

City of Morro Bay

City Council Agenda

Mission Statement

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

**REGULAR MEETING
TUESDAY, JANUARY 14, 2014
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

CLOSED SESSION REPORT

MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PUBLIC PRESENTATIONS –

- **Morro Bay High School ASB Presentation by Mona Panchal**
- **Presentation by Community Health Centers**
- **Presentation by the Morro Bay Tourism Bureau on use of funds and the Visitor's Center**

PUBLIC COMMENT - Members of the audience wishing to address the Council on City business matters not on the agenda may do so at this time. For those desiring to speak on items on the agenda, but unable to stay for the item, may also address the Council 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 AGENDA

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

A-1 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON SEPTEMBER 12, 2013; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETING HELD ON SEPTEMBER 24, 2013; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON DECEMBER 10, 2013; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETING HELD ON DECEMBER 10, 2013; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-5 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON DECEMBER 12, 2013; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-6 STATUS OF STATE PARK MARINA OPERATING AGREEMENT AS IT RELATES TO CITY OPERATIONS AND MANAGEMENT OF THE MARINA INCLUDING MARINA DREDGING AND RENOVATION; (HARBOR)

RECOMMENDATION: Receive and file, this is an informational item only.

A-7 RESOLUTION NO. 04-14 ADOPTING THE AGREEMENT WITH THE MORRO BAY MANAGEMENT EMPLOYEES AND RELATED COMPENSATION; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 04-14, approving the Agreement with the Morro Bay Management Employees.

A-8 ANNUAL REPORT ON UNFUNDED LIABILITIES IN VACATION AND SICK LEAVE ACCRUALS; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Receive and file; informational item only.

A-9 AUTHORIZATION TO FILE NOTICE OF COMPLETION FOR THE 2012 WATER TREATMENT PLANT IMPROVEMENTS – PHASE 1 (MB-2012-W1); (PUBLIC SERVICES)

RECOMMENDATION: Authorize staff to file a Notice of Completion for the 2012 Water Treatment Plant Improvements – Phase 1 (MB-2012-W1).

A-10 APPROVAL OF RESOLUTION NO. 01-14 RESCINDING RESOLUTION 57-13 (RELATING TO 2783 CORAL AVENUE IN MORRO BAY, CALIFORNIA); (CITY ATTORNEY)

RECOMMENDATION: Adopt Resolution 01-14 rescinding Resolution 57-13.

A-11 RESOLUTION NO. 02-14 AUTHORIZING THE CITY OF MORRO BAY TO ENTER INTO 2014/2016 ABANDONED WATERCRAFT ABATEMENT FUND CONTRACT WITH THE DIVISION OF BOATING AND WATERWAYS; (HARBOR)

RECOMMENDATION: Adopt Resolution 02-14.

A-12 RESOLUTION NO. 03-14 AUTHORIZING THE CITY OF MORRO BAY TO ENTER INTO 2014/2016 VESSEL TURN-IN PROGRAM FUND CONTRACT WITH THE DIVISION OF BOATING AND WATERWAYS; (HARBOR)

RECOMMENDATION: Adopt Resolution 03-14.

A-13 RESOLUTION NO. 05-14 ADOPTING THE MEMORANDUM OF UNDERSTANDING WITH THE MORRO BAY POLICE EMPLOYEES AND RELATED COMPENSATION; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 05-14, approving the Memorandum of Understanding with the Morro Bay Peace Officers Association.

B. PUBLIC HEARINGS

B-1 ADOPTION OF THE CITY OF MORRO BAY'S CLIMATE ACTION PLAN (CAP); (PUBLIC SERVICES)

RECOMMENDATION: Adopt Resolution 06-14, making the necessary findings for adoption of the Climate Action Plan.

B-2 CONDITIONAL USE PERMIT (#UP0-371) - THE MORRO CREEK MULTI-USE TRAIL AND BRIDGE PROJECT; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Resolution 07-14, making the necessary findings for approval of Conditional Use Permit (#UP0-371) for both Concept and Precise Plans for the construction of the Morro Creek Multi-Use Trail and Bridge Project.

C. UNFINISHED BUSINESS - NONE

D. NEW BUSINESS

D-1 CONSIDERATION OF PROPOSAL SUBMITTED BY VIRG'S SPORTFISHING IN RESPONSE TO REQUEST FOR PROPOSALS MB-2013-HRFP2 TO DEVELOP VACANT LEASE SITE 107W-108W; (HARBOR)

RECOMMENDATION: Review and evaluate the Request for Proposals (RFP) submittal from Virg's Sportfishing and provide staff direction.

D-2 DEFERRAL OF DYNEGY COMMUNITY DEVELOPMENT FUND PAYMENT; (CITY ATTORNEY)

RECOMMENDATION: Authorize deferral of Dynegy's Community Development Fund ("CDF") payment due January 21, 2014 for approximately two months until March 14, 2014, together with waiver of any applicable late fees or default claims related to the deferral.

D-3 DISCUSSION AND CONSIDERATION OF HIRING A CONSULTANT TO HELP DEVELOP FUNDING SOURCES FOR WATER RECLAMATION FACILITY OPPORTUNITIES; (ADMINISTRATION)

RECOMMENDATION: Review and evaluate the information provided and provide staff with direction.

D-4 APPROVAL OF THE 2014/15 BUDGET CALENDAR; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Review the budget calendar, make any necessary changes and establish the budget calendar for the 2014/15 budget cycle.

D-5 DISCUSSION OF RECRUITMENT FOR CITY MANAGER AND AWARD OF CONTRACT TO RECRUITMENT FIRM; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Contract with Avery & Associates for the City Manager recruitment.

D-6 CITY COUNCIL ANNUAL MEETING SCHEDULE - 2014; (ADMINISTRATION)

RECOMMENDATION: Adopt the proposed meeting schedule for calendar year 2014 as well as determine dates for the Joint City Council and Planning Commission meetings.

D-7 APPOINTMENT OF VICE-MAYOR AND APPOINTMENT OF REPRESENTATIVES ON DISCRETIONARY BOARDS, COUNCIL LIAISON ASSIGNMENTS AND COUNCIL SUB-COMMITTEES; (MAYOR)

RECOMMENDATION: Appoint Councilmember Christine Johnson as Vice-Mayor as well as appoint Representatives to serve on the various County or Regional Discretionary Boards, Council Liaison Assignments and Sub-Committees for calendar year 2014.

E. COUNCIL 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 CLOSED SESSION MEETING –
SEPTEMBER 12, 2013
CITY HALL CONFERENCE ROOM – 5:00PM

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

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Irons called the meeting to order at 1:00pm.

MOTION: Mayor Irons moved to adjourn and continue this meeting to the Morro Bay Veteran’s Hall at 209 Surf Street to begin at 1:30pm. The motion was seconded by Councilmember Smukler and carried unanimously, 5-0.

The meeting adjourned at 1:01pm.

The meeting reconvened at the Morro Bay Veteran’s Hall and was called to order at 1:33pm.

SUMMARY OF CLOSED SESSION ITEMS - The Mayor read a summary of the Closed Session item.

CLOSED SESSION PUBLIC COMMENTS - Mayor Irons opened the meeting for Public Comment. Due to the large number of speakers, Mayor Irons limited public comment to 1 minute and requested that there be no applause.

The following persons questioned the process and spoke in support of the City Manager and the City Attorney:

Rob Kitzman, John Weiss, Stan House, Adrienne Harris, Rick Grantham, Darryl Scheck, Heather Salyer-Frith, John Barta, Neil Trout, Vicki Landis, Kathleen Welles, Peter Candela, Mike Pond, Kevin Rice, Garry Johnson, Renee Sanmiengo, Bridgett Kessler, Al Romero, John Solu, Joan Solu, Sandy Christey, Jeff Eckles, Rodger Anderson, Jim Hayes, Susan Stewart, Homer Alexander, Marjory Rau, Trudy O’Brien, Todd Gailey, Bill Peirce, Janice Peters, Mike Durick, John Gajdos, Marlene Peter, Pamela Craig, Rick Algert, Rob Seitz, Lanny McKay, Ken Versterfelt, Smith Held, Jack Barrett, Bill Yates, Nancy Barta, Chris Christensen, Greg Wilson, Chris Frith, Penni Daugherty, John Fennacy, Bill Black, Cathy Novak, Hank Roth, Ken McMillan, Mick Theis, Bruce Keogh, Jeff Jones, Alex Beattie, Phil Kispersky, Rick Sauerwein, Bobbie Morrison, Paul Reicgardt, Cherie Hayes, and Stan Trapp.

The following persons spoke in support of the process and in moving forward with discipline/dismissal/release of the City Manager and City Attorney:

Rigmor, Clark Kuyler, Nancy Bast, Walter Heath, Nicole Dorfman, Jim Davis, Barbara Doerr, Lynda Merrill, Betty Forsythe, Marla Jo Bruton and Betty Winholtz.

~~As there were no presented charges or complaints against the City Manager or the City Attorney, per Government Code 54957(b)(2),~~ †The City Council moved to Closed Session and heard the following item:

CS-1 GOVERNMENT CODE SECTION 54957(b)(1): PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE. The employees are the City Manager and the City Attorney.

CITY COUNCIL CONVENED TO OPEN SESSION – The City Council convened to open session; Mayor Irons reported out that no actions were taken at this time.

ADJOURNMENT

The meeting adjourned at 4:50pm.

Recorded by:

Jamie Boucher
City Clerk

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – SEPTEMBER 24, 2013
VETERAN’S MEMORIAL HALL – 6:00P.M.

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney
	Jamie Boucher	City Clerk
	Amy Christey	Police Chief
	Susan Slayton	Administrative Services Director
	Joe Woods	Recreation & Parks Director
	Rob Livick	Public Services Director

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

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CLOSED SESSION REPORT – City Attorney Robert Schultz reported that City Council met in a Special Closed Session on September 24, 2013 on the following item: 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 one parcel: Vacant Lot/Corner of Coral/San Jacinto; no reportable action under the Brown Act was taken.

MAYOR AND COUNCILMEMBERS’ REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PUBLIC PRESENTATIONS

2013 Beach Lifeguard Program Summary – Kyle Shaffer, Lifeguard Supervisor and Reserve Harbor Patrol Officer with the City’s Harbor Department presented a recap of the 2013 Beach Lifeguard Program. This has been the 5th year of conducting our own USLA Lifeguard Training Academy where we trained 11 lifeguards. Our own City lifeguards placed 1st in the Annual SLO County Lifeguard Agency 5 Man Paddle Relay. The lifeguard season ran weekends only from Memorial Day until June 8th when 7 day a week coverage began. This full coverage went through Labor Day weekend; weekend only coverage continues through October 6th. The summer statistics include an estimated 108,000 beach goers; 3 rescues, 5 swimmer assists, 79 preventable actions, 19 medical aids, 3 lost and found, 2800 public contacts, 385 public safety

lectures, 27 animal rescues/assists, assisted the Harbor Department with boating emergencies twice and most importantly, NO drownings or near-drownings.

MOTION: Mayor Irons moved to pull Items A-4 and A-5 in order to present the Proclamations to those in attendance for Rideshare Month and Energy Awareness Month. The motion was seconded by Councilmember Christine Johnson and carried 4-0-1 with Councilmember Nancy Johnson not in attendance.

PUBLIC COMMENT

Richard Sadowski supports the Council on this issue; he feels we could do better. He feels that our attorney is more aligned with the Cayucos CSD on the WWTP issue. He also stated that he has presented evidence of clear violations of building practices, one being on Quintana and Main, and was dismissed. This is a matter of public trust and he thinks the Council should get better representation.

Marla Jo Bruton also feels we could do better. She has presented examples of how we could do better with a change in administration – the following have been done improperly: wastewater treatment plant design contract, Measure D, Harbor Leases conducted behind closed doors, and the Power Plant Lease Agreement.

Joan Solu stated that she has been an HR Director with at will employees and as such recognizes the need for clear and transparent employment practices, policies and procedures; always respecting the negative impact a poorly conducted termination would have on the financial register and the morale of the remaining employees. An at will termination must be backed by a well thought out exit strategy for the employee and a prepared succession plan. Termination of 2 top level executives could be thought of as reckless and she also feels this will place the City in extreme financial strain. She asked the Council to consider the goals that won't be able to be met with the void of upper level management. She also feels that Council should cease these actions as it is creating a hostile work environment.

David Nelson stated that this is a Council decision and it is your job to determine if a majority of you feel this is a necessary step. He hopes there is a plan in place. We have to move ahead quickly and efficiently.

Nicole Dorfman has questions regarding the revisions made to the contracts of the City Attorney and the City Manager back on November, 2012. She directed her questions to those Councilmembers who were in office at the time. She asked if the contracts were revised to include an additional 3 months' severance for each employee; she asked if any other employee's contracts were also revised; she asked for the reasoning behind adding the benefit; and she asked how these changes benefitted the citizens of Morro Bay.

Betty Forsythe spoke on an attracted nuisance on a hillside by her home. The hillside at Driftwood was used by many visitors as a shortcut to the Avocado Margarita Festival which is causing a dangerous erosion issue. The City fixed a barrier for the cars but didn't fix the hillside.

There is no vegetation there and the hill is beginning to slide. She would like a fence placed there.

Janice Peters stated that neither the City Manager nor City Attorney have had any charges or complaints filed against them. Also, the City Manager and the City Attorney both received above satisfactory reviews just 5 months ago. She also stated that Mayor Irons has said that he has been thinking about this for quite awhile but has made no efforts to work out these disagreements with either employee but instead abruptly called a meeting to discuss their termination. There is no wonder that everybody is so upset as there are no reasons for this proposed dismissal. She stated these 2 employees have served for several Councils and have always made the adjustments necessary to respond to a change in Council direction. They deserve to be respected, not terminated. She questioned what the agenda here was.

Carla Wixom feels that this is a blatant abuse of power and stated that just because you can, doesn't mean you should. Both the City Manager and the City Attorney are loyal City employees who have served the City for many years. Council promised transparency, integrity and unity but this action couldn't be more divisive, unprofessional and wrong. This is a shameful waste of tax dollars.

Bridgett Kessling served as the City's City Clerk from 1992-2011 and worked for 5 City Managers. Andrea Lueker by far is top notch. She is saddened by this issue and finds herself in a place of opposition with people she has a good relationship with. She doesn't understand some of the claims she has read like Twin Bridges or Cerrito Peak, neither of which either employee have had anything to do with. Both the City Manager and City Attorney are doing the jobs as they should be done; it is Council that makes the decisions on key issues.

Barbara Doerr thanked Mayor Irons, and Councilmembers Christine Johnson and Smukler. She voted for all three and finds each to be intelligent individuals and thanks them for putting their unique talents to work for us. She trusts in the decisions they are making. She has been an elected official, has been a government employee and a volunteer for many years for governmental groups and so believes she knows good elected officials when she sees them. She feels they should be proud and hopes they don't let intimidation sway them. They have encouraged public input, more public workshops, more citizen advisory committees and earlier review of important decisions facing the City.

Dorothy Cutter has lived in Morro Bay for 54 years. She stated she feels there are 2 groups, a majority that just wants to live in a beautiful place and the minority whose bottom line is greed at the expense of the majority who lost control in the election of 2012 and will do anything to get it back. The newly elected Council has stopped the wasting of the City's money.

Gayle Bickford stated that Council has promised transparency however, as of last week's fiasco, calling a meeting with 24 hours' notice is not transparent.

John Heading loves where he lives and loves the people of Morro Bay. What he has noticed is that there is a significant amount of divisiveness in Morro Bay right now. He knows about running organizations, he looked at the history of Morro Bay and found the Management

Partners Report from 2008 which he encourages everybody to take a look at. The community needs to come together, we can't be divisive.

Bill Yates is chagrined and disappointed. In 25 years of coming to Council meetings, he has never seen crowds like this. These actions are shaking up the community. He told the majority Council, "you won, take the ball and run with it". He doesn't believe the Mayor should be putting things on or taking things off the agenda on his own.

Rick Grantham announced the upcoming Thanksgiving Day Dinner being sponsored by the Police Officer Association and the Rotary Club of Morro Bay. The dinner is free of charge and is being held at the Community Center from 1-3pm. He thanked the many sponsors who make this dinner possible.

Marianne Shoemaker applauded the way Council handled the last meeting. She was shocked by the hostility. She stated we needed to work together to find a way to make this work. She feels that with Mayor Irons at the helm, we have good leadership.

Melody DeMerritt served on the Council from 2004-2008. She served on a polite and kind Council who treated each other professionally. There were dismissals during her tenure which were taken care of swiftly which is important. Mayor Peters would never have put up with the meeting that was held on September 12th. She requested that both Council and the public treat each other with respect. She stressed that the Mayor has every right to clear the room if necessary.

Stan House stated that never in the history of Morro Bay has so few people done so much harm in such a short period of time. He can't believe that this is being proposed during the treatment plant issue. He feels this will be the most expensive lesson the taxpayers of Morro Bay have ever learned.

Maurie Garza appreciates the transparency that Council promised the public. He thanked the current Council for doing the great job they've been doing. He stated that nobody but you know what the full story is, he is trusting that you will do the right thing.

Chuck Stoll stated that the wastewater debate was the deciding factor for him in this recent election. Unfortunately there are 2 very strong factions here and we stand at a crossroads. The question is, are we going to support this Council and their decision. He stated the majority was elected without a runoff election indicating widespread support among those who cared to vote. He feels these 2 employees still harbor loyalties to the previous council and their supporters which was evidenced by the raise in their severance package after the election; if a majority of Council feels it's in the best interest to replace these 2 employees, then that is their right and prerogative.

Dan Costley stated he has worked for and served those that he has supported and those he hasn't supported; in all his involvement, he has never experienced the back room, outside influenced politics that he is seeing going on right now. Up to now, he has never been very vocal in our local politics but he is now and will continue to be.

Royal Martin spoke after witnessing the unruly public response to the September 12th meeting. He supports Mayor Irons. A majority of the voters voted Mayor Irons into office which was a message that the public wanted change. If the removal of key staff members is necessary, so be it. That is the democratic process.

Don Boatman supports the Council and in reference to the September 12th meeting, he saw several people call you a corporation you aren't; you are a democratically elected body. The people expect checks and balances from their government. Mayor Irons' goal of openness at City meetings has been great and putting the town on the right path for the water reclamation facility, using citizen involvement and advice, is getting us off to a good start. This is being balanced by the personnel decisions you are making.

Keith Taylor said he only had 3 things to say to Mayor Irons and Councilmembers Christine Johnson and Smukler, "Shame on you".

John Solu stated that since Mayor Irons has delivered on his number 1 promise, getting the sewer plant moved, but at the same time, he has alienated our partner, the Cayucos Sanitary District. Lack of a partner could cost the citizens of Morro Bay millions of additional dollars. Now he is deciding to play HR Director and tonight he is asking for \$12,500 for legal services to advise the City how to legally fire the top 2 executives which could cost the City an additional \$500,000. He asked the Mayor if he knew what \$500,000 can buy that would benefit the City of Morro Bay. He asked when Council is going to stop wasting our money.

Jane Heath watched the September 12th public meeting and was appalled by the attacks. She stated that the Council gives selflessly and deserves our respect. These 2 employees are at-will and as such, serve at the pleasure of their employers. They can be let go for a good reason, for a bad reason or for no reason. As a Council majority, you have to trust that these employees can deliver on the objective that they were sent there to meet. Severance should never be a reason to retain an employee. It is now appropriate at this time to obtain an unbiased legal opinion for taking this action.

Trudy O'Brien spoke voicing her concern for the actions being taken. These actions are causing turmoil and hostility, and this is causing unnecessary division in the City of Morro Bay.

Jim Hayes, who was a candidate for City Council, didn't and still doesn't understand why anybody would want to lobby the Coastal Commission to subvert a project already in planning with the goal of paying to pump sewage to a location uphill, that has to be purchased, knowing it would be expensive and unwise. He believes, as a past City employee in the collections division, his thoughts and opinions are relevant. He feels he knows what you have in mind with the City Manager's position. If you are trying to build consensus, you are going about it all wrong.

Bob Keller spoke out against the personal attacks and outburst that occurred at the September 12th meeting. He feels we all need to show professionalism with your personal comments when you disagree. Our Council serves with the best interests of Morro Bay in mind, they are doing us a public service and deserve our sincere respect. In the past when there were decisions made he

didn't agree with, he didn't attack, he just voted. He realizes there are tough decisions to be made and he is in support of the Council.

Lynda Merrill told the Council that there are plenty of people in support of your decisions. Unfortunately, some people can't face the truth. She told Mayor Irons that he needs to carry on with what you believe is best for the City.

Garry Johnson announced that in 2014 we are celebrating Morro Bay's 50th Anniversary. We live in a well-balanced, diversified community. If we have transparency, he doesn't see the need to fire these people – what's your reason? What are we going to gain? And who are you going to put up there?

Ahmed Kassem is interested in how a voted out City Council can make financial decisions. The severance package and the power plant lease outflow decisions that were made with 3 out of the 5 Councilmembers who had been voted out. He would like to see democracy work better. He would like to see any newly elected Councilmembers seated right away and not have to wait.

Marlene Owens said that there are things she has learned being in business for many years. First and foremost, in your business dealings with your employees, you are responsible for their security, their financial security and their mental security. With this decision, you are going to be sending ripples of insecurity through the masses of City employees which could lead to an exodus of employees.

Bill Peirce has been a part of Council's who have had to terminate City Managers. Council has had good service with both your City Manager and City Attorney. We'll let the people decide if they still support you, at this point, he stated that Mayor Irons has been served a Notice of Intent to Circulate a Recall Petition.

Barbara Jo Osborne thanked Council as she voted for them. You run the City, you deal with it. The 2 department heads know they are at risk. This takes leadership, it's not a popularity contest – do what needs to be done – the faster you do it, the better.

Kevin Rice can give multiple reasons why the City of San Luis Obispo City Manager should be fired. What are this Council's reasons for these firings? These people don't trust you; tell them why you are proposing these actions. Even if there is no legal cause, you should at least be able to say that you don't get along. He stated that the turmoil of a recall will cause a lot of grief and you should back down.

Colby Crotzer stated that this is a democracy and the people who are elected will be able to pick their staff. When there was an initiative that passed that forced the primary, he didn't like it but it passed. When this Council was elected, they have to have a staff to work for them that will achieve the will of the people expressed by that election.

Shoosh Crotzer stated that this Council was elected in a huge overwhelming majority. We really trust and want to empower you to do what you need to do. This isn't about whether people are nice or not. The idea that the last lame duck Council gave these folks extra severance pay that

might cost the citizens of Morro Bay an extra \$75,000 alone, could be one of the reasons you could even think about this action.

Ron Burkhart stated for the record that the last speaker said that Janice Peters said that you were overwhelming elected and Ms. Peters never said that.

Dave Burton stated that change is hard and there are lots of changes going on in Morro Bay. He has professionally seen a lot of changes and growth. He has also had to fire people that were good, qualified employees but they didn't fit with the new vision and weren't part of the change. It is this Council's prerogative and also duty to question the status quo. He believes that Council will make the best decision for Morro Bay.

Ken Vesterfelt asked a hypothetical question, given the fact that this could cost upwards of \$500,000, what could be bought with that money. The morale at the Police Department isn't high. He is hoping the majority of the Council will think about the safety of the City when making this decision.

Troy Leage stated he is a bit flabbergasted about how to speak on this subject. He is an employer who has worked from the grass roots up. Andrea Lueker has also worked from the bottom all the way up, who could be more qualified than that? Rethink what you are doing and look at support of Morro Bay. Both Rob Schultz and Andrea Lueker live and breathe Morro Bay, please recognize that and don't do this.

Gary Owens thinks that one thing that Council hasn't considered that while it will cost \$300,000-\$500,000 to fire them, how much is it going to cost to replace them. The Council was elected by 25% of the voters, which leaves 75% to vote in a recall election or the primary in June.

Roger Anderson stated he has sat in the Council chairs probably more years than all of you combined. When the need comes to dismiss someone, it's for reasons; maybe they aren't a good fit. But when people are a good fit, when there has been economic benefit, when they have demonstrated years and years and years of excellent service, there has to be reason for making changes.

Bonnie Tognazzini asked what the Council was doing. She is totally distressed. We have 2 good City employees that have stood up for her and now she is standing up for them.

Doug Pasley wanted to publicly state his vote of confidence for the City Attorney and City Manager. He would hope to see Council get along with the City Attorney and City Manager. There are much bigger things coming up, in fact he talked with Cayucos recently and he feels we need Andrea Lueker and Rob Schultz to help with the wastewater treatment plant facility move forward. We need to pull together right now.

Hunter Kilpatrick stated that on September 12th, the Mayor told Mr. Schultz that the intent of the special meeting was to call to question on their contracts. To call the question means it goes straight to vote without discussion. That didn't happen; instead it went to closed session and

they discussed this matter. He doesn't see any report or any minutes of that vote being taken or the results of that vote.

The Public Comment period was closed.

A. CONSENT AGENDA

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RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF CITY COUNCIL MINUTES FOR THE SPECIAL CLOSED SESSION MEETING HELD ON SEPTEMBER 12, 2013; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 PROCLAMATION DECLARING OCTOBER 2013 AS ENERGY AWARENESS MONTH; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-5 PROCLAMATION DECLARING OCTOBER 2013 AS RIDESHARE MONTH AND OCTOBER 9, 2013 AS INTERNATIONAL WALK TO SCHOOL DAY; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-6 APPROVAL OF ONE YEAR CONTRACT EXTENSION WITH MV TRANSPORTATION FOR MORRO BAY TRANSIT AND TROLLEY OPERATIONS AND MANAGEMENT; (PUBLIC SERVICES)

RECOMMENDATION: Approve a one (1) year extension of the current Morro Bay Transit and Trolley Operations and Management Agreement with MV Transportation and authorize staff to prepare a Request for Proposals for the operation and management of Morro Bay Transit and Trolley services for release in August 2014 for award by Council in November 2014.

A-7 OBTAIN OUTSIDE INDEPENDENT LEGAL COUNSEL TO ADVISE CITY COUNCIL ON CITY MANAGER AND CITY ATTORNEY CONTRACTS AND RELATED ISSUES; (MAYOR)

RECOMMENDATION: Authorize Mayor Jamie Irons to obtain outside independent legal counsel for the purpose of guiding Council through any and all personnel matters of the City Attorney and City Manager.

Mayor Irons opened up the public comment period for items on the Consent Calendar.

Marla Jo Bruton requested Council pull Item A-3 from the Consent Calendar. She requested that she would like to see the public comment portion of those minutes appear like normal minutes, with content included, as well as be presented in chronological order.

Joan Solu spoke on Item A-7 requesting Council not hire outside counsel for the recommended \$12,500 to guide you through a process that is unnecessary.

Nicole Dorfman supports the Mayor's request for the money for outside counsel. We need neutral legal advice in this situation.

Betty Forsythe stated that we should be looking for this outside legal counsel from the State of Arizona or Nevada. She doesn't think we can go to the State of California because of the bar association.

Carla Wixom asked that the Council not waste more of our tax dollars, use it for good things like paving our streets.

Bridgett Kessling wants her tax dollars to go to something more worthwhile – police, fire, streets, etc. She hoped that Council was receiving public testimony with an open mind.

Barbara Doerr stated that Council is currently sitting without legal counsel and as such, she supports the request to hire outside legal counsel. She believes that past Mayors and staff have left you with problems. She also believes this Council has done everything according to the Brown Act.

Kevin Rice requested, in the spirit of adhering with full transparency, Councilmember Leage asked questions at the beginning of the meeting and he would like to hear those questions answered before public comment.

Nattala Merzoyan supports the current Council in their actions; she has nothing against the City Manager or City Attorney.

William Welles is not here to talk about the \$13,000, that's chump change. Who are going to replace these people with? You need to let the people know what is going on.

John Fennacy stated that there are always 3 versions of the truth - yours, mine and the truth. He previously spoke encouraging the Council to seek the advice of competent counsel; that time has passed. That should have been done before public session was held. There are better uses for this money. Everybody can probably say that if this Council stepped back and just said no, we aren't going to go forward with this, the respect and healing of the community would be immense.

Phil Kispersky stated that truth isn't mean, it's just the truth. That's all people want to hear, why does Council need to release these folks? And why do you then need \$12,500 for reasons you can't state? Stand up and speak the truth, then we will judge.

Mike Tannler stated that Council is asking for money to engage outside counsel to get rid of 2 employees who recently had good reviews which could cost the City a half million dollars. A half million dollars could buy patrol cars, patrol vests, radios, fire equipment, training, etc. What is the benefit to him as a citizen to get rid of these people, he asked Council to vote no on Item A-7.

Hunter Kilpatrick has had the pleasure of working with both Andrea Lueker and Rob Schultz and while they have not always agreed, he has never felt that he was treated with anything but fairness and respect. Both employees have always made decisions based on case history and City policy. Without justified cause or complaint, there is no reason to fire these employees. Anytime you vote for any expense, it is his money you are using, as a tax paying citizen, he does not grant your permission to use his money to continue this matter any further.

Melinda Elster worked to help elect the present Council because they were going to provide vision and leadership for our community. As such, she supports this desire to allow additional counsel to come on to help make sure as the City moves forward, everything is done accordingly. She hopes we can come through this as a community united, not divided.

Abby Diodati looks to herself to unite, not to others. She hopes we can do this with class whether we have different opinions. She stated that any decision that Council makes about our City management is not made out of self-interests, but what is in the best interest of the community of Morro Bay as a whole. She trusts this is the Council that can take Morro Bay into the future.

John Diodati supports the action to hire outside counsel for the personnel issue you have. He encourages those concerned about transparency to look at the Brown Act and read it; this Council is doing the right thing. Personnel matters under the Brown Act have considerable constraints that Councils have to work under.

Nancy Bast stated that we finally have a Mayor and Council majority who are working for the entire community. She requested allocation of money for the outside counsel and she stated reasons why you should which include past mismanagement of money and the City's failing infrastructure.

Homer Alexander stated that the 3 Councilmembers will find out that the \$12,500 will be pocket change when compared to the total cost of firing these employees. The cost to handle day-to-day legal questions while you recruit will add up. He is very familiar with the current budget, and there is no expense line item for a \$500,000 termination, it will have to come from reserves. Based on these expenditures, he wouldn't count on any tax measure passing.

Claire Grantham spoke in opposition to Item A-7. She is concerned that Council has already made up their minds so why pay another \$12,000 to hire an attorney. We are all actively trying to raise money for our police dog program and you have no idea how hard it is to raise this money. To see you spend money this way is distressing. Just because you can, doesn't mean you should.

Rick Grantham was very concerned about where the funding for all of this was going to come from. It comes from our emergency fund. What you are doing is taking the money that we depend on when we have a natural disaster, which we will one day; we will need this money and it shouldn't be used to hire an attorney to fire another attorney. He fought long and hard for this emergency fund when he was on Council and doesn't want to see it spent in this way.

Carrie Burton supports this request by Council. It is well known that the flash mob antics is not the way the public feels about you. She stated that the actions of those from the last meeting were very troubling to her. She knows what has been done to her. She questioned how much money the City has spent on outside counsel on other issues.

Janice Peters questioned why the Council is asking to bring in outside counsel on an issue already heard and no action was taken on. She disputed charges that were brought up from public comment, the City lost 3 million/year with the plant was not allowed to remodel; we lost over 1 million when the fishing industry was regulated almost out of existence. This was not a result of a Council or these 2 people; you can't blame those losses on these 2 people. She finished by stating that you can't get a better recommendation than 27 years of service to this City.

Lynda Merrill supports spending the money on outside counsel, and as soon as possible; we all need to move on.

Gary Owens stated that if the Brown Act has been followed, why do you need outside legal counsel?

Bill Yates questioned what the outside legal counsel is about; he fired 2 City Managers and Janice Peters was part of a Council that fired 2 City Managers and they never needed outside legal counsel. He stated that if we are going to pay \$500,000, if there will be a slowdown of City services, if we are taking from reserves – I'm back. The reserves are there for an emergency, not to fund severance packages.

Jim Pauley stated that this is the best City Council that he has ever seen. It is the fairest, the most progressive, the most above board that he's been exposed to. The \$12,500 is chicken feed compared to what other Councils have spent.

Bob Keller has nothing personal with anybody here tonight. He asked “what Council wouldn’t go for outside counsel in a situation like this”.

Rick Sauerwein spoke in support of the Council, in support of the citizens of Morro Bay and to speak in support of Andrea Lueker and Rob Schultz. He has worked here for the last 8 months and has seen firsthand how hard every member of the City staff works to support the agenda that you have set for this City. We’ve got a lot of different tasks ahead of us and don’t need diversions that divide this community. We need 5 statesmen to stand up to unite people that will take us in a direction that will benefit everybody here. \$12,500 doesn’t need to be spent in this community.

Garry Johnson is not in support of hiring outside legal counsel. Also, if you hire by the hour, it will likely go longer and thus go higher.

The public comment period for the Consent Calendar was closed.

Mayor Irons pulled Items A-3 and A-7 from the Consent Calendar.

MOTION: Councilmember Smukler moved the City Council approve Items A-1, A-2, A-4, A-5 and A-6 of the Consent Calendar as presented. The motion was seconded by Councilmember Leage and carried unanimously 4-0-1; Councilmember Nancy Johnson was not in attendance.

A-3 APPROVAL OF CITY COUNCIL MINUTES FOR THE SPECIAL CLOSED SESSION MEETING HELD ON SEPTEMBER 12, 2013; (ADMINISTRATION)

Mayor Irons questioned the City Clerk as to how the minutes of the Special Meeting of September 12, 2013 were prepared. City Clerk Jamie Boucher stated that when there was such an abundance of comment, it was common to prepare the minutes as presented. Councilmember Smukler requested the public to contact the City Clerk should they request their comment be specifically noted as opposed to summarized as a group.

MOTION: Mayor Irons moved to continue this item and should the public wish their comments specifically stated, they should contact the City Clerk with that request. The motion was seconded by Councilmember Smukler and carried unanimously 4-0-1; Councilmember Nancy Johnson was not in attendance.

A-7 OBTAIN OUTSIDE INDEPENDENT LEGAL COUNSEL TO ADVISE CITY COUNCIL ON CITY MANAGER AND CITY ATTORNEY CONTRACTS AND RELATED ISSUES; (MAYOR)

Mayor Irons read a prepared written statement in which he stated that outside legal counsel was needed. Council needs independent legal advice as there is a clear conflict of interest with our City Attorney advising City Council and representing himself in this personnel matter. At Thursday’s meeting, the City Attorney claimed that a Brown Act violation occurred; if that is true, we need outside legal counsel to cure and correct that violation. We need outside legal

counsel to help facilitate proper legal procedures, maintain confidentiality of personnel matters and to protect the City. I am asking for Council support to hire outside legal counsel.

Councilmember Leage presented Council with a list of 10 questions to which he wanted answers to: ~how did you determine \$250/hr; ~do you have a particular firm in mind; ~how is the firm going to be picked, will there be an rfp; ~what kind of firm are you considering; ~how are you going to tell the public which firm has been hired; ~what questions are we going to ask this outside attorney; ~do you plan to bring this report back to an open session so the public can hear what's in the report; ~are you the only person on Council that will be able to speak to this firm and if I have questions, how do I go about asking them; ~where is the money going to come from; ~ what other budgeted item is going to be reduced to provide for this money? He wants answers to these questions.

Councilmember Christine Johnson stated that in normal circumstances, A-7 wouldn't be needed. Over the course of the days since September 11th and especially since September 12th, we can agree that these aren't normal circumstances. At this point, we are looking at a situation that has been created where our in-house City Attorney can't represent his own interests in a situation we currently have, it is purely a matter of a conflict of interest. Looked at that way, it would be in the best interest of all of Morro Bay to go forward with Item A-7.

Councilmember Smukler looks forward to having discussion about Mr. Leage's questions. He also stated we need to follow a process that ensures the employees' privacy as well as not expose the City to any further litigation or challenges. His hope is that we would be involved with this contract attorney specific to these questions. He looks forward to getting answers to the questions.

Mayor Irons stated that obtaining legal counsel is the path to "why". He has done some research and found that hourly rates for lawyers run between \$150-250/hour. He has 3 firms in mind, Simas & Associates, Snyders & Associates, and Meyers, Widders, Gibson, Jones & Feingold. All 3 firms are municipal law and personnel law experienced. He plans to come back with a report as to who is hired. The outside counsel will be for the use of all City Councilmembers. The money will come from the Risk Management Reserve. And no other budget items will be reduced.

Councilmember Christine Johnson requested a timeline to which Mayor Irons responded that if authorized, he would initiate contact with firms immediately, then work out the contractual details, then as soon as legal representation is available, we could proceed with noticing of meetings as soon as next week. Councilmember Christine Johnson then asked if each firm would submit a proposal that would be reviewed for Council to make this decision. Mayor Irons stated that he is proposing to make the decision to select the legal counsel.

There was a request made to discuss as to who would be selecting the outside counsel. Councilmember Leage hoped that it would at least be a committee of two Councilmembers in on the decision to obtain the outside counsel – one from the 'majority' and one from the 'minority'. People are uncomfortable with who may be brought in.

Councilmember Smukler stated that time is very important and that legal counsel is a key part of that. He thinks everyone would agree that we need move as quickly as possible. This is an extreme situation which would supersede our need for review. He is confident that this Council will act in an unbiased, open manner.

Councilmember Christine Johnson thinks it's important to go out; her preference would be that a firm that has had any dealings with Morro Bay not be selected. She would like to see closure on this so she would be willing to talk about a compressed timeline and allow the Mayor to select the firm.

Councilmember Leage is upset about this, as this outside counsel is going to be representing him as well.

Councilmember Smukler agrees that we need to move on this process but at the same time, remain within the rules. He is in support of this.

Mayor Irons stands by his request. He would also support a review of the September 12th meeting for any possible mistakes made.

MOTION: Mayor Irons moved approval of Item A-7 with the stated recommendation and addition to review the September 12th meeting. The motion was seconded by Councilmember Smukler and carried 3-1-1 with Councilmember Leage voting no and Councilmember Nancy Johnson not in attendance.

B. PUBLIC HEARINGS - NONE

C. UNFINISHED BUSINESS

C-1 PROJECT STATUS REPORT; (ADMINISTRATION)

City Manager Andrea Lueker presented the staff report.

Mayor Irons opened up the public comment period for Item C-1.

Marla Jo Bruton requested the agendas be produced that give a clear definition of what the subject is. She also doesn't have a copy of the spreadsheet that listed the projects being discussed. She continues to have concern with the North Main Street trunk line. She feels it's a shame we haven't addressed this project. She produced a series of reports regarding the condition of collection lines throughout the City and there are 2 lines that have been a main issue of concern for her and it's a shame that this issue of possible contamination of sewage into the Morro Basin Aquifer hasn't been addressed.

Richard Sadowski also stated that in reviewing the report and video tape, the 60/40 line continues to have breaks and leaks in them and nothing has been done. Raw sewage is leaking into Alva Paul Creek. Also, he's said it since 2007; the JPA needs to be revised.

The public comment period for item C-1 was closed.

The report is for review and file.

D. NEW BUSINESS

D-1 APPROVAL OF CONSENT OF LANDOWNER AGREEMENT FOR LEASE SITE 96/96W (ROCCA'S, VAN BEURDEN) TO FILE AN APPLICATION FOR LEASE SITE IMPROVEMENTS AND ALLOW STAFF TO ENTER INTO LEASE NEGOTIATIONS; (HARBOR)

Councilmember Leage recused himself from the discussion due to the proximity of his property to the project location.

City Manager Andrea Lueker presented the staff report.

Project representative Cathy Novak spoke representing Stan Van Beurden for his project located at 945 Embarcadero. This lease site is one of the City's smallest. Add to that the extensive remodel undertaken by Mr. Van Beurden and there are limited opportunities for proposing a new project. As such, Mr. Van Beurden has proposed a plan which he believes will maximize the visitor serving uses and public opportunities for the site. This project proposes to add 173 square feet to the northern side of the building as well as reconfigure the existing western portion to create a new 590 square foot of dining area. Second, this project will look to relocate the trash enclosure inside the building which will free up the public walkway area. Other public benefits proposed include an improved public sidewalk from the Embarcadero to the Harborwalk along the park edge. In addition, this also proposes to construct a new angled access way from the park sidewalk to the existing public deck and Harborwalk. Lastly, the project proposes new picnic tables in the park adjacent to the new sidewalk. Mr. Van Beurden is prepared to submit this project to the City and is respectfully requesting that the Council authorize staff to sign the consent of landowner form to begin the formal planning review process.

