

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 22, 2013

CLOSED SESSION

CITY HALL CONFERENCE ROOM - 5:00 P.M.

595 HARBOR ST., MORRO BAY, CA

CS-1 **GOVERNMENT CODE SECTION 54956.8; PROPERTY TRANSACTIONS**

Instructing City's real property negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease of real property as to three parcels.

- **Property: Lease Site 30W-33W - Bay Front Marina**
Negotiating Parties: Coakley and City of Morro Bay
Negotiations: Lease Terms and Conditions
- **Property: 315 Main Street**
Negotiating Parties: Meisterlin and City of Morro Bay
Negotiations: Lease Terms and Conditions
- **Property: Vacant Lot/Corner of Coral/San Jacinto**
Negotiating Parties: Potential Buyers and City of Morro Bay
Negotiations: Voluntary Purchase and Sale

**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 JANUARY 3, 2013 AND THE REGULAR MEETING OF JANUARY 8, 2013; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 RECONSIDERATION OF APPOINTMENT OF REPRESENTATIVES ON THE DISCRETIONARY BOARDS, COUNCIL LIAISON ASSIGNMENTS AND COUNCIL SUB-COMMITTEES; (CITY COUNCIL)

RECOMMENDATION: Appoint Councilmember Christine Johnson to the Chamber of Commerce Economic Development Committee.

A-3 APPROVAL OF RESOLUTION NO. 10-13 DIRECTING A TIMELINE FOR COMPLETION OF CAPITAL PROJECTS APPROVED BY THE CITY COUNCIL AND RESCINDING RESOLUTION NO. 45-12; (ADMINISTRATION)

RECOMMENDATION: Adopt Resolution No. 10-13.

A-4 RESOLUTION NO. 09-13 AUTHORIZING SUBMISSION OF RURAL TRANSIT FUND GRANT APPLICATION; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Resolution No. 09-13

A-5 PROCLAMATION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY SUPPORTING THE START BY BELIEVING PUBLIC AWARENESS CAMPAIGN; (ADMINISTRATION)

RECOMMENDATION: Present Proclamation.

A-6 PRESENTATION BY THE NEP

RECOMMENDATION: Receive presentation; no action is required.

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 ORDINANCE NO. 582 INTRODUCTION AND FIRST READING – REPEALING AND REPLACING MORRO BAY MUNICIPAL CODE SECTIONS 5.28 AND 5.30 WITH NEW SECTION 5.30 RELATING TO VIDEO SERVICE PROVIDERS; (PUBLIC SERVICES)

RECOMMENDATION: Accept public comment and then move for introduction and first reading of Ordinance 582.

C. UNFINISHED BUSINESS - None

D. NEW BUSINESS

D-1 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 Councils’ past actions and provide direction to staff.

D-2 APPROVAL OF AGREEMENT BETWEEN THE CITY OF MORRO BAY AND THE MORRO BAY TOURISM BUREAU TO PROVIDE SERVICES TO THE MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT; (CITY ATTORNEY)

RECOMMENDATION: Approve the Agreement attached hereto between the City of Morro Bay and the Morro Bay Tourism Bureau for the purpose of providing services for the Morro Bay Tourism Business Improvement District (MBTBID).

D-3 APPROVAL OF AGREEMENT BETWEEN THE CITY AND THE MORRO BAY TOURISM BUREAU TO FUND THE VISITOR CENTER; (CITY ATTORNEY)

RECOMMENDATION: Approve the Agreement attached hereto between the City of Morro Bay and the Morro Bay Tourism Bureau to fund the Visitor Center.

D-4 APPROVAL OF ASSIGNMENT OF CONTRACT WITH BARNETT COX & ASSOCIATES FOR ADVERTISING AND MARKETING SERVICES TO THE MORRO BAY TOURISM BUREAU; (CITY ATTORNEY)

RECOMMENDATION: Approve the attached Assignment to transfer the contract between the City of Morro Bay and Barnett Cox & Associates for Advertising and Marketing Services to the Morro Bay Tourism Bureau.

D-5 DISCUSS THE JANUARY 10TH, 2013 CALIFORNIA COASTAL COMMISSION HEARING AND DECISION ON THE CITY OF MORRO BAY AND CAYUCOS SANITARY DISTRICT WWTP APPLICATION, CURRENT WWTP NEEDS, REGULATION REQUIREMENTS, AND A FUTURE WWTP, AND PROVIDE DIRECTION TO STAFF ON THE ABOVE; (CITY COUNCIL)

RECOMMENDATION: Discuss the decision of the California Coastal Commission, our current WWTP needs and regulation requirements, and future WWTP as it relates to the City of Morro Bay and Cayucos and provide direction to staff.

E. DECLARATION OF FUTURE AGENDA ITEMS

F. ADJOURNMENT

THIS AGENDA IS SUBJECT TO AMENDMENT UP TO 72 HOURS PRIOR TO THE DATE AND TIME SET FOR THE MEETING. PLEASE REFER TO THE AGENDA POSTED AT CITY HALL FOR ANY REVISIONS OR CALL THE CLERK'S OFFICE AT 772-6205 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 – JANUARY 3, 2013
VETERAN’S MEMORIAL HALL – 6:00P.M.

Mayor Irons 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
	Steve Knuckles	Fire Captain

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

The following speakers spoke in support of approving Resolution 07-13, supporting the California Coastal Commission staff’s recommendation for denial of Application Number A-3-MRB-11-001: Betty Winholtz, Dorothy Cutter, David Weisman, Richard Sadowski, Julie Tacker, Marla Jo Bruton, Matt Makowetski, Walter Heath, Glen Siloway, Marlis McPherson, Abbie Diodatti, Michael Lucas, Brad Snook, Jen and Travis Ford, Barry Brannon, Karen Croley, Don Boatman, David Nelson, Barbara Doerr, Bob Tefft, Amy Burton, Steve Griffith, Nancy Bast, Nicole Dorfman, Jane Heath, Bill Martoni, Mandy Davis, Bill Weatherford, Steve Hennigh, Alex Beattie, Bob Swain and John Diodatti. Reasons for the support of the denial included the following: sea-level rise, located in a flood plain, located in a tsunami zone, improper zoning for facility, seismic considerations, the drinking water aquifer is being polluted, need to look to the future, shouldn’t be built on prime ocean-front land, need to consider 21st century technology, the smell is ridiculous, erosion impacts, project doesn’t include recycled water, project needs to recharge our groundwater, project needs to provide the ability to reclaim the water, we need to care for our ocean environment and possible depreciation of property values.

The following speakers spoke in support of terminating the Agreements with Dudek, McCabe and/or Delzeit for Wastewater Treatment Plant Project Consultant Services: Betty Winholtz, Dorothy Cutter, David Weisman, Julie Tacker, Marla Jo Bruton, Michael Lucas, Karen Croley, Barbara Doerr, Bob Tefft, Steve Griffith, Mandy Davis, Steve Hennigh, and Alex Beattie.

The following speakers spoke in support of requesting the California Coastal Commission’s approval of Application Number A-3-MRB-11-001: Rob Kitzman, John Galarde, Garry Johnson

and Sandy Tannler. Reasons for the support of approval included: the outfall line needs to be protected at all costs, gravity issue of pumping the waste to an uphill site, costs, and Righetti property is too far away. The question also arose that if the area poses such a threat, what about the high school and cloisters areas?

Mayor Irons closed the public comment period.

Items VII and VIII were moved to the beginning of the agenda at this time.

VII. APPROVAL OR DENIAL OF RESOLUTION NO. 07-13 OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA REQUESTING CALIFORNIA COASTAL COMMISSION DENIAL OF APPLICATION NUMBER A-3-MRB-11-001

Mayor Irons presented an amended redlined version of Resolution No. 07-13 largely based on comments received.

Councilmember Nancy Johnson requested additional language be added to the “Now Therefore be it Resolved” language and change it to read “Now, Therefore, be it Resolved, that the City Council of Morro Bay supports the Coast Commission staff report on application and formally requests additional time to develop the most appropriate project.” She also felt that the word “declined” was too strong in the 15th “Whereas”; “...Cayucos Sanitary District **declined** to attend said meeting...” and hoped that we could soften the statement by taking out that word. She finished by stating that if we read the Coastal Commission staff summary then we need to realize that nothing can ever be built on the current property.

Councilmember Leage agreed with Councilmember Nancy Johnson comments about the lack of need for this meeting. He doesn't feel this fosters a good relationship with Cayucos. He also feels that no matter what decisions are made tonight, it won't change the Coastal Commission's mind.

Councilmember Smukler feels it's important for us on behalf of the citizens of Morro Bay as well as staff to come up with a formal statement affirming a clear message and action plan as the direction of the project has changed. He proposed the word “unable” to replace the word “declined”. He is in support of Resolution 07-13 as presented in its amended form.

Councilmember Christine Johnson is comfortable with the way that Resolution 07-13 is written and is willing to accept an amendment to the word “decline”.

Mayor Irons stands by his original statement in the “Now, Therefore Be It Resolved...” section of the Resolution.

MOTION: Councilmember Smukler moved approval of Resolution 07-13 with the amended language as found in the redlined version as well as replace the word “...the Cayucos Sanitary District **declined**...” with “the Cayucos Sanitary District **was unable to** ...”. The motion was seconded by Councilmember Christine Johnson and carried 3-2 with Councilmembers Nancy Johnson and Leage voting no.

VIII. APPROVAL OR DENIAL OF RESOLUTION NO. 08-13 OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA REQUESTING CALIFORNIA

MOTION: Councilmember Nancy Johnson moved approval of Resolution 08-13. The motion was seconded by Councilmember Leage and failed 2-3 with Councilmembers Christine Johnson, Smukler and Mayor Irons voting no.

V. DISCUSSION AND DIRECTION RELATING TO CONTINUING OR TERMINATING THE AGREEMENT WITH DUDEK, MCCABE, AND/ OR DELZEIT FOR WASTEWATER TREATMENT PLANT PROJECT CONSULTANT SERVICES

Councilmember Christine Johnson feels that we should tell McCabe that she no longer should be pursuing the project for Morro Bay. As far as Dudek and Delzeit, if we take the denial forward then we would very likely terminate those contracts but it would first be good to vet their information/knowledge that they have gained to date.

Councilmember Nancy Johnson stated that it takes a 10 day notice to terminate, the Coastal Commission meets within that 10 day period – she feels this is a subject for a JPA meeting and she isn't sure that we have the ability/right to terminate a contract held with the JPA. She also felt that since most of the money had already been paid out, why terminate them now as they may prove to be important to us in the future.

Councilmember Smukler feels there is existing value to the work that both Delzeit and Dudek have generated for the City. That work can be used as a launching pad for work towards alternative sites. As it stands now though, and with the approval of the Resolution tonight, he feels we are ready to sever our relationship with all three consultants now as we move forward.

City Attorney Rob Schultz stated that the City does have the ability to terminate the Morro Bay portion of the consultant contracts as the contracts are 3 party contracts; not a single contract between the consultants and the JPA.

Mayor Irons brought up the concept of suspension of contracts versus termination of contracts to which City Attorney Rob Schultz responded that the City could do either; however, it would be important to give clear direction to said consultants if the intent was to suspend the contracts.

As to the question of suspension versus termination, Councilmember Smukler supported termination; Councilmember Christine Johnson supported termination; Councilmember Leage feels that by terminating, we are driving a wedge between us and Cayucos, none of these decisions should be made without having Cayucos involved.

