



AGENDA NO: PC

MEETING DATE: June 23, 2020

**AGENDA CORRESPONDENCE
RECEIVED BY THE CITY COUNCIL
FOLLOWING POSTING OF THE AGENDA IS ATTACHED
FOR PUBLIC REVIEW PRIOR TO THE MEETING**

Heather Goodwin

From:
Sent: Monday, June 22, 2020 2:05 PM
To: Council
Subject: General public comment

I was very disappointed that you did not pass a mask ordinance or at the least post signs about the suggestion to wear masks. The tourists do not even know you passed a resolution. So I ask... Just what is the threshold in regards to the numbers????? Please make a strong decision and stick to it and stop wasting time passing something with no teeth. The citizens of Morro Bay understand and some will still not wear masks but the tourists act like they are on vacation from everything including the virus. Thank you , Patti Anderson

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Face Coverings and Masks for COVID19 Intervention

This discussion was prompted by an expectation that the Morro Bay City Council will soon reconsider its action to not require face coverings to mitigate the spread of the Coronavirus. Pismo Beach, and now Grover Beach have passed urgency ordinances to require employers to have their employees wear masks. Both debated the desirability and/or efficacy of requiring customers to wear face coverings whenever indoors. Both backed off that requirement because of enforcement issues. The recommendation of the Chamber of Commerce is to acknowledge the professional medical advice provided by WHO, CDC, SLO County Public Health, and the California Department of Public Health and encourage the usage of face coverings as an additional intervention to control the spread of the virus. The Chamber strongly encourages this approach for essential business (food stores, pharmacies, etc.) To this end the Chamber asks that the Morro Bay City Council adopt a policy by resolution encouraging the use of masks as described above.

There is an increasing body of evidence that face coverings slow the spread of Coronavirus. It is acknowledged that the use of face coverings is not as effective as being quarantined, nor as effective as social distancing. However, the CDC, WHO, SLO County Health Department and the California Department of Public Health all recommend the usage of face coverings where social distancing may not be possible, and when in a confined area for an extended period of time (such as employees in a retail shop or restaurant).

The SLO County Health Department has issued guidance “supporting” the use of masks for cashiers and customers inside a grocery store or any essential business if social distancing is difficult to maintain. However, according to the guidance, there is inadequate supporting evidence to issue an Order to mandate the use of cloth masks at this time. Underlying this guidance is the observation that medical grade (N95) masks were in short supply and those limited supplies should be reserved for medical personnel; that the general public was already 50% compliant in wearing masks; and that they did not want to provide the general public with the impression that masks were as substitute for social distancing or self-isolation. Another factor that SLO Public Health considered was the very low incidence of infection in SLO County, even in areas with a significant number of outside visitors.

The World Health Organization (WHO) came to a similar conclusion stating that “wearing a medical mask is one of the prevention measures that can limit the spread of certain respiratory viral diseases, including COVID-19. However, the use of a mask alone is insufficient to provide an adequate level of protection, and other measures should also be adopted. The use of medical masks in the community may create a false sense of security, with neglect of other essential measures, such as hand hygiene practices and physical distancing, and may lead to touching the face under the masks and under the eyes, result in unnecessary costs, and take masks away from those in health care who need them most, especially when masks are in short supply.”

The advice from the State Department of Public Health is similar, stating there may be a benefit to reducing asymptomatic transmission and reinforcing physical distancing from the use of face coverings. However, face coverings may increase risk if users reduce their use of strong defenses, such as physical distancing and frequent hand washing, when using face coverings that the best community and individual defense against COVID 19 is washing our hands frequently, avoiding touching our eyes,

nose and mouth with unwashed hands, avoiding being around sick people and physical distancing, especially by staying at home.

Finally, the most recent guidance from the Centers for Disease Control (CDC) is a little less ambivalent stating that the "...CDC also recommends that everyone wear cloth face coverings when leaving their homes, regardless of whether they have fever or symptoms of COVID-19. This is because of evidence that people with COVID-19 can spread the disease, even when they don't have any symptoms. Cloth face coverings [however] should not be placed on young children under age 2, anyone who has trouble breathing, or is unconscious, incapacitated, or otherwise unable to remove the mask without assistance.

The GAC discussed the medical guidance described above. Several of the GAC members were against anything that would compel a business owner to require a customer to wear a mask indoors. There was no discussion of requiring a mask at all times. Several others pointed out that those businesses that are not voluntary—grocery stores, drug stores, etc.—should be strongly encouraged (if not required) to provide masks since the potential exposure is not voluntary, and any sort of indoor social distancing is not assured. There was tenuous agreement that the City should have a "policy" that masks be worn indoors, and that essential businesses (Stage 1) be strongly encouraged to do so. There were several references to Dr. Borenstein's guidance on the matter; namely that "...cashiers and customers should wear cloth masks inside a grocery store or any essential business if social distancing is difficult to maintain. Supporting evidence is not strong enough to issue an Order to mandate the use of cloth masks at this time; consumer preference is already accomplishing this in most parts of the County. Wearing facemasks can be very slightly protective against primary infection from casual community contact, and modestly protective against household infections when both infected and uninfected members wear facemasks. The risk of acquiring a viral infection is reduced by 6%. When both ill and well wear a medical mask in a household, the risk is reduced by 19%."

Heather Goodwin

From: jude coren
Sent: Monday, June 22, 2020 4:25 PM
To: Council
Subject: Masks, safety, and responsibility

To the Council,

I was disheartened to see the large number of people in town, at the Saturday market, and the Embarcadero (including in stores and waiting in line at restaurants) who wore no masks and did not observe social distancing.

Now that the governor has required masks for activities (except exercise), I think the City should step up and at least make an effort to assist in the effort.

To leave this up to individual businesses is an abdication of your responsibility as the elected representatives. Our small businesses are struggling enough as it is. If they individually try to enforce the policy, those who do not agree will simply leave their business and go to another who is more willing to disregard the state mandate. This is an unfair burden to place on each business. It also puts at risk employees who interact with unsafe customers all day.

My husband and I walked to the stand next to Tognazinni's to buy some snacks and a bag of peanuts. We stood in line with several others. We were the only people wearing masks. (Although the mandate requires masks in such cases). We tried to observe a safe distance, which was very difficult. We asked people to distance and suggested masks to no avail.

When we reached the window, we were greeted by a nice salesperson who was wearing her mask. All during our wait, unmasked customers were bending down and speaking loudly into the window to place their orders, not 15 inches from her face. Because of the outside noise, people were speaking loudly and getting very close. All I could think of was this poor woman, doing her job, remaining cheerful, while wearing a mask herself, but facing a great risk for hours on end because the city will not do anything to protect her.

I have heard that the city says it does not have the resources to do any enforcement. But some LARGE signs would be a start. Passing a resolution saying that we will abide by the state mandate, (which apparently we do not) would be another.

Lastly, if we have the resources to provide a vehicle to a volunteer police person, why can we not rearrange our priorities to ensure the safety (and compliance with the state mandate) of our community members and our small businesses and their employees? Is directing traffic at the Embarcadero amore important use of resources?

"Leaving this to each business" is just a way for our elected officials to do nothing. I expect more from our elected officials.

Jude Coren
Morro Bay



AGENDA NO: A-3

MEETING DATE: June 23, 2020

**AGENDA CORRESPONDENCE
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Dana Swanson

From: betty winholtz
Sent: Monday, June 22, 2020 1:01 AM
To: John Headding; Robert Davis; Marlys McPherson; Jeffrey Heller; Dawn Addis
Cc: Dana Swanson; Scot Graham; Nancy Hubbard; Scott Collins
Subject: agenda item a-3

Dear City Council:

I have 2 concerns regarding this item.

1. At the previous City Council meeting, I expressed concern that hearing this item for approval before the required appeal process expired would be prejudicial should Council have to make a ruling on an appeal. Fortunately, it was continued. Subsequently, I appealed the project, and it is scheduled for a hearing in July. I am sensitive to the fact that a vote on the funding of this project demonstrates I will not get a fair hearing.
2. How does an item go from a non-considered Business item to a Consent item? As a continued item, it was not discussed at the last meeting. Now it is moved up to Consent. As a Consent item, it is intended for a vote without a discussion of the merits. This doesn't make financial sense since there is a 1/2 a million dollars at stake.

Please continue this item until after the appeal.

Sincerely,
Betty Winholtz



AGENDA NO: A-6

MEETING DATE: June 23, 2020

**AGENDA CORRESPONDENCE
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Dana Swanson

From: Cynthia Hawley
Sent: Tuesday, June 23, 2020 8:24 AM
To: Dana Swanson; John Headding; marlys McPherson; Robert Davis; Jeffrey Heller; Dawn Addis
Subject: Comments re 6-23-2020 council meeting
Attachments: Cynthia Hawley comment on 6-23-2020 council meeting.docx

Dear Dana,

Attached and below are comments related to tonight's meeting. Hopefully not too late to post.

Thank you,

Cynthia

Council Members,

The only thing this project has to do with the people of this town is that the people are the source of the money you are spending – privatizing – hand over fist. The product so far has been the privatization of public funds – a major source of wealth in the business of constructing public works projects.

And the only work on the ground you've done so far is a seat-of-the-pants mess, the effects of which are more money out of the pockets of rate payers and the threat of disturbed soil going into the estuary to muck up what habitat there is left for animals and humans and plants that provide oxygen.

There is a law and good reason why you are supposed to figure out ahead of time if a hillside is stable enough to cut into without a 30,000 cubic yard landslide. There is a law and reason why you are supposed to plan ahead of time where to put the dirt you cut out of the hillside before you start digging it up.

In case you are not aware of it, in violation of the Business and Professions Code, not a single engineer has taken responsibility for the engineering plans for this plant.

This evident total lack of planning and management and disregard for the law does not bode well for the construction of a complex sewage treatment and water reclamation plant you have undertaken on a known unstable hillside on the edge of a stream that flows directly into the estuary.

If what you want is to bankrupt this town and corner us into a position of being vulnerable to privatization of the water and sewer infrastructure with the loss of proposition 218 rights to protest rate increases then you are on the right path and if you don't change your direction by putting a stop to this fiasco – then we've got to come to the realization that that's what you want. The effect of what we do in life shows our intent.

This project is not only being built on an unstable hillside, it was permitted based on the violations of the Coastal Act, California Government Code, Penal Code, Civil Code, Business and Professions Code Professional Engineers Act, the California Constitution and several federal laws.

The project is highly unstable financially, legally, and geologically. The people benefitting from it are the ones being paid \$200 and nearly \$300 an hour who are screwing things up – the effect of which, unless something is done about it, is to keep the money flowing into their own pockets to fix their mistakes.

This needs to stop now and the people who have caused this mess on the hillside need to be held accountable for it and clean it up.

Cynthia Hawley

Heather Goodwin

From: Dan Sedley
Sent: Monday, June 22, 2020 2:26 PM
To: Dana Swanson; Council
Subject: City Council Agenda Item #A-6

Dear Morro Bay City Council and Mayor:

Citizens for Affordable Living (CAL) would like to address the 3 stalled components of the WRF as well 1 related item addressed by the project manager.

1. Plant Site. CAL believes it is unfair to blame the CA Department of Fish and Wildlife (CDFW) for the permit delay to fill in a stream bed. It was City Council's decision at the urging of City Staff and/or the project manager to not gather other agencies' permits before getting the Coastal Development Permit from the CA Coastal Commission. It was the City Council's, city staff's, or the project manager's decision to begin grading before having the CDFW permit in hand. That was a gamble, and it didn't pay off.

The landslide is another error that should have been avoided with a core sample. We do not see that a core sample was taken at any point. Was a sample taken? If so, what were the results? If a core sample was not taken, why not? The Land Use Plan of Morro Bay identifies this area as a landslide area, so It should have come as no surprise (Figure 25 on page 164 in the Hazards Element).

2. Conveyance Facilities. CAL has not seen where the City Council approved the Pipeline and Lift Stations Construction documents and whether the City has sufficient funds to obligate for it. Additionally, CAL does not see where the City has enough money to cover the cost of the wastewater treatment plant, the injection wells, the outfall work, and demolition of the current sewer plant.

The engineer's estimate for the Lift Stations and Pipeline Plans and Specs is for \$27,000,000. However, Waterworks Engineers should have provided a detailed estimate that corresponds to the bid schedule included in the bid documents. The contract with Waterworks Engineers required estimates at each submittal (at 60%, 90% and 100%). Where are those and how did they come up with the \$27,000,000 amount? How much of a contingency will be added to that? Does the City have the funds to cover the cost of it

all? CAL does not believe there should be any contingency fees, but that all contracts should be a fixed cost.

This is for a very large bid and the city should expect bidding irregularities. What will the City do in the event of bidding irregularities? What if the City is sued over bidding disputes as is what happened when the Community Center opened bids back in the late 1980s?

The technical specs for the conveyance pipelines fail to list the city's main water supply pipeline, the Chorro Valley Pipeline. As you know, It is owned and operated by the San Luis Obispo County Flood Control and Water Conservation District (page 11 of 874). The proposed conveyance pipelines will cross it in 2 places. Should the bidders know about this ahead of time? What precautions will be taken to not disrupt the City's primary water supply?

Mr. Livick approved the pipeline and lift stations plans, but he did not provide the date of his signature as required by §6735 of the California Business and Professions Code.

Mr. Livick told the WRFAC at their last meeting in November, 2019, that the State Revolving Fund at the State Water Resources Control Board needs to approve the plans. Have they?

Regarding pipeline easements, there is an implied warranty that the properties where the contractor will be working are available to the contractor (§5.01 of the front end bidding requirements). The City is still involved in the taking of the PG&E property and the Vistra property; can the bidders visit these areas without permission of the landowners? Also, the City still doesn't have an encroachment permit from Caltrans for work shown to occur in the State Highway right of way (see plan sheet G-18). Is this still true?

3. Recycle Water Facilities (Injection Wells). Again, the City is still involved in the imminent domain taking of the Vistra property. These deals should have been negotiated before the CDP, so this "fatal flaw" would have been known.

4. **Local hire.** Bid documents make mention of local hire, but the City sent these bid documents to plan rooms in Santa Barbara, Bakersfield, Fresno, and Sacramento. Why did they do this if they expected local hire? All of the plan holders, except for one in Paso Robles, are from outside of our county.

At the last meeting, Mr. Casares implied that a worker on site is a Morro Bay resident. Actually, he is a temporary person whose business and home are down south, and he is here during the week just for this project. Additionally, Corollo is hiring insufficient local staff given the enormity of their contract.

CAL would appreciate your answering these questions during the meeting to clarify for the public.

Sincerely,
Dan Sedley
Citizens for Affordable Living



AGENDA NO: A-7

MEETING DATE: June 23, 2020

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Dana Swanson

From: betty winholtz
Sent: Monday, June 22, 2020 2:02 AM
To: John Headding; Robert Davis; Marlys McPherson; Jeffrey Heller; Dawn Addis
Cc: Dana Swanson; Jennifer Callaway; Damaris Hanson; Scott Collins
Subject: agenda item a-7

Dear City Council:

I support PWAB's recommendation to “strongly encourage Council to change the allocation to increase the multifamily allocation and decrease the single family allocation”.

Please make this change tonight.

Sincerely,
Betty Winholtz



AGENDA NO: A-8

MEETING DATE: June 23, 2020

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Heather Goodwin

From: Wendy Wendt <wwendt@first5slo.org>
Sent: Tuesday, June 23, 2020 3:31 PM
To: Council
Cc: kroudebush@first5slo.org
Subject: Child Care Liaison

Dear Members of the Morro Bay City Council: I am writing to thank your and your staff for acting expeditiously to agendaize on tonight's Consent Agenda the assignment of Council Member Addis as Child Care Liaison to We Are the Care Initiative (Consent Agenda Item A-8). This community-based coalition of families, early childhood and after school educators, teachers business and civic leaders is working to spotlight and address the child care challenge in our county. Each city is in the process of identifying a council member to serve as liaison to the initiative. As administrator of We are the Care and a voice for early childhood in our communities, First 5 SLO County is thrilled that cities are demonstrating their commitment to this important issue, both as it relates to children's health and development, and for the crucial role it plays in ensuring economic vitality and recovery especially during these unprecedented times.

Please do not hesitate to contact me or Kris Roudebush in our office with any questions about We Are the Care, the role of City Council Liaisons, or the work of First 5.

Sincerely Yours,

Wendy L Wendt, Executive Director
First 5 San Luis Obispo County
3220 S. Higuera Street #232
San Luis Obispo, CA 93401
805-781- 4058 (office); 805-550-6904 (cell)



How are the Children?
-Masai Greeting

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AGENDA NO: B - 1

MEETING DATE: June 23, 2020

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Dana Swanson

From: Dawn Beattie
Sent: Sunday, June 21, 2020 8:23 PM
To: John Headding; Robert Davis; Marlys McPherson; Jeffrey Heller; Dawn Addis; Dana Swanson; Rob Livick; Chris Neumeyer; Scott Collins; Jennifer Callaway; Kirk Carmichael
Subject: Item B-1

Mayor Headding, Members of the City Council and City Staff

I noted that in the staff report for Item B-1 on this upcoming Tuesday's agenda, the following is included -> *in conjunction with Recreation staff, Public Works staff will begin the process of replacing the out of date playground equipment*

Many times over the last few years, the issue of replacing the Cloisters playground equipment has come up. The last time this was pursued in earnest, whatever was prompting the need for replacement turned out to be fixable, so the entire playground equipment didn't end up needing replacement.

I'd like to continue with what I and a number of my neighbors have been saying for years, that replacing the playground equipment at the Cloisters IS NOT NEEDED. We, the homeowners, have been told it's a code issue that our liability insurance company has a problem with, but we have NEVER seen anything in writing that describes what code we're not meeting and any potential time line for fixing the violation (this assumes our insurance is still covering us for liability). As far as we can tell, our playground equipment seems just fine, although perhaps not right for the current demographics of the neighborhood.

When the subject of the playground comes up, I often wonder why the City doesn't have a Parks Master Plan (that evaluates the demographics of the City and puts the correct park for the appropriate age in specified areas of the City). For instance, the Cloisters Park was designated a Tot Park back in the 1990's. I don't believe that's appropriate anymore. I've looked at the old General Plan from the 1980s as well as the 2018 Plan and found nothing that discusses what age group our Park should be built for.

In closing, I'd like to state that with a modification to the sentence in the staff report I included above (*in conjunction with Recreation staff, Public Works staff will begin the process ~~of replacing the out of date playground equipment of bringing the playground equipment up to code~~*) I support this Resolution.

Dawn Beattie
Cloisters Homeowner
Morro Bay Resident



AGENDA NO: B - 2

MEETING DATE: June 23, 2020

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Dana Swanson

From: betty winholtz
Sent: Monday, June 22, 2020 2:17 AM
To: John Headding; Robert Davis; Marlys McPherson; Jeffrey Heller; Dawn Addis
Cc: Dana Swanson; Rob Livick; Scott Collins
Subject: agenda item b-2

Dear City Council:

Was the cost of the stop signs on Toro Lane paid for by the Assessment District? As stated in previous city council meetings, warrants must be met to put in a stop sign. What warrant(s) was met to put a stop on Toro Lane where there is no cross street or crosswalk? What was the cost?

Sincerely,
Betty Winholtz



AGENDA NO: B - 3

MEETING DATE: June 23, 2020

**AGENDA CORRESPONDENCE
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Heather Goodwin

From: Steven Allen <steven@alleninc.com>
Sent: Tuesday, June 23, 2020 2:29 PM
To: John Heading; Council
Cc: Jennifer Callaway; Dana Swanson
Subject: 6/23/2020 Morro Bay City Council Agenda Item B-3: TBID Continuation for 2020/21

Honorable Mayor Heading and Morro Bay City Council:

With respect to the recommendations submitted by the Morro Bay Chamber, I would disagree with their recommendation for increasing the Transient Occupancy Tax ("TOT") rate and decreasing the Tourism Business Improvement District ("TBID") assessment by an equal one percent (1%).

Never before in my 25 year career have I seen the hospitality market decimated as it has been in the past few months. The assessment to the San Luis Obispo Tourism Marketing District (TMD) will increase to 1.5% on July 1st. The Morro Bay TBID assessment will already reduce significantly due to the losses in hotel revenue and occupancy. Further decreasing marketing dollars, and adding more expense to lodging guests, is the worst thing that could be done in this economy.

I'm not a doctor or city planner, but I do have a degree in Marketing from Cal Poly and know that promotion works to drive hotel occupancy and revenue. Sometimes the returns are 3 to 1, sometimes more like 20 to 1; usually the effects aren't realized for months or years to come. Decreasing Morro Bay's advertising capacity would make us less competitive to our competing travel destinations. Morro Bay's occupancy was already relatively low prior to the time of COVID-19.

TBID dollars are used to promote shoulder season and off season events which help drive occupancy. Our marketing reach into "drive" communities is also lower than it should be due to current TBID funding. Right now we only have the ability to market to smaller areas. We need to be able to market to the larger, more affluent areas if Morro Bay is ever to increase its Average Daily Rate (ADR). Further increasing guest expense, and reducing marketing, would further force Morro Bay to be the "discount" beach community of the Central Coast. This is not good for hotels, restaurants, or the residents of Morro Bay who depend on the transient occupancy taxes that help fund the City's budget.

Sincerely,

Steven Allen
Allen Property Group, Inc.

Best Western San Marcos Inn, Morro Bay
La Serena Inn, Morro Bay
Masterpiece Hotel, Morro Bay
Capitola Venetian Hotel, Capitola
Rio Sands Hotel, Aptos

Heather Goodwin

From: Sean Green
Sent: Saturday, June 20, 2020 10:02 AM
To: Council
Cc: Scott Collins; CityClerk
Subject: 6/23/20 Council Agenda Item B-3: TBID continuation for 2020/21

Council and staff,

As a vacation rental owner and mandatory participant in Morro Bay's Tourism Business Improvement District, I see no reason for lodging establishments to support TBID's continuation at this time. A 3% self-assessment on top of 11.5% in additional taxes, absent any meaningful contribution from the city or other industries who equally benefit from our isolated contributions, simply doesn't make sense to me and shouldn't to others.

As a resident of Morro Bay, however, I fully support Council's continuation of TBID under the terms proposed. Heck, if lodging establishments are willing to donate their hard-earned money to city promotional efforts without any city obligation to improve tourist-facing infrastructure nor similar financial pledge from partner industries, I say to them, "Go right ahead!"

Sean Green
Morro Bay, CA



AGENDA NO: C - 1

MEETING DATE: June 23, 2020

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Heather Goodwin

From: Mary Kay Stenger
Sent: Tuesday, June 23, 2020 10:25 AM
To: Council
Subject: finance

Please get the budget under control. Our water/ sewer bills are outrageous.
M Stenger/SSainsbury

MB

Heather Goodwin

From: Jim Warner
Sent: Monday, June 22, 2020 1:44 PM
To: Council
Subject: Budget Deficits

Dear City Council,

Why are you leading our City to financial collapse with the proposed budget?

The community and the city council have repeatedly been told over the last 8 years that an unaddressed budget deficit is looming and should be planned for. Mayor Headding as a city council candidate in 2014 understood and is quoted in the minutes:

"Do you fully understand the dire financial stress that's impacting the City? He is concerned that 5 years down the road, this spending puts us in the category of being broke." (City Council official minutes of May 17, 2014) Yet here we are today, ready to go bankrupt next year. The prophetic city council candidate is mayor, and still, here we are.

"If we keep doing what we're doing, we're going to keep getting what we're getting." Structurally, nothing is changing. The City keeps asking the residents for more money (sewer/water rate increase, sales tax increase, user fees increase) without demonstrating it is spending less or smarter. The budget cannot be mended with the one-time selling of City properties. I will not vote for a sales tax increase when my water/sewer bills average \$200/mo. The promise that sewer/water bills will go down has disappeared through change orders, violating the mantra of a "guaranteed price." Please cut losses by stopping the sewer plant money pit. Better to lose \$20 million than the new \$130 million price tag and still rising. Keep the sewer plant at the current site, thus lowering sewer/water rates. The City will still meet Water Board standards. Then residents will have money to put towards a sales tax increase which go directly into the General Fund where it is needed to keep services and pay bills.

Sincerely,

Jim Warner
Morro Bay, CA

Heather Goodwin

From: Dr Margaret Carman
Sent: Monday, June 22, 2020 12:14 PM
To: Council
Subject: City Budget... We must be heard

Dear City Council,

The community and the city council have repeatedly been told over the last 8 years that an unaddressed budget deficit is looming and should be planned for. Mayor Heading as a city council candidate in 2014 understood and is quoted in the minutes:

"Do you fully understand the dire financial stress that's impacting the City? He is concerned that 5 years down the road, this spending puts us in the category of being broke." (City Council official minutes of May 17, 2014) Yet here we are today, ready to go bankrupt next year. The prophetic city council candidate is mayor, and still, here we are.

"If we keep doing what we're doing, we're going to keep getting what we're getting." Structurally, nothing is changing. The City keeps asking the residents for more money (sewer/water rate increase, sales tax increase, user fees increase) without demonstrating it is spending less or smarter. The budget cannot be mended with the one-time selling of City properties. Salary reductions are voluntary, temporary, and small. Wind power is years away, and marijuana money is not happening soon enough. I will not vote for a sales tax increase when my water/sewer bills average \$200/mo. The promise that sewer/water bills will go down has disappeared through change orders, violating the mantra of a "guaranteed price."

Please cut losses by stopping the sewer plant money pit. Better to lose \$20 million than the new \$130 million price tag and still rising. Keep the sewer plant at the current site, thus lowering sewer/water rates. The City will still meet Water Board standards. Then residents will have money to put towards a sales tax increase which go directly into the General Fund where it is needed to keep services and pay bills.

Sincerely,
Dr. Margaret C. Carman

Morro Bay, CA. 93442

PS. I am new to the area and appalled at your water bills and lack of follow through concerning your budgets and following procedure and law. Please change your ways and have the government of Morro Bay match it's beauty.
Thank you.

Dana Swanson

From: Erica Crawford <erica@morrochamber.org>
Sent: Sunday, June 21, 2020 7:53 PM
To: Dana Swanson
Cc: Stephen Peck
Subject: Chamber Comment for C-1
Attachments: Fiscal Solvency Item C-1.pdf; Face Coverings and Masks for COVID19 Intervention.pdf

Hi Dana,

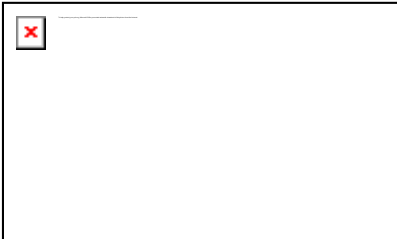
Please include the attached document as agenda correspondence for item C-1.

The Chamber GAC and Board did review face coverings this month and I've included that document for the record as well.

Thank you! I hope you had a nice and safe weekend.
Erica

--

Erica D. Crawford
President/CEO
Morro Bay Chamber
w: 805.772.4467
m: 917.378.2454



Fiscal Response and Sustainability

The GAC reviewed a presentation by the City Manager and Finance Director on the current fiscal condition of the City. Previous reports have indicated that there is a structural problem for the General Fund and Harbor Fund that requires attention. The addition of the economic downturn from COVID19 has made matters worse. As reported by the Finance Director, the City will run out of General Fund Emergency Reserve monies by the end of next fiscal year. After that time, the city may be deemed to be insolvent, and/or may need to make substantial cuts in basic city services, including police, fire and Harbor. The GAC and Chamber Board commented on strategies that would assist in fiscal sustainability as shown on the attached. In the context of expanding the City's fiscal resources, we see the immediate tasks as establishing revenue sources that will:

1. Provide for ongoing operations of the City, including payments to accumulation/capital funds to replace major capital items. **(Strategies: Sales Tax, Paid Parking, Property Sales, TBID/TOT, Operational Changes.)**
2. Allow the City to pay for its current and anticipated pension liabilities over the next 10 years. New financing sources may need to be extended for an adequate amount of time to provide for debt financing. **(Strategies: Sales Tax, Property Sales)**
3. Allow the City to provide the improvements called for in its various master plans and specific plans, including the Waterfront Specific Plan, Circulation Plan, etc. **(Strategies: Paid Parking, TBID/TOT, RV Parking)**
4. Allow the Harbor District to fund operations and capital expenses (including capital reserves). **(Strategies: Paid Parking, RV Camping)**
5. Allow the City to build up and maintain an Emergency Reserve of 25 percent of planned General Fund expenses. **(Strategies: Property Sales, Sales Tax)**
6. Allow for revenues to improve sanitation, access and economic development along the Waterfront. **(Strategies: Paid Parking, RV Parking, TBID/TOT)**

The programs below have the potential to add \$2.9 million per year in ongoing new revenues or expense savings funds to be split between the Harbor Enterprise and General Fund, and \$2.5 million in one-time funds from property sales. The Chamber views these programs, changes in operational procedures, and additional scrutiny of operational cost savings as a comprehensive package. No one or two of these strategies should be picked off or deleted. They are all necessary for fiscal solvency. We support the package, not just individual items. Certain elements of the package will provide longer term stability, while some elements are short-term, stop-gap methods. The added sales tax may not be necessary after ten years.

	10-Year Total	General Fund						Harbor Department				
		General Fund Operating	GF Maintenance and Capital Accumulation	GF Unfunded Pension Liability	General Fund Emergency Reserve	Tourism Enhancement, Servicing and Economic Development	General Fund Total	Operating Deficit (Compared to Likely Lease Base Rents)	Operating Reserve/Accumulation	Unfunded Asset Depreciation and Improvements	Access Management and Improvement Plan	Harbor Total
Current Balance					\$ 1,304,500			\$ 75,000				\$ 75,000
Required Amount					\$ 3,750,000			\$ 437,500				\$ 437,500
Projected 10-Year Deficit		\$ (5,107,000)	\$ (25,000,000)	\$ (5,250,000)	\$ (2,445,500)		\$ (37,802,500)	\$ (1,000,000)	\$ (362,500)	\$ (825,000)		\$ (2,187,500)
							\$ -					\$ -
Sales Tax Increase (1%)	\$ 19,500,000	\$ 2,500,000	\$ 11,500,000	\$ 5,000,000	\$ 500,000		\$ 19,500,000					\$ -
Property Sales	\$ 2,500,000			\$ 500,000	\$ 2,000,000		\$ 2,500,000					\$ -
Paid Parking (Net of Operating Expenses)	\$ 3,575,000	\$ 893,750				\$ 893,750	\$ 1,787,500	\$ 425,625	\$ 200,000		\$ 1,161,875	\$ 1,787,500
RV Parking (Net of Operating Expenses)	\$ 2,250,000						\$ -	\$ 875,000	\$ 200,000	\$ 825,000	\$ 350,000	\$ 2,250,000
TBID/TOT Transfer (1% Increase in TOT)	\$ 3,650,000	\$ 1,825,000				\$ 1,825,000	\$ 3,650,000					\$ -
Savings from Operational Modifications	\$ 1,500,000	\$ 1,500,000					\$ 1,500,000					\$ -
	\$ 32,975,000	\$ 6,718,750	\$ 11,500,000	\$ 5,500,000	\$ 2,500,000	\$ 2,718,750	\$ 28,937,500	\$ 1,300,625	\$ 400,000	\$ 825,000	\$ 1,511,875	\$ 4,037,500

Providing context for these recommendations is important since it is unwise to recommend revenue increases or expense modifications willy-nilly without some appreciation or understanding of how they address an urgent need for fiscal sustainability. The City also needs to be judicious in replenishing its capital replacement funds and reserves. The table above shows how the proposed revenue enhancements could be used to address ongoing operational needs, eliminate capital deficits, and to fund new initiatives that are necessary for economic and fiscal sustainability.

Sales Taxes. The Chamber supports the 1% sales tax addition, with a 10-year sunset. Several committee members recommended a 10-year sunset for this, and that should be planned if it is possible to achieve the objectives above. The sunset would provide the city with adequate time for COVID19 recovery and restructuring. Such a sunset clause would limit the amount of financing that could be leveraged with the new sales tax. However, a sunset clause should not be used if the sunset will create another “fiscal cliff” 10 years from now. There needs to be an informational campaign to emphasize that the sales tax is the appropriate tool since it is the best way to pay for services and expenses that are associated with tourism, and that tourists will pay for 70 percent of the sales tax increase. There should also be information that the sales tax is necessary to preserve the level of service that we now have, and that not passing it will result in a reduction in services. The need for the additional sales tax is not limited to particular types of personnel or expenses, and the authorizing ballot measure should not limit it. Approximately one half of the new revenue from this source would be used to fund the structural operating deficit and the balance would be used to replenish the GF reserve, the pension liability, and unfunded capital such as streets and roads. **Estimated annual additional revenue is projected to be \$1.5 million in the near term, and \$1.9 million after full COVID19 recovery.**

Property Sales. The Management Partner’s report listed the sale of surplus property as a source of immediate revenue (Recommendation 22, Page 75). At that time, the report identified \$2 million in surplus property that should be sold and “designated for economic development and other General Fund programs.” Based on reports from the City, properties on Dunes Street property (and

neighboring adjacent lot on Shasta Street designated for the Bocce Ball courts and greenhouse, which potentially could be relocated, either as part of the Coleman Park renovation or Monte Young), the second fire station site located in north Morro Bay, and a property located on the corner of Downing and Bolton (estimated at 7,000 sq. feet) were candidates for sale. This is an immediate opportunity to make up for the use of Emergency Reserves by the sale of assets that are not financially contributing to GF.

The sale of surplus property is one the quickest and most certain ways to replenish the rapidly depleting General Fund Emergency Reserve. City staff projects that this fund will be completely depleted by the end of the next calendar year and the fiscal solvency of the city will be in question.

The City Manager's Roundtable recommended sale of all of these properties, but not the sale of the second fire station located in north Morro Bay as they believed that it may impact insurance rates because of response times or flooding issues. The basis for not including the fire station site was because of potential flooding across Highway 1 that may block apparatus access from the downtown fire station site. However, research into this potential only occurs during a 100-year storm (so it occurs less than 1%, and last occurred in 1997), and response time from the downtown fire station site to the farthest reaches of the community area is approximately 4.5 minutes, a travel distance that meets most fire service metrics. Ninety percent of the community can be accessed in four minutes travel time or less. The elevation of Highway 1 between Radcliff and Atascadero Road is above the 100-year designated base flood elevation, and access is not cut off from those sorts of events. Finally, it is known that 75 percent of calls for service are for medical emergencies and North Morro Bay is served by ambulance service. Eliminating a fire station will also reduce fire service and personnel cost. The fire station consumes two prime residential lots and the property value is estimated to be \$1.5 million. If it is desirable to continue to store apparatus in that part of town, a more cost-effective solution can be found.

With respect to the sale/relocation of a public safety asset, we are mindful of community concerns regarding maintenance of local public safety levels. It is not apparent how response times would be degraded, or medical response times reduced (especially with San Luis Ambulance located on the same street). This should be a follow up with the City, Chamber and the community to assess the costs, benefits and opportunities.

Since property sales are quick one-time revenues, they should be prioritized for replenishing the GF Emergency Reserve.

The Chamber supports sale of all of the properties identified by the City Manager's roundtable, and the sale of the North Morro Bay fire station. Estimated one-time revenue from these sources is \$2.5 million, plus unknown annual savings from modified fire operations.

Paid Parking. The Chamber has already adopted a policy and recommendation to institute paid parking. There are currently no dedicated and reliable revenue sources to provide for maintenance of the streets, sidewalks, bathrooms, sanitation facilities, parking lots and other essential facilities to support our visitor economy, and this revenue source could be used for those essential visitor services. The current free parking lots are non-performing real estate assets that are being provided free of

charge. There is an existing policy of the Chamber and recommendation to institute paid parking along Embarcadero Road, at City beach parking lots, and at premium locations. The draft General Plan/LCP contains Policy Circ-4.2 states that the City "...may seek a Coastal Development Permit to establish paid public parking spaces with reasonable rates in appropriate places. Some of the revenue would serve as a dedicated funding source to improve and enhance coastal access."

Paid parking in coastal communities is the norm, not the exception. A review of waterfront and beach communities on the Central and South Coast (Monterey County, San Luis Obispo County, Santa Barbara County, Ventura County, Los Angeles County and Orange County) indicates that at least the following communities have paid parking as part of their beach and waterfront access programs: Pismo Beach, Malibu, Pacific Palisades, Venice, Capitola, Playa Del Rey, San Pedro, Huntington Beach, Seal Beach, Long Beach, Hermosa Beach, Manhattan Beach, Santa Monica, Port Hueneme, Avila Beach, Monterey, Pacific Grove, Isla Vista, Del Mar and Pacifica. Morro Bay is, in fact, the outlier amongst the group having no paid parking and no funded beach access strategies. Locally, both Avila Beach and Pismo Beach have paid parking as part of their beach and waterfront access programs, with each having gross revenues of \$500,000 to \$550,000 per year.

Paid parking would need to be part of an overall waterfront and beach access improvement and access program. Under such a program premium Embarcadero parking, parking at The Rock, the City's triangle lot, etc. should all be paid parking. Free access could continue to be provided from free outlying parking lots with shuttle service to ensure affordability. Avila Beach and Pismo Beach have successfully implemented such programs. There were comments that free parking gets used by employees and possibly locals, rather than supporting visitors. A paid parking program needs to specify access management and enhancement and support waterfront maintenance and sanitation. City should start this sooner than later (meaning now).

To be sure, although there have been numerous suggestions for the institution of paid parking in the community, community leaders have decided not to do it. Arguments against paid parking include the enforcement costs, merchant resistance, a belief that there is no net revenue for park parking, or that the City is legally obligated (by the Coastal Commission or others) to provide free parking to any and all persons. The 2007 Parking Management Plan commented that paid parking "...was determined to be ineffectual as a component of the parking management strategy because the most critical demands for parking occur for very brief periods (over 1 hour periods mid-day) and in very limited locations (the core blocks within the Embarcadero). When utilized in areas such as these, metered or paid parking can create the unintended consequence of actually deterring needed commerce. Second, pay-for-parking may not off-set the costs associated with the acquisition and maintenance of devices and equipment, or related personnel and operational resources, and could have negative impacts on the City budget." **None of these are true or supported by facts.** In Morro Bay the prevalence of free parking creates congestion on the Embarcadero since there is no financial incentive for visitors to park at outlying locations, and the conclusion about potential revenues are not born out by the dozens of other communities who have these sorts of programs. Further, the conclusions from the 2007 Parking Study were from 13 years ago are no longer considered to be valid.

Failure to have a paid parking element of an overall access program means that there are no revenues to maintain the existing parking facilities, to make functional or aesthetic improvements, to provide the necessary services and facilities that are necessary to support coastal and waterfront access.

These are now unfunded obligations of the Harbor Department. The Coastal Commission has clearly supported paid parking programs where they part of an overall access management, access maintenance, and access improvement strategy. They have not supported these programs where they appear to be blatant revenue opportunities without corresponding improvements.

Paid parking allows the opportunity to expand and diversify the funding sources for the Harbor Enterprise Fund and the General Fund. Parking is currently provided at no cost to the user, and there is no pricing mechanism to encourage turnover, to pay for the repair and maintenance of improvement being used, and no return to the City as the landowner. Except in cases where the city is legally obligated to provide free parking (such as those areas where a builder has paid for a in lieu parking fees, or where such a provision is in the a Tidelands Lease that is directly with the City), the city should expect and get a return on the community's asset.

Beach and waterfront communities, including those in San Luis Obispo County, indicate that customers are relatively price insensitive when it comes to paid parking. They can and will pay for convenience (with the norm appearing to be \$1.50 per hour or \$4 per half day). Most will gladly pay a premium for the convenience of a nearby parking spot, and the cost of parking ends up being 1%-3% of the total cost of a typical 1.5-day visit. To be clear, this is not a strategy to allocate a scarce supply because of overwhelming demand, it is a pricing mechanism to pay for the cost of providing the service and improvements that are being used, and to improve those services and improvements. Some sophisticated analysis is needed to determine appropriate pricing and duration, and possibly some initial "free" time at selected locations. And, there needs to be a legitimate Access Management and Improvement Plan.

These funds would be split with the General Fund and Harbor, with one-fourth for GF operating; one-fourth for tourism support, tourism enhancement and economic development; one-third for Harbor and Coastal access management and improvement; and the balance for Harbor operating and reserves.

Therefore, the **Chamber continues to support paid parking on the Waterfront area, including off-street lots and on-street spaces, with a pricing program that has higher rates at the premium locations, with some lower cost and free spaces at locations that are served by the local transit Trolley. Current parking fee programs can also have dynamic pricing with high pricing during peak days, seasons or hours. It can also fund access improvements and fund maintenance that are now unfunded. Based on the number of existing and potential off-street parking spaces in comparison to those in Pismo Beach and in Avila, the revenue received from those agencies from their paid parking programs, and rates that the Coastal Commission considers "affordable" and "non-discriminatory" potential gross revenue from a paid parking in prime off-street lots in Morro Bay could be \$500,000 to \$550,000 per year, with two-thirds of that total likely allocable to the Harbor Enterprise based on parking lot location. On-street parking could generate an additional \$125,000 to \$150,000 per year. An Access Management and Enhancement Plan should be commenced immediately to start this process.**

RV Parking. Support. These types of programs offer a special experience and revenue opportunity for the Harbor Department. A similar program is operated by the Avila Harbor District. There was concern and questions about what the impacts would be on sewer facilities and the

accessibility of dump stations. These funds would be used to fund Harbor operating and capital, Harbor operating reserves, and access management and improvements related to the impact of the RV operations. However, **the Chamber continues to support this concept. Further details are desired about the precise locations and amenities to be provided. This program could add \$200,000 to \$250,000 per year to the Harbor District Enterprise Fund if 50 RV spaces are rented.**

TBID/TOT. Like all tourism destinations, Morro Bay struggles with the benefits and costs of accommodating its visitors. The Tourism Based Improvement District (TBID) generates approximately \$825,000 per year in a “normal year” for promotions and marketing from the special 3% assessment on hotels, motels, vacation rentals and RV parks, plus a 1% assessment for County tourism efforts (set to increase to 1.5% on July 1, 2020). By way of comparison, other communities in the County charge 1%-2% of the room rate, north central coast communities (Santa Cruz, Monterey, and Carmel) charge a fixed rate per room ranging from \$1 per night to \$2.50 per night which amounts to about 1.5% to 2% per room night, and communities on the South Coast Business Improvement District currently charges 0.5% to 1% (and is proposing to double that amount to 1% to 2% based on the cost of the room). See the Table below from Santa Barbara South Coast Tourism Improvement District. Vacation Rentals are now subject to the TBID assessment and are expected to bring in \$165,000 more in a “normal” year, bringing the “normal” year total to \$990,000. During the post-COVID19 term, TBOD revenue is expected to drop to \$550,00 per year, according to City budget estimates, \$120,00 of which is projected to come from vacation rentals

**Comparative TBID Rates and
2019 Collections**

Region/Agency	Fee Collections (2019)	TBID Rate Basis	Equivalent Percentage of Room Rate
Central Coast			
Arroyo Grande	\$ 140,000	2% room revenue	2.00%
Pismo Beach (LBID)	\$ 1,028,700	1% room revenue	1.00%
Morro Bay	\$ 865,000	3% room revenue	3.00%
San Luis Obispo County	\$ 1,500,000	2% room revenue	2.00%
San Luis Obispo City	\$ 1,495,000	2% room revenue	2.00%
Paso Robles	\$ 750,000	2% room revenue	2.00%
Atascadero	\$ 105,000	2% room revenue	2.00%
North Central Coast			
Santa Cruz	\$ 1,140,000	\$1.00 - \$1.50 per night	1.00%
Monterey	\$ 3,500,000	\$.50 - \$2.50 per night	1.25%
Carmel	\$ 220,000	\$1.00 per night	0.75%
Santa Barbara/South Central Coast			
Room Rate: Less than \$100		.50 per room	0.50%
Room Rate: \$100 - \$150		\$1.00 per room	0.80%
Room Rate: \$150 - \$200		\$1.5 per room	0.86%
Room Rate: Over \$200		\$2.00 per room	0.80%

The City of Morro Bay also charges a 10% tax on short term rentals (hotels, VRs, etc.) for its Transient Occupancy Tax (TOT) that goes into the General Fund. Those amounts are available for general city operations. In FY 2019 TOT totaled \$3.6 million. Visitors that are attracted to the community by its promotional efforts create expenses that are often difficult to cover. These include extra policing, sanitation, infrastructure maintenance, and general support. Maintaining and improving the Waterfront and associated areas so that they are more appealing to visitors is important to maintain and improve the community's visitor base, especially to increase the number of room nights and taxable expenditures. Thus, while the city struggles to attain adequate revenues to service the visitor economy, the promotions budget to attract more visitors here continues to grow, most probably above a level that is considered adequate for a destination like Morro Bay.

Local TBID revenues will drop to \$550,000 in FY 2021 as a result of COVID19 travel restrictions. The amount is considered a prudent minimum for ongoing operations. As the economy returns to "normal" and the occupancy at local lodging properties returns, local TBID revenue will likely exceed \$1,000,000 because of the addition of VRs to the taxable base and the completion of several new lodging properties. This amount exceeds the need for promotional programs. It is also noteworthy that Morro Bay's TBID rate exceeds that of other coastal communities by 50% to 200%. There is an obvious imbalance in the resources assigned to the promotional efforts and programs and the resources available to accommodate the visitors that those programs attract.

Since these revenues are being shifted from tourism promotion, a significant portion (at least half is suggested) should be used for tourism enhancements and support, and for economic development. The balance would be used for GF operations.

The Chamber recommends that the City, at the next available renewal of the TBID, that it reduce the local TBID assessment to 2%, maintain the current 1% Countywide TBID assessment and increase TOT to 11% from 10%. Based upon marketing needs for a community like Morro Bay the Chamber thinks the appropriate split is 11% TOT, 2% local TBID, with the added TOT revenue going towards tourism enhancement, tourism facilities maintenance, and economic development. This modification will add \$360,000 per year to TOT and to the General Fund. TBID would be reduced to \$675,000 starting in per year, an amount that is considered appropriate and sustainable.

Microloan Program. The Chamber reviewed this program and recommends that the City not provide it. The City should not get into the lending business, and a "microloan" will not make a difference between feasibility and infeasibility of a business. Credit is available to those who qualify and have a solid business plan and capital.

Heather Goodwin

From: jude coren
Sent: Monday, June 22, 2020 3:59 PM
To: Council
Subject: City Budget

The community and the city council have repeatedly been told over the last 8 years that an unaddressed budget deficit is looming and should be planned for. Mayor Headding as a city council candidate in 2014 understood and is quoted in the minutes:

"Do you fully understand the dire financial stress that's impacting the City? He is concerned that 5 years down the road, this spending puts us in the category of being broke." (City Council official minutes of May 17, 2014) Yet here we are today, ready to go bankrupt next year. The prophetic city council candidate is mayor, and still, here we are.

"If we keep doing what we're doing, we're going to keep getting what we're getting." Structurally, nothing is changing. The City keeps asking the residents for more money (sewer/water rate increase, sales tax increase, user fees increase) without demonstrating it is spending less or smarter. The budget cannot be mended with the one-time selling of City properties. Salary reductions are voluntary, temporary, and small. Wind power is years away, and marijuana money is not happening soon enough. I will not vote for a sales tax increase when my water/sewer bills average \$200/mo. The promise that sewer/water bills will go down has disappeared through change orders, violating the mantra of a "guaranteed price."
Please cut losses by stopping the sewer plant money pit. Better to lose \$20 million than the new \$130 million price tag and still rising. Keep the sewer plant at the current site, thus lowering sewer/water rates. The City will still meet Water Board standards. Then residents will have money to put towards a sales tax increase which go directly into the General Fund where it is needed to keep services and pay bills.

Sincerely,

Jude Coren
Dave Ward

Morro Bay, Ca 93442

Heather Goodwin

From: Dan Sedley
Sent: Monday, June 22, 2020 2:00 AM
To: Council
Subject: Item C-1, City Council Meeting Agenda dated Tuesday, June 23, 2020. Alternative proposal to adding funds to the City General Fund

Dear City Council and Mayor:

As a city council candidate, current Mayor John Headding stated, "Do you fully understand the dire financial stress that's impacting the City? He is concerned that 5 years down the road, this spending puts us in the category of being broke." (City Council official minutes of May 17, 2014)

Mr. Headding had recently moved from Cambria. He won the election because of his stance on the City's finances. "I ran on a platform that mainly was really concentrating on fiscal responsibility and improving the overall economic status of the community." (NEW TIMES, June 18, 2014)

Now, 5 years later, we are exactly where candidate Headding predicted, and he is mayor overseeing the City being "broke."

"If it ain't broke, don't fix it." Unfortunately, our budget is broke and needs fixing.

The approach the City Council and Staff is taking invokes the thought: "If we keep doing what we're doing, we're going to keep getting what we're getting." Structurally, nothing is changing. The City keeps asking the residents for more money (sewer/water rate increase, sales tax increase, user fees increase) without demonstrating it is spending less or smarter. The budget cannot be mended with the one-time selling of City properties. Will residents vote for a sales tax increase when water/sewer bills average \$200/mo or more, with many still out of work or working limited hours? The promise that sewer/water bills will go down has disappeared into change orders, violating the mantra of a "guaranteed price."