Stan Van Beurden is currently developing the lease site known as Rocca's. The site is currently generating the maximum possible income seeing increases of revenue for the site grow from \$12,000/year to almost \$25,000/year. He stated that most Embarcadero lease holders are mom and pop type owners. Most of us have invested our lives, raised families and have been willing to pay back by reinvesting in the Embarcadero. Many lease holders take risks that most banks and financial institutions will not lend on due to restricted lease terms. What makes Morro Bay unique is the personalized service business owners provide. Many customers have been returning for generations. He feels that lease site information on the Embarcadero is very transparent. Any investment on the waterfront must be profitable to the investor or no one would be interested in investing here. The leases should reflect a fair and equal partnership. The emphasis shouldn't be on a set amount of money the leaseholder is required to spend but by how much the City will benefit by the investment. This particular site doesn't allow for any further improvements or additions as may be allowed by larger sites. He is more than willing to be a partner with the City and hopes we can make it work so that all can benefit. He hopes that this project will be moved forward tonight and negotiations can resume for the lease site.

Mayor Irons opened up the public comment period for Item D-1.

Barbara Doerr stated that additional seating will be great. However she also feels that a 20 year lease extension for no reason at all is outrageous. She also feels that Anchor Park should be preserved.

The public comment period for Item D-1 was closed.

Councilmember Christine Johnson stated that the staff report and drawings is a good first step and first look at what's happening.

Councilmember Smukler stated he can see the clear public benefit in the proposal as there are park improvements, removal of trash to a less visible area, as well as enhancement of public access to the waterfront area. He also likes the fact that the western side is being opened up maximizing the enjoyment of the view. He feels it would be beneficial for the Council to give staff leeway to work with these smaller lease sites as ultimately the final decision would come back to Council.

Mayor Irons stated we are trying to bring sidewalks to 8 feet and should try to make this a goal with this project as well. He would like to see Rocca's stay but also feels the need to visit the sign ordinance with this location as well. He is in support of moving forward with this but would also like to look into the investment versus square footage versus return on investment. He suggested one of our local banks look at the proposal as it relates to return on investment.

Councilmember Smukler is cautious about expanding beyond a 6 foot sidewalk as well as keep the options of the grass and what the park offers; Councilmember Christine Johnson is amenable to a 6 foot sidewalk and leaving the grass if possible; and, Mayor Irons thinks that an 8 foot sidewalk is the way to go.

MOTION: Councilmember Christine Johnson moved approval of Item D-1, Alternative A. The motion was seconded by Councilmember Smukler and carried 3-0-2 with Councilmember Leage having recused himself and Councilmember Nancy Johnson was not in attendance.

Councilmember Smukler wanted to restate the importance for us to be clear and give the leeway for staff to explore alternative lease terms based on size and constraints of the site.

D-2 DISCUSSION ON ESTABLISHING A SUBCOMMITTEE TO MEET WITH THE OWNERS OF THE PROPERTY LOCATED AT THE SEC EMBARCADERO AND HARBOR TO DISCUSS POTENTIAL USES OF THE PROPERTY; (CITY ATTORNEY)

City Attorney Rob Schultz presented the staff report.

The public comment period for Item D-2 was opened.

Barbara Doerr agrees with staff that there isn't anything to do right now.

Pam Craig stated it would be a conflict of interest to have a subcommittee if a project was being brought forward to the staff level.

The public comment period for Item D-2 was closed.

Councilmember Smukler says it's important to note that our intent was to try and find a use of the property and put it to use for the community; he hopes that this project will fulfill that.

Councilmember Leage stated that they have been talking about developing this property for quite some time and nothing has ever been done.

There was Council consensus not to form a sub-committee.

E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Smukler requested a discussion of and approval of a Resolution in support of participating in HERO – Home Energy Renovation Opportunity Program; Mayor Irons and Councilmember Christine Johnson concurred.

ADJOURNMENT

The meeting adjourned at 10:37pm.

Recorded by:

Jamie Boucher
City Clerk

MINUTES – MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING –
DECEMBER 10, 2013
CITY HALL CONFERENCE ROOM – 5:00PM

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Andrea Lueker	City Manager
	Anne Russell	Interim City Attorney
	Eric Endersby	Harbor Director

ESTABLISH QUORUM AND CALL TO ORDER

SUMMARY OF CLOSED SESSION ITEMS - The Mayor read a summary of Closed Session items.

CLOSED SESSION PUBLIC COMMENTS - Mayor Irons opened the meeting for Public Comment.

Cathy Novak, representing the Coakleys, stated that their request for the boundary line adjustment is to the wharf railing which is very close to the original State Tidelands Grant Line. Because of the grant line, the property owners have been paying property taxes on this entire area for nearly 60 years. The Coakley's are just trying to resolve this issue and have offered a compromise line and fair compensation to the City for this area.

Bill Martoney stated that the grant line is a concern. He stated that any grant line adjustment would affect all properties from lease site 37 south and we may have to get that approved by State Lands.

Bruce Keogh thanked the Council, City Manager and Finance Director on the concessions made to date regarding negotiations. The Management Group provided staff and Council with a letter providing background on the 3% deferred salary from back in 2009. They are hoping for resolution on this issue.

Sandy Bean, representing the buyers, feels we are close to putting together a lease that is a win-win for the City and property owners. She is suggesting using the line that was aligned before. Mr. Coakely says he is willing to pay for land he believes he already owns.

The Public Comment period was closed.

The City Council moved to Closed Session and heard the following items:

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 one parcel.

- **Property: Lease Site 30W-33W; Bay Front Marina, Water Lease Adjacent to 201 Main Street**
Negotiating Parties: Coakley and City of Morro Bay
Negotiations: Lease Terms and Conditions

CS-2 GOVERNMENT CODE SECTION 54957.6; CONFERENCE WITH LABOR NEGOTIATOR: Conference with City Manager, the City's Designated Representative, for the purpose of reviewing the City's position regarding the terms and compensation paid to the following employee organizations and giving instructions to the Designated Representative: Management Employees and Police Officer's Association (POA).

CS-3 GOVERNMENT CODE SECTION 54957(b)(1) – PUBLIC EMPLOYMENT:
Title: City Manager

CITY COUNCIL CONVENED TO OPEN SESSION – The City Council convened to open session; Interim City Attorney, Anne Russell reported that with regards to all closed session items, no reportable action under the Brown Act was taken.

ADJOURNMENT

The meeting adjourned at 5:55pm.

Recorded by:

Jamie Boucher
City Clerk

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – DECEMBER 10, 2013
VETERAN’S MEMORIAL HALL – 6:00P.M.

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Andrea Lueker	City Manager
	Anne Russell	Interim City Attorney
	Jamie Boucher	City Clerk
	Amy Christey	Police Chief
	Steve Knuckles	Fire Chief
	Susan Slayton	Administrative Services Director
	Joe Woods	Recreation & Parks Director
	Eric Endersby	Harbor Director
	Rob Livick	Public Services Director

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

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE

CLOSED SESSION REPORT – Interim City Attorney Anne Russell reported that with regards to the three Closed Session Items: Government Code Section 54956.8: Property Transaction regarding Lease Site 30W-33W, Bay Front Marina; Government Code Section 54957.6, Conference with Labor Negotiator with regards to Management employees and the Police Officer’s Association; and, Government Code Section 54957(b)(1) Public Employment with regards to the City Manager; no reportable action under the Brown Act was taken.

MAYOR AND COUNCILMEMBERS’ REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PUBLIC PRESENTATIONS

Sylvia Arnold Hill presented a painting to the City of Morro Bay. The painting was done by Frank Spada and will be displayed at City Hall.

John Fennacy, President of the Friends of the Morro Bay Fire Department, presented \$500 scholarships to Reserve Firefighters Grant Brady and Felix Johansson. These monies will go towards helping both with their Paramedic training.

Morro Bay Chamber President Susan Stewart, President Elect Jennifer Redman and President Elect, Elect John Headding presented the Chamber’s Quarterly Report from the Economic Development Program. The Avocado Margarita Festival saw over 9000 in attendance; they

partnered with the Tourism Bureau to produce the Morro Bay Business Map and the Shop Local Campaign; they are working with the Celebrate Morro Bay's 50th group; they are working with start-up businesses as possible incubator candidates; they consulted with 48 businesses on a variety of issues; and they met with 76 businesses to discuss Business Center programs as well as the Sign Ordinance. They went on to say that the Chamber is in a period of transition. They have accepted CEO Craig Schmidt's resignation and the Business Liaison's position is being eliminated with both being replaced by a Manager's position. They hope that 2014 will bring better board representation, the development of a strategic plan, etc. They are excited about the new Chamber. Finally, they stated that currently the Chamber is dealing with some challenging fiscal issues and they will be working on membership – both retention and expansion; they will be conducting a needs assessment from their members; they will continue to develop strategic partners; they will be developing programs to help businesses prosper; they will continue to provide opportunities for networking and they will continue to be a business advocate.

PUBLIC COMMENT

Robert Davis, President of Friends of the Library, thanked those who have donated to their remodel campaign. The main building will close after Christmas but library services will continue at 535 Harbor after details with the City are worked out.

Ken Vesterfelt thanked Mike Meyers for displaying the huge American Flag. The Cruisin' Morro Bay Car Show Committee was able to distribute over \$5500 to the Morro Bay Police Explorers, \$5500 to the Rotary Club of Morro Bay and \$500 to the Morro Bay Chamber. Last Friday, local real estate agent Dan Reddell was named Relator of the Year. He finished by thanking Andrea Lueker for the loyal and honest work she has given the City over the years.

Gerie Walsh with South Bay Seniors, People Helping People, announced a fundraising event being held at the Los Osos Community Center on Saturday, December 14th. This is the largest single day fundraiser in the County for the homeless. Monies go toward the Maxine Lewis Shelter (40%), Transitional Food and Shelter (30%) and the SLO Noor Clinic (30%).

Richard Marx also promoted the People Helping People event being held this weekend. He encouraged people to attend and help out!!

Christine Rogers with the Economic Vitality Corporation thanked the City for their continued support of the EVC. She wanted to recommit their support for the Chamber and Visitor's Center as they are happy to be partnered with these groups.

Joan Solu announced and advertised Morro Bay's 50th Anniversary events. January will see the First Day Hike being held on January 1st as well as the Kick Off Party on January 11th; Winter 2014 will see 50 Trees for Beautification; Spring 2014 will see Celebration Bike Tours and the Community Quilt Project; and Fall 2014 will see a Founders Parade and Community Celebration Picnic. She introduced the logo, Landmark and Legacy.

Bonnie Jones is the St. Timothy's representative for EBAC (Estero Bay Assistance Committee). Initially formed as a food group, it has grown to being able to provide a community dinner for the needy once a week at the Veteran's Hall on Mondays. Different organizations host each

dinner. It is their hope that this becomes a true community commitment and they will be back to see if they can get the City to waive their fees.

Sharon O'Leary, also with EBAC, said that they were a collaborative effort of faith and non-faith groups based on community needs. She provided statistics dealing with the low-income and poverty levels in our communities. EBAC can always use help.

Linda Fidel also spoke on our homeless situation in Morro Bay. She stressed that these are a generous, diverse, resilient, and long term members of Morro Bay, group of people. She hopes that the City of Morro Bay will be of some assistance.

Marcel Bocula with Pacific Wildlife Care announced that they have 2 matching funding opportunities – grant funds for a veterinarian and a \$20,000 grand from the Woods Family Foundation. She hopes that the community will be in support of wildlife rehabilitation.

Cathy Novak thanked Andrea Lueker for her service to the City. She has personally been involved with Andrea for over 20 years. So many people have spoken and she ditto'd their comments. She wished Andrea the best in her future.

Janice Peters stated that 27 years is a long time to work in one place. The fact that Andrea is still here and still serving with a sense of humor and integrity is a testament to her character. She took a City and consolidated it – brought people together – which is an amazing accomplishment. She told Andrea that she will go on to bigger and better things and will be appreciated much more than you have been here recently.

John Headding announced the closing of the local CHC facility (Community Health Care) on January 1st. This brings him and should us, great cause for concern. He wonders how people will be able to find transportation outside of the City to seek care.

Bill Martoney continues to disagree with the cost estimates of the plant. In his mind it shouldn't cost more than 10-15 million – 30 million tops. He brought up the fear factor of \$90-160 million. He also talked about an MBR system that can bring us Title 22 water.

Garry Johnson wished everybody Happy Holidays; Merry Christmas. He stated that Andrea has been such a blessing to the City. He doesn't believe how she has been able to stand up to this.

The Public Comment period was closed.

A. CONSENT AGENDA

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

A-1 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON NOVEMBER 12, 2013; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETING HELD ON NOVEMBER 12, 2013; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON NOVEMBER 19, 2013; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 APPROVAL OF MINUTES FOR THE SPECIAL CITY COUNCIL MEETING HELD ON NOVEMBER 19, 2013; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-5 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON DECEMBER 3, 2013; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-6 RESOLUTION NO. 59-13 ESTABLISHING THE GUIDELINES BY WHICH THE CITY OF MORRO BAY WILL COMPLY WITH THE FEDERAL AFFORDABLE CARE ACT (ACA); (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 59-13; and consider directing staff to bring back costs related to a consultant to ensure compliance with ACA.

A-7 CITY PROJECT STATUS REPORT; (ADMINISTRATION)

RECOMMENDATION: Receive and file; informational item only.

A-8 WATER RECLAMATION FACILITY (WRF) PROJECT STATUS AND DISCUSSION; (ADMINISTRATION)

RECOMMENDATION: Receive and file; informational item only.

A-9 STATUS REPORT OF A MAJOR MAINTENANCE & REPAIR PLAN (MMRP) FOR THE EXISTING WASTEWATER TREATMENT PLAN; (PUBLIC SERVICES)

RECOMMENDATION: Receive and file; informational item only.

A-10 STATUS UPDATE ON THE PURCHASES OF FIRE DEPARTMENT EQUIPMENT BASED ON MONIES PROVIDED BY THE BERTHA SHULTZ TRUST; (FIRE)

RECOMMENDATION: Receive and file; informational item only.

A-11 APPROVAL OF THE GRANT AGREEMENT BETWEEN THE CITY OF MORRO BAY AND SOUTH BAY COMMUNITY POOL ASSOCIATION; (RECREATION & PARKS)

RECOMMENDATION: Review and approve the proposed grant agreement between the South Bay Community Pool Association and the City of Morro Bay and direct staff to fulfill any associated financial obligations.

A-12 RESOLUTION #58-13 AUTHORIZING CITY STAFF TO SUBMIT A GRANT APPLICATION TO THE CALIFORNIA COASTAL COMMISSION TO PROVIDE FINANCIAL ASSISTANCE FOR AN UPDATE TO THE CITY'S LOCAL COASTAL PROGRAM (LCP) TO REFLECT CURRENT CIRCUMSTANCES AND NEW SCIENTIFIC INFORMATION, INCLUDING NEW UNDERSTANDINGS AND CONCERN FOR THE EFFECTS OF CLIMATE CHANGE; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Resolution 58-13.

A-13 APPOINTMENT OF KATHRYN THOMAS TO CITIZENS OVERSIGHT COMMITTEE; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Appoint Kathryn Thomas to fill the vacant position on the Citizens Oversight Committee.

A-14 APPROVAL OF FIRE PROTECTION AGREEMENT BETWEEN THE CITY OF MORRO BAY AND DYNEGY MORRO BAY, LLC; (CITY ATTORNEY)

RECOMMENDATION: Approve the Fire Protection Agreement ("Agreement") between the City and Dynegy Morro Bay, LLC ("Dynegy").

Mayor Irons opened up the public comment period for items on the Consent Calendar.

Pandora Nash Karner spoke on behalf of the South Bay Pool Association stating that after 2 studies, it is never going to be practical for a pool to be built in Los Osos. As such, they made the decision that the only viable location is Morro Bay. They are anxious to give the City money for a regional pool. She mentioned that a condition to the money would be to allow Los Osos residents never to be charged any more than Morro Bay residents for its use. She asked for support in signing the agreement.

Barbara Doerr would love to see a swimming pool in Morro Bay; she would like to ensure that it was of reasonable size and didn't displace other recreational user activities. She feels that a lifetime discount for Los Osos residents should be removed. She is recommending not participating at this time.

Meg Crockett wanted to make sure Council was aware that the only wildlife rehabilitation center is located in Site E of the proposed water reclamation facility site. While they support the project, they hope it doesn't happen in Site E. She also asked that they be kept informed as progress is being made.

Joan Solu stated that since the pool has been closed, there has been a gap in aquatic capabilities in our community. She is in support of a community pool. Their gift is important for our community as we have already started strategic partnerships with SLCUSD.

The public comment period for the Consent Calendar was closed.

Mayor Irons pulled Items A-10, A-11, A-12 and A-14.

MOTION: Councilmember Christine Johnson moved the City Council approve Items A-1, A-2, A-3, A-4, A-5, A-6, A-7, A-8, A-9, and A-13 of the Consent Calendar as presented. The motion was seconded by Councilmember Nancy Johnson and carried unanimously 5-0.

A-10 STATUS UPDATE ON THE PURCHASES OF FIRE DEPARTMENT EQUIPMENT BASED ON MONIES PROVIDED BY THE BERTHA SCHULTZ TRUST; (FIRE)

Mayor Irons pulled this item to get a status report from Chief Knuckles.

MOTION: Councilmember Nancy Johnson moved to approve the status update on the purchases of Fire Department equipment from monies provided by the Bertha Schultz Trust. The motion was seconded by Councilmember Smukler and carried unanimously 5-0.

A-11 APPROVAL OF THE GRANT AGREEMENT BETWEEN THE CITY OF MORRO BAY AND SOUTH BAY COMMUNITY POOL ASSOCIATION; (RECREATION & PARKS)

Mayor Irons pulled this item for clarification. Recreation & Parks Director, Joe Woods answered the concerns brought forth by Council and public comment.

MOTION: Councilmember Nancy Johnson moved the City Council approve the grant agreement between the City and the South Bay Community Pool Association. The motion was seconded by Councilmember Smukler and carried unanimously 5-0.

A-12 RESOLUTION #58-13 AUTHORIZING CITY STAFF TO SUBMIT A GRANT APPLICATION TO THE CALIFORNIA COASTAL COMMISSION TO PROVIDE FINANCIAL ASSISTANCE FOR AN UPDATE TO THE CITY'S LOCAL COASTAL PROGRAM (LCP) TO REFLECT CURRENT CIRCUMSTANCES AND NEW SCIENTIFIC INFORMATION, INCLUDING NEW UNDERSTANDINGS AND CONCERN FOR THE EFFECTS OF CLIMATE CHANGE; (PUBLIC SERVICES)

Public Services Director Rob Livick was asked to elaborate on the grant funding we have received to date. We have received a \$250,000 grant from the Ocean Protection Council towards a \$360,000 work effort for assessment and re-mapping for vulnerability to sea level rise. This request will build upon that grant to perform additional mapping of ESHA areas. He also recommended that the Resolution be modified to state "...City Manager or designee" as there is an inconsistency between the Resolution and the grant application in Section 2.

MOTION: Mayor Irons moved to adopt Resolution 58-13 as amended in Section 2 to read "City Manager or designee". The motion was seconded by Councilmember Christine Johnson and carried unanimously 5-0.

A-14 APPROVAL OF FIRE PROTECTION AGREEMENT BETWEEN THE CITY OF MORRO BAY AND DYNEGY MORRO BAY, LLC; (CITY ATTORNEY)

Interim City Attorney Anne Russell provided language to an amendment to this agreement found in 3. "... Further, ~~upon~~ **after** the ~~effectiveness~~ **effective date** of DYNEGY's notice of retirement by the California Independent System Operator (**currently anticipated to be February 5, 2014**),... .

MOTION: Mayor Irons moved approval of the Fire Protection Agreement between the City and Dynegy as amended. The motion was seconded by Councilmember Leage and carried unanimously 5-0.

MOTION: Mayor Irons made a motion to move Agenda Items D-1 and D-2 up on the agenda so as to be heard prior to Public Hearings. The motion was seconded by Councilmember Leage and carried unanimously 5-0.

D. NEW BUSINESS

D-1 HARBOR DEPARTMENT RULES AND REGULATIONS; PROPOSED CHANGE TO SLIP REGULATIONS FOR FISHERMEN OWNING TWO QUALIFIED COMMERCIAL FISHING VESSELS; (HARBOR)

Harbor Director Eric Endersby presented the staff report.

The public comment period for Item D-1 was opened; seeing none, the public comment period was closed.

Councilmember George Leage felt this was long overdue and it only applies to a small number of fishermen.

Councilmember Christine Johnson was pleased with the safeguards that the Harbor Advisory Board put into the language and feels comfortable in supporting it.

MOTION: Councilmember Nancy Johnson, in the interest of supporting the Harbor Advisory Board, moved approval of the proposed change to slip regulations for fishermen owning two qualified commercial vessels. The motion was seconded by Councilmember Leage and carried unanimously 5-0.

D-2 PROPOSED AMENDMENT TO THE HARBOR ADVISORY BOARD BY-LAWS ALLOWING THE DESIGNATED MORRO BAY COMMERCIAL FISHERMAN'S ORGANIZATION SEAT TO HAVE ADDITIONAL ALTERNATE MEMBERS APPOINTED IN ORDER TO ENSURE THE ORGANIZATION'S ATTENDANCE AND PARTICIPATION; (HARBOR)

Harbor Director Eric Endersby presented the staff report.

The public comment period for Item D-2 was opened.

Susan Stewart stated that this makes sense as working fishermen are in and out at different times.

The public comment period for item D-2 was closed.

Councilmember Smukler stated that it is the intent of that position to represent, as much as possible, the fishing interests and the Morro Bay Commercial Fishing organization and this amendment will help with that.

Councilmember Christine Johnson stressed that the alternate members should reach out to stay as informed on the issues as possible which should create as much consistency as possible.

MOTION: Councilmember Smukler moved to approve the Harbor Advisory Board By-laws as amended. The motion was seconded by Councilmember Christine Johnson and carried unanimously 5-0.

B. PUBLIC HEARINGS

B-1 REVIEW OF THE SECOND PUBLIC DRAFT OPTIONS REPORT FOR THE NEW WATER RECLAMATION FACILITY (WRF); (PUBLIC SERVICES)

Public Services Director Rob Livick presented the staff report.

John Rickenbach and Mike Nunley presented a power point presentation whereby they addressed the key changes since the first draft; summarized the revised options; made recommendations for next steps and took additional public input. Based on the previous presentation and comments received, they feel the goals for the new WFR are to produce tertiary treated wastewater; reclaim wastewater for a variety of purposes; allow for onsite composting; design for energy recovery; and design to treat for contaminants of emerging concern. The overall site rankings are now as follows: ~Morro Valley; ~Power Plant; ~Chorro Valley; ~Giannini Property; ~Chevron; ~Panorama; and lastly, CMC. They also spoke on rankings if cost was not an issue as well as if environmental issues were the only concern. They spoke on the advantages and challenges of the sites. They wanted to stress that the costs intended to show a rough order of magnitude; are useful to show relative costs from site to site; are not based on detailed design; reflect a mid-point in a wide range; and, could change up or down depending on design. Their recommended approach was to establish goals for the new WRF; to choose a preferred and backup sites; pursue a parallel path to study a regional option at CMC; perform due diligence at the preferred site; and lastly, to modify the approach if the regional option is viable. Long term later actions include reaching an agreement with property owners; identifying and conducting needed technical studies; hiring a design engineer; project design; followed by funding, site acquisition, CEQA, permitting and construction.

Mayor Irons opened up the public comment period for Item B-1.

Dave Burton thanked Mr. Rickenbach for including his estimate in building on the current site; he also asked for clarification on a couple of items: the 30% contingency still seemed very high; and, he compared that to the Dudek report which uses much lower numbers. He would like to see a chart of ranges of contingencies. He also spoke on trying to get real numbers on advanced treatment as much that is being spoken about is just hearsay. Finally he spoke on costs of basic

tertiary treatment which he also compared to the Dudek report. He would like to see charts and/or a small appendix on this as well.

Eliane Wilson is concerned with the Chorro Valley site, she didn't see any mention of the large senior housing facility that is currently at the beginning of Teresa; she believes it's premature to talk about a 1st, 2nd or 3rd choice as a full environmental review should be done first; she is confused by the next step as she doesn't see enough potential environmental impact and mitigation consequence information.

Julie Thomas is concerned with the odor issue; the Giannini, Panorama and Power Plant sites have potential for odor problems with no way to mitigate the odor for the residents and neighborhoods. She feels those sites should be taken out of consideration for that reason.

Bill Martoney stated that odor is important. Hand in hand with the odor issue is the technology chosen. MBR is 100% odor free. He feels that the technology chosen should determine the site location. He has always been a proponent of the Tri-W location. He also feels it important to consider an ag coop with local farmers to "share crop" a selected site.

Susan Stewart feels that since sewer rates are based on water usage, it's important to consider businesses that don't have a choice in their water usage such as restaurants and hotels. Cost is going to be the key so we need to look at what we can afford as we don't want to chase everybody out.

Janice Peters mentioned costs with the use of the MBR method as it is more costly in maintenance. It's not just your initial costs that need to be taken into consideration; it's the down the road costs as well. She hopes that Council will please take into consideration what the potential increases to sewer rates could mean to things like hotel rates which would also impact tourist dollars.

The public comment period for Item B-1 was closed.

Mr. Rickenbach and Mr. Nunley responded to the public and Council's comment questions and concerns.

Councilmember Smukler is still concerned that there are ongoing discussions about the existing site as a viable option. The most important thing we need to end up with this process with a permitable project at a permitable site. Consistency with the LCP and Local Coastal Plan is a key. Visual impacts definitely are an issue with some of our sites that we need to keep the Coastal Commission in the loop with. With regards to costs, he wants to tie those into the stated goals and his feeling tonight is we should talk about how to be more specific about phasing in reclamation as we can afford it.

Councilmember Christine Johnson stated that it's important for us to remember as we move forward, if we are using the estimated project cost total figures, the \$90 – 160 million, then it's also necessary for us to use the \$83 million for the current site. That gives us an apples to apples comparison. She stated that the City is committed to the goal of water reclamation back in 1994 with an LCP amendment.

Mayor Irons restated the recommended approach and then suggested adding the following to the goals: come back with a report within 60 days; come back with a schedule and if there is a phased in approach, adjust the cost that reflects that; and, come back with information regarding the timing of a project manager.

Councilmember Smukler agrees with a report coming back within 60 days which would include an initiation of a constraints analysis; he agrees it's good to get an analysis of the project management component; seeing a schedule and cost estimate is good and likes the concept of the phased approach; and, would like to see a group of citizens as a committee that could be of assistance to the project.

Councilmember Nancy Johnson agrees we need to move forward with choosing a preferred and back-up site. Looking at additional location opportunities she reiterated the possibility of looking at additional sites in the City – property by Mission Linen, the storage yard by end of Errol St, Associated Pacific or part of Lila Keiser Park and/or land adjacent to MBHS and Highway 1.

Council began their discussion of their preferred site locations.

Councilmember Leage asked Mr. Rickenbach where he would build it, he responded Morro Valley.

Councilmember Christine Johnson confirmed concurrence with a 60 day schedule for a return report to include the initiation of a constraints analysis, that we should adjust costs to reflect phased approach, when to hire a project manager and a citizen advisory committee. She would select Morro Valley #1, with Chorro Valley and Giannini as backups. She would also like to see us move forward in a parallel path with CMC, just to check on its potential.

Councilmember Smukler would like to see onsite composting but also feels the need to adjust this goal, based on the need for the facility to be compatible with the neighborhoods and neighboring land uses. He selected Morro Valley #1, with alternatives being Chorro Valley and Giannini. He also would like to see a parallel tract with CMC that doesn't delay forward progress on these other sites.

Public Services Director Rob Livick stressed that he doesn't believe that having a plan to supply reclaimed water will meet Coastal's goals. There needs to be some viable reclaimed water backbone project included.

Mayor Irons is supportive of the goals and language adjustments made. He selected Morro Valley #1, with Chorro Valley and Giannini as alternatives.

Councilmembers Nancy Johnson and Leage agree with the recommendations of the site selection.

MOTION: Mayor Irons moved to receive the report and presentation; to direct staff on goals that were stated with the following additions: 6) constraints analysis report and schedule back within 60 days; 7) addition of a project manager timeline; and 8) addition of a technical advisory committee; 9) neighborhood compatibility; that the order of

preferred site selection be 1) Morro Valley; 2) Chorro Valley; and 3) Giannini; and that we pursue a parallel path with CMC. The motion was seconded by Councilmember Smukler and carried 3-1-1 with Councilmember Leage voting no and Councilmember Nancy Johnson abstaining.

B-2 REVIEW OF CITY COUNCIL REQUESTED OUTSIDE LEGAL SERVICES; STATUS AND COST; (ADMINISTRATION)

City Manager Andrea Lueker presented the staff report.

Mayor Irons opened up the public comment period for Item B-2; seeing none, the public comment period was closed.

There was no discussion or action taken on this item. The item was reviewed and filed.

C. UNFINISHED BUSINESS - NONE

E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

Mayor Irons requested a discussion and consideration of hiring a consultant to help develop funding sources for Water Reclamation Facility opportunities; Councilmembers Smukler and Christine Johnson concurred.

Councilmember Smukler requested a review of the reporting process for funding of the Morro Bay 50th; Mayor Irons and Councilmember Christine Johnson concurred.

Councilmember Smukler requested a follow-up to the CHC closure to include an outreach and invitation to a Council meeting to discuss options for the public; there was unanimous consensus for this item to be heard.

ADJOURNMENT

The meeting adjourned at 10:11am.

Recorded by:

Jamie Boucher
City Clerk

MINUTES – MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING –
DECEMBER 12, 2013
VETERAN’S MEMORIAL BUILDING – 12:00 P.M.

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Anne Russell	Interim City Attorney
	Jamie Boucher	City Clerk

ESTABLISH QUORUM AND CALL TO ORDER

SUMMARY OF CLOSED SESSION ITEMS - The Mayor read a summary of the Closed Session items.

CLOSED SESSION PUBLIC COMMENTS - Mayor Irons opened the meeting for Public Comment.

Garry Johnson asked the Council to please state why City Attorney Rob Schultz and City Manager Andrea Lueker were being terminated. And if there isn't a reason, please say so.

The public comment period was closed.

The City Council moved to Closed Session and heard the following items:

CS-1 GOVERNMENT CODE SECTION 54957(b)(1) - PUBLIC EMPLOYEE DISCIPLINE/ DISMISSAL/RELEASE/TERMINATION OF CONTRACT:

Title: City Manager

CS-2 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 one parcel.

- Property: Vacant Lot/Corner of Coral Ave. and San Jacinto
- Negotiating Parties: Broc Assets, Inc. and City of Morro Bay
- Negotiations: Amendment to Purchase and Sale Agreement

CS-3 GOVERNMENT CODE SECTION 54957(b)(1) – PUBLIC EMPLOYMENT:

Title: City Manager

CITY COUNCIL CONVENED TO OPEN SESSION – The City Council convened to open session; Interim City Attorney Anne Russell reported that with regards to Item CS-1, Government Code Section 54957(b)(1), with a 5-0 vote, Council approved the separation agreement with City Manager Andrea Lueker; and, in a 3-2 vote, with Councilmembers Nancy Johnson and Leage voting no, the Council placed City Manager Andrea Lueker on Administrative Leave effective December 13, 2103 and appointed Administrative Services Director Susan Slayton Acting City Manager. With regards to Government Code Section 54956.8 – Property Transactions and Government Code Section 54957(b)(1) Public Employment – City Manager, no reportable action was taken.

ADJOURNMENT

The meeting adjourned at 2:20pm.

Recorded by:

Jamie Boucher
City Clerk



AGENDA NO: A-6

MEETING DATE: January 14, 2014

Staff Report

TO: Honorable Mayor and City Council **DATE:** January 8, 2014

FROM: Eric Endersby, Harbor Director

SUBJECT: Status of State Park Marina Operating Agreement as it Relates to City Operations and Management of the Marina Including Marina Dredging and Renovation

RECOMMENDATION

Receive and file, this is an informational item only.

ALTERNATIVES

There are no alternatives as this is an informational item only.

FISCAL IMPACT

There is no fiscal impact to this status report.

BACKGROUND

At the May 14, 2013 City Council meeting, there was Council consensus for a status report of the State Park Marina Operating Agreement as it relates to the City's operation and management of the marina.

At the November 7, 2013 Harbor Advisory Board (HAB) meeting, the HAB was presented with a status report of the Operating Agreement, including a request for HAB input on certain aspects of the Agreement; specifically whether or not the City should continue their participation in the agreement; should the City continue to pursue additional dredging of the marina; and, should the City attempt to renegotiate the Agreement with the State or pursue a more permanent or long-term agreement.

At the November 7, 2013 meeting, the HAB voted unanimously that:

- A. The City continues the Operating Agreement with the State until its expiration in 2022.
- B. The City Council direct the City Attorney to investigate an extension of the current Agreement with an eye to changes to the Agreement that would allow for reimbursement

Prepared By: EE

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

to the City for hard and soft costs incurred by the City should the City terminate it without cause.

- C. The City continues in its efforts to dredge and renovate the marina until the Agreement expires.

In a subsequent motion, the HAB voted unanimously to urge the Harbor Department to pursue extensions of all of the necessary permits already in place for dredging the marina before they expire, as well as to actively seek additional funding to continue the dredging program.

A copy of the HAB staff report on this item, which details the primary aspects of the Agreement and the City and State's obligations under it, is included with this staff report. Please refer to it for additional information. A copy of the pertinent minutes from the November 7, 2013 HAB meeting is also included with this staff report.

DISCUSSION

The City will continue with the current agreement with the State and staff will continue to seek further grant and other funding opportunities as they arise to continue the dredging and other renovation work required in the marina. At this time, staff has not identified any new funding sources; however with Boating and Waterways having recently moved into the State Department of Parks and Recreation, and as the dust settles from that move, staff will re-engage discussions with Parks in the coming months on the future of the marina, the Operating Agreement and any potential modifications to it, as well as any new potential funding sources that Parks or Boating and Waterways may be able to bring to the table. In addition, staff intends to seek extensions of all of the current dredging permits before they expire in order that we not lose them.

CONCLUSION

In 2012, approximately 1/3 of the dredging required in the State Park Marina was completed with the available funding and under the constraints of the regulatory permits. To remain viable, the marina will require further dredging. Also, under the concessionaire's Major Maintenance Program, a considerable amount of renovation and repair has been completed in recent years to the slips and docks. However, an overall major renovation of the entire basin and facilities as originally envisioned, albeit likely to a lesser degree than originally envisioned due to cost, is still necessary for the long-term viability of the marina. Staff is still hopeful that this is eventually achievable, and continues to work to that end as time and funding allow.



AGENDA NO: C-2

MEETING DATE: November 7, 2013

Staff Report

TO: Harbor Advisory Board **DATE:** October 24, 2013

FROM: Eric Endersby, Harbor Director

SUBJECT: Status of State Park Marina Operating Agreement as it Relates to City Operations and Management of the Marina, Including Future City Involvement

RECOMMENDATION

Receive report and make recommendations, if any, regarding future City involvement in the marina.

BACKGROUND

In 2002 the City of Morro Bay entered into a 20-year operating agreement (Agreement) with the State of California to operate the State Park Marina (SPM), including management of the existing concessionaire Associated Pacific Constructors (APC) and collection of the State's revenues from that concession. The objective of the Agreement was for the City to spearhead major dredging and renovation projects in the marina.

At the May 2, 2013 Harbor Advisory Board meeting, a presentation on the Agreement and dredging was presented to the Board with a request for Board input on the importance of continued City involvement in the Agreement and pursuing the projects. At that meeting the Board voted to recommend that the City remain in the Agreement, but deferred action as to whether or not to recommend that the City pursue long-term operation of the marina until after APC's 2013/2014 Proposed Major Maintenance Plan could be presented to the Board. Staff presented an abbreviated version of that plan at the August, 2013 Board meeting, as APC was unable to attend and present.

DISCUSSION

The major obligations of the City under the Agreement are to:

1. Actively pursue the agreed-upon dredging and renovation projects.
2. Continue to operate the marina as-designed.
3. Manage the APC concession including receipt of revenue and continued major maintenance planning and execution.

Prepared By: EE

Dept. Review: EE

Once dredged and renovated, the Agreement allows the City to either operate the marina directly, and/or award a concession contract to operate it, for the life of the Agreement. The Agreement expires in 2022, there is no holdover or a clause to extend it, and either party can cancel it with or without cause with 60-days notice.

If the Agreement reaches its expiration or is terminated by the City, any excess revenues in the account will revert to the State, and the State will assume all improvements and management of the marina and concession. If the State terminates the Agreement without cause and assumes management of the marina, the excess revenues will revert to the State, less all expenses incurred by the City to manage the marina and dredging/renovation projects. All improvements will revert to the State in this instance as well.

The City currently receives annual revenues of approximately \$65,000 under the concessionaire's operation. The current balance in the account is approximately \$158,000.

The various dredging permits expire from December 2015 through February 2017, all of which can likely be extended if necessary.

Should the City remain in the Agreement and continue to pursue the projects, it is staff's opinion that in addition to the needed funding there needs to be more assurance in the Agreement that the City would be reimbursed for its hard costs (consultants and construction) and soft costs (personnel time) in the event of termination of the Agreement by the City. As it stands today, if the City terminates without cause, the City receives nothing for its efforts. In addition, given that there are only nine more years left on the Agreement, it would be prudent for the City to negotiate a longer-term agreement if the projects are pursued.

There is nothing in the Agreement that allows for the City to take over operations of the marina unless the complete dredging and renovation projects as currently scoped are completed, and then only until the Agreement expires in 2022.

CONCLUSION

Staff is seeking any input that the Harbor Advisory Board may wish to give regarding:

1. The City continuing or not in the Agreement and to pursue the additional dredging and renovation.
2. The City negotiating or not with the State for a new or revised Agreement, and whether or not there is interest or desire by the City to pursue a more permanent Agreement to operate the marina on a long-term basis with or without a concessionaire.

Discussion by the Board, Ms. Kelly and Mr. Endersby on the status of the pumpout vessel; the use of dye tabs during inspection; the difference in the fee for inspection by Harbor Patrol versus other surveyors; the question of what accreditation marine surveyors should have in order to perform liveaboard inspections; and the difference in standards between Harbor Patrol and other surveyors on vessels being operable and seaworthy.

C. UNFINISHED BUSINESS

C-1 Overview of State Park Marina Major Maintenance Plans

Mr. Endersby briefly reviewed the item for the Board and then introduced Mr. Paul Gillen of Associated Pacific Constructors, the State Park Marina concessionaire. Mr. Gillen gave the Board an overview of the Major Maintenance Program of the State Park Marina for the current years 2012/13, and said the utilities have been upgraded, two docks have been rebuilt, and two more docks (#5 & #6) will be rebuilt within the next two years. He said the safety and integrity of the Marina are the priorities. He said the electrical conduits are marine grade, but there is a need for electrical upgrade on the shore side. The fire hoses and outlets comply with local fire code.

Mr. Gillen said the Marina is in good shape and is self-funding, which is something most other marinas cannot claim. His company, Associated Pacific, performs work on many marinas up and down the West Coast, and he has seen no other marinas that are self-funding.

Discussion by the Board and Mr. Gillen on future dredging issues and disposal sites; the revenue generated toward the Major Maintenance Budget; the number of slips in the Marina; the length of waiting time for a slip; and the full-time Marina maintenance man who works six days each week onsite.

There was no public comment.

C-2 Status of State Park Marina Operating Agreement as it Relates to City Operations and Management of the Marina, Including Future City Involvement

Mr. Endersby reviewed the item for the Board. He said the major obligations of the City under the Agreement are to:

1. Actively pursue the agreed-upon dredging and renovation projects.
2. Continue to operate the marina as-designed.
3. Manage the Associated Pacific Constructors concession including receipt of revenue and continued major maintenance planning and execution.

Mr. Endersby concluded by saying that Staff is seeking any input from the Harbor Advisory Board regarding whether the City should continue in the Agreement and pursue the additional dredging and renovation; and whether the City should negotiate with the State for a new or revised Agreement; and if there is interest or desire by the City to pursue a more permanent Agreement to operate the Marina on a long-term basis with or without a concessionaire. He asked Mr. Gillen of Associated Pacific for his comments.

Mr. Gillen said he's spent a lot of time working at other marinas, and on reflection sees that the State Park Marina in Morro Bay is a very special spot; it is connected to the State Park with easy access for boaters; it has been upgraded to good standards and is currently very affordable. He said dredging has always been the main issue, but at an estimated cost of \$10-20 million the project is not financially feasible unless it is grant funded.

Chair Eckles opened the topic up to public comment. Mr. Bill Martony of Morro Bay expressed his confusion over the Operating Agreement between State Parks and the City. He questioned the income percentage to the concessionaire and the length of the lease. Mr. Gillen responded to all of Mr. Martony's questions.

Discussion by the Board. Mr. Phillips said he had a boat in the State Park Marina for many years, and since 2005 when Associated Pacific became the concessionaire for the City, the Marina has achieved a number of improvements; he has noticed a lot of work being done. The State did not tend to show much interest in the upkeep of the Marina, but with the City's interest it has been much improved.

