler, Morro Bay, requested the City give priority to City Council meeting minutes, as required by the municipal code. She also stressed the waste water treatment project would need community support and encouraged the Council to choose wisely.

Cynthia Hawley posed the following questions: Has the City bought the South Bay Blvd. site, has the Master Water Reclamation Plan been publicly adopted, has the Facility Master Plan been formally adopted, and when does the Council intend to apply for permits?

Mandy Davis, Morro Bay, expressed concern about increased appeal fees and pointed out the ability to appeal is part of democratic process. She also stated her opposition to ESHA designations provided to the Coastal Commission and requested the last set of maps be reinstated.

Marla Jo Bruton, Morro Bay, asked if there would be another opportunity to speak to the proposed revisions to the Council Policies & Procedures. She also suggested the WIFIA letter of intent sent by the City in April 2017 was misleading.

Steve Stevens, Morro Bay, asked the Council to state a threshold for a wastewater treatment plant that would be too expensive, a summary of what occurred on the trip to Washington D.C., and suggested inadequate information was provided on the WIFIA loan application.

David Nelson, Morro Bay, asked the Council to explore less expensive waste water treatment plant alternatives and expressed concern about cancelled committee meetings.

Betty Winholtz, Morro Bay, opposed the increased appeal fees in Item B-1 and suggested CPI increases be based on Los Angeles/Orange County. Regarding Item C-1, she believes its counter-productive to hire a corporation to do something a single person could do and hoped the Council would discuss the pros and cons.

Mark Hanson, Morro Bay, stated his opposition to the proposed water reclamation facility project and asked why the City is pursuing a project that is unaffordable.

The following individuals spoke to Item C-1:

Carolyn Brinkman, Morro Bay, expressed concern Carollo Engineering's working relationship with Mike Nunley and the City, may not provide fresh eyes committed to looking at less expensive alternatives.

Carole Truesdale, Morro Bay, suggested Carollo Engineering has a conflict of interest and asked the Council to reconsider the award of contract.

Debbie Highfill, Morro Bay, opposed the appeal fees in Item B-1, stating it would disrupt the democratic process.

The Council and staff responded to comments raised during public comment. Mr. Collins announced the WRF workshop to be held Wednesday, April 25th @ 6:30pm in the Veterans Hall.

The public comment period was closed.

- A. CONSENT AGENDA
https://youtu.be/!Ou_UboGKB4?t=1h34m13s

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

- A-1 APPROVAL OF MINUTES FOR THE 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.

The public comment period for the Consent Agenda was opened; seeing none, public comment period was closed.

Council Member McPherson commented briefly on Item A-8, noting the additional work hours were needed for implementation of CityWorks.

MOTION: Council Member Headding moved the Council approve all items on the Consent Agenda. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

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)

https://youtu.be/I0u_UboGKB4?t=1h36m6s

Finance Director Callaway presented the staff report and responded to Council inquires.

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

Cynthia Hawley stated certain types of development can be appealed directly to the Coastal Commission rather than through local jurisdiction, thereby skipping the local appeal process.

Ted deMont, Morro Bay, opposed increased appeal fees and hoped the Council would not put the need for financial responsibility above the ability for public participation.

David Nelson, Morro Bay, requested the Council not increase appeal fees.

Tina Metzger, Morro Bay, stated the appeal process isn't being abused and requested fees not be increased.

The public comment period for item B-1 was closed.

Council Members agreed that, while consistent with established policy, the proposed increase to appeal fees might limit public participation. Following discussion of various approaches, it was determined appeal fees would remain at \$250 until the comprehensive fee study was complete, that it be refundable in the event the appellant prevails, and the Master Fee Schedule denote the cost recovery percentage, so it was clear that amount did not cover actual costs.

The Council also agreed dedication fees for trees, plaques and benches recover actual cost plus time and materials, rather than a fixed price.

Mayor Irons requested the Request for Proposals be revised to identify options for incentives in development impact fees. There was Council support for this addition.

MOTION: Council Member Davis moved appeal fees be set at \$250 in this Master Fee Schedule and shall be refundable if appellant prevails, and that the Master Fee Schedule denote what percentage of recovery that amount is. The motion was seconded by Council Member Makowetski for discussion.

Council Member Heading John suggested benchmark data from other cities indicates appeal fees are higher than \$250 and supported about 40% of cost or \$400 for both. Council Member McPherson recognized that was an alternative, or something in the middle, perhaps setting both at \$300. She also commented the difference being discussed was not significant. Council Member Heading agreed and retracted his statement.

The motion carried unanimously, 5-0.

MOTION: Council Member Heading moved for adoption of Resolution No. 17-18 which rescinds Resolution No. 11-17 and amends and adopts the complete Fiscal Year 2018/19 Master Fee Schedule, with the appeal fees amended as stated, and tree and plaque/bench fees as amended. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

MOTION: Council Member Heading moved the Council release the Request for Proposals to seek qualified firms to perform a Comprehensive Fee Study, Cost Allocation Plan and Development Impact Fee study, with the language as agreed upon during discussion added. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

The Council took a brief recess at 8:43 p.m. the meeting reconvened at 8:51 p.m. with all members present.

C. BUSINESS ITEMS

C-1 AWARD OF CONTRACT FOR PROFESSIONAL SERVICES: PROGRAM MANAGEMENT FOR THE MORRO BAY WATER RECLAMATION FACILITY PROJECT TO CAROLLO ENGINEERS; (CITY MANAGER/PUBLIC WORKS)
https://youtu.be/l0u_UboGKB4?t=2h44m42s

City Manager Collins presented the report and responded to Council inquiries.

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

Bart Beckman, Morro Bay, opposed the selection of Carollo Engineering, asked if there was incentive for Carollo to look for cost savings in the project, and was concerned the staff report implied Jeff Heller and WRFCAC supported the selection.

David Nelson, Morro Bay, asked to be on record as being against the selection of Carollo Engineering.

Paul Donnelly, Morro Bay resident and member of WRFCAC subcommittee, noted he was speaking individually, not behalf of WRFCAC. The WRFCAC subcommittee was asked individually to give their recommendation and he recommended John Hollenbeck.

Homer Alexander, Morro Bay, spoke in support of awarding the Program Management contract to Carollo Engineers, noting there could be projects savings because of this change.

Tina Metzger, Morro Bay, opposed the selection of Carollo Engineering and expressed concern the RFQ process eliminated cost-effective construction companies.

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

Mr. Collins clarified Jeff Heller was involved in the effort and WRFCAC subcommittee members provided input, but he didn't mean to imply there was support, just that he appreciated their time and input.

Council Member McPherson had the opportunity to sit in on the interviews and was confident Carollo Engineering has the experience, technical expertise and breadth of knowledge needed at this critical juncture, and that they will work to help define cost savings in the project. Mr. Hollenbeck would have been a fine project lead but admitted he did not have the necessary technical background in wastewater treatment and recycling. She supported moving forward as recommended by staff.

Mayor Irons stated Mr. Hollenbeck likely was the best choice to manage the build, but Carollo was very experienced on the wastewater side and offered solutions to reduce scope and identified permitting challenges. He supported Carollo as the project management team.

Council Member Makowetski stated the City is at a juncture point with the project and the City is focused on trying to save money and streamline the process. He agreed a group of people, like Carollo, seemed to be most able to intertwine the various project management needs. He agreed with what has been said but wanted to validate different opinions and note concerns are being acknowledged and addressed.

Council Member Davis read the following statement into the record:

“The folks who formed the Citizens for Affordable Living have provided great service to the City. They have brought us questions, objections, proposals—all designed to improve the project. And the City has spent significant time and money responding to those proposals and that’s good, because that’s what we are supposed to do.

- We paused during site selection to choose a site that did not offend any of our neighbors.
- When community members asked to have a group of outside experts look at the project, we paused for a peer review, and that was performed by a panel of licensed, registered engineers who had all recently completed water treatment facilities.
- When community members asked us to see about joining Cayucos, I met with Robert Enns and Rick Koon and found out that we could not build a joint project because of their funding limitations.
- When community members asked us to build a site next to the Cayucos project, we investigated and found out that the distance to their site was too great to make that project economically feasible.
- When community members asked us to hire Frank Cunningham as the project manager, I called Frank and found out he wasn’t interested and that nobody had even talked to him about it.
- When community members asked us to revisit building the plant in its current location, we paused, we asked the Coastal Commission staff one more time to reconsider the application that the Commission denied in 2013, and we received no encouragement from staff.
- When community members said we could not proceed in designing the project without knowing the true cost of the plant, we issued an RFP to get a guaranteed maximum price.
- When community members said that the RFP excluded alternative low-cost solutions for water treatment, we added a paragraph that specifically invited and requested cheaper alternative solutions that would still meet community goals.
- When community members said that we were excluding PERC Water Systems from bidding, I personally called Steve Owen and asked him to submit a bid, and I believe other Council Members talked to Steve as well.
- When community members asked for a program manager to act as the owner’s agent, we worked with a member of CAL to get help with hiring and tonight we will probably hire a manager who meets the specifications that CAL helped us to develop.

I feel confident that we have conducted our activities with due diligence and that we welcome outside ideas. We have actively looked for alternative solutions and we will continue to do that.

We have support and encouragement from the EPA, from the Water Quality Control Board, from the Coastal Commission, from Public Works directors throughout the County who have all recently built similar projects and, I believe, the community at large.

I think that we, City staff and consultants, are on the right track, we have been on the right track all along, and that we will continue on the right track – and we will remain open to public input and alternative ideas.” Council Member Davis closed by stating his support for award of contract to Carollo Engineering.

Council Member Heading appreciated Mr. Collins’ efforts to gather community input, examine capabilities and limitations, cost, technical components and critical evaluation of the existing project team. He agreed Carollo Engineering had the depth of information and ability to produce the best and most cost-effective project.

Mayor Irons stated he reviewed the February 2013 JPA meeting video following the Coastal Commission's decision to deny the former project, and public comment at that time was overwhelmingly in favor of moving the project. The other important issue was water recycling and, while he understands cost is an important part of the discussion, water resiliency and sustainability is a necessary part of the project.

MOTION: Council Member Davis moved the staff recommendation to 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 project, in the initial amount of \$292,000 to cover services through the end of 2018; and to authorize the City Manager to execute the agreement with Carollo Engineers, in a form approved by the City Attorney; and to provide direction to staff to precisely define the level of effort and budget required for FY 18/19 and include that amount in the Capital Projects section of the City's annual budget along with other fiscal needs of the project as you bring that budget forward. The motion was seconded by Council Member McPherson

Council Member Heading commented he looks forward to reviewing the Carollo integration plan to inform future needs and transition for technical consultants.

The motion carried unanimously, 5-0.

C-2 PRESENTATION AND DISCUSSION OF THE FISCAL YEAR 2016/17 COMPREHENSIVE ANNUAL FINANCIAL REPORT; (FINANCE)
https://youtu.be/I0u_UboGKB4?t=4h1m40s

Finance Director Callaway introduced Kenneth Pun of The Pun Group who presented the financial report and responded to Council inquiries.

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

The Council appreciated the report and input provided by the Citizens Finance Advisory Committee. The Council also expressed confidence the issues identified were being addressed by current Finance staff.

No formal action was taken by the City Council.

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)
https://youtu.be/I0u_UboGKB4?t=4h33m20s

Finance Director Callaway presented the report and responded to Council inquiries.

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

MOTION: Council Member Heading moved the Council approve the staff recommended liquidity ratio of 65-70% of the City's total investment portfolio and receive the 2nd quarter investment report for Fiscal Year 2017/18. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

https://youtu.be/l0u_UboGKB4?t=4h38m40s

None

ADJOURNMENT

The meeting adjourned at 10:45 p.m. 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.

Recorded by:

Dana Swanson
City Clerk

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MINUTES - MORRO BAY CITY COUNCIL
SPECIAL MEETING – APRIL 24, 2018
VETERANS MEMORIAL HALL
209 SURF STREET – 4:00 P.M.

PRESENT:	Jamie Irons Robert Davis John Headding Matt Makowetski Marlys McPherson	Mayor Council Member Council Member Council Member Council Member
STAFF:	Scott Collins Chris Neumeyer Dana Swanson Scot Graham Greg Allen Eric Endersby Cindy Jacinth	City Manager Assistant City Attorney City Clerk Community Development Director Police Chief Harbor Director Senior Planner

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Irons established a quorum and called the meeting to order at 4:01 p.m. with all members present.

PUBLIC COMMENT FOR ITEMS ON THE AGENDA

Mayor Irons opened public comment; seeing none, the public comment period was closed.

SPECIAL MEETING AGENDA ITEM:

- I. STUDY SESSION FOR REVIEW AND STATUS UPDATE OF THE ONGOING GENERAL PLAN/LOCAL COASTAL PLAN/ZONING CODE UPDATE

<https://youtu.be/TnPtSfOHscU?t=29s>

Community Development Director Graham introduced Amy Sinsheimer from Michael Baker Int'l., who presented the report and responded to Council inquiries.

The Council discussed how to proceed with review of the large number of documents and the importance of meeting the December 2018 deadline to avoid losing grant funding. Staff will prepare a proposed schedule that ensures thorough public vetting, complete review by the General Plan Advisory Committee, and review and approval by the Planning Commission with final recommendation from the Planning Commission for Council approval.

The Council did not take any formal action.

ADJOURNMENT

The meeting adjourned at 4:43 p.m.

Recorded by:

Dana Swanson
City Clerk

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AGENDA NO: A-3
MEETING DATE: May 8, 2018

Staff Report

TO: Honorable Mayor and City Council **DATE:** May 1, 2018
FROM: Jennifer Callaway, Finance Director/City Treasurer
SUBJECT: Adoption of Resolution No. 22-18 Approving the Fiscal Year 2018/19 Business Tax Schedule

RECOMMENDATION

Staff recommends the Council review the Business Tax schedule and adopt Resolution No. 22-18, setting the Fiscal Year (FY) 2018/19 Business Tax Schedule.

FISCAL IMPACT

There is a natural increase in revenue from Business Taxes that is assumed as the result of annual Consumer Price Index (CPI) increase, as provided by the municipal code as approved by the voters. That increase has been included in the proposed FY 2018/19 budget submittal for Council consideration. That increase includes a projected CPI increase.

BACKGROUND

Below is the Morro Bay Municipal Code 5.04 Business Tax, which states:

5.04.050 - Business tax payment required

A. There are hereby imposed, upon the businesses, trades, professions, callings, and occupations specified in this title, business taxes, as established annually in the business tax rate schedule.

B. Each year by June 30th, the business tax rate schedule will be adjusted by the change in the Consumer Price Index (CPI), from March of the previous year to March of the current year. The percentage adjustment for any given year shall be based upon the average monthly index for twelve months ending March 31st. The Consumer Price Index referred to in this paragraph is the Consumer Price Index (all items indexes, all urban consumers) for Los Angeles-Riverside-Orange County, compiled and published by the United States Department of Labor, Bureau of Labor Statistics, 1968 Base Year = 100 (hereafter called Index). If the United States Department of Labor, Bureau of Labor Statistics, ceases to compile and make public the index as now constituted and issued, but substitutes another index in its place, then the substituted index shall be used in place of the Consumer Price Index referenced in this paragraph.

Historically, staff has updated the Business Tax Schedule with the appropriate March CPI, without presenting the schedule to Council, until FY 2011/12, when Business Tax information was included in the Master Fee Schedule. In 2014, the City Attorney recommended the presentation of the Business Tax Rate Schedule be made separately from, and not included in, the Master Fee

Prepared By: JC Dept Review:
City Manager Review: SC City Attorney Review: JWP

Schedule, since the business tax assessments are not fees. That correction was made in November 2014. Further, the Fiscal Year 2015/16 Business Tax Schedule adopted in July 2015 was modified to calculate the allowable increase in cents, rather than whole dollars.

DISCUSSION

The Business Tax rates set in July 2017 have been adjusted by the percentage change in the March 2018 Consumer Price Index (CPI) for the Los Angeles-Riverside-Orange County area, per the Municipal Code 5.04.050(B). The CPI change from March 2017 to March 2018 was 3.8%.

Staff has applied the CPI change to all taxes that can be legally adjusted, and is presenting those new amounts in the attached draft FY 2018/19 Business Tax Schedule for Council approval.

CONCLUSION

Staff recommends the City Council adopt Resolution No.22-18, and establish the FY 2018/19 Business Tax Rate Schedule. That rate schedule begins July 1, 2018, with renewals and new applications.

ATTACHMENTS

1. Resolution No. 22-18 - Fiscal Year 2018/19 Business Tax Rate Schedule
2. Updated Business Tax Schedule – Current to Proposed
3. CPI for March 2018

RESOLUTON NO. 22-18

**RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF MORRO BAY, CALIFORNIA,
ESTABLISHING THE FISCAL YEAR 2018/19 BUSINESS TAX RATE SCHEDULE**

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

WHEREAS, Title 5 of the Morro Bay Municipal Code sets forth Business Taxes and Regulations; and

WHEREAS, Section 5.04.050 allows for the Business Tax Rate Schedule to be adjusted by the change in the Consumer Price Index (CPI) from March of the previous year to March of the current year, for the Los Angeles-Riverside-Orange County area; and

WHEREAS, the March 2018 annual CPI change was 3.8%, a copy of which is attached to this Resolution; and

WHEREAS, staff has applied the 3.8% CPI to the rates, previously set, and those adjusted rates are presented in the attached draft Fiscal Year 2018/19 Business Tax Rate Schedule.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Morro Bay, Resolution No. xx-xx is adopted, establishing the Fiscal Year 2018/19 Business Tax Rate Schedule, attached herewith, and direct staff to implement these new rates beginning with the July 1, 2018, renewals and new applications.

PASSED AND ADOPTED, by the City Council of the City of Morro Bay, at a regular meeting thereof held on the 8th day of May 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

City of Morro Bay Business Certificate Tax Rate Schedule

Effective July 1, 2018 through June 30, 2019

All amounts are annual unless otherwise noted, and adjusted by March CPI for the Los Angeles-Riverside-Orange County area.

All taxpayers are required to pay a \$4 SB1186 ADA charge *in addition to* the business tax amount listed below

Morro Bay Municipal Code Sections are listed after category name.

	Current	Proposed
Basic Business License for all undesignated professions (5.08.020)		
Basic Business License for all undesignated professions (5.08.020)	\$141.96	\$147.36
Plus each employee, if applicable	\$33.85	\$35.14
Common Business Categories		
Apartment, Motel, Hotel, Multiple Dwellings, Rest Homes, Rooming Houses, Hospitals & Sanitariums of 4 or more units (5.080.30)		
Basic license	\$141.96	\$147.35
Additional for each unit, dwelling, room or person cared for in excess of 3	\$5.64	\$5.85
Art, Hobby or Handicraft Show & Exhibitions, Farmers Market, Special Events (5.08.040)		
Basic license for sponsor/organizer, per day per event	\$141.96	\$147.35
Basic license for not-for-profit sponsor/organizer, per day per event		
Special Event, per seller:		
Per day	\$8.81	\$9.14
Per weekend	\$14.47	\$15.02
Annual	\$48.32	\$50.16
Contractor/Consultant (5.08.080)		
Primary General Contractor/Consultant	\$283.00	\$293.75
Primary General Contractor one job only	\$141.96	\$147.35
Sub-Contractor/Consultant	\$141.96	\$147.35
Sub-Contractor one job only	\$37.22	\$38.63
Delivery by vehicle (5.08.090)		
1 or more conveyances	\$141.96	\$147.35
Garage or yard sale (5.08.120)		
Limited to 2 per year, with permit	\$0.00	\$0.00
More than 2 per year	\$141.96	\$147.35
Home Occupation (5.08.130)		
Basic Home Occupation		
Business License	\$141.96	\$147.35

City of Morro Bay Business Certificate Tax Rate Schedule

Effective July 1, 2018 through June 30, 2019

All amounts are annual unless otherwise noted, and adjusted by March CPI for the Los Angeles-Riverside-Orange County area.

All taxpayers are required to pay a \$4 SB1186 ADA charge *in addition to* the business tax amount listed below

Morro Bay Municipal Code Sections are listed after category name.

	Current	Proposed
Home Occupation (5.08.130) - continued		
Required, one-time Permit Processing Fee	\$68.62	\$71.23
Home Occupation Exception Business License; must qualify by submitting latest tax return, including Schedule C		
Occupations which are intended to augment or supplement primary source of income	\$59.59	\$61.85
Required, one-time Permit Processing Fee	\$68.62	\$71.23
Low Revenue Business; must qualify annually by submitting latest tax return, including Schedule C, or estimate if new business (Ord No. 590)		
Gross receipts under \$12,000 per year for all work conducted in Morro Bay	\$33.59	\$34.87
Required, one-time Permit Processing Fee (only if Home Occupation)	\$68.62	\$71.23
Very Low Revenue Business; must qualify initially by submitting latest tax return, including Schedule C, or estimate if new business (Ord No. 597)		
Gross receipts under \$4,000 per year for all work conducted in Morro Bay; no requirement to complete business tax certificate		
Real Estate (5.08.170)		
Calif. Licensed Broker	\$141.96	\$147.35
Each Salesman or Agent	\$33.85	\$35.14
Each Employee	\$24.82	\$25.76
Trailer House, RV or Mobile Home Park (5.08.210)		
Rental Spaces 1-3	\$141.96	\$147.35
Plus additional per space	\$5.64	\$5.85
Non-Profit Organizations (5.04.050), exempt from Business Tax; must pay SB1186		
All Other Business Categories		
Ambulance		
	\$116.01	\$120.42
Per day, no fixed place of business		
	\$141.96	\$147.35

City of Morro Bay Business Certificate Tax Rate Schedule

Effective July 1, 2018 through June 30, 2019

All amounts are annual unless otherwise noted, and adjusted by March CPI for the Los Angeles-Riverside-Orange County area.

All taxpayers are required to pay a \$4 SB1186 ADA charge *in addition to* the business tax amount listed below

Morro Bay Municipal Code Sections are listed after category name.

	Current	Proposed
Fixed place of business	\$141.96	\$147.35
Bingo (9.12.050)		
Per game	\$69.75	\$72.40

City of Morro Bay Business Certificate Tax Rate Schedule

Effective July 1, 2018 through June 30, 2019

All amounts are annual unless otherwise noted, and adjusted by March CPI for the Los Angeles-Riverside-Orange County area.

All taxpayers are required to pay a \$4 SB1186 ADA charge *in addition to* the business tax amount listed below

Morro Bay Municipal Code Sections are listed after category name.

	Current	Proposed
Carnival and/or Circus, per day (5.08.060)	\$569.58	\$591.22
Covers all activities within the perimeter of the event		
Coin-Operated Vending Machine(s) (5.08.070)		
Gross receipts for all machines	1%	
Fire, Wreck or Bankrupt Sale (5.08.100)		
Each sale	\$200.64	\$208.28
Additional in excess of 3 days, per day	\$116.01	\$120.42
Flea Markets (5.08.110)		
Minimum per Salesperson	\$11.28	\$11.71
Money Lenders & Pawnshops (5.08.140)	\$569.58	\$591.22
Non-Profit Organizations (5.04.050), exempt from Business Tax; must pay SB1186		
Public Utilities (5.08.160)	\$141.96	\$147.35
Exception: when City Franchise Tax is greater than annual Business Tax Rate		
Private Patrol (5.04.330)	\$70.87	\$73.56
Rides, Shows, Public Dances, and Exhibitions (5.08.180)		
Exhibiting Animals or Trick Riding, Wire Dancing or other Exhibitions (Exception No Fee or Admission), per day	\$59.59	\$61.85
Merry-Go-Round, Revolving Wheel Chute, Toboggan, Slide, Mechanical Riding Contrivance or Pony Ride	\$59.59	\$61.85
Public Dance (Exception No Fee or Admission), per day	\$59.59	\$61.85
Tent Show or Itinerant Show (Exception No Fee or Admission), per day	\$141.96	\$147.35
Wrestling or Boxing Show, per day	\$59.59	\$61.85
Secondhand Store or Junkdealer (5.08.190)	\$141.96	\$147.35
Skating Rink (5.08.200)	\$141.96	\$147.35

City of Morro Bay Business Certificate Tax Rate Schedule

Effective July 1, 2018 through June 30, 2019

All amounts are annual unless otherwise noted, and adjusted by March CPI for the Los Angeles-Riverside-Orange County area.

All taxpayers are required to pay a \$4 SB1186 ADA charge *in addition to* the business tax amount listed below

Morro Bay Municipal Code Sections are listed after category name.

	Current	Proposed
Taxicabs (5.24.140)		
License Per Cab	\$77.64	\$80.59
Driver	\$11.28	\$11.71
Transient, Solicitor, Itinerant Merchant (5.08.150)		
Transient		
Per day	\$8.81	\$9.14
Per weekend	\$14.47	\$15.02
Annual	\$48.32	\$50.16
Solicitor		
Basic charge per day	\$116.01	\$120.42
Itinerant Merchant		
Per day	\$60.73	\$63.04
Per week	\$119.39	\$123.92
Per month	\$176.93	\$183.66
Per quarter	\$232.23	\$241.06
For 180 days	\$290.90	\$301.96
Administrative Charges		
Duplicate or replacement Business License Certificate	\$2.00	\$2.00
Transferring a Business License	\$2.00	\$2.00
Business License listing, per list	\$15.75	\$16.35

CONSUMER PRICE INDEXES PACIFIC CITIES AND U. S. CITY AVERAGE
March 2018
ALL ITEMS INDEXES
(1982-84=100 unless otherwise noted)

MONTHLY DATA	All Urban Consumers (CPI-U)						Urban Wage Earners and Clerical Workers (CPI-W)					
	Indexes			Percent Change			Indexes			Percent Change		
				Year ending	1 Month ending					Year ending	1 Month ending	
Mar 2017	Feb 2018	Mar 2018	Feb 2018	Mar 2018	Mar 2018	Mar 2017	Feb 2018	Mar 2018	Feb 2018	Mar 2018	Mar 2018	
U. S. City Average.....	243.801	248.991	249.554	2.2	2.4	0.2	237.656	242.988	243.463	2.3	2.4	0.2
(1967=100).....	730.320	745.866	747.554	-	-	-	707.906	723.788	725.202	-	-	-
Los Angeles-Long Beach-Anaheim.....	254.525	263.012	264.158	3.6	3.8	0.4	244.932	253.243	254.451	3.7	3.9	0.5
(1967=100).....	751.980	777.054	780.441	-	-	-	723.848	748.411	751.980	-	-	-
West	252.949	259.986	260.994	3.1	3.2	0.4	244.489	251.704	252.644	3.2	3.3	0.4
(Dec. 1977 = 100)	408.878	420.252	421.883	-	-	-	393.369	404.978	406.490	-	-	-
West – A*.....	260.092	268.106	269.271	3.4	3.5	0.4	249.591	257.891	258.983	3.6	3.8	0.4
(Dec. 1977 = 100)	424.116	437.184	439.084	-	-	-	404.039	417.475	419.244	-	-	-
West – B/C**(Dec. 1996=100).....	147.880	151.200	151.702	2.5	2.6	0.3	147.298	150.911	151.404	2.8	2.8	0.3

BI-MONTHLY DATA	All Urban Consumers (CPI-U)						Urban Wage Earners and Clerical Workers (CPI-W)					
	Indexes			Percent Change			Indexes			Percent Change		
				Year ending	2 Months ending					Year ending	2 Months ending	
Feb 2017	Dec 2017	Feb 2018	Dec 2017	Feb 2018	Feb 2018	Feb 2017	Dec 2017	Feb 2018	Dec 2017	Feb 2018	Feb 2018	
San Francisco-Oakland-Hayward.....	271.626	277.414	281.308	2.9	3.6	1.4	265.569	271.342	275.699	3.1	3.8	1.6
(1967=100).....	835.053	852.847	864.818	-	-	-	808.680	826.260	839.526	-	-	-
Seattle-Tacoma-Bellevue.....	259.503	265.850	268.031	3.5	3.3	0.8	255.471	262.485	264.477	4.0	3.5	0.8
(1967=100).....	791.065	810.414	817.064	-	-	-	757.726	778.529	784.437	-	-	-

* A = greater than 2,500,000 population

** B/C = 2,500,000 population or less

Dash (-) = Not Available.

Release date April 11, 2018. The next monthly and bi-monthly releases are scheduled for May 10, 2018.

In January 2018, BLS introduced a new geographic area sample for the Consumer Price Index (CPI). Additional information on the geographic revision is available at: www.bls.gov/cpi/georevision2018.htm. For questions, please contact us at BLSinfoSF@BLS.GOV or (415) 625-2270.

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AGENDA NO: A-4
MEETING DATE: May 08, 2018

Staff Report

TO: Honorable Mayor and City Council **DATE:** April 12, 2018
FROM: Scot Graham, Community Development Director
SUBJECT: Second Reading and Adoption of Ordinance No. 613, to Limit the number of Vacation Rentals in residential zones to 250 at any one time. Ordinance 613 amends Section 5.47.050 of the Morro Bay Municipal Code

RECOMMENDATION

Staff recommends the City Council waive reading of Ordinance 613 in its entirety and adopt Ordinance No. 613 amending section 5.47.050 of the Morro Bay Municipal Code (MBMC) to limit the number of vacation rentals to not more than 250 at any given time on residentially zoned property.

ALTERNATIVE

Make additional modifications to Ordinance 613 and adopt as modified or depending on the significance of those modifications, revise and return to City Council with a modified First Reading for further review and recommendation.

FISCAL IMPACT

The proposed amendment would limit City transient occupancy tax (TOT) revenue from vacation rentals.

SUMMARY

The City Council introduced Ordinance No. 613 at the regular City Council Meeting held on April 24, 2018. Adoption of Ordinance No. 613 allows the City to continue development of a Vacation Rental (VR) ordinance as part of the update of the City's General Plan/Local Coastal Program/Zoning Code.

The General Plan Advisory Committee reviewed a draft of the VR ordinance at their regularly scheduled meeting held April 19, 2018 and the Planning Commission is scheduled to review the draft VR ordinance at their upcoming May 15, 2018 meeting.

Environmental Determination:

Under the California Environmental Quality Act (CEQA), the ordinance is not subject to CEQA pursuant to 14 California Code of Regulations subdivisions 15060(c)(2) in that the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment and 15060(c)(3) (the activity is not a project as defined in Section 15378),

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

because it has no potential for resulting in physical change to the environment, directly or indirectly; rather it limits changes in the environment that could occur pursuant to the existing municipal code.

CONCLUSION

After second reading, by title only with further reading waived, it is recommended the Council adopt Ordinance No. 613, which will then become effective on the 31st day following adoption.

ATTACHMENT

A. Ordinance No. 613

ORDINANCE NO. 613

**AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF MORRO BAY, CALIFORNIA,
AMENDING SECTION 5.47.050 OF THE MORRO BAY MUNICIPAL CODE LIMITING
THE NUMBER OF VACATION RENTALS IN RESIDENTIAL ZONES TO 250 AT ANY
ONE TIME WITHIN THE CITY OF MORRO BAY**

THE CITY COUNCIL
City of Morro Bay, California

THE CITY COUNCIL OF THE CITY OF MORRO BAY DOES HEREBY
ORDAIN AS FOLLOWS:

SECTION 1. Section 5.47.050 of the Morro Bay Municipal Code is amended in its entirety to read as follow:

5.47.050 – Rental permit as business certificate.

A short-term vacation rental permit issued pursuant to this chapter shall also serve as a business certificate for rental activity pursuant to MBMC Chapter 5.04; *provided, that not more than 250 rental permits shall be effective at any one time within the residentially zoned portion of the City.*

SECTION 2. The City Council finds this ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations subdivisions Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly; rather it prevents changes in the environment pending the completion of the contemplated municipal code review.

SECTION 3. The City Clerk, or her duly appointed deputy, shall certify to the adoption of this Ordinance and shall cause this Ordinance to be posted as required by law.

SECTION 4. This Ordinance shall become effective on the 31st day after its adoption.

INTRODUCED at the regular meeting of the City Council held on the 24th day of April 2018, by motion of Council Member Heading and seconded by Council Member McPherson.

THIS ORDINANCE NO. 613 WAS DULY PASSED, APPROVED, AND ADOPTED at a regular meeting of the City Council of the City of Morro Bay, held on _____, by motion of _____, seconded by _____, by the following vote:

AYES:

NOES:

ABSENT:

Jamie Irons, Mayor

ATTEST:

DANA SWANSON, City Clerk

I, Dana Swanson, City Clerk for the City of Morro Bay, hereby certify the foregoing Ordinance No. 613 was duly passed, approved, and adopted at a meeting of the City Council on the _____ day of _____, by the following vote, to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

IN WITNESS WHEREOF I have hereunto set my hand and affixed the official seal of the City of Morro Bay, California, this _____ day of _____, 2018.

City Clerk of the City of Morro Bay

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**A PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY DECLARING
MAY 6-12, 2018 AS NATIONAL TRAVEL & TOURISM WEEK**

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

WHEREAS, travel has a positive effect on Morro Bay, California and the nation's economic prosperity and image abroad, it also impacts business productivity and to individual travelers' well-being; and

WHEREAS, travel to and within the United States provides significant economic benefits for the nation, generating more than \$2.4 trillion in economic output in 2017, with nearly \$1 trillion spent directly by travelers; and

WHEREAS, travel is among the largest private-sector employers in the United States, supporting 15.6 million jobs in 2017, including 8.8 million directly in the travel industry and 6.8 million in other industries; and

WHEREAS, travelers' spending directly generated tax revenues of \$164.8 billion for federal, state and local governments, funds used to support essential services and programs; and

WHEREAS, total direct travel spending in San Luis Obispo County was \$1.59 billion in 2016, a 1.2% increase from 2015, directly supporting 17,820 jobs with earnings of \$551 million

WHEREAS, the Morro Bay, California tourism industry annually attracts over 1.5 million visitors, generates an estimated over 215,000 hotel/motel overnight stays, provides an overall economic hotel/motel impact to the City of Morro Bay, California of over \$26.7 million and raises over \$3.3 million in transient occupancy tax; and

WHEREAS, international travel to the United States is the nation's number one services export, and number two overall; and

WHEREAS, meetings, events and incentive travel are core business functions that help companies strengthen business performance, educate employees and customers, and reward business accomplishments—which in turn boost the U.S. economy. In 2017, domestic and international business travelers spent \$317.2 billion; and

WHEREAS, leisure travel, which accounts for more than three-quarters of all trips taken in the United States, spurs countless benefits to travelers' health and wellness, creativity, cultural awareness, education, happiness, productivity and relationships; and

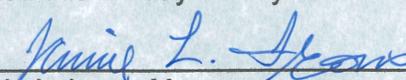
WHEREAS, travel is a pillar of economic growth, creating jobs at a faster rate than other sectors; and

WHEREAS, welcoming visitors from near and far always has been, and always will be, the enduring ethos of the travel industry and Morro Bay, California.

NOW, THEREFORE, BE IT RESOLVED, that I Mayor Jamie Irons, on behalf of the City of Morro Bay, do hereby proclaim May 6-12, 2018 as National Travel and Tourism Week in Morro Bay, California, and urge the citizens of Morro Bay, California to join in this special observance with appropriate events and commemorations.



IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the City of Morro Bay to be affixed this 2nd day of May 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 JUNE 1, 2018 TO BE
“HUNGER AWARENESS DAY”**

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

WHEREAS, the Food Bank Coalition of San Luis Obispo County is a countywide organization dedicated to eliminating hunger;

WHEREAS, the Food Bank administers over 70 countywide mobile food distribution sites to make nutritious food available to those in need, including underserved areas like San Simeon, Shandon, California Valley, San Miguel, and Nipomo; and

WHEREAS, the Food Bank works with a network of 100 plus community and agency partners to distribute fresh produce, rescued, and sourced food; and

WHEREAS, the Food Bank assists county residents with the application process for CalFresh, a supplemental nutrition assistance program, formerly known as Food Stamps; and

WHEREAS, in 2017 the Food Bank distributed 5 million pounds of nutritious food, over half of which was fresh produce, to over 25,000 San Luis Obispo County residents per month struggling with hunger; and

WHEREAS, the Food Bank is coordinating a countywide event to promote Hunger Awareness Day on June 1st; and

WHEREAS, the Food Bank believes that the people of SLO County will help in a one day push in person and via the Internet & phone to raise funds needed to stamp out local hunger; and

WHEREAS, people giving one dollar on one day, June 1, 2018, can raise the funds needed to eliminate hunger.