MOTION: Councilmember Smukler moved to terminate the contracts with Dudek, McCabe and Delzeit for Wastewater Treatment Plant project consultant services. The motion was seconded by Councilmember and failed 2-3 with Mayor Irons, and Councilmembers Nancy Johnson and Leage voting no.

Mayor Irons preferred suspension of the contracts as he would prefer being able to have a discussion with the entire JPA board level before taking action.

Councilmember Smukler felt it very important that we do take some kind of formal action or the consultants may very likely continue on with their efforts on behalf of the project.

MOTION: Mayor Irons moved to suspend the contracts with the current consultants, Dudek, Delzeit and McCabe with the direction that no work can be performed on behalf of the City of Morro Bay until the two boards can convene and discuss these contracts. The motion was seconded by Councilmember Christine Johnson and carried 3-2 with Councilmembers Nancy Johnson and Leage voting no.

VI. DISCUSSION AND DIRECTION RELATING TO THE CITY'S ROLE, POSITION AND PARTICIPATION AT THE JANUARY 10, 2013 COASTAL COMMISSION HEARING ON THE WASTEWATER TREATMENT PLANT PROJECT

Councilmember Christine Johnson hoped to have a joint comment period/presentation where a Councilmember and the City Manager express the change that's happened in Morro Bay. She would like to move forward in a way that has staff and Mayor or Councilmember working together on any kind of presentation that is made at the meeting.

Councilmember Smukler agrees completely with Councilmember Christine Johnson.

Mayor Irons would like to take the message forward along with the City Manager in presenting the City's Resolution during the applicant presentation portion of the meeting.

ACTION: Mayor Irons and City Manager Andrea Lueker would attend the California Coastal Commission hearing and present the City's new position on the Wastewater Treatment Plant Project during the applicant portion of the agenda.

Councilmember Nancy Johnson requested her final comment be read into the record: "Since it would appear that we will be starting over again with a new plant at a new location, it is impossible to really know how this project will eventually end up. There is a chance that we could be involved in protracted litigation with the Cayucos Sanitary District, the permitting process could bog down and take years and costs could skyrocket. For the sake of our citizens I truly hope that this does not happen. In your perfect world, maybe you will be able to get the folks in Cayucos to come around to your way of thinking, you will find a good location, all the permits will be fast tracked and you will build a state of the art water reclamation plant quickly and for a reasonable cost. Only time will tell. However, after tonight's vote, there is one thing that I am certain about. At the conclusion of this meeting, for better or worse the three of you will own this project. Thank You"

VII. ADJOURNMENT

The meeting adjourned at 8:43 p.m.

Recorded by:

Jamie Boucher
City Clerk

AGENDA NO: A-1b

MEETING DATE: 1/22/2013

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JANUARY 8, 2013
VETERAN’S MEMORIAL HALL – 6:00P.M.

Mayor Irons 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
	Steve Knuckles	Fire Captain
	Susan Slayton	Administrative Services Director
	Joe Woods	Recreation & Parks Director

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

MAYOR AND COUNCIL MEMBERS REPORTS, ANNOUNCEMENTS &
PRESENTATIONS

Consent Calendar items A-7 and A-8 were pulled in order for Mayor Irons to present Proclamations to retiring City employees, Sergeant Manny Silva and Fire Chief Mike Pond.

There was a request from Mayor Irons to hear a Special Emergency Item regarding a request from the Cayucos Sanitary District to discuss the potential withdrawal of our Wastewater Treatment Plant Project application. This would take a 4/5th vote to be heard.

MOTION: Councilmember Nancy Johnson moved that Council add an item to the agenda to entertain discussions regarding the Cayucos Sanitary District’s withdrawal of the Wastewater Treatment Plant project application. The motion was seconded by Councilmember Leage and failed 3-2 with Councilmembers Christine Johnson and Smukler voting no.

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

Rose Morrison, owner of New Asian Gourmet, presented the Morro Bay Business Report. Located at 430 Morro Bay Blvd, they serve Chinese, Thai and Japanese food. They use locally grown fresh vegetables. They are open Thursday – Sunday for lunch and dinner from 1130am-8pm. She hopes people will visit them soon and give them a try.

Garry Johnson expressed his concern with where we are going with our wastewater treatment plant. He is confused with why the PERC plant was thought to be an option at the current site but that same site isn't an option for a new wastewater treatment plant. He is also concerned that the Coastal Commission's denial made the current site's property useless. He believed that Morro Bay should have joined with Cayucos and withdrawn the project.

Marlis McPherson is the Chair of the Winter Bird Festival which begins on Friday, January 18th and runs through Monday, January 21st. To date they have 504 people registered, most of them from out of the county. She also thanked the City for co-sponsoring the event.

Marla Jo Bruton requested that Item A-4 be pulled (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) so that it can be discussed. She feels that the City doesn't have a valid permit for the operation of the plant which leads to legal concerns that need to be addressed.

Mandy Davis applauded the Council's decision they came to at their last meeting. She also encouraged Council to show up at the Coastal Commission hearing on Wednesday, January 9th to speak on the PG&E Seismic project supporting the suspension of all seismic testing in the area.

Betty Winholtz spoke on Item D-1 (Resolution No. 01-13 Adopting the City of Morro Bay Investment Policy and Delegating Authority to the City Treasurer to Invest Funds) and Item D-2 (Resolution No. 02-13 Authorizing the Examination of Sales or Transactions and Use Tax Records). Both items state that the Council will receive less financial information and receive it less frequently which she cautions against doing. She also spoke on Item D-3 (Discussion of the Goal Setting Workshop Process and Timeline for 2013). She is very strong believer of goal setting and encourages staff to look at facilitators that charge less.

Brian Stacy spoke on the PG&E Seismic Surveys. He feels this entire process has been a failure of government at all levels. The fisherman, the City, and businesses have all been deprived of mitigation measures.

Barbara Doerr spoke on Item A-5 (Resolution No. 05-13 Approving Amendment #3 to the Lease Agreement for Lease Site 50-51/50W-51W located at 451 Embarcadero) wondering what the City benefit would be to approve this. She also feels the City is setting a bad precedent for future leases by allowing them to make this change.

Cathy Novak thanked both Sergeant Manny Silva and Chief Mike Pond for all their years of service and for all they have done.

Bob Doerr thanked the Fire Department for their quick response to a request for medical aid at the golf course that morning.

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 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.

Councilmember Christine Johnson pulled Item A-1a from the Consent Calendar.

Councilmember Smukler pulled Items A-4 and A-5 from the Consent Calendar.

MOTION: Councilmember Nancy Johnson moved the City Council approve Items A-2, A-3, A-6, A-7 and A-8 of the Consent Calendar as presented. The motion was seconded by Councilmember Smukler and carried unanimously 5-0.

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)

Councilmember Christine Johnson pulled this item to point out 3 amendments to Item A-1a, the December 11, 2012 minutes. She had already spoken to the City Clerk and as the amendments covered the clarification of names only with no content changes, the amendments were made.

MOTION: Councilmember Christine Johnson moved for approval of Item A-1 and A-1a with amendments as discussed. The motion was seconded by Mayor Irons and carried unanimously 5-0.

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)

Councilmember Smukler pulled this item to allow staff to elaborate on the questions raised by the public. Public Services Director Rob Livick provided an update on the plant's permit status.

MOTION: Councilmember Smukler moved for approval of Item A-4 as presented. The motion was seconded by Councilmember Christine Johnson and carried unanimously 5-0.

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)

Councilmember Smukler pulled this item to allow staff to elaborate on the questions raised by the public. City Attorney Rob Schultz provided information regarding the lease site amendment request.

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

B. PUBLIC HEARINGS, REPORTS & APPEARANCES - NONE

C. UNFINISHED BUSINESS - NONE

D. NEW BUSINESS - NONE

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)

Administrative Services Director Susan Slayton presented her staff report.

Both Councilmembers Nancy Johnson and Smukler asked if Ms. Slayton could bring the portfolio forward as part of the quarterly report.

MOTION: Councilmember Smukler moved approval of Resolution 01-13, with the adjustment to the reporting component that the portfolio is presented to Council on a quarterly basis. The motion was seconded by Councilmember Nancy Johnson and carried unanimously, 5-0.

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

Administrative Services Director Susan Slayton presented her staff report.

Councilmember Nancy Johnson feels it's important for Council to continue to receive this information. She also noted that, the Council is used to receiving confidential information. She feels this information is important as we gauge and try to help out our local economic climate.

Councilmember Smukler is comfortable with what is proposed as long as Council still receives the generalized category and/or geographical category information.

Councilmember Leage agrees with Councilmember Nancy Johnson. There haven't been any problems in the past and sees no reason to make any changes at this time.

Mayor Irons doesn't see a need to have information for a specific business. He also understands the reasons for this action are to protect Council. Also, he believes there has to be a reason most cities don't do this. He is inclined to remove Councilmembers from the list.

MOTION: Mayor Irons moved approval of Resolution No. 02-13 as presented. The motion was seconded by Councilmember Christine Johnson and carried 3-2 with Councilmembers Nancy Johnson and Leage voting no.

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

City Manager Andrea Lueker presented the staff report.

Councilmember George Leage feels that the money spent last year didn't produce any results. He also feels this could be done in-house, as an agenda item and could be facilitated by the Mayor.

Councilmember Christine Johnson shares some of the same thoughts as Councilmember Leage and feels the process could be done in-house with our staff facilitating. She believes in a very strong goal setting process including a very strong public role. She also sees value to team building exercises and feels the money might be better spent on those activities.

Councilmember Nancy Johnson agrees with Councilmember Leage but also feels that much was accomplished as a result of last year's goal setting process. She thinks we could do it here at the Council level. She firmly believes that we should adhere to the \$5,000 that was budgeted. She also feels that if we move forward with this process, we should postpone it for awhile as she feels it may take some time for this Council to come to consensus on issues. She also feels that the public participation component can be done as part of an agenda item at a City Council meeting.

Councilmember Smukler is a big fan of the goal setting process. The results can send a clear message to staff prior to the budget process as the information discussed can help them in the preparation of their department budgets. Given the prices provided, he thinks that financially, we shouldn't go beyond the budgeted \$5,000. He feels it would be important to have a neutral, outside person to facilitate the process. He also feels we can improve on the public comment and public participation component.

Mayor Irons feels that a public goal setting workshop is important as it relates to community. Without setting goals, how will Council and staff get anything done? He also feels it is best to have it facilitated by someone outside of staff as he feels a facilitator will help us get the most out of the process; and, they will be able to guide us through the workshops to help identify our goals outside of/ in addition to the wastewater treatment plant project. He too, would like to see us stay within the \$5,000 budget. Other reasons for the need of a facilitator include: time constraints for all of Council and staff; and, the ability for a neutral party to put together the list of goals that everybody has had input on.

Councilmember Christine Johnson is comfortable with contracting out if it's within the budget. She wondered if it would be possible to blend with in-house and outside facilitation.

Councilmembers Nancy Johnson, Christine Johnson and Smukler are all willing to contract with Mr. Maruska if he is willing to work within the \$5,000 budget. It was also felt that his experience with Morro Bay would be helpful.

Councilmember Leage continued with the thought that Mayor Irons could be a good facilitator.

Councilmember Nancy Johnson feels that we could save some money by having the public input part of the process as a part of a public hearing at a City Council meeting. It is also important to

advertise this well, in an effort to have as wide a cross section of people as possible attend. She is unavailable on February 27th.

Councilmember Smukler feels it is important to have the public have a chance to comment early to help guide the conversations as well as a second chance to comment as the information is defined and we get closer to the final product. He is available for all dates provided.