Chair Eckles said the State Park Marina does not appear to bring in significant revenues and is not a huge money-maker, but it does serve the boating community. He said the current concessionaire has deep knowledge and experience on maintaining marinas, and wondered about the ability of the Harbor Department to run and maintain that Marina. Mr. Endersby replied it is slim to none, and that there would not be current staffing for the Harbor Department to take over the business, which would mean investing in other contractors.

Motion: Mr. Phillips moved that the Harbor Advisory Board recommend to the City Council that the City continue in its Operating Agreement with the State of California until that Agreement expires, and that the City Council have the City Attorney investigate an extension of the current Agreement with improvements specifically related to the City being reimbursed for its hard and soft costs for improvements should the City terminate its Agreement with the State, and that the City Council continue its efforts to dredge and renovate the State Park Marina until the end of its Agreement with the State. The Motion was seconded by Mr. Luffee and carried unanimously.

Further discussion by the Board. Ms. Meissen said she has not heard as many complaints about the State Park Marina as years past, due to the concessionaire's upgrades and efforts. She said we should move forward and support the Marina as much as possible; and that dredging would always be a problem, as it's the nature of estuaries.

Motion: Mr. Phillips moved that the Harbor Department pursue extensions to all necessary permits related to the dredging of the State Park Marina before they expire, and continue to actively seek funding for future dredging of the Marina. The Motion was seconded by Mr. Doughty and carried unanimously.

D. NEW BUSINESS

None.

E. DECLARATION OF FUTURE AGENDA ITEMS

Future:

Marine Mammal Center Informational Report
Morro Bay Community Quota Fund Update by Rick Algert
State Park Marina, Result of City Council Meeting
Harbor Advisory Board By-Laws Changes, Result of City Council Meeting
Review of Liveaboard Ordinance Regarding Marine Surveyor Certification and
Standardization of Liveaboard Permit Inspections

F. ADJOURNMENT

This meeting was adjourned at 8:05 PM.

Submitted by,

Polly Curtis
Harbor Department



AGENDA NO: A-7

MEETING DATE: 01/14/2014

Staff Report

TO: Honorable Mayor and City Council **DATE:** January 7, 2014
FROM: Susan Slayton, Acting City Manager
SUBJECT: Resolution No. 04-14 Adopting the Agreement with the Morro Bay Management Employees and Related Compensation

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. 04-14, approving the Agreement with the Morro Bay Management Employees. The term of the Agreement is from July 1, 2013 through June 30, 2014.

FISCAL IMPACT

As per City Council's direction, this Agreement provides:

1. 2% salary increase, effective with the pay period containing January 1, 2014;
2. 1/2 % additional salary increase, which represents a return of a portion of the 3% deferral from 2009/10, effective with the pay period containing January 1, 2014, for both Management and Executive employees (executive employees follow the Management Agreement in terms of cost of living adjustments);
3. 8 additional hours of administrative leave (from 64 to 72 hours per year);
4. The ability to roll over up to 48 hours (an increase of 24 hours) of administrative leave into the following fiscal year, not to exceed a total of 120 hours in their administrative leave banks; and
5. Vacation accrual cap lowered from 400 hours to 300 hours.

Council has also agreed to address, in future contract negotiations, the return of the remaining 2-1/2% of the 2009/10 3% salary increase deferral.

These actions will cost the City:

1. For the 2-1/2%: \$19,725 (\$14,884 in salaries/\$4,841 in benefits) for both Management and Executive employees;
2. \$0 for the increase in administrative leave until the employee terminates; administrative leave payout is pro-rated.
3. \$17,673 in one time monies, if excess vacation hours are cashed out or converted to deferred compensation.

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

City Manager Review: _____

City Attorney Review: _____

SUMMARY:

The previous Resolution with the Management Employees is currently on the City's website (link: "Employee Compensation Information"). The proposed July 1, 2013 – June 30, 2014 Agreement, which is attached in a draft blue- and red-lined format, includes the following substantive changes:

- Effective the pay period containing January 1, 2014, all Management and Executive Employees will receive a 2-1/2% salary increase.
- A increase of 8 hours of administrative leave (from 64 hours to 72 hours) per year, with the ability to roll over up to 48 hours of administrative leave in the following fiscal year, up to a cap of 120 hours of administrative leave bank.
- Effective with the passage of the Resolution, the vacation cap for Management Employees will be reduced from 400 hours to 300 hours, and be paid out in cash or converted to deferred compensation.

The Agreement has been accepted by the Morro Bay Management Employees.

CONCLUSION

Staff is recommending that the City Council adopt Resolution No. 04-14, which approves the agreement with the Morro Bay Management Employees for the fiscal year July 1, 2013 to June 30, 2014. Additionally, the City Council is asked to direct the Acting City Manager to implement the conditions of the Agreement.

RESOLUTION NO. 04-14

**RESOLUTION OF THE CITY OF MORRO BAY
ADOPTING THE AGREEMENT WITH THE
MORRO BAY MANAGEMENT EMPLOYEES AND RELATED COMPENSATION**

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

WHEREAS, representatives of the City of Morro Bay (CITY) and representatives of the Management Group met and discussed the terms and conditions of employment, through the Meet and Confer process; and

WHEREAS, the meetings between the Management Group and the CITY have resulted in a mutual agreement and understanding; and

WHEREAS, the employees represented by the Management Group accept all of the terms and conditions as set forth in the Agreement attached and made a part of this Resolution herewith; and

WHEREAS, the CITY now desires to provide said salaries, benefits and conditions to said Management Group of the CITY.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morro Bay does hereby adopt this Resolution adopting an Agreement on the compensation and working conditions for the Management Group for the period July 1, 2013 through June 30, 2014, and authorizes the Acting City Manager to execute all necessary documents to implement said changes.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a meeting thereof held this 14th day of January, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

JAMIE L. IRONS, Mayor

JAMIE BOUCHER, City Clerk

AGREEMENT BETWEEN
THE CITY OF MORRO BAY
AND THE MANAGEMENT EMPLOYEES
AGREEMENT WITH MANAGEMENT EMPLOYEES
JULY 1, 201~~2~~³ – JUNE 30, 201~~3~~⁴

1. RECOGNITION

1.1 The Management Group is comprised of the following classifications:

Commander, City Engineer, Senior Civil Engineer, ~~Utilities and~~ Capital Projects Manager, Planning Manager, Building Official, Wastewater Division Manager, ~~Public Services Superintendent~~, Information Systems ~~Administrator~~ ~~Technician~~, Accountant, Management Analyst, ~~Facilities Superintendent~~, Senior Planner, ~~Parks Superintendent~~, Support Services Manager, Recreation and Parks Maintenance Superintendent, ~~Harbor Operations Manager~~, ~~Harbor Business Manager~~.

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

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

1.3 ELECTRONIC DEPOSIT

All employees shall receive their pay by electronic methods. New hires must present account information for a checking or a savings account with an ACH member financial institution.

2. TERM

Except as otherwise specifically provided herein, the term of this ~~Resolution~~ ~~Agreement~~ commences on July 1, 201~~1~~³, and expires, and is otherwise fully terminated, at midnight on June 30, 201~~2~~⁴.

3. ANTI-DISCRIMINATION

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

4. WORK SCHEDULE

This article is intended to define the normal hours of work, and shall not be construed as a guarantee of work per day or per week, or of days of work per week.

4.1 WORKDAY:

The normal workday shall be eight (8) hours of work in a twenty-four (24) consecutive hour period, except in cases of emergencies. Alternative work schedules can be implemented

upon approval of the City Manager.

4.2 WORKSHIFT:

Employees shall be scheduled to work on regular work shifts having regular starting and quitting times. Except for emergencies, employees' work shifts shall not be changed without 24-hour prior notice to the employee.

4.3 WORKWEEK:

The normal workweek shall be five (5) workdays and two (2) consecutive days of rest in a seven (7) day period beginning Saturday, 12:00 a.m. and ending seven days later on Friday night at 11:59 p.m., except in cases of emergencies, or at the specific request of an employee and approval of department head. Nothing herein shall be construed to eliminate currently established irregular work schedules.

4.4 OVERTIME COMPENSATION

Employees in this group are considered "exempt" employees within the definition of FLSA, and do not receive overtime for time worked outside of the regular work schedule.

4.5 EMERGENCIES:

4.5.1 Nothing herein shall be construed to limit or restrict the authority of management to make temporary assignments to different or additional locations, shifts, or duties for the purpose of meeting an emergency. Such emergency assignments shall not extend beyond the period of said emergency.

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

5. VACATION LEAVE

5.1 During the term of this ~~Resolution~~ Agreement, employees shall earn paid vacation leave at the following rate:

Service Years	Entitlement in Days
1 thru 2	10
3 thru 4	11
5 thru 6	12
7 thru 8	13
9 thru 10	14
11 thru 12	15
13 thru 14	16
15 thru 16	17
17 thru 18	18
19 thru 20	19
21 or more	20

5.2 The standard for vacation time is eight (8) hours equals one (1) day.

5.3 MAXIMUM ACCUMULATION

It is recognized that long-standing accumulations of vacation time exist for some employees. In order to compensate employees for this unused vacation time and reduce this liability for the City, CITY and Management Group agree on the following policy:

5.3.1 Unused vacation leave may be carried over into the following year to a maximum of 4300 hours. Employees exceeding the 4300 hour maximum as of the pay period containing November 1 of each year will be paid off for vacation time exceeding the 4300 hour maximum. The CITY shall make said payment with the pay period containing the December 1 of each year. Payment shall be computed based upon the employee's base hourly rate of pay as of June 30 of the same calendar year. At the employees' further option, said payment may be put into deferred compensation.

5.3.2 Employees separating from the CITY are entitled to pay for accumulated vacation based upon employee's base hourly rate of pay as of June 30 prior to separation.

5.4 Members of the Management Group may exercise the option to convert into cash a maximum of forty (40) hours of accrued vacation leave each fiscal year. Such conversion shall be computed at the employee's current base hourly rate on an hour per hour basis.

Note: All leave time (vacation, sick leave, holiday, etc.) will be taken off on an hour for hour basis equaling employee actual time off, regardless of accumulation rates.

6. HOLIDAYS

6.1 For the purpose of this ~~Resolution~~ Agreement, the following days are the holidays for employees in this group:

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

6.2 Holidays falling on Saturday shall be observed on the preceding Friday, and holidays falling on Sunday shall be observed on the following Monday.

6.3 One holiday equals eight hours. ~~For those employees working the 9/80 alternative work schedule, one holiday can equal 9 hours.~~ Accrued holiday time may be taken in less than eight hour increments.

- 6.4 It is agreed that when a holiday is proclaimed by the Mayor of the CITY, then each employee shall be granted time-off in the same number of equivalent work hours. Such time-off shall be approved by the Department Head.
- 6.5 Employees may accumulate up to a maximum of 48 hours holiday time. Hours of holiday time accumulated over 48 hours will be paid off. When an employee terminates employment with the CITY, he/she shall receive pay for his/her current holiday balance up to a maximum of 48 hours at his/her current base hourly rate.
- 6.6 CITY's denial of requested holiday time off shall be neither arbitrary nor capricious.

7. ADMINISTRATIVE LEAVE

- 7.1 Each member of the Management Group is eligible to earn ~~sixty-four~~^{seventy-two} (64~~72~~⁷²) hours of administrative leave per fiscal year. The time during the fiscal year at which an employee may take administrative leave shall be determined by their Department Head, with regard for the wishes of the employee and particular regard for the needs of the services.
- 7.2 Up to ~~2448~~ hours of administrative leave may be rolled over into the following fiscal year, not to exceed 120 hours. Upon termination, employee will be paid the pro-rata amount commensurate with that portion of the fiscal year worked.
- 7.3 Each member of the Management Group may be eligible for additional administrative leave upon authorization from the City Manager. Such administrative leave may be granted when employees are required to perform their responsibilities in times of immediate threat to public health, safety and property, beyond their regular work schedule. The approval of such time is not guaranteed, and sole discretion without appeal rights rests with the City Manager, and is expressly eliminated from the Grievance Procedure. Recognizing the impact of the Fair Labor Standards Act, employees of the Management Group will be sensitive to the operational needs and financial limitations of the CITY, and will therefore attempt to limit the use of overtime by employees in their respective areas of responsibility.
- 7.4 Each new member of the Management Group, hired during the term of this agreement, shall, at the time of hire, be eligible for forty (40) hours of administrative leave. Use and accumulation of such leave will be in accordance with the other provisions of Article 9, except in the event that employee terminates before completing probation, administrative leave shall not be compensated.

8. SICK LEAVE

- 8.1 During the term of this ~~Resolution~~^{Agreement}, sick leave shall be earned at the rate of one (1) eight-hour workday for each calendar month of service. Sick leave used shall be actual employee time off. For example, if an employee works four (4) ten (10) hour days per week and is off sick for one of the ten (10) hour days, ten (10) hours shall be deducted from employee's sick leave balance. There shall be no maximum to the amount of sick leave that an employee may accumulate.
- 8.2 Based on individual utilization of paid sick leave in the preceding fiscal year, employee may

convert unused accumulated sick leave into paid vacation leave once during the following fiscal year, pursuant to the formula below:

<u>Sick Leave Utilization/F.Y.</u>	<u>Sick Leave</u>	to	<u>Vacation Leave</u>
0 hours	96 hours		48 hours
.25 to 8 hours	72 hours		36 hours
8.25 to 16 hours	48 hours		24 hours
16.25 to 25 hours	24 hours		12 hours
Over 25 hours	0		0

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

- 8.3 Upon the service retirement of an employee who has more than ten (10) years of service with the CITY, said employee shall be entitled to receive payment for up to the first seven hundred twenty (720) ~~days~~hours of his/her accrued sick leave at thirty-five percent (35%) of the employee's rate of pay as of the date of service retirement.

Service retirement is defined as service retirement from both the CITY and the respective retirement system thereof.

NOTE: Sick leave converted to service credit for PERS purposes cannot be compensated (converted to dollars).

9. EXEMPT TIME OFF

This policy is established in accordance with the Fair Labor Standards Act, which exempts employees of this group from requiring the CITY to pay time and one-half for time worked over 40 hours. Effective July 1, 2002, group members will use accumulated leave time to take time off for sick leave, medical appointments, personal business, vacation, etc. for time off that is less than one full day in the same manner as issued for taking time off that exceeds one day; that is, filling out leave forms and noting time off on time cards.

The exception to this policy is that time off of less than two (2) continuous hours per day need not be recorded. Abuses of this exception, i.e., taking ½ hour here and there throughout the day, will not be allowed.

10. RETIREMENT BENEFITS

- 10.1 The Management Group understands and agrees that employees bear the risk of payment of any increases in the employee contribution above the current percentage made by action of the PERS or the State Legislature.
- 10.2 Parties agree that CITY payment of PERS contributions are made based upon tax treatment currently permitted by the State Franchise Tax Board and the IRS.
- 10.3 Should current tax treatment change, the Management Group and the employee shall hold

harmless the CITY, its officers and agents from any and all claims or costs of any type including but not limited to liability for back taxes, arising out of this agreement to pay part of the employee's PERS contribution.

10.4 Should current tax treatment change, the Management Group shall have the opportunity to meet and confer regarding any such changes.

10.5 If the State Legislature adopts a two-tier P.E.R.S. retirement program applicable to the Management Group members, then all members employed after the effective date of such P.E.R.S. changes shall be placed in a new retirement plan or one selected by the CITY. Current employees at the time of plan adoption will have a one-time option to enter the new plan; enrollment period to be selected by CITY.

10.6 PERS Miscellaneous Employees

10.6.1 All members of the Management Group pay 100% of the employee contribution to CalPERS.

10.6.2 For employees hired prior to ~~the implementation of the PERS Contract Amendment regarding 2 Tier Retirement Formulas and Final Compensation for PERS Miscellaneous employees in the Management Group January 1, 2012~~, the CITY agrees to continue to provide the following PERS optional benefits:

- 2.7% at 55 plan (Section 21354)
- Sick Leave Credit Option (Section 20965)
- One-Year Final Compensation (20042)
- Military Service Credit (21024)
- 1959 Survivor Benefit, Level 4th (21574)

10.6.3 For employees hired on or after ~~the date of the implementation of the PERS Contract Amendment regarding 2 Tier Retirement Formulas and Final Compensation for PERS Miscellaneous employees in the Management Group January 1, 2012, but before January 1, 2013, and those hired on or after January 1, 2013 who meet the definition of "classic member", pursuant to the California Public Employee's Pension Reform Act of 2013 (PEPRA)~~, the CITY will provide a retirement benefit program through Public Employees Retirement System (PERS) with the following PERS optional benefits:

- 2% @ 60 plan (21353),
- Sick Leave Option (Section 20965),
- Final Compensation Average 36 consecutive highest months (20037),
- Military Service Credit (21024),
- 1959 Survivor Benefit 4th Level (21574)

10.6.4 Pursuant to the California Public Employees' Pension Reform Act of 2013 (PEPRA), effective January 1, 2013, employees hired who meet the definition of "new member" under PEPRA, will be covered by the 2% @ 62 retirement formula with the 36

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highest months final compensation provision, and shall pay a member contribution rate of fifty (50) percent of the expected normal cost rate.

Sick Leave Option (Section 20965).

Final Compensation Average 36 consecutive highest months (20037).

Military Service Credit (21024).

1959 Survivor Benefit 4th Level (21574)

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10.7. PERS Safety Employees

10.7.1 All members of the Management Group pay 100% of the employee contribution to CalPERS

10.7.2 For employees hired prior to September 17, 2011, ~~(or such later date as the PERS contract is amended pursuant to Section 10.7.3 below)~~ the CITY agrees to continue to provide PERS Safety employees in the Management Group with a retirement benefit program through the Public Employees Retirement System (PERS) as follows:

Highest Single Year Compensation effective 6-22-91 (Section 20042)

Sick Leave Credit effective 6-24-89 (Section 20965)

4th Level Survivor Benefit (Section 21574)

1959 Survivor Benefit effective 6-24-89 (Section 21580)

Military Service Credit effective 6-9-98 (Section 21024)

3% @ 50 Retirement Formula

Pre-Retirement Optional Settlement 2 Death Benefit

~~10.7.3 For employees hired on or after September 17, 2011, and those hired on or after January 1 2012 who meet the definition of "classic member" pursuant to the California Public Employees' Pension Reform Act of 2012 (PEPRA), (or such later date as the PERS contract is amended pursuant to this Section)~~ the CITY will provide a retirement benefit program through Public Employees Retirement System (PERS) ~~the retirement benefits set forth in 10.7.2 above will be modified and reads as~~ follows.

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36 Consecutive Month Final Compensation (Section 20037)

Sick Leave Credit effective 6-24-89 (Section 20965)

4th Level Survivor Benefit (Section 21574)

1959 Survivor Benefit effective 6-24-89 (Section 21580)

Military Service Credit effective 6-9-98 (Section 21024)

3% @ 55 Retirement Formula (Section 21363.1)

Pre-Retirement Optional Settlement 2 Death Benefit

10.7.4 Pursuant to the California Public Employees' Pension Reform Act of 2013 (PEPRA), effective January 1, 2013, employees hired who meet the definition of "new member" under PEPRA, will be covered by the 2.7% @ 57 retirement formula with the 36 highest months final compensation provision, and shall pay a member contribution rate of fifty (50) percent of the expected normal cost rate.

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36 Consecutive Month Final Compensation (Section 20037)

Sick Leave Credit effective 6-24-89 (Section 20965)

4th Level Survivor Benefit (Section 21574)
1959 Survivor Benefit effective 6-24-89 (Section 21580)
Military Service Credit effective 6-9-98 (Section 21024)
Pre-Retirement Optional Settlement 2 Death Benefit

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11. HEALTH BENEFITS/DEFERRED COMPENSATION PROGRAM

11.1 HEALTH INSURANCE

11.1.1 Employees of the Management Group shall participate in the PERS medical insurance plans on a cafeteria style basis, with the CITY contributing the PERS minimum (currently \$10819/month) to the active employee's medical insurance and \$1.00/month or the amount required by PERS to retiree medical insurance. Any costs in excess of these contribution rates shall be paid by the employee and retiree.

11.1.2 The Management Group receives a cafeteria plan contribution (including the amount required by PERS in 11.1.1 above) as follows:

Employee only - up to \$715/month or cost of insurance, whichever is less
Employee + 1 – up to \$9467/month or cost of insurance, whichever is less
Employee + family - up to \$10850/month or cost of insurance, whichever is less

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

11.2 DENTAL AND VISION INSURANCE:

11.2.1 During the term of this Agreement, the CITY shall offer dental/life and vision insurance and each employee shall be required to carry both dental/life and vision insurance for self. Life Insurance is provided at \$230,000 per employee. The following rates are effective January 1, 2013+.

	<u>VISION</u>	<u>DENTAL</u>	<u>LIFE</u>	<u>TOTALS</u>
<u>Employee Only</u>	<u>\$ 8.63</u>	<u>\$ 37.76</u>	<u>\$5.68</u>	<u>\$ 52.07</u>
<u>Employee + 1</u>	<u>\$17.26</u>	<u>\$106.39</u>	<u>\$5.68</u>	<u>\$129.33</u>
<u>Employee + 2</u>	<u>\$22.29</u>	<u>\$106.39</u>	<u>\$5.68</u>	<u>\$134.36</u>

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

<u>Employee Only</u>	<u>\$2.32</u>
<u>Employee + 1</u>	<u>\$7.75</u>
<u>Employee + 2+</u>	<u>\$8.22</u>

	<u>Vision</u>	<u>Dental</u>	<u>Life</u>	<u>Totals</u>	<u>Bank</u>	<u>EE pays</u>
<u>Employee only</u>	<u>\$7.64</u>	<u>\$42.87</u>	<u>\$5.70</u>	<u>\$56.21</u>	<u>\$53.28</u>	<u>\$2.93</u>
<u>Employee + 1</u>	<u>\$14.32</u>	<u>\$119.56</u>	<u>\$5.70</u>	<u>\$139.58</u>	<u>\$127.83</u>	<u>\$11.75</u>
<u>Employee + 2+</u>	<u>\$19.52</u>	<u>\$119.56</u>	<u>\$5.70</u>	<u>\$144.78</u>	<u>\$132.57</u>	<u>\$12.21</u>

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

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

11.4 ~~The provisions of this section shall be binding on the parties through the remainder of this agreement and for the term of the agreement that will be effective July 1, 2011. The parties agree herewith that no further collective bargaining will occur with respect to this section for the term of the agreement ending June 30, 2012.~~

11.54 LTD INSURANCE

The Management Group shall participate in the City-provided Long Term Disability Insurance Plan. The CITY shall pay the costs for this plan.

11.65 CONTRIBUTION TO OTHER PROGRAMS

CITY will contribute up to \$1,000 per calendar year to employee's deferred compensation or approved retiree medical savings plan on a 2:1 basis (i.e., employee contributes \$2, City contributes \$1).

11.76 WORKER'S COMPENSATION LEAVE

Any employee who is absent from duty because of an on-the-job injury in accordance with state worker's compensation law and is not eligible for disability payments under Labor Code Section 4850 shall be paid the difference between his/her base salary and the amount paid by worker's compensation during the first forty-five (45) working days of such temporary disability absence. Eligibility for worker's compensation leave requires an open worker's compensation claim.

12. EDUCATION INCENTIVES

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- 12.1 CITY agrees to reimburse the costs for job related and job-required certifications, correspondence courses, and licenses (except Class III driver's license) upon successful completion of the examination or course by the employee having written authorization in advance from their department head. This shall include application fees, examination fees, and certificate fees. Renewal fees may be paid in advance by the CITY. This provision does not apply to continuing education requirements.
- 12.2 CITY agrees to provide a City vehicle, when available, for required transportation, and will permit paid time for employee to take examinations scheduled during normal working hours. If no City vehicle is available, CITY will reimburse mileage for use of personal vehicle.

13. SALARIES

- 13.1 Effective the pay period ~~beginning~~including ~~January, 91, 2014~~, employees in ~~the~~ Management Group will ~~take~~receive a 2% salary ~~reduction~~increase. Additionally, as discussed in item 13.4 below regarding the deferment of a 3% salary increase in FY 2009/2010, employees in the Management Group will receive an additional ½% salary increase, effective with the pay period including January 1, 2014; total increase to the Management Group effective the pay period including January 1, 2014, is 2-1/2%
- 13.2 All salary adjustments, including, but not limited to merit increases, educational incentives, and any other pay adjustments, will take effect at the beginning of the next payroll period after the scheduled effective date of the increase.
- 13.3 Any and all special pay incentives will be calculated on base salary.

13.4 With the adoption of the 2009/10 budget, the City Council deferred the Management Group's 3% salary increase. With this Agreement, the City Council wishes to begin to repay that deferment, as indicated in 13.1 above, and expresses its commitment to restoring the remaining 2-1/2% to the Management Group to be addressed in future contract negotiations in the future.

14. WORK UNIFORMS

14.1 SAFETY SHOES:

Employees, who are required to wear steel-toed safety shoes in the performance of their duties, shall be eligible to receive an allowance for the provision of said shoes in the amount of one hundred twenty dollars (\$120.00) per fiscal year. Proof of purchase is required. Once purchased, such appropriate footwear must be worn while working.

15. PROBATION

The probationary period for newly hired employees in this group shall be twelve (12) months. The probationary period for employees promoted to a higher classification shall be six (6) months in the new classification. The CITY shall have the option of granting a newly hired employee regular status at any time after nine (9) months of service.

16. NO STRIKE, NO LOCK-OUT

- 16.1 During the term of this Resolution Agreement, the CITY will not lockout any employees nor will the Management Group cause, authorize, advise or encourage any interruption of work or any other concerted action. The term "interruption of work" shall mean any work stoppage or strike (including economic and unfair labor practice strikes) or any intentional slowdown of work. The term "other concerted action" includes picketing or boycott activities by the Management Group
- 16.2 There shall be no refusal to work on, handle or produce any materials or equipment because of a labor dispute.
- 16.3 Any group employee, engaging in any action prohibited by this Article, shall be subject to immediate discharge or such other discipline as the CITY may assess. Such discharge or discipline shall not be reviewable through the Grievance Procedure.

17. FULL UNDERSTANDING, MODIFICATION, WAIVER

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

18. SEVERABILITY

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

DATE: _____ DATE: _____
 MANAGEMENT CITY OF MORRO BAY

Bruce Keogh Susan Slayton, Acting City Manager

Kathleen Wold

Janeen Burlingame

Formatted: Left

~~PASSED AND ADOPTED~~ by the Morro Bay City Council at a meeting thereof held this 9th day of August 2011 by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

WILLIAM YATES, Mayor

BRIDGETT KESSLING, City Clerk



AGENDA NO: A-8

MEETING DATE: 1/14/14

Staff Report

TO: Mayor and City Council

DATE: December 20, 2013

FROM: Susan Slayton, Acting City Manager

SUBJECT: Annual Report on Unfunded Liabilities in Vacation and Sick Leave Accruals

RECOMMENDATION

This is an informational item for the City Council's review.

ALTERNATIVES

As this report is informational only, there are no alternatives presented.

FISCAL IMPACT

An employee's sick leave converts to service credit with CalPERS upon retirement. An employee's vacation leave must be paid out in full upon separation from employment. Both liabilities will fluctuate over time with events such as uses, payouts, conversions, employee pay rates and annual accruals.

SUMMARY

Presented tonight is the annual report on unfunded liabilities in employee vacation and sick leave accruals. Through December 20, 2013, the total accrued vacation dollar amount comes to \$446,918; this would only be payable if every City employee separated from City employment at the same time. This dollar amount fluctuates based on uses, payouts, employee pay rates and annual accruals. With the 2013/14 negotiation process, discussions were held about lowering annual accrual limits; it was agreed by the remaining affected groups with larger caps to reduce their limits.

The total accrued sick leave dollar amount comes to \$1,379,105. Per the terms of the City's PERS contract, sick leave converts to service credit upon retirement, so there is very little liability to the City. There is no maximum accrual limit on sick leave. This liability fluctuates based on uses, conversion and annual accruals.

DISCUSSION

An inquiry from the Grand Jury, received on March 1, 2012, led the City Council to request this annual update on unfunded accrual liabilities. Attached is a report, totaled by department, of the hours and dollar amounts of the liabilities in sick and vacation leave accruals as of December 20, 2013.

The City Council and staff recognized that lowering and restricting the accrual of vacation leave helps the City in managing this unfunded liability. With the 2013/14 negotiations, the City was successful in negotiating a lower accrual limit with the remaining units that still had larger caps in place.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

**CITY OF MORRO BAY
SCHEDULE OF UNFUNDED LIABILITIES
AS OF 12/20/2013**

<u>DEPT</u>	<u>SICK</u>		<u>VACATION</u>	
	<u>HOURS</u>	<u>DOLLARS</u>	<u>HOURS</u>	<u>DOLLARS</u>
Administration	919.2900	41,129.10	632.3000	37,102.19
Legal	182.7400	4,646.55	136.1800	3,462.66
Finance	3,461.8050	132,468.91	993.3700	37,731.23
Police	6,498.2915	248,677.46	2,134.2187	83,380.74
Communications	2,245.7695	51,009.58	360.5320	8,962.80
Fire	12,614.3396	455,474.63	3,192.8400	82,197.11
Public Services	2,244.6825	85,728.61	1,090.1200	48,643.10
Water	2,032.8760	58,618.93	867.1620	25,024.19
Sewer Collections	1,882.8900	49,939.15	389.1300	9,228.89
WWTP	1,199.6824	44,197.1900	785.0635	26,064.45
Recreation	2,234.6050	83,250.96	849.2000	33,255.71
Cons. Maintenance	2,413.0800	61,473.36	1,010.5600	26,548.66
Harbor	<u>1,585.0300</u>	<u>62,490.45</u>	<u>748.6500</u>	<u>25,315.79</u>
Total	<u>39,515.0815</u>	<u>\$ 1,379,104.88</u>	<u>13,189.3262</u>	<u>\$ 446,917.52</u>



AGENDA NO: A-9

MEETING DATE: January 14, 2014

Staff Report

TO: Honorable Mayor and City Council **DATE:** December 24, 2013
FROM: Rob Livick, PE/PLS – Public Services Director/City Engineer
SUBJECT: Authorization to File Notice of Completion for the 2012 Water Treatment Plant Improvements – Phase 1 (MB-2012-W1)

RECOMMENDATION

Authorize staff to file a Notice of Completion for the 2012 Water Treatment Plant Improvements – Phase 1 (MB-2012-W1)

ALTERNATIVES

There are no recommended alternatives to this item as this is the final step in the completed phase of this project.

FISCAL IMPACT:

This project was identified in the FY13-14 budget and was funded by a Proposition 84 Grant as well as from Water Accumulation Funds.

Funding Component	Amount
Proposition 84 Grant	\$351,311.18
Water Accumulation Funds	\$250,706.50
Total	\$602,017.68

SUMMARY

Filing of a Notice of Completion is a routine task for public works projects.

DISCUSSION

At the January 8, 2013 meeting, City Council awarded a construction contract for this project to Specialty Construction, Inc. of San Luis Obispo, CA in the base bid amount of \$995,278.00. Due to complications with permitting, the project was divided into two phases: Phase 1 for Repair and Maintenance and Phase 2 for Capital Improvements. The value of Phase 1 work was determined to be \$569,029.00 and the contract agreement was executed accordingly. Construction commenced in May 2013. Extra work and change orders during the course of construction increased the project cost an additional \$32,988.68. Substantial completion was achieved in October 2013, in time for the

Prepared By: BCR

Dept Review: RL

City Manager Review: _____

City Attorney Review: _____

Water Treatment Plant to provide 100% of the City's potable water needs during the 30-day State Water Shutdown period.

Phase 2, which consists primarily of the installation of additional water treatment tanks, will be re-bid once the California Coastal Commission permitting issues with the outfall, salt water wells and associated appurtenances are resolved.

CONCLUSION

Phase 1 of the Project has been completed by Specialty Construction, Inc. and staff recommends the City Council accept the Project and authorize the filing of a Notice of Completion.

ATTACHMENT:

Notice of Completion

CITY OF MORRO BAY

CERTIFICATE OF COMPLETION

The undersigned hereby certifies that the construction of

**PROJECT NO. MB-2012-W1
WATER TREATMENT PLANT IMPROVEMENTS
PHASE I**

by

SPECIALTY CONSTRUCTION, INC.

has been inspected and found to substantially comply with the approved plans and specifications and has been accepted as having been completed in accordance therewith.

It is, therefore, requested that the City Clerk file a Notice of Completion.

By: 

Robert Livick, PE/PLS
Public Services Director/City Engineer

Date: December 12, 2013



AGENDA NO: A-10

MEETING DATE: January 14, 2014

Staff Report

TO: Honorable Mayor and City Council **DATE: January 6, 2014**
FROM: Anne M. Russell, Interim City Attorney
SUBJECT: Approval of Resolution No. 01-14 Rescinding Resolution 57-13 (Relating to 2783 Coral Avenue in Morro Bay, California)

RECOMMENDATION

Adopt Resolution 01-14 rescinding Resolution 57-13 (relating to 2783 Coral Avenue in Morro Bay, California).

ALTERNATIVES

There are no alternatives offered for this item; this is a necessary action in order to move forward.

FISCAL IMPACT

None as a result of adopting the Resolution.

DISCUSSION

On October 22, 2013, by Resolution 52-13, the Council approved a Purchase Agreement for sale of City-owned property at 2783 Coral Avenue, Morro Bay, California to Broc Assets, Inc. and entered into escrow. The Purchase Agreement, among other things, required the City to confirm in an Open Session Meeting prior to the close of escrow that Tentative Tract Map 2859 subdividing the property had been extended until November 13, 2016. On November 6, 2013, the Council adopted Resolution 57-13, confirming that the Tract Map had been extended.

Subsequent to adoption of Resolution 57-13, the City became aware of issues affecting the validity of the Tract Map. The City and Broc Assets mutually cancelled the escrow by Cancellation Instructions dated December 26, 2013.

CONCLUSION

Staff recommends adoption of Resolution No.01-14 rescinding Resolution 57-13 (relating to 2783 Coral Avenue in Morro Bay, California) until the issues regarding the property and Tract Map are resolved.

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

City Manager Review: _____

City Attorney Review: _____

RESOLUTION NO. 01-14

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
RESCINDING RESOLUTION 57-13
(RELATING TO 2783 CORAL AVENUE IN MORRO BAY, CALIFORNIA)**

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

WHEREAS, by Resolution 52-13, the City approved a Real Estate Agreement with Broc Assets, Inc., a California Corporation (“Buyer”), for purchase of the property commonly known as 2783 Coral Avenue, Morro Bay, California, by Buyer (the “Purchase Agreement”); and

WHEREAS, provisions of the Purchase Agreement required the City, among other things, to confirm in open session, that the tract map subdividing the property was still valid; and

WHEREAS, City adopted Resolution 57-13 in an Open Session Council Meeting on November 12, 2013, so confirming; and

WHEREAS, City subsequently received information regarding the validity of the tract map; and

WHEREAS, City and Buyer executed Cancellation Instructions cancelling the Purchase Agreement on December 26, 2013.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morro Bay does rescind Resolution 57-13 and declare it null and void.

PASSED AND ADOPTED by the City Council, City of Morro Bay at a regular meeting thereof held on the 14th day of January, 2014, by the following vote:

AYES:

NOES:

ABSENT:

JAMIE L. IRONS, Mayor

ATTEST:

JAMIE BOUCHER, City Clerk

RESOLUTION NO. 57-13

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
CONFIRMING THE EXPIRATION DATE OF TENTATIVE
TRACT MAP 2859 AND AVAILABILITY OF WATER AND SEWER
(RELATING TO 2783 CORAL AVENUE IN MORRO BAY, CALIFORNIA)**

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

WHEREAS, the City obtained ownership of the vacant lot real property located at South East Corner (SEC) Coral/San Jacinto Street, Lot 124, Tract 1996 with a street address of 2783 Coral Avenue, Morro Bay, California in September 1996 (the "property"); and

WHEREAS, said property was dedicated to the City as a possible site for a fire substation. Subsequently, the City has determined that the property at SEC Coral Avenue and San Jacinto Street, Lot 124, Tract 1996 is not suited for a fire substation and better locations exist for a fire substation; and

WHEREAS, the City designated the real properties at the SEC Coral/San Jacinto Street, Lot 124, Tract 1996 with a street address of 2783 Coral Avenue, Morro Bay, California for sale at the Open Session Council Meeting on July 11, 2005 and held a public hearing on July 25, 2005, and after receiving no protests passed and adopted Resolution 30-05 by a unanimous vote; and

WHEREAS, pursuant to Government Code section 37421, and Resolution No. 30-05, the City notified its citizens of its intention to sell City-owned properties located at the SEC Coral/San Jacinto Street, Lot 124, Tract 1996 with a street address of 2783 Coral Avenue, Morro Bay, California; and

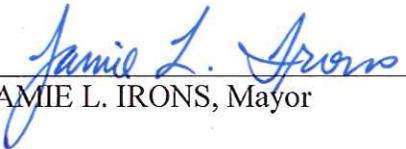
WHEREAS, by Resolution 52-13 in Open Session Council Meeting on October 22, 2013, City approved a Real Estate Agreement with Broc Assets, Inc., a California Corporation ("Buyer") for purchase of the property by Buyer for \$935,000.00 (the Purchase Agreement"), and

WHEREAS, paragraph 8(e) of the purchase agreement, as a condition precedent to the Buyer's obligation to close, requires the City to confirm in an Open Session Meeting prior to the close of escrow that Tract Map 2859 has been extended until November 13, 2016, and that potable water and sewer services for each of the six lots are and shall be available during the life of the tract map.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morro Bay does hereby confirm that Tentative Tract Map 2859 for the property was approved by the City Council on November 13, 2007, and was originally set to expire November 13, 2009. SB 1185 (Government Code Section 66452.21(a)) extended the Tract Map until November 13, 2010, AB 33 (Government Code Section 66452.22) extended the Tract Map until November 13, 2012, AB 208 (Government Code Section 66452.23) extended the Tract Map until November 13, 2014, and AB 116 (Government Code Section 66452.24) extended the Tract Map until November 13, 2016. Barring an act of god, catastrophe, or severe water shortage, potable water and services for each of the six lots of the property are available during the life of the Tract Map.

PASSED AND ADOPTED by the City Council, City of Morro Bay at a regular meeting thereof held on the 12th day of November 2013, by the following vote:

AYES: Irons, C. Johnson, N. Johnson, Leage, Smukler
NOES: None
ABSENT: None



JAMIE L. IRONS, Mayor

ATTEST:



JAMIE BOUCHER, City Clerk



First American Title

First American Title Company
601 Morro Bay Blvd, Suite A
Morro Bay, CA 93442
(805)772-2773
Fax - (866)774-7505

CANCELLATION INSTRUCTIONS

To: First American Title Company
Hilary Hopkins, Escrow Officer

Date: 12/26/2013
File No.: 4005-4519006

Re: 2783 Coral Avenue, Morro Bay, CA 93442

Cancellation: The parties hereby cancel both the Purchase Agreement dated October 22, 2013 ("Agreement") and this escrow for the above referenced property. Buyer and Seller mutually release each other from all obligation to buy, sell or exchange the property under the Agreement, and from all claims, actions and demands that each may have against the other(s) by reason of the Agreement. Buyer and Seller intend that all rights and obligations arising out of the Agreement are null and void.

Disbursement of Funds and Documents: With respect to the funds and documents in Escrow, Escrow Holder is directed as follows:

After payment to Escrow Holder of

- (i) cancellation fee in the amount of **\$None**
- (ii) Its fees and costs advanced in the amount of **\$None** representing N/A

release balance of funds totaling **\$100,100.00** as follows:

- pay \$N/A to N/A
- pay \$N/A to N/A
- release balance of funds to:
\$100,100.00 - Buyer \$None - Seller

Return all documents to the respective parties who deposited same with Escrow Holder. Retain any original documents created by Escrow Holder.

Refund: Escrow is directed to:

- Hold for pick up at this office
- Mail to the address below
- Send via certified mail
- Deliver to Agent
- Send via next day mail (Additional \$15.00 charge)
- Other:

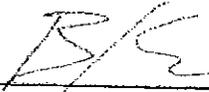
- Send via wire transfer (Additional \$15.00 charge)

(If checked, **Attach wiring instructions of receiving bank**)

Note: Receiving Banks may impose a charge for the receipt of any wire transfers.

Funds Held Fee: If the event that funds remain in escrow for any reason more than 90 days after the close of escrow, or if escrow has not closed 90 days after the estimated closing date set forth in the existing escrow instructions to Escrow Holder ("Dormancy Period"), Escrow Holder will make reasonable efforts to notify the parties regarding same. If funds remain in escrow beyond the Dormancy Period, a monthly "funds held fee" of \$25.00 shall accrue for each month or fraction of a month thereafter that the funds, or any portion thereof, remain in escrow. Escrow Holder is instructed to deduct the monthly funds held fee directly from the funds held in escrow on a monthly or other periodic basis (i.e. quarterly, semi-annually, etc.). The parties agree to pay these sums to compensate Escrow Holder for administering, monitoring, accounting, reminders and other notifications and processing of the funds so held in accordance with this provision.

