

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
JANUARY 8, 2013**

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

CS-1 GOVERNMENT CODE SECTION 54956.9(A); CONFERENCE WITH LEGAL COUNSEL REGARDING PENDING LITIGATION: STATUS REPORT ON ALL PENDING LITIGATION

- This is a report on status and no action may be taken on any matter not specifically listed. Council may request a specific matter be agendized in the future for action.

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

**PUBLIC SESSION
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 72 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 THE SPECIAL CITY COUNCIL MEETING OF DECEMBER 10, 2012 AND THE REGULAR MEETING OF DECEMBER 11, 2012; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 RESOLUTION NO. 03-13 ADOPTING THE VANTAGECARE RHS EMPLOYER INVESTMENT PROGRAM (EIP) FOR PRE-FUNDING OTHER POSTEMPLOYMENT BENEFITS (OPEB); (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution 03-13.

A-3 RESOLUTION NO. 04-13 AUTHORIZING A CONTRACT AMENDMENT WITH ICMA-RC TO ALLOW EMPLOYEE LOANS ON 457 DEFERRED COMPENSATION ACCOUNTS; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 04-13.

A-4 AWARD OF CONTRACT TO SPECIALTY CONSTRUCTION, INC OF SAN LUIS OBISPO, CA FOR THE PROJECT NO. MB-2012-W1: 2012 CITY WATER TREATMENT PLANT IMPROVEMENTS; (PUBLIC SERVICES)

RECOMMENDATION: Award the Project contract to Specialty Construction in the amount of \$995,278.

A-5 RESOLUTION NO. 05-13 APPROVING AMENDMENT #3 TO THE LEASE AGREEMENT FOR LEASE SITE 50-51/50W-51W LOCATED AT 451 EMBARCADERO (WHIBLEY); (HARBOR)

RECOMMENDATION: Adopt Resolution 05-13.

A-6 RESOLUTION NO. 06-13 AMENDING THE SAN LUIS OBISPO TRANSIT AUTHORITY JOINT POWERS AGREEMENT; (ADMINISTRATION)

RECOMMENDATION: Adopt Resolution 06-13.

A-7 A PROCLAMATION OF THE CITY OF MORRO BAY COMMENDING AND HONORING POLICE SERGEANT MANUAL A. SILVA ON HIS RETIREMENT; (ADMINISTRATION)

RECOMMENDATION: Present Proclamation.

A-8 A PROCLAMATION OF THE CITY OF MORRO BAY COMMENDING AND HONORING FIRE CHIEF MICHAEL S. POND ON HIS RETIREMENT; (ADMINISTRATION)

RECOMMENDATION: Present Proclamation.

B. PUBLIC HEARINGS, REPORTS & APPEARANCES - None

C. UNFINISHED BUSINESS - None

D. NEW BUSINESS

D-1 RESOLUTION NO. 01-13 ADOPTING THE CITY OF MORRO BAY INVESTMENT POLICY AND DELEGATING AUTHORITY TO THE CITY TREASURER TO INVEST IDLE FUNDS; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution 01-13.

D-2 RESOLUTION NO. 02-13 AUTHORIZING THE EXAMINATION OF SALES OR TRANSACTIONS AND USE TAX RECORDS; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution 02-13.

D-3 DISCUSSION OF THE GOAL SETTING WORKSHOP PROCESS AND TIMELINE FOR 2013; (ADMINISTRATION)

RECOMMENDATION: Contract with Don Maruska & Company to conduct the City's Goal Setting process for 2013.

D-4 DISCUSSION AND REVIEW OF RESOLUTION NO. 45-11, "ESTABLISHING A THREE YEAR MORATORIUM FOR THE PAYMENT OF DEVELOPMENT IMPACT FEES FOR COMMERCIAL PROJECTS WITHIN A COMMERCIAL ZONE DISTRICT" AND RESOLUTION NO. 52-12, "ESTABLISHING A REDUCTION FOR THE PAYMENT OF DEVELOPMENT IMPACT FEES FOR RESIDENTIAL PROJECTS"; (PUBLIC SERVICES)

RECOMMENDATION: Review, discuss and make recommendations as deemed necessary.

D-5 CITY COUNCIL ANNUAL MEETING SCHEDULE - 2013; (ADMINISTRATION)

RECOMMENDATION: Adopt the proposed meeting schedule for calendar year 2013.

D-6 APPOINTMENT OF VICE-MAYOR AND APPOINTMENT OF REPRESENTATIVES ON DISCRETIONARY BOARDS, COUNCIL LIAISON ASSIGNMENTS AND COUNCIL SUB-COMMITTEES (ADMINISTRATION)

RECOMMENDATION: Appoint the Vice-Mayor as well as Representatives to serve on the various County or Regional Discretionary Boards, Council Liaison Assignments and Sub-Committees.

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 772-6205 FOR FURTHER INFORMATION.

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

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN A CITY MEETING, PLEASE CONTACT THE CITY CLERK'S OFFICE AT LEAST 24 HOURS PRIOR TO THE MEETING TO INSURE THAT REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.

MINUTES - MORRO BAY CITY COUNCIL
SPECIAL MEETING – DECEMBER 10, 2012
VETERAN’S MEMORIAL HALL – 6:00P.M.

Mayor Yates called the meeting to order at 6:00 p.m.

PRESENT:	William Yates	Mayor
	Carla Borchard	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney
	Jamie Boucher	City Clerk
	Rob Livick	Public Services Director
	Amy Christey	Police Chief
	Mike Pond	Fire Chief
	Susan Slayton	Administrative Services Director
	Eric Endersby	Harbor Director
	Joe Woods	Recreation & Parks Director

- I. ESTABLISH QUORUM AND CALL TO ORDER
- II. MOMENT OF SILENCE
- III. PLEDGE OF ALLEGIANCE

- IV. PUBLIC COMMENT

Former Mayor, Cathy Novak thanked both Bill Yates and Carla Borchard for their work on the Council.

Former Mayor, Janice Peters thanked Council for their service, especially those stepping down. She hoped that we can all work together towards harmonious and progressive things for the future.

Keith Taylor thanked both Bill Yates and Carla Borchard for their work and support of the Fire Department.

Garry Johnson concurred with the previous comments. He also stated that you could see a listing of the current Council’s accomplishments and outcomes of their hard work at fogcutternews.org.

Nicole Dorfman thanked both Bill Yates and Carla Borchard for the sacrifices they made over the years. She is also impressed and inspired by the incoming Councilmembers.

Robert Davis stated that whenever he asked Bill Yates for help, Bill helped him. And he has always been impressed by Carla Borchard’s ability and desire to do what is best for Morro Bay.

Aaron Ochs stated that he feels that Mayor Yates has done a wonderful job and that his record speaks for itself. He also feels that Carla's leadership, candor and know-how have been a huge help to Morro Bay.

Father Ed thanked both Bill Yates and Carla Borchard for their willingness to serve as well as for the public service that they have provided the City and its citizens. He also commended those coming into office.

Mayor Yates closed the Public Comment period.

V. APPROVAL OF MINUTES FOR THE SPECIAL CITY COUNCIL MEETING OF DECEMBER 5, 2012 AND THE REGULAR CITY COUNCIL MEETINGS OF OCTOBER 23, 2012 AND NOVEMBER 13, 2012

MOTION: Councilmember Borchard motioned approval of the minutes for the Special City Council Meeting of December 5, 2012 and the Regular City Council Meetings of October 23, 2012 and November 13, 2012. The motion was seconded by Councilmember Johnson and carried unanimously.

VI. COMMENTS BY CURRENT MAYOR AND COUNCILMEMBERS

VII. PRESENTATION OF PLAQUES TO MAYOR WILLIAM YATES AND COUNCILMEMBER CARLA BORCHARD

VIII. OATH OF OFFICE AND PRESENTATION OF CERTIFICATES OF ELECTION TO MAYOR JAMIE IRONS, COUNCILMEMBER CHRISTINE JOHNSON AND COUNCILMEMBER NOAH SMUKLER

IX. COMMENTS BY NEW MAYOR AND COUNCILMEMBERS

X. ADJOURNMENT

The meeting adjourned at 7:45pm.

Recorded by:

Jamie Boucher
City Clerk

AGENDA NO: A-1a

MEETING DATE: 1/8/2013

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – DECEMBER 11, 2012
VETERAN’S MEMORIAL HALL – 6:00P.M.

Mayor Yates called the meeting to order at 6:00 p.m.

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney
	Jamie Boucher	City Clerk
	Rob Livick	Public Services Director
	Amy Christey	Police Chief
	Mike Pond	Fire Chief
	Susan Slayton	Administrative Services Director
	Eric Endersby	Harbor Director
	Joe Woods	Recreation & Parks Director
	Kathleen Wold	Planning Manager

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

MAYOR AND COUNCIL MEMBERS REPORTS, ANNOUNCEMENTS & PRESENTATIONS

CLOSED SESSION REPORT – City Attorney Robert Shultz reported that City Council met in Closed Session and no reportable action under the Brown Act was taken.

PUBLIC COMMENT

Gary Hixson wished those listening, a Merry Christmas. He is back in town now and hopes to be more active.

Linda Fidel spoke commending the street maintenance staff for fixing a majority of her street in the Atascadero Beach tract.

Nancy Bast spoke on the waterfront lease sites which are public property that the State Lands Commission has jurisdiction over and grants the City the granted administration over them for the public good. She feels the public has been kept in the dark about the conditions found in the leases as they are negotiated for behind closed doors and usually only appear on the Consent Calendar. She feels it’s important to have diversity of interests on the Embarcadero. She is also concerned about the physical condition of the revetments under the docks; she is fearful that they pose a safety concern.

Girl Scouts Lillian Caneville, Amanda Leary, Cassie Orzak, Hope Whelan, Mikela Avila, Kylie Applebee, and Elena Whitmore all introduced themselves and announced how old they were, what grade they were in and how many years they had been a part of Girl Scouts.

Belinda Reyna, the Leader of Girl Scout Troop 40021, thanked Council for the honor of performing the meeting's Opening Flag Ceremony. The Morro Bay Girl Scouts have been involved in many community events over the years. They can always use adult volunteers.

Heather Vesterfelt, the Girl Scout Board Chairperson for the California Central Coast spoke on the attributes of being a girl scout. It takes courage, confidence and character to both, step up and lead, as well as be a part of such a wonderful organization.

John DiNunzio, Morro Bay's Economic Development Program Coordinator spoke highlighting/clarifying/defining what Economic Development really is. He was also here to plug a new initiative - the need to prepare our businesses for a potential disaster – the Chamber is putting together packets of useful information. He extended an invitation to each individual member of the Council to meet with him and individual business owner(s) once a month for the next 6 months.

Alex Beattie spoke on the WWTP issue. He feels that any site that doesn't encompass 100% reclamation is not a good site. It is both the socially and environmentally right thing to do. He also feels our consultant has grossly overstated the costs. He asked Council to assign staff to find out where the high salinity of the water is coming from.

Penny Harrington announced a new organization, Wellness Community Morro Bay. The formation of this organization establishes Morro Bay as a destination for people to come for wellness services. They meet Monday's at 10:30am at the Green Lotus Healing Center. On January 19th, there will be an all-day tour of Morro Bay wellness facilities and encouraged people's attendance.

Nancy Castle talked about having fun in Morro Bay. To that end, St. Peters by the Sea is holding Supper and Singing at the church the 3rd Friday of every month and encouraged all interested to attend. She is also in the planning stages of a Sock Hop event to be held during the Annual Morro Bay Car Show.

John Diodati spoke on the WWTP issue. He feels the newly seated Councilmembers victory was attributed to their position on the WWTP project. He wants the truth as well as the best decision for the community to be made. He stressed the need to know real costs, to look for additional financing methods, and didn't feel that the Water Quality Regional Control Board will be fining us as is being asserted.

Betty Winholtz concurs with Mr. Diodati's comments. She also spoke on Item A-1, Annual Report on Unfunded Liabilities in Vacation and Sick Leave Accruals. She doesn't feel that the staff report addresses the issue as the Grand Jury Report states that the City is not following their own policies. She also acknowledged Ms. Bast's comments about the lease sites feeling the lease site negotiations need to be done more publicly. She also spoke on the lease sites being approved tonight, there is language that the City was able to have the Coastal Commission

approve which alters the language of Measure D. She feels this is an issue the Council, at some point, will need to address.

Jane Von Keohe spoke of a tragic event that occurred at the Dog Park. She appealed to the public to help find the dog that attacked her dog back on November 17th. She pledged to do everything possible to prevent this from ever happening again.

Steve Eckis, Member of the Morro Bay Pups Board is heartbroken over Jane's loss. The Morro Bay Pups has pledged to do everything possible to prevent this from ever happening again. He also still believes the dog park is a wonderful asset to the community and a safe place for your dogs.

Mayor Irons closed the public comment period.

A. CONSENT CALENDAR

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

A-1 ANNUAL REPORT ON UNFUNDED LIABILITIES IN VACATION AND SICK LEAVE ACCRUALS; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Informational item only.

A-2 DELAYED PROJECT STATUS REPORT; (ADMINISTRATION)

RECOMMENDATION: Informational item only.

A-3 RESOLUTION NO. 58-12 ESTABLISHING TRANSACTION OFFICERS FOR DOING BUSINESS WITH RABOBANK; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 58-12.

A-4 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA AMENDING THE COUNCIL POLICIES AND PROCEDURES MANUAL REGARDING ELECTRONIC MAIL (EMAIL), THE PUBLIC RECORDS ACT AND THE BROWN ACT; (CITY ATTORNEY)

RECOMMENDATION: Adopt Resolution 64-12.

A-5 RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA APPROVING AMENDMENT #4 TO THE LEASE AGREEMENT FOR LEASE SITES 124-128/124W-128W AND 113W LOCATED AT 1215 EMBARCADERO; (CITY ATTORNEY)

RECOMMENDATION: Adopt Resolution 60-12.

A-6 RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA APPROVING AMENDMENT #3 TO THE LEASE AGREEMENT FOR LEASE SITES 110W-112W AND 20' OF THE EASTERLY PORTION OF LEASE SITE 111.5W LOCATED AT 1185 EMBARCADERO; (CITY ATTORNEY)

RECOMMENDATION: Adopt Resolution 61-12.

A-7 RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY CALIFORNIA APPROVING AMENDMENT #3 TO THE LEASE AGREEMENT FOR LEASE SITES 122-123/122W-123W LOCATED AT 1205 EMBARCADERO; (CITY ATTORNEY)

RECOMMENDATION: Adopt Resolution 62-12.

A-8 APPROVAL OF ASSIGNMENT OF THE LEASE AGREEMENT FOR LEASE SITE 129W-131W FROM THE MORRO BAY FISH COMPANY TO CENTRAL COAST SEAFOOD; (HARBOR)

RECOMMENDATION: Adopt Resolution 63-12 Approving the Assignment of the Lease Agreement.

A-9 A PROCLAMATION DECLARING DECEMBER 20TH "HOMELESS PERSONS' MEMORIAL DAY"; (ADMINISTRATION)

RECOMMENDATION: Adopt Proclamation.

Councilmember Smukler pulled Item A-1 from the Consent Calendar.

Mayor Irons pulled Items A-5, A-6 and A-7.

MOTION: Councilmember Smukler moved the City Council approve Items A-2, A-3, A-4, A-8 and A-9 of the Consent Calendar as presented. The motion was seconded by Councilmember Nancy Johnson and carried unanimously 5-0.

A-1 ANNUAL REPORT ON UNFUNDED LIABILITIES IN VACATION AND SICK LEAVE ACCRUALS; (ADMINISTRATIVE SERVICES)

Councilmember Smukler pulled this item for explanation from staff. Both Administrative Services Director Susan Slayton and City Manager Andrea Lueker clarified the issue by outlining the various employee group's accrual caps, went over City policy which has been followed throughout as well as stating that the Grand Jury's report had inaccuracies in it. Councilmember Christine Johnson encouraged employees to take vacations as she feels they are important for a person's well-being.

MOTION: Councilmember Smukler moved for approval of Item A-1 as presented. The motion was seconded by Councilmember Christine Johnson and carried unanimously 5-0.

A-5 RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA APPROVING AMENDMENT #4 TO THE LEASE AGREEMENT FOR LEASE SITES 124-128/124W-128W AND 113W LOCATED AT 1215 EMBARCADERO; (CITY ATTORNEY)

A-6 RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA APPROVING AMENDMENT #3 TO THE LEASE AGREEMENT FOR LEASE SITES 110W-112W AND 20' OF THE EASTERLY PORTION OF LEASE SITE 111.5W LOCATED AT 1185 EMBARCADERO; (CITY ATTORNEY)

A-7 RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY CALIFORNIA APPROVING AMENDMENT #3 TO THE LEASE AGREEMENT FOR LEASE SITES 122-123/122W-123W LOCATED AT 1205 EMBARCADERO; (CITY ATTORNEY)

Mayor Irons asked for clarification from City Attorney Rob Schultz. Mr. Schultz stated that these amendments only reflect clean-up amendment language for the lease sites. These amendments have been approved by the Coastal Commission and per the Coastal Commission requirements; the City must now include these conditions as part of the lease agreement.

Councilmember Leage stepped down from the dais as he has a conflict of interest in these items.