Councilmember Christine Johnson feels that a public component early is important. She is available for all dates provided. She also wondered if the potential of meeting on Saturdays could be looked into.

Councilmember Leage also wants to hear public comment but continues to feel the goal setting could be done in-house during a Council meeting. He is available for all dates provided.

It is Mayor Iron's intent to allow for 2 opportunities for public input; an early public workshop as well as a follow-up. One of these could possibly occur at a City Council meeting. He hopes that the City is able to work with the consultant to iron out the costs. He requested that Saturdays be looked into as a meeting date option. He is available for all dates provided.

MOTION: Mayor Irons moved approval of a contract with Don Maruska & Company for the City's goal setting process not to exceed \$5,000. The motion was seconded by Councilmember Smukler and carried 3-2 with Councilmembers Nancy Johnson and Leage voting no.

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)

This item was pulled from the agenda prior to the start of the meeting.

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

City Manager Andrea Lueker presented the staff report.

MOTION: Councilmember Nancy Johnson moved approval of the annual meeting schedule as presented. The motion was seconded by Councilmember Leage and carried unanimously 5-0.

There was discussion about scheduling the Joint Planning Commission/City Council meetings. There was consensus to look into scheduling them on the 5th Tuesdays of the months of April and October.

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

All Councilmembers were fine with the discretionary appointments proposed by Mayor Irons.

MOTION: Councilmember Nancy Johnson moved to appoint Councilmember George Leage as Vice-Mayor. The motion was seconded by Councilmember Smukler and carried unanimously 5-0.

E. DECLARATION OF FUTURE AGENDA ITEMS -

Mayor Irons requested a discussion of the City's options to hire a consultant to help find funding opportunities for City projects; Councilmembers Nancy Johnson, Christine Johnson and Smukler concurred.

ADJOURNMENT

The meeting adjourned at 8:43 p.m.

Recorded by:

Jamie Boucher
City Clerk



AGENDA NO: A-2

MEETING DATE: 1/22/13

Council Report

TO: City Council

DATE: January 15, 2013

FROM: Jamie L. Irons, Mayor

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

RECOMMENDATION

Appoint Councilmember Christine Johnson as a member of the Chamber of Commerce Economic Development Committee for calendar year 2013.

DISCUSSION

Based on action from the January 8, 2013 City Council meeting, Councilmember Smukler was appointed as one of two members to the Chamber of Commerce Economic Development Committee for calendar year 2013. Since that time, and at the request of Councilmember Smukler, he has requested to step down from that committee and has recommended that Councilmember Christine Johnson be appointed to fill that role. Councilmember Christine Johnson has confirmed that she is willing to serve and hopes the change can be made before the next Economic Development meeting.

Prepared By: JLIrons

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: A-3

MEETING DATE: 1/22/2013

Staff Report

TO: Honorable Mayor and City Council

DATE: January 14, 2013

FROM: Andrea K. Lueker, City Manager

SUBJECT: Approval of Resolution No. 10-13 Directing a Timeline for Completion of Capital Projects Approved by the City Council and Rescinding Resolution No. 45-12

RECOMMENDATION:

Staff recommends the City Council approve Resolution No. 10-13.

FISCAL IMPACT:

Not applicable.

SUMMARY:

The City Council approved Resolution No. 45-12 on August 28, 2012 which outlined a time line for Capital Projects, Measure Q Projects and Maintenance Projects as well as directed the quarterly presentation of a Delayed Project Status Report. When the first Delayed Project Status Report was presented, rather than just focusing on the delayed projects, staff included all Capital Projects, Measure Q Projects and Maintenance Projects over \$25,000, providing the City Council and the public a more comprehensive overview of the larger projects that were occurring or scheduled to occur in the City during the fiscal year.

Staff is presenting Resolution No. 10-13 which modifies the information originally contained in Resolution No. 45-12, as well as renames the Delayed Project Status Report, the Project Status Report. Staff has attached a red-line document to highlight the changes.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

RESOLUTION NO. 10-13

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
DIRECTING A TIMELINE FOR COMPLETION OF CAPITAL PROJECTS
APPROVED BY THE CITY COUNCIL AND RESCINDING RESOLUTION NO. 45-12**

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

WHEREAS, the City Council on an annual basis funds a variety of large and small capital projects, Measure Q projects and large maintenance projects (in excess of \$25,000); and

WHEREAS, the desire of the City Council and the citizens is to see City projects move forward in a timely manner; and

WHEREAS, the community expects the City to move swiftly in implementing capital projects.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California that Resolution 45-12 is hereby rescinded and replaced by Resolution 10-13; and

BE IT FURTHER RESOLVED that estimated completion dates for capital projects will be included on the Schedule for Capital Projects page, in the Schedule of Measure Q Budget Requests page(s) and/or the Schedule of Proposed Maintenance Projects in excess of \$25,000 page in the Annual Budget document, indicating when the City will begin work on the capital, Measure Q and major maintenance project(s); and

BE IT FURTHER RESOLVED that included in the staff report at the time the funding is approved for each capital, Measure Q or maintenance project in excess of \$25,000, staff will include a timeline for project completion; and

BE IT FURTHER RESOLVED that a Project Status Report will be generated by the City Manager's office each quarter and appear on the consent calendar of the City Council agenda at the first meeting of each quarter, and contain the following information:

1. Project name;
2. Brief description of the project (unless the name is self-explanatory);
3. Name of the department head responsible for the project;
4. Project Status;
5. Brief explanation for the delay - if applicable;
6. Projected start date;
7. Revised start date;
8. Projected completion date.

The Project Status Report will include projects from all funds, and the projects will remain on the Project Status Report until they are completed or cancelled.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 22nd of January 2013, by the following vote:

AYES:

NOES:

ABSENT:

JAMIE L. IRONS, Mayor

ATTEST:

JAMIE BOUCHER, City Clerk

RESOLUTION NO. ~~45-12~~10-13

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
DIRECTING A TIMELINE FOR COMPLETION OF CAPITAL PROJECTS
APPROVED BY THE CITY COUNCIL AND RESCINDING RESOLUTION NO. 45-12**

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

WHEREAS, the City Council on an annual basis funds a variety of large and small capital projects, Measure Q projects and large maintenance projects (in excess of \$25,000); and

WHEREAS, the desire of the City Council and the citizens is to see City projects move forward in a timely manner; and

WHEREAS, the community expects the City to move swiftly in implementing capital projects; ~~and~~

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California that Resolution 45-12 is hereby rescinded and replaced by Resolution 10-13; and

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NOW, THEREFORE, BE IT FURTHER RESOLVED by the City Council of the City of Morro Bay, California; that estimated completion dates for capital projects will be included on the Schedule for Capital Projects page, in the Schedule of Measure Q Budget Requests page(s) and/or the Schedule of Proposed Maintenance Projects in excess of \$25,000 page in the Annual Budget document, indicating when the City will begin work on the capital, Measure Q and major maintenance project(s); and

BE IT FURTHER RESOLVED that included in the staff report at the time the funding is approved for each capital, Measure Q or maintenance project in excess of \$25,000, staff will include a timeline for project completion; and

BE IT FURTHER RESOLVED that a ~~Delayed~~ Project Status Report will be generated by the City Manager's office each quarter and appear on the consent calendar of the City Council agenda at the first meeting of each quarter, and contain the following information:

1. Project name;
2. Brief description of the project (unless the name is self-explanatory);
3. Name of the department head responsible for the project;
- ~~3-4.~~ Project Status;
5. Brief explanation for the delay ~~if applicable;~~ ~~and~~
- ~~6.~~ Original Projected start date
- ~~4-7.~~ Revised start date
- ~~5-8.~~ Revised-Projected completion date.

The ~~Delayed~~ Project Status Report will include projects from all funds, and the projects will remain on the ~~Delayed~~ Project Status Report until they are completed or cancelled.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the ~~28th~~-~~22nd~~ of ~~August~~January 201~~32~~, by the following vote:

AYES: ~~Borchard, Johnson, Leage, Smukler, Yates~~

NOES: ~~None~~

ABSENT: ~~None~~

ATTEST: WILLIAM YATESJAMIE L. IRONS, Mayor

JAMIE BOUCHER, City Clerk



AGENDA NO: A-4

MEETING DATE: January 22, 2013

Staff Report

TO: Honorable Mayor and City Council

DATE: January 17, 2013

FROM: Janeen Burlingame, Management Analyst

SUBJECT: Resolution No. 09-13 Authorizing Submission of Rural Transit Fund Grant Application

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 09-13 authorizing submission of a Rural Transit Fund (RTF) grant application for the purchase of furniture for the Transit Office.

FISCAL IMPACT

Total estimated cost for the RTF projects is \$10,000. No local match is required for non-vehicle related capital projects.

SUMMARY

On December 5, 2002 the San Luis Obispo Council of Governments (SLOCOG) adopted Resolution No. 02-16 to create a RTF program designed to streamline the lengthy federal process of applying for, receiving and using Federal Transportation Administration Section 5311 funds for rural transit agency projects by programming the region's share of Section 5311 funds to the Regional Transit Authority (RTA) for operations and exchanging it with a like amount of State Transportation Development Act (TDA) funds, programmed through SLOCOG.

Program policies and procedures that would govern the RTF program were developed to preserve the intent of the Section 5311 program in terms of who and what projects would be eligible for funds. The SLOCOG Board adopted the policies and procedures in October 2003.

The City of Morro Bay is an eligible recipient to apply for these funds. Approximately \$520,000 is available for competitive distribution for the FY 2013/2014 cycle. Applications are due February 1.

DISCUSSION

The City intends to submit an application for the RTF FY 2013/2014 cycle for the purchase of furniture for the Transit Office. Aside from the furniture purchase, there are no current capital needs for Morro Bay Transit and Trolley services for this funding cycle as the City recently completed a Proposition 1B project for communications equipment, the American Recovery and Reinvestment

Prepared By: J Burlingame

Dept Review: RL

City Manager Review: AL

City Attorney Review: _____

Act procurement projects to replace trolley and transit vehicles, and a RTF project for bus stop signage and information display cases.

Transit Office Furniture Purchase

Total Project Cost: \$10,000

Local Match: No local match required

As part of the goals setting process for the City in 2012, the City Council adopted a goal to move the Transit office in order to more effectively utilize City facilities. That move took place recently; however, the existing office furniture that was purchased in the 1980s was designed for an office size larger than to where the Transit office was relocated. As such, the City configured the new office space with pieces that would fit as best they could, but unfortunately some desks and filing cabinets stick out several inches, making the space tight to maneuver around in. There is also a need for additional storage due to losing built-in cabinets at the previous office location as well as needing more secure filing cabinets to adequately protect confidential records and fares until counted and deposited in the bank. Also, this office is shared with the Meals on Wheels volunteer program and additional locked storage is needed for the drivers and office staff for their personal effects and confidential information provided to them such as their paychecks.

CONCLUSION:

Staff recommends the City Council adopt Resolution No. 09-13.