Broc Assets, Inc., a California corporation



By: Broc R. Kelly, President

Please indicate your forwarding address and phone number:

BROC ASSETS INC

14650 Old Highway 80

El Cajon Ca 92021

Home Phone:

Cell Phone: 619 884-6406

Work Phone: 619 749-3371

Email Address: britney@brocglobal.com

City of Morro Bay



By: (Print Name), (Print Capacity of Authorized Signer)

SUSAN SLAYTON
ACTING CITY MANAGER

Please indicate your forwarding address and phone number:

City of Morro Bay

Attn: City Attorney's Office
595 Harbor Street

Morro Bay, CA 93442

Home Phone: _____

Cell Phone: _____

Work Phone: (805) 772-6568

Email Address: arussell@morro-bay.ca.us



AGENDA NO: A-11

MEETING DATE: January 14, 2014

Staff Report

TO: Honorable Mayor and City Council

DATE: January 6, 2014

FROM: Eric Endersby, Harbor Director

SUBJECT: Resolution No. 02-14 Authorizing the City of Morro Bay to Enter Into 2014/2016 Abandoned Watercraft Abatement Fund Contract with the Division of Boating and Waterways

RECOMMENDATION

Staff recommends that the City Council adopt Resolution #02-14 authorizing the Harbor Director to execute the attached \$9,000 Abandoned Watercraft Abatement Fund (AWAF) contract agreement #C7701007 with the Division of Boating and Waterways (DBW) for assistance with demolition of abandoned/derelict vessels and hazards to navigation.

ALTERNATIVES

No alternatives are being presented.

FISCAL IMPACT

Approval of this \$9,000 grant agreement will provide funding for demolition of several abandoned vessels. City is required to provide a 10% funding match, or \$900, which will come from existing budgeted funds.

BACKGROUND

AWAF was established in 1997 and provides funds to public agencies to remove, store, and dispose of abandoned, wrecked, or derelict vessels or other submerged objects from navigable waterways which pose a hazard to navigation or the environment. To date, the Harbor Department has received and expended over \$53,000 in four separate AWAf fund grants.

DISCUSSION

Staff will prioritize vessels in need of abatement and contract-out the work accordingly. Projects will be put out to bid if necessary, as they arise, and the City will remove as many vessels as possible within the scope of the \$9,000 grant agreement.

Prepared By: EE

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

CONCLUSION

It is recommended that the City Council adopt Resolution #02-14, and authorize the Harbor Director to execute the 2014/2016 AWAFF grant and to act as the City's authorized Agent for the purposes of the grant agreement.

RESOLUTION NO. 02-14

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
AUTHORIZING THE CITY OF MORRO BAY TO ENTER
INTO 2014/2016 ABANDONED WATERCRAFT ABATEMENT FUND
CONTRACT WITH THE DIVISION OF BOATING
AND WATERWAYS**

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

WHEREAS, City of Morro Bay (City) applied for a grant from the Division of Boating and Waterways (DBW) under the Abandoned Watercraft Abatement Fund (AWAF) program; and

WHEREAS, DBW awarded a grant of \$9,000 under AWAF to the City for removal of derelict/abandoned vessels and hazards to navigation.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that the City of Morro Bay is hereby authorized to enter into AWAF Contract #C7701007 in the amount of \$9,000 for removal of derelict/abandoned vessels and hazards to navigation.

BE IT FURTHER RESOLVED, that the Harbor Director is hereby authorized to act as the City's agent in regards to all aspects of the grant contract agreement.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of January, 2014 on the following vote:

AYES:
NOES:
ABSENT:

Jamie L. Irons, Mayor

ATTEST:

Jamie Boucher, City Clerk

State of California – Natural Resources Agency
DEPARTMENT OF PARKS AND RECREATION
DIVISION OF BOATING AND WATERWAYS

GRANT AGREEMENT

GRANTEE City of Morro Bay Harbor Department

THE TERM OF THIS AGREEMENT IS January 15, 2014 THROUGH January 15, 2016

GRANT TITLE: **ABANDONED WATERCRAFT ABATEMENT FUND (AWAF)**

GRANT NUMBER: C7701007

The Grantee agrees to the terms and conditions of this grant, hereinafter referred to as Agreement, and the State of California, acting through its Director of Parks and Recreation, pursuant to the State of California agrees to fund the total State grant amount indicated below. The GRANTEE agrees to complete the SCOPE OF WORK as defined in the agreement.

The General and Special Provisions attached are made a part of and incorporated into the Agreement.

Grantee: City of Morro Bay Harbor Department

Agency: Department of Parks and Recreation,
Division of Boating and Waterways
ATTN: Susan Sykes

Address: 1275 Embarcadero
Morro Bay, CA 93442

Address: One Capitol Mall, Suite 500
Sacramento, CA 95814

BY: _____
(Authorized Signature)

BY: _____
(Authorized Signature)

(Printed Name and Title of Authorized Representative)

SYLVIA ORTEGA HUNTER, DEPUTY DIRECTOR
(Printed Name and Title of Authorized Representative)

Date _____

Date _____

CERTIFICATE OF FUNDING

GRANT NO C7701007	AMENDMENT NO	CALSTARS VENDOR NO		PROJECT NO
AMOUNT ENCUMBERED BY THIS DOCUMENT \$ 9,000.00	FUND TITLE Abandoned Watercraft Abatement Fund #0577		AGENCY BILLING CODE NO 032011	
PRIOR AMOUNT ENCUMBERED BY THIS DOCUMENT \$ 0.00	ITEM 3790-101-0577	CHAPTER 20	STATUTE 2013	FISCAL YEAR 2013/14
TOTAL AMOUNT ENCUMBERED TO DATE \$ 0.00	INDEX 1700	OBJECT CODE 702	PCA CODE 69001	PROJECT/WORK PHASE
T.B.A. NO	<i>I hereby certify upon my own personal knowledge that the budgeted funds are available for this encumbrance.</i>			
B.R. NO 77-1	ACCOUNTING OFFICER'S SIGNATURE		DATE	



AGENDA NO: A-12

MEETING DATE: January 14, 2014

Staff Report

TO: Honorable Mayor and City Council **DATE:** January 6, 2014
FROM: Eric Endersby, Harbor Director
SUBJECT: Resolution No. 03-14 Authorizing the City of Morro Bay to Enter Into 2014/2016 Vessel Turn-In Program Fund Contract with the Division of Boating and Waterways

RECOMMENDATION

Staff recommends that City Council adopts Resolution #03-14 authorizing the Harbor Director to execute the attached \$5,000 Vessel Turn-In Program (VTIP) grant contract agreement #C7701106 with the California Division of Boating and Waterways (DBW) for assistance with demolition of surrendered vessels prior to abandonment.

As stewards of the harbor and ocean environment, this grant would enable the Harbor Department to accept surrendered vessels for demolition prior to them becoming abandoned and posing hazards to navigation or the environment.

ALTERNATIVES

No alternatives are being presented.

FISCAL IMPACT

Approval of this \$5,000 grant agreement provides funding for demolition of several surrendered vessels. City is required to provide a 10% funding match, or \$500, which will come from existing budgeted funds.

BACKGROUND

VTIP was established by DBW from enabling Legislation in 2009. It provides a funding mechanism for local agencies to identify vessels in danger of being abandoned (generally older vessels at or beyond their useful life and falling into dereliction) and accepting ownership of those vessels from willing owners for demolition prior to them being abandoned and becoming a hazard to navigation or the environment. The City has accepted two prior grants from DBW under the VTIP program. To date the City has disposed of numerous vessels of various sizes under the VTIP and Abandoned Watercraft Abatement Fund (AWAF) grant programs. VTIP is a sister program to AWAFF.

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

DISCUSSION

The Harbor Department will identify vessels in danger of abandonment and prioritize removal of them by working with willing owners. Projects will be put out to bid if necessary, as they arise, and the City will remove as many vessels as possible within the scope of the \$5,000 grant agreement.

CONCLUSION

It is recommended that the City Council adopt Resolution #03-14, and authorize the Harbor Director to execute the 2014/2016 VTIP grant and to act as the City's authorized Agent for the purposes of the grant agreement.

RESOLUTION NO. 03-14

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
AUTHORIZING THE CITY OF MORRO BAY TO ENTER
INTO 2014/2016 VESSEL TURN-IN PROGRAM FUND
CONTRACT WITH THE DIVISION OF BOATING
AND WATERWAYS**

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

WHEREAS, City of Morro Bay (City) applied for a grant from the California Division of Boating and Waterways (DBW) under the 2014/2016 Vessel Turn-In Program (VTIP); and

WHEREAS, DBW awarded a grant of \$5,000 under VTIP to the City for removal of surrendered vessels prior to abandonment.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Morro Bay, California, that the City of Morro Bay is hereby authorized to enter into VTIP Contract #C7701106 for removal of surrendered vessels in the amount of \$5,000.

BE IT FURTHER RESOLVED, that the Harbor Director is hereby authorized to act as the City's agent in regards to all aspects of the grant agreement.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of January, 2014 on the following vote:

AYES:

NOES:

ABSENT:

Jamie L. Irons, Mayor

ATTEST:

Jamie Boucher, City Clerk

State of California – Natural Resources Agency
DEPARTMENT OF PARKS AND RECREATION
DIVISION OF BOATING AND WATERWAYS

GRANT AGREEMENT

GRANTEE City of Morro Bay Harbor Department

THE TERM OF THIS AGREEMENT IS January 15, 2014 THROUGH January 15, 2016

GRANT TITLE: VESSEL TURN-IN PROGRAM (VTIP)

GRANT NUMBER: C7701100

The Grantee agrees to the terms and conditions of this grant, hereinafter referred to as Agreement, and the State of California, acting through its Director of Parks and Recreation, pursuant to the State of California agrees to fund the total State grant amount indicated below. The GRANTEE agrees to complete the SCOPE OF WORK as defined in the agreement.

The General and Special Provisions attached are made a part of and incorporated into the Agreement.

Grantee: City of Morro Bay Harbor Department

Agency: Department of Parks and Recreation,
Division of Boating and Waterways
ATTN: Susan Sykes

Address: 1275 Embarcadero
Morro Bay, CA 93442

Address: One Capitol Mall, Suite 500
Sacramento, CA 95814

BY: _____
(Authorized Signature)

BY: _____
(Authorized Signature)

(Printed Name and Title of Authorized Representative)

SYLVIA ORTEGA HUNTER, DEPUTY DIRECTOR
(Printed Name and Title of Authorized Representative)

Date _____

Date _____

CERTIFICATE OF FUNDING

GRANT NO C7701100	AMENDMENT NO	CALSTARS VENDOR NO		PROJECT NO
AMOUNT ENCUMBERED BY THIS DOCUMENT \$ 5,000.00	FUND TITLE Abandoned Watercraft Abatement Fund #0577		AGENCY BILLING CODE NO 032011	
PRIOR AMOUNT ENCUMBERED BY THIS DOCUMENT \$ 0.00	ITEM 3790-101-0577	CHAPTER 20	STATUTE 2013	FISCAL YEAR 2013/14
TOTAL AMOUNT ENCUMBERED TO DATE \$ 0.00	INDEX 1700	OBJECT CODE 702	PCA CODE 69002	PROJECT/WORK PHASE
T.B.A. NO	<i>I hereby certify upon my own personal knowledge that the budgeted funds are available for this encumbrance.</i>			
B.R. NO 77-1	ACCOUNTING OFFICER'S SIGNATURE		DATE	



AGENDA NO: A-13

MEETING DATE: 01/14/2014

Staff Report

TO: Honorable Mayor and City Council **DATE:** January 8, 2014
FROM: Susan Slayton, Acting City Manager
SUBJECT: Resolution No. 05-14 Adopting the Memorandum of Understanding with the Morro Bay Police Employees and Related Compensation

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. 05-14, approving the Memorandum of Understanding with the Morro Bay Peace Officers Association. The term of the MOU is from July 1, 2013 through June 30, 2014.

FISCAL IMPACT

As per City Council's direction, this MOU reflects the following costs to the City:

1. 2% salary increase, effective with the pay period including January 1, 2014 - \$19,175 (\$13,298 salaries, \$5,877 benefits); and
2. \$1,050 additional uniform allowance (\$50 per officer/dispatcher).

SUMMARY:

The July 2012 – June 2013 Morro Bay Peace Officers Association MOU is currently on the City's website (link: "Employee Compensation Information"). The proposed July 1, 2013 – June 30, 2014 MOU, which is attached in a draft blue-lined format, includes the following changes:

1. Salary increase of 2%, which equates to \$19,175 (\$13,298 in salaries and \$5,877 in benefits). This increase is effective with the pay period including January 1, 2014; and
2. Uniform allowance increase of \$50 per year, which equates to \$1,050 for 16 officers and 5 dispatchers.

The MOU has been ratified by the MBPOA.

Prepared By: _____ Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

RESOLUTION NO. 05-14

**RESOLUTION OF THE CITY OF MORRO BAY
ADOPTING THE MEMORANDUM OF UNDERSTANDING WITH THE MORRO BAY
POLICE EMPLOYEES AND RELATED COMPENSATION**

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, that it hereby approves and adopts, in full, the Memorandum of Understanding for the period July 1, 2013 through June 30, 2014, as attached and made a part of this Resolution.

BE IT FURTHER RESOLVED by the City Council of the City of Morro Bay that the Acting City Manager is hereby authorized to execute the Memorandum of Understanding on behalf of the City.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a meeting thereof held this 14th day of January, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

JAMIE L. IRONS, Mayor

JAMIE BOUCHER, City Clerk

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**MEMORANDUM OF UNDERSTANDING
BETWEEN THE MORRO BAY PEACE OFFICERS' ASSOCIATION
AND THE CITY OF MORRO BAY
~~2012-2013-2014~~**

ARTICLE 1 - PURPOSE

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

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

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

THEREFORE, this Memorandum of Understanding is entered into as of July 1, ~~2012~~ 2013 between the City of Morro Bay, referred to as CITY, and the Morro Bay Peace Officers' Association referred to as ASSOCIATION.

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

ARTICLE 2 - MANAGEMENT

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

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

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

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

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

2.4 AUTHORITY IF THIRD PARTY NEUTRAL - MANAGEMENT RIGHTS

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

ARTICLE 3 - RECOGNITION

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

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

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

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

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

ARTICLE 4 - ASSOCIATION BUSINESS

4.1 Employee representatives designated by the ASSOCIATION shall be granted time off, without loss of pay, to attend "meet and confer" sessions with the City Manager and/or his/her designee on subjects within the scope of representation

when such meetings are scheduled during regular working hours. Should such meetings extend beyond an employee representative's regular working hours, the employee representative shall be paid for only the regular working hours.

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

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

ARTICLE 5 - AUTHORIZED AGENTS

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

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

ARTICLE 6 - WITHHOLDING OF ASSOCIATION DUES AND INSURANCE

- 6.1 It is agreed that CITY will withhold ASSOCIATION dues and ASSOCIATION group insurance premiums from the monthly pay of each regular City employee who is a member of the ASSOCIATION. ASSOCIATION agrees to provide CITY with individual ASSOCIATION member authorizations signed by the individual ASSOCIATION member authorizing CITY to make agreed deductions; specifying

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

- 6.2 All ASSOCIATION members on payroll deduction for payment of ASSOCIATION dues on the day of signing of this Memorandum of Understanding must remain on payroll deduction for the life of the Agreement or so long as they remain members of the UNIT. ASSOCIATION members who establish payroll dues deduction during the term of this Memorandum of Understanding must remain on payroll deduction for the life of this Memorandum or so long as they remain members of the UNIT. ASSOCIATION members on dues payroll deduction may terminate such ASSOCIATION dues during the period of December 15-31 by notifying both the ASSOCIATION and the City Administrative Services Department of their termination of ASSOCIATION dues deduction. Such notification shall be in the form of a letter containing the following information: Employee name, social security number, job classification, and department name.
- 6.3 ASSOCIATION shall indemnify and hold harmless the City of Morro Bay, its officers, agents, and employees from any and all claims, demands, damages, costs, expenses, or liability arising out of this Article.

6.4 DEPOSIT OF DEDUCTIONS

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

ARTICLE 7 – TERM

Except as otherwise provided herein, the term of this Agreement commences on July 1, ~~2012-2013~~ and expires and is otherwise fully terminated on June 30, ~~2013~~2014.

ARTICLE 8 - RENEGOTIATIONS

- 8.1 The parties agree to commence renegotiations for a successor agreement for the period beginning July 1, ~~2013-2014~~ as soon as administratively possible following January 1, ~~2013~~2014.
- 8.2 The parties agree that, upon reaching a ground rules agreement, except by mutual agreement, no new subjects may be introduced into the process after the third (3rd) negotiations meeting.
- 8.3 City and MBPOA agree to conduct a joint compensation survey to be completed by April 1, ~~2013~~2014.

ARTICLE 9 - ANTI-DISCRIMINATION

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

ARTICLE 10 - WORK SCHEDULE

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

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

10.2 OVERTIME

10.2.1 Non-Sworn Personnel

Overtime is described as all work authorized by management and actually worked by the employee in excess of forty (40) hours worked in a

workweek. For the purpose of defining hours worked, vacation leave and holiday leave shall be considered as time worked in a workweek. All overtime as defined above shall be paid at one and one-half (1.5) times the employee's regular rate of pay.

10.2.2 Sworn Personnel

Overtime shall be all work authorized by management and actually worked by the employee in excess of eighty (80) hours worked in a work period. For the purpose of defining hours worked, vacation leave and holiday leave taken shall count towards time worked for the purpose of overtime. All overtime as defined herein, shall be paid at one and one-half (1.5) times the employee's regular rate of pay.

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

10.2.3 Compensatory Time Off

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

10.2.4 Compensatory Time Payoff

Once annually, employees may elect a payoff of up to 40 hours of accrued compensatory time. Payment will be made on the second paycheck received in March upon 30 days advance notice.

10.3 EMERGENCIES

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

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

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

10.4 SHIFT ROTATION

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

ARTICLE 11 - VACATION/HOLIDAY LEAVE

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

11.1 VACATION

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

<u>SERVICE YEARS</u>	<u>VACATION ACCRUAL</u>
1-2	80 hrs
3-4	88 hrs
5	96 hrs
6-7	104 hrs
8-9	112 hrs
10-11	120 hrs
12-13	128 hrs
14-15	136 hrs
16-17	144 hrs
18-19	152 hrs
20 or more	160 hrs

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

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

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

Employees who have a requested vacation denied or canceled within 60 days prior to reaching the 226 hour accrual maximum shall, upon request,

be given an additional 60 days following reaching the maximum to utilize vacation prior to ceasing to accrue.

11.2 HOLIDAYS

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

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

11.2.2 Employees who work a holiday listed above shall be paid one and one-half (1.5) times their base hourly rate. An employee is eligible for the one and one-half time pay only for the hours actually worked during the date set forth in section 11.2.1. Each employee will be credited eight (8) hours Holiday Leave for each holiday listed in 11.2.1 above or recognized under 11.2.3 below in addition to pay for time worked on that holiday. Holiday Leave hours shall be pro-rated annually and credited to employees at the rate of four hours per pay period.

11.2.3 Holidays Proclaimed by Government Officials -- It is agreed that when a holiday is proclaimed by the Mayor of the CITY then each regular member of the UNIT shall be granted compensation in the same number of hours as equivalent to the time-off granted other employees of the CITY. Such time-off shall be selected by the Police Chief.

11.2.4 Accumulated Holiday Leave may be scheduled and taken upon approval of the Police Chief/designee.

11.2.5 Employees may accumulate up to a maximum of 116 hours Holiday Leave per year. All Holiday Leave not taken by the pay period containing December 1 shall be paid off at the employee's current rate of pay. By request only, employees may be paid for a designated amount of accumulated Holiday Leave June 1 upon 30 days advance notice to Payroll. When an employee terminates employment with the CITY, employee shall receive pay for employee's current holiday balance at employee's current base hourly rate.

NOTE: Subject to maximum accrual limits employee specified amounts of Holiday Leave may be transferred to Compensatory Time Off upon request in December only. Payroll must be notified by November 1st.

11.3 MILITARY LEAVE

11.3.1 Military Leave will be provided pursuant to City Resolution 65-01 and Military and Veterans Code 395.03

11.4 ASSOCIATION LEAVE

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

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

ARTICLE 12 - SICK LEAVE

12.1 Sick leave shall be earned at the rate of eight hours each calendar month of service. There is no limit on the amount of sick leave that may be accumulated by members of this UNIT.

12.2 Based on individual utilization of paid sick leave in the preceding calendar year, employee may convert unused accumulated sick leave into paid vacation leave once during the following fiscal year, pursuant to the formula below:

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

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

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

ARTICLE 13 - BEREAVEMENT

Employees are permitted to utilize three (3) days of paid bereavement leave per occurrence in the case of the death of members of the employee's immediate family (as defined in the Personnel Rules). The three (3) days shall be regardless of shift length, subject to a maximum of 12 hours per day. Any necessary extra time shall be taken from the employee's accrued sick leave. In cases where sick leave is exhausted, vacation time shall be charged. Paid leave beyond the initial three (3) days is subject to department approval.

ARTICLE 14 - RETIREMENT

- 14.1 It is the employee's obligation to contribute the employee's contribution to PERS. The employee shall pay his/her own contribution by payroll deduction consistent with the provisions of 414 (h) 2 of the Internal Revenue Code. (9% PERS Safety and 8% current PERS Non-Safety employees and 7% second tier PERS Non-Safety employees.)
- 14.2 The ASSOCIATION understands and agrees that employees bear the risk of payment of any increases in the employee contribution above the current percentage made by action of the PERS or the state legislature.
- 14.3 Parties agree that CITY payment of PERS contributions are made based upon tax treatment currently permitted by the State Franchise Tax Board and the IRS.
- 14.4 Should current tax treatment change, the ASSOCIATION and the employee shall hold harmless the CITY, its officers and agents from any and all claims or costs of any type including but not limited to liability for back taxes, arising out of this agreement to pay part of the employee's PERS contribution. Should current tax treatment change, the ASSOCIATION shall have the opportunity to meet and confer regarding any such changes.
- ~~14.5—Should current tax treatment change, the ASSOCIATION shall have the opportunity to meet and confer regarding any such changes.~~
- 14.65 For Sworn employees hired prior to September 17, 2011 (or such later date as the PERS contract is amended pursuant to Section 14.7-6 below) the CITY agrees to continue to provide PERS Safety employees in this UNIT with a retirement benefit program through the Public Employees Retirement System (PERS) as follows:
- 14.65.1 Highest Single Year Compensation effective 6-22-91 (Section 20042)
 - 14.65.2 Sick Leave Credit effective 6-24-89 (Section 20965)
 - 14.65.3 4th Level Survivor Benefit (Section 21574)
 - 14.65.4 1959 Survivor Benefit effective 6-24-89 (Section 21580)

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- 14.65.5 Military Service Credit effective 6-9-98 (Section 21024)
- 14.65.6 3% @ 50 Retirement Formula
- 14.65.7 Pre-Retirement Optional Settlement 2 Death Benefit

14.76 For Sworn employees hired on or after September 17, 2011 (or such later date as the PERS contract is amended pursuant to this Section) the CITY will provide a retirement benefit program through Public Employees Retirement System (PERS) the retirement benefits set forth in 14.65 above will be modified and reads as follows.

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- 14.76.1 36 consecutive months final compensation
- 14.76.2 Sick Leave Credit effective 6-24-89 (Section 20965)
- 14.76.3 4th Level Survivor Benefit (Section 21574)
- 14.76.4 1959 Survivor Benefit effective 6-24-89 (Section 21580)
- 14.76.5 Military Service Credit effective 6-9-98 (Section 21024)
- 14.76.6 3% @ 55 Retirement Formula
- 14.76.7 Pre-Retirement Optional Settlement 2 Death Benefit

14.87 For Non-Sworn employees hired prior to September 17, 2011 (or such later date as the PERS contract is amended pursuant to Section 14.98 below) the CITY agrees to continue providing PERS Miscellaneous employees in this UNIT with the following PERS benefits:

- 14.87.1 Highest single year compensation
- 14.87.2 2.7% at 55 Retirement Formula
- 14.87.3 Sick Leave Credit Option (Section 20965)
- 14.87.4 Military Service Credit effective 4-13-00 (Section 21024)
- 14.87.5 Pre-Retirement Optional Settlement 2 Death Benefit
- 14.87.6 1959 Survivor Benefit, Level 4 (21574)

14.98 For Non-Sworn employees hired on or after September 17, 2011 but before January 1, 2013 (or such later date as the PERS contract is amended pursuant to this Section) the retirement benefits set forth in 14.87 above will be modified and reads as follows:

- 14.98.1 36 consecutive months final compensation
- 14.98.2 2% at 60 Retirement formula
- 14.98.3 Sick Leave Credit Option (Section 20965)
- 14.98.4 Military Service Credit effective 4-13-00 (Section 21024)
- 14.98.5 Pre-Retirement Optional Settlement 2 Death Benefit
- 14.98.6 1959 Survivor Benefit, Level 4 (21574) compensation.

14.9 Pursuant to the California Public Employees' Pension Reform Act of 2013 (PEPRA), effective January 1, 2013, Sworn employees hired who meet the definition of new member under PEPRA, will be covered by the 2.7% @ 57 retirement formula with the 36 highest months final compensation provision, and shall pay a member contribution rate of fifty (50) percent of the expected normal cost rate with plan options as follows:

14.9.1 Sick Leave Option (Section 20965)

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14.9.2 1959 Survivor Benefit 4th Level (21574)

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14.10 Pursuant to the California Public Employees' Pension Reform Act of 2013 (PEPRA), effective January 1, 2013, Non-Sworn employees hired who meet the definition of new member under PEPRA, will be covered by the 2% @ 62 retirement formula with the 36 highest months final compensation provision, and shall pay a member contribution rate of fifty (50) percent of the expected normal cost rate.

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14.10.1 Sick Leave Option (Section 20965)

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14.10.3 Military Service Credit (21024)

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14.10.4 1959 Survivor Benefit 4th Level (21574)

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ARTICLE 15 - HEALTH BENEFITS

15.1 HEALTH INSURANCE

15.1.1 Employees of this UNIT shall participate in the PERS medical insurance plans on a cafeteria style basis, with the CITY contributing the PERS minimum (currently \$~~408~~115/month) to the active employee's medical insurance and \$1.00/month or the amount required by PERS to retiree medical insurance. Any costs in excess of these contribution rates shall be paid by the employee and retiree.

Comment [LBG1]: And will be \$119 beginning Jan 2014

15.1.2 UNIT employees receive a cafeteria plan contribution (including the amount required by PERS in 15.1.1 above) as follows:

~~Employee only – up to \$715/month or cost of insurance, whichever is less
Employee + 1 – up to \$947/month or cost of insurance, whichever is less
Employee + family – up to \$1050/month or cost of insurance, whichever is less~~

~~15.1.3 Effective January 1, 2013, UNIT employees receive a cafeteria plan contribution (including the amount required by PERS in 15.1.1 above) as follows:~~

~~Employee only - up to \$715/month or cost of insurance, whichever is less
Employee + 1 – up to \$967/month or cost of insurance, whichever is less
Employee + family - up to \$1080/month or cost of insurance, whichever is less~~

15.1.4 Effective January 1, 2009 cash-back was eliminated except as provided herein. Employees receiving cash-back in December 2008 shall continue to receive the same amount for the term of this agreement except that if a cash-back employee changes the structure of their insurance (add

dependents, delete dependents, drop insurance with the CITY, change carriers, etc.) cash-back is not an option. Cash-back will be eliminated for employees during the open enrollment period in 2012 for calendar year 2013, and in subsequent years, if said employees are required (because of eliminated plans) to change carrier. In the event an employee receiving cash-back is forced to make a plan change because the CITY changes plans and/or ceases to contract with PERS for insurance, that employee will maintain cash-back.

15.2 DENTAL AND VISION INSURANCE:

15.2.1 During the term of this Agreement, the CITY shall offer dental/life and vision insurance and each employee shall be required to carry both dental/life and vision insurance for self. Life Insurance is provided at \$2030,000 per employee. The following rates are effective January 1, ~~2012~~2013.

	<u>Vision</u>	<u>Dental</u>	<u>Life</u>	<u>Totals</u>	<u>City pays</u>	<u>EE pays</u>
<u>Employee only</u>	<u>\$7.64</u>	<u>\$42.87</u>	<u>\$5.70</u>	<u>\$56.21</u>	<u>\$53.28</u>	<u>2.93</u>
<u>Employee + 1</u>	<u>\$14.32</u>	<u>\$119.56</u>	<u>\$5.70</u>	<u>\$139.58</u>	<u>\$127.83</u>	<u>\$11.75</u>
<u>Employee + 2+</u>	<u>\$19.52</u>	<u>\$119.56</u>	<u>\$5.70</u>	<u>\$144.78</u>	<u>\$132.57</u>	<u>\$12.21</u>

~~VISION DENTAL LIFE TOTALS~~

Employee Only	\$ 8.63	\$ 40.07	\$3.60	\$ 52.30
Employee +1	\$17.26	\$106.39	\$3.60	\$127.25
Employee +2	\$22.29	\$111.74	\$3.60	\$137.63

~~Employee will be responsible for the following monthly amounts for dental/life and vision beginning with the pay period including January 1, 2012:~~

Employee Only	\$2.93
Employee + 1	\$11.75
Employee + 2+	\$12.21

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

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

15.4 The provisions of this section shall be binding on the parties through the remainder of this agreement and for the term of the agreement that will be effective July 1, ~~2012~~2013. The parties agree herewith that no further collective bargaining will occur with respect to this section for the term of the agreement ending June 30, ~~2013~~2014.

ARTICLE 16 - EDUCATIONAL INCENTIVES

16.1 P.O.S.T. CERTIFICATES

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

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

16.1.3 For Sworn UNIT members hired on or after January 1, 1998, CITY agrees to pay \$120 per month for P.O.S.T. certificates as follows:

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

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

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

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

16.2 COLLEGE DEGREES

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

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

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

16.2.3 If an employee's job description requires a degree or if an employee is promoted to a classification that requires a degree, the employee shall not

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

16.2.4 Based on the new job descriptions for all classifications which were adopted in May 1996, as well as salary survey implementation over the last three years, employees currently in positions now required to hold an AA or BA degree according to the job description for the classification they hold, will continue to receive an educational incentive for said degree. Any employees hired on or after January 1, 1998 or current employees promoted on or after January 1, 1998 to positions requiring degrees will be subject to section 16.2.3 above.

16.2.5 Employees hired on or after January 1, 1998 shall not be eligible for this incentive.

ARTICLE 17 - UNIFORMS

17.1 Uniforms for employees shall be as set forth in Morro Bay Police Department Policy Manual Section 1046, Uniform and Equipment Regulations and Specifications.

17.2 Newly hired employees shall receive a full uniform issue and will receive full uniform replacement as needed until the following July 1. Effective July 1 after hire, such employees shall commence receiving an annual uniform allowance.

17.3 The following uniform articles are covered by the uniform allowance and must meet the department uniform standards:

- a. Uniform pants
- b. Uniform shirts - long and short sleeves
- c. Dress belt
- d. Ties
- e. Duty jacket
- f. Uniform patches

17.4 All maintenance, tailoring and other alterations will be at the employee's expense.

17.5 All optional equipment will be the responsibility of the employee.

- 17.6 All safety equipment originally issued and replaced by the department remains the Department's property.
- 17.7 The annual uniform allowance for sworn officers shall be ~~\$1000.00~~1050.00. The annual uniform allowance for dispatch shall be ~~\$700.00~~750.00.
- 17.8 The CITY agrees to repair or replace any personal article damaged while on duty, including uniform items as listed above, providing that such article is a reasonable and necessary part of the employee's attire.

ARTICLE 18 - SALARIES

- 18.1 ~~Salaries shall remain unchanged for the term of this agreement. Effective the pay period including January 1, 2014, salaries shall be increased by two (2%) percent.~~

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ARTICLE 19 - SPECIAL PAY PRACTICES

19.1 STANDBY

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

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

- 19.1.2 Employees on standby shall be compensated for two (2) hours computed at their straight hourly base rate per twenty-four (24) hours of authorized standby time. The twenty-four (24) hours time period is defined as 0700 hours to 0659 hours the following day. Subject to the maximum accrual provisions of Section 10.2.3 employees may elect to receive two (2) straight time compensatory time off hours in lieu of paid standby compensation.

- 19.1.3 Court standby – Employees on court standby will receive two (2) hours computed at their straight hourly base rate to be available for court callback on off duty days. Subject to the maximum accrual provisions of Section 10.2.3 employees may elect to receive two (2) straight time compensatory time off hours in lieu of court standby compensation.

19.2 CALL BACK

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

constitute a call back; or, employee is required for off-duty court appearance.

19.2.2 Required off-duty court appearance.

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

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

19.3 DISPATCHER TRAINING PAY

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

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

19.4 OUT OF CLASS ASSIGNMENT

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

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

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

19.5 BILINGUAL PAY

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

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

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

19.6 FIELD TRAINING OFFICER ASSIGNMENT PAY

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

19.7 SENIOR OFFICER ASSIGNMENT PAY

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

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

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

19.8 DETECTIVE ASSIGNMENT PAY

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

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

Corporal classification with the terms and conditions of the Corporal classification being maintained.

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

ARTICLE 20 - BULLETIN BOARD

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

ARTICLE 21 - PROBATIONARY PERIOD

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

Sworn personnel	18 months
Non-sworn personnel	12 months

ARTICLE 22 - DRUG AND ALCOHOL TESTING

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

ARTICLE 23 - GRIEVANCE PROCEDURE

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

CITY further agrees that any payment of overtime arising because of UNIT personnel's involvement in grievance investigation or processing shall not be authorized. Time spent on the investigation and processing of grievances will be recorded on a form provided by CITY. Stewards will be permitted reasonable

time-off with pay for the investigation and processing of grievances provided, however, stewards shall first obtain permission from the department head and/or his/her designee and inform him/her of the nature of his/her business. CITY shall grant such permission promptly unless such absence would cause an undue interruption of work or would require the CITY to pay overtime in order to maintain the normal operation of the department.

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

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

23.2 PURPOSE

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

23.3 ASSOCIATION REPRESENTATIVE

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

23.4 PROCEDURE

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

ARTICLE 24 - NO STRIKE, SLOW-DOWN OR OTHER INTERRUPTION TO WORK

24.1 ASSOCIATION agrees not to cause, authorize, advise, encourage or participate in any interruption of work or any other concerted action. The term "interruption of work" shall mean any work stoppage or strike (including economic and unfair labor practice strikes) or any intentional slow-down of work. The term "other concerted action" includes picketing or boycott activities by the ASSOCIATION.

24.2 Participation by any employee in any activity resulting in interruption of work or other concerted action or use of paid or unpaid leave for these purposes shall subject employee to disciplinary action, up to and including, discharge. When the City Manager has reason to believe that such leave is being used as a method of interruption work, the burden of proof of illness is upon the employee. Doctor's statements can be required in accordance with Resolution No. 34-83, Personnel Rules & Regulations, Section 13.B.4.

ARTICLE 25 - FULL UNDERSTANDING, MODIFICATION, WAIVER

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

ARTICLE 26 - SEVERABILITY

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

Date: _____ Date: _____

MORRO BAY PEACE OFFICERS ASSOC. CITY OF MORRO BAY

Enrique S. Cantu, President

~~Andrea K. Lueker, City Manager~~
~~Susan Slayton, Admin. Services Dir~~

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Robbyn Smith, Employee Representative

~~Susan Slayton, Admin. Services Dir~~
~~Laurie Goforth, Human Resources Analyst~~

~~Robert D. Hufstetter~~
Dale Cullum, Employee Representative

William Avery, Consultant



AGENDA NO: B-1

MEETING DATE: January 14, 2014

Staff Report

TO: Honorable Mayor and City Council

DATE: January 9, 2014

FROM: Kathleen Wold, Planning Manager

SUBJECT: Adoption of the City of Morro Bay's Climate Action Plan (CAP)

RECOMMENDATION

Staff recommends the City Council adopt Resolution 06-14, making the necessary findings for adoption of the Climate Action Plan.

ALTERNATIVES

Direct staff to revise the Climate Action Plan per Council's direction and return with revisions for approval.

FISCAL IMPACT

There is no direct fiscal impact for this action.

BACKGROUND

AB32, the California Global Warming Solutions Act, was signed into law in 2006. The law sets in place a comprehensive greenhouse gas (GHG) emissions reduction program, requiring the State's GHG emissions to be reduced to 1990 levels by the year 2020. In response to this legislation, cities and counties across the State have been working to adopt and implement Climate Action Plans (CAP). As of August 2012, 205 California public agencies had adopted a plan to reduce GHG emissions with 105 agencies in progress.

A CAP is a document that includes policies, measures and strategies to improve the health, safety, mobility and livability of the community. The objectives of a CAP are to reduce GHG emissions, streamline California Environmental Quality Act (CEQA) review by serving as a "qualified GHG reduction plan", and prioritize measures to comply with California environmental and land use planning laws. Although a CAP is not required by State law and therefore there are no penalties if the City fails to adopt a CAP or meet the goals set by AB32,

Prepared By: KW

Dept Review: RL

City Manager Review: _____

City Attorney Review: _____

the incentives of minimizing potential litigation and streamlining the CEQA process alone are persuasive. Development projects that are consistent with a qualified CAP would not result in "significant" GHG emissions in the context of CEQA and no further analysis would be required.

There are many benefits associated with the City's CAP project. This plan will allow the City of Morro Bay to take credit for many of its existing policies, which address Greenhouse gas, and will enable streamlined CEQA review for future development projects and other activities. Adopting a CAP will also help the City leverage future grant funding opportunities related to energy conservation by increasing the City's eligibility.

In 2008 the City joined ICLEI (Local Governments for Sustainability) as a full member and participated in the Cities for Climate Protection Campaign. As a participant, the City pledged to take a leadership role in promoting public awareness about the causes and impacts of climate change. The City adopted a Resolution which identified five milestones to reduce both greenhouse gas and air pollution emissions throughout the community. They are as follows:

1. Conduct a baseline emissions inventory and forecast;
2. Adopt an emissions reduction target for the forecast year;
3. Develop a Local Action Plan;
4. Implement policies and measures; and
5. Monitor and verify results.

To date, the following milestones have been accomplished towards completing the City's CAP:

- Conducted a 2005 baseline GHG emissions inventory in 2011 for both City government operations and community-wide activities. The inventory was updated in 2012.
- Participated with the cities of Atascadero, Grover Beach, Arroyo Grande, Paso Robles and Pismo Beach to prepare a "San Luis Obispo County Regional Greenhouse Gas Reduction Plan", which included a customized CAP for each jurisdiction. This was accomplished through a \$400,000 grant from PG&E, SoCal Gas Company, and the San Luis Obispo County Air Pollution Control District (APCD).

DISCUSSION

The CAP is a long-range plan to reduce GHG emissions from community-wide activities and City government operations within the City to support the State's efforts under AB32 and to mitigate the community's contribution to global climate change. Specifically, the CAP does the following:

- Summarizes the results of the 2005 GHG emissions inventory update, which identifies the major sources and quantities of GHG emissions produced within City of Morro Bay and forecasts how these emissions may change over time.
- Identifies the quantity of GHG emissions that the City of Morro Bay will need to reduce to meet the State-recommended target of 15% below 2005 levels by the year 2020.
- Sets forth City government and community-wide GHG reduction measures, including performance standards which, if implemented, would collectively achieve the specified emission reduction target.
- Identifies proactive strategies that can be implemented to help City of Morro Bay prepare for anticipated climate change impacts.

- Sets forth procedures to implement, monitor, and verify the effectiveness of the CAP measures and modify efforts as necessary.

The City used 2005 as the baseline year for the emissions inventory and not 1990 as specified in AB32 for two primary reasons: 1) SB375 uses 2005 as the baseline year to determine compliance with the emission reduction targets of 7% by 2020 and 15% by 2035 for cars and trucks; and 2) 2005 is a common baseline year for data collection by municipalities, which allows benchmarking of City of Morro Bay emissions relative to other cities of similar size and climate conditions. Many cities throughout California have used 2005 as a baseline year for this purpose.

The CAP strategy is primarily based upon the premise that reduced GHG emissions will occur with the implementation of City incentive programs and ordinances that will change people's behavior and governmental operations. Because a CAP is a policy document with goals and a work plan that are intended to be implemented over time, most action measures do not all go into effect immediately. Programs take time to be implemented and generally require adoption of ordinances or policies prior to seeing any actual changes take place.