MOTION: Councilmember Nancy Johnson moved for approval of Items A-5, A-6 and A-7 as presented. The motion was seconded by Councilmember Christine Johnson and carried 4-0 with Councilmember Leage not voting.

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 PUBLIC HEARING PURSUANT TO RESOLUTION 57-12 REGARDING CITY'S INTENTION TO SELL THE CITY-OWNED PROPERTY AT 1320 MAIN STREET JUST SOUTH OF HIGHWAY ONE IN MORRO BAY, CALIFORNIA; (CITY ATTORNEY)

City Attorney Rob Schultz presented the staff report.

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

MOTION: Councilmember Smukler moved to Approve Resolution 65-12. The motion was seconded by Councilmember Leage and carried 5-0.

B-2 UP0-342; 901-915 EMBARCADERO; A REQUEST FOR A CONDITIONAL USE PERMIT FOR A CONCEPT PLAN TO MAKE VARIOUS IMPROVEMENTS TO AN EXISTING FACILITY, ADD DOCKAGE; TO APPROVE AND CERTIFY A MITIGATED NEGATIVE DECLARATION ON THE PROJECT; (PUBLIC SERVICES)

Planning Manager Kathleen Wold presented her staff report.

Cathy Novak, representative for the applicant, Smith Held, made her presentation.

Mayor Irons opened the hearing for public comment.

Betty Winholtz responded to some of the comments made. She feels there are 4 specific issues to deliberate on. First, getting extended use into the water that other applicants haven't had, avoid hurting the eel grass and the wisdom of pile driving; secondly is an aesthetic one as she doesn't feel the building is attractive; the third issue is parking; and, finally the project needs to be held to the lighting standard.

Mayor Irons closed public comment.

Councilmember Christine Johnson stated that the Harborfront Master Plan encourages opportunities for more boating, better view corridors, and coastal access. She isn't bothered by seeing the equipment on the roof of the building and would rather see the awning shorter if it means a better view of the rock.

Councilmember Johnson emphasized that this is a concept plan, and a well thought out concept plan at that. She feels the need to move this onto the Coastal Commission as the project will increase retail space as well as number of boat slips.

Councilmember Smukler stated that overall it is a nice project as increased boating opportunities and renovation of existing structures is always a good idea. He too wants to keep the rock views and not increase the height limit of the building/awning. He is also sensitive to the extension into the bay and would like to also see, as a condition of approval, approvals by the City, the State Lands Commission and the Army Corp of Engineers. He would also like to strengthen the monitoring program of the eel grass as much as possible.

Mayor Irons feels a good compromise would be to keep the first front 1/3rd of the awning as is and then drop to 14 feet the remaining awning out to the water so as not to take away the view of the rock.

Councilmember Christine Johnson stated that she doesn't feel this project presents a parking problem.

MOTION: Mayor Irons moved to approve UPO-342, 901-915 Embarcadero with amended conditions to include approval of the Harbor Department and the Army Corp of Engineers of the Navigation Channel concept and have the Harbor Street side of the awning remain at 15.2 feet for the first 1/3rd and then drop down to 14 feet height limitation for the remaining distance to the water; approve and certify the Mitigated Negative Declaration as amended by the Planning Commission at their November 7, 2012 meeting; approve the attached monitoring program; and, approve the Conditional Use Permit for the Concept Plan, including the Findings and Conditions in Exhibits A and B as stated by staff. The motion was seconded by Councilmember Christine Johnson and carried unanimously 5-0.

C. UNFINISHED BUSINESS - NONE

D. NEW BUSINESS - NONE

E. DECLARATION OF FUTURE AGENDA ITEMS -

Mayor Irons requested staff bring back the Management Partners Assessment from 2008 for discussion and possible updating for 2013; there was consensus from Councilmembers Smukler and Christine Johnson.

Mayor Irons requested a Special JPA Meeting to be held on January 2nd or 3rd for informational purposes of the new Councilmembers as well as to provide an update, to visit the contracts for the consultants and to discuss direction from the current Councilmembers; there was consensus from Councilmembers Smukler and Christine Johnson.

Mayor Irons requested a Public Goal Setting Workshop as well as a Council Goal Setting Workshop be scheduled; there was consensus from Councilmembers Smukler and Christine Johnson.

Mayor Irons requested a Resolution changing the title of the Delayed Project Status Report to the Project Status Report; there was consensus from Councilmembers Smukler and Christine Johnson.

Councilmember Johnson requested an agenda item for the formation of a committee to begin planning the City's 50th Anniversary Celebration; there was consensus from Mayor Irons and Councilmembers Smukler and Christine Johnson.

Councilmember Smukler requested a review of the last 2 Resolutions on the reduction of impact fees to either update or adjust; there was consensus from Mayor Irons and Councilmember Christine Johnson.

Councilmember Smukler requested bringing back an agenda item for a Pilot Neighborhood Traffic Management Plan for the Island Streets area; there was consensus from Mayor Irons and Councilmember Christine Johnson.

ADJOURNMENT

The meeting adjourned at 8:23 p.m.

Recorded by:

Jamie Boucher
City Clerk



AGENDA NO: A-2

MEETING DATE: 01/08/2013

Staff Report

TO: Honorable Mayor and City Council **DATE:** December 21, 2012
FROM: Susan Slayton, Administrative Services Director/City Treasurer
SUBJECT: Resolution No. 03-13 Adopting the VantageCare RHS Employer Investment Program (EIP) for Pre-Funding Other Postemployment Benefits (OPEB)

RECOMMENDATION:

Council to adopt Resolution No. 03-13.

FISCAL IMPACT:

On an annual basis, the City should transfer \$149,704 into the OPEB trust to ensure that funding is available for current and future retirees, as calculated by the actuarial study performed by TotalComp.

SUMMARY:

Governmental Accounting Standards Board (GASB) Statement No. 45 requires entities to perform an actuarial study to calculate the liability for OPEB and record it on our balance sheet, and recommends establishing a trust for the accumulation of funds to pay for these retiree benefits. The City of Morro Bay has performed the actuarial study and has been accumulating funds in the Risk Management Fund for paying these benefits. Resolution No. 03-13 allows us to open a trust, and transfer that money into a more secure instrument.

DISCUSSION:

In June 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The GASB noted that in addition to pensions, many state and local governmental employers provide OPEB as part of the total compensation offered to attract and retain the services of qualified employees. OPEB includes postemployment healthcare, as well as other forms of postemployment benefits (for example, life insurance) when provided separately from a pension plan. This Statement establishes standards for the measurement, recognition, and display of OPEB expenditures and related liabilities. This Statement became effective for Morro Bay in the fiscal year 2007/08.

Morro Bay provides other postemployment benefits to its retirees only as mandated by CalPERS for medical insurance. California Government Code 22892(b)(1) of the Public Employees' Medical and Hospital Care Act (PEMHCA) establishes the contracting agencies' minimum health premium contribution for their participating active membership and annuitants. The current monthly amount is \$115 per employee and/or retiree.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

To comply with GASB 45, Staff issued a Request for Actuarial Services, ultimately contracting with TotalComp to perform Morro Bay's first actuarial study in 2009, and doing so again in 2012 (actuarial studies are required every two to three years). The 2012 study concluded that Morro Bay needed to accumulate \$1,616,609 to cover the OPEB of all existing employees and current annuitants. From this accumulation, current year retiree PEMHCA's minimum contributions should be drawn. We should annually contribute approximately \$149,704 to cover existing and future costs. To date, the City has saved \$347,565 for future OPEB.

GASB Statement No. 45 says that if an entity plans to pre-fund its OPEB liability, setting up a trust fund allows more security and flexibility than retaining it in a separate City fund. The OPEB trust should/must be:

1. Held by a tax exempt entity so that contributions may not be considered as income to the employee or retiree under federal or state laws;
2. Must meet the requirements of GASB 45, and be irrevocable, protected from creditors and limited to OPEB funding; and
3. Allow for a wider variety of investment securities, such as long-term securities, that are currently restricted under Government Code Section 53600-09.

ICMA-RC's VantageCare RHS Employer Investment Program meets these requirements. The OPEB assets will be protected. Trust investments will be restricted to conservative instruments, but may carry a longer term than what is allowed under the City's Investment Policy. Staff chose the ICMA-RC's product through the Request for Proposal process. ICMA-RC's costs are a function of investment return; in other words, ICMA retains a portion of the investment return as its fee rather than invoicing us annually for safekeeping. ICMA-RC has an established relationship with the City already, providing 457 Deferred Compensation program services.

CONCLUSION

Resolution No. 03-13 will need to be adopted by the City Council in order to move forward with establishing an OPEB trust with ICMA-RC. If adopted, the Administrative Services Director will sign all necessary documents to open the trust, and wire the funds into the account.

RESOLUTION NO. 03-13

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MORRO BAY, CALIFORNIA,
ADOPTING THE VANTAGECARE RHS EMPLOYER INVESTMENT PROGRAM (EIP) FOR
PRE-FUNDING OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

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

WHEREAS, the Government Accounting Standards Board (GASB) issued Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, which requires all government employers to measure, recognize, and display other postemployment benefits (OPEB) expenditures and related liabilities; and

WHEREAS, the City of Morro Bay (“Employer”), due to its participation in the California Public Employee Retirement System’s (CalPERS) health plans, is mandated by California Government Code 22892(b)(1) of the Public Employees’ Medical and Hospital Care Act (PEMHCA) to contribute the established minimum health premium contribution for their participating active membership and annuitants at the current monthly rate per employee and retiree; and

WHEREAS, the Employer has determined that pre-funding this liability and placing that money in an OPEB trust is in the best interests of the Employer; and

WHEREAS, the Employer has determined that the establishment of the retiree health savings plan (“Plan”) serves the above objective.

NOW, THEREFORE IT IS RESOLVED, that the Employer hereby adopts the Plan in the form of the ICMA Retirement Corporation’s VantageCare RHS Employer Investment Program.

BE IT FURTHER RESOLVED that the assets of the Plan shall be held in trust, with the Administrative Services Director serving as trustee.

PASSED AND ADOPTED by the City Council of the City of Morro Bay, at a regular meeting thereof held on the 8th day of January 2013, by the following vote:

AYES:
NOES:
ABSENT:

JAMIE L. IRONS, Mayor

JAMIE BOUCHER, City Clerk

I, Jamie Boucher, Clerk of the City of Morro Bay, do hereby certify that the foregoing Resolution No. 03-13, proposed by the Administrative Services Director, was duly passed and adopted by the City Council of the City of Morro Bay at a regular meeting thereof assembled this 8th day of January, 2013, by the following vote:

AYES:

NAYS:

ABSENT:

(Seal)

JAMIE BOUCHER, City Clerk



AGENDA NO: A-3

MEETING DATE: 01/08/2013

Staff Report

TO: Honorable Mayor and City Council **DATE:** December 21, 2012
FROM: Susan Slayton, Administrative Services Director/City Treasurer
SUBJECT: Resolution No. 04-13 Authorizing a Contract Amendment with ICMA-RC to Allow Employee Loans on 457 Deferred Compensation Accounts

RECOMMENDATION:

Council to adopt Resolution No. 04-13.

FISCAL IMPACT:

None.

SUMMARY:

One of our 457 deferred compensation providers, ICMA-RC, allows participants to borrow on their individual 457 savings accounts. To permit this, the City must adopt a Resolution, authorizing the contract amendment. Resolution No. 04-13 accomplishes that goal.

DISCUSSION:

The City has three Internal Revenue Code Section 457 deferred compensation plans by the following providers: The Hartford, ICMA-RC, and CalPERS. These plans allow employees to save money on a pre-tax basis. The Hartford plan was closed to new participants, due to the uncertainty of ownership when they announced their intent to sell off the 457 program. They ultimately sold the plan to Mass Mutual, but staff feels that keeping the plan closed is a wise choice. This leaves the ICMA-RC and CalPERS programs from which employees may choose.

There are occasions in everyone's life where we need money for some emergency, college, home purchase or other reason. CalPERS will allow withdrawals only for bona fide emergencies. Our contract with ICMA-RC currently doesn't allow for loans, but would through a contract amendment. Staff would like to amend the ICMA-RC contract to allow for loans for any purpose.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

Below are the loan parameters:

1. Loans can be made for any purpose up to 50% of the participant's vested account balance.
2. Only one loan can be outstanding at a time.
3. General purpose loans are to be repaid in five years, mortgage loans 30 years.
4. Loan payments are to be made through bi-weekly payroll deduction only.
5. Loan proceeds are **pre-tax** dollars, but payments are made with **after-tax** dollars, plus interest.
6. All loans are due and payable in full upon separation from service.

Items 2, 3, 4 and 6 above have other options, but since staff is responsible for managing these loans, these choices require the least amount of staff involvement.

CONCLUSION

Resolution No. 04-13 will need to be adopted by the City Council in order to move forward with amending the ICMA-RC contract to allow a loan program. If adopted, the Administrative Services Director will sign all necessary documents to amend the contract.

RESOLUTION NO. 04-13

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MORRO BAY, CALIFORNIA,
AUTHORIZING A CONTRACT AMENDMENT WITH ICMA-RC TO ALLOW EMPLOYEE
LOANS ON 457 DEFERRED COMPENSATION ACCOUNTS**

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

WHEREAS, the City of Morro Bay (“Employer”) allows its employees to participate in IRC Section 457 Deferred Compensation Plans on a pre-tax basis; and

WHEREAS, the Employer has a 457 plan for its employees with ICMA-RC; and

WHEREAS, the Employer recognizes that employees may have the need to borrow against their 457 plans for emergencies, college, home purchase or other uses; and

WHEREAS, ICMA-RC allows employees to enter into loans against their 457 accounts for any reason, but requires the Employer to enact a plan amendment.

NOW, THEREFORE IT IS RESOLVED, that the Employer hereby amends the ICMA-RC 457 Deferred Compensation Plan #301993 to allow for employee loans as follows:

1. Loans can be made for any purpose up to 50% of the participant’s vested account balance.
2. Only one loan can be outstanding at a time.
3. General purpose loans are to be repaid in five years, mortgage loans 30 years.
4. Loans payments are to be made through bi-weekly payroll deduction only.
5. Loans proceeds are **pre-tax** dollars, but payments are made with **after-tax** dollars, plus interest.
6. All loans are due and payable in full upon separation from service.

PASSED AND ADOPTED by the City Council of the City of Morro Bay, at a regular meeting thereof held on the 8th day of January 2013, by the following vote:

AYES:

NOES:

ABSENT:

JAMIE L. IRONS, Mayor

JAMIE BOUCHER, City Clerk

I, Jamie Boucher, Clerk of the City of Morro Bay, do hereby certify that the foregoing Resolution No. 04-13, proposed by the Administrative Services Director, was duly passed and adopted by the City Council of the City of Morro Bay at a regular meeting thereof assembled this 8th day of January, 2013, by the following vote:

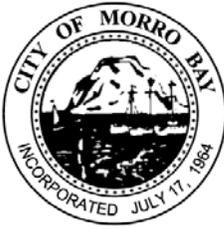
AYES:

NAYS:

ABSENT:

(Seal)

JAMIE BOUCHER, City Clerk



AGENDA NO: A-4

MEETING DATE: January 8, 2013

Staff Report

TO: Honorable Mayor and City Council **DATE:** January 3, 2013

FROM: Rob Livick, PE/PLS – Public Services Director/City Engineer
Barry Rands, PE, Associate Engineer

SUBJECT: Award of Contract to Specialty Construction, Inc of San Luis Obispo, CA for the Project No. MB-2012-W1: 2012 City Water Treatment Plant Improvements

RECOMMENDATION

Staff recommends the City Council award the Project contract to Specialty Construction in the amount of \$995,278.

FISCAL IMPACT

The Project is fully funded from a Proposition 84 grant and the water accumulation funds. The grant will contribute \$430,375 and the remainder will be funded by the water accumulation funds.

BACKGROUND

With the original construction of the Desalinization Plant in 1991, the product or output pipeline was designed and installed to accommodate only the 400 gallon per minute maximum production rate flow from the seawater desalination facility. At that time, the remaining water supplies consisted of the disinfected water from Morro and Chorro Valley well field.

Currently, the City's water portfolio consist of State Water, including a drought buffer; limited water production from the Chorro Valley wells, due to streamflow constraints; water from the Morro Valley well field, currently either blended with State Water for peak demands and/or treated with the brackish water reverse osmosis system; and converted seawater. These water sources are used conjunctively to maximize the use of State Water, due to its high costs whether delivery is taken or not, because of the capital debt service.

It became clear in 2007 that the nitrate contamination in the Morro wells was not going to be an intermittent condition but rather a consistent issue for time uncertain. In order to use its existing water supplies, the City installed brackish water reverse osmosis treatment equipment at the Desalinization Plant in order to reduce the nitrate concentration and retain beneficial use of this water resource. In the 2008-2009 Capital Budget, the City set aside \$1.4 million to perform the required upgrades to the desalinization facility. The Desalinization Plant now has the capability of treating the contaminated ground water that previously did not require treatment and is also able to convert seawater for drinking water uses.

Prepared By: BR / RL

Dept Review: RL

City Manager Review: _____

City Attorney Review: _____

Delivery constraints exist because the pipeline segment does not have the capacity to transport the maximum production rate of both treated groundwater and converted seawater simultaneously. Furthermore the mechanical and electrical systems responsible for providing chemical treatment and pressurized delivery of treated water from these sources were also deficient.