Please cut losses by stopping the sewer plant money pit. Better to lose \$20 million than the new \$130 million price tag and still rising. Keep the sewer plant at the current site, thus lowering sewer/water rates. The City will still meet Water Board standards. Then residents will have money to put towards a sales tax increase which will go directly into the General Fund where it is needed to keep services and pay bills.

Please give serious consideration to this proposal. Morro Bay tax and rate payers are being over charged.

Sincerely,

Dan Sedley

Morro Bay

Sent from [Mail](#) for Windows 10

Dana Swanson

From: betty winholtz
Sent: Monday, June 22, 2020 1:58 AM
To: John Headding; Robert Davis; Marlys McPherson; Jeffrey Heller; Dawn Addis
Cc: Dana Swanson; Rob Livick; Scott Collins
Subject: agenda item c-1

Dear City Council:

Unfortunately, this status report only reinforces my previous letter to the City Council: it is time to step away from this project if we are going to save Morro Bay as a city.

Unfortunately, staying with this project is not proving to be less expensive than going down a different path. Currently, the cost is \$4.5 million above the "guaranteed price" with only one of the 3 parts (the plant, pipelines/pump stations, and injection wells) begun. The first group of change orders was absorbed in the contingency fund. A second group of change orders put the price over the top. A third group of change orders is pending, price unknown. All these increases are related to part one only, and it's 2 years out from completion. The nature of the delays--no Fish and Wildlife permit, a landslide, and no easements--does not breed confidence in the project manager nor the construction company.

Unfortunately, this is a reflection on the City Council if not corrected. In school we teach that changing one's mind due to new information is a mature action. The City needs that kind of action now.

Do not just receive this report. Make a change.

Sincerely,
Betty Winholtz



AGENDA NO: C - 2

MEETING DATE: June 23, 2020

**AGENDA CORRESPONDENCE
RECEIVED BY THE CITY COUNCIL
FOLLOWING POSTING OF THE AGENDA IS ATTACHED
FOR PUBLIC REVIEW PRIOR TO THE MEETING**

Heather Goodwin

From: Dan Sedley
Sent: Monday, June 22, 2020 1:47 AM
To: Dana Swanson; Council
Subject: Opposition to Staff Recommendation on Item C-2, Morro Bay City Council Agenda for Tuesday, June 23, 2020

Item C-2, proposes a amended contract with Corollo Engineers Inc. (Corollo) be awarded an increased contract amendment of an additional \$2,073,133 to cover estimated program management scope of work and costs for FY 2020/2021.

This is absolutely absurd! The City's contract was most recently amended upward on November 07, 2019. Already Corrolo is wanting to renegotiate its contract with The City of Morro Bay, of an additional Two Million Plus dollars, which seriously undermines city finances at a time of dire financial circumstances.

Additionally, this extreme increase in engineering fees comes at a time that Corollo has NOT represented the city well. Specifically, Corollo did not act competently in recognizing the mitigation of the Red Legged Frog, which has been an issue all throughout Morro Bay. This lack of competency cost Morro Bay Rate Payers approximately \$2.5 million dollars in fees to Black & Veetch and it appears that Corollo would like to be paid for mitigations required by the Department of Fish and Game. The late fees mentioned above should very clearly be paid by Corollo, yet once again, rate payers of Morro Bay are paying for this incompetence, which is absurdly wrong!

Next, Corrolo failed to foresee and oversee the grading project at the WRF site, which resulted in a landslide occurring. Very Clearly this is an issue the Design Build Team should have foreseen as well as the Construction team, Black & Veetch. Yet Corollo did not. Instead of recognizing their incompetence and covering the damages caused by their incompetence, they are in discussions to see how they can possibly split the costs of the landslide, with the rate payers of Morro Bay, who did no wrong in this matter.

As a representative of Tax Payers and Rate Payers in Morro Bay, I would recommend the following to resolve the above.

1. Build the plant at another site. The SBB site was flawed from the very beginning and continues to manifest this at every point in the construction process, at the expense of the Morro Bay ratepayers. Upgrading the existing plant to meet water quality standards can be cheaply done and would give the city time, without penalty, until another site is chosen. Throwing good money after bad, which is currently happening, is not the answer!
2. Renewing a contract with Corrolo that pays them for every minute of their time even when they don't represent the best and most competent interests of Morro Bay, is unfair to Morro Bay ratepayers. Therefore, as an inferior suggestion to point #1, it is suggested that Morro Bay review contracting with an alternative Engineering firm that can reasonably foresee concerns that can be overcome in advance at a savings to Morro Bay ratepayers.
3. Lastly, in concern for the ratepayers finances, as an additional inferior suggestion to point #1, it is suggested that the city of Morro Bay contract engineering services at a set amount, not by the hour.

In summary, approving a huge increase in contract to Corollo is NOT in the best interest of Morro Bay Ratepayers. Pushing ahead through a bad project is costing millions of dollars more at every turn and much of that has to do with building this project at the wrong site and due to The Design Build Team, Corrolo, not proactively foreseeing and handling problems in advance. There are more affordable answers and resolutions which allow Morro Bay to move in a different direction.

It is never too late to do the right thing.

Dan Sedley

Citizens for Affordable Living

Sent from [Mail](#) for Windows 10



AGENDA NO: C - 3

MEETING DATE: June 23, 2020

**AGENDA CORRESPONDENCE
RECEIVED BY THE CITY COUNCIL
FOLLOWING POSTING OF THE AGENDA IS ATTACHED
FOR PUBLIC REVIEW PRIOR TO THE MEETING**

Dana Swanson

From: Gregory Siragusa <greg@galleryatmarinasquare.com>
Sent: Tuesday, June 23, 2020 11:49 AM
To: Dana Swanson
Cc: a Gallery; Stan Trapp; Paul Merkle
Subject: Public Comment - Temporary Embarcadero Street Closure

Hello!

My name is Gregory Siragusa, and my mother, Jane Siragusa, are the owners of Gallery at Marina Square.

I am emailing you today in regards to the Agenda Item for tonight; Consideration of Temporary Embarcadero Street Closure – Southbound Lane Between Harbor Street and Marina Street.

We are adamantly against any closure of the Embarcadero, or any limiting of access or parking for any of the businesses down here. The customer base of many of our Embarcadero businesses, especially our own includes far more demographics than just the young and healthy. Meaning, many customers have mobility issues or have limitations in how far they can walk and move from the street, and shutting down street access would harm our business, and our ability to survive an already challenging business environment due to COVID-19.

We all have suffered significant cash flow issues arising due to reduced customer flows and months of being closed, the reality is that any cutting of customer access to our business may be fatal to us, and many other businesses just like us.

We strongly encourage the City Council to consider options that provide for parking and traffic flow, or we will need to shut our business down after nearly 20 years, here on the Embarcadero, in our Morro Bay.

Thank you for your time and consideration,

Jane and Greg Siragusa
Co-Owners
Gallery at Marina Square
(805) 801-1155
greg@galleryatmarinasquare.com

Dana Swanson

From: Anderson Inn <info@andersoninnmorrobay.com>
Sent: Monday, June 22, 2020 1:11 PM
To: Dana Swanson
Subject: Re: City Council Agenda Item C-3: Consideration of Embarcadero Road Closure

Dear Dana Swanson,
Yes please submit our opinion by all means.
Been on this waterfront since 1966. A perfect way to create more traffic jams etc., and loose more precious parking would be to go ahead with your closure or partial closure.
Anyone who would spend about an hour observing should come to the conclusion... It won't work.
Leave well enough alone.
We are all struggling enough trying to come out of these trying times.
Kind Regards,
Jeff Anderson
Mollie Anderson
Rodger Anderson
Anderson INN
897 Embarcadero
Morro Bay, CA 93442

telephone 805-772-3434
toll free 866-950-3434
fax 805-772-3435
info@andersoninnmorrobay.com
www.andersoninnmorrobay.com

From: [Dana Swanson](#)
Sent: Monday, June 22, 2020 10:59 AM
To: [Anderson Inn](#)
Cc: [Erica D. Crawford](#)
Subject: RE: City Council Agenda Item C-3: Consideration of Embarcadero Road Closure

Good morning,

I'm in receipt of your email and would like to confirm if your intent was to submit comments as agenda correspondence for Item C-3 on the June 23rd Council Meeting.

Thank you,
Dana Swanson
City Clerk/Human Resources Manager
City of Morro Bay
Phone (805) 772-6205
dswanson@morrobayca.gov

From: Anderson Inn <info@andersoninnmorrobay.com>
Sent: Sunday, June 21, 2020 1:23 PM
To: Erica Crawford <erica@morrochamber.org>
Cc: Dana Swanson <dswanson@morrobayca.gov>
Subject: Re: City Council Agenda Item C-3: Consideration of Embarcadero Road Closure

Erica,
Absolutely horrible idea ! The Embarcadero must stay open for traffic both directions.
This will accomplish nothing but chaos for visitors, locals, and much needed deliveries to all the businesses.
You need our money. We need to work and everyone needs to do it with as much efficiency as possible.
Have you driven the Embarcadero recently? Traffic is sometimes at a stand still.
You'll be removing parking also.
We've struggled enough with no business. Now you are asking us to support this which will impact us again?
Bad idea. Get it off the agenda!
Kind Regards,
Jeff Anderson & Family
Anderson INN
897 Embarcadero
Morro Bay, CA 93442

telephone 805-772-3434
toll free 866-950-3434
fax 805-772-3435
info@andersoninnmorrobay.com
www.andersoninnmorrobay.com

From: [Erica Crawford](#)
Sent: Sunday, June 21, 2020 12:13 PM
To: [Erica Crawford](#)
Subject: City Council Agenda Item C-3: Consideration of Embarcadero Road Closure

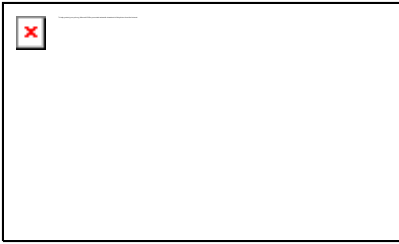
Hello Everyone,

I'm writing to bring to your attention an item on the City Council's agenda this Tuesday that may impact you. The agenda link is [here](#) and it is item C-3 (page 314) a consideration of temporary street closure on Embarcadero. The proposed area under consideration is the southbound lane or a full closure from Harbor to Marina.

The Council must hear from you who are doing business every day and working hard to recover from the COVID shutdown as they consider this item. **Please submit your comments to dswanson@morrobayca.gov by Noon tomorrow** to get them included in agenda correspondence and as part of the public record. Feel free to cc me or to get in touch with any questions.

Thank you,
Erica

--
Erica D. Crawford
President/CEO
Morro Bay Chamber
w: 805.772.4467
m: 917.378.2454



Heather Goodwin

From: Sean Green
Sent: Saturday, June 20, 2020 9:17 AM
To: Council
Cc: Scott Collins; Jennifer Callaway; Scot Graham; CityClerk
Subject: 6/23/20 Council Agenda Item C-3: Pedestrian access on Embarcadero
Attachments: Morro Bay is open but no space to social distance.png

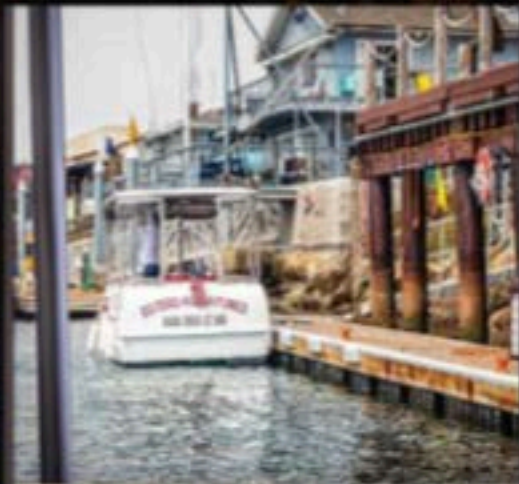
Council and staff,

Given the social distancing context we find ourselves in, now is the perfect time to experiment with partial or full closure of the Embarcadero between Marina and Harbor, an idea that has been discussed and publicly supported since long before Covid-19. If cost and safety are your primary concerns at this time, I'd recommend the city move forward with full closure, as logistics and expenditures would be slim to none. If, however, testing out this temporary closure as a simulation for what the Embarcadero could look like in 5-10 years, I'd recommend spending the extra money and following General Plan consultant Michael Baker's one-way traffic vision as closely as possible. Speaking of which, the staff report seems to have been put together by the city manager and city finance manager; I'd recommend council members ask Planning Director Scot Graham what his and Michael Baker's position would be on this matter, and to reach out individually to planning commissioners and former GPAC members prior to Tuesday's meeting for their opinions, as they have spent more time on this than anyone. Speaking only for myself, an involved downtown resident and stakeholder in tourism and public health, I support either action and oppose inaction.

Thanks for not being afraid to take on this necessary endeavor,

Sean Green
Morro Bay

MORRO BAY IS OPEN



DISINFECT SURFACES



IF YOU'RE SICK
PLEASE STAY HOME



WASH YOUR HANDS



DON'T GATHER IN
LARGE GROUPS



WEAR A MASK



PRACTICE PHYSICAL
DISTANCING

Heather Goodwin

From: Lynda Merrill
Sent: Monday, June 22, 2020 3:18 AM
To: Council; Scott Collins; Jennifer Callaway
Subject: Addition to: Embarcadero Sidewalks not safe/please reconsider closing the street car traffic.

*Dear Mayor Councilmembers , manager Collins, Jen Callaway, Public works director.
After reading the staff report I can see the problem with parked cars, where will they park?
I hope you have a solution that will help pedestrians be safe as those narrow sidewalks aren't working. I'll be watching your discussion on TV.
Thank you all for what you do to make MB a good place in which to live. We are fortunate to live here and have such caring representatives.
Lynda*

From: [Lynda Merrill](#)
Sent: Monday, June 15, 2020 3:51 PM
To: [Scott Collins](#) ; [Jennifer Callaway](#) ; [Mayor Headding and Council members](#)
Subject: Embarcadero Sidewalks not safe/please reconsider closing the street car traffic.

Dear Mayor, Councilmembers, Manager Collins and Public Works Director Jennifer Callaway,

*I drove the Embarcadero several times this weekend. The sidewalks are not wide enough for safe walking and passing.
No place for people to congregate. They are coming in large groups.*

Now, seems to be the time to close the street to cars (From Harbor to Pacific?) or the like, (a way to get into the parking lot? from the south?) and open it up to pedestrians. There is no way to distance oneself and avoid others.

*This could be a pilot program to see how it would work.
It might be fun for people to enjoy the freedom from cars.
We could offer entertainment out in the street, and open areas?
Businesses could offer tables out in front of their businesses and take out and be able to serve people better?*

Please reconsider closing the street on the weekends.

*Thank you for listening,
Lynda Merrill*

Heather Goodwin

From: Paula Radke
Sent: Sunday, June 21, 2020 2:09 PM
To: Council
Subject: Please don't close down any portion of the Embarcadero to cars.

This is taking your idea too far. Not all stores can put products on the streets. Please don't limit my customers to parking or access to my store.

There is plenty of room to expand your restaurants to the sidewalks with out this. PLEASE.

Sent from [Mail](#) for Windows 10

Dana Swanson

From: Stan Van Beurden
Sent: Sunday, June 21, 2020 10:42 PM
To: Dana Swanson

Item C-3 closure of embarcadero is a bad idea. How will that help any business?

Spilling people on to the roadway is not a solution to increasing anyone's business. More importantly customers will avoid going down there plus you will be removing multiple parking spaces without a well thought out solution to that dilemma

Dana Swanson

From: betty winholtz
Sent: Monday, June 22, 2020 2:36 AM
To: John Headding; Robert Davis; Marlys McPherson; Jeffrey Heller; Dawn Addis
Cc: Dana Swanson; Jennifer Callaway; Scott Collins
Subject: agenda item c-3

Dear City Council:

Under **Fiscal Impact**, the cost of implementing this street change to the Embarcadero is given a range of \$5-20,000. However, the hoped for sales tax revenue to offset this expense is not given. Or, is this purely a health and safety move due to COVID-19? How many businesses are committed to taking advantage of this change? The Staff Report implies this may not be seen as a favorable move by the retailers/restaurants. Will the hoped for revenue go into the Harbor Fund or the General Fund?

Sincerely,
Betty Winholtz