The goals of the plan are to reduce the amount of driving, increase the options available for people to use less polluting and energy-consuming modes of transportation (e.g. walking, bicycling, and transit), increase energy efficiency in buildings, improve government operations, and reduce water consumption. The CAP identifies implementation strategies with specific actions to clarify how emission reductions would occur. The CAP is provided as an attachment to this document.

CONCLUSION

The adoption of this CAP will bring the City of Morro Bay a step further towards meeting the step stones identified in the 2008 City Council Resolution which established that the City would be a leader in Climate action change as a member of "Cities for Climate Protection Campaign" as well as provide a document which will allow the City to streamline the CEQA process.

ATTACHMENTS

City Council Resolution 06-14

Link to Planning Commission December 4, 2013 agenda (see item B-1 for CAP information)

<http://www.morro-bay.ca.us/ArchiveCenter/ViewFile/Item/1972>

RESOLUTION NO. 06-14

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY,
CALIFORNIA ADOPTING THE CITY OF MORRO BAY'S CLIMATE ACTION PLAN
AS WELL AS THE ASSOCIATED NEGATIVE DECLARATION AS A QUALIFIED
CAP**

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

WHEREAS, the City Council of the City of Morro Bay conducted a public hearing at the Morro Bay Veteran's Hall, 209 Surf Street, Morro Bay, California, on January 14, 2014, for the purpose of considering the Negative Declaration and the Qualified Climate Action Plan; and

WHEREAS, notices of said public hearing were made at the time and in the manner required by law; and

WHEREAS, the City Council has duly considered all evidence, including the testimony of the applicant, interested parties, and the evaluation and recommendations by staff, presented at said hearing; and

WHEREAS, global climate change is an issue that the State of California has determined to be of statewide concern and mandates local action throughout all of California; and

WHEREAS, with the enactment of Assembly Bill 32 (AB32), the California Global Warming Solutions Act of 2006, local governments are tasked with addressing emission sources under their purview that contribute to climate change; and

WHEREAS, in 2008, the City Council adopted a Resolution to join the International Council for Local Environmental Initiatives - Local Governments for Sustainability (ICLEI) in order to conduct a greenhouse gas (GHG) emissions inventory for the City of Morro Bay; and

WHEREAS, in January 2011, the City received the GHG inventory report, which was updated in 2012; and

WHEREAS, through support from the Pacific Gas and Electric Company (PG&E) Green Communities Program and Southern California Gas Company, the San Luis Obispo County Air Pollution Control District (APCD) secured funds to assist the cities of Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Paso Robles and Pismo Beach to prepare a GHG emissions reduction plan for each jurisdiction and the region; and

WHEREAS, the City Council has reviewed this project in compliance with the California Environmental Quality Act (CEQA) and has determined that a negative declaration can be adopted; and

WHEREAS, the City Council has found that this project is consistent with the Local Coastal Program, General Plan and the environmental documents associated therewith; and

WHEREAS, the City Council finds after due study, deliberation and public hearing, the following circumstances exist:

1. The proposed plan will promote the public health, safety, convenience, and general welfare of the residents of Morro Bay. Evidence of global climate change has been observed in the form of increased global temperatures, rising sea levels, decreased snow-pack in mountainous regions, retreating glaciers, increased species extinction and range shifts and an increase in floods and wildfires. Furthermore, the international scientific community is convinced that deforestation, emissions from burning fossil fuels, and other industrial processes are the primary factors contributing to climate change. Locally, climate change may result in increased sea levels, decreased air quality, increased fire hazard and decreased water supply. The CAP provides the guidance and policies necessary to implement programs that will reduce greenhouse gases to minimize the effect of global climate change.
2. The proposed plan is in conformance with the purposes of the Local Coastal Program, General Plan and all applicable, officially adopted policies and plans. The CAP supports Local Coastal Program and General Plan policies that encourage reducing traffic, improving public transit service, increasing safety for pedestrians and bicyclists, reducing flood and fire hazards, improving air quality and promoting energy conservation.
3. The proposed plan will have no substantial adverse effect upon the environment. By reducing the local impacts of global climate change, the CAP will help to ensure that the City of Morro Bay remains an environmentally responsible community that is a desirable place to live, work and play.
4. A copy of the CAP, staff reports and communications are on file in the Public Services Department.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morro Bay hereby adopts the Climate Action Plan and the associated Negative Declaration.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of January 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JAMIE L. IRONS, Mayor

ATTEST:

JAMIE BOUCHER, City Clerk



AGENDA NO: B-2

MEETING DATE: January 14, 2014

Staff Report

TO: Honorable Mayor and City Council

DATE: January 9, 2014

FROM: Kathleen Wold, Planning Manager

SUBJECT: Conditional Use Permit (#UP0-371)-The Morro Creek Multi-Use Trail and Bridge Project

RECOMMENDATION

Staff recommends City Council adopt Resolution 07-14, making the necessary findings for approval of Conditional Use Permit (#UP0-371) for both Concept and Precise Plans for the construction of the Morro Creek Multi-Use Trail and Bridge Project.

ALTERNATIVES

No known feasible alternatives have been identified.

FISCAL IMPACT

By approving this project, the City will commit to funding design and construction of the project. A portion of these project costs will be satisfied by grant funds.

BACKGROUND

The Waterfront Master Plan adopted in 1996 envisioned a number of projects to enhance access and enjoyment of Morro Bay's waterfront. In 2008, the City of Morro Bay completed one of these projects; the Morro Bay Harborwalk. This project consisted of a continuous off-roadway bike path and separate pedestrian boardwalk constructed along the shoreline with a terminus at the beach access located at the north end of the Morro Rock parking area. This required the realignment of Coleman Drive, a two-lane road that leads to the public parking area at Morro Rock, and dune scrub habitat restoration related to the realignment.

This project, the Morro Creek Multi-Use Trail and Bridge project, will complete this project by extending the pedestrian walkway and the Class 1 bike path. A major component of this project will be the construction of a bridge across Morro Creek.

Prepared By: KW

Dept Review: RL

City Manager Review: _____

City Attorney Review: _____

DISCUSSION

The total extension of pedestrian boardwalk and separated Class I bike path for the proposed project would be 1,533 and 2,170 linear feet, respectively. The pedestrian boardwalk would be eight feet wide and the proposed bike path would be 12 feet wide. The extension of the pedestrian boardwalk and bike path would begin with a 12 foot wide Class 1 bike path from the Morro Bay Power Plant entryway to the intersection of Embarcadero and Coleman Drive. The path would continue northward along the unpaved portion of Embarcadero Road to Morro Creek.

An approximately 130-foot long by 12.5-foot wide (interior dimensions), clear-span, pedestrian and bicycle bridge would extend the pedestrian boardwalk and bike path across Morro Creek to connect to north Morro Bay on Embarcadero Road (State Route 41). The span would be pre-fabricated and pre-engineered and would not include any support structures within the creek bed; however, the northern bridge abutment will require excavation within the top of Morro Creek bank. The bridge would be designed to accommodate emergency vehicle access only. Staff has conditioned the project to prohibit non-emergency vehicle access in order to ensure pedestrian and bicycle access only.

In addition, bicycle and surrey parking would be located toward the end of the northward pathway extension along the south side of Morro Creek. The project would also include two educational interpretive facilities. One located along the pedestrian path overlooking the dune scrub habitat and Morro Rock and beach vistas, and the second, at the terminus of the southward pedestrian path along Morro Creek overlooking Morro Creek and the beach. The interpretive materials would be consistent with the Route 1, SLO North Coast Scenic Byway, interpretive plan and implementation strategies (National Scenic Byways Program grant 2006). In addition, Embarcadero Road at Coleman Drive would be upgraded to paved roadway for approximately 100 feet to allow for the installation of a new crosswalk.

The applicant has indicated that the project's stage area will be an existing parking lot that appears to be currently used for overflow parking by Dynegy Energy Inc., employees. This parking lot is located approximately 1.4 miles northwest of the intersection of Embarcadero Road and Beach Street. The parking lot is not a natural habitat and does not contain any vegetation except for a few non-native weeds around the perimeter. It consists of road base, which is an aggregate, compact mixture of sand and stone. Project activities that will occur in the staging area will be restricted to the limits of the parking area only and shall not extend beyond the limits of the road base surface onto adjacent vegetated areas.

Due to the proximity of sensitive receptors to the staging area and the mitigations contained within the Mitigated Negative Declaration, equipment utilizing diesel fuel will not be able to utilize this area for routine staging. The applicant will have to find an additional staging area or demonstrate that there are no other feasible areas to stage this equipment.

To meet water quality and habitat protection goals for the City and the Morro Bay Estuary, new waterfront facilities would be designed to reduce and/or eliminate surface runoff and pollution. The project would utilize low impact development (LID) to minimize potential impacts to hydrology and water quality and allow for percolation alongside the expanded bicycle and pedestrian facilities, and include Americans with Disabilities Act (ADA) approved access

throughout the project features. Non-irrigated native and drought-tolerant shrubs and groundcover landscaping would be provided adjacent to the multi-use bicycle and pedestrian pathways.

Construction of the proposed project would require grading and excavation. Based on the design of the project, excavated material would be balanced onsite and importation of fill would not be required. No underground utilities would be required. The following is a list of the equipment that is anticipated to be used onsite during project implementation:

- Drilling equipment, Dump trucks, Concrete trucks, Water trucks, Paving equipment, Compacting equipment, Crane, Fence post installation equipment, Loader, Grader, and Scraper.

No equipment will enter and/or be used within the Morro Creek channel. Construction is anticipated to be conducted between the months of August through February and is expected to take approximately six months to complete or one construction season.

PROJECT SPECIFICS

Environmental Determination

An Initial Study was conducted for the project that identified a number of potentially impacted environmental areas. As such, mitigations were developed which have been identified within the Mitigated Negative Declaration to reduce these impacts to less than significant. A Mitigated Monitoring Plan has been developed to ensure compliance with these mitigations and is included in this report as an attachment for your consideration. The Initial Study/Mitigated Negative Declaration was routed to the State Clearinghouse (SCH#2013101083) pursuant to CEQA guidelines for public and agency review on October 28, 2013 for the required 30 day public comment period. Two comment letters were received which include the San Luis Obispo County Air Pollution Control District and the California Coastal Commission. No changes to the IS/MND were necessary to address the comments received. All environmental documents have been provided to the Council via the Exhibit B.

General Plan/Local Coastal Plan

Staff review of the project included review for consistency with the City's General Plan and Local Coastal Plan. The following policies and objectives were identified as the critical policies and objectives which include adhering to the City's environmentally sensitive habitat, bicycle transportation, open space and recreation policies.

Pursuant to the City's General Plan which requires all environmentally sensitive areas to be protected against adverse impacts to the maximum extent feasible. This project conducted the following studies to identify and ensure this General Plan policy was met, including the Wetlands Delineations, Biological Assessment of the area and a Natural Environment Study. These studies are included as attachments to this staff report.

Although the site is predominantly open space, it supports a high level of recreational use. As an implementation policy, the City adopted the Bicycle and Pedestrian Master Plan in 2012. This project meets the goals and objectives of that plan by providing gap closure to an existing fragmented area.

One of the predominant goals of the Coastal Act is to provide for coastal access to the public. The creation of the Morro Creek Multi-use Trail and Bridge Project supports and enhances coastal access by ensuring connectivity among pedestrians and bicyclists between the Harborwalk and north Morro Bay. The bridge has been designed to maintain view corridor consistent with the Coastal Act.

Zoning Ordinance

The project is being proposed adjacent to Morro Creek and established Environmental Sensitive Habitat Area. The Zoning Ordinance contains specific policies regarding these areas including specific buffers. Exhibit F of the December 18, 2013 Planning Commission agenda item B-1 identifies the location and type of wetlands in the project areas. Staff has reviewed the project, this exhibit and the policies contained in Section 17.40.040 and has found that as it concerns the Stream ESH and its associated buffers the project is in compliance. Specifically, the code provides for public trails and bridges.

Planned Development (PD) overlay

Section 17.40.030 of the Municipal Code requires a Concept plan for projects on publicly owned land. Since both a Concept Plan and a Precise Plan are required for this project, staff is processing them concurrently. Staff has decided to process the project in this manner to expedite the processing and because the project has been fully designed at the Concept level and no further refinement will occur between the Concept Plan and the Precise Plan.

PUBLIC NOTICE: Notice of this item was published in the San Luis Obispo Tribune newspaper on January 3, 2014 as a 1/8 page notice meeting the legal requirements for projects affecting over 1,000 property owners. In addition, the site was posted with the appropriate notice indicating when the public hearing was to be held and how to voice concerns.

CONCLUSION:

This project will complete the Harborwalk project and with the construction of the bridge will close a gap in the State's Scenic Byway. The project as conditioned is consistent with the General Plan, Local Coastal Plan, and Municipal Code, therefore staff recommends approval of Conditional Use Permit (#UP0-371) for both Concept and Precise Plans for the construction of the Morro Creek Multi-Use Trail and Bridge Project.

ATTACHMENTS

Exhibit A-City Council Resolution 07-14

Exhibit B- Link to Planning Commission December 18, 2013 meeting agenda (see item B-1 for Morro Creek Multi-use Trail and Bridge Project and all associated environmental documents) - <http://www.morro-bay.ca.us/ArchiveCenter/ViewFile/Item/1985>

RESOLUTION NO. 07-14

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA
APPROVING CONDITIONAL USE PERMIT (#UP0-371) -
THE MORRO CREEK MULTI-USE TRAIL AND BRIDGE PROJECT
AND THE ASSOCIATED NEGATIVE DECLARATION**

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

WHEREAS, the City Council of the City of Morro Bay conducted a public hearing at the Morro Bay Veteran's Hall, 209 Surf Street, Morro Bay, California, on January 14, 2014, for the purpose of considering the Negative Declaration and the Conditional Use Permit (#UP0-371); and

WHEREAS, notices of said public hearing were made at the time and in the manner required by law; and

WHEREAS, the City Council has duly considered all evidence, including the testimony of the applicant, interested parties, and the evaluation and recommendations by staff, presented at said hearing; and

WHEREAS, the City Council has reviewed this project in compliance with the California Environmental Quality Act (CEQA) and has determined that a negative declaration can be adopted; and

WHEREAS, the City Council has found that this project is consistent with the Local Coastal Program, General Plan and the environmental documents associated therewith.

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

Section 1. Findings. Based upon all the evidence, the City Council makes the following findings:

California Environmental Quality Act (CEQA)

1. That for purposes of the California Environmental Quality Act, an Initial Study was prepared for the project which resulted in a Mitigated Negative Declaration. The Mitigated Negative Declaration was routed to the State Clearinghouse for the required 30 day review and all other legal noticing and review has been met. The project applicant agreed to all mitigations therefore with the incorporation of these mitigations the project will have a less than significant impact on the environmental.

Conditional Use Permit Findings

2. That the project is an allowable use in its zoning district and is in accordance with the certified Local Coastal Program and the General Plan for the City of Morro Bay.
3. The establishment, maintenance, or operation of the use applied for will, under the circumstances of the particular case, not be detrimental to the health, safety, morals, comfort and general welfare of the persons residing or working in the neighborhood of such proposed use in that the project will be consistent with all applicable zoning and

plan requirements as indicated in the attached staff reports dated December 18, 2013 and January 14, 2014.

4. The use will not be injurious or detrimental to property and improvements in the neighborhood or the general welfare of the City since the project, as conditioned, will be conducted consistent with all applicable City regulations, as indicated in the attached staff report dated December 18, 2013 and January 14, 2014.

Section 2. Action. The City Council does hereby approve Conditional Use Permit #UP0-371 subject to the following conditions:

Standard Conditions

1. This permit is granted for the land described in the staff report dated December 18, 2013, for the project depicted on plans dated October 29, 2013 on file with the Public Services Department, as modified by these conditions of approval, and more specifically described as follows:

Site development, including the bridge and other features of the project, shall be located and designed substantially as shown on plans, unless otherwise conditioned.
2. Inaugurate Within Two Years: Unless the construction or operation of the structure, facility, or use is commenced not later than two (2) years after the effective date of this approval and is diligently pursued thereafter, this approval will automatically become null and void; provided, however, that upon the written request of the applicant, prior to the expiration of this approval, the applicant may request up to two extensions for not more than one (1) additional year each. Said extensions may be granted by the Public Services Director, upon finding that the project complies with all applicable provisions of the Morro Bay Municipal Code, General Plan and Local Coastal Program Land Use Plan (LCP) in effect at the time of the extension request.
3. Changes: Minor changes to the project description and/or conditions of approval shall be subject to review and approval by the Public Services Director. Any changes to this approved permit determined not to be minor by the Director shall require the filing of an application for a permit amendment subject to Planning Commission review. In no case shall modifications be made which alter the project description as stated in the Initial Study.
4. Compliance with the Law: (a) All requirements of any law, ordinance or regulation of the State of California, City of Morro Bay, and any other governmental entity shall be complied with in the exercise of this approval, (b) This project shall meet all applicable requirements under the Morro Bay Municipal Code, and shall be consistent with all programs and policies contained in the certified Coastal Land Use Plan and General Plan for the City of Morro Bay.
5. Hold Harmless: The applicant, as a condition of approval, hereby agrees to defend, indemnify, and hold harmless the City, its agents, officers, and employees, from any claim, action, or proceeding against the City as a result of the action or inaction by the City, or from any claim to attack, set aside, void, or annul this approval by the City of the

applicant's project; or applicants failure to comply with conditions of approval. Applicant understands and acknowledges that City is under no obligation to defend any legal actions challenging the City's actions with respect to the project. This condition and agreement shall be binding on all successors and assigns.

6. Compliance with Conditions: The applicant's establishment of the use and/or development of the subject property constitutes acknowledgement and acceptance of all Conditions of approval. Compliance with and execution of all conditions listed herein shall be required prior to obtaining final building inspection clearance from the Planning Division, Public Works Division, Fire Department, Harbor Department, Police Department and the Building Division (as applicable). Deviation from this requirement shall be permitted only by written consent of the Public Services Director and/or as authorized by the Planning Commission/City Council. Failure to comply with these conditions shall render this entitlement, at the discretion of the Director, null and void. Continuation of the use without a valid entitlement will constitute a violation of the Morro Bay Municipal Code and is a misdemeanor.
7. Compliance with Morro Bay Standards: This project shall meet all applicable requirements under the Morro Bay Municipal Code, and shall be consistent with all programs and policies contained in the certified Coastal Land Use Plan and General Plan for the City of Morro Bay.
8. Conditions of Approval on Building Plans: Prior to the issuance of a Building Permit, the final Conditions of Approval shall be attached to the set of approved plans. The sheet containing Conditions of Approval shall be the same size as other plan sheets and shall be the last sheet in the set of Building Plans.

It is the applicant's responsibility to contact the Planning Division for inspections related to this project including all inspections relating to environmental mitigations. Please note that the City of Morro Bay requires 24 hour notice to schedule an inspection. Contact information is on the City's website at www.morro-bay.ca.us

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of January 2014 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMIE L. IRONS, Mayor

ATTEST:

JAMIE BOUCHER, City Clerk



AGENDA NO: D-1

MEETING DATE: January 14, 2014

Staff Report

TO: Honorable Mayor and City Council

DATE: January 8, 2014

FROM: Eric Endersby, Harbor Director

SUBJECT: Consideration of Proposal Submitted by Virg's Sportfishing in Response to Request for Proposals MB-2013-HRFP2 to Develop Vacant Lease Site 107W-108W

RECOMMENDATION

Review and evaluate the Request for Proposals (RFP) submittal from Virg's Sportfishing and provide staff direction. Staff is recommending support provided two issues identified (proposed dock potentially impeding vessel access to the public hoist on the South T-Pier and the site's potential as a haul-out site for the City's desired boatyard) can be adequately addressed, mitigated, and/or determined to not be factors.

ALTERNATIVES

1. Approve proposal as submitted and direct staff to execute Consent of Landowner agreement and begin negotiations with the applicant while applicant concurrently begins submission of plans to the City's Planning Division.
2. Approve proposal with conditions/comments and/or amendments for applicant's consideration, with proposal to be brought back to a future City Council meeting (if necessary) for approval of Consent of Landowner agreement.
3. Reject proposal as submitted.

FISCAL IMPACT

No fiscal impact at this time. Positive fiscal impact is expected in the future if the vacant lease site is developed.

SUMMARY

Several vacant waterfront lease sites were put out for development Request for Proposals early in 2013. One proposal was received for Lease Site 107W-108W, the site immediately adjacent to the City's South T-Pier. The Harbor Advisory Board (HAB) reviewed and evaluated this proposal late last year with comments provided for Council's consideration. The next step in the

Prepared By: EE

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

RFP process is City Council consideration of the proposal.

BACKGROUND

During spring of 2013, three vacant lease sites were put out for RFP's. The deadline to submit proposals was mid-August, 2013. Of the 3 lease site RFP requests, only one proposal was received, Virg's Sportfishing submitted for the vacant water-only lease site at 107W-108W between the South T-Pier and the commercial fishing vessel slips to the pier's south.

Since only one proposal for this site was received and there was no ranking of one proposal over another necessary, and after conferring with the City Manager and agents for the applicant, staff elected to combine the Selection Panel review and HAB review process into one HAB review and proposal evaluation. Section III C of the RFP reserves the right for the City to amend the RFP process at any time.

At their December 5, 2013 meeting, the HAB reviewed and evaluated Virg's proposal. The staff report from that item is included with this staff report. During the HAB hearing, project consultant Cathy Novak presented an overview of the proposal, and public comment was received.

The HAB commented on the following RFP rating criteria:

Overall Quality of Design and Benefit to the Public: The HAB questioned the length of the proposed gangway in the project as being too short, and recommended that the applicant consider a longer one for ADA compliance and other reasons. The HAB appreciated the benefit that would come with the proposed ADA-compliant restroom being available for public use.

Development Constraints on the Embarcadero: The HAB commented that the applicants should receive a legal opinion as to whether or not the project is Measure D compliant. It is staff's opinion that the project is Measure D compliant as Virg's Sportfishing is a recreational fishing-serving and dependant use.

Green and/or "LEED" Building Features: HAB raised concerns that the eelgrass present and recent otter activity in the area will have to be taken into consideration.

Overall Applicant and Team Qualifications and Experience in Similar Projects: The HAB noted that the applicant team has many years of local experience with operation out of City lease sites, and that local architects with waterfront experience are being used.

Ability to Secure and Develop Major Sub-Tenants: Although not intending to build space for any sub-tenants, project applicants did express willingness to work with the City or a boatyard operator if that location was identified as a potential haul-out site for a new boatyard. In evaluating project drawings, there was general consensus by the HAB and project applicants that there may be enough room at the south end of the site for haul-out piers to be located; one thing

of note, that location does have a considerable amount of eelgrass present.

Public comment received, while supportive of Virg's Sportfishing, was concerned about the proposed new dock's impact on fishing and other vessels' maneuvering room and access to the public hoist opposite the site on the south T-Pier. Project applicants commented that they would set buoys or other devices out that would delineate where the proposed new dock would be located and that fishermen or others could bring their boats down to see if they could adequately maneuver in the reduced area with the floats in place. The floats were recently installed, however, as of this writing no comments have been received as to their impact.

At the conclusion of the discussion, the HAB voted unanimously to support moving the project forward for City Council consideration.

DISCUSSION

Included with this staff report is the complete proposal received from Virg's, less the confidential financial information, as well as the RFP itself. Submitted financial documentation does meet the requirements of the RFP, and preliminary evaluation by staff appears that Virg's has sufficient financial means to undertake the project and operate the site. Should the project continue forward, staff will continue with additional financial evaluation as the project is fully submitted and negotiations begin on a new draft lease.

Staff concurs with the HAB that the proposed project is worthy of support and consideration, and may be a good use of that empty lease site space. Concerns raised about potential impeded access to the public hoist on the nearby pier and that this site may be a viable one for the location of the haul-out for the City's long-desired boatyard are two major outstanding issues warranting further consideration.

Staff recommends support of the project provided these two issues can be adequately addressed, mitigated, and/or determined to not be factors.

CONCLUSION

Staff is seeking Council evaluation and input of the sole proposal received for the RFP on vacant Lease Site 107W-108W.



AGENDA NO: D-1

MEETING DATE: December 5, 2013

Staff Report

TO: Harbor Advisory Board

DATE: November 25, 2013

FROM: Eric Endersby, Harbor Director

SUBJECT: Request for Proposals Review and Evaluation of Proposal Received from Virg's Sportfishing to Develop Currently Vacant Lease Site 107W-108W

RECOMMENDATION

Review and evaluate Request for Proposals (RFP) submittal from Virg's Sportfishing and make recommendations, if any, to City Council. The proposal as received from Virg's is deemed compliant with the RFP, and as such is a qualified proposal recommended by staff as worthy of further consideration.

FISCAL IMPACT

No fiscal impact at this time. Positive fiscal impact expected in future if vacant lease site is developed.

BACKGROUND

During spring of 2013 three vacant lease sites were let out for RFP's to develop any or all of them. Proposals were due mid-August of this year, and only one proposal was received by the deadline; that of Virg's Sportfishing for the vacant water-only lease site 107W-108W between the South T-Pier and the commercial fishing vessels slips to the pier's south.

The RFP stipulates that competing proposals would be given review by a Selection Panel, and that Panel's recommendations would be made to the Harbor Advisory Board (HAB) for their consideration. In turn the HAB would make its recommendations to the City Council for their ultimate review and decision. However, staff believes that since there is only one proposal to review, the Selection Panel process that would have reviewed and ranked the proposals is moot and redundant, and the two reviews can therefore be combined into one HAB review and recommendation on the single proposal received. That recommendation, if any, would then be forwarded to the City Council. The RFP itself allows the City to amend the RFP process at any time, therefore this action is well within the parameters of the RFP.

Prepared By: EE

Dept. Review: EE

DISCUSSION

Included with this staff report is the complete proposal as received from Virg's, as well as the RFP itself. The HAB is being asked at the December 5 meeting to:

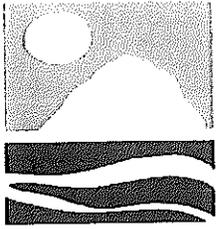
1. Review the proposal, including an "interview" of representatives of Virg's present at the meeting. HAB members are encouraged to review the proposal and become acquainted with it prior to the actual meeting.

2. Evaluate the proposal using the criteria as set out on page 11 of the RFP. At the discretion of the chairman and board, this can either be by HAB rating consensus on each of the listed items, or an averaging of the ratings given by the individual HAB members.

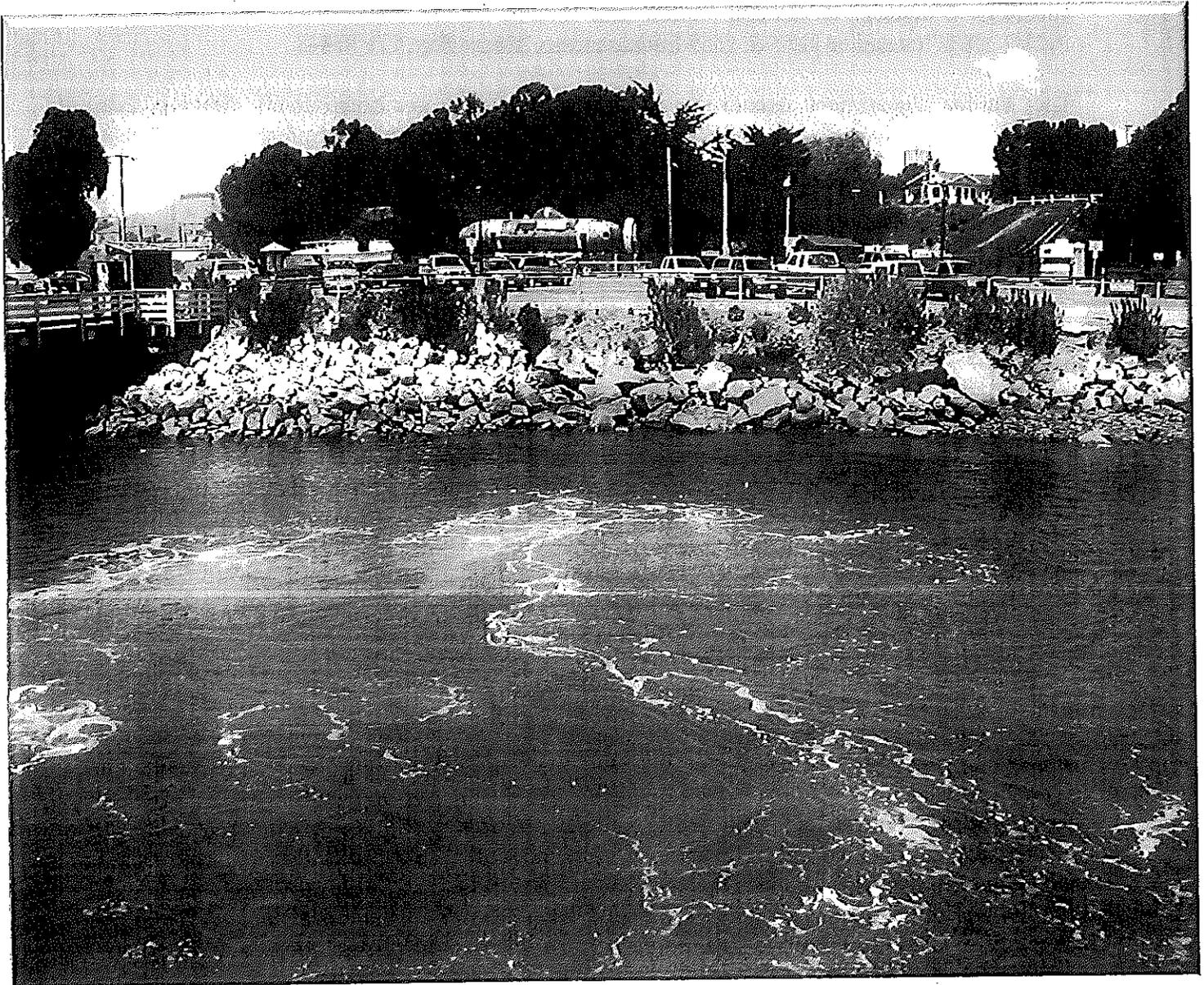
3. Make recommendations and comments on the proposal, if any, to be forwarded to the City Council for their consideration.

CONCLUSION

Staff is seeking HAB input and evaluation of the sole proposal received for an RFP process on vacant lease sites begun earlier this year. Individual Selection Panel review and HAB review are being combined into one HAB action to review and grade the proposal received, and any HAB recommendations or comments will be forwarded to the City Council.



City of Morro Bay Request for Proposals



Development of
Lease Site 107W-108W
1155 & 1159 Embarcadero
Morro Bay, CA 93442
Project MB-2013-HRFP2

May 17, 2013

Prospective Proposer:

SUBJECT: REQUEST FOR PROPOSALS FOR LEASE SITE 107W-108W 1155 & 1159 EMBARCADERO, MORRO BAY, CA 93442

The City of Morro Bay invites the submittal of proposals from qualified entities and/or operators (Proposer) to develop vacant land located on the Embarcadero for Lease Site 107W-108W located at 1155 & 1159 Embarcadero, Morro Bay, CA 93442.

The Harbor Department intends to select a Proposer to comprehensively develop this property. It is anticipated that this property will be available on a long-term ground lease basis.

Instructions and forms to be used in preparing the proposal are found in the information included in the Request for Proposals (RFP). The schedule for this RFP will be as follows:

ACTIVITY/Key Steps	DATE
Issue Request for Proposals	May 17, 2103
Mandatory Pre-Proposal Meeting and Site Walk-Through	June 14, 2013
Questions Due	June 30, 2013
Responses Posted by	July 15, 2013
Proposals Due	August 15, 2013

If you cannot agree to the requirements exactly as set forth in this RFP, please do not submit a proposal.

For questions regarding this RFP, please contact Eric Endersby by email at eendersby@morro-bay.ca.us. Questions must be submitted by June 30, 2013. Responses to questions will be posted on the City's website at www.morro-bay.ca.us by July 15, 2013. It is the responsibility of any Proposer to review the City's website for any RFP revisions or answers to questions prior to submitting a proposal in order to ensure all proposals are complete and responsive.

Sincerely,



Eric Endersby
Harbor Director

**REQUEST FOR PROPOSALS
DEVELOPMENT OF LEASE SITE 107W-108W
1155 & 1159 EMBARCADERO, MORRO BAY, CA 93442**

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Purpose

The City is seeking proposals from qualified entities and/or operators to develop vacant water located on the Embarcadero for Lease Site 107W-108W at 1155 & 1159 Embarcadero, Morro Bay, CA 93442, and hereinafter referred to as "Site." The property is available for long-term ground lease and the City will consider development proposals by one or more Proposer Teams (Proposer). The duration of the lease to be awarded as a result of this RFP will be negotiable, depending on the investment plan of the Proposer. The agreement will become effective once approved by the City Council.

Objectives

The City Council has determined that it is in the best interest of the public to consider potential development proposals for the Site. The City desires to have the property developed in a manner which will provide an economic return to the Harbor Department. It is the City's objective to ensure that the Site is developed at the earliest possible time to meet modern design criteria and incorporates planning and building codes with uses that are the most beneficial to the Embarcadero business environment. Other key City objectives with this RFP are design improvements that include:

- Minimum 8-foot wide sidewalks
- Minimum 8-foot lateral public access along the waterfront
- Disabled access to second floor uses, if any

The City is seeking Proposers who have the proven experience, financial resources, and professional expertise to deliver the highest quality and economically feasible project that is consistent with and best implements the land and water uses approved in the City's Master Plan, Local Coastal Plan, and Harbor Department Lease Management Policy.

SECTION I: SITE HISTORY

This Site is comprised of approximately 2750 square feet of water area (Lease Site 107W) and 2750 square feet of water area (Lease Site 108W) located at 1155 & 1159 Embarcadero in Morro Bay, California. The parcels are described in more detail in the attached Lease Site Map.

Tracing back to English Common law the Public Trust Doctrine establishes that navigable water or lands subject to tidal influence are "sovereign", held open to the public for commerce, fisheries or navigation. In 1942-44, the federal government constructed a revetment along the Morro Bay waterfront and filled most of the area now known as the commercial strip along the Embarcadero. The State of California claimed ownership of the newly created land as at least a portion of it had previously been below the high tide line. After many years of dispute with private property owners, who also claimed an interest in the land, most title issues were settled in the 1950s-1960s by designating those lands west of Embarcadero Road as public trust lands owned by the State, and those lands east of Embarcadero Road as privately owned.

In 1947, the State of California granted those public trust lands in Morro Bay to the County of San Luis Obispo. The City of Morro Bay assumed trusteeship of the granted lands upon incorporation in 1964-1965. The tidelands grant in Morro Bay is in perpetuity, provided the City conforms to the terms of the legislative grant. The granted lands must be used for commerce, fisheries, navigation, recreational purposes, parklands, public access, public parking and environmental protection or enhancement. Residential use of these public lands is specifically prohibited. The City may lease out these lands to private businesses for a period up to 50 years and all revenues from such leases must be expended within the area of the granted lands for the purposes of the public trust. Much of the granted lands were leased to established businesses in the 1960s on long-term leases that provided low rental rates in exchange for tenant investment in the business on the sites or settlement of previous land ownership or county lease disputes. Some of these old long-term leases have accrued significant "bonus" value to the benefit of the private party because waterfront property values have increased far in excess of the contractual rental return to the City.

The City desires to solicit proposals from interested parties to ensure maximization of public benefit from development and a long-term lease agreement for the Site.

SECTION II: SITE DATA

Development property is Lease Site 107W-108W as delineated on Parcel Map of the City of Morro Bay No. MB-68-30, which was recorded on October 10, 1968, in Book 3 Page 10 of Parcel Maps in the Office of the County Recorder, San Luis Obispo County, California. Property is located within the visitor-serving Tidelands Trust granted lands. The designated site, located at 1155 & 1159 Embarcadero, has been surveyed and contains a combined total of 5500 square feet of water.

A. Current Uses

The site currently has no active uses. There is a public boardwalk on the eastern boundary of the site.

B. Topography/Soil Conditions

The Site is a rock revetment leading down to the water. Investigation of land, soil, revetment, and harbor bottom conditions for suitability of the proposed development shall be the responsibility of the Proposer; however, no untoward hazards or conditions are known to exist on the site.

C. Hazards

The Site is subject to all conditions and hazards commonly associated with a bay/ocean-front setting including but not limited to:

1. Flooding: the Site is not in a designated flood zone.
2. Tsunami: the Site is within the tsunami 50-foot inundation zone.
3. Earthquake: the Site is within an earthquake hazard zone.
4. Storms: the Site is subject to periodic storm conditions.
5. Tidal Overflow: the Site can be subject to periodic tidal overflow.

D. Archeology

The Site is listed and is within 300 feet of a known archaeological site.

E. Hazardous Materials

It is the City's intention to deliver an environmentally clean Site to the Proposer, and no environmental hazards are known to exist beyond those normally associated with the daily operation of like businesses on the Site.

F. Zoning

The Site is in the "Measure D" Commercial/Recreation (CF) fishing district. The purpose of the CF district is to promote and accommodate both the commercial fishing industry and noncommercial recreational fishing activities in appropriate waterfront areas. The full text of Measure D and particulars of the CF district zoning can be found on the City website and in Morro Bay Municipal Code Section 17.24.

G. Parking

The Site currently has no parking spaces "grandfathered" in to the water leases.

SECTION III: INVITATION TO PARTICIPATE

The City is seeking proposals from Proposers with experience in commercial facilities, with the financial resources and capabilities to fund a proposed project, and whose general development approach and concept for the site best meets the City's objectives in this Request for Proposals.

A. Proposal Process

1. All proposals must be submitted per Section V, "Request for Proposals Submittal Package." All proposals become the property of the City of Morro Bay and will not be returned.
2. Submittals will be initially screened to ensure that they are complete and conform to this Request for Proposals. City staff will review and evaluate the qualifying proposals and make recommendations in a Staff Report.
3. The City will convene a Selection Panel to review the proposals, and to interview each qualified proposing party.
4. The Selection Panel will make Primary and Secondary Proposer recommendations to the Harbor Advisory Board, which in turn will review and make recommendations to the City Council.
5. The City Council will determine the final Primary and Secondary proposals.
6. City staff will at that time have authority to negotiate a long-term lease agreement with the proposing party for the Site. Upon approval of the Concept Plan by the City Council, City Staff would then recommend to the City Council for approval and execution. Proposing parties must assume that rental terms of a new lease agreement will be set forth as in the City's Harbor Department Lease Management Policy.
7. Any long-term lease shall include the requirement that the tenant, at the tenant's sole cost and expense, finalize all plans and permits, and obtain Precise Plan approval from the City Council prior to the commencement date of the lease.

B. Project Costs

ANY AND ALL DESIGN, ENGINEERING, OR PLAN SUBMITTAL COSTS FOR THE PROPOSAL WILL BE THE SOLE RESPONSIBILITY OF THE PROPOSING PARTY. THE CITY SHALL INCUR NO COST OR LIABILITY FOR ANY COSTS SHOULD THE PROPOSING PARTY BE UNABLE TO COMPLETE THE PROJECT APPROVAL AND/OR PERMITTING PROCESSES.

C. City's Right to Amend RFP

The City reserves the right to amend the RFP process and the selection procedures at any time. It is the responsibility of any Proposer to review the City's website for any RFP revisions or answers to questions prior to submitting a proposal in order to ensure all proposals are complete and responsive.

D. Contact Person

Request for Proposal Packets and written inquiries regarding the Request for Proposals or the project site can be obtained by contacting:

Eric Endersby, Harbor Director
Morro Bay Harbor Department
1275 Embarcadero
Morro Bay, CA 93442
805-772-6254
eendersby@morro-bay.ca.us

E. Pre-Proposal Meeting and Questions

Attendance at the mandatory Pre-Proposal meeting and Site walk-through on June 14, 2013 is required to submit a proposal. For any questions posed, a response will be posted on the City website by July 15, 2013. All questions are due by close of business June 30, 2013.

F. Submittals

Interested parties are required to submit their proposal to the City no later than 5:00 p.m. Verizon Time on August 15, 2013, per Section V of this RFP to:

City of Morro Bay
Attention: Harbor Director
595 Harbor Street
Morro Bay, CA 93442

Submittal envelopes shall be clearly marked "MB-2013-HRFP2." Postmarks will not be accepted.

SECTION IV: SELECTION PROCESS

The City reserves the right in its sole discretion to waive any defect or omission in any proposal that does not materially affect the terms of the response to this proposal. The City reserves the right in its sole discretion to reject any and all proposals submitted, to revise its selection process at any time, and to rescind this Request for Proposals at any time.

A. Criteria for Selection of Proposer

The City will select a proposal on the basis of maximization of public benefit in the proposed project, in addition to the proposing party's potential to bring the project to completion and successfully operate the lease based on financial capability and experience. The City expects to negotiate with the successful Proposer all aspects of the development program including a long term lease for the property.