On August 23, 2010 the City Council adopted Resolution No. 43-10 accepting a California Department of Public Health (CDPH) grant through Proposition 84 for modifications to our Desalination Plant in the total amount of \$600,000.

The approved scope of the grant was twofold: to replace the potable water line from the desalination plant and to modernize, upgrade and improve the electrical and mechanical systems at the desalination plant itself. The potable water line was constructed in 2011. This contract completes the remaining work to be done.

DISCUSSION

Completion of this project will allow for sufficient facility capacity for delivery of the full production capabilities of the existing groundwater treatment system as well as the full production of converted seawater.

This upgrade does not increase the production capacity of the City's Water Treatment Plant, nor does it increase the amount of water that is authorized for delivery under State permits. The upgrade simply removes a bottleneck to delivery that occurred when nitrate-contaminated groundwater was rerouted through the treatment plant which had limited delivery capacity. Furthermore, the implementation of this project allows the City to meet its customer demands for water during periods of State Water shutdown without reliance on outside agencies, like the emergency water purchase agreement with the California Men's Colony.

Specific improvements to be covered by this contract include: construction of four (4) new calcium carbonate finishing tanks; replacement of two product water pumps; installation of a new cleaning system neutralization tank; relocation of the existing chemical cleaning feed system; installation of a new utility transformer pad; installation of a metered service switchboard, electrical distribution, and variable frequency drive; and installation of miscellaneous structural, mechanical, piping systems and appurtenances as required to complete the upgrade.

Project bids were opened on December 10, 2012 with ten bids received. The low bid was submitted by Specialty Construction in the amount of \$995,278. The Engineer's estimate which includes contingencies was \$984,000. The high bid was \$1,267,351. The low bidder has satisfied all the requirements specified in the Notice to Bidders and with one minor irregularity. The Bid Form indicated that their contractor's license had expired on Feb. 28, 2012. In checking with the State License Board, it was discovered that their license is current and expires on Feb. 28, 2013 and was current at the time of bid. Staff recommends that City Council waive this typographical irregularity. In addition, this contractor is well qualified to perform this work, having already been involved in earlier upgrades to the desalination facility.

Staff believes the bid to be competitive and within the range of what the City can afford. It should also be noted that the Prop 84 Grant expires on July 1, 2013 and it is therefore in the City's best interest to award the contract at this time to allow for sufficient time for construction.

CONCLUSION

Once complete, this project will be able to supply the City with its existing permitted water supplies and require the emergency transfer of water from the California Men's Colony during periods of State Water shutdown. Therefore, staff recommends the City Council waive the minor irregularity and award the Project contract to Specialty Construction, in the amount of \$995,278.



AGENDA NO: A-5

MEETING DATE: January 8, 2013

Staff Report

TO: Honorable Mayor and City Council **DATE:** 12/21/2012

FROM: Eric Endersby, Harbor Director

SUBJECT: Resolution No. 05-13 Approving Amendment #3 to the Lease Agreement for Lease Site 50-51/50W-51W located at 451 Embarcadero (Whibley)

RECOMMENDATION:

Staff recommends that the City Council adopt Resolution No.05-13 approving Amendment #3 for an alternate fire suppression system.

FISCAL IMPACT:

No Fiscal Impact.

SUMMARY:

At the December 11, 2012 Closed Session meeting, City Council was presented an alternate fire suppression system for Lease Site 50-51/50W-51W. The City Council directed staff to bring back a Resolution implementing Amendment #3 to the Lease Agreement for Lease Site 50-51/50W-51W.

BACKGROUND:

Lease Site 50-51/50W-51W is the dock and rental units operated by Reg Whibley adjacent to Associated Pacific Constructor's lease site at the southern end of the Embarcadero. In October 2011, the City entered into Amendment #2 for Lease Site 50-51/50W-51W whereby Mr. Whibley committed to improvements to the site consisting of an under-wharf fire sprinkler system and electrical improvements in exchange for adding 3 years and 9 months to the lease. The intent was to have this lease site's expiration coincide with the expiration of Associated Pacific's lease for Lease Site 52/52W, as the value of these two sites having the same lease expiration was recognized and desired by all parties. The Lease Agreement for Lease Site 50-51/50W-51W currently expires on September 30, 2021, and Lease Site 52/52W expires on June 30, 2025.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

The proposed improvements were to be completed by September 30, 2012, and Mr. Whibley has been working with his consultant on the plans, specifications, permits and approvals since the amendment was approved in 2011. In Mr. Whibley's original proposal, the estimated cost for the improvements was \$10,000-\$13,000. The estimated cost of the improvements according to Amendment #2 was \$15,000.

When Mr. Whibley owned Associated Pacific and all the Lease Sites (50-51/50W-51W and 52/52W), he added a fire sprinkler system to the underside of Lease Site 52/52W only, and stubbed-in connection points with the intent to extend over with sprinklers to 50-51/50W-51W in the future. At the time and under the then-current fire code, the design of the system was such that the future addition of sprinklers to 50-51/50W-51W would be code-compliant. In the intervening years the fire code has changed and adding sprinklers off of the original system will no longer meet current fire code. Mr. Whibley has been working diligently with his engineering consultant and the City's Fire Marshall to resolve the situation, but unfortunately there is no way around the fire code to enable connecting 50-51/50W-51W to 52/52W, and the deadline for the improvements under Amendment #2 has passed, thereby nullifying the lease term extension. In addition, the current cost of a stand-alone sprinkler system under the wharf at 50-51/50W-51W is considerably more than what Mr. Whibley had agreed to install.

DISCUSSION:

Mr. Whibley is still eager to extend the term of his Lease at Lease Site 50-51/50W-51W in order to make its expiration coincide with Lease Site 52/52W, and staff agrees that it is in the best interest of the City, Associated Pacific, and Reg Whibley for this to occur. As such Mr. Whibley has proposed an alternate improvement proposal whereby he will install a fire sprinkler system not under the wharf, but in the buildings above, in addition to the electrical and other improvements at a similar monetary value as was approved in Amendment #2. Mr. Whibley has already obtained Fire Marshall approval for the new system.

CONCLUSION:

Staff recommends that the City Council adopt Resolution No. 05-13 approving Amendment #3 for an alternate fire suppression system.

RESOLUTION NO. 05-13

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
APPROVAL OF AMENDMENT #3 TO THE LEASE AGREEMENT
FOR LEASE SITE 50-51/50W-51W, LOCATED AT 451 EMBACADERO**

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

WHEREAS, the City of Morro Bay is the lessor of certain property on the Morro Bay waterfront described as Lease Site 50-51/50W-51W; and

WHEREAS, Reg Whibley is the lessee of said property; and

WHEREAS, Mr. Whibley is proposing to add a fire suppression system to the buildings on the dock with electrical and other improvements; and

WHEREAS, the City and Mr. Whibley have agreed to a lease amendment that will extend the term of the Master Lease Agreement from September 30, 2021 until June 30, 2025.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that Amendment #3 to the Lease Agreement for Lease Site 50-51/50W-51W, located at 451 Embarcadero, between the City of Morro Bay and Reg Whibley, is hereby approved and that the Mayor is hereby authorized to execute said Amendment.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 8th day of January, 2013 on the following vote:

AYES:

NOES:

ABSENT:

JAMIE L. IRONS, Mayor

ATTEST:

JAMIE BOUCHER, City Clerk

**AMENDMENT #3 TO THE LEASE AGREEMENT FOR
LEASE SITE 50-51/50W-51W**

This Amendment #3 ("Amendment") is made and entered into as of this 8th day of January, 2013, to the Lease Agreement for Lease Site 50-51/50W-51W dated September 30, 1987 by and between the City of Morro Bay, a municipal corporation of the State of California, hereinafter called "City" and Associated Pacific Constructors, Inc., subsequently assigned to Reg Whibley ("Tenant") per Resolution No. 38-04 on May 24, 2004.

WHEREAS, in October 2011, the City entered into Amendment #2 whereby Tenant agreed to install an under-wharf fire sprinkler system by September 30, 2012 in exchange for adding 3 years and 9 months to the lease. The deadline for the improvements under Amendment #2 has passed thereby nullifying the lease term extension; and,

WHEREAS, Tenant intends to install a fire sprinkler system not under the wharf, but in the buildings above, in addition to the electrical and other improvements to a similar monetary value as was proposed for Amendment #2 on Lease Site 50-51/50W-51W, estimated to cost \$12,000; and,

WHEREAS, it is mutually beneficial for City and Tenant to acknowledge the improvement to the Lease Site and benefit of coordinating the term of the lease agreements for Lease Site 50-51/50W-51W and the adjacent Lease Site 52/52W; now therefore;

NOW THEREFORE, Tenant and City shall provide for the amendment of Master Lease as follows:

1. SECTION 1.01 TERM:

The Termination Date shall be amended to read "June 30, 2025".

2. CONSTRUCTION OF IMPROVEMENTS

Tenant agrees to obtain the required building permit and to complete construction/installation of the fire suppression system in the buildings located on the dock, in addition to the electrical and other improvements located on Lease Site 50-51/50W-51W by September 1, 2013. Failure to complete said construction by September 1, 2013 will void this Amendment. Tenant shall submit copies of invoices paid by Tenant to verify said estimated expenses of this agreement.

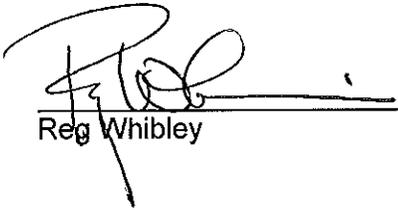
All other provisions of the lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date written above.

CITY OF MORRO BAY

TENANT – Reg Whibley

Jamie L. Irons, Mayor



Reg Whibley

APPROVED AS TO FORM:

Robert Schultz, City Attorney

ATTEST:

Jamie Boucher, City Clerk



AGENDA NO: A-6

MEETING DATE: 1/8/2013

Staff Report

TO: Honorable Mayor and City Council

DATE: December 26, 2012

FROM: Andrea K. Lueker, City Manager

SUBJECT: Resolution No. 06-13 Amending the San Luis Obispo Transit Authority Joint Powers Agreement

RECOMMENDATION

Staff recommends the City Council approve Resolution No. 06-13 which amends the San Luis Obispo Transit Authority Joint Powers Agreement.

FISCAL IMPACT

There is no fiscal impact to the City associated with adoption of Resolution No. 06-13.

BACKGROUND

The County of San Luis Obispo and all cities within the County, including Morro Bay, are members of the Regional Transit Authority (RTA). The purpose of the Authority is to operate and administer the countywide transportation agency. In 1990, the parties were signatories to the original Joint Powers Agreement (JPA). The JPA was subsequently amended in 1998. Recently, the Executive Director reported to the Board that the JPA does not provide member cities with the ability to appoint alternate representatives. In addition, the JPA does not expressly provide the organization with the ability to incur debt.

RTA staff worked with the RTA Counsel to review the current JPA document and to develop language that would address the two issues noted above. In redrafting the agreement, RTA's Counsel also took the opportunity to also update the document. These changes are relatively minor and relate to changing references to the organization from "SLORTA" to "RTA" and changing the title from "Transit Manager" to "Executive Director" where appropriate. All changes to the JPA must be ratified by each member agency and the County. The final JPA must also be submitted to the Secretary of State within 30 days of the effective date of the amended JPA. Staff is recommending the City Council adopt the attached Resolution (Attachment 1) adopting the amended Joint Powers Agreement. Also attached are the draft joint powers agreement (Attachment 2) and the joint powers agreement reflecting the recommended changes with ~~strikeouts~~ and underlines (Attachment 3).

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
JOINT POWERS AGREEMENT

WITNESSETH:

This Agreement is made and entered into this 9th day of March, 1990, and amended on 9/2/982nd day of September, 1998, and further amended on _____, 2012, by and among the incorporated cities of Arroyo Grande, Atascadero, EL Paso de Robles, Grover Beach, Morro Bay, Pismo Beach and San Luis Obispo, all being municipal corporations in the County of San Luis Obispo, California (hereinafter called "Cities") and the County of San Luis Obispo, a body politic and corporate, and a subdivision of the State of California, (hereinafter called "County").

WHEREAS, Section 6500 et seq. of the California Government Code (Title 1, Div. 7, Chapter 5, Article 1) provides for agreements between two or more public agencies to jointly exercise any power common to the contracting parties, subject to certain mandatory provisions contained therein; and

WHEREAS, the Cities and County have previously entered into a joint powers agreement for the formation of the San Luis Obispo Council of Governments for the purpose of providing, among other things, for a regional transportation agency; and

WHEREAS, the San Luis Obispo Council of Governments, at a regularly held meeting on May 10, 1989, voted to consolidate the administration of several transportation systems through a regional transit joint powers agreement.

NOW THEREFORE, it is agreed as follows:

ARTICLE I
General Provisions

Section 1. Purpose: The purpose of this Agreement is to exercise the common powers of the member agencies for the formation of a Joint Powers Agreement with full power and authority to own, operate and administer a county-wide public transportation system within the boundaries and over the territory over which the Joint Powers Agency has jurisdiction.

Section 2. Name: The official name of the entity shall be San Luis Obispo Regional Transit Authority and hereafter referred to as SLORTARTA.

ARTICLE II
Organization

Section 1. Board Members: The membership of the SLORTARTA Governing Board, shall be the same as the membership of the San Luis Obispo Council of Governments (hereinafter referred to as SLOCOG).

Section 2. Board Meetings - Voting - Quorum: Regular meetings shall be generally held in the first week of July, September, November, January, March and May or as specified in a biannually adopted meeting calendar. Special meetings may be called by the President or upon written request of at least three (3) members of the SLORTARTA Board.

Voting and quorum provisions shall be the same as those provided in the SLOCOG Joint Powers Agreement.

Section 3. Officers: The officers of SLOCOG shall serve as officers of ~~the Transit Authority~~RTA.

Section 4. ~~Manager~~Executive Director: The SLORTARTA Board shall designate ~~a Regional Transit Manager~~an Executive Director to operate SLORTARTA. The ~~manager~~Executive Director shall serve at the pleasure of the SLORTARTA Board, with delegated powers to certify documents of the SLORTARTA Board as required by the law and to assume such duties and responsibilities as the Board may direct.

Section 5. Members:

1. The County of San Luis Obispo and all cities incorporated in the County of San Luis Obispo presently or in the future, are declared eligible for membership.
- ~~1.2.~~ Member city agencies may elect to have an alternate member(s) from their city council in addition to any official member, but said alternate(s) shall be able to vote only in the absence of the official representative.
- ~~2.3.~~ Membership shall be contingent upon the execution of this Joint Powers Agreement.

Section 6. Boundaries and Service Levels: The service area boundaries shall be all of the area within the boundaries of San Luis Obispo County as designated by the SLORTARTA Board. Any additional services beyond the level recommended by the Regional Transportation Plan or mandated in the Unmet Transit Needs Hearing (PUC Section 99401.5) may be instituted, but shall require unanimous approval of affected jurisdictions, with costs for the extra service to be distributed on the basis of formula developed by the SLORTARTA Board members representing the affected jurisdictions.

Section 7. Committees:

1. Committees and subcommittees may be established as SLORTARTA may deem appropriate.
2. Membership on “ad-Hoc” policy committees shall be at the discretion of the President. Nothing herein shall be construed to limit membership on

these aforesaid committees to officials of the member agencies. The President may appoint any individual deemed qualified to serve on a committee.

3. Standing committees shall include the:
 - a. Regional Transit Advisory Committee (RTAC) serving as a Regional Transit Productivity Committee to advise the Board on the efficiency and effectiveness of the transit system.
 - b. An Executive Committee comprised of the President, Vice President and the past President and at least one representatives from the county of San Luis Obispo (if none of the above) shall advise the ~~Transit Manager~~Executive Director and SLORTARTA on: draft agendas, personnel issues, budget and Overall Work Program; controversial, sensitive and major policy issues; and shall facilitate the annual performance evaluation of the ~~Regional Transit Manager~~Executive Director. Items for review shall be selected by the ~~Transit Manager~~Executive Director in consultation with the President. All Committee members may include agenda items as they desire. For purposes of conducting business, two members shall constitute a quorum.
4. No committee shall commit SLORTARTA on any matter or questions of policy. Such matters or questions can only be decided by SLORTARTA.
5. All committees shall receive clerical assistance from SLORTARTA staff and, by agreement, SLOCOG staff for the purpose of maintaining minutes of meetings and other such duties as the ~~Transit Manager~~Executive Director may direct. The chair of each committee shall sign the original copy of the minutes indicating verification of contents upon committee adoption. Copies of minutes of all meetings shall be sent to members of SLORTARTA and the ~~Transit Manager~~Executive Director.

ARTICLE III Financial Provisions

Section 1. Budget: The ~~Regional Transit Manager~~Executive Director shall prepare an annual budget for ~~Transit Authority~~RTA adoption prior to commencement of each fiscal year. The approval of the Annual Budget shall be in accordance with those procedures prescribed by the Joint Powers Agreement of SLOCOG.

Accounting practices to be applied will conform with those used by San Luis Obispo County, consistent with Transportation Development Act rules and regulations.

A Consolidated Fund balance and cash balance will carry forward from one year to the next.

The budget may additionally carry funds for future fiscal years where necessary to develop a multi-year Capital Improvement Program and to reflect obligations under state ~~of or~~ federal funding agreements, to the extent allowable by California law.

