

City of Morro Bay

City Council Agenda

Mission Statement

The City of Morro Bay is dedicated to the preservation and enhancement of the quality of life. The City shall be committed to this purpose and will provide a level of municipal service and safety consistent with and responsive to the needs of the public.

REGULAR MEETING – TUESDAY, MARCH 8, 2011

**CLOSED SESSION – TUESDAY, MARCH 8, 2011
CITY HALL CONFERENCE ROOM - 5:00 P.M.
595 HARBOR ST., MORRO BAY, CA**

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

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

- Property: Embarcadero Grill - Lease Site 86-86W
Negotiating Parties: Caldwell and City of Morro Bay.
Negotiations: Lease Terms and Conditions.
- Property: Outrigger - Lease Site 87-88/87W-88W
Negotiating Parties: V. Leage and City of Morro Bay.
Negotiations: Lease Terms and Conditions.

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

**PUBLIC SESSION – TUESDAY, MARCH 8, 2011
VETERANS MEMORIAL HALL - 6:00 P.M.
209 SURF ST., MORRO BAY, CA**

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE
MAYOR AND COUNCILMEMBERS ANNOUNCEMENTS & PRESENTATIONS
CLOSED SESSION REPORT

PUBLIC COMMENT PERIOD - Members of the audience wishing to address the Council on City business matters (other than Public Hearing items under Section B) may do so at this time.

To increase the effectiveness of the Public Comment Period, the following rules shall be followed:

- When recognized by the Mayor, please come forward to the podium and state your name and address for the record. Comments are to be limited to three minutes.
- All remarks shall be addressed to Council, as a whole, and not to any individual member thereof.
- The Council respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, commission and/or staff.
- Please refrain from public displays or outbursts such as unsolicited applause, comments or cheering.
- Any disruptive activities that substantially interfere with the ability of the City Council to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in City Council meetings is welcome and your courtesy will be appreciated.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk, (805) 772-6205. Notification 24 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A. CONSENT CALENDAR

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

A-1 APPROVAL OF CITY COUNCIL MINUTES FOR REGULAR MEETING OF FEBRUARY 22, 2011; (ADMINISTRATION)

RECOMMENDATION: This item has been pulled from the agenda.

A-2 RESOLUTION NO. 14-11 ADOPTING MEMORANDUM OF UNDERSTANDING WITH THE MORRO BAY POLICE OFFICERS ASSOCIATION; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 14-11.

A-3 RESOLUTION NO. 15-11 AUTHORIZING THE EXAMINATION OF SALES OR TRANSACTIONS AND USE TAX RECORDS; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 15-11.

A-4 RESOLUTION NO. 19-11 IDENTIFYING THE PAYMENT SCHEDULE AND TRACKING OF FUNDS FOR THE REPAYMENT OF THE SALE OF THE PACIFIC/MARKET STREET PROPERTIES; (CITY ATTORNEY)

RECOMMENDATION: Adopt Resolution No. 19-11.

A-5 PROCLAMATION DECLARING APRIL 2011 AS "AUTISM AWARENESS MONTH"; (ADMINISTRATION)

RECOMMENDATION: Adopt Proclamation.

A-6 PROCLAMATION DECLARING THE 100-YEAR ANNIVERSARY OF CALIFORNIA WOMEN HAVING THE RIGHT TO VOTE IN THE CITY OF MORRO BAY; (CITY COUNCIL)

RECOMMENDATION: Adopt Proclamation.

A-7 APPROVAL OF PARCEL MAP MB 08-0019 (285 MAIN ST.) WITH ACCEPTANCE OF ASSOCIATED RIGHT-OF-WAY DEDICATION AND ABANDONMENTS; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Resolution No. 20-11 approving the Parcel Map MB 09-0019 with the acceptance of associated Right-of-Way Dedication and Abandonment.

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 CONSIDERATION OF AN AMENDMENT TO MORRO BAY MUNICIPAL CODE TITLE 5 ADDING CHAPTER 5.50 ESTABLISHING REGULATIONS AND PROCEDURES ENTITLED "MEDICAL MARIJUANA COLLECTIVES AND COOPERATIVES"; (CITY ATTORNEY)

RECOMMENDATION: Review the report and attached draft Regulations and Procedures entitled "Medical Marijuana Collectives and Cooperatives", and direct staff to return with an Ordinance for Introduction and First Reading with any changes suggested by Council.

B-2 COUNCIL DIRECTION ON THE 2011/2012 CITY GOALS AND BUDGET PRIORITIES; (ADMINISTRATION)

RECOMMENDATION: Review the goals from 2010, the status of each goal, and make a determination on any new goals for the upcoming year and/or continuing existing goals.

C. UNFINISHED BUSINESS – NONE.

D. NEW BUSINESS

D-1 AWARD OF THE MARKETING AND ADVERTISING SERVICES CONTRACT; (ADMINISTRATION)

RECOMMENDATION: Review the motion from the Community Promotions Committee and the Tourism Business Improvement District Board which recommended award of the Marketing and Advertising Services Contract to TJA Advertising. Staff further recommends the City Council then make a final determination on the contract award.

D-2 DISCUSSION OF THE GREEN BUILDING INCENTIVES PROGRAM; (PUBLIC SERVICES)

RECOMMENDATION: Review the Green Building Incentives Program authorized by Resolution No. 24-09, and provides direction to staff.

E. DECLARATION OF FUTURE AGENDA ITEMS

F. ADJOURNMENT

THIS AGENDA IS SUBJECT TO AMENDMENT UP TO 72 HOURS PRIOR TO THE DATE AND TIME SET FOR THE MEETING. PLEASE REFER TO THE AGENDA POSTED AT CITY HALL FOR ANY REVISIONS OR CALL THE CLERK'S OFFICE AT 772-6200 FOR FURTHER INFORMATION.

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



AGENDA NO: A-1

MEETING DATE: 03/08/11

**THIS ITEM HAS
BEEN PULLED FROM
THE AGENDA**



AGENDA NO: A-2

MEETING DATE: March 8, 2011

Staff Report

TO: Honorable Mayor and City Council **DATE:** March 1, 2011
FROM: Susan Slayton, Administrative Services Director
SUBJECT: Resolution No. 14-11 Adopting Memorandum of Understanding with
the Morro Bay Police Officers Association

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 14-11 approving an agreement with the Morro Bay Police Officers Association. The term of the agreement is from July 1, 2010 through June 30, 2011.

FISCAL IMPACT

As per City Council's direction at their March 25, 2010 closed session, this contract reflects no substantive costs to the City. The approximate fiscal impact of the contract is as follows:

FY 10/11 - the total increase in uniform allowance is approximately \$1,500 for all sworn personnel and \$500 for all non-sworn personnel.

FY 10/11 - with the addition of Senior Officer Assignments (up to 4 total) and Detective Assignments (up to 2 total); compensation for those officers assigned to these special assignment positions will mean an increase of no more than a 5% above base pay for the duration of the assignment. The costs associated with the addition of the Senior Officer and Detective special assignments are completely offset by the assignments replacing existing Corporal positions through attrition (promotions, retirement, etc.). The change from the Corporal position to the Special Assignment (Senior Officer & Detective) positions benefits the department by reducing permanent supervisory positions and creating additional opportunities for movement of the Officers. This will help us with the retention and recruitment of our Officers.

SUMMARY:

The July '07 – June '10 MOU is currently on the City's website (link: "Employee Compensation Information"). The proposed July '10 – June '11 MOU, which is attached, includes the following changes:

- Effective July 1, 2010, Compensatory Time Off (CTO) may be accrued up to a maximum of 120 hours (the current cap is 100 hours). (see Article 10.2.3 – current and proposed contract versions)
- The sick leave to vacation conversion will be modified to allow for irregular schedules (8 hours/ 10 hours and 12 hours). (see Article 12.2 – current and attached contract versions)

Prepared By: S. SLAYTON

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

- Effective the pay period containing July 1, 2010, the annual uniform allowance will increase from \$900 to \$1,000 per sworn employee and from \$600 to \$700 per non-sworn employee. (see Article 16.7 - current and attached contract versions)
- The addition of Senior Officer Assignment(s) and a Detective Assignment(s) language and pay structure. (see Article 18.7 and 18.8 – attached contract only)

The agreement has been ratified by the Morro Bay Police Officers Association.

DISCUSSION:

The contract with the Police Officers Association expired on June 30, 2010. Negotiations for a successive contract have been continued on and off, since that time. The POA, recognizing the City's financial status, should be commended on their approach to this process. They have been very patient with our conservative approach as well as understanding as to the lack of monies available for their originally proposed negotiation items. Working with them was again, a very pleasant and positive encounter.

Regarding the increase of CTO, it was concluded that this was not a substantive impact to the City. It increases an employee's ability to take time off by just over a day for officers and two days for dispatchers. At time of termination, these hours are do not count towards CalPERS service credit. At this time, there is only one POA member who is close to the current maximum of 100 hours.

Regarding the change in sick time, the City has historically allowed conversion of sick leave to vacation leave for those employees who use minimal sick leave per year. The conversion factor in the current MOU is based on an 8 hour day; however police officers work 12 hour shifts while police dispatchers work 10 hour shifts. This new language allows for conversions based on 12 hour and 10 hour shifts, which equates to "their day of work."

Regarding the change in uniform allowances, the City currently has 15 sworn officers and 5 non-sworn dispatchers on staff that are affected by this MOU. Based on the proposed uniform allowance increase, it will benefit each employee by \$100/year, for a total cost to the City of \$2,000.

Regarding the addition of the Senior Officer Assignment as well as the Detective Assignment, this was developed to help with the Department's recruitment and retention of staff. It will have approximately a 2% (\$1,200) financial impact to the City, which will be eliminated when the last two Corporal positions are vacated and replaced with the Senior Officer positions. This \$1,200 can be more than recouped through the department's current and significant salary savings from positions not being filled for the entire fiscal year.

This proposed contract will expire on June 30, 2011. Staff is currently negotiating a successor contract and as directed by City Council, and as part of that process, will be discussing 2-Tiered benefits.

RESOLUTION NO. 14-11

**RESOLUTION RELATING TO THE CLASSIFICATION,
COMPENSATION AND TERMS OF EMPLOYMENT OF
POLICE EMPLOYEES OF THE CITY OF MORRO BAY**

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

WHEREAS, in accordance with the provisions of the California Government Code Section 3500 et. seq. and Resolution No. 74-69 of the City of Morro Bay, the City's representatives have met and conferred in good faith pertaining to the subject of wages, benefits and conditions of employment with Morro Bay Peace Officers Association; and

WHEREAS, the meetings between the Morro Bay Peace Officers Association and the City have resulted in a mutual agreement and understanding to recommend that the employees represented by Morro Bay Peace Officers Association accept all of the terms and conditions as set forth in a Memorandum of Understanding, an agreement attached and made a part of this resolution herewith; and

WHEREAS, the City now desires to provide said salaries, benefits and conditions to said police employees of the City of Morro Bay.

NOW, THEREFORE, BE IT RESOLVED that the Morro Bay City Council does hereby approve and adopt in full the Memorandum of Understanding for the period July 1, 2010 through June 30, 2011 as attached and made a part of this resolution.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute the Memorandum of Understanding on behalf of the City.

PASSED, APPROVED AND ADOPTED by the Morro Bay City Council at a meeting thereof held this 8th day of March, 2011 by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

WILLIAM YATES, Mayor

BRIDGETT KESSLING, City Clerk

Table of Contents

ARTICLE 1 - PURPOSE.....	1
ARTICLE 2 - MANAGEMENT	1
ARTICLE 3 - RECOGNITION.....	4
ARTICLE 4 - ASSOCIATION BUSINESS	4
ARTICLE 5 - AUTHORIZED AGENTS	5
ARTICLE 6 - WITHHOLDING OF ASSOCIATION DUES AND INSURANCE.....	5
ARTICLE 7 - TERM.....	6
ARTICLE 8 - RENEGOTIATIONS.....	7
ARTICLE 9 - ANTI-DISCRIMINATION	7
ARTICLE 10 - WORK SCHEDULE	7
ARTICLE 11 - VACATION/HOLIDAY LEAVE	8
ARTICLE 12 - SICK LEAVE	11
ARTICLE 13 - RETIREMENT	11
ARTICLE 14 - HEALTH BENEFITS.....	12
ARTICLE 15 - EDUCATIONAL INCENTIVES	15
ARTICLE 16 - UNIFORMS.....	17
ARTICLE 17 - SALARIES	17
ARTICLE 18 - SPECIAL PAY PRACTICES.....	17
ARTICLE 19 - BULLETIN BOARD.....	20
ARTICLE 20 - PROBATIONARY PERIOD.....	20
ARTICLE 21 - DRUG AND ALCOHOL TESTING.....	20
ARTICLE 22 - GRIEVANCE PROCEDURE.....	21
ARTICLE 23 - NO STRIKE, SLOW-DOWN OR OTHER INTERRUPTION TO WORK.....	22
ARTICLE 24 - FULL UNDERSTANDING, MODIFICATION, WAIVER.....	22
ARTICLE 25 - SEVERABILITY	23

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE MORRO BAY PEACE OFFICERS' ASSOCIATION
AND THE CITY OF MORRO BAY
2010-2011**

ARTICLE 1 - PURPOSE

WHEREAS, the City of Morro Bay is a municipal corporation existing under the laws of the State of California as a general law city; and

WHEREAS, the City of Morro Bay is limited, insofar as funds are concerned, because of a fixed tax rate; and in structure because it is a public entity rather than a profit-making business; and

WHEREAS, the Morro Bay Peace Officers' Association and the City of Morro Bay recognize that the mission and the purpose of the City is' to provide high-quality and economical municipal services and facilities to the residents of the City of Morro Bay:

THEREFORE, this Memorandum of Understanding is entered into as of July 1, 2010 between the City of Morro Bay, referred to as CITY, and the Morro Bay Peace Officers' Association referred to as ASSOCIATION.

It is the intent and purpose of this memorandum to assure sound and mutually beneficial working and economic relations and conditions between the parties hereto to provide for an orderly and peaceable method and manner of resolving any differences which may arise and to negotiate any misunderstanding which could arise and to set forth herein the basic and full agreement between the parties concerning the pay, wages, hours of employment, and other terms and conditions of employment.

ARTICLE 2 - MANAGEMENT

2.1 In order to ensure that the City shall continue to carry out its public safety functions, programs, and responsibilities to the public imposed by law, and to maintain efficient public safety service for the citizens of Morro Bay, the City continues to reserve and retain solely and exclusively all management rights, regardless of the frequency of use, including those rights and responsibilities set forth by law and those City rights set forth in the City's Personnel Rules and Regulations and including but not limited to the following:

2.1.1 To manage the Police Department and determine policies and procedures and the right to manage the affairs of the Department.

- 2.1.2 To determine the existence or nonexistence of facts which are the basis of the management decision in compliance with State law.
- 2.1.3 To determine the necessity, organization, implementation, and termination of any service or activity conducted by the City or other government jurisdiction and to expand or diminish police services.
- 2.1.4 To direct, supervise, recruit, select, hire, evaluate, promote, transfer, discipline, discharge, terminate, demote, reduce, suspend, reprimand, withhold salary increases and benefits for disciplinary reasons, or otherwise discipline employees in accordance with Department or City rules, regulations, or ordinances.
- 2.1.5 To determine the nature, manner, means, extent, type, time, quantity, quality, technology, standard, and level of police services to be provided to the public.
- 2.1.6 To require performance of other public safety services not specifically stated herein in the event of emergency or disaster, as deemed necessary by the City.
- 2.1.7. To lay off employees of the Police Department because of lack of work or funds or under conditions where continued work would be inefficient or nonproductive or not cost effective, as determined by the City.
- 2.1.8. To determine and/or change the police facilities, methods, technology, equipment, operations to be performed, organization structure, and allocate or assign work by which the City police operations and services are to be conducted.
- 2.1.9. To determine method of financing.
- 2.1.10 To plan, determine, and manage Department's budget which includes, but is not limited to, changes in the number of locations and types of operations, processes and materials to be used in carrying out all Police Department functions and the right to contract or subcontract any work or operations of the Police Department.
- 2.1.11 To determine the size and composition of the Police Department work force, assign work to employees of the Police Department in accordance with requirements determined by the Police Department and to establish and require compliance to work hours and changes to work hours, work schedules, including call back, standby, and overtime, and other work

assignments, except as otherwise limited by this agreement, or subsequent agreements.

- 2.1.12 To establish and modify goals and objectives related to productivity and performance programs and standards, including but not limited to quality and quantity, and required compliance therewith.
- 2.1.13 To determine qualifications, skills, abilities, knowledge, selection procedures and standards, job classification, job specifications, and to reallocate and reclassify employees in accordance with division and/or City Rules and Regulations.
- 2.1.14 To determine the issues of public policy and the overall goals and objectives of the Police Department and to take necessary action to achieve the goals and objectives of the Police Department.
- 2.1.15 To hire, transfer intra or inter Department, promote, reduce in rank, demote, reallocate, terminate and take other personnel action for non-disciplinary reasons in accordance with Department and/or City Rules, Regulations and Ordinances.
- 2.1.16 To determine policies, procedures and standards for recruiting, selecting, training and promoting employees.
- 2.1.17 To establish, implement, and/or modify rules and regulations, policies, and procedures related to productivity, performance, efficiency, personal appearance standards, code of ethics and conduct, safety, health, and order, and to require compliance therewith.
- 2.1.18 To maintain order and efficiency in police facilities and operation.
- 2.1.19 To restrict the activity of an employee organization on City facilities except as set forth in this agreement.
- 2.1.20 To take any and all necessary steps and actions to carry out the service requirements and mission of the City in emergencies or any other time deemed necessary by the City and not specified above.
- 2.2 Nothing herein is meant to diminish City rights provided by the Government Code.
- 2.3 Nothing herein is meant to diminish the Peace Officers' Bill of Rights as set forth in the Government Code.

2.4 AUTHORITY IF THIRD PARTY NEUTRAL - MANAGEMENT RIGHTS

All management rights, powers, authority and functions, whether heretofore or hereinafter exercised, shall remain vested exclusively with the City. No third party neutral shall have the authority to diminish any of the management rights which are included in this agreement.

ARTICLE 3 - RECOGNITION

3.1 Pursuant to Resolution No. 74-69, the Employer-Employee Relations Resolution of the City of Morro Bay and applicable state law, the Morro Bay Peace Officers Association, (hereafter "ASSOCIATION") was designated by the City of Morro Bay (hereafter "CITY") City Council as the representative of City employees in the Law Enforcement Unit (hereafter "UNIT"). The UNIT is comprised of the following classifications:

- Sergeant
- Corporal
- Dispatch Supervisor
- Police Officer
- Code Enforcement Officer
- Public Safety Dispatcher
- Crime Prevention Officer

The term "employee" or "employees" as used herein shall refer only to the foregoing classifications.

3.2 Employees working on a regular basis in a classified position, but less than full-time shall receive vacation and sick leave accruals on a pro-rated basis commensurate with hours worked. All benefits for new hires, including insurance benefits, will be allocated on a pro-rated basis commensurate with hours worked.

3.3 **ELECTRONIC DEPOSIT:**
All employees hired after July 1, 1999 shall receive their pay by electronic methods. New hires must present account information for a check or a savings account with an ACH member financial institution.

ARTICLE 4 - ASSOCIATION BUSINESS

4.1 Employee representatives designated by the ASSOCIATION shall be granted time off, without loss of pay, to attend "meet and confer" sessions with the City Manager and/or his designee on subjects within the scope of representation when such meetings are scheduled during regular working hours. Should such

meetings extend beyond an employee representative's regular working hours, the employee representative shall be paid for only the regular working hours.

It is understood that this time-off provision shall only apply to a maximum of three employees attending any one meeting between CITY and ASSOCIATION. Where exceptional circumstances warrant, the City Manager may approve the attendance at such meetings of additional employee representatives. The ASSOCIATION shall, whenever practicable, submit the names of all employee representatives to the Municipal Employee Relations Officer at least two working days in advance of such meetings. Provided further (1) that no employee representative shall leave his or her duty or work station or assignment without specific approval of the department head or other authorized City management official; and (2) that any such meeting is subject to scheduling by City management in a manner consistent with operating needs and work schedules.

- 4.2 Nothing provided herein shall limit or restrict City management from scheduling such meetings before or after regular City or work hours.
- 4.3 Off-duty employees will not be paid for attending meet and confer sessions, nor will over-time be paid for same.

ARTICLE 5 - AUTHORIZED AGENTS

For the express purpose of administering the terms and provisions of this agreement:

- 5.1 Management's principal authorized agent shall be the City Manager or his/her duly authorized representative (address: 595 Harbor Street, Morro Bay, CA 93442; telephone (805) 772-6200) except where a particular management representative is specifically designated in the agreement.
- 5.2 The Morro Bay Peace Officers' Association principal authorized representative shall be the President of the Association, or his/her duly authorized representative (address P. O. Box 276, Morro Bay, CA 93443).

ARTICLE 6 - WITHHOLDING OF ASSOCIATION DUES AND INSURANCE

- 6.1 It is agreed that CITY will withhold ASSOCIATION dues and ASSOCIATION group insurance premiums from the monthly pay of each regular City employee who is a member of the ASSOCIATION. ASSOCIATION agrees to provide CITY with individual ASSOCIATION member authorizations signed by the individual ASSOCIATION member authorizing CITY to make agreed deductions; specifying the amount of each deduction; and authorizing CITY to issue a single check, payable to ASSOCIATION, for the collective amount of the individual deductions. CITY does not accept responsibility for computing the amounts of deductions or

for meeting payment dates which may not coincide with established pay periods. CITY will issue a single check to the ASSOCIATION for the total amount of deductions withheld from the individual employees' pay. The ASSOCIATION will be responsible for the accounting and disbursing of all such funds received from CITY. ASSOCIATION will be responsible for properly notifying CITY of any changes in deductions and will be the sole agent through which CITY will act in explaining, initiating, executing, or terminating the provisions of this Article. Such notification must be received by the CITY at least two weeks prior to the effective date of the change and shall contain the following information: Employee name, social security number, job classification and department name. Also, such change notice must include a copy of the notice sent to the employees officially telling them of the change.

6.2 All ASSOCIATION members on payroll deduction for payment of ASSOCIATION dues on the day of signing of this Memorandum of Understanding must remain on payroll deduction for the life of the Agreement or so long as they remain members of the UNIT. ASSOCIATION members who establish payroll dues deduction during the term of this Memorandum of Understanding must remain on payroll deduction for the life of this Memorandum or so long as they remain members of the UNIT. ASSOCIATION members on dues payroll deduction may terminate such ASSOCIATION dues during the period of December 15-31 by notifying both the ASSOCIATION and the City Personnel Department of their termination of ASSOCIATION dues deduction. Such notification shall be in the form of a letter containing the following information: Employee name, social security number, job classification, and department name.

6.3 ASSOCIATION shall indemnify and hold harmless the City of Morro Bay, its officers, agents, and employees from any and all claims, demands, damages, costs, expenses, or liability arising out of this Article.

6.4 DEPOSIT OF DEDUCTIONS

It is agreed that City will deposit payroll deductions made payable to credit unions in which the City participates providing the ASSOCIATION makes arrangements for such services that are acceptable to both members and CITY under the same conditions as prevails for deductions as set forth above.

ARTICLE 7 – TERM

Except as otherwise provided herein, the term of this Agreement commences on July 1, 2010 and expires and is otherwise fully terminated on June 30, 2011.

ARTICLE 8 - RENEGOTIATIONS

- 8.1 The parties agree to commence renegotiations for a successor agreement for the period beginning July 1, 2011 as soon as administratively possible following January 1, 2011.
- 8.2 The parties agree that, upon reaching a ground rules agreement, except by mutual agreement, no new subjects may be introduced into the process after the third (3rd) negotiations meeting.

ARTICLE 9 - ANTI-DISCRIMINATION

The CITY and ASSOCIATION mutually agree they will not discriminate against employees for the exercise of their rights under the State of California Government Code Section 3502.

ARTICLE 10 - WORK SCHEDULE

- 10.1 Alternative work schedules in compliance with the Fair Labor Standards Act may be implemented upon approval of the Chief of Police. No guarantee of work per day or per week, or of days of work per week is implied.

The implementation of an alternate work schedule shall not incur any City obligation to allocate additional sworn/dispatch personnel, vehicles or equipment. All deployment of sworn/dispatch personnel shall ensure effective and efficient delivery of police protection to the community sufficient to continue during times of vacation, sick leave, and Department approved training.

10.2 OVERTIME

10.2.1 Non-Sworn Personnel

Overtime is described as all work authorized by management and actually worked by the employee in excess of forty (40) hours worked in a workweek. For the purpose of defining hours worked, vacation leave and holiday leave shall be considered as time worked in a workweek. All overtime as defined above shall be paid at one and one-half (1.5) times the employee's regular rate of pay.

10.2.2 Sworn Personnel

Overtime shall be all work authorized by management and actually worked by the employee in excess of eighty (80) hours worked in a work period. For the purpose of defining hours worked, vacation leave and holiday leave taken shall count towards time worked for the purpose of overtime.

All overtime as defined herein, shall be paid at one and one-half (1.5) times the employee's regular rate of pay.

NOTE: Hours spent in court under what used to be termed "Court Appearance Pay" shall be considered and paid as part of this article; except for the "minimum pay", which is now covered under Special Pay Practices.

10.2.3 Compensatory Time Off:

Effective with the ratification of this agreement, Compensatory Time Off (hereinafter "CTO") shall be earned at the overtime rate of one and one-half times the number of overtime hours worked as defined in Articles 10.2.1 and 10.2.2. CTO may be accrued up to a maximum of 120 hours.

10.3 EMERGENCIES

10.3.1 Nothing herein shall be construed to limit or restrict the authority of management to make temporary assignments to different or additional locations, shifts, or duties for the purpose of meeting an emergency.

10.3.2 Such emergency assignments shall not extend beyond the period of said emergency.

10.3.3 Short staffing caused solely by absences due to employees taking approved paid leave shall not be considered an emergency.

10.4 SHIFT ROTATION

Shift rotation shall coincide with the first day of a pay period.

ARTICLE 11 - VACATION/HOLIDAY LEAVE

NOTE: ALL LEAVE TIME (VACATION, SICK LEAVE, HOLIDAY, ETC.), WILL BE TAKEN OFF ON AN HOUR FOR HOUR BASIS EQUALING EMPLOYEE ACTUAL TIME OFF, REGARDLESS OF ACCUMULATION RATES.

11.1 VACATION

11.1.1 The following is a list of vacation annual accrual schedule by years of employment:

<u>SERVICE YEARS</u>	<u>VACATION ACCRUAL</u>
1-2	80 hrs
3-4	88 hrs
5	96 hrs
6-7	104 hrs

8-9	112 hrs
10-11	120 hrs
12-13	128 hrs
14-15	136 hrs
16-17	144 hrs
18-19	152 hrs
20 or more	160 hrs

11.1.2 Employees' vacation accrual will be credited to employee on a pro-rated basis over 26 pay periods per year.

11.1.3 In determining priority of individual members for assignment of vacation periods, "seniority within rank" shall be the primary criteria. During the month of January of each year, each employee shall submit his/her preferences for vacation time off during that calendar year. It is agreed that every effort will be made to permit UNIT members to take vacation at a time and for periods as close to members' preference as possible consistent with the necessity for maintaining adequate manning to assure performance of police department functions. It is further agreed that every effort will be made to schedule individual vacation periods so as to maximize consecutive vacation days off consistent with annual vacation entitlement.

11.1.4 The maximum amount of vacation accrual is 226 hours. When an employee reaches the maximum accrual limit of 226 hours, the employee shall cease to accrue vacation leave until the usage of vacation causes the balance to be less than 226 hours.

In unique situations when workload does not permit time off, the Police Chief will have discretion to grant a ninety-day extension to use excess leave before cease to accrue will be implemented.

11.2 HOLIDAYS

11.2.1 For the purpose of this agreement, the following days are the holidays for the employees in this unit:

New Year's Day	January 1
Martin Luther King, Jr. Day	3rd Monday in January
Lincoln's Birthday	February 12
Washington's Birthday	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1st Monday in September
Veteran's Day	November 11
Thanksgiving Day	4th Thursday in November
Day after Thanksgiving	Friday after Thanksgiving
Christmas Day	December 25
Day after Christmas	December 26
Floating Holiday	Varies

- 11.2.2 Employees who work a holiday listed above shall be paid one and one-half (1.5) times their base hourly rate. An employee is eligible for the one and one-half time pay only for the hours actually worked during the date set forth in section 11.2.1. Each employee will be credited eight (8) hours Holiday Leave for each holiday listed in 11.2.1 above or recognized under 11.2.3 below in addition to pay for time worked on that holiday. Holiday Leave hours shall be pro-rated annually and credited to employees at the rate of four hours per pay period.
- 11.2.3 Holidays Proclaimed by Government Officials -- It is agreed that when a holiday is proclaimed by the Mayor of the CITY then each regular member of the UNIT shall be granted compensation in the same number of hours as equivalent to the time-off granted other employees of the CITY. Such time-off shall be selected by the Police Chief.
- 11.2.4 Accumulated Holiday Leave may be scheduled and taken upon approval of the Police Chief/designee.
- 11.2.5 Employees may accumulate up to a maximum of 116 hours Holiday Leave per year. All Holiday Leave not taken by the pay period containing December 1 shall be paid off at the employee's current rate of pay. When an employee terminates employment with the CITY, employee shall receive pay for employee's current holiday balance at employee's current base hourly rate.

11.3 MILITARY LEAVE

- 11.3.1 Military Leave will be provided pursuant to City resolution 65.01 and Military and Veterans Code 395.03

11.4 ASSOCIATION LEAVE

- 11.4.1 Unit members will be allowed to contribute accumulated compensatory, holiday, or vacation time off to a special compensatory time account for the use of Association executive officers. Association officers or their designee(s) may, subject to all normal approvals and restrictions for time off requirements, receive up to **a total of (40)** forty hours per fiscal year off for attendance at meetings, seminars, etc. on behalf of the Association.

At no time may the Association compensatory time account contain more than one hundred (100) accrued hours.