Important elements influencing selection of a proposal are:

- Maximization of public benefit of the project and best utilization of both the land and water portions of the Site.
- Best balance between uses and requirements in the City's Master Plan, Local Coastal Plan, building codes, and design elements.
- The overall quality of the development team as evidenced by the professional reputations and experience of the principals and agents.
- Financial capabilities and expertise in commercial development.
- Experience in commercial leasing and property management.
- History of successfully completed development projects.
- The architectural excellence, engineering and overall quality of previous projects of like scope and scale.

Proposed uses on the lease sites shall be in conformance with the Tidelands Trust and consistent with current planning, zoning and land use policies of the City. The successful proposal will be subject to the normal planning and building approval process of the City.

B. Proposer Selection

The City reserves its right to seek input from various community and business representatives, staff, and other agencies. In addition the City may utilize the services of leading consultants in the areas of design, architecture and engineering, real estate, economics, and law to assist in the evaluation of the proposals and to negotiate a new lease.

Deposits from proposing parties reviewed by the City will be held in trust during the proposal review period. After City Council selection, the City will refund deposits from parties not in Primary or Secondary position, if any. The City will hold the Deposits from the proposing party under final Primary and Secondary consideration in trust during the twelve month Concept Plan processing period. If the Primary Proposer successfully completes Concept Plan approval of their

proposal as outlined, all Deposits will be fully refunded. If the Primary proposing party fails to complete Concept plan approval within the specified time, the City will retain the Deposit as a processing fee and the Secondary proposal may ascend to Primary status and the remaining Deposit handled accordingly.

C. Selection Methodology

In reviewing and evaluating the qualifications of the Proposers and their proposals, the following criteria will be considered:

1. The proposal complies with the Request for Proposals – **Pass/Fail**
2. Overall quality of the conceptual design of the facilities, overall Site plan and maximum utilization of Site square footage (land and water), and maximum benefit to the public – **up to 20 points**
3. Demonstrated understanding of the development constraints on the Embarcadero, and market knowledge of the Morro Bay and Central Coast local and visitor serving needs – **up to 20 points**
4. Proposed lease terms – **up to 20 points**
5. Proposer's financial strength and current relationships with financing sources, and demonstrated ability to finance the proposal through to completion – **up to 10 points**
6. "Green" and/or "LEED" building features including but not limited to site and landscaping, building materials, energy and water use, indoor air quality, lighting, and waste management – **up to 10 Points**
7. Overall Proposer and team qualifications and experience in similar projects – **up to 10 points**
8. Ability to secure and develop major sub-tenants as part of the proposal – **up to 5 points**
9. Proposed development schedule – **up to 5 points**

D. Exclusive Lease Negotiation

The City intends to enter into a ground lease with a Proposer who is capable of planning, designing, financing, developing and operating the project as proposed. Proposers responding to the RFP will be financially responsible for all construction activities. It is not anticipated that any direct financial assistance will be available from the City. The Harbor Department's typical ground lease is "triple net" and includes base rent and percentage rent terms. Negotiations for a ground lease will be initiated with the selected Proposer.

The lease will outline roles, expectations, responsibilities, goals, objectives and timelines with regard to the proposed development and specific financial parameters to which both the selected Proposer

and City will adhere. Proposers will be responsible for all costs associated with the RFP process including all costs incurred by the Proposer associated with the negotiation and development of the lease, as well as all costs associated with the entitlement, permitting, CEQA processing, and development. The selected Proposer will work closely with the City to establish general design parameters for the proposed development

The City and the Proposer shall negotiate a long-term ground lease agreement not to exceed a term of 50 years.

SECTION V: REQUEST FOR PROPOSALS SUBMITTAL PACKAGE

1. **Proposal Submittal.** All responses to this Request for Proposals must be received no later than 5:00 p.m. Verizon Time on August 15, 2013. Postmarks will not be accepted.

Proposals shall be dropped off or sent to:

City of Morro Bay
Attention: Harbor Director
595 Harbor Street
Morro Bay, CA 93442

Submittal envelopes shall be clearly marked "MB-2013-HRFP2." No fax or email proposals will be accepted.

2. **Acknowledgement Form.** Each proposing party must review, complete, and sign the attached Acknowledgement Form and include it with their proposals.
3. **Deposit Check.** A \$5,000 Deposit check or bank draft payable to the City of Morro Bay must be included with the proposal. Deposit disposition shall be in accordance with Section IV B.

All Proposers must submit four (4) copies of the following information:

A. Proposer Information

1. **Identification.** Name of Proposer and type of entity. Also provide known members of development team such as architect, engineer, landscape architect, major equity investors, consultants, etc., including project organizational and management roles in implementation of development.
2. **Experience.** Provide a brief description of the Proposer's and key team member's recent development experience. This experience should include projects in which the Proposer was instrumental and which are similar to the kind of project or similar project being proposed. Please be specific and indicate references for each project.
3. **Financial Data.** Provide information indicating Proposer has sufficient financial resources to undertake the project, including a statement of proof of financial capability to plan and construct the proposed project. Provide bank references where appropriate. The latter may be in the form of bank or financing institutions' letters of reference.

The City will independently investigate the financial background of proposing parties as agreed to in the required Acknowledgment Form signed by the proposing parties.

4. **Prior Financing.** Provide information on financing for prior or current development projects. Please be specific. Include a current Credit Report with credit score.

B. Proposal Narrative

1. **Narrative.** The written narrative must be included in the proposal describing the redevelopment proposal for the Site; the type of development envisioned and its market orientation which best implements both the land and water elements of the Site.
2. **Design.** The narrative should include the basic design elements, especially as they pertain to the City's waterfront design criteria, and all current planning conditions and zoning standards. A description of proposed treatment of building facades and "Green Building" features shall be included. If appropriate, photographs of existing buildings with similar facades may be included to further illustrate the concept.

C. Proposal Visuals

ALL DRAWINGS SHALL BE 24" X 36" BLACKLINE PRINTS WITH A HORIZONTAL LAYOUT. FOUR (4) SETS ARE REQUIRED.

EACH 24" X 36" DRAWING SHALL ALSO BE PROVIDED IN 8 ½" X 11" BLACK AND WHITE REDUCTIONS WHICH CAN BE PHOTO-COPIED.

1. **Site Plan.** Site Plan illustrating at a scale of 1" to 40" the outline of all buildings and improvements, including proposed building locations, landscape and hardscape areas, adjoining public areas, and proposed public improvements. Tabulations in square footage and percentage of the following shall be shown on the Site Plan:
 - a. Building footprint, landscaped areas and hardscaped areas.
 - b. Individual building tabulations depicting gross floor area and gross leasable floor area as well as proposed use.
 - c. Parking designated as standard, compact, handicap and loading spaces.
2. **4-Sided Elevations.** Four sided elevations shall be at appropriate scale and overall dimensions shall not exceed 24" X 36". All elevations shall be dimensioned to illustrate the height of roof and height of parapet. Material details shall be illustrated on these elevations.
3. **Section Drawings.** Section drawings shall be provided of all street frontages shall show true dimensions and shall show the outline of buildings on the adjoining lots. Section drawings shall include the adjacent roadway.

4. **Colored Site Plan Rendering.** A rendering utilizing the above mentioned Site Plan shall be provided. This Site Plan rendering is intended to provide a colored overall view of the entire project.
5. **Building.** A narrative description of proposed treatment of building facades and "Green Building" features shall be included. If appropriate, photographs of existing buildings with similar facades may be included to further illustrate the concept.
6. **Water Lease.** Proposals should include plans, elevations, etc. for the water portion of the Site as well.

NOTE: Plan will be considered a Conceptual Plan and will be subject to adjustment and City approval once a proposal has been selected and the details of the project are finalized through the planning, permitting, and negotiation processes.

D. Pro Forma

The proposal shall include a ten-year pro forma for the entire development to include, but not limited to, construction, sublease, and stabilization. A description of the proposal financing as it pertains to the pro forma shall also be included. The proposal should include an estimate of the total value of the project, broken down into land and improvement values. The pro forma should reflect all income and expense line items including but not limited to ground lease payments, with sufficient detail and clarity, for the proposal to be properly evaluated by the City.

E. Terms of Lease

The proposal should include the price and all lease and business terms the Proposer will commit to for development of the project and subsequent ground lease.

F. Schedule

Include a preliminary time schedule including any proposed phasing. The schedule should include any financial scheduling, amortization, etc.

G. Ownership of Materials

All drawings, plan documents, proposals and other materials submitted by the Proposer shall become the permanent property of the City.

SECTION VI: TENTATIVE PROPOSAL SCHEDULE

ACTIVITY/Key Steps	DATE
Issue Request for Proposals	May 17, 2103
Mandatory Pre-Proposal Meeting and Site Walk-Through	June 14, 2013
Questions Due	June 30, 2013
Responses Posted by	July 15, 2013
Proposals Due	August 15, 2013

SECTION VII: ATTACHMENTS

- A. **Attachment 1:** **Acknowledgement Form**
- B. **Attachment 2:** **Proposer Information**
- C. **Attachment 3:** **Lease Site Map**

Thank you for your interest in working with the City of Morro Bay for this service. We look forward to receiving your proposal.

ATTACHMENT 1

**ACKNOWLEDGEMENT FORM
REQUEST FOR PROPOSALS
DEVELOPMENT OF LEASE SITE 107W-108W**

Initial Below

1. _____ I have reviewed all of the information in this Request for Proposals and agree to all of the terms and conditions outlined therein.
2. _____ I understand that each proposing party should review the City's General Plan, Local Coastal Plan, and any and all planning and permitting elements as they pertain to this lease site.
3. _____ Any new lease with the City must be in the City's approved Master Lease format and should comply with the City's Harbor Department Lease Management Policy.
4. _____ I have reviewed the City's Master Lease format and Harbor Department Lease Management Policy and agree that the lease policy and basic lease format is acceptable for any future lease negotiations.
5. _____ I agree that the City of Morro Bay may take all steps necessary to investigate any financial information provided in response to this Request for Proposals. The City has my permission and consent to investigate such information however it deems appropriate.
6. _____ Enclosed is a cashier's check or bank counter draft in the amount of \$5,000 made out to the City of Morro Bay as a deposit and an indication of good faith interest for consideration in this Request for Proposals.
7. _____ I agree that this check will be handled as outlined in this Request for Proposals including that the check may be retained by the City as a processing fee under certain conditions.
8. _____ The parties signing below are all the parties in interest in our proposal to the City in response to this Request for Proposals, and, if part of a partnership or other entity, affirm that they have the authority to enter into this Request for Proposals.

Printed Name

Signature

Date

Printed Name

Signature

Date

ATTACHMENT 2

**PROPOSER INFORMATION
REQUEST FOR PROPOSALS
DEVELOPMENT OF LEASE SITES 107W-108W**

Include the personal information for all persons or entities submitting this proposal:

Name _____

Address _____

Phone(s) _____ (home) _____ (work)
_____ (cell)

Email _____

Name _____

Address _____

Phone(s) _____ (home) _____ (work)
_____ (cell)

Email _____

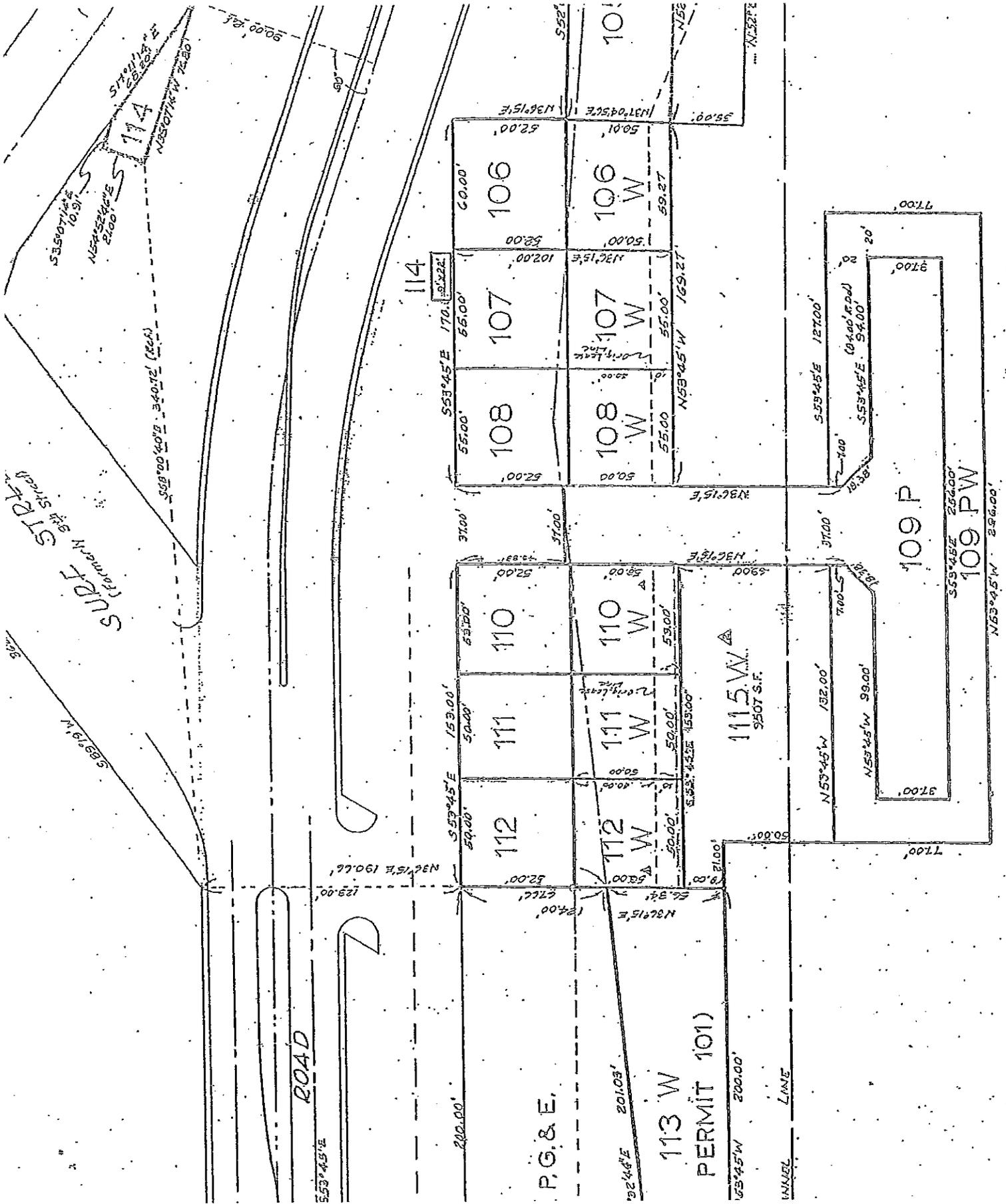
Name _____

Address _____

Phone(s) _____ (home) _____ (work)
_____ (cell)

Email _____

ATTACHMENT 3



1169 Market Avenue



Morro Bay, CA 93402

LETTER OF INTRODUCTION

August 14, 2013

City of Morro Bay
Attn: Harbor Director
595 Harbor Street
Morro Bay, CA 93442

RE: MB-2013-HRFP2

Dear Harbor Director and Selection Panel,

Attached please find my proposal for lease sites 107 & 108W. My objective is to construct a new building and floating dock to relocate Virg's Fishing back to the waterfront. Virg's has been a long-standing institution in Morro Bay and was the vision of my father back in the mid 1950's. I am committed to keeping the Virg's sport fishing business alive so that it can be passed down to further generations. Furthermore, I desire to enter into a new long-term lease with the City of Morro Bay.

This packet includes a project description, construction estimates, my qualifications, my financial capabilities and other pertinent information. The project includes a new tackle/retail shop, floating dock, public space and more. The plan as presented meets or exceeds the City's regulations and standards for development along the waterfront.

Please accept my project proposal and grant me a new long-term lease for this site. I will provide continuity of customer service and care of the lease site as I have shown over the years at my previous site.

Thank you for your time and consideration. Please feel free to contact me with any questions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sharon Moores".

Sharon Moores
President Virg's Landing Inc.,
(805) 772-1222

ATTACHMENT 1

ACKNOWLEDGEMENT FORM
REQUEST FOR PROPOSALS
DEVELOPMENT OF LEASE SITE 107W-108W

Initial Below

1. SME I have reviewed all of the information in this Request for Proposals and agree to all of the terms and conditions outlined therein.
2. SME I understand that each proposing party should review the City's General Plan, Local Coastal Plan, and any and all planning and permitting elements as they pertain to this lease site.
3. SME Any new lease with the City must be in the City's approved Master Lease format and should comply with the City's Harbor Department Lease Management Policy.
4. SME I have reviewed the City's Master Lease format and Harbor Department Lease Management Policy and agree that the lease policy and basic lease format is acceptable for any future lease negotiations.
5. SME I agree that the City of Morro Bay may take all steps necessary to investigate any financial information provided in response to this Request for Proposals. The City has my permission and consent to investigate such information however it deems appropriate.
6. SME Enclosed is a cashier's check or bank counter draft in the amount of \$5,000 made out to the City of Morro Bay as a deposit and an indication of good faith interest for consideration in this Request for Proposals.
7. SME I agree that this check will be handled as outlined in this Request for Proposals including that the check may be retained by the City as a processing fee under certain conditions.
8. SME The parties signing below are all the parties in interest in our proposal to the City in response to this Request for Proposals, and, if part of a partnership or other entity, affirm that they have the authority to enter into this Request for Proposals.

Sharon Moores SME 8/14/13
Printed Name Signature Date

Printed Name Signature Date

ATTACHMENT 2
PROPOSER INFORMATION
REQUEST FOR PROPOSALS
DEVELOPMENT OF LEASE SITES 107W-108W

Include the personal information for all persons or entities submitting this proposal:

Name Sharon Moores
Address 1190 Las Tunas Ave
Morro Bay, CA 93442
Phone(s) 805 772 8555 (home) 772 (work)
805 464 9332 (cell)
Email tashi.mcgrashi@gmail.com

Name _____
Address _____
Phone(s) _____ (home) _____ (work)
_____ (cell)
Email _____

Name _____
Address _____
Phone(s) _____ (home) _____ (work)
_____ (cell)
Email _____



PROJECT TEAM

Proposer:

Ms. Sharon Moores
1169 Market Avenue
Morro Bay, CA 93402
(805) 772-1222

Virg's Landing, Inc.
facebook.com/virgslanding
info@virgs.com

Background:

Virg's Landing established a presence on the Morro bay waterfront over 55 years ago. Virg and Freida moved from Newport Beach to Morro Bay and established Virg's Fish'n. Virg's introduced live bait to the Central Coast and became an instant success. The Albacore count that first year doubled for both commercial and sport fishing alike.

After studying business at the University of Colorado, Ms. Moores, and her family returned to Morro Bay. Ms Moores and her family spent the summer of 1970 opening the second Virg's location in San Simeon, California. Record-breaking lingcod were caught that year. She bought the Morro Bay business in 1976 and it has always been her intention to uphold this legacy.

Ms. Moores continued operating a successful business on the waterfront. In the early 2000's, Ms. Moores recognized the importance of revitalizing the tackle shop building and docks. So, she launched a plan to redevelop the site. She oversaw the progression of this plan for several years before she transferred the lease to her son for him to continue with the efforts.

A few years later, Ms. Moores made the decision to relocate the tackle shop away from the Embarcadero as building and dock rent increased. She was presented with a new opportunity at the Market Avenue location, which was the former site of Giannini's Marine Service.

Visitors were unable to find Virgs Landing on Market Avenue. Many people thought the business had closed and this was a serious problem that needed to be addressed quickly. Ms. Moores launched a multi-media campaign, putting every effort into getting back her customer base. On the home front dissemination efforts were re-doubled with delivery up and down the coast of printed Virg's flyers and pamphlets. Knowing a significant portion of customers are Valley residents, Ms. Moores utilized: television,



radio, Internet, newspaper, outdoor sporting shops and venues, and other printed media to reach these patrons. Literally, hundreds of half-off coupons rolled in the door. Ms. Moores accepted the loss of revenue associated with the coupons as part of a bigger picture and continued pushing her brand. Customers were finding the shop and returning to Morro Bay.

Once Valley patronage returned began returning, Ms. Moores turned her gaze upon the Internet. Her vision of a dynamic website and content-driven Facebook presence required updated procedures and employees both old and new be on board with these changes. All necessary staff was trained and cameras to the crew. Today, aside from daily fish counts, personal stories and back and forth dialog have established customer connection building an online community where people learn and share the excitement of fishing in Morro Bay. The results have been outstanding with several Facebook posts being described as "viral"!

The culmination of her efforts speaks to Ms. Moores's perseverance in the face of adversity. Positive attitude and unwillingness to give up have a proven benefit with a profit margin in 2013. In just three short years and despite set backs that might have crippled any other business, Ms Moores has not only persevered but rose above. She demonstrated her business acuity and strength in all areas.

Finally it must be noted that Mrs. Moores generous spirit, high regard for people, and the environment remain constant. No matter the financial scenario of her business, Ms. Moores continues with unfaltering support in the form of donations with crews, fuel, boats, bait, rental and equipment to organizations such as: Morro Bay Photo Expo, Cal Polly Tagging Trip, Kids at Sea, Boy Scouts, Girl Scouts, Junior Life Guards, Friend of the Elephant Seals. In addition to these groups, countless individual and trip passes are given out each season to many other fundraising efforts and organizations. Finally, Ms. Moores contribute to a number of environmental groups and local events and causes.

Experience:

- Owner operator Virg's Landing, Morro Bay, Ca., - 40+ years.
- Owner and manager of multiple rental properties 30+ years.

References:

- George Leage, Great American Fish Co, Morro Bay, Ca.
- Brad Leage, Virg's Landing, Captain of F/V Princess
- Greg Kauffman, RoboBank, Morro Bay, Ca
- Cathy Novak, Cathy Novak Consulting

1169 Market Avenue



Morro Bay, CA 93402

- Mark Tognazzni, Dockside Morro Bay, Ca.
- John and Sharon Rowley
- Rouvaishyana, Morro Bay State Park-Museum of Natural History

Reference contact information can be provided upon request.



Architect:

Chris Parker
630 Quintana Rd. #330
Morro Bay, CA 93442-1962

C.P. Parker, Architect
cpparkerarchitect@yahoo.com
www.cpparkerarchitect.com
(805) 772-5700

Background:

Mr. Parker has been involved in the profession for over 15 years and has been a licensed architect for nine years. He has done numerous projects within the City of Morro Bay and outlying areas. Mr. Parker has the experience and working knowledge of the City of Morro Bay design guidelines and other regulations that govern the Embarcadero area.

Experience:

Specifically Chris' experiences with waterfront projects are, but not limited to, the following:

- Remodel of Whale's Tale to Rocca's Surf Shack
- Harbor Walk Addition and Accessibility to the Salt Building
- Addition and Renovations to Great American Fish Co.
- Harbor Hut Restaurant – second floor office project
- Hotel, Retail and Restaurant for the former Outrigger Lease Site
- DeGarimore's Fuel and Ice Dock Replacement
- Repairs to the Dutchman lease site

References:

- Mr. Abba Imani, Salt Building
- Mr. Stan Van Beurden, master lease holder at Rocca's site
- Mr. Jim Leage, Great American Fish Co.
- Mr. Troy Leage, Harbor Hut
- Ms. Violet Leage, Outrigger
- Mr. Giovanni DeGarimore, DeGarimore's Fuel and Ice



Construction:

Mr. Danny F: Brebes
P.O. Box 1602
General Contractor lic#687457
Morro Bay, Ca 93443

Brebes Builders
brebesbuilders@yahoo.com
brebesbuilders.com
805-772-0661

Background:

A long time Central Coast resident, Mr. Danny Brebes, grew up working on the boats and docks of his family owned business, Brebes Sport Fishing. He was a young man, when the family sold the business. He changed occupations and went into building construction. Mr. Brebes has worked diligently over the years mastering all facets of residential and commercial construction. Mr. Brebes has been a licensed contractor for 20 years and has completed hundreds of projects. These projects include custom hillside beachfront homes, additions, remodels, kitchen and bathroom renovation.

Experience:

- o Structural deck addition, Rennel St., Morro Bay, CA,
- o Complete home remodel, Sandpiper, Morro Bay, CA
- o Wine cellar and workshop, 1010 St. Mary, Cayucos, CA
- o Family entertainment room addition, St., Los Osos, CA
- o Major structural home remodel, Cayucos, CA
- o Home remodel and dining room/roof deck addition, Mindoro Morro Bay, CA:
- o Two custom homes on Piney Way, Morro Bay, CA:
- o Great American Fish Co., Bathrooms

References:

- o Dr. Kevin Glenn
- o Deanna Richards, Edward Jones Associate
- o Dr. Rick Elmore
- o Richard & Judy Moores
- o Dr. George G. Gowgani, California State University Board of Trustees
- o Lee Johnson, City of San Luis Obispo, Economic Manager
- o Christine Johnson, City of Morro Bay
- o Christopher Bath, Co-Owner Coast Realty



- Chris Parker, Architect

Financial Consultant:

Israel S. Dominguez, MBA
358 Taft Ave.
Cayucos, CA 93430

Home: 805-995-1231
Cell: 805-441-1763

References

- Virg's, Harbor Hut and Great American Fish Company revitalization project
- Harbor Hut Restaurant – second floor office project
- Phillip Koziel, Branch Manager, Coast Hills Federal Credit Union
751 Marsh St., San Luis Obispo, CA 93401
- Gary Rubin, Full-time Business Faculty, Cuesta College
P.O. Box 8106, San Luis Obispo, CA 93403
- John Cascamo, Economic & Workforce Development/CTE
Cuesta College, P.O. Box 8106, San Luis Obispo, CA 93403
- Mike Roessler, State Initiative Director, Business & Entrepreneurship Center,
8918 Gulfport Way, Sacramento, CA 95826
- Sue Owen, Program Specialist, Cuesta College
P.O. Box 8106, San Luis Obispo, CA 93403



Planning & Governmental Relations

Ms. Cathy Novak
PO Box 296
Morro Bay, CA 93443-0296

Cathy Novak Consulting
(805) 772-9499
NovakConsulting@charter.net

Background:

Ms. Novak's previous experience as City of Morro Bay Mayor and Councilmember and her current role providing Project Representation for corporations, local governments, and private developers for 15 years, has provided for a broad-based knowledge of the labyrinth of regulations, policies, and procedures on permitting local construction projects. Given this extensive background, Cathy has the unique skill set required. She prepares CUP/CDP applications, coordinates with stakeholders, works with multiple governmental agencies involved in the permitting process, gives presentations, and acts as an overall liaison to achieve the final work product.

Experience:

Specifically Cathy's experiences with waterfront project are, but not limited to, the following:

- Virg's, Harbor Hut and Great American Fish Company revitalization project
- Harbor Hut Restaurant – second floor office project
- Stax's Wine Bar
- DeGarimore's Fuel and Ice Dock Replacement
- Mr. Stan Van Beurden, master lease concept for Rocca's (RFP)
- Harbor Center project
- Otter Rock Café
- Former Outrigger restaurant/hotel project
- Embarcadero Grill
- Flying Dutchman
- Aquarium
- Held/Violet project
- Salt Building project
- Estero Landing



References:

- Ms. Sharon Moores, Virg's Landing
- Mr. Troy Leage, Harbor Hut
- Mr. Jim Leage, Great American Fish Co.
- Mr. Giovanni DeGarimore, DeGarimore's Fuel and Ice & Stax
- Mr. Stan Van Beurden, Master lease holder at Rocca's site, Morro Bay, Ca.
- Mr. Smith Held, Harbor Center
- Mr. Joe Steinmann, Otter Rock Café, Morro Bay, CA
- Ms. Violet Leage, Outrigger
- Mr. Burt Caldwell, Embarcadero Grill
- Mr. Paul Van Beurden, Flying Dutchman
- Mr. Dean Tyler, Aquarium
- Mr. Abba Imani, Salt Building
- Mr. Ken Scott, Estero Landing



PROJECT DESCRIPTION

August 14, 2013

Setting & Summary: Sites 107W – 108W

The project site is on two City lease sites, 107W and 108W. The entire site size is approximately 5,500 square feet. The property is located on the western side of Embarcadero Road and adjacent to the City South T-Pier. A City owned and operated floating dock is to the south with the City South T-Pier and Great American Fish Company (GAFCO) to the north. Both lease sites are currently undeveloped however, there was a small sport fishing operation during the 1950's & 60's.

Virg's has been in business in this general vicinity since 1954 however they were required to move their operations over a lease site issue. The main tackle shop and retail store has been relocated to 1169 Market Street. The Virg's boats are currently moored in the bay and/or tied up at GAFCO floating dock. Virg's has been searching for appropriate and permanent building location to continue the sport fishing and whale watching trips.

The sport fishing operations are seasonal in nature in that the majority of business occurs in July and August. Additionally over the past few years, the rock cod fishing season has been limited by governmental action to May through December. It is unknown at this time if the regulations will change in future years to increase or decrease the fishing seasons. Whale watching season normally begins in December and runs through March as the whales migrate along the coast.

There are several reasons that Virg's has selected the lease sites 107W and 108W to construct a permanent building for their operations. First, Virg's is conscientious of picking a location on the north end of the Embarcadero to minimize any impacts to the main retail area located to the south.

Second, this location has had traditional uses with both commercial fishing and sport fishing operations. Please see more information under Historic Fishing Operations section.

In conclusion, this use by Virg's is consistent with the City Master Lease Policy and other City applicable regulations and policies



Project Description:

New Tackle Shop: Virg's is proposing to construct a 1,450 sq. ft. building that will include a tackle shop (retail sales), ADA restrooms (one exterior for public access and one interior for employees and patrons), an administrative office, rental pole/storage and a public waiting deck with benches. The new building will remain within the existing boundaries of lease site 108W. The proposed lot coverage with the building and waiting deck is 31%.

Floating Docks & Gangway: The proposed project includes a 60 foot long by eight foot wide side tie dock. The docks will be accessed by an approximate 24 foot long gangway from the South T-Pier. The floating dock will be located on lease site 108W and a portion of lease site 107W.

Navigation: The floating dock has been designed to minimize encroachments on the existing City T-Pier and commercial fishing docks located to the south. The proposed dock will be approximately 93 feet from the T-Pier leg and 80 feet from the commercial fishing docks. This distance will provide enough room for safe navigation to the T-Pier and will also allow for continued use of all the slips at the commercial fishing docks.

Pilings: It is uncertain at this time the number of pilings that will be needed to support the building and docks but it appears that there will be approximately eight piles required. The new piles will be steel or similar material to avoid using any toxic wood treated materials.

Eelgrass: A land surveyor was hired to survey the lease site boundaries and surrounding area in order to provide an accurate location of existing structures. At the same time, the surveyor coordinated the work with a low tide so that the Eelgrass bed located in this area was exposed. The proposed plans reflect the location of the Eelgrass as best as possible without the benefit of an actual Eelgrass survey by a qualified biologist. If the proposal for this lease is accepted by the City, an Eelgrass survey done by a qualified biologist will be submitted during the appropriate permit processing timeline. Therefore based on the information at this time, the building and floating dock have been designed to avoid the Eelgrass bed.

Harbor Walk: The City constructed the new Harbor Walk along this portion of the Embarcadero just a few years ago. The project as proposed will leave the Harbor Walk in its current configuration and construct the building approximately four feet westward to avoid interfering with the walkway. There is no new addition proposed to the Harbor Walk since the South T-Pier provides for public access on the north and also the existing Harbor Walk to the east.



Parking: The City Zoning Ordinance requires that the parking requirements for "passengers for hire" be calculated at the rate of one space per 6.5 feet of boat length. In the case of the Virg's proposal, there will be one boat, Black Pearl at 58 feet. This would equate to a total of nine parking spaces.

In addition, the proposed project includes a 1,450 sq. ft. building of which 858 Sq. Ft. will be retail space, 204 sq. ft. of employee use area, 112 sq. ft. for an administration office, 115 sq. ft. for rental pole and tackle storage, and 161 sq. ft. for the interior and exterior restrooms. For the purposes of calculating parking, the 858 sq. ft. retail space would require one space per 300 sq. ft. which will equal three spaces.

Therefore and theoretically the proposed project would generate a calculation of 12 parking spaces per the above description. However in determining the appropriate number of parking spaces, there is sufficient data to support that this project will not generate any new parking impacts and also will qualify for previous parking credits from the prior and existing uses.

First, there has been a historic use of this site by sport fishing boats. The records indicate that Morro Bay Sportfishing operated the Flyer (Boat length 45') from a small tackle shop adjacent to the South T-Pier. Documentation for this is from an old photograph that was previously submitted the City when the request to continue sport fishing operations from GAFCO was approved. Applying the parking calculations would result in a parking credit of seven spaces for the previous use and leaves a deficit balance of two spaces.

Second, the GAFCO project approved by the City included three sport fishing boats from Virg's to operate from that location. Virg's will continue to operate two of those boats from GAFCO but will just merely relocate the third boat to the dock at the new site. Thus, there will be no additional parking impacts to this area since the parking has been previously considered and approved with the GAFCO project. Taking this into consideration, the two remaining parking spaces identified and mentioned above have been previously mitigated and would result in a zero balance for the sport fishing boat parking calculations.

Third, the City previously concluded that "Virg's recreational fishing boat has been a long established use, and is not considered a "new passenger-for-hire" boat." (Planning Commission staff report, October 17, 2012, page 4.)

Fourth, the City has previously considered and determined that this entire area had previously been home to over 12 passengers for hire or party boat vessels dating back as far as the 1950's. (Planning Commission staff report, October 17, 2012, page 4.)

Fifth, in December 2004, a parking study was performed for the GAFCO, Harbor Hut and then Virg's Landing project. The report concluded that "With the combination of the five parking lot improvements and operational changes, the proposed increases in lease



space as summarized in the project description can be accommodated without impacting the parking operation in the Harbor area."

Sixth, the City Parking Management Plan states the following "However, the data also shows the north end of the Embarcadero Area has 2 fairly expansive public parking lots and abundant on-street parking (providing a total of about 390 spaces, representing approximately 46% of all the parking within the Embarcadero Area, defined as Blocks 1-10). These spaces are within a relatively short 2-9 block distance from the predominantly core retail area of the Embarcadero (Blocks 3-7), a generally easy walking distance. The demand survey showed however, that the highest (peak) demand for these spaces was 84% for the 2-3:00 p.m. hour weekday; the average weekday demand was 77%. Only two other one-hour periods experienced demand over 80%, the hour before the 2-3:00 p.m. peak and the hour after the 2-3:00 p.m. In all other hourly intervals, whether weekday or weekend, demand for these spaces was below or well-below 75%. These isolated short periods and locations of critical parking demand, coupled with the abundance of available parking in nearby blocks during these peak demand periods suggests that these critical short-term parking demands may, in reality, be more the result of a variety of other factors besides an actual supply shortage, suggesting effective management techniques, not more supply, will benefit the situation."

In summary determining the appropriate number of parking spaces required for the Virg's tackle shop and floating dock project, it should be considered that the following points will also apply to this project. In the end all of this will provide mitigation for parking without impacting existing spaces or create any new impacts to the overall parking in this area.

1. This is a coastal dependent use and unlike a retail shop, the business cannot be moved to another location in Morro Bay.
2. This is a seasonal business and managed under government restrictions for fishing days. Currently the sport fishing is allowed to fish between seven and eight months out of the year.
3. Typically during whale watch season, there would be only one of the boats operating. During the off season, the boats would fish commercially and have no passengers for hire.
4. The operations do not always carry passengers to full capacity. The operations include private charters that predominantly carry less than a full load to provide more room for the sport fishers.
5. Both the private study and the study for the City's parking management plan conclude that the north Embarcadero location does not have a parking hardship and that there are approximately 390 spaces available in the immediate vicinity.
6. The City has constructed an additional 31 parking spaces in the northern Embarcadero area.
7. The City has now acquired a large parking area from the power plant which, could be used for parking by Virg's and satisfy the requirements of the Zoning



Ordinance that allows the use to be met partially or wholly upon a site other than the site which the use is located as long as the location is within 600 feet of the use to be served.

Lastly, the remaining parking space calculations for the new tackle shop building were identified above as requiring three spaces. As previously mentioned, a tackle shop was located within the lease site area and the shop is estimated at 64 sq. ft. This would result in one parking space credit from the previous use.

Therefore based on all the information provided, the proposed sport fishing/dock and tack shop building project would require two parking spaces. These spaces can clearly be accommodated with the new parking areas mentioned above and within 600 feet of this site.

Water/Land Lease Line Encroachment: The project as proposed encroaches over the existing lease site 108W with a five foot by eight foot entry way to the new tackle shop (connecting to the Harbor Walk) and a landscaped planter box between the entry and South T-Pier. In addition, a three foot wide landscaped area between the building and Harbor Walk is proposed that will extend the length of lease site 107W. This proposal will either require a lease line adjustment or an encroachment permit which, the City will need to determine.

Additional Site & Project Characteristics: **Building Height:** The proposed building is 17 feet above the South T-Pier. **Roof Slope:** A 3:12 slope is proposed which will lower the overall profile of the building to minimize any impacts to the view shed. **Setbacks:** There is a five foot front yard setback required however; this proposed building is designed at a zero foot from the interior lease line. **Zoning:** CF, H, Measure D & PD

Uses: Coastal/marine dependent uses are proposed which include commercial fishing, commercial/recreational passenger fishing vessels and support facilities.

Green Building Techniques:

The project as proposed will incorporate the following techniques:

- Exterior Siding: Sustainably produced fiber-cement siding (Hardie Siding)
- Interior Walls: Gypsum Drywall manufactured by a sustainable company (PABCO)
- Painting: Low VOC Paints and Finishes to be proposed.
- Lighting: LED and/or High Efficacy Lighting



- Day-lighting: South-facing windows provide great views, but also wonderful natural lighting to help light the space during the daytime hours.
- Ventilation: Passive Ventilation can be achieved with the use of the operable clearstory windows and cross ventilation provided in the design.
- Flooring: Exposed concrete flooring that is integral to the structure to give the building thermal mass, and durability, reducing the need for additional flooring products.
- Decking: Composite Decking made from recycled content to be used on both the waiting deck and for the fabrication of the benches.
- Landscaping: Propose the use of succulents along the front portion of the lease sites to limit the requirements of watering (within city property)
- Plumbing Fixtures: Lo-Flow plumbing fixtures are to be used within the proposed structure.

Historic Fishing Operations:

This site has historically been used for sport fishing and commercial fishing operations. During the 1950's - 60's and on, there were several boats that fished at the Gladly I Landing (now GAFCO) and Morro Bay Sportfishing (lease sites 107W & 108W). They were the Lucky Strike, Gladly I, Bottom Bandit and Flyer. A photo that shows this area with the tackle shops is part of this proposal. Additional boats also joined in at the Gladly I Landing growing the fleet of sport fishing boats. Since this lease site has had historic operations of both commercial and sport fishing, it is consistent with the City policies and historic uses. Additional information has been provided in the parking section above.

Measure D:

It is the opinion of the applicant, based upon the documents and information provided that this project is consistent with Measure D and compliance within the Commercial fishing (CF) and Harbor (H) district where the lease site is located. Measure D, an important recognition to support the commercial and recreational fishing industries, can potentially place restrictions on businesses located within those boundaries. With that in mind, the applicants feel that the proposed improvements not only promote the fishing industry as a whole but, go beyond and help with the City's general desire to revitalize this area.