NOW, THEREFORE, BE IT RESOLVED, that I, Mayor Jamie L Irons and the City Council of the City of Morro Bay, declare June 1, 2018, as Hunger Awareness Day 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 8th day of
May, 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 MAY 19, 2018 TO BE
“MORRO BAY SAFE BOATING DAY”**

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

WHEREAS, the U.S.Coast Guard Auxiliary Flotilla 07-61 Morro Bay was established on December 30, 1958 in order to support boating safety and education of the boating public;

WHEREAS, the U.S. Coast Guard Auxiliary is a volunteer service organization, open to both men and women who are citizens of the United States, its territories and possessions, and who are seventeen years or older. The purpose of the U.S. Coast Guard Auxiliary is to assist the Coast Guard in any of its missions except where prohibited by statute, such as in direct law enforcement and military actions;

WHEREAS, the U.S. Coast Guard Auxiliary is dedicated to the promotion of boating safety and providing assistance to the Coast Guard in the fulfillment of its civil functions;

WHEREAS, boating safety advocates locally and across the United States have teamed up to promote safe and responsible boating, including consistent wearing of life jacket every time boaters are on the water, during National Safe Boating Week, held this year from May 19-25, 2018;

WHEREAS, to promote Safe Boating Day in Morro Bay, we have coordinated a day for individuals and families to tour First Responder vessels- USCG 47' Motor Life Boat, Morro Bay Harbor Patrol Fire Boat, and SLO County Sheriffs Boat; and

WHEREAS, to promote Safe Boating Day in Morro Bay, we will have certified Vessel Examiners offer free Vessel Safety Checks at the public launch ramp ensuring that they have all the required safety equipment.

NOW, THEREFORE, BE IT RESOLVED, that I, Mayor Jamie L. Irons and the City Council of the City of Morro Bay, declare the May 19, 2018, as Bay Safe Boating Day 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 8th day of May, 2018

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

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City of Morro Bay
Schedule of Cloisters Park Maintenance AD Transactions
Operating Revenues vs. Operating Expenditures
Fiscal Year 2017/18 - Period Ending March 30, 2018

	FY17/18 Adopted Budget	FY17/18 Third Quarter Transactions	FY17/18 % YTD
Beginning Cash Balance (Accumulation Fund)	\$ 159,982	\$ 159,982	
Revenues			
Property Tax Special Assessments	\$ 148,944	\$ 116,741	78%
Total Revenues	148,944	116,741	78%
Expenditures			
Salaries & Benefits	\$ 44,459	\$ 36,370	
Supplies	7,000	6,600	94%
Services	43,200	9,518	22%
Utilities	23,100	30,836	133%
Equipment Rental	-	298	
Total Operating Expenditures	\$ 117,759	\$ 83,621	71%
Use of Cash Balance	-	-	-
Net Operating Revenues over Expenditures & Carryforwards	\$ 31,185	\$ 33,120	\$ -
Ending Cash Balance (Accumulation Fund)	\$ 191,167	\$ 193,101	

SUMMARY

On April 10, 2018, City Council adopted Resolution No. 15-18, which initiated the proceedings to levy the annual assessment to fund the maintenance of the Cloisters Park and Open Space. As directed by the Council and required by law, an Engineer's Report has been prepared detailing the estimated annual assessment for the parcel owners for fiscal year 2018/19 and expenditures for the District. Staff intends to continue to outsource certain maintenance tasks within the Assessment District, which may redistribute the expenditure estimates. Upon adoption of Resolution No. 23-18, the next and final step in the annual levy of assessment process is the public hearing after which City Council orders the levy of assessment.

BACKGROUND/DISCUSSION

Tract 1996, known as the Cloisters development, is a 124-lot subdivision bounded by State Highway One at the east, Atascadero State Beach at the west, Morro Bay High School at the south, and Azure, Coral, and San Jacinto Streets at the north.

It was well known, any development at the Cloisters was going to require a balance between continuation of lateral and vertical access within and through the property, while at the same time conserving the sensitive plant and wildlife resources present.

Zoning on most of the Cloisters site is Planned Development, Single-Family Residential with the

sand dunes and wetlands zoned Environmentally Sensitive Habitat (ESH). The purpose of the Planned Development (PD) overlay zone is to provide for detailed and substantial analysis of development on parcels, which because of location, size or public ownership, warrant special review. That overlay zone was also intended to allow for the modification of, or exemption from, the development standards of the primary zone, which would otherwise apply if such action would result in better design or other public benefit.

On September 23, 1996, City Council passed Resolution No. 69-96, which accepted the final map for Tract 1996 known as the Cloisters Subdivision, consisting of 124 lots. Lots 1 through 120 were for single-family residential purposes, Lots 121, 122 (APN 065-386-005 & 016 on attached Assessor's Map) were for the 27.75-acre park and open space, Lot 124 was dedicated for a fire station and Lot 123 was offered to the state.

The findings and conditions of approval for the project were numerous. For example, City Council made findings the Cloisters project could cause significant environmental impacts relating to land use, visual/aesthetics, affordable housing, traffic generation, air quality noise, geology, drainage and water quality, ecological resources, and public services; but those impacts were mitigated by the recommended conditions. In addition, City Council made further findings the Cloisters project was in compliance with the specific policies of the General Plan/Land Use Plan (GP/LUP) and Zoning Ordinance with respect to protection of views, environmentally sensitive resources, public access, circulation, hazards and other requirements so long as the environmental impacts were mitigated. Finally, City Council made other findings the Cloisters project complies with the Morro Bay Municipal Code (MBMC) with respect to optional subdivision design and related improvements, and the optional design is justified in order to contribute to a better community environment through the dedication of extensive public areas, restoration of the ESH area, provision of scenic easements, provision of larger than usual lots adjacent to such areas, and maintenance of a consistent lot layout pattern adjacent to existing development on the north side of Azure Street.

In order to mitigate the environmental impacts of the project, and to provide a greater than public benefit as required in a PD overlay zone, the conditions of approval for the project required the applicant to form an assessment district for the maintenance of the public park, bicycle pathway, right-of-way landscaping, coastal access ways, ESH restoration areas and any other improved common areas to be privately held or dedicated to the City. The public park area, as well as all open space improvements and the assessment district, were part of many detailed discussions during City and Coastal Commission hearings.

The assessment district formation proceedings began in August 1996, with all of the owners of the real property within the proposed district petitioning the City and consenting in writing to the formation of the district pursuant to the Landscape and Lighting Act of 1972. The assessment district formation proceedings 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 27.75 acres of park and open space.

In preparing the various purchase and sale documents for each individual lot, including the Conditions, Covenants, and Restrictions, the developer was especially careful to call out the existence of the assessment district and to make certain the existence of the assessment district would not come as a surprise to anyone who purchased one of the lots. The Developer assured the City "There will be no surprises to prospective owners about the assessments or their amounts."

In drafting all the project documents, the City and the developer reinforced the special benefits for the residents of the Cloisters Project with the public amenities and easements. Each Cloister's lot

directly benefits from the public park, bicycle pathway, right-of-way landscaping, coastal access ways, ESH restoration areas and coastal access ways. There was also created and reserved in favor of each owner in the Cloisters Development, Conservation Space in parcels 065-386-005 & 0065-386-016, and a Scenic Conservation Easement in parcel 065-386-020 for view, open space, scenic, passive recreation and coastal access, none of which will be developed with any improvements or structures, unless necessary and proper for the restoration and maintenance of the ESH Area.

Major Maintenance/Capital Improvement Program that address items requiring significant expenditures are required. With approximately \$193,000 being available in the accumulation fund, it appears that there are resources available to perform some major maintenance and capital improvement projects. Specific projects will need to be identified with input from the community and be approved by the City Council prior to implementation. Some of the potential projects that have been Identified include: replacement playground equipment, landscaping revitalization, and construction of adult fitness walk with workout stations.

CONCLUSION

The process for the annual levy of assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District requires the City Council receive the Engineer's Report, approve and/or modify the report and adopt a Resolution of Intention. The Resolution of Intention gives notice of the time, date and place for a public hearing by the City Council on the issue of the levy of assessment. The public hearing has been set for June 26, 2018, at the Veterans' Memorial Building. A summary of the Resolution of Intention shall be published in the newspaper as a legal notice of public hearing, to which all interested parties are afforded the opportunity to be heard either through written or oral communication. Upon completion of the public hearing on June 26, 2018, the City Council may adopt the resolution ordering the levy of the annual assessment.

ATTACHMENTS

1. Resolution No. 23-18
2. Engineer's Report

RESOLUTION NO. 23-18

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
DECLARING THE CITY'S INTENTION 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, all property owners of the Cloisters subdivision requested the City of Morro Bay form a maintenance assessment district to fund the maintenance of the Cloisters Park and Open Space; and

WHEREAS, the Landscaping and Lighting Act of 1972 (Streets and Highways Code sections 22500 et. seq.) (the "Act") enables the City to form assessment districts for the purpose of maintaining public improvements; and

WHEREAS, pursuant to Section 22623 of the Act, the City Engineer has filed in the Office of the City Clerk, and submitted for review to the City Council, a report entitled "Engineer's Report - Cloisters Landscaping and Lighting Maintenance Assessment District", dated May 2, 2018, prepared in accordance with Article 4 of the Act, commencing with Section 22565; and

WHEREAS, pursuant to Section 22608.2 of the Act, the subdivider was required by City Ordinance to install improvements for which an assessment district was required to assure continued and uninterrupted maintenance of the Cloisters Park and Open Space; and

WHEREAS, pursuant to the intent of Article XIII, Section 4, of the California Constitution, the property owners have elected to form the Cloisters Landscaping and Lighting Maintenance Assessment District.

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

Section 1. The City Council approves the Engineer's Report.

Section 2. It is the intent of the Council to order the annual levy and collection of assessments for the Cloisters Landscaping and Lighting Maintenance Assessment District at a public hearing to be held at the Regular City Council Meeting on June 26, 2018 in the Veteran's Memorial Building, 209 Surf Street, Morro Bay, CA.

Section 3. The improvements to be maintained at the Cloisters Park and Open Space are specified in the Engineer's Report dated May 2, 2018, which is hereby approved.

Section 4. The assessment upon assessable lots within the district is proposed to total \$148,944 or \$1,241.20 per assessable parcel for Fiscal Year 2018/19.

Section 5. Staff is directed to continue the Major Maintenance/Capital Improvement Program that will address items requiring significant expenditures in FY 2018/19. Specific,

projects are to be identified with input from the community and shall be approved by the City Council prior to implementation.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting held on this 8th day of May 2018 by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

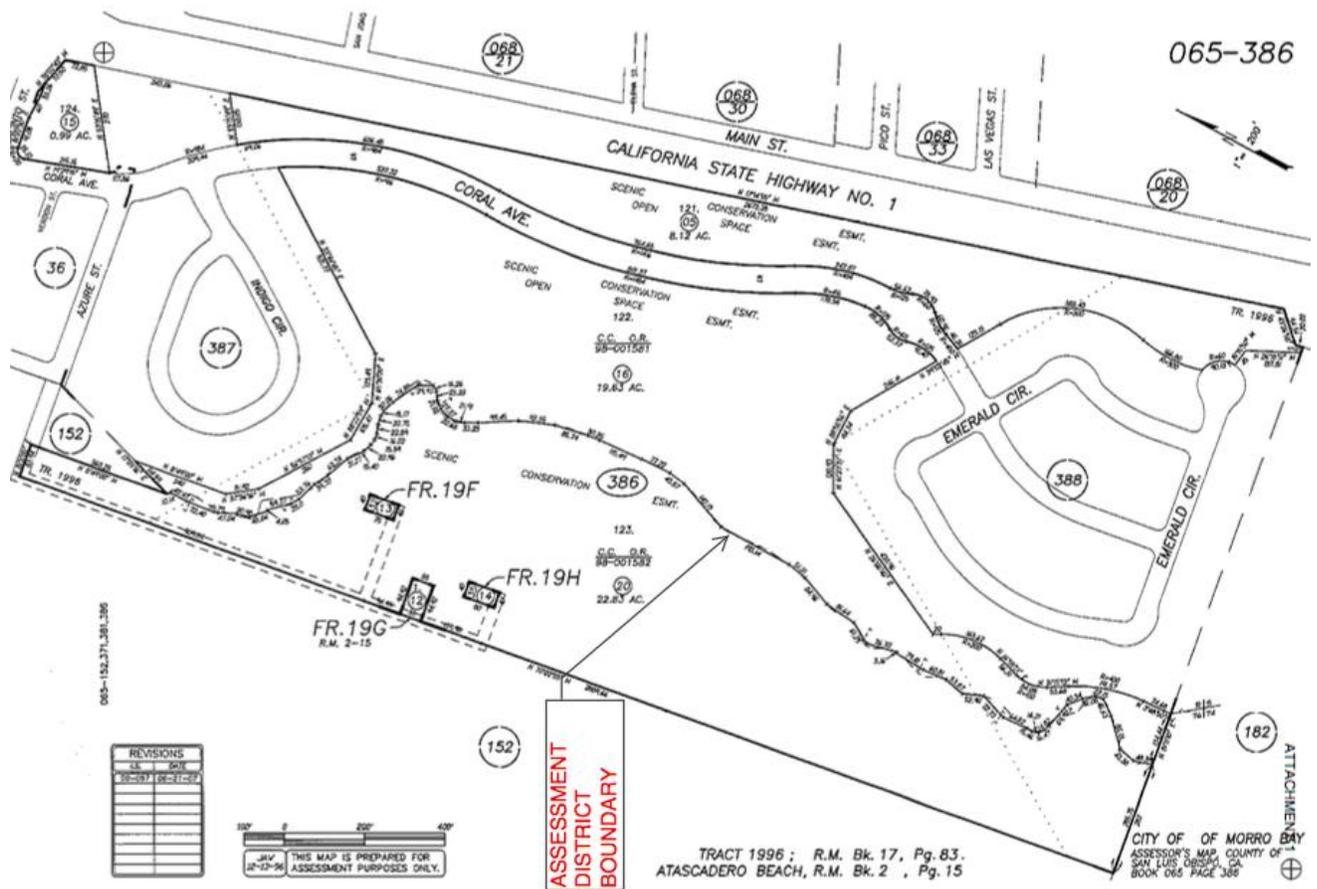
JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

EXHIBIT A
 CLOISTERS
 LANDSCAPING AND LIGHTING
 MAINTENANCE ASSESSMENT DISTRICT
 DISTRICT BOUNDARY DIAGRAM

The boundary diagrams for the District have previously been submitted to the City Clerk in the format required under the 1972 Act and, by reference, are hereby made part of this Report. The boundary diagrams are available for inspection at the office of the City Clerk during normal business hours. The following diagram provides an overview of the District.





CITY OF MORRO BAY

**CLOISTERS
LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT**

2018/2019 ENGINEER'S ANNUAL LEVY REPORT

DRAFT

May 2, 2018

AFFIDAVIT FOR 2018/2019 ENGINEER'S ANNUAL LEVY REPORT

CITY OF MORRO BAY

**CLOISTERS
LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT**

This report describes the proposed maintenance, improvements, budgets, zone of benefit and assessments to be levied on parcels of land within the Cloisters Landscaping and Lighting Maintenance Assessment District for the fiscal year 2018/2019, as the same existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the San Luis Obispo County Assessor's maps for a detailed description of the lines and dimensions of parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council and, to the best of my knowledge, information, belief, the report, the assessments and diagrams have been prepared and computed in pursuant to the Landscaping and Lighting Act of 1972.

Dated this _____ day of May, 2018

Rob Livick, PE/PLS – Public Works Director/City Engineer



CITY OF MORRO BAY

CLOISTERS

LANDSCAPING AND LIGHTING

MAINTENANCE ASSESSMENT DISTRICT

ENGINEER’S REPORT

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I. Overview

A. Introduction

The City Council of the City of Morro Bay (hereafter referred to as “City”), County of San Luis Obispo, State of California, previously formed and has levied and collected annual assessments for the district designated as:

CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT

(hereafter referred to as “District”) pursuant to the provisions of the Landscaping and Lighting Act of 1972, being Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500 (hereafter referred to as the “1972 Act”), and in compliance with the provisions of the California State Constitution Articles XIIC and XIID (hereafter referred to as the “Constitution” or “Proposition 218”).

This Report has been prepared in accordance with Chapter 1, Article 4 (commencing with Section 22565) of the 1972 Act and describes the District and changes to the District including: territories annexed; modifications to the improvements or organization; and the proposed budgets and assessments applicable for fiscal year 2018/2019.

Project History

Tract 1996, known as the Cloisters development, is a 124 lot subdivision bounded by State Highway One at the east, Atascadero State Beach at the west, Morro Bay High School at the south, and Azure, Coral, and San Jacinto Streets at the north (the “Cloisters”).

The Cloisters, prior to development, was a privately owned 80-plus acre expanse of open land. The property was historically used for lateral and vertical access and contained a large area of sensitive sand dunes abutting the eastern edge of Atascadero State Beach. Over the years, it was the subject of various land development proposals including an RV park, a 390-unit condominium development, a 466-unit single family residential development, a 455-unit mixed residential development, and a 213-unit residential development. The City approved none of these development proposals.

It was well known that any development at the Cloisters was going to require a balance between continuation of lateral and vertical access within and through the property, while at the same time conserving the sensitive plant and wildlife resources present. In addition, the negative impacts of development on the site would have to be sufficiently offset by public resources and public amenities from the site.

Zoning on most of the Cloisters site is Planned Development, Single-Family Residential with the sand dunes and wetlands zoned Environmentally Sensitive Habitat (ESH). The purpose of the Planned Development (PD) overlay zone is to provide for detailed and substantial analysis of development on parcels, which because of location, size or public ownership, warrant special review. This overlay zone is also intended to allow for the modification of, or exemption from, the

development standards of the primary zone which would otherwise apply if such action would result in better design or other public benefit.

On September 23, 1996, the City Council passed Resolution No. 69-96, which accepted the final map for Tract 1996, known as the Cloisters Subdivision, consisting of 124 lots. Lots 1 through 120 were for single-family residential purposes; Lots 121,122 and 124¹ (dedicated for a fire station) were offered to the City subject to the completion of the public improvements; and Lot 123 was offered to the State.

The findings and conditions of approval for the project were numerous. For example, the City Council made findings that the Cloisters project could cause significant environmental impacts relating to land use, visual/aesthetics, affordable housing, traffic generation, air quality, noise, geology, drainage and water quality, ecological resources, and public services; but that these impacts could be mitigated by the recommended conditions. In addition, the City Council made further findings that the Cloisters project was in compliance with the specific policies of the General Plan/Local Coastal Plan (GP/LCP) and zoning ordinance with respect to protection of views, environmentally sensitive resources, public access, circulation, hazards and other requirements so long as the environmental impacts were mitigated. Finally, the City Council made further findings that the Cloisters project complied with MBMC with respect to optional subdivision design and related improvements, and that the optional design was justified in order to contribute to a better community environment through the dedication of extensive public areas, restoration of the ESH area, provision of scenic easements, and provision of larger than usual lots adjacent to such areas, and maintenance of a consistent lot layout pattern adjacent to existing development on the north side of Azure Street.

In order to mitigate the environmental impacts of the project and to provide a greater public benefit as required in a PD overlay zone, the conditions of approval for the project required the applicant to form an assessment district for the maintenance of the public park, bicycle pathway, right of way landscaping, coastal access ways, ESH restoration areas and any other improved common areas to be privately held or dedicated to the City. The public park area, as well as all open space improvements and the assessment district were part of many detailed discussions during each City and Coastal Commission hearing. Without this Condition of Approval and the creation of the assessment district, the project would not have been approved and there would not be a Cloisters Development.

B. Assessment History and Current Legislation

In November 1996, California voters approved Proposition 218 that established specific requirements for the ongoing imposition of taxes, assessments and fees. The provisions of the Proposition are now contained in the California Constitutional Articles XIII C and XIII D. All assessments described in this Report and approved by the City Council are prepared in accordance with the 1972 Act and in compliance with these provisions of the Constitution.

¹ Lot 124 has been sold and is going through the entitlement process for development of several single family homes, which will become part of the District.

Pursuant to the Article XIID Section 5 of the Constitution, certain existing assessments were exempt from the substantive and procedural requirements of the Article XIID Section 4, and property owner balloting is not required until such time that a new or increased assessment is proposed. Specifically, the City determined that the annual assessments originally established for the Cloisters were imposed in accordance with a consent and waiver as part of the original development approval for the properties within these areas. As such, pursuant to Article XIID Section 5b, all the property owners approved the existing District assessments at the time the assessments were created (originally imposed pursuant to a 100% landowner petition). Therefore, the pre-existing assessments (the maximum assessment rates adopted prior to the passage of Proposition 218) for this district is exempt from the procedural requirements Article XIID Section 4. However, any new or increased assessment for the Cloisters shall comply with both the substantive and procedural requirements of Article XIID Section 4 before such assessments are imposed.

The assessment district formation proceedings began in August 1996, and concluded with the final public hearing on September 23, 1996 for formation of the District pursuant to the 1972 Act. This formation led to the annual assessment levy of \$148,944 (the "Assessment") for the maintenance of the thirty-four (34) acres of public resource lands including open space and natural lands, wetland area and pond used for drainage mitigation for homes constructed in Cloisters, median landscaping, trees, a neighborhood park and recreation area, fencing and other public improvements. The maximum assessment rates that existed and were adopted in fiscal year 1996/1997 did not include the assessment range formulae (inflationary adjustment) for their maximum assessment rates and therefore will remain static unless the assessee vote to increase the assessments. Refer to section III D – "Maintenance Costs" for an analysis of the decision to not include an inflationary adjustment in the formulae.

In preparing the various purchase and sale documents for each individual lot, including the Conditions, Covenants, and Restrictions, the owners and developer were especially careful to call out the existence of the assessment district and to make certain that the existence of assessment district was disclosed to anyone who purchased one of these lots. In drafting all the project documents, the City and the developer reinforced the special benefits for the residents of the Cloisters Project from the public amenities and easements maintained by the assessment.

II. Description of the District

A. Improvements Authorized by the 1972 Act

As applicable or may be applicable to this proposed District, the 1972 Act defines improvements to mean one or any combination of the following:

- the installation or planting of landscaping
- the installation or construction of statuary, fountains, and other ornamental structures and facilities
- the installation or construction of public lighting facilities
- the installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities
- the maintenance or servicing, or both, of any of the foregoing
- the acquisition of any existing improvement otherwise authorized pursuant to this section.

Incidental expenses associated with the improvements including, but not limited to:

- the cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment
- the costs of printing, advertising, and the publishing, posting and mailing of notices
- compensation payable to the County for collection of assessments
- compensation of any engineer or attorney employed to render services
- any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements
- any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5²
- costs associated with any elections held for the approval of a new or increased assessment.

The 1972 Act defines "Maintain" or "maintenance" to mean furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

- repair, removal, or replacement of all or any part of any improvement
- providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury
- the removal of trimmings, rubbish, debris, and other solid waste
- the cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

B. Maintenance Items

The ongoing maintenance for the District, and the costs thereof, paid from the levy of the annual assessments, are generally described below.

Replacement, maintenance and servicing of improvements include, but are not limited to, turf,

² There is no existing bond debt nor is any anticipated at this time.

ground cover, shrubs, trees, other landscaping, irrigation systems, fencing, signage, trails, walkways, recreation facilities, lighting, restroom facilities, parking and all necessary appurtenances, and labor, materials, supplies, utilities and equipment. The public resources maintained by the assessments from the District are further summarized as follows:

- Parkland: 4 Acres
- Open space meadow and natural land: 18.15 Acres
- Wetland: 5.5 Acres
- Medians and parkways within the public right-of-ways: 1.6 Acres

Within those areas, the following items are maintained through the levy of assessments:

1. Landscaping

- a. Turf
- b. Planted medians
- c. Planter beds (formerly demonstration garden)
- d. Drainage systems, including gabion channels
- e. Irrigation system (spray and drip)
- f. Scrub/meadow plantings
- g. Trees & shrubs along the sound wall
- h. Willows
- i. Wetland area plantings and pond

2. Hardscaping

- a. Asphalt path system
- b. Concrete walkways
- c. Parking lot
- d. Decomposed granite paths
- e. Play area surfacing
- f. Bridge on City owned property

3. Facilities and miscellaneous

- a. Barbeques
- b. Bike rack
- c. Benches
- d. Directional signs
- e. Drinking fountains
- f. Fences:
 - i. 6' and 3' solid – Bike Path and Fire Access Fencing
 - ii. Habitat Area (ESHA) fencing and keep out signs
- g. Interpretive panels
- h. Light bollards
- i. Monuments with lights
- j. Observation pier at pond
- k. Picnic tables
- l. Play equipment and sand lot
- m. Restroom
- n. Sound wall
- o. Trash cans

III. Method of Apportionment

A. General

This section of the Engineer's Report includes an explanation of the special benefits to be derived from the installation, maintenance and servicing of the improvements and the methodology used to apportion the total assessment to properties within the District.

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements which include the construction, maintenance and servicing of public lights, landscaping and appurtenant facilities. The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

The proceeds from the District are used to fund the maintenance and upkeep of public resources within the Cloisters development project for the special benefit of the properties located within the project. The continued maintenance and upkeep of these important items is a distinct and special benefit to properties within the District.

Easements were created and reserved in favor of each owner in the Cloisters Development for view, open space, scenic, passive recreation and coastal access across the entirety of Lots 121, 122 and 123; these lots shall not be developed with any improvements or structures unless necessary and proper for the restoration and maintenance of the ESHA. This is another distinct and special benefit conferred on property within the District.

B. Benefit Analysis

Each of the proposed improvements, the associated costs and assessments have been carefully reviewed, identified and allocated based on special benefit pursuant to the provisions of the Constitution and 1972 Act. The improvements associated with the District have been identified as necessary, required and/or desired for the orderly development of the properties within the District to their full potential, consistent with the proposed development plans and applicable portions of the City GP/LCP as identified previously in this report. As such, these improvements would be necessary and required of individual property owners for the development of such properties, and the ongoing operation, servicing and maintenance of these improvements would be the financial obligation of those properties. Therefore, the improvements and the annual costs of ensuring the maintenance and operation of the improvements are of direct and special benefit to the properties. The method of apportionment (method of assessment) is based on the premise that each assessed parcel within the District receives special benefit from various improvements provided by the District. The desirability and security of properties is enhanced by the presence of local improvements in close proximity to those properties. The special benefits associated with

landscaped improvements are specifically:

- enhanced desirability of properties through association with the improvements
- improved aesthetic appeal of properties providing a positive representation of the area
- enhanced adaptation of the urban environment within the natural environment from adequate green space and landscaping.

C. Maintenance Tasks

A list of maintenance tasks required to maintain the District in acceptable condition for public use was developed based on maintenance standards established for existing parks within the City and is included in this report as Attachment A. The list has since been divided into Janitorial and Landscaping Maintenance Tasks, with an additional section for Deferred Maintenance Tasks/Capital Replacement Projects.

It is clear, as illustrated in the next section, the purchasing power of the assessments has severely eroded over the last twenty-one years as have the level of maintenance activities.

D. Maintenance Costs

The estimated annual cost of maintaining the District was originally developed by the Recreation and Parks Department based on the tasks required and the City's Flat Rate Manual for Parks Maintenance. District costs include labor, utilities, insurance, engineering services and depreciation/reserves. The annual cost of maintenance, including any reserves, for the 2018/2019 fiscal year is estimated to be \$148,944. The cost estimate is included in this report as Attachment B. This estimate reflects a major reduction in maintenance services when compared to the initial resources that were allocated to the District due to increased costs to provide services.

The original formation of the assessment district in 1996 set the fixed assessment of \$1,241.20 per parcel or \$148,944 for the entire Cloisters Landscape Lighting Maintenance Assessment District. In 1996, the Consumer Price Index (CPI) was 157 and today (3/2018) the CPI is at 264. This has resulted in a thirty-six percent drop in the purchasing power of the assessment district funds. Therefore, what was \$148,944 as the required amount to maintain the Cloisters AD in 1996 is approximately \$88,600 in today's dollars, but due to increased efficiency in the service delivery originally provided in district, the City has been able to maintain the facilities and accrue an accumulation of approximately \$193,000 by the end of the current fiscal year as shown in the following table:

City of Morro Bay
Schedule of Cloisters Park Maintenance AD Transactions
Operating Revenues vs. Operating Expenditures
Fiscal Year 2017/18 - Period Ending March 30, 2018

	FY17/18 Adopted Budget	FY17/18 Third Quarter Transactions	FY17/18 % YTD
Beginning Cash Balance (Accumulation Fund)	\$ 159,982	\$ 159,982	
Revenues			
Property Tax Special Assessments	\$ 148,944	\$ 116,741	78%
Total Revenues	148,944	116,741	78%
Expenditures			
Salaries & Benefits	\$ 44,459	\$ 36,370	
Supplies	7,000	6,600	94%
Services	43,200	9,518	22%
Utilities	23,100	30,836	133%
Equipment Rental	-	298	
Total Operating Expenditures	\$ 117,759	\$ 83,621	71%
Use of Cash Balance	-	-	-
Net Operating Revenues over Expenditures & Carryforwards	\$ 31,185	\$ 33,120	\$ -
Ending Cash Balance (Accumulation Fund)	\$ 191,167	\$ 193,101	

E. Apportionment of Assessment

The total assessment for the District is apportioned equally to each of the one hundred and twenty residential lots. Lots 121 and 122 (Parcel 1) Cloisters Park and Open Space, Lot 124 (dedicated for a fire station, declared as surplus by the City and sold - currently vacant, but new owner is going through the entitlement process to develop several single-family homes) and Lot 123 (now Parcel 2) offered to the State are not assessed. Individual assessments are listed in the table shown in Attachment C.

Attachment A

CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT

DETAILED MAINTENANCE TASKS

Task	Weekly	Twice Weekly	Monthly	Twice Annually	Annually	As Needed
I <i>Turf Maintenance</i>						
Mow						XX
Edge/Trim						XX
Fertilize				XX		XX
Aerate/Seed				XX		XX
II <i>Other Landscape Maint.</i>						
Prune plants/shrubbery				XX		XX
Maintain weed free						XX
Maintain bark mulch						XX
Rake/distribute gravel/sand			XX			XX
Fertilize				XX		
III <i>Tree Maintenance</i>						
Prune trees					XX	
Maintain tree supports						XX
Remove dead trees						XX
IV <i>Irrigation</i>						
Maintain/repair irrigation system						XX
Program/check controllers			XX			XX
Hand water as required						XX
Monitor water usage			XX			
V <i>Weed control</i>						
Mow open areas				XX		XX
Remove noxious weeds				XX		
Weed identified areas				XX		XX
VI <i>Wetlands</i>						
Coordinate maint. with city						XX
VII <i>Paths, walkways, parking lot maintenance</i>						
Conduct general safety inspection					XX	XX
Remove foreign objects						XX
Trim/spray pathways						XX

**CLOISTERS
LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT**

DETAILED MAINTENANCE TASKS (cont.)

Task	Weekly	Twice Weekly	Monthly	Twice Annually	Annually	As Needed
VII <i>Paths, walkways, parking lot maintenance (cont.)</i>						
Inspect hardscape for damage			XX			XX
Remove dog litter						XX
VIII <i>Pest/Disease Control</i>						
Control pests/rodents and plant diseases						XX
IX <i>Litter/trash control</i>						
Litter pick up throughout						XX
Remove trash from garbage cans		XX				
Empty ashes from bbq's		XX				
X <i>Restroom</i>						
Clean/sanitize/service	Daily M-F					
Maintain roof						XX
Maintain plumbing						XX
Paint structure						XX

Attachment B

**CLOISTERS
LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT**

DISTRICT BUDGET - FISCAL YEAR 2018/2019

NAME: Cloisters Landscaping and Lighting Maintenance Assessment District

DIAGRAM: Attached, as Attachment D

PLANS AND SPECIFICATIONS: On file in the Office of the City Engineer.

ESTIMATED COST OF MAINTENANCE: The table on the following page outlines the estimated budget for the maintenance of the District for fiscal year 2018/2019. It also provides a look back at the three previous fiscal years including the current year with expenses as of March 31, 2016.

CONTRACT SERVICES

Includes all daily and routine tasks as well as non-routine maintenance and repair costs.

PERSONNEL SERVICES

Includes contract supervision of daily and routine tasks as well as non-routine maintenance and repair costs.

SUPPLIES

Includes all supplies used in daily tasks as well as non-routine repair and maintenance.

SERVICES

Includes utilities, outside engineering, insurance and contract services.

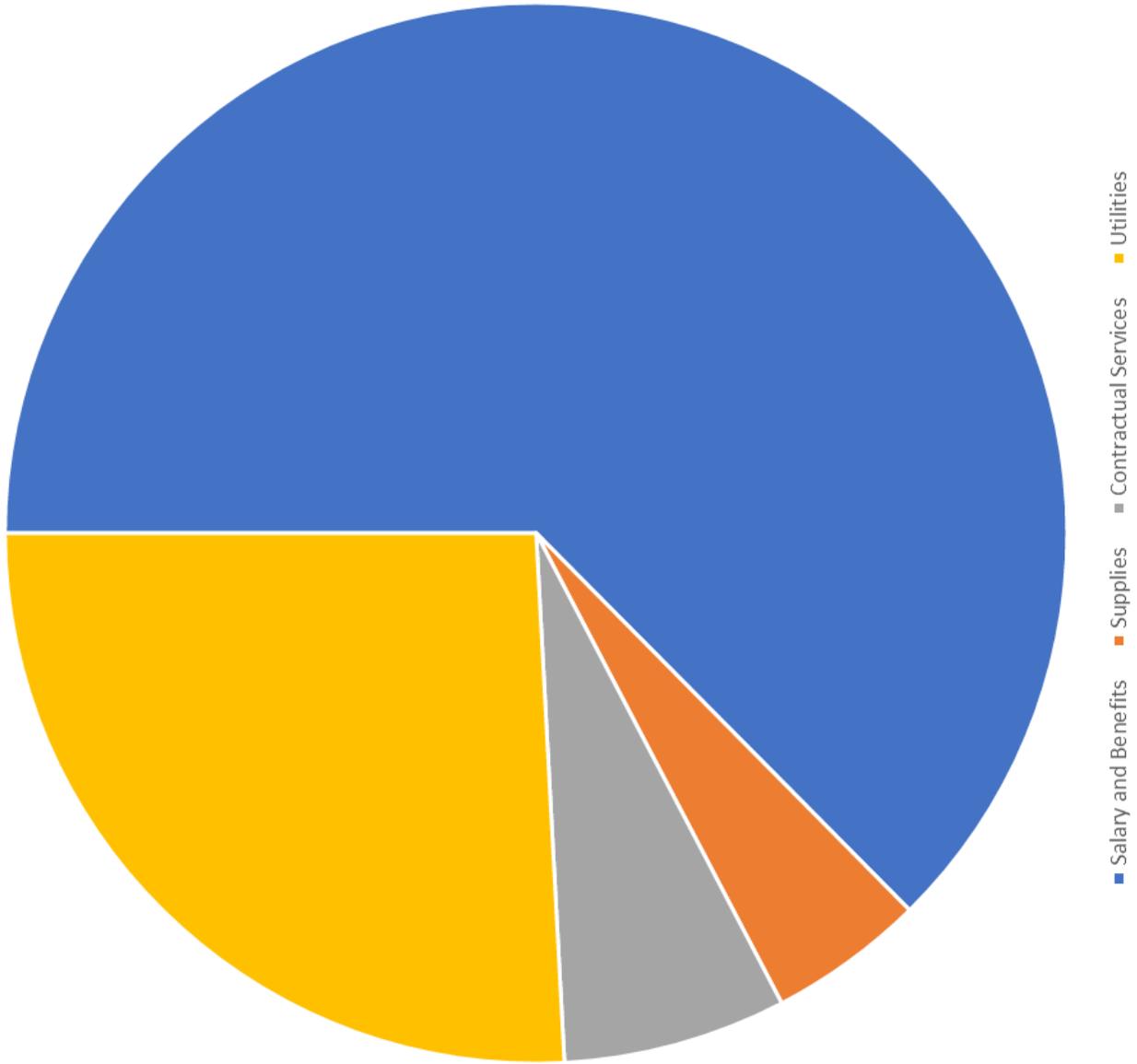
CAPITAL/DEFERRED MAINTENANCE RESERVE

Accumulated funds to be directed at capital projects, permits, and other one-time expenses.

TOTAL ASSESSMENT:	\$148,944.00
PER PARCEL YEARLY ASSESSMENT (\$148,944/120 parcels)	\$1,241.20
OPERATING FUND CASH BALANCE (March 2018)	\$33,120.00
ACCUMULATION FUND BALANCE (March 2018)	\$159,582.00

City of Morro Bay		Budget Worksheet Report						2019 Estimated
Account Number	Account Description	2014 Actual Amount	2015 Actual Amount	2016 Actual Amount	2017 Actual Amount	2018 Amended Budget	2019 Estimated	
REVENUES								
Department: 6167 - Cloisters Park								
<i>300-Rev Taxes - Revenues From Taxes</i>								
3018	Property Tax Special Assess	151,429.00	148,322.40	149,565.60	148,944.00	148,944.00	148,944.00	
<i>Account Classification Total: 300-Rev Taxes - Revenues From Taxes</i>		151,429.00	148,322.40	149,565.60	148,944.00	148,944.00	148,944.00	
Department: 7710 - Interfund Transactions								
<i>100-Interfund - Interfund Transfers</i>								
3801	Transfers In	0.00	5.00	13,567.71	0.00	0.00	0.00	
<i>Account Classification Total: 100-Interfund - Interfund Transfers</i>		0.00	5.00	13,567.71	0.00	0.00	0.00	
Department Total: 7710 - Interfund Transactions		0.00	5.00	13,567.71	0.00	0.00	0.00	
REVENUES Total		151,429.00	148,327.40	163,133.31	148,944.00	148,944.00	148,944.00	
EXPENSES								
Department: 6167 - Cloisters Park								
<i>10-Personnel - Personnel Services</i>								
4110	Regular Pay	0.00					51,000.00	
4910	Employer Paid Benefits	994.09	1,452.70	3,408.62	8,208.34	16,872.00	35,000.00	
4999	Labor Costs Applied	2,856.17	3,199.02	8,492.40	22,525.10	27,587.00	6,000.00	
<i>Account Classification Total: 10-Personnel - Personnel Services</i>		3,850.26	4,651.72	11,901.02	30,733.44	44,459.00	92,000.00	
<i>60-Supplies - Supplies</i>								
5199	Miscellaneous Operating Supplies	519.90	21.83	3,706.33	207.51	1,000.00	1,000.00	
5501	Grounds Maintenance Supplies	1,388.55	1,763.08	2,163.15	2,461.53	5,000.00	5,000.00	
5502	Building Maint. Supplies	22.93	3,309.12	0.00	0.00	1,000.00	1,000.00	
<i>Account Classification Total: 60-Supplies - Supplies</i>		1,931.38	5,094.03	5,869.48	3,222.79	7,000.00	7,000.00	
<i>70-Services - Services</i>								
6106	Contractual Services	92,163.80	95,575.26	91,067.00	16,907.49	40,000.00	10,000.00	
6199	Other Professional Services	246.00	6.43	760.00	0.00	3,200.00		
6300	Utilities	26,049.62	16,793.61	24,563.10	24,853.19	23,100.00	38,000.00	
<i>Account Classification Total: 70-Services - Services</i>		\$120,878.88	\$112,673.62	\$116,390.10	\$41,760.68	\$66,300.00	\$48,000.00	
Department Total: 6167 - Cloisters Park		\$126,660.52	\$122,419.37	\$134,160.60	\$75,716.91	\$117,759.00	\$147,000.00	
EXPENSES Total		\$126,660.52	\$122,419.37	\$134,160.60	\$75,716.91	\$117,759.00	\$147,000.00	
Fund REVENUE Total: 570 - Cloisters Park Maint AD		\$151,429.00	\$148,327.40	\$163,133.31	\$148,944.00	\$148,944.00	\$148,944.00	
Fund EXPENSE Total: 570 - Cloisters Park Maint AD		\$126,660.52	\$122,419.37	\$134,160.60	\$75,716.91	\$117,759.00	\$147,000.00	
Fund Total: 570 - Cloisters Park Maint AD		\$24,768.48	\$25,908.03	\$28,972.71	\$73,227.09	\$31,185.00	\$1,944.00	

Cloisters Landscape Lighting Maintenance Assessment District Expenses



Attachment C

**CLOISTERS
LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT**

PARCEL/ASSESSMENT TABLE

Lot Number	County Assessor's Parcel Number	Annual Assessment
1	065-387-001	\$1,241.20
2	065-387-002	\$1,241.20
3	065-387-003	\$1,241.20
4	065-387-004	\$1,241.20
5	065-387-005	\$1,241.20
6	065-387-006	\$1,241.20
7	065-387-007	\$1,241.20
8	065-387-008	\$1,241.20
9	065-387-009	\$1,241.20
10	065-387-010	\$1,241.20
11	065-387-011	\$1,241.20
12	065-387-012	\$1,241.20
13	065-387-013	\$1,241.20
14	065-387-014	\$1,241.20
15	065-387-015	\$1,241.20
16	065-387-016	\$1,241.20
17	065-387-017	\$1,241.20
18	065-387-018	\$1,241.20
19	065-387-019	\$1,241.20

Lot Number	County Assessor's Parcel Number	Annual Assessment
20	065-387-053	\$1,241.20
21	065-387-054	\$1,241.20
22	065-387-055	\$1,241.20
23	065-387-023	\$1,241.20
24	065-387-024	\$1,241.20
25	065-387-025	\$1,241.20
26	065-387-026	\$1,241.20
27	065-387-027	\$1,241.20
28	065-387-028	\$1,241.20
29	065-387-029	\$1,241.20
30	065-387-030	\$1,241.20
31	065-387-031	\$1,241.20
32	065-387-032	\$1,241.20
33	065-387-033	\$1,241.20
34	065-387-034	\$1,241.20
35	065-387-035	\$1,241.20
36	065-387-036	\$1,241.20
37	065-387-037	\$1,241.20
38	065-387-038	\$1,241.20
39	065-387-039	\$1,241.20
40	065-387-040	\$1,241.20
41	065-387-041	\$1,241.20
42	065-387-042	\$1,241.20
43	065-387-043	\$1,241.20

Lot Number	County Assessor's Parcel Number	Annual Assessment
44	065-387-044	\$1,241.20
45	065-387-045	\$1,241.20
46	065-388-001	\$1,241.20
47	065-388-002	\$1,241.20
48	065-388-003	\$1,241.20
49	065-388-004	\$1,241.20
50	065-388-005	\$1,241.20
51	065-388-006	\$1,241.20
52	065-388-007	\$1,241.20
53	065-388-008	\$1,241.20
54	065-388-009	\$1,241.20
55	065-388-010	\$1,241.20
56	065-388-011	\$1,241.20
57	065-388-012	\$1,241.20
58	065-388-013	\$1,241.20
59	065-388-014	\$1,241.20
60	065-388-015	\$1,241.20
61	065-388-016	\$1,241.20
62	065-388-017	\$1,241.20
63	065-388-018	\$1,241.20
64	065-388-019	\$1,241.20
65	065-388-020	\$1,241.20
66	065-388-021	\$1,241.20
67	065-388-022	\$1,241.20

Lot Number	County Assessor's Parcel Number	Annual Assessment
68	065-388-023	\$1,241.20
69	065-388-024	\$1,241.20
70	065-388-025	\$1,241.20
71	065-388-026	\$1,241.20
72	065-388-027	\$1,241.20
73	065-388-028	\$1,241.20
74	065-388-029	\$1,241.20
75	065-388-030	\$1,241.20
76	065-388-031	\$1,241.20
77	065-388-032	\$1,241.20
78	065-388-033	\$1,241.20
79	065-388-034	\$1,241.20
80	065-388-035	\$1,241.20
81	065-388-036	\$1,241.20
82	065-388-037	\$1,241.20
83	065-388-038	\$1,241.20
84	065-388-039	\$1,241.20
85	065-388-040	\$1,241.20
86	065-388-041	\$1,241.20
87	065-388-042	\$1,241.20
88	065-388-043	\$1,241.20
89	065-388-044	\$1,241.20
90	065-388-045	\$1,241.20
91	065-388-046	\$1,241.20

Lot Number	County Assessor's Parcel Number	Annual Assessment
92	065-388-047	\$1,241.20
93	065-388-048	\$1,241.20
94	065-388-049	\$1,241.20
95	065-388-050	\$1,241.20
96	065-388-051	\$1,241.20
97	065-388-052	\$1,241.20
98	065-388-053	\$1,241.20
99	065-388-054	\$1,241.20
100	065-388-055	\$1,241.20
101	065-388-056	\$1,241.20
102	065-388-057	\$1,241.20
103	065-388-058	\$1,241.20
104	065-388-059	\$1,241.20
105	065-388-060	\$1,241.20
106	065-388-061	\$1,241.20
107	065-388-062	\$1,241.20
108	065-388-063	\$1,241.20
109	065-388-064	\$1,241.20
110	065-388-065	\$1,241.20
111	065-388-066	\$1,241.20
112	065-388-067	\$1,241.20
113	065-388-068	\$1,241.20
114	065-388-069	\$1,241.20
115	065-388-070	\$1,241.20

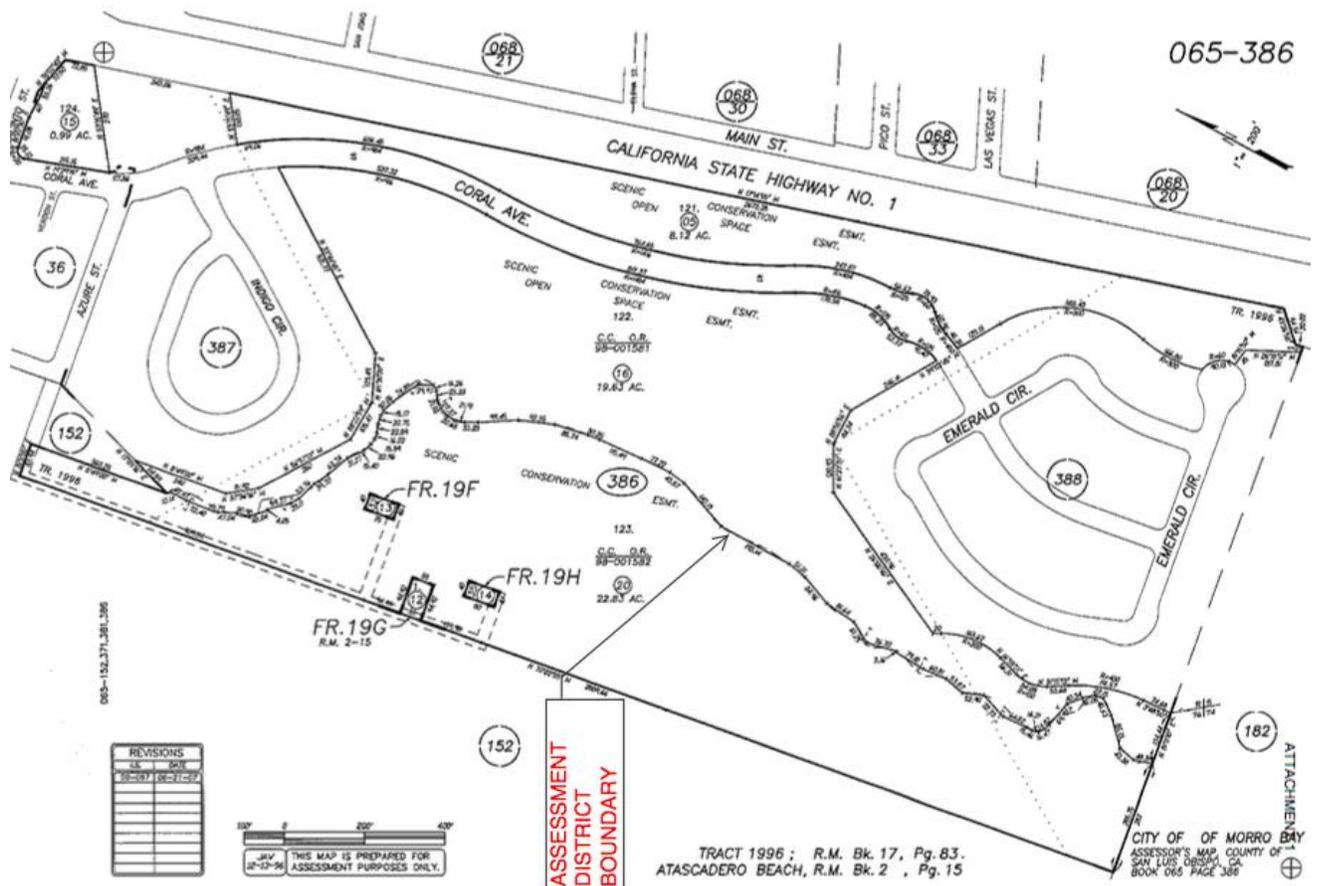
Lot Number	County Assessor's Parcel Number	Annual Assessment
116	065-388-071	\$1,241.20
117	065-388-072	\$1,241.20
118	065-388-073	\$1,241.20
119	065-388-074	\$1,241.20
120	065-388-075	\$1,241.20
121	065-386-005	0
122 (Parcel 1)	065-386-016	0
123 (Parcel 2)	065-386-017 065-386-018 065-386-019 065-386-012 065-386-013 065-386-014 065-386-010	0
124	065-386-015	0

Attachment D

CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT

DISTRICT BOUNDARY DIAGRAM

The boundary diagrams for the District have previously been submitted to the City Clerk in the format required under the 1972 Act and, by reference, are hereby made part of this Report. The boundary diagrams are available for inspection at the office of the City Clerk during normal business hours. The following diagram provides an overview of the District.





AGENDA NO: B-2
MEETING DATE: May 8, 2018

Staff Report

TO: Honorable Mayor and City Council **DATE:** May 2, 2018

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

SUBJECT: Adoption of Resolution No. 24-18 Approving the Engineer’s Report and Declaring the Intent 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. 24-18 approving the Engineer’s Report and declaring the intent to levy the annual assessment for maintenance of the North Point Natural Area.

FISCAL IMPACT

Based on the Engineer’s Report, which estimates the annual costs of maintaining the North Point Natural Area for the upcoming fiscal year, the fiscal impact is estimated at \$5,645. Those costs will be offset by the collection of an assessment for the same amount from the parcel owners in the North Point Subdivision.

The original formation of the assessment district in 1996 set the fixed assessment of \$564.50 per parcel or \$5,645 for the entire North Point Landscape Lighting Maintenance Assessment District. In 1997, the Consumer Price Index (CPI) was 160 and today (3/2018) the CPI is at 264. Therefore, what was \$5,645 as the required amount to maintain North Point natural area in 1997 is \$3,421 in today’s dollars. Due to increased efficiencies, staff has been able to maintain the natural area with expenses not exceeding the assessment, while also increasing the accumulation fund for future capital and major maintenance needs.

SUMMARY

On April 10, 2018 City Council adopted Resolution No. 16-18, which initiated the proceedings to levy the annual assessment to fund the maintenance of the North Point Natural Area. Additionally, staff was directed to have an Engineer’s Report prepared, detailing the estimated annual assessment for the parcel owners for fiscal year 2018/19. Upon adoption of Resolution No. 24-18, the next and final step in the annual levy of assessment process is the public hearing after which the City Council orders the levy of assessment.

BACKGROUND/DISCUSSION

As part of the annual assessment process, staff is required to provide an Engineer’s Report, which is an estimate of costs for maintenance of the North Point Natural Area. The cost estimates are based on the maintenance standards currently adhered to in existing parks within Morro Bay and included in the Flat Rate Manual for Parks Maintenance, as well as maintenance costs from the current fiscal year. The estimate for maintenance of the North Point Natural Area is \$5,645 or

Prepared By: RL Dept. Review: RL
City Manager Review: SC City Attorney Review: JWP

\$564.50 per parcel for fiscal year 2018/19.

Personnel costs, as well as supplies and services, have risen significantly in the last several years. However, due to the small acreage, natural landscaping and little irrigation in the North Point Natural Area, the assessment amount collected is currently adequate to cover the costs of maintenance.

CONCLUSION

The process for the annual levy of assessment for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District requires the City Council to receive the Engineer's Report, approve and/or modify the report and adopt a Resolution of Intention. The Resolution of Intention gives notice of the time, date and place for a public hearing by the City Council on the issue of the levy of assessment. The public hearing has been set for the Regular City Council meeting on June 26, 2018, in the Veteran's Memorial Building, at which all interested parties will be afforded the opportunity to be heard either through written or oral communication. Upon completion of the public hearing on June 26, 2018, the City Council may adopt the resolution ordering the levy of the annual assessment.

ATTACHMENTS

1. Resolution No. 24-18
2. Engineer's Report

RESOLUTION NO. 24-18

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
APPROVING THE ENGINEER'S REPORT AND DECLARING
THE CITY'S INTENTION TO LEVY THE ANNUAL ASSESSMENT FOR THE
MAINTENANCE OF 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, all property owners of the North Point subdivision requested the City of Morro Bay form a maintenance assessment district to fund the maintenance of the North Point Natural Area; and

WHEREAS, the Landscaping and Lighting Act of 1972, commencing with Streets and Highways Code section 22500 (the "Act") enables the City to form assessment districts for the purpose of maintaining public improvements; and

WHEREAS, pursuant to Section 22623 of the Act, the City Engineer has filed in the Office of the City Clerk, and submitted for review to the City Council, a report entitled "Engineers Report North Point Natural Area Landscaping and Lighting Maintenance Assessment," dated May 3, 2017, prepared in accordance with Article 4 of the Act, commencing with Section 22565 (the "Engineer's Report"); and

WHEREAS, pursuant to Section 22608.2 of the Act, the subdivider was required by City ordinance to install improvements for which an assessment district was required in order to assure continued and uninterrupted maintenance of the North Point Natural Area; and

WHEREAS, pursuant to the intent of Article XIII, Section 4, of the California Constitution, the property owners have elected to form the North Point Natural Area Landscaping and Lighting Maintenance Assessment District.

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

Section 1. The City Council approves the Engineer's Report.

Section 2. It is the intent of the Council to order the annual levy and collection of assessments for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District generally located as shown in Exhibit "A" attached hereto at a public hearing to be held at the Regular City Council meeting on June 26, 2018 in the Veteran's Memorial Building, 209 Surf Street, Morro Bay, CA.

Section 3. The improvements to be maintained at the North Point Natural Area are specified in the Engineer's Report dated May 3, 2018 which is hereby approved.

Section 4. The assessment upon assessable lots within the district is proposed to total \$5,645 or \$564.50 per assessable parcel for fiscal year 2018/19.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held this 8th of May 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JAMIE L. IRONS, Mayor

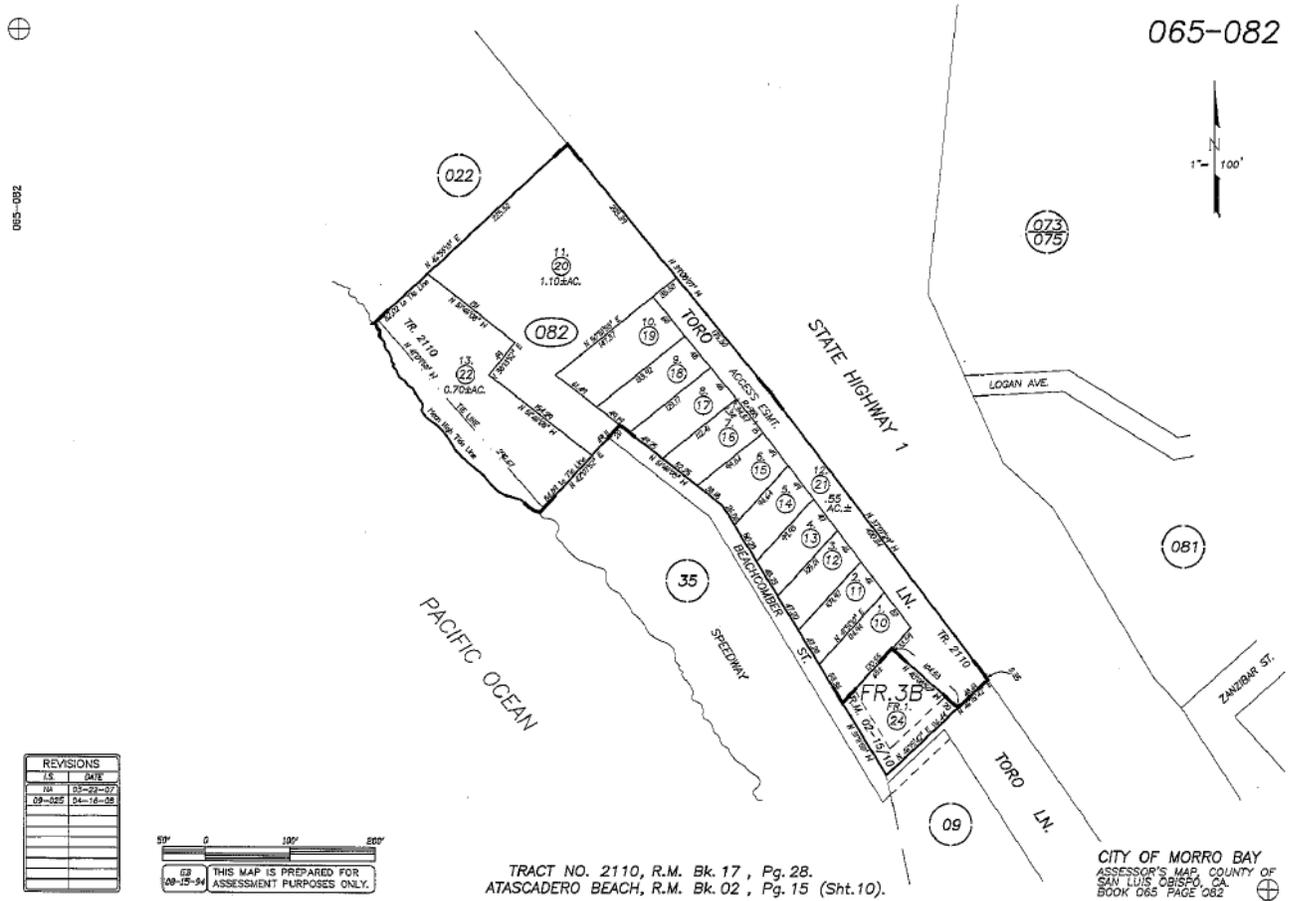
ATTEST:

DANA SWANSON, City Clerk

EXHIBIT A

DISTRICT BOUNDARY DIAGRAM

The boundary diagrams for the District have previously been submitted to the City Clerk in the format required under the Act and, by reference are hereby made part of this Report. The boundary diagrams are available for inspection at the office of the City Clerk during normal business hours. The following diagram provides an overview of the District.





CITY OF MORRO BAY

**NORTH POINT NATURAL AREA
LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT**

2018/2019 ENGINEER'S ANNUAL LEVY REPORT

May 3, 2018

DRAFT

AFFIDAVIT FOR 2018/2019 ENGINEER'S ANNUAL LEVY REPORT

CITY OF MORRO BAY

**NORTH POINT NATURAL AREA
LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT**

This report describes the proposed maintenance, improvements, budgets, zone of benefit and assessments to be levied on parcels of land within the North Point Natural Area Landscaping and Lighting Maintenance Assessment District for the fiscal year 2018/2019, as the same existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the San Luis Obispo County Assessor's maps for a detailed description of the lines and dimensions of parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council and, to the best of my knowledge, information, belief, the report, the assessments and diagrams have been prepared and computed in pursuant to the Landscaping and Lighting Act of 1972.

Dated this _____ of May, 2018

Rob Livick, PE/PLS – Public Works Director/City Engineer



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E. Apportionment of Assessment	
 Detailed Maintenance Task List	 Attachment A
 District Budget – Fiscal Year 2018/2019	 Attachment B
 Parcel/Assessment Table	 Attachment C
 District Boundary Diagram	 Attachment D

I. Overview

A Introduction

The City Council of the City of Morro Bay (hereafter referred to as “City”), County of San Luis Obispo, State of California, previously formed and has levied and collected annual assessments for the district designated as:

NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT

(hereafter referred to as “District”) pursuant to the provisions of the Landscaping and Lighting Act of 1972, being Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500 (hereafter referred to as the “1972 Act”), and in compliance with the provisions of the California State Constitution Articles XIIC and XIID (hereafter referred to as the “Constitution” or “Proposition 218”).

This Report has been prepared in accordance with Chapter 1, Article 4 (commencing with Section 22565) of the 1972 Act and describes the District and changes to the District including: territories annexed; modifications to the improvements or organization; and the proposed budgets and assessments applicable for fiscal year 2018/2019.

History

As a condition of approval for Tract No. 2110, the North Point subdivision, the developers were required to offer to the City for dedication Lot 11 of the subdivision for park purposes, and to construct improvements on Lot 11 including a paved parking area, a stairway providing access to the beach, benches, landscaping and irrigation, lighting, and other improvements. The subdivision was also conditioned to provide maintenance of the park by establishing an assessment district. Lot 11 of Tract No. 2110 is identified as the North Point Natural Area.

B Assessment History and Current Legislation

In November 1996, California voters approved Proposition 218 that established specific requirements for the ongoing imposition of taxes, assessments and fees. The provisions of the Proposition are now contained in the California Constitutional Articles XIIC and XIID. All assessments described in this Report and approved by the City Council are prepared in accordance with the 1972 Act and in compliance with these provisions of the Constitution.

Pursuant to the Article XIID Section 5 of the Constitution, certain existing assessments were exempt from the substantive and procedural requirements of the Article XIID Section 4, and property owner balloting is not required until such time that a new or increased assessment is proposed. Specifically, the City determined that the annual assessments originally established for the North Point were imposed in accordance with a consent and waiver as part of the original development approval for the properties within these areas. As such, pursuant to Article XIID Section 5b, all the property owners approved the existing District assessments at the time the assessments were created (originally imposed pursuant to a 100% landowner petition). Therefore, the pre-existing assessments (the maximum assessment rates adopted prior to the passage of Proposition 218) for this district is exempt from the procedural requirements Article XIID Section 4. However, any new or increased assessment for the North Point Natural Area shall comply with

both the substantive and procedural requirements of Article XIID Section 4 before such assessments are imposed.

II. Description of the District

A. Improvements Authorized by the 1972 Act

As applicable or may be applicable to this proposed District, the 1972 Act defines improvements to mean one or any combination of the following:

- The installation or planting of landscaping.
- The installation or construction of statuary, fountains, and other ornamental structures and facilities
- The installation or construction of public lighting facilities.
- The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.
- The maintenance or servicing, or both, of any of the foregoing.
- The acquisition of any existing improvement otherwise authorized pursuant to this section.

Incidental expenses associated with the improvements including, but not limited to:

- The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;
- The costs of printing, advertising, and the publishing, posting and mailing of notices;
- Compensation payable to the County for collection of assessments;
- Compensation of any engineer or attorney employed to render services;
- Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
- Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5.
- Costs associated with any elections held for the approval of a new or increased assessment.

The 1972 Act defines "Maintain" or "maintenance" to mean furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

- Repair, removal, or replacement of all or any part of any improvement.
- Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury.
- The removal of trimmings, rubbish, debris, and other solid waste.
- The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

B. Maintenance Items

A list of maintenance tasks required to maintain the North Point Natural Area in acceptable condition for public use was developed by the City Recreation and Parks Department based on maintenance standards established for existing parks within the City.

III. Method of Apportionment

A General

This section of the Engineer's Report includes an explanation of the special benefits to be derived from the installation, maintenance and servicing of the improvements and the methodology used to apportion the total assessment to properties within the District.

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements which include the construction, maintenance and servicing of public lights, landscaping and appurtenant facilities. The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

The proceeds from the District are used to fund the maintenance and upkeep of public resources within the North Point development project for the special benefit of the properties located within the project. The continued maintenance and upkeep of these important items is a distinct and special benefit to properties within the District.

B. Benefit Analysis

Each of the proposed improvements, the associated costs and assessments have been carefully reviewed, identified and allocated based on special benefit pursuant to the provisions of the Constitution and 1972 Act. The improvements associated with the District have been identified as necessary, required and/or desired for the orderly development of the properties within the District to their full potential, consistent with the proposed development plans and applicable portions of the City General Plan and Local Coastal Plan as identified previously in this report. As such, these improvements would be necessary and required of individual property owners for the development of such properties, and the ongoing operation, servicing and maintenance of these improvements would be the financial obligation of those properties. Therefore, the improvements and the annual costs of ensuring the maintenance and operation of the improvements are of direct and special benefit to the properties. The method of apportionment (method of assessment) is based on the premise that each assessed parcel within the District receives special benefit from various improvements provided by the District. The desirability and security of properties is enhanced by the presence of local improvements in close proximity to those properties. The special benefits associated with landscaped improvements are specifically:

- Enhanced desirability of properties through association with the improvements.
- Improved aesthetic appeal of properties providing a positive representation of the area.
- Enhanced adaptation of the urban environment within the natural environment from adequate open space and landscaping.

C. Maintenance Tasks

A list of maintenance tasks required to maintain the North Point Natural Area in acceptable

condition for public use was developed by the Public Works Department based on maintenance standards established for existing parks within the City and is included in this report as Attachment A.

D. Maintenance Costs

The estimated annual cost of maintaining the North Point Natural Area was originally developed by the Recreation and Parks Department based on the tasks required and the City's Flat Rate Manual for Parks Maintenance. Annual maintenance is currently provided through contract services and is supplemented by City Public Works staff. Assessment district costs include labor, utilities, insurance, engineering services and depreciation/reserves. The annual cost of maintenance, including any reserves, for the 2018/19 fiscal year is estimated to be \$24,000, including reserve. The cost estimate is included in this report as Attachment B.

The original formation of the assessment district in 1996 set the fixed assessment of \$564.50 per parcel or \$5,645 for the entire North Point Landscape Lighting Maintenance Assessment District. In 1997, the Consumer Price Index (CPI) was 160 and today (3/2018) the CPI is at 264. Therefore, what was \$5,645 as the required amount to maintain North Point natural area in 1997 is \$3,421 in today's dollars.

E. Apportionment of Assessment

The total assessment for the District is apportioned to each of the ten residential lots equally. Lot 11, the North Point Natural Area; Lot 12, a private street; and Lot 13, an open space parcel to be granted to the State of California; are not assessed. Individual assessments are listed in Attachment C.

Attachment A

NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT MAINTENANCE TASKS

Routine Maintenance Tasks

- Review for vandalism/repair
- Pick-up - paper
- trash
- cigarette butts
- Empty - trash cans
- Clean - benches
- beach access stairway
- bike rack
- lights
- planting hillside, erosion

Weekly or as needed

- Blow paths, parking lot
- Monthly or as needed
- Check trees
- Check/repair sprinkler system
- Trim trees and bushes as needed
- Critical parts inspections

Annually or as needed

- Paint beach access stairway, public access signage
- New plantings (replacement)
- General safety inspection
- Annual tree pruning
- Remove graffiti
- Mow open space
- Pest/gopher control
- Trim and spray paths
- Repair public access signage

Attachment B

NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT

NAME: North Point Natural Area Landscaping and Lighting Maintenance Assessment District

DIAGRAM: Attached

PLANS AND SPECIFICATIONS: For a detailed description of the improvements, refer to the plans and specifications for Tract 2110 on file in the office of the City Engineer. No bonds or notes will be issued for this Maintenance Assessment District.

ESTIMATED COST OF MAINTENANCE: The following outlines the estimated budget for the maintenance of the North Point Natural Area for fiscal year 2018/19.

TOTAL ASSESSMENT:	\$5,645.00
PER PARCEL YEARLY ASSESSMENT (10 parcels)	\$564.50
RESERVE BALANCE (March 2018)	\$24,000.00

City of Morro Bay		Budget Worksheet Report					
Account Number	Account Description	2014 Actual Amount	2015 Actual Amount	2016 Actual Amount	2017 Actual Amount	2018 Amended Budget	2019 Level 1
Department: 6162 - North Point Park							
4910	Employer Paid Benefits	0.00	53.29	202.86	292.90	0.00	0.00
4999	Labor Costs Applied	0.00	174.28	899.66	848.22	1,841.00	2,068.00
	<i>Account Classification Total: 10-Personnel - Personnel Services</i>	0.00	227.57	1,102.52	1,141.12	1,841.00	2,068.00
	<i>60-Supplies - Supplies</i>						
5199	Miscellaneous Operating Supplies	0.00	0.00	0.00	0.00	0.00	0.00
5501	Grounds Maintenance Supplies	0.00	0.00	0.00	0.00	300.00	300.00
	<i>Account Classification Total: 60-Supplies - Supplies</i>	0.00	0.00	0.00	0.00	300.00	300.00
	<i>70-Services - Services</i>						
6300	Utilities	1,929.86	2,338.44	2,494.89	3,126.85	2,100.00	2,100.00
6710	Notices & Publications	139.13	293.80	0.00	0.00	0.00	0.00
	<i>Account Classification Total: 70-Services - Services</i>	2,068.99	2,632.24	2,494.89	3,126.85	2,100.00	2,100.00
	Department Total: 6162 - North Point Park	2,068.99	2,859.81	3,597.41	4,267.97	4,241.00	4,468.00

Attachment C

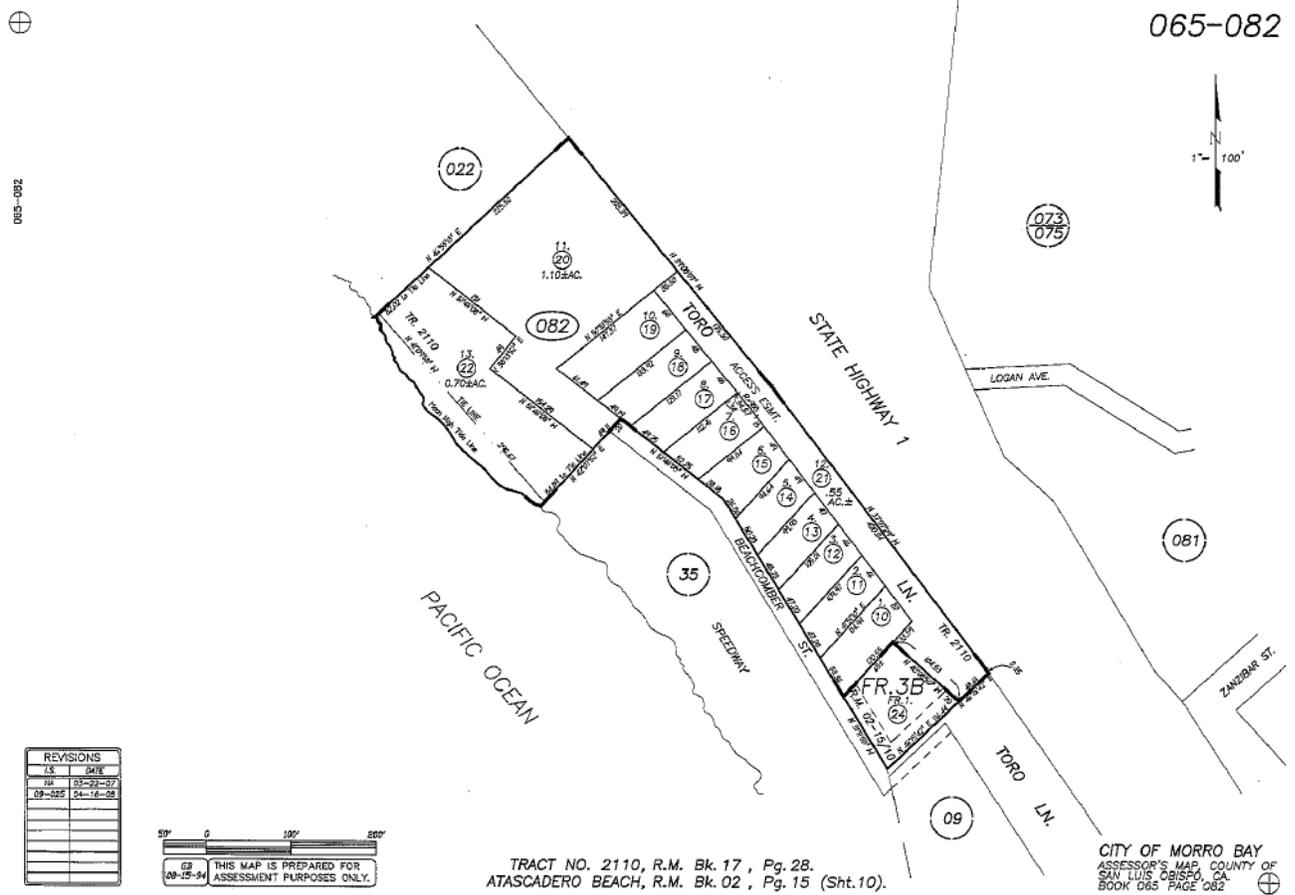
PARCEL/ASSESSMENT TABLE

Lot Number	County Assessor's Parcel Number	Annual Assessment
1	065-082-10	\$564.50
2	065-082-11	\$564.50
3	065-082-12	\$564.50
4	065-082-13	\$564.50
5	065-082-14	\$564.50
6	065-082-15	\$564.50
7	065-082-16	\$564.50
8	065-082-17	\$564.50
9	065-082-18	\$564.50
10	065-082-19	\$564.50
11	065-082-20	\$ 0.00
12	065-082-21	\$ 0.00
13	065-082-22	\$ 0.00

Attachment D

DISTRICT BOUNDARY DIAGRAM

The boundary diagrams for the District have previously been submitted to the City Clerk in the format required under the Act and, by reference are hereby made part of this Report. The boundary diagrams are available for inspection at the office of the City Clerk during normal business hours. The following diagram provides an overview of the District.



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AGENDA NO: B-3

MEETING DATE: May 8, 2018

Staff Report

TO: Honorable Mayor and City Council

DATE: May 2, 2018

FROM: Jennifer Little, Tourism Manager

SUBJECT: **Consideration of the Morro Bay Tourism Business Improvement District (TBID) Annual Report and Continuation of the TBID Assessment for FY 2018/19; and Adoption of Resolution No. 25-18 Declaring the Intent to Continue the Program and Levy Assessments for the Fiscal Year 2018-19 and Scheduling a Public Hearing to Levy the Assessments.**

RECOMMENDATION

1. Receive and file report from staff on their evaluation of Tourism efforts; and
2. Adopt Resolution No. 25-18 approving the draft Fiscal Year 2018-19 Tourism Business Improvement District ("TBID") Annual Report for expenditure of funds to be derived from the annual assessment, and declaring the intention to continue the program and levy assessments and set the public hearing date for June 12, 2018 to continue the 3% TBID Assessment in FY 2018/19; and
3. Direct staff to review inclusion of vacation rentals and recreational vehicle parks in the TBID, evaluating the proportionate assessment rate to the benefit received by such entities, and bring back recommendations for City Council consideration.

ALTERNATIVES

1. Revise the draft Annual Report as appropriate.
2. Do not direct staff to review and evaluate inclusion of vacation rental and recreational vehicle parks into the TBID assessment district.

FISCAL IMPACT

It is estimated that a 3% TBID annual assessment for FY 2018/19 will generate \$836,135 in TBID Assessment revenues to be used to promote tourism in Morro Bay. Those assessment revenues, along with an estimated City General Fund contribution of \$157,000 and estimated \$4,000 of advertising revenue would generate revenue sources totaling \$997,135 for FY 2018/19.

BACKGROUND/DISCUSSION

This report serves three distinct, but related topics. The first portion of this report includes a discussion of the effectiveness of past and present tourism marketing efforts to promote Morro Bay and grow occupancy rates and transient occupancy tax collections. The second section provides an overview of the TBID Annual Report, which is the vehicle to approve continuing the TBID into FY

Prepared By: SM/JL

Dept Review: JL

City Manager Review: SC

City Attorney Review: _____

2018/19. The report concludes with a discussion of the recent process to evaluate the inclusion of vacation rentals and recreational vehicle parks (VR/RVs) into the TBID.

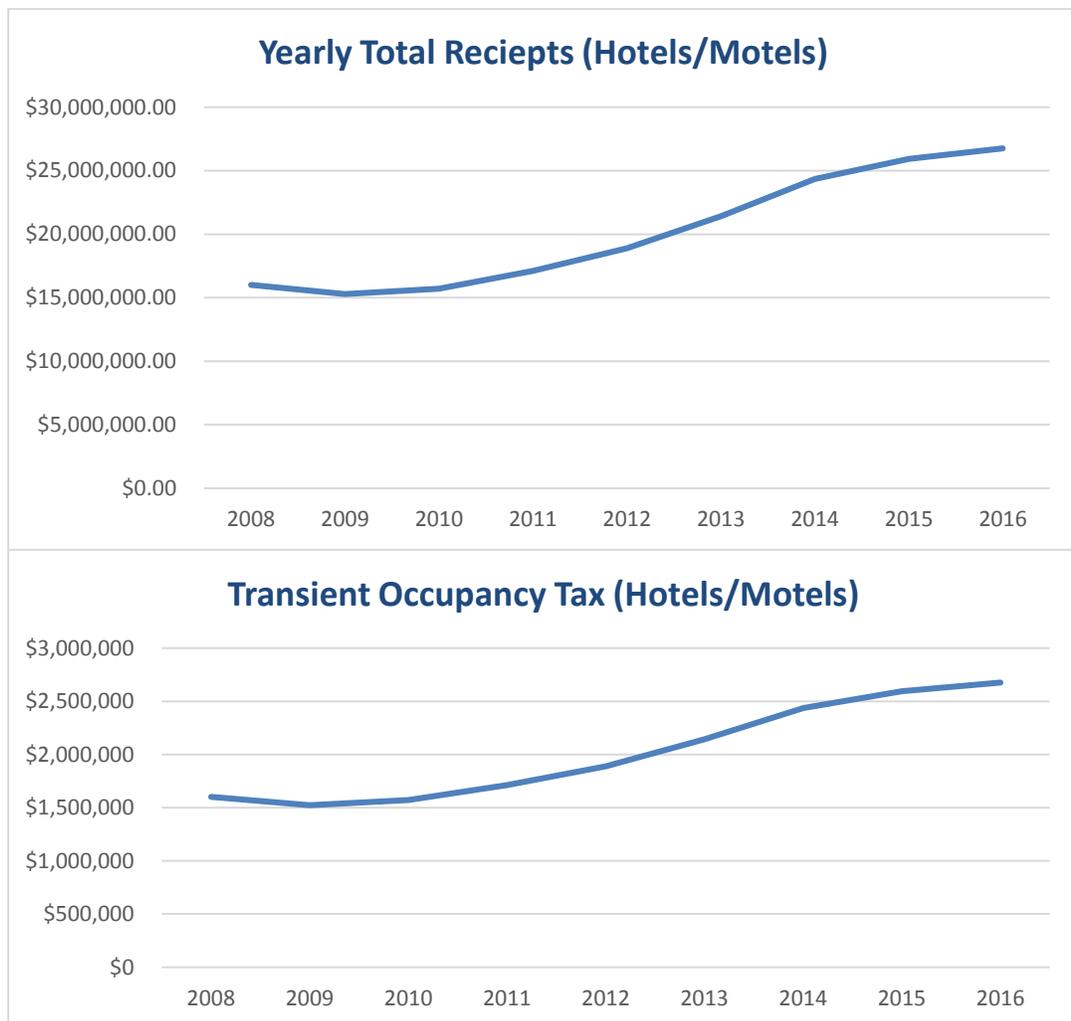
1. Effectiveness of Tourism

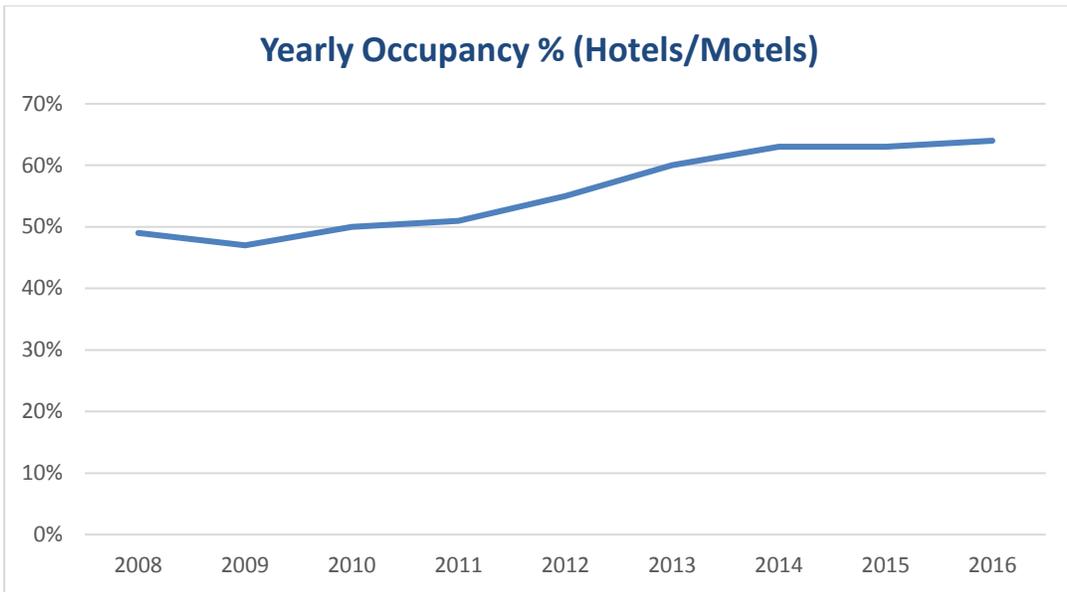
As Council is aware, the primary purpose of the Morro Bay TBID is to increase occupancy and room nights across all lodging types (motel, hotels, bed and breakfast) that currently pay the assessment, along with transient occupancy tax (TOT) within the City, while placing particular emphasis on marketing that positively impacts the lodging industry. The TBID advises the City Council on the administration and use of the TBID assessment funds and works with Tourism staff to promote tourism to directly benefit the City's lodging industry.

As directed by Council through the 2018 City Council Goals and Objectives, City staff has been actively evaluating the overall effectiveness of its Tourism efforts, and would like to report the following.

Performance Data

Since the inception of the Morro Bay TBID in 2009, Hotel/Motel receipts, Transient Occupancy Tax (TOT), and Occupancy (OCC) have steadily grown (as demonstrated in the graphs below, which exclude data from vacation rentals and RV parks). Hotel/Motel annual receipts have increased from approximately \$16M in FY 2008/09 to over \$26M in FY 2016/17. TOT annual collections grew by approximately 65%, and the Occupancy rate increased from under 50% to over 62% during that same period of time. That is tremendous growth for the largest industry in Morro Bay.





There are several factors that influence this positive trend and growth. Those include factors within the purview of Tourism staff and TBID, such as effectively marketing Morro Bay as a tourist destination, working closely with stakeholders in the lodging industry, creating new opportunities, such as promotion of existing and new large events in the shoulder season. The trend is also reflective of positive factors beyond the control of Tourism staff and the TBID, such as improvements made to existing stock, and improving economic conditions, as well as independent factors that constrain growth, such as the current Highway 1 closure and other natural disasters, the Great Recession, and policy changes at federal level that have impacted international travel.

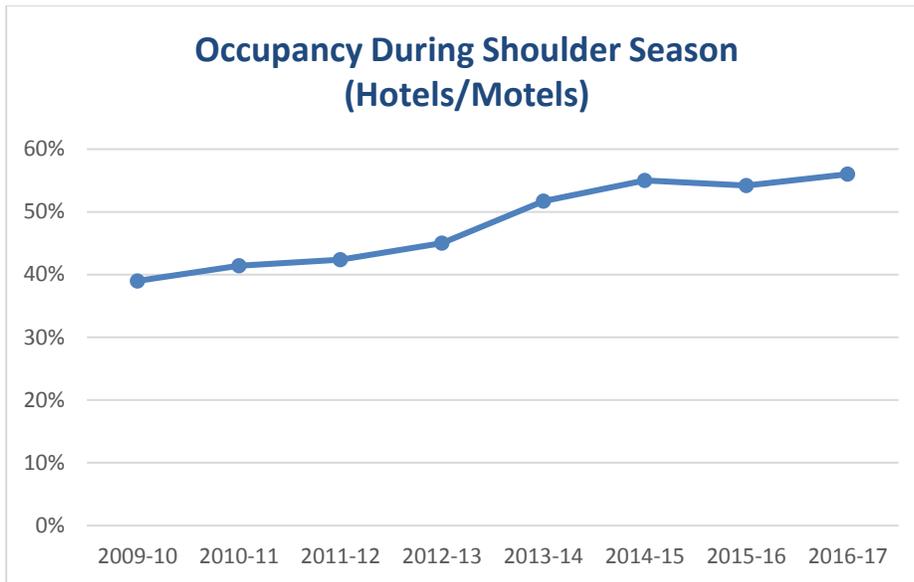
Based on these factors, it is difficult to quantify the exact influence Tourism marketing efforts has had on occupancy, TOT and hotel/motel receipts growth over the past 9 years. But it is growth, nonetheless, and likely, in part, reflects the positive efforts of TBID prior to the transition to the City assuming responsibility for Tourism in July 2016. Prior to July 2016, Tourism was managed by an independent 501(c)(6) non-profit organization. The resolution guiding the transfer of responsibilities to the City is attached (Attachment 2).

The metrics included in the graphs above demonstrate a slower rate of growth from FY 2014/15 through FY 2016/17, a portion of the period in which the City took responsibility for tourism efforts. Part of the slower growth can be attributed to the Highway 1 closure.

City Focus for Tourism

The focus over the past two years, since the City assumed responsibility for the Tourism operations and marketing, has been on enhancing the brand, creating more opportunities in the shoulder season where we traditionally experience a slowing of tourism to Morro Bay, and enhancing the relationships with our hoteliers and other partners.

The shoulder season occupancy rate increased slightly in FY 2016/17 over the previous year, with FY 2016/17 being the first year with the City assuming responsibility for Tourism. We await numbers for FY 2017/18 and are optimistic the numbers will show further improvement.



Tourism Relationships

Tourism staff has made it a point to strengthen the overall relationship with hoteliers. Some of the ways this important relationship has grown are:

- Hoteliers actively report out OCC before busy weekends or event weekends, so the Tourism office can help fill rooms.
- Hoteliers are actively involved in public relations activities with the tourism office.
- Tourism office takes photos of properties and assists hotels as need for updating the Visitors Guide or online marketing efforts.
- Hotel managers and owners sat on several committees to help review events, grants, agencies and RFP contracts over the last two years.
- Staff works with hotels to create and implement added value offers for their guests.
- Staff has created strong relationships between SLOCAL and various City DMO's to help grow travel to the area, as well as strengthen ties with Central Coast Tourism Council (CCTC) and VisitCA.

Strategic Efforts in FY 2018/19

Currently staff are working on several critical items for FY 2018/19, which staff opines will both enhance these relationships and help to increase hotel/motel receipts, TOT and Occupancy rates:

- Implementation of the new and improved morrobay.org website.
- Creation and implementation of a strategic plan and a new branding campaign to follow the strategic plan, in partnership with a marketing/PR firm to be selected soon to serve the TBID and Tourism Division.
- Creation of a campaign to launch before Highway 1 reopens to push/promote international visitors (projected HWY 1 opening in September 2018)
- Work to understand how we can better measure the effectiveness of marketing and PR efforts, as well as Tourism promoted events.

In order to learn more about Tourism efforts, staff encourage readers to view the semi-annual report which was presented to the TBID in March 2018. That link is as follows: [6-Month Report FY 2017-18](http://www.morrobayca.gov/DocumentCenter/View/11780/Tourism-6-Month-Report-FY-17-18) (<http://www.morrobayca.gov/DocumentCenter/View/11780/Tourism-6-Month-Report-FY-17-18>). Staff will continue to monitor the effectiveness of our efforts and report back to the TBID Board and Council more regularly about our efforts and performance.

2. TBID Annual Report Review and Adoption Process and FY 2018/19 Proposed Budget

Annual Report FY 2018/19

The Morro Bay Tourism Business Improvement District (TBID) was established in 2009 by the City Council with Ordinance No. 546. The same chapter lists specific authorized uses as follows:

- A. The general promotion of tourism within the district is to include costs as specified in the business plan to be adopted annually;
- B. The marketing of conference, group, and film business that benefits local tourism and the local hotel industry in the district; and
- C. The marketing of the district to the travel industry in order to benefit local tourism and the local hotel industry in the district.

Section 3.60.060 of the MBMC further states that all of the assessments imposed pursuant to this chapter shall be reviewed by the Morro Bay City Council annually, based upon the annual report prepared by the advisory board appointed pursuant to the chapter and California Streets and Highways Code Section 36533. California Streets and Highways Code Section 36533, provided as Attachment 3, requires that the report include information addressing the following six items:

- (1) Any proposed changes in the boundaries of the parking and business improvement area or in any benefit zones within the area.
- (2) The improvements and activities to be provided for that fiscal year.
- (3) An estimate of the cost of providing the improvements and the activities for that fiscal year.
- (4) The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of assessment to be levied against his or her business for that fiscal year.
- (5) The amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- (6) The amount of any contributions to be made from sources other than assessments levied pursuant to this part.

The TBID annual report for the assessment for FY2018/19, which is required by the Parking and Business Improvement Area Law of 1989, can be found at Attachment 4.

This is the second step in the annual reaffirmation of the MBTBID and reauthorization of the 3% assessments, as required by California Streets and Highways Code Section 36533. The TBID reviewed the draft annual report as the first step in the process at its April 19, 2018 meeting, and recommended that City Council approve the draft Annual Report. The Annual Report, as currently drafted, would retain status quo for the TBID, with the same assessment rate of 3% on hotels and motels. City Council will review the TBID's submission of the Annual Report at their May 8th City Council meeting, and can make modifications to the report as it deems appropriate.

Upon approval of the annual report, the Morro Bay City Council will follow the hearing process as outlined in Section 36535 of the Parking and Business Improvement Area Law of 1989, California Streets and Highways Code Sections 36500 *et seq.* The public hearing is tentatively set for the June 12, 2018, City Council meeting. At the public hearing, the Morro Bay City Council will hear and consider protests, if any are provided.

TBID FY18/19 Proposed Budget

The TBID annual report also references the proposed budget, providing that budgetary information is required by State law-CA Code 36533. The Proposed FY 2018/19 TBID budget is \$997,135, with

\$934,818 in operational expenditures, \$21,653 transferring to the TBID accumulation fund and \$20,163 to the General Fund to cover a portion of Tourism's overhead costs. For revenues, the TBID is anticipated to receive \$836,135 in assessment revenue (3% assessment), \$157,000 contribution from the General Fund, and \$4,000 in advertising revenue. The proposed budget increases the General Fund contribution by nearly \$32,000 over FY17/18, while holding the transfer to the General Fund for overhead costs flat. That transfer amount does not cover the full direct and indirect support that TBID receives from the City.

The budget report was slightly modified for FY 2018/19, with five new expenditure account categories added to the detail budget. These accounts include Digital Media, Out of Home, Digital Services, Digital Assets and Promotion Visiting Journalist. This change stemmed from discussion during the prior Board meeting and streamlining processes and procedures to be more efficient while also reducing the potential for reporting errors to occur. Previously, staff manually recategorized expenditures for various reporting purposes. The intent of creating these new accounts is to report all future budget and budget to actual amounts in the categories presented in the proposed FY 2018/19 budget. In addition, staff can be more responsive to budget report request as a budget performance report with these detailed accounts can be generated from the City's Financial Software System.

3. Inclusion of Vacation Rentals and Recreational Vehicles in TBID

During the TBID April 19, 2018 meeting, the Board discussed the appropriateness of including vacation rentals and recreational vehicle parks (VR/RVs) in the TBID, as part of the new Annual Report. No consensus was reached in that meeting regarding the appropriate assessment rate for VR/RVs. Similarly, the Board grappled with the same question in late 2017, and did not provide a recommendation for City Council at that time.

In preparation for the 2017 TBID discussion on the matter, City staff reviewed several options, and recommended to the Board that they support a 1% assessment on VR/RVs, as that rate reflected the current benefit received by those entities from the TBID/Tourism efforts. Several Board members felt, however, that the VR/RV assessment rate should be equal with those of hotels and motels, as a matter of fairness. As staff discussed at that time and again at the April 19, 2018 meeting, if VR/RVs are to be assessed the same rate as hotels and motels, they must receive a similar benefit. In order to provide a similar benefit to VR/RVs, Tourism would need to either hire additional staff or dedicate a significant portion of existing Tourism staff time to meet this new requirement. No consensus was reached by the Board in 2017 with regard to the assessment percentage to levy on VR/RVs.

The TBID Board at their April 2018 meeting recommended that City Council direct staff to work on this issue to come up with an equitable rate for VR/RVs. Staff does have some capacity to work on this issue in 2018 and awaits Council consideration of the issue and direction.

CONCLUSION

The TBID and Tourism staff have worked hard to improve the key performance measures. Overall trends point in the right direction, and staff remains optimistic that the measures will continue to improve with the proposed strategic course of action for FY 2018/19.

The MBTBID assessment is a crucial revenue stream that allows the City to market Morro Bay to tourists. The use of funds is designed to enhance tourism in the community, which should increase overall Transient Occupancy Tax revenues and directly benefit the community's hotels, which will see an increase in overnight stays. It is recommended that the assessment of 3% for hotels and motels be extended into FY 2018/19 as proposed in the draft Annual Report.

Lastly, the issue of including vacation rentals and recreational vehicles into the TBID is complicated and could be further explored by City staff and external stakeholders prior to modifications being

brought forward to City Council for consideration.

ATTACHMENTS

1. Resolution No. 25-18
2. Resolution No. 03-16
3. California Streets and Highway Code Section 36520-36537
4. MBTBID DRAFT Advisory Board Annual Report for FY 2018-19
5. Report on VR/RVs presented to TBID Board in December 2017

RESOLUTION NO. 25-18

**RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MORRO BAY, CALIFORNIA,
DECLARING THE INTENTION TO CONTINUE THE PROGRAM AND LEVY
ASSESSMENTS FOR THE 2018/19 FISCAL YEAR FOR THE
MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT (MBTBID);
AND SETTING A DATE FOR A PUBLIC HEARING TO RECEIVE
PROTESTS TO THAT ASSESSMENT**

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

WHEREAS, the Parking and Business Improvement Area Law of 1989, Sections 36500 *et seq.*, of the California Streets and Highway Code, authorizes cities to establish and review business improvement areas for the purpose of promoting tourism; and

WHEREAS, on April 13, 2009, City Council held a public hearing for the introduction and first reading of Ordinance 546 amending the Morro Bay Municipal Code (MBMC) to add a new Chapter 3.60 to establish the Morro Bay Tourism Business Improvement District (“MBTBID”), and adopted Ordinance 546 at its April 27, 2009 meeting, which set the MBTBID assessments at 3% from June 1, 2009 to May 31, 2010, and 2% from June 1, 2010 and thereafter; and

WHEREAS, on June 1, 2010, the MBTBID assessments returned to the 2% level, as established by Ordinance 546; and

WHEREAS, on September 13, 2010, the City Council held a public hearing and first reading of Ordinance 562 to amend MBMC section 3.60.050, changing the assessment percentage to 3%, and adopted Ordinance 562 at its September 27, 2010, meeting; and

WHEREAS, on April 19, 2018, at a duly noticed public meeting, the advisory board, formed pursuant to MBMC, section 3.60.100, recommended the renewal of the TBID for Fiscal Year (FY) 2018-19 to continue its activities, and the City Council has approved that renewal for the past eight years; and

WHEREAS, all other findings of Ordinances 546 and 562 remain unchanged; and

WHEREAS, on May 8, 2018, City Council conducted a public meeting where staff presented the annual assessment report, which provides a full and detailed description of the activities to be provided during the FY 2018-19, as provided in the proposed budget for that Fiscal Year, which are attached to this Resolution as Exhibit A and available for review in the City Clerk’s office; and

WHEREAS, the budget generally describes the funded activities to be marketed, which attract and extend overnight stays in Morro Bay hotels, and are consistent with the authorized uses for the assessment revenue set forth in MBMC, section 3.60.030; and

WHEREAS, it is the intention of the City Council to levy and collect 3% assessments from the hoteliers within the TBID for the FY 2018-19; and

WHEREAS, at the public meeting held on May 8, 2018, City Council additionally set the

public hearing, for the intent to levy the TBID assessment for Fiscal Year 2018/19, to be held at the Morro Bay Veterans Memorial Hall located at 209 Surf Street, Morro Bay, California, in accordance with the California Streets and Highway Code, sections 36534 and 36535.

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

1. The above recitations are true and correct, and incorporated herein by reference.
2. The City Council approves the attached Annual Assessment Report and declares its intention to renew the Morro Bay Tourism Business Improvement District for the 2018/19 Fiscal Year, and to levy and collect 3% assessments from hoteliers calculated in the manner set forth in MBMC, section 3.60.050.
3. The City Council sets the date of the public hearing to adopt a Resolution to reaffirm the MBTBID, and levy and collect the 3% assessments from hoteliers as Tuesday, June 12, 2018. Before or at this public hearing written protests to the continuation of the MBTBID and the levy of the assessment may be made, consistent with the requirements of Streets & Highways Code, sections 36524 and 36525 and MBMC, section 3.60.060.

PASSED AND ADOPTED by the City Council of the City of Morro Bay, at a regular meeting thereof held on the 8th day of May 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JAMIE L. IRONS, Mayor

DANA SWANSON, City Clerk

Exhibit A.

**City of Morro Bay
FY 2018/19 TBID Proposed Budget
Operating Revenues vs. Operating Expenditures**

	FY18/19 Proposed Budget
Revenues	
Advertising -Guides and Magazines	\$ 4,000
Transient Occupancy Tax (TBID Assessment)	836,135
Interest	
Transfers In - General Fund Contribution	157,000
Total Revenues	\$ 997,135
Expenditures	
Salaries & Benefits	\$ 195,814
General Office Supplies	3,500
Forms Printing	2,000
Consulting Services	15,000
Contractual Services	165,000
Promotion & Advertising	8,000
Digital Media	270,000
Out of Home	13,000
Digital Services	40,000
Digital Assets	15,000
Marketing Consulting	29,000
Community Event Support	100,000
Promotion Media	18,000
Promotion Other	15,000
Promotion Visiting Journalist	25,000
Trade Shows - Space Rent	4,000
Trade Shows - Trans	1,500
Advertising Sponsorships	15,000
Professional Development	1,500
Other Professional Services	2,000
Postage	4,000
Utilities	-
Workers Comp Insurance	1,191
Unemployment Insurance	814
Meetings and Conferences	2,500
Mileage Reimbursement	500
Meals & Lodging	4,500
Travel Expense	2,000
Association Memberships	1,500
Total Operating Expenditures	\$ 955,319
Transfer to Accumulation Fund	21,653
Transfer Out	20,163
Total Operating Expenditures Including Transfers	\$ 997,135
Net Operating Revenues over Expenditures	\$ (0)

RESOLUTION NO. 03-16

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
DEFINING THE MANAGEMENT OF
TOURISM PROMOTIONS AND MARKETING**

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

WHEREAS, the City Council adopted the Tourism Business Improvement District (“TBID”) Law – Chapter 3.6 MBMC – via Ordinance 546 in 2009; and

WHEREAS, pursuant to MBMC 3.60.030, creation of the TBID is intended to provide a stream of revenue to the City to defray the costs of services, activities and programs promoting tourism which will benefit the operators of hotels in the district through the promotion of scenic, recreational, cultural and other attractions in the district as a tourist destination; and

WHEREAS, the City has managed its tourism promotions and marketing operations both internally in the past, though with no specific tourism staff, as well as contracted for said services with the Morro Bay Tourism Bureau (“MBTB”); and

WHEREAS, since the inception of the TBID assessment, tourism has increased tremendously in the City, and Transient Occupancy Taxes collected from hotel stays has increased by more than \$1 Million annually; and

WHEREAS, the City has greatly enhanced its focus on communitywide economic development, which includes tourism as Morro Bay’s major economic engine; and

WHEREAS, it is imperative the City strategically align all economic development operations to ensure efficiency, strong coordination, and enhanced long-term operations; and

WHEREAS, the City recognizes the important commitment to the hotelier stakeholder community when managing the community’s TBID assessment funds; and

WHEREAS, the City Council intends for the City to directly manage its tourism promotions and marketing, and provide for a structure of said management both as a way to outline the program and provide continued commitment to the hotelier stakeholder community;

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

The City Council finds it appropriate for the City to manage its tourism promotions and marketing directly. To that end, the following structure for management of the community's TBID assessment funds shall be as follows:

- 1) The City shall directly manage its tourism promotions and marketing, including expenditure of the community's TBID assessment funds. Expenditures shall be made pursuant to City and State law. A State-required annual report and work plan, recommended by the TBID Advisory Board and approved by the City Council, shall guide the expenditure of these funds.
- 2) Expert tourism professionals, reporting to the City Manager or his/her designee, will manage the City's tourism promotions and marketing. They shall be contractors, and will be required to follow all rules related to contracted services including, but not limited to, acquiring a Morro Bay business license, unless on further study the City Manager recommends an employee relationship and that position is approved and budgeted for in the FY 16/17 budget process. The existing MBTB staff will be offered those positions. The City may modify those contracted, or employee, relationship in the future if the City determines there is a more cost-effective approach to management of tourism marketing and promotions. Changes shall be reviewed by the TBID Advisory Board, which will make a recommendation to the City Council prior to operational changes.
- 3) The TBID Advisory Board shall participate in the annual review of the City's tourism manager and will assist in setting goals and metrics to measure the success of the community's tourism promotions and marketing undertaken by this contracted professional. The Advisory Board shall review and make recommendations for the selection of any future tourism manager.
- 4) The TBID Advisory Board shall have enhanced duties that include, not only the general tourism marketing and promotions, but any efforts to enhance the destination of Morro Bay as it relates to tourism. That can include Citywide brand management, destination-promoting community event management or review, and more. The Advisory Board shall assist staff in developing the overall duties of the Board, and will make a recommendation to City Council in order to update the Advisory Body's bylaws as appropriate.
- 5) The City shall commit \$300,000 in Transient Occupancy Taxes to the City's tourism operations. It is intended the budget shall provide for that amount incrementally, with 20 percent of annual TOT increases being set aside for these purposes, until the maximum is reached. The TBID Advisory Board will provide recommendations through its annual report and work plan on the appropriate expenditure of this funding to City Council.
- 6) The City's professional tourism professionals shall be provided office space in a City facility.

- 7) In order to focus as much of the TBID assessment as possible on directly promoting and marketing Morro Bay, the City shall provide for accounting, legal advice, IT support, as well as the aforementioned office space.
- 8) In order to transition to direct management of tourism operations, the City does not intend to extend its current contract with the MBTB past the May 2016 expiration of the existing contract. The City will coordinate a transition plan to direct management with MBTB input.
- 9) The City shall support any efforts within the local business community on the formation of an additional Business Improvement District that could include retail and restaurant businesses for the purposes of enhanced marketing of those businesses that help make Morro Bay the destination it is.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on this 12th day of January, 2016 on the following vote:

AYES: IRONS, HEADDING, JOHNSON, MAKOWETSKI, SMUKLER
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE



JAMIE L. IRONS, Mayor

ATTEST:



DANA SWANSON, City Clerk

California Streets and Highway Code Section 36520-36537

36520. A parking and business improvement area may be established as provided in this chapter.

36521. The city council may establish an area on its own initiative.

36521.5. A county may not form an area within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form an area within the unincorporated territory of a county, without the consent of the board of supervisors of that county. A city may not form an area within the territorial jurisdiction of another city without the consent of the city council of the other city.

36522. Proceedings to establish a parking and business improvement area shall be instituted by the adoption by the city council of a resolution of intention to establish the area. The resolution of intention shall do all of the following:

(a) State that a parking and business improvement area is proposed to be established pursuant to this chapter and describe the boundaries of the territory proposed to be included in the area and the boundaries of each separate benefit zone to be established within the area. The boundaries of the area may be described by reference to a map on file in the office of the clerk, showing the proposed area.

(b) State the name of the proposed area.

(c) State the type or types of improvements and activities proposed to be funded by the levy of assessments on businesses in the area. The resolution of intention shall specify any improvements to be acquired.

(d) State that, except where funds are otherwise available, an assessment will be levied annually to pay for all improvements and activities within the area.

(e) State the proposed method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business.

(f) State whether new businesses will be exempt from the levy of the assessment, pursuant to Section 36531.

(g) Fix a time and place for a public hearing on the establishment of the parking and business improvement area and the levy of assessments, which shall be consistent with the requirements of Section 54954.6 of the Government Code.

(h) State that at the hearing the testimony of all interested persons for or against the establishment of the area, the extent of the area, or the furnishing of specified types of improvements or activities will be heard.

(i) Describe, in summary, the effect of protests made by business owners against the establishment of the area, the extent of the area, and the furnishing of a specified type of improvement or activity, as provided in Section 36524.

36523. Notice of a public hearing held under Section 36524, 36541, 36542, or 36550 shall be given by both of the following:

(a) Publishing the resolution of intention in a newspaper of general circulation in the city once, for at least seven days before the public hearing.

(b) Mailing of a complete copy of the resolution of intention by first-class mail to each business owner in the area within seven days of the city council's adoption of the resolution of intention.

(c) Notwithstanding subdivision (b), in the case of an area established primarily to promote tourism, a copy of the resolution of intention shall be mailed by first-class mail within seven days of the city council's adoption of the resolution of intention, to the owner of each business in the area which will be subject to assessment.

36523.5. Notwithstanding Section 36523, prior to adopting any new or increased assessment, the city council shall give notice pursuant to Section 54954.6 of the Government Code in lieu of publishing notice pursuant to subdivision (a) of Section 36523.

36524. (a) At the public hearing, the city council shall hear and consider all protests against the establishment of the area, the extent of the area, or the furnishing of specified types of improvements or activities within the area. A protest may be made orally or in writing by any interested person. Any protest pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularity or defect to which the objection is made.

(b) Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest and at the public hearing may correct minor defects in the proceedings. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing.

(c) Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business. A written protest which does not comply with this section shall not be counted in determining a majority protest.

36525. (a) If written protests are received from the owners of businesses in the proposed area which will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than that 50 percent, no further proceedings to create the specified parking and business improvement area or to levy the proposed assessment, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

(b) If the majority protest is only against the furnishing of a specified type or types of improvement or activity within the area, those types of improvements or activities shall be eliminated.

36526. (a) At the conclusion of the public hearing to establish the area, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements and activities to be funded with the revenues from the assessments.

(b) At the public hearing, the city council may only make changes in, to, or from, the boundaries of the proposed parking and business improvement area that will exclude territory which will not

benefit from the proposed improvements or activities. However, proposed assessments may only be revised by reducing any or all of them.

(c) The city council shall not change the boundaries of the area to include any territory that will not, in its judgment, benefit by the improvement or activity. Any addition of territory to the proposed boundaries of the area may be made only upon notice to the owners of the businesses proposed to be added to the area, as provided in Section 36523, and upon a public hearing on the addition of territory, as provided in Section 36524.

36527. If the city council, following the public hearing, decides to establish the proposed parking and business improvement area, it shall adopt an ordinance to that effect. The ordinance shall contain all of the following:

- (a) The number, date of adoption, and title of the resolution of intention.
- (b) The time and place where the public hearing was held concerning the establishment of the area.
- (c) A determination regarding any protests received at the public hearing.
- (d) The description of the boundaries of the area and of each separate benefit zone established within the area.
- (e) A statement that a parking and business improvement area has been established and the name of the area.
- (f) A statement that the businesses in the area established by the ordinance shall be subject to any amendments to this part.
- (g) The description of the method and basis of levying the assessments, with a breakdown by classification of businesses if a classification is used.
- (h) A statement that the improvements and activities to be provided in the area will be funded by the levy of the assessments. The revenue from the levy of assessments within an area shall not be used to provide improvements or activities outside the area or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the area.
- (i) A finding that the businesses and the property within the business and improvement area will be benefited by the improvements and activities funded by the assessments proposed to be levied. In the case of an area formed to promote tourism, only businesses that benefit from tourist visits may be assessed.
- (j) The time and manner of collecting the assessments.

36528. The city council may establish one or more separate benefit zones within the area based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone.

36529. All provisions of this part applicable to the establishment, modification, or disestablishment of a parking and business improvement area apply to the establishment, modification, or disestablishment of benefit zones. The city council shall, to establish, modify, or

disestablish a benefit zone, follow the procedure to establish, modify, or disestablish a parking and business improvement area.

36530. The city council shall appoint an advisory board which shall make a recommendation to the city council on the expenditure of revenues derived from the levy of assessments pursuant to this part, on the classification of businesses, as applicable, and on the method and basis of levying the assessments. The city council may designate existing advisory boards or commissions to serve as the advisory board for the area or may create a new advisory board for that purpose. The city council may limit membership of the advisory board to persons paying the assessments under this part. The city council may appoint the advisory board prior to adoption of the resolution of intention to create the area, so that the advisory board may recommend the provisions of the resolution of intention.

36531. The city council may exempt a business recently established in the area from the levy of the assessments, for a period not to exceed one year from the date the business commenced operating in the area. The city council shall state its determination to so exempt new businesses in the resolution of intention to establish the area and shall reaffirm its determination annually in the resolution of intention required to be adopted pursuant to Section 36534.

36532. The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the ordinance establishing the area.

36533. (a) The advisory board shall cause to be prepared a report for each fiscal year for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report. The report may propose changes, including, but not limited to, the boundaries of the parking and business improvement area or any benefit zones within the area, the basis and method of levying the assessments, and any changes in the classification of businesses, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the parking and business improvement area by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following:

(1) Any proposed changes in the boundaries of the parking and business improvement area or in any benefit zones within the area.

(2) The improvements and activities to be provided for that fiscal year.

(3) An estimate of the cost of providing the improvements and the activities for that fiscal year.

(4) The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.

(5) The amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

(6) The amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the advisory board or may modify any particular contained in the report and approve it as modified. The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments.

36534. (a) After the approval of the report, the city council shall adopt a resolution of intention to levy an annual assessment for that fiscal year. The resolution of intention shall do all of the following:

(1) Declare the intention of the city council to change the boundaries of the parking and business improvement area, or in any benefit zone within the area, if the report filed pursuant to Section 36533 proposes a change.

(2) Declare the intention of the city council to levy and collect assessments within the parking and business improvement area for the fiscal year stated in the resolution.

(3) Generally describe the proposed improvements and activities authorized by the ordinance enacted pursuant to Section 36527 and any substantial changes proposed to be made to the improvements and activities.

(4) Refer to the parking and business improvement area by name and indicate the location of the area.

(5) Refer to the report on file with the clerk for a full and detailed description of the improvements and activities to be provided for that fiscal year, the boundaries of the area and any benefit zones within the area, and the proposed assessments to be levied upon the businesses within the area for that fiscal year.

(6) Fix a time and place for a public hearing to be held by the city council on the levy of the proposed assessment for that fiscal year. The public hearing shall be held not less than 10 days after the adoption of the resolution of intention.

(7) State that at the public hearing written and oral protests may be made. The form and manner of protests shall comply with Sections 36524 and 36525.

(b) The clerk shall give notice of the public hearing by causing the resolution of intention to be published once in a newspaper of general circulation in the city not less than seven days before the public hearing.

36535. (a) The city council shall hold the public hearing at the time and in the place specified in the resolution of intention. The public hearing shall be conducted as provided in Sections 36524 and 36525. The city council may continue the public hearing from time to time.

(b) During the course or upon the conclusion of the public hearing, the city council may order changes in any of the matters provided in the report, including changes in the proposed assessments, the proposed improvements and activities to be funded with the revenues derived from the levy of the assessments, and the proposed boundaries of the area and any benefit zones within the area. The city council shall not change the boundaries to include any territory that will not, in its judgment, benefit by the improvement or activity.

(c) At the conclusion of the public hearing, the city council may adopt a resolution confirming the report as originally filed or as changed by it. The adoption of the resolution shall constitute the levy of an assessment for the fiscal year referred to in the report.

(d) Notwithstanding subdivision (c), if the primary purpose of the area is promotion of tourism, the city council may adopt a resolution confirming the report as submitted by the advisory board, or may adopt a resolution continuing the program and assessments as levied in the then current year without change, and that resolution shall constitute the levy of an assessment for the fiscal

year referred to in the report. As an alternative, the city council may modify the report and adopt a resolution confirming the report as modified, but in that case the city council may adopt the resolution only after providing notice of the proposed changes as specified in Section 36523 and only after conducting a public hearing on the resolution as provided in Sections 36524 and 36525.

36536. The assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses and property within the parking and business improvement area. The city council may classify businesses for purposes of determining the benefit to a business of the improvements and activities provided pursuant to this part.

36537. The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36535. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

Morro Bay Business Improvement District Annual Report for FY 2018-2019

Presented to the Morro Bay City Council by the Morro Bay Tourism
Business Improvement District Advisory Board

The City of Morro Bay's Tourism Business Improvement District at its regularly scheduled meeting on April 19, 2018, completed its review of the Annual Report as required by Section 3.60.060 of the Morro Bay Municipal Code (MBMC).

The six requirements for the Annual Report, as stated in Section 36533 of the California Streets and Highways Code, are addressed as follows:

1. The Morro Bay Tourism Business Improvement District (MTBID) Advisory Board did not propose any changes in the Boundaries of the TBID, which were established in MBMC Section 3.60.040 to be the boundaries of the City of Morro Bay.
2. The improvements and activities to be provided for in Fiscal Year FY 2018-19 are those services and activities permitted under Section 3.60.030 of the Morro Bay Municipal Code, which include:
 - A. The general promotion of tourism within the district to include costs as specified in the business plant to be adopted annually;
 - B. The marketing of conference, group, and film business that benefits local tourism and the local hotel industry in the district; and
 - C. The marketing of the district to the travel industry in order to benefit local tourism and the local hotel industry in the district;

GOALS & OBJECTIVES

1. Increase overall occupancy & hotel/motel revenues, especially during midweek and shoulder season
2. Midweek – be more aggressive through digital media to increase stays
3. Extend the number of average hotel/motel room nights beyond 1.5
4. Help incrementally increase the hotel/motel Average Daily Rate (ADR)
5. Bring exposure to Morro Bay as a viable domestic and international destination for individuals and groups
6. Assist with the development and growth of competitions and events that attract overnight guests
7. Create opportunities to positively impact sales tax businesses & drive economic development in the City of Morro Bay

8. Positively impact transient occupancy tax (TOT) for the City of Morro Bay
3. An estimate of the cost of providing the improvements and the activities for that fiscal year (as described below).

FY 2017-18 Projected Totals

Sources: The FY 2017-18 projected actual sources include total sources of \$ 949,088, made up of \$819,660 from TBID assessment revenues, \$ 125,428 from the City's General Fund and \$4,000 from advertising revenue. The beginning fund balance was \$283,021.

Uses: The FY 2017-18 projected actual expenditures are \$ 949,087, netting no change to the fund balance.

The following table (on the next page) shows FY 2017-18 revised budget, projected actuals, and the variance of the projected actuals compared to the revised budget.

City of Morro Bay
Schedule of TBID FY 2017/18 Projected Year-End Budget Results
Operating Revenues vs. Operating Expenditures

	FY17/18 Revised Budget	FY17/18 Projected Actuals	Variance (Projected - Actuals)
Beginning Cash Balance	\$ 283,021	\$ 283,021	\$ (0)
Revenues			
Advertising -Guides and Magazines	\$ 4,000	\$ 4,000	\$ -
Transient Occupancy Tax (TBID Assessment)	907,863	819,660	88,203
Interest	-		-
Transfers In - General Fund Contribution	125,428	125,428	-
Total Revenues	\$ 1,037,291	\$ 949,088	\$ 88,203
Expenditures			
Salaries & Benefits	\$ 193,801	\$ 193,801	\$ -
General Office Supplies	3,200	3,200	-
Promotion & Advertising	245,000	245,000	-
Event Support			-
Sponsorships			-
Marketing Consulting	39,000	13,259	25,741
Advertising Sponsorships	50,000	43,500	6,500
Promotional Printing			-
Promotion - Other (Visiting Journalist)	25,000	18,000	7,000
Promotion Media	93,500	93,101	399
Trade Shows - Trans Flight/Taxi	2,425	1,425	1,000
Trade Shows - Space Rent or Fees	9,000	7,500	1,500
Community Event Support - Grants	90,000	90,000	-
Professional Development	1,500	-	1,500
Other Professional Services	17,000	14,400	2,600
Postage	5,000	5,000	-
Utilities	1,589	-	1,589
Mileage Reimbursement	1,500	100	1,400
Meetings & Conferences	4,850	2,350	2,500
Meals & Lodging	6,000	4,500	1,500
Travel Expense	2,619	619	2,000
Association Memberships	3,500	1,500	2,000
Workers Comp Insurance	1,156	1,156	-
Unemployment Insurance	790	790	-
Consulting Services	26,500	21,500	5,000
Contractual Services	165,000	165,000	-
Print Ads		3,650	(3,650)
Total Operating Expenditures	\$ 987,930	\$ 929,351	\$ 58,579
Transfer to Accumulation Fund	35,954		35,954
Transfer Out	22,907	19,736	3,171
Total Operating Expenditures Including Transfers	\$ 1,046,791	\$ 949,087	\$ 97,704
Net Operating Revenues over Expenditures & Carryforwards	\$ (9,500)	\$ 0	\$ (9,500)
Ending Cash Balance	\$ 273,521	\$ 283,021	\$ 9,501

FY 2018-19 Proposed Budget

Sources: The FY 2018-19 proposed budgeted sources includes total sources of \$997,135 made up of \$ 836,135 from TBID assessment revenue, and estimated \$ 157,000 General Fund contribution, and \$4,000 advertising revenue.

Uses: The FY 2018-19 proposed budgeted expenditures are \$ 997,135 which includes \$21,653 unassigned.

The following table (on the next page) shows the FY 2018-19 proposed budget and summarizes the total uses.

City of Morro Bay
FY 2018/19 TBID Proposed Budget
Operating Revenues vs. Operating Expenditures

	FY18/19 Proposed Budget
Revenues	
Advertising -Guides and Magazines	\$ 4,000
Transient Occupancy Tax (TBID Assessment)	836,135
Interest	
Transfers In - General Fund Contribution	157,000
Total Revenues	\$ 997,135
Expenditures	
Salaries & Benefits	\$ 195,814
General Office Supplies	3,500
Forms Printing	2,000
Consulting Services	15,000
Contractual Services	165,000
Promotion & Advertising	8,000
Digital Media	270,000
Out of Home	13,000
Digital Services	40,000
Digital Assets	15,000
Marketing Consulting	29,000
Community Event Support	100,000
Promotion Media	18,000
Promotion Other	15,000
Promotion Visiting Journalist	25,000
Trade Shows - Space Rent	4,000
Trade Shows - Trans	1,500
Advertising Sponsorships	15,000
Professional Development	1,500
Other Professional Services	2,000
Postage	4,000
Utilities	-
Workers Comp Insurance	1,191
Unemployment Insurance	814
Meetings and Conferences	2,500
Mileage Reimbursement	500
Meals & Lodging	4,500
Travel Expense	2,000
Association Memberships	1,500
Total Operating Expenditures	\$ 955,319
Transfer to Accumulation Fund	21,653
Transfer Out	20,163
Total Operating Expenditures Including Transfers	\$ 997,135
Net Operating Revenues over Expenditures	\$ (0)

4. No change in the TBID method or basis of levying the assessment was proposed for FY 2018-19. More specifically, the Morro Bay TBID Advisory Board approved a motion to recommend to the Morro Bay City Council that the 3% Assessment be continued in FY 2018-19.
5. The TBID budget for FY 2017-18 is projected to include \$ -0- surplus left over for carryover into FY 2018-19.
6. The proposed budget for FY 18/19 includes \$157,000 in General Fund Contributions and estimated \$4,000 in income from Visitor Guide sales.

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AGENDA NO: B-3
MEETING DATE: December 21, 2017

Staff Report

TO: Tourism Business Improvement District Board DATE: December 4, 2017

FROM: Jennifer Little, Tourism Manager

SUBJECT: Vacation Rentals and RV Parks Potential Inclusion into the Tourism Business Improvement District (TBID)

RECOMMENDATION

TBID Board recommend City Council include Vacation Rentals and Recreational Vehicle parks into the TBID assessment district at 1% starting July 2018.

ALTERNATIVES

- 1) Include Vacation Rentals and Recreation Vehicle parks into the TBID assessment district at 2% or 3% starting July 2018
- 2) Consider revising the TBID bylaws to include representation of VR/RVs on the Board
- 3) Consider creation of a standalone TBID for VR/RVs
- 4) No changes to status quo, do not include VR/RVs into the TBID assessment district

BACKGROUND

TBID and City staff hosted a public Town Hall Meeting on October 24, 2017 on the possibility of including vacation rentals and recreation vehicle campgrounds (VR/RV's) into the Business Improvement District (BID). The purpose of the meeting was to elicit different opinions and perspectives on the issue. The meeting was well attended by a wide cross section of the community and local tourism industry.

Participating members of the TBID and attending community members received the brief staff report and provided comprehensive feedback about the various options. The initial consideration was to bring VR/RV's into the TBID at the same assessment rate as hotels and motels. However, there was significant concern that a 3% assessment would harm VR/RV's and there was further discussion that the VR/RV local industry does not currently benefit from the marketing done on behalf of the TBID, and would not benefit from being part of the BID without equal representation on the board.

Based upon feedback received during the meeting, the TBID Board requested staff review various

Prepared By: ___JL_____

City Manager Review: SC

options and possible percentages for including VR/RV's into the BID and bring back options for discussion at the next TBID meeting in December 2017.

DISCUSSION

Staff received community input from the town hall meeting, in addition to emails and letters received. Staff considered the various perspectives and issues highlighted by hotel and motel owners, TBID board members, RV park operators and VR operators, and the general public in developing recommendations for this report. Based upon that input and consideration of the various options, staff recommends that the VR/RV's be included in the TBID assessment beginning in July 2018 at an initial 1% assessment rate. By recommending levying a 1% assessment to VR/RVs, the TBID recognizes the benefit received by Morro Bay VR operators and RV park owners from existing tourism marketing efforts.

General Benefits Received as part of the TBID

TBID benefits that would extend to VR/RVs include, but are not limited to:

- Public relations campaigns that specifically market Morro Bay as a vacation destination
- Increased collaboration between property management firms and tourism
- Increased revenues for destination marketing efforts for Morro Bay
- Representation at the regional and national media events
- Promotional videos of Morro Bay

These services provide a benefit to all lodging accommodations in Morro Bay, as they market the City of Morro Bay as a tourism visitor destination generally. Though VR and RV operators may use more individualized marketing strategies specific to their accommodations, they do get traffic to their sites based upon their potential guests' general interest in the Morro Bay area. As stated above, that general interest is affected positively through the marketing services funded by TBID assessment revenues.

It stands to reason that as the entire lodging industry benefits from the marketing efforts, that it would be incongruent for hoteliers to continue to pay a TBID assessment and have no assessment for VR/RVs. Conversely, assessing 2% or 3% to VR and RVs may not reflect their benefit received, given that a portion of tourism marketing services are specific to hotels and motels (such as listings on the website, and monthly promotions that are specific to hotels and motels). Thus, a 1% assessment to VR/RVs seems to strike the proper balance between general benefit received by all lodging interests, including VR/RVs, with the more specific services received by hotels/motels alone, who will continue to be assessed at the 3% rate.

VR/RVs Assessment Options and Revenue Expectations

The table on the top of the next page shows what a 1%, 2% and 3% assessment would generate from VR/RVs in 2017 (estimated value). A 1% assessment would generate approximately \$64,700, 2% would generate \$129,400 and 3% would generate 194,100. Currently, the total number of VR/RV well exceeds the total number of hotels, but the overall dollars that they would contribute at 3% is significantly less than hotels. This inverted equation has no-way of balancing.

Should the TBID Board recommend a higher assessment than 1% for VR/RVs, staff would also recommend creating new services that specifically benefit VR and RV owners. Those add on services may include listings on the website and promotions that are specific to drive room bookings for VR

and RV parks. From the stand point of staffing, these additional revenues would in part be consumed with additional staff hours needed if VR/RV's are brought into TBID at a full 3%

2017	3%			2%		1%	
	MBTBID	RV	VR	RV	VR	RV	VR
JULY	\$117,789.64	\$9,459.23	\$21,582.20	\$6,306.16	\$14,388.13	\$3,153.08	\$7,194.07
AUGUST	\$96,198.22	\$7,040.73	\$15,432.95	\$4,693.82	\$10,288.63	\$2,346.91	\$5,144.32
SEPTEMBER	\$79,514.15	\$6,496.26	\$10,135.26	\$4,330.84	\$6,756.84	\$2,165.42	\$3,378.42
OCTOBER	\$67,453.61	\$5,437.29	\$8,752.35	\$3,624.86	\$5,834.90	\$1,812.43	\$2,917.45
NOVEMBER	\$51,058.50	\$4,771.31	\$8,564.28	\$3,180.88	\$5,709.52	\$1,590.44	\$2,854.76
DECEMBER	\$44,219.82	\$4,076.88	\$7,832.04	\$2,717.92	\$5,221.36	\$1,358.96	\$2,610.68
JANUARY	\$34,690.36	\$2,951.49	\$5,876.78	\$1,967.66	\$3,917.86	\$983.83	\$1,958.93
FEBRUARY	\$34,835.87	\$3,073.69	\$4,557.69	\$2,049.13	\$3,038.46	\$1,024.56	\$1,519.23
MARCH	\$51,842.43	\$5,084.92	\$5,628.52	\$3,389.95	\$3,752.35	\$1,694.97	\$1,876.17
APRIL	\$69,952.59	\$5,830.74	\$10,831.03	\$3,887.16	\$7,220.69	\$1,943.58	\$3,610.34
MAY	\$69,383.52	\$5,793.51	\$9,840.95	\$3,862.34	\$6,560.63	\$1,931.17	\$3,280.32
JUNE	\$85,783.32	\$7,770.32	\$17,310.98	\$5,180.22	\$11,540.65	\$2,590.11	\$5,770.33
	\$802,722.05	\$67,786.39	\$126,345.03	\$45,190.93	\$84,230.02	\$22,595.46	\$42,115.01
			\$194,131.43		\$129,420.95		\$64,710.48

TBID Board Representation

Several members of the community have requested that a separate TBID Board be developed specifically for VR/RVs. That would require the hiring of at least one new staff member, and that effectively would consume a good portion of revenues generated by a 1% assessment. The TBID may consider revising the current TBID bylaws to restructure the existing board makeup to allow for one or more representatives of the VR/RV community to participate. However, staff recommends maintaining the existing Board structure, particularly if hotels/motels will be paying a higher assessment rate.

CONCLUSION

Bringing VR/RVs into the TBID Assessment District at a lower initial rate of 1% aligns with the benefits accrued to VR/RVs with the existing offerings of the general destination public relations services afforded by tourism resources. A higher rate will likely necessitate the hiring of additional staff to provide VR/RV specific services. Thus, staff recommends that VR/RVs be made part of the TBID at a lower rate compared to hotels/motels, and maintain the existing Board structure.

Should the TBID Board move staff's recommendation forward or recommend any change to the assessment with regard to VR/RVs, staff would bring forward the recommendation to City Council for their consideration during the TBID annual renewal process (pursuant to CA *Streets and Highways Code* 36540 – 36542). As part of that process, staff will be required to produce an annual report and Resolution of Intention (ROI). These documents will formally document the benefits ("improvements and activities") to be received by assessed parties and the estimated costs of those activities.

Should an assessment change be adopted by City Council, staff will recommend bringing back a review of the new assessment tier structure for the TBID, and ultimately, City Council, to evaluate the structure's fairness and effectiveness upon completion of the first year.

ATTACHMENTS

1. TBID Staff Report from September 21, 2017



AGENDA NO: C-1

MEETING DATE: May 8, 2018

Staff Report

TO: Honorable Mayor and City Council

DATE: May 1, 2018

FROM: Dana Swanson, City Clerk

SUBJECT: Discussion and Adoption of Resolutions Approving Council Policies & Procedures, Advisory Bodies Handbook and By-laws, and readopting Civil Discourse Policy and Direction Regarding Possible Change to the Morro Bay Municipal Code Requirement for Preparation of Council Meeting Minutes

RECOMMENDATION

Staff recommends the City Council:

1. Discuss and adopt Resolution 26-18 approving the Council Policies & Procedures, including proposed amendments; and
2. Adopt Resolution 27-18 reaffirming its commitment to follow best practices of civility and civil discourse; and
3. Discuss and adopt Resolution 28-18 approving the Advisory Bodies Handbook and By-laws; and
4. Discuss and provide direction regarding amending the Morro Bay Municipal Code regarding the timing of preparing Council meeting minutes.

ALTERNATIVES

The Council may direct further changes on the proposed policies for adoption at a future meeting.

FISCAL IMPACT

There is no fiscal impact associated with this action.

BACKGROUND and DISCUSSION

At its August 22, 2017, regular meeting, the Council established a subcommittee consisting of Mayor Irons and Council Member McPherson to work with staff to review and recommend changes to the Council Policies & Procedures and Advisory Bodies Handbook and By-laws. A list of proposed changes was presented to the full Council on December 12, 2017, to reach concurrence on those being the appropriate areas of focus as the subcommittee moved forward with developing new policy language. Draft policy documents were prepared and presented to the Council at its March 27, 2018 meeting for review and discussion. The following and attached reflect Council concurrence at that meeting and directed next steps.

Council Policies & Procedures

The Council reviewed this policy in its entirety at the March 27th meeting. The proposed redline changes agreed upon at that time have been accepted and incorporated into Attachment 1. Additional changes discussed at that meeting are shown as redline edits for review and approval.

There was also concurrence to bring Resolution No. 70-15 Pledging to Follow Best Practices of

Prepared By: DS

Dept Review: _____

City Manager Review: SC

City Attorney Review: JWP

Civility and Civil Discourse back for re-adoption by the current Council. Attachment 2 is an expanded version for Council consideration. Upon adoption, this policy will be inserted as page 7 of the Council Policies & Procedures.

At its March 27th meeting, the Council declared a future agenda item to bring forward for discussion Morro Bay Municipal Code Section (“MBMC”) 2.08.090, which requires the City Clerk to include a copy of the minutes in the agenda packet for the following meeting. Staff is sensitive to community members’ interest in knowing what action was taken by the Council as quickly as possible; however, with current staffing levels and the number of meetings, it is not reasonable to require meeting minutes be presented in time for the next meeting agenda. Therefore, staff proposes the following:

1. an Annotated Agenda illustrating action taken at regular City Council meetings (see Attachment 4) be published on the City website no later than 5:00 p.m. on Friday the week of the meeting; and
2. the Council Policies & Procedures be amended to add Section 1.4.7., which states the following: “As soon as reasonably possible following each Council meeting, the City Clerk shall include a copy of the minutes, thereof, as a Consent Item for the agenda of a regular Council meeting.” This proposed language has been included in Attachment 1.

If the Council agrees, staff will bring forward an ordinance amending MBMC Section 2.08.090 accordingly.

Advisory Bodies Handbook and By-Laws

The Council began its review of this document and proposed changes agreed upon at that time have been accepted into Attachment 3. Staff recommends the Council complete its review, then adopt Resolution 28-18, or provide staff direction on any further changes to be made for adoption at a future meeting.

CONCLUSION

The Council Policies & Procedures and Advisory Bodies Handbook and By-Laws are important guiding principles for elected and appointed officials, and staff. Upon final review and approval, staff recommends the City Council:

1. Adopt Resolution 26-18 reaffirming its commitment to follow best practices of civility and civil discourse; and
2. Discuss and adopt Resolution 27-18 approving the Council Policies & Procedures, and
3. Discuss and adopt Resolution 28-18 approving the Advisory Bodies Handbook and By-laws; and
4. Discuss and provide direction regarding amending the Morro Bay Municipal Code regarding the timing of preparing Council meeting minutes.

ATTACHMENTS

1. Resolution 26-18 adopting Council Policies & Procedures
2. Resolution 27-18 adopting Civil Discourse Policy
3. Resolution 28-18 adopting Advisory Bodies Handbook and By-laws
4. Sample Annotated Agenda for 11/14/17 Council Meeting

RESOLUTION NO. 26-18

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING THE CITY COUNCIL
POLICIES AND PROCEDURES MANUAL**

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

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

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

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

WHEREAS, at its meeting of August 22, 2017, the City Council directed a complete review of Manual and established a subcommittee consisting of Mayor Irons and Council Member McPherson to lead that review; and

WHEREAS, the Council reviewed and provided direction for further edits at its December 12, 2017 and March 27, 2018 meetings.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, that the City Council Policies and Procedures Manual is readopted, as attached hereto as Exhibit A.

PASSED AND ADOPTED by the City Council, City of Morro Bay at a regular meeting thereof held on the 8th day of May 2018 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

City of Morro Bay

Council Policies and Procedures

SCOPE

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

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

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

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

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

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

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

**RESOLUTION NO. 50-07
ADOPTED BY THE CITY COUNCIL OF
THE CITY OF MORRO BAY ON
OCTOBER 8, 2007 ADDING TO AND AMENDING COUNCIL
POLICIES AND PROCEDURES MANUAL
REGARDING USE OF CITY LETTERHEAD AND
USE OF SPEAKER SLIPS AT CITY COUNCIL MEETINGS**

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

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

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

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

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

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

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

**RESOLUTION NO. 53-13
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING SECTION 2.2 OF THE CITY COUNCIL POLICIES AND
PROCEDURES MANUAL REGARDING RETIREMENT, MEDICAL, DENTAL,
VISION, AND LIFE INSURANCE UNSPENT DOLLARS**

**RESOLUTION NO. 36-14
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING VARIOUS SECTIONS OF THE CITY COUNCIL POLICIES AND
PROCEDURES MANUAL REGARDING MAYOR PRO TEM**

**RESOLUTION NO. 58-15
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING VARIOUS SECTIONS OF THE CITY COUNCIL POLICIES AND
PROCEDURES MANUAL**

**RESOLUTION NO. 74-15
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING COUNCIL POLICIES AND PROCEDURES MANUAL
REGARDING MEETING GUIDELINES & PROCEDURES**

**RESOLUTION NO. 30-16
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING COUNCIL POLICIES AND PROCEDURES MANUAL
REGARDING MEETING GUIDELINES & PROCEDURES**

**RESOLUTION NO. 01-17
RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING THE COUNCIL POLICIES AND PROCEDURES MANUAL
REGARDING ADVISORY BOARD MEMBER QUALIFICATIONS**

**RESOLUTION NO. 45-17
RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING THE COUNCIL POLICIES AND PROCEDURES
SECTION 1.2.7 REGARDING ORDER OF BUSINESS**

RESOLUTION 26-18
RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING AND RE-ADOPTING THE COUNCIL
POLICIES AND PROCEDURES

RESOLUTION NO. 70-15

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
PLEDGING TO FOLLOW BEST PRACTICES OF CIVILITY AND CIVIL DISCOURSE
IN ALL OF ITS MEETINGS**

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

WHEREAS, we, the Mayor, City Council Members, Commissioners, Appointees, and Staff of the City of Morro Bay, in order to ensure **civility and civil discourse** in all of our meetings, pledge our commitment to the following **best practices of civility and civil discourse**; and,

WHEREAS, we pledge our commitment to **respect** the right of all people to hold different opinions in all our meetings; and

WHEREAS, we pledge our commitment to **avoid rhetoric intended to humiliate, malign, or question the motivation** of those whose opinions are different from ours in all our meetings; and

WHEREAS, we pledge our commitment to **strive to understand** differing perspectives in all our meetings; and,

WHEREAS, we pledge our commitment to **choose words carefully** in all our meetings; and

WHEREAS, we pledge our commitment to **speak truthfully** without accusation, and avoid distortion in all our meetings; and

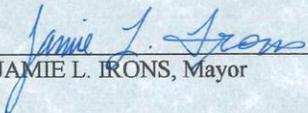
WHEREAS, we pledge our commitment **against violence and incivility** in all their forms whenever and wherever they occur in all our meetings; and

WHEREAS, we commit ourselves to build a civil political community in which each person is respected and spirited public and political debate is aimed at the betterment of the City of Morro Bay and its people and not the disparagement of those with whom we disagree.

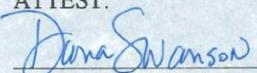
NOW, THEREFORE, BE IT RESOLVED, by the City Council, City of Morro Bay, California, that the Mayor, City Council Members, Commissioners, Appointees, and Staff of the City of Morro Bay shall promote the use of and adherence to the principles of **civility and civil discourse** in conducting business with appointed and elected officials, staff, and citizens.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 10th day of November, 2015 on the following vote:

AYES: Irons, Johnson, Smukler
NOES: None
ABSENT: Headding, Makowetski



JAMIE L. IRONS, Mayor

ATTEST:


DANA SWANSON, City Clerk

The above is to be readopted at the same time the policies are returned for adoption.

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CHAPTER ONE
MEETING GUIDELINES & PROCEDURES

1.1 MEETING SCHEDULE

1.1.1 MEETINGS OF COUNCIL

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

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

1.1.2 REGULAR MEETINGS

- 1.1.2.1 Regular meetings shall be held the second and fourth Tuesday of each month beginning at 6:00 p.m. In the event that a regular meeting of the Council shall fall on a legal holiday, that regular meeting shall be held at the same place and time on the next succeeding working day. A regular meeting can only be cancelled after polling the majority of the Council in favor of the cancellation.
- 1.1.2.2 Regular meetings shall be held in the Veterans Memorial Building, 209 Surf Street, in the City of Morro Bay.
- 1.1.2.3 Regular meetings shall be between the hours of 6:00 p.m. - 11:00 p.m. It shall be the policy of the City Council to complete meetings by 11:00 p.m., unless a majority of the Council elects to continue past the adjournment hour. If at the hour of 11:00 p.m. the City Council has not extended the time to adjourn the meeting or concluded its business, then the Council will review the balance of the agenda and determine whether to extend the meeting beyond the hour of 11:00 p.m., continue any remaining items, or adjourn the meeting to another date and time.

1.1.3 STUDY SESSIONS (Open to the public)

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

1.1.4 SPECIAL MEETINGS

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

1.1.5 CLOSED SESSION MEETINGS (closed to the public)

- 1.1.5.1 Closed Session Meetings may be called by the majority of the Council and are regulated pursuant to the Brown Act. The most common purpose of a closed session is to avoid revealing confidential information that may, in specified circumstances, prejudice the legal or negotiating position of the City or compromise the privacy interests of employees. Closed sessions should be conducted keeping those narrow purposes in mind.
- 1.1.5.2 No Council Member, employee of the City, or anyone else present shall disclose to any person the content or substance of any discussion which takes place in a closed session, unless authorized by a four-fifths vote of the Council.

1.1.6 DESIGNATION AND USE OF COUNCIL CHAMBERS

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

1.2 AGENDA

1.2.1 ESTABLISHING THE COUNCIL AGENDA

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

- a. Tentative Council Meeting Agenda - Every effort will be made to provide it to the City Council and staff before the close of business on the second Friday prior to the Council meeting.
- b. The full agenda packet for regular meetings of the City Council and all City Advisory Boards will be published a minimum of 120 hours (or five calendar days) prior to the meeting. Agenda packets for special meetings will be published a minimum of 48 hours (or two calendar days) prior to the meeting.

The process for determining the format and order of the agenda is based primarily on the order of business adopted by the City Council (see Section 1.2.7). The process for establishing the order of specific business and public hearing items is a collaborative one determined largely by anticipated public attendance (those matters involving greater audience attendance are usually scheduled ahead of other items). The City Manager shall meet with department heads on a regular basis, individually and as a group to discuss issues and to review upcoming agenda items.

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

1.2.2 PLACING AN ITEM ON THE AGENDA (COUNCIL MEMBER)

Any Council Member may request an item be placed on a future agenda by submitting a request, orally or in writing, to consider the matter and by discussing the request during the "Declaration of Future Agenda Items" section of the regular agenda. If a majority of the Council approves including that matter on an

upcoming agenda, then staff will prepare a staff report for the next available agenda, as determined by the City Manager, unless otherwise directed by the Council.

If only one other Council Member supports hearing the item, then an item will be listed on the next available agenda, as determined by the City Manager, unless otherwise directed by the Council. The Council Member who made the request for the agenda item shall be responsible for providing the Council report and the Council will take no action on the substance of the matter at that review, unless there is adequate public notice and information is provided for the Council to make an informed decision. If no other Council Member supports hearing the item, then the item will not be placed on the agenda.

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

1.2.3 PLACING AN ITEM ON THE AGENDA (ADVISORY BODIES)

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

1.2.4 PLACING AN ITEM ON THE AGENDA (THE PUBLIC)

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

1.2.5 EMERGENCY ITEMS

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

1.2.6 RECONSIDERATION

Reconsideration of issues previously acted upon is discouraged. However, in extraordinary situations, a request to reconsider an action taken by the City Council may be considered. The request must be presented by a Council Member who voted with the majority at the Council meeting at which the original vote was taken. The vote may be reconsidered during that meeting, but no later than the next Council meeting. Debate is limited to the question of whether there is a majority of the Council interested in reconsidering the matter. If a majority of the Council votes to reconsider an action, then the matter can be heard at that same meeting or placed on the next or future agenda, as directed by the Council. Notwithstanding the foregoing, as a governmental legislative body, the Council reserves the right to consider or reconsider any matter within its jurisdiction that a majority of the Council deems appropriate, particularly if new information becomes available or circumstances change.

1.2.7 ORDER OF BUSINESS shall be as follows:

- 1.2.7.1 Establish Quorum and Call to Order
- 1.2.7.2 Moment of Silence
- 1.2.7.3 Pledge of Allegiance
- 1.2.7.4 Recognition (Certificates of Appreciation or other forms of recognition for residents and staff)
- 1.2.7.5 Closed Session Report
- 1.2.7.6 Mayor and Council Members Reports, Announcements and Presentations*
- 1.2.7.7 City Manager Reports, Announcements and Presentations (City Manager, Director and Advisory Board Reports)
- 1.2.7.8 Presentations (Proclamations and Public Presentations)
- 1.2.7.9 Public Comment (generally for items not on the agenda)
- 1.2.7.10 Consent Agenda
- 1.2.7.11 Public Hearings
- 1.2.7.12 Business Items
- 1.2.7.13 Council Declaration of Future Agenda Items
- 1.2.7.14 Adjournment

*Intended for reporting back to the full Council and the public on items, issues or meetings associated with other Council duties, *e.g.*, assignments to other official bodies, attendance at League of California Cities meetings, etc.

~~1.2.8 PROCEDURAL ORDER~~

~~For discussion of items on the agenda, the following order is followed:~~

- ~~a) Presentation of the Staff Report~~
- ~~b) Council Member Questions~~

~~e) Public Comments~~

~~d) Council Member Discussion/Decision and Motion(s)~~

1.2.89 NOTIFICATION AND ADVERTISING

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

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

1.3 MEETING PROCEDURES

1.3.1 PRESIDING OFFICER

1.3.1.1 The Mayor is the Presiding Officer and acts as Chair at Council meetings.

1.3.1.2 In the absence or incapacity of the Mayor, the Mayor Pro Tempore will serve as Presiding Officer.

1.3.1.3 In the absence of both the Mayor and Mayor Pro Tempore, a majority of the quorum shall select one of the Council Members present to act as Chair for the meeting.

1.3.1.4 Seating arrangement of the Council:

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

1.3.1.5 Signing of City Documents:

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

1.3.2 QUORUM

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

1.3.3 DISCUSSION RULES

1.3.3.1 Procedure Order

For discussion of items on the agenda, the following order is followed:

- a) Presentation of the Staff Report
- b) Council Member Questions
- c) Public Comments
- d) Council Member Discussion/Decision and Motion(s)

1.3.3.2 Obtaining the floor:

- 1.3.3.2.1 A City Council Member or staff shall first address the Presiding Officer and gain recognition.
- 1.3.3.2.2 Comments and questions should be limited to the issue before Council.
- 1.3.3.2.3 Cross-exchange between Council Members and public should be avoided.

1.3.3.3 Questions to Staff:

A Council Member shall, after recognition by the Presiding Officer, address questions to the designated staff member. Council Members are encouraged to provide questions to staff prior to meetings.

1.3.3.4 Interruptions:

- 1.3.3.4.1 Once recognized, a Council Member shall not be interrupted while speaking except to make a point of order or personal privilege.
- 1.3.3.4.2 If a Council Member is called to order while speaking, then the individual shall cease speaking until the question of order is determined.
- 1.3.3.4.3 Upon being recognized by the Mayor, members of staff shall hold the floor until completion of their

remarks or until recognition is withdrawn by the Presiding Officer.

1.3.3.54 Limitation on Discussion:

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

1.3.3.65 Tabling Procedure:

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

1.3.3.76 Right of Protest:

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

1.3.3.87 Rules of Procedure:

The Council shall determine its own rules of procedure.

1.3.3.98 Council Minutes:

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

1.3.4 PARLIAMENTARY PROCEDURE

Parliamentary procedure consists of those rules in effect according to ~~the~~ City Council policy (State law and Robert's Rules, to the extent applicable to a public legislative body). The following summarizes the most frequently used actions.

1.3.4.1 Council Members and staff shall:

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

1.3.5 BEHAVIOR AND CIVIL DISCOURSE POLICY

The City encourages the willingness to speak up and to listen within a framework of respect and understanding. Toward that end, the Council has adopted Resolution No. ~~27-1870-15~~, a Resolution of the City Council of the City of Morro Bay, California, Re-Pledging to Follow Best Practices of Civility and Civil Discourse in All of Its Meetings. Those principles were crafted by the League of Women Voters of San Luis Obispo County, and are memorialized on Page 6 of this document.

1.3.6 VOTING PROCEDURES

- 1.3.6.1 When present, all Council Members shall vote, unless precluded by a conflict of interest. ~~If Failure of~~ a seated Council Member, who is present at a meeting and not precluded from voting due to a conflict of interest, fails to vote, that failure will be construed as a vote on the prevailing side. If

~~there is a tie vote, not counting the Council Member who failed to vote, then there is no prevailing side; provided, that such absence will not be counted if there is tie vote.~~

- 1.3.6.2 No ordinance, resolution or motion shall be passed or become effective without receiving the affirmative vote of at least three non-abstaining Council Members.
- 1.3.6.3 A conflict of interest shall be declared whenever appropriate and in compliance with State law and the Council Member will disclose the nature of the conflict of interest, step down and shall not make, participate in making, or influence the decision.
- 1.3.6.4 A vote may not be changed by a Council Member after the vote announcement by the Presiding Officer or City Clerk; provided, that with the consent of the City Council a correction of the vote may be made.
- 1.3.6.5 The City Clerk shall restate the motion prior to the vote or request the Presiding Officer to restate the motion, if required for Council or public clarification.
- 1.3.6.6 Voice voting is the preferred method for recording Council votes.
- 1.3.6.7 A roll call vote may be taken at the discretion of the Presiding Officer. The City Clerk will call the roll for the roll call vote in the following manner: 1) Maker of the motion; 2) Member who has seconded the motion; 3) Additional Council Members in alphabetical order by last name; and, 4) Mayor last. The City Clerk shall state for the record the name of any Council Member who is recused or has abstained.
- 1.3.6.8 General consent votes may be taken at the discretion of the Presiding Officer, if there are no negative votes or objections by Council Members.
- 1.3.6.9 Upon the request of any Council Member, the ayes and noes shall be taken and recorded on any vote.
- 1.3.6.10 The ayes and noes shall be taken upon the passage of all ordinances and resolutions and entered upon the journal of the proceedings of the Council.

- 1.3.6.11 Following the vote, the Presiding Officer shall announce whether the questions have been carried or defeated.
- 1.3.6.12 Tie votes: If a tie vote occurs, then the Council is required to continue the item by majority vote or make motions until an action receives three affirmative votes.
- 1.3.6.13 The Presiding Officer may publicly explain the effect of the vote for the audience or may direct a member of the staff to do so.

1.3.7 PUBLIC COMMENT

Members of the public may address the City Council in a variety of ways. Written comments on agenda items are encouraged. As a courtesy to the Council, citizens are encouraged to present written comments at least one day prior to the meeting. Comments may be hand-written or e-mailed. This provides the Council with a greater opportunity to review and consider issues and/or concerns expressed in written communications prior to a meeting. Comments received before 12 Noon on the day of the meeting will be distributed to City Council Members at the meeting. Written material distributed at the meeting will be made a part of the public record. If the material is too voluminous for Council to review during the meeting or is new material not previously considered, then Council may at its discretion continue the item to a future meeting. The following are guidelines for providing public comments:

- 1.3.7.1 During Public Comment period, at the beginning of every meeting, members of the public may address the City Council on items that are not on the printed agenda. For Consent Items, Public Hearing Items, and Business Items, the Presiding Officer will invite comments from the public in support of, or in opposition to each specific Agenda Item following the staff report and any questions from Council to Staff. Those individuals desiring to speak may will be asked to fill out a speaker's slip, but a speaker cannot be required to fill out a speaker's slip. They are located on the table at the entrance to the Council Chambers (Veterans Hall).
- 1.3.7.2 Individuals desiring to speak shall:
 - 1.3.7.2.1 Address the Council from the podium after giving name and City of residence. Speakers shall direct their comments to the Council, not the audience.
 - 1.3.7.2.2 Limit comments to three minutes or to the interval specified by the Presiding Officer. To provide an

opportunity for all to speak during a meeting, the maximum time permitted for each speaker to speak on a particular matter may be reduced by the Presiding Officer when a large number of speakers wish to address the Council on that matter. The Presiding Officer, with the majority of Council Members, may reopen the public comment period to hear additional public comment. Council Members may ask questions of anyone present without reopening the public comment period.—~~A speaker may not yield their time to another speaker. Speakers may speak only once on a given issue and may not cede their time to another speaker.~~

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

1.3.7.2.4 Persons addressing the Council shall address the Council as a whole and shall not engage in a dialogue with individual Council Members, City staff or members of the audience. No questions shall be asked of a Council Member or a member of City staff without first obtaining permission of the Presiding Officer. The Presiding Officer shall determine whether, or in what manner, an answer will be provided. Any person violating this rule while addressing the Council shall be called to order by the Presiding Officer.

~~1.3.7.2.5 Speakers may speak only once on a given issue and may not cede their time to another speaker.~~

1.3.7.3 Except as otherwise permitted by the Brown Act, action may not be taken on issues not listed on the agenda. Staff may be asked to follow-up on such items.

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

~~1.3.7.4.1 Be permitted to speak first during the public comment portion of the applicable matter for not more than 10 minutes or the time allowed by the Presiding Officer.~~

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

1.3.7.5 Council Members actions

1.3.7.5.1 Council Members may question the person addressing the Council at the conclusion of the person's comments or upon expiration of the person's time to speak.

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

1.3.7.5.3 If a member of the audience has addressed the Council on matters which are not on the agenda, then Council Members shall refrain from extended discussion of the matter. If a Council Member so wishes, then the Council Member may seek to have the City Manager place the matter on the next agenda in accordance with this policy.

1.3.7.6 ~~[Shouldn't this section also be moved to Public Hearings?] After the public hearing is closed, no member of the public shall be permitted to address the Council or the staff, except at the discretion of the Presiding Officer or the majority of the Council.~~

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

1.3.7.~~6~~1 **Warning:** The Presiding Officer shall request a person who is violating the rules of decorum cease such conduct. If, after receiving a warning from the Presiding Officer, the person persists in disturbing the meeting, the Mayor shall order the person to

leave the City Council meeting. If the person does not leave the meeting, then the Presiding Officer may order any law enforcement officer who is on duty at the City Council meeting as sergeant-at-arms to remove the person from the City Council chambers.

1.3.7.~~67~~.2 **Removal:** Any law enforcement officer who is serving as sergeant-at-arms at the City Council meeting shall carry out the orders and instructions given by the Presiding Officer for the purpose of maintaining order and decorum. Upon instruction of the Presiding Officer, it shall be the duty of the sergeant-at-arms to remove from the City Council meeting any person who is disturbing the proceedings of the City Council.

1.3.7.~~67~~.3 **Resisting Removal:** Any person who resists removal by the sergeant-at-arms may be charged with a violation of the rules of order and decorum, as well as any other applicable ordinance or law.

1.3.7.~~67~~.4 **Motion to Enforce:** If the Presiding Officer fails to enforce the rules of order and decorum set forth in Section 1.3.2 – 1.3.7, then any Member of the City Council may move to require the Presiding Officer to do so, and an affirmative vote of a majority of the City Council shall require the Presiding Officer to do so. An affirmative vote of a majority of the Council may appeal to the entire Council the ruling of the Presiding Officer that a person be removed from the meeting, in which event the decision of the Council majority shall govern and conclusively determine such question. If the Presiding Officer fails to carry out the will of the majority of the City Council, then the majority may designate another Member of the City Council to act as the Presiding Officer for the limited purpose of enforcing the rules of order and decorum established in Section 1.3.2 - 1.3.7.

1.3.7.~~67~~.5 **Clearing the Room:** If a meeting of the City Council is disturbed or disrupted in such a manner as to make infeasible or improbable the restoration of order, then the Presiding Officer or a majority of the City Council may exercise the authority granted in

the California Government Code section 54957.9 by ordering the meeting room cleared and continuing in session in the manner authorized by Section 54957.9 of the Government Code.

1.3.8 CONSENT ITEMS

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

1.3.8.1 Minor Questions. A Council Member may ask questions on any item without it being pulled from the Consent Agenda. When a Council Member has a minor question for clarification concerning a **C**onsent **I**tem that will not involve extended discussion, the item may be pulled for clarification at the beginning of the meeting and the questions will be addressed along with the rest of the Consent Agenda. There should be no objections at this time. Council Members are encouraged to seek clarifications prior to the meeting (whenever possible).

1.3.8.2 No Vote. When a Council Member wishes to pull an item simply to register a dissenting vote, a request should be made the item be pulled for separate vote without discussion. Such items will also be handled at the beginning of the meeting along with the rest of the Consent Agenda.

1.3.8.3 Any item may be pulled by a Council Member for discussion. A member of the public may request the Council to pull an item for discussion during the initial public comment period, but the discretion to pull that item will remain with the Council.

1.3.8.4 Pulled items shall be heard at the close of the Consent Agenda, unless a majority of the Council chooses another time.

1.3.9 NOTICED PUBLIC HEARINGS

During the pendency of any Public Hearing that is a quasi-judicial proceeding, no Council Member or Planning Commissioner shall engage in an *ex parte* communication with any “Interested Party” who intends to influence the decision of the Council or Commission in a proceeding, unless the Council Member or Commissioner discloses the *ex parte* communication on the Council or Commission’s record. “Interested Party” means any individual with an interest in

the quasi-judicial proceeding that is greater than the general interest of the public as a whole. The term includes, but is not limited to, parties involved in the proceeding, parties that may be significantly affected by the decision, and nonprofit or public interest organizations and associations with a special interest in the matter regulated. A member of the public at large who expresses a casual or general opinion about a pending proceeding would not necessarily be an "Interested Party."

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

- 1.3.9.1 Time for Consideration: Matters noticed to be heard by the City Council shall commence in the order provided in the agenda. Public hearings are the first order of business following the Consent Calendar.
- 1.3.9.2 Continuance of Hearing: Any hearing being held or noticed or ordered to be held by the City Council may, by order or notice of continuance, be continued or re-continued to any subsequent meeting.
- 1.3.9.3 Conduct of Hearings: When a matter for Public Hearing comes before the City Council, the Presiding Officer may:
 - 1.3.9.3.1 Call for a report on noticing from the City Clerk.
 - 1.3.9.3.2 Call for a report on written communications received by the City pertaining to the item being heard.
 - 1.3.9.3.3 Request that staff present the staff report and any other relevant evidence. Presentation of the staff report prior to the formal opening of the Public Hearing shall not prevent its consideration as evidence. Any such evidence shall be made a part of the record of the Public Hearing.

The Presiding Officer shall then recognize the applicants, appellants and their representatives~~proponents or appellants~~ in the cause, who shall be permitted to speak first during the public comment portion of the applicable matter for not more than 10 minutes, or the time allowed by the Presiding Officer, to present evidence related to the matter under consideration. The applicants, appellants and their representatives shall address the Council from the lectern after giving their names

and the names of the applicants/appellants they are representing, if different.

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

The Presiding Officer shall then close the public testimony portion of the Public Hearing. After the public testimony portion of the Public Hearing is closed, no member of the public shall be permitted to address the Council or the staff, except at the discretion of the Presiding Officer or the majority of the Council. Council Members may still, however, ask questions of staff or members of the public. Upon conclusion of Council deliberations and immediately prior to a motion, the Presiding Officer shall formally close the public hearing, which can be accomplished by the Presiding Officer declaring the matter is being brought back to the Council for discussion or other manner to clearly indicate the hearing portion of the matter has concluded. Upon formal closing of the public hearing, no additional public testimony shall be solicited or received without reopening the hearing.

- 1.3.9.4 Evidence. All persons interested in the matter being heard by the City Council shall be entitled to submit written evidence or remarks, as well as other graphic evidence. All such evidence presented shall be retained by the City Clerk or appropriate City department, as part of the official record of the proceeding. Prior to declaring the public hearing open, the Presiding Officer may establish a time limit for the entire public hearing and establish time limits for the presentation of each individual speaker.

1.3.10 BUSINESS ITEMS

Business Items follow Consent Items and Public Hearings (if any) on the agenda. Business Items can include new matters or matters continued from one or more earlier meetings. Opportunity for public comment as discussed in Section 1.3.7, above, will be provided for each Business Item.

1.4 MEETING COVERAGE

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

- 1.4.1 Coverage of City Council meetings shall be gavel-to-gavel; whether presented to the public live or taped, Council coverage is not to be edited or subjected to editorial comment.
- 1.4.2 All City Council meetings shall be cablecast or taped for broadcast, except for meetings or portions of meetings which are closed to the public, or when the majority of the Council directs otherwise.
- 1.4.3 Cameras used for the gavel-to-gavel coverage shall be operated only by City employees, firms, or persons authorized by the City.
- 1.4.4 Cameras shall be operated so that they are primarily focused on the officially recognized speaker, and on any visually displayed information they may be showing.
- 1.4.5 “Reaction” shots will not be permitted.
- 1.4.6 The City Clerk’s minutes shall remain the official record of Council proceedings. Other recordings are for convenience and occasionally used when a verbatim transcript is required in legal proceedings.

Audio recordings have a 2-year retention and video recordings have a 10-year retention. Meeting minutes are permanent.

1.4.7 As soon as reasonably possible following each Council meeting, the City Clerk shall include a copy of the minutes, thereof, as a Consent Item for the agenda of a regular Council meeting.

CHAPTER TWO
COUNCIL SALARY, BENEFITS AND REIMBURSEMENTS

Council salary, financial benefits and reimbursements are established by Council action and in conformance with State law, the MBMC, and duly adopted and effective resolutions. Below is a description of the same but may not include all that are applicable.

2.1 SALARIES FOR MAYOR AND COUNCIL MEMBERS

Compensation for services rendered by the Mayor and Council Member, in an official capacity, shall be provided in accordance with State law and the MBMC. The Citizens Finance Advisory Committee will be asked every 8 years, starting with 2019, to provide the Council a recommendation on whether any changes should be made to that compensation.

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

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

2.3 PROFESSIONAL DEVELOPMENT

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

2.3.1 BUSINESS TRAVEL EXPENSE AND CONFERENCE REGISTRATION

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

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

- Communicating with representatives of regional, state and national government on City-adopted positions.
- Attending educational seminars designed to improve official's skill and information levels.
- Participating in regional, state and national organizations whose activities affect the City's interests.
- Recognizing service to the City (i.e. thanking a longtime employee with a retirement gift or celebration of nominal value and cost).
- Meetings such as those listed above for which a meeting stipend is expressly authorized under this section.

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

2.3.1.2 Expenses Not Eligible for Reimbursement.

- The personal portion of any trip.
- Political or charitable contributions or events.
- Family expenses, including partner's expenses, when accompanying official on City-related business.
- Entertainment expenses, including theater, movies, sporting events (including gym, massage and/or golf related expenses) or other cultural events.
- Alcohol/personal bar expenses.
- Except as provided in 2.4.2 and .3, personal automobile expenses.
- Personal losses incurred while on City business

2.4 CITY BUSINESS AND MILEAGE REIMBURSEMENT

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

2.4.1 CITY BUSINESS

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

2.4.2 MILEAGE

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

2.4.3 TRANSPORTATION

When attending conferences or meetings that are of such distances it is more economical to take commercial air fare, if an official drives his/her car to such meetings, then commercial air fare will be paid and not automobile mileage. Government and group rates must be used when available.

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

2.4.4 LODGING

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

2.4.5 MEALS

Actual expenses shall be reimbursed subject to the maximum per diem for the mean as set by the IRS rate in effect at the time of travel. (Cal. Gov't. Code 53232.2) and Publication 1542 at www.irs.gov). The City will not pay for alcohol/personal bar expenses.

2.4.6 MISCELLANEOUS EXPENSES

Officials will be reimbursed for actual telephone, fax, and parking expenses incurred for City-business. Telephone bills should identify which calls were made for City-business.

2.4.7 CASH ADVANCE POLICY

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

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

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

2.4.8 CREDIT CARD USE POLICY

~~The City no longer issues credit cards to individual office holders. For t~~Travel expenses ~~will be reimbursed~~ the preference is for Council Members either to (i) submit a reimbursement request upon return (with the proper forms completed and receipts attached) or (ii) request a payment advance for travel, whenever it is not possible to have expenditures charged directly to the City or utilize the City Clerk/City Manager's credit cards for travel and accommodation arrangements. If an advance is made, then receipts are required for all expenditures, as is return of the unspent portions of the advance. It is understood there may be circumstances where a Council Member cannot prepay for expenditures. In such cases, with approval through the City Manager, a credit card will be ordered in the Council Member's name. The credit card may only be used for authorized expenditures during the authorized travel.

2.4.9 EXPENSE REPORT CONTENT AND SUBMISSION DEADLINES

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

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

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

Expense reports must document that the expense in question met the requirements of this Policy. Officials must submit their expense reports within 10 working days after an expense has been incurred, accompanied by receipts documenting each expense. Restaurant receipts, in addition to any credit card receipts, are also part of the necessary documentation.

Inability to provide such documentation within 10 calendar days after travel may result in the expense being borne by the official.

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

2.4.10 REPORTS TO CITY COUNCIL

At the next regular City Council meeting, the Mayor and City Council shall briefly report on the meetings attended by that person at City-expense. If multiple officials attended, then a joint report may be made.

2.4.11 COMPLIANCE WITH LAWS; VIOLATION

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

2.5 GENERAL PROCEDURES AND LIMITATIONS

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

2.5.1 ACCOUNTING

An account shall be established in the name of the Mayor and each Council Member with all expenditures charged to the individuals. Receipts shall be submitted within the fiscal year.

2.5.2 REIMBURSEMENT LIMITATION

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

2.5.3 SPECIAL EXPENSES

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

2.5.4 HONORARIUM

~~If the Mayor and/or a Council Member~~ are not permitted, by law, to receives an honorarium as a result of his/her participation in a meeting or conference. The Mayor or Council Members may receive income for personal services provided at a meeting or conference, if those services are customarily provided in connection with the practice of her/his bona fide business or profession, unless the sole or predominate activity of the business or profession is making speeches. If the Mayor or Council Member receives such income, then the amount of ~~that income/honorarium~~ shall be deducted from the amount normally provided by the City for that meeting or conference if the City paid for the Mayor or Council Member's attendance at such meeting or conference.

2.5.5 OTHER GUIDELINES

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

**CHAPTER THREE
COUNCIL POWERS & APPOINTMENTS**

3.1 MAYOR - POWER AND DUTIES

- 3.1.1 The Mayor shall preside at all meetings of the City Council and perform such other duties consistent with the office as may be imposed by the Council or by vote of the people. The Mayor shall be entitled to, and must vote when present, but shall possess no veto power.
- 3.1.2 The Mayor shall be recognized as the official head of the City for all ceremonial purposes.
- 3.1.3 The Mayor may order flags flown on City property to be lowered to half-staff in mourning for any member of the community designated to have made significant contributions to the City of Morro Bay, in accordance with recognized customs or practices not inconsistent with State and Federal law.
- 3.1.4 The Mayor is authorized to sign letters of appreciation to persons and organizations. Copies of those signed letters shall be provided to the Council Members, as soon as feasible.
- 3.1.5 The Mayor will, at times, receive written communications from recognized organizations or entities whose fundamental purpose is to support cities, such as the League of California Cities. Those communications may be seeking City support for a position the League is taking. Because of the often short time limits for submitting responses to those communications, the Mayor is authorized, at no cost to the City to submit the requested communication consistent with the subject entity's recommendation. A copy of that letter will be provided to the Council at the same time it is transmitted to the addressee. Any Member of the Council can request an agenda item be placed on an upcoming agenda to discuss that communication. The Council can also determine whether to admonish the Mayor for not carrying out the intent of this provision.
- 3.1.6 When the Mayor is a member of another legislative body, he/she may take actions on matters before that other body as she/he determines appropriate, as long as she/he makes it clear his/her position is that of the Mayor and not the entire City or Council, unless, at a duly agendized public meeting, a majority of the Council has provided direction on the position the Mayor is to take on a matter

3.1.7 The Mayor shall exercise such other powers and perform such other duties as may be prescribed by law or ordinance or by resolution of the Council, except as limited by law.

3.2 APPOINTMENT OF MAYOR PRO TEMPORE

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

3.3 FILLING COUNCIL VACANCIES

3.3.1 SPECIAL ELECTION

Measure “R” codified as Ordinance 527 requires the City Council to immediately call a special election to fill any vacant seat on the Council, including the Mayor’s seat. The special election shall be held on the next established election date, as specified in California Elections Code, which is not less than 114 days from the call of the special election. The City Council may appoint an elector who is a registered voter in the City of Morro Bay to fill such vacancy prior to the special election. The appointee shall hold office only until the date of said special election. (Reso. 76-08)

3.3.2 LIMITATION OF COUNCILMEMBER WHO RUNS FOR MAYOR BEFORE COMPLETING REGULAR TERM

A sitting Council Member is disqualified from nomination for election to the office of Mayor in the next election if the remainder of their Council term after the next election cannot be filled by a vote of the electors on or prior to that election date.

3.4 GENERAL POWERS OF THE COUNCIL

Subject to the provisions of law and the delegation of power to any person, officer, Board, or Commission, the Council shall have the power in the name of the City, to do and perform all acts and things appropriate to a municipal

corporation and the general welfare of its inhabitants and that are not specifically forbidden by the Constitution and laws of the State of California.

3.5 ADMINISTERING OATHS: SUBPOENAS

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

3.6 LIMITATIONS

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

3.7 METHOD OF ACTION BY COUNCIL

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

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

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

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

3.8 ORDINANCES

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

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

3.9 ACCEPTANCE OF GRANTS OR DEEDS

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

3.10 LEGISLATIVE ACTION PROGRAM

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

3.11 AMICUS CURIAE PARTICIPATION

The City is frequently requested to join as *amicus curiae* (friend of court) in cases of statewide significance to cities. Because of the often short time limits for filing *amicus curiae* briefs, the City Attorney may authorize the City's name being added to such briefs, at no cost to the City, if the Legal Advisory Committee of the League of California Cities has urged participation. The City Council will be advised of that action within 7 days after the City Attorney's decision.

3.12 ACTIONS AS A MEMBER OF ANOTHER LEGISLATIVE BODY

When a Council Member is a member of another legislative body, he/she may take actions on matters before that other body as she/he determines appropriate, as long as she/he makes it clear his/her position is that of the individual Council Member and not the entire City or Council, unless, at a duly agendized public meeting, a majority of the Council has provided direction on the position that Member is to take on a matter.

3.13 COUNCIL SUB-COMMITTEES

From time to time it may be desirable for the Presiding Officer or City Council may vote to appoint a sub-committee of the whole to address a particular issue. That is especially the case if the issue requires additional work or research. Per the Brown Act, sub-committees must consist of less than a quorum of the body and serve for a limited purpose and time. Therefore, the City Council sub-committees may consist of two members. Sub-committees shall report back to the full

Council for discussion before any formal action can be taken on the pertinent issue.

CHAPTER FOUR THE BROWN ACT AND EMAIL

4.1 APPLICABILITY AND PENALTIES

The entire City organization conducts its business in compliance with the Ralph M. Brown Act, California Government Code sections 54950 *et seq.* (the “Act”). The intent of the Act is to ensure deliberations and actions of local public agencies are conducted in open and public meetings. The law provides for misdemeanor penalties for any members of a legislative body who violates the Act. In addition, violations are subject to civil action. A current copy of the Act will be provided to all Council Members ~~and advisory body members~~ assuming office, but the provisions that most directly affect the Council are summarized in this Chapter.

4.2 MAJOR PROVISIONS

4.2.1 APPLICABILITY

The Act applies to Council, City staff and all bodies that advise Council.

4.2.2 MEETINGS

Other than closed sessions, all meetings shall be open and public. All meetings shall follow the requirements of the Act.

~~4.2.2.1 — A meeting takes place whenever a quorum of Members are present (three or more on a five-member body and four or more on a seven-member body) and information about the business of the board body is received; discussions qualify as a meeting. The Act allows some such meetings in very particular circumstances.~~

~~4.2.2.2 — A serial meeting takes place when anyone, including any Council Member, contacts a majority of Council Members for the purpose of having the City Council deliberate, reach a consensus or act upon an item within the City Council’s subject matter jurisdiction.~~

~~4.2.2.3 — Correspondence from the public that merely takes a position on an issue within the City Council’s subject matter jurisdiction is acceptable.~~

4.2.3 AGENDAS

Agendas for regular meetings must be posted 72 hours in advance of the meeting and must meet various requirements.

4.2.4 ACTIONS

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

Exceptions:

- 4.2.4.1 An emergency situation exists, (determined by a majority of the Council).
- 4.2.4.2 The need to take action arose subsequent to the agenda being posted (determined by 4/5 of the Council or if less than 4/5 are present, then by unanimous vote) and that action must be taken before the next regular Council meeting or special meeting can be scheduled and properly noticed.
- 4.2.4.3 The item was continued to another meeting that was scheduled and posted within five days after the original agenda.

4.2.5 PUBLIC INPUT

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

4.2.6 PUBLIC DISRUPTIONS

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

4.2.7 CORRESPONDENCE

All writings distributed for discussion or consideration at a public meeting are public records. If a member of the public desires written materials to be fully considered by the Mayor and City Council, then that member is encouraged to submit that written material regarding agenda items to the City Clerk no later than 12 Noon the day of the meeting so that it may be included with agenda correspondence. Written material distributed at the meeting will be made a part of the public record. If the material is too voluminous for the Mayor and Council to review during the meeting or is new material not previously considered, the Council may, at its discretion, continue the item to a future meeting.

4.2.8 CLOSED SESSIONS MAY BE HELD TO DISCUSS:

- 4.2.8.1 Real Property. The purchase, sale, exchange or lease of real property with the City's negotiator; the real property and the person(s) with whom the City may negotiate must be announced in open session prior to the closed session. All Real Property transactions shall be held in closed session prior to final decision in open session and Council shall be provided with a copy of the draft real property agreement.
- 4.2.8.2 Litigation pending or a significant exposure to litigation, or the decision to initiate litigation; the litigation or title must be identified in open session prior to the closed session unless the Council states that to do so would jeopardize its ability to conclude existing settlement negotiation or effectuate service of process.
- 4.2.8.3 Compensation (salaries and benefits) of employees; to review its position and instruct designated representatives.
- 4.2.8.4 Personnel: The appointment, employment, evaluation of performance, or dismissal, of a public employee, or to hear a complaint against an employee, unless the employee requests a public hearing.

4.3 SPECIAL MEETINGS

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

4.4 EMERGENCY MEETINGS

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

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

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

City email is subject to the requirements of the Brown Act and is subject to disclosure under the Public Records Act.

The Brown Act does not prohibit the use of email to make individual contacts between Members of the Council, or the public or staff. However, great care should be taken to avoid the use of email to contact a majority of the Council, either individually or serially, “in a connected plan to engage in collective deliberation on public business.”

City emails are generally intended to fulfill the same general function as ordinary daily verbal communications among City Council and City staff and are generally considered “transitory” documents (work-in-progress), and therefore are generally not subject to records retention requirements. For file management and storage purposes, City email messages should only be retained for as long as needed. In most instances this means deleting messages as you have read them, and shortly after you have sent them.

Some email messages, including any attachments thereto, can be considered official city records, because the content relates in a substantive way to the conduct of the public’s business. Emails that qualify as public records need to be retained by the City. However, they are not retained through the City e-mail system. Those emails should be printed as a hard copy or saved electronically in a folder outside the e-mail system, in accordance with the City’s records retention policy. Generally, the sender of the email should be the person responsible for printing and filing it accordingly, but persons responsible for a particular program or project file shall be responsible for retaining all e-mail they send or receive related to that program or project.

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

Periodically, the City receives requests for inspection or production of documents pursuant to the Public Records Act, as well as demands by subpoena or court order for such documents. In the event such a request or demand is made for e-mail, the City Council Members or employees having control over such e-mail, once they become aware of the request or demand, shall use their best efforts, by any reasonable means available, to temporarily preserve any e-mail that is in existence until it is determined whether such e-mail is subject to preservation,

public inspection or disclosure. The City Clerk shall be contacted regarding any such emails within the City Council Member or employee's control.

Council Members are assigned a City electronic messaging account, such as an email account. To the extent feasible, City issued accounts shall be used to conduct City business. Limited use of a private device for public business is permissible but discouraged.

Electronic communications regarding City business may be subject to the City's official records retention policies and the Public Records Act, *even if those electronic communications are or were created, sent, received or stored on a Council member's personal electronic messaging account or device.* To the extent a Council Member uses private, non-City electronic messaging accounts or devices, in compliance with State law they will be asked to locate any such electronic communications on those non-City accounts or devices and provide the communications to the City Clerk in the event a Public Records Act request is made seeking the communication(s).

If a Council Member receives an electronic message regarding City business on his/her personal electronic messaging account or device, or circumstances require such person to conduct City business on a personal account or device, then the Council Member is strongly encouraged to either: (a) copy ("cc") any communication from the Council Member's personal electronic messaging account to his/her City electronic messaging account; or (b) forward the electronic communication to his/her City account as soon as feasible after the original creation or transmission of the electronic communication. That practice facilitates efficient and prompt responses to Public Record Act requests.

4.6 OTHER PROVISIONS

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

**CHAPTER FIVE
COUNCIL/STAFF RELATIONSHIPS AND CONDUCT**

5.1 INTENT

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

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

5.2 GUIDELINES FOR COUNCIL MEMBERS

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

5.2.1 REQUESTS FOR INFORMATION

The Mayor, individual Council Members, as well as the Council as a whole, shall be permitted complete freedom of access to any information requested of staff, and shall receive the full cooperation and candor of staff in being provided with any requested information, when the law allows that access.

The Mayor and Council Members shall make routine requests for information through the appropriate department head, who shall then advise the City Manager of such requests. Complex or comprehensive requests for information shall be made through the City Manager.

5.2.2 DIRECTION TO STAFF

The Mayor and Council Members shall make requests for work to be done by City staff through the City Manager. The Mayor and individual Council Members shall make no attempt to pressure or influence staff decisions, recommendations, workloads, schedules and departmental priorities, except as part of budgetary and goal setting priority sessions and with approval of the Council as a whole.

A Council Sub-committee may be given authority by the full Council to work in conjunction with the City Manager, and his/her designated staff on a particular

project or issue. In those instances, any work products will be brought back to the full Council for consideration and action.

5.3 GUIDELINES FOR STAFF

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

5.3.1 TIMELY RESPONSE

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

5.3.2 DIRECTION FROM COUNCIL

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

5.3.3 STAFF SUPPORT TO INDIVIDUAL COUNCIL MEMBERS

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

As noted, above, when a Council sub-committee has been duly authorized by the full Council, staff members may provide information and assistance to the sub-committee, which will report back to the full Council.

5.3.4 INFORMATION DISTRIBUTION

In the interest of treating all members of the Council equally, in cases where a staff response to the Mayor or an individual Council Member request involves written material, the City Manager will provide copies of the material to all other Council Members.

5.3.5 SIGNIFICANT INFORMATION

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

5.4 USE OF CITY LETTERHEAD

Staff will not prepare correspondence representing the Mayor or a Councilmember's personal point of view or a dissenting point of view from an official City policy or Council position. If a Councilmember uses her/his title, position, or City letterhead to express a personal opinion, then the letter shall state "I am writing this letter on behalf of myself" and, the official City position must also be stated clearly so the audience understands the difference/relationship between the official City position and the viewpoint of the Mayor or that Councilmember. If a letter is written on behalf of the majority of the City Council, then the letter shall state "I am writing this letter on behalf of the City Council." A copy of any and all correspondence developed by or for the Mayor or a Councilmember on City letterhead shall be provided to the City Manager and the entire City Council.

CHAPTER SIX ADVISORY BOARD PROCEDURES

6.1 COUNTY OR REGIONAL REPRESENTATION

Annually, the Mayor shall make appointments to a variety of County and/or regional committees and boards. One Member of the Council shall serve as a voting representative and one Member shall serve as alternate. (See 6.5 for appointment procedures). To the best of their ability, Voting Delegates shall reflect the majority view of the Council as a whole, rather than their own personal opinions.

6.2 OTHER COUNCIL REPRESENTATION, SUBCOMMITTEES

6.2.1 COUNCIL LIAISON ASSIGNMENTS

The City Council shall assign a Council liaison to each of the following advisory bodies: Recreation & Parks Commission, Harbor Advisory Board, Public Works Advisory Board, the Citizens Finance Advisory Committee, the Planning Commission and Tourism Business Improvement District Advisory Board. Council liaisons will also be appointed to the special purpose advisory bodies.

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

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

6.3 ROLE OF ADVISORY BODY MEMBERS AT COUNCIL MEETINGS

6.3.1 INTENT

A majority of advisory body members may attend a public Council meeting. However, none of those members may speak regarding any matter within that member's advisory body's subject matter jurisdiction while ~~that~~ majority of members of that advisory body are present. An advisory body may direct one of its members to appear at a public Council meeting to express that advisory body's

perspective on a particular matter reviewed by the advisory body or answer questions from the Council.

6.3.2 COUNCIL AGENDA REPORTS

6.3.2.1 Recommendation Differences. For those occasions when the City Manager recommendation differs from an advisory body recommendation, the difference should be clearly noted and the recommendations from the advisory body should be included in the staff report.

6.3.2.2 The Council will endeavor to meet at least once each fiscal year with each of its advisory bodies or the chair of each advisory body.

6.3.3 COUNCIL MEETINGS

6.3.3.1 Advisory bodies will provide written or oral reports to the City Council as requested by the Council and in accordance with the Brown Act.

6.4 ROLE OF CITY STAFF PERSONS

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

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

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

6.5 APPOINTMENT PROCEDURES

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

6.5.1 PURPOSE

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

6.6 PROCESS

6.6.1 QUALIFICATIONS

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

6.6.1.2.1 The applicant must be at least 18 years of age at the time of appointment; provided, that the Council may appoint one area high school student to an advisory body, if allowed by the Advisory Body By-Laws and they meet the other qualification requirements.

6.6.1.2.2 Elected Officials, Officers and Employees of the City of Morro Bay shall not be considered for appointment, unless otherwise approved unanimously by the City Council.

6.6.2 TERMS

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

may apply for subsequent terms of service. Terms of Office will expire on January 31, of the specified year.

- 6.6.2.2 Persons appointed to fill the remainder of a vacated office term may reapply to serve on the same advisory body.
- 6.6.2.3 Mid-term appointment to a vacant seat shall not preclude the appointee from serving additional terms.
- 6.6.2.4 As a general policy, an applicant shall not be appointed to serve on more than one advisory body, except that a member may also serve on one technical or special-purpose committee at the same time. If appointed to another committee, then he/she will be expected to resign from one body upon being appointed to another. The City Council retains the discretion to make exceptions to this policy.

6.6.3 PROCESS

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

6.6.3.6.2 Candidates not appearing for interview before the City Council will be considered for appointment only upon a finding of the City Council by motion the absence arose from excusable neglect or personal difficulties.

RESOLUTION NO. 27-18

RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
PLEDGING TO FOLLOW BEST PRACTICES OF CIVILITY AND CIVIL
DISCOURSE IN ALL OF ITS MEETINGS

THE CITY COUNCIL
City of Morro Bay, California

WHEREAS, on November 10, 2015, the City Council adopted Resolution No. 70-15 pledging to follow best practices of civility and civil discourse in all of its meetings, principals developed by the League of Women Voters; and

WHEREAS, a healthy democracy respects the people's right to debate issues with passion; and not only tolerates disagreement but welcomes it; and

WHEREAS, Honest debate helps refine ideas and create policies that benefit the greater good;

WHEREAS, we, the Mayor, City Council Members, Commissioners, Appointees, and Staff of the City of Morro Bay, in order to ensure **civility** and **civil discourse** in all of our meetings, reaffirm and pledge our commitment to the following **best practices of civility and civil discourse**; and,

WHEREAS, we pledge our commitment to **listen first**, making an honest effort to understand views and reasoning of others by listening to understand, not listening to find fault, allowing thoughtful discussion to lead to the best possible outcomes; and

WHEREAS, we pledge our commitment to **respect different opinions**, by inviting and considering different perspectives, allowing space for ideas to be expressed, opposed and clarified in a constructive manner; and

WHEREAS, we pledge our commitment to **show courtesy**, by treating all colleagues, staff and members of the public in a professional and courteous manner whether in person, online, or in written communication, especially when we disagree; and

WHEREAS, we pledge our commitment to **avoid rhetoric intended to humiliate, malign, or question the motivation** of those whose opinions are different from ours in all our meetings; and

WHEREAS, we pledge our commitment to **speak truthfully** without accusation, and avoid distortion in all our meetings; and

WHEREAS, we pledge our commitment to **debate the policy not the person**, focusing on the issue, and not personalizing the debate or using other tactics that divert attention from the issue; and

WHEREAS, we pledge our commitment **against violence** and **incivility** in all their forms whenever and wherever they occur in all our meetings; and

WHEREAS, we commit ourselves to build a civil political community in which each

person is respected and spirited public and political debate is aimed at the betterment of the City of Morro Bay and its people and not the disparagement of those with whom we disagree.

NOW, THEREFORE, BE IT RESOLVED, by the City Council, City of Morro Bay, California, that the Mayor, City Council Members, Commissioners, Appointees, and Staff of the City of Morro Bay shall promote the use of and adherence to the principles of **civility** and **civil discourse** in conducting business with appointed and elected officials, staff, and citizens.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 8th day of May 2018 on the following vote:

AYES:

NOES:

ABSENT:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

RESOLUTION NO. 28-18

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING THE ADVISORY BODIES HANDBOOK AND BY-LAWS**

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

WHEREAS, to ensure all Advisory Board Members are familiar with and understand the City of Morro Bay's philosophies and policies regarding serving on an Advisory Board, and to establish consistency throughout the by-laws for all commissions and advisory boards, the City of Morro Bay adopted the Advisory Boards Handbook and By-Laws on August 12, 2002; and

WHEREAS, the Advisory Boards Handbook and By-Laws for the City of Morro Bay is a composite of the City Council actions, policies, references, and information regarding the City Advisory Boards; and

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

WHEREAS, at its meeting of August 22, 2017, the City Council directed a complete review of Manual and established a subcommittee consisting of Mayor Irons and Council Member McPherson to lead that review; and

WHEREAS, the Council reviewed and provided direction for further edits at its December 12, 2017 and March 27, 2018 meetings.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, that the Advisory Bodies Handbook and By-laws is readopted, as attached hereto as Exhibit A.

PASSED AND ADOPTED by the City Council, City of Morro Bay at a regular meeting thereof held on the 8th day of May 2018 by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

CITY OF MORRO BAY
ADVISORY BODIES
HANDBOOK
AND
BY-LAWS
DRAFT

Date: ~~December 12, 2017~~ May 8, 2018

Approved by Resolution ~~65-17~~

Mission Statement

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

INTRODUCTION

Welcome and thank you for your interest in serving on one of the City's Advisory Bodies. By serving on one of Morro Bay's Advisory Bodies, you can help plan and guide the City's future. It is important that members of the Advisory Bodies understand the functions and responsibilities of being a member. We hope you find serving on the City's advisory body personally satisfying, and in the process gain invaluable knowledge and experience.

The Morro Bay Municipal Code empowers the City Council to form boards and commissions to assist the City Council in legislating and managing the affairs of the City. From time to time citizen advisory committees are appointed to meet a specific topic, project, or need. Their varied roles provide significant opportunities for formulating City policy and for creating public forums for meaningful community participation.

Consistent with the City's Mission Statement, advisory bodies can help the City achieve its mission and purpose, which is to preserve and enhance the citizens of Morro Bay's quality of life. This Handbook shall serve as a guide to assist you in the sometimes-complex, but often rewarding, process of serving on one of the City's Advisory Bodies. These advisory bodies assist the City Council in making better-informed decisions by formulating new ideas, gathering information, receiving public testimony and comments, analyzing complex issues, and making recommendations on specific projects and broad policy.

Advisory Bodies advise the City Council and the City Manager on matters within their area of responsibility and interest; help focus attention on specific issues and problems within their scope of responsibilities, and recommend action and alternatives for Council consideration; act as channels of communication among City government, the general public, and interest groups; and balance community wants with municipal responsibility and resources.

At times, your role may be challenging and complex. Public opinion can be sharply divided, questions may overlap, and sometimes the province of one body may also be the territory of another. Therefore, we have created this handbook to assist you with some of the fundamental aspects of your new responsibility.

Much of the information in this handbook comes from City policy, such as the Morro Bay Municipal Code and the City Council Policies and Procedures Manual. In addition, State Law governs certain responsibilities of advisory body members. The material presented is

intended to: (1) Give interested persons an understanding of why the City's advisory bodies have been established and how they function within the overall governmental framework and, (2) Summarize the roles, relationships and responsibilities of each advisory body member.

Each Advisory Body within the City has its own By-Laws, which are included in this Handbook for your ease of reference. The sections of the Handbook are divided as follows:

1. General Information on Advisory Bodies
2. How Our City Government Works
3. How Advisory Bodies Work
4. The Brown Act
5. Political Reform Act of 1974 (Conflict of Interest)
6. Advisory Body By-Laws

We hope this Handbook will answer many of your questions, get you off to a good start, and contribute to your satisfaction in serving the citizens of the City of Morro Bay.

1. General Information on Advisory Bodies

A. Background

Advisory bodies are authorized by both the Morro Bay Municipal Code and the City Council. They provide an opportunity for interested residents to participate in the governing of their community under guidelines and procedures established by the Council. Advisory bodies can improve the quality of City government by providing the Council with resources to make better-informed decisions. They can serve as the “eyes and ears” of the Council for issues and matters that otherwise might not receive attention. Other benefits include improvement in the lines of communication between the public and the Council, greater opportunities for discussion of public issues, and more citizen involvement in City government. There is considerable variety in the purpose or responsibility of these bodies. Advisory bodies have been created by the City Council to serve the City of Morro Bay’s unique needs.

The authority of an advisory body will depend upon its specific purpose. Each has a specific focus and will make recommendations to the Council on issues related to that specific field. Decisions made by an advisory body may be appealed to the Council. The Council may not always accept the recommendation of an advisory body because of additional information available or a need to balance the recommendation with policy or community priorities.

Generally, advisory bodies are empowered only to make recommendations to the Council or to the City staff, unless specifically authorized by law or Council to do otherwise. There should be two-way communication so that advisory bodies are aware of the long-term goals Council has adopted, and the advisory body is able to present new ideas to the Council. Advisory body members are encouraged to attend and/or watch Council meetings.

Members of the advisory bodies are volunteers who are appointed by the City Council and serve at the pleasure of the City Council. There is no compensation or benefits for ~~board~~ members, except for Planning Commission, whose responsibilities are greater and meetings more frequent. All members are expected to attend scheduled advisory body meetings and all meetings shall be conducted in accordance with Robert’s Rules of Order, City Council Policies and Procedures Manual and State Law.

Currently, the City of Morro Bay has six advisory bodies:

- Harbor Advisory Board
- Public Works Advisory Board
- Recreation and Parks Commission
- Tourism Business Improvement District Board
- Planning Commission
- Citizens Oversight Committee/Finance Committee

From time to time, a special advisory body may be created by the Council to provide input on a specific issue or project. These bodies have a mission statement and goals with a limited duration and do not necessarily meet on a regular basis.

B. Application/Selection Process and Membership Qualifications

The City of Morro Bay encourages participation of a wide variety of its citizens through service on an advisory body. Applicants will be sought from all segments of the community, representing various interests and groups.

1) The Application/Selection Process

- All recruitment for advisory body members is open and published in a local newspaper.
- The City accepts applications from interested persons throughout the year.
- Each application is carefully reviewed by the City Council.
- Appointment is made by the City Council in a special, publicly held meeting.
- Members serve at the pleasure of the City Council.
- Incumbents are considered for reappointment at the conclusion of their terms.
- Terms are four years, commencing on February 1st, and the terms are staggered.
- Applications may be obtained from the City Clerk's office at City Hall. Information on vacancies and/or specific recruitment periods may be requested by phoning the City Clerk. An official application form must be completed for each position.
- Fill out a separate form for each advisory body in which you are interested. It is to your advantage to tailor each application to the specific board or commission for which you are applying. Emphasize different aspects of your background to match those needed for a particular advisory body.
- Emphasize your talents. Clearly indicate how your particular talents, skills, training, or experience will benefit the advisory body for which you wish to be considered.
- Become familiar with the appropriate advisory body. Attend meetings, talk with advisory body members, or read documents they have developed to acquaint yourself with their work. Talk with the department head responsible for staffing the specific advisory body in which you are interested.

2) Qualifications for Service

Advisory body members may be required to wear "different hats" at different times. The ability to suitably perform the varied roles requires specialized skills and knowledge. Qualification for service can be divided into four general areas:

◆ **LONG-RANGE INTEREST IN THE COMMUNITY**

The ability to conceive and be concerned with the impact of current decisions on future citizens is paramount. Advisory body members are

required to analyze issues, to listen to public comment through formal hearings or informal discussion, to interpret and apply mandates of the General Plan, and to analyze all the pertinent data before arriving at objective decisions which will be in the best interest of the community as a whole.

◆ **FAIRNESS, COMMON SENSE, HONESTY AND GOOD CHARACTER**

Keeping the public interest in mind, an advisory body member will be called upon to use every day good sense in balancing the need of public and private groups. Controversial issues do arise, and the ability to make decisions based on merit rather than personalities is a must. Other traits include imagination, flexibility and the ability to act in a judicial vs. legislative capacity.

◆ **KNOWLEDGE OF THE COMMUNITY MARKETPLACE, PROCESS, OBJECTIVES, AND LAWS**

A first-hand knowledge of economic systems, the general operation of government, and a basic understanding of the legal process is important. This knowledge will be of tremendous value, especially on the Planning Commission where members are required to conduct public hearings, analyze and receive testimony and make meaningful decisions.

◆ **TIME TO SERVE IN APPOINTED CAPACITY**

The amount of time an advisory body member devotes to his/her duties varies with each advisory group. Before making a personal commitment, a prospective applicant should honestly evaluate whether he/she has adequate free time to attend the meetings, to review and be familiar with meeting materials, and to communicate with the public as well as with department staff.

3) Other Requirements

Members of all advisory bodies are required to file the State of California Statements of Economic Interest (Form 700). Additionally, advisory body members are required to refrain from participation in matters where they have the potential for conflict of interest. (See Section 5 for the City's policy on Conflict of Interest)

Advisory body members are also required to attend periodic trainings, including Ethics Training and Sexual Harassment Training as well as others which may be mandated.

2. How Our City Government Works

The City of Morro Bay is a general law city and became incorporated in 1964; ~~it and~~ operates under the laws of the State of California.

The City Council, City Manager, City Clerk and City Attorney are integral to the day-to-day operations of the City. As such, we have included a summary of the City government's main function for your information and reference.

A. City Council

The City Council is elected by a majority vote by the citizens of Morro Bay. The City Council is the governing body of the City and is made up of the Mayor and four council members. The Mayor is elected for a two-year term and the Council Members are elected for staggered four-year terms. Mayoral and City Council elections are held in November of even-numbered years. Regular Council meetings are held according to the established calendar in the Council Chamber at the Vet's Hall. In addition, special meetings and study sessions are held from time to time. The Mayor is the official spokesperson for the Council. The City Council is accountable to the citizens of Morro Bay. The decisions of the City Council are reached by a majority vote.

The City Council formulates policy, approves programs, appropriates funds and establishes local taxes and assessments. The City Council enacts local laws (ordinances) and regulations for governing of the City. The local ordinances adopted by the City Council are compiled in the City's Municipal Code.

B. City Manager

The City Manager is the administrative head of the government of the City. The City Manager is appointed by the City Council, and serves at its pleasure. The City Manager's duties include implementation of policies and procedures initiated by the City Council. The City Manager also is responsible for all City personnel, except as to the City Attorney, and serves as a liaison to each advisory body, unless otherwise noted in the Advisory Body By-Laws. The following positions report to the City Manager: City Clerk, Treasurer/Finance Director, Chief of Police, Fire Chief, Community Development Director, Public Works Director, Harbor Director, Recreation and Parks Manager, and Tourism Manager.

C. City Clerk/Risk Manager

The City Clerk's duties include, but are not limited to: recording, writing and maintaining Council proceedings, conducting municipal elections, publishing ordinances and resolutions and other official City documents, storing and indexing official documents and City records for retrieval, administering Conflict of Interest disclosures, and serving as the custodian of the seal of the City. **The City Clerk also serves as the City's Risk Manager, coordinating activities**

related to coverage documents; processing all claims related to the City's property, liability and workers' compensation insurance; and implementing policies and programs to reduce the City's exposure to risk.

D. City Attorney

The City Attorney is appointed by the City Council. The City Attorney is the legal counsel for the City and advises the City Council and City officials, officers and employees (in their official capacity) in legal matters, attends all Council meetings and some board meetings, represents the City in legal actions and proceedings, and retains, supervises and monitors outside legal counsel. The City Attorney also approves all bonds and contracts made by the City, prepares ordinances and resolutions as required by the Council and prosecutes violations of the Morro Bay Municipal Codes and ordinances.

3. How Advisory Bodies Work

A. Understanding Your Role and Scope of Responsibility

After appointment by the Council and being sworn in as a City officer, the City Clerk will provide new advisory body members with useful information about the City, including this handbook. In addition, the City staff member who supports your advisory body will schedule an orientation appointment with you. That is will be your opportunity to learn more about the scope of responsibility of the advisory body to which you have been appointed. Additional trainings may will be held periodically.

1) Council Liaison Member(s)

Each year the Council selects two of its members (one regular and one alternative) to be "Liaison Members" to each advisory body. The Council Liaison can be called upon to facilitate the flow of information between the Council and that advisory body. The Liaison Member may also attend advisory body meetings.

2) Preparing for Your Role

It will be helpful to review the City's Mission Statement, the City's website, and your advisory body's by-laws. Meeting with your advisory body chair and getting to know fellow advisory body members, staff and the Council Liaison will also help you to learn more about your role and to understand expectations. Ask about upcoming issues. Also attend training programs and workshops offered to you by the City.

3) Advisory Body Work Plans

To ensure ~~that a~~ a ~~Advisory b~~ Bodies are assisting the Council on key issues of community concern, the Council and each a ~~Advisory b~~ Body establish an annual work plan. The work plan is derived from the goals and objectives approved by the Council for the coming year. It spells

out the specific topics and issues that the advisory body will likely be addressing. Other issues may arise during the year that the Council may ask an advisory body to consider and on which to make recommendations.

4) Advisory Body Sub-Committees

From time to time it may be desirable for the Cehair of an advisory body or a majority of an advisory body to appoint a sub-committee to address a particular issue. ~~That~~^{This} is especially the case if the issue requires additional work or research. The number of sub-committee members depends on the size of the advisory body. Per the Brown Act, sub-committees must consist of less than a quorum of the body. Therefore, for a five-member body, sub-committees may consist of two members. Seven-member bodies may have sub-committees composed of two or three members. Sub-committees report back to the full body for discussion before any formal action can be taken on the issue,

5) Advisory Body/Staff Relationship

The proper channel to contact City staff on items of consideration is through the designated City staff person providing support to your advisory body. Staff support and assistance is provided, but advisory bodies do not have supervisory authority over City employees. While they may work closely with advisory bodies, staff members remain responsible to their immediate supervisors and ultimately to the City Manager and Council. The advisory body members are responsible for the functions of the advisory body and the Cehair~~person~~ is responsible for committee compliance with the policies outlined in this Handbook.

Staff support includes preparation of a summary agenda and preparation of agenda reports providing a brief background of the issue, a list of alternatives, recommendations and appropriate backup materials, as necessary. Advisory body members should be mindful of staff's time in making requests for information. The request should be specific and limited in scope so staff can respond without altering other priorities and with minimal delay to other assignments. The request should only impose a "one-time" work requirement and should not require a significant allocation of staff resources (generally defined as consisting of more than one staff person working on the issue in excess of 1-2 hours).

6) Advisory Body/City Council Relationship

Advisory bBodies are occasionally requested to make special reports or recommendations to the Council on specific subjects. Any recommendations or reports from an advisory body should be in written form.

An advisory body does not have authority to speak for the City. If the body wishes to recommend ~~that~~ a statement be made, then it shall be submitted to and receive approval of the Council. An advisory body shall not sponsor or co-sponsor a public forum, meeting or survey without the prior approval of the Council. Individual advisory body members should avoid

making public comments on Council actions or public policies that might appear to represent the official position of their advisory body. Advisory body actions, with the voting of each member, are conveyed to the Council in the form of official minutes or by resolution. The Cehairperson of an advisory body is the spokesperson for the group.

If a member of an advisory body appears before the Council (or another advisory body) in a capacity other than as representative of his/her body, then it should be explained in advance that any statements made are not to be construed as representing the opinions or recommendations of the advisory body. The member should state that s//he is speaking as a member of the public. That member must take care not to make comments at a Council (or other advisory body) meeting about a matter within that member's advisory body's subject mater jurisdiction if a majority of that advisory body are present at that meeting.

7) Resignation

If an advisory body member finds it necessary to resign, then a letter of resignation stating the effective date of the resignation shall be directed to the Council through the City Clerk, with a copy forwarded to the Cehairperson of the advisory body.

8) Removal from Office

As noted, advisory body members serve at the pleasure of the Council and may be removed without cause by Council action in an open public meeting. Violation of City policies or the policies contained in this Advisory Bodies Handbook will result in a warning, reprimand, or removal.

B. Advisory Body Meeting Procedures and Conduct

1) Parliamentary Procedures

All advisory body meetings shall be conducted in accordance with City practices and policies. Robert's Rules of Order, Newly Revised, shall also be used as a guide in conducting meetings. Questions should be directed to the appropriate City staff. A quorum shall be stated in individually adopted advisory body bylaws or procedures.

The order of business of advisory body meetings follows the City Council's procedures:

- a) Establish Quorum and Call to Order
- b) Moment of Silence
- c) Pledge of Allegiance
- d) Committee Members Announcements and Presentations
- e) Public Comment Period – Members of the audience wishing to address the committee on items not on the agenda or items on the agenda if they are unable to stay for the entire meeting
- f) Consent Calendar

- g) Public Hearing (for Planning Commission)
- ~~g~~)h) Business Items
- ~~h~~)i) Future Agenda Items
- ~~i~~)j) Notification of Next Meeting and Adjournment

For discussion of items on the agenda, the following order is followed:

- a) Presentation of the Staff Report
- b) Advisory Member Questions
- c) Public Comments
- d) Advisory Member Discussion
- e) Recommendation(s) as Needed

Consistent with City Council practice for receiving public comments on agenda items, advisory bodies are encouraged to limit public comments to three-~~(3)~~ minutes per speaker to ensure that everyone who wishes to be heard has the opportunity to do so. The Chair, with the consensus of the advisory body, may allow additional brief testimony from speakers who have already commented on the same agenda item; however, speakers should not be allowed to yield their time to another speaker.

2) Behavior and Civil Discourse Policy

The City of Morro Bay encourages the willingness to speak up and to listen within a framework of respect and understanding. Toward ~~that~~this end, the Council has adopted Resolution No. 70-15, a Resolution of the City Council of the City of Morro Bay, California, Pledging to Follow Best Practices of Civility and Civil Discourse in All of Its Meetings (see following page). ~~That~~this resolution was crafted by the League of Women Voters of San Luis Obispo County.

RESOLUTION NO. 70-15

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
PLEDGING TO FOLLOW BEST PRACTICES OF CIVILITY AND CIVIL DISCOURSE
IN ALL OF ITS MEETINGS**

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

WHEREAS, we, the Mayor, City Council Members, Commissioners, Appointees, and Staff of the City of Morro Bay, in order to ensure **civility and civil discourse** in all of our meetings, pledge our commitment to the following **best practices of civility and civil discourse**; and,

WHEREAS, we pledge our commitment to **respect** the right of all people to hold different opinions in all our meetings; and

WHEREAS, we pledge our commitment to **avoid rhetoric intended to humiliate, malign, or question the motivation** of those whose opinions are different from ours in all our meetings; and

WHEREAS, we pledge our commitment to **strive to understand** differing perspectives in all our meetings; and,

WHEREAS, we pledge our commitment to **choose words carefully** in all our meetings; and

WHEREAS, we pledge our commitment to **speak truthfully** without accusation, and avoid distortion in all our meetings; and

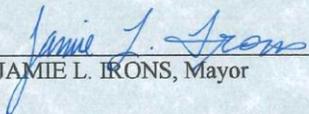
WHEREAS, we pledge our commitment **against violence and incivility** in all their forms whenever and wherever they occur in all our meetings; and

WHEREAS, we commit ourselves to build a civil political community in which each person is respected and spirited public and political debate is aimed at the betterment of the City of Morro Bay and its people and not the disparagement of those with whom we disagree.

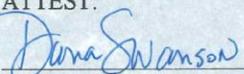
NOW, THEREFORE, BE IT RESOLVED, by the City Council, City of Morro Bay, California, that the Mayor, City Council Members, Commissioners, Appointees, and Staff of the City of Morro Bay shall promote the use of and adherence to the principles of **civility and civil discourse** in conducting business with appointed and elected officials, staff, and citizens.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 10th day of November, 2015 on the following vote:

AYES: Irons, Johnson, Smukler
NOES: None
ABSENT: Heading, Makowetski



JAMIE L. IRONS, Mayor

ATTEST:


DANA SWANSON, City Clerk

The Chairperson (or presiding officer in the event the Chairperson is absent) of each advisory body is responsible for ensuring that all of its members as well as members of the general public adhere to these practices. The presiding officer strives to preserve appropriate order and decorum during all meetings. Speakers should be encouraged to address the advisory body and not the audience and discouraged from clapping, shouting or booing.

Persons demonstrating rude, boisterous, or profane behavior will be called to order by the presiding officer (chairperson or vice chairperson). If such conduct continues, then the presiding officer may call a recess, request the removal of such person(s) from the meeting, adjourn the meeting, or take such other appropriate action permitted by the Brown Act.

3) Quorum Requirements

A quorum constitutes the majority or more than half of the total established members of the advisory body. A quorum must be in attendance for any discussion or action to take place. The quorum must be present for the entire meeting and if a member leaves during the meeting that results in the absence of a quorum, the meeting must be adjourned.

If vacancies exist on an advisory body, then those positions still count when determining ~~atowards the~~ quorum. For example, if two positions are vacant on a seven-member body, and two members are absent there is not a quorum and no meeting can be held.

4) Meeting Absences

Because of quorum requirements, when an absence is anticipated, the individual advisory body member is responsible for notifying the Chairperson and the staff responsible in advance and the absence shall be counted in that member's attendance record. Attendance requirements are contained in each advisory body's by-laws, but generally speaking missing three consecutive regular meetings or 25% of the regular meetings during any 12-month period, without formal consent of the City Council, shall constitute the resignation of the absent member.

5) Chairperson Responsibilities

The Chairperson's main role is to provide the advisory body with direction and to set the tone for meetings. The job involves balancing the need to keep the meeting moving while also ensuring ~~that~~ all members of the advisory body and the public are involved in the meeting. The Chairperson is responsible for ensuring ~~that~~ the meeting follows parliamentary procedures, as described above.

6) Reconsideration of Issues

City Council Policies & Procedures discourage reconsideration of issues once a decision has been made. Decisions can be revisited if a majority of Council Members choses to do so. ~~new information becomes available, but otherwise to reconsider a decision, a Councilmember must have voted in the majority initially and the reconsidered motion must pass by a majority~~

~~vote. The implication of this policy for advisory bodies, is that once the City Council has made a decision on an issue an advisory board should not attempt to reconsider that issue or make an alternative recommendation to Council.~~

4. The Brown Act

This is a ~~mere glimpse~~ **brief review** of the Brown Act, also known as the “open meeting law.” A more detailed Brown Act and Political Reform Act Booklet is available to the advisory ~~board~~ **body** through the City Attorney’s office.

~~a. The Brown Act~~ **A. Purpose**

The general purpose of the Brown Act is to aid in the conduct of the people’s business. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not for the people to know. Therefore, it is the intent of ~~the~~ **Brown Act** ~~that~~ the actions and deliberations of all local agencies be taken openly, including— deliberations and collective discussion involving the examination, weighing and reflection on the reasons for or against a choice. It also includes the exchange of facts preliminary to the ultimate decision.

Generally, all meetings of City boards, commissions, committees and groups are to be open and public and all persons are to be permitted to attend any meeting. Under certain *strict* circumstances, closed session meetings are permitted.

A “meeting” is defined as a gathering of a majority (quorum) of the advisory body to discuss items ~~within~~ **before** the body’s subject matter jurisdiction or to conduct other business of the body. It should be noted ~~that~~ the Brown Act generally prohibits any action or discussion of items not on the posted agenda. The Brown Act also requires ~~that~~ regular meeting agendas allow for two types of public comment: general public comment where the public can comment on any item that is within the subject matter jurisdiction of the body that is not listed on the agenda; and public comment that is specific to items on the advisory body’s agenda. In Morro Bay, separate public comment is allowed on each item on the posted agenda prior to deliberation.

Keeping in mind ~~that~~ all discussion of issues by an advisory body must be made in a public meeting, one of the most common violations of the Brown Act involves serial meetings. This occurs when any communication among a majority of the members occurs outside of a meeting. A common example of a serial meeting is when one member calls a second member who then calls a third member, and so on to share ideas among a majority of the advisory body. Another common occurrence involves e-mails. For example, a staff member sends out via e-mail a document, and one member recommends a revision and copies fellow advisory body members. It is good practice to send e-mail responses to the sender only.

Brown Act ~~c~~Compliance is absolutely required. We encourage you to carefully review the Brown Act Booklet which is available through the City Attorney's Office which describes in detail the Brown Act.

B. Electronic Mail (e-mail), the Public Records Act and the Brown Act

You will be issued a City e-mail once you are appointed to an advisory body. City e-mail is no less a part of "official City business" than any other written correspondence, and there is no expectation of privacy for City email messages. Good judgment and common sense should, therefore, prevail at all times regarding its appropriate use. City e-mail is subject to the requirements of the Brown Act and is subject to disclosure under the Public Records Act.

The Brown Act does not prohibit the use of e-mail to make individual contacts between members of an advisory body, the City Council, or the public or staff. However, great care should be taken to avoid the use of e-mail to contact a majority of the Council or your advisory body, either individually or serially, "in a connected plan to engage in collective deliberation on public business."

City e-mails are generally intended to fulfill the same general function as ordinary daily verbal communications among advisory body members, City Council and City staff and are generally considered "transitory" documents (work-in-progress), and, therefore, are generally not subject to records retention requirements. For file management and storage purposes, City e-mail messages should only be retained for as long as needed. In most instances this means deleting messages as you have read them, and shortly after you have sent them.

Some email messages, including any attachments thereto, can be considered official city records, because the content relates in a substantive way to the conduct of the public's business. Emails that qualify as public records need to be retained by the City. However, they are not retained through the City e-mail system. Those e-mail public records should be printed as a hard copy or saved electronically in a folder outside the e-mail system, in accordance with the City's records retention policy. Generally, the sender of the e-mail should be the person responsible for printing and filing it accordingly, but persons responsible for a particular program or project file shall be responsible for retaining all e-mail they send or receive related to that program or project.

It is the responsibility of individual ~~City Council Members,~~ advisory body members, ~~employees and their department heads~~ to determine if e-mail is an official City-record that must be retained in accordance with the City's record retention policy. The City Attorney will assist in making such a determination. Preliminary drafts, notes or interagency or intra-agency memoranda that are not retained by the City in the ordinary course of business are generally not considered to be official City records subject to disclosure. ~~A City Council Members,~~ advisory body members, ~~and employees~~ are encouraged to delete documents that are not otherwise required to be kept by law or whose preservation is not necessary or convenient to the discharge of your duties or the conduct of the City's business.

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

Advisory board members~~City Officials~~ will typically be assigned a City electronic messaging account, such as an email account. To the extent feasible, City issued accounts shall be used to conduct City business. Limited use of a private device for public business is permissible, but not encouraged.

Electronic communications regarding City business may be subject to the City's official records retention policies and the Public Records Act, even if those electronic communications are or were created, sent, received or stored on an advisory board member~~City Official's~~ personal electronic messaging account or device. To the extent an advisory board member~~City Official~~ uses private, non-City electronic messaging accounts or devices, in compliance with State law they will be asked to locate any such electronic communications on those non-City accounts or devices and provide the communications to the City Clerk in the event a Public Records Act request is made seeking the communication(s).

If an advisory board member~~City Official~~ receives an electronic message regarding City business on his/her personal electronic messaging account or device, or circumstances require such person to conduct City business on a personal account or device, then the advisory board member~~City Official~~ is strongly encouraged to either: (a) copy ("cc") any communication from the advisory board member~~City Official's~~ personal electronic messaging account or device to his/her City electronic messaging account; or (b) forward the electronic communication to his/her City account as soon as feasible after the original creation or transmission of the electronic communication. That practice facilitates efficient and prompt responses to Public Record Act.

5. Political Reform Act (Conflicts of Interest)

~~A. Background~~ Background

The Political Reform Act (Government Code sections 81000, et seq.) was approved by the voters of the State of California and is intended to prevent conflicts of interest by requiring public officials to disclose certain personal financial interests which could foreseeably cause conflicts. In addition, a public official may be required to disqualify himself/herself from making, participating in, or attempting to influence any government decision which will affect any of his/her financial interests, not just those that are required to be disclosed. The City's Brown Act and Political Reform Act Booklet explains in more detail what a conflict of interest

is, and when the law requires disqualification. In addition, the Fair Political Practices Commission is available for advice.

Under the Political Reform Act, no public official may make, participate in making, or in any way attempt to use his or her official position to influence a governmental decision if he or she knows or has reason to know that he or she has a financial interest. (Government Code Section 87100). A public official has a financial interest in a decision if it is reasonably foreseeable that the decision will have a material financial effect on one or more of his or her economic interests. (Government Code Section 87103; 2 Cal. Code of Regs. Section 18700 (a)).

The term “financial interest” denotes a conclusion that a public official has a financial interest in a decision if it is concluded that it is reasonably foreseeable that the decision will have a material financial effect on his or her economic stake greater than that of other citizens. The term “economic interest” is a label applied to the particular types of stakes recognized by the Act as potential sources of a conflict of interest. There are specific types of economic interest recognized by the Act, as such, we direct you to carefully review the Brown Act and Political Reform Act Booklet which is available from the City Attorney’s Office and/or visit the Fair Political Practices Commission Web page for more detailed information.

~~B. City Policy Regarding Conflicts of Interests~~ **City Policy Regarding Conflicts of Interest**

Because the City of Morro Bay is a small, closely knit community it is imperative ~~that~~ the citizens have trust and confidence in City government. Therefore, the City has adopted this public policy to prevent any possibility of conflict that may arise.

Generally stated, any elected or appointed official has a conflict of interest if he or she has a financial interest in a project before the City and/or when compensation is received from anyone seeking approvals from the City. There are some exceptions but, generally, elected or appointed officials are prohibited from voting on projects where a conflict exists. A conflict of interest also occurs when officials live within a certain distance from a project (usually 500 feet). Even if a legal conflict does not exist, it may be inappropriate to participate in a decision for personal reasons to avoid even the appearance of a conflict of interest. As an example, there could be a conflict if your good friend has a matter before your board, and you do not feel ~~that~~ it would be appropriate for you to voice an opinion in your "City" capacity. While the latter case is not defined by the Fair Political Practices Commission as a conflict, it could be perceived as a conflict, and then stepping down is appropriate.

It is the policy of the City, in addition to strictly adhering to the Fair Political Practices Commission rules, all elected and appointed officials conduct themselves in a manner that does not raise a reasonable perception or belief that there is a conflict of interest or an abuse of your position. All advisory board ~~and commission~~ members should avoid the appearance of conflict at all costs.

If you step down from the dais and refrain from voting on an issue, then you are not precluded from speaking as an individual. Your presentation, however, must be made from the floor, at the microphone with the rest of the public. You should state for the record ~~that~~ you are speaking as an *individual*. Many times in the past, Council Members and advisory ~~board~~**body** members have stepped down from their official position at the dais when projects are presented in which there may be the potential for conflict of interest. That provides the opportunity to present your views as an *individual* on any matter before any City body.

6. ADVISORY ~~BOARD~~**BODY** BY-LAWS

The City Council has approved the rules and regulations (referred to herein as By-Laws) to set forth their purpose, procedures, and specific issues such as their functions, meeting dates, officers, vacancies and budgets.

All advisory ~~board~~ **body** meetings will be conducted in strict compliance with ~~Robert's Rules of Order~~, the City Council Policy and Procedures and State Law and with guidance from Robert's Rule of Order, all as described in this Handbook. ~~For more detailed information, we suggest you review the City Council's Policies and Procedures Manual.~~

Attached hereto are the applicable By-Laws for all of the City of Morro Bay's Advisory ~~Boards~~ **Bodies**.