RESOLUTION NO. 09-13

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY,
CALIFORNIA AUTHORIZING SUBMISSION OF APPLICATION TO THE
RURAL TRANSIT FUND GRANT PROGRAM**

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

WHEREAS, the San Luis Obispo Council of Governments (SLOCOG) annually adopts the Federal Transit Administration (FTA) Section 5311 formula funds Program of Projects (POP); and

WHEREAS, SLOCOG began the Rural Transit Fund (RTF) program with Resolution 02-16 on December 5, 2002 by programming FTA Section 5311 funds to the San Luis Obispo Regional Transit Authority (RTA); and

WHEREAS, RTA has agreed to use these Federal funds for operating support and SLOCOG has agreed to exchange a similar amount of Transportation Development Act (TDA) funds for use in the RTF program; and

WHEREAS, SLOCOG, RTA, and other rural transit operators worked together to develop a process to exchange FTA Section 5311 formula funds with TDA funds to create the RTF, including Policies and Procedures to govern the RTF program; and

WHEREAS, the Policies and Procedures developed ensure that all funds will be used solely for rural transit projects consistent with the original intent of the FTA Section 5311 program; and

WHEREAS, there is \$520,000 available for competitive distribution with project applications for the 2013/2014 RTF cycle due February 1, 2013.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that the Public Services Director, or his duly appointed representative, is authorized to submit an application to the Rural Transit Fund for the purchase of furniture for the Transit Office.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 22nd day of January, 2013 on the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Jamie L Irons, Mayor

ATTEST:

Jamie Boucher, City Clerk

**PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY**

SUPPORTING THE START BY BELIEVING PUBLIC AWARENESS CAMPAIGN

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

WHEREAS, the City of Morro Bay shares a critical concern for victims of sexual violence and a desire to support their needs for justice and healing; and

WHEREAS, in 2011 the Morro Bay Police Department received a total of 4 reports of rape or attempted rape, and the Sexual Assault Recovery and Prevention (SARP) Center served the needs of county victims during 422 crisis interventions, 219 peer counseling sessions, and 107 forensic exams, law enforcement interviews, or other proceedings; and

WHEREAS, research estimates that as many as 1 in 6 women and 1 in 33 men will become the victims of rape or attempted rape, yet most will not report the crime to law enforcement, and rapists who are not detected by authorities will perpetrate an average of 6 crimes; and

WHEREAS, research documents that victims are far more likely to disclose their sexual assault to a friend or family member, and when these loved ones respond with doubt, shame, or blame, victims suffer additional negative effects on their physical and psychological well-being; and

WHEREAS, the Start by Believing public awareness campaign is designed to improve the responses of friends, family members, and community professionals, so they can help victims to access supportive resources and engage the criminal justice system.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morro Bay hereby proclaims that they support the Start by Believing public awareness campaign being launched in the County on February 1, 2013 and do hereby declare this day to be “**START BY BELIEVING DAY**” throughout the City of Morro Bay, California.

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the City of Morro Bay to be affixed this 22nd day of January, 2013,

Jamie L. Irons, MAYOR

Attest:

Jamie Boucher, CITY CLERK

AGENDA NO: A-6

MEETING DATE: January 22, 2013

PRESENTATION
by
NATIONAL ESTUARY
PROGRAM

This will be a verbal
presentation only;

No action is required



AGENDA NO: B-1

MEETING DATE: January 22, 2013

Staff Report

TO: Honorable Mayor and City Council

DATE: January 17, 2013

FROM: Janeen Burlingame, Management Analyst

SUBJECT: Ordinance No. 582 Introduction and First Reading – Repealing and Replacing Morro Bay Municipal Code Sections 5.28 and 5.30 With New Section 5.30 Relating to Video Service Providers

RECOMMENDATION

Staff recommends the City Council accept public comment and then move for introduction and first reading of Ordinance 582 repealing Morro Bay Municipal Code Sections 5.28 and 5.30, replacing them with new Section 5.30 relating to video service providers.

FISCAL IMPACT

Under the provisions of the California Digital Infrastructure and Video Competition Act enacted by the State, there would be no loss of existing revenue from Charter Communications (Charter) as the City would still receive payment of the five percent franchise fee and one percent Public, Education and Government (PEG) Access fee from Charter.

However, the provisions in the current Franchise Agreement with Charter Communications (Charter) for the inclusion of complementary video service and Institutional Network (I-net) to public facilities are not included in the State franchises that will be issued to cable service providers in Morro Bay, and the City will be responsible for any costs associated with those services after the current Franchise Agreement expires on April 1, 2013. Staff is currently evaluating what level of service may be retained and the related costs.

DISCUSSION

In 2003, the City of Morro Bay entered into a 10-year Franchise Agreement with Charter for the operation of a cable television system in the City. That agreement expires April 1, 2013. The Franchise Agreement was negotiated pursuant to the City's cable television franchise ordinance. Per the Agreement, Charter pays the City a franchise fee of five percent of its annual gross revenues, a PEG Access fee of 1% of its annual gross revenues, and provides to the City complementary video and I-net services to public buildings.

Prepared By: J Burlingame

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

On January 1, 2007, the California Digital Infrastructure and Video Competition Act (Cal. Pub. Util. Code §§ 5800 et seq., "DIVCA") took effect. The Act provides a new mechanism for video franchising in California, which shifts franchising authority away from cities and counties to the state level. DIVCA gives the California Public Utilities Commission (PUC) sole authority to grant statewide franchises to companies providing video service, both for new entrants into the market and incumbent cable television providers. However, the City's franchise did not become immediately subject to the Act because the City and Charter had an existing franchise that remained valid under DIVCA until its expiration.

The PUC began granting state video franchises April 1, 2007. Geographically, the areas covered by State video franchises can be specified by the applicants, do not have to respect current City video franchise areas, and may cross city and county boundaries. A holder of a state franchise must pay five percent of gross revenue to the City for all subscribers within City limits. In addition, if the City passes an appropriate ordinance, an additional one percent of gross revenue can be received by the City for PEG purposes.

The enactment of DIVCA has substantially limited the authority with which cities and counties may regulate video service providers, and preempts most local regulation of video service providers that have received a state franchise to provide such services. Charter has received its State franchise and the City's franchise with Charter will become subject to the State provisions in April of this year, upon expiration of the current franchise term.

DIVCA affords the City the ability to retain revenue for PEG purposes (CPUC Section 5870); collect franchise fees (CPUC Section 5860); assess penalties for violations of customer service standards (CPUC Section 5900) and impose restrictions on the use of City right-of-way (CPUC Section 5885). However, in order to secure these rights under state law, it is necessary to adopt a local ordinance consistent with DIVCA. Even with adoption of the appropriate ordinance, the City loses authority, upon the expiration of its current franchise, to require Charter's continued provision of free cable and I-net services. If the City wishes to continue cable and/or I-net services to some or all of its existing buildings, it will be necessary to establish a business account with Charter and negotiate the scope and pricing of those services.

CONCLUSION

In order to comply with the State franchise requirements and to secure the City's franchise and PEG funding as permitted by DIVCA, staff recommends adoption of the proposed ordinance. The Ordinance will implement the City's authority in relation to: franchise fees; funding for PEG access; carriage of the City's three PEG access channels, and interconnections; the authority to examine Charter's records; penalties for violation of federal customer service standards; activation of the emergency alert system; and notice to the City of any new state franchise applications impacting service to the area and of amendments to existing state franchises.

Staff recommends the City Council review and move for first reading and introduction of the attached Ordinance 582 repealing and replacing Morro Bay Municipal Code Sections 5.28 and 5.30 with new Section 5.30 relating to cable television franchises.

Reference Documents

Link to [Morro Bay Municipal Code Section 5.28](#)

Link to [Morro Bay Municipal Code Section 5.30](#)

Link to [DIVCA](#)

ORDINANCE 582

**AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF MORRO BAY REPEALING AND REPLACING CHAPTERS 5.28 AND 5.30
OF THE MUNICIPAL CODE WITH
NEW SECTION 5.30 RELATING TO VIDEO SERVICE PROVIDERS**

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

WHEREAS, the Legislature of the State of California (the State) has adopted the Digital Infrastructure and Video Competition Act of 2006 (DIVCA); and

WHEREAS, the Governor of the State of California signed DIVCA on September 29, 2006; and

WHEREAS, DIVCA became effective on January 1, 2007; and

WHEREAS, DIVCA establishes a regulatory structure for the State to issue franchises to video service providers; and

WHEREAS, DIVCA establishes that local entities, such as the City of Morro Bay, are responsible for administration and implementation of certain provisions of DIVCA; and

WHEREAS, DIVCA requires that the City establish, by ordinance, financial support provisions for Public, Education and Government Access (PEG) channel facilities; and

WHEREAS, DIVCA requires that the City adopt, by ordinance or resolution, a schedule of penalties for any material breach by a State video franchise holder for violation of customer service and protection standards that the City is permitted to enforce; and

WHEREAS, as of December 31, 2006, Charter Communications was the only City-franchised cable operator providing cable service within the City; and

WHEREAS, the Charter Communications Cable franchise imposed a requirement for up to one percent of gross revenues to be provided for PEG channel facilities capital as of December 31, 2006; and

WHEREAS, the Charter Communications Cable franchise expires on April 1, 2013.

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

SECTION 1. Title 5, Chapters 5.28 ("TV Franchise and Services Board") and 5.30 ("Cable Television") of the Morro Bay Municipal Code are repealed and replaced with new Chapter 5.30 to read as follows:

Chapter 5.30

PROVISIONS APPLICABLE TO HOLDERS OF STATE VIDEO FRANCHISES

5.30.010 Fee for Support of Local Cable Usage.

A fee paid to the City is hereby established for the support of public, educational, and governmental access facilities and activities within the City. Unless a higher percentage is authorized by applicable state or federal law, this fee shall be one percent of a state video holder's gross revenues, as defined in California Public Utilities Code section 5860. This fee shall be remitted quarterly to the City Treasurer and must be received not later than 45 days after the end of the preceding quarter. The fee payment shall be accompanied by a summary that explains the basis for the calculation of the support fee for local cable usage.

5.30.020 Franchise Fee.

A state video franchise holder operating in the City shall pay to the City a franchise fee that is equal to five percent of the gross revenues of that state video franchise holder. The term "gross revenues" shall be defined as set forth in Public Utilities Code section 5860. This fee shall be remitted quarterly to the City Treasurer and must be received not later than 45 days after the end of the preceding calendar quarter. The fee payment shall be accompanied by a summary that explains the basis for the calculation of the franchise fee. Unless construed otherwise by applicable law, the phrase "summary that explains the basis for the calculations," as used herein, means the identification of the sources of revenue upon which the fee is based.

5.30.030 Authority to Examine Records.

Not more than once annually, the appropriate City department may examine the business records of a holder of a state video franchise to ensure compliance with all applicable statutes and regulations related to the computation and payment of franchise fees.

5.30.040 Customer service Penalties Under State Video Franchises.

A. The holder of a state video franchise shall comply with all applicable state and federal customer service and protection standards pertaining to the provision of video service.

B. The City Manager or his or her designee shall monitor a state video franchise holder's compliance with state and federal customer service and protection standards. The City will provide to the state video franchise holder written notice of any material breaches of applicable customer service and protection standards, and will allow the state video franchise holder 30 days from receipt of the notice to remedy the specified material breach. Material breaches not remedied within the 30-day time period will be subject to the following monetary penalties to be imposed by the City in accordance with state law:

1. For the first occurrence of a violation, a monetary penalty of \$500 shall be imposed for each day the violation remains in effect, not to exceed \$1,500 for each violation.

2. For a second violation of the same nature within twelve months, a monetary penalty of \$1,000 shall be imposed for each day the violation remains in effect, not to exceed \$3,000 for each violation.

3. For a third or further violation of the same nature within twelve months, a monetary penalty of \$2,500 shall be imposed for each day the violation remains in effect, not to exceed \$7,500 for each violation.

C. A state video franchise holder may appeal a monetary penalty assessed by the City. Such appeal must be filed no later than 60 days after the date of mailing of notification of the penalty or the right to appeal shall be deemed waived. After relevant evidence and testimony is received, and staff reports are submitted, the City Council will vote to either uphold or vacate the monetary penalty. The City Council's decision on the imposition of a monetary penalty shall be final.

5.30.050 City Response to State Video Franchise Applications.

A. Applicants for state video franchises within the boundaries of the City must concurrently provide to the City complete copies of any application or amendments to applications filed with the California Public Utilities Commission. One complete copy must be provided to the City Manager.

B. The City will provide any appropriate comments to the California Public Utilities Commission regarding an application or an amendment to an application for a state video franchise.

5.30.060 Public, Educational or Governmental (PEG) Channel Capacity.

A. A state video franchise holder that uses the public rights-of-way shall designate sufficient capacity on its network to enable the carriage of at least three PEG access channels.

B. PEG access channels shall be for the exclusive use of the City or its designees to provide public, educational, or governmental programming.

C. Advertising, underwriting, or sponsorship recognition may be carried on the PEG access channels for the purpose of funding PEG-related activities.

D. The PEG access channels shall be carried on the basic service tier and shall be of similar quality and functionality to that offered by commercial channels on the lowest cost tier of service unless the signal is provided to the video service provider at a lower quality or with less functionality, as provided in subsection (g)(3) of section 5870 of the California Public Utilities Code.

E. To the extent feasible, the PEG access channels shall not be separated numerically from other channels carried on the basic service tier, and the channel numbers for the PEG access channels shall be the same channel numbers used by the incumbent cable operator unless prohibited by federal law.

F. After the initial designation of PEG access channel numbers, the channel numbers shall not be changed without the prior written consent of the City, unless the change is required by federal law.

G. Each PEG access channel shall be capable of carrying a National Television System Committee television signal, as provided in Public Utilities Code section 5870b.

5.30.070 Interconnection.

Where technically feasible, a state video franchise holder and an incumbent cable operator shall negotiate in good faith to interconnect their networks for the purpose of providing PEG access channel programming. Interconnection may be accomplished by direct cable, microwave link, satellite, or other reasonable method of connection. State video franchise holders and incumbent cable operators shall provide interconnection of the PEG access channels on reasonable terms and conditions and may not withhold the interconnection. If a state video franchise holder and an incumbent cable operator cannot reach a mutually acceptable interconnection agreement, the City may require the incumbent cable operator to allow the state video franchise holder to interconnect its network with the incumbent's network at a technically feasible point on the holder's network as identified by the holder. If no technically feasible point for interconnection is available, the state video franchise holder shall make an interconnection available to the channel originator and shall provide the facilities necessary for the interconnection. The cost of any interconnection shall be borne by the state video franchise holder requesting the interconnection unless otherwise agreed to by the parties.

5.30.080 Emergency Alert System And Emergency Overrides.

A state video franchise holder must comply with the Emergency Alert System requirements of the Federal Communications Commission in order that emergency messages may be distributed over the holder's network.

SECTION 2. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance or the rules adopted hereby. The City Council of the City of Morro Bay hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

SECTION 3. This Ordinance shall take effect and be in force thirty (30) days from the date of its passage, and before the expiration of fifteen (15) days after its passage, it, or a summary of it, shall be published once, with the names of the City Council members voting for and against the same, in a newspaper of general circulation published in the City of Morro Bay.

INTRODUCED at a regular meeting of the City Council of the City of Morro Bay held on the 22nd day of January, 2013 by motion of Councilmember____, seconded by Councilmember_____.

PASSED AND ADOPTED by the City Council of the City of Morro Bay, on the 13th day of February, 2013, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

Jamie L Irons, Mayor

ATTEST:

Jamie Boucher, City Clerk

APPROVED AS TO FORM:

Robert W Schultz, City Attorney



AGENDA NO: D-1

MEETING DATE: January 22, 2013

Staff Report

TO: Honorable Mayor and City Council **DATE:** January 17, 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

Prepared by: RL Dept. Review: _____

City Manager Review: AL _____

City Attorney's Review: _____

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 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 impact 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, parks, fire, stormdrain, 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.

Staff has surveyed the various Cities throughout the County to determine the range of impact fees charged for new development. Residential impact fees range from \$7,073 in Arroyo Grande to \$37,808 in Atascadero for construction of a single family home. For commercial development, the impact fees range from \$12,390 in Grover Beach to \$54,999 in Atascadero, for construction of a 1,000 sq-ft general service/retail commercial structure. Atascadero's high impact fees are due to the fees charged by the Mutual Water Company for new water connections. The only other City with an impact fee moratorium is the City of Paso Robles. Paso's moratorium requires a certificate of final occupancy to be issued within 12-months from permit "ready to issue" otherwise impact fees are required to be paid in full. This is an incentive to developers not to sit on projects just to qualify for the waiver.

Staff will be providing an up-to-date accounting of Development Impact Fee fund balances during the presentation at the January 22, 2013 City Council Meeting, detailing the amount of funding received from both commercial and residential projects for the construction of the City's future infrastructure needs.

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
4. Comparison of Impact Fees from Cities throughout the County

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



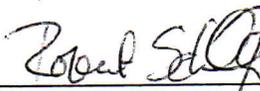
JANICE PETERS, Mayor

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

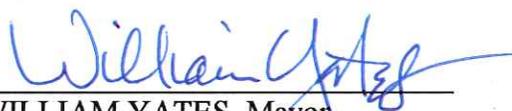
WHEREAS, in furtherance of these goals, the City Council hereby desires to establish a moratorium of the payment of Development Impact Fees for commercial development projects within commercial zone districts.

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

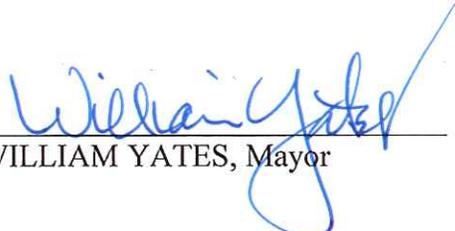
WHEREAS, in furtherance of these goals, the City Council hereby desires to establish the following reductions to the payment of Development Impact Fees for single family residential projects up to three units:

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

Comparison of
San Luis Obispo County
City Impact Fees (2013)

ATTACHMENT 4

Residential 2000 sf - new construction/addition

	Morro Bay Current	Morro Bay	Morro Bay as Recommended by Muni Financial	Grover Beach	Paso Robles	Pismo Beach	Arroyo Grande	Slo City	Atascadero
Water	\$ 1,184.00	\$ 2,368.00	\$ 4,736.00	\$ 2,896.06	\$ 34,440.00	12931.18		\$ 34,184.00	\$ 19,600.00
Wastewater	\$ 2,173.50	\$ 4,347.00	\$ 8,694.00	\$ 2,682.77	\$ 7,600.00	\$ 7,789.85		\$ 4,133.00	\$ -
Storm Drain	\$ 100.00	\$ 100.00	\$ 200.00	\$ 530.80	\$ 1,010.00				\$ 2,000.00
Traffic/Transportatio	\$ 1,820.00	\$ 3,640.00	\$ 7,280.00	\$ 1,570.72	\$ 7,398.00	\$ 1,106.46	\$ 2,562.00	\$ 3,457.00	\$ 5,597.00
Parks	\$ 1,170.00	\$ 2,340.00	\$ 4,680.00	\$ 3,857.92	\$ 4,803.00	\$ 825.69	\$ 2,525.00		\$ 6,435.00
Police	\$ 760.00	\$ 760.00	\$ 1,520.00	\$ 40.41	\$ 74.00	\$ 429.66	\$ 117.00		\$ 574.00
Fire	\$ 820.00	\$ 820.00	\$ 1,640.00	\$ 1,379.91	\$ 884.00	\$ 757.21	\$ 1,869.00		\$ 950.00
Government	\$ 1,120.00	\$ 2,240.00	\$ 4,480.00	\$ 50.13	\$ 5,330.00	\$ 452.91			\$ 2,652.00
Total	\$ 9,147.50	\$ 16,615.00	\$ 33,230.00	\$ 13,008.72	\$ 61,539.00	\$ 24,292.96	\$ 7,073.00	\$ 41,774.00	\$ 37,808.00

Commercial 1000 sf - new construction/addition

	Morro Bay Current	Morro Bay	Morro Bay as Recommended by Muni Financial	Grover Beach	Paso Robles	Pismo Beach	Arroyo Grande	Slo City	Atascadero
Water	\$ -	\$ 2,368.00	\$ 4,736.00	\$ 2,896.06	\$ 34,440.00	\$ 6,625.58		\$ 34,184.00	\$ 49,000.00
Wastewater	\$ -	\$ 4,347.00	\$ 8,694.00	\$ 2,682.77	\$ 12,700.00	\$ 4,234.69		\$ 8,553.00	\$ -
Storm Drain	\$ -	\$ 30.00	\$ 60.00	\$ 265.40	\$ 69.00	\$ -			\$ 173.00
Traffic/Transportatio	\$ -	\$ 3,280.00	\$ 6,560.00	\$ 5,890.23	\$ 7,620.00	\$ 4,425.86	\$ 17,934.00	\$ 3,760.00	\$ 4,430.00
Parks/Open Space	\$ -	\$ -	\$ 2,553.80	\$ -	\$ -	\$ -			\$ 35.00
Police	\$ -	\$ 60.00	\$ 120.00	\$ 31.68	\$ 50.00	\$ 494.93	\$ 610.00		\$ 523.00
Fire	\$ -	\$ 210.00	\$ 420.00	\$ 323.23	\$ 550.00	\$ 1,025.83	\$ 170.00		\$ 785.00
Government	\$ -	\$ 220.00	\$ 440.00	\$ 300.77	\$ 420.00	\$ 515.06	\$ -		\$ 53.00
Total	\$ -	\$ 10,515.00	\$ 21,030.00	\$ 12,390.14	\$ 55,849.00	\$ 17,321.95	\$ 18,714.00	\$ 46,497.00	\$ 54,999.00

Atascadero: General Government also includes Library Expansion and Public Meeting Facilities, AMWC charges water fee

Arroyo Grande: Provides impact fee reduction for affordable housing projects

Paso Robles: Impact Fee waiver program, expires June 30, 2013.

primarily through marketing expenditures established in the contract between the City and Barnett Cox & Associates. Although the MBTBID has been very successful, its implementation has placed a strain on City Staff.

In February 2012, in order to better manage staff resources, the City Council directed Staff to establish a new nonprofit 501(c)(6) entity to manage the MBTBID funds. City Staff has completed the formation of the new non-profit entity known as the Morro Bay Tourism Bureau (MBTB). The Board of Directors of the nonprofit MBTB is the same as the MBTBID Board. The attached contract would allow the MBTB to administer the MBTBID. The Contract requires the MBTB to prepare an Annual Report to the Council on use of funds, comply with the open meeting requirements of the Ralph M. Brown Act, and keep records in accordance with the California Public Records Act. By contracting with MBTB to implement the Assessment Funds, the MBTB will be able to operate more efficiently than the City in processing payments, executing contracts, and in responding to business opportunities. With this arrangement, the MBTB will be responsible for the day-to-day operation of the MBTBID with the MBTBID Advisory Board still advising the City Council as needed and submitting an Annual Report in April/May of each year. There will still be an Advisory Board, which would also serve as the Board of Directors of the MBTB. The City Council will retain its ultimate authority over the MBTBID as exercised in its approval or modification of the Annual Report, approval of the annual assessment, and in determining whether or not to continue to contract with the MBTB to administer the MBTBID. In addition, to ensure continued compliance with the 1989 Law and Annual Report to the City, staff will continue to provide oversight as necessary, but not nearly the amount of staff time as has been required in the past few years. The attached Agreement with MBTB contains various safeguards to protect the City's interests and mirrors how many cities have delegated the administration of their BIDs formed under the 1989 law.

CONCLUSION:

Review and approve the Agreement attached hereto between the City of Morro Bay and the Morro Bay Tourism Bureau for the purpose of providing services for the Morro Bay Tourism Improvement District (MBTBID)

AGREEMENT FOR SERVICES

This Agreement, dated _____, is by and between the City of Morro Bay, hereinafter referred to as the “City,” and the Morro Bay Tourism Bureau, hereinafter referred to as “Contractor,” collectively referred to as the “parties.”

RECITALS

A. On April 29, 2009, the City adopted Ordinance number 546, hereinafter the “Ordinance,” creating the Morro Bay Tourism Business Improvement District, hereinafter “MBTBID,” in accordance with the provisions of the Parking and Business Improvement Area Law of 1989, Streets and Highways Code section 36500 et seq., hereinafter the “1989 Law.”

B. The 1989 Law allows for formation of the MBTBID for a one-year term, and annual renewal of the MBTBID. The MBTBID has been continually renewed since its formation. In 2012, the MBTBID was renewed on May 22, 2012 by Resolution No. 25-12 (Resolution).

C. Streets and Highways Code section 36530 authorizes the City to appoint an advisory board for the MBTBID;

D. Contractor’s Board of Directors was designated in the Resolution as the advisory board; and

E. City wishes to hire Contractor to provide MBTBID services. Contractor is willing to provide services to the City on the terms and conditions set forth in this Agreement.

AGREEMENT

Now, therefore, the parties agree as follows:

1. Engagement. City hereby retains Contractor to provide the services described in Exhibit A, and Contractor accepts such engagement.
2. Term. The term of this Agreement shall begin on January 1, 2013 and end on May 31, 2013 or, if the MBTBID is disestablished prior to May 31, 2013, the effective date of MBTBID disestablishment. This Agreement may be renewed in one-year increments upon the approval of the parties at the annual renewal of the MBTBID.
3. Independent Contractor. No relationship of employer and employee is created by this Agreement; it being understood and agreed that Contractor is an Independent Contractor. Contractor is not the agent or employee of the City in any capacity whatsoever, and City shall not be liable for any acts or omissions by Contractor nor for any obligations or liabilities incurred by Contractor.

A. Contractor shall have no claim under this Agreement or otherwise, for seniority, vacation time, vacation pay, sick leave, personal time off, overtime, health insurance, medical care, hospital care, retirement benefits, social security, disability, Workers' Compensation, unemployment insurance benefits, civil service protection, or employee benefits of any kind.

B. Contractor shall be solely liable for and obligated to pay directly all applicable payroll taxes (including federal and state income taxes) or contributions for unemployment insurance or old age pensions or annuities which are imposed by any governmental entity in connection with labor used or which are measured by wages, salaries or other remuneration paid to its officers, agents, or employees and agrees to indemnify and hold City harmless from any and all liability which City may incur because of Contractor's failure to pay such amounts.

C. In carrying out the work contemplated herein, Contractor shall comply with all applicable federal and state workers' compensation and liability laws and regulations with respect to the officers, agents and/or employees conducting and participating in the work; and agrees that such officers, agents, and/or employees will be considered Independent Contractors and shall not be treated or considered in any way as officers, agents and/or employees of City.

D. Contractor agrees to perform its work and functions at all times in strict accordance with all applicable federal, state, county, and city laws, resolutions, regulations, titles, departmental procedures and currently approved methods and practices in the field; and that the sole interest of City is to ensure that said service shall be performed and rendered in a competent, efficient, timely, and satisfactory manner and in accordance with standards required by the City.

E. Notwithstanding the foregoing, if the City determines that pursuant to state and federal law Contractor is an employee for purposes of income tax withholding, City may upon two (2) weeks' written notice to Contractor, withhold from payments to Contractor hereunder federal and state income taxes and pay said sums to the federal and state governments.

4. Indemnification.

A. To the fullest extent permitted by law, Contractor shall hold harmless, defend and indemnify the City, its City Council, employees and agents from and against any and all claims, losses, damages, liabilities and expenses, including but not limited to reasonable attorneys' fees, arising out of or resulting from the performance of services under this Agreement, provided that any such claim, loss, damage, liability or expense (1) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of property, including the loss there from, or to any violation of federal, state or municipal

law or regulation, and (2) is caused by any negligent act, omission or willful misconduct of Contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, regardless of whether or not it is caused in part by any party indemnified hereunder. The City may participate in the defense of any such claim without relieving Contractor of any obligation hereunder.

B. To the fullest extent permitted by law, the City shall hold harmless, defend and indemnify Contractor, its Board of Directors, employees and agents from and against any and all claims, losses, damages, liabilities and expenses, including but not limited to reasonable attorneys' fees, arising out of or resulting from the performance of services under this Agreement, provided that any such claim, loss, damage, liability or expense (1) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of property, including the loss there from, or to any violation of federal, state or municipal law or regulation, and (2) is caused by any negligent act, omission or willful misconduct of City, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, regardless of whether or not it is caused in part by any party indemnified hereunder. The Contractor may participate in the defense of any such claim without relieving City of any obligation hereunder.

5. Insurance. Insurance coverage in a minimum amount set forth herein shall not be construed to relieve Contractor for liability in excess of such coverage, nor shall it preclude City from taking such other action as is available to it under any other provisions of this Agreement or otherwise in law.

A. Contractor affirms that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of the Code, and Contractor further assures that it will comply with such provisions before commencing the performance of work under this Agreement. Contractor shall furnish to City certificate(s) of insurance evidencing Worker's Compensation Insurance coverage to cover its employees, and Contractor shall require all subcontractors similarly to provide Workers' Compensation Insurance as required by the Labor Code of the State of California for all of Contractor's and subcontractors' employees.

B. Contractor shall furnish to City certificates of insurance with Automobile Liability/General Liability Endorsements evidencing at a minimum the following:

(1) Combined single limit bodily injury liability and property damage liability - \$1,000,000 each occurrence.

(2) Vehicle / Bodily Injury combined single limit vehicle bodily injury and property damage liability - \$500,000 each occurrence.

6. Worker's Compensation. Contractor shall provide Workers' Compensation insurance, as applicable, at Contractor's own cost and expense. Neither Contractor nor its carrier shall be entitled to recover from City any costs, settlements, or expenses of Workers' Compensation claims arising out of this Agreement.

7. Conformity with Law.

A. In performing services under this Agreement, Contractor shall observe and comply with all applicable laws, resolutions, codes and regulations of governmental agencies, including federal, state, municipal, and local governing bodies, having jurisdiction over the scope of services, including all applicable provisions of the California Occupational Safety and Health Act. Contractor shall indemnify and hold City harmless from any and all liability, fines, penalties, and consequences from any of Contractor's failures to comply with such laws, Resolutions, codes, and regulations.

B. If a death, serious personal injury or substantial property damage occurs in connection with Contractor's performance of this Agreement, Contractor shall immediately notify the City. Contractor shall promptly submit to City a written report, in such form as may be required by City, of all accidents which occur in connection with this Agreement. This report must include the following information:

- (1) Name and address of the injured or deceased person(s);
- (2) Name and address of Contractor's sub-contractor, if any;
- (3) Name and address of Contractor's liability insurance carrier; and
- (4) A detailed description of the accident and whether any of City's equipment, tools, material, or staff were involved.

C. Contractor further agrees to take all reasonable steps to preserve all physical evidence and information which may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and to grant to the City the opportunity to review and inspect such evidence, including the scene of the accident.

8. Payment. On a monthly basis, City shall forward to Contractor the MBTBID assessment funds collected. Funds shall be disbursed to Contractor no more than ten days after they are received by the City.

9. Taxes. Payment of all applicable federal, state, and local taxes shall be Contractor's sole responsibility.

10. Ownership of Documents.

A. Contractor hereby agrees to provide to a private, not-for-profit, successor and if there is none then assigns the City and its assignees all copyright and other use rights in any and all proposals, plans, specifications, designs, drawings, sketches, renderings, models, reports, and related documents (including computerized or electronic copies) respecting in any way the subject matter of this Agreement, whether prepared by the City, the Contractor, the Contractor's subcontractors or third parties at the request of the Contractor (collectively, "Documents and Materials"). This explicitly includes electronic copies of all above stated documentation.

B. Contractor shall be permitted to retain copies, including reproducible copies and computerized copies, of Documents and Materials. Contractor agrees to take such further steps as may be reasonably requested by City to implement the aforesaid assignment. If for any reason said assignment is not effective, Contractor hereby grants the City and any assignee of the City an express royalty – free license to retain and use said Documents and Materials. The City's rights under this paragraph shall apply regardless of the degree of completion of the Documents and Materials and whether or not Contractor's services set forth in Exhibit "A" of this Agreement have been fully performed or paid for.

C. Contractor shall pay all royalties and license fees which may be due for any patented or copyrighted materials, methods or systems selected by Contractor and incorporated into the work as set forth in Exhibit "A," and shall defend, indemnify, and hold the City harmless from any claims for infringement of patent or copyright arising out of such selection.

D. The City's rights under this Section shall not extend to any computer software used to create such Documents and Materials.

E. Contractor shall maintain all documents and records in accordance with the California Public Records Act, Government Code section 6250 et seq.

11. Conflicts of Interest. Contractor covenants that it presently has no interest, and shall not have any interest, direct or indirect, which would conflict in any manner with performance of services required under this Agreement.

12. Notices. All notices, requests, demands, or other communications under this Agreement shall be in writing. Notices shall be given for all purposes as follows:

A. Personal delivery: When personally delivered to the recipient, notices are effective on delivery.

B. First Class Mail: When mailed first class to the last address of the recipient known to the party giving notice, notice is effective three (3) mail delivery days after

deposit in a United States Postal Service office or mailbox. Certified Mail: When mailed certified mail, return receipt requested, notice is effective on receipt, if delivery is confirmed by a return receipt.

C. Overnight Delivery: When delivered by overnight delivery with charges prepaid or charged to the sender's account, notice is effective on delivery, if delivery is confirmed by the delivery service.

D. Addresses for purpose of giving notice are as follows:

To City:
City of Morro Bay
Attn: Robert Schultz
595 Harbor Street
Morro Bay, CA 93442

To Contractor:
Morro Bay Tourism Bureau
c/o Joan Solu, Chairperson
255 Morro Bay Boulevard
Morro Bay, CA 93442

E. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger, or overnight delivery service.

F. Any party may change its address by giving the other party notice of the change in any manner permitted by this Agreement.

13. Use of City Property. Contractor shall not use City property, including equipment, instruments and supplies, or personnel for any purpose other than in the performance of its obligations under this Agreement.

14. Equal Employment Opportunity Practices Provisions. Contractor certifies that it is in compliance with the Equal Employment Opportunity Requirement of Executive Order 11246, as amended by Executive Order 11375 and supplemented I 45CFR, Part 60, Title VII of the Civil Rights Act and any other federal or state laws pertaining to equal employment opportunity and that it shall not discriminate against any employee or applicant for employment on the basis of race, color, religion, age, sex, national origin, ancestry, marital status, political affiliation, or physical or mental condition, in matters pertaining to recruitment, hiring, training, upgrading, transfer, compensation, or termination.

A. Contractor shall, in all solicitations or advertisements for applicants for employment placed as a result of this Agreement, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.

B. Contractor shall, if requested to so do by the City, certify that it has not, in the performance of this Agreement, discriminated against applicants or employees because of their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.

C. If requested by the City, Contractor shall provide the City with access to copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under state or federal law.

D. Nothing contained in this Agreement shall be construed in any manner so as to require or permit any act which is prohibited by law.

E. Contractor shall include the provisions set forth in this Section in each of its subcontracts.

15. Compliance with Licensing Requirements. Contractor shall comply with all necessary licensing requirements and shall obtain appropriate licenses and display the same in a location that is reasonably conspicuous, and file copies of same with the City.

16. Audits and Records Access.

A. Contractor shall make available to the City, its authorized agents, officers, or employees, for examination any and all ledgers, books of accounts, invoices, vouchers, cancelled checks, and other records or documents evidencing or relating to the expenditures and disbursement of MBTBID assessment funds, and shall furnish to the City, within sixty (60) days after examination, its authorized agents, officers, or employees such other evidence or information as the City may require with regard to any such expenditure or disbursement charged by Contractor.

B. Contractor shall maintain full and adequate records in accordance with City requirements to show the actual costs incurred by the Contractor in the performance of this Agreement. If such books and records are not kept and maintained by Contractor within the City, Contractor shall, upon request of the City, make such books and records available to the City for inspection at a location within City or Contractor shall pay to the City the reasonable and necessary costs incurred by the City in inspecting Contractor's books and records, including, but not limited to, travel, lodging, and subsistence costs. Contractor shall provide such assistance as may be reasonably required in the course of such inspection. The City further reserves the right to examine and re-examine said books, records, and data during the four (4) year period following termination of this Agreement or completion of all work hereunder, as evidenced in writing by the City, and Contractor shall in no event dispose of, destroy, alter, or mutilate said books, records, accounts, and data in any manner whatsoever for four (4) years after the City makes the

final or last payment or within four (4) years after any pending issues between the City and Contractor with respect to this Agreement are closed, whichever is later.

17. Documents and Materials. Contractor shall maintain and make available to City for its inspection and use during the term of this Agreement, all Documents and Materials, as defined in this Agreement. Contractor's obligations shall continue for four (4) years following termination or expiration of this Agreement, and Contractor shall in no event dispose of, destroy, alter, or mutilate said Documents and Materials, for four (4) years following the City's last payment to Contractor under this Agreement.

18. Time of Essence. Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Agreement.

19. Termination/Disestablishment. The City has and reserves the right to suspend, terminate or abandon the execution of any work by Contractor without cause at any time after the adoption of a resolution of intention to disestablish the MBTBID pursuant to the 1989 Law by City and upon providing Contractor a copy of the adopted resolution of intention. In the event the City disestablishes the MBTBID, Contractor shall be entitled to retain MBTBID revenues only for paying the Contractor's current liabilities of the MBTBID. Pursuant to the 1989 Law, Contractor shall refund to City any remaining MBTBID revenues or any revenues derived from the sale of assets acquired with MBTBID revenues to enable distribution of the revenues to the businesses which paid the assessment. Contractor agrees that City has and reserves the right to deny the transfer of MBTBID revenues and/or suspend, terminate or abandon the execution of any work by the Contractor in accordance with this agreement or misfeasance, nonfeasance, or gross malfeasance, or criminal conduct as determined by a court of competent jurisdiction. Any retention of MBTBID revenues by Contractor shall comply with the 1989 Law.

20. Choice of Law. This Agreement, and any dispute arising from the relationship between the parties hereto, shall be governed by the laws of the State of California.

21. Advertising or Publicity. Contractor shall not use, reproduce or copy the seal of the City and shall not represent the City in an official capacity as spokesperson or officer or agent or use the name City of Morro Bay, or the names of the City's officers, directors, employees or agents, in advertising or publicity releases or otherwise without securing the prior written consent of the City in each instance unless set forth in this Agreement. Nothing in this section prohibits Contractor from using the name Morro Bay Tourism Business Improvement District or City of Morro Bay for regional identification for promotion and marketing of the MBTBID.

22. Entire Agreement. This Agreement, including all attachments, exhibits, and any other documents specifically incorporated into this Agreement, shall constitute the entire agreement between City and Contractor relating to the subject matter of this Agreement. As used herein, Agreement refers to and includes any documents incorporated herein by reference and any

exhibits or attachments. This Agreement supersedes and merges all previous understandings, and all other agreements, written or oral, between the parties and sets forth the entire understanding of the parties regarding the subject matter thereof. This Agreement may not be modified except by a written document signed by both parties.

23. Modification of Agreement. This Agreement may be supplemented, amended, or modified only by mutual agreement of the parties; however, this Agreement shall be subject to any amendments to the MBTBID per resolutions adopted by the City Council. No supplement, amendment, or modification of this Agreement, except for a duly adopted amendment to the MBTBID, shall be binding unless it is in writing and signed by authorized representatives of both parties.

24. Assurance of Performance. If at any time the City has good objective cause to believe Contractor may not be adequately performing its obligations under this Agreement or that Contractor may fail to complete services as required by this Agreement, City may request from Contractor prompt written assurances of performance and a written plan acceptable to City, to correct the observed deficiencies in Contractor's performance. Contractor shall provide such written assurances and written plan within thirty (30) calendar days of its receipt of City's request and shall thereafter diligently commence and fully perform such written plan. Contractor acknowledges and agrees that any failure to provide such written assurances and written plan within the required time is a material breach under this Agreement.

25. Subcontracting/Assignment. Contractor shall not subcontract, assign or delegate any portion of this Agreement or any duties or obligations hereunder without the City's prior written approval.

A. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. Any agreement that violates this Section shall confer no rights on any party and shall be null and void.

B. Contractor may use subcontractors to provide any portions of the service identified in Exhibit A without prior written consent of the City.

C. Contractor shall remain fully responsible for compliance by its subcontractors with all the terms of this Agreement, regardless of the terms of any agreement between Contractor and its subcontractors.

26. Survival. The obligations of this Agreement, which by their nature would continue beyond the termination or expiration of the Agreement, including without limitation obligations regarding indemnification, ownership of documents, and conflict of interest, shall survive termination or expiration for two (2) years.

27. Severability. If a court of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable, or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected, unless an essential purpose of this Agreement would be defeated by the loss of the illegal, unenforceable, or invalid provision.

City of Morro Bay

Morro Bay Tourism Bureau

By _____

By _____

(print name)

(print name)

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A

Scope of Services

Contractor shall provide the following services:

1. Contractor shall cooperate with City and City staff in the performance of all work hereunder.
2. Contractor will provide projects, programs and activities that benefit lodging establishments within the MBTBID in accordance with the MBTBID Ordinance, Resolutions, and the Annual Report attached hereto and any subsequent amendments thereto.
3. Contractor will provide and fund such additional projects, programs, and activities to promote tourism in Morro Bay as may be made possible through other non-assessment funding sources. These other funds must be accounted for separately from assessment funds.
4. Contractor shall perform responsibilities of the Advisory Board under the 1989 Law, including but not limited to:
 - a. Preparation of the Assessment Report required by Streets and Highways Code section 36533, which shall be filed with the City Clerk and include:
 - i. Any proposed changes in the MBTBID boundaries or benefit zones;
 - ii. The improvements and activities to be provided for the fiscal year;
 - iii. An estimate of the cost of providing the improvements and activities for the fiscal year;
 - iv. The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year;
 - v. The amount of any surplus or deficit revenues to be carried over from a previous fiscal year; and
 - vi. The amount of any contributions to be made from sources other than assessments levied.
 - b. Delivering the Annual Report at least thirty (30) days preceding the fiscal year for which assessments are to be levied and collected to pay the costs of the improvements.
5. Contractor shall develop and maintain financial records related to receipt and/or expenditure of all funds received from City.

6. Contractor may retain subcontractors to deliver the services herein; however, Contractor shall remain fully responsible for compliance by its contractors with all the terms of this Agreement, regardless of the terms of any agreement between the Contractor and its subcontractor.



AGENDA NO: D-3

MEETING DATE: January 22, 2013

Staff Report

TO: Honorable Mayor and City Council

DATE: January 15, 2013

FROM: Robert Schultz, City Attorney

SUBJECT: Approval of Agreement Between the City and the Morro Bay Tourism Bureau to Fund the Visitor Center

RECOMMENDATION

Review and approve the Agreement attached hereto between the City of Morro Bay and the Morro Bay Tourism Bureau to fund the Visitor Center.

FISCAL IMPACT

The City Council has authorized funding for the operation of the Visitor Center for the remainder of the 2012/13 fiscal year to the Morro Bay Tourism Bureau in the amount of \$58,500.

DISCUSSION

On February 28, 2012 and on April 24, 2012 the City Council approved the transfer of the Visitor Center duties and responsibilities from the Chamber of Commerce to the Morro Bay Tourism Bureau as of January 1, 2013. The contract attached is almost identical to the one that has been in existence for many years with the Chamber of Commerce. The Tourism Board will be operating the Visitor Center at 255 Morro Bay Blvd.

CONCLUSION

Staff recommends that Council approve the attached Agreement and authorize the City Manager to execute the Agreement.

Prepared By: RWS
City Manager Review:
City Attorney Review: RWS

Morro Bay Visitor Center Agreement

This Agreement is made and entered into this 1st of January, 2013 by and between the City of Morro Bay, a municipal corporation, hereinafter referred to as “City” and the Morro Bay Tourism Bureau, a non-profit corporation, hereinafter referred to as “Bureau”.

Recitals

Whereas, City recognizes that the need for continued development of the economic base of the community is important, and therefore, wishes to provide for a coordinated effort to encourage, promote, and foster the economic development of the community, and promote its advantages as a tourist and recreational center; and

Whereas, arranging, obtaining and distributing favorable coverage about the community, to be read by potential visitors to City, is an integral part of its promotion as a tourist and recreation center; and

Whereas, Bureau has experience, together with available facilities to provide visitor center services, necessary to enhance the economic development and vitality for the City; and

Whereas, the City and the Bureau agree that these goals can best be accomplished through the operation of a Visitor Center by the Bureau, under the terms and conditions outlined hereinafter, making use of funds provided, pursuant to this contract, by City for operations of the Visitor Center.

Covenants

Now, therefore, in consideration of the covenants and conditions stated herein, and in consideration of the mutual benefits that will accrue to each of the parties hereto, as well as to the public good of all the citizens of Morro Bay, the parties have agreed, and do hereby agree, as follows:

1. That the foregoing recitals are true and correct, and constitute accurate statements of the facts herein.
2. The term of this agreement shall commence on January 1, 2013 and terminate on June 30, 2013.
3. The maximum amount due and payable during the term of this contract is \$58,500. City shall pay said amount to Bureau in monthly increments of \$9,750, in advance, for each contract month. Such funds are to be expended only under the terms, conditions and restrictions, and for the purposes specifically set forth in this agreement.
4. The Bureau shall provide and perform services to facilitate the welcoming and hospitality of visitors to Morro Bay, in a manner designed to promote the unique character, heritage and special attributes of the community and enhance the economic vitality of the City.
5. The Bureau shall provide qualified and competent staff in public relations, and public information shall be available, as necessary, for the successful implementation of the

Agreement. The Bureau's Executive Director shall be responsible for the day-to-day operations and management of the agreement.

6. The Bureau shall also maintain an office in the City suitable for the conduct of visitor information services. Said office is to be open to facilitate contact with news media representatives, and to disseminate new releases and promotions information, in a professional manner, for various media, general public, and visitor information needs. The Visitor Center shall be open on all weekends and holidays with the exception of Thanksgiving Day, Christmas Eve, Christmas Day, New Years Day and Easter. The Visitor Center will be open every day and at least 50 hours per week during high season (Memorial Day through Labor Day) and at least 40 hours per week the remainder of the year.
7. The Bureau shall conduct promotional and publicity activities and programs for the City and maintain an electronic events calendar on the City website and the Chamber of Commerce website, if desired.
8. The Bureau shall respond promptly (same business day) to high volumes of information requests including telephone calls and emails. The Bureau shall maintain a voice mail system during closed office hours to receive messages for visitor information requests.
9. The Bureau shall coordinate services for prospective visitor groups, to include referrals to motels, rental facilities, caterers, entertainment and other services. Said referrals will be tracked and recorded. The Bureau shall provide promotional publication materials for visitors, in a quality form acceptable to City, that specify recreational opportunities, campgrounds, art galleries and other services.
10. The Bureau shall ensure that no funds provided by City will be used to support non-visitor center activities. Nothing in this contract, however, shall prevent the City from specifically funding new projects as proposed by the Bureau.
11. The Bureau shall submit written and oral monthly reports to the Tourism Business Improvement District (TBID) regarding visitor information and promotional activities. These reports need not be lengthy, but should be specific as to the following:
 - a. Number of visitors to the Visitor Center.
 - b. The type and quantity of materials dispensed from the Visitor Center.
 - c. Summary of telephone and email information requests received.
 - d. The type and quantity of any special materials distributed to groups.
 - e. The number of Destination Guides mailed and visitor site referrals made.
 - f. Responses to City TBID specials and packages.
 - g. Summary of the Monthly expenditures delineating Visitor Center expenditures.
 - h. Copies of invoices to support charges.Failure to provide such monthly reports will be considered by the City as possible grounds for termination of the contract.
12. The Bureau agrees to make its books and financial records concerning the funds expended under this agreement available to City for inspection, review and audit. The Bureau will, at no expense to City, provide an annual report and accounting of expenditures of the funds covered by this agreement. The City Administrative Services Director shall work with the Bureau to perform a detailed financial review at the end of a fiscal year which will be presented to the TBID.
13. The Bureau agrees that all persons working for the Bureau under this Agreement shall be employees of the Bureau, subject to the exclusive management and control, and shall in

no way be considered employees of City; and that any liability, which might arise under the Worker's Compensation Law of the State of California due to any injury of any employee of the Bureau, shall be the sole liability of the Bureau. The Bureau shall, throughout the period of this Agreement, maintain in full force and effect, a policy of worker's compensation insurance meeting statutory limits of Labor Code covering all its employees and volunteers. Said policy shall include a waiver of subrogation against City, its officers, agents, employees and volunteers.

14. The Bureau shall not use any monies received under this Agreement for the endorsement, opposition or participation in any political or lobbying activity involved in the support or opposition to any candidate for public office or proposed ballot measure.
15. The Bureau agrees to indemnify, defend and hold harmless City, and its officers, employees, and agents, from any and all claims, suits, demands and causes of action resulting from the acts or failure to act of any agent, servant or employee of the Bureau.
16. The Bureau shall obtain and maintain, in full force and effect during the term of the Agreement, a \$1,000,000 liability insurance policy specifically naming City as primary additional insured against claims and demands resulting from injuries to persons and property upon premises maintained by the Bureau, during Bureau sponsored activities and events, wherever situated. Said insurance policy shall provide for thirty (30) day notice of cancellation to City. Within ten (10) days of the date of execution of this Agreement, the Bureau shall submit to City evidence of such insurance.
17. Notwithstanding any other representation, oral or written, between the parties, including any and all agents or representatives thereof, the Bureau is at all times during the term of this Agreement acting as a free and independent contractor, and shall not be an employee or an agent of the City.
18. Except as City may authorize in writing, the Bureau shall have no authority, express or implied to act on behalf of City in any capacity whatsoever as an agent. The Bureau shall have no authority, express or implied, pursuant to this Agreement, to bind City to any obligations whatsoever.
19. The Bureau shall not enter into any contract or agreement that will create a conflict of interest with its duties to City under this Agreement. No member, official or employee of City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his personal interests or the interests of any corporation, partnership, of association in which he is directly or indirectly interested. The Bureau warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement
20. The Bureau represents and warrants to City that it has, and shall maintain at all time during the term of this Agreement, at its sole cost and expense, all business licenses, permits, qualifications and approvals of whatsoever nature which are legally required for the Bureau to provide the service hereunder.
21. The Bureau shall perform all services required pursuant to this Agreement in a manner and according to the standards observed by a competent practitioner of the profession in which the Bureau is engaged. All products and services of any nature which the Bureau provides to City and to visitors to the Visitor Center shall conform to the standards of a quality normally observed by licensed, competent organizations practicing in the Bureau's profession.

22. The Bureau shall devote such time to the performance of services as may be reasonably necessary for the satisfactory performance of the Bureau's obligations pursuant to this Agreement. Neither party shall be considered in default of this Agreement to the extent performances are prevented or delayed by any cause, present or future, which is beyond the reasonable control of the parties. The Bureau agrees to assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services pursuant to this Agreement.
23. During the term of this Agreement should the Bureau be dissolved, disbanded, or otherwise cease to function in a manner described in this Agreement, all funds attributable to the City, and equipment purchased out of funds provided by the City, shall revert to ownership of the City. For the purpose of this provision, the Bureau shall maintain a written record of, and include as part of each annual report, a listing of capital equipment that has been purchased with the funds provided by the City.
24. No party to this Agreement may assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligations pursuant to this Agreement shall be void and of no effect.
25. The Bureau agrees to comply with all fair employment practice laws of the State and Federal government. The Bureau covenants and agrees for itself, its successors, its assigns and every successor in interest, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, medical condition, disability, marital status, ancestry or national origin in the provision of any services to be provided by the Bureau hereunder, nor shall the Bureau or any person claiming under or through the Bureau establish or permit any such practice or practices of discrimination or segregation in the provision of any services to be provided by the Bureau hereunder.
26. The failure of the Parties to abide by any of the terms of this Agreement shall constitute a default under this Agreement. If either party fails to cure any such default within five (5) days of receiving notice from the other party of such default, then this Agreement may be terminated by giving ten (10) days written notice of such termination. Upon any such termination, the final monthly payment to be paid under Paragraph 3, above, shall be adjusted on a pro rata basis, based on a 30 day month, to the date of such termination, and if applicable, the Bureau shall immediately return to City any amounts previously paid by City for any period subsequent to the date of such termination.
27. In addition to termination pursuant to Paragraph 26 above, this Agreement may be terminated in whole or in part at any time by either party hereto upon thirty (30) days written notice to the other as identified below. In the event of any termination of this Agreement, all rights and obligations of both parties hereto, including without limitation the monthly payment from City to the Bureau hereunder, shall terminate as of the date of such termination (and the final monthly payment shall be adjusted on a pro rata basis to the date of such termination).
28. This document represents the entire understanding between the parties and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may only be amended in writing signed by both parties.
29. Should any provision of this Agreement be deemed to be legally void or unenforceable, all remaining provisions shall survive and be enforceable. This Agreement shall in all respects be governed by the laws of the State of California.

30. In the event suit is brought for the enforcement, or interpretation, of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees.

In Witness Whereof, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

City of Morro Bay

Morro Bay Tourism Bureau

Andrea Lueker, City Manager

Joan Solu, Chairperson



AGENDA NO: D-4

MEETING DATE: January 22, 2013

Staff Report

TO: Honorable Mayor and City Council

DATE: January 14, 2013

FROM: Robert Schultz, City Attorney

SUBJECT: Approval of Assignment of Contract with Barnett Cox & Associates for Advertising and Marketing Services to the Morro Bay Tourism Bureau

RECOMMENDATION:

Approve the attached Assignment to transfer the contract between the City of Morro Bay and Barnett Cox & Associates for Advertising and Marketing Services to the Morro Bay Tourism Bureau.

FISCAL IMPACT:

None.

DISCUSSION

In June 2011, the City of Morro Bay entered into a contract with Barnett Cox & Associates (BCA) for Marketing and Advertising Services. With the formation of the non-profit corporation, the Morro Bay Tourism Bureau, that entity is now capable of entering into its own contracts. Therefore, the City should transfer and assign its rights and duties under the contract between the City and BCA to the Morro Bay Tourism Bureau.

CONCLUSION:

It is Staff's recommendation that Council approve the attached Assignment.

Prepared By: _____ Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

ASSIGNMENT OF CONTRACT

For valuable consideration, receipt of which is hereby acknowledged, the undersigned, the City of Morro Bay, (Assignor) hereby assign all of their right, title and interest in and to that certain Contract dated June 1, 2011, between Barnett, Cox & Associates, and City of Morro Bay, for Marketing and Advertising Services (Contract), to the Morro Bay Tourism Bureau (Assignee).

Assignor warrants and represents that said contract is in full force and effect and is fully assignable. Assignor further warrants that it has the full right and authority to transfer said contract and that contract rights herein transferred are free of lien, encumbrance or adverse claim. Said contract has not been modified and remains on the terms contained therein.

Assignee hereby assumes and agrees to perform all remaining obligations of Assignor under the contract and agrees to indemnify and hold Assignor harmless from any claim or demand resulting from non-performance by Assignee.

Dated: _____

By: _____
City of Morro Bay

Dated: _____

By: _____
Morro Bay Tourism Bureau

Barnett, Cox & Associates, a party to the Contract, consents to this assignment and affirms that no modification of the contract is made or intended, except that Assignee is now and hereafter substituted for Assignor.

Dated: _____

By: _____
Barnett Cox & Associates



AGENDA NO: D-5

MEETING DATE: 1/22/13

Council Report

TO: City Council

DATE: January 15, 2013

FROM: Jamie L. Irons, Mayor

SUBJECT: Discuss the January 10th, 2013 California Coastal Commission Hearing and Decision on the City of Morro Bay and Cayucos Sanitary District WWTP Application, Current WWTP Needs, Regulation Requirements, and a Future WWTP, and Provide Direction to Staff on the above

RECOMMENDATION

Discuss the decision of the California Coastal Commission, our current WWTP needs and regulation requirements, and future WWTP as it relates to the City of Morro Bay and Cayucos and provide direction to staff.

BACKGROUND

On January 10th, 2013 the California Coastal Commission ruled to deny A-3-MRB-11-001, the Morro Bay-Cayucos Sanitary District Waste Water Treatment Plant Application. The Coastal Commission heard the City of Morro Bay present Resolution 07-13 supporting Coastal Commission staff's recommendation to deny A-3-MRB-11-001, and heard public comment from Cayucos Sanitary District to withdraw the application. Further public comment supported the denial with some public comment to approve the project or withdraw the application. The City of Morro Bay requested to reschedule the regular Joint MB/CSD meeting from January 10th to January 24th. Cayucos was unable to attend a joint meeting on January 24th; as such, the next scheduled joint meeting will be February 14th, 2013 at the Cayucos Veteran's Hall.

DISCUSSION

Discuss the needs of the current WWTP and regulatory requirements, discuss a future WWTP and the plan to implement it, discuss the relationship and agreement with the Cayucos Sanitary District.

CONCLUSION

Make recommendation and direction to staff as needed or take no action.

Prepared By: JLIrons

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____