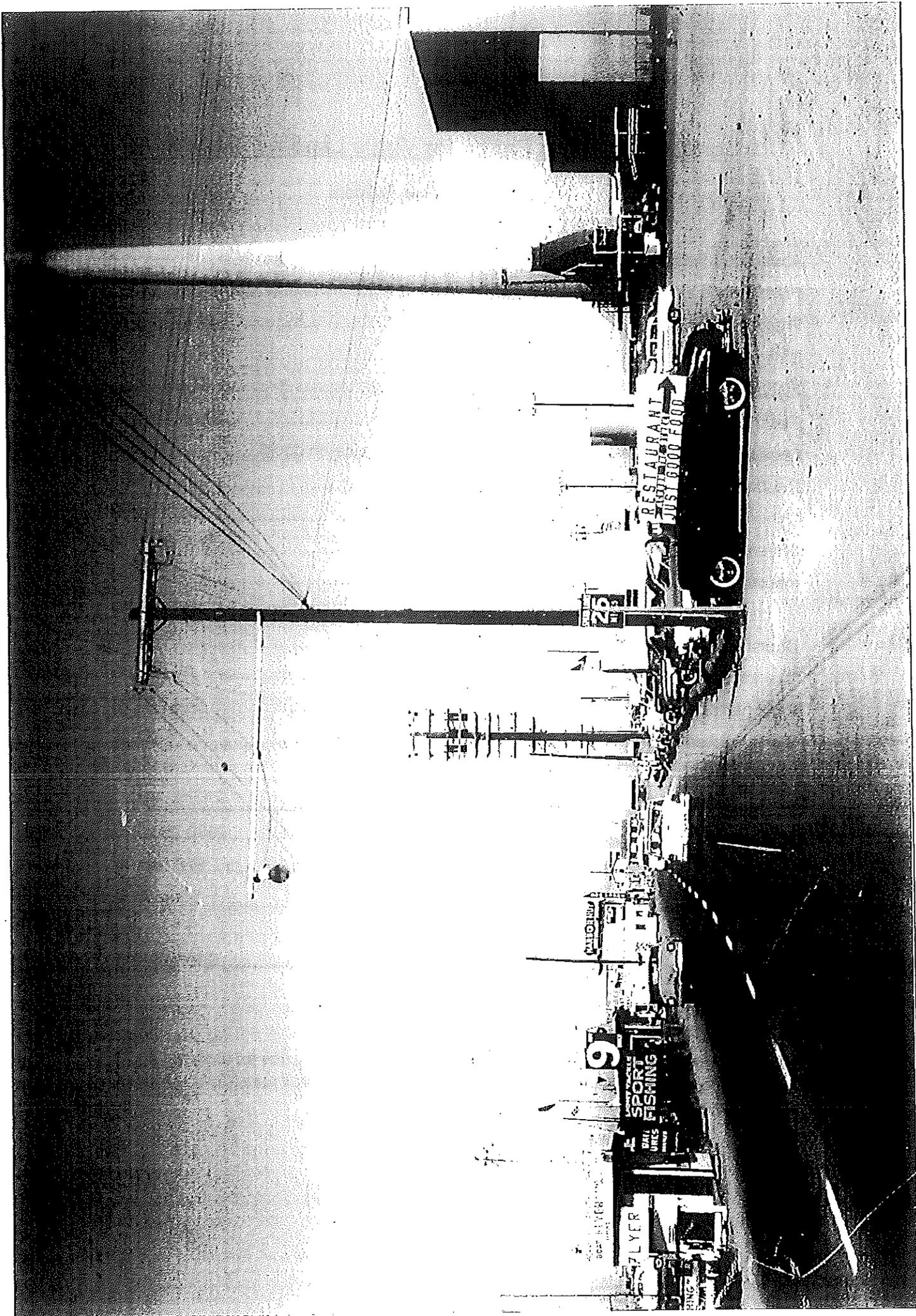
Permitting Requirements:

This project site is located within an area that has development constraints and will require multi agency approvals. Those approvals include a Conditional Use Permit from the City, a Coastal Development Permit CA Coastal Commission, and a Letter of Permission from the Army Corps of Engineers.



The lease site is zoned CF/H (PD) which limits the allowable uses and requires a higher level of review for the Planned Development (PD) Overlay. The PD Overlay requires City approvals for both a Concept Plan and Precise Plan. In designing a project of this nature it must be taken into consideration that along with the City's Zoning Ordinance requirements, the Waterfront Design Guidelines will also apply. There are added sensitivities such as view impacts, Eelgrass beds, public benefits and continued public access that were contemplated and incorporated within this proposed project design.

Moreover the applicant recognizes that the combination of all the laws, ordinances, regulations and design constraints requires an extra level of commitment for bringing a project such as this to fruition.



Construction Cost Profile for Virg's Landing Proposal

Prepared by Brebes Builders

Associated Pacific (Pilings, new pier, floating dock and gangway).....	\$330,000.00
Framing and siding materials.....	\$17,900.00
Framing labor (includes window installation).....	\$24,900.00
Siding labor.....	\$16,200.00
Insulation.....	\$5,500.00
Electrical.....	\$12,660.00
Plumbing (includes gas service, HW heater, water service on dock).....	\$15,100.00
Roofing (50 comp).....	\$4,900.00
Concrete floor stain.....	\$6,000.00
Sheetrock.....	\$18,100.00
Insulation.....	\$5,600.00
Windows and storefront doors.....	\$14,700.00
Doors (includes stainless steel hardware).....	\$1,850.00
Tile (includes cove tile and 4' splash).....	\$4,900.00
Paint (includes interior and exterior).....	\$10,500.00
Signs (quoted \$6,000.00 -\$10,000= \$8,000.00 average x4).....	\$32,000.00
Heating and sheet metal (includes FAU and copper flashing).....	\$9,450.00
<u>Public benches</u>	<u>N/A</u>
Subtotal.....	\$530,260.00
Contingency (5% of subtotal)	\$26,500.00
<u>Contractor fees (18% of subtotal).....</u>	<u>\$95,500.00</u>
 Grand Total.....	 \$652,269.00

Note: Agency fees, environmental and other related services such as architecture, engineering and specialty reports are not included in the overall construction estimate. This additional work is estimated at \$100,000.



CLOSING LETTER

August 14, 2013

Dear Harbor Director and Selection Panel,

Thank you as well as any other members of the City of Morro Bay who took part in this Request for Proposals (RFP) for the Lease sites 107W & 108W. For 55 years, Virg's Landing employees and patrons enjoyed a waterfront location. The possibility of re-establishing a tackle shop presence on the Embarcadero has meaning beyond what words are able to convey.

I have assembled a professional project team, one that is familiar with current planning and building codes. Our project design incorporates policies listed in the City's Waterfront Master Plan, Local Coastal Plan, and Harbor Department Lease Management Policy. Included in this RFP is documentation pertaining to my direct knowledge of a successful sport fishing and retail business as well as featuring my up-to-date marketing skills.

The Virg's team will endeavor to see that the site is developed at the earliest possible time while meeting all the necessary environmental regulations, the design criteria and other applicable policies. Due to the nature of permitting projects along the waterfront, it should be a reasonable expectation that the permitting phase of this project will take between 1 ½ to 2 years. Construction can begin soon thereafter and should take less than one year to complete. Costs associated with the development of this lease site, warrant my respectful request for a 50-year lease with the City in accordance to the terms outlined in the City's Master Lease Management Policy.

Finally, the Virg's crew, Project Team, and I recognize not only the opportunities this project can bring but also the responsibilities associated with it. If selected, all phases of construction and implementation will be considerate of the environment as well as the benefit not only to Virg's but also to the city as a whole.

Sincerely yours,

Sharon Moores
President, Virg's Landing, Inc.
1169 Market Ave.
Morro Bay, CA 93442
(805) 772-1222

APPLICABLE CODES

- 2010 CALIFORNIA BUILDING CODE (2009 IBC)
- 2010 CALIFORNIA RESIDENTIAL CODE (2009 IRC)
- 2010 CALIFORNIA PLUMBING CODE (2009 UPC)
- 2010 CALIFORNIA MECHANICAL CODE (2009 IMC)
- 2010 CALIFORNIA ELECTRIC CODE (2008 NEC)
- 2010 CALIFORNIA GREEN BUILDING CODE (2008 CGBC)
- 2010 CALIFORNIA FIRE CODE (2009 FIC)
- CALIFORNIA REFERENCE STANDARDS CODE

PROJECT INFO.

PROJECT LOCATION: LEASE SITE 107W & 108W
 PROPOSED STRUCTURE: 1,450 SQ. FT.
 LIVABLE AREA: (LESS RESTROOMS) 1,394 SQ. FT.
 PROPOSED WAITING AREA (DECK): 240 SQ. FT.
 PROPOSED SIDE-TRAIL DOCKS: 60 FEET
 PROPOSED ROOF HEIGHT: 17'-0" ABOVE PIER
 ROOF SLOPE: 3:12

PROJECT SCOPE

THE PROPOSED PROJECT WILL FUNCTION AS A SPORT FISHING FACILITY THAT INCLUDES A STRUCTURE SITTING ATOP PILES OVER THE BAY CONTAINING A RETAIL SPACE AND CHECK-IN OPERATIONS AND A FLOATING DOCK SYSTEM TO ALLOW FOR THE STORAGE OF A SPORT FISHING VESSEL. THE NEW STRUCTURE WILL BE A DRYWALL PRODUCT CREATED BY A SUSTAINABLE WHICH WILL BE PART OF THE STRUCTURAL SYSTEM AND LIGHTING FIXTURES WILL BE HIGH EFFICIENCY IN THEIR RATING. THE STRUCTURE ARE SOUTH FACING TO HELP DAYLIGHT THE SPACE AS WELL AS OPEN TO VENTILATE THE SPACE ON WARM DAYS.

DATE: 01/10/10
 PROJECT NO.: 107W & 108W
 DRAWN BY: [Name]
 CHECKED BY: [Name]
 SCALE: AS NOTED

C. P. PARKER ARCHITECT

CHARLOTTE, N.C.
 704.399.1111
 1000 W. 10TH STREET
 CHARLOTTE, N.C. 28202



CONSULTANTS

PROPOSED BUILDING & DOCKS FOR VRC'S LANDING

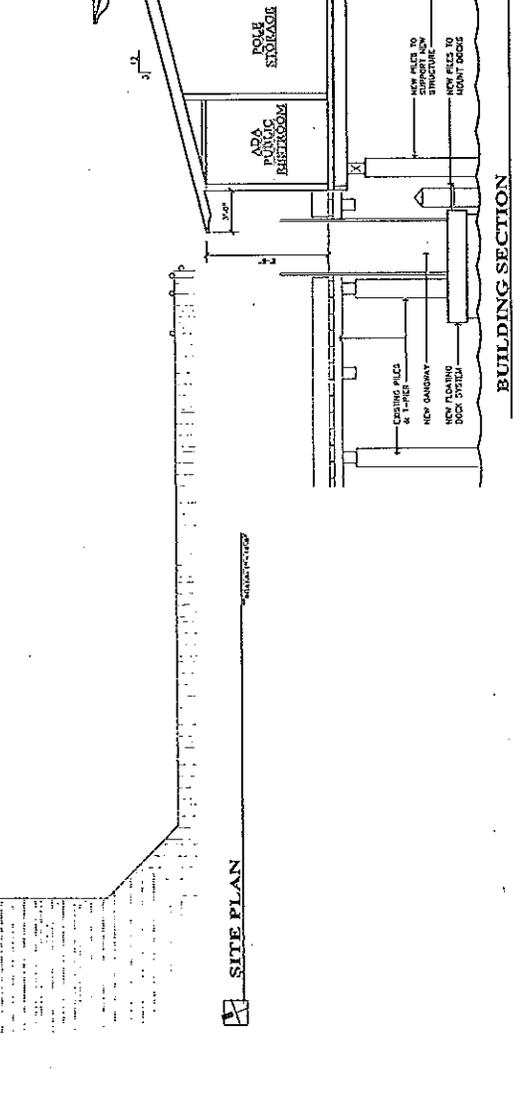
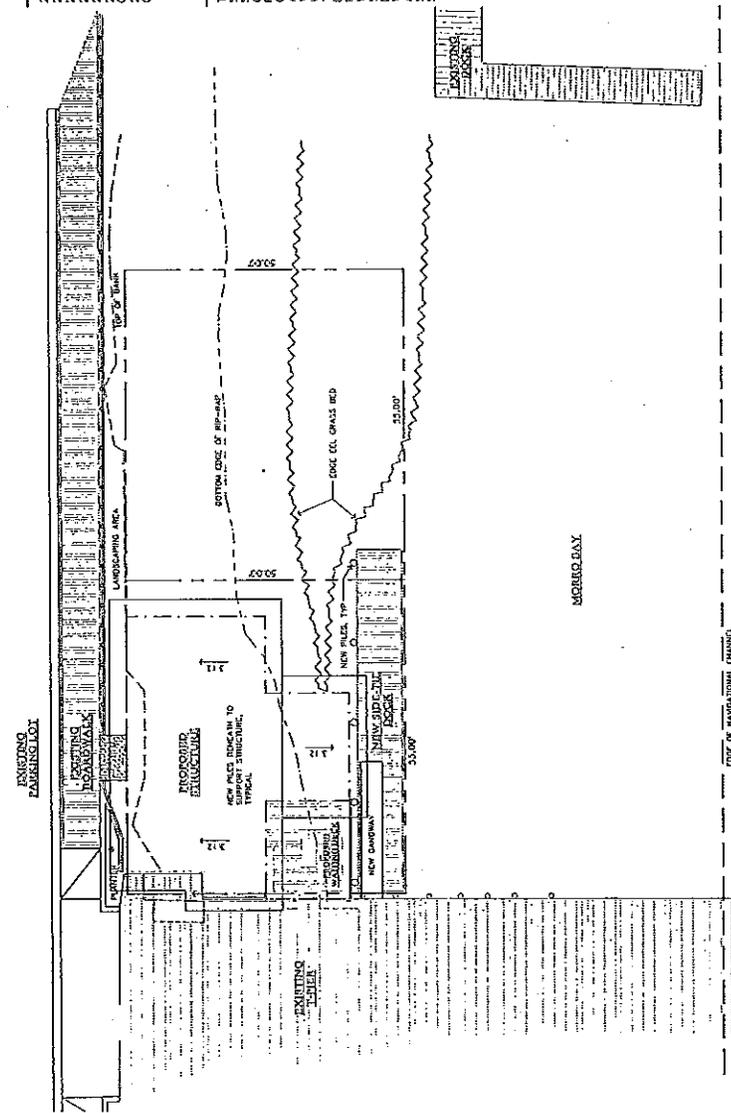
LEASE SITE 107W & 108W
 VINTAGE CANTIERO
 MORGAN BAY, CALIF.

DESIGN DEVELOPMENT

Project No.	DATE
Drawn By	REVISION
Checked By	REVISION
Scale	AS NOTED
Author	REVISION
Advisor	REVISION

SHEET TITLE
SITE PLAN
 SHEET NO.

A1.1



SHEET INDEX

- A1.1 SITE / ROOF PLAN & PROJ. INFO.
- A2.1 FLOOR PLAN
- A3.1 EXTERIOR ELEVATIONS

SITE PLAN

BUILDING SECTION

Copyright © 2013
 C. P. PARKER ARCHITECT
 1000 BAY STREET, SUITE 100
 OAKLAND, CALIFORNIA 94612
 TEL: 415.778.1000
 FAX: 415.778.1001
 WWW.CPPARKERARCHITECT.COM

C. P. PARKER
 ARCHITECT

REGISTERED ARCHITECT
 STATE OF CALIFORNIA
 NO. 10000
 EXPIRES 12/31/14



SEAL OF CALIFORNIA

PROJECT

PROPOSED BUILDING & DOCKS FOR VIRG'S LANDING

LEAH STEINBERG & PARTNERS
 1000 BAY STREET, SUITE 100
 OAKLAND, CALIFORNIA 94612

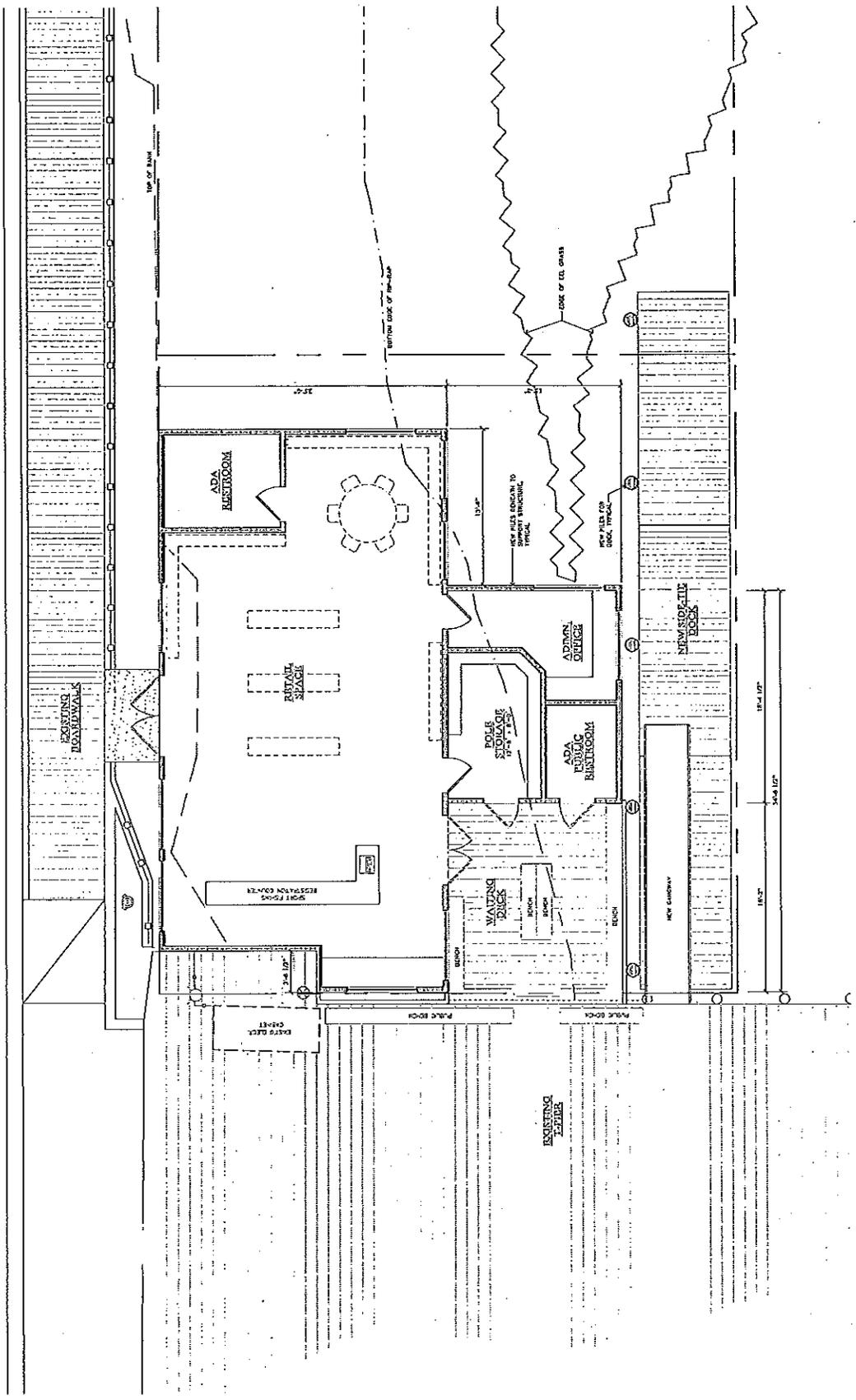
DESIGN DEVELOPMENT

Project No.	13-112
Drawn By	CEP
Check By	REDFIELD
Date	08/14/13
Scale	AS NOTED
Author	REDFIELD

DATE PLOTTED: 08/14/13
 PLOTTER: HP DesignJet T1100e

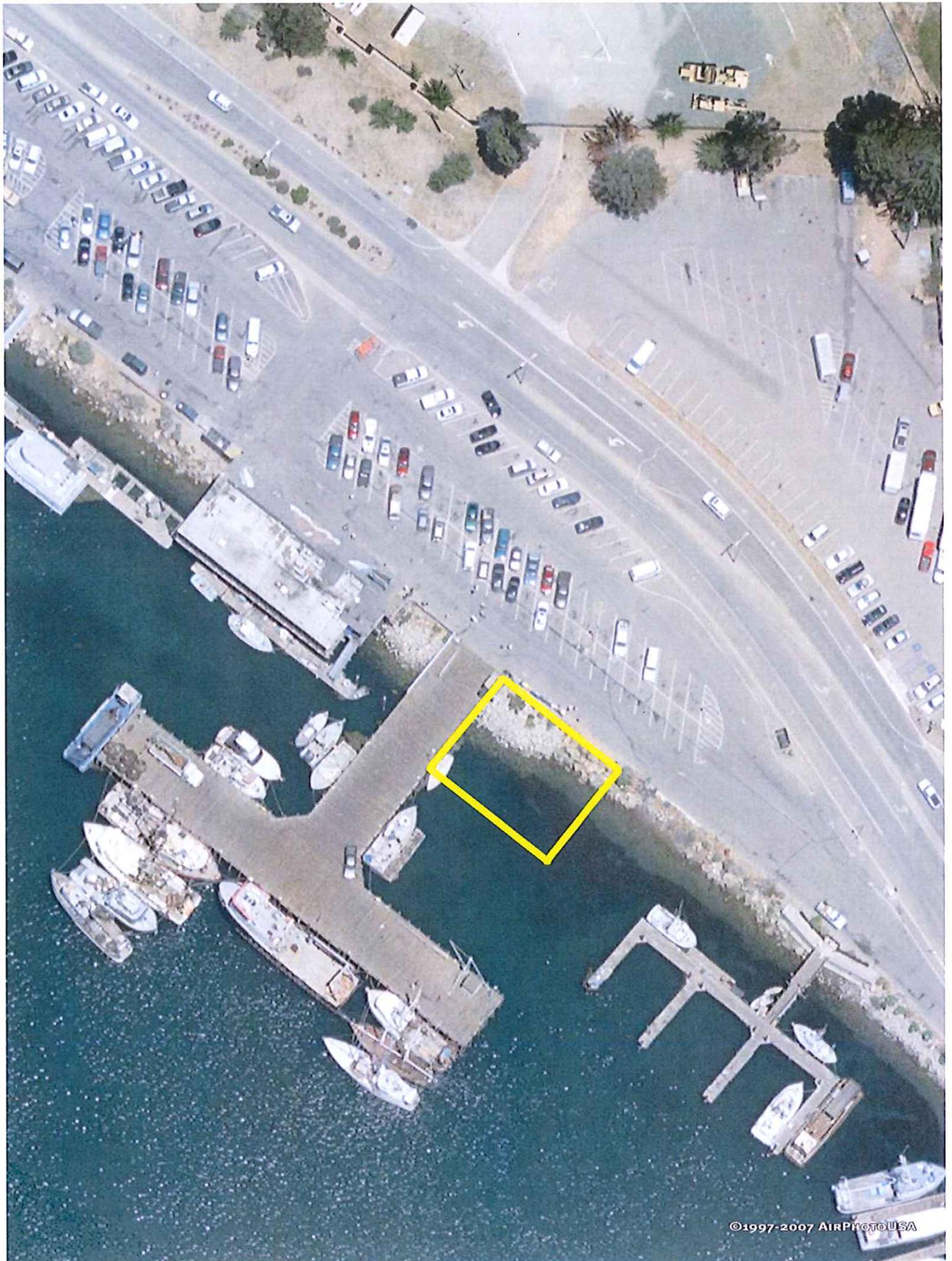
SHEET TITLE
FLOOR PLAN

SHEET NO.
A2.1



FLOOR PLAN

A2.1



City of Morro Bay
Tidelands Trust Grant Properties
Consent of Landowner Form

Consent For:

**Development of Lease Site 107W-108W by Virg's Sportfishing, as
proposed in response to Request for Proposals Project MB-2013-HRFP2
and negotiation of new lease.**

Site Location: Lease Site 107W-108W, 1155 & 1159 Embarcadero, Morro Bay, CA 93442

Property Owner: City of Morro Bay Telephone: 805-772-6254

Address: 595 Harbor St. City: Morro Bay State: CA Zip: 93442

Applicant: Virg's Sportfishing, Inc. Telephone: 805-772-1222

Address: 1169 Market Ave. City: Morro Bay State: CA Zip: 93430

I/We, the undersigned owner(s) of record of the fee interest in the above noted land for which an application for a permit, business license or other City entitlement is being requested, do certify that:

1. Building Permits, Land Use Permits: Such application may be filed and processed with my/our full consent. The applicant is authorized to act as our agent in all contacts with the City in connection with this matter. I/We hereby grant the City of Morro Bay or any of its authorized agents the right to enter upon the land described herein at any time during normal business hours for the purposes of site inspection in advance of City action on the Land Use Permits; inspection of any construction, grading or other development activities following any land use permit approval or evaluation of the satisfactory completion of development authorized through land use permit approval, including continuing compliance with any conditions of approval.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Susan Slayton, Acting City Manager

Date



AGENDA NO: D-2

MEETING DATE: January 14, 2014

Staff Report

TO: Honorable Mayor & City Attorney **DATE:** January 8, 2014
FROM: Anne M. Russell, Interim City Attorney
SUBJECT: Deferral of Dynegy Community Development Fund Payment

RECOMMENDATION

Authorize deferral of Dynegy's Community Development Fund ("CDF") Payment due January 21, 2014 for approximately two months until March 14, 2014, together with waiver of any applicable late fees or default claims related to the deferral.

ALTERNATIVES

1. Defer Dynegy payment due 1/21/14 until 3/14/14 at Dynegy's request (52 days). This would allow Dynegy to get more information from Cal-ISO as to Dynegy's plant retirement request, and would allow City and Dynegy time to pursue negotiations relating to possible City acquisition of Dynegy surplus property. This includes a possible trade of property in lieu of that payment.
2. Defer payment but direct staff to negotiate deferral fee or some other consideration.
3. Do not defer payment.

FISCAL IMPACT

If deferred, the City will not receive \$525,000 until approximately two months after its due date together with possible loss of minimal interest (due to current low interest rates), possible (unclear whether available) late fees, and possible lost opportunity costs (miss opportunity to use the funds elsewhere).

SUMMARY

In November 2004, the City and Duke Energy Morro Bay LLC ("Duke") entered into an Agreement to Lease and Agreement Regarding Power Plant Modernization ("2004 Agreement") as well as a Lease Agreement ("Outfall Lease"). By Resolution 59-12, on December 5, 2012, the City and Dynegy Morro Bay LLC ("Dynegy") amended both the 2004 Agreement and the Outfall Lease due

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

to the power plant not reaching New Plant Commencement Construction (as defined in the 2004 Agreement) by November 12, 2012. Among numerous other amendments, Dynegy replaced Duke throughout the documents, and Section 4.2.1 of the 2004 Agreement was amended to increase the amount of the CDF payment to \$525,000 (from \$500,000) effective January 21, 2014.

In November 2013, Dynegy filed a notice with the California Independent System Operator (“ISO”) initiating the retirement process for the Morro Bay Power Plant. In February 2014, the ISO is expected to determine whether the plant is needed or not needed . If the plant is not needed and no contracts can be found for operation, the process will continue with an estimated final closure in June 2014.

Due to the uncertainty regarding the plant’s future, Dynegy requested deferral of the January 2014 CDF payment, in the amount of \$525,000, to allow Dynegy to obtain more information as to the plant’s future, and to allow both sides to explore a possible trade of property in lieu of that payment. Dynegy did not request a specific amount of time, but indicated they would have more information by the end of February. The March 14 date follows the Council’s first regular meeting in March, to allow staff to come back to Council in the event an additional deferral is requested. The January CDF payment is neither budgeted nor planned.

Dynegy has the option of cancelling future CDF payments by giving the City notice by February 28, 2014.

CONCLUSION

Deferral of the CDF payment until March 14, 2014, and waiver of any applicable late fees or default claims related to the deferral, may present the City with opportunities to acquire property from Dynegy or otherwise work cooperatively towards resolving issues of community concern.



AGENDA NO: D-3

MEETING DATE: 01/14/14

Staff Report

TO: Mayor and City Council

DATE: January 8, 2014

FROM: Susan Slayton, Acting City Manager

SUBJECT: Discussion and Consideration of hiring a Consultant to Help Develop Funding Sources for Water Reclamation Facility Opportunities

RECOMMENDATION

City Council to direct staff accordingly.

ALTERNATIVES

No alternatives are presented as this is a discussion item.

FISCAL IMPACT

Depending on the level of service we choose to have, the consultant could be engaged for a single event or on a retainer basis. Carpi, Clay & Smith currently charge us \$700 per month for advocacy activities for harbor and fishing industry issues. Our former consultant for the wastewater treatment plant facility, McCabe and Co., Inc., received a retainer of \$12,500 per month plus expenses. The Ferguson Group, a consultant firm that could provide the services we may be looking for, has indicated that retainer clients' fees range from \$4,000 to \$10,000 per month, based on scope of services; they also offer single activity fees.

BACKGROUND

At the January 8 and December 10, 2013 City Council meetings, Mayor Irons proposed, and received support for, a discussion of opportunities, or options, for hiring a consultant to assist the City with grants and other funding opportunities for the water reclamation facility. His idea was to explore this idea with a staff report, outlining consultants and costs, and discussing what benefits we could derive from such an endeavor. This staff report is the presentation of that information.

DISCUSSION

Included with this staff report is a list of potential lobbying firms, contact information, and hourly rates. Council is asked to discuss this information, and consider the cost of hiring a federal/state advocacy firm and the potential benefits derived through funding support and assistance.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

The City currently utilizes Carpi, Clay & Smith to support the interests of our harbor and fishing industry. It may be possible to extend that relationship to an advocacy for the new WRF project. According to their website, Carpi, Clay & Smith has extensive experience in representing clients in transportation and infrastructure, natural resources, environmental regulation, public finance, healthcare, housing and community development, safety and security, education, and international trade and commerce. Information from Carpi, Clay & Smith is attached and labeled C-1 through C-4.

Another firm of interest in advocacy for the this venture is The Ferguson Group, who worked with San Luis Obispo County in its successful efforts to secure federal grants and very low interest loans for the Los Osos Wastewater Project. Mike Miller with The Ferguson Group will be traveling to California this month (January) and has expressed interest in meeting with Morro Bay to discuss our issues. Information from The Ferguson Group is attached and labeled F-1 through F-12.

The additional firms listed on the spreadsheet are firms that have been utilized by other California cities and districts. Brief information from these firms' websites is attached and labeled O-1 through O-5.

There is the possibility to utilize the CMANC trip for the additional purpose of seeking financial support for our water reclamation facility. The California Marine Affairs and Navigation Conference (CMANC) will be held March 25th through the 27th in Washington, DC, and is an opportunity to speak, in person, with our legislators in support of funding for our harbor and the fishing industry. Additional days could be spent in Washington, devoted to discussing funding opportunities with the consultant and our legislators.

CONCLUSION

Staff is asking the City Council to review the information included and provide direction accordingly.



January 7, 2014

Susan Slayton
Administrative Services Director
City of Morro Bay
595 Harbor Street
Morro Bay, CA 93442

Dear Ms. Slayton,

Thank you for taking the time to contact our office inquiring about our clients and whom we work for on wastewater treatment and water reclamation issues. As you know, Carpi & Clay has provided lobbying services to local governments for over 25 years and take pride in being a small, client-oriented firm.

Our Sacramento office currently represents the City of Coronado, the City of Encinitas, the City of Santa Cruz, the County of San Diego, the Port of San Diego, Scripps Health, the California Swap Meet Owners Association and the San Diego County Water Authority. We have represented some of these clients for as long as the firm has been operating. As of January 31, we will no longer be representing the San Diego County Water Authority and welcome the opportunity to represent the City of Morro Bay on wastewater treatment and water reclamation issues.

Just in the past year, our firm sponsored legislation, SB 322 by Senator Hueso, relating to recycled water that was signed into law by Governor Brown. We worked very closely with a broad coalition of stakeholders - environmental, state regulatory agencies, water agencies and local governments to develop a consensus approach. Our firm has also been very active in the storm water arena both in the legislative environment as well as at the State Water Resources Control Board. We participated as an invited speaker in a Legislative information hearing in June on marine debris and storm water issues and were asked to provide a local government perspective. Our firm secured passage of a second piece of legislation in 2013 dealing with regional water boards and TMDL requirements related to storm water/waste water discharges. Finally, our firm has been engaging with drafters of the various water bond proposals to ensure that waste water, water recycling and storm water funding are all adequately incorporated in whatever bond moves through the legislative process. These issues were on behalf of the San Diego County Water Authority, County of San Diego, and the Port of San Diego.

Please feel free to contact me if you have further questions or need additional information. Again, we look forward to this opportunity and appreciate your consideration of our firm.

Sincerely,


Jonathan Clay

Attachment

C-1



OFFICE OF THE GOVERNOR

OCT 08 2013

To the Members of the California State Senate:

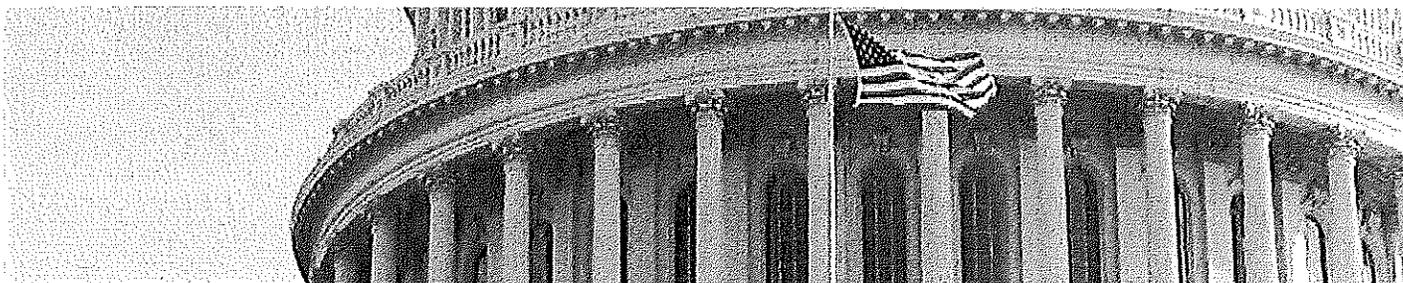
I am signing SB 322 which requires the Department of Public Health in consultation with the State Water Resources Control Board, to investigate the feasibility of developing uniform water recycling criteria for direct potable reuse by September 2016.

This information is past due. In an effort to enhance the use of recycled water, I have proposed the consolidation of the management of the drinking water program and all other water quality programs, including recycled water, under the State Water Board.

I am directing the Water Board to ensure that this work is completed expeditiously. The 3-year time frame mandated in this bill is too slow. California needs more high quality water and recycling is key to getting there.

Sincerely,


Edmund G. Brown Jr.



Our Capabilities

[Federal Advocacy](#)

[California Advocacy](#)

Federal Advocacy

Carpi & Clay is a government relations firm with offices in Washington, DC and Sacramento, California.

In Washington, DC the firm does business as Carpi Clay & Smith, specializing in providing strategic counsel and implementing effective government relations programs at the federal level for over 25 years.

We take pride in understanding your unique needs and issues. We are informed advocates who develop communications and legislative strategies that advance successful public policy and business development agendas.

Our success as federal advocates is grounded in a straight-forward and transparent process of developing and implementing realistic strategic plans that embrace each client's unique profile. Equally important is our desire to establish and maintain healthy communications that make you an integral part of the strategy and to ensure we are meeting your expectations.

We have broad experience in representing clients in transportation and infrastructure, natural resources, environmental regulation, public finance, healthcare, housing and community development, safety and security, education and international trade and commerce. Quite often it's about acquiring designated federal funding for projects and programs. We have obtained millions in federal funding for our clients. But throughout our decades of experience, we have found sometimes it's not all about the money. Often a legislative, regulatory or administrative change provides invaluable assistance to your policies, operations or activities.

We have many resources and contacts throughout Washington, DC in the legislative and executive branches, but we don't name-drop. Throughout our careers and years of service on behalf of or as public officials ourselves, we have earned reputations as nonpartisan advocates for good government. Where we don't have existing relationships, we develop and build them to support your needs. It is worth noting that our significant client accomplishments over the years have occurred under both Democratic and Republican majorities and presidents of both parties.

In the end, we are an engaged, hands-on team of professionals who value integrity, honesty and hard work.

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Our Capabilities

[Federal Advocacy](#)

[California Advocacy](#)

California Advocacy

The Sacramento, California office of Carpi & Clay has specialized in providing strategic counsel and implementing effective government relations programs at the state level for over 25 years. We take pride in understanding your needs and issues. We listen, we ask questions, we recognize your unique needs and we tailor our approach to address your distinct goals.

Whether you are seeking information on potential impacts of pending legislation, engaging in policy formation or pursuing funding allocations, we provide personal attention in planning a detailed strategy to meet each of your specific objectives. We are known for our ability to provide personal service due to our small and effective size. We present sound political advice and counsel relating to legislative issues and provide expertise and knowledge to effectively navigate the Sacramento legislative process.

We develop communications and legislative strategies that advance your public policy and business development agendas. We have broad experience in representing clients in transportation and infrastructure, natural resources, environmental regulation, public finance, healthcare, housing and community development and public safety.

We are an engaged, hands-on team of professionals who value integrity, honesty and hard work.

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C-4



THE
FERGUSON
GROUP LLC

1130 Connecticut Avenue, NW
Suite 300
Washington, D.C. 20036
202.331.8500
202.331.1598 fax

December 27, 2012

Mayor Jamie Irons
City of Morro Bay
595 Harbor Street
Morro Bay, California 93442

Dear Mayor Irons –

It truly was a pleasure talking with you regarding the City of Morro Bay and issues related to the federal government. I am taking this opportunity to provide several items we discussed, including:

- The link to our website (www.thefergusongroup.com) which provides good background on our firm;
- A recent federal report (August 2012) prepared for the County of San Luis Obispo outlining our scope of work, activity during the reporting period, and the County's federal agenda matrix;
- A memorandum outlining our recent work in the area of parks and recreation; and
- The link to the State Stormwater Coalition (www.stormwatercosts.com) which we currently are assisting by way of one of our clients.

As I outlined during our discussion, our scope of work and business terms can take several forms based upon the needs of our clients. Most of our clients opt to hire us on a retainer basis to provide a full suite of federal representation. We first meet with our retainer clients to review their issues and projects and develop a federal agenda with an action plan and milestones to help measure results. After the federal agenda is approved, our firm carries forward the agenda and provides regular updates and reports to our clients on our activities and progress. Our current monthly fees for professional services for retainer clients range from approximately \$4000 - \$10,000 and, as we discussed, we work with our clients to ensure the fee matches budgetary requirements while providing the desired scope of services.

Some of our new clients prefer to start off our relationship by hiring us to develop a federal agenda. Under this model we travel to the client, meet with elected officials and staff to develop an understanding of all issues and projects, and then draft a proposed federal agenda outlining an action plan and prospects for success. We typically negotiate a single fee for agenda building services and we normally complete this work in a 45-60 day timeframe although we can adjust the timeframe to meet our client's needs. After reporting the proposed agenda, many of our clients choose to extend our agreement to carry forward the federal agenda.

December 27, 2012
Mayor Jamie Irons
Page 2

Some of our clients also choose to initially engage us to assist them with a lobbying trip to Washington, D.C. While the clients utilizing this format are often associations we do occasionally assist municipal governments in this manner. The Ferguson Group offers a broad range of advocacy training programs that help improve lobbying and advocacy activities. Our training services and programs teach clients important skills to make their visits to Capitol Hill effective. TFG schedules appointments with congressional offices and Administration officials and staff, assists clients with message development, briefs clients prior to meetings, attends meetings with clients, and follows up on the meetings to give clients confidence their fly-ins are effective. As with the agenda building services, we typically negotiate a single fee to provide these services.

During our telephone conversation I also outlined our work on behalf of communities facing plant closures and reuse efforts. This is the link to the Manufacturing Alliance of Communities (<http://autocommunities.us/>) where you will find details on how we have assisted communities recently dealing with the closure and potential reuse of businesses. The MAC has enjoyed tremendous success helping protect companies and jobs and, where necessary, helped in transition efforts. Coupled with our experience in base closure and reuse, we are expert in working with the federal government when communities face the prospect of employers closing, downsizing, or transitioning.

Also, as we discussed, we worked closely with San Luis Obispo County in their successful efforts to secure federal grants and very low interest loans for the Los Osos Waste Water Project. I am sure you are quite familiar with this project but please let me know if you would like more information on the project and our work on behalf of the County.

I am always available to talk with you via telephone and I would be very happy to meet with you in Morro Bay or Sacramento at your convenience. My best telephone number during December is my mobile – (707) 287-0023 – as I am traveling frequently in California this month to meet with clients to develop their 2013 federal agendas.

Again, thank you.

Mike

Michael Miller
Partner



1130 Connecticut Avenue, NW
Suite 300
Washington DC 20036
Tel: 202.331.8500
Fax: 202.331.1598

August 28, 2012

To: Nikki Schmidt
From: Mike Miller
Re: 2012 Federal Agenda & Work Plan Update

This memorandum provides an update on our work plan associated with the County of San Luis Obispo's CY 2012 federal agenda and moving forward into the CY 2013 cycle. Following the update we have included a matrix outlining projects and issues on the County's federal agenda and brief notes regarding the status of each.

Through July 31, 2012, The Ferguson Group (TFG) assisted San Luis Obispo County in all matters of interest pertaining to the federal government, including federal funding as well as legislative, regulatory, and other administrative matters not directly related to federal funding.

We focused much of our attention in several areas, including ensuring funding and regulatory approvals for the Los Osos project continue to move forward in a timely manner. In addition to monitoring relevant legislative action in Congress and keeping regular communications in place with the County's congressional delegation, TFG assisted the County at several critical points during the year to ensure the process did not stall. For example, TFG facilitated direct communications with key NOAA staff responsible for certain necessary regulatory approvals to ensure there were no delays in the process. Also, TFG provided congressional briefings at key points during the approval process to ensure the congressional delegation had the opportunity to express support to relevant regulatory agencies for the project and efficient evaluation and disposition of regulatory duties. TFG also briefed relevant congressional offices on Los Osos as questions arose during the review process to ensure Members of Congress had accurate information regarding the project.