CITY OF MORRO BAY HARBOR ADVISORY BOARD BY-LAWS

PURPOSE AND AUTHORITY

The Harbor Advisory Board is established to review, advise, and recommend to the City Council on items pertaining to the City Harbor. These include, but are not limited to:

- A. Use, control, promotion and operation of vessels and watercraft within the harbor, docks, piers, slips, utilities and publicly-owned facilities as a part of the City's Harbor, and water commerce, navigation, or fishery in the Harbor.
- B. Review and recommend rules and regulations pertaining to any of the matters listed in subsection A of this section.
- C. Review and recommend rates, tolls, fees, rents, charges or other payments to be made for use or operation of the Harbor.
- D. The Board shall make reports and recommendations to the various city boards, commissions or the City Council on matters relating to activities within the harbor. When requested to do so, will review items referred by other city boards, commissions or the City Council. Resulting reports and recommendations will be included in presentations before the City Council.

APPOINTMENT

The Harbor Advisory Board shall be comprised of seven voting members, four of which must be qualified electors of the City of Morro Bay. Appointments and the filling of vacancies shall be made by the City Council. Harbor Advisory Board members shall serve at the pleasure of the City Council. The City Council will attempt to select members from the following categories:

- Morro Bay Commercial Fishermen's Association
- Waterfront Leaseholders
- Marine Oriented Business
- Recreational Boating
- Representative of South Bay/Los Osos
- Two Members at Large

However, the City Council and Harbor Advisory Board recognize the importance of the Morro Bay Commercial Fisherman's Association (MBCFO) seat, and acknowledge that it is often difficult for commercial fishermen serving on the HAB to meet the attendance requirements due to the nature of their business. As such, up to two (2) Alternate MBCFO members to the Primary member may be appointed by the City Council in the same manner and fashion as

regular appointments in order to stand-in for the Primary member in the event of the Primary member's absence.

TERMS OF OFFICE

Members shall serve, without compensation, for a period of four (4) years commencing February 1st in the year specified when members are appointed. Appointments shall be made in such a manner so as no more than three members' terms expire concurrently. Unanticipated vacancies shall be filled for the duration of the unexpired term only.

QUALIFICATIONS

Four of the seven members must be a resident and registered voter of the City during the term of appointment, unless excepted by State Law or Council approved special requirements; must be at least 18 years of age at the time of appointment; and, may not be an Elected Official, Officer, or Employee of the City of Morro Bay. (Council Policies and Procedures, Section 6.6.1)

ABSENCE FROM MEETINGS

Absence from three consecutive regular meetings or twenty-five (25) percent of the regular meetings during any 12-month period, without the formal consent of the City Council, shall constitute the resignation of such absent member and the position will be declared vacant. Requests for extended excused absences of three consecutive regular meetings or twenty-five (25) percent of the regular meetings during any 12-month period must be submitted to the City Council in writing prior to the extended absence to allow sufficient time for review and approval at a regular Council meeting.

ORGANIZATION

At the first regular meeting in each year wherein newly appointed Members are seated, the Members shall elect a Chair~~person~~ and Vice-Chair~~person~~ who shall hold office for a period of one year. The Chair~~person~~ shall preside over meetings, appoint appropriate sub-committees, and direct the affairs of the Committee. In the absence of the Chair~~person~~, duties of the office shall be performed by the Vice-Chair~~person~~. If both the Chair and Vice-Chair are absent, the remaining quorum shall appoint one member to preside at that meeting. The City of Morro Bay staff will maintain accurate minutes of the official activities of the Harbor Advisory Board.

PROCEDURE

Regular meetings shall be held monthly on a regular schedule. The meetings shall be open to the public. The date, time and location along with the meeting agenda shall be noticed in accordance with Government Code Sections 54970-54975. The Chair may close meetings to public comments, provided that the action is consistent with the Brown Act. Agendas, reports, meetings and any and all actions shall be governed by the requirements of the Brown Act, as amended.

These advisory board meetings will be conducted in strict compliance with the **policies and procedures outlined in this Handbook**. ~~City Council Policies and Procedures Manual. Where used in the City Council Policies and Procedure Manual, the term “City Council” shall mean the “Harbor Advisory Board”, the term “Mayor” shall mean “Chairperson” and the term “Council Member” shall mean “Harbor Advisory Board Member”. In all matters and things not otherwise provided for in the by laws or the Policies and Procedures of the City Council, proceedings shall be governed by “Robert’s Rules of Order,” revised edition. However, no ordinance, resolution, proceeding or other action of the City Council pertaining to the Harbor Advisory Board shall be invalidated or the legality thereof otherwise affected by the failure or omission to observe or follow “Robert’s Rules of Order.”~~

Communication between the Harbor Advisory Board Members and the Council shall be in accordance with the City Council Policies and Procedures as currently adopted.

QUORUM

A majority of voting members shall constitute a quorum.

CITY STAFF

The City Manager or the designee of the City Manager shall be responsible for preparing agendas, reports, and minutes pertaining to Harbor Advisory Board business and shall attend the Harbor Advisory Board meetings.

BY-LAW AMENDMENTS

All amendments to the By-Laws shall be approved by the City Council.

CITY OF MORRO BAY PUBLIC WORKS ADVISORY BOARD BY-LAWS

PURPOSE AND AUTHORITY

The Public Works Advisory Board is established to review, advise and recommend to the City Council on items pertaining to Water, Wastewater, Streets, Recycling, and Solid Waste, Cable Television, Telecommunications, Trees, Transportation and other issues related to Public Services Department responsibilities.

The Board shall make reports and recommendations to the various city boards, commissions or the City Council on the above matters. When requested to do so, it will review items referred by other city boards, commissions or the City Council. Resulting reports and recommendations will be included in presentations before the City Council.

APPOINTMENT

The Public Works Advisory Board shall be comprised of seven voting members, all of which must be qualified electors of the City of Morro Bay. Appointments and the filling of vacancies shall be made by the City Council. The Public Works Advisory Board members shall serve at the pleasure of the City Council.

TERMS OF OFFICE

Members shall serve, without compensation, for a period of four years commencing February 1st in the year specified when members are appointed. Appointments shall be made in such a manner so as no more than three members' terms expire concurrently. Unanticipated vacancies shall be filled for the duration of the unexpired term only.

QUALIFICATIONS

A member must be a resident and registered voter of the City during the term of appointment, unless excepted by State Law or Council approved special requirements; must be at least 18 years of age at the time of appointment; and, may not be an Elected Official, Officer, or Employee of the City of Morro Bay. (Council Policies and Procedures, Section 6.6.1)

ABSENCE FROM MEETINGS

Absence from three consecutive regular meetings or twenty-five (25) percent of the regular meetings during any 12-month period, without the formal consent of the City Council, shall constitute the resignation of such absent member and the position will be declared vacant. Requests for extended excused absences of three consecutive regular meetings or twenty-five (25) percent of the regular meetings during any 12-month period must be submitted to the City Council in writing prior to the extended absence to allow sufficient time for review and approval at a regular Council meeting.

ORGANIZATION

At the first regular meeting in each year wherein newly appointed Members are seated, the Members shall elect a Chairperson and Vice-Chairperson who shall hold office for a period of one year. The Chairperson shall preside over meetings, appoint appropriate sub-committees, and direct the affairs of the Committee. In the absence of the Chairperson, duties of the office shall be performed by the Vice-Chairperson. If both the Chair and Vice-Chair are absent, the remaining quorum shall appoint one member to preside at that meeting. The City of Morro Bay staff will maintain accurate minutes of the official activities of the Advisory Board.

PROCEDURE

Regular meetings shall be held every month on a regular schedule. The meetings shall be open to the public. The date, time and location along with the meeting agenda shall be noticed in accordance with Government Code Sections 54970-54975. The Chair may close meetings to public comments, provided that the action is consistent with the Brown Act. Agendas, reports, meetings and any and all actions shall be governed by the requirements of the Brown Act, as amended.

These advisory board meetings will be conducted in strict compliance with the **policies and procedures outlined in this Handbook**. ~~City Council Policies and Procedures Manual. Where used in the City Council Policies and Procedure Manual, the term "City Council" shall mean the "Board", the term "Mayor" shall mean "Chairperson" and the term "Council Member" shall mean "Public Works Advisory Board Member". In all matters and things not otherwise provided for in the by laws or the Policies and Procedures of the City Council, proceedings shall be governed by "Robert's Rules of Order," revised edition.~~ However, no ordinance, resolution, proceeding or other action of the City Council pertaining to the Public Works Advisory Board shall be invalidated or the legality thereof otherwise affected by the failure or omission to observe or follow "Robert's Rules of Order."

Communication between the Public Works Advisory Board members and the Council shall be in accordance with the City Council Policies and Procedures as currently adopted.

QUORUM

A majority of voting members shall constitute a quorum.

CITY STAFF

The City Manager or the designee of the City Manager shall be responsible for preparing agendas, reports, and minutes pertaining to the Public Works Advisory Board business and shall attend the Public Works Advisory Board meetings.

BY-LAW AMENDMENTS

All amendments to the By-Laws shall be approved by the City Council.

CITY OF MORRO BAY RECREATION AND PARKS COMMISSION BY-LAWS

PURPOSE AND AUTHORITY

The Recreation and Parks Commission is established to provide the following:

- A. Act in an advisory capacity to the City Council in all matters pertaining to parks and public recreation and to cooperate with other governmental agencies and civic groups in the advancement of sound recreation and parks planning and programming. The Board shall make reports and recommendations to the various city boards, commissions or the City Council on the above matters. When requested to do so, will review items referred by other city boards, commissions or the City Council. Resulting reports and recommendations will be included in presentations before the City Council.
- B. Formulate policies on recreation services, parks and open space for approval by the City Council.
- C. Recommend to the City Council the development of recreational areas, parks, facilities, open spaces, programs, and improved recreation services.
- D. Recommend to the City Council the adoption of rules, regulations and standards concerning recreation and parks in respect to organization, personnel, areas and facilities, program and financial support.
- E. Advise the Recreation and Parks ~~Director~~ **Manager** in the preparation of the annual parks maintenance, park improvement and recreation budgets and long-range recreation and parks facilities improvements.
- F. Hold public hearings and meetings to conduct investigations and surveys for the purpose of securing facts and data concerning parks and public recreation.

APPOINTMENT

The Recreation and Parks Commission shall be comprised of five voting members, four of which must be qualified electors of the City of Morro Bay. Appointments and the filling of vacancies shall be made by the City Council. Commissioners shall serve at the pleasure of the City Council.

TERMS OF OFFICE

Members shall serve, without compensation, for a period of four (4) years commencing February 1st in the year specified when members are appointed. Appointments shall be made in such a manner so as no more than three members' terms expire concurrently. Unanticipated vacancies shall be filled for the duration of the unexpired term only.

QUALIFICATIONS

Four of the five members must be a resident and registered voter of the City during the term of appointment, unless excepted by State Law or Council approved special requirements. Unless otherwise approved in accordance with Council Policies and Procedures, section 6.6.1, each member must (i) be at least 18 years of age at the time of appointment and (ii) not be an Elected Official, Officer, or Employee of the City of Morro Bay. (See Council Policies and Procedures, Section 6.6.1.)

ABSENCE FROM MEETINGS

Absence from three consecutive regular meetings or twenty-five (25) percent of the regular meetings during any 12-month period, without the formal consent of the City Council, shall constitute the resignation of such absent member and the position will be declared vacant. Requests for extended excused absences of three consecutive regular meetings or twenty-five (25) percent of the regular meetings during any 12-month period must be submitted to the City Council in writing prior to the extended absence to allow sufficient time for review and approval at a regular Council meeting.

ORGANIZATION

At the first regular meeting in each year wherein newly appointed Members are seated, the Members shall elect a Chairperson and Vice-Chairperson who shall hold office for a period of one year. The Chairperson shall preside over meetings, appoint appropriate sub-committees, and direct the affairs of the Committee. In the absence of the Chairperson, duties of the office shall be performed by the Vice-Chairperson. If both the Chair and Vice-Chair are absent, the remaining quorum shall appoint one member to preside at that meeting. The City of Morro Bay staff will maintain accurate minutes of the official activities of the Commission.

PROCEDURE

Regular meetings shall be held every other month on odd numbered months on a regular schedule. The meetings shall be open to the public. The date, time and location along with the meeting agenda shall be noticed in accordance with Government Code Sections 54970-54975.

The Chair may close meetings to public comments, provided that the action is consistent with the Brown Act. Agendas, reports, meetings and any and all actions shall be governed by the requirements of the Brown Act, as amended.

All Commission meetings will be conducted in strict compliance with the **policies and procedures outlined in this Handbook**. ~~City Council Policies and Procedures Manual. Where used in the City Council Policies and Procedure Manual, the term “City Council” shall mean the “Commission”, the term “Mayor” shall mean “Chairperson” and the term “Council Member” shall mean “Commissioner”. In all matters and things not otherwise provided for in the by-laws or the Policies and Procedures of the City Council, proceedings shall be governed by “Robert’s Rules of Order,” revised edition.~~ However, no ordinance, resolution, proceeding or other action of the City Council pertaining to the Commission shall be invalidated or the legality thereof otherwise affected by the failure or omission to observe or follow “Robert’s Rules of Order.”

Communication between the Commission members and the Council shall be in accordance with the City Council Policies and Procedures as currently adopted.

QUORUM

A majority of voting members shall constitute a quorum.

CITY STAFF

The City Manager or the designee of the City Manager shall be responsible for preparing agendas, reports, and minutes pertaining to Commission business and shall attend the Commission meetings.

BY-LAW AMENDMENTS

All amendments to the By-Laws shall be approved by the City Council.

CITY OF MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD BY-LAWS

PURPOSE AND AUTHORITY

The Morro Bay Tourism Business Improvement District (MTBID) Advisory Board (the “Board”) advises the City Council on the administration and use of the MTBID assessment funds. The Board recommends projects to the City of Morro Bay to promote tourism to directly benefit the City’s lodging industry.

The primary purpose of the MTBID is to increase occupancy and room nights across all lodging types (motel, hotels, bed and breakfast) that pay the business improvement assessment, along with transient occupancy tax (TOT) within the City while placing particular emphasis on marketing that positively impacts the lodging.

APPOINTMENT

The Board shall be comprised of seven voting members. Appointments and the filling of vacancies shall be made by the City Council. The Board members shall serve at the pleasure of the City Council. Because of the diversity among assessment district members represented by the Board including local, regional and national lodging industry interests, it is neither practical nor advisable to limit Board membership to City residents. Accordingly, membership on the Board shall be exempt from residency requirements otherwise applicable to other City advisory boards. In addition, a member of the Board may not sit on any other City advisory board.

TERMS OF OFFICE

Members of the Board shall serve, without compensation, for a period of four years. Appointments shall be made in such a manner such that no more than three members’ terms expire concurrently. Unanticipated vacancies shall be filled for the duration of the unexpired term only. If a vacancy is within the last 6 months of a term, then it will be held over to the normal interview process.

QUALIFICATIONS

The Board shall consist of five members from the Morro Bay lodging industry and two members from the community at large.

The five members from the lodging industry shall consist of three members representing hotels “at large” (no specific number of rooms), and two other positions shall give preference to a member representing lodging rooms of less than 22 rooms and one member representing 50 or less rooms (single hotel or cumulative representation), respectively. If no preferential applicant from a small or large hotel – as defined above – apply-ies, then the seat shall be made available to applicants-~~at~~ on an “at large” hotelier representative basis.

The community “at large” members shall be residents and registered voters of the City during the term of appointment.

Each member must be at least 18 years of age at the time of appointment and may not be an Elected Official, Officer, or Employee of the City of Morro Bay. (Council Policies and Procedures, Section 6.6.1)

FUNCTIONS AND DUTIES

The functions and duties of the Board shall include, but not be limited to, the following:

1. Plan a comprehensive program to promote tourism to the City of Morro Bay and prepare an annual marketing program consistent with industry goals and objectives.
2. Develop advertising and promotional programs and projects to benefit the lodging industry in Morro Bay
3. Present an annual assessment report to the City Council regarding the implemented promotional programs and projects.
4. Perform any other lawful tasks as directed by the Council.

ABSENCE FROM MEETINGS

Absence from three consecutive regular meetings or twenty-five (25) percent of the regular meetings during any 12-month period, without the formal consent of the City Council, shall constitute the resignation of such absent member and the position will be declared vacant. Requests for extended excused absences of three consecutive regular meetings or twenty-five (25) percent of the regular meetings during any 12-month period must be submitted to the City Council in writing prior to the extended absence to allow sufficient time for review and approval at a regular Council meeting.

ORGANIZATION

At the first regular meeting in each year wherein newly appointed Members are seated, the Members shall elect a Chairperson and Vice-Chairperson who shall hold office for a period of one year. The Chair and Vice-Chair of the Board as well as any presiding officers shall be hoteliers. The Chairperson shall preside over meetings, appoint appropriate sub-committees, and

direct the affairs of the Committee. In the absence of the Chair~~person~~, the Vice-Chair~~person~~ shall perform duties of the office. If both the Chair and Vice-Chair are absent, the remaining quorum shall appoint one member to preside at that meeting. The City of Morro Bay staff will maintain accurate minutes of the official activities of the Board.

PROCEDURE

Regular meetings shall be held monthly on a regular schedule. The meetings shall be open to the public. The date, time and location along with the meeting agenda shall be noticed in accordance with Government Code Sections 54970-54975. The Chair may close meetings to public comment, provided that the action is consistent with the Brown Act. Agendas, reports, meetings and any and all actions shall be governed by the requirements of the Brown Act, as amended.

These advisory board meetings will be conducted in strict compliance with the ~~City Council Policies and Procedures Manual~~ **policies and procedures contained in this Handbook**. ~~Where used in the City Council Policies and Procedure Manual, the term "City Council" shall mean the "Board", the term "Mayor" shall mean "Chairperson" and the term "Council Member" shall mean "Board Member". In all matters and things not otherwise provided for in the Bylaws or the Policies and Procedures of the City Council, proceedings shall be governed by "Robert's Rules of Order," revised edition.~~ However, no ordinance, resolution, proceeding or other action of the City Council pertaining to the advisory board shall be invalidated or the legality thereof otherwise affected by the failure or omission to observe or follow "Robert's Rules of Order."

Communication between the Board members, and the Council shall be in accordance with the City Council Policies and Procedures as currently adopted.

QUORUM

A majority of voting members shall constitute a quorum.

CITY STAFF

The City Manager or the designee of the City Manager shall be responsible for preparing agendas, reports, and minutes pertaining to the Board business and shall attend the Board meetings.

BY-LAW AMENDMENTS

All amendments to the By-Laws shall be approved by the City Council.

CITY OF MORRO BAY PLANNING COMMISSION BY-LAWS

PURPOSE AND AUTHORITY

The Planning Commission is established in accordance with the provisions of Government Code Sections 65100, *et seq.* The functions of the Planning Commission shall be as follows:

- A. To develop and periodically review, a general plan and recommend its adoption or any revisions to the Ceity Ceouncil;
- B. To maintain and implement the general plan after its adoption by the city council;
- C. To develop specific plans as may be necessary to implement the general plan;
- D. To periodically review the capital improvement program of the Ceity for its consistency with the general plan, and forward recommendations to the Ceity Ceouncil;
- E. Consult and advise with public officials and agencies, public utility companies, civic, educational, professional, and other organizations, and citizens generally concerning implementation of the general plan.
- F. Endeavor to promote public interest in, comment on, and understanding of the general plan, and regulations relating to it;
- G. To perform such other functions as the Ceity Ccouncil may direct.

The Planning Commission shall:

- A. In addition to the duties and responsibilities set forth by state laws and local ordinances, the Pplanning Ceommission shall act in the public interest and serve in an advisory capacity to the Ceity Ceouncil on all matters pertaining to the planning function;
- B. Cooperate with other Ceity boards, committees and commissions, governmental agencies and civic groups in the advancement of sound planning, both within and without the Ceity;
- C. Formulate policies on planning services for recommendation to the Ceity Ceouncil;
- D. Upon the request of the City Council, hold a joint meeting with the Ceity Ceouncil twice annually to discuss proposed policies, programs, goals and objectives, budgeting, future planning, or any other planning matter requiring joint deliberation. The Ceity Celerk shall in January of each year bring forth an agenda item to the Ceity Ceouncil to schedule the two joint meetings;
- E. Recommend to the Ceity Ceouncil the adoption of standards with respect to organization, personnel, facilities, programs and financial support of the planning commission;
- F. Disseminate to the public information concerning the policies and functions of the Pplanning Ceommission.

APPOINTMENT

The Planning Commission shall consist of five voting members and they shall be qualified electors and residents of the City. Appointments and the filling of vacancies shall be made by the City Council. Commissioners shall serve at the pleasure of the City Council.

TERMS OF OFFICE

Members of the Planning Commission shall be appointed by and serve at the pleasure of the City Council. Terms shall be for a period of four years; vacancies shall be filled for the unexpired term only. Two-year short terms may be established to stagger terms. Expiration dates of specific terms shall be established by resolution of the City Council.

QUALIFICATIONS

A member must be a resident and registered voter of the City during the term of appointment, unless excepted by State Law or Council approved special requirements; must be at least 18 years of age at the time of appointment; and, may not be an Elected Official, Officer, or Employee of the City of Morro Bay. (Council Policies and Procedures, Section 6.6.1)

ABSENCE FROM MEETINGS

Absence from three consecutive regular meetings or twenty-five (25) percent of the regular meetings during any 12-month period, without the formal consent of the City Council, shall constitute the resignation of such absent member and the position will be declared vacant. Requests for extended excused absences of three consecutive regular meetings or twenty-five (25) percent of the regular meetings during any 12-month period must be submitted to the City Council in writing prior to the extended absence to allow sufficient time for review and approval at a regular Council meeting.

ORGANIZATION

At the first regular meeting in each year wherein newly appointed Members are seated, the Members shall elect a Chair~~person~~ and Vice-Chair~~person~~ who shall hold office for a period of one year. The Chair~~person~~ shall preside over meetings, appoint appropriate sub-committees, and direct the affairs of the Committee. In the absence of the Chair~~person~~, duties of the office shall be performed by the Vice-Chair~~person~~. If both the Chair and Vice-Chair are absent, then the remaining quorum shall appoint one member to preside at that meeting. The City of Morro Bay staff will maintain accurate minutes of the official activities of the Commission.

PROCEDURE

Regular meetings shall be held twice a monthly on a regular schedule. The meetings shall be open to the public. The date, time and location along with the meeting agenda shall be noticed in accordance with Government Code Sections 54970-54975. The Chair may close meetings to public comment, provided that the action is consistent with the Brown Act. Agendas, reports, meetings and any and all actions shall be governed by the requirements of the Brown Act, as amended.

All Commission meetings will be conducted in strict compliance with the **policies and procedures contained in this Handbook**. ~~City Council Policies and Procedures Manual. Where used in the City Council Policies and Procedure Manual, the term “City Council” shall mean the “Commission”, the term “Mayor” shall mean “Chairperson” and the term “Councilmember” shall mean “Commissioner.” In all matters and things not otherwise provided for in the Bylaws or the Policies and Procedures of the City Council, proceedings shall be governed by “Robert’s Rules of Order,” revised edition.~~ However, no ordinance, resolution, proceeding or other action of the City Council pertaining to the Commission shall be invalidated or the legality thereof otherwise affected by the failure or omission to observe or follow “Robert’s Rules of Order.”

Communication between the Commission ~~M~~members, and the Council shall be in accordance with the City Council Policies and Procedures as currently adopted.

QUORUM

A majority of voting members shall constitute a quorum.

CITY STAFF

The City Manager or the designee of the City Manager shall be responsible for preparing agendas, reports, and minutes pertaining to Commission business and shall attend the Commission meetings.

BY-LAW AMENDMENTS

All amendments to the By-Laws shall be approved by the City Council.

CITY OF MORRO BAY
CITIZENS OVERSIGHT COMMITTEE
ACTING IN THE CAPACITY OF A CITIZENS FINANCE
ADVISORY COMMITTEE

PURPOSE AND AUTHORITY

The Citizens Oversight Committee was established in accordance with the provisions of Morro Bay Municipal Code Section 3.22.120 as a result of Measure Q. The functions of the Citizens Oversight Committee shall be to semi-annually review revenues and expenditures from the collection of tax and present its findings and conclusions to the City Council no later than the last day of the sixth month following the end of each City fiscal year.

The purpose of the ~~functions of the~~ Citizens Oversight Committee acting in the capacity of a Citizens Finance **Advisory** Committee shall be an advisory body to the City Council. ~~(Hereinafter when this policy refers to “the Committee” it shall be a reference to the Citizens Oversight Committee acting in the capacity of the Citizens Finance Advisory Committee. The Committee will review financial documents, and make recommendations, in general, regarding the review of financial information provided to them, concerning the annual budget and mid-year budget review.~~ is contained in its mission statement: “...to provide citizen input to the City Council and staff regarding financial policy or process issues, including audits, financial budgets, contract expenditures and financial reports. In addition, the Committee’s role is to help promote citizen participation with, and understanding of, governmental financial information and processes, such as the financial documents, audits, and budgets, as well as the financial condition of the City.

MISSION STATEMENT

~~The role of the Committee is to provide citizen input to the City Council and staff, regarding financial policy or process issues, including audits, financial budgets, contract expenditures and financial reports. In addition, the Committee’s role is to help promote citizen participation with, and understanding of, governmental financial information and processes, such as the financial documents, audits, and budgets, as well as the financial condition of the City.~~

DUTIES The Citizens Finance Advisory Committee shall perform the following duties:

1. Annual review of independent financial audit, with recommendations, as appropriate.
2. Annual review of contract expenditures, with recommendations, as appropriate.
3. Review existing budget document to determine long-term financial sustainability, and make recommendations, as appropriate.
4. Review and provide comments on the mid-year budget reports prior to presentation to City Manager.

5. Review annual budget prior to presentation to the City Council, and make recommendations, as appropriate.
6. Special financial projects, as directed by the City Council, City Manager or City Treasurer.
7. Propose/recommend additional financial areas of study to the City Council.
8. All recommendations are to be provided to the City Council, in writing, unless otherwise requested, on no less than a semi-annual basis.
9. Submit an annual work program to the City Council review and approval.
10. The Citizens Oversight Committee shall review a semi-annual expense report of the City relative to activities funded with the additional general purpose local sales tax monies and present its findings and conclusions to the City Council for its review no later than December 31st each year.

APPOINTMENT AND TERMS OF OFFICE

The Committee shall have seven citizen-members appointed by the City Council for six year terms with initially three members serving three years, and four members serving six years. Appointees shall be residents of the City; however, no member of the Committee shall be an elected official. Unanticipated vacancies shall be filled for the duration of the unexpired term only.

QUALIFICATIONS

All Committee Members must be residents and registered voters of the City during the term of appointment, unless excepted by State Law or Council approved special requirements; must be at least 18 years of age at the time of appointment; and may not be an Elected Official, Officer, or Employee of the City of Morro Bay. (Council Policies and Procedures, Section 6.6.1)

ABSENCE FROM MEETINGS

Absence from three consecutive regular meetings or twenty-five (25) percent of the regular meetings during any 12-month period, without the formal consent of the City Council, shall constitute the resignation of such absent member and the position will be declared vacant. Requests for extended excused absences of three consecutive regular meetings or twenty-five (25) percent of the regular meetings during any 12-month period must be submitted to the City Council in writing prior to the extended absence to allow sufficient time for review and approval at a regular Council meeting.

ORGANIZATION

At the first regular meeting every two years wherein newly appointed members are seated, the members shall elect a Chair~~person~~ and Vice-Chair~~person~~ who shall hold office for a period of two years. The Chair~~person~~ shall preside over meetings, appoint appropriate sub-committees, and direct the affairs of the Committee. In the absence of the Chair~~person~~, the Vice-Chair~~person~~ shall perform duties of the office. If both the Chair and Vice-Chair are absent, then the remaining quorum shall appoint one member to preside at that meeting. The City of Morro Bay staff will maintain accurate minutes of the official activities of the Committee.

PROCEDURE

Regular meetings shall be held monthly on a regular schedule. The meetings shall be open to the public. The date, time and location along with the meeting agenda shall be noticed in accordance with Government Code Sections 54970-54975. The Chair may close meetings to public comment, provided that the action is consistent with the Brown Act. Agendas, reports, meetings and any and all actions shall be governed by the requirements of the Brown Act, as amended.

All Committee meetings will be conducted in strict compliance with the **policies and procedures contained in this Handbook**. ~~City Council Policies and Procedures Manual. Where used in the City Council Policies and Procedure Manual, the term “City Council” shall mean the “Committee”, the term “Mayor” shall mean “Chairperson” and the term “Council Member” shall mean “Committee Member”. In all matters and things not otherwise provided for in the Bylaws or the Policies and Procedures of the City Council, proceedings shall be governed by “Robert’s Rules of Order,” revised edition.~~ However, no ordinance, resolution, proceeding or other action of the City Council pertaining to the Committee shall be invalidated or the legality thereof otherwise affected by the failure or omission to observe or follow “Robert’s Rules of Order.”

Communication between the Committee ~~M~~members, and the Council shall be in accordance with the City Council Policies and Procedures as currently adopted.

QUORUM

A majority of voting members shall constitute a quorum.

CITY STAFF

The City **Finance Director**/Treasurer shall be responsible for preparing agendas, reports, and minutes pertaining to Committee business and shall attend the Committee meetings.

BY-LAW AMENDMENTS

All amendments to the By-Laws shall be approved by the City Council.



CITY OF MORRO BAY CITY COUNCIL ANNOTATED 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, November 14, 2017 Veterans Memorial Hall - 6:00 P.M. 209 Surf St., Morro Bay, CA

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE – **Honoring Veterans’ Day and those affected by shootings in Sutherland Springs, Texas, and northern California**
PLEDGE OF ALLEGIANCE
RECOGNITION

- Swearing in of Scott Collins, City Manager

CLOSED SESSION REPORT – **No reportable action.**
MAYOR & COUNCILMEMBERS’ REPORTS, ANNOUNCEMENTS & PRESENTATIONS
CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS
PRESENTATIONS

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 OCTOBER 10, 2017 CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

ACTION: Approved 5-0.

A-2 APPROVAL OF MINUTES FOR THE OCTOBER 11, 2017 CITY COUNCIL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

ACTION: Approved 5-0.

A-3 APPROVAL OF MINUTES FOR THE OCTOBER 23, 2017 CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

ACTION: Approved 5-0.

A-4 APPROVAL OF MINUTES FOR THE OCTOBER 24, 2017 CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

ACTION: Approved 5-0.

A-5 ADOPTION OF RESOLUTION NO. 60-17 AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND (LAIF) AND DESIGNATING TRANSACTION OFFICERS; (FINANCE)

RECOMMENDATION: Council adopt Resolution No. 60-17.

ACTION: Approved 5-0.

A-6 ADOPTION OF RESOLUTION NO. 61-17 DESIGNATING AND AUTHORIZING INVESTMENT TRANSACTION OFFICERS; (FINANCE)

RECOMMENDATION: Council adopt Resolution No. 61-17, designating and authorizing investment transaction officers.

ACTION: Item was pulled for discussion and approved without changes, 5-0.

A-7 APPROVAL OF HARBOR ACCUMULATION FUND BUDGET AMENDMENT FOR UP TO \$45,000 FOR ENGINEERING AND PERMIT ADMINISTRATION ASSISTANCE WITH THE CITY'S \$1.9M BOAT LAUNCH FACILITY GRANT FROM THE DIVISION OF BOATING AND WATERWAYS; (HARBOR)

RECOMMENDATION: Council approve funding of up to \$45,000 from the Harbor Accumulation Fund for unexpected consultancy contracting needs for engineering and permit administration assistance with the \$1.9M grant project to rehabilitate the public launch ramp and associated amenities.

ACTION: Item was pulled for discussion and approved without changes, 5-0.

A-8 CONFIRM WATER RECLAMATION FACILITY (WRF) PROJECT GOALS AS MODIFIED AT THE OCTOBER 24, 2017 CITY COUNCIL MEETING; (PUBLIC WORKS)

RECOMMENDATION: Council ratify and approve the WRF Project Goals as modified at the October 24, 2017, City Council Meeting.

ACTION: Item was pulled for discussion and approved with the following changes, 5-0.

Goal #5 – Design to produce reclaimed wastewater to augment the City’s water supply, by either direct or indirect means in the most efficient and cost-effective method available, as described in a master water reclamation plan and to maximize funding opportunities.

Goal #5 – Include features in the WRF project that maximize the City’s opportunities to secure funding and maximize efficiencies, including energy generation and recovery.

B. PUBLIC HEARINGS

- B-1 CONTINUATION OF PUBLIC HEARING FOR CONCEPT CONDITIONAL USE PERMIT NO. UP0-448 FOR 945 EMBARCADERO. PROJECT INCLUDES REMODEL OF EXISTING RESTAURANT, HARBORWALK PUBLIC ACCESS IMPROVEMENTS, AND IMPROVEMENTS TO ADJACENT ANCHOR PARK; (COMMUNITY DEVELOPMENT)

RECOMMENDATION: Council continue the public hearing item for Concept Conditional Use Permit No. UP0-448 to a date uncertain.

ACTION: Council moved to continue the public hearing for Conditional Use Permit No. UP0-448 to a date uncertain. Approved 5-0.

C. BUSINESS ITEMS

- C-1 ADOPTION OF ORDINANCE NO. 612, WHICH ESTABLISHES A COMMERCIAL CANNABIS OPERATIONS REGULATORY PROGRAM TO PERMIT TWO MEDICAL CANNABIS DISPENSARIES, WHOLESALE MEDICAL CANNABIS DISTRIBUTION AND MEDICAL CANNABIS DELIVERIES, WHILE PROHIBITING ALL OTHER COMMERCIAL CANNABIS OPERATIONS; REGULATES AND PERMITS PERSONAL CANNABIS CULTIVATION; AND, AMENDS CURRENT SECONDHAND SMOKE REGULATIONS; (CITY ATTORNEY)

RECOMMENDATION: Council discuss and adopt, by second reading by title only and with further reading waived, Ordinance No. 612: An Ordinance of the City Council of the City of Morro Bay, California, adding Chapter 5.50 (Commercial Cannabis Operations Regulatory Program) to Title 5 of the Morro Bay Municipal Code to Permit Certain Medical Commercial Cannabis Uses (Retail Sales, Deliveries and (Wholesale) Distributor), to Prohibit All Other Medical Commercial Cannabis Uses, and to Prohibit All Adult-Use (Recreational) Commercial Cannabis Uses; Repealing Chapter 9.06 of Title 9 of the Morro Bay Municipal Code and Replacing It with a New Chapter 9.06 (Personal Cannabis Cultivation) to Regulate Personal Cannabis Cultivation; and, Amending Chapter 9.24 (Secondhand Smoking Regulations) of Title 9 of the Morro Bay Municipal Code to Strengthen Regulation of Secondhand Smoke and Expressly Include Cannabis and Electronic Smoking Devices.

ACTION: Ordinance 612 adopted as presented, 5-0.

- C-2 CONSIDERATION OF PROPOSAL BY AND APPROVAL OF CONTRACT WITH WATER WORKS ENGINEERS FOR ENGINEERING DESIGN SERVICES FOR THE WATER RECLAMATION FACILITY (WRF) LIFT STATION AND OFFSITE PIPELINES; (PUBLIC WORKS)

RECOMMENDATION: Council:

1. Review the report and staff presentation.

2. Review the recommendation from staff and WRFCAC to award a contract to Water Works Engineers for Engineering Design Services for the WRF Lift Station and Offsite Pipelines.
3. Recommend the City Council authorize the City Manager to execute an agreement for the amount of \$1,353,574, with a ten-percent contingency for a total authorization of \$1,488,931.

ACTION:

- 1) Council moved to authorize the City Manager to execute an agreement for the amount of \$1,353,574, with a ten-percent contingency for a total authorization of \$1,488,931.
- 2) Council moved to direct staff to prepare a budget update for the December 12 Council meeting to include full budget update on traditional format for WRF spending to date. Staff confirmed this would be a discussion item. Approved 5-0.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

None.

Mayor Irons addressed request for financial reporting and confirmed staff will bring the item back in January for Council review and discussion.

E. ADJOURNMENT

The meeting adjourned at 9:51 p.m.

The next Regular Meeting will be held on **Tuesday, December 12, 2017 at 6:00 p.m.** at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.