ARTICLE 12 - SICK LEAVE

- 12.1 Sick leave shall be earned at the rate of eight hours each calendar month of service. There is no limit on the amount of sick leave that may be accumulated by members of this unit.
- 12.2 Recognizing that public safety employees' work schedules differ from those of other CITY employee units, the sick leave utilization formula used to convert unused sick leave to vacation leave is modified as follows:

<u>8 Hour Schedule</u>	<u>10 Hour Schedule</u>	<u>12 Hour Schedule</u>	<u>Maximum Conversion To Vacation Leave</u>
0	0	0	48 hours
0 to 8	0 to 10	0 to 12	36 hours
8.25 to 16	10.25 to 20	12.25 to 24	24 hours
16.25 to 25	20.25 to 30	24.25 to 36	12 hours
over 25	over 30	over 36	0 hours

At least 160 hours shall remain in employee's sick leave bank after any conversion is authorized.

- 12.3 At termination, unused accumulated sick leave is not compensable; however, upon retirement, may be converted to additional time as provided by the PERS sick leave option.

ARTICLE 13 - RETIREMENT

- 13.1 It is the employee's obligation to contribute the employee's contribution to PERS. The employee shall pay his/her own contribution by payroll deduction consistent with the provisions of 414 (h) 2 of the Internal Revenue Code. (9% PERS Safety and 8% PERS Non-Safety.)
- 13.2 The ASSOCIATION understands and agrees that employees bear the risk of payment of any increases in the employee contribution above the current percentage made by action of the PERS or the state legislature.
- 13.3 Parties agree that CITY payment of PERS contributions are made based upon tax treatment currently permitted by the State Franchise Tax Board and the IRS.
- 13.4 Should current tax treatment change, the ASSOCIATION and the employee shall hold harmless the CITY, its officers and agents from any and all claims or costs of any type including but not limited to liability for back taxes, arising out of this agreement to pay part of the employee's PERS contribution.
- 13.5 Should current tax treatment change, the ASSOCIATION shall have the opportunity to meet and confer regarding any such changes.

- 13.6 The CITY agrees to continue to provide PERS Safety employees in this unit with a retirement benefit program through the Public Employees Retirement System (PERS) as follows:
- 13.6.1 Highest Single Year Compensation effective 6-22-91 (Section 20042)
 - 13.6.2 Sick Leave Credit effective 6-24-89 (Section 20965)
 - 13.6.3 4th Level Survivor Benefit (Section 21574)
 - 13.6.4 1959 Survivor Benefit effective 6-24-89 (Section 21580)
 - 13.6.5 2% @ 50 Retirement Formula effective 6-24-89 (Section 21362)
 - 13.6.6 3rd Level Survivor Benefit effective 6-24-89 (Section 21573)
 - 13.6.7 Military Service Credit effective 6-9-98 (Section 21024)
 - 13.6.8 3% @ 50 Retirement Formula
 - 13.6.9 Pre-Retirement Optional Settlement 2 Death Benefit
- 13.7 The CITY agrees to continue providing PERS Miscellaneous employees in this unit with the following PERS optional benefits:
- 13.7.1 2.7% at 55 Retirement Formula
 - 13.7.2 Sick Leave Credit Option (Section 20965)
 - 13.7.3 Military Service Credit effective 4-13-00 (Section 21024)
 - 13.7.4 Pre-Retirement Optional Settlement 2 Death Benefit
 - 13.7.5 1959 Survivor Benefit, Level 4 (21574)

ARTICLE 14 - HEALTH BENEFITS

14.1 MEDICAL INSURANCE

The City shall offer CalPERS medical insurance plans as follows.

14.1.1 Employees of this unit may participate in the PERS medical plans on a cafeteria style basis, with the City contributing the PERS minimum contribution to the active employee's medical insurance, and \$1/month to Retiree medical insurance. Any costs in excess of these contribution rates shall be paid by the employee and Retirees.

14.1.2 Employees are not required to purchase City-sponsored health insurance.

14.1.3 Payments for medical insurance coverage shall be made by the employee from his/her cafeteria account or through additional payroll deduction.

14.2 DENTAL, LIFE AND VISION INSURANCE

14.2.1 During the term of this Agreement, the City shall offer dental, life and vision insurance and each eligible employee shall be required to carry both dental, life and vision insurance for self. Employee shall not be required to cover dependents.

14.2.2 Payments for all dental, vision and life insurance coverage shall be made by the employee from his/her cafeteria account or through additional payroll deduction.

14.2.3 The City will offer a representative of ASSOCIATION an opportunity to review City dental, vision and life insurance proposals and make recommendations to the City Manager. The City retains the right to make a final determination on the recommendation. If an increase and/or change in benefits and a corresponding increase in costs occurs, UNIT members agree to pay for said additional cost.

14.3 CAFETERIA ACCOUNT

14.3.1 CITY shall pay into a cafeteria account for each active employee (pro-rated each pay period and subject to appropriate taxation) an amount based on the results of a formula below. (For employees hired prior to July 1, 2001, during the remainder of Calendar year 2001, the amount as previously set shall be unchanged.) CITY and ASSOCIATION agree that CITY payment of this lump sum cafeteria amount is based on favorable tax treatment by the IRS and the State Franchise Tax Board. Should the tax treatment change, the ASSOCIATION and the employees shall hold harmless the CITY, its officers and agents, including but not limited to, liability for back taxes, arising out of this Agreement to pay such lump sums.

14.4 Health insurance shall be provided as follows:

14.4.1 Employees of this unit shall participate in the PERS medical insurance plans on a cafeteria style basis, with the CITY contributing the PERS minimum (currently \$105/month) to the active employee's medical insurance and \$1.00/month or the amount required by PERS to retiree medical insurance. Any costs in excess of these contribution rates shall be paid by the employee and Retiree.

14.4.2 Unit employees received a medical insurance contribution (including the amount required by PERS in 14.1.1 above) as follows:

Employee only up to \$715/month or cost of insurance, whichever is less
Employee + 1 – up to \$917/month or cost of insurance, whichever is less
Employee + family - up to \$1010/month or cost of insurance, whichever is less

14.4.3 The CITY shall contribute an additional \$30.00 for Employee +1 and \$40.00 for Employee +2+ for medical insurance rate increases annually, beginning January 1, 2011.. The remainder of any increase shall be paid by employee.

14.4.4 Effective January 1, 2009 cash-back was eliminated except as provided herein. Employees receiving cash-back in December 2008 shall continue to receive the same amount for the term of this agreement except that if a cash-back employee changes the structure of their insurance (add dependents, delete dependents, drop insurance with the CITY, change carriers, etc.) cash-back is not an option. Cash-back will be eliminated for employees during the open enrollment period in 2010 for calendar year 2010, and in subsequent years, if said employees are required (because of eliminated plans) to change carrier. In the event an employee receiving cash-back is forced to make a plan change because the CITY changes plans and/or ceases to contract with PERS for insurance, that employee will maintain cash-back.

14.5 DENTAL AND VISION INSURANCE:

14.5.1 During the term of this Agreement, the CITY shall offer dental/life and vision insurance and each employee shall be required to carry both dental/life and vision insurance for self. Life Insurance is provided at \$20,000 per employee. The following rates are effective January 1, 2010.

	<u>VISION</u>	<u>DENTAL</u>	<u>LIFE</u>	<u>TOTALS</u>
Employee Only	\$8.63	\$37.39	\$5.68	\$51.70
Employee +1	\$17.26	\$105.34	\$5.68	\$128.28
Employee +2	\$22.29	\$105.34	\$5.68	\$133.31

Employee will be responsible for the following monthly amounts for dental/life and vision beginning with the pay period including January 1, 2011:

Employee Only	\$2.14
Employee + 1	\$7.23
Employee + 2+	\$7.69

CITY will pay the remaining premium for dental/life and vision.

Any changes to the dental/life or vision premiums that occur during the term of this Agreement shall be shared one half by the employee and one half by the CITY.

14.6 Any coverage made available to future retirees beyond COBRA time requirements shall be paid for by the retiree.

14.7 The provisions of this section shall be binding on the parties through the remainder of this agreement and for the term of the agreement that will be effective July 1, 2010. The parties agree herewith that no further collective bargaining will occur with respect to this section for the term of the agreement ending June 30, 2011.

ARTICLE 15 - EDUCATIONAL INCENTIVES

15.1 P.O.S.T. CERTIFICATES

15.1.1 For UNIT members hired prior to January 1, 1998 and possessing the Intermediate P.O.S.T. Certificate, CITY agrees to pay three percent (3%) over the base salary range and step schedule established for the position classification held by the UNIT member and as specified herein under Article 18, Salaries.

15.1.2 For UNIT members hired prior to January 1, 1998 and possessing the Advanced P.O.S.T. Certificate, CITY agrees to pay six percent (6%) over the base salary range and step schedule established for the position classification held by the ASSOCIATION member and as specified herein under Article 18, Salaries.

15.1.3 For Sworn UNIT members hired on or after January 1, 1998, CITY agrees to pay \$100 per month for P.O.S.T. certificates as follows:

	<u>Intermediate</u>	<u>Advanced</u>
Sergeant	\$100	\$100
Corporal	\$100	\$100
Officer	\$100	\$100

Effective January 1, 2009, CITY agrees to pay \$120 per month for P.O.S.T. certificates as follows:

	<u>Intermediate</u>	<u>Advanced</u>
Sergeant	\$120	\$120
Corporal	\$120	\$120
Officer	\$120	\$120

15.1.4 For non-sworn UNIT members possessing the POST Records Supervisor Certificate, CITY agrees to pay \$25 per month.

15.1.5 The CITY agrees to pay for Dispatcher P.O.S.T. certificates as follows:

	<u>Intermediate</u>	<u>Advanced</u>
	\$120/month	\$120/month

15.2 COLLEGE DEGREES

15.2.1 CITY agrees to pay the following education incentives on base salary to regular employees hired prior to January 1, 1998 who hold degrees above the minimum required in their respective classification.

Associate of Arts Degree	\$ 600 annually
Bachelors Degree	\$1200 annually

15.2.2 If an employee's job description requires an AA degree and the employee has a Bachelor's Degree, the employee will receive only the difference between an AA and a BA degree, or \$600 annually.

15.2.3 If an employee's job description requires a degree or if an employee is promoted to a classification that requires a degree, the employee shall not receive education incentive pay for the required degree. This section shall not be interpreted to reduce the amount of education incentive pay that any employee hired prior to January 1, 1998 receives, notwithstanding the fact that the employee is promoted to a higher position requiring a particular degree, or the fact that the job description for the employee's existing position has been revised to require a particular degree. In the event an employee hired prior to January 1, 1998 promotes to a position requiring a degree not required by the lower position, or if the job description for an employee hired prior to January 1998 is revised to require a degree not previously required for the position, the employee shall, for the term of the MOU, continue to receive the amount of the education incentive pay received in the lower position or previous job description.

15.2.4 Based on the new job descriptions for all classifications which were adopted in May 1996, as well as salary survey implementation over the last three years, employees currently in positions now required to hold an AA or BA degree according to the job description for the classification they hold, will continue to receive an educational incentive for said degree. Any employees hired on or after January 1, 1998 or current employees promoted on or after January 1, 1998 to positions requiring degrees will be subject to section 15.2.3 above.

15.2.5 Employees hired on or after January 1, 1998 shall not be eligible for this incentive. Additionally, employees in this unit hired prior to January 1, 1998 and in the process of obtaining their AA or BA degree have until December 31, 2000 to obtain said degree and be eligible for the incentive. After December 31, 2000, this incentive shall expire except as otherwise set forth in this section.

The City Manager may consider requests for extension to the December 31, 2000 deadline to obtain an AA or BA degree on a case-by-case basis due to extenuating circumstances. The City Manager shall determine, in the City Manager's sole discretion, whether such circumstances exist, and the City Manager's determination shall not be subject to review under any

provisions of this memorandum of understanding or otherwise. Said extension(s) to this deadline shall in no event be beyond December 31, 2002.

ARTICLE 16 - UNIFORMS

- 16.1 Uniforms for employees shall be as set forth in Morro Bay Police Department Policy Manual Section 1046, Uniform and Equipment Regulations and Specifications.
- 16.2 Newly hired employees shall receive a full uniform issue and will receive full uniform replacement as needed until the following July 1. Effective July 1 after hire, such employees shall commence receiving an annual uniform allowance.
- 16.3 The following uniform articles are covered by the uniform allowance and must meet the department uniform standards:
 - a. Uniform pants
 - b. Uniform shirts - long and short sleeves
 - c. Dress belt
 - d. Ties
 - e. Duty jacket
 - f. Uniform patches
- 16.4 All maintenance, tailoring and other alterations will be at the employee's expense.
- 16.5 All optional equipment will be the responsibility of the employee.
- 16.6 All safety equipment originally issued and replaced by the department remains the Department's property.
- 16.7 The annual uniform allowance for sworn officers shall be \$1000.00. The annual uniform allowance for dispatch shall be \$700.00 effective July 1, 2010.
- 16.8 The City agrees to repair or replace any personal article damaged while on duty, including uniform items as listed above, providing that such article is a reasonable and necessary part of the employee's attire.

ARTICLE 17 - SALARIES

- 17.1 Salaries shall remain unchanged for the term of this agreement.

ARTICLE 18 - SPECIAL PAY PRACTICES

18.1 STANDBY

- 18.1.1 Standby duty is defined as that circumstance which requires an employee so assigned to:

Be ready to respond immediately to a call for service;
Be readily available at all hours by telephone; and
Refrain from activities which might impair his/her assigned duties upon call.

18.1.2 Employees on standby shall be compensated for two (2) hours computed at their straight hourly base rate per twenty-four (24) hours of authorized standby time. The twenty-four (24) hours time period is defined as 0700 hours to 0659 hours the following day.

18.2 CALL BACK

18.2.1 Call back is defined as that circumstance which requires an employee to unexpectedly return to work after the employee has left work at the end of the employee's work shift or work week; except that, an early call in of up to two (2) hours prior to the scheduled start of a work shift shall not constitute a call back; or, employee is required for off-duty court appearance.

18.2.2 Required off-duty court appearance.

Employees on call back shall receive either a two (2) hour minimum computed at straight hourly base rate or pay for all time actually worked, whichever is greater. An employee shall not receive overlapping minimums.

18.2.3 An employee shall not receive standby pay for the same hours he/she received callback pay.

18.3 DISPATCHER TRAINING PAY

18.3.1 An employee who is in the classification of Dispatcher and is assigned to train a new Dispatcher, shall receive an additional one-dollar (\$1.00) per hour when he/she actually performs the duties of a Dispatch/Trainer.

18.3.2 The parties agree, the Chief has the right to assign the Dispatcher Training function to any qualified Dispatcher.

18.4 OUT OF CLASS ASSIGNMENT

18.4.1 The term "out-of-class assignment" shall be defined as the full-time performance of the significant duties of a vacant, funded position in one classification by an individual in a classification with a lower compensation range.

18.4.2 If an employee is required to work in an out-of-class assignment for more than fifteen (15) workdays, within a calendar month his/her department head shall, with prior approval of the Personnel Officer, make an acting appointment. Such acting appointment shall be effective on the sixteenth (16th) workday within a calendar month of the out-of-class assignment.

18.4.3 An employee on an acting appointment shall receive a one (1) step increase within the employee's current classification salary as provided by City's Personnel Rules and Regulations. In the absence of available steps within his/her current range, the employee shall be granted a five percent (5% increase above his/her current base salary).

18.5 BILINGUAL PAY

Qualified employees who possess the necessary ability and who are assigned to perform services as an interpreter in Spanish, shall be eligible for additional stipend depending the employee's level of bilingual expertise. Qualifications shall be determined by the City.

18.5.1 For those employees who conduct conversational assistance in a Spanish on a regular basis, seventy-five dollars (\$75) per month stipend is available.

18.5.2 For those employees who interpret and explain legal documents, conduct conversational assistance, and write documents for those persons who speak only Spanish, One Hundred Fifty dollars (\$150) per month stipend shall be available.

18.6 FIELD TRAINING OFFICER ASSIGNMENT PAY

Individuals in the classification of Police Officer formally assigned a trainee by the Chief of Police or his/her designee shall be compensated at the rate of twelve (\$12) dollars per scheduled shift. Compensation will be paid for a scheduled shift only.

18.7 SENIOR OFFICER ASSIGNMENT PAY

Up to 4 individuals may be assigned as Senior Police Officers. This assignment is not a permanent promotion to a higher classification. Continuation in the assignment is based on an annual performance evaluation of "Meets Satisfactory Performance Standards" as well as at the discretion of the Chief of Police. Senior Police Officers will be compensated at the rate of 5% above base pay for the term of the assignment. While receiving Senior Officer Assignment pay, employees are not eligible for Field Training Officer pay.

Incumbents in the Corporal classification will maintain status in the Corporal class, and maintain the terms and conditions of the classification as they existed at the time of their promotion, however, if the incumbents in the Corporal classification leave the positions (due to promotion, retirement, etc...), the Corporal **classification** revert to assignments of Senior Officers as provided above.

No individual may be concurrently assigned as both a Senior Officer and Detective.

18.8 DETECTIVE ASSIGNMENT PAY

Up to two individuals may be assigned as Detectives. The Detective assignment is not a permanent promotion to a higher classification. Continuation in the assignment is based on an annual performance evaluation of "Meets Satisfactory Performance Standards" as well as at the discretion of the Chief of Police. Detectives will be compensated at the rate of 5% above base pay for the term of the assignment.

Incumbent Corporals may apply for, and be appointed to the Detective assignment. If appointed, Corporals will maintain status in the Corporal class and maintain the terms and conditions of the classification as they existed at the time of their promotion. When the Detective assignment ends, the Corporal may be placed into a Senior Officer assignment or a regular officer position; **still in the Corporal classification with the terms and conditions of the Corporal classification being maintained.**

No individual may be concurrently assigned as both a Senior Officer and Detective.

ARTICLE 19 - BULLETIN BOARD

- 19.1 CITY agrees to furnish space for ASSOCIATION-purchased bulletin boards of reasonable size for the posting of ASSOCIATION material. Location of such bulletin boards shall be at the Police Station in an area commonly used for briefings or meetings.
- 19.2 ASSOCIATION agrees it shall not use bulletin boards to ridicule, defame, or harass any City employees, officer or agent.

ARTICLE 20 - PROBATIONARY PERIOD

The parties agree that any appointments to fill vacant positions shall be subject to the following probationary periods:

Sworn personnel	18 months
Non-sworn personnel	12 months

ARTICLE 21 - DRUG AND ALCOHOL TESTING

ASSOCIATION agrees to the terms of the Substance Abuse and Testing Policy adopted by the Morro Bay City Council pursuant to resolution No. 14-99.

ARTICLE 22 - GRIEVANCE PROCEDURE

22.1 The ASSOCIATION agrees that whenever investigation or processing of a grievance is to be transacted during working hours, only the amount of time necessary to bring about a prompt disposition of the matter will be utilized. It is further agreed that the time spent on an investigation and processing of grievances will not interfere with the normal operation of the department. CITY agrees to provide every reasonable amount of time for the investigation and the processing of a grievance, but by so agreeing does not imply that the processing or investigation of a grievance shall take priority over normal functions of the department.

CITY further agrees that any payment of overtime arising because of UNIT personnel's involvement in grievance investigation or processing shall not be authorized. Time spent on the investigation and processing of grievances will be recorded on a form provided by CITY. Stewards will be permitted reasonable time-off with pay for the investigation and processing of grievances provided, however, that stewards shall first obtain permission from the department head and/or his/her designee and inform him/her of the nature of his/her business. CITY shall grant such permission promptly unless such absence would cause an undue interruption of work or would require the CITY to pay overtime in order to maintain the normal operation of the department.

Upon entering the work location, the steward shall inform the department head and supervisor of the nature of his/her business. Permission to leave a job will be granted to the employee involved unless such absence would cause an interruption of work. If the employee cannot be made available, the steward will seek an alternate time for employee availability with the department head or supervisor.

It is agreed that in some instances the investigation and processing of a grievance may be accomplished on the employee's time. This agreement is in recognition of the mutual sharing of costs involved in the handling of employee-initiated actions.

22.2 PURPOSE

The primary purpose of this procedure shall be to provide a means whereby an employee, without jeopardizing his employment, can express a personal grievance relating to his wages, hours of work, and working conditions, and obtain a fair and equitable disposition of his grievance.

22.3 ASSOCIATION REPRESENTATIVE

The City agrees that the ASSOCIATION may designate representative to represent employees in the processing of grievances. The ASSOCIATION shall furnish the City Manager with a written list identifying by name and work location all regular and alternate representatives and the list shall be kept current by the ASSOCIATION at all times. The representatives are to begin investigating grievances only after the employee has tried to resolve the problem with his/her

immediate supervisor and the two parties have failed to reach resolution of the problem.

22.4 PROCEDURE

Procedures shall be in accordance with Resolution No. 46-74 and any amendments thereto.

ARTICLE 23 - NO STRIKE, SLOW-DOWN OR OTHER INTERRUPTION TO WORK

- 23.1 ASSOCIATION agrees not to cause, authorize, advise, encourage or participate in any interruption of work or any other concerted action. The term "interruption of work" shall mean any work stoppage or strike (including economic and unfair labor practice strikes) or any intentional slow-down of work. The term "other concerted action" includes picketing or boycott activities by the ASSOCIATION.
- 23.2 Participation by any employee in any activity resulting in interruption of work or other concerted action or use of paid or unpaid leave for these purposes shall subject employee to disciplinary action, up to and including, discharge. When the City Manager has reason to believe that such leave is being used as a method of interruption work, the burden of proof of illness is upon the employee. Doctor's statements can be required in accordance with Resolution No. 34-83, Personnel Rules & Regulations, Section 13.B.4.

ARTICLE 24 - FULL UNDERSTANDING, MODIFICATION, WAIVER

- 24.1 This Agreement sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements by the parties, whether formal or informal, regarding any such matters are hereby superseded or terminated in their entirety.
- 24.2 It is agreed and understood that each party hereto voluntarily and unqualifiedly waives its right to negotiate, and agrees that the other party shall not be required to negotiate, with respect to any matter covered herein.
- 24.3 No agreement, alteration, understanding variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed in writing by all parties hereto, and if required, approved by the City and ratified by the membership of the ASSOCIATION.
- 24.4 The waiver of any breach of any term, or condition of this Agreement by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

ARTICLE 25 - SEVERABILITY

If any provision(s) are held to be contrary to law by a court of competent jurisdiction, such provision will not be deemed valid and subsisting except to the extent permitted by law, but all other provisions will continue in full force and effect.

Date: _____ Date: _____

MORRO BAY PEACE OFFICERS ASSOC. CITY OF MORRO BAY

Jeremy Douglas, President

Andrea K. Lueker, City Manager

Pat Line, Employee Representative

William Avery, Consultant

Susan Slayton, Admin. Services Director



AGENDA NO: A-3

MEETING DATE: 03/08/2011

Staff Report

TO: Honorable Mayor and City Council **DATE:** February 28, 2011
FROM: Susan Slayton, Administrative Services Director/City Treasurer
SUBJECT: Resolution No. 15-11 Authorizing the Examination of Sales or Transactions and Use Tax Records

RECOMMENDATION:

Council to approve Resolution No. 15-11.

FISCAL IMPACT:

None

SUMMARY:

The City of Morro Bay has an established relationship the State Board of Equalization that needs to be updated to add/delete positions within the City that are authorized to examine sales and transactions and use tax records. This Resolution accomplishes that goal.

DISCUSSION:

The State Board of Equalization requires a Resolution to be in place that names specific positions within the City as well as outside contractors that are authorized to examine highly confidential sales tax records. Due to the movement of the Business License function from Finance to Public Services, it has become functionally necessary to add both the Permit Technician, as well as the Senior Accounting Technician, to that list. The existing Resolution 44-02 lists the Director of Finance, City Manager, City Treasurer, Mayor and Council Members as authorized examiners. Staff has prepared Resolution No. 15-11 to add the Permit Technician and Senior Accounting Technician to the list, and rename the Finance Director to Administrative Services Director.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

RESOLUTION NO. 15-11

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MORRO BAY, CALIFORNIA,
AUTHORIZING THE EXAMINATION OF SALES
OR TRANSACTIONS AND USE TAX RECORDS**

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

WHEREAS, pursuant to Ordinance No. 519, the City of Morro Bay entered into a contract with the State Board of Equalization to perform all functions incident to the administration and collection of local sales and use taxes; and

WHEREAS, pursuant to Resolution No. 44-02 the City of Morro Bay entered into a contract with the State Board of Equalization to perform all functions incident to the administration and collection of local transactions and use taxes; and

WHEREAS, the City Council of the City of Morro Bay deems it necessary for authorized representatives of the City to examine confidential sales and transactions and use tax records of the Board pertaining to sales and transactions and use taxes collected by the Board for the City; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Board records and establishes criminal penalties for the unlawful disclosure of information contained in, or derived from sales or transactions and use tax records of the Board; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code requires that any person designated by the City shall have an existing contract to examine the City's sales and transactions and use tax records.

NOW, THEREFORE IT IS RESOLVED AND ORDERED AS FOLLOWS:

Section 1. That the Mayor, Council Members, City Manager, Administrative Services Director, City Treasurer, Senior Accounting Technician, and Permit Technician, or other officer or employee of the City designated in writing by the City Manager or Administrative Services Director to the State Board of Equalization (hereafter referred to as Board), are hereby appointed to represent the City with authority to examine all of the sales or transactions and use tax records of the Board pertaining to sales or transactions and use taxes collected for the City by the Board of Equalization pursuant to the contract between the City and the Board under the Bradley-Burns Uniform Local Sales and Use Tax Law or the Transactions and Use Tax Law. The information obtained by examination of Board records shall be used only for purposes related to the collection of City sales or transactions and use taxes by the Board pursuant to the contract.

Resolution No. 15-11

Page Two

Section 2. That Hinderliter, de Llamas and Associates is hereby designated to examine the sales and transactions and use tax records of the Board pertaining to sales and transactions and use taxes collected for the City by the Board. The person or entity designated by this section meets all of the following conditions:

- a) has an existing contract with the City to examine sales and transactions and use tax records;
- b) is required by that contract to disclose information contained in, or derived from those sales and transactions and use tax records only to the officer or employee authorized under Section 1 (or Section 2) of this resolution to examine the information;
- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;
- d) is prohibited by that contract from retaining the information contained in, or derived from those sales and transactions and use tax records after that contract has expired.

The information obtained by examination of Board records shall be used only for purposes related to the collection of City's sales and transactions and use taxes by the Board pursuant to the contracts between the City and the Board of Equalization.

Section 3. That this Resolution supersedes all prior sales and transactions and use tax Resolutions of the City of Morro Bay adopted pursuant to subdivision (b) of Revenue and Taxation Section 7056.

PASSED AND ADOPTED by the City Council of the City of Morro Bay, at a regular meeting thereof held on the 8th day of March 2011, by the following vote:

AYES:
NOES:
ABSENT:

WILLIAM YATES, Mayor

BRIDGETT KESSLING, City Clerk

AGENDA NO: A-4

MEETING DATE: 03/08/11

RESOLUTION NO. 19-11

**RESOLUTION IDENTIFYING THE PAYMENT SCHEDULE AND
TRACKING OF FUNDS FOR THE REPAYMENT OF
THE SALE OF THE PACIFIC/MARKET STREET PROPERTIES**

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

WHEREAS, the City Council designated City owned real properties at the Corner of Pacific and Market and at 781 Market Street, California for sale pursuant to Government Code section 37350, and after receiving no protests passed and adopted Resolution 51-09 by a unanimous vote; and

WHEREAS, the City negotiated for the sale of the properties at 781 Market and at the Corner of Pacific and Market Street for the principal sum of \$1,500,000.00; and

WHEREAS, the buyer agreed to pay the principal amount of \$1,500,000.00, together with all interest, in installment payments as follows:

- The amount of \$245,000 was paid at the close of escrow.
- The amount of \$37,650.00 shall be paid by 12/13/11.
- The amount of \$50,200.00 shall be paid by 12/31/12.
- The amount of \$99,389.28 shall be paid by 12/31/13 thru 12/31/19.
- The amount of \$996,102.66 shall be paid by 12/31/20.

WHEREAS, on January 25, 2011, the City Council designated the net proceeds at the close of escrow in the sum of \$201,812.00, to the General Fund Deferred Maintenance Account; and

WHEREAS, the City Council desires to make certain that the annual payments from the sale of the properties at 781 Market and the corner of Pacific/Market are not encumbered or used by Staff without City Council approval.

NOW, THEREFORE, it is hereby declared, that the above referenced payments from the sale of the properties at 781 Market Street and the corner of Pacific and Market Street shall not be appropriated or used in any manner without the City Council's review and approval.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 8th day of March, 2011 by the following vote:

AYES:

NOES:

ABSENT:

WILLIAM YATES, MAYOR

ATTEST:

BRIDGETT KESSLING, CITY CLERK

AGENDA NO: A-5

MEETING DATE: 03/08/11

**A PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY
DECLARING APRIL 2011 AS
“AUTISM AWARENESS MONTH”**

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

WHEREAS, autism is a complex neurobiological disorder that typically lasts throughout a person’s lifetime. It is part of a group of disorders known as autism spectrum disorders (ASDs); and

WHEREAS, autism affects all persons regardless of race, religion, socio-economic status or geography; and

WHEREAS, the incidence of autism in San Luis Obispo County reflects the national rate of 1-in-110, with rates appearing to have increased similarly around the globe; and

WHEREAS, a child is diagnosed with autism every 20 minutes; and

WHEREAS, ASDs are the fastest growing serious developmental disability, making these disorders more common than pediatric cancer, diabetes, and AIDS combined; and

WHEREAS, many are not adequately informed about ASDs and the value and importance of early identification, assessment, and treatment of these disorders; and

WHEREAS, individuals with ASDs and their families face tremendous and overwhelming challenges in accessing and navigating the complex programs and services for these disorders; and

WHEREAS, parents and family members have made invaluable contributions through their commitment, caring, and advocacy to important advances in research, education, and treatment for individuals with ASDs; and

WHEREAS, individuals with ASDs are valuable and talented citizens; and

WHEREAS, the Central Coast Autism Spectrum Center will celebrate Autism Awareness Month in April 2011; and

WHEREAS, the Central Coast Autism Spectrum Center will celebrate Autism Awareness Month at the WALK for Autism and Autism Awareness Fair on April 3, 2011 in Mission Plaza in San Luis Obispo; and

WHEREAS, Autism Awareness Month and The WALK for Autism and Autism Awareness Fair help to increase and develop knowledge of autism, and are of paramount importance in creating an empathetic and compassionate citizenry.

NOW, THEREFORE, BE IT RESOLVED, that the Central Coast Autism Spectrum Center in cooperation with the City of Morro Bay, affirms its commitment to the important issues described in this proclamation by declaring April 2011 as “Autism Awareness Month” in Morro Bay and emphasizes that each and every individual with an ASD is a valued and important member of our society; and

BE IT FURTHER RESOLVED, that the City of Morro Bay recognizes and commends the talents, abilities and contributions of the individuals in our community diagnosed with ASDs; and

BE IT FURTHER RESOLVED, that the City of Morro Bay recognizes and commends the parents and relatives of individuals with ASDs, the professionals that provide valued services, and the Central Coast Autism Spectrum Center, for their sacrifice and dedication in providing for the special needs of individuals with ASDs.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morro Bay does hereby declare April 2011 as “Autism Awareness Month”.

IN WITNESS WHEREOF I have
hereunto set my hand and caused the
seal of the City of Morro Bay to be
affixed this 8th day of March, 2011

WILLIAM YATES, MAYOR
City of Morro Bay, California

AGENDA NO: A-6

MEETING DATE: 03/08/11

**A PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY
PROCLAIMING 2011 AS A YEAR OF CELEBRATION
OF THE 100-YEAR ANNIVERSARY OF CALIFORNIA WOMEN
HAVING THE RIGHT TO VOTE IN THE CITY OF MORRO BAY**

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

WHEREAS, in 1911 Proposition 4 (Constitutional Amendment #8) was placed on the October 10, 1911 special election ballot giving California women the right to vote; and

WHEREAS, California women campaigned across the state stopping in rural counties and cities gaining support from local women and men as a main part of their strategy; and

WHEREAS, the hard work of strong local suffragists and their male supporters garnered enough “YES” votes to pass Proposition 4; and

WHEREAS, the community of Morro Bay as part of San Luis Obispo County which collectively and proudly cast “YES” votes by a 12% margin to counteract the “NO” votes of their counterparts in some large cities; and

WHEREAS, the San Luis Obispo County vote helped California become the Sixth state to give women the right to vote; and

WHEREAS, 2011 marks the 100th anniversary of California women having the right to vote; and

WHEREAS, women’s rights states, like California, were instrumental in getting the 19th amendment passed nationally 1920.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morro Bay in the County of San Luis Obispo and State of California, does hereby proclaim 2011 as a year of celebration of the **“100 Year Anniversary of California Women’s Right to Vote”**.

IN WITNESS WHEREOF I have
hereunto set my hand and caused the
seal of the City of Morro Bay to be
affixed this 8th day of March, 2011

WILLIAM YATES, Mayor
City of Morro Bay, California



AGENDA NO: A-7

MEETING DATE: March 8, 2011

Staff Report

TO: Honorable Mayor and City Council **DATE:** March 3, 2011

FROM: Rob Livick, PE/PLS –Director of Public Services/City Engineer
Damaris Hanson, CPESC – Engineering Technician III

SUBJECT: Approval of Parcel Map MB 08-0019 (285 Main St.) with Acceptance of Associated Right of Way Dedication and Abandonments

RECOMMENDATION

Staff recommends City Council to approve the Parcel Map MB 09-0019 with the acceptance of associated Right of Way Dedication and Abandonment (relinquishment) shown in Attachment 1 by Resolution No. 20-11.

FISCAL IMPACT

There is no fiscal impact as a result of this action.

BACKGROUND/DISCUSSION

At its regular meeting on September 15, 2008 the Planning Commission approved the request for a Tentative Parcel Map, and Coastal Development Permit to demolish an existing garage and split an existing parcel into two parcels, with conditions. Parcel A is proposed to be 7,690 square feet with an existing average cross slope of 10.8 percent. Parcel B is proposed to be 8,630 square feet with an average cross slope of 13.7 percent. The map abandons (relinquishes) 1,370 square feet of City Right of Way and dedicates of 1,400 square feet of private property for use as Right of Way.

Since then, the applicant has satisfied all Conditions of Approval and Subdivision Map Act requirements for the recordation of this map. Per 16-4.402 of the City's Subdivision Ordinance a Parcel map is typically approved administratively.

Due to the offer of dedication (per 16-13.001) this Parcel Map is required to be approved by the City Council. Main Street was constructed on private property sometime in the past and this is an opportunity to "clean up" the Right of Way for this section of Main Street. This abandonment and dedication includes provisions for ultimate widening of Main Street to the section specified in the City's General Plan Circulation Element.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

CONCLUSION

Staff recommends the City Council approve Parcel Map MB 08-0019 with the acceptance of associated Right of Way Dedication and Abandonments shown in Attachment 1 by Resolution No. 20-11.

ATTACHMENT

Exhibit depicting Dedication and Abandonment for Main Street (Sheet 3 of 3)

RESOLUTION NO. 20-11

A RESOLUTION OF THE CITY COUNCIL OF MORRO BAY APPROVING THE PARCEL MAP FOR AN A 2-LOT RESIDENTIAL SUBDIVISION KNOWN AS PM MB 08-0019 AND ACCEPTING THE ASSOCIATED RIGHT OF WAY DEDICATION AND ABANDONMENTS

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

WHEREAS, on September 15, 2010 the Planning Commission did hold a public hearing, received public testimony, and after closing the public hearing fully considered the various issues surrounding the case; and

WHEREAS, the Planning Commission did approve the Tentative Map for Parcel Map PM MB 08-0019, and associated development applications, subject to certain Conditions of Approval; and

WHEREAS, the Planning Commission has previously made findings required by the California Environmental Quality Act (CEQA) and the City of Morro Bay procedures for implementation of CEQA; and

WHEREAS the applicant has since satisfied all Conditions of Approval and requests permission to record the Parcel Map; and

WHEREAS the applicant has offered to dedicate the area required for right of way purposes; and

WHEREAS the applicant has requested abandonment of a portion of the Main Street right- of- way no longer needed for public purposes; and

WHEREAS, the recordation of the final map is a ministerial act pursuant to the City of Morro Bay Subdivision Ordinance and California Subdivision Map Act;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that the City hereby approves the final map for Parcel Map PM MB 08-0019 and accepts the associated dedication and abandonments of a public pedestrian easement.

PASSED AND ADOPTED by the City Council of the City of Morro Bay, California, at a regular meeting held on the 8th day of March 2011, by the following vote:

AYES:
NOES:
ABSENT:

WILLIAM YATES, Mayor

ATTEST:

BRIDGETT KESSLING, City Clerk



AGENDA NO: B-1
MEETING DATE: March 8, 2011

Staff Report

TO: Honorable Mayor and City Council **DATE:** March 1, 2011
FROM: Rob Schultz, City Attorney
SUBJECT: Consideration of an Amendment to Morro Bay Municipal Code Title 5 Adding Chapter 5.50 Establishing Regulations and Procedures Entitled “Medical Marijuana Collectives and Cooperatives”

RECOMMENDATION:

Review the Staff Report and attached draft Regulations and Procedures entitled “Medical Marijuana Collectives and Cooperatives”, and direct staff to return with this item for Introduction and First Reading with any changes suggested by Council.

FISCAL IMPACT:

None at this time.

SUMMARY:

In 1996 California voters enacted Proposition 215, the Compassionate Use Act, which protects qualified patients and their primary caregivers from prosecution under California laws for possession or cultivation of marijuana to treat serious illness pursuant to a doctor’s recommendation. Several years later, in 2003, the state legislature enacted implementing legislation to allow qualified patients and caregivers to obtain identification cards that insulate them from arrest for cultivation and/or use of marijuana for authorized medical purposes. Although dispensaries are not expressly authorized under these laws, many individuals have used these laws as the legal backdrop to set up medical marijuana dispensaries where qualified patients and caregivers could purchase marijuana for medical use.

BACKGROUND:

In June 2005, Staff recommended to the City Council that they enact an interim urgency ordinance imposing a moratorium on medical marijuana dispensaries until Staff had an opportunity to propose regulations. The interim urgency ordinance was not adopted by City Council and Staff was directed to allow medical marijuana dispensaries pursuant to our current municipal code. Pursuant to Council direction, medical marijuana dispensaries were allowed in the City of Morro

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

Bay in the C-1 District by obtaining a business license and with a minor use permit in the MCR District under the category of “drugs”.

Based upon Council’s action, in 2006, the City approved a Medical Marijuana Dispensary at 780 Monterey Street. This location was in the General Commercial zoning district. Staff issued a business license since the sale of drugs (in this case medical marijuana) was an allowable use in the General Commercial zoning district.

In 2007, an application was received for the establishment of a Medical Marijuana Dispensary at 2840 Main Street. This location is in the Mixed Commercial/Residential zoning district, so a minor use permit was required. Staff issued a minor use permit since the sale of drugs (in this case medical marijuana) was an allowable use in the Mixed Commercial/Residential zoning district. The minor use permit was appealed to the Planning Commission. While the appeal was pending, the City Council declared a moratorium on medical marijuana dispensaries.

In 2008, after reviewing the current status of federal and state law and the associated risks and possible consequences of establishing an ordinance allowing medical marijuana dispensaries, the City Council instructed the City Attorney to prepare an ordinance that would eliminate the possibility of storefront medical marijuana sales in the City. Pursuant to Council’s direction, Ordinance No 547 was enacted in 2009.

In 2010, the City Council expressed interest in considering an ordinance that would establish provisions for locating and regulating medical marijuana dispensaries (MMDs) within the City of Morro Bay and directed the City Attorney to form a subcommittee to develop a draft ordinance regulating medical marijuana dispensaries.

The subcommittee has met on numerous occasions to develop a possible approach to locating and regulating MMDs which entails specifying the zoning districts in which MMDs may be established and developing regulations governing the procedures to be followed in applying for, permitting, revoking and renewing a license required to operate an MMD. Attached please find a draft ordinance that would implement this approach.

The draft ordinance is based upon both adopted and draft ordinances of several jurisdictions that allow MMDs or are considering allowing MMDs. It represents a comprehensive examination of potential impacts and sets forth detailed requirements for the operators of an MMD.

LEGAL ANALYSIS:

State Law

In November 1996, California voters passed the Compassionate Use Act of 1996 (CUA), which protects patients, their primary caregivers (defined as an individual designated by the patient who has consistently assumed responsibility for the housing, health, or safety of the patient), and physicians who prescribe marijuana for medical treatment, from criminal prosecution or sanction. While Proposition 215 exempts qualified individuals from certain State marijuana laws, it does not

grant an absolute immunity from arrest. Instead, it provides a limited immunity from prosecution and may provide a basis for a pretrial motion to set aside an indictment or a defense at trial.

In 2004, the CUA was supplemented by Senate Bill 420 (hereinafter “S.B. 420”). S.B. 420 mandates the State of California via the Department of Health Services to create and maintain a voluntary program for the issuance of identification cards for qualified patients. Although mandated to establish the identification program, the Department has not done so. S.B. 420 also requires that “every county health department, or the county’s designee” provide applications for identification cards, process completed applications, maintain records and utilize protocols adopted by the Department of Health Services. As of this date, San Luis Obispo County has not issued identification cards in compliance with S.B. 420. Neither the original 1996 CUA nor the additions contained in S.B. 420 speak to the regulation of medical marijuana dispensaries.

Neither the CUA nor S.B. 420 specifically addresses medical marijuana dispensaries; however, the findings made by the legislature when approving S.B. 420 include a statement that the legislation is intended to “enhance the access of patients and caregivers to medical marijuana through collective, cooperative cultivation projects.” It is asserted by those seeking to operate medical marijuana dispensaries that this language authorizes such facilities.

Federal Law

The Federal Controlled Substances Act (21 USC 801 et seq.) prohibits the possession, cultivation, and dispensing of marijuana, regardless of its purpose. Therefore, a conflict exists between California and Federal law regarding medical marijuana, and for this reason some cities in California have banned medical marijuana dispensaries, or have adopted moratoria prohibiting medical marijuana dispensaries until the law is settled.

On June 6, 2005, the U.S. Supreme Court addressed the California voter-enacted Compassionate Use Act, holding that Congress (i.e., the federal government) has the power to prohibit the local possession, cultivation and use of marijuana. Thus, notwithstanding the Compassionate Use Act, those using or distributing marijuana for medical reasons could still be prosecuted under federal law. In *Gonzales v. Raich* (2005) 125 S.Ct. 2195, the Federal Court found that the federal prohibition on use of marijuana for medicinal purposes could be enforced even though it was in conflict with the law of the State of California. As such, the Court ruled that the federal prohibition could be applied to prosecute persons growing, dispensing, possessing, and using marijuana wholly within the borders of the State of California and without having carried on a commercial transaction.

The Supreme Court did not go so far, however, as to invalidate California law permitting the medicinal use of marijuana. No appellate court has as yet invalidated the California law. What has resulted is a substantial controversy over the validity of state law permitting medicinal use of marijuana when federal authorities may legally raid medical marijuana dispensaries, shut them down, and prosecute those persons dispensing or using marijuana inside them.

In response to the Supreme Court decision, California Attorney General Bill Lockyer issued a statement that the “ruling does not overturn California law permitting the use of medical

marijuana.” The California Department of Justice issued a bulletin to law enforcement agencies stating that the decision does not pre-empt the Compassionate Use Act and that law enforcement should not change current practices for non-arrest and non-prosecution of individuals who are within the legal scope of the Act.

In August 2008, California Attorney General (AG) Jerry Brown issued guidelines for the operation of California’s medical marijuana laws (as he is required to do under those laws). The AG guidelines were an important step towards fully clarifying the legal landscape and towards implementing medical marijuana law in California. They advise patients on how to stay within the confines of state law. They advise law enforcement on how to approach encounters with medical marijuana patients. They advise patients, law enforcement, and local communities on what is allowed and what is not allowed with regards to medical marijuana under California law. Although the AG guidelines are recommendations and are not binding on any court, they do provide powerful direction to state and local law enforcement, judges, and other public officials.

Perhaps most importantly, the AG guidelines provide recommendations for operating medical marijuana dispensaries in accordance with state law. Specifically, the Attorney General states:

...a properly organized and operated collective or cooperative that dispenses medical marijuana through a storefront may be lawful under California law, but that dispensaries that do not substantially comply with the guidelines...are likely operating outside the protections of Proposition 215 and the MMP, and that the individuals operating such entities may be subject to arrest and criminal prosecution under California law. For example, dispensaries that merely require patients to complete a form summarily designating the business owner as their primary caregiver—and then offering marijuana in exchange for cash “donations”—are likely unlawful.

The AG guidelines also contain a provision requiring medical marijuana dispensaries to operate on a not-for-profit basis.

On November 24, 2008, the California Supreme Court, in a unanimous decision, defined the term “primary caregiver” as used in the CUA. In the case of *People v. Mentch*, S148204, the Court held that the CUA “provides partial immunity for the possession and cultivation of marijuana to two groups of people: qualified medical marijuana patients and their primary caregivers.” The Supreme Court in *Mentch* held that “the statutory definition has two parts: (1) a primary caregiver must have been designated as such by the medical marijuana patient; and (2) he or she must be a person ‘who has consistently assumed responsibility for the housing, health, or safety’ of the patient.” The Court concluded “a defendant asserting primary caregiver status must prove at a minimum that he or she (1) consistently provided care giving, (2) independent of any assistance in taking medical marijuana, (3) at or before the time he or she assumed responsibility for assisting with medical marijuana.”

The Supreme Court in *Mentch* discussed the purpose of the CUA as one to help those who were seriously ill and who could benefit from the use of marijuana for medical purposes. It pointed out that the CUA's "focus is on the seriously and terminally ill, [and] logically the Act must offer some alternative for those unable to act in their own behalf; accordingly, the Act allows 'primary caregivers' the same authority to act on behalf of those too ill or bedridden to do so. To exercise that authority, however, one must be a 'primary'—principal, lead, central—'caregiver'—one responsible for rendering assistance in the provision of daily life necessities—for a qualifying seriously or terminally ill patient."

After eight years of police raids on marijuana dispensaries under the preceding administration, federal law enforcement, through Attorney General Eric Holder, has changed the course of federal marijuana enforcement policy by declaring federal authorities will no longer be raiding state licensed medical marijuana dispensaries and clinics that are in compliance with their own state laws and regulations concerning the medical use and safe access to marijuana. Under current federal law however, the use, sale or possession of marijuana, whether medically prescribed or not, is still unlawful and carries significant criminal penalties.

SUMMARY OF DRAFT REGULATIONS:

The draft Medical Marijuana Collectives and Cooperatives ordinance proposes to add Chapter 5.50 to Title 5 (Business Licenses and Regulations) establishing licensing provisions for facilities to dispense medical cannabis, consistent with the intent of Health and Safety Code Section 11362, et. seq. The draft ordinance establishes the following main provisions:

1. Dispensary Permit Required.
 - Requires a permit to operate a facility.
 - Establishes an annual permit renewal and fee.
2. Limitations on Dispensaries. Limits the number, size, and location of dispensaries.
3. Operating requirements. Establishes the following operating requirements:
 - Prohibits operators with a criminal history.
 - Prohibits/controls access by non-patients and minors.
 - Limits days and hours of operation.
 - Controls size, supply, storage and general operations.
 - Establishes floor plan, security, and storage requirements.
 - Requires patients to have physician's recommendation before visiting site.
 - Prohibits on-site prescribing of medical cannabis.
 - Prohibits on-site and open public consumption.
 - Requires operators to advise patients of rules and etiquette.
 - Prohibits all retail sales.
 - Requires active management of site activities, litter and graffiti control.
 - Requires staff training.
 - Establishes signage and noticing requirements.
 - Requires emergency contact information, record keeping.

4. Application Requirements. Establishes application eligibility and submittal requirements, including:
 - Background information on applicant and employees.
 - Preparation of a security plan.
 - Preparation of a dispensary plan of operations, identifying how the use would comply with codes.
 - Submittal of site, floor and lighting plans that demonstrate adequate site visibility, ability to provide site security and compliance with standards for entry, storage and dispensing.

5. Criteria for Review. Establishes criteria for approval or denial of permits, including consideration of:
 - Crime statistics in area.
 - The location and design of the facility.
 - The dispensary's plan of operations.
 - Any nuisance issues.
 - Any felony conviction of applicants.
 - Age limit—minors are not allowed to operate or work at site.

Additionally, the draft ordinance establishes the authority to revoke the permit or not renew the permit if issues result. Fees are also required to cover costs of administration and enforcement.

CONCLUSION:

Cities in California definitely find themselves at the center of the discussion regarding the compassionate use of marijuana. Staff has reviewed and analyzed several ordinances and reports and can attest to a strong public interest in its use to combat the symptoms of various debilitating illnesses. However, allowing a medical marijuana dispensary is not without concerns, as described in this report.

The City Attorney's office has attempted to draft an ordinance that suits the scale of Morro Bay by providing the possibility of two medical marijuana dispensaries under specific circumstances. The use of the license process will allow greater control by the City should the dispensary be found to be a nuisance.

In addition, the City Attorney's office has attempted to prepare a draft ordinance that blends many of the interests and options gleaned from the broad information gathered. The draft ordinance contains many policy decisions that the City Council will want to consider.

ORDINANCE NO.

**AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF MORRO BAY AMENDING THE MUNICIPAL CODE
BY ADDING CHAPTER 5.50 ESTABLISHING REGULATIONS
AND PROCEDURES ENTITLED “MEDICAL MARIJUANA
COLLECTIVES AND COOPERATIVES DISPENSARIES”**

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

The Council of the City of Morro Bay does ordain as follows:

SECTION ONE. Chapter 5.50 of Title 5 of the Morro Bay Municipal Code, entitled “Medical Marijuana Collectives and Cooperatives Dispensaries,” is added to read as follows:

Chapter 5.50

MEDICAL MARIJUANA COLLECTIVES & COOPERATIVES DISPENSARIES

Sections:

- 5.50.010 Purpose and intent.**
- 5.50.020 Interpretation and applicability.**
- 5.50.030 Release of liability and hold harmless.**
- 5.50.040 Definitions.**
- 5.50.050 Severability.**
- 5.50.060 Collective or Cooperative Dispensary permit required to operate.**
- 5.50.070 Business license tax liability.**
- 5.50.080 Imposition of Collective or Cooperative Dispensary use permit fees.**
- 5.50.090 Limitations on the permitted location of a Collective or Cooperative.**
- 5.50.100 Operating requirements for Collectives or Cooperatives.**
- 5.50.110 Screening Application for Competitive Selection of Preferred Applicant.**
- 5.50.120 Suspension and revocation by City Council.**
- 5.50.130 Transfer of Collective or Cooperative Dispensary permits.**

5.50.010 Purpose and intent.

It is the purpose and intent of this Chapter to regulate Medical Marijuana Collectives and Cooperatives Dispensaries in order to ensure the health, safety and welfare of the residents and businesses of the City of Morro Bay. The regulations in this Chapter, in compliance with the Compassionate Use Act, the Medical Marijuana Program Act, and the California Health and Safety Code (collectively referred to as “State Law”) do not interfere with a patient’s right to use medical marijuana as authorized under State Law, nor do they criminalize the possession or cultivation of medical marijuana by specifically defined classifications of persons, as authorized under State Law. Under State Law, only qualified patients, persons with identification cards, and primary caregivers may cultivate medical marijuana collectively. Medical marijuana Collectives and Cooperatives dispensaries shall comply with all provisions of the Morro Bay Municipal

Code (“Code”), State Law, and all other applicable local and state laws. Nothing in this article purports to permit activities that are otherwise illegal under state or local law.

5.50.020 Interpretation and applicability.

A. No part of this ordinance shall be deemed to conflict with federal law as contained in the Controlled Substances Act, 21 U.S.C. section 800 et seq., nor to otherwise permit any activity that is prohibited under that Act or any other local, state or federal law, statute, rule or regulation.

B. Nothing in this ordinance is intended, nor shall it be construed, to burden any defense to criminal prosecution otherwise afforded by California law.

C. Nothing in this ordinance is intended, nor shall it be construed, to preclude a landlord from limiting or prohibiting Medical Marijuana Collective or Cooperatives or other related activities by tenants.

D. Nothing in this ordinance is intended, nor shall it be construed, to exempt any Medical Marijuana Collective or Cooperatives related activity from any and all applicable local and state construction, electrical, plumbing, land use, or any other building or land use standards or permitting requirements.

E. Nothing in this ordinance is intended, nor shall it be construed, to make legal any cultivation, transportation, sale, or other use of cannabis that is otherwise prohibited under California law.

5.50.030 Release of liability and hold harmless.

As a condition of approval of any business license and/or permit approved for a Medical Marijuana Collective or Cooperative Dispensary, the owner or permittee of each Medical Marijuana Collective or Cooperative Dispensary shall indemnify and hold harmless the City of Morro Bay and its agents, officers, elected officials, and employees for any claims, damages, or injuries brought by adjacent or nearby property owners or other third parties due to the operations at the Medical Marijuana Collective or Cooperative Dispensary, and for any claims brought by any of their clients for problems, injuries, damages, or liabilities of any kind that may arise out of the cultivation, processing or distribution of medical marijuana.

5.50.040 Definitions.

For the purpose of this chapter, the following words and phrases shall have the following meanings:

A. “Applicant”. A person who is required to file an application for a permit under this chapter, including an individual owner, managing partner, officer of a corporation, or any other operator, manager, employee, or agent of a Collective or Cooperative.

B. “Drug Paraphernalia”. As defined in California Health and Safety Code Section 11014.5, and as may be amended from time to time.

C. “Identification Card”. As defined in California Health and Safety Code Section 11362.71, and as may be amended from time to time.

D. “Medical Marijuana Collective or Cooperative Dispensary”. Medical Marijuana Collective or Cooperative Dispensary” means any parcel or location where a primary caregiver makes available, sells, transmits, gives, distributes, or otherwise provides medical marijuana to two or more qualified patients under the purported authority of medical marijuana laws. A “Medical Marijuana Collective or Cooperative Dispensary” shall not include any of the

following uses, so long as such uses otherwise comply fully with this code, medical marijuana laws, and other applicable law:

1. A clinic licensed pursuant to Chapter 1 of Division 2 of the California Health and Safety Code;

2. A health care facility licensed pursuant to Chapter 2 of Division 2 of the California Health and Safety Code;

3. A residential care facility for persons with chronic life-threatening illness licensed pursuant to Chapter 3.01 of Division 2 of the California Health and Safety Code;

4. A residential care facility for the elderly licensed pursuant to Chapter 3.2 of Division 2 of the California Health and Safety Code;

5. A hospice or home health agency, licensed pursuant to Chapter 8 of Division 2 of the California Health and Safety Code.

E. “Medical marijuana laws” mean California Health and Safety Code Section 11362.5 (the “Compassionate Use Act of 1996”), and the laws and regulations of the state of California adopted in furtherance thereof, including California Health and Safety Code Sections 11362.7, et seq. (the “Medical Marijuana Program Act”), and guidelines adopted by the Attorney General pursuant to California Health and Safety Code Subsection 11362.81(d).

F. “Permittee”. The person to whom either a Collective or Cooperative Dispensary permit is issued by the City and who is identified as a primary caregiver in California Health and Safety Code Section 11362.7, subdivision (d) or (e).

G. “Person”. An individual, partnership, co-partnership, firm, association, joint stock company, corporation, limited liability company, non profit mutual benefit association, trust or combination of the above in whatever form or character.

H. “Person with an Identification Card”. As set forth in California Health and Safety Code Section 11362.5 et seq., and as amended from time to time.

I. “Physician”. A licensed medical doctor including a doctor of osteopathic medicine as defined in the California Business and Professions Code.

J. “Primary Caregiver”. As defined in subdivision (d) of California Health and Safety Code Section 11362.7, and as it may be amended from time to time.

K. “Qualified Patient”. As defined in California Health and Safety Code Section 11362.5 et seq., and as it may be amended from time to time.

L. “School”. An institution of learning for minors, whether public or private, offering a regular course of instruction required by the California Education Code. This definition includes an elementary school, middle, or junior high school, senior high school, or any special institution of education for persons under the age of eighteen years, whether public or private.

5.50.050 Severability.

If any part of this ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

5.50.060 Collective or Cooperative Dispensary permit required to operate.

It is unlawful for any person to engage in, conduct or carry on, or to permit to be engaged in, conducted or carried on, in or upon any premises in the City, the operation of a Collective or Cooperative Dispensary unless the person first obtains and continues to maintain in full force and effect a Collective or Cooperative Dispensary Business Use Permit issued by the City.

5.50.070 Business license tax liability.

An operator of a Collective or Cooperative Dispensary shall be required to apply for and obtain a Business Tax Certificate pursuant to Chapter 5.04 as a prerequisite to obtaining a permit pursuant to the terms of this Chapter, as required by the State Board of Equalization. Collective and Cooperative sales shall be subject to sales tax, which applies to all retail sales of goods and merchandise including medical marijuana.

5.50.080 Imposition of Collective or Cooperative Dispensary use permit fees.

Every application for a Collective or Cooperative Dispensary use permit or renewal shall be accompanied by an application fee, in an amount established by resolution of the City Council from time to time at an amount calculated to recover the City's full cost of reviewing and issuing the Business Use Permit pursuant to this Chapter.

5.50.090 Limitations on the permitted location of a Collective or Cooperative.

A. Permissible zoning for Collectives or Cooperatives. A Collective or Cooperative is designated as a retail sales "drugs" "pharmacies" and/or "medical offices" business establishments pursuant to Title 17 of the Municipal Code, and may be located only within the C-1, C-2, MCR, and G-O zoned district areas of the City. If the Collective or Cooperative is located in C-1 or C-2 zoned district, a business license permit pursuant to MBMC 5.50 is required. If the Collective or Cooperative is located in the MCR district a business license permit pursuant to MBMC 5.50 and a Minor Use Permit pursuant to MBMC 17.24.110 will be required. If the Collective or Cooperative is located in the G-O zoned district a business license permit pursuant to MBMC 5.50 and a Minor Use Permit pursuant to MBMC 17.24.130 will be required if within 100' of or across the street from a residential zone.

B. Collectives or Cooperatives shall only be allowed upon the granting of all permits as prescribed in the Morro Bay Municipal Code. The fact that an applicant possesses other types of State or City permits or licenses does not exempt the applicant from the requirement of obtaining a business license or minor use permit, if applicable, to operate a Collective or Cooperative Dispensary.

C. Areas and zones where Collectives and Cooperatives not permitted. Notwithstanding subparagraph (A) above or any other section of the Municipal Code, a Collective or Cooperative Dispensary shall not be allowed or permitted in the following locations or zones:

1. On a parcel located within 500 feet of an existing school, public park, religious institution, licensed child care facility, youth center, or substance abuse rehabilitation center.

D. Maximum number of Collective/Cooperative permits. Notwithstanding the above, the City may not issue a total of more than two (2) Collective or Cooperative Dispensary permits at any one time and no more than two (2) permitted Collectives or Cooperatives may legally operate within the City at any one time. No Permittee shall operate more than one Collective or Cooperative. The selection process for Collectives or Cooperatives shall be established by the City Council.

5.50.100 Operating requirements for Collectives or Cooperatives.

Collective or Cooperative Dispensary operations shall be permitted and maintained only in compliance with the following day-to-day operational standards:

A. Criminal history. A Collective or Cooperative Dispensary permit applicant, or any person exercising managerial authority over a Collective or Cooperative Dispensary on behalf of the Collective or Cooperative Dispensary applicant shall not have been convicted of a felony or be on probation or parole for the sale or distribution of a controlled substance. “Felony or be on probation or parole for the sale or distribution of a controlled substance” means a violation of a state or federal controlled substance law that was classified as a felony in the jurisdiction where the person was convicted. “Felony drug offense” does not include any of the following:

1. An offense for which the sentence, including any term of probation, incarceration, or supervised release, was completed ten or more years earlier.
2. An offense that involved conduct that would have been permitted under this chapter.

B. Minors. It is unlawful for any Collective or Cooperative Dispensary Permittee, operator, or other person in charge of any Collective to employ any person who is not at least 21 years of age. Persons under the age of 18 shall not be allowed on the premises of a Collective unless they are a qualified patient or a primary caregiver, and they are in the presence of their parent or guardian. The entrance to a Collective shall be clearly and legibly posted with a notice indicating that persons under the age of 18 are precluded from entering the premises unless they are a qualified patient or a primary caregiver, and they are in the presence of their parent or guardian.

C. Collective or Cooperative Dispensary size and access. The following access restrictions shall apply to all Collectives and Cooperatives permitted by this Chapter:

1. The entrance area of the Collective or Cooperative Dispensary building shall be strictly controlled; a viewer or video camera shall be installed in the door that allows maximum angle of view of the exterior and interior entrance.

2. Collective or Cooperative Dispensary personnel shall be responsible for monitoring the real property of the Collective or Cooperative Dispensary site (including the adjacent public sidewalk and rights-of-way) within which the Collective or Cooperative Dispensary is operating for the purposes of discouraging loitering.

3. Only Collective or Cooperative Dispensary staff, primary caregivers, qualified patients and persons with bona fide purposes shall be in the secured area of the Collective or Cooperative.

4. Qualified patients or primary caregivers shall not visit the secured area of a Collective or Cooperative Dispensary without first having obtained a valid written recommendation from their physician recommending use of medical marijuana.

5. Only a primary caregiver and qualified patient shall be permitted in the designated dispensing area along with Collective or Cooperative Dispensary personnel.

6. External Restrooms shall remain locked and under the control of Collective or Cooperative Dispensary management at all times.

D. Dispensing operations. The following restrictions shall apply to all dispensing operations by a Collective or Cooperative:

1. A Collective or Cooperative Dispensary shall dispense only to qualified patients or a primary caregiver with a currently valid physician’s approval or recommendation in compliance with the criteria in California Health and Safety Code Section 11362.5 et.seq. Collectives or Cooperatives shall require such persons to provide valid official government-issued identification, such as a Department of Motor Vehicles driver’s license or State Identification Card.

2. Prior to dispensing medical marijuana, the Collective or Cooperative Dispensary shall obtain verification from the recommending physician's office personnel that the individual requesting medical marijuana is or remains a qualified patient pursuant to state Health & Safety Code Section 11362.5.

3. A Collective or Cooperative Dispensary shall not dispense medical marijuana to an individual qualified patient or primary caregiver more than twice a day.

E. Consumption restrictions. The following medical marijuana consumption restrictions shall apply to all permitted Collectives or Cooperatives:

1. Marijuana shall not be consumed by patients on the premises of the Collective or Cooperative. The term "premises" includes the actual building, as well as any accessory structures, parking lot or parking areas, or other surroundings within 200 feet of the Collective's or Cooperative's entrance.

2. Collective or Cooperative Dispensary operations shall not result in illegal redistribution or sale of medical marijuana obtained from the Collective or Cooperative, or use or distribution in any manner which violates state law.

F. Retail sales of other items by a Collective or Cooperative. With the approval of the City, a Collective or Cooperative Dispensary may conduct or engage in the commercial sale of specific products, goods, or services in addition to the provision of medical marijuana on terms and conditions consistent with this chapter and applicable law.

1. A Collective or Cooperative Dispensary shall meet all the operating criteria for the dispensing of medical marijuana as is required pursuant to California Health and Safety Code Section 11362.5 et seq.

G. Operations Plan. In connection with a permit application under this Chapter, the applicant shall provide, as part of the permit application, a detailed Operations Plan and, upon issuance of the Collective or Cooperative Dispensary permit, shall operate the Collective or Cooperative Dispensary in accordance with the Operations Plan as such plan is approved by the City. The Operations Plan shall include:

1. Floor plan. A Collective or Cooperative Dispensary shall have a lobby waiting area at the entrance to the Collective or Cooperative Dispensary to receive clients, and a separate and secure designated area for dispensing medical marijuana to qualified patients or designated caregivers. The primary entrance shall be located and maintained clear of barriers, landscaping and similar obstructions.

2. Storage. A Collective or Cooperative Dispensary shall have suitable locked storage on premises, identified and approved as a part of the security plan, for after-hours storage of medical marijuana.

3. Security plans. A Collective or Cooperative Dispensary shall provide adequate security on the premises, in accordance with a security plan, including provisions for adequate lighting and alarms, in order to insure the safety of persons and to protect the premises from theft.

4. Security cameras. Security surveillance cameras shall be installed to monitor the main entrance and exterior of the premises to discourage and to report loitering, crime, illegal or nuisance activities. Security video shall be maintained for a period of not less than 72 hours.

5. Alarm system. Professionally monitored robbery alarm and burglary alarm systems shall be installed and maintained in good working condition within the Collective or Cooperative Dispensary at all times.

6. Emergency contact. A Collective or Cooperative Dispensary shall provide the Chief of Police with the name, cell phone number, and facsimile number of an on-site

community relations staff person to whom the City may provide notice of any operating problems associated with the Collective or Cooperative.

7. Operating hours. The hours of operation for an approved Collective or Cooperative Dispensary shall be limited to between 8:00 a.m. to 8:00 p.m. or as specified within the Business License Use Permit.

H. Collective or Cooperative Dispensary signage and notices. A notice shall be clearly and legibly posted in the Collective or Cooperative Dispensary indicating that smoking, ingesting or consuming marijuana on the premises or in the vicinity of the Collective or Cooperative Dispensary is prohibited. Signs on the premises shall not obstruct the entrance or windows. No interior illumination of any exterior signs or any interior signs shall be visible from the exterior. All exterior signs shall be approved by the City.

I. Employee records. Each owner or operator of a Collective or Cooperative Dispensary shall maintain a current register of the names of all volunteers and employees currently working at or employed by the Collective or Cooperative Dispensary on-site at all times, and shall disclose such registration for inspection by the City Manager or designee, but only for the purposes of determining compliance with the requirements of this Chapter.

J. Patient records. A Collective or Cooperative Dispensary shall maintain confidential health care records of all patients and primary caregivers using only the identification card number issued by the county, or its agent, pursuant to California Health and Safety Code Section 11362.71 et seq., (as a protection of the confidentiality of the cardholders) or a copy of the written recommendation from a physician or doctor of osteopathy stating the need for medical marijuana under state Health & Safety Code Section 11362.5. Such records shall be available for inspection at all times.

K. Inspection. City representatives may enter and inspect the property of every medical marijuana collective between the hours of ten o'clock (10:00) a.m. and eight o'clock (8:00) p.m., or at any reasonable time to ensure compliance and enforcement of the provisions of this chapter, except that the inspection and copying of private medical records shall be made available to the Police Department only pursuant to a properly executed search warrant, subpoena, or court order. It is unlawful for any property owner, landlord, lessee, medical marijuana collective member or management member or any other person having any responsibility over the operation of the medical marijuana collective to refuse to allow, impede, obstruct or interfere with an inspection.

L. Staff training. Collective or Cooperative Dispensary staff shall receive appropriate training for their intended duties to ensure understanding of rules and procedures regarding dispensing in compliance with state and local law and this Chapter.

M. Site management. The operator of the establishment shall take all reasonable steps to discourage and correct objectionable conditions that constitute a nuisance in parking areas, sidewalks, alleys and areas surrounding the premises and adjacent properties during business hours if directly related to the patrons of the subject Collective or Cooperative. The operator shall take all reasonable steps to reduce loitering in public areas, sidewalks, alleys and areas surrounding the premises and adjacent properties during business hours. The operator shall provide patients with a list of the rules and regulations governing medical marijuana use and consumption within the City and recommendations on sensible marijuana etiquette.

N. Compliance with other requirements. The Collective or Cooperative Dispensary operator shall comply with all provisions of all local and state regulations as well as any condition imposed on any permits issued pursuant to applicable laws, regulations or orders.

O. Display of permit. Every Collective or Cooperative Dispensary shall display at all times during business hours the permit issued pursuant to the provisions of this Chapter for such Collective or Cooperative Dispensary in a conspicuous place so that the same may be readily seen by all persons entering the Collective or Cooperative.

P. Alcoholic beverages. No Collective or Cooperative Dispensary shall hold or maintain a license from the State Division of Alcoholic Beverage Control for the sale of alcoholic beverages, or operate a business on the premises that sells alcoholic beverages. No alcoholic beverages shall be allowed or consumed on the premises.

Q. Non profit status. No Collective or Cooperative Dispensary shall operate for a profit. Cash and in-kind contributions, reimbursements, and reasonable compensation provided by members towards the Collective's or Cooperative's actual expenses shall be allowed provided that they are in strict compliance with State law.

5.50.110 Screening Application for Competitive Selection of Preferred Applicant.

A. Any person seeking a medical marijuana dispensary use permit under this section shall submit a screening application to the City Manager no later than the deadline set forth in the notice of commencing competitive application process.

B. Each applicant shall submit the following information in the screening application, in a form acceptable to the City Manager:

1. The name, address, telephone number and chief executive of the applicant (the cooperative or collective organization to which the permit is to be issued);

2. The name, address and telephone number of the authorized agent for the applicant;

3. Documentation of the legal entity and organizational structure of the applicant organization, demonstrating that it is a collective or cooperative operating in conformance with the requirements of the medical marijuana laws;

4. Documentation of the experience and background of principals and management staff of the applicant, subject to verification by background check to be conducted by the City Manager;

5. Proposed plan of operation for the prospective medical marijuana dispensary to demonstrate compliance with the requirements of the medical marijuana laws and this section;

6. Demonstration of a recordkeeping system for operational records which will include continuing maintenance of membership records to document collective or cooperative organizational structure, and include documentation that the organization will operate on a not-for-profit basis;

7. Demonstration of a recordkeeping system for medical records which will allow for continuing maintenance of such records, including procedures to protect patient privacy, document physician recommendations, and primary caregiver and qualified patient status;

8. Demonstration of screening and training procedures for employees and volunteers, including maintenance of records, demonstrating the means of confirming identification, qualifications, and conducting criminal background checks for employees and volunteers;

9. A security plan proposal, indicating the methods and measures which would be taken to protect the premises, employees, clients, immediate neighbors, the medical marijuana product, and records files;

10. Acknowledgment by signature that the chief executive and authorized agent have read all regulations pertaining to the operation of a medical marijuana dispensary and any associated aggregated cultivation facility, including the medical marijuana laws, this section, the city's business license regulations as contained in this code, and any additional administrative regulations promulgated by the City Manager in furtherance of the objectives of this section;

11. Certification of the accuracy of the information submitted, and agreement to comply with all requirements of the medical marijuana laws, this section, and the conditions of the use permit;

12. Agreement to hold harmless, indemnify and defend the City against claims and litigation arising from the issuance of the medical marijuana dispensary use permit, including any claims and litigation arising from the establishment, operation, or ownership of the medical marijuana dispensary or aggregated cultivation facility;

13. Such other information as the City Manager deems reasonably necessary to administer this section may be required.

C. Selection Process.

1. The City Manager is authorized to determine which applicant is the "preferred applicant" based on the demonstrated experience, training, capability, and plan to best fulfill the purposes and requirements of this section. The City Manager is authorized to establish conditions of approval for the determination of the preferred applicant, and the applicant is required to comply with the conditions of approval as a part of the application for the medical marijuana dispensary use permit.

2. All timely and complete applications shall be evaluated by the City Manager and a team of application reviewers (city staff and consultants selected by the City Manager). The City Manager and the application reviewers may interview one or more of the applicants, to the extent the City Manager determines it would assist in the evaluation process.

3. After consideration of input from the application reviewers, the City Manager shall make a determination of which applicant is the preferred applicant, and the City Manager shall provide written notice of the preliminary determination to each applicant.

4. The preferred applicants, as determined by the City Manager, shall be the only entities authorized to submit an application for a medical marijuana dispensary use permit. The City Manager's determination regarding the selection of the preferred applicants shall be final and not subject to appeal.

D. Application for Medical Marijuana Dispensary Use Permit. The preferred applicant, as determined by the City Manager, may submit an application for a medical marijuana dispensary use permit, which shall include all information necessary to evaluate compliance with this section for the proposed medical marijuana dispensary and any proposed aggregated cultivation facility. Each application for a medical marijuana dispensary use permit shall be made on a form provided by the City Manager, and shall include the following:

1. Diagrams, plans, tenant improvement plans and photographs of the intended premises sufficient to demonstrate location and intended improvements;

2. Documentation establishing that the premises meet all local building and safety code requirements;

3. A diagram of the premises showing and indicating the number and location of designated on-site parking spaces;

4. All information previously submitted for the screening application, supplemented and updated for the purposes of issuing the use permit for the specified locations of the medical

marijuana dispensary and the aggregated cultivation facility, including compliance with any conditions of approval of the preferred applicant determination;

5. Acknowledgment by signature that the property owner, the permittee's chief executive officer, and the permittee's authorized agent have read, and will comply with, all regulations pertaining to the operation of a medical marijuana dispensary and any associated aggregated cultivation facility, including the medical marijuana laws, this section, the city's business license regulations as contained in this code, and any additional administrative regulations promulgated by the City Manager in furtherance of the objectives of this section;

6. Certification of the accuracy of the information submitted, and agreement to comply with all requirements of the medical marijuana laws, this section, and the conditions of the permit;

7. Agreement to hold harmless, indemnify and defend the city against claims and litigation arising from the issuance of the medical marijuana dispensary use permit, including any claims and litigation arising from the establishment, operation, or ownership of the medical marijuana dispensary or aggregated cultivation facility;

8. Acknowledgement and agreement that claims, requests, objections and arguments not timely raised in the medical marijuana dispensary use permit application are and shall be deemed waived;

9. Such other information as the City Manager deems reasonably necessary to administer this section.

E. Fees. Medical marijuana dispensary use permits shall be subject to the payment of the fees established by Council resolution based on the estimated reasonable costs incurred by the city for processing the application materials.

5.50.120 Suspension and revocation by City Council.

A. Authority to suspend or revoke a Collective or Cooperative Dispensary permit. Any Collective or Cooperative Dispensary permit issued under the terms of this Chapter may be suspended or revoked by the City Council when it shall appear to the Council that the Permittee has violated any of the requirements of this chapter or the Collective is operated in a manner that violates the provisions of this chapter, including the operational requirements of this Chapter, or in a manner which conflicts with state law.

B. Annual review of Collective or Cooperative Dispensary operations. The staff of the Public Services Department and the Police Department are hereby authorized to conduct an annual review of the operation of each permitted Collective or Cooperative Dispensary within the City for full compliance with the operational requirements of this Chapter, including specifically a verification that all persons employed or volunteering at the Collective or Cooperative Dispensary have not been convicted of or on probation for a crime related to the possession, sale, or distribution of controlled substances other than a non-violent marijuana related charge. The staff may initiate a permit suspension or revocation process for any Collective or Cooperative Dispensary which is found not to be in compliance with the requirements of this Chapter or which is operating in a manner which constitutes a public nuisance.

C. Suspension or revocation—Written notice. Except as otherwise provided in this chapter, no permit shall be revoked or suspended by virtue of this chapter until written notice of the intent to consider revocation or suspension of the permit has been served upon the person to whom the permit was granted at least ten (10) days prior to the date set for such review hearing

and the reasons for the proposed suspension or revocation have been provided to the Permittee in writing. Such notice shall contain a brief statement of the grounds to be relied upon for revoking or suspending such permit. Notice may be given either by personal delivery to the Permittee, or by depositing such notice in the U.S. mail in a sealed envelope, postage prepaid, (via regular mail and return receipt requested), addressed to the person to be notified at his or her address as it appears in his or her application for a Collective or Cooperative Dispensary permit.

5.50.130 Transfer of Collective or Cooperative Dispensary permits.

A. Permit—Site specific. A Permittee shall not operate under the authority of a Collective or Cooperative Dispensary permit at any place other than the address of the Collective or Cooperative Dispensary stated in the application for the permit. All Collective or Cooperative Dispensary permits issued by the City pursuant to this chapter shall be non-transferable. For the purpose of this section, those Collectives and Cooperatives which operate “medical marijuana delivery services” as a regular part of business are deemed to operate from the address of the Collective or Cooperative.

B. Transfer of a permitted collective. A Permittee shall not transfer ownership or control of a Collective or Cooperative Dispensary or attempt to transfer a Collective or Cooperative Dispensary permit to another person unless and until the transferee obtains an amendment to the permit from the Staff Hearing Officer pursuant to the permitting requirements of this chapter stating that the transferee is now the Permittee. Such an amendment may be obtained only if the transferee files an application with the Public Services Department in accordance with all provisions of this chapter accompanied by the required application fee.

C. Request for Transfer with a Revocation or Suspension Pending. No Collective or Cooperative Dispensary permit may be transferred (and no permission for a transfer may be issued) when the Public Services Department has notified in writing the Permittee that the permit has been or may be suspended or revoked and a notice of such suspension or revocation has been provided.

D. Transfer without Permission. Any attempt to transfer a permit either directly or indirectly in violation of this section is declared void, and the permit shall be deemed revoked.

SECTION TWO. This Ordinance shall take effect and be in full force and effect thirty (30) days from and after its passage and, before the expiration of fifteen (15) days after its passage, shall be published once in a newspaper of general circulation printed and published in the City of Morro Bay, or in the alternative, the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in the office of the City Clerk five (5) days prior to the date of adoption of this Ordinance, and within fifteen (15) days after adoption, the City clerk shall cause to be published the aforementioned summary and shall post in the office of the City Clerk a certified copy of this Ordinance. Any publication of the Ordinance or summary or posting of the Ordinance shall include the names of the members of the City Council voting for and against the same.

INTRODUCED at a regular meeting of the City Council of the City of Morro Bay, held on the ____ day of _____, 2011, by motion of Councilmember_____, seconded by Councilmember_____.

PASSED AND ADOPTED on the ____ day of_____, 2011 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

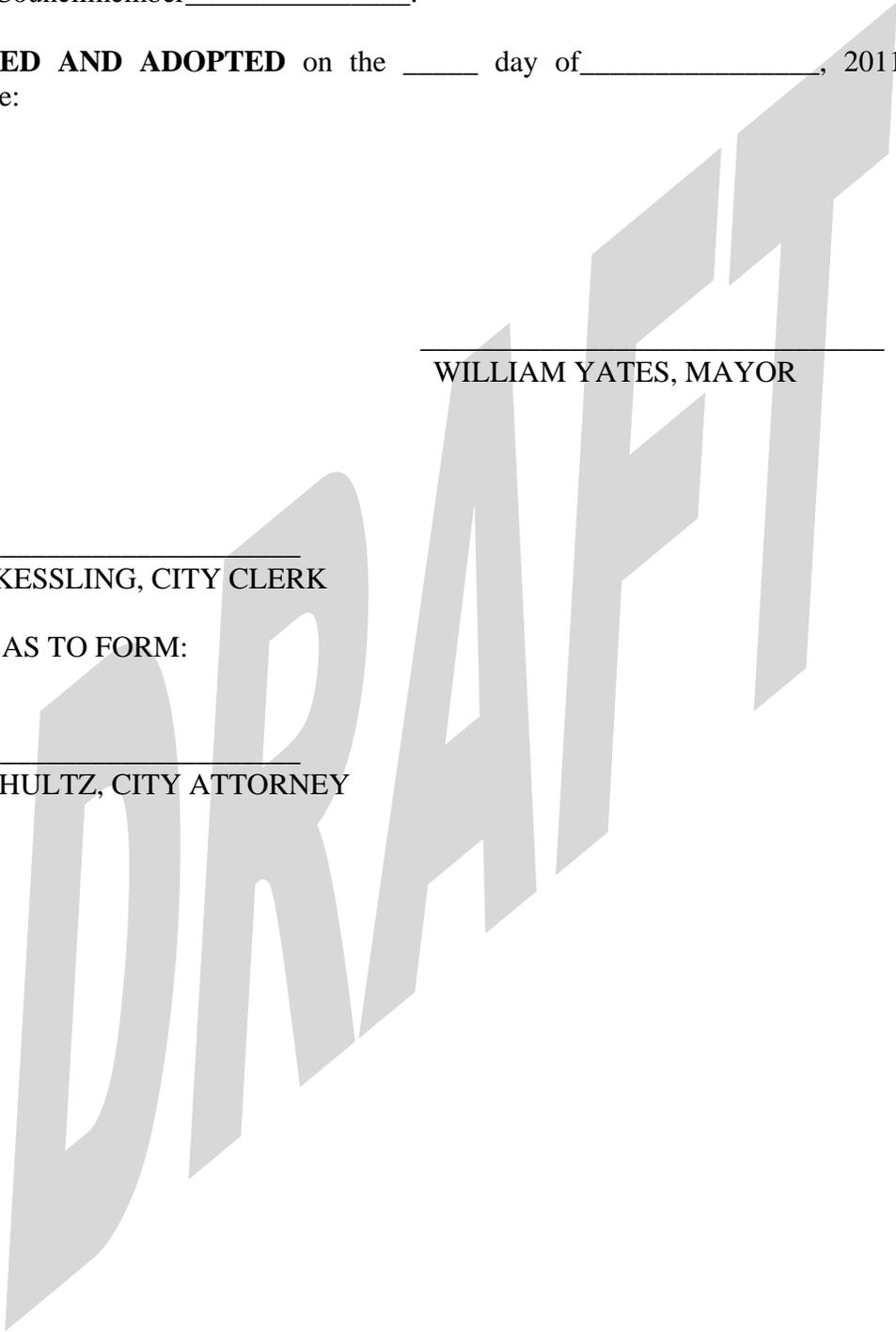
WILLIAM YATES, MAYOR

ATTEST:

BRIDGETT KESSLING, CITY CLERK

APPROVED AS TO FORM:

ROBERT SCHULTZ, CITY ATTORNEY



**CITY OF MORRO BAY
REQUEST FOR QUALIFICATIONS
FOR MEDICAL MARIJUANA COLLECTIVE OR COOPERATIVE**

1. INVITATION

The City of Morro Bay is inviting submittal of a business plan and qualifications from persons, collectives or cooperatives (“Respondents”) interested in establishing a medical marijuana facility within the City of Morro Bay. The cost to a Respondent to submit a business plan and qualifications under this RFQ shall be \$ 100.00.

The Morro Bay City Council has adopted a Medical Marijuana Ordinance (Morro Bay Municipal code, Chapter 5.50. The Medical Marijuana Ordinance limits the total number of medical marijuana facilities allowed within the city to two. Each of the two facilities will be required to obtain all necessary permits as set forth in the MBMC 5.50.

Each of the two Permits will be issued to a person, collective or cooperative for a specific facility at a specific location. The Permits will be issued only for the specified location, and cannot be transferred to another person, collective or cooperative or to a different location not authorized in the Permit.

The current application fee for a Medical Marijuana Collective or Cooperative Dispensary is \$_____.

2. ZONING AND LAND USE

A Collective or Cooperative is designated as a retail sales “drugs” "pharmacies" and/or “medical offices” business establishments pursuant to Title 17 of the Municipal Code, and may be located only within the C-1, C-2, MCR, and G-O zoned district areas of the City. If the Collective or Cooperative is located in C-1 or C-2 zoned district, a business license permit pursuant to MBMC 5.50 is required. If the Collective or Cooperative is located in the MCR district a business license permit pursuant to MBMC 5.50 and a Minor Use Permit pursuant to MBMC 17.24.110 will be required. If the Collective or Cooperative is located in the G-O zoned district a business license permit pursuant to MBMC 5.50 and a Minor Use Permit pursuant to MBMC 17.24.130 will be required if within 100’ of or across the street from a residential zone.

3. PURPOSE OF RFQ

The purpose of this Request for Qualifications (“RFQ”) is to determine who, based upon their business plan and qualifications, will be invited to apply for each of the two Permits described above. Only those persons, collectives or cooperatives who are invited may submit an application for a medical marijuana collective of cooperative dispensary.

PLEASE BE ADVISED AND UNDERSTAND THAT AN INVITATION TO SUBMIT AN APPLICATION FOR A PERMIT IN NO WAY GUARANTEES OR IMPLIES APPROVAL OF THE PERMIT

4. SUBMITTAL PERIOD

Your Business Plan and Qualifications may be submitted by email or by mail to the address listed below. The deadline for the city to receive your submittal is _____ -

NO LATE SUBMITTALS WILL BE ACCEPTED

Your submittals should be sent –

By email to: rschultz@morro-bay.ca.us

Or

By mail to: Rob Schultz, City Attorney
City of Morro Bay
595 Harbor Street
Morro Bay, CA 93442

5. SUBMITTAL MATERIALS

A. ORGANIZATION SECTION

1. Attach to your application your Organization Documents, such as Articles of Incorporation, By-laws, and Partnership, Collective, Co-Operative, or Non-Profit organizing documents. These documents should clearly show the type of organization that will own and operate the dispensary. If you have filed any documents, such as corporation registrations or applications for non-profit status, with the state or other governmental entities, attach those as well. The organization cannot be a for profit organization. If the organization is not a non-profit organization, officially designated as such by the State of California, it must function as a not-for-profit organization.
2. Attach an Organization Chart, showing the planned ownership, management, and staffing structure of the organization. To the extent that persons have already been assigned to specific positions, list their full names and titles.

B. LOCATION SECTION

This section of the application deals with the property and building that the applicant intends to utilize, if permitted, as the medical marijuana collective or cooperative. The location will be reviewed at this point to determine if it is in one of the authorized areas of Morro Bay and if it is outside of the distances from sensitive uses known to the City.

If the Permit to Operate is conditionally approved by the selection committee, the property will undergo further scrutiny as part of the Business License Permit and Minor Use Permit process, if applicable. It therefore behooves an applicant to conduct his/her own investigation regarding the current uses of the nearby properties. It is also the applicant's responsibility to determine whether the condition of the building is in conformity with current Building Codes (including Plumbing, Mechanical, Electrical, and Fire Codes).

If a permit is granted, it is for the applied-for location only and is not transferable to any other location.

Additional Attachments

1. Attach a statement, signed and dated by the property owner, that he/she is fully aware of the property's intended use as a Medical Marijuana Collective or Cooperative. The statement should be drafted on the property owner's letterhead, showing the property owner's name, address, and contact telephone number.
2. Attach one of the following:
 - a. Proof of ownership of the intended location
 - b. Signed lease agreement for the location
 - c. Option agreement for the location
3. Attach facility current status information and intended plans, including but not limited to:
 - a. Floor plan – current and after planned build-out
 - b. Site plan – current and any planned exterior improvements (aesthetics)
 - c. Photos of all exterior and visible interior aspects of the facility
 - d. Suitability of facility for medical patients
 - e. Degree of ADA compliance – current and planned
 - f. Parking
 - g. Exterior lighting plan
 - h. Air Filtration System
4. Attach a Security Plan. Include all plans for security personnel and systems.
5. Attach a Services/Business Plan. The plan should include any services the dispensary will offer in addition to providing medical marijuana.

6. Attach an Operations Plan including, at a minimum:
 - a. Patient screening process
 - b. Caregiver screening process
 - c. Quantity limits per patient/caregiver
 - i. What type of quantity limits, if any, will be established?
 - ii. What period of time will the quantity limits cover?
 - iii. How will quantity limits be controlled?
7. Attach a Staffing Plan. The Staffing Plan should match the Organization Chart submitted per Item 2 of the Organization Section above and should, at a minimum, describe the functions of each staff member.
8. Attach an Inventory Plan. The plan should, at a minimum, explain:
 - a. What types of medicinal marijuana products do you plan to offer?
 - b. How do you intend to procure medicinal marijuana?
 - c. What types of screening procedures will be employed for the procurement process?
9. Attach a Record-keeping plan. Indicate the software and people-ware systems to be used in maintaining data and records of the following types:
 - a. Financial records
 - b. Patient/caregiver/member records
 - c. Inventory records
 - d. Quality control records

C. APPLICANT SECTION

1. Attach a resume of your business, occupation, and/or employment history for the past 10 years. Highlight any experience that you believe qualifies you to be associated with a medical marijuana dispensary in your intended capacity. If your work history does not extend back 10 years or, if there are gaps in your work history, list and briefly explain how you were occupied in such periods. Resumes must be provided for all Owners, Officers, Directors, Copartners, Operators, On-site General Managers.

Attach a Live Scan form for each applicant. A live scan form is available at City Hall. The Live Scan form will allow the required criminal background check of each applicant.

6. EVALUATION

A Medical Marijuana Selection Committee will evaluate each submittal to determine if it meets the minimum requirements of this RFQ. The Medical Marijuana Selection Committee will determine who should be invited to submit an application for a medical marijuana permit.

The Medical Marijuana Selection Committee will use the following criteria for making their recommendations to the City Council:

- Qualifications
- Business Experience
- Business Plan
- Ability to operate a lawful, clean, professional and safe facility

7. RIGHT TO REJECT

This Request for Qualifications is not a contract or commitment of any kind of the City of Morro Bay and does not commit the City to choosing any respondents, or pay any cost incurred preparing the submission. The City, at its sole discretion, reserves the right to accept or reject, in whole or in part, submittals received in response to this request, or to cancel in whole or in part this Request for Qualifications. All submittals will become the property of the City. Failure to provide any of the requested information within the specified submittal period may cause the City, at its sole discretion, to reject the submittal or require additional information.

MORRO BAY MEDICAL MARIJUANA DISPENSARY PERMIT
SCORING WORKSHEET

- Applicant’s resume/applicable experience 200
- Facility plans 100
 - Floor plan
 - Site plan
 - Photos of all exterior and visible interior aspects of the facility
 - Suitability of facility for medical patients
 - Degree of ADA compliance
 - Exterior lighting plan
 - Air filtration system
- Proposed services/business plan 200
 - What services will be offered to patients in addition to sales of medical marijuana, and what fees, if any, will be charged for such services?
- Operations plan 100
 - Days and hours of proposed operation – on application form
 - Number of patients and caregivers dispensary will be capable of serving – on application form
 - Patient screening process
 - Caregiver screening process
 - Quantity limits per patient/caregiver, applicable time period, and method of control
 - Methods of mitigating adverse affects on neighbors
- Quality control plan 100
- Staffing plan 100
- Security plan 100
- Record-keeping plan, including, but not limited to: 100
 - Software/systems planned for use and data to be maintained to meet the requirements of applicable Municipal Code Sections
 - Patient/caregiver/member records
 - Inventory control system
 - Quality control system

MAXIMUM POINTS: 1,000



AGENDA NO: B-2

MEETING DATE: 03/08/2011

Staff Report

TO: Honorable Mayor and City Council **DATE:** March 1, 2011

FROM: Andrea K. Lueker, City Manager

SUBJECT: Council Direction on the 2011/2012 City Goals and Budget Priorities

RECOMMENDATION

Staff recommends the City Council review the goals from 2010, the status of each goal, and make a determination on any new goals for the upcoming year and/or continuing existing goals.

It is further recommended the City Council provide input to staff on budget priorities, based on the stated goals, in order for the initial preparation of the 2011 – 2013 biennial budget document to begin.

FISCAL IMPACT

Not applicable at this time.

BACKGROUND

In November 2007, the City Council determined that conducting an annual Goal Setting Process was an important part of strategic planning for the City of Morro Bay. As a result in June 2008, the City Council held their first such workshop. The City Council held Goal Setting Workshops in 2009 and 2010, and continues that practice with this staff report.

Further, the City is beginning the process of preparing the 2011 -13 biennial budget. As the goals may tie directly into the budget preparation and may have a significant impact on the budget preparation, staff is requesting the City Council provide input prior to the preparation of the budget document. Should the City Council determine a separate meeting or workshop is needed for this process, it would need to be arranged in the near future, as staff's preparation for the budget begins in early to mid-March.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

Revenue and expenditure projections have not yet been prepared for the upcoming budget. However, it is anticipated that if the City of Morro Bay continues with the goals that were established last year, including the direction on pension reform, staff is confident that it can bring to the City Council a structurally sustainable balanced budget. However, since the major revenue sources for the City are fairly stable, including a slight increase in both the Transient Occupancy Tax and Property Tax and flat Sales Tax figures, the biennial budget is not anticipated to have significant additional and available funding above and beyond previous years.

DISCUSSION

Last year, the City Council established the following priority goals and related success factors for those priority goals. Those are listed below, as well as their current status.

Priority Goals

Goal A. Develop and maintain a structurally sustainable budget

Definition of structurally sustainable: Ongoing revenue sources support ongoing General Fund expenditures now and into the future

1. *Implement a two-tiered benefit plan for new hires-*
 - a. *Implement a change in retirement formulas for new hires.*
 - b. *Implement a change in the PERS contribution for all staff.*
 - c. *Implement a change in the City's health care contribution.*

Status: Completed and In-Progress - A second tier of retirement has been approved and is in effect for the Morro Bay Fire Fighters, and staff is negotiating with all other groups for a second tier for new hires. Staff is also negotiating the percentage employees pay on the employee portions of the PERS contribution, with the final goal (in future years) of the employee paying their entire employee contribution. The City is also negotiating any health benefit increases.

2. *Establish a balance between what we spend on promotion and the results that we get.*
 - a. *Identify how the City's return on investment (ROI) from promotion expenditures can be quantified.*
 - b. *Identify components of the alternative service delivery model used in Pismo Beach and how ROI is quantified.*
 - c. *Issue an RFP for advertising services to confirm that the City is receiving the best value for advertising services.*
 - d. *Renegotiate the Visitor's Center contract including determining if the location should be changed.*

Status: Completed and In-Progress – Staff has presented 2 staff reports on aspects of the Visitors Center, and is currently completing work on a third presentation to the City Council in April on the Visitors Center and alternative service delivery models. Other issues addressed include funding from the Tourism Business Improvement District, improved financial reporting and oversight, and City staff representation on the Chamber (executive) and executive board. The City has also gone through a Request for Proposal process for marketing.

3. *Consider decreases in department budgets*
 - a. *City Manager provides options to Council to address the budget shortfall*
 - b. *Once Council provides direction, changes get implemented.*

Status: Completed through the 2010/11 Fiscal Year budget process, significant reductions were implemented, including reductions in staffing.

4. *Do not use inter-fund transfers or accumulation fund monies to balance the General Fund operating budget*
 - a. *Establish a policy to limit uses of the accumulation fund.*

Status: Completed through the adoption of resolutions in 2010, outlining the procedure for Measure Q funding during the budget process, and establishing parameters on the use for the General Fund Emergency Reserve and the Risk Management Reserve Fund.

5. *Consider implementing paid parking in City-owned lots*
 - a. *Staff prepares a report that addresses the issue, including an evaluation of estimated revenues, uses of potential revenues, circulation and enforcement.*

Status: Completed through paid parking at the Tidelands Park launch ramp parking lot. Further implementation of paid parking was not supported.

6. *Continue/enhance alternative energy savings options*
 - a. *Identify third-party sources to provide information about resource-saving technology*
 - b. *Identify financial incentives and grant opportunities*
 - c. *Consider resource-saving opportunities as all projects are implemented and calculate potential ROI.*

Status: These efforts are ongoing.

Goal B: Maintain infrastructure

1. *Inventory maintenance needs and associated costs and prioritize them in time for budget discussions*
2. *Prevent infrastructure failure by funding priority needs*
3. *Consider using funding from the sale of City property to fund capital maintenance.*
4. *Identify ongoing account(s) to fund facilities and infrastructure maintenance (long-term success factor)*

Status: Completed and Ongoing- with the sale of 714 Embarcadero, the City Council determined that initial funds from the sale would be designated for a Facility Maintenance Fund. Staff prepared an inventory of maintenance needs, and the majority of those repairs are slated for funding with the initial infusion of funds from the sale.

Goal C: Develop a plan to ensure that power plant lease negotiations result in the highest and most beneficial return for the community

1. *Successfully conclude negotiations by March of 2011*

Status: Ongoing-Staff is still negotiating with Dynegy; negotiations have been slow due to possible sale of the power plant. Staff has met with Dynegy twice in recent months, and has scheduled a closed session with the City Council in late March for an update.

2010 Other Goals

These were other goals the City Council identified, but did not include success factors. Staff has provided each goal with the status of work done to date.

- *Ensure a safe and sustainable water supply in Morro Bay*

Status - Staff continues to work on the nitrate issues in Morro and Chorro Valley, and the water connection issues in the Chorro Valley. Water issues will be addressed in an upcoming closed session at the end of March.

- *Stick to the timetable for completing the wastewater treatment plant*

Status – This project has been appealed to the California Coastal Commission, and on the agenda for the March meeting in Santa Cruz.

- *Continue working with the commercial sector to support local businesses*

Status - Staff and the City Council are continuing with their efforts for a business-friendly atmosphere, including working with Embarcadero leaseholders on payment schedules, looking at parking issues in North Morro Bay, and reviewing impact and other fees for downtown and North Morro Bay areas.

- *Offer enhanced public and alternative transportation opportunities*

Status - Staff continues to work with the County on a more regional approach to transit. Other programs include working with non-profit organizations on local transportation options.

- *Decide on the restructuring of the Public Services Department*

Status - Through the elimination and reduction of positions in the Public Services Department, as well as a new Department Head, some reorganization has occurred in terms of job duties and responsibilities. Further reorganization has not been approached.

CONCLUSION

Staff has presented the Goals from the 2010 discussion, as well as the status of those goals. Staff recommends the City Council reaffirm goals for 2011, which could certainly be similar to those established in 2010. Further, staff recommends the City Council provide any direction of funding priorities pursuant to the goals established, which would then allow staff to begin work on the 2011-13 biennial budget.



AGENDA NO: D-1

MEETING DATE: 03/08/2011

Staff Report

TO: Honorable Mayor and City Council **DATE:** March 2, 2011

FROM: Andrea K. Lueker, City Manager

SUBJECT: Award of the Marketing and Advertising Services Contract

RECOMMENDATION:

Staff recommends the City Council review the motion from the Community Promotions Committee (CPC) and the Tourism Business Improvement District Board (TBID) which recommended award of the Marketing and Advertising Services Contract to TJA Advertising. Staff further recommends the City Council then make a final determination on the contract award.

FISCAL IMPACT:

The contract amount for the Marketing and Advertising Services is included in the approximate \$616,000 budget of the CPC and TBID.

DISCUSSION:

The City of Morro Bay has gone through an extensive Request for Proposal process which is outlined in the attached staff report from the Special Joint Meeting of the CPC and the TBID held on March 1, 2011. At that meeting, both the CPC and the TBID, by a vote of 4-2, recommended the City Council award the Marketing and Advertising Services Contract to TJA Advertising.

The RPF process is now at the final stage in which the City Council reviews the recommendations from both the CPC and TBID and makes a final determination on the award of contract. Staff has attached a DVD of the Special Joint Meeting held on March 1, 2011 as well as proposals from both agencies.

u.w.council.staff report marketing contract 3 2 2011

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____



Committee Report

TO: Community Promotions Committee **DATE:** February 24, 2011
Tourism Business Improvement District Board

FROM: Marketing Selection Committee

SUBJECT: Recommendation on Marketing and Advertising Services

RECOMMENDATION

The Committee recommends the Community Promotions Committee (CPC) and the Tourism Business Improvement District Board (TBID) review the staff report, hear the presentations from Barnett Cox and TJA Advertising and then make independent motions for recommendations to the City Council on the firm to be select for the Marketing Services for the City of Morro Bay.

FISCAL IMPACT

Not applicable.

BACKGROUND

The Request for Proposals (RFP) for Marketing and Advertising Services for the City of Morro Bay was released on January 4, 2011. The RPF was advertised in the local paper, direct mailed to local advertising/marketing agencies and included on the City's website. The RFP's were due on January 25, 2011 and 11 were received. RFP's were received from local companies, as well as those in northern and southern California, New York City and Virginia.

A Marketing Selection Committee was convened which included the chair and vice chair of the Community Promotions Committee and Tourism Business Improvement District as well as three City staff members. The RFP's were distributed to the Selection Committee members on January 26, 2011 and the Committee met on Friday, January 28th to review the proposals and narrow the field for interviews. After review, the Marketing Selection Committee eliminated seven proposers from consideration based upon qualifications, location and costs.

The Selection Committee invited the remaining four proposers to make presentations to and be interviewed by the Marketing Selection Committee on February 16, 2011. The Selection Committee then discussed the presentations and interviews and unanimously decided to forwarded two agencies, Barnett Cox and TJA Advertising to the next step of the process, a presentation to the full CPC and TIBD Board. This matter is now in front of the CPC and TBID to hear presentations and ask questions of the proposers and to forward a final recommendation to the City Council on March 8, 2011.

DISCUSSION

On February 16, 2011, the Marketing Selection Committee heard presentations from four different proposers. The four proposers' were Veritas, Barnstorming, Barnett Cox and TJA Advertising.

After hearing the presentations and deliberating, the Marketing Selection found that the proposals and interviews submitted by Barnett Cox and TJA Advertising represented the best overall combination of factors and value for this project. Below is a brief review of the interviews

Barnett Cox

Barnett Cox is a local full service company that has had multiple years of municipal experience working for the City of San Luis Obispo from 1993-2007. They are very familiar with the local tourism industry with over 21 year's experience. Other clients include Justin Winery, Cal Poly and Arroyo Grande, Mid State Fair and Performing Arts Center, Barnett Cox indicated that Morro Bay was a large opportunity for them and we would be near the top of their client ladder.

Barnett Cox would assign Sheri Clark as the Account Manager for the City of Morro Bay and she would deal with the City, CPC and TBID on day to day issues and handle public meetings. Ms. Clark has been with Barnett & Cox for 8 years. Barnett & Cox has a team of employees that can work in specialized areas such creative design and web design. In terms of measuring success, Barnett Cox works with a proprietary web diagnostic tool for this purpose. Their main objective, if hired, would get more overnight guests to increase TOT revenues. Barnett Cox is supportive of the "Discover Your Better Nature" registered trademark and would like to expand on "how" to discover your better nature.

Barnet Cox seemed to understand the complexities of working with multi agencies as well as the political challenges in municipalities. They reinforced the important of communication. Barnet Cox would research Trade Shows and determine if this is a productive way to market the City of Morro Bay. They have also staffed Trade Shows in the past. Barnet Cox is most likely to work on a retainer basis, setting a monthly fee which would include all costs. The 1st year in the contract would include "ramping up" costs and may include costs that would not necessarily appear in the 2nd and 3rd years. Barnet Cox believes that the futures of advertising is changing with on line and social media becoming more important with print continuing to take a hit, however, traditional media sources would always have a space in the industry.

Prepared By: B. Winholtz

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

TJA Advertising

TJA is a local full service company that currently has multiple municipal clients including the City Pismo Beach and Avila Beach. They are familiar with the local tourism industry and have other tourism related clients, including doing volunteer work for the SLO airport. TJA has served Morro Bay since 1994, beginning with a contract of \$25,000.

TJA would John Sorgenfrei as the account manager for the City of Morro Bay and he would be dealing with the City, CPC and TBID on day to day issues and attending meetings. TJA also had a team of employees that would work in specialized areas. TJA will measure success by the amount of traffic that is driven to the website, occupancy and TOT figures as well as increasing market share. TJA is supportive of the “Discover Your Better Nature” brand and believes that it conveys and describes the market that Morro Bay should be attracting.

TJA has extensive experience in working with multi agencies as well as understanding the nuances of political challenges.. TJA is supportive of trade shows and has staffed them in the past.

TJA does not charge for attendance at any meetings, travel time or phone calls. They do work on a basis of mark-up of media placement at 15%. There are hourly charges for such things as web design. There is no markup on any funds that go directly to other agencies or event such as SAVOR, Harbor Festival, the VCB, etc.

Barnstorming

Barnstorming Advertising is a company located in Los Gatos and has been in business since 1995. They have worked with other municipalities such as the City of Monterey and Santa Cruz, but are not currently working for any municipalities. Barnstorming major account is the Winchester Mystery House. The City of Morro Bay would be a high priority client with Barnstorming having 6 other contracts where they are the agency of record.

The owner of Barnstorming, Jim Barnes would be our assigned account manager and he also is responsible for the creative work. He works with a network of other people for tasks he does not individually perform such as website maintenance and public relations. Barnstorming would indicate how to measure success once the specific marketing plan has been identified.

Barnstorming believes that “Discover Your Better nature” does not reflect Morro Bay, but rather Morro Bay is a “fun and funky” California beach town and that fun nature should be emphasized. Barnstorming was not clear on the relationship between the CPC, TBID, City and Visitors Center, but felt they could forge a good relationship once the structure, roles and responsibilities were understood.

Barnstorming did not attend trade shows, believing that a second party should not represent the City, but believed there was a value in some shows. Barnstorming charged for some work on an hourly basis, including all meetings, but did not charge for phone calls or travel time. Prior to each creative project, Barnstorming would provide an estimate to the City. Barnstorming main emphasis would be on expanding the existing festivals in Morro Bay

Veritas

Veritas is a newly formed agency (1/28/11) being established in San Luis Obispo. They currently

do not have an office location and are in the process of obtaining insurance. The City of Morro Bay would be their first client. Veritas is not a full service agency and only one of the two partners of Veritas comes from an advertising agency.

Since this is a new agency, the experience with tourism comes from the partners and staff working on projects before the agency was formed such as rebranding of Mondavi, production of women's travel videos and some work on the SLO TBID website. Veritas is in the process of establishing a presence in San Luis Obispo but does have a number of team members in various parts of California that would address such areas as social media, blogging, website design, etc, working as a team effort to manage the contract. Veritas believes that website traffic was the most important way to measure success.

Partner Dave Alles would be the Account Manager for the City of Morro Bay and he would be dealing with the City, CPC and TBID on day to day issues and attending meetings. Mr. Alles was a previous newscaster for KSBY but has no previous experience as an account manager with a Marketing and Advertising firm.

Veritas discussed the existing brand and felt it could be improved upon. Veritas was not clear on the relationship between the CPC, TBID, City and Visitors Center, but felt they could forge a good relationship once the structure, roles and responsibilities were better understood. Veritas saw opportunity in trade shows, but believed there was no way to measure success from a trade show.

Veritas indicated that they charged on a fee based structure and would use a blended fee of \$150/hr for Morro Bay. They also indicated that partner Dunn would donate his time.

CITY OF MORRO BAY

Request for Proposal

Professional Marketing and
Advertising Services

January 25, 2011



BARNETT COX
& ASSOCIATES



INTRODUCTION

This may be one of those moments in life that was just meant to be.

Morro Bay has hotel rooms waiting to be filled. Restaurant reservations that need to be made. Attractions to be visited. Merchandise to move off the shelves. And with the exciting new collaborative effort of the Morro Bay Tourism Business Improvement District and the Community Promotions Committee, you have the funds and drive to accomplish it all.

We believe Morro Bay has an exciting future and we want to be part of the team that makes it happen.

Consider this proposal a blueprint for that success.

This is a set of ideas and concepts designed to make people notice, remember and talk about Morro Bay's extraordinary attractions.

And we hope it will also make Morro Bay notice, remember and talk about BCA.

We thank you for this opportunity to present the framework of a marketing effort that celebrates the unique appeal of Morro Bay and surrounding attractions. We look forward to telling you more in person.

QUALIFICATIONS	03
SCOPE OF SERVICES	05
CASE STUDIES	06
PROJECT STAFF	10
APPROACH	12
FEES	15
CONCLUSION	17

QUALIFICATIONS

Sometimes all the pieces just come together perfectly. This is one of those times. BCA has spent 21 years preparing for the promotion of Morro Bay.

Getting just the right experience. Hiring all the right people. Learning the area inside and out. And along the way, becoming the region's leading advertising, marketing and public relations firm.

We don't just work here, we play here. We've camped at Morro Bay State Park and kayaked on the Bay. We've lunched at The Galley and celebrated at Windows on the Water. Biked the city, surfed Estero Beach, strolled your art shows, fished the breakwater and enjoyed the spectacle of the Lighted Boat Parade.

It's not just that knowing Morro Bay inside and out that makes us your perfect match. It's also the fact that we know countywide tourism inside and out, and have the creative capacity to capitalize on our knowledge and experience.

BCA has been an innovator in tourism promotion.

We were the first in San Luis Obispo County to:

- Introduce an Internet-based tourism e-newsletter
- Produce and place tourism infomercials
- Develop visitor passport and reward card programs
- Produce video Web casts for wine consumers
- Create and host an innovative trade show booth, whose unique approach showcased local products to a statewide audience
- Provide concept and organization of the Trout About Downtown art project for the City of San Luis Obispo
- Roll out a new branding campaign that incorporated participation from area attractions and hotels
- Produce special cross promotion events with local wineries
- Establish promotion tracking systems and ROI calculations to monitor advertising effectiveness
- Use public relations programs to generate unprecedented media exposure

And there's more.

BCA assisted the Art Center in establishing the Plein Aire Festival as a leading tourist attraction. We have collaborated with Cal Poly, the SLO Botanical Gardens, vintners, City-to-Sea Mini Marathon, SLO County Airport, Amtrak, Amgen and others to promote special events and leverage promotional dollars.

We've been the firm chosen to lead local and regional attractions such as the California Mid-State Fair and Hearst Castle and National Geographic Hearst Theater. We have worked for various Central Coast hotel and destination properties. And we helped to create the Avila Business Association and produce holiday fireworks shows and special events to rebuild Avila Beach tourism following the Unocal clean up.

One of the proudest accomplishments of our 21-year history is that of being selected by the Hearst Corporation to lead the public relations effort that garnered worldwide media coverage and successfully conserved the 82,000 Hearst Ranch as permanent open space.

BCA is a California corporation, owned and operated by Central Coast residents. The company is certified as a woman-owned small business by the Small Business Participation Program within California state contracting. BCA has provided services with a resident staff of 14- 25 employees over the last five years.

We want to help Morro Bay ignite imaginations, enhance and improve its destination profile and lead new legions of visitors to Morro Bay.



SCOPE OF SERVICES

As a full-service communications firm serving San Luis Obispo County for 21 years, BCA provides the following services:

- Advertising/Public Relations
 - Strategic Planning
 - Concepting
 - Copywriting
 - Media Planning and Buying (Local/National experience)
 - Measurement/ROI
 - Graphic Design
 - Direct Mail
 - Video/Audio Production
 - Media Relations/Story Placement
 - Crisis Communications
- Social Media
 - Social Networks, Online Communities, Blogs, Wikis
 - Content Development and Management
 - Measurement
- Internet Marketing Services
 - Programming, Content Management Systems (CMS), Commerce
 - Closed-loop Marketing Analytics
 - Inbound Monitoring and Engagement
- Mobile
 - Mobile Web Development
 - Applications



CAL POLY

CASE STUDY: SOCIAL MEDIA - TOURISM AND HOSPITALITY

Justin Vineyards & Winery

Project: Launch Social Media Platforms

Jennifer Saxon, account manager

Created and implemented a social media strategic plan to reach new and long-standing customers in the web sphere. Revamped JUSTIN Winery's Facebook presence, encouraged Wine Club commitments, earned new subscriptions to JUSTIN's e-newsletter and more. Included a masterful plan of encouraging JUSTIN Winery fans to share their favorite JUSTIN moments on YouTube, blog portals, Twitter, RSS feeds and more. Included revamping and strengthening the JUSTIN Facebook page with additional content and conversation. The result: follower growth from 0 to nearly 2,500 in a matter of months.

CLIENT CONTACT

April Sutton

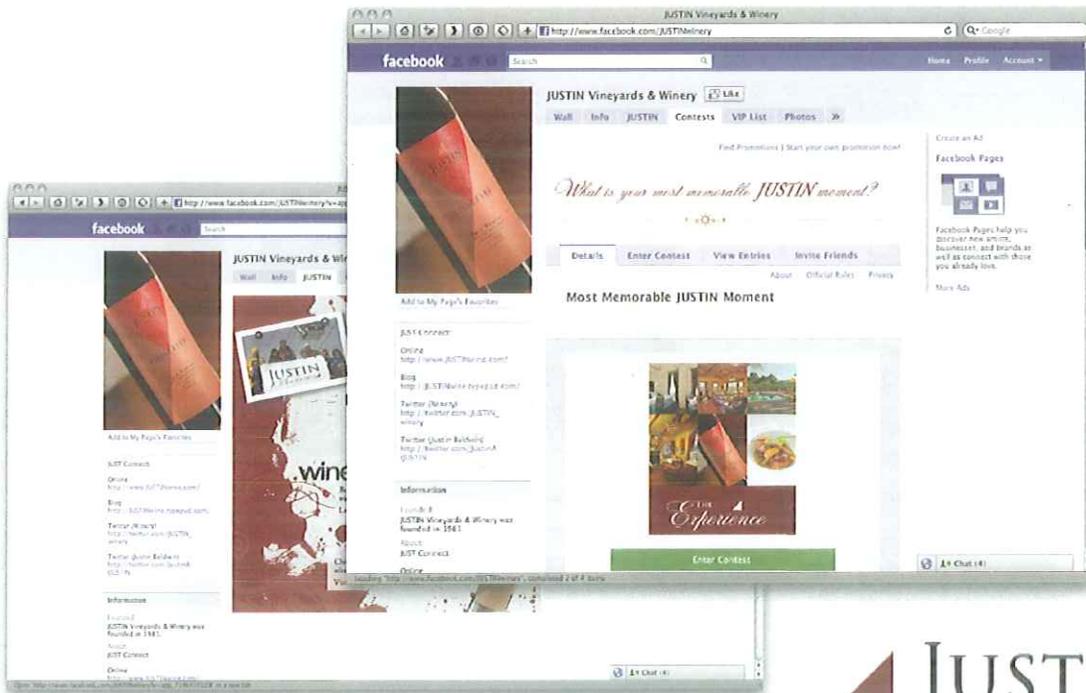
Marketing Manager

11680 Chimney Rock

Road Paso Robles, CA 93446

Phone 805-238-6932

E-mail april@JUSTINwine.com



JUSTIN

CASE STUDY: TOURISM

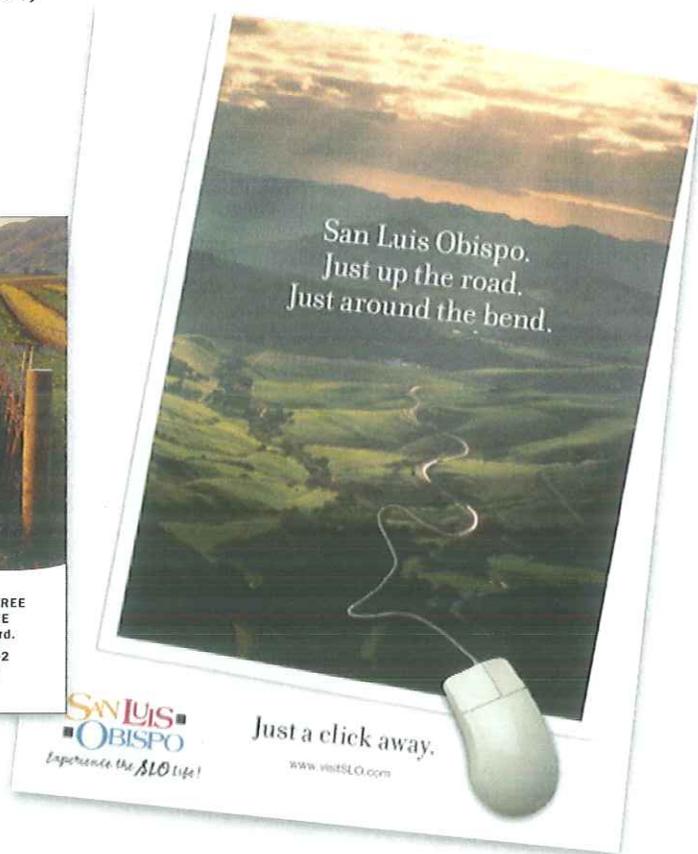
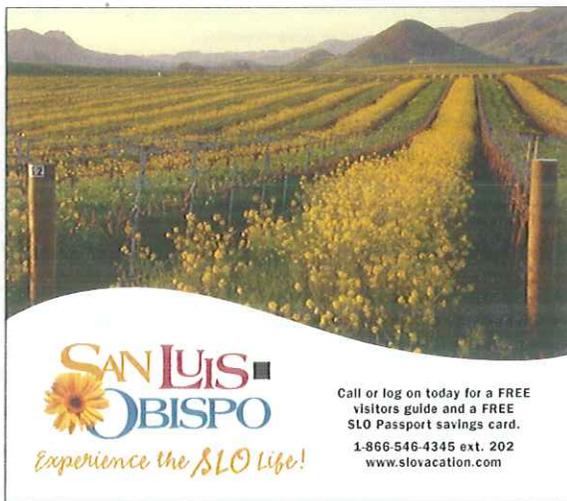
City of San Luis Obispo

Project: Agency of record for advertising/marketing services for 12 years
Maggie Cox, account manager

Services included creation and implementation of marketing plan, advertising design and placement (radio, TV, print, online); customer relationship management, design and creation of materials needed to execute plan; development of Web site, podcasts, videocasts and e-newsletters. Fulfillment of visitor information requests. Design and implementation of cross promotional events, co-op programs, trade show booth and special events. Collaborated with SLO Chamber of Commerce and SLO County VCB as other program contract holders. Reported to seven-member City Advisory body with City staff oversight. Contract approval by SLO City Council.

CLIENT CONTACT

Wendy George
Assistant CAO, City of SLO (retired 2008)
370 Tulare Avenue
Morro Bay, CA 93442
Phone 805-772-8551
E-mail wendy_george@sbcglobal.net



SAN LUIS OBISPO
Experience the SLO Life!

CASE STUDY: STEWARDSHIP

Hearst Corporation

Project: Hearst Ranch Conservation Agreement
Maggie Cox, account manager

Led local PR for approval of agreement to conserve 82,000-acre ranch, including 12 miles of California coastline. Project was the largest private land conservation deal in U.S. history, and was a political challenge due to several organizations protesting the tax benefits received by Hearst with the agreement. Activities included on-site tours, messaging, outreach, materials; media training with project spokespeople, public events and programs, extensive media relations nationwide and internationally; elected officials' interaction. Organized supporter bus trips to Sacramento and Northern California to testify at hearings in support of the agreement. Coordinated follow up celebrations and announcements.

CLIENT CONTACT

Stephen Hearst
5 Third Street, Suite 200
San Francisco, CA 94103
Phone 415-777-8764
E-mail shearst@hearst.com

The New York Times

THURSDAY, FEBRUARY 28, 2008

Conservancy Reaches Deal To Preserve Hearst Land

By BARBARA WHITAKER
LOS ANGELES, Feb. 19 — The Hearst Corporation and conservancy leaders reached an agreement today that will potentially protect tens of thousands of acres around Hearst Castle.

The option agreement authorizes the American Land Conservancy to begin preserving 82,000 acres stretching from the Pacific to the coastal plains to the mountains. The accord permanently restricts development and protects natural resources while increasing access to 18 miles of coastline.

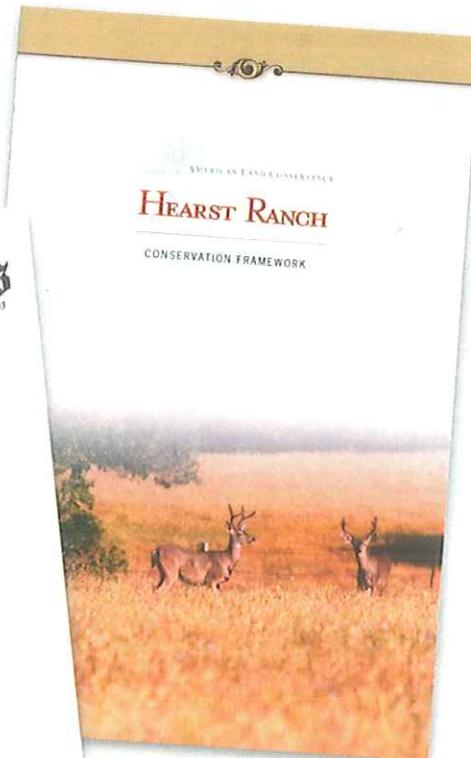
"It's a landmark deal," said Patrick Burgett, president of the land conservancy, a San Francisco organization that acquires land for conservation. "I really view this as a golden opportunity for the Golden State. The agreement gives the conservancy a year to establish an acceptable value for the rights and find financing sources. Previous estimates ran \$100 million to \$150 million. Mr. Hearst said significant financing sources had been identified. "This will happen," he said. "The deal is a harbinger for land since scheduled for next building since scheduled for next building in 1965, plans called for a city of 85,000 people, with hotels, business and a marina and an airport. Facing opposition over the years, the plan was changed. Among the recent ones was a proposal that the Central Commission rejected in 1968. It called for a golf resort, a 600-room hotel and a dude ranch.

The conservancy agreement for stipulates no golf course or resort development at San Simeon Point, no expansion visitor's center hotel, no expansion center at Pico Creek and no new resort for resort development. Any development in Old San Simeon Village along Route 1 on the coast, which may include as low, would be in keeping with the vision of John Morgan, the architect who worked with William Randolph Hearst to design the castle and some structures in the village.

Douglas T. Hearst, vice president and general manager of the Social and Livestock divisions of the Land and Livestock division of the Hearst Corporation, said the deal offered a great opportunity to preserve the land. The pact allows for preserving the historical agricultural operations and reduces the potential for residential building to 27 houses in the interior of the ranch.



A deal for Hearst Castle land increases access to 18 miles of coast.



CASE STUDY: OUT-OF-AREA EXPERIENCE

Also note that BCA's Jim deYong has created award-winning, effective ad campaigns for a wide range of tourism-related accounts - including Alamo Rent-A-Car, the Australian Tourist Commission, Continental Airlines, Disneyland, DisneyWorld, Hollywood Park Thoroughbred Racing, Santa Anita Thoroughbred Racing, Tahiti Tourism, Turtle Island (Fiji) and Universal Studio Tours.