TFG also focused on transportation authorization legislation with particular attention paid to highway funding opportunities and potential negative impacts of proposed policy changes related to metropolitan planning organizations. This year, TFG provided significant assistance to the San Luis Obispo Council of Governments (SLOCOG) at the request of both the County and SLOCOG. TFG regularly briefed SLOCOG staff on legislative developments and responded to inquiries from SLOCOG. In addition, TFG arranged joint County/SLOCOG meetings with key elected officials and staff during our February 2012 trip and also provided follow up services. We believe our efforts on behalf of SLOCOG benefited both SLOCOG and the County equally.

In light of the ongoing congressional moratorium on project earmark, TFG continued working with the County to identify grant opportunities – competitive and discretionary – and assisted County staff throughout the year by evaluating grant opportunities and providing important information about relevant grants to aid in decision making. As we have discussed in the past, grant funding will continue to be critically important as Congress is undecided about whether to keep the moratorium in place when the new Congress convenes in January 2013.

Looking forward toward the 2012-2013 cycle, The Ferguson Group will work with San Luis Obispo County to ensure that project development and advocacy continues to be efficient, effective, and result in putting projects in the best possible position to receive federal funding. In addition to our regular and ongoing communications with County staff, we will also provide quarterly updates to the Board and staff regarding all matters of interest to the County at the federal level.

The following points outline our anticipated work plan. It is important to point out this is an election year and there might be significant changes in federal policy and opportunities in the coming months which could affect our work plan. Also, we are assuming the County and SLOCOG would like TFG to continue to assist SLOCOG in ways similar to 2011-2012.

1. Research and Identify Federal Funding Opportunities. On an ongoing basis, TFG reviews and identifies federal funding opportunities – both actual and potential. This research allows us to efficiently assess the likelihood of funding for projects in the early phases of specific project development. TFG maintains communications with key Members of Congress, congressional staff, and Administration officials and staff regarding funding opportunities and trends.

- Timeframe: Ongoing.
- Work product: Research and develop funding opportunity information for meetings with County officials and staff, communications with congressional and Administration contacts regarding funding opportunities and trends.

2. Develop Federal Agenda. While TFG researches and identifies federal funding opportunities, we concurrently work with the County to develop a project agenda. TFG will meet this fall once again with the County's elected officials and staff to identify project priorities. TFG briefs the County on other funding opportunities and policy consideration to stimulate thought regarding other County projects not previously discussed.

- Timeframe: Fall 2012.
- Work product: Preliminary project agenda with project assessment focusing on likelihood of funding based on funding criteria, precedent, and other considerations.

3. Congressional Delegation and Federal Agencies - Input. TFG discusses the agenda on an informal basis with key congressional representatives and relevant federal agency officials and staff to secure initial support or identify challenges. To ensure early feedback from the County's congressional delegation, we will work with congressional staff and seek initial review of the County's preliminary federal agenda concurrently with our federal funding research and preliminary federal agenda development.

- Timeframe: Fall 2012 (after County's initial CY 2013 federal agenda is developed)
- Work product: Briefings with congressional offices, agencies, and County staff.

4. Finalize Project Agenda. TFG briefs the County on congressional and agency comments on the agenda. TFG proposes a final project agenda based upon identified County priorities, funding opportunities, and congressional comments. While it is important to identify an agenda and remain focused on the agenda, TFG understands that County priorities can change during the appropriations cycle; TFG remains flexible throughout the year to address possible changes in priorities.

- Timeframe: Fall / Early Winter.
- Work product: Communications with County staff and officials, final project agenda.

5. Formal Requests. TFG works with the County, federal agencies, and the congressional delegation to finalize and submit requests for funding, policy changes, and regulatory relief. TFG drafts correspondence to congressional offices requesting support for projects. TFG coordinates communications with congressional offices and federal agencies and confirms receipt of project requests in advance of deadlines. TFG assists congressional offices as appropriate with work related to requests. TFG completes all required Member, committee, and subcommittee forms and other documents as appropriate. TFG communicates regularly with delegation offices and provides project background memoranda and other support to congressional staff as appropriate.

Once again, it is important to note we do not know whether the next Congress will adopt another moratorium on congressional earmarks for the next appropriations cycle. TFG will ensure funding opportunities are explored and will also work with the congressional delegation and the Administration to find funding opportunities outside the appropriations process (e.g., competitive and discretionary grants, policy changes enabling County participation in programs).

- Timeframe: Ongoing.
- Work product: Meetings with County staff and officials, project descriptions, required forms, supporting materials, congressional correspondence and other communications with congressional offices, project advocacy, grants research and applications.

6. County Advocacy. TFG strongly believes the most effective advocates for San Luis Obispo County are the County's elected officials and staff. We will continue to maximize the benefits of your expertise by ensuring that the right message is delivered to the right people at the right time. TFG provides full support to the County, including but not limited to meeting scheduling, briefing materials and talking points for meetings, meeting attendance and participation, and travel assistance. TFG staff attends meetings in Washington and California and follows up on all action items resulting from meetings. TFG also advises County officials and staff regarding additional communications at key points throughout the appropriations process, and provides draft correspondence, contact information, and talking points to the County as needed. TFG advises the County regarding building and maintaining a strong working relationship with congressional offices, and as appropriate, with Administration officials and staff.

- Timeframe: February – March 2013 and ongoing as necessary.

- Work product: Secure meetings with congressional delegation and relevant Administration officials and staff; meeting schedules, briefing materials, talking points, draft correspondence, communications with County officials and staff, congressional testimony.

7. Outcomes and Project Assessment. Upon final determinations by Congress or agencies, TFG reports results to the County immediately upon receiving accurate and reliable information. TFG provides copies of relevant legislation, congressional reports, and other documents. TFG debriefs congressional offices regarding project results and reports findings to the County. TFG provides outcomes assessments, assisting TFG and the County in formulating the San Luis Obispo's federal agenda for the next cycle.

- Timeframe: Ongoing
- Work product: Communications regarding results and assessment of federal agenda, debriefing congressional offices regarding outcomes.

8. TFG Advocacy. Throughout the year, TFG regularly communicates with Members of Congress, their staff, and key committee staffers in support of the County's requests. TFG full support to congressional offices, including support letters to appropriations committees, talking points for Member and staff meetings, memoranda regarding project and budget status, draft congressional testimony, and other communications as requested by congressional offices. TFG tracks legislation of interest to the County, including appropriations and other legislation, and will report key developments in the legislative process to the County. TFG also provides regular reports to the County outlining major policy areas, initiatives, and legislation. TFG staff attends relevant committee hearings and markups and provides updates to the County. In addition, TFG works with federal agencies to secure positive outcomes for the County's federal agenda.

- Timeframe: Ongoing.
- Work product: Communications with congressional representatives and federal agency officials and staff, draft correspondence, support materials, memoranda for congressional offices regarding project status, and other support as requested and needed by congressional offices, attend congressional hearings.

9. Grants. TFG will work closely with County officials and staff throughout the year to identify meaningful grant opportunities related to County priorities and needs. TFG will provide ongoing analysis of grant opportunities and will assist the County in application development and submittal. TFG will also provide outcomes analysis regarding grant applications and will follow up post-award to ensure funding is secured efficiently.

10. Client Communications. TFG is fully accessible to County officials and staff. We provide regular reports regarding project status, and we regularly meet in person with officials and staff in San Luis Obispo. By way of example, TFG continues to hold biweekly conference calls with County staff regarding the Los Osos Wastewater Project. We are available via telephone and email to answer questions and respond to other inquiries and requests from the County. TFG staff is available to County officials and staff to check and track the status of any legislation or regulatory activity at the federal level, as well as to advise the County regarding any potential impact of the matter on San Luis Obispo.

- Timeframe: Ongoing.
- Work product: Meetings in San Luis Obispo, written and oral status reports, other communications as necessary, meetings with other relevant entities, respond to information requests from County officials and staff.



COUNTY OF SAN LUIS OBISPO CY 2012 FEDERAL AGENDA & WORK PLAN

	PROJECT/ISSUE	NOTES
1	Transportation authorization bill (MAP-21)	<p>Provisions related to bridge replacement, MPO protection, off-system project eligibility, funding flexibility. HR 7 & MAP-21.</p> <p>Meetings in February 2012 and ongoing communications with congressional delegation and key committee staff regarding County and SLOCOG concerns.</p> <p>Two-year bill passed in July 2012 and effective October 1. Tracking funding and policy implementation plans.</p> <p>Problematic MPO provisions not included in final bill.</p>
2	101 / 46 interchange	<p>DOT grant funding and tracking funding implementation under MAP-21.</p> <p>USDOT will work with Caltrans to administer funding under MAP-21.</p>
3	Willow Road	<p>DOT grant funding and tracking funding implementation under MAP-21.</p> <p>USDOT will work with Caltrans to administer funding under MAP-21.</p>

	PROJECT/ISSUE	NOTES
4	Oceano Highway 1 flooding	DOT and FEMA grant funding. Ongoing research regarding funding opportunities.
5	Southland interchange	DOT and EDA grant funding Will evaluate funding opportunities as MAP-21 administration is implemented.
6	Los Osos Wastewater	Ongoing work with USDA, Corps of Engineers, Reclamation, EPA, FWS, NOAA, NMFS, and DOI regarding funding opportunities and regulatory issues. February 2012 meetings with key congressional and regulatory staff and officials regarding approval process and regulatory approvals. Worked closely with congressional staff to ensure regulatory agencies remained on schedule with necessary review and approval process. Continuing to work toward securing meetings with regional Corps officials and staff regarding Corps project work plan and prioritizing Los Osos.
7	Habitat Conservation Planning	Los Osos, Arroyo Creek, and regional HCP efforts. FWS, DOI, NOAA, NMFS, COE, and other agencies.
8	Water recycling	Bureau programs including WaterSMART.
9	NPDES – MSR4s Phase II	Permitting requirements. Continue advising County regarding key actions by EPA and other regulatory agencies.

	PROJECT/ISSUE	NOTES
10	Stormwater conveyance & liability	9th Circuit Court ruling. Clean Water Act, EPA. Continuing to track and keep congressional delegation informed.
11	Invasive species (aquatic)	Quaaga mussels – inspection and other assistance. Bureau of Reclamation Mussel Program. Met with Bureau representatives and continue investigating funding opportunities.
12	Arroyo Grande Creek – levees and HCP	Potential small flood control or aquatic ecosystems project. Corps of Engineers, NOAA, NMFS, FWS. Working with County staff to ensure timely regulatory consideration.
13	Property Assessed Clean Energy Program (PACE)	Actively engage legislators and Administration. Ongoing communications with congressional delegation regarding support for PACE program.
14	Climate Change	Alternative transportation funding opportunities, urban forestry, climate change planning, greenhouse gas reduction opportunities
15	Energy efficiency for public buildings	DOE – EERE program. Ongoing review of grant opportunities and communications with County staff.
16	Federal nuclear energy and waste policy	Diablo Canyon licensing; nuclear waste disposal and transportation

	PROJECT/ISSUE	NOTES
17	Anti-Gang Funding	Funding via USDOJ grant programs. Communicating support for program funding to delegation. Awaiting FY 2013 appropriations finalization.
18	DNA Cold Hit funding	Funding via USDOJ grant programs. Communicating support for program funding to delegation. Awaiting FY 2013 appropriations finalization.
19	CDBG and Energy Efficiency and Community Block Grant (EECBG)	Track and advocate for maximum funding and flexibility. Awaiting FY 2013 appropriations finalization.
20	Cambria Library Expansion	Expansion. Continuing to explore USDA and other grant opportunities.
21	Homeless services and facilities funding	Awaiting FY13 appropriations finalization to assess opportunities.
22	Low income wastewater assistance	Akin to LIHEAP.
23	Farm Bill	Relevant provisions including broadband service, land preservation, wildfire prevention, habitat resource conservation districts, erosion control.
24	Medicare reimbursement	Inadequate reimbursement due to high cost but rural designation

	PROJECT/ISSUE	NOTES
25	Veterans assistance	Transportation to clinic and other assistance Awaiting FY13 appropriations finalization to assess opportunities.
26	NEA funding for public art	Awaiting FY13 appropriations finalization to assess opportunities.
27	Feinstein/Boxer Earthquake Insurance bill	S. 637 (HR 3125). Bill currently in committee – action unlikely in this Congress.

The Furman Group - Water & Sanitation Sector - Windows Internet Explorer

The Furman Group
water & infrastructure public affairs

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SERVICES

WATER & SANITATION SECTOR



For nearly two decades, The Furman Group has provided specialized government relations consulting services to municipalities and other public agencies developing water, sanitation and transportation projects. We have a demonstrated record of success representing public agencies in Washington, D.C.

Over the past two decades, we have helped numerous communities and public water agencies throughout the U.S. access over \$300 million in federal funding for critical water, sanitation and other infrastructure projects. During that same period we planned and executed government relations strategies that have resulted in nearly \$350 million in project authorizations for our clients.

As we like to say, "Who we are is how we win."

These wins include:

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INNOVATIVE FEDERAL STRATEGIES, LLC

Comprehensive Government Relations

Local Government



Local Governments

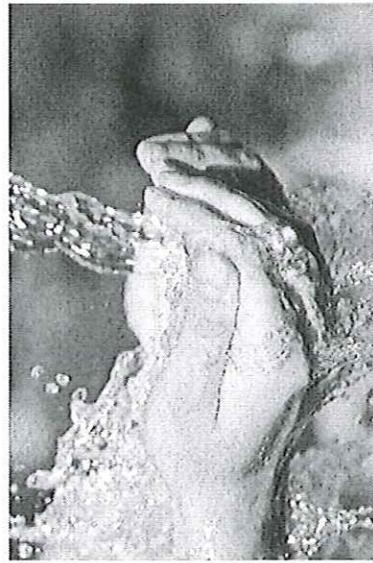
Innovative Federal Strategies has extensive experience working with various cities, counties, and municipal operations. While we recognize that no one entity has the same needs, we provide well-tailored solutions to each client, understanding that they face many of the same issues. IFS has worked with our clients to successfully secure funding and grant opportunities for major development on behalf of our local government clients in several appropriations bills. Most recently, we have assisted our clients in identifying federal grant opportunities and soliciting letters of support from their respective congressional delegations.

Politics Navigated

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Navigation



Water & Sanitation

Supplying clean water to communities across California and the nation is fraught with significant regulatory hurdles and constant infrastructure costs. Far too often the necessary investment in the lifeblood of the state is perpetually delayed until a near crisis is reached, leaving water districts, sanitation districts, and municipalities holding the bag when repairs and expansion can no longer be ignored. Public agencies in the water business need to constantly be on the look out for funding sources for these enormous investments while protecting against laws and regulation that come down from Sacramento and Washington, DC. Townsend Public Affairs represents some of the largest, most innovative water, waste water, and sanitation agencies in the state and helps them capture significant funding while proactively encouraging a positive regulatory climate at the state and federal level. This includes:

- **Funding:** Successful water and wastewater agencies should always have a piece of any state water bond and federal water reauthorization, the primary source of public funds available for those crucial infrastructure projects. TPA has won funding for our clients from every major infrastructure bond and water reauthorization since 1998 to better serve millions of California residents and businesses.
- **Legislation:** The state and federal government are constantly proposing new laws and regulations to govern the storage, delivery, and disposal of water-policies that can significantly impact operations. TPA protects our clients from these efforts through diligent advocacy on all policy proposals and encourages our clients to proactively introduce legislative proposals to reverse bad laws. These efforts save millions and help maintain a positive climate for continued operations.

Back

0-3



Joe A. Gonsalves & Son

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 Sacramento CA 95814
 PHONE: (916) 441-9927
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PROFESSIONAL LEGISLATIVE REPRESENTATION

WELCOME TO OUR WEBSITE!

Joe A. Gonsalves & Son has over 50 years of legislative experience successfully representing clients before the California State Legislature and California State Departments. Everyday we are committed to our clients interests and we strive to help move them toward their goals and provide personal professional representation in an honest, legal and ethical manner. We turn opportunities into results, ideas into realities and expertise into success for our clients.

"It's almost impossible to estimate the enormous impact Joe A. Gonsalves & Son lobbying skills and contacts bring to clients. They have immense knowledge of the inner workings of the Legislature, and they have wonderful professional relationships with legislators and staff members that are of inestimable value when it comes to legislative success."

*— Lisa Novolny,
 Deputy City Manager,
 City of Lakewood*

About Us



With an unwavering reputation, Joe A. Gonsalves & Son successfully represents an extraordinary group of clients. It is a tremendous privilege and honor for us to represent each and every one of our clients and we will not quit until the job is complete.

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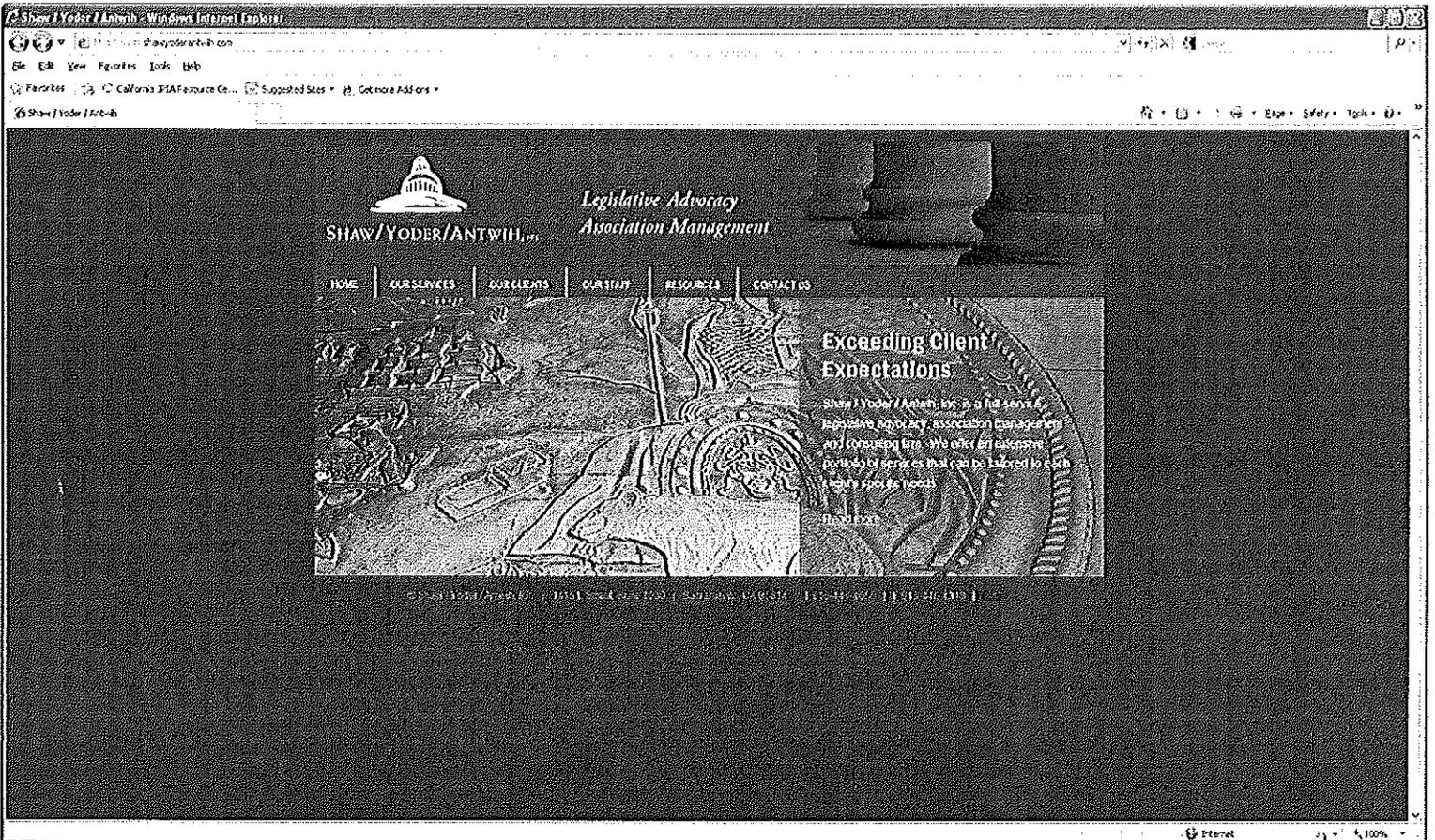
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AGENDA NO: D-4

MEETING DATE: 01/14/14

Staff Report

TO: Mayor Irons and City Council **DATE:** December 19, 2013
FROM: Susan Slayton, Acting City Manager
SUBJECT: Approval of the 2014/15 Budget Calendar

RECOMMENDATION

Staff recommends that the City Council review the budget calendar, make any necessary changes and establish the budget calendar for the 2014/15 budget cycle.

ALTERNATIVES

Staff has no recommended alternatives to this calendar. Should Council make changes to the calendar, staff will ensure that the calendar is altered to fit those changes.

SUMMARY

The budget calendar is presented for City Council approval. Please review the calendar and make any necessary changes.

Budget calendar established	January 14 th
Mid-year 2013/14 budget review	February 11 th or 25 th
Worksheets provided to Departments	March 7 th
Goal Setting Workshop	TBA
Revenue and expenditure estimates due to Finance	March 28 th
Goal Setting Workshop	TBA
Preliminary budget to City Manager / Finance	April 18 th
Preliminary budget to City Council	May 2 nd
Budget Workshop	May 21 st
Budget Workshop (if needed)	June 4 th
Adopt 2013/14 Budget	June 24 th

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: D-5

MEETING DATE: 01/14/14

Staff Report

TO: Mayor and City Council **DATE:** January 8, 2014
FROM: Susan Slayton, Acting City Manager
SUBJECT: Discussion of Recruitment for City Manager and Award of Contract to Recruitment Firm

RECOMMENDATION

Staff recommends the City Council contract with Avery & Associates for the City Manager recruitment.

ALTERNATIVES

City Council may choose another professional recruitment firm from the list provided, and direct staff to engage the chosen firm.

FISCAL IMPACT

The cost estimates for the City Manager recruitment are between \$22,400 and \$26,000 which will be paid for from the General Fund.

DISCUSSION

With the resignation of City Manager Andrea Lueker, the City Council requested that staff obtain proposals from professional recruitment firms to provide City Manager recruitment services. Presented herewith is:

1. A list of the firms contacted with cost estimates;
2. Proposals from Avery & Associates, Ralph Andersen & Associates, Peckham & McKenney, and Slavin Management Consultants (staff was unable to reach TB & Company for a written proposal); and
3. A draft contract from Avery & Associates.

Staff recommends Avery & Associates due to of the City's years of experience working with him in a variety of areas. Mr. Avery has been our lead negotiator for over 10 years; his firm has also performed numerous executive searches for us in the past, with the most recent being the Police Chief recruitment that resulted in the hiring of Chief Christey. It is staff's opinion that Mr. Avery's familiarity with the Council and the City will benefit us greatly. Avery & Associates proposed cost of the recruitment is \$16,900 plus expenses, for an estimated cost of \$22,400, which is the lowest of the cost estimates received.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

CITY OF MORRO BAY
 LIST OF EXECUTIVE RECRUITMENT FIRMS FOR CITY MANAGER RECRUITMENT
 JANUARY 8, 2014

NAME OF FIRM	CONTACT	PHONE NUMBER	BASE COST	EXPENSES	TOTAL ESTIMATE	NOTES
Peckham & Mckenney	Bobbi Peckham	916-730-2014 (cell)	\$18,000.00	Approximately \$7,000	\$25,000.00	Begin Jan 2014
TB & Co	Tert Black	310-377-2612 310-781-0878 (cell)	\$18,000.00	Approximately \$8 - 9k	\$26,000.00	Begin Jan 2014
Avery & Associates	Bill Avery	408-472-7873 (cell)	\$15,900.00	Not to exceed \$6,500	\$22,400.00	Begin now
Ralph Andersen & Associates	Robert Burg	916-630-4900	\$25,000.00	\$0 expenses, unless focus groups held	\$25,000.00	Begin Jan 2014
Slavin Management Consultants	Paul Wenbert	480-664-2676 480-444-9512 (cell)	\$15,580.00	Not to exceed \$8,569 City pays for finalists' actual travel costs - not included in the \$8,569; est = \$450-650 per candidate	\$24,149.00	



January 7, 2014

Mayor James L. Irons
and Members of the City Council
c/o Susan Slayton
City of Morro Bay
595 Harbor Street
Morro Bay, CA 93442

Dear Mayor Irons and Council Members:

Thank you for the opportunity to express our interest in assisting you in the recruitment of the next City Manager. With over 50 years of combined experience in executive search, we understand that the selection of the new City Manager is a crucial decision for the Council, and we will do everything within our power to make this recruitment process a positive experience for everyone involved.

Headquartered in Sacramento, our firm provides executive search services to local government agencies throughout the Western United States. With over 50 years of combined experience in executive search, management and local government, Peckham & McKenney was established as a partnership in 2004. We have conducted hundreds of searches over the years and have extensive experience conducting City Manager recruitments, in particular. More specifically, we have conducted nearly 40 similar searches within the past three years alone.

City Manager placements made within the past three years (34):

<i>City of American Canyon</i>	<i>City of La Quinta</i>
<i>City of Anderson</i>	<i>City of Mill Valley</i>
<i>City of Antioch</i>	<i>Town of Moraga</i>
<i>City of Bell</i>	<i>City of Novato</i>
<i>City of Belmont</i>	<i>City of Palmdale</i>
<i>City of Belvedere</i>	<i>City of Palos Verdes Estates</i>
<i>City of Benicia</i>	<i>City of Palo Alto (Assistant)</i>
<i>City of Burbank</i>	<i>City of Park City, UT</i>
<i>City of Burlingame</i>	<i>City of Rohnert Park</i>
<i>City of Campbell</i>	<i>City of San Clemente (Assistant)</i>
<i>City of Carmel-by-the-Sea</i>	<i>City of Santa Clara</i>
<i>City of Corvallis, OR</i>	<i>City of Tracy</i>
<i>City of Cupertino</i>	<i>City of Tulare</i>
<i>City of Encinitas</i>	<i>City of Waterford</i>
<i>City of Exeter</i>	<i>City of West Sacramento</i>
<i>City of Fremont (Assistant)</i>	<i>Town of Woodside</i>
<i>City of Indian Wells</i>	
<i>City of Hayward (Assistant)</i>	
<i>City of La Palma</i>	

*City of Morro Bay
Page Two*

Current City Manager searches include:

*City of Eureka, California
City of Piedmont, California
Town of Snowmass Village, Colorado
City of Daly City, California (Assistant City Manager)*

A full list of executive searches conducted by either Bobbi Peckham or Phil McKenney is included in our proposal. Clearly, we have established an extensive database of industry contacts. We are also active in the Cal-ICMA Preparing the Next Generation Committee, Municipal Management Associations of Northern and Southern California (MMANC and MMASC), and Women Leading Government.

Bringing 26 years of experience in executive search as well as significant experience in conducting City Manager searches, I would personally serve as the City's Recruiter. My experience working with coastal communities is significant and includes the cities of Carmel-by-the-Sea, Dana Point, Del Mar, Encinitas, Oceanside, Palos Verdes Estates, and San Clemente, among others.

Again, thank you for this opportunity. Please contact me toll-free at (866) 912-1919 if you have any questions or would like to meet with me personally to ensure a good "fit" as your Recruiter.

Sincerely,

Bobbi C. Peckham

Partner, Peckham & McKenney
bobbi@peckhamandmckenney.com

Attachment

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INTRODUCTION

Peckham & McKenney provides Executive Search services to local government agencies throughout the Western United States and is headquartered in Sacramento, California. The firm was established as a partnership in June 2004 by Bobbi Peckham and Phil McKenney, who serve as the firm's Recruiters. We are supported by an Office Manager, marketing and design professional, research specialist, web technician, and distribution staff.

Peckham & McKenney was established on the premise that an executive search and consulting firm must be dedicated to providing its clients and candidates with professional service, as well as a personal, hands-on approach. Our business philosophy centers upon the understanding that this is a "people" related industry and that attention to others' needs is the key to providing effective customer service. Not only are we committed to providing our clients with well-qualified candidates, but we also take pride in treating both our clients and candidates with utmost respect. This commitment has led to multi-year retainer agreements with a number of agencies, as well as numerous client and candidate testimonials to their experiences with us. We invite you to visit our web site at www.PeckhamAndMcKenney.com.

At Peckham & McKenney, we are committed to local government and sensitive to the challenges and issues faced by our clients. As such, we participate in the Cal-ICMA *Preparing the Next Generation* Committee and also serve as the Administrator for the Credentialed Government Leader program for the Municipal Management Associations of Northern & Southern California. In addition, we have provided workshops and training sessions in California and Colorado to up-and-comers on resume and interview preparation and general career guidance.

Bobbi C. Peckham

Bobbi Peckham is one of the West Coast's leading local government recruiters and has 30 years' experience in local government and executive search. Ms. Peckham began her career with the City of Naperville, IL, where she became familiar with all aspects of local government. Ms. Peckham was then recruited to join the Executive Search practice of a leading California recruitment firm. Later, she played an integral role in creating a national search business for what became the largest recruitment practice serving local government in the country. Here, she became Regional Director overseeing Northern California and a nine-state region.

In 2004, Ms. Peckham formed her own search firm in partnership with Phil McKenney. Ms. Peckham has personally conducted hundreds of national searches throughout the Western United States. She has extensive experience working with City Councils, Executive Boards, and local government administrators, listening to and understanding their needs in executive level placements.

Ms. Peckham received a Bachelor of Science degree in Organizational Behavior from the University of San Francisco. She is a contributing member of the International City/County Management Association, Cal-ICMA, Women Leading Government, and Municipal Management Associations of Northern & Southern California. Ms. Peckham serves on the Planning Committee

for the annual *Women's Leadership Summit*, at which she coordinates and leads the highly regarded Executive Roundtable Discussions with over 30 female local government leaders. In addition, Ms. Peckham was instrumental in writing the ICMA's *Job Hunting Handbook*.

Phil McKenney

Phil McKenney has over 35 years' management experience and is very familiar with local government agencies, having led a county organization and having worked with numerous city governments and special districts. Mr. McKenney began his career in the resort and hospitality industry and served as General Manager for Mattakesett Properties on the island of Martha's Vineyard. He then relocated to Keystone Resort in Colorado, which is now acknowledged as a premiere all-season resort with special recognition for its level of guest services. Mr. McKenney later took over the helm of the Summit County Chamber of Commerce as their Executive Director. This hybrid-Chamber was the only countywide organization responsible for marketing all of Summit County, Colorado, home to Breckenridge, Keystone, and Copper Mountain resorts. Through his leadership and collaborative style, and working with the cities and county within Summit County, he led the Chamber to being a readily recognized and well-respected organization within Colorado and the Western United States.

Mr. McKenney was then selected by Placer County, California to lead the merger of the North Lake Tahoe Chamber of Commerce and the North Tahoe Visitors and Convention Bureau into the North Lake Tahoe Resort Association. As Executive Director of this new county organization, he represented the Tourism industry for all of North Lake Tahoe. The Resort Association is now a proactive, nationally recognized organization whose model of governance is being replicated in numerous resort communities across the western United States.

Mr. McKenney joined Ms. Peckham in executive recruitment in January 2003 and has since conducted numerous national recruitments throughout the Western states, including Colorado, Arizona, Oregon, and California. Mr. McKenney has an undergraduate degree in Recreation from Slippery Rock State College as well as a Master of Business Administration from the University of Denver.

Joyce Johnson

Joyce Johnson joined Peckham & McKenney in 2005 and serves as the firm's Office Manager. Ms. Johnson is complimented regularly on her strong customer orientation working with both clients and candidates alike. She oversees internal administration of the firm as well as directing contract administrative support in the areas of advertising and design, web posting, and duplication and mailing services. Prior to joining Peckham & McKenney, Ms. Johnson oversaw internal administration in the Western Region headquarters of two national management consulting and executive recruitment firms. She has a total of 28 years' experience in the field of administrative and executive support for all aspects of the executive recruitment process. Ms. Johnson holds an Associate of Arts degree from American River College.

THE SEARCH PROCESS

While it is our intent to customize the search and project schedule to fit the City of Morro Bay's specific needs, the search process typically includes the following key actions:

Project Organization – This phase provides for the development of a detailed Candidate Profile. We will meet individually with the Mayor and members of the City Council, as well as others you identify, to discuss the issues and challenges facing the City of Morro Bay. The desired background and experience, leadership style and personality traits, skills and abilities of the ideal candidate will be discussed. We will also discuss expected parameters of the search, the search timeline, and schedule future meeting dates with the City Council.

Typically, we devote significant time to this phase of the recruitment in order to become fully knowledgeable of the organization, community, and desired profile of your next City Manager. We encourage our clients to allow us to meet with staff, the executive management team, Commission members, labor representatives, community business leaders, residents, and others. These may be one-on-one meetings, small group discussions, or larger public forums, depending upon the appropriate style and venue desired by the City. Electronic survey tools may also be utilized to provide input opportunities to the community on a broader scale. We have significant experience in a variety of methods for gaining input on the candidate profile, and we will provide advice and recommendations to City Council. In addition, we ask for a tour of the community in order to more fully understand current and future projects as well as gain a stronger familiarity with the community.

Recruitment – Advertisements will be placed in the appropriate industry publications and websites, and our firm will assume responsibility for presenting your opportunity in an accurate and professional manner. Full information on the position will be posted on our firm's web site as well as the site of the City. In addition, an attractive brochure will be prepared to market the organization and position to potential candidates. This brochure will be mailed to 300-400 industry professionals, and it will also be available on our firm's web site. Copies of the brochure will also be made available to the City.

The main focus of our outreach, however, will be direct phone contact with quality potential candidates. With over 30 combined years of executive search experience, we have developed an extensive candidate database that is continuously utilized and updated. Our recruiting efforts will focus on direct and aggressive recruiting of individuals within the search parameters established during the Project Organization phase. We believe direct recruiting produces the most qualified candidates. We know how to identify the "hidden" candidates, including those passive candidates who may be resistant to considering an employment change. Throughout this active search process, we will regularly notify the City of the status and share questions, concerns, and comments received from potential candidates as they consider the opportunity. By doing so, we will "team" with the City to ensure that all issues and concerns of candidates are discussed and understood thereby eliminating "surprises" once the resume filing deadline has occurred.

As resumes are received, they will be promptly acknowledged, and we will personally respond to all inquiries. Once the resume filing deadline has passed, the City will be updated on the status of the recruitment, the number of resumes received, and our intent for preliminary interviews.

Preliminary Interviews/Recommendation – As resumes are received, supplemental questionnaires will be sent to candidates who appear to meet the candidate profile. Following the resume filing deadline and a thorough review of the resumes and questionnaires received, we will conduct preliminary interviews with those individuals most closely matching the candidate profile. Preliminary reference and background (credit and criminal) checks will be conducted, and a written recommendation of finalists will be personally presented at an on-site, one- to two-hour meeting with the Mayor and City Council. The Council will receive a full listing of all candidates who applied for the position, as well as the cover letters, resumes, and supplemental questionnaires of the recommended group of candidates for further consideration.

Once a group of finalists has been selected by the City, all candidates will be notified of their status. We will prepare a finalist interview schedule and notify finalist candidates accordingly. If necessary, finalists will make their own travel plans and reservations. It is customary that the City reimburse finalists for roundtrip airfare, car rental, and lodging necessary to attend the interviews with the City. We will confirm this with the City at our meeting to recommend finalists.

Final Interviews/Selection – During this phase, finalists will be interviewed by the City Council. We will provide on-site advice and facilitation assistance during the final interview process. Interview materials, including suggested interview questions, evaluation and ranking sheets will be provided for the Council's convenience.

An orientation session will be held with those involved prior to the finalist interviews, and we will work with the City Council through a ranking process and discussion of the finalists at the end of the day. We will assist the City in coming to consensus on the leading two to three finalists for further consideration, and we will provide recommendations on next steps, including additional meetings or social engagement with each finalist to learn more of the "fit" they may bring. In the past, our clients have chosen to conduct subsequent interviews, roundtable discussions, meals, or receptions with these finalists; we will provide the City Council with recommendations and options.

Qualification – Once the final candidate has been selected, our firm will verify, at your discretion, professional work experience; degree verification; and criminal, civil, credit, and motor vehicle records (beyond industry-standard seven years). Second "tier" references will also be contacted. This comprehensive process ensures that only the most thoroughly screened candidate is hired. In addition, negotiation assistance will be provided as requested by the City. Our ultimate goal is to exceed your expectations and successfully place a candidate who "fits" your organization's and community's needs now and into the future.

PROJECT SCHEDULE

This sample schedule anticipates a 14-week process. In today's competitive recruiting environment, our goal is to make the process as efficient and effective as possible.

<u>ACTIVITY</u>	<u>TIME FRAME</u>
I. Project Organization	(Two Weeks)
<ul style="list-style-type: none">• Kick-Off Meeting to discuss Candidate Profile and formalize project schedule• Finalize Candidate Profile with City of Morro Bay and identify "fit" required• Develop advertising and recruiting plan• Prepare marketing brochure	
II. Recruitment	(Six Weeks)
<ul style="list-style-type: none">• Advertise, network, and electronically post in appropriate venues• Send marketing brochure to 300-400 industry professionals• Post opportunity on firm's web site as well as City's site• Search for/identify/recruit individuals within the parameters of the Profile• Respond to all inquiries and acknowledge all resumes received	
III. Preliminary Interviews/Recommendation	(Three Weeks)
<ul style="list-style-type: none">• Review candidates' resumes and supplemental questionnaires• Conduct preliminary interviews with leading candidates• Conduct first-tier reference checks and credit/criminal checks• Present written recommendation of finalists to City Council• Notify all candidates of search status	
IV. Final Interviews/Selection	(Two Weeks)
<ul style="list-style-type: none">• Schedule finalist candidate interviews• Design process and facilitate finalist interviews with City• Assist City throughout process and provide recommendations• City Council selects candidate or leading 2-3 candidates for further consideration	
V. Qualification	(One Week)
<ul style="list-style-type: none">• Conduct thorough background checks and second "tier" references• City conducts site visit to community of selected candidate (Optional)• Negotiation assistance• Exceed expectations and successfully place candidate who "fits."	

PROFESSIONAL FEE AND EXPENSES

The professional fee for the recruitment of the City Manager is \$18,500. One-third of this fee is due as a retainer upon execution of the agreement. The remainder of the fee will be divided and billed in two separate, monthly invoices.

The proposed project and professional fee includes a series of three scheduled meetings with the City of Morro Bay; the first to develop the Candidate Profile, the second to recommend finalists, and the third to facilitate finalist interviews. Requested additional meetings will be negotiated and billed accordingly.

The City of Morro Bay will also be responsible for reimbursement of expenses not to exceed \$7,500. Expenses will be pre-approved and will be billed back at cost. Expenses include out-of-pocket costs associated with consultant travel, clerical, advertising, telephone, printing/copying, supplies/postage, and background checks (partial checks on recommended candidates; full background check on selected candidate). Additional expenses incurred due to requested additional meetings as well as full background checks on more than one candidate will be negotiated and billed accordingly.

Insurance

Peckham & McKenney carries Professional Liability Insurance (\$1,000,000 limit) and Commercial General Liability Insurance (\$2,000,000 General Liability, and \$4,000,000 Products). Our Insurance Broker is Northeast Agencies out of San Antonio, Texas, and our coverage is provided by Markel America Insurance Company and The Hartford.

In addition, Bobbi Peckham and Phil McKenney each carry personal automobile liability insurance in the amount of \$1,000,000.

PLACEMENT GUARANTEE AND ETHICS

Our placement record is particularly strong in that 90% of the candidates we have placed within the past nine years continue in those positions today. In the unlikely event, however, that a candidate recruited and recommended by our firm leaves your employment ***for any reason within the first two years*** (except in the event of budgetary cutbacks, promotion, or position elimination), we agree to provide a one-time replacement at no additional charge, except expenses.

Time and again, we receive unsolicited comments from clients and candidates relating to our integrity and high ethics.

- First, we believe in honesty. No client should ever appoint an individual without being fully knowledgeable of the candidate's complete background and history. Conversely, no candidate should ever enter into a new career opportunity without full disclosure of any organizational "issues."
- We strive to keep everyone involved in a recruitment process informed of the status. Not only do we provide regular updates to our clients, but we also have a reputation for keeping our candidates posted, even to the extent of informing them as to who was eventually selected.
- As recruitment professionals, we do not recruit our placements -- ***ever***. Should a placement of ours have an interest in a position for which we are recruiting, they may choose to apply. However, if they become a finalist, we ask that they speak to their supervisor (Council member or Manager) to alert them of their intent.
- We do not recruit staff from our clients for another recruitment during an active engagement. Nor do we "parallel process" a candