



CITY OF MORRO BAY CITY COUNCIL AMENDED 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.

NOTICE OF SPECIAL MEETING

**Tuesday, April 28, 2020 – 3:00 P.M.
Held Via Teleconference**

ESTABLISH QUORUM AND CALL TO ORDER

PUBLIC COMMENT FOR ITEMS ON THE AGENDA

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, this Meeting will be conducted telephonically through Zoom and broadcast live on Cable Channel 20 and streamed on the City website (click [here](#) to view). Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Veterans' Hall will not be open for the meeting.

Public Participation:

In order to prevent and mitigate the effects of the COVID-19 pandemic, and limit potential spread within the City of Morro Bay, in accordance with Executive Order N-29-20, the City will not make available a physical location from which members of the public may observe the meeting and offer public comment. Remote public participation is allowed in the following ways:

- Community members are encouraged to submit agenda correspondence in advance of the meeting via email to the City Clerk's office at cityclerk@morrobayca.gov prior to the meeting and will be published on the City website with a final update one hour prior to the meeting start time. Agenda correspondence received less than an hour before the meeting start time may not be posted until after the meeting.
- Members of the public may watch the meeting either on cable Channel 20 or as streamed on the City [website](#).
- Alternatively, members of the public may watch the meeting and speak on a specific agenda item by logging in to the Zoom webinar at the **beginning** of the meeting using the information provided below. Please use the "raise hand" feature to indicate your desire to provide public comment. Each speaker will be allowed three minutes to provide input.

Please click the link below to join the webinar:

- <https://us02web.zoom.us/j/82722747698?pwd=aWZpTzcwTHlRTk9xaTlmWVNWRFUQT09>

Password: 135692

- Or Telephone Attendee: (408) 638-0968; Webinar ID: 827 2274 7698;
Password: 135692

SPECIAL MEETING AGENDA ITEMS:

- I. COMPREHENSIVE UPDATE ON THE FINANCIAL IMPACTS OF COVID-19 ON CITY FINANCES AND CONSIDERATION OF ROCK SOLID TOGETHER, THE CITY'S SHORT-TERM FISCAL EMERGENCY PLAN AND BUSINESS ASSISTANCE PROGRAM; (CITY MANAGER/FINANCE DIRECTOR/ACTING PUBLIC WORKS DIRECTOR)

RECOMMENDATION: Staff recommend that City Council:

1. **Adopt Resolution No. 37-20 to adopt a five percent salary reduction for unrepresented confidential and unrepresented management designated employees; and**
2. **Adopt Resolution No. 38-20 to adopt Amendment No. 1 to the Memorandum of Agreement between the City of Morro Bay and the Morro Bay Police Officers' Association, adopting a five percent salary reduction; and**
3. **Adopt Resolution No. 39-20 to defer Tideland Trust Lease site rent payments to the City for the months of March, April, May and June 2020; and**
4. **Authorize the City Manager to execute Amendment No. 2 to the contract with Mental Marketing, Inc.; and**
5. **Provide direction to staff on all other recommendations.**
6. **Adopt Resolution No. 40-20 to adopt Amendment No. 1 to the Memorandum of Agreement between the City of Morro Bay and the Service Employees International Union (SEIU), adopting a five percent salary reduction.**

ADJOURNMENT

DATED: April 27, 2020



John Headding, Mayor

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.



AGENDA NO: I

MEETING DATE: April 28, 2020

Staff Report Addendum

TO: Honorable Mayor and City Council

DATE: April 27, 2020

FROM: Scott Collins, City Manager
Jennifer Callaway, Finance Director/Acting Public Works Director

SUBJECT: Comprehensive Update on the Financial Impacts of COVID-19 on City Finances and Consideration of Rock Solid Together, the City's Short-Term Fiscal Emergency Plan and Business Assistance Program

RECOMMENDATION

Staff recommend that City Council:

- 1) Adopt Resolution No. 37-20 to adopt a five percent salary reduction for unrepresented confidential and unrepresented management designated employees; and
- 2) Adopt Resolution No. 38-20 to adopt Amendment No. 1 to the Memorandum of Agreement between the City of Morro Bay and the Morro Bay Police Officers' Association, adopting a five percent salary reduction; and
- 3) Adopt Resolution No. 39-20 to defer Tideland Trust Lease site rent payments to the City for the months of March, April, May and June 2020; and
- 4) Authorize the City Manager to execute Amendment No. 2 to the contract with Mental Marketing, Inc.; and
- 5) Provide direction to staff on all other recommendations; and
- 6) Adopt Resolution No. 40-20 to adopt Amendment No. 1 to the Memorandum of Agreement between the City of Morro Bay and the Service Employees International Union (SEIU), adopting a five percent salary reduction.

DISCUSSION

The purpose of this addendum is to provide an update to the staff report published on Friday, April 24, 2020. Since the time of the publication, the City's Service Employees International Union (SEIU) has met and agreed to extend their contract term (which expires on June 30, 2020) until December 31, 2020, and effective May 3, 2020 take a 5% salary concession, similar to the actions agreed to by the Morro Bay Police Officers Association, unrepresented confidential and unrepresented management employees that have corresponding resolutions for Council approval and adoption. The salary concessions by SEIU would yield an annualized savings of approximately \$112,000. Staff recommends that the City Council adopt Resolution No. 40-20, Attachment 1 to the Addendum, to authorize the City Manager to execute this agreement, including the Memorandum of Understanding between the City and SEIU (Attachment 2 to the addendum) and approve the amended salary schedule (Attachment 3) reflecting this change and in effect until December 31, 2020. The City's Management Team continues to work City's Fire Association to discuss similar salary concessions.

In addition, staff has provided a revised Salary Schedule for Council adoption (Attachment 4)

Prepared By: <u> JC </u>	Dept Review: <u> JC </u>
City Manager Review: <u> SC </u>	City Attorney Review: <u> </u>
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reflecting the Morro Bay Police Officer's Association salary rollbacks with the effective date outlined as May 3, 2020 through December 31, 2020. The effective period was inadvertently left off of the schedule provided on Friday, April 24, 2020.

Lastly, Resolution No. 39-20 to defer Tideland Trust Lease site rent payments to the City for the months of March, April, May and June 2020 is included as Attachment 5 for Council consideration and adoption.

ATTACHMENTS

1. Resolution No. 40-20 Adopting Amendment No. 1 to SEIU MOU 2017-20
2. SEIU Amendment No. 1
3. Salary schedule for SEIU
4. Salary schedule for MBPOA with effective period
5. Resolution No. 39-20 Harbor Lease Deferrals

RESOLUTION NO. 40-20

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
ADOPTING AMENDMENT NO. 1
TO THE MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF MORRO BAY
AND THE SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU), LOCAL 620,
FOR THE PERIOD OF JULY 1, 2017 THROUGH JUNE 30, 2020**

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

WHEREAS, the City of Morro Bay (hereinafter the “City”) has, and continues to, recognize the Service Employees International Union (“SEIU”), Local 620, as the sole exclusive bargaining agent for the City’s miscellaneous employees, for all matters concerning wages, hours and working conditions; and

WHEREAS, the current Memorandum of Understanding between the City and the SEIU (“SEIU MOU 2017-2020”), which was duly approved by the City Council on September 26, 2017, is set to expire on June 30, 2020; and

WHEREAS, the California Governor on March 4, 2020 proclaimed a State of Emergency to exist in California due to the COVID-19 pandemic; and

WHEREAS, the President of the United States on March 13, 2020 declared the outbreak of COVID-19 in the United States constituted a national emergency; and

WHEREAS, on March 13, 2020, the San Luis Obispo County Emergency Services Director issued a Proclamation of Local Emergency due to the spread of COVID-19 in the County of San Luis Obispo; and

WHEREAS, on March 14, 2020, the Morro Bay City Manager proclaimed a declaration of the existence of a local emergency within the City of Morro Bay due to the threat posed to the City from COVID-19, and that declaration was subsequently ratified by the City Council on March 19, 2020; and

WHEREAS, the City and SEIU have met and conferred to negotiate the terms of a limited extension of duration and term of the SEIU MOU 2017-20 along with a temporary salary reduction in light of the COVID-19 pandemic; and

WHEREAS, the City and SEIU have agreed to the following: i) effective May 2, 2020, the base salary for each employee represented by SEIU shall be reduced in the amount of five percent (5%) and ii) the term of the SEIU MOU 2017-2020 shall be extended from June 30, 2020 until December 31, 2020; and

WHEREAS, the City’s labor relations representatives and SEIU representatives desire to memorialize this agreement by means of an amendment to the SEIU MOU 2017-2020 (“Amendment No. 1”), pursuant to both the Meyers-Milias-Brown Act (“MMBA”) (Gov’t Code

Section 3500-3511) and the City's Employer-Employee Relations Resolution, Resolution No. 08-17; and

WHEREAS, pursuant to Gov't Code § 3505.1, the City Council must approve the terms of any memorandum of understanding or amendment thereto reflecting an agreement between the City and SEIU.

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

Section 1. The Amendment No. 1 to the SEIU MOU 2017-2020, attached hereto as Exhibit "A," is hereby approved.

Section 2. Except as expressly provided in the Amendment No. 1 to the SEIU MOU 2017-2020, all other provisions of the SEIU MOU 2017-2020 shall remain in full force and effect.

PASSED AND ADOPTED by the City Council, City of Morro Bay at a special meeting thereof held on the 28th day of April 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk

AMENDMENT NO. 1 TO THE MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF MORRO BAY AND THE SERVICE EMPLOYEES
INTERNATIONAL UNION (SEIU), LOCAL 620, FOR THE PERIOD OF
JULY 1, 2017 THROUGH JUNE 30, 2020

WHEREAS, the City of Morro Bay (hereinafter the “City”) has, and continues to, recognize the Service Employees International Union (“SEIU”), Local 620 as the sole exclusive bargaining agent for the City’s miscellaneous employees, for all matters concerning wages, hours and working conditions; and

WHEREAS, the current Memorandum of Understanding between the City and the SEIU Local 620 (“SEIU MOU 2017-2020”), which was duly approved by the City Council on September 26, 2017, is set to expire on June 30, 2020; and

WHEREAS, the California Governor on March 4, 2020 proclaimed a State of Emergency to exist in California due to the COVID-19 pandemic; and

WHEREAS, the President of the United States on March 13, 2020 declared the outbreak of COVID-19 in the United States constituted a national emergency; and

WHEREAS, on March 13, 2020, the San Luis Obispo County Emergency Services Director issued a Proclamation of Local Emergency due to the spread of COVID-19 in the County of San Luis Obispo; and

WHEREAS, on March 14, 2020, the Morro Bay City Manager proclaimed a declaration of the existence of a local emergency within the City of Morro Bay due to the threat posed to the City from COVID-19, and that declaration was subsequently ratified by the City Council on March 19, 2020; and

WHEREAS, the City and SEIU Local 620 have met and conferred to negotiate the terms of an extension of the duration and term of the SEIU MOU 2017-20 and a temporary salary reduction in light of the COVID-19 pandemic; and

WHEREAS, the City and SEIU Local 620 have agreed to the following: i) effective May 2, 2020, through December 31, 2020, the base salary for each employee represented by the SEIU Local 620 shall be reduced in the amount of five percent (5%) and ii) the term of the SEIU MOU 2017-2020 shall be extended from June 30, 2020 until December 31, 2020; and

WHEREAS, the City’s labor relations representatives and SEIU Local 620 representatives desire to memorialize this agreement by means of an amendment to the SEIU MOU 2017-2020 (“Amendment No. 1”), pursuant to both the Meyers-Milias-Brown Act (“MMBA”) (Gov’t Code Section 3500-3511) and the City’s Employer-Employee Relations Resolution, Resolution No. 08-17; and

WHEREAS, the Amendment No. 1 was ratified by the SEIU Local 620 on April 27, 2020; and

WHEREAS, this Amendment No. 1 shall not be in full force and effect until adopted by resolution by the City Council of the City; and

WHEREAS, except as provided in this Amendment No. 1, all other provisions of the SEIU MOU 2017-2020 shall remain in full force and effect.

NOW, THEREFORE, it is hereby agreed that the SEIU MOU 2017-2020 are amended in the following particulars only:

Section 1. Article 7 of the SEIU MOU 2017-2020, entitled "Term," shall be amended to read in its entirety as follows:

"ARTICLE 7- TERM

Except as otherwise specifically provided herein, the term of this MOU shall be from July 1, 2017, through December 31, 2020."

Section 2. A new section 18.14 is added to Article 18 of the SEIU MOU 2017-2020, entitled "Wages and Incentives," to read as follows:

"18.14 Effective May 2, 2020 through December 31, 2020, the base salaries then in effect for all employees shall be reduced by the amount of five percent (5%).

18.15 The City will defer the 5% salary reduction for any member who submits written notification to the City on or before May 1, 2020, of their intention to retire by August 31, 2020. In the event the employee reconsiders and does not retire by August 31, 2020, the previously waived salary reduction amount shall be imposed along with the remaining 5% salary reduction over the remaining contract period.

18.16 During the entire period of the contract term extension (through December 31, 2020) and expressly expiring thereafter, the City agrees that it will waive any rights it may have under State of California Government Code Section 3504.5(b) or any other means which would allow the City to modify existing wages, hours and terms and conditions of employment without having first met all applicable meet and confer obligations including impasse protections. Nothing herein shall prevent the City from making layoff determinations as a management right, nor implementing layoffs before completion of any requested meet and confer over the impacts over such layoffs."

Section 3. City will provide lump sum cash paybacks to employees in October 2020, upon review of the following information and should either or both of the following conditions exist:

1. To the extent that the City closes FY 2019/20 with these already budgeted revenues over expenditures, excluding Stimulus relief as described in #2 below, a lump sum distribution to employees, will be discussed and determined during the October financial update to the SEIU Local 620.

2. City receives Stimulus relief for projected loss revenue (at least covering 50% of the projected or actual loss in revenue from the pandemic from the key revenue sources of sales tax, Transient Occupancy Tax (“TOT”), and permit revenues). This is stimulus relief funds, not to be confused with FEMA reimbursements for expenses incurred for response related efforts. If stimulus relief is provided, 10% of the amount received will be divided equally by the number of full-time equivalent employees then working at the City and paid to Unit members in the form of a one-time lump sum payment not to exceed the salary reduction amount experienced by each employee.

The City commits to providing a financial update with FY 2019/20 year-end closure results to SEIU Local 620 on October 15, 2020, to determine the amount of the lump sum payback, if any. These projections will provide more detail as to the actual impacts of COVID-19 on City revenues, as well as FY 2019/20 actual year-end closure results, and will provide a basis for possible lump sum repayments as well as contract discussions for negotiation purposes for contract beginning January 1, 2020.

The City and staff recognize that these are unprecedented times with a number of large variables not being clearly defined. We committed to working with our employee groups and, through discussions, providing a clear picture of the City’s finances and probability of salary paybacks.

Section 4. In order to reflect salary reductions implemented by this Amendment No. 1, a new Attachment “A-1” shall be added to the SEIU MOU 2017-2020, which is attached hereto and incorporated herein by this reference.

Section 5. Except as expressly provided in this Amendment No. 1, all other provisions of the SEIU MOU 2017-2020 shall remain in full force and effect.

Section 6 This Amendment No. 1 shall not be in full force and effect until adopted by resolution by the City Council of the City.

[SIGNATURES ON FOLLOWING PAGE]

IT IS SO AGREED:

SEIU LOCAL 620



Robert MacLeod, Field Representative



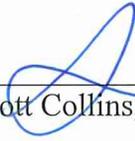
Lori Stilts, Shop Steward



Dana Stein, Team Member

Dylan Pruitt, Team Member

CITY OF MORRO BAY



Scott Collins, City Manager

Colin J. Tanner, Deputy City
Attorney/Labor Negotiator

Dana Swanson, City Clerk



Laurie Goforth, Human Resources Analyst

CITY OF MORRO BAY - SEIU
SALARY SCHEDULE
May 2, 2020 - December 31, 2020
Revised per Council approval

-5.00%
Salary Rollback

	STEP	ANNUAL	MONTHLY	BIWEEKLY	HOURLY
WASTEWATER SYSTEMS SUPERVISOR	5	\$87,550	7,295.83	3,367.31	42.09
ASSOCIATE CIVIL ENGINEER	4	\$83,381	6,948.42	3,206.96	40.09
	3	\$79,411	6,617.58	3,054.27	38.18
	2	\$75,629	6,302.42	2,908.81	36.36
	1	\$71,848	5,987.30	2,763.37	34.54
LEAD UTILITY OPERATOR	5	\$77,653	6,471.08	2,986.65	37.33
	4	\$73,955	6,162.92	2,844.42	35.56
	3	\$70,434	5,869.50	2,709.00	33.86
	2	\$67,080	5,590.00	2,580.00	32.25
	1	\$63,726	5,310.50	2,451.00	30.64
ASSISTANT ENGINEER	5	\$76,131	6,344.25	2,928.12	36.60
<i>ENGINEERING TECHNICIAN IV</i>	4	\$72,506	6,042.17	2,788.69	34.86
BUILDING INSPECTOR/PLANS	3	\$69,053	5,754.42	2,655.88	33.20
CONSOLIDATED MAINT FIELD SUPERVISI	2	\$65,765	5,480.42	2,529.42	31.62
610 <i>ASSOCIATE PLANNER</i>	1	\$62,477	5,206.42	2,402.96	30.04
HARBOR PATROL SUPERVISOR	5	\$74,693	6,224.42	2,872.81	35.91
	4	\$71,136	5,928.00	2,736.00	34.20
	3	\$67,749	5,645.75	2,605.73	32.57
	2	\$64,523	5,376.92	2,481.65	31.02
	1	\$61,297	5,108.08	2,357.58	29.47
666 HARBOR BUSINESS COORD	5	\$70,811	5,900.92	2,723.50	34.04
	4	\$67,439	5,619.92	2,593.81	32.42
	3	\$64,228	5,352.33	2,470.31	30.88
	2	\$61,169	5,097.42	2,352.65	29.41
	1	\$58,111	4,842.55	2,235.02	27.94
UTILITY OPERATOR MC	5	\$69,668	5,805.67	2,679.54	33.49
(MULTIPLE CERTIFICATION)	4	\$66,351	5,529.25	2,551.96	31.90
	3	\$63,191	5,265.92	2,430.42	30.38
	2	\$60,182	5,015.17	2,314.69	28.93
	1	\$57,173	4,764.41	2,198.96	27.49
<i>BUILDING INSPECTOR</i>	5	\$68,028	5,669.00	2,616.46	32.71
	4	\$64,789	5,399.08	2,491.88	31.15
	3	\$61,704	5,142.00	2,373.23	29.67
	2	\$58,765	4,897.08	2,260.19	28.25
	1	\$55,827	4,652.23	2,147.18	26.84
650 ASSISTANT PLANNER	5	\$65,415	5,451.25	2,515.96	31.45

CITY OF MORRO BAY - SEIU
SALARY SCHEDULE
May 2, 2020 - December 31, 2020
Revised per Council approval

-5.00%
Salary Rollback

	STEP	ANNUAL	MONTHLY	BIWEEKLY	HOURLY
	4	\$62,300	5,191.67	2,396.15	29.95
	3	\$59,334	4,944.50	2,282.08	28.53
	2	\$56,508	4,709.00	2,173.38	27.17
	1	\$53,683	4,473.55	2,064.72	25.81
UTILITY OPERATOR	5	\$65,110	5,425.83	2,504.23	31.30
	4	\$62,010	5,167.50	2,385.00	29.81
	3	\$59,057	4,921.42	2,271.42	28.39
	2	\$56,245	4,687.08	2,163.27	27.04
	1	\$53,433	4,452.73	2,055.11	25.69
670 RECREATION SUPERVISOR	5	\$65,010	5,417.50	2,500.38	31.25
702 ENGINEERING TECH III	4	\$61,914	5,159.50	2,381.31	29.77
	3	\$58,966	4,913.83	2,267.92	28.35
	2	\$56,158	4,679.83	2,159.92	27.00
	1	\$53,350	4,445.84	2,051.93	25.65
690 HARBOR PATROL OFFICER	5	\$63,412	5,284.33	2,438.92	30.49
	4	\$60,392	5,032.67	2,322.77	29.03
	3	\$57,516	4,793.00	2,212.15	27.65
	2	\$54,777	4,564.75	2,106.81	26.34
	1	\$52,038	4,336.50	2,001.46	25.02
MECHANIC	5	\$57,396	4,783.00	2,207.54	27.59
RECREATION COORDINATOR	4	\$54,663	4,555.25	2,102.42	26.28
	3	\$52,060	4,338.33	2,002.31	25.03
	2	\$49,581	4,131.75	1,906.96	23.84
	1	\$47,102	3,925.17	1,811.62	22.65
731 ADMINISTRATIVE TECHNICIAN	5	\$55,617	4,634.75	2,139.12	26.74
PERMIT TECHNICIAN - CERTIFIED	4	\$52,969	4,414.08	2,037.27	25.47
SUPPORT SERVICES TECHNICIAN	3	\$50,446	4,203.83	1,940.23	24.25
PROPERTY EVIDENCE CLERK	2	\$48,044	4,003.67	1,847.85	23.10
	1	\$45,642	3,803.50	1,755.46	21.94
751 CONSOLIDATED MAINTENANCE WORKER	5	\$54,651	4,554.25	2,101.96	26.27
730 ACCOUNT CLK III	4	\$52,049	4,337.42	2,001.88	25.02
	3	\$49,570	4,130.83	1,906.54	23.83
	2	\$47,210	3,934.17	1,815.77	22.70
	1	\$44,850	3,737.50	1,725.00	21.56
791 <i>PERMIT TECHNICIAN</i>	5	\$52,258	4,354.83	2,009.92	25.12
	4	\$49,770	4,147.50	1,914.23	23.93
	3	\$47,400	3,950.00	1,823.08	22.79
	2	\$45,143	3,761.92	1,736.27	21.70

CITY OF MORRO BAY - SEIU
SALARY SCHEDULE
May 2, 2020 - December 31, 2020
 Revised per Council approval

-5.00%
 Salary Rollback

	STEP	ANNUAL	MONTHLY	BIWEEKLY	HOURLY
	1	\$42,886	3,573.83	1,649.46	20.62
800 CONSOLIDATED MAINTENANCE WORKER	5	\$51,027	4,252.25	1,962.58	24.53
	4	\$48,598	4,049.83	1,869.15	23.36
ACCOUNT CLERK II	3	\$46,283	3,856.92	1,780.12	22.25
	2	\$44,079	3,673.25	1,695.35	21.19
	1	\$41,875	3,489.59	1,610.58	20.13
831 OFFICE ASST. IV	5	\$49,116	4,093.00	1,889.08	23.61
	4	\$46,777	3,898.08	1,799.12	22.49
	3	\$44,550	3,712.50	1,713.46	21.42
	2	\$42,428	3,535.67	1,631.85	20.40
	1	\$40,307	3,358.88	1,550.25	19.38
840 OFFICE ASST. III	5	\$45,429	3,785.75	1,747.27	21.84
850 ACCOUNT CLERK I	4	\$43,266	3,605.50	1,664.08	20.80
CONSOLIDATED MAINTENANCE WORKER	3	\$41,206	3,433.83	1,584.85	19.81
	2	\$39,243	3,270.25	1,509.35	18.87
	1	\$37,281	3,106.74	1,433.88	17.92
ACCOUNT CLERK IN-TRAINING	5	\$37,577	3,131.42	1,445.27	18.07
	4	\$35,788	2,982.33	1,376.46	17.21
	3	\$34,084	2,840.33	1,310.92	16.39
	2	\$32,460	2,705.00	1,248.46	15.61
	1	\$30,837	2,569.75	1,186.04	14.83

**CITY OF MORRO BAY
SALARY SCHEDULE
POLICE DEPARTMENT**

May 2, 2020 - December 31, 2020

-5.00%

Salary rollback

Total

	Step	Annual	Monthly	Biweekly	Hourly
Sergeant	6	\$98,762	\$8,230.17	\$3,798.54	\$47.48
	5	\$94,059	\$7,838.25	\$3,617.65	\$45.22
	4	\$89,580	\$7,465.00	\$3,445.38	\$43.07
	3	\$85,314	\$7,109.50	\$3,281.31	\$41.02
	2	\$81,251	\$6,770.92	\$3,125.04	\$39.06
	1	\$77,188	\$6,432.33	\$2,968.77	\$37.11
Special Office Assignn	6	\$83,153	\$6,929.42	\$3,198.19	\$39.98
School Resource	5	\$79,194	\$6,599.50	\$3,045.92	\$38.07
Detective	4	\$75,422	\$6,285.17	\$2,900.85	\$36.26
Senior	3	\$71,831	\$5,985.92	\$2,762.73	\$34.53
	2	\$68,410	\$5,700.83	\$2,631.15	\$32.89
	1	\$64,989	\$5,415.75	\$2,499.58	\$31.24
Police Officer	6	\$79,193	\$6,599.42	\$3,045.88	\$38.07
	5	\$75,422	\$6,285.17	\$2,900.85	\$36.26
	4	\$71,830	\$5,985.83	\$2,762.69	\$34.53
	3	\$68,410	\$5,700.83	\$2,631.15	\$32.89
	2	\$65,152	\$5,429.33	\$2,505.85	\$31.32
	1	\$61,894	\$5,157.83	\$2,380.54	\$29.76

Positions in **BOLD** are filled and budgeted

RESOLUTION NO. 39-20

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
PROVIDING FOR DEFERRAL OF TIDELANDS TRUST
MASTER LEASE RENT PAYMENTS FOR THE MONTHS OF
MARCH, APRIL, MAY AND JUNE, 2020 DO TO THE
COVID-19 PANDEMIC BUSINESS CLOSURES**

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

WHEREAS, the California Governor on March 4, 2020 proclaimed a State of Emergency to exist in California due to the COVID-19 pandemic; and

WHEREAS, the President of the United States on March 13, 2020 declared the outbreak of COVID-19 in the United States constituted a national emergency; and

WHEREAS, on March 13, 2020, the San Luis Obispo County Emergency Services Director issued a Proclamation of Local Emergency due to the spread of COVID-19 in the County of San Luis Obispo; and

WHEREAS, on March 14, 2020, the Morro Bay City Manager proclaimed a declaration of the existence of a local emergency within the City due to the threat posed from COVID-19, and that declaration was subsequently ratified by the City Council on March 19, 2020; and

WHEREAS, due to the unprecedented business closures and other restrictions implemented in response to the COVID-19 pandemic affecting business and other activity in Morro Bay, many Tidelands Trust waterfront lease Master Tenants and Subtenants are unable to make their rent and other payment obligations; and

WHEREAS, the City Council now desires to implement immediate measures to mitigate the financial situation of Morro Bay's Tidelands Trust tenants in order to help assure a speedy financial recovery from pandemic.

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

Effective immediately:

1. All Tidelands Trust Master Tenants may defer their monthly lease rent payments for the months of March, April, May and June, 2020 if needed, without penalty or late fees being assessed.
2. The same provision to defer rent payments will be extended to Tidelands Trust Subtenants by Master Tenants, if needed.

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

Deferred rent amounts will remain on-account and the City Council will work in good faith with Tidelands Trust Master Tenants to develop deferred rent payment or other plans at a future time to be determined.

PASSED AND ADOPTED by the City Council, City of Morro Bay at a special meeting thereof held on the 28th day of April 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk



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.

NOTICE OF SPECIAL MEETING

**Tuesday, April 28, 2020 – 3:00 P.M.
Held Via Teleconference**

ESTABLISH QUORUM AND CALL TO ORDER

PUBLIC COMMENT FOR ITEMS ON THE AGENDA

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, this Meeting will be conducted telephonically through Zoom and broadcast live on Cable Channel 20 and streamed on the City website (click [here](#) to view). Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Veterans' Hall will not be open for the meeting.

Public Participation:

In order to prevent and mitigate the effects of the COVID-19 pandemic, and limit potential spread within the City of Morro Bay, in accordance with Executive Order N-29-20, the City will not make available a physical location from which members of the public may observe the meeting and offer public comment. Remote public participation is allowed in the following ways:

- Community members are encouraged to submit agenda correspondence in advance of the meeting via email to the City Clerk's office at cityclerk@morrobayca.gov prior to the meeting and will be published on the City website with a final update one hour prior to the meeting start time. Agenda correspondence received less than an hour before the meeting start time may not be posted until after the meeting.
- Members of the public may watch the meeting either on cable Channel 20 or as streamed on the City [website](#).
- Alternatively, members of the public may watch the meeting and speak on a specific agenda item by logging in to the Zoom webinar at the **beginning** of the meeting using the information provided below. Please use the **"raise hand"** feature to indicate your desire to provide public comment. Each speaker will be allowed three minutes to provide input.

Please click the link below to join the webinar:

- <https://us02web.zoom.us/j/82722747698?pwd=aWZpTzcwTHlRTk9xaTlmWVNWRFUQT09>

Password: 135692

- Or Telephone Attendee: (408) 638-0968; Webinar ID: 827 2274 7698;
Password: 135692

SPECIAL MEETING AGENDA ITEMS:

- I. COMPREHENSIVE UPDATE ON THE FINANCIAL IMPACTS OF COVID-19 ON CITY FINANCES AND CONSIDERATION OF ROCK SOLID TOGETHER, THE CITY'S SHORT-TERM FISCAL EMERGENCY PLAN AND BUSINESS ASSISTANCE PROGRAM; (CITY MANAGER/FINANCE DIRECTOR/ACTING PUBLIC WORKS DIRECTOR)

RECOMMENDATION: Staff recommend that City Council:

1. **Adopt Resolution No. 37-20 to adopt a five percent salary reduction for unrepresented confidential and unrepresented management designated employees; and**
2. **Adopt Resolution No. 38-20 to adopt Amendment No. 1 to the Memorandum of Agreement between the City of Morro Bay and the Morro Bay Police Officers' Association, adopting a five percent salary reduction; and**
3. **Adopt Resolution No. 39-20 to defer Tideland Trust Lease site rent payments to the City for the months of March, April, May and June 2020, and**
4. **Authorize the City Manager to execute Amendment No. 2 to the contract with Mental Marketing, Inc.; and**
5. **Provide direction to staff on all other recommendations.**

ADJOURNMENT

DATED: April 24, 2020



John Headding, Mayor

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.



AGENDA NO: I
MEETING DATE: April 28, 2020

Staff Report

TO: Honorable Mayor and City Council

DATE: April 24, 2020

FROM: Scott Collins, City Manager
Jennifer Callaway, Finance Director/Acting Public Works Director

SUBJECT: Comprehensive Update on the Financial Impacts of COVID-19 on City Finances and Consideration of Rock Solid Together, the City's Short-Term Fiscal Emergency Plan and Business Assistance Program

RECOMMENDATION

Staff recommend that City Council:

- 1) Adopt Resolution No. 37-20 to adopt a five percent salary reduction for unrepresented confidential and unrepresented management designated employees; and
- 2) Adopt Resolution No. 38-20 to adopt Amendment No. 1 to the Memorandum of Agreement between the City of Morro Bay and the Morro Bay Police Officers' Association, adopting a five percent salary reduction; and
- 3) Adopt Resolution No. 39-20 to defer Tideland Trust Lease site rent payments to the City for the months of March, April, May and June 2020; and
- 4) Authorize the City Manager to execute Amendment No. 2 to the contract with Mental Marketing, Inc.; and
- 5) Provide direction to staff on all other recommendations.

BACKGROUND/DISCUSSION

In order to protect the lives of our residents, President Donald Trump, California Governor Gavin Newsom, and the SLO County Public Health Officer all issued public health emergencies related to the deadly COVID-19 pandemic in March 2020. Since March 14, all California residents and businesses were required to adhere to a strict Shelter at Home order. That order has been responsible for a precipitous flattening of the COVID-19 virus spread curve in SLO County, meaning our local health care system can continue to treat all patients. In terms of public health, the response to date can be considered a success, and those important social distancing measures will continue as the County and State develop phased community re-opening plans based upon science and data.

The international, national, regional and local economies have suffered tremendous losses as a result of the preventative measures taken to combat the virus. Between mid-March to early April 2020, nearly 2.5 million Californians have filed for unemployment benefits. The travel and tourist industry has collapsed. The restaurant and retail sector have lost significant revenues as most businesses has been forced to close their doors or significantly modify their offerings to comply with social distancing requirements.

Local governments have been significantly impacted financially as well. According to the League of

Prepared By: <u> JC </u>	Dept Review: <u> </u>
City Manager Review: <u> SC </u>	City Attorney Review: <u> CFN </u>

California Cities' analysis of several data sources, including local government projections and annual reports provided by the State Controller and California Department of Tax and Fee Administration, California cities are projected to experience a \$7 billion general revenue shortfall over the next two fiscal years. This shortfall will grow by billions of dollars if COVID-19 stay-at-home orders extend into the summer months and beyond. According to the League's research, ninety percent of California cities project that these shortfalls will impact core city services, including police, fire services, emergency management, and planning and housing. A majority of the cities surveyed anticipate lay-offs or furloughs, which will further impact core city services for residents, as well as the employees. A one-page outline summarizing the results of the League's research and analysis is included as Attachment 1 for reference.

The League also points out that, while all cities, regardless of size and geography, are impacted, the cities that will be most impacted are those with high dependencies on sales tax and transient occupancy tax (TOT). The impacts of COVID-19 were felt immediately in the Morro Bay community, with local businesses furloughing and laying off their staff and triggering contingency plans to survive the undetermined period of social distancing until business returns to some semblance of normalcy. The losses have been significant and continue to mount.

As a corollary, the City of Morro Bay's finances are tied directly to the success of our local business community, primarily tourism. With the flow of overnight visitors cut down to nearly zero beginning in mid-March, City staff are anticipating significant losses in Transient Occupancy Tax (TOT) and Sales Tax for the 4th Quarter of Fiscal Year (FY) 2019/20 (April 1 to June 30, 2020) and greater losses in FY 2020/21. This is in line with the impact being felt by all cities in California.

With that backdrop, at a special City Council meeting on March 19, 2020, Council ratified the City Manager's administrative action to declare a local emergency and activate the City's short-term fiscal emergency plan as a result of the COVID-19 pandemic. The short-term fiscal emergency plan was developed and approved by Council in 2018 to create a transparent process and formula for short term action when fiscal first aid may be needed. Having this clear strategy in place for fiscal emergencies like the pandemic reflects the City of Morro Bay's values help to serve as the foundation for decision-making in tough fiscal times and will aid in preserving the City's long-term fiscal health and vitality.

Projected Financial Impact to City Government

The City is projecting General Fund revenue losses for the 4th Quarter of FY2019/20 of approximately \$2M to \$3M, roughly 14 to 20% of the annual General Fund. Those losses are primarily from TOT and Sales Tax. The city is projecting that number to increase to \$4M to \$5M in FY2020/21, equating to nearly a 27% to 34% loss of overall General Fund revenues. Losses could increase beyond that depending on the re-opening of our society, the tourism patterns that emerge from that, and the extent to which there is a second surge of COVID-19 in the fall and winter of 2020/21 which could result in shelter-at-home orders being reissued. The City anticipates approximately \$200,000 losses in harbor revenues through the remainder of the FY19/20, with an additional cash flow impact of up to \$110,000 in deferred monthly rent revenues in the Harbor Fund.

Given those staggering numbers, and under the guidance outlined by the Government Finance Officers Association (GFOA) 12 stage "Financial Recovery Process: Recovery from Financial Disaster and Fiscal First Aid," the City must consider a comprehensive approach to stemming the bleeding and beginning the long road to fiscal health. Therefore, staff has customized a recovery plan that fits the character and aspects of Morro Bay - Rock Solid Together Financial and Economic Recovery Plan. Rock Solid Together is built on the foundation that the City wishes to retain local

control over core, essential government services. With this foundation, Rock Solid Together is comprehensive and attempts to assist the local business community where feasible and administer fiscal first aide to City finances in light of the significant economic wound inflicted by the pandemic.

The recovery plan is fluid and evolving. Given the nature of the COVID-19 pandemic, there are many missing pieces of information which we must acknowledge, recognize and realize, as the City will need to adjust rapidly to the changing environment. For example, Morro Bay relies heavily on tourism to generate 24% of the City's general fund revenues via TOT and additional revenues generated from tourism such as sales tax and gas tax. In addition, there is likely to be an impact to property tax as the local and national economy have, by all accounts, entered a recession, and a reduction in permit generated revenues, given that these revenues are generated from customer's discretionary incomes.

With such heavy reliance on tourism to generate revenue to fund City services and the absence of key information guiding revenue assumptions, many key unanswerable questions remain, such as when will the City be able to welcome tourists and visitors back to our community and open restaurants and businesses? Also, when the shelter at home orders are lifted, will consumers feel comfortable traveling, staying in hotel rooms and potentially exposing themselves to the virus? Will travel look different, for example a heavier tendency towards camping? When will recreational activities resume, special events and large gatherings? As we traverse this pandemic and these unprecedented times, staff feels it is crucial to have a multifaceted and adaptable plan to quickly acclimate to changing conditions.

Keeping these factors in mind, the City has developed a two-pronged approach to bridge and support the natural ecosystems that exists between our business community, general community and City Government. The first prong of the Rock Solid Together addresses business and community assistance – what the City can do to support our local business and general community while understanding the City has also been severely impacted by this pandemic and the second prong addresses City Government operations.

Rock Solid Together – Business and Community Assistance

With regard to the business community and general community, the City Council has previously approved the following measures:

- 1) Deferral of TOT payments to the City for the months of February and March 2020, until August of this year
- 2) Waiving penalties for late payments for business license tax fees, water and sewer bills
- 3) The City has discontinued disconnecting water service due to failure to pay until further notice
- 4) City Council has adopted resolutions publicizing Governor Newsom's and the State Judicial Council's orders preventing evictions and price gouging.
- 5) Governor Newsom has allowed small businesses to retain sales tax up to \$50,000 for twelve months, to serve as no interest loans. The City's portion of that sales tax will assist those businesses that take up the option to defer their taxes.
- 6) City Council adopted an emergency purchasing policy to provide for prioritization of local purchasing when available.
- 7) Providing free transit services (waiving transit fares) so passengers that rely on the City's public transit system for lifeline service can do so without worry of cost.
- 8) Postponing assessments for collection of delinquent garbage accounts until next year.

Options for City Council consideration:

- 1) Utility Discount Program to recently unemployed (impacted by COVID-19): Currently, in the City's Utility Discount Fund, there is approximately \$500,000 in fund balance available to provide a 10% monthly discount to qualifying utility customers. To qualify, customers must apply and provide documentation that they are enrolled in the PG&E Cares program or similar So Cal Gas program. Given the loss of jobs and impact to those that have been laid off due to COVID-19, Council could direct staff to revise the discount program, to allow customers that provide proof from the Employment Development Department (EDD) that they are receiving unemployment due to a COVID-19 related layoff, to enroll in the program and receive the 10% monthly discount. Given that we do not have a clear sense of the population that are impacted by layoffs within Morro Bay, should Council choose to direct staff in this direction, staff recommends the discount program be extended to unemployed customers through the June billing cycle. At such time, staff will assess fund sustainability to extend the program further.
- 2) With adoption of the FY 2020/21 Master Fee Schedule, the City Council had previously discussed the second phase-in of fee increases to align the City's fee structure into a full cost-recovery model (with a few notable exceptions). There were three planned phase-in of fees to reach cost recovery, the first being in January 2020, second phase-in scheduled for July 2020 and last phase-in (when cost recovery would be met) scheduled for July 2021. Staff recommends that the City Council defer the scheduled second phase-in of fees scheduled for July 2020 and rather adopt a FY 2020/21 Master Fee Schedule that incorporates only a Consumer Price Index (CPI) or Engineers News Record (ENR) increase. Staff recognizes that fees are still significant and impactful to residents and businesses and is making this recommendation to balance the City's revenue needs and impact to the community. This is discussed as a separate item on the April 28, 2020 Regular City Council meeting agenda.
- 3) Approve the Chamber contract modification to provide additional funds for business outreach and assistance efforts. The modified contract will be brought back to City Council in May 2020 for review.
- 4) Deferral of lease payments to the City from Tideland Trust master lease holders for the months of March, April, May and June (Attachment 12 with Resolution authorizing these deferrals will be provided as an addendum to this report on Monday, April 27, 2020). Master lease holders would need to extend those same terms to their subtenants through that period. Staff is seeking direction from City Council about when those deferred payments would need repaid to the Harbor Fund.
- 5) City Council could direct staff to develop micro loan programs to support our local small businesses. A two-tiered program would be recommended, with a branch specific to the business located in the Tidelands Trust area and potentially funded through the Castle Wind Community Benefit Agreement fund, and a second branch for businesses located outside the Tidelands Trust area, potentially funded through the Economic Development fund, specifically SB 1090 money received from the closure of the Diablo Canyon Power Plant. If Council desires to use these funding sources as proposed, then staff will conduct further review on the feasibility of such allocations. Should Council be interested in developing these programs, staff would seek direction on parameters for developing the programs (as outlined below, plus an additional components Council wants to recommend). The Economic Recovery Branch of the City's Emergency Operations Center (EOC), which is led by Community Development Director Scott Graham and consists of the Chamber CEO Erica Crawford and Tourism Manager Jennifer Little, can work to develop a program under the general direction of Council discussion to bring back to Council for formal adoption.

Staff suggests the programs be loan or grant programs, with low or no interest, to help assist our local business who have been impacted by COVID-19.

Tidelands Trust Business Micro Loan and Grant Program parameter discussion points:

1. Loans to existing businesses to extend rent deferrals beyond June 2020 as previously discussed.
2. A grant component to offer waivers of rents that have been deferred (previously discussed)
3. How much funding should be allocated to fund this grant and/or loan program?

Small Business Micro Loan Program (Businesses outside of the Tidelands Trust):

1. Loans to existing business to re-open and continue operations
2. How much funding should be allocated to fund this program?

General Parameter to consider for either program:

1. Who would administer?
2. Length of loans and interest rate. Possible loan lengths and interest rates could be tiered as outlined below:
 - i. 0% for 18 months
 - ii. 1.5% for 36 months
 - iii. 3% for 5 years
3. Who is eligible? Possible loan criteria for consideration:
 - i. Existing business in the City since March 1, 2020
 - ii. Cash flow. Be able to demonstrate pre-COVID cashflow sufficient to pay off the loan. Show business was impacted by COVID19.
 - iii. Credit. Have reasonable personal credit history for owner. No bankruptcy's over last 12 months
 - iv. Collateral. Does the City want to require loan collateral for security in the case of default?
 - v. Guarantors. Any business owner with at least a 25% stake in the business must sign to guarantee loan
 - vi. Co-Signer. Allow co-signer with sufficient income and a reasonable credit history as a guarantor for loan requests where the business requesting the loan has credit history issues.
4. What loan documentation would the City want to require?
 - i. - Business Tax Returns (1 year, if available)
 - ii. - Business Financial Statement
 - iii. - Personal Financial Statement
 - iv. - Personal Tax Returns (1 year)
 - v. - Bank Statements (3 months)
 - vi. - Itemized Budget for Funds Requested

Rock Solid Together – City Government

Recognizing the gravity of the financial impact on City finances, the City Government prong of Rock Solid Together is comprised of four main pillars:

- 1) Employee compensation
- 2) Review and prioritization of operations

- 3) Responsible use of emergency reserves
- 4) Pursue State and Federal assistance and community support

The City has enacted several measures thus far, either through City Council or City Manager action, while other measures are proposed for Council consideration and direction. Each of the four pillars are outlined below with those measures identified.

Pillar One – Employee Compensation

Recognizing the gravity of the financial impact of COVID-19 and the need for immediate expenditure reductions, effective April 4, 2020 the City Council and Mayor have waived their monthly stipends for the remainder of FY19/20 (cost savings of \$14,000) and the City Manager and Department Heads have taken voluntary pay cuts up to 8 percent (annualized General Fund cost savings of approximately \$70,000).

Effective May 3, 2020 the City's Planning Commissioners voluntarily waived their monthly stipends and the unrepresented employees, consisting of management and confidential employees, have agreed to take a 5 percent reduction in salary. The City Council must take formal action to approve the 5 percent salary reductions for the unrepresented staff and this is included as Resolution No. 37-20, Attachment 2, including an amended salary schedules reflecting this change and in effect until December 31, 2020 (Attachment 3 Confidential Employees Salary Schedule and Attachment 4 Management Employees Salary Schedule).

The Morro Bay Police Officers Association has agreed to extend their contract term (which expires on June 30, 2020) until December 31, 2020 and effective May 3, 2020 take a 5% salary concession which would yield an annualized savings of approximately \$105,000. Staff recommends that the City Council adopt Resolution No. 38-20, Attachment 5 to authorize the City Manager to execute this agreement, including the Memorandum of Understanding between the City of Morro Bay Police Officers Association and the City (Attachment 6) and an amended salary schedule (Attachment 7) reflecting this change and in effect until December 31, 2020. The City Management Team has been working closely with the City's SEIU and Fire associations to discuss similar salary concessions.

Pillar Two – Review and Prioritization of Operations

With enactment of the City's short-term fiscal emergency plan, the City Manager immediately instituted several expenditure reductions measures. First, a hiring chill was instituted, whereby all vacant position requests to be filled must be reviewed by him. Only core safety positions will be approved to be filled at this time, which included filling two out of three vacant Police Officer positions and one vacant Utilities worker position. Those requests were approved by the City Manager as they were deemed essential to continue to provide front line response to the COVID-19 pandemic and clean, safe drinking water to the residents of the City. The City Manager is leaving one vacancy in Police to aid the city in its recovery efforts. This will put a strain on existing Police staff and resources.

In addition, it is anticipated that there will be a vacant associate planner position within the next month and this position will be held vacant and services will be supplemented with the use of a third party services to assist the City in reviewing plans, resulting in a 75% cost savings to the City. Also, the City is currently holding one full-time Consolidated Maintenance Worker III position vacant, as well as a vacant part-time code enforcement officer position. Lastly, the City has delayed advertising for the two part-time maintenance workers that were going to be hired to support restroom and trash pick-up services on the embarcadero. On an annualized basis, these vacancies yield a savings of

approximately \$350,000. It should be noted that the City's Public Works Director position is still vacant, and the City Manager will be assessing the need to fill that position in the coming months. Second, no travel outside the SLO region is allowed at this time, without the written consent of the City Manager and only if the travel is essential. No travel requests have been made since the fiscal emergency was declared.

Third, the City laid off over 70 temporary and part time employees in several departments over the past month. These were tough decisions but were made based upon the services they provide being suspended due to the Shelter at Home order. Those services include, but are not limited to, afterschool daycare, recreation classes and tourism support services, for an estimated cost savings of \$130,000 for the remainder of FY 2019/20.

Fourth, the City has reviewed all non-salary expenses. Below is a summary of those efforts.

- Mental marketing proposed contract modifications, waiving the monthly retainer charge and retaining their services on a as needed basis (hourly rate), provided as Attachment 8.
- Visitor Center contract canceled as the Center has been closed since the Shelter at Home order went into place. Discussion was underway about potentially revising the contract prior to COVID-19. Council sub-committee conducted some research and their report is provided as Attachment 9.
- The City Attorney has unilaterally provided to the City both a rate reduction for invoiced legal work, as well as a flat monthly savings, for the remainder of the fiscal year. The combined reductions in legal billings (for the same amount of work) are projected to total about 7% in savings on each legal services invoice. Starting with the March 2020 legal services invoice through the rest of the fiscal year, the current discount rate of \$175 will apply to the first 75 hours (rather than the first 50 hours) of monthly general legal work. Thereafter the contract rate of \$195 will apply if monthly general legal work exceeds 75 hours. The specialty rate of \$215 an hour will be reduced to \$205. Finally, in addition to the rate reductions, City Attorney will provide a flat monthly invoice write down of no less than \$2,500 for each of these months. Total projected savings to City will be approximately \$17,800. In addition, the Council could develop a policy whereby the City Manager and/or the majority of City Council must authorize work for the City Attorney.
- The City Manager has directed department heads and division managers to review closely all remaining expenses for this fiscal year and apply the same mindset to development of their FY20/21 draft budgets.

Lastly, the City will need to conduct a prioritization of services as part of the FY2020/21 budget process. This connects to what the Citizen Finance Advisory Committee (CFAC) discussed at their April 21, 2020 meeting where they reviewed the proposed revised Measure Q budget for FY19/20 and proposed FY20/21 Budget.

CFAC supported staff's Measure Q proposed budget recommendations, and recommended that the FY 2020/21 Pavement Management Plan be held off until at least spring of 2021 to ensure those funds would not be needed for reallocation to public safety needs, as the Committee reflected general support to use funds to preserve Police and Fire operations (either now with vacant PD officer and/or hold back to see if situation worsens, again to maintain service levels).

Given the comments provided by CFAC, and in light of the current fiscal condition, staff would ask that City Council provide general direction as to service priorities which will be used to help shape the proposed FY 2020/21 budget. At this point, staff is focused on maintaining the prioritized essential services for the benefit of the community, however we acknowledge that the gravity of the financial impacts on the City will result in significant service reductions.

Pillar Three – Responsible Use of Emergency Reserves

The City has built up a reserve equating to one quarter of the City's General Fund annual revenues, approximately \$3.4 million. This provides the City with flexibility during an emergency like COVID-19. However, Staff recommends that these be considered a multi-year measure as we anticipate several years of recovery. Therefore, staff is estimating to allocate at least \$1 million in reserves for both FY19/20 and FY20/21.

Given the timing of the pandemic, staff has had little time to financially react to the pandemic, given that there is only three months remaining in the year, therefore, staff anticipates a proportionately larger allocation of reserves in FY 2019/20. However, being cautious to ensure reserve funds remain to carry through a multi-year recovery and any potential impacts of CalPERS due to the market losses the fund has experienced during the pandemic, staff is recommending using no more than \$1 million in reserves for FY 2020/21. This recommendation will have to be revisited as the FY 2020/21 budget continues to be developed and when more information is known regarding the duration of the current shelter at home order and if a second surge of COVID-19 occurs in fall/winter of 2020/21 resulting in a second round of shelter at home orders.

Pillar Four – Pursue State and Federal Assistance and Community Support

The Cares Act provided assistance to cities and counties over 500,000 in population. The remainder of the funds went directly to states and provided them with discretion for use. It appears the State of California will not disburse those funds to smaller cities and counties at this time, as the State has taken on significant costs to address the COVID-19 pandemic. The City's congressional representation are working hard to negotiate for direct assistance to smaller cities like Morro Bay. We have heard that the next round of funding may include local government assistance and have provided Congressman Carbajal with an overview of our financial condition related to COVID and provided as Attachment 11. It is staff's understanding, however, that monies released to cities for the first Cares Act, cannot be used to cover revenue losses.

There are some options to consider for additional local revenues with more discussion in the concluding sections below.

In Summary, what does it all mean for the City?

If fully implemented, the compensation and operational cost reduction measures listed above will net the City an annualized savings of approximately \$725,000 in salary and vacancy savings and have identified approximately \$600,000 in potential operational expenditure savings, which still need to be assessed for operational impacts, for a total of potential savings of \$1.3 million. Staff notes that these savings would substantially reduce current service levels provided to the community. Combined with use of approximately \$1 million in reserves, the City is estimating remaining revenue shortfalls of \$2 million to \$3 million. That means a combination of additional operational cuts and infusion of new revenues will be needed to weather this storm.

While these numbers are estimates with a lot of unknown variables in place, we are certain that the economic pain from this pandemic will be significant. The FY 2020/21 budget will be a fluid budget cycle, with many tough decisions and multiple in-depth check-ins and budget revisions throughout the fiscal year.

RECAP OF COUNCIL RECOMMENDATIONS

Staff recommend that City Council provide direction, and or take action, on the following measures, under each prong of recovery plan and each of the four pillars within the City Government prong of the plan:

Business and Community

- 1) Does the Council wish to expand the City's Utility Discount Program, through June 2020 billing cycle, to customers who have been laid off due to COVID-19?
- 2) Does the Council agree with Staff's recommendation to defer the second phase-in of fee increases for the City's Master Fee Schedule and instead increase fees by CPI or ENR (discussed during the regular Council Meeting on April 28, 2020)?
- 3) Does the Council agree with the proposal to amend the Chamber contract to provide additional funds for business outreach and assistance efforts? If Council supports this action, contracts will be brought back to the City Council in May for review.
- 4) Does the Council wish to deferral lease payments to the City from Tideland Trust master lease holders (with caveat that same deferral must be extended to subtenants) for the months of March, April, May and June? If so, staff recommends that the City Council adopt Resolution No. 39-20 authorizing these deferrals (provided as an addendum on Monday, April 27, 2020 for consideration).
- 5) Does Council wish provide micro loan programs for the tideland trust area businesses and local businesses outside of the tidelands trust area? If Council would like such a program established, staff would recommend Council provide feedback and direction of parameters to consider in developing these programs.

City Government

- 1) Employee Compensation:
 - a. Adopt Resolution No. 37-20 approving 5 percent salary reductions for the City's unrepresented employees in the management and confidential employee groups.
 - b. Adopt Resolution No. 38-20 approving contract extension with the Morro Bay Police Officer's Association through December 31, 2020 with 5 percent salary reductions.
- 2) Operations:
 - a. Provide direction on policy regarding City Manager authorizing work for the City Attorney when requested by City staff or Council members.
 - b. Provide direction to staff on operational priorities and preservation of services.
- 3) Reserves:
 - a. Staff recommends that Council approve allocation of reserve funds for FY 2019/20, at this time up to \$1 million, with staff providing more information as to the overall financial impact of COVID-19 and operational savings achieved through the remaining portion of the fiscal year during the budget sessions held at the end of May. Staff may need to request additional use of reserves as more information is known.
- 4) Federal/State and Community and Revenue Options:

- a. Continue to support efforts and lobby Federal and State Government for stimulus relief to small, local communities.
- b. Previously, the Council directed staff to conduct community polling and outreach to measure community priorities and support to fund those priorities. Staff continues with the “Join the Conversation” outreach to seek as much community engagement as possible. In alignment with our Rock Solid Together recovery efforts, the engagement efforts are now focused on Join the Conversation – Working Together Towards Recovery.
- c. Discuss and provide direction to staff on new revenue options. While staff previously discussed and obtained direction from Council on many of these options in June 2019, staff felt Council should have an opportunity to revisit these options in light of the City’s need for additional revenues to remain sustainable. These options are provided in detail below for further discussion.

Other Revenue Options:

Paid Parking

There are many City owned parking lots and on-street parking spaces available for visitors, residents and business owners to utilize. Currently, parking is not paid, generally not restricted, and where restricted not enforced. Council could direct staff to analyze paid parking options, ideal locations, implementation, cost, estimated revenue that the City would realize and potential enforcement plans. Depending on locations selected, this could be a revenue option to benefit the General Fund and/or Harbor District.

Typically, revenues generated from paid parking are used exclusively to cover the costs of the parking program. The major costs include personnel to manage and enforce parking; equipment, such as parking meters, and vehicles that are used to conduct enforcement; and maintenance of the parking facilities. Some parking districts also use parking revenue to bond against to develop parking structures. Beyond those costs, some districts use parking revenues to support adjacent infrastructure improvements, such as sidewalks and roads contained within the parking district.

The primary purpose for engaging in paid parking is to better manage parking in impacted areas, not to generate revenue for general City purposes. Parking management, when executed effectively as evidenced in other cities, encourages greater turnover in highest impacted areas. In retail and visitor serving areas, turnover helps generating greater economic activity. The further away from the impacted area one travels, the lower the cost for parking should be.

With that in mind, the suggested next steps are to determine which areas in the City are experiencing parking impacts (and at what times) and develop a plan for City Council review. It should be noted that the Coastal Commission would also need to approve paid parking in the waterfront area. The Coastal Commission has approved paid parking in other coastal cities, but typically, only if those cities have demonstrated the need through data and if those cities provide free parking in some areas to facilitate coastal access. Staff intends to reach out to parking management vendors to see if they can provide free or low-cost options to evaluate our parking demand issues and develop options for paid parking in impacted areas.

Sale or Lease of Property

The City of Morro Bay currently owns approximately 215 acres of real property in 72 parcels. Included in the 72 parcels are six parcels outside the City’s corporate boundary. This does not include any of the City’s Rights of Way or easements. Rights of Way and easements are only for the public use as long as they are needed for that purpose. Except in the case of fee owned Rights of Way, should the public’s rights be abandoned or vacated, they revert back to the underlying property owner. As can

be seen on Attachment 12, 16 parcels have been identified to have some immediate development/redevelopment potential, four of which are already in the process of being sold.

The 16 parcels identified that have potential for sale/lease are identified below and will be discussed in further detail during the study session. Several of these sites have existing uses taking place on them and with user groups, so any consideration of those properties should include outreach to the users groups to obtain their input. Should Council be interested in pursuing the sale or lease of any of these properties listed below, staff would obtain a market analysis to assess either sale or lease value.

- Bike Park at Little Morro Creek Road
- 460 Bonita Street (Fire Station)
- Teen Center – Atascadero Rd
- Parking Lot – Next to Lemos (being sold to the Water/Sewer Funds for the WRF project)
- Market Ave (Parking Lots, Residential Rental, Maintenance Shop)
- 555 Harbor Street (City Hall)
- 570 Dunes Street (Residential Rental)
- 985 Shasta (Vacant Residential/Temporary Park – proposed site for bocce ball and greenhouse)
- 955 Shasta (Public Works and Community Development)
- Well Sites (Owned by Enterprise Fund)

RV Camping

The City Council could direct staff to analyze the potential for camping, either at the rock and or at other various locations within the City. RV Camping could be implemented for a short trial period, offered on weekends only, or at certain time of the years only, and be designated dry camping only. There is potential that staff could utilize \$54,000 in Lower Cost Visitor Accommodation Mitigation Fee funds to research, develop a program and plan and install any equipment, signage or markings that may be needed. This is a revenue option that would most likely benefit the Harbor Enterprise Fund; however, depending on location could benefit the General Fund.

Adult Use Cannabis Dispensaries

With award of the City's two medical cannabis dispensaries nearing completion, the Council could elect to consider and discuss permitting Adult use Dispensaries. The City's voters have previously approved a commercial cannabis tax that would apply to adult use dispensaries. These would be non-restricted revenues that could be dedicated to any purpose Council would like to direct.

ATTACHMENTS:

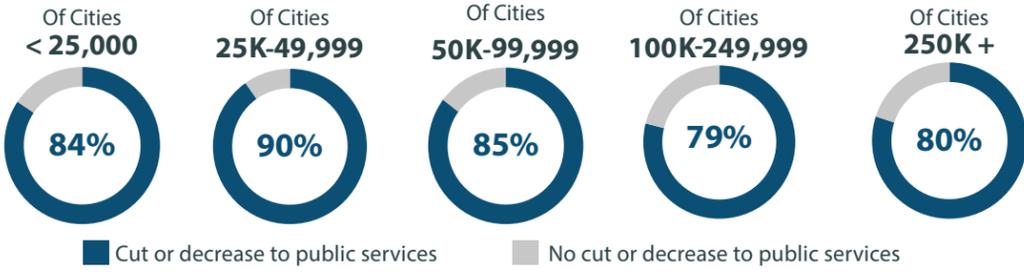
1. COVID-19 Fiscal Impact on CA Cities
2. Resolution No. 37-20 Adopting Salary Reduction for Unrepresented Employees
3. Salary schedule for Confidential employees
4. Salary schedule for Management employees
5. Resolution No. 38-20 Adopting Amendment No. 1 to MBPOA MOU 2018-20
6. MBPOA Amendment No. 1
7. Salary schedule for MBPOA
8. Mental Marketing Contract Amendment No. 2
9. Resolution No. 39-20 Harbor Lease Deferrals (Provided Monday April 27, 2020)
10. Visitor Center Study Report
11. Letter to Congressman Carbajal for Coronavirus relief
12. City Owned Properties List

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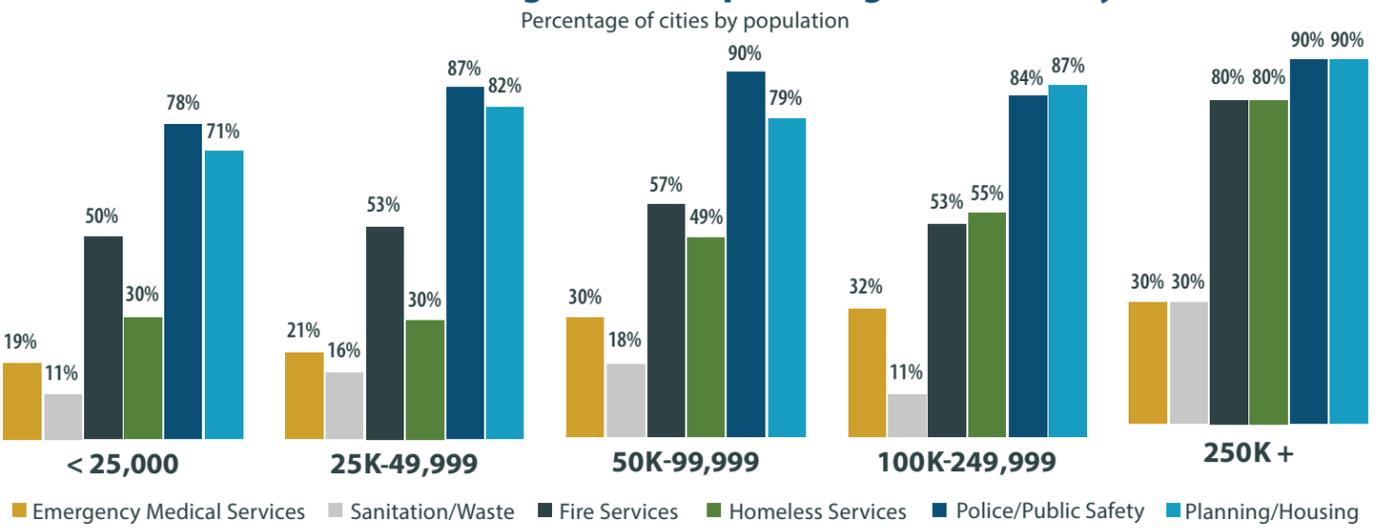
COVID-19 Fiscal Impact on California Cities

California cities face severe revenue shortfalls due to the impact of the COVID-19 pandemic on their economies and increased emergency costs. As a result, cities will be forced to make significant reductions or cuts to a broad range of core public services and staff, regardless of population size. Given current and projected revenue shortfalls, cities need fiscal assistance to stabilize local government operations to offset the devastating impacts the crisis is having on California's communities. These findings are part of a new data analysis* by the League of California Cities.

Public Services Will Be Impacted By Drastic Revenue Loss



Core Services Face Significant Impacts Regardless of City Size



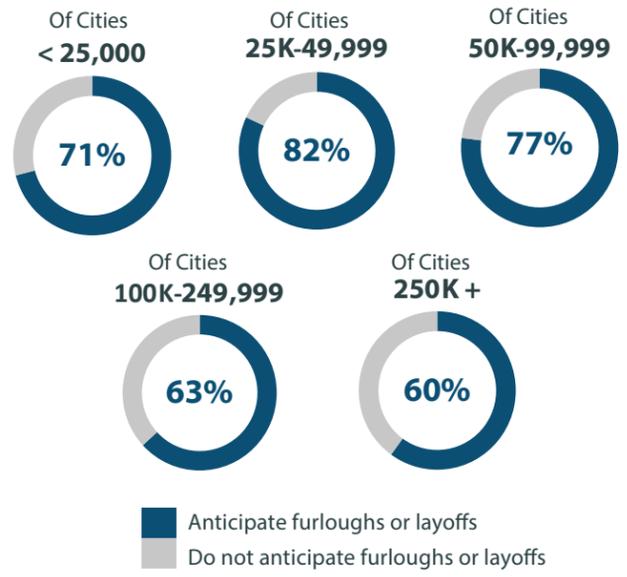
Cities anticipate a nearly **\$7 BILLION GENERAL REVENUE SHORTFALL** over the next two fiscal years. This shortfall will grow by billions of dollars if COVID-19 stay-at-home orders extend into the summer months and beyond.

City Leaders Report Immediate Impact to Core Revenue Sources

- 100%** Sales Taxes
- 89%** Hotel/Bed Taxes
- 72%** Property Transfer Taxes
- 42%** Utility Taxes
- 15%** Investments, Forfeitures, and Fines
- 4%** Parking and Admissions

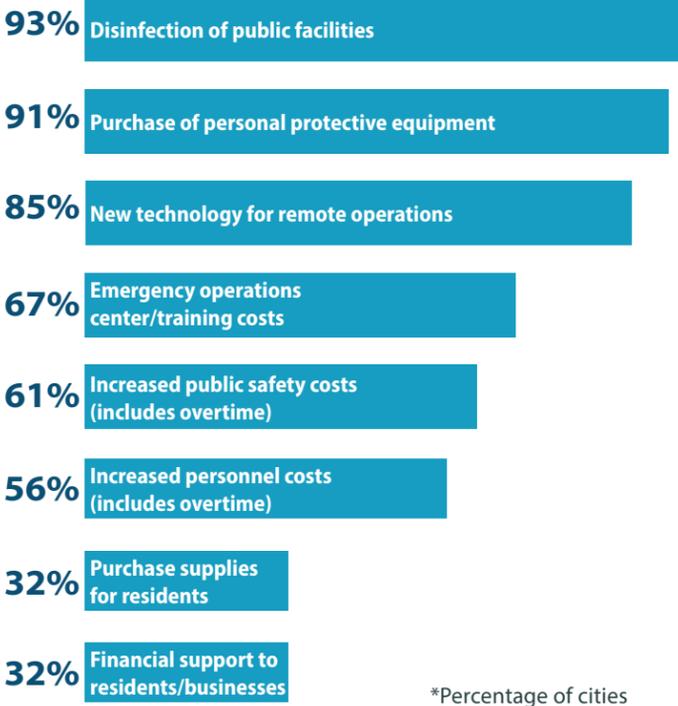
12% of cities report spending **> \$500k** to help control the COVID-19 pandemic

COVID-19 Has Staggering Impact on City Workforce



Over **90%** of cities are considering **LAYOFFS OR EMPLOYEE FURLOUGHS**, or **CUTTING PUBLIC SERVICES**. **72%** are considering doing **BOTH**.

Unanticipated COVID-19 Expenses



100% of California cities, regardless of population size, **face projected revenue loss this year**

Cities Key Revenue Loss by Source through FY 21-22



For more information email communications@cacities.org.

***Data and Assumptions:** The current revenue shortfall projections assume the ending of strict stay-at-home orders by the end of May 2020 with a transition to normalcy and a gradual return to taxable activities. The revenue shortfall projections include FY 2021-22, as there will be delayed revenue impacts from multiple sources, including business license taxes (based on prior year receipts). If strict stay-at-home orders remain in place through the summer of 2020, there will be additional significant revenue losses – adding billions to overall city shortfalls. Over 260 cities, encompassing all of California's diverse geographies and city sizes, participated in the League's COVID-19 Fiscal Impact Survey. The survey requested primary source data on projected revenue losses in key, general revenue categories, and local impacts to city services and operations. The survey data reinforces projections produced from an in depth financial model built from annual reports by the State Controller and the California Department of Tax and Fee Administration, survey data, granular analysis by government revenue specialists, industry specific outlooks, and forecasts from respected economic analysts.

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RESOLUTION NO. 37-20

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
ADOPTING A FIVE PERCENT SALARY
REDUCTION FOR UNREPRESENTED CONFIDENTIAL
AND UNREPRESENTED MANAGEMENT DESIGNATED
EMPLOYEES OF THE CITY OF MORRO BAY EFFECTIVE
MAY 2, 2020 THROUGH DECEMBER 31, 2020**

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

WHEREAS, Section 36506 of the California Government Code requires the City Council to fix the compensation of all appointive officers and employees by resolution or ordinance; and

WHEREAS, the benefits and compensation for City of Morro Bay (“City”) unrepresented “confidential” designated positions (“Confidential Employees”) is set forth in Resolution No. 54-17; and

WHEREAS, the benefits and compensation for City unrepresented “management” designated positions (“Management Employees”) is set forth in Resolution No. 55-17; and

WHEREAS, the Confidential Employees and Management Employees are unrepresented, meaning they are not part of any City Council-determined appropriate bargaining unit nor represented by any recognized employee organization as defined by the City’s Employer-Employee Relations Resolution and the Meyers-Milias-Brown Act, Government Code Section 3500 *et seq.*; and

WHEREAS, the California Governor on March 4, 2020 proclaimed a State of Emergency to exist in California due to the COVID-19 pandemic; and

WHEREAS, the President of the United States on March 13, 2020 declared the outbreak of COVID-19 in the United States constituted a national emergency; and

WHEREAS, on March 13, 2020, the San Luis Obispo County Emergency Services Director issued a Proclamation of Local Emergency due to the spread of COVID-19 in the County of San Luis Obispo; and

WHEREAS, on March 14, 2020, the Morro Bay City Manager proclaimed a declaration of the existence of a local emergency within the City due to the threat posed from COVID-19, and that declaration was subsequently ratified by the City Council on March 19, 2020; and

WHEREAS, the City and employees represented by the Morro Bay Police Officers’ Association (“POA”) have, by means of Amendment No. 1 to the Memorandum of Understanding between the City and the POA (“POA MOU 2018-2020”) which was approved by the City Council on April 28, 2020, agreed to the terms of a five percent (5%) base salary reduction in response to the COVID-19 pandemic, effective May 2, 2020 through December 31, 2020; and

WHEREAS, the City Council now desires to implement a five percent (5%) base salary reduction for the City's Confidential Employees and Management Employees effective May 2, 2020 through December 31, 2020, on the same terms and conditions as agreed to with the City by the POA.

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

Section 1. Effective May 2, 2020 through December 31, 2020, the base salaries then in effect for all Confidential Employees and all Management Employees shall be reduced by the amount of five percent (5%).

Section 2. The City will defer the 5% salary reduction for any Confidential Employee or Management Employee who submits written notification to the City on or before May 1, 2020, of their intention to retire by August 31, 2020. In the event the employee reconsiders and does not retire by August 31, 2020, the previously waived salary reduction amount shall be imposed along with the remaining 5% salary reduction until December 31, 2020.

Section 3. The City will provide lump sum cash paybacks to Confidential Employees and Management Employees in October 2020, provided that: i) either or both of condition number 1 and 2 below exist and ii) the occurrence of condition number 1 or 2 below has triggered a lump sum cash payback by the City to the POA pursuant to Amendment No. 1 to the POA MOU 2018-2020.

1. To the extent that the City closes FY 2019/20 with these already budgeted revenues over expenditures, excluding Stimulus relief as described in #2 below, a lump sum distribution to Confidential Employees and Management Employees will be discussed and determined with these employees concurrent with the October financial update provided to the POA. No lump sum cash payback shall be provided pursuant to this condition unless a lump sum cash payback is also provided to the POA pursuant to Section 3, condition number 1, of Amendment No. 1 to the POA MOU 2018-2020.
2. City receives Stimulus relief for projected loss revenue (at least covering 50% of the projected or actual loss in revenue from the pandemic from the key revenue sources of sales tax, Transient Occupancy Tax ("TOT"), and permit revenues). This is stimulus relief funds, not to be confused with FEMA reimbursements for expenses incurred for response related efforts. If stimulus relief is provided, 10% of the amount received will be divided equally by the number of full-time equivalent employees then working at the City and paid to Confidential Employees and Management Employees in the form of a one-time lump sum payment not to exceed the salary reduction amount experienced by each employee.

The City has committed to providing a financial update with FY 2019/20 year-end closure results to the POA on October 15, 2020, to determine the amount of the lump sum payback, if any. The City will endeavor to provide a financial updated with FY 2019/20 year-end closure results to Confidential Employees and Management Employees concurrent with the update provided to the POA on October 15, 2020.

Section 4. The salary table in Attachment "A" hereto shall reflect the five percent (5%) salary reduction implemented by this Resolution for the Confidential Employees effective May 2,

2020 through December 31, 2020. The salary table in Attachment "B" hereto shall reflect the five percent (5%) salary reduction implemented by this Resolution for the Management Employees Amendment No. 1 to the POA MOU 2018-2020.

Section 5. Except as expressly provided in this Resolution, the benefits and compensation for Confidential Employees and Management Employees, as reflected in Resolution No. 54-17 and Resolution No. 55-17, respectively, shall remain in full force and effect.

PASSED AND ADOPTED by the City Council, City of Morro Bay at a special meeting thereof held on the 28th day of April 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk

City of Morro Bay
Confidential Salary Schedule
May 2, 2020 - December 31, 2020

-5.00% Salary rollback

CalPERS member contribution paid 100% by employee

	Step	Annual	Monthly	Biweekly	Hourly
Human Resource Analyst II	5	\$76,131	\$6,344	\$2,928.12	36.60
	4	\$72,506	\$6,042	\$2,788.69	34.86
	3	\$69,053	\$5,754	\$2,655.88	33.20
	2	\$65,765	\$5,480	\$2,529.42	31.62
	1	\$62,477	\$5,206	\$2,402.96	30.04
Sr Accounting Tech	5	\$70,716	5,893.00	2,719.85	34.00
	4	\$67,346	5,612.17	2,590.23	32.38
	3	\$64,142	5,345.17	2,467.00	30.84
	2	\$61,087	5,090.58	2,349.50	29.37
	1	\$58,033	4,836.08	2,232.04	27.90
Executive Assist/Deputy City Clerk	5	\$68,028	5,669.00	2,616.46	32.71
	4	\$64,789	5,399.08	2,491.88	31.15
	3	\$61,704	5,142.00	2,373.23	29.67
	2	\$58,765	4,897.08	2,260.19	28.25
	1	\$55,827	4,652.25	2,147.19	26.84

City of Morro Bay
 Management Salary Schedule
 May 2, 2020 - December 31, 2020

-5.00% Salary rollback

	Step	Annual	Monthly	Biweekly	Hourly
Commander	5	\$132,316	\$11,026	\$5,089.08	\$63.61
	4	\$126,015	\$10,501	\$4,846.73	\$60.58
	3	\$120,015	\$10,001	\$4,615.96	\$57.70
	2	\$114,300	\$9,525	\$4,396.15	\$54.95
	1	\$108,585	\$9,049	\$4,176.35	\$52.20
Utility Division Mgr.	5	\$117,856	\$9,821	\$4,532.92	\$56.66
	4	\$112,243	\$9,354	\$4,317.04	\$53.96
	3	\$106,898	\$8,908	\$4,111.46	\$51.39
	2	\$101,808	\$8,484	\$3,915.69	\$48.95
	1	\$96,718	\$8,060	\$3,719.92	\$46.50
City Clerk/HR Manager	5	\$116,460	\$9,705	\$4,479.23	\$55.99
	4	\$110,914	\$9,243	\$4,265.92	\$53.32
	3	\$105,633	\$8,803	\$4,062.81	\$50.79
	2	\$100,603	\$8,384	\$3,869.35	\$48.37
	1	\$95,573	\$7,964	\$3,675.88	\$45.95
Consol Maintenance Supt Information Systems Tech. Environmental Programs Mgr Tourism Manager Recreation Services Manager Budget/Accounting Manager Senior Planner	5	\$90,910	\$7,576	\$3,496.54	\$43.71
	4	\$86,581	\$7,215	\$3,330.04	\$41.63
	3	\$82,458	\$6,872	\$3,171.46	\$39.64
	2	\$78,532	\$6,544	\$3,020.46	\$37.76
	1	\$74,605	\$6,217	\$2,869.42	\$35.87
Management Analyst	5	\$77,738	\$6,478	\$2,989.92	\$37.37
	4	\$74,036	\$6,170	\$2,847.54	\$35.59
	3	\$70,510	\$5,876	\$2,711.92	\$33.90
	2	\$67,153	\$5,596	\$2,582.81	\$32.29
	1	\$63,795	\$5,316	\$2,453.65	\$30.67
Support Services Manager	5	\$70,716	\$5,893	\$2,719.85	\$34.00
	4	\$67,349	\$5,612	\$2,590.35	\$32.38
	3	\$64,142	\$5,345	\$2,467.00	\$30.84
	2	\$61,087	\$5,091	\$2,349.50	\$29.37
	1	\$58,033	\$4,836	\$2,232.04	\$27.90

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RESOLUTION NO. 38-20

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
ADOPTING AMENDMENT NO. 1
TO THE MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF MORRO BAY
AND THE MORRO BAY PEACE OFFICERS' ASSOCIATION,
FOR THE PERIOD OF JULY 1, 2018 THROUGH JUNE 30, 2020**

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

WHEREAS, the City of Morro Bay (hereinafter the "City") has, and continues to, recognize the Morro Bay Peace Officers' Association ("POA") as the sole exclusive bargaining agent for those City employees designated as being in the Law Enforcement Unit, including the classifications of Police Officer, Senior Officer, and Sergeant, for all matters concerning wages, hours and working conditions; and

WHEREAS, the current Memorandum of Understanding between the City and the POA ("POA MOU 2018-2020"), which was duly approved by the City Council on September 11, 2018, is set to expire on June 30, 2020; and

WHEREAS, the California Governor on March 4, 2020 proclaimed a State of Emergency to exist in California due to the COVID-19 pandemic; and

WHEREAS, the President of the United States on March 13, 2020 declared the outbreak of COVID-19 in the United States constituted a national emergency; and

WHEREAS, on March 13, 2020, the San Luis Obispo County Emergency Services Director issued a Proclamation of Local Emergency due to the spread of COVID-19 in the County of San Luis Obispo; and

WHEREAS, on March 14, 2020, the Morro Bay City Manager proclaimed a declaration of the existence of a local emergency within the City of Morro Bay due to the threat posed to the City from COVID-19, and that declaration was subsequently ratified by the City Council on March 19, 2020; and

WHEREAS, the City and POA have met and conferred to negotiate the terms of a limited extension of duration and term of the POA MOU 2018-20 along with a temporary salary reduction in light of the COVID-19 pandemic; and

WHEREAS, the City and POA have agreed to the following: i) effective May 2, 2020, the base salary for each employee represented by POA shall be reduced in the amount of five percent (5%) and ii) the term of the POA MOU 2018-2020 shall be extended from June 30, 2020 until December 31, 2020; and

WHEREAS, the City's labor relations representatives and POA representatives desire to memorialize this agreement by means of an amendment to the POA MOU 2018-2020 ("Amendment No. 1"), pursuant to both the Meyers-Milias-Brown Act ("MMBA") (Gov't Code

Section 3500-3511) and the City's Employer-Employee Relations Resolution, Resolution No. 08-17; and

WHEREAS, pursuant to Gov't Code § 3505.1, the City Council must approve the terms of any memorandum of understanding or amendment thereto reflecting an agreement between the City and POA.

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

Section 1. The Amendment No. 1 to the POA MOU 2018-2020, attached hereto as Exhibit "A," is hereby approved.

Section 2. Except as expressly provided in the Amendment No. 1 to the POA MOU 2018-2020, all other provisions of the POA MOU 2018-2020 shall remain in full force and effect.

PASSED AND ADOPTED by the City Council, City of Morro Bay at a special meeting thereof held on the 28th day of April 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk

AMENDMENT NO. 1 TO THE MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF MORRO BAY AND THE MORRO BAY PEACE
OFFICERS' ASSOCIATION, FOR THE PERIOD OF
JULY 1, 2018 THROUGH JUNE 30, 2020

WHEREAS, the City of Morro Bay (hereinafter the "City") has, and continues to, recognize the Morro Bay Peace Officers' Association ("POA") as the sole exclusive bargaining agent for those City employees designated as being in the Law Enforcement Unit, including the classifications of Police Officer, Senior Officer, and Sergeant, for all matters concerning wages, hours and working conditions; and

WHEREAS, the current Memorandum of Understanding between the City and the POA ("POA MOU 2018-2020"), which was duly approved by the City Council on September 11, 2018, is set to expire on June 30, 2020; and

WHEREAS, the California Governor on March 4, 2020 proclaimed a State of Emergency to exist in California due to the COVID-19 pandemic; and

WHEREAS, the President of the United States on March 13, 2020 declared the outbreak of COVID-19 in the United States constituted a national emergency; and

WHEREAS, on March 13, 2020, the San Luis Obispo County Emergency Services Director issued a Proclamation of Local Emergency due to the spread of COVID-19 in the County of San Luis Obispo; and

WHEREAS, on March 14, 2020, the Morro Bay City Manager proclaimed a declaration of the existence of a local emergency within the City of Morro Bay due to the threat posed to the City from COVID-19, and that declaration was subsequently ratified by the City Council on March 19, 2020; and

WHEREAS, the City and POA have met and conferred to negotiate the terms of an extension of the duration and term of the POA MOU 2018-20 and a temporary salary reduction in light of the COVID-19 pandemic; and

WHEREAS, the City and POA have agreed to the following: i) effective May 2, 2020, through December 31, 2020, the base salary for each employee represented by the POA shall be reduced in the amount of five percent (5%) and ii) the term of the POA MOU 2018-2020 shall be extended from June 30, 2020 until December 31, 2020; and

WHEREAS, the City's labor relations representatives and POA representatives desire to memorialize this agreement by means of an amendment to the POA MOU 2018-2020 ("Amendment No. 1"), pursuant to both the Meyers-Milias-Brown Act ("MMBA") (Gov't Code Section 3500-3511) and the City's Employer-Employee Relations Resolution, Resolution No. 08-17; and

WHEREAS, the Amendment No. 1 was ratified by the POA on April 20, 2020; and

WHEREAS, this Amendment No. 1 shall not be in full force and effect until adopted by resolution by the City Council of the City; and

WHEREAS, except as provided in this Amendment No. 1, all other provisions of the POA MOU 2018-2020 shall remain in full force and effect.

NOW, THEREFORE, it is hereby agreed that the POA MOU 2018-2020 are amended in the following particulars only:

Section 1. Article 7 of the POA MOU 2018-2020, entitled "Term," shall be amended to read in its entirety as follows:

"ARTICLE 7- TERM

Except as otherwise specifically provided herein, the term of this MOU shall be from July 1, 2018, through December 31, 2020."

Section 2. A new section 18.7 is added to Article 18 of the POA MOU 2018-2020, entitled "Salaries," to read as follows:

"18.7 Effective May 2, 2020 through December 31, 2020, the base salaries then in effect for all employees shall be reduced by the amount of five percent (5%).

18.8 The City will defer the 5% salary reduction for any member who submits written notification to the City on or before May 1, 2020, of their intention to retire by August 31, 2020. In the event the employee reconsiders and does not retire by August 31, 2020, the previously waived salary reduction amount shall be imposed along with the remaining 5% salary reduction over the remaining contract period."

Section 3. City will provide lump sum cash paybacks to employees in October 2020, upon review of the following information and should either or both of the following conditions exist:

1. To the extent that the City closes FY 2019/20 with these already budgeted revenues over expenditures, excluding Stimulus relief as described in #2 below, a lump sum distribution to employees, will be discussed and determined during the October financial update to the POA.
2. City receives Stimulus relief for projected loss revenue (at least covering 50% of the projected or actual loss in revenue from the pandemic from the key revenue sources of sales tax, Transient Occupancy Tax ("TOT"), and permit revenues). This is stimulus relief funds, not to be confused with FEMA reimbursements for expenses incurred for response related efforts. If stimulus relief is provided, 10% of the amount received will be divided equally by the number of full-time equivalent employees then working at the City and paid to Unit members in the form of a one-time lump sum payment not to exceed the salary reduction amount experienced by each employee.

The City commits to providing a financial update with FY 2019/20 year-end closure results to the POA on October 15, 2020, to determine the amount of the lump sum payback, if any. These projections will provide more detail as to the actual impacts of COVID-19 on City revenues, as well as FY 2019/20 actual year-end closure results, and will provide a basis for possible lump sum repayments as well as contract discussions for negotiation purposes for contract beginning January 1, 2020.

The City and staff recognize that these are unprecedented times with a number of large variables not being clearly defined. We committed to working with our employee groups and, through discussions, providing a clear picture of the City's finances and probability of salary paybacks.

Section 4. In order to reflect salary reductions implemented by this Amendment No. 1, a new Attachment "A-1" shall be added to the POA MOU 2018-2020, which is attached hereto and incorporated herein by this reference.

Section 5. Except as expressly provided in this Amendment No. 1, all other provisions of the POA MOU 2018-2020 shall remain in full force and effect.

Section 6 This Amendment No. 1 shall not be in full force and effect until adopted by resolution by the City Council of the City.

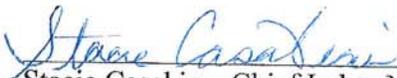
IT IS SO AGREED:

**MORRO BAY PEACE OFFICERS'
ASSOCIATION**

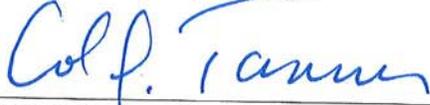
CITY OF MORRO BAY

Will Márvos, President

Scott Collins, City Manager



Stacie Casabian, Chief Labor Negotiator



Colin J. Tanner, Deputy City
Attorney/Labor Negotiator

Tony Mosqueda, Employee
Representative

Dana Swanson, City Clerk

**CITY OF MORRO BAY
SALARY SCHEDULE
POLICE DEPARTMENT**

October 19, 2019 - June 30, 2020

-5.00%

Salary rollback

Total

	Step	Annual	Monthly	Biweekly	Hourly	
Sergeant	6	\$98,762	\$8,230.17	\$3,798.54	\$47.48	
	5	\$94,059	\$7,838.25	\$3,617.65	\$45.22	
	4	\$89,580	\$7,465.00	\$3,445.38	\$43.07	
	3	\$85,314	\$7,109.50	\$3,281.31	\$41.02	
	2	\$81,251	\$6,770.92	\$3,125.04	\$39.06	
	1	\$77,188	\$6,432.33	\$2,968.77	\$37.11	
Special Office Assignn	6	\$83,153	\$6,929.42	\$3,198.19	\$39.98	
	School Resource	5	\$79,194	\$6,599.50	\$3,045.92	\$38.07
	Detective	4	\$75,422	\$6,285.17	\$2,900.85	\$36.26
	Senior	3	\$71,831	\$5,985.92	\$2,762.73	\$34.53
		2	\$68,410	\$5,700.83	\$2,631.15	\$32.89
		1	\$64,989	\$5,415.75	\$2,499.58	\$31.24
Police Officer	6	\$79,193	\$6,599.42	\$3,045.88	\$38.07	
	5	\$75,422	\$6,285.17	\$2,900.85	\$36.26	
	4	\$71,830	\$5,985.83	\$2,762.69	\$34.53	
	3	\$68,410	\$5,700.83	\$2,631.15	\$32.89	
	2	\$65,152	\$5,429.33	\$2,505.85	\$31.32	
	1	\$61,894	\$5,157.83	\$2,380.54	\$29.76	

**AMENDMENT NO. 2
TO AGREEMENT FOR CONSULTING SERVICES**

THIS SECOND AMENDMENT TO THE AGREEMENT FOR CONSULTING SERVICES (“Amendment No. 2”) by and between the **CITY OF MORRO BAY**, a California municipal corporation (“City”) and **MENTAL MARKETING, INC.**, a California corporation (“Consultant”) is effective as of the 1st day of April, 2020.

RECITALS

- A. City and Consultant entered into an agreement for marketing services that commenced on July 1, 2018 and continues through June 30, 2020 (the “Agreement”).
- B. City and Consultant amended the Agreement to reflect additional amounts to be used for specific events which were not included in the services to be provided pursuant to the Agreement, by an Amendment No. 1 to Agreement for Marketing Service with an effective date of September 1, 2018.
- C. On December 4, 2019, City Council directed staff to bring back to Council before the expiration of the Agreement a contract amendment to extend the term of the Agreement for an additional year, so that the term of the Agreement ends in June, 2021, rather than June, 2020.
- D. Pursuant to the COVID-19 pandemic and its impact on the City, City requested, and Consultant agreed to, a suspension of all regular Consultant services to City as of March 31, 2020, until such time as the City Manager requests in writing the resumption of some or all the regular Consultant services to City.
- E. City and Consultant desire to amend the Agreement to extend the term by one year, as well as pursuant to the COVID-19 emergency to: provide for suspension of regular Consultant services and payments by City for such services, until such services are formally requested in writing by the City Manager; provide for “on-call” services from Consultant during the period of the suspension; and, affirm that Consultant remains the City’s agency of record.

TERMS

1. **Contract Changes.** The Agreement is amended as provided herein (new text is identified in *bold italics*, deleted text in ~~strike through~~).

A. Section 1 (“Term”) shall be amended as follows:

This Agreement shall be deemed to have commenced on July 1, 2018, and shall remain and continue in effect until tasks described herein are completed, but in no event later than ~~June 30, 2020~~ *June 30, 2021*, unless sooner terminated pursuant to the provisions of this Agreement.

B. Section 2 (“Services”) shall have the following paragraph added as follows:

Effective April 1, 2020, Consultant shall suspend provision of all services to City pursuant to this Agreement. Services shall not resume until or unless Consultant receives written notice from the City Manager requesting the resumption of all or some services under the Agreement. Until such a time that Consultant receives such notice to resume some or all regular services under the Agreement, Consultant

shall remain available to perform on-call services, at the written request of the City Manager, at the blended hourly rate provided for in Exhibit A to the Agreement.

C. Section 5 (“Payment”) shall have the new subsection (d) added as follows:

(d) Notwithstanding any other provisions to the contrary in this Agreement, Effective April 1, 2020, City shall not be responsible for payment of any services rendered on or after April 1, 2020, by Consultant to City pursuant to this Agreement, unless pursuant to written notice as provided for in Section 2 of this Agreement. Services rendered prior to April 1, 2020 shall be compensated as provided for under the Agreement.

2. **Continuing Effect of Agreement.** Except as amended by this Amendment No. 2, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this Amendment, whenever the term “Agreement” appears in the Agreement, it shall mean the Agreement, as amended by this Amendment No. 2 to the Agreement.

3. **Affirmation of Agreement; Warranty Re Absence of Defaults.** City and Consultant each ratify and reaffirm each and every one of the respective rights and obligations arising under the Agreement. Each party represents and warrants to the other that there have been no written or oral modifications to the Agreement other than as provided herein. Each party represents and warrants to the other that the Agreement is currently an effective, valid, and binding obligation.

Consultant represents and warrants to City that, as of the date of this Amendment No. 2, City is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

City represents and warrants to Consultant that, as of the date of this Amendment No. 2, Consultant is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

4. **Adequate Consideration.** The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment No. 2.

5. **Authority.** The persons executing this Amendment No. 2 on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Amendment No. 2 on behalf of said party, (iii) by so executing this Amendment No. 2, such party is formally bound to the provisions of this Amendment No. 2, and (iv) the entering into this Amendment No. 2 does not violate any provision of any other agreement to which said party is bound.

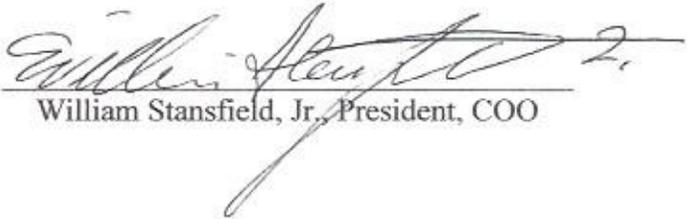
[SIGNATURES ON FOLLOWING PAGE]

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

CITY OF MORRO BAY,
a municipal corporation

MENTAL MARKETING, INC.,
a California corporation

By: _____
Scott Collins, City Manager

By: 
William Stansfield, Jr., President, COO

Attest:

Dana Swanson, City Clerk

APPROVED AS TO FORM

Chris F. Neumeyer, City Attorney

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April 6, 2020

TO: City Manager, Mayor and City Council

FROM: Red Davis & Marlys McPherson, Subcommittee to Study Visitor Center Services

SUBJECT: Study Conclusions and Recommendations

BACKGROUND

At the January 28, 2020 City Council meeting the City Manager presented a potential opportunity to relocate the Morro Bay Visitor Center from its current location at 695 Harbor Street to an ideally-sized, vacant commercial property at 575 Embarcadero in the heart of the tourist area. There is general agreement that the current location is not ideal, as it is difficult for tourists to find and far from where they are staying and sightseeing. Last year, the Center served 5,000 visitors, down from previous years when it was located elsewhere. Alternative options to relocate the center were initially explored in 2019 but no recommendations were brought forward. The Morro Bay Chamber of Commerce operates the Visitor Center on an annual (fiscal year) \$50,000 contract with the City.

At that meeting the Council directed staff to work with the Chamber of Commerce and Tourism Business Improvement District (“TBID”) and bring back in February a proposal with cost estimates. On February 20, the City Manager presented that plan to the City Council. The proposal was developed by the Chamber and reviewed by the TBID Advisory Board. The cost estimate was \$51,500 for the remainder of FY19/20 for remodeling and start-up, and approximately \$116,000 in FY 20/21, or more than twice as much as it costs to operate the visitor center at present. The TBID Advisory Board recommended that the Council ask the Chamber to conduct a study on visitor centers to include: 1) reviewing visitor center best practices, 2) identifying visitor center performance measures specific to tourism, 3) developing recommendations regarding funding proportionality, and 4) evaluating a small sampling of what other like-size coastal communities (10K population) are doing in terms of visitor centers.

The Council was reluctant to commit to moving the Visitor Center to the proposed location, given the estimated cost. The current Chamber contract does not include monies to conduct a study, as requested by the TBID Advisory Board, and the City Manager stated that current City staff did not have sufficient time to do the study without removing items from the current work plan. The Council passed a motion to appoint a subcommittee of the Council to conduct the study. Councilmembers Red Davis and Marlys McPherson volunteered.

VISITOR STUDY DESIGN

The subcommittee developed a design that would answer as many questions suggested by the TBID Advisory Board as possible. It consisted of telephone interviews with a sample of visitor center personnel within San Luis Obispo County, as well as several smaller cities long the California coast. A structured interview guide was developed to collect the information. In addition, the subcommittee met with Derek Kirk from Visit SLOCAL, as well as with Chamber

representatives. Several other visitor center websites were also explored to learn about how visitor center services are structured elsewhere. Finally, we reviewed a report prepared during the restructuring of tourism services in Morro Bay completed in January 2012 and did online research.

Unfortunately, the COVID-19 pandemic hit just as we started our interviews. Consequently, a number of interviews that had been scheduled did not take place. In total, we were able to gather information about seven communities: Atascadero, Arroyo Grande, Carpinteria, Laguna Beach, Nipomo, Pacific Grove, and Pismo Beach. In addition, Jocelyn Brennan, President of the South County Chamber of Commerce, shared with us results from research she has completed on other cities in San Luis Obispo County.

SUMMARY OF STUDY FINDINGS

General Findings on How Visitor Centers are Operated

- According to Ms. Brennan, almost every city within San Luis Obispo County has a contract with their local Chamber of Commerce to operate the visitor center.
- There is no clear pattern of funding sources. In some places, the visitor center is fully funded by the City through a contract to the Chamber. In others, it is a combination of City funding and TBID or BID (Business Improvement District) funding or TBID funding alone. In a few, the amount of City funding is based on a percentage of the TOT funds collected. In still others, it is de facto funded by the Chamber of Commerce because it has an office and is the logical place for visitors to go for information.
- Most visitor centers are staffed by a small number of paid fulltime and/or part-time employees, augmented by volunteers. Most of the training provided is on-the-job.
- Often, the hours the visitor center is open are the same as the Chamber's hours because the center is housed in the Chamber offices. Several said they would not be able to keep the visitor center operating year around if it was not housed in the Chamber offices. One of the visitor centers contacted is open only Friday-Sunday from Memorial Day through Labor Day

Visitor Center Best Practices

- Develop strategic goals and objectives for the visitor center; be clear on its mission and purpose. Most respondents identified the primary function of the visitor center is to provide maps and other useful information to visitors (e.g., places of interest, restaurants, activities), as well as to answer whatever questions they may have. This requires having a friendly and knowledgeable staff. The goals for the three visitor centers operated by the South County Chamber of Commerce are to: 1) ensure that visitors have a great experience in town, 2) make them want to come back, and 3) get them to spend more money in the community (local businesses advertise at the visitor center).
- The visitor center should not just focus on tourism and responding to tourist questions. It is also a source of information for locals and people moving to town.

- There needs to be close collaboration between the visitor center and the TBID (and BID if one exists). The TBID's role is to bring the tourists in, and the visitor center's role is to make sure they enjoy themselves while they are visiting, to promote longer stays, and to encourage them to spend money in town. If they enjoy their experience, they are more likely to return. The TBID and hoteliers have to see the value that the visitor center brings.
- Visitor center staff members need to be trained on how to put together a personalized itinerary for each visitor ... providing maps, a list of places to visit, things to do, where to eat, a list of resources, etc. The Pismo Beach Visitor Center, which was recently awarded the contract to be one of the 22 California Welcome Centers, runs an historic scavenger hunt (free). When visitors complete the hunt and bring completed "selfies" the center gives them a pass for free wine-tasting. Ms. Brennan is working on a training program; she is willing to share it with Morro Bay and Visit CA has training available.
- All of the cities we learned about have a brick-and-mortar visitor center, i.e., a physical location. It is typically located as in or near the area where visitors stay, and it is easy for tourists to locate. Some cities augment the visitor center with information kiosks. We did not learn of any community that relies solely on information kiosks. Jocelyn Brennan reported that Pismo will augment their visitor center next summer with a kiosk that she is getting from Visit CA. She believes that Visit CA sells them for about \$4,000. Businesses advertise on them; there is a touch screen that visitors can use. The Laguna Beach Visitor Center uses roving ambassadors on weekends and offers walking tours.
- An interesting idea provided to us by Derek Kirk of Visit SLOCAL is roving ambassadors on bicycles equipped with information. Using ambassadors to augment the current Morro Bay Visitor Center was tried on a trial basis last summer by the Chamber.

An extensive study of visitor information center "best practices" was completed in 2007 by three universities in Australia.* The research included interviews with visitor center personnel and a survey of visitors' preferences for the way in which information is disseminated. It also looked at emerging technologies and visitor centers' capacity for change. Although somewhat dated, here are some of the study's conclusions:

- Most visitors found visitor information centers to be helpful and to provide appropriate information. The drawbacks to their use were the centers' location and opening hours.
- With their expertise and local knowledge, visitor center staff are the mediators between web-based information services and reducing uncertainty for visitors whose information needs cannot be fully met by use of the internet.
- Telephone-based technologies allow remote access to visitor information centers for users and are an alternative to computer-mediated channels such as email. The telephone still plays a critical role in visitor information centers and their provision of information and other services to client.

*Visitor Information Centres: Best Practices in Information Dissemination, Margaret Deery, et al., Cooperative Research Centre for Sustainable Tourism, Australia, 2007.

- The most prominent communication tool utilized and the one perceived to be of most value and effectiveness was the face-to-face contact the staff had with visitors.

Prior research by the same organization had shown that visitor information customer service – especially staff knowledge and friendliness – was the most important contributor to promoting increased visitor activities, visitor expenditures, and repeat visitation. The human element within visitor information centers was cited as extremely important, with respondents commenting that “people want to speak to people.” In a trial of automatic information kiosks it was found that poor uptake of this technology by visitors was mainly due to the lack of personal contact and the perception of the technology’s inability to meet the sometimes unusual requests that visitors make.

Visitor Center Performance Measures

- No one we interviewed could provide clear performance measures for visitor centers. All said it is extremely difficult to measure the impact of the services that visitor centers provide, especially in clear economic terms, i.e., return on investment.
- Some visitor centers keep little or no information on the number of visitors served, i.e., some centers maintain a voluntary sign-in sheet asking for people’s names and addresses. One said they used to keep track of visitors but discontinued the practice.
- Others, including the Morro Bay Visitor Center, keep track of the number of visitors, both phone and in-person inquiries, as well as the nature of the inquiry. While helpful, these process measures do not directly measure outcomes or goal achievement.

Conclusion

- The Chamber of Commerce is effectively providing visitor services in Morro Bay. It is utilizing many of the best practices that were identified in the research. Their method and approach is similar to those of other communities and consistent with research findings. The problem is the current location of the Visitor Center.

RECOMMENDATIONS

- In light of that, we recommend that the contract with the Chamber of Commerce to operate the Morro Bay Visitor Center be continued for six months beyond its expiration date of June 30, 2020 (to December 31, 2020).
- Between now and then the Chamber, in collaboration with Morro Bay’s Tourism Manager, should explore alternative locations for the current Visitor Center as well as ancillary methods for providing visitor center services. It should be prepared to present a plan and detailed proposal that addresses where and how visitor center services will be provided beginning January 1, 2021. The plan should include some metrics for determining the effectiveness of the services provided.
- We also recommend consideration of utilizing some TBID funds to finance the cost of the Visitor Center.



CITY OF MORRO BAY

CITY HALL
595 Harbor Street
Morro Bay, CA 93442

April 22, 2020

The Honorable Salud Carbajal
Member of Congress
1431 Longworth House Office Building
Washington, D.C. 20515

Re: Coronavirus – Relief for Local Government

Dear Congressman Carbajal:

Thank you for all your efforts on our behalf and for staying in close communication with the City of Morro Bay and all your constituents during these difficult times. We also appreciate all your ongoing support for our specific projects including our Water Reclamation Facility Project. Your staff has also provided excellent assistance and we appreciate their hard work and dedication to the people of Morro Bay.

It is my understanding negotiations are currently underway regarding additional relief for cities and counties. I write in support of efforts to help cities and counties emerge from this episode intact and able to continue to provide all the essential services we provide at the local level. Under the plan, funds would be available to help offset lost revenue caused by the COVID-19 pandemic. I understand these provisions might not be included in legislation moving this week; if relief is not included now please work with your colleagues to make relief a top priority for the next legislative package.

City governments are on the front line of enforcing “stay at home” while simultaneously feeling the effects of reduced revenues due to the economic shut down. Local government is a critical component of a successful local, regional, and national economy, and we need federal assistance to continue providing services. We urge you to support this initiative.

Respectfully,

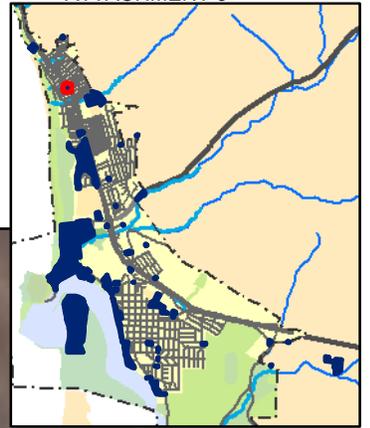
Mayor John Headding
City of Morro Bay

cc: City Council
City Manager, Scott Collins

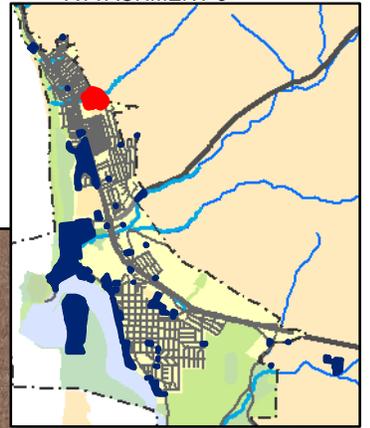
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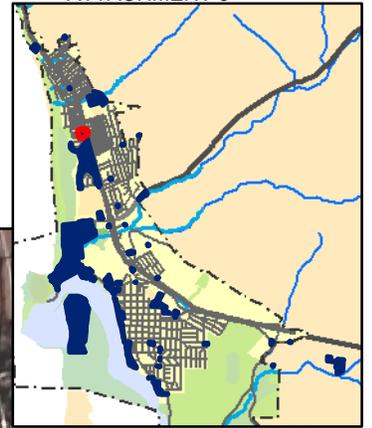
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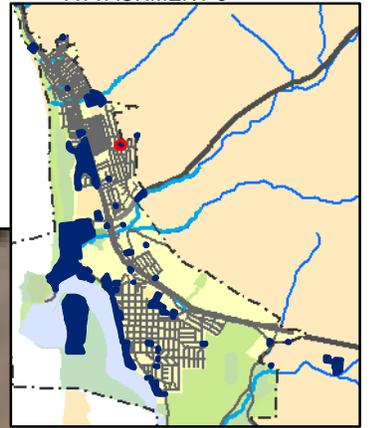
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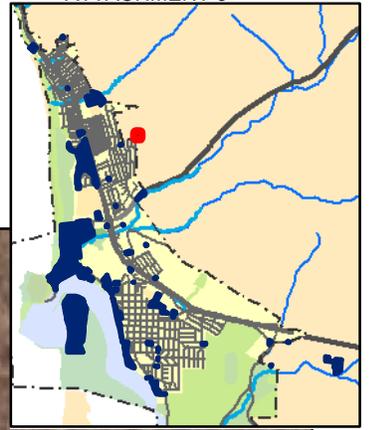
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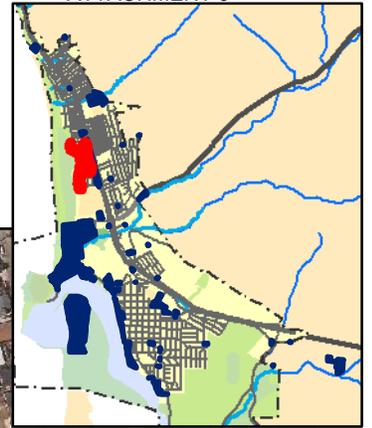
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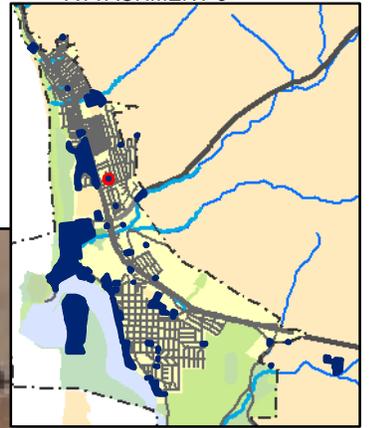
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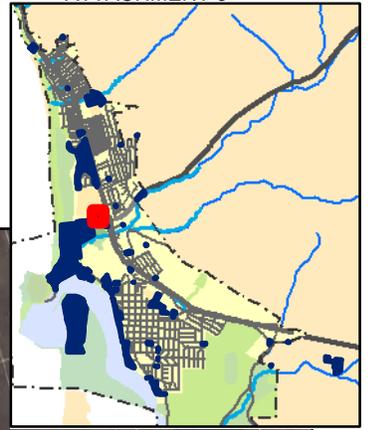
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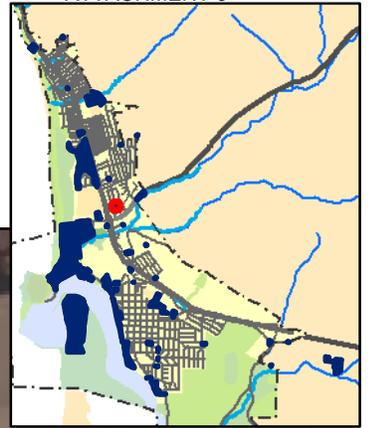
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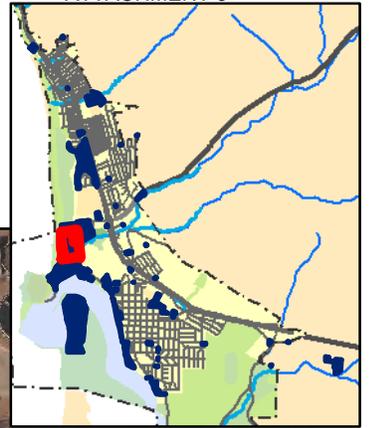
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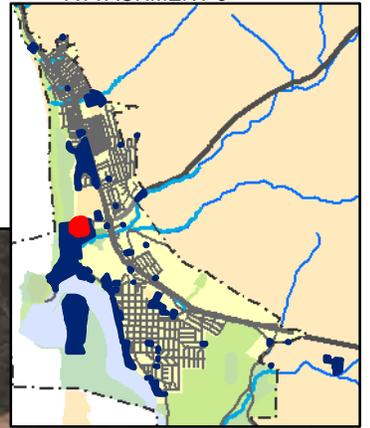
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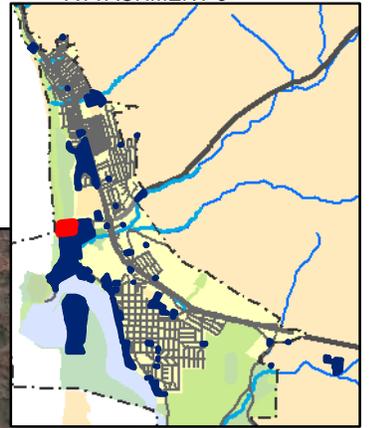
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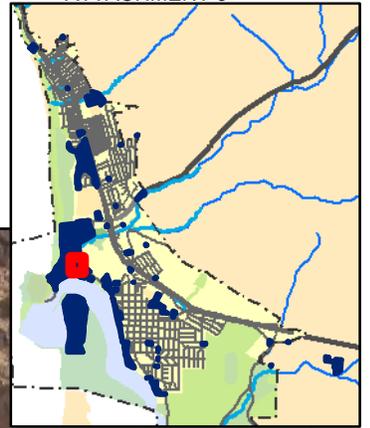
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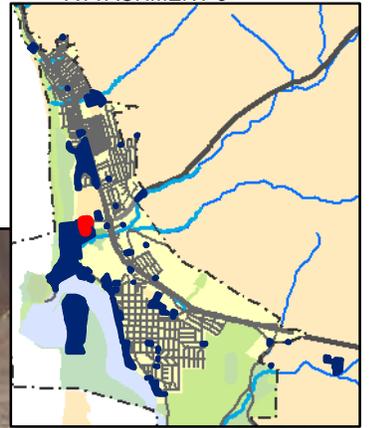


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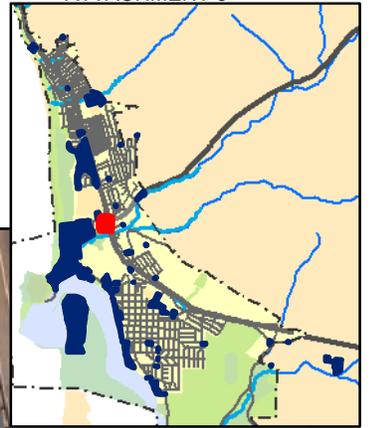




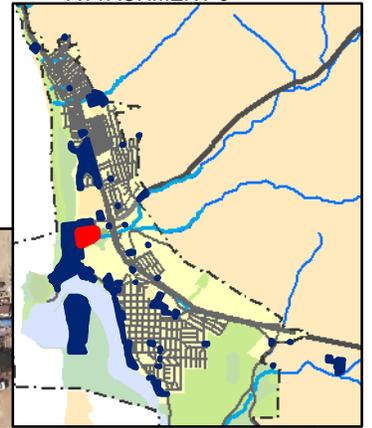
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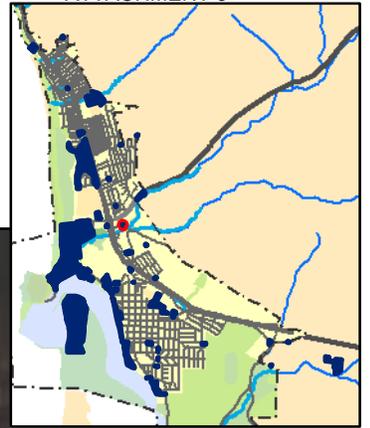
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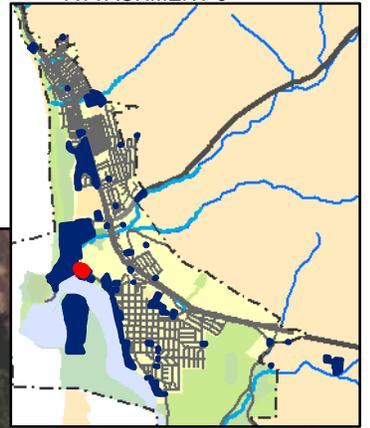
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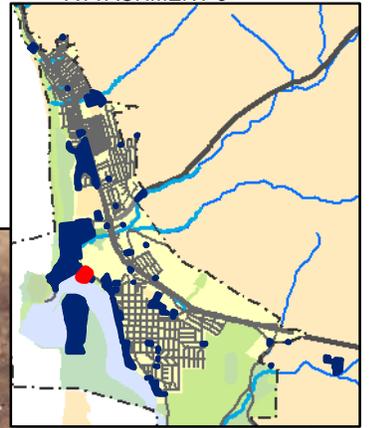
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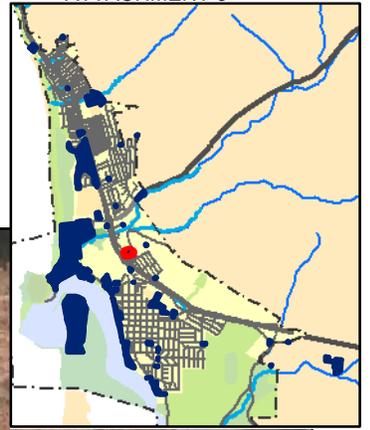
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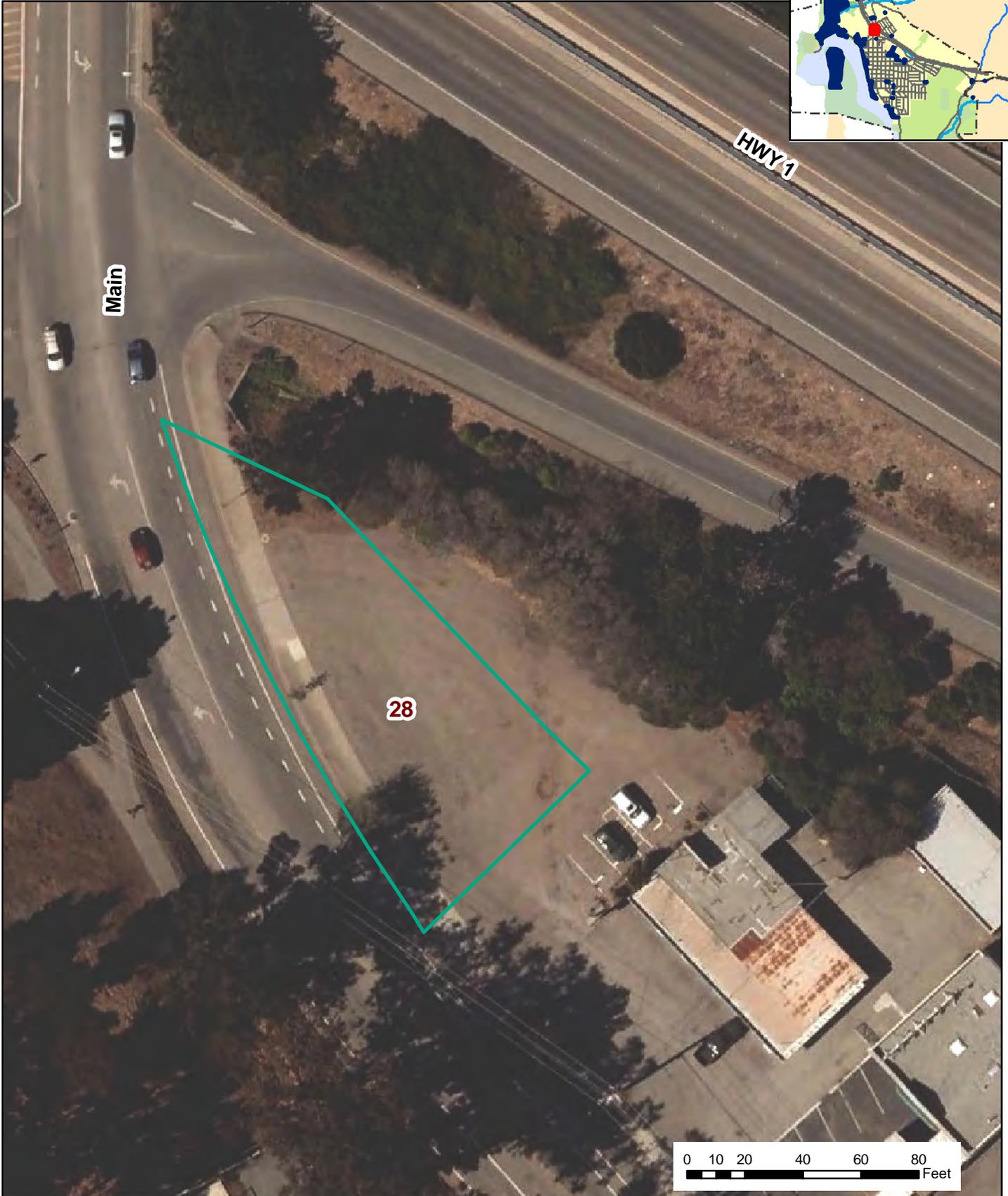
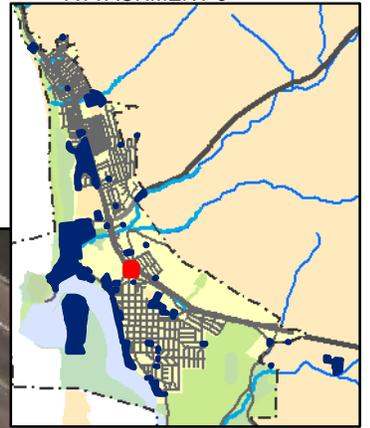
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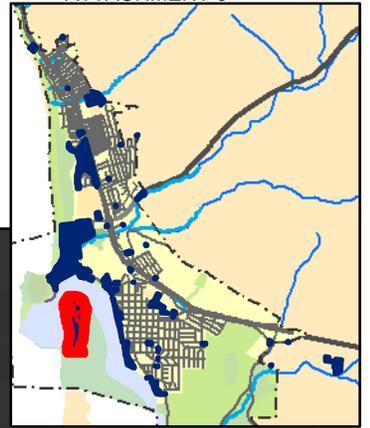
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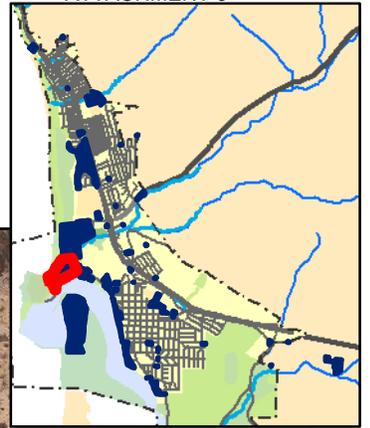
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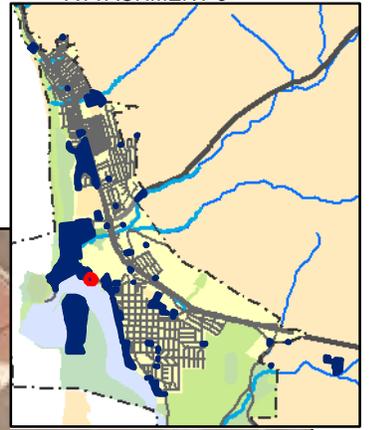


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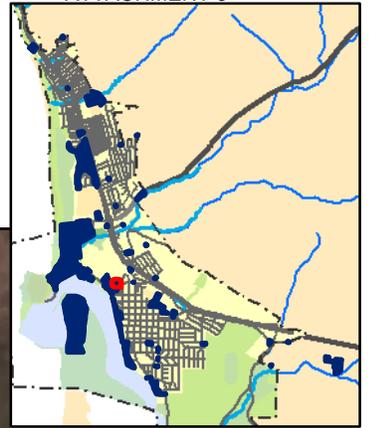


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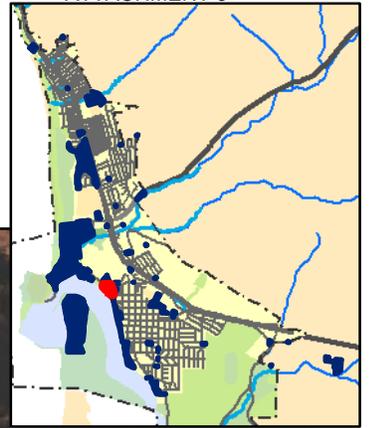
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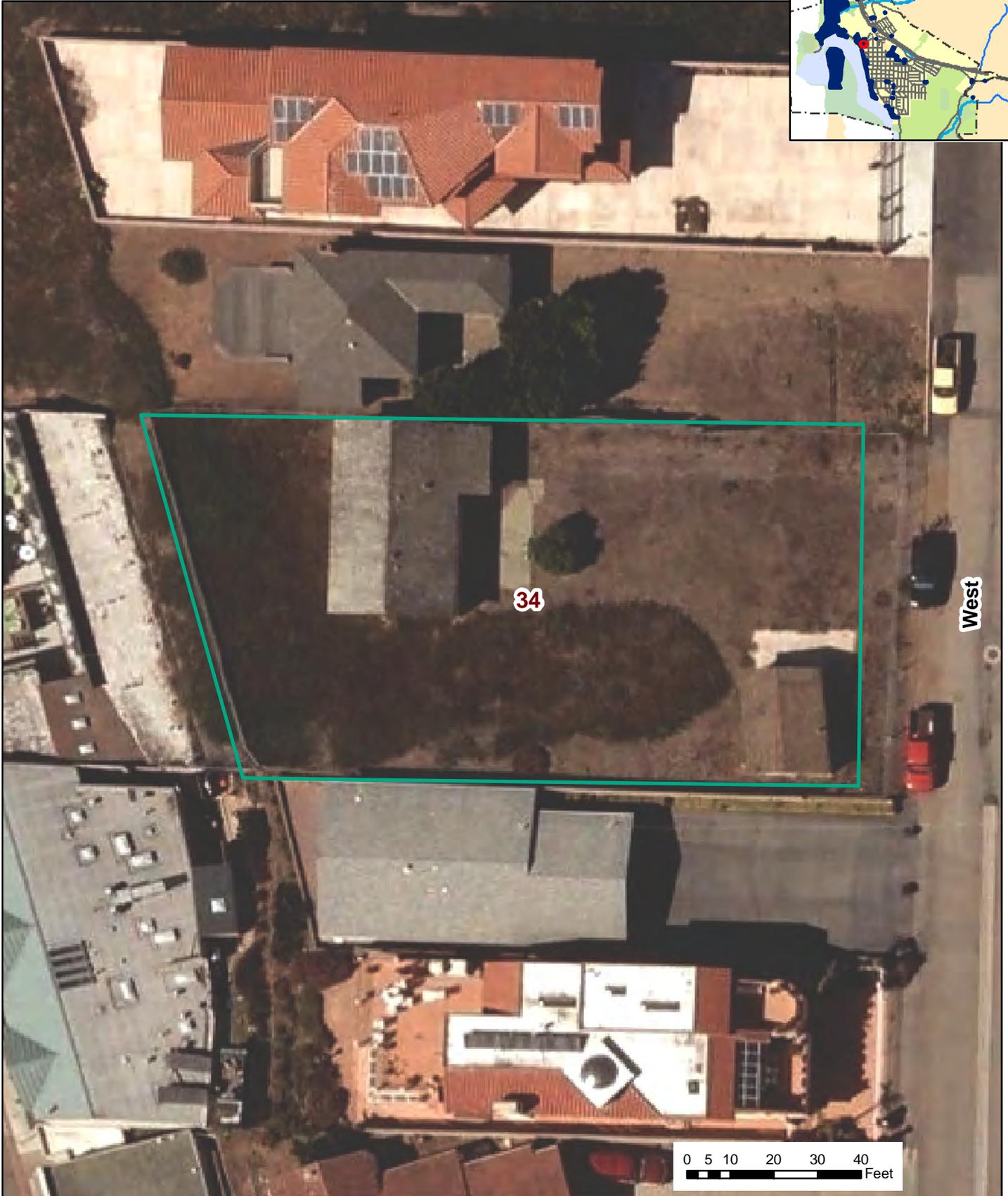
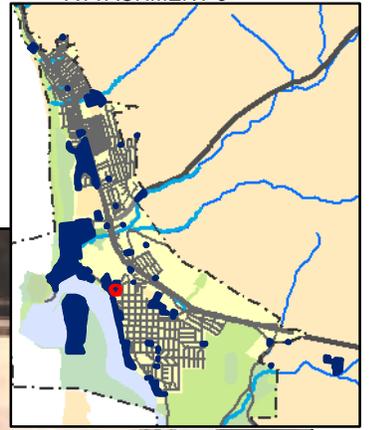
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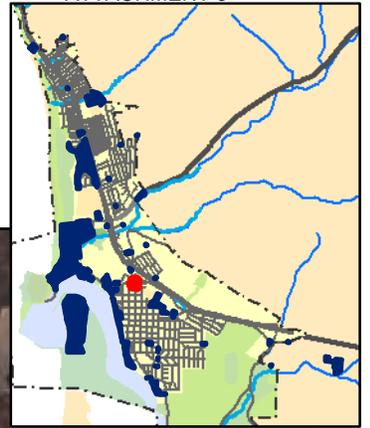
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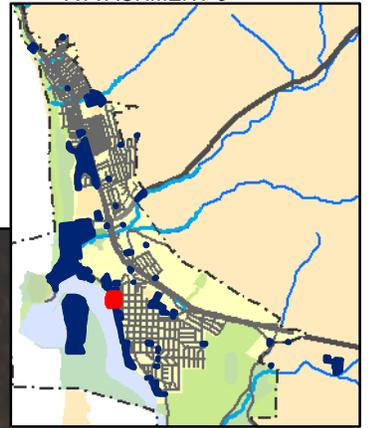


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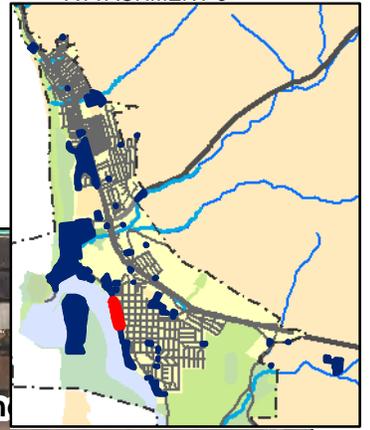


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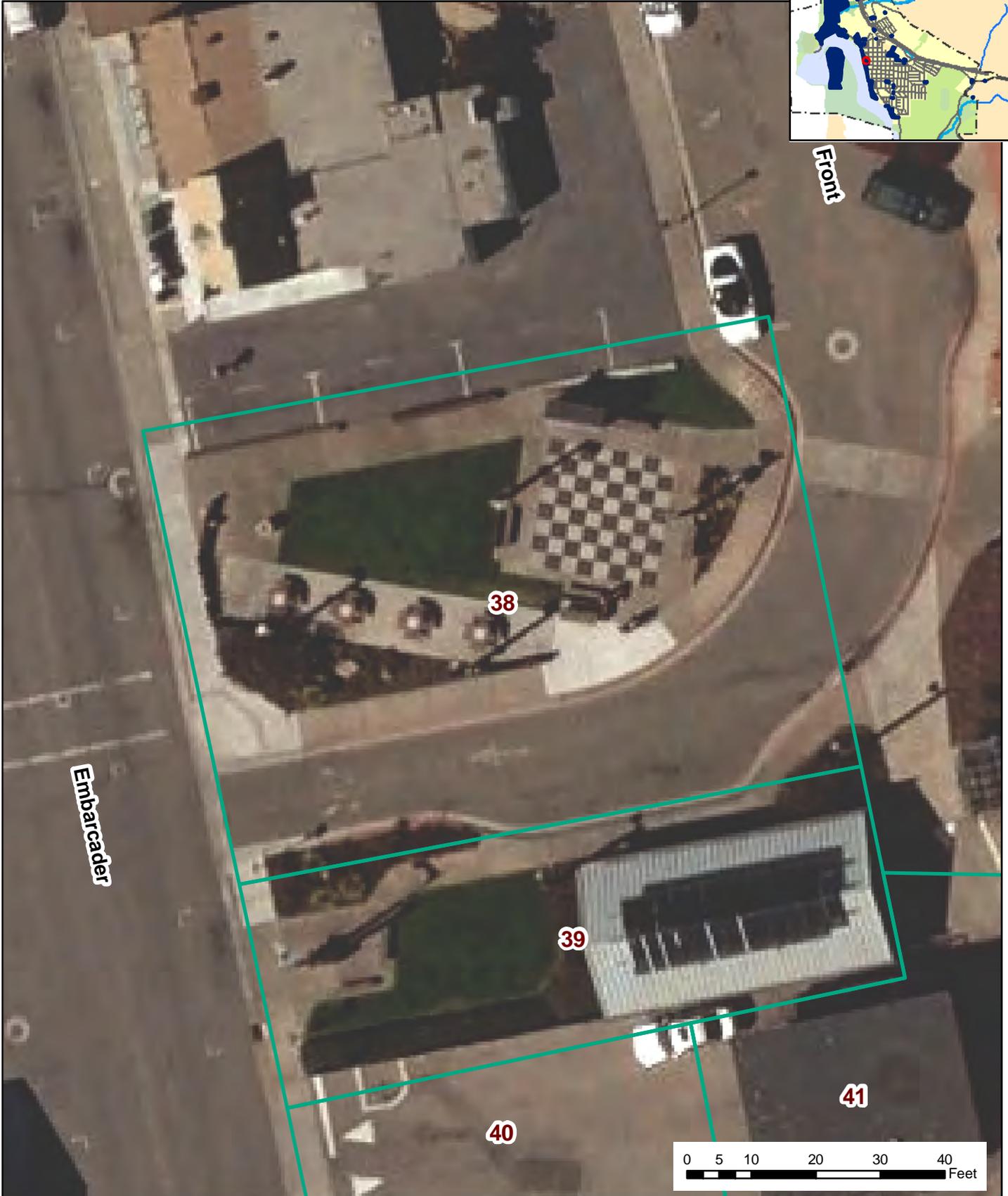
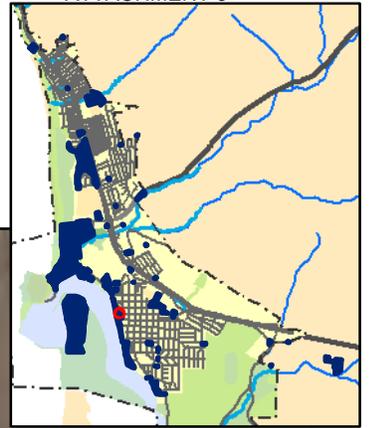
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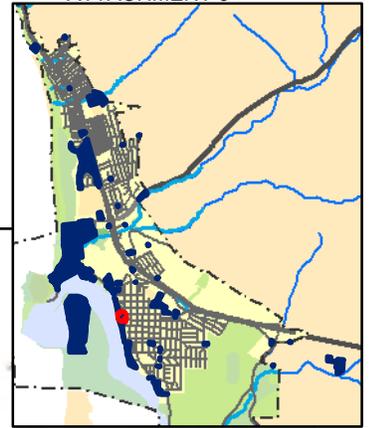
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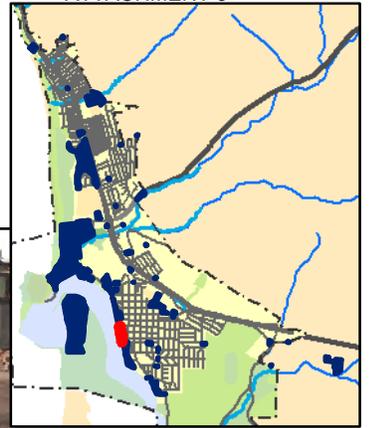
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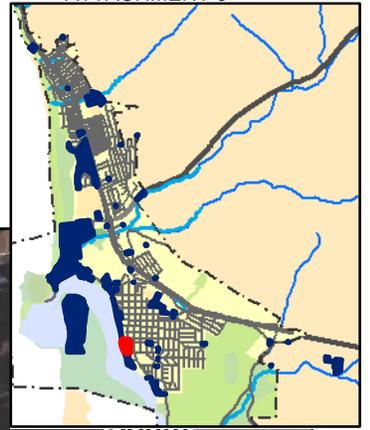
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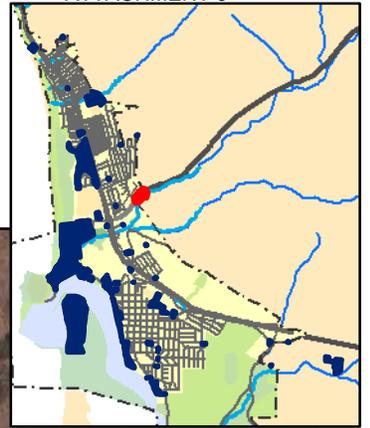
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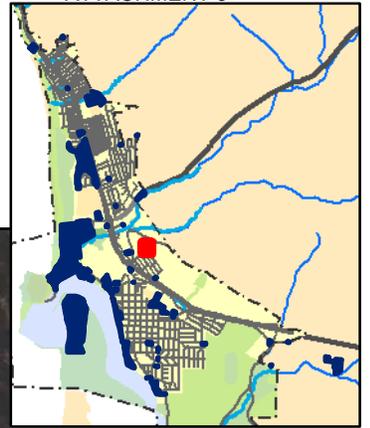
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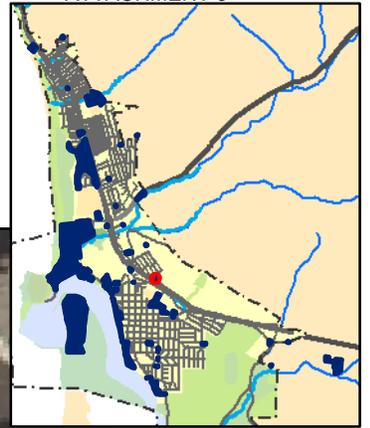
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City of Morro Bay City-Owned Properties

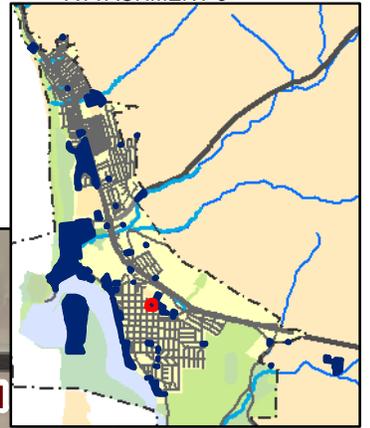


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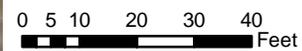


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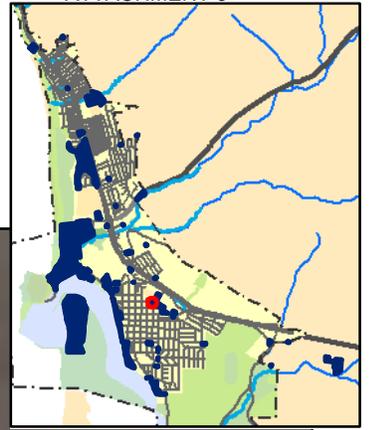
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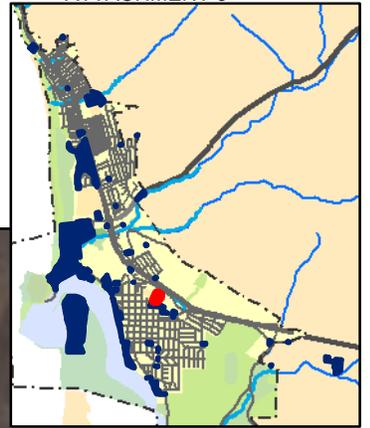
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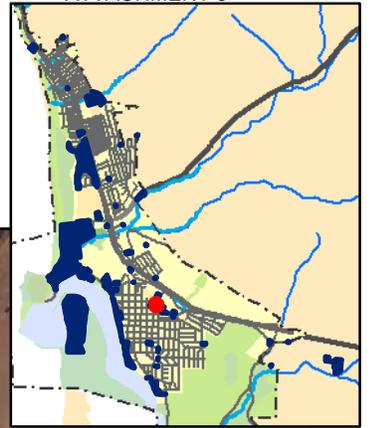
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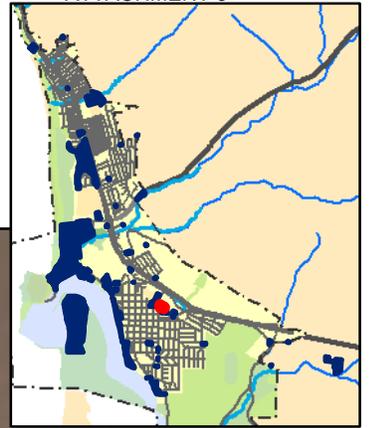
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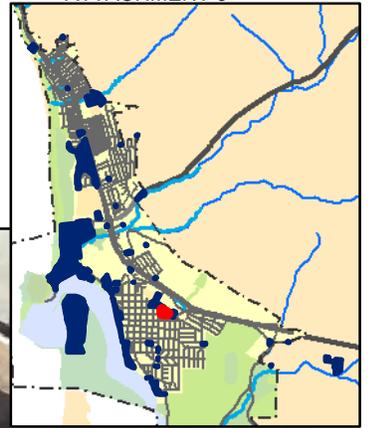
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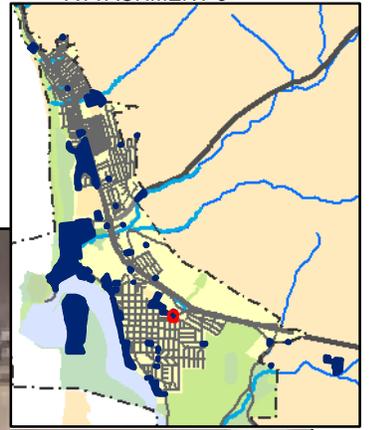


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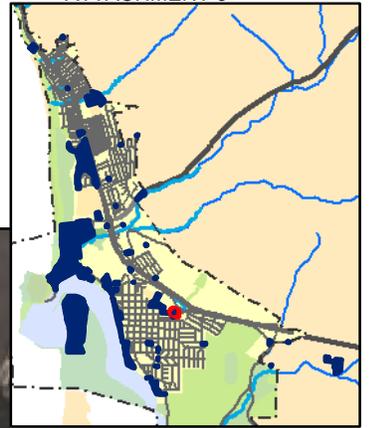
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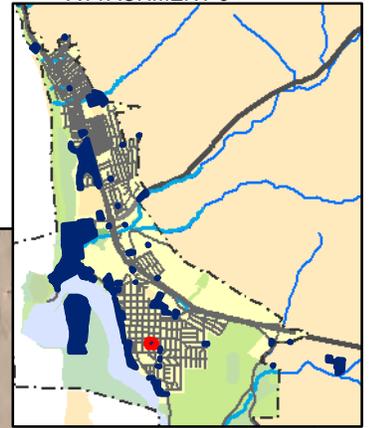


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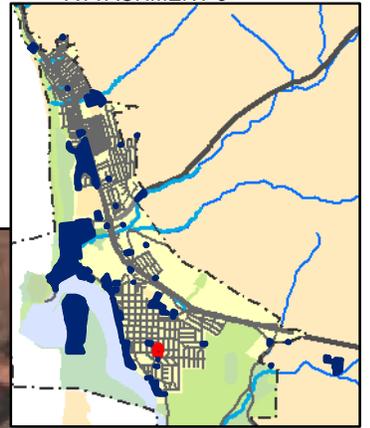
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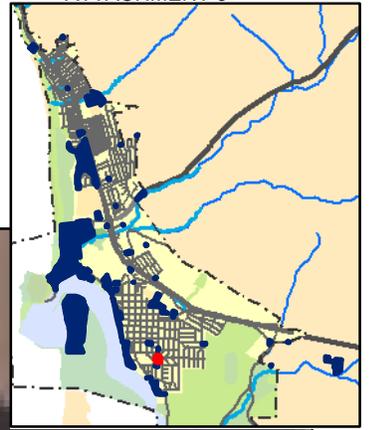


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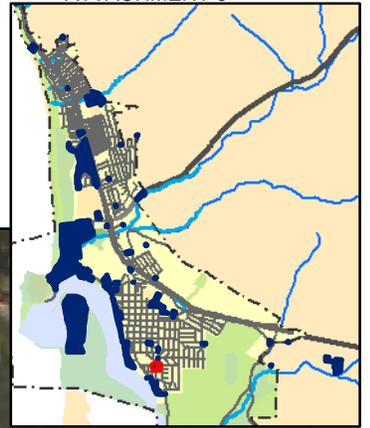


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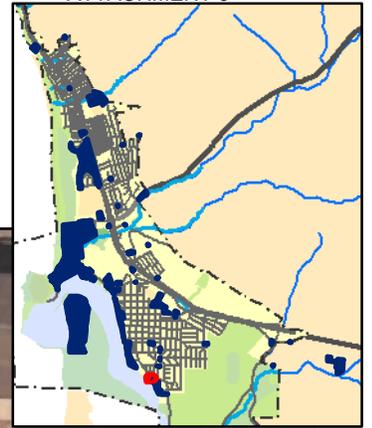
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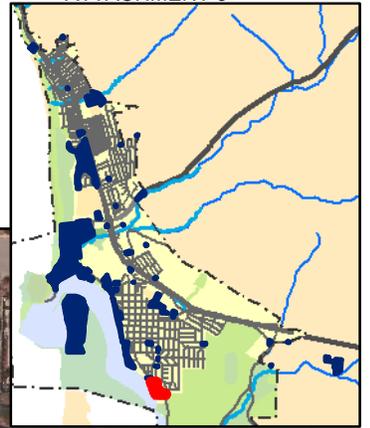
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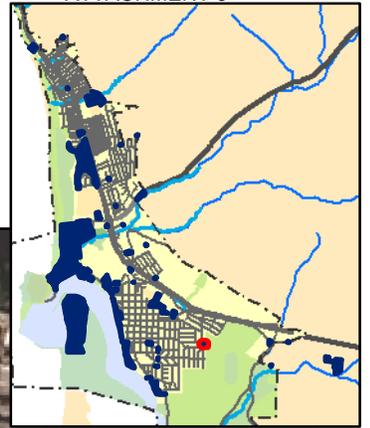
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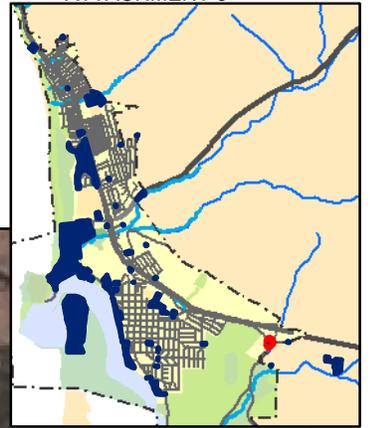
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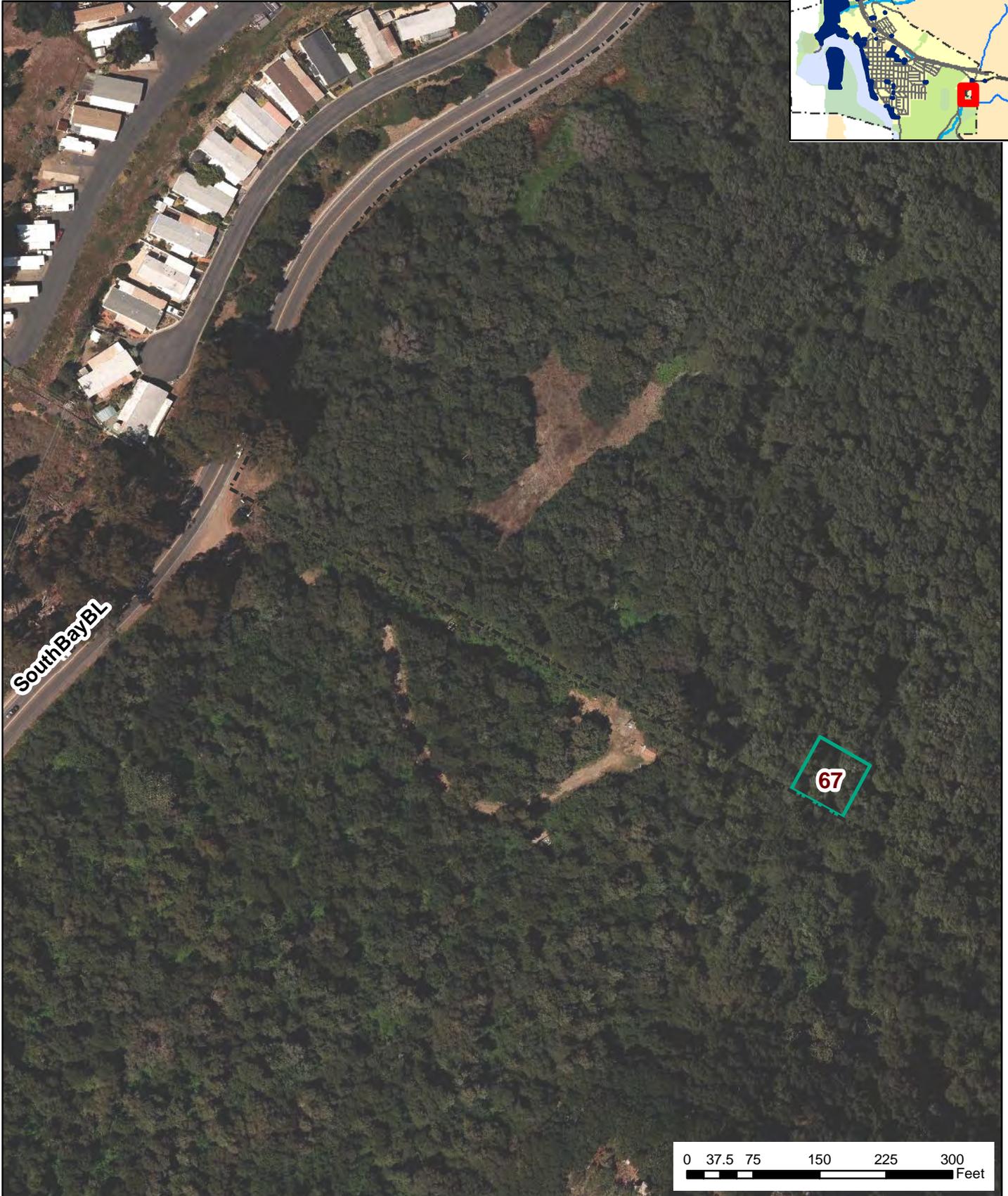
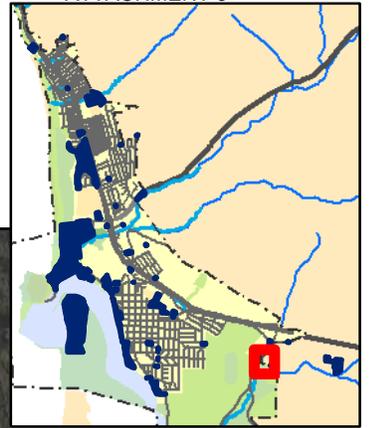
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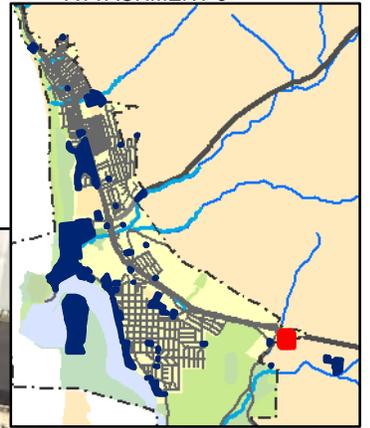
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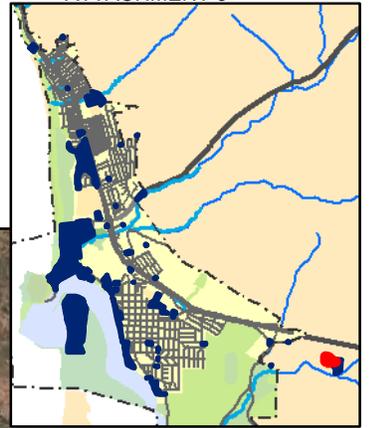
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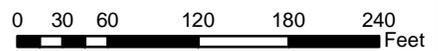
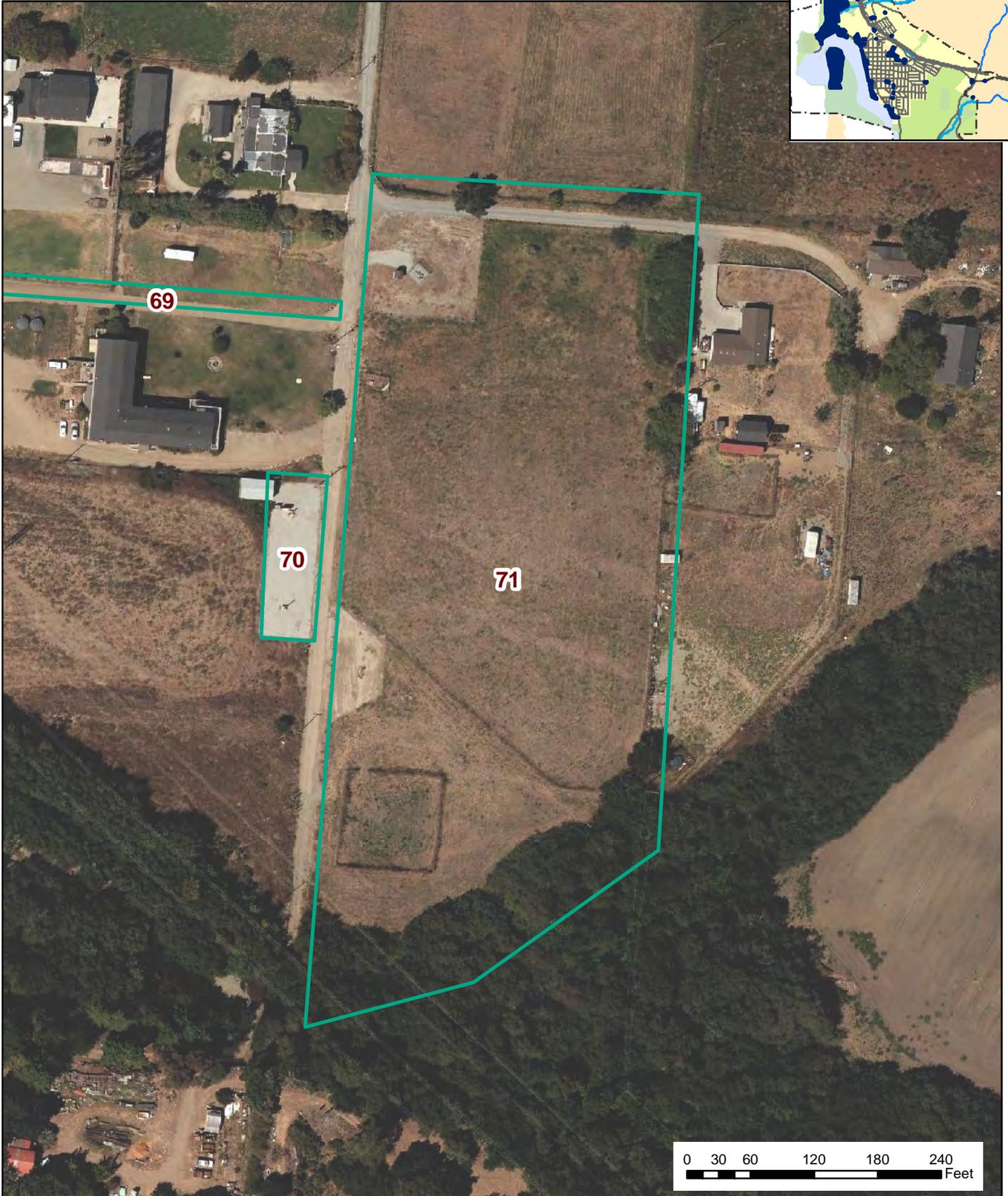
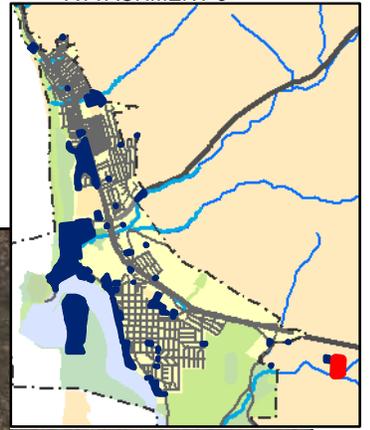
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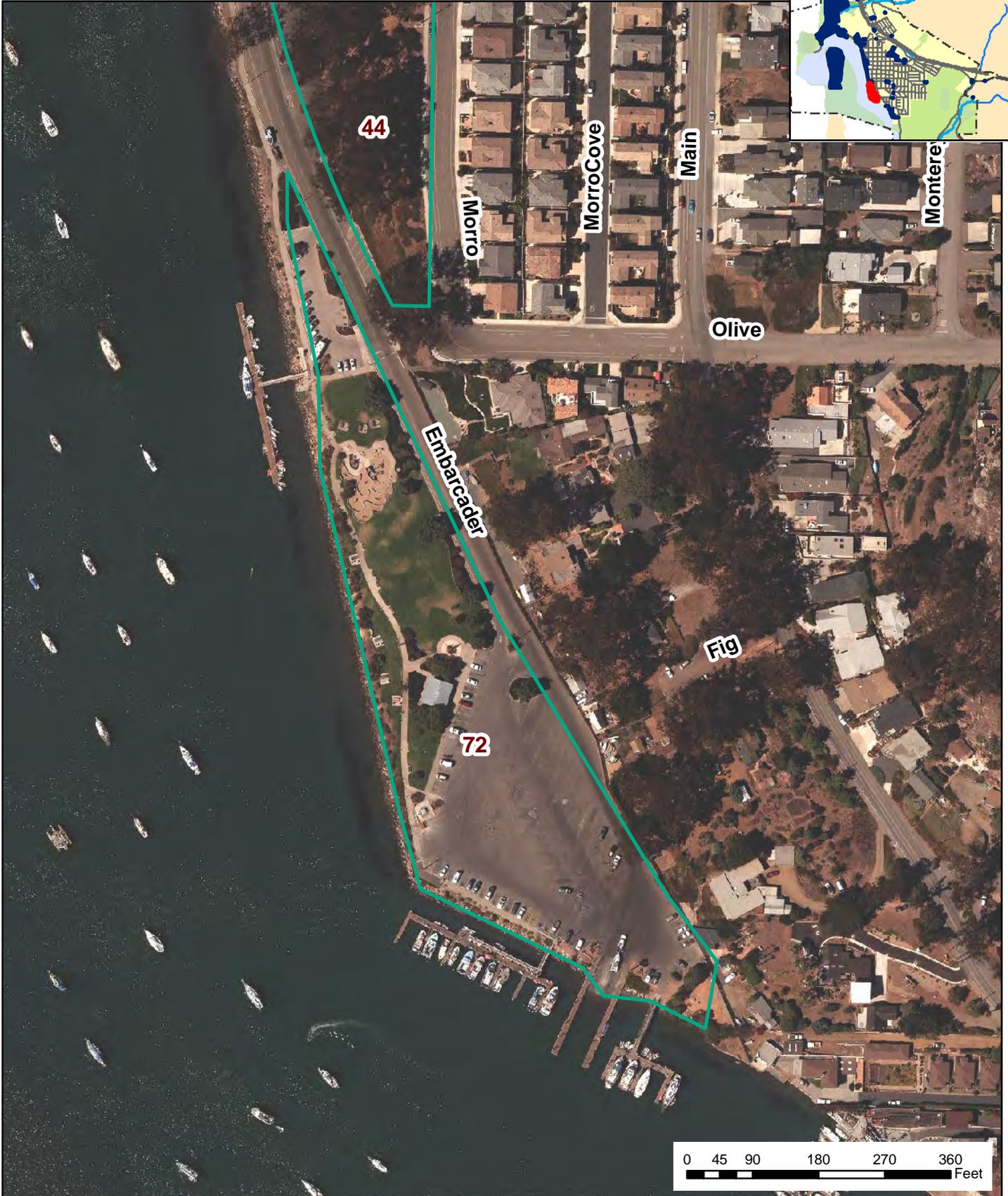
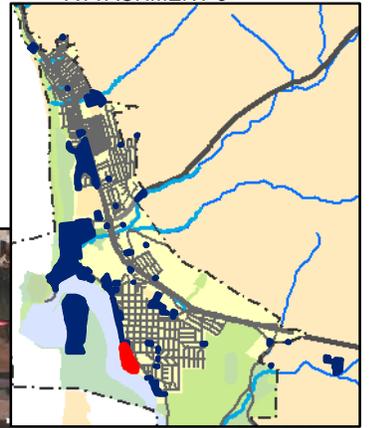
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