No member Agency shall be required to expend any of its general fund monies to support the operations of ~~the Transit Authority~~RTA. The operation of the transit system shall be funded from revenues derived from operations, member Transportation Development Act fund contributions, grants, and any other appropriate revenue sources. Each member agency shall make an annual contribution to ~~the Transit Authority~~RTA in accordance with the adopted budget.

Any formula may be amended upon approval of all jurisdictions affected by that formula and ratified by ~~the Transit Authority~~RTA.

All population percentages utilized shall be those annually adopted by SLOCOG for allocating Transportation Development Act Funds based annually on estimates prepared by the State Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code for cities and by the County Planning Department for unincorporated communities.

Section 2. Expenditures: ~~The Transit Authority~~RTA may establish procedures and policies to insure competitive prices for the purchases of goods and services. Formal bidding shall not be required unless directed specifically by ~~the Transit Authority~~RTA or unless required by state or federal law. Particularly in the purchase of equipment, including buses, ~~the Transit Authority~~RTA may consider the design, maintenance and operating costs, and other similar factors in determining the most suitable equipment and need not purchase equipment having the lowest initial cost.

Section 3. Treasurer and Auditor: Pursuant to Government Code Section 6505.5, the Treasurer of the County of San Luis Obispo is hereby designated as Treasurer of ~~the Transit Authority~~RTA. The Treasurer shall have the powers and duties set forth in Government Code Section 6505.5. The Auditor/Controller of the County of San Luis Obispo is designated as the Auditor of ~~this Transit Authority~~RTA pursuant to Government Code Section 6505.5.

Section 4. Annual Audit: ~~The Transit Authority~~RTA shall cause an annual audit to be prepared and filed in accordance with Government Code Section 6505 and Public Utilities Code Section 99245.

Section 5. Annual Report: The ~~Regional Transit Manager~~Executive Director shall prepare and submit an annual report of the operations to the ~~Transit Authority~~RTA Board, SLOCOG and State Controller within 90 days of the end of the fiscal year pursuant to Public Utilities Code, Section 99243.

Section 6. Periodic Reporting: The ~~Transit Authority~~RTA Board may require periodic reporting of ridership, finances, or other information. It shall be the responsibility of the ~~Regional Transit Manager~~Executive Director and Contractor (if appropriate) to provide such reports in a form acceptable to the ~~Transit Authority~~RTA Board.

ARTICLE V Authority

Section 1. Powers: ~~The Transit Authority~~RTA shall have all Powers necessary to carry out the purpose of this Agreement, except the power to tax. Its power to expend funds shall be limited only by the availability of funds as set forth in ARTICLE III: Finances, Section 1. The Powers of ~~the Transit Authority~~RTA specifically include, but are not limited to, the following:

1. To solicit bids and negotiate contracts from private enterprise for services and/or operation.
2. To sue or be sued.
3. To employ agents, employees and contract for professional services.
4. To make and enter contracts, including labor, purchase agreement and employment contracts.
5. To acquire, convey, construct, manage, maintain and operate necessary equipment, building and improvements.
6. To acquire and convey real and personal property.
7. To incur debts, liabilities and obligations, as well as obligations of financial assistance from State and Federal agencies, and to obligate ~~the Transit Authority~~RTA to operate the improvements, equipment or transportation system in accordance with the terms and conditions of said financial assistance.

Section 2. ~~Transit Authority~~RTA is a Public Legal Entity: ~~The Transit Authority~~RTA is a public entity duly formed and existing under the laws of the State of California. It is a separate and distinct legal entity from its member agencies. The debts, duties and obligations created pursuant to this Agreement, shall be solely the obligations of ~~the Transit Authority~~RTA and not those of its officers, employees, members of the Board of Directors or the member agencies.

ARTICLE V Miscellaneous Provisions

Section 1. Withdrawal of Member: A withdrawing member's financial obligation under this Section is limited to the withdrawing member's pro-rata share of the currently adopted operating budget based upon ARTICLE III, Section 1 within the service area of the obligated commitments affecting the withdrawing member and any SLOCOG's finding as to unmet transit needs that are reasonable to meet pursuant to Public Utilities Code Section 99401.5.

Section 2. Amendment of Agreement: No amendment to this Agreement shall be made without the consent of all member agencies at the time of the amendment.

Section 3. Ratification - Effective Date: This Agreement shall be deemed effective as to those parties executing this agreement upon their execution of the agreement.

Section 4. Assignability: In the event it is deemed in the best public interest to have ~~the Transit Authority~~RTA operated by another individual or entity, whether public or private, and provided that the assignment complies with State and Federal laws, the agency on affirmative vote of the majority in accordance with Section 2 of ARTICLE II, may sell, lease or assign all of its real and personal property and cease operations upon such terms and conditions as ~~the Transit Authority~~RTA determines to be reasonable.

Section 5. Termination: This Agreement shall continue in full force and effect until rescinded by a majority of the member agencies.

Section 6. Notification to Secretary of State: Pursuant to Government Code Section 6503.5, ~~the Transit Authority~~RTA shall cause a notice of the execution of this Agreement to be prepared and filed with the Office of the Secretary of the State of California, within thirty (30) days after the effective date of any amendment to this Agreement. Until such filings are completed, ~~the Transit Authority~~RTA shall not incur indebtedness of any kind.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first hereinabove written.

IN WITNESS THEREOF, the parties have executed this Agreement as of the day and year first hereinabove written.

City of Arroyo Grande

By: _____

Date:_____

Clerk

Resolution No._____

City of Atascadero

By: _____

Clerk

Date:_____

Resolution No._____

City of Grover Beach

By: _____

Clerk

Date:_____

Resolution No._____

City of Morro Bay

By: _____

Clerk

Date:_____

Resolution No._____

City of Paso Robles

By: _____

Clerk

Date:_____

Resolution No._____

City of Pismo Beach

By: _____

Clerk

Date:_____

Resolution No._____

City of San Luis Obispo

By: _____

Clerk

Date:_____

Resolution No._____

County of San Luis Obispo

By: _____

Date: _____

Clerk

Resolution No. _____

Approved as to form and legal effect:
TIM MCNULTY
County Counsel

By: _____
Deputy County Counsel

Date: _____

RESOLUTION NO. 06-13

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY,
CALIFORNIA, APPROVING THE AMENDED JOINT POWERS AGREEMENT
BETWEEN THE COUNTY AND THE INCORPORATED CITIES WITHIN THE
COUNTY FOR THE SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

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

WHEREAS, Section 6500 et seq. of the California Government Code (Title 1, Div. 7, Chapter 5, Article 1) provides for agreements between two or more public agencies to jointly exercise any power common to the contracting parties, subject to certain mandatory provisions contained therein; and

WHEREAS, the Cities and County have previously entered into a joint powers agreement for the formation of the San Luis Obispo Council of Governments for the purpose of providing, among other things, a regional transit joint powers agreement; and

WHEREAS, the Cities and the County have previously entered into a joint powers agreement to provide regional transportation services in 1990, and the Cities and the County amended said joint powers agreement in 1998; and

WHEREAS, there is further need to amend the agreement to provide for alternate members, permit the organization to incur debt, and to make other minor modifications.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morro Bay, California, hereby approves the amended San Luis Obispo Regional Transit Authority Joint Powers Agreement.

BE IT FURTHER RESOLVED that the Mayor is hereby authorized to sign the amended agreement on behalf of the City of Morro Bay.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 8th day of January, 2013, by the following vote:

AYES:

NOES:

ABSENT:

JAMIE L. IRONS, Mayor

ATTEST:

JAMIE BOUCHER, City Clerk

**A PROCLAMATION OF THE CITY OF MORRO BAY
COMMENDING AND HONORING
POLICE SERGEANT MANUAL A. SILVA ON HIS RETIREMENT**

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

WHEREAS, Police Sergeant Manual A. Silva began his public safety career on September 7, 1976 as a Patrolman with the Cuesta College Security Department; and

WHEREAS, Sergeant Silva continued his career with San Luis Obispo Department of Animal Regulation as a Animal Control Officer on June 26, 1978; and

WHEREAS, Sergeant Silva continued his career coming to the City of Morro Bay as a Level III Part-Time Reserve Police Officer on November 1, 1978 becoming a Full-Time Police Officer on July 1, 1979; and

WHEREAS, Sergeant Silva progressed in his career with the City of Morro Bay and served as School Resource Officer in 1987, was appointed Police Corporal on November 5, 1994 and ultimately Police Sergeant on October 28, 2000; and

WHEREAS, Sergeant Silva has been an active member of the Domestic Violence Task Force, relaying important information and assisting the County of San Luis Obispo in justification for grant funded positions; and

WHEREAS, Sergeant Silva has always worked in a “Community Oriented Policing” mode and has promoted this style of policing to both adult and children in the community through his participation in a number of events and activities; and

WHEREAS, Sergeant Silva has also worked on a number of secondary assignments including the Explorers, Field Training Officer and Training Coordinator; and

WHEREAS, Sergeant Silva, due to his length of time with the Morro Bay Police Department is considered the local “historian” of local history and San Luis Obispo County Law enforcement history and goes above and beyond in his efforts to share this knowledge; and

WHEREAS, Sergeant Silva has participated in numerous community service activities including Caroling Cops, Thanksgiving Dinner, Tip-A-Cop for Special Olympics, Surf Camp and Neighborhood Watch.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morro Bay honors and recognizes Sergeant Silva for his service to, and leadership in the Morro Bay Police Department over the last thirty-four years; and

BE IT FURTHER RESOLVED that the Morro Bay City Council extends its appreciation and thanks for Sergeant Silva’s many years of professional service to the City of Morro Bay and offers its best wishes for many warm sunsets.

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 January 2013

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

**A PROCLAMATION OF THE CITY OF MORRO BAY
COMMENDING AND HONORING
FIRE CHIEF MICHAEL S. POND ON HIS RETIREMENT**

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

WHEREAS, Fire Chief Michael S. Pond began his public safety career in 1977 with San Luis Obispo County, North Coast Fire Company; and

WHEREAS, Chief Pond began his career with the City of Morro Bay as a Fire Engineer on July 1, 1986; and

WHEREAS, Chief Pond progressed in his career with the City of Morro Bay and was appointed Fire Captain on November 16, 1991 and ultimately Fire Chief on April 24, 2004; and

WHEREAS, Chief Pond has been an active member of the San Luis Obispo County Technical Rescue Team, performing numerous rescues in adverse conditions; and

WHEREAS, Chief Pond in September 1985 was part of a group of firefighters who assisted with the formation and initial training of the City of Loreto, Mexico Fire Department; and

WHEREAS, Chief Pond was the Incident Commander on the T-Pier Fire on December 1, 1988 when serving as an Acting Fire Captain; and

WHEREAS, Chief Pond has responded on many mutual aid strike teams in San Luis Obispo County as well as throughout the State of California and nation; and

WHEREAS, Chief Pond has participated in and taken on leadership roles of numerous community service activities including Rotary Club of Morro Bay President 2010/11, Alisa Ann Ruch Burn Foundation, Fire Safety for Elementary students; Round-a-Bout Cleanup and Morro Bay Surf Camp; and

WHEREAS, as a parting gift to the City of Morro Bay, Chief Pond was instrumental in writing a grant for 1.6 million dollars to help fund the Morro Bay Fire Department Headquarters completing the multi-year project that that has been a lifelong dream of the Fire Department and the community as a whole.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morro Bay honors and recognizes Chief Pond for his service to, and leadership and management of the Morro Bay Fire Department over the last twenty-seven years; and

BE IT FURTHER RESOLVED that the Morro Bay City Council extends its appreciation and thanks for Chief Pond's many years of professional service to the City of Morro Bay and offers its best wishes for many warm sunsets.

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 January 2013.

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



AGENDA NO: D-1

MEETING DATE: 01/8/2013

Staff Report

TO: Honorable Mayor and City Council **DATE:** December 17, 2012
FROM: Susan Slayton, Administrative Services Director/City Treasurer
SUBJECT: Resolution No. 01-13 Adopting the City of Morro Bay Investment Policy and Delegating Authority to the City Treasurer to Invest Idle Funds

RECOMMENDATION:

Staff recommends that Council adopt Resolution No. 01-13.

FISCAL IMPACT:

None

SUMMARY:

Presented for Council's review is the City of Morro Bay's Investment Policy. Changes to this policy are in red. Staff recommends that Council review the policy and adopt Resolution No. 01-13, with any amendments made at this meeting.

BACKGROUND:

Since 1985, the City Council of Morro Bay has been annually presented with the City's Investment Policy to review and adopt. Each year, the Treasurer (Administrative Services Director) reviews the existing policy for recommended changes from the State of California and other governmental agencies, and implements them.

There has been a change in the insurance rate for deposits at banks, which has been increased from \$100,000 to \$250,000. Other minor changes are included as well. All changes are in red.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

RESOLUTION NO. 01-13

**RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF MORRO BAY, CALIFORNIA,
ADOPTING THE CITY OF MORRO BAY INVESTMENT POLICY AND
DELEGATING AUTHORITY TO THE CITY TREASURER
TO INVEST IDLE FUNDS**

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

WHEREAS, the City Council of the City of Morro Bay desires to prudently invest the idle funds of the City to maximize the use of taxpayer funds; and

WHEREAS, the California Government Code Section 53600.3 states that “all governing bodies of local agencies, or persons authorized to make investment decisions on behalf of those local agencies, investing public funds, pursuant to this chapter, are trustees, and therefore, fiduciaries subject to the prudent investor standard;” and

WHEREAS, per California Government Code Section 53646(a)(2), all local agency governing boards may render, to the legislative body of that local agency, a statement of investment policy, which the legislative body of the local agency shall consider at a public meeting, and shall also consider any change in the policy; and

WHEREAS, per California Government Code Section 53607, the legislative body may delegate investment authority and responsibility to the Treasurer, and/or designated staff, for a period of one year subject to annual review and monthly review of transactions initiated by the designee.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay that the Statement Policy, attached hereto, is adopted, and that the City Treasurer is hereby authorized to carry out this policy on behalf of the City Council.

PASSED AND ADOPTED by the City Council of the City of Morro Bay, on the 8th day of January, 2013, by the following vote:

AYES:

NOES:

ABSENT:

JAMIE L. IRONS, Mayor

JAMIE BOUCHER, City Clerk



CITY OF MORRO BAY INVESTMENT POLICY JANUARY 2013

PURPOSE

This investment policy establishes the practices and procedures to be used in managing the City of Morro Bay's (City) portfolio in accordance with the requirements of the State of California Government Code and the guidelines provided by the California Debt and Investment Advisory Commission (CDIAC) and the Government Finance Officers Association (GFOA).

SCOPE OF THE POLICY

This policy governs the investment of money that is not required to meet the immediate needs of the City.

LEGAL AUTHORITY

Government Code Sections: California Government Code Sections 53600 to 53609, [53635](#), and [16429.1](#) govern the investment of local agency funds.

Legislative Changes: Any applicable legislative actions will be acted on as of their effective dates and will be incorporated into the policy annually, specifying the California Government Code sections that have been added, deleted or amended.

OBJECTIVES

The City Treasurer will consider the following factors in priority order when assessing investment opportunities:

Safety: The primary objective is the preservation of principal. Capital losses will be avoided, whether from default or erosion of market value, meaning that the City will not sell or trade an investment because of market fluctuation. The two types of risk to be minimized are:

1. Credit risk – the risk that an issuer or other counterparty to an investment will not fulfill its obligations; and
2. Interest rate or market risk – the risk that changes in interest rates will adversely affect the fair value of an investment.

Liquidity: The second objective is the liquidity of the portfolio. The portfolio should remain sufficiently flexible to enable the City to meet the operating requirements that are reasonably anticipated. In order to ensure liquidity, the investment policy must recognize that calculating cash flows are the basis of any good investment strategy. Meeting the daily cash flow demand goes hand-in-hand with meeting the City's liquidity needs.

Yield: The third objective, behind safety and liquidity, is attaining a market rate of return throughout the budgetary and economic cycles.

While managing the portfolio, the Treasurer and designated staff will strive to maintain public trust by avoiding any transactions that might impair public confidence in the City. When selecting investment instruments, the Treasurer and designated staff will remain cognizant of any social and policy considerations that have been established and defined in this policy.

GENERAL STRATEGY

The Treasurer and designated staff may follow a passive or active investment strategy. Passive investment policies adhere to the investment goal of holding investments to maturity. Active investment strategy is the buying and selling of investments to achieve a certain benchmark objective. Great care, coupled with the advice of a fiscal agent, should be followed with an active investment policy.

The City, as stated above in the Objectives section under Safety, follows the passive investment strategy of holding investments to maturity.

STANDARD OF CARE

Prudent Investor Standard: The prudence standard for trust investing traces back to Harvard College v. Amory, 26 Mass. (9 Pick.) 446 (1830). Judge Samuel Putnam stated that trustees should "observe how men of prudence, discretion and intelligence manage their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income, as well as the probable safety, of the capital to be invested."

This standard will be followed by the Treasurer and designated staff.

Ethics and Conflict of Interest: The Treasurer and designated staff shall refrain from personal business activities that could conflict with the proper execution of the investment program or which could impair their ability to make impartial decisions.

Delegation of Authority: The following positions and corresponding City personnel are delegated the power to invest the funds of the City:

City Manager:	Andrea Lueker	
Admin Services Dir/Treasurer:	Susan Slayton	
Senior Accounting Technician <u>Human Resources Analyst</u> :		Laurie Goforth
Senior Accounting Technician:	Cristie Brazzi	

These designations may change with the annual affirmation of this policy. Each delegate is required to adhere to the requirements set forth in the investment policy.

SAFEKEEPING AND CUSTODY

Third-party Safekeeping: Ownership of the City's investment securities will be protected through third-party custodial safekeeping. The custodian will provide the City with a safekeeping receipt or monthly, itemized statement. Exceptions to this requirement are made for certificates of deposit, money market funds and investment pools.

Internal Controls: These are designed to ensure that the assets of the City are protected from theft, loss, or misuse. Such internal controls that are in place include:

1. Control of collusion;
2. Separation of duties;
3. Safekeeping of securities; and
4. Written confirmation of telephone transactions and wire transfers.

The City will separate the person who authorizes or performs the transaction from the person or people who ultimately record or otherwise account for the transaction to achieve separation of duties.

Delivery vs. Payment: All investment transactions should be conducted using standard delivery vs. payment procedures. In delivery vs. payment, the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian, and ensures that securities are deposited in an eligible financial institution prior to the release of funds.

AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The City will only conduct business with approved banks, savings and loans, credit unions, and securities brokers/dealers. A list of financial dealers and institutions is to be maintained. Broker/dealers and institutions must meet all requirements established by federal and state law.

SUITABLE AND AUTHORIZED INVESTMENTS

Authorized Investment Types: The City, by virtue of California Government Code Sections 53600 – 09, has the ability to invest in numerous types of instruments. The City has looked at its goals, objectives, and standards of care in establishing a list of authorized investment types that also meet statutory requirements. Those types of investment instruments that meet the criteria for the City are:

1. Securities of the U. S. Government, or its agencies;
2. California's Local Agency Investment Fund (LAIF) pool;
3. FDIC Insured Certificates of Deposit up to \$250,000;
4. Bankers' Acceptances (not exceeding 40% of the City's portfolio/max maturity 180 days);
5. Money Market funds ~~whose portfolios consist of the foregoing (not exceeding 20% of portfolio)~~;
6. Collateralized ~~Certificates of Deposits~~ of ~~\$100,000 or more (not exceeding 25% of the portfolio)~~;
7. Passbook savings accounts; and
8. Repurchase agreements and reverse repurchase agreements (no more than 25% of the City's portfolio).

Prohibited Investment Types: In addition to a listing of authorized investments, California Government Code Section 53601.6 prohibits local agencies from investing in the following instruments:

1. Inverse floaters;
2. Range notes or mortgage-derived, interest-only strips;
3. Any security that could result in zero interest accrual if held to maturity;
4. Stock; and
5. Futures or options.

There may be additional investment instruments in which the City does not want the Treasurer to invest, and those will be defined in future investment policies.

INVESTMENT PARAMETERS

Diversification of Investments: The City may choose to impose more stringent restrictions or further restrictions on other investment instruments, depending on its investment goals and risk tolerances, than those proposed in the California Government Code Sections 53600 - 09. The City has indicated those authorized investments ~~with the appropriate percentage of the portfolio allowed~~ as follows:

1. Money market funds ~~not to exceed 20%~~;
2. Collateralized ~~Certificates of Deposits~~ ~~not to exceed 25%~~;

3. Securities of any one issuer, not to exceed 5% of the City's portfolio, except those obligations of the U.S. government, U.S. governmental agencies, and U.S. government-sponsored enterprises, ~~not to exceed 5%; and~~
4. Mutual funds ~~not to exceed 10%; and-~~
5. FDIC insured certificates of deposits.

Maximum Maturity: California Government Code Section 53601 lists the maximum maturity for any instrument as five (5) years. The exception to this time frame is made for investments with LAIF only or collateralized deposits.

Minimum Credit Requirements: The City has chosen to follow the California Government Code Section 53601 that sets the minimum credit rating required for certain investment instruments as follows:

1. Short-term debt shall be rated at least "A-1" by Standard & Poor's Corporation, "P-1" by Moody's Investors Service, Inc., or "F-1" by Fitch Ratings. If the issuer of short-term debt has also issued long-term debt, this long-term debt rating shall be rated at least "A," without regard to +/- or 1, 2, 3 modifiers, by Standard & Poor's Corporation, Moody's Investors Service, Inc., or Fitch Ratings.
2. Long-term debt shall be rated at least "A," without regard to +/- or 1, 2, 3 modifiers, by Standard & Poor's Corporation, Moody's Investors Service, Inc., or Fitch Ratings.

Maximum Weighted Average Maturity of a Portfolio: As part of the monthly portfolio performance report that is provided to the City Council, a weighted average maturity (WAM) of the portfolio is calculated. While there are no requirements under state law for a maximum WAM of a portfolio, CDIAC's Local Agency Investment Guidelines suggest that local agencies include and monitor WAM to arrive at an acceptable range for future implementation of a maximum benchmark.

PORTFOLIO MANAGEMENT ACTIVITY

Active or Passive Portfolio Management: In active portfolio management, treasurers buy and sell securities based on how to maximize portfolio values over a given timeframe. In passive portfolio management, the goal is to match a market rate of return (usually a benchmark). Weighing the pros and cons of each strategy in light of staff resources and investment, the City has chosen to follow a passive portfolio management strategy.

Competitive Bidding: Investments are purchased in the most cost effective and efficient manner utilizing approved brokers/dealers on all investment transactions.

Reviewing and Monitoring of the Portfolio: The portfolio is to be reviewed on a monthly basis to ensure that the investments are being properly tracked and reported.

Portfolio Adjustments: If the portfolio demonstrates non-compliance with the investment policy, the Treasurer and designated staff may hold the affected securities to maturity to avoid losses; however, the Treasurer may choose to rebalance the portfolio earlier to bring it back into compliance **only** if the portfolio will not suffer any losses for selling the investment prior to maturity.

Performance Standards: The objective of investing is to obtain a rate of return throughout budgetary and economic cycles, commensurate with investment risk constraints and cash flow needs.

REPORTING

Reporting Methods: On a ~~month~~quarterly basis, the investment portfolio will be ~~provided available to the City Council~~ and will list the following components ~~per Government Code Section 53646 (b)~~:

1. Types of investment;
2. Issuer names;
3. Dates of maturity;
4. Par amounts;
5. Dollar amounts;
6. Market values;
7. Descriptions of programs under the management of contracted parties;
8. A statement of compliance with the investment policy; and
9. A statement of the ability to meet cash flow needs for six months.

Governmental Accountings Standards Board (GASB) Statement No. 31 - Marking to Market: The City's portfolio is to be marked-to-market for the monthly investment report provided to the City Council and at minimum, annually for the financial statements. Market values are to be obtained from a reputable and independent source and disclosed to the City Council in the monthly written report. The independent source of pricing should not be one of the parties to the transaction being valued. Such an independent source could include a broker or other financial institution that was not counterparty to the transaction, the custodial bank if the bank was not a counterparty to the transaction, publicly available publications such as *The Wall Street Journal*, or other pricing services for which a separate fee would be paid.

This is consistent with GASB Statement No. 31, which requires that governmental entities report investments at fair value, and with the California Governmental Code, which also requires market values of investments be reported.

Calculation of Yield and Costs: All yield rates on investments will be presented at book value.

Investment Policy Adoption, Review, and Amendment: The investment policy will be reviewed, amended, and presented to the City Council annually at the beginning of the calendar year. The review should ensure that the policy is consistent with the overall

objectives of preservation of principal, liquidity, and return, and is in conformance with the law, financial and economic trends, and the cash flow needs of the local agency.

Definitions or Glossary of Terms: This investment policy includes a definition section (Appendix A) in order to establish a common vocabulary between the Treasurer and designated staff, the City Council, and the public.

APPENDIX A – INVESTMENT POLICY TERMINOLOGY

The following are examples of terminology commonly found in California City investment policies. The inclusion of these sections provides clarity to investment policies and better enables readers to understand important concepts.

Authorized Financial Dealers and Institutions: A list of financial institutions authorized to provide investment services. May also include a list of approved security broker/dealers with which the City can do business. These institutions and broker/dealers are usually selected by their ability to add value to the investment process. Some criteria to consider when choosing an approved broker/dealer include creditworthiness, expertise, and the products in which the financial dealer or institution is familiar. GFOA suggests that all entities qualifying for investment transactions provide audited financial statements; proof of industry group (National Association of Securities Dealers [NASD]) certification; proof of state registration; completed broker/dealer questionnaire; and certification of having read, understood, and agreeing to comply with the investment policy.

Bankers' Acceptance: A draft, bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Certificate of Deposit: A time deposit with a specific maturity evidenced by a certificate.

Collateralization: Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security. California Government Code Section 53601 requires that all repurchase agreements be secured by eligible securities with a market value of 102 percent or greater of the funds borrowed.

~~GFOA recommends and~~ California Government Code requires that full public deposits to be collateralized at 110% be required on non-negotiable certificates of public deposit.

Delegation of Authority: The granting of authority to manage the investment program to designated officials. Such authority is usually derived from code sections, ordinance, charters, or statutes. Government Code Section 53607, for example, allows the City Council to delegate, for a one-year period, its authority to invest or reinvest funds or to sell or exchange securities held by the local government.

Delivery vs. Payment: A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian. It ensures that securities are deposited in an eligible financial institution prior to the release of funds. A third-party custodian as evidenced by safekeeping receipts should hold securities.

Diversification: A process of investing assets among a range of security types by sector, maturity, credit rating, and call type or structure. This reduces exposure to risk by combining a variety of investments, which are unlikely to all move in the same direction. GFOA suggests diversifying a city's investment portfolio by limiting investments to avoid exposure to a specific sector, limiting investment in securities with higher credit risks, investing in instruments with varying maturities, and continuously investing a portion of the portfolio in

readily available funds such as a local government investment pool, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

Ethics and Conflicts of Interest: The California Political Reform Act of 1974 requires certain designated public officials at all levels of government to publicly disclose their private economic interests and requires all public officials to disqualify themselves from participating in decisions in which they have a financial interest. As part of this requirement, local agencies are required to adopt and promulgate a Conflict of Interest Code, with certain required sections. To further promulgate this Code, investment policies sometimes include language requiring the ethical conduct of investment officers and statements regarding refraining from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. To avoid conflicts, GFOA recommends that investment officers disclose material interests in financial institutions with which they do business, disclose personal financial interests that could be related to the performance of the investment portfolio, and refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the local government.

Exemption: Language that grandfathers prohibited investments into the investment policy because they may have been held in the portfolio prior to the prohibition. When these investments mature or are liquidated, the money should be reinvested as provided by the policy and the exemption language should be removed from the policy.

FDIC: Federal Deposit Insurance Corporation is a federal agency that insures bank deposits up to \$~~10~~250,000 per deposit.

General Objectives: The section of an investment policy that illustrates the three main objectives (safety, liquidity, and yield), in order of priority, of a good investment policy. In addition to these commonly included objectives, there are a myriad of other objectives for which an investment policy can strive. Safety is the preservation of principal. Liquidity is how easily an investment may be redeemed for cash. Yield is the current rate of return on a security generally expressed as a percentage of its current price. As per California Government Code Section 53600.5, safeguarding the principal of the funds under its control should be the primary objective of local agencies. Liquidity also should be a principal objective of a portfolio. The portfolio should maintain sufficient liquidity to meet operating requirements. To accomplish this, a local agency can structure a portfolio so that investments mature when cash is needed and also by investing in liquid securities with an active secondary market. Yield should be the last objective an investment portfolio should strive for, behind safety and liquidity. Since there are many different ways for yield to be calculated, the investment policy should specify how it is to be calculated.

Internal Controls: The system used to ensure that the local government assets are protected from loss, theft, or misuse. Such a system should provide a reasonable assurance that such loss, theft, or misuse can be prevented. Examples include separation of duties, delegation of authority, and documentation. GFOA suggests that an internal control system

address the following points: control of collusion, separation of transaction authority from accounting and recordkeeping, custodial safekeeping, avoidance of physical delivery of securities, clear delegation of authority to subordinate staff, written confirmation of transactions for investments and wire transfers, and development of a wire transfer agreement with the lead bank and third-party custodian.

Investment Parameters: Specified restrictions on investments to limit the amount of risk in a portfolio. These parameters may be specified in the California Government Code; however, the local agency may choose to further restrict investment options depending on its risk tolerance. Such parameters may include diversification of investments types, percentages, or dollar limits per issuer and setting maximum maturities.

Investment Types: A recitation of the investment types the local agency has been given authority in which to invest. This may be a list of securities allowable under California Government Code Section 53601 et seq., and may be further restricted by the agency itself. For a description of the allowable California local agency investment instruments, please see CDIAC's latest version of its Local Agency Investment Guidelines, available on its website at www.treasurer.ca.gov/cdiac. GFOA recommends the investment in the following types of securities: U.S. government securities and agency obligations; highly-rated certificates of deposit, bankers' acceptances, commercial paper; investment-grade state and local government obligations; repurchase agreements securitized by the previously-mentioned securities; SEC-regulated, dollar-denominated money market mutual funds; and local government investment pools.

LAIF: Local Agency Investment Fund, the State of California's investment pool in which cities, counties and special districts may participate.

Liquidity: A liquid asset is one that can be quickly and easily converted into cash without loss in value.

Market Value: The price at which a security is trading at a point in time. Selling an investment at market value can result in a gain (\$500,000 investment sold for \$515,000 = \$15,000 gain) or loss (\$500,000 investment sold for \$498,000 = \$2,000 loss). Gains and losses are dependent on changes in the current rate of interest as compared to the interest rate of the investment that is being considered for sale.

Marking-to-Market: The act of recording the price or value of a security to reflect its current market value rather than its book value.

Maximum Maturities: Maturity is the date on which the security or obligation is redeemed by the issuer in exchange for cash. California law states that local governments cannot invest in instruments with terms remaining to maturity in excess of five years unless they receive express authority from their legislative bodies to do so. Local governments should attempt to match investment maturities with anticipated cash flow requirements. There is no requirement under California law for local governments to have a weighted average maturity

(WAM) restriction for their portfolio, although CDIAC's Local Agency Investment Guidelines suggests that local agencies consider adopting a WAM restriction.

Performance Standards: The criteria by which a stated goal is measured. An investment portfolio's performance and risk exposure should be evaluated against appropriate benchmarks on a regular basis. One standard that should be strived for should be a market rate of return in a given interest rate environment.

Policy Considerations: The local ordinances or other requirements that place restrictions on the policy. Local governments should consider what should be exempted from the policy and also when, or under what circumstances, the policy should be amended.

Pooling of Funds: A statement in the investment policy that except for certain restricted or special funds, cash balances should be consolidated from all funds to maximize investment earnings.

Portfolio: The collection of investment instruments held.

Prudent Investor Standard: Legal maxim that all investments should be made with care, skill, prudence and diligence under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the professional management of their business affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Reporting: Presentation of evaluation data or other information to communicate processes, roles, and results. Investment policies should include reporting requirements such as methods of reporting investments, the standards against which investments should be reported, and the requirement for calculating market value.

Reporting Methods: Ways in which investment outcomes are reported including listing of instrument values, dollar value returns, percentage yields, etc. GFOA suggests that local governments prepare investment reports at least quarterly. In California, investment reports are no longer required to be submitted to legislative bodies. This requirement is now permissive. If a local government chooses to submit an investment report in accordance with California Government Code Section 53646 to their legislative bodies, they are still required to submit copies to CDIAC for the second and fourth quarter of every calendar year until January 1, 2007. GFOA goes on to list some suggested components of investment reports including listing of securities, gains and losses, average weighted yield to maturity as compared to benchmarks, listing of investment by maturity date, and percentage of the total portfolio which each type of investment represents.

Repurchase Agreements: A repurchase agreement is a form of short-term borrowing for dealers in government securities, which are highly valued and thus considered a good source of collateral. The dealer sells the government securities to investors, usually on an overnight basis, and buys them back the following day. Investments in repurchase agreements may be made when the term of the agreement does not exceed one year.

Risk: Two of the most common risks associated with local government portfolio investing are credit risk and interest rate risk. Credit risk is the risk to an investor that an issuer will default in the timely payment of interest and/or principal on a security. Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. Limiting investment to the safest types of securities, pre-qualifying financial institutions, broker/dealers, and others with which the local agency will do business, and diversifying the number of issuers in an investment portfolio can minimize credit risk. Interest rate risk can be minimized by structuring the portfolio so that investments mature at the same time that cash is required or investing operating funds in highly liquid, shorter-term securities (e.g., U.S. Treasury bills or notes).

Safekeeping and Custody: Rules derived to ensure the safety of an investment and within whose control the investment resides. Some examples include third-party safekeeping, developing lists of authorized financial dealers and institutions, developing internal controls, and using a delivery vs. payment standard for transactions. Local agencies should consider requiring securities to be held by third-party custodians, evidenced by timely statements illustrating the balance held by these custodians.

Scope: The types of funds that the policy covers (e.g., operating funds, bond proceeds, etc.). In general, investment policies cover short-term operating funds. Longer-term funds such as retirement funds are covered by other policies. The investment of bond funds usually is governed by the bond documents such as the trust indenture.

Standards of Care: The degree of care that a reasonably prudent person would exercise in the investment of local agency funds.



AGENDA NO: D-2

MEETING DATE: 01/08/2013

Staff Report

TO: Honorable Mayor and City Council **DATE:** December 18, 2012
FROM: Susan Slayton, Administrative Services Director/City Treasurer
SUBJECT: Resolution No. 02-13 Authorizing the Examination of Sales or Transactions and Use Tax Records

RECOMMENDATION:

Council to approve Resolution No. 02-13.

FISCAL IMPACT:

None

SUMMARY:

The City of Morro Bay has an established relationship with 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. Resolution No. 02-13 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. The existing Resolution 15-11 lists the Administrative Services Director, City Manager, City Treasurer, Mayor and Council Members, Permit Technician and Senior Accounting Technician as authorized examiners. Staff recommends amending this list to remove the Mayor and Council Members. This action is based on a strong recommendation from the State Board of Equalization, as well as our sales tax consultant, Hinderliter, de Llamas and Associates (HdL).

Staff is recommending this amendment due to the sensitive nature of this information. In a poll conducted on 12/19/12, of the 51 responding California cities, only two granted elected officials viewing rights. While the Mayor and City Council will continue to receive the overview of the sales tax performance, they will no longer receive information on specific businesses. Those specific sales tax figures is knowledge that elected officials neither need nor should want. Having this information puts both the elected official(s) and the taxpayer(s)/business owner(s) in a difficult situation, including even the extreme possibility of attempts to obtain this information through badgering, bribing, and/or refusing support while incumbent or running for re-election. There is also the chance of accidental

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

disclosure of information during a routine discussion with a member of the public. Inappropriate disclosure of confidential sales tax information is a misdemeanor, and is punishable by a \$1,000 fine and/or one year in prison. In addition, the privilege of the City receiving this vital budgeting information would be revoked.

CONCLUSION

Staff recommends the City Council adopt Resolution No. 02-13, establishing the following list of authorized City employees and our contractor (HdL) to receive confidential sales tax information from the State Board of Equalization:

1. City Manager
2. Administrative Services Director
3. City Treasurer
4. Senior Accounting Technician
5. Permit Technician
6. Hinderliter, de Llamas & Associates

RESOLUTION NO. 02-13

**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 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.

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 January 2013, by the following vote:

AYES:
NOES:
ABSENT:

JAMIE L. IRONS, Mayor

JAMIE BOUCHER, City Clerk



AGENDA NO: D-3

MEETING DATE: 1/8/13

Staff Report

TO: Honorable City Council **DATE:** December 27, 2013

FROM: Andrea K. Lueker, City Manager

SUBJECT: Discussion of the Goal Setting Workshop Process and Timeline for 2013

RECOMMENDATION

Staff recommends the City Council contract with Don Maruska & Company to conduct the City's Goal Setting process for 2013.

FISCAL IMPACT

The proposal from Don Maruska is \$7,500-8,500 for the initial goal setting process. With a total of \$5,000 budgeted in the City Managers budget for goal setting, the difference can be addressed during the mid-year budget adjustment process or that amount may be covered with other potential cost savings realized at year's end.

Mr. Maruska also included some additional exercises (outlined on page 3 of the attached proposal). Should the City Council desire to pursue those additional one-time options, an added \$6,500-8,500 adjustment would need to be made.

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, the City has held Goal Setting Workshops, all facilitated with independent facilitators, in early 2008, 2009 and 2010. The City Council did not hold a separate process in 2011, but instead held a public workshop entitled "Council Direction on the 2011/2012 City Goals and Priorities" at their regular March 8, 2011 City Council meeting. The 2012/13 Goal Setting process was held on March 6 & 7, 2012 and facilitated by Rich and Sharon Thomas of Thomas Consulting.

In anticipation of the 2013/14 Goal Setting process, staff sent out a very brief Request for Proposal (RFP) in late November, 2012 with a quick turnaround time in anticipation of putting this item on the December 11, 2012 City Council agenda. Three of the four proposals, all sent to local businesses, (within San Luis Obispo County) were returned and those proposals have been attached

Prepared By: _____ **Dept Review:** _____

City Manager Review: _____

City Attorney Review: _____

for your review. Prior to writing and distributing the RFP, staff contacted the other cities in the county to determine who they had used or were using for their goal setting process.

DISCUSSION

Staff has reviewed the proposals submitted and based on experience, knowledge of the City of Morro Bay, and proposal contents, staff recommends Don Maruska and Company for the 2013/14 process. Mr. Marsuka has conducted many Goal Setting processes in the past, has worked on other projects for the City of Morro Bay including significant work with fishing issues and is currently working with the City of San Luis Obispo and the City of Pismo Beach in the upcoming months for their Goal Setting. Should the City Council agree with staff's recommendation to contract with Don Maruska and Company for the 2013/14 goal setting process, there are some decisions to make in order to move ahead.

In previous years, the City has contracted with a facilitator to conduct the workshop early in the calendar year and generally prior to the initial work on the City's fiscal year budget. As with each of the Goal Setting processes the City has engaged in, there have been nuances to how each facilitator has worked, how the days have been divided up and how the work gets accomplished. The general format is briefly described below.

Preparation for the Workshop

1. Interview the City Council, City Manager, City Attorney, and the Department Head Team; these interviews may be conducted by telephone. Tabulate results from City Council (traditionally the goals/information from the City Manager, City Attorney and Department Heads have been tabulated separately and not included in the tabulation of the City Council's goals). After tabulation and inclusion of all goals from the Mayor and City Council, that information is redistributed to the City Council and they are asked to consider and prioritize the entire list which will then be a starting point for the first session.
2. Review the 2012/13 Fiscal Year Budget and the results from the 2012/13 Goal Setting Process.
3. Coordinate with the City regarding needed supplies and equipment for the workshop as well meeting set-up and location including placement of information on the City's website.

Conduct the Workshop

1. The first ½-day session has generally focused on a "paring down" of the goals to a manageable number – a variety of methods have been used to perform this task. The second ½-day session has consisted of a brief review of the first session's accomplishments and then identifying "success factors" for each of the identified goals. Prior to each session, the City Council has taken public comment and while the workshop is open to the public, the public has not actively participated throughout the two ½ day sessions. The meetings have traditionally not been televised due to the difficulty of capturing active discussion which is consistent with a workshop format.

**While not performed in prior years but included in this year's RFP, was the concept of an

additional ½-day session to specifically and more deeply engage the public in providing input on the goals. If Council recommends moving forward with this option, staff feels it would be most beneficial for this session to occur prior to the City Council sessions.

Following the Workshop

1. Following the workshop, the facilitator has provided a summary of the workshop results including agreed upon goals for the upcoming year, which has been brought to a City Council meeting for formal adoption.

CONCLUSION

Should the City Council agree with staff's recommendation to contract with Don Maruska and Company, the following should be determined:

1. Does the City Council desire to hold the ½-day public participation workshop prior to the Council's meetings?
2. Reviewing the City's calendar of events and meetings as well as reviewing Don Maruska's availability, the following dates are currently available for the abovementioned meetings. Should these work with the City Council's schedules, staff can move forward with coordinating the workshops.

Wednesday, February 27, 2013- this date is available for a late afternoon/early evening meeting to take public comment, staff suggests a 4-6 p.m., 5-7 p.m. or a 6-8 p.m. schedule.

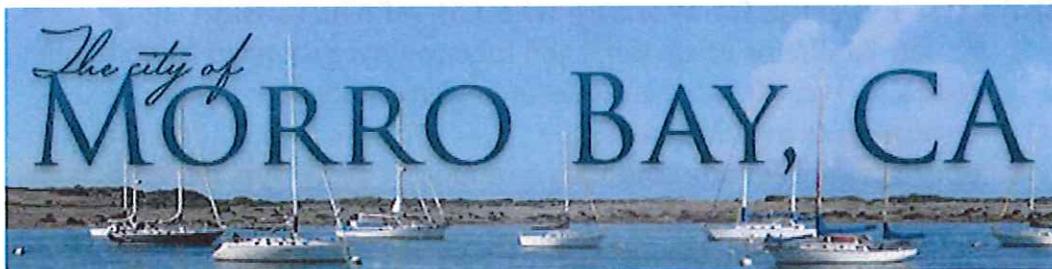
Monday, March 4, 2013 – this date is available for a ½-day session, in the evening.

Tuesday, March 5, 2013 – this date is available for a ½-day session in the evening.

Wednesday, March 13, 2013 – this date is available for a ½-day session, staff would recommend the afternoon as there is a City Council meeting the previous evening (the facilitator is not available after 5 p.m. on this date).

Thursday, March 14, 2013 – either morning, afternoon or evening for a ½-day session appears available for the facilitator.

**Supporting Community
Engagement, Enhancing Civic
Culture, and Setting Effective Goals**



Strategic Guidance and Facilitation

by Don Maruska, MBA, JD
Master Certified Coach

Don Maruska & Company, Inc.
895 Napa Avenue, Suite A-5, Morro Bay, California 93442
805-772-4667; fax: 805-772-4697; don@donmaruska.com; www.donmaruska.com

Optimizing Results for the City of Morro Bay

with Expert Guidance and Facilitation by Don Maruska

Key Benefits of Don Maruska's Approach

- Effective preparation to boost value.
- Tailored program to optimize returns for City of Morro Bay.
- Targeted follow up to support translating intentions into results.

Distinctive Expertise for Working with City of Morro Bay

1. Expert facilitator of councils and other public groups to solve tough issues. [Over 40 successful client engagements with local governments in California.]
2. Special talent for working with community and Council members in real time to generate the most value from the program. [We will adjust dynamically to suit the City's needs. You won't be locked into a pre-set form.]
3. Master Certified Coach (the highest credential in the professional coaching field) to boost Council communication and effective relationships.
4. Extensive knowledge of best practices in local government through role as director of the Cal-ICMA and CSMFO Coaching Programs, which serve over 4000 leaders in local government.
5. Hands-on knowledge of the City of Morro Bay through leading organizational workshops with City of Morro Bay staff.
6. Successful experience in facilitating important meetings and workshops with diverse interests in the Morro Bay community.

Personal Focus and Commitment

- ❖ Process and approaches that draw the best from the community and Council members. [See my book *How Great Decisions Get Made—10 Easy Steps for Reaching Agreement on Even the Toughest Issues* (AMACOM 2004).]
- ❖ Follow up to ensure that the City of Morro Bay realizes high returns on the effort and enjoys lasting value. [Going the extra step for success.]

Outline of Approach and Key Elements

I've incorporated below the basic outline from the City Manager's request for proposals. Based upon preliminary discussions with Mayor-elect Irons and the City Manager, I have outlined additional components that will enhance results for the City. These proposed processes draw from successful facilitation methods and experiences with dozens of cities, counties, and other governmental organizations in California. Further tailoring will occur after interviews with additional Council members in order to optimize the value for Morro Bay.

A. Scope of Work from RFP

Preparation for the workshop

1. Interview the Mayor and City Council (5 members) City Manager, City Attorney, and the Department Head Team (6 members), these interviews may be conducted by telephone.
2. Review the 2012/13 Fiscal Year Budget and the results from the 2012 Goal Setting Process.
3. Coordinate with the City regarding needed supplies and equipment for the workshop as well a meeting set-up.

Conduct the Workshop

1. These two ½-day sessions will focus on the City Council determining and prioritizing their goals, with the second session building on the progress made during the first session. The City Council may also desire to include a preliminary ½-day public input/participation session.

Following the Workshop

1. Provide a summary of the workshop results including agreed upon goals for the upcoming year.

B. Additional Options

1. Supporting Community Engagement

Encouraging active community engagement is essential to developing a set of goals that has legitimacy and support from the residents and businesses affected. More than simply a hearing to have people pitch their requests, this

workshop can encourage participants to articulate their hopes for the community and explore ways that they can help bring them to life not only with the City's resources but also with productive collaborations with the many civic interests that support the community. This changes the dynamic from the City being viewed as the solution for all needs to the City serving as a vehicle for the community to work together to accomplish important objectives.

Providing multiple forms of input enables more people to participate in the ways they find most productive. For example, the addition of input via utility bill mailings, City web site, and advisory boards and the use of oral, written, and preference indicators at the community workshop expands opportunities and promotes openness.

2. Enhancing Civic Culture

Understanding and developing ways to navigate differing styles provides a powerful set of insights to enable the new City Council to work through tough issues. *How* you work together will have a big impact on *what* you accomplish. A well-proven, easy-to-use profile report and discussion will help members quickly learn the nuances of how they can interact constructively. Other Councils have found this to be especially valuable.

Establishing a shared set of civic guidelines develops terms of engagement for the Council and a framework that can transcend personal agendas and differences. Local government provides two products: (1) services that it delivers and (2) how it engages the community and deliberates the issues. Citizens want both products to be of high quality. Work on developing civic guidelines has contributed to marked improvements in civic culture elsewhere.

3. Setting Effective Goals

Focusing on areas of agreement establishes a positive foundation for the City to move forward. It's a great way to develop clarity with the community and staff on important goals for the City to achieve.

Creating a multi-year framework for sustained focus and results boosts the prospects for success and avoids "community whiplash" that shifting

perspectives and priorities create. In light of the two-year election cycle, a two-year framework for goals seems desirable.

Efficiently developing and reviewing progress in achieving the goals is critical. With a focused initial program that yields a two-year set of goals, the City can do annual reviews and updates of those goals with a streamlined process.

In short, with a targeted amount of additional resources, the City of Morro Bay can establish a solid foundation that will serve it for many years to come. Thus, rather than being just an annual “event,” the goal setting becomes a vehicle for expressing, encouraging, and creating what the community desires in ways that invite citizens and other stakeholders to help make it happen together.

Expertise in Strategic Planning & Group Facilitation

Don Maruska has served dozens of organizations and thousands of people in diverse settings from entire communities to small non-profits and Fortune 500 companies to start up businesses.

Based on over 40 years of professional experience and more than 18 years focused primarily upon facilitation and coaching, he has published 37 articles on the topics of facilitation and decision making. His book, *How Great Decisions Get Made—10 Easy Steps for Reaching Agreement on Even the Toughest Issues* (AMACOM, 2004), has become an Amazon bestseller and been featured on radio and TV stations across the United States.

Proven Track Record

Clients benefit from the breadth of Don's experience with many different organizations. All of his work comes by word-of-mouth referrals from highly satisfied clients. While much of the experience is local, he frequently receives requests from more distant cities, counties, and organizations to help them with particularly important or difficult issues.

The following is a brief listing of topics and clients in the public sector.

Facilitation of Planning and Goal Setting

- California Polytechnic State University
- California Society of Municipal Finance Officers
- Central Coast Natural History Association
- City of Alameda
- City of Arroyo Grande
- City of El Segundo
- City of Hermosa Beach
- City of Morro Bay
- City of Pismo Beach
- City of San Luis Obispo
- City of San Pablo
- City of South Pasadena
- City of Union City
- City of West Hollywood
- Coast Unified School District
- Desert Advisory Council (U.S. Bureau of Land Management)
- Dunes Center
- Economic Vitality Corporation

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Elk Grove Unified School District
Literacy Council
Marian Medical Center
Marine Life Protection Act
Performing Arts Center
Private Industry Council – Cal Works
Probation Department, SLO County
San Luis Coastal Unified School District
San Luis Obispo Creek Watershed Council
San Luis Obispo Little Theatre
San Luis Obispo Probation Department
San Luis Obispo Symphony
St. Anne's Episcopal Church
The Nature Conservancy
U.S. Bureau of Land Management
United Way
World Wildlife Fund

Teamwork for Results

Allan Hancock College
City of Campbell
City of El Segundo
City of Folsom
City of Monterey
City of Pismo Beach
City of Santa Cruz
County of San Luis Obispo
Central Coast Health Partners
Police & Fire Departments, City of Morro Bay

Coaching, Presentations, and Virtual Meetings

Cal-ICMA Coaching Program (founder and director)
California Society of Municipal Finance Officers
CSMFO Coaching Program (founder and director)
Florida City-County Management Coaching Program (founder and director)
Michigan City-County Management Association
Oregon City-County Management Association
Cuesta College
City of Fairfield
League of California Cities
International City/County Management Association

Unsolicited Testimonials

The following unsolicited testimonials highlight the value clients gain. It speaks volumes that important people with busy schedules take time on their own initiative to give thanks for the work.

"On behalf of the City Council and staff, I would like to extend our gratitude to you for your help on defining, refining and implementing the Council Goal Setting Process. All of the comments I have heard — from the council, public, and staff--have been very positive. Don, your role in this process is invaluable."

John Dunn, City Administrative Officer, San Luis Obispo

"Hi Don -- just want to say THANK YOU for an incredibly terrific, productive, and FUN workshop. I am so pleased with the progress we've made thanks to you, and so impressed by your ability to grasp what we're doing with just a bare description. Wow -- you are talented, indeed. Thank you so much."

Kara Woodruff Smith
Project Director, The Nature Conservancy

"Forgive me for not writing sooner to tell you how pleased I was with the way you conducted the meeting at the Dunes Center a week ago Friday. I feel as though we made huge strides, and none of it would have happened without your guidance and fair and gentle direction."

Liz Scott-Graham
Development Director, Dunes Center

"I wish to take this opportunity to express my sincere appreciation for all of your work on the visioning process on behalf of San Luis Coastal Unified School District. The quality of your work, your ability to facilitate the diverse groups, gather information, and put it into a written format is outstanding. Throughout the process, you were sensitive to the needs of all of the stakeholders and kept the District's best interests foremost in all of your efforts."

Steven Ladd, Superintendent
San Luis Coastal Unified School District

Biographical Sketch for Don Maruska

Throughout his career, Don has helped nonprofit and government organizations achieve important objectives. As the first in his family's history to have the opportunity to attend college, he earned a B.A., *magna cum laude*, in Government from Harvard University in 1972. Thereafter, Don worked as a legislative assistant in the U.S. House of Representatives and the U.S. Senate. He also led a team that developed the management procedures to implement a new national housing program successfully.

Don advanced his training with completion of MBA and JD degrees from Stanford University, receiving a special certificate in Public Management, and earned membership in the State Bar of California.

A national management-recruiting firm tapped Don in 1986 to become CEO of a health care start up company that nonprofit hospitals created to pursue new opportunities. Translating the benefits of new technology into improved health, the firm earned the 1988 National Innovators Award.

Don and his family moved to the Central Coast of California in 1993. Since that time, he has served as a business coach and facilitator to clients throughout the U.S. and Europe in both the public and private sectors. He is a Master Certified Coach, the highest credential in the coaching profession. Don developed and directs highly successful coaching programs on behalf of Cal-ICMA and the California Society of Municipal Finance Officers that serve approximately four thousand aspiring professionals each year.

More than 50 nonprofit and government clients have benefited from Don's expertise. Don's book, *How Great Decisions Get Made—10 Easy Steps for Reaching Agreement on Even the Toughest Issues* (AMACOM 2004) has been an Amazon bestseller. Its proven methods have solved the toughest of environmental, land use, and budget issues. His forthcoming book, *Take Charge of Your Talent: Three Keys to Thriving in Your Career, Organization, and Life* (Berrett-Koehler 2013) guides up and comers through senior managers on ways to enliven their careers and build enduring assets for their organizations. Don has appeared on radio and TV stations across the United States and is a popular speaker and workshop leader.

12-4-12

To: Ms. Andrea Lueker, City Manager
City of Morro Bay

From: Michael L. Fahs, Ph.D.

Subject: Proposal for Goal Setting Workshop: City of Morro Bay

Pre-Workshop Interviews

- 14 1-hour Interviews @ 100/hour \$1,400
(I prefer and recommend in-person interviews)
Interviews will be with the Mayor, the five member City Council, the City Manager, City Attorney, and the six member Department Head Team.

- Fiscal Year Budget Review for 2012/2013 200

Workshops

- Two ½ day workshops @ 1,750/half day 3,500

- Possible ½ day public input session
Serve as facilitator/moderator 750

Post-Workshop

- Provide written summary of the workshop, including agreed upon goals for the upcoming year 500

As noted in the RFP, I will coordinate with the City regarding the workshop site and any equipment needs.

I anticipate being able to provide flip charts, chart stands, markers, etc.

Total

\$6,350

Any out-of-pocket expenses will be billed separately



Strategic Initiatives

1886 Deer Canyon Road
Arroyo Grande, CA 93420
(805) 474-8105
(805) 474-1497 FAX
canders@strategicinit.com

December 4, 2012

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

Proposal – Goal Setting for the City of Morro Bay

Dear Ms. Lueker,

I appreciate the opportunity to submit this proposal to assist the City of Morro Bay with their annual goal setting process. I have included a brief discussion of the recommended approach based on the suggested format you provided and a cost estimate for your consideration.

Approach

It is important for policymakers to set clear “policy level” priorities and for the professional staff who are responsible for implementation to be involved in designing the “how to” strategies. The challenge comes in understanding and respecting the different roles.

1. Prior to the Council Workshops, publicize the goal setting process and provide an opportunity for the public to offer additional goals not already included in the 2012-13 List of Goals and Priorities (submit in writing or internet).
2. First ½ Day Council Goal Setting Workshop
 - a. Overview of 2012-13 budget and progress on 2012 goals.
 - b. Create list of candidate goals for discussion (2012 goals plus new goals).
 - c. Create a preliminary “Strategic Profile” using interactive polling technology (see attached discussion for details).
 - d. Discuss the results of the preliminary Strategic Profile and identify the most critical goals to address in the 2013/14 fiscal year.
 - e. Council directs City Staff to develop preliminary objectives (including tasks and timelines) for consideration at the next workshop.
3. Optional Public Meeting
 - a. Overview of 2012/13 budget and progress on 2012 goals.
 - b. Overview of preliminary Strategic Profile developed in first Council Workshop.
 - c. Public comment and recommendations
4. Second ½ Day Council Goal Setting Workshop
 - a. Discuss results from public meeting.

- b. Finalize Strategic Profile (collect input with interactive polling technology, if necessary).
- c. Agree on the priorities.
- d. Review preliminary objectives, tasks and timelines prepared by City Staff.
- e. Finalize 2013-14 Goals and Priorities, including objectives, tasks and timelines.

Cost Estimate

1. Preparation for workshops	12 hrs - \$1,500
a. Interview the Mayor and City Council (5 members) City Manager, City Attorney, and the Department Head Team (6 members) - in person, if possible.	
b. Review the 2012/13 Fiscal Year Budget and the results from the 2012 Goal Setting Process.	
c. Coordinate with the City regarding needed supplies and equipment for the workshop as well a meeting set-up.	
2. Conduct two ½ day Council workshops (includes interactive polling technology and software.	10 hrs - \$1,250
3. Prepare a report summarizing the process and the agreed upon 2013-14 goals.	5 hrs - \$625
TOTAL (not including ½ day public workshop)	27 hrs - \$3,375
4. Optional public workshop	5 hrs - \$625
TOTAL (including ½ day public workshop)	32 hrs - \$4,000

Services outside the above scope will be provided at \$125 per hour.

Please give me a call if you have any questions or require additional information.

Sincerely,

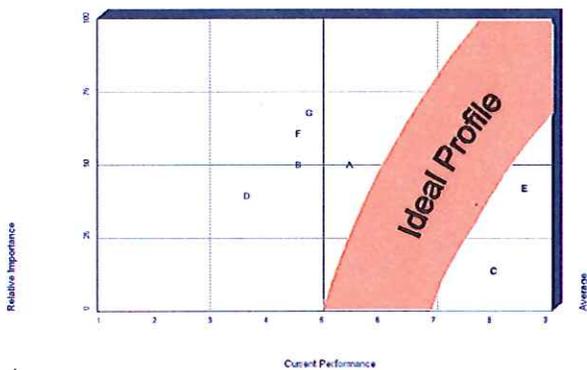
Chuck Anders

Overview of Strategic Profile

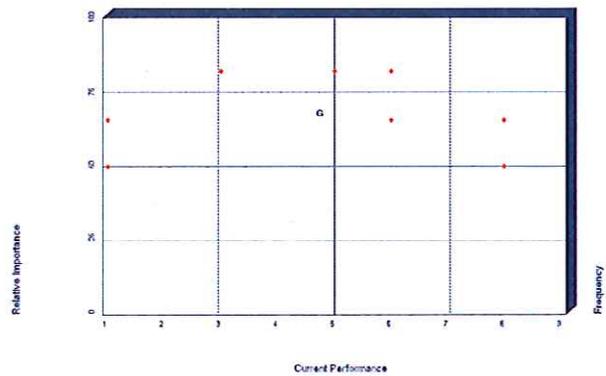
Use interactive polling technology to quickly create a strategic profile to organize and provide a structure to discuss priorities.

1. Develop preliminary list of Goals
 - Goal A
 - Goal B
 - Goal C
 -
 -
2. Prioritize the list of Goals (1=low to 9=high)
3. Evaluate current performance of Goals (1= poor to 9=high)
4. Discuss results
 - Most important goals should be within ideal profile.
 - Use anonymous scatter diagram to focus discussion and gain insight on perspectives in a non-confrontational environment.

Example Strategic Profile



Example Scatter Diagram of Anonymous Opinions





AGENDA NO: D-4

MEETING DATE: January 8, 2013

Staff Report

TO: Honorable Mayor and City Council **DATE:** January 4, 2013

FROM: Rob Livick, PE/PLS - Public Services Director

SUBJECT: Discussion and Review of Resolution No. 45-11, "Establishing a Three Year Moratorium for the Payment of Development Impact Fees for Commercial Projects within a Commercial Zone District" and Resolution No. 52-12, "Establishing a Reduction for the Payment of Development Impact Fees for Residential Projects"

RECOMMENDATION

Review Councils' past actions and provide direction to staff.

FISCAL IMPACT

No fiscal impact as a result of this report, but the passage of a moratorium on the payment of Impact Fees for residential and commercial development has reduced monies received by the City. Impact Fees are paid by new development to ensure that new development pays its fair share of capital costs associated with growth.

DISCUSSION

On March 7, 2006 the City Council directed staff to develop a request for proposals (RFP) for a development impact fee program for Council review and approval. On August 28, 2006 the Council directed that the RFP be solicited to study water, sewer, streets, law enforcement and fire protection facilities. The Council awarded a contract to MuniFinancial on January 8, 2007 for an analysis of revenue enhancement opportunities and development impact fee options. The Council subsequently directed that MuniFinancial prepare a comprehensive development impact fee justification study (Attachment 1) after hearing impact fee options on April 23, 2007.

When the Development Impact fees were adopted on October 8, 2007 they applied to all new land use developments, however, specific exceptions were provided including single family residential additions of less than 500 square feet and all development projects under review as of September 24, 2007. In addition to providing an exemption for additions of less than 500 square feet, the Council, via Resolution 47-07, determined that these fees shall be reduced by 50-percent to the greatest extent practical without affecting existing fees.

At the December 10, 2010 City Council meeting, Councilmember Nancy Johnson requested a discussion on waiving building impact fees for the next five years for commercial buildings in select areas. Then on June 14, 2011 the City discussed the proposed moratorium and City Council voted to place a moratorium on development impact fees on commercial projects for the next three years within the City bordered commercial areas. Staff presented Resolution 45-11 at the June 28, 2011 meeting, establishing the three year moratorium on development impact fees on commercial projects and clarified the resolution to include "mixed use

Prepared by: RL Dept. Review: _____

City Manager Review: AL _____

City Attorney's Review: _____

projects”. Then on August 23, 2011, the City Council ratified Resolution 45-11, to clarify the inclusion of the “mixed use projects”. This clarification was to correct a potential Brown Act noticing issue.

Following the moratorium of impact fees on commercial projects, the City Council proposed extending the moratorium to residential projects. So, at the December 13, 2011 City Council meeting, Mayor Yates proposed the idea of placing a moratorium on the payment of building impact fees associated with residential development as a future agenda item.

At the January 24, 2012 Council meeting, staff presented a report on the proposed moratorium of development impact fees for residential development and in their deliberations, requested that Council weigh the benefits to the development community against the loss of revenue to determine if the benefits outweigh the costs. There was not a majority support for the item at that time and no action was taken. Then at the October 23, 2012 City Council meeting, Councilmember Borchard brought forward a revised proposal for reduction of impact fees on residential development and proposed adoption of Resolution 52-12, that modified residential impact fees for projects of three or less units. The modification reduced general government, traffic, parks, water and wastewater impact fees to 50-percent of their current level and allowed police, fire and stormdrain fees to remain at their current levels. The expiration of this modification is coincident with the moratorium on commercial impact fees, both expiring on July 1, 2014.

Reducing or waiving commercial impact fees can provide an economic incentive for businesses to consider improvements to buildings as impacts fees can add costs onto the building permit fee.

Staff has provided an example of what the Development Fee would be for a 1,000 square foot commercial building prior to the moratorium in the table below

1,000 square foot commercial building		
Water fee:	1 inch meter	\$2,276
Wastewater fee:	1 inch meter	\$4,178
General Government	.21	\$210
Police		\$60
	.06	
Parks	.00	\$0
Fire	.20	\$200
Storm Drain	.03	\$30
Traffic	3.15	\$3,150
Total		\$10,104

Staff has researched the number of commercial projects before and after the moratorium. In 2011 prior to the moratorium there were three commercial projects that added approximately 2,000 square feet of area and were subject to impact fees. In 2012, there were four commercial projects that added 9,283 square feet of commercial area. Therefore, based on the established impact fee rates in 2012, the City could have added approximately \$94,000 to its impact fee coffers to offset the demands on the infrastructure due to this development.

Staff also researched the amount of monies paid into the impact fee accounts (general, police, park, fire, storm drain, transportation, water and wastewater.) for residential development since

January 1, 2008 (the inception of the fees) and found that new residential development has paid approximately \$420,000. Under the current reductions to residential fees the amount taken in would have been \$234,500 or 56-percent of what was originally adopted in 2007; which was 50-percent of what was needed for new development to pay their fair share of the infrastructure costs. The table below details the breakdown of these fees by category.

Categories	Amount taken in from 1/1/2008 to 12/21/2011	Amount under the residential fee reduction
Government	\$64,000	\$32,000
Police	\$22,000	\$22,000
Park	\$67,000	\$33,500
Fire	\$24,000	\$24,000
Storm Drain	\$3,000	\$3,000
Transportation	\$104,000	\$52,000
Water	\$36,000	\$18,000
Wastewater	\$100,000	\$50,000
Total	\$420,000*	\$234,500

* Amounts are rounded to nearest 1,000.

The elimination and reduction of the adopted funding source of an impact fee will result in the need to secure other funding sources such as existing ratepayers or taxpayers. With or without the collection of Impact Fees the incremental increase in demand for facilities created by new development will still occur and the City will need funds to address this demand.

CONCLUSION

Staff has presented an overview of the impacts fees associated with new development. The Council should weigh the benefits to the development community against the loss of revenue to determine if the benefits outweigh the costs.

ATTACHMENTS

1. Resolution 47-07 – Resolution Establishing Development Impact Fees
2. Resolution 45-11 – Resolution Establishing Moratorium on Commercial Development Impact Fees
3. Resolution 52-12 – Resolution Modifying Residential Development Impact Fees

RESOLUTION NO. 47-07

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY
ADOPTING THE DEVELOPMENT IMPACT FEE CALCULATION AND
NEXUS REPORT FOR THE CITY OF MORRO BAY, CALIFORNIA, AND
SUBSEQUENT DOCUMENTATION ACCOMPANYING SUCH REPORT AND
ESTABLISHING DEVELOPMENT IMPACT FEES FOR ALL DEVELOPMENT
WITHIN THE CITY OF MORRO BAY**

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

WHEREAS, the City Council decided that it was necessary and desirable to conduct a comprehensive review of the City's development impact fees to determine whether those fees are adequate to defray the cost of public facilities related to development projects; and

WHEREAS, the City contracted with MuniFinancial for a comprehensive evaluation of the City's existing development impact fees; and

WHEREAS, MuniFinancial prepared a report, entitled the *Public Facilities Fee Study* for the City of Morro Bay, California, in September of 2007 (attached hereto as Exhibit A) that recommends an increase to the City's development impact fees and explains the nexus between the imposition of the fee and the estimated reasonable cost of providing the service for which the fee is charged; and

WHEREAS, the *Public Facilities Fee Study* for the City of Morro Bay, California, has been available for public review and comment; and

WHEREAS, following the issuance of *Public Facilities Fee Study* for the City of Morro Bay, California, the City held a public hearing on September 10, and September 24, 2007 and received additional information; and

WHEREAS, the *Public Facilities Fee Study* for the City of Morro Bay, California substantiates the need for an increase in development impact fees amongst different categories of services and facilities provided by the City; and

WHEREAS, the City has been imposing various impact fees, including fees for sewer water and traffic, among others; and

WHEREAS, the City Council desires to adopt new development impact fees, in accordance with the nexus calculations and recommendations in the Report; and

WHEREAS, after conducting another public hearing and taking further testimony, the City Council has determined that these fees shall be reduced by 50 percent to the greatest extent practical without impacting the current fees, and that these revised impact fees are provided in Exhibit B; and

WHEREAS, it is the intent of the City Council to exempt any projects currently submitted for discretionary permits and/or building permits from paying the new impact fees if those projects were submitted for review to the City by September 24, 2007.

WHEREAS, in compliance with the Mitigation Fee Act (Government Code section 66000 *et seq.*), the City Council held a public hearing to solicit public input on the proposed development impact fees on September 10, and September 24, 2007.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF MORRO BAY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Findings Pursuant to Government Code Section 66001.

The City Council finds and determines that the *Public Facilities Fee Study* (hereinafter "Report") complies with California Government Code section 66001 by establishing the basis for the imposition of fees on new development. This finding is based on the fact that the Report:

- (a) Identifies the purpose of the fee;
- (b) Identifies the use to which the fee will be put;
- (c) Shows a reasonable relationship between the use of the fee and the type of development project on which the fee is imposed;
- (d) Demonstrates a reasonable relationship between the need for the public facilities and the type of development projects on which the fee is imposed; and
- (e) Demonstrates a reasonable relationship between the amount of the fee and the cost of the public facilities or portion of the public facilities attributable to the development on which the fee is imposed.

SECTION 2. Fees for Uses Consistent with the Report.

The City Council hereby determines that the fees collected pursuant to this resolution shall be used to finance the public facilities described or identified in the Report, the Master Facilities Plan or such other public facility master plans as may from time to time be adopted by the City Council.

SECTION 3. Approval of Items in Report.

The City Council has considered the specific project descriptions and cost estimates identified in the Report and hereby approves such project descriptions and cost estimates and finds them reasonable as the basis for calculating and imposing certain development impact fees.

SECTION 4. Consistency with General Plan.

The City Council finds that the projects and fee methodology identified in the Report are consistent with the City's General Plan and Local Coastal Plan.

SECTION 5. Differentiation Among Fees.

The City Council finds that the development impact fees recommended in the Report are separate and different from other fees the City may impose as a condition of final map approval, building permit issuance or tentative or parcel map approval pursuant to its authority under the Subdivision Map Act, the Quimby Act, and the City's implementing ordinances, as may be amended from time to time, for, among other projects, the construction of storm drainage, major thoroughfares and bridges and the acquisition of parkland. In no event, however, shall a developer be required to pay for both a fee imposed pursuant to the Subdivision Map Act and/or the Quimby Act and a portion of the development impact fee as that would be used to fund the same type of facility as the fee imposed pursuant to the Subdivision Map Act and/or the Quimby Act. In addition, this resolution shall not be deemed to affect the imposition or collection of the water and sewer connection fees authorized by the Municipal Code.

SECTION 6. CEQA Finding.

The adoption of the Report and the development impact fee are categorically exempt from environmental review pursuant to section 15061(b)(3) of the California Environmental Quality Act guidelines. The intent of the Report and development impact fee is to provide one way to fund projects and services that have been identified in environmental analyses of other planning efforts, including the General Plan EIR, and various City master plans, among others.

SECTION 7. Adoption of Report.

The *Public Facilities Fee Study* by MuniFinancial for the City of Morro Bay, California, is hereby adopted.

SECTION 8. Timing of Fee.

A development impact fee shall be imposed upon the issuance of any development permit and shall be paid prior to issuance of a certificate of occupancy for the project, or at such earlier time as permitted by law, as set forth in Government Code section 66007. A "development permit" means any permit or approval from the City including, but not limited to, subdivision map, revised final planned development, building permit or other permit for construction, reconstruction, or addition.

SECTION 9. Amount of Fee.

The City Council hereby approves and adopts the development impact fees as set forth in the Report attached to this resolution and incorporated herein. The Report sets forth the aggregate amount imposed as a development impact fee for both residential and non-residential land uses and also sets forth the breakdown of each development impact fee by type of facility or service. The amount of the development impact fee shall be reduced or a credit shall be applied towards the fee in proportion to the monetary cost of any improvements installed that would have been funded by the development impact fee. The amount of the development impact fees shall be modified annually each July 1 based on the change in the Engineering News Record's construction cost index (ENR-CCI) as reported for the twelve month period ending in April of each year (April 2007 ENR-CCI = 7865). Further, the City Council shall formally review the development impact fees once every two years, or whenever the City Council updates a major City Council policy document that could have an impact on development impact fees, such as the General Plan.

SECTION 10. Use of Fee.

The development impact fees shall be solely used for (1) the purposes described in the Report; (2) reimbursing the city for the development's fair share of those capital improvements already constructed by the City; or (3) reimbursing developers who have already constructed public facilities described in the Report or the Master Facilities Plan or other facility master plans adopted from time to time by the City Council, where those facilities exceeded that needed to mitigate the impacts of the developers' project or projects.

SECTION 11. Fee Determination by Square Footage.

Development impact fees for all land uses shall be based upon the square footage of the building. The development impact fee categories are set forth in the Report, which have been further revised in the fee program set forth in Exhibit B. Water and wastewater development impact fees shall be based upon the meter size as set forth in the Report and Master Fee Schedule.

SECTION 12. 500 Square Foot Exemption.

Development impact fees shall not apply to the first 500 square feet of new square footage of any proposed addition for single-family residential projects. Should the addition exceed 500 square feet, the calculation of impact fees shall be based on the total additional new square footage area.

SECTION 13. Current Projects Exempt for New Impact Fees.

Any project submitted for either discretionary and/or building permit approval as of September 24, 2007 shall be exempt from paying these new Development Impact Fees. All other currently existing impact fees in effect on September 24, 2007 shall remain in effect.

SECTION 14. Cumulative additions.

Whenever the cumulative quantity of new additional square footage improvements and all other permitted additions during the preceding five-year period is over 500 square feet, payment of impact fees for the total additional area constructed during the said five year period shall be required.

SECTION 15. Prior Resolutions and Ordinances Superseded.

The development impact fees approved and adopted by this resolution shall take effect in sixty (60) days and shall supersede previously adopted resolutions that set the amounts of development impact fees.

SECTION 16. Severability.

If any action, subsection, sentence, clause or phrase of this resolution or the imposition of a development impact fee for any project described in the Report or the application thereof to any person or circumstance shall be held invalid or unconstitutional by a court of competent jurisdiction, such invalidity shall not affect the validity of the remaining portions of this resolution or other fees levied by this resolution that can be given effect without the invalid provisions or application of fees.

SECTION 17. Effective Date.

Consistent with California Government Code section 66017(a), the fees adopted by this resolution shall take effect sixty (60) days following the adoption of this resolution by the City Council.

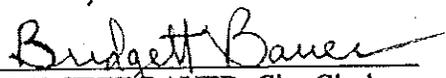
PASSED AND ADOPTED by the City Council of the City of Morro Bay this 8th day of October 2007 by the following vote:

AYES: DeMeritt, Grantham, Peirce, Winholtz, Peters
NOES: None
ABSENT: None



JANICE PETERS, Mayor

ATTEST:



BRIDGETT BAUER, City Clerk

APPROVED AS TO FORM:



ROBERT SCHULTZ, City Attorney

RESOLUTION NO. 45-11

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
ESTABLISHING A THREE YEAR MORATORIUM FOR THE PAYMENT
OF DEVELOPMENT IMPACT FEES FOR COMMERCIAL PROJECTS
WITHIN A COMMERCIAL ZONE DISTRICT**

**THE CITY OF MORRO BAY
City of Morro Bay, California**

WHEREAS, the City Council adopted Development Impact Fees in 2007 with Resolution No. 47-07; and

WHEREAS, the City Council has adopted a Master Fee Schedule, which authorizes the establishment of fees by Resolution of the Council; and

WHEREAS, the Master Fee Schedule includes Development Impact Fees for commercial projects within commercial zone districts; and

WHEREAS, the City of Morro Bay also has a variety of goals and policies to enhance the economic strength of the City; and

WHEREAS, the City Council recognizes that payment of Commercial Development Fees can be a disincentive to commercial projects; and

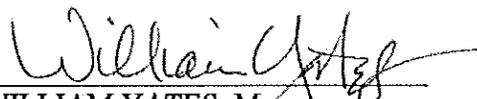
WHEREAS, in furtherance of these goals, the City Council hereby desires to establish a moratorium of the payment of Development Impact Fees for commercial development projects within commercial zone districts.

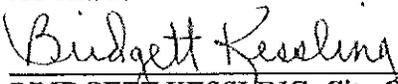
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, that no Development Impact Fees shall be paid for commercial projects on commercially zoned land for a period of three years commencing on July 1, 2011.

BE IT FURTHER RESOLVED by the City Council of the City of Morro Bay, that only commercial or mixed-use projects on commercially zoned land shall be eligible and that residential projects within the mixed use areas shall not be eligible.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 28th day of June 2011, by the following vote:

AYES: Borchard, Johnson, Leage, Yates
NOES: Smukler
ABSENT: None


WILLIAM YATES, Mayor

ATTEST:

BRIDGETT KESSLING, City Clerk

RESOLUTION NO. 52-12

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY,
CALIFORNIA ESTABLISHING A REDUCTION FOR THE PAYMENT
OF DEVELOPMENT IMPACT FEES FOR RESIDENTIAL PROJECTS**

**THE CITY OF MORRO BAY
City of Morro Bay, California**

WHEREAS, the City Council adopted Development Impact Fees in 2007 with Resolution No. 47-07 establishing a three year moratorium the levying of commercial project impact fees; and

WHEREAS, the City Council has adopted a Master Fee Schedule, which authorizes the establishment of fees by Resolution of the Council; and

WHEREAS, the Master Fee Schedule includes Development Impact Fees for residential projects; and

WHEREAS, the City of Morro Bay also has a variety of goals and policies to enhance the housing opportunities of the City; and

WHEREAS, the City Council recognizes that payment of Residential Development Fees can be a disincentive to construction of residential projects; and

WHEREAS, in furtherance of these goals, the City Council hereby desires to establish the following reductions to the payment of Development Impact Fees for single family residential projects up to three units:

1. Fee determination by square footage shall be for habitable space only.
2. General Government and Traffic fees shall be reduced 50% from the current amount.
3. Police, Fire, and Storm Drain fees shall remain the same.
4. Park fees shall be 50% of current amount.
5. Water and Wastewater fees shall be reduced 50% from the current amount.

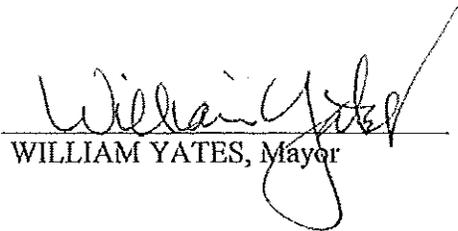
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, that any residential project for either discretionary and/or building permit approval and any project that has not been issued a building permit as of October 23, 2012 shall be eligible until July 1, 2014, for the residential projects impact fee waiver.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 23rd day of October 2012, by the following vote:

AYES: Borchard, Johnson, Leage, Smukler, Yates

NOES: None

ABSENT: None


WILLIAM YATES, Mayor

ATTEST:


JAMIE BOUCHER, City Clerk



AGENDA NO: D-5

MEETING DATE: 1/8/13

Staff Report

TO: Honorable Mayor and City Council DATE: December 17, 2012

FROM: Andrea K. Lueker, City Manager

SUBJECT: City Council Annual Meeting Schedule - 2013

RECOMMENDATION

Staff recommends the City Council adopt the proposed meeting schedule for calendar year 2013 as well as determine dates for the Joint City Council and Planning Commission meetings:

1. The regular City Council meetings will be held the second and fourth Tuesdays of each month beginning at 6:00pm with the following exceptions: if a Council meeting falls on a proclaimed City Holiday, the meeting will be held on the following Wednesday; and, July 23rd, November 26th and December 24th, which have traditionally been cancelled.
2. Upon the request of City Council, the Planning Commission and City Council hold a joint meeting twice annually to discuss proposed policies, programs, goals and objectives, budgeting, future planning, and/or any other planning matter(s) requiring joint deliberation. Over the years, these meetings have been scheduled on a variety of dates some of which include 5th Tuesday's of the month as well as regular City Council meeting date(s) with this particular meeting starting one hour early. Staff recommends the City Council discuss these or other options they may be interested in, and schedule the joint meetings accordingly.

BACKGROUND:

For the past nine years, staff has proposed an annual schedule of meeting dates to the City Council for their approval. The proposed schedule for the 2013 calendar year is similar to the 2012 calendar.

A 2013 calendar is attached for your reference.

Prepared By: _____ **Dept Review:** _____

City Manager Review: _____

City Attorney Review: _____

2013

JANUARY						
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DECEMBER					
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AGENDA NO: D-6

MEETING DATE: 1/8/13

Council Report

TO: Honorable Mayor and City Council

DATE: January 2, 2013

FROM: Jamie L. Irons, Mayor

SUBJECT: Appointment of Vice-Mayor and Appointment of Representatives on Discretionary Boards, Council Liaison Assignments and Council Sub-Committees

RECOMMENDATION

Discuss and appoint Councilmember George Leage as Vice-Mayor as well as Representatives to serve on the various County or Regional Discretionary Boards, Council Liaison Assignments and Sub-Committees for calendar year 2013.

DISCUSSION

The City Council Policies and Procedures Section 3.2 states:

“The appointment of the Vice Mayor shall be for a one-year term and shall be made at the first meeting in December. For appointment as Vice Mayor, a Council Member must be on the Council at least one year. Of those who have been on the Council for at least one year, the Council Member who has not yet held the position shall be appointed Vice Mayor. If there are two Council Members who have not yet held the position, the Council Member receiving the highest number of votes in the most recent election shall be appointed Vice Mayor.”

Last year Council Member Johnson was appointed as Vice Mayor and as a result, Council should make a motion and formally appoint Council Member Leage as Vice Mayor for 2013.

The City Council Policies and Procedures Section 6.1 states:

“Annually the Mayor shall make appointments to a variety of County and/or regional committees and boards (discretionary appointments). One member of the Council shall serve as a voting representative and one member shall serve as alternate. To the best of their ability, voting delegates shall reflect the majority view of the Council as a whole, rather than their own personal opinions.”

Prepared By: JLIrons

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

Pursuant to Council Policies and Procedures Section 6.1, the Mayor can seek input from City Council regarding the appointment to County and/or Regional Boards, but ultimately, the Mayor is responsible for the appointment of these positions. Attached for your review is a list of the present City Council Discretionary Appointments.

The City Council Policies and Procedures Section 6.2.1 States:

“The City Council shall assign a Council liaison to each of the following advisory boards: Recreation & Parks Commission, Harbor Advisory Board, Public Works Advisory Board, Community Promotions Committee, and Tourism Business Improvement District Advisory Board.”

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

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

Pursuant to City Council Policies and Procedures Section 6.2.1 the City Council shall assign Council Liaisons to the Advisory Bodies. Attached for your review is a list of the present City Council Liaisons. Appointment as a liaison is by Council vote.

The City Council Policies and Procedures Section 6.2.2 States:

“Council may establish several sub-committees of no more than two members to address areas of concern and/or study.”

Attached for your review is a list of the present sub-committees that have been established by the Council. Appointment to the sub-committee is by Council vote.

CITY COUNCIL DISCRETIONARY APPOINTMENTS (2013)

INTEGRATED WASTE MANAGEMENT AUTHORITY (meets the 2nd Wednesday of every other odd numbered month; 130pm; Board of Supervisors Chambers, SLO Government Center)

George Leage Designee
Nancy Johnson Alternate

COUNTY WATER RESOURCES ADVISORY COMMITTEE (meets the 1st Wednesday of the month; 130-330pm; City County Library Room, 995 Palm, SLO)

Noah Smukler Delegate
City Manager (or her designee) Alternate

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY (SLORTA) & SAN LUIS OBISPO AREA COORDINATING COUNCIL (SLOCOG) (RTA meets the 1st Wednesday of every other odd numbered month; 830am; Board of Supervisors Chambers, SLO County Government Center) (COG meets the 1st Wednesday of every other odd numbered month; at conclusion of RTA meeting; Board of Supervisors Chambers, SLO County Government Center)

Jamie Irons Delegate
Christine Johnson Alternate

CMC CITIZENS' ADVISORY COMMITTEE (2-year term) (meets the 3rd Friday of every other month; 130-3pm; at CMC)

Nancy Johnson Member

AIR POLLUTION CONTROL DISTRICT (meets the 4th Wednesday of every other odd numbered month; 9am; Board of Supervisors Chambers, SLO County Government Center)

Noah Smukler Member
Christine Johnson Alternate

COMMUNITY ACTION PARTNERSHIP OF SAN LUIS OBISPO COUNTY, INC. (formerly EOC) - (3-year term) (meets the 3rd Thursday of every month; 5pm; CAPSLO Board Room, 1030 Southwood, SLO)

Christine Johnson Member

ECONOMIC VITALITY CORPORATION (meets the 3rd Wednesday of every month; 4-530pm; Cannon & Assoc, 1050 Southwood, SLO)

Nancy Johnson Member
Christine Johnson Alternate

NATIONAL ESTUARY PROGRAM (Executive Committee meets quarterly; 2nd Wednesday of the month in February, May, August and November; 4-6pm)

Noah Smukler Member
George Leage Alternate

CITY SELECTION COMMITTEE (as needed)

Jamie Irons Member
Christine Johnson Alternate

LEGISLATIVE DELEGATE (as needed)

Jamie Irons	Member
Noah Smukler	Alternate

SAN LUIS OBISPO COUNTY HOUSING TRUST FUND

Christine Johnson	Member
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HOMELESS SERVICES OVERSIGHT COMMITTEE (meets the 3rd Wednesday of odd numbered months; 1-3pm; SLO Vets Building Lounge Room, 801 Grand, SLO)

Christine Johnson	Member
George Leage	Alternate

CHAMBER OF COMMERCE ECONOMIC DEVELOPMENT COMMITTEE (meets the 1st Tuesday of every month; 8:30am; Inn at Morro Bay)

Nancy Johnson	Member
Christine Johnson	Member

The following City Council Liaison Assignments were made to City Committees and Boards:

HARBOR ADVISORY BOARD (meets the 1st Thursday of every month; 6pm; Vets Hall)

Jamie Irons	Liaison
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RECREATION AND PARKS COMMISSION (meets the 3rd Thursday of odd numbered months; 530pm; Vets Hall)

Nancy Johnson	Liaison
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PUBLIC WORKS ADVISORY BOARD (meets the 3rd Thursday of even numbered months; 6pm; Vets Hall)

Noah Smukler	Liaison
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MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT BOARD (meets quarterly on the 2nd Thursday of January, April, July and October; 9am; Vets Hall)

Christine Johnson	Liaison
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The following appointments were made on City Council Sub-Committees:

COUNCIL SUBCOMMITTEE ON EMPLOYEE GRIEVANCES (meets as needed)

Nancy Johnson	Member
Noah Smukler	Member

JPA SUB-COMMITTEE

Jamie Irons	Member
Noah Smukler	Member