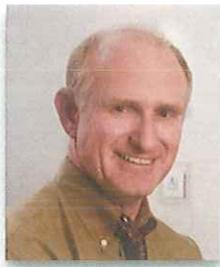


PROJECT STAFF

Customer Service

BCA has created a process that puts our clients' needs first and delivers superior returns on investment. We hire talented professionals and insist our staff members team creative excellence with comprehensive local market knowledge and leading edge industry smarts. This winning combination has made BCA San Luis Obispo County's leading advertising, marketing and public relations company.

BCA is poised to fully dedicate company resources to promoting Morro Bay tourism. We do not currently represent any other tourism destinations, assuring Morro Bay will enjoy the full force of our creativity and expertise in tourism marketing. We promise that we will provide MBTBD and CMC with the "right solution," not just show you something that wins the contract but falls short in the real world.



PRESIDENT/COO

Dave Cox

Dave Cox runs a lean, mean fighting machine at BCA, taking primary responsibility for company management and work-product oversight. His career posts in TV, radio and newspaper – and a fast-paced rise in the corporate arena – honed the expertise needed to found BCA 21 years ago. He maintains a "top-down" perspective with day-to-day work activity, assuring projects reflect client needs and desires and that quality and budgets are met.



PRESIDENT/CEO

Maggie Cox

As head gate-keeper for quality and excellence, co-founder Maggie Cox ensures that any work produced at BCA gets results. She is engaged in all aspects of business operations and has worked directly with a broad range of clients – including Chevron/Unocal, City of San Luis Obispo, PG&E and Sierra Vista Regional Medical Center. Maggie's diverse background in advertising and public relations includes stints in the television industry in San Francisco, Sacramento, Salinas and Monterey.

Project Staff Continued...



MEDIA DIRECTOR

Shari Clark

BCA's media dollars always strike gold, thanks to Shari Clark's 16 years of local, national and international advertising experience. Her emphasis on research and analysis, as well as her strong negotiating skills, has helped BCA clients save hundreds of thousands of dollars over the years.



CREATIVE DIRECTOR

Isaac Horton

Isaac Horton's creativity knows no limit, be it in print, video, radio or digital. A highly motivated, creative and versatile designer, Isaac has 10 years of experience in campaign and brand development. He currently works on a variety of integrated campaigns, including print, interactive and broadcast media. Isaac is fluent in most digital languages, including XHTML, CSS, Javascript, Actionscript 3, SQL, PHP, C# net/Sharepoint, Ruby on Rails, Adobe Photoshop, Illustrator, InDesign, Dreamweaver and Flash.



COPYWRITER

Jim deYong

Having founded and built two of Southern California's most celebrated ad agencies prior to joining BCA, Jim deYong brings more than 26 years of experience creating powerful, award-winning ad campaigns for a who's who of well-known clients: Alamo-Rent-A-Car, Apple Computer, Burger King (regional) and Dacor Kitchen Appliances, to name a few.



CONTRIBUTOR

Susan McDonald

Susan McDonald brings 20 years of specialized copywriting, media and public relations experience to BCA. She has provided exemplary service and management for some of BCA's most successful accounts. Her extensive background and dedication to her clients has generated impressive results.

APPROACH TO MARKETING MORRO BAY

This proposal is not a marketing plan per se, but a review of the broad elements of one, its primary drivers, and BCA's approach to the work.

While Morro Bay's visitors are encouraged to "discover their better nature," BCA is well on it's way to discovering innovative ways for Morro Bay to showcase its natural gems. We're excited to share them with you.

Our Viewpoint:

Consumers are bombarded daily by advertising messages, with estimates ranging from 500 to as many as 2,500 messages per day. From TV ads to radio commercials, magazines and newspapers, billboards, logos on sports gear, Internet banners and Tweets – you name it and someone is using it to pitch a product or service. Most messages are overlooked or ignored. But there are those messages that succeed – they penetrate, create a positive response and lead to an actual purchase.

BCA invests resources and creative savvy to land on the side of "marketing that works." We develop the right message and use the right medium, and we support it with clever cross promotions, leading-edge social media and aggressive public relations. The key ingredient understands the need for differentiation. A clear brand message and positive image is the foundation for customer loyalty that creates return business.

BCA uses a five-step process to assure client objectives are met. The notes below indicate how the process will apply to the MBTBID/CPC:

1. Undertake extensive review and analysis of existing marketing elements, and research to understand visitor profiles, as well as the City of Morro Bay stakeholders and members.
2. Work closely with the MBTIB Board, CPC, SLO County VCB and Chamber/ Morro Bay Visitors' Center to understand individual roles and responsibilities and identify unique marketing opportunities.
3. Develop a detailed marketing plan that includes timelines, measurable goals, budgets, assignments and responsibilities and creative direction.
4. Implementation of the plan, providing regular communication to all interested parties; supplying monthly reports and detailed analysis of actions completed and results generated.
5. Continually review and revision to adjust to changing market conditions and client needs.

Campaign Components

BCA proposes an integrated communications mix. We will utilize the best of conventional and new media to assure current campaign efforts succeed. As new opportunities present themselves and strategy is developed, BCA will work with the MBTBID/CPC to create new content with the goal of holding onto Morro Bay's current audience, while appealing to a new, younger audience. To drive those audiences to Morro Bay as a frequent vacation destination, BCA will enhance and build on Morro Bay's current image and brand.

BCA recommends the follow approach to key elements of the advertising and marketing program:

1. **Rethink Traditional Advertising:** Changing media habits and demographics require a new look at conventional methods of advertising. BCA recommends that Morro Bay continue to use traditional advertising to push messages (outbound messaging) that capture the beauty and spirit of area. Television, radio, print and direct mail advertising are still excellent methods to build strong, easily recognizable brand messages.
2. **Leverage Special Events:** Continue the tradition of special events, cross promotions, and partnerships as a key element of the Morro Bay experience. Local research supports the idea of events being powerful visitor draws.
3. **Utilize Social Media and Internet Options:** Harness the power of social media and interactive communications to establish push/pull (outbound vs. inbound) communications, and establish personal relationships with new and existing visitors. Facebook, Twitter, Flickr, Vimeo, blogs and other tools enhance and reinforce traditional advertising methods.
4. **Website Enhancements:** BCA will work with MBTBID/CPC to optimize and promote the remarkable content of morrobay.org. Use of blogs and social media, content management to keep information fresh and reach new audiences, and Search Engine tools to optimize reach are all key services BCA recommends as a critical component to the overall advertising and marketing plan.
5. **Customer Relationship Management:** Capture, manage and nurture relationships generated through Internet and social media channels. Create special landing pages, obtain direct leads, provide promotional and collateral materials, and establish the means to establish relationships and customer loyalty.
6. **Mobile Messaging:** Utilize smartphone applications and mobile Internet pages to provide enhanced driving maps and/or local business information. Use QR Codes to drive traffic to web or video promotions.

Campaign Components Continued...

- 7 **Public Relations Outreach:** BCA's public relations success over the last two decades demonstrates the power of using publicity and story coverage in tandem with other marketing efforts. Our firm has handled PR along with other marketing support services for a number of high profile projects throughout California. It is experience that has taught us that while the effectiveness of a well-executed advertising campaign is important, the ability to generate "buzz" via third-party advocates is the crown jewel in creating a popular brand. Despite a world exploding with new technologies, the best advertising is still "word-of-mouth," and it is public relations techniques that generates it. BCA strongly encourages an aggressive public relations effort as part of the overall marketing approach.
- 8 **Cross Promotions / Partnerships:** Tourism success is not driven solely by hotel occupancy. BCA understands the need to engage the entire community in generating a healthy tourism industry. We will propose marketing programs that offer participation to businesses including local retailers, Morro Bay's fishing industry, non profit organizations, natural attractions and others so that the push to improve tourism leads to an overall boost to the local community. We do not propose programs at odds with local values. BCA is particularly sensitive to sustainability issues, and in fact is an invited presenter at the International Town-Gown Association Conference on Sustainability in Boulder Colorado this June.

A word about relationships: The City of Morro Bay has a deep history in tourism marketing. BCA wants to build on that foundation and help the city build its tourism prominence in exciting new ways. We will do it in a way that shows our keen understanding of the SLO County VCB, the MBTBID, the CPC, the Morro Bay Chamber of Commerce, the City of Morro Bay and other organizations that each contribute to the tourism marketing whole.

FEES AND BUDGET ALLOCATION

It is virtually impossible to propose a turnkey marketing proposal without the benefit of input from MBTBID and CPC members. For the purpose of this proposal, BCA has provided a budget based on our years of experience in communications.

The component prices detailed on the following page provide estimate of costs in an all-inclusive method instead of an hourly fee method. Each line item encompasses strategic planning and tactical development, all creative development, production, integrated media expense, fees and licenses, stakeholder communications and related management costs.

Budgeting and forecasting is an ongoing process reflective of market influences. As a result, flexibility has been built in to the budget. Overall spending will remain as dictated by existing funding, and is allotted on the following page.



**SAN LUIS
OBISPO**
Experience the SLO Life!

Fees & Budget Allocation Continued...

ONLINE ADVERTISING

MBTBID	\$110,000
CPC	\$20,000

SOCIAL MEDIA

MBTBID	\$14,000
CPC	\$5,000

MOBILE ADVERTISING

MBTBID	\$36,000
CPC	\$15,000

PRINT ADVERTISING

MBTBID	\$115,000
--------	-----------

BROADCAST

MBTBID	\$50,000
CPC	\$20,000

HARD COSTS & FULFILLMENT

MBTBID	\$92,000
CPC	\$45,000

MEDIA RELATIONS

MBTBID	\$13,500
CPC	\$6,500

AGENCY FEES

MBTBID	\$69,000
CPC	\$15,000
TOTAL	\$616,000



CONCLUSION

As an integrated marketing firm, we pride ourselves in our experience and creative abilities. There are five things we do well. They are:

- Strategic Brand Positioning
- Creative Development and Production Services
- Public Relations
- Social and New Media Marketing
- Prompt and Responsive Customer Service

BCA is ready. We're ready to jump in and make Morro Bay the Central Coast's premiere destination. We look forward to telling you more in person.



711 Tank Farm Road, Suite 210, San Luis Obispo, CA 93401
barnettcox.com 805.545.8887 @bcabrand



CERTIFICATE OF LIABILITY INSURANCE

OP ID BL
BARNE-1

DATE (MM/DD/YYYY)

01/20/11

PRODUCER Morris & Garritano Insurance Agency License #0305584 PO Drawer 1189 San Luis Obispo CA 93406-1189 Phone: 805-543-6887 Fax: 805-543-3064	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURERS AFFORDING COVERAGE	NAIC #
INSURED Barnett, Cox & Associates, Inc 711 Tank Farm Rd, Ste 210 San Luis Obispo CA 93401	INSURER A: Hartford Casualty Ins.Co.	29424
	INSURER B: Oak River Insurance Company	
	INSURER C: OneBeacon Insurance	
	INSURER D:	
	INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> *Adv Inj Excluded GEN'L AGGREGATE LIMIT APPLIES PER <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	51SBATA6787	04/22/10	04/22/11	EACH OCCURRENCE	\$ 1,000,000
		DAMAGE TO RENTED PREMISES (Ea occurrence)				\$ 300,000	
						MED EXP (Any one person)	\$ 10,000
						PERSONAL & ADV INJURY	\$ 1,000,000*
						GENERAL AGGREGATE	\$ 2,000,000
						PRODUCTS - COM/PROP AGG	\$ 2,000,000
A		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	51SBATA6787	04/22/10	04/22/11	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
		BOODLY INJURY (Per person)				\$	
						BOODLY INJURY (Per accident)	\$
						PROPERTY DAMAGE (Per accident)	\$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
						OTHER THAN AUTO ONLY: EA ACC	\$
						AGG	\$
A		EXCESS / UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000	51SBATA6787	04/22/10	04/22/11	EACH OCCURRENCE	\$ 1,000,000
		AGGREGATE				\$ 1,000,000	
							\$
							\$
							\$
B		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below	2200054281101	10/27/10	10/27/11	<input checked="" type="checkbox"/> WC STATUTORY LIMITS	OTHER
		E.L. EACH ACCIDENT				\$ 1,000,000	
						E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
						E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
C		OTHER Professional Liab	MEP630210	04/22/10	04/22/11	Limit	1,000,000
		Retention				10,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
 *10 Days Notice of Cancellation for Non-Payment of Premium

CERTIFICATE HOLDER

CITYOF1

City of Morro Bay
 Andrea Lueker, City Manager
 595 Harbor
 Morro Bay CA 93442

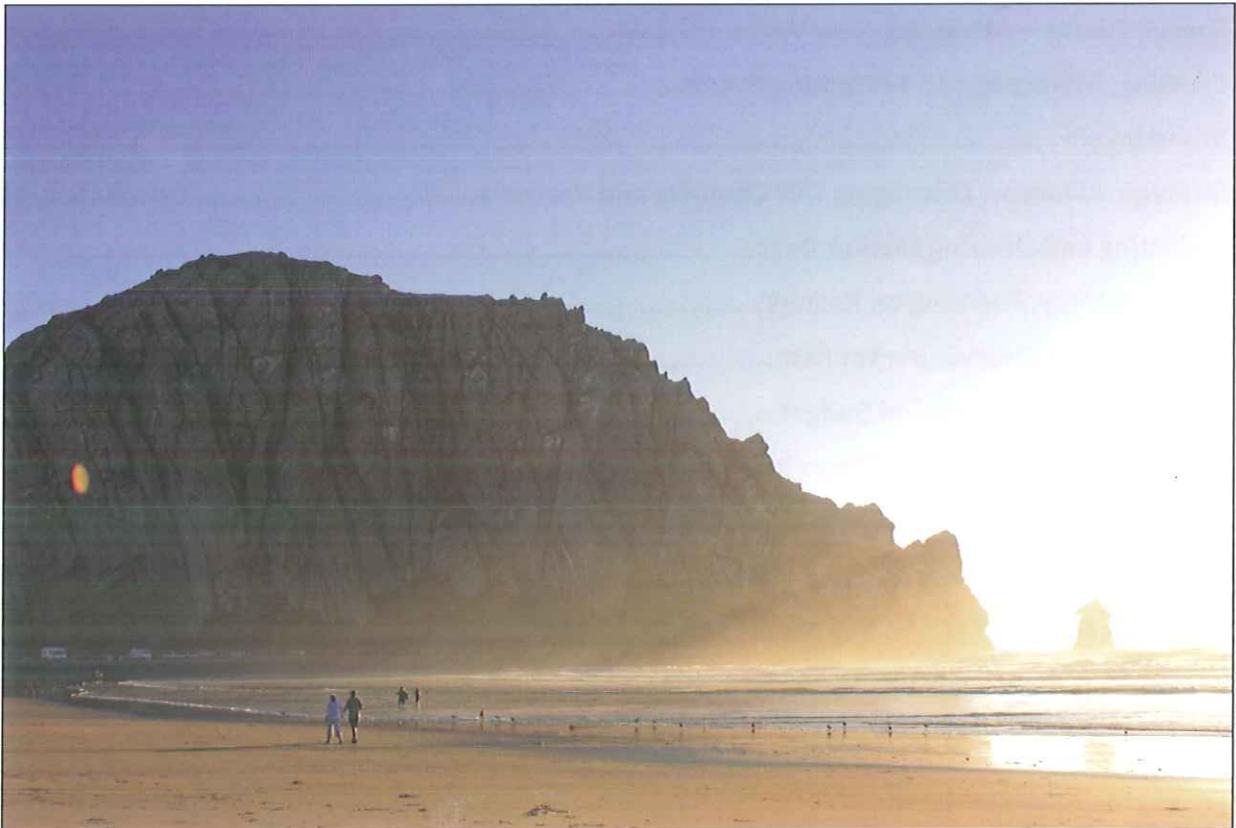
CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30* DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

TJA
ADVERTISING
& PUBLIC RELATIONS

Capabilities Proposal for City of Morro Bay



January 25, 2011

Table of Contents

Agency History	3
Experience, Expertise, Creativity and Passion	3
We Understand Tourism, Public Relations and Events.....	4
New Goals and Responsibilities for the Promotions Committee	4
Our Number One Goal: Increased Occupancy.....	5
Scope of Work.....	6
MorroBay.org Web Site Accomplishments – 2010.....	7
Internet Marketing Expansion – 2011	7
Social Media – Continued Growth and New Initiatives.....	8
Morro Bay Public Relations Success – 2010.....	9
Public Relations Expansion - 2011	9
Special Events – Attracting New Visitors.....	9
Creating, Managing and Promoting Events	9
Brand Image	11
Strategic Alliances: Leveraging Our Contacts and Partners.....	11
Collecting and Utilizing Market Data.....	12
Accountability: Focusing on Results	12
Case Histories Overview – Tourism	12
Agency Compensation and Budget	14
Appendix A: TJA Staff and Morro Bay Team.....	15
Appendix B: Additional Tourism Accounts	17
Appendix C: References	18
Appendix D: City of Morro Bay Media Plan 2011-2012	19
Appendix E: Morro Bay BID Media Plan 2011-2012	20

Agency History

For more than 30 years, TJA has been on the leading edge of tourism advertising and public relations. Today we are one of the oldest and largest full service advertising agencies located on the Central Coast of California. TJA employs a professional staff with combined advertising and public relations experience of over 180 years. Our Team consists of an Art Director, Creative Director, Web professionals, Social Media Director, Senior Writer/Producer, Account Coordinators, Media Buyers, and Senior Account Personnel.

Our full-service agency offers clients a complete menu of communication services provided by a staff of professionals with unparalleled skills and abilities in this market, and our in-house design studio provides clients with cost-effective creative solutions.

Experience, Expertise, Creativity and Passion

All of us at TJA want to thank you for the opportunity to continue to work with the City of Morro Bay, the BID Board, and the Promotions Committee to promote your goals and objectives for the next three years.

Our firm has the proven resources, experience, budgetary resourcefulness, passion and creativity to distribute and leverage the City of Morro Bay's message to its desired target audiences. We have specific experience and expertise in:

- Over 20 years experience in destination tourism marketing
- Strong media buying skills and clout with all the targeted media
- Experienced team for Web site development, design and search engine marketing and optimization
- Strong knowledge of destination marketing for coastal communities
- Over 15 years knowledge of Morro Bay and its tourism qualities
- Cutting edge experience and knowledge of all social media and online promotions
- Strong public relations knowledge and expertise
- 20 years experience of coordinating and promoting events
- Strong relationships and experience collaborating with local tourism-related businesses and agencies
- Wine Country marketing and tourism experience

The City of Morro Bay needs to continue to employ a creative, problem-solving, local, full-service advertising and public relations agency, capable of developing new, innovative, cost effective and hard-hitting strategies that surpass the more traditional approaches. We know the area and we know you. There will be no need of months of training time with TJA or to pay our travel expenses to attend various meetings. We have connections across the region and the state to further your brand. We understand tourism and we know what it takes to get the job done in a cost effective manner.

Just as many of the hotel and business owners in the City of Morro Bay have most likely lived and worked in major cities, so has our senior level team at TJA. Working directly with you will be a former Director of Marketing from Disney and owner of a major LA advertising and film agency, a Senior Account Manager formerly with the advertising agency of DDB Worldwide, an Art Director who gained her experience working on an Emmy award-winning television series, a media buyer experienced in all areas of tourism media, two seasoned Web professionals who have set the standard of cutting-edge Web solutions and a social media expert with a strong knowledge of Facebook and travel related blogs.

Our new public relations lead on this account, Barrie Cleveland, a seasoned wine industry marketing professional, has broad wine promotional experience and general public relations knowledge. His contacts with local wine owners, wine writers and bloggers, along with knowledge of the local wine industry, make him a new valuable member of our experienced team. In addition to Mr. Cleveland, we are suggesting an increased effort in the entire public relations area. There are new cost effective PR opportunities with measurable results that we can take advantage of during the time of this contract.

We Understand Tourism, Public Relations and Events

Tourism advertising, branding and public relations have been the cornerstone of our business since our inception 30 years ago. TJA has a long and successful tenure with our tourism clients as outlined in our case histories. We have produced campaigns for a wide variety of tourism-related accounts, handling:

- Media placement
- Creative design
- Web site development and design
- Public relations
- Social Media Campaigns
- Broadcast television and radio
- Internet advertising
- Email newsletters
- Event development/promotion

New Goals and Responsibilities for the Promotions Committee

The Promotions Committee and BID Board has had a long and successful history with TJA, ensuring that there is no duplication of efforts. Over the last two years, both groups have blended their marketing and branding efforts to complement each other. Starting in 2011, the Promotions Committee will be promoting areas that the BID was previously involved with. This includes the following:

- Greater promotion of events and lodging packages in the drive markets of Kern County, Ventura/Thousand Oaks, Southern and Northern California. These all inclusive, value-added packages pair Morro Bay hotels with other activities such as dining, shopping, wine tasting, art and more.
- Support greater resident awareness of the importance of tourism in the City of Morro Bay. TJA was able to secure a marketing survey conducted by Cal Poly to determine the level of awareness of Morro Bay citizens regarding tourism. The results of this study will help guide the Promotions Committee and TJA to develop an extensive "Morro Bay Citizen Tourism Awareness" campaign that will be rolled out in the Spring and continued into next year. This campaign will help assure that the citizens are supportive of one of the largest forms of income to Morro Bay—tourism.
- The Promotions Committee will support all the tourism businesses in Morro Bay, allowing the BID Board to focus its efforts on the stakeholders of the BID—the lodging properties of the City. This will also be the case in the area of fulfillment, with the Promotions Committee having greater responsibility in the production of collateral material to support all the businesses including lodging, but not limited to it solely. TJA feels this new identity for the Promotions Committee is crucial to its long term funding by the City Council. It must demonstrate that it is supporting the needs of the tourism businesses in Morro Bay in a unique and creative way as it works with the BID to promote the entire City and its assets.

Our Number One Goal: Increased Occupancy

Consumers are traveling less, taking less time off and are being far more calculating when choosing a vacation destination. Morro Bay is in a powerful position to capitalize on its primary benefits by creatively emphasizing these benefits to specific geographical areas, particularly Southern California, San Fernando Valley, San Diego, San Francisco, Monterey, the Central Valley and Arizona.

In order to achieve the goal of increasing occupancy, TJA believes that the City's marketing should focus on Morro Bay's—and the region's—many tourism resources, activities and destinations.

- Morro Bay's charming waterfront offers visitors a range of family friendly activities including a variety of dining options, shopping, water tours, birding, kayaking, surfing, whale watching, golfing, beach activities, fishing and exploring.
- Market specific local events to out-of-town visitors and create new ones that will bring additional visitors into the City mid-week and in the off-season for overnight stays.
- With over two hundred local wineries and thousands of monthly wine country visitors, TJA will develop and promote wine tour packages that start and end in Morro Bay. We will work with our wine tour company contacts and regional wine associations to make Morro Bay part of the wine country destination.
- In addition to families, continue to target the "empty nesters" who have the ability to stay several nights mid-week and during the off-season when business is slow.
- Coordinate public relations efforts that drive home the beauty, coastal location, abundance of outdoor activities and the charm of a seaside village reminiscent of Monterey and other California coastal towns in the mid 70s.
- Increase small to mid-size business travel, tour groups and conferences to the City. TJA will position Morro Bay as a creative alternative for corporate team-building events, company retreats, weddings, family reunions, sales incentive getaways and seminars.
- Develop new marketing goals and objectives for both the BID Board and Promotions Committee to increase multiple stays in Morro Bay. Work with the BID Board, Promotions Committee, Chamber of Commerce, lodging industry, County VCB and the state of California tourism bureau to gain background data needed to produce a detailed marketing effort.
- As part of our study, create a separate and unique survey to be completed by all lodging partners in Morro Bay. This will supply valuable information to the agency and will provide authorship and buy-in for hotels that contribute to the collections. We also propose to hold a mixer/meeting in the near future for all lodging property owners/managers in Morro Bay, to update the hoteliers on the past accomplishments and new direction of the BID on their behalf.

Scope of Work

The TJA branding campaign for the City is an integral "umbrella theme" for all of our tactics. It is our belief that the plan outlined herein will surpass the goals set out by the BID Board and Promotions Committee in every area.

1. Work with the BID Board and Promotions Committee to develop a strategic plan with new goals and objectives that will increase overnight stays in Morro Bay and promote its tourism businesses and services
2. Support a state-of-the-art Web site as the principle fulfillment tool for all marketing
3. Continue to work closely with city staff, MBTBID Board, CPC, city contractors and vendors during this contract period
4. Support the latest social and digital media communication tools, including Morro Bay's Facebook page, travel, wine and recreational blogs, Twitter, YouTube, image sharing Web sites and online media
5. Continue to develop a strong branding image
6. Produce new high quality videos to be used on the visitor site and press outreach
7. Develop and promote more multi-day events to encourage overnight stays
8. Emphasize our world-class wine region to the Morro Bay visitor with public relations, promotions, branding and wine/hotel packages
9. Develop partnerships with the Paso Robles Wine Alliance, SLO Vintner's Association, local wine tour companies and corporate meeting planners
10. Work with the newly organized regional wine groups, including Paso's Far Out Wineries, Backroad Wineries and Highway 46 West Wineries
11. Develop a media plan which continues to replace some of the traditional print and move into more digital marketing opportunities
12. Develop and maintain strategic tourism alliances with the County VCB, BID Alliance, Winery Associations, Promotions Committee, CCTC and the State of California Tourism Bureau
13. Produce cooperative marketing opportunities with related entities
14. Support the Morro Bay Visitors Center by providing fulfillment collateral for advertising responses and press inquiries
15. Collect more data about the City's market position
16. Design and produce a new state-of-art trade show booth
17. Establish accountability standards, project time lines and monthly reports

Expected Results

- Increased mid-week tourism traffic into the City of Morro Bay
- Increased group, tour, business and corporate retreat business
- Greater support of city events and development of new ones that add more overnight stays
- More cooperation with the San Luis Obispo County wine region
- Form a new relationship with the County VCB that is more of a win-win for both entities
- Increased use of hotel and business packaging via e-newsletters, Web site, and advertising

MorroBay.org Web Site Accomplishments – 2010

- Fully re-designed and search-engine optimized
- Upgraded main flash to new slide show showcasing area resources and activities
- Added JackRabbit booking agent to the site
- Google Analytics Report
 - Tracking monthly lodging page views and click thru, most referred sites from advertising campaigns and geographical locations of visitors to the site
 - Added JackRabbit tracking to report
 - Tracking newsletter sign ups and responses to e-newsletter campaigns
 - Monitor and track monthly and yearly web visitors
 - Sending monthly reports to board members for review prior to meetings
- Developed BID Members Page for stakeholders and Promotions Committee
 - Posted current media plan and budget
 - Posted current ad creative and fulfillment
 - Posted packaging opportunities
- Added Specials and Packaging Page
- Sending out BID newsletters to secure packaging support for e-newsletters
- New E-Newsletter Sign Up Form
 - Control of email list and database (taken from Elements operating system)
 - Clean Email List of over 9,000 addresses, an over 30% increase from 2009
 - Sending monthly event newsletter
- Social Media
 - MorroBayTravelLog.com weekly postings
 - Facebook over 1,900 fans, a 20% increase from 2009
 - Twitter over 200 followers
 - YouTube added 12 videos
- GoMorroBay.mobi and developed SmartPhone App for mobile devices
- Visitor Guide Flip Book added to Web site

Internet Marketing Expansion – 2011

- Monthly E-Newsletters with hotel packages and event information
- Roll out of SmartPhone Application
- Greater emphasis on Lodging Guide
- Promote hotels with randomized hotel list
- Link all lodging properties to Google Map with Google StreetView
- Add TripAdvisor and Yelp badges
- New Specials and Packages Page
- Cleaner incorporation of Webcam into site
- Search engine friendly URL page names
- Better visibility for Visitor Guide
- Much more flexible and intuitive design structure (to modify menus, content, etc.)
- New Video Player with more use of videos throughout the site
- Enhanced SEO and use of “Bread Crumb” page navigation

Online Marketing

TJA will place major emphasis on the Internet as it pertains to marketing and public relations efforts for the City.

- Target special interest Web sites that relate to nature, wine, travel, baby boomers, seniors and empty nesters
- Develop a full digital marketing and media campaign to be included on Web sites of targeted newspapers, television and radio stations
- Create new video and banner ads to be used as creative tools for e-newsletters, travel and niche-related Web sites, Trip Advisor and for online contests
- Reports on Morro Bay's tourism Web site to include personal reviews and suggestions by visitors
- Target tourism, wine and eco-travel blogs with online content and promotions

Social Media – Continued Growth and New Initiatives

- Audit the existing social media tactics; identify competitors and collaborators
- Identify local social media programs that should be partners
- Create a procedure for aggregating messages, events, offerings and services
- Create a branded social media template that will encompass Twitter, Facebook, news-feeds for participating entities, PR blog with Web site integration, YouTube and Flickr
- Research and update key conversations and participants on the social Web
- Identify keywords for optimization in press use, blog tagging and news announcement optimization
- Monitor social media dialogue blogs, Twitter and related sites for content
- YouTube minutes: Invite visitors to post their positive YouTube impressions. Cull Flickr and YouTube for positive contributions that can be shared across our partners
- Link, Follow & Fan: not only potential visitors, but also representatives of the areas that comprise the entire tourism groups
- Use of social media software to “translate” blog posts into e-Newsletter updates for partners and fans
- PR “chat room” within intranet for comments and travel suggestions from visitors of Morro Bay
- A revolving program in which participating visitors of Morro Bay are showcased on video clips posted on YouTube/Flickr segments and Facebook, blogs and traditional media. Create an ongoing series of features on activities and events to promote lodging, dining, shopping, galleries and businesses of Morro Bay

Morro Bay Facebook: New Look & New Custom Pages for 2011

New to our Facebook page (and Morro Bay’s 1,900+ Facebook fans) will be the development of custom page tabs that will reinforce the slogan “Discover your better nature.”

- New custom tabs will be developed with hotel and restaurant listings with images and links to member Web sites
- Newsletter sign-up page to harvest emails from Facebook fans
- Continuous updates on Events Page with event details, images and links
- Monthly calendar of activities with images and links
- New, larger composite, branded Facebook profile image
- Continuous postings of pictures to the wall to increase fan interaction
- Engage Facebook visitors with questions, comments and suggestions
- Develop monthly Facebook contests to encourage fan interaction
 - Example: Post your favorite picture of you visiting Morro Bay. Fans then vote on their favorite and winner gets a prize. This is an excellent way to get new fans because the person posting the photo would tell their friends to vote for their picture, directing new people to the Morro Bay fan page
- Explore the use of targeted Facebook ads to specific demographics
- Add Facebook icon to all print ads, brochures, newsletters and emails
- Analyze Facebook Insights data as a resource to improve fan interaction
- Video postings through Morro Bay YouTube channel to showcase Morro Bay events and encourage visitors to add their own event photographs
- Facebook wall posting of events. TJA will set up postings based on when events occur and choose the best times to start posting, whether it be a few months ahead so visitors can make hotel reservations or a few days before to remind them of the event. TJA will organize and strategically plan Facebook postings along with polling and fan participation.
- A special reoccurring posting that people can expect from the page and look forward to, such as wine appreciation tips and special events
- TJA will post photos of past events and ask fans to post theirs
- Review all fan feedback – TJA will review all the comments and feedback and delete spam or anything inappropriate
- Morro Bay Businesses: Facebook Collaboration
 - Work with Morro Bay hotels, restaurants and businesses on special deals for Morro Bay Facebook fans
 - Get local business to help promote the Morro Bay page on their own Facebook page and encourage cooperation to work together to promote each other’s pages
 - Encourage businesses to add their photos from past events

Morro Bay Public Relations Success – 2010

With our extensive public relations campaigns, TJA has been successful in securing multiple feature story placements for Morro Bay, including:

- Cover stories in Sunset Magazine
- Event coverage in Westways and Via
- Feature article in Coastal Living Magazine
- Daily News online feature
- Articles in the LA Times, San Jose Mercury News, New York Times and various national newspapers and their Web sites

TJA, working with the BID Board and the County VCB and their promoter Steve Burns, provided ideas and event coordination to position Morro Bay as a standout among sponsoring destinations for the SUNSET SAVOR THE CENTRAL COAST. TJA helped to develop and promote two events for Morro Bay and Sunset Savor that became among the two most popular.

- "Battle of Bay" featured two top Morro Bay chefs. Judging the event was Katie Tamony, Editor and Chief of Sunset Magazine.
- "The Morro Bay Oyster Tour" featured a trip to the Morro Bay oyster beds and food and wine pairing featuring Oyster Ridge from Ancient Peaks.

TJA also worked directly with the promotions board on the creation, planning and promotion of various events during the year, including the Winter Bird Festival, Photo Expo, Avocado & Margarita Festival and the return of the tall ships.

Public Relations Expansion – 2011

The Central Coast wine region is one of the most attractive, affordable and accessible destinations in the state. By marketing the accessibility and affordability of Morro Bay and our region's unique features, the City can capitalize on current market trends. We recommend creatively emphasizing the region's assets to targeted audiences regionally, nationally and globally and putting a greater emphasis on our nearby wine region as a reason to stay in the cool climate of Morro Bay while visiting the wine regions of Paso Robles and San Luis Obispo. Added to our team will be wine PR expert, Barrie Cleveland.

Special Events – Attracting New Visitors

Well-planned and promoted events attract new visitors and increase room occupancy. TJA not only has experience in advertising and promoting events throughout the county, but also has been involved in the creation of several events. Working with the Visitor Center in Morro Bay, TJA has helped to create and promote the following:

- Annual Tall Ship visits
- Avocado & Margarita Festival
- Winter Bird Festival
- Harbor Festival
- Kite Festival
- Photo Expo

Creating, Managing and Promoting Events

- Over the past eight years, TJA has served on the board of directors of the SLO Film Festival and was instrumental in revamping the Festival to attract a broader audience and improve the Festival's financial condition
- TJA helped create and promote the very successful Avila Beach Fish and Farmers' Market, which was designed to bring visitors back into Avila Beach after the Unocal oil clean up
- TJA helped create Seafare in Avila Beach, one of the premier annual food and wine events

Event Strategies to Increase Overnight Stays

Below are some samples of specific event strategies to increase overnight stays that TJA would employ if selected as your marketing partner.

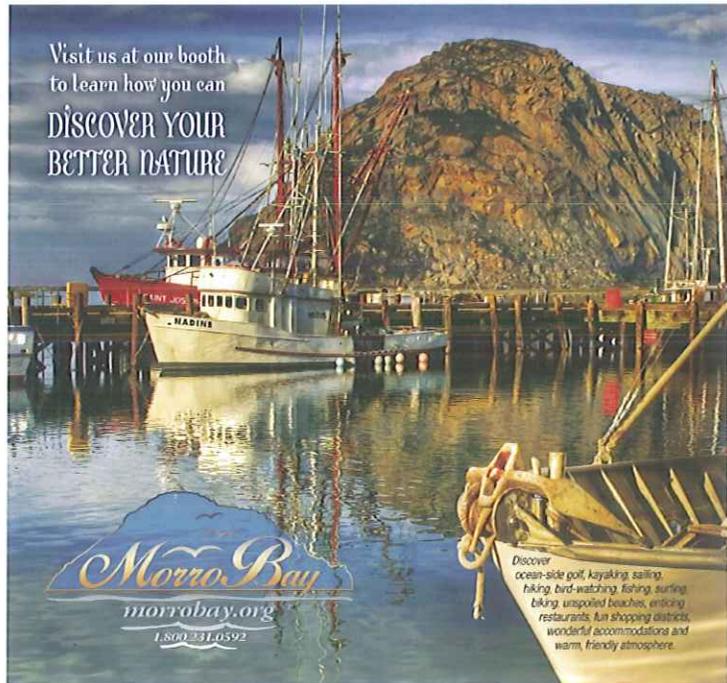
1. Target interest groups via email and invite them to attend the events that relate to their organization or interest. We suggest lodging packages be provided for each event.
2. Create event incentives, specifically designed to entice those specific target market constituents to attend, generating (at least) a two-night stay.
3. Suggested incentives to draw unprecedented crowds to events include, but are not limited to:
 - Redeemable room discounts coupons (i.e. a fixed percentage off when booked in advance, specifically for the promoted event via the Internet)
 - Reduced admission or VIP treatment to the events when booking a hotel in Morro Bay in advance via our Web site and link to the lodging properties
 - Additional incentives would be tied to redeeming “pop-up” coupons, which appear as banner ads on the morrobay.org Web site as well as the event site, while our potential consumers are surfing our web pages. These coupons can be printed out and redeemed at point-of-purchase, or referenced by the visitor as they reserve their accommodations, restaurant or event.

Suggested Events for Consideration

Morro Bay Food and Wine Expo: This event would be in the same scope as the Aspen Food & Wine Expo. It would be held over a four-day period and would consist of classes in wine making, tasting, food pairings, cooking demos and other culinary activities. Lodging packages with the expo would be offered to this upscale visitor.

Morro Bay Marathon, 1/2 Marathon or Iron Man Competition: Develop a world-class marathon or Iron Man competition that will attract runners from around the world. Morro Bay’s esteemed “clean air” environment, and its unique reputation as one of the most spectacular settings, will make this a first class event.

Morro Bay 60s & 70s Revival: Appeal to a large population of Baby Boomers with a three day weekend event, complete with live 60s & 70s music, a vintage VW show, and other activities celebrating this time in history, that only Morro Bay could host.



Brand Image

TJA will continue to develop and implement all marketing functions around the central branding theme of "Discover Your Better Nature." There will be several branding arms that will promote Morro Bay as the "Gateway to Big Sur" and we will continue to develop the positioning of Morro Bay as an affordable destination with outstanding value.

"While driving the coast, we discovered Morro Bay and its charm. Our favorite moment was walking to the beach. We found it hard to leave - but we know we'll be back. Our pictures are a special reminder of those moments in Morro Bay." -Jilleen

**Adventurous
Morro Bay**

Discover Your
Better Nature

Morro Bay
morrobay.org
1.800.231.0592

Visit this picturesque seaside village with its active fishing harbor, calm bay and miles of beaches on scenic Highway 1, halfway between Los Angeles and San Francisco.

Plan your next adventure at morrobay.org

Strategic Alliances: Leveraging Our Contacts and Partners

TJA believes that this is an important element, vital to the success of the City's marketing efforts going forward. We have the knowledge, connections and expertise to work strategically with partners within the community and with outside media sources to stretch your advertising dollars further than you would believe possible. These include, but are not limited to, the local wine industry associations, San Luis Obispo County VCB, CCTC, EVC, San Luis Obispo County Airport, airlines, transportation companies, Cal Poly, Cuesta College, Amtrak, vendors for local activities, concert promoters, festivals and anyone else who can put more "heads on pillows" in Morro Bay.

Because of our work with so many tourism-related accounts, we have a strong working relationship with the County VCB and the Central Coast Tourism Council. In addition, we have positive interactions with many local, state, and national tourism-related organizations. Because we are local and have been involved in tourism marketing for over 20 years, TJA knows these people—they are colleagues and in many cases, our friends.

Collecting and Utilizing Market Data

A few years ago, TJA worked with Campbell Research on a conversion study for the City of Morro Bay and more recently, with the Dean Runyan Association on the EVC study. Our agency understands this process and has experience in the creation and interpretation of these studies. More importantly, we know how to put the accumulated data to work to ultimately produce better results for the City. We also don't study a subject to death, leaving no time or money for advertising and promotion.

Accountability: Focusing on Results

As your agency of record, tracking results will be crucial to the success of our relationship. This is why we will have a policy of data-mining all advertising responses to more accurately target the most beneficial markets. Obviously, the bottom line of our accountability will be determined by the results we produce. We don't consider just sending out fulfillment pieces to be an accurate way to determine the success of our marketing.

Accountability also extends beyond results. It can be measured by our responsiveness to your needs. As you have already experienced, when you interact with the people at TJA, we're always ready to assist you in whatever capacity you may require.

Finally, accountability is about fiscal responsibility. We promise cost-efficiency. Our pledge to all our clients is to minimize agency fees in order to maximize media dollars. Therefore, Morro Bay tourism can benefit from more of the budget going to media and less going to agency overhead.

TJA will provide the City of Morro Bay with stronger creative, more media know-how, enhanced advertising clout and more strategic alliances that will culminate in a greater impact per ad dollar spent.

Case Histories Overview – Tourism

Longevity and Growth: City of Morro Bay

TJA has been working with the City of Morro Bay since 1995. Our long tenure with Morro Bay is a testament to the quality of service and commitment we make to each and every client. We plan and place all media, design and maintain the tourism Web site morrobay.org, produce all print, radio, television and Internet creative as well as handle public relations efforts.

TJA has recognized the need to offer fresh, new ideas and solutions to Morro Bay each new marketing year. We have never felt that the status quo was good enough. We know it is about superior service, cutting-edge creative and media solutions and how to grow the budget in every possible way. We realize sometimes handling an account for a long period of time can be interpreted as a negative, if the agency does not approach the account like a brand new client each and every year. That is exactly what TJA does in handling Morro Bay's marketing. We want to continue in that vein with the addition of a solid wine and public relations marketing professional and increased support with additional PR personnel supervised by TJA. These new additions will be further detailed in our summary section. Morro Bay is an important client to our firm and we view our relationship with you not just as a vendor but also as a partner in your success.

(Case Histories Overview – Tourism, cont.)

Re-Branding: Pismo Beach Conference & Visitors Bureau

Pismo Beach has been a client of TJA for almost 12 years, demonstrating our long-term success with destination marketing clients. TJA currently plans and executes all media placement, produces all print, broadcast and Internet creative as well as public relations efforts. Some of our achievements on re-branding Pismo Beach have included:

- Re-position the City of Pismo Beach to a more affluent visitor
- Promote with a sub-brand of “Wine & Waves” which promotes the world-class wine region of Edna Valley just minutes from the beach
- Visitors spending more money and staying longer
- Media re-directed into wine-oriented publications and Web sites, the image and theme of all the advertising was repositioned with measurable success
- Increased visitors from Orange County, LA, San Francisco and other target markets, with less dependency on Central Valley visitors
- In the months of July, September and October 2010, Pismo Beach reported the highest TOT collection in the history of the city. This was accomplished while many other destinations across the state are showing major declines

Pismo Beach Facebook fans have increased to 19,000 over the last 8 months. The Pismo Beach Facebook page has been a successful social media tool in advertising the city in a new way. The Facebook page has also moved up to one of the top sites that direct people to the Pismo Beach Web site. We will use similar strategies with Morro Bay's Facebook page.

Transformation: Avila Beach

TJA was contacted in 2004 by a group of lodging and business owners in the community of Avila Beach to assist them in securing tourism mitigation funding from Unocal from the damage done as a result of the two year cleanup of the Avila Beach oil spill. While Unocal had agreed to provide funding (\$400,000), they would not release these funds until a marketing and branding plan was developed for their approval.

TJA developed the marketing and PR plan, which included the use of market research and data retrieval, to demonstrate the best use of future media and public relations efforts. The agency produced outdoor advertising, designed the Web site visitavilabeach.com, wrote and produced a short video for tourism & media PR outreach.

TJA worked with the lodging and business community to develop the Avila Fish and Farmers' Market event, which brings thousands of people into Avila Beach every Friday during the market's season to enjoyed local farm to table food and wine from the Avila Valley.

Agency Compensation and Budget

It has always been our goal to ensure most of our clients' budgets are spent on media and advertising rather than on compensation for agency time such as phone calls, meetings, and every time we interact with you. Our agency always makes an effort to offer all outside purchases, such as printings and mailings, with the standard agency markup of only 15%. Each time the City of Morro Bay receives a statement from our agency, all vendor invoices will be included for your review.

We maintain the required insurance mentioned in the RFP and have also stayed on budget year after year of handling your account. Our firm is financially strong and proven to be a trusted marketing partner in purchasing media on your behalf.

In our approach to the City of Morro Bay's advertising account, our goal will be to spend the vast majority of the allocated dollars on public relations, media, events and promotions for the marketing of the City and its many assets.

- Account Servicing – No Charge
- Accounting and Billing – No Charge
- Media Planning and Placement – No Charge
- Meeting Attendance – No Charge
- Phone Calls – No Charge
- Standard Agency Fee of 15% on Media and outside budget expenditures
- Art Direction – \$80 per hour
- Video Production – \$80 per hour
- Web Site Coordination – \$80 per hour
- Social Media and Planning – \$80 per hour
- Public Relations coordination – \$80 per hour

*Extensive campaigns for Public Relations, Digital and Social Media would be quoted and approved on in advance

Commission plus fees for marketing services. TJA would take the standard 15% commission supplied by the media and in those cases where the media buy or other marketing purchases are not commissionable, they will be marked up by only 15%. In addition, our agency has one of the lowest rates for creative production on the Central Coast, with all creative time billed at \$80.00 per hour. This covers design concept, artwork and final creative for print, collateral, broadcast, Internet and social and digital media.

Please see the attached spreadsheets for our proposed budget breakdowns for the fiscal year 2011-2012. Please keep in mind these are proposed media plans, and our firm will, as it has done in past, work with the Budget Sub-Committees of the BID Board and Promotions Committee to receive their input and discuss their goals and objectives for the upcoming year before finalizing the budgets.

Why TJA Advertising and Public Relations

Our agency has always taken a "hands-on" approach in dealing with the City of Morro Bay tourism account. We like to consider ourselves an extension of the City's marketing department and work as if we are partners with you. Your success is foremost. It is our hope that upon review of our qualifications and our ideas going forward, you will come to the conclusion that TJA Advertising is the right choice to continue to work with you to reach your goals and objectives in the years ahead.

Our branding theme is "Major Market Experience, Regional Sensibility." Our goal at the agency is to offer seasoned advertising and marketing professionals to our clients. When you view our résumés you will see that our team has worked for some the best in the business: Walt Disney, DDB Worldwide, MTV and NBC just to name a few. We are also proud to have served some of the finest clients in the world.

Our agency's team of professionals has a proven track record of creating and implementing successful advertising campaigns for the City of Morro Bay. We are rewarded when our clients are successful and when, together, we continually search out new innovative approaches to achieve those successes. Each and every year that we have been honored by your selection of TJA, we approach the account as if it was brand new. We seek out new personnel where needed to serve your new goals and objectives, we find new marketing solutions and we have never taken your trust and loyalty to our firm for granted. It is a new account for TJA every year and a new advertising agency each time for the City of Morro Bay.

Appendix A: TJA Staff and Morro Bay Team

All of us at TJA are extremely enthusiastic about working with you again and will be happy to provide any additional information that may be necessary.

John Sorgenfrei, Account Management Director and Principal Contact

John Sorgenfrei is the owner and president of TJA Advertising, Inc. He has been with the agency for 19 years and purchased it from its founder, Tom Jones, in 2002.

John has worked in the media advertising industry for over thirty years. After earning a degree from USC, John spent several years in the advertising industry in Los Angeles working for a subsidiary of DDB Worldwide (one of the largest agencies in the world) where he implemented national recruitment, business-to-business, and consumer PR, media and advertising campaigns for a wide and varied list of clients and markets. His clients were well-known brands including Ford, Beckman Instruments, Litton Industries, Johnson & Johnson, Bank of America, Asics Corporation, and the U.S. Navy. At TJA, John manages tourism advertising for Morro Bay, Pismo Beach and Avila Beach. John currently serves on the Board of Directors for the Avila Marine Institute, San Luis Obispo International Film Festival, Chair of the Pismo Beach Planning Commission and the Avila Business Association. John is also the publisher of his own local newspaper, the Avila Community News.

Phil May, Creative Director

Phil May served over a decade as the director of advertising for Walt Disney Productions and received a prime-time Emmy nomination for his production work on Walt Disney's "Wonderful World of Disney" television series. Phil has over thirty years of experience creating highly stylized advertising and branding campaigns for a long list of national and international clients, including Universal/MCA, 20th Century Fox – Fox – FX Networks, Walt Disney Studios, Paramount Pictures, Sony Columbia-TriStar, MGM Studios, ABC, NBC, CBS, King World Television Syndication and many more. At TJA, Phil has produced branding identity for many clients, including Charter Communications, Pismo Beach and Morro Bay. Phil is our chief copywriter, producer and creative lead on all major projects.

Keely Sanchez, Media Director

Keely has been with TJA Advertising since 1996. She graduated from Cal Poly State University in San Luis Obispo with a degree in Business Administration and a concentration in marketing. Her responsibilities at TJA include managing accounts, media planning, buying and trafficking all projects through our agency to the final destination in print, broadcast and online advertising.

Kelly Hayes, Art Director

Kelly has worked in media and advertising for ten years. Kelly started her career in advertising and television at Will Vinton Studios in Portland Oregon, serving as a photographer and graphic designer on an Emmy award-winning animated series. She has experience in all phases of broadcast television production as well as all aspects of graphic design and production. Kelly will be the graphic designer for all of your graphic design needs; print, outdoor and Internet.

Stuart Helmtoller, Web Site Design Director

A very early adopter of the World Wide Web, Stuart Mason Helmtoller started building Web sites when making the text different colors was an exciting new development. His skills kept pace with the Internet revolution and he moved to its heartland of California in 1997. As a consultant, employee, and part owner of hi-tech startup Web Associates (now Level Studios), Stuart and his team designed and maintained the Web sites of Apple Computer, Hewlett-Packard, Lucent Technologies and many other corporations from 1997-2003. Stuart's Web skills and experience include project management, site design and production, information architecture, and multimedia for online deployment. He is an excellent copywriter and editor. His unflinching eye for elegant and functional design results in Web sites that achieve and surpass the goals of the client.

(Appendix A: TJA Staff and Morro Bay Team, cont.)

Rick Turton, Web Site Statistician, Technical and Social Media Director

Rick has been involved in travel and tourism Web sites since 1994. Over time he has evolved into a one-stop shop for consulting, design and marketing travel-related Web sites. He is among the early pioneers of Virtual Tours for the hotel industry. In the beginning he developed most all of the Best Western Co-op Web sites, i.e. www.BestWesternCalifornia.com. Over the years, Rick has had experience in developing Touch Screen Kiosks, Dynamic Digital Signage and early .mobi (mobile) Web sites. Rick was also an early Search Engine Optimization (SEO) and Pay per Click (PPC) adopter. This has led to consulting on many existing hotel, lodging and travel Web sites. Rick has also been involved with Chamber of Commerce Web sites – Pismo Beach, Morro Bay, San Luis Obispo and Pacific Grove, in various capacities. Currently, Rick is heavily involved in Social Media and Marketing working with our Social Media director, Lauren Clark.

Lauren Clark, Social Media Director

Lauren learned her skills at Cal Poly State University with a bachelor's degree in Business Administration and a concentration in Marketing. She is now the Social Media Director at TJA and her responsibilities include updating and expanding social media sites such as Facebook and YouTube for our clients. By analyzing social media insights, she is able to add content that is useful for both the client and their target market, thus having an impact in customer reach and effectiveness.

Barrie Cleveland, Pubic Relations Director

Barrie Cleveland has broad experience in the wine industry including positions as a tasting room manager, wine sales manager, retail wine buyer, winery public relations representative, tasting room and marketing consultant and he currently owns the wine marketing firm Winery Advisor. Barrie has taught dozens of wine appreciation classes, wine sales classes, has over 50 published wine articles, has been a guest speaker on Social Media & the Wine Industry, developed and hosted a wine radio program as well as authored the Random House book, *Vino Journal*. Barrie has dozens of wine-related clients in California, Oregon, New York and British Columbia. He has created social media and online marketing programs for wineries and has been an active participant within the wine media and regularly attends the Wine Bloggers Conference. Barrie studied wine at Fresno State University and earned a Master's degree in Business Administration at Cal Poly, San Luis Obispo. He is active in local technology and non-profit organizations.

Jan Munoz, Finance Manager

Jan has over 30 years of experience in advertising related billing and accounting. She has worked in both the radio and print industry for many years and offers a strong knowledge in both media buying and sales coordination. Jan coordinates billing to our clients and media payables in a very professional manner, indicative of a seasoned pro.

Appendix B: Additional Tourism Accounts

Solvang VCB

The City of Solvang contracted with TJA to produce a branding campaign and media plan to increase more overnight stays in the off-season. This was accomplished with a targeted advertising and public relations campaign. The agency produced and placed television and print advertising in Los Angeles, Orange County, San Diego, and San Francisco, establishing a new, more upscale audience with increased responses and more overnight stays.

The Moonstone Hotel Chain

Moonstone Hotels hired TJA to help brand and unite the hotel group's marketing and advertising. Prior to our efforts with Moonstone Hotels, each hotel had their own separate budget and they were advertising in many different directions. While it was important for the hotels to control some of their own marketing and sales, there needed to be a more unified approach. This was the task assigned to TJA. The owner of the hotel group wanted a corporate brand identity with the Moonstone name and to see the media dollars spent in the most cost effective way to achieve the greatest amount of exposure.

Dolphin Bay Hotel

TJA was retained to launch the new Dolphin Bay Hotel. Working with the owner and management of the hotel, TJA produced print, radio, TV, public relations and Internet advertising that targeted a high-end visitor who required superior service and amenities found in finer hotels.

Sycamore Mineral Springs

TJA worked with Sycamore Mineral Springs for over ten years handling all marketing efforts involving TV, radio, print, and "locals only" promotions.

Santa Maria Airport

TJA has produced many marketing campaigns with the Santa Maria Public Airport District over the last twelve years on a variety of projects. In 2003, TJA competed among a large field of marketing firms and won the contract from the Airport District Board to produce an extensive marketing plan and then launch a consumer awareness campaign. The CASE program (Community Air Service Enhancement) involved radio, television, print and public relations. TJA also produced a ten-minute infomercial to further tell the positive story of SMX (Santa Maria Airport) to both San Luis Obispo and Santa Barbara County residents. The CASE program netted the airport a 25% increase in air travel on the existing service, United Express.

Our most recent effort was preparing a marketing plan for the recruitment of Allegiant Air service from Santa Maria to Las Vegas. Working with the SMX General Manager and Board, TJA developed a plan that outlined why Allegiant would be successful in Santa Maria. The final component was a media plan and community awareness campaign. Santa Maria did, in fact, win the service, and they continue with expanded service today.

San Luis Obispo Airport

Recently, TJA has been working with San Luis Obispo airport management and other individuals to help the airport with its outreach efforts in order to preserve air service and bring in more air carriers. TJA recently designed a new logo and print advertisements for the San Luis Obispo Airport.

San Luis Obispo County VCB

A few years ago, our agency was hired to develop a full print campaign for the County VCB. This print effort was a co-op campaign, which ran in Sunset Magazine and other tourism publications.

Appendix C: References

Avila Business Association

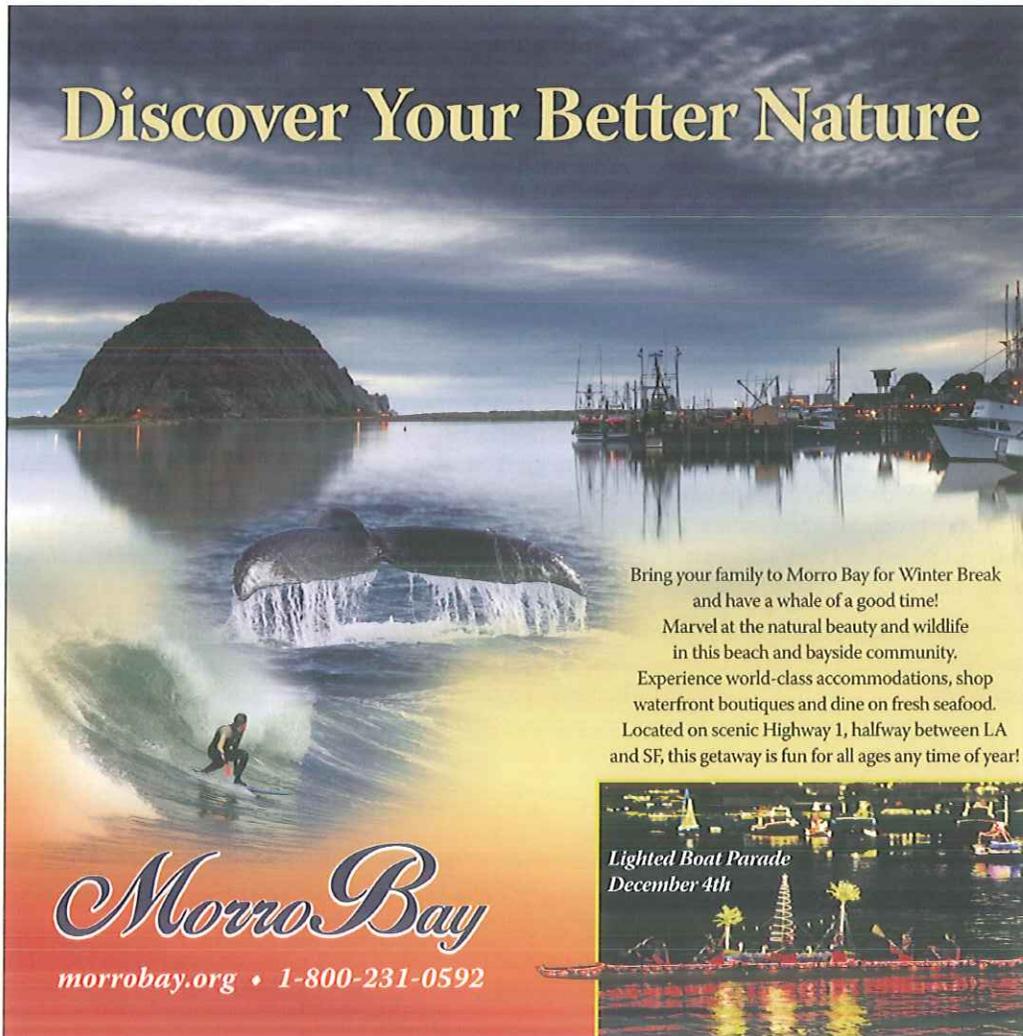
Past President Steve Gregory
(805) 234-4850
2stevegregory@att.net

City of Pismo Beach

Executive Director CVB Suzen Brasile
(805) 773-7034
sbrasile@pismo beach.org

Merced Regional Airport

Airport Superintendent Ronald K. Elliott
(209) 385-6873
elliotttr@cityofmerced.org



Discover Your Better Nature

Bring your family to Morro Bay for Winter Break and have a whale of a good time! Marvel at the natural beauty and wildlife in this beach and bayside community. Experience world-class accommodations, shop waterfront boutiques and dine on fresh seafood. Located on scenic Highway 1, halfway between LA and SF, this getaway is fun for all ages any time of year!

Morro Bay
morrobay.org • 1-800-231-0592

*Lighted Boat Parade
December 4th*

Appendix D: City of Morro Bay Media Plan 2011-2012

City of Morro Bay			
2011-2012 MEDIA PLAN			
	TOTAL BUDGET	SPENT	\$ STILL AVAIL.
PRINT PUBLICATIONS			
Bakersfield Life 1/2 pg (August, Sept, Oct)	\$6,000.00	\$-	\$6,000.00
Fresno Bee 1/4 pg (August, September)	\$3,000.00	\$-	\$3,000.00
Sunset Magazine (Sept, Oct)	\$10,000.00	\$-	\$10,000.00
SLO County Visitor Guide 1/2 page	\$2,000.00	\$-	\$2,000.00
805 Living (Sept, Oct, Jan, Feb, March)	\$9,000.00	\$-	\$9,000.00
San Jose Magazine (TBD)	\$10,000.00	\$-	\$10,000.00
California Visitor's Guide	\$6,000.00	\$-	\$6,000.00
Artwork and Production	\$6,000.00	\$-	\$6,000.00
Total print	\$52,000.00	\$-	\$52,000.00
WEB SITE ADVERTISING			
L.A. Times Web Site (Sept, Oct)	\$12,000.00	\$-	\$12,000.00
Web Maintenance & Development	\$15,000.00	\$-	\$15,000.00
Regional Magazine Web Advertising	\$8,000.00	\$-	\$8,000.00
TV station Web sites (Valley)	\$3,000.00	\$-	\$3,000.00
Total web	\$38,000.00	\$-	\$38,000.00
ADDITIONAL ITEMS			
Public Relations (Event Emphasis)	\$8,000.00	\$-	\$8,000.00
Fire Sale	\$4,000.00	\$-	\$4,000.00
Local Outreach (Citizen Tourism Awareness)	\$4,000.00	\$-	\$4,000.00
Total additional items	\$16,000.00	\$-	\$16,000.00
NETWORK TELEVISION & RADIO			
Bakersfield Market			
KERO-ABC (August & September)	\$5,000.00	\$-	\$5,000.00
Calabasas/Thousand Oaks Market			
Radio Remote Ventura/Thousand Oaks/Calabasas	\$5,000.00	\$-	\$5,000.00
Total Television & Radio	\$10,000.00	\$-	\$10,000.00
GRAND TOTAL	\$116,000.00	\$-	\$116,000.00
	TOTAL BUDGET	SPENT TO DATE	\$ STILL AVAIL.

Appendix E: Morro Bay BID Media Plan 2011-2012

Print Publications	Insertion Dates	Fre- quency	Ad Size	Special Position	Circulation	Ad Cost	Total Print
Sunset Magazine	Nov,Mar,May	3x	1/6 page	So Cal, N Cal LA	181k & 335k	\$13,800.00	\$13,800.00
Coastal Living Magazine	Nov, March, May	3x	full & 1/2	Inside Mag	130,000	\$5,750.00	\$23,000.00
Travel 50 & Beyond	Fall,Winter,Spr ing,Summer	4x	Full page	Inside magazine	100,000	\$8,370.00	\$33,480.00
National Geo Traveler Regional CA, Az, WA, OR, NV	Oct. Nov, Mar, May	4x	1/4 page	Best of the West	125,000	\$4,500.00	\$18,000.00
Travel Coupon Guide	Nov, Jan, Mar, May	4x	Full page	Cover inside ad	250,000	\$2,500.00	\$10,000.00
Sierra Magazine	Mar/April, May/June	2x	1x3	Vacation Guide	680,000	\$5,000.00	\$10,000.00
							\$108,280.00
Internet Advertising	Insertion Dates	Fre- quency	Ad Size	Special Position	Impressions	Ad Cost	Total Web
L.A. Times target email	Oct, Dec, Mar, May	4x	8/12 x11	E-Newsletter	40,000 emails	\$6,000.00	\$24,000.00
San Jose Mercury News	Oct. Nov, Mar, May	4x	8/12 x11	E-Newsletter	40,000 emails	\$6,000.00	\$24,000.00
Wine Travel Web Sites Regional	Fall & Spring	seasonal		web and newsletter	TBD	\$7,000.00	\$7,000.00
National Geo Traveler Regional e-newsletter blasts	Oct. Nov, Mar, May	4x	8/12 x11	E-Newsletter	150,000	\$1,100.00	\$4,400.00
Sunset Magazine Web Site	Fall & Spring	seasonal		728x90 & 300x250	320,000	\$10,000.00	\$10,000.00
Social Media Blogs, Ezine, Rss, Twitter/Facebook	August-June	On- going		TBD	TBD	\$10,000.00	\$10,000.00
Northern California TV Web Site Banner Advertising	Fall & Spring	seasonal		TBD	TBD	\$10,000.00	\$10,000.00
Web Maintenance, E-newsletter packaging efforts	August-June	On- going		n/a	n/a	\$25,000.00	\$25,000.00
Targeted Travel Magazine Web Advertising	Fall & Spring	seasonal		TBD	TBD	\$14,000.00	\$14,000.00
L.A. Times Web Site-Travel blog, Travel Guide, Geo Targeted	Sept, Nov, Mar, June	4x	300x 250	Travel page ROS	690,900	\$5,200.00	\$20,800.00
State of California Web Site Advertising	Fall & Spring	seasonal		TBD	TBD	\$10,000.00	\$10,000.00
TV KERO Bakersfield Central Coast Weather Report	Sept, Oct, Mar, May	4x		Weather page ROS		\$2,000.00	\$8,000.00
							\$167,200.00
Additional Items	Insertion Dates	Fre- quency	Ad Size	Special Position	Impressions	Costs	Total Extra
Public Relations	August-June	On- going		See attached	n/a	\$2,000.00	\$22,000.00
Booking Agent	August-June	On- going		Home page	n/a	\$1,200.00	\$13,200.00
Artwork and Production	n/a	n/a		n/a	n/a	\$8,000.00	\$8,000.00
New Trade Show Booth	n/a	On-going			n/a	\$4,000.00	\$4,000.00
Event Promotions	August-June	On- going		TBD	n/a	\$10,000.00	\$10,000.00
CO-OP with the County/City	August-June	On- going		TBD	n/a	\$28,000.00	\$28,000.00
Trade Shows & Public Outreach	TBD	TBD		TBD	n/a	\$15,000.00	\$15,000.00
Visitor Center Reimbursement	on-going	n/a		n/a	n/a	\$50,000.00	\$50,000.00
Fire Sale/Contingency	TBD	TBD		TBD	n/a	\$57,000.00	\$57,000.00
Visitor/Ad Fulfillment-Chamber	August-June	On- going		TBD	n/a	\$7,200.00	\$7,200.00
Collateral	TBD	TBD		TBD	n/a	\$10,000.00	\$10,000.00
							\$224,400.00
Grand Total							\$499,880.00



AGENDA NO: D-2

MEETING DATE: March 8, 2011

Staff Report

TO: Honorable Mayor and City Council
FROM: Rob Livick, PE/PLS - Public Services Director
SUBJECT: Discussion of the Green Building Incentives Program

RECOMMENDATION

Staff requests that the City Council review Green Building Incentive Program, authorized by Resolution No. 24-09 and provide any direction to staff.

FISCAL IMPACT

Since the inception of the Green Building Incentive Program in May 2009, there has been only one application for the program and the City has refunded a total of \$412.50 in permit fees.

It is difficult to estimate the fiscal impact as it unknown how many applications for building permit fee rebates will be received. However, should there be an increase in demand rebates, it will result in a decrease in general fund revenue by that amount.

BACKGROUND

The "Green Building Incentive Program" was approved by City Council on May 26, 2009 with City Council Resolution 24-09. The program was initiated to reward project proponents committed to implementing either broad or focused sustainability measures. Fee rebates vary depending on the level of commitment and/or beneficial outcomes.

The awarding of fee incentive results in a reduction in general fund revenue from building permit and inspection fees for the associated projects. While somewhat speculative, the potential benefits, as identified below, have the potential to offset the losses to the City's general fund.

- Job Creation and Preservation
- Increased Local Sales Tax (Construction related)
- Reduced Energy Consumption and Carbon Emissions
- Reduced Operating Costs/Increased Cash Flow

The City's Green Building Incentive Program includes the following two levels of incentive, depending on the scope and scale of the project.

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

Green Building Certification Incentives

The previously proposed LEED Certification rebate amount of 40% has been addressed in further detail. The current proposal sets the 40% award at the LEED Certification level of Platinum, and decreases in 5% intervals at each subsequent certification level. It is important to note that all awards are based upon a percentage of the Building and Plan Check fees, thus rewards will be appropriate for the project size and scope.

Optional Sustainability Incentives

The following “Optional Sustainability Incentives” are also recommended. These “Optional” incentives may only be applied in lieu of the base “certification” program incentives, and not in combination. This type of incentive include: Energy Projects such as wind and solar; and gray water systems. These additional incentives are proposed to encourage specific energy efficiency reductions (in addition to currently implemented toilet and energy efficient washing machine rebates).

DISCUSSION

Since the inception of the Green Building Incentive Program in May 2009, there has been only one application for the program and the City has refunded a total of \$412.50 in permit fees. The project involved installation of a photovoltaic solar energy system on a residence in North Morro Bay. Additionally, the recent wind turbine projects are also potentially eligible for rebates of their building permit fees. The wind turbine applicant is evaluating the efficiencies of the turbines to determine if they will supply a minimum of 75-percent of the energy needs, thus meeting the threshold for the incentive. Perhaps it is due to the downturn in the economy is the reason that we have not received more applications for these Green Building incentives

Staff has placed the program materials on the City’s website (<http://morro-bay.ca.us/index.aspx?nid=206>) and has presented the information at a variety of forums including SLO Green Build meetings and various City meetings.

At the adoption of the program staff was directed to return to Council with a status report on the program and with recommendations for any program modifications, including options for strengthening and/or discontinuing the program.

CONCLUSION

Integration of green building features into development projects can potentially generate energy, water and materials efficiencies, resulting in reduced operating costs of 20-80% over the life of the building. Reduced operating costs generate increased cash flow, which helps free capital for other investments. Although from a financial standpoint the incentive program is not sustainable without some source of outside funding, staff does not anticipate a significant increase in rebate requests. Therefore, staff recommends that the City Council continue the program and direct staff to provide an annual update memo to the City Council.

ATTACHMENTS

1. Resolution No. 24-09 approving the Green Building Incentive Program
2. Green Building Incentive Program Guidelines
3. Enrollment Process Form
4. Enrollment Application Form

RESOLUTION NO. 24-09

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY ANNOUNCING FINDINGS AND APPROVAL OF THE GREEN BUILDING INCENTIVE PROGRAM

THE CITY COUNCIL City of Morro Bay, California

WHEREAS, the City of Morro Bay's (City) General Plan and Local Coastal Plan set forth goals for preserving and improving the natural and built environment of the City, protecting the health of its residents and visitors, and fostering its economy; and

WHEREAS, the General Plan and Local Coastal Plan directs the City to enforce and implement the goals and policies of the General Plan; and

WHEREAS, green building is a whole systems approach to the design, construction and operation of buildings that employs materials and methods that promote natural resource conservation, energy efficiency and good indoor air quality; and

WHEREAS, conventional design and construction methods can produce buildings that negatively impact the environment; these buildings can be unnecessarily expensive to operate and contribute to excessive resource consumption, waste generation, and pollution due to unnecessary landfilling of wasted materials, and inefficient use of energy and water; and

WHEREAS, emissions from conventional construction materials, including paints, carpets, and particleboard can lead to a host of health problems associated with poor indoor air quality; these health impacts can be exacerbated by conventional ventilation technology and can result in lost productivity and increased costs for maintenance, waste disposal and health care; and

WHEREAS, green building design, construction, and operation can minimize or avoid these adverse impacts in a variety of ways, including by incorporating energy and water efficient technologies and landscaping, using recycled content materials, reducing construction and demolition waste, improving indoor air quality and promoting long-term economic efficiency; and

WHEREAS, in recent years, green building design, construction, and operational techniques have become increasingly widespread; many homeowners, businesses, and building professionals have voluntarily sought to incorporate green building techniques into their projects and a number of local and national systems have developed to serve as guides to green building practices; and

WHEREAS, the benefits of green building design, construction, and operation should be enjoyed by the residents, workers, and visitors of the City;

NOW THEREFORE, BE IT RESOLVED, that the City hereby finds that green building design, construction and operation furthers the goals set forth in the City's General Plan, including the Land Use Element, Conservation Element, Open Space Element, and Housing Element, and the Local Coastal Plan;

NOW THEREFORE, BE IT FURTHER RESOLVED, that private residential and commercial developers should be encouraged to use green building design, construction and operation whenever feasible; and

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

In accordance with the requirements identified in the "Green Building Incentive Program Guidelines" ("Guidelines"), attached and incorporated by reference herein,

Upon submittal and approval of LEED or GreenPoint Rated certification documented by the appropriate third-party organization; or

Inclusion of components identified as eligible "Optional Sustainability Incentives", verified by the Building Official;

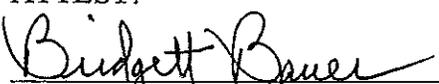
Applicants will be eligible for a building and plan check fee rebate(s) as identified in Sections V and VI of the Guidelines.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 26th day of May 2009 by the following vote:

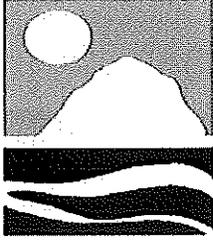
AYES: Borchard, Grantham, Smukler, Winholtz, Peters
NOES: None
ABSENT: None



JANICE PETERS, MAYOR

ATTEST:


BRIDGETT BAUER, CITY CLERK



ATTACHMENT 2 CITY OF MORRO BAY

GREEN BUILDING INCENTIVE

PROGRAM GUIDELINES

I. Purpose.

The purpose of the Green Building Incentive Program is to enhance the public welfare and assure that further commercial, residential and civic development is consistent with the City's desire to create a more sustainable community by incorporating green building measures into the design, construction and maintenance of buildings.

The Green Building Incentive Program has been developed to achieve the following goals:

- A. To conserve natural resources;
- B. To reduce the waste generated by construction projects;
- C. To increase energy efficiency;
- D. To promote the health and productivity of residents, workers, and visitors to the City; and
- E. To implement the green building policies and goals set forth in the City's General Plan and Local Coastal Plan.

II. Definitions.

As used in these guidelines, certain words and terms shall be defined as follows:

"Applicant" means any individual, partnership, association, limited liability company, public or private corporation, political subdivision, or any other entity that applies to the City for the applicable permits or approvals to undertake any covered project within the City.

"Build It Green" means the nonprofit organization that publishes the New Home Construction Green Building Guidelines, the New Home Green Points Checklist, and the Multifamily GreenPoint Checklist, and any successor nonprofit entity that assumes responsibility for the programs and operations of Build It Green.

"Building" means any structure used or intended for support or shelter of any use or occupancy, as defined in the California Building Code.

"Building and Plan Check Fees" means,

- A. For Green Building Certification Incentives - the total amount of building and plan check fees attributed to the overall project.
- B. For Optional Sustainability Incentives - the total amount of building and plan checks fees attributed to the optional green building component.
- C. Planning fees for use permits, zone changes, lot line adjustments, variances, etc. are not included in Building and Plan Check fees, nor are they included in the fee rebate calculations.

"City" means the City of Morro Bay.

"Commercial interior project" means new construction within the interior of a commercial structure for which the core and shell of the structure has been completed, including interior walls and partitions, drop ceilings, electrical and plumbing connections and fixtures and HVAC systems (commonly referred to as tenant improvements). A commercial interior project also includes the construction of mechanical, electrical, plumbing, or other energy using building systems (other than any fire or life safety systems required by the City or the fire department) within a commercial shell project.

"Commercial project" means any new construction of a retail, office, industrial, warehouse, or service building, or portion of a building, which is not a residential project or a City-sponsored project.

"Conditioned space" means any area within a building that is heated or cooled by any equipment.

"Covered project" means the project described in the "Green Building Incentive Application".

"Credits" means points assigned under the applicable rating system using the appropriate checklist for a covered project.

" Dwelling unit" means a room or group of rooms including living, sleeping, eating, cooking and sanitation facilities, constituting a separate and independent housekeeping unit, designed, occupied, or intended for occupancy by one family on a permanent basis.

"Green building" means a whole system approach to the design, siting, construction, and operation of buildings that helps mitigate the environmental impacts of buildings by seeking to minimize the use of energy, water, and other natural resources and by providing a healthy, productive indoor environment. The term applies to those measures, techniques, materials and technologies that implement the green building approach, as well as to development projects that properly utilize them.

"Green building accredited professional" means an individual who satisfies either of the following requirements, as may be applicable:

- A. Where the covered project involves application of any LEED rating system, the individual must be a LEED Accredited Professional (LEED AP) who has taken and passed an exam administered by the U.S. Green Building Council to recognize the knowledge and skills necessary to support integrated design and streamline the LEED application and certification process.
- B. Where the covered project involves application of any GreenPoint Rating System, the individual must be a Certified GreenPoint Rater who has completed the training and been certified as such by Build It Green.

"Building Official" means the City's Building Official or his or her authorized representative.

"Green Building Project Checklist" means a checklist or scorecard developed for the purpose of calculating a score on a LEED or GreenPoint Rated Rating System. Covered projects shall utilize the green building project checklist that corresponds with the green building rating system approved for use.

"Green Building Worksheet" means a form provided by the City to be used by applicants to explain how their project qualifies for credits listed on the submitted green building project checklist.

"Graywater" means untreated wastewater that has not been contaminated by any toilet discharge, has not been affected by infectious, contaminated, or unhealthy bodily wastes, and does not present a threat from contamination by unhealthful processing, manufacturing, or operating wastes. "Graywater" includes wastewater from bathtubs, showers, bathroom washbasins, clothes washing machines, and laundry tubs, but does not include wastewater from kitchen sinks or dishwashers.

"Gross floor area" means the sum of the gross horizontal areas of all floors of a building measured from the interior face of the exterior walls or columns.

"LEED" means Leadership in Energy and Environmental Design.

"LEED Commercial Interior Rating System" means the most recent version of the LEED commercial interior rating system approved by the U.S. Green Building Council.

"LEED New Commercial Construction Rating System" means the most recent version of the LEED New Commercial Construction Rating System, also referred to as "LEED-NC (New Construction)," approved by the U.S. Green Building Council. As new rating systems are developed by the U.S. Green Building Council, the Building Official shall have the authority to specify the applicable LEED commercial green building rating system for a covered project.

"LEED for Homes Rating System" means the most recent version of the LEED for Homes rating system approved by the U.S. Green Building Council.

"Mixed use project" means one or more buildings that combine the uses of a commercial project and a residential project.

"Multifamily GreenPoint Checklist" means the most recent version of the checklist developed by Build It Green for use in determining rating points under the Multi-family Green Building Guidelines.

"Multi-family Green Building Guidelines" means the most recent version of Build it Green's green building rating system for multi-family residential projects that provides detailed information, resources, and standards for the multi-family green building rating system, including information regarding the documentation required for certification. As new rating systems are developed by Build it Green, the Building Official shall have the authority to specify the applicable multi-family green building rating system for a covered project.

"New Home Construction Green Building Guidelines" means the most recent version of the single-family green building guidelines published by Build It Green that provides detailed information, resources, and standards for the single-family green building rating system, including information regarding the documentation required for certification. As new rating systems are developed by Build It Green, the Building Official shall have the authority to specify the applicable single-family green building rating system for a covered project.

"New Home Green Points Checklist" means the most recent version of the checklist developed by Build It Green for use in determining rating points under the New Home Construction Green Building Guidelines.

III. Incentive Standards

A. All qualifying residential projects that seek Building and Plan Check fee rebates consisting of single-family dwelling units shall achieve:

1. LEED for Homes minimum certification level "certified".
2. GreenPoint certification by earning the minimum number of total points allocated between categories in accordance with the most recent version of such checklist.

As of the date of initial adoption of these guidelines, the single-family GreenPoint Rated certification requires at least fifty (50) points, of which a minimum of:

- a. Eleven (30) points shall be in the category of Energy;
- b. Five (5) points shall be in the category of Indoor Air Quality-Health;
- c. Six (6) points shall be in the category of Resources;
- d. Three (9) points in the category of Water;
- e. Additional points can be earned from any category to achieve a total of fifty (50).

B. All qualifying residential projects that seek Building and Plan Check fee rebates consisting of multi-family buildings shall achieve:

1. LEED for Homes minimum certification level "certified" (three stories or less)
2. LEED for New Construction minimum certification level "certified" (four stories or more).
3. GreenPoint Rated certification by earning the minimum number of total points allocated between categories in accordance with the most recent version of such checklist, unless the Building Official determines that the single-family New Home Green Points Checklist is more appropriate for the building.

As of the date of initial adoption of these guidelines, the Multifamily GreenPoint Rated certification is achieved by earning at least fifty (50) total points, of which:

- a. Six (6) points shall be in the category of Community;

- b. Eleven (30) points shall be in the category of Energy; a minimum of five (5) points shall be in the category of Indoor Air Quality/Health;
 - c. Six (6) points shall be in the category of Resources;
 - d. Three (3) points shall be in the category of Water;
 - e. Additional points can be earned from any category to achieve a total of fifty (50).
- C. All qualifying commercial projects or major renovations projects that seek Building and Plan Check fee rebates shall achieve:
- 1. LEED for New Construction minimum certification level "certified".
- D. All qualifying commercial interior and tenant improvement projects that seek Building and Plan Check fee rebates shall achieve:
- 1. LEED for Commercial Interiors minimum certification level "certified".
- E. Additional Standards.

In the event new guidelines or standards are adopted by the U.S. Green Building Council, or Build It Green, pertaining to types of projects that are not specifically described or defined in this chapter, the Building Official shall have authority to apply such guidelines or standards to the type of project to which they relate, as long as the same do not conflict with any of the provisions of this chapter.

IV. Green Building Certification Incentives.

Applicants achieving LEED or GreenPoint Rated certification, upon documentation by the appropriate third-party organization, shall receive a building and plan check fee rebate per Schedule A below.

SCHEDULE A

RESIDENTIAL	FUNDING LEVEL
GreenPoint Rated – New Residential	\$2,000
GreenPoint Rated – Remodel	\$2,000
LEED for Homes – New Residential	\$3,000
GreenPoint Rated - Multi-Family	20% maximum fee rebate \$10,000
LEED for New Construction – Multi Family	25% maximum fee rebate \$20,000
COMMERCIAL	FUNDING LEVEL
LEED – New Construction, Commercial Interiors	
Certified	25% maximum fee rebate \$20,000
Silver	30% maximum fee rebate \$30,000
Gold	35% maximum fee rebate \$40,000
Platinum	40% maximum fee rebate \$50,000

V. Optional Sustainability Incentives.

As an alternative to the above incentives for LEED or GreenPoint Rated certification, which require a significant level of commitment, the City is offering rebates on "Optional Sustainability Incentives" to encourage specific energy efficiency measures. The "Optional Sustainability Incentives" are not intended to be combined with or in addition to the Green Building Certification Incentives identified above in Schedule A.

Such actions shall include proper calibration and monitoring of building systems, regular maintenance and repair of equipment as needed, appropriate training of personnel responsible for operation of the building systems, and education of employees, tenants, and other regular occupants of the structure on practices that can be followed to promote energy conservation and other green building objectives.

Applicants including optional green building components which have been verified and documented in accordance with Section VI of the Guidelines, shall receive a building and plan check fee rebate per Schedule B below.

SCHEDULE B

MEASURES	FUNDING LEVEL
Exceed Title 24 by 20%	5% fee rebate maximum fee rebate \$2,500
On-site renewable energy system that produces a minimum of 75% of the annual energy use (building and site amenities).	100% fee rebate maximum fee rebate \$5,000
Green Roof	5% fee rebate
Greywater Systems	20% fee rebate

PROJECTS RECEIVING "GREEN BUILDING CERTIFICATION INCENTIVES" ARE NOT ELIGIBLE FOR "OPTIONAL SUSTAINABILITY INCENTIVES".

VI. Submittal and review of green building documentation.

A. Submittal of Documents.

1. Each applicant shall submit an "Enrollment Form".
2. Certification Incentives - In conjunction with any application for certification by the U.S. Green Building Council or Build it Green, the applicant shall submit to the Building Official documentation indicating the measures that will be taken to achieve the applicable green building rating required by this chapter ("green building documentation").

The green building documentation shall be prepared by a green building accredited professional or other qualified person approved by the Building Official. The green building documentation shall include:

- a. The applicable LEED or GreenPoint Rated Checklist;
 - b. Narrative summary with analysis of each credit claimed; and
 - c. Any other documentation that may be necessary to show compliance with this chapter, as submitted by the applicant or requested by the Building Official;
 - d. The application for incentives of the covered project shall not be deemed complete until certification documentation has been submitted to Building Official and has been deemed sufficient.
3. Optional Incentives – In conjunction with any application for Optional Sustainability Incentives, (not to be combined or in addition to Certification Incentives), the applicant shall submit to the Building Official documentation demonstrating the threshold has been met:
 - a. Exceed Title 24 by 15% - Documentation by a certified energy analyst which demonstrates building performance.
 - b. On-Site Renewable – Documentation by a certified energy analyst which demonstrates building performance, and on-site renewable generation.

- c. Green Roof – Building Plans shall demonstrate a minimum of 60% of the roof surface is green and a minimum of 6 inches of soil or substrate shall be used. Building Official shall verify that building and safety codes are respected, and that the roof structure is sound.
 - d. Greywater System – Building plans that demonstrate compliance with Chapter 16 of the California Plumbing Code.
 - e. Any other documentation that may be necessary to show compliance with this chapter, as submitted by the applicant or requested by the Building Official.
- B. The application for incentives of the covered project shall not be deemed complete until certification documentation has been submitted to Building Official and has been deemed sufficient.
- C. Review of Green Building Documentation.

For the green building documentation submittal to be complete, the Building Official must determine that the documentation is sufficient.

The Building Official may retain the services of a consultant having expertise in green building techniques to review and evaluate the material and provide recommendations as to methods for compliance with the requirements of this chapter. The cost of such consultant shall be paid by the applicant.

D. Approval of Green Building Documentation.

The Building Official shall only approve the green building documentation if such documentation indicates that the covered project can or has achieved the applicable threshold(s).

If the Building Official confirms that these conditions have been met, the green building documentation shall be marked "approved", returned to the applicant, and a fee rebate processed.

E. Non-Approval of Green Building Documentation.

If the Building Official determines that the green building documentation is incomplete or fails to indicate that the covered project will meet the required threshold(s), the Building Official shall either:

1. Return the green building documentation to the applicant marked "denied," including a statement of reasons; or
2. Return the green building documentation to the applicant marked "further explanation required," and detail the additional information needed.

F. Resubmission of Green Building Documentation.

If the green building documentation is returned to the applicant, the applicant may resubmit the green building documentation with such additional information as may be required.

G. Participation

1. Applicant agrees as a participant in the Green Building Incentive Program to notify the Building Official of all design charette and/or integrated design process meetings which will result in project concept or critical component related determinations. The Building Official may attend such meetings at their discretion.
2. Applicant agrees as a participant in the Green Building Incentive Program that the Building Official, in achieving an expedited review process, may submit requests for clarification, either in writing or by telephone, to contractual design consultants.

VII. Compliance review.

A. Building Permit Documentation.

As part of the application for a building permit for any covered project, the applicant shall furnish a completed Green Building Project Checklist or other documentation as may be identified by the Building Official. All construction plans and specifications shall indicate in the general notes or individual detail drawings the green building measures to be used to attain the applicable incentive or green building rating. Notwithstanding any other provision of this code, no building permit shall be issued for any covered project until the Building Official has approved the green building documentation for the covered project, in accordance with these guidelines, and the building department has determined that the plans and specifications submitted for the building permit are consistent with the approved green building documentation.

B. Compliance Review.

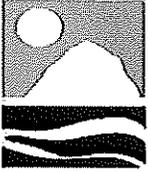
The City shall verify that the green building measures and provisions indicated in the green building documentation are being implemented at foundation, framing, electrical, plumbing, mechanical, and any other required inspections, and prior to issuance of a final certificate of occupancy. Additional inspections may be conducted as needed to ensure compliance with these guidelines.

During the course of construction and following completion of the project, the City may require the applicant to provide information and documents showing use of products, equipment, and materials specified in the green building documentation. The compliance inspections may be conducted by the Building Official, the City's building department staff, or a consultant retained by the City at the expense of the applicant. If, as a result of any such inspection, the City determines that the project is not being constructed in accordance with the green building documentation, a stop work order may be issued. At the discretion of the Building Official, the stop work order may apply to the portion of the project impacted by noncompliance or to the entire project. The stop work order shall remain in effect until the Building Official determines that the project will be brought into compliance with the green building documentation and these guidelines.

C. Final Determination of Compliance.

Prior to final building approval or issuance of a final certificate of occupancy, the Building Official shall review the information submitted by the applicant and determine whether the applicant has constructed the project in accordance with the green building documentation approved by the City.

If the Building Official determines that the applicant has failed to construct the project in accordance with the approved green building documentation, then the final building approval and final certificate of occupancy may be withheld.



ATTACHMENT 3

Green Building Incentive Program

Enrollment Process

Discover your better

The following procedures have been established to assist in expediting projects through the submittal, review, and approval processes as required for participation in the City of Morro Bay Green Building Incentive Program.

1. PROJECT QUALIFICATION

Prior to completion of project construction documents, applicants should schedule a meeting with the Staff to review project for qualification into the Program—please call (805) 772-6261. It is important that the project participants (designer, owner, and builder) become involved in the green qualification process as early as possible. The green building checklist could play a major role in the design of your project.

For each project enrolled in the Green Building Program the applicant shall complete the following documents (all available on city green building web site – www.morro-bay.ca.us):

- A. Enrollment Form
- B. Rating Worksheet

As part of the qualification, your application will be approved by Staff. This entitles the project to be designated as a "Green Building" when submitting plans to the "Plan Review/Permit Services" counter for review.

2. APPLICATION FOR PLAN REVIEW AND BUILDING PERMIT

After receiving green building qualification, building plans may be submitted. Please include a copy of the approved Green Building Incentive Application with your submittal. Your plans will then be assigned a "Green Building" designation for expedited plan review.

3. RESUBMITTALS

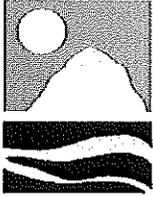
Any major project changes that may affect the project's green building rating should be brought to the attention of Staff.

4. BUILDING PERMIT & INSPECTIONS

Upon approval of plans, a building permit will be issued along with a Green Building Inspection Card. The City shall verify that the green building measures and provisions indicated in the green building documentation are being implemented at foundation, framing, electrical, plumbing, mechanical, and any other required inspections, and prior to issuance of a final certificate of occupancy. Additional inspections may be conducted as needed to ensure compliance with these guidelines.

If you have any questions regarding the Enrollment Procedures or the Green Building Incentive Program in general, you may contact our office at (805) 772-6261.

City of Morro Bay
Public Services Department
955 Shasta Avenue
Morro Bay, Ca. 93442
(805) 772-6261
(805) 772-6268 Fax)



ATTACHMENT 4

Green Building Incentive Program Enrollment Form

Discover your better nature.

An enrollment form must be submitted for each project, along with a completed checklist. A meeting is required prior to plan review submittal to qualify each project into the program. For further information or to schedule a meeting, please call (805) 772-6261.

GREEN BUILDING INFORMATION	
Certification Incentives: <input type="checkbox"/> LEED <input type="checkbox"/> GreenPoint Rated Optional Sustainability Incentives: <input type="checkbox"/> Exceed Title 24 by 15% <input type="checkbox"/> On-site Renewable 75% <input type="checkbox"/> Green Roof <input type="checkbox"/> Graywater System	Type: <input type="checkbox"/> New Construction <input type="checkbox"/> Remodel <input type="checkbox"/> Single Family <input type="checkbox"/> Multi-Family <input type="checkbox"/> Commercial
Rating System:	Square Footage:
Level/Points:	Conditioned Area: Un-Conditioned Area:
PROJECT INFORMATION	
Project Address:	
Project or Owner's Name:	Phone:
Architect/Designer:	Phone:
LEED AP/GreenPoint Rater:	Phone:
Certified Energy Analyst:	Phone:
Builder:	Phone:
Submitted by:	Title: Date:
Approved by:	Title: Date:
I acknowledge by signature below, that I have reviewed the Green Building Incentive Program Guidelines, have the authority and do hereby agree to the terms and requirements outlined therein.	
By:	Date:
If you have any questions regarding the Enrollment Procedures or the Green Building Incentive Program in general, you may contact our office at (805) 772-6261.	
City of Morro Bay Public Services Department 955 Shasta Avenue Morro Bay, Ca. 93442 (805) 772-6261 (805) 772-6268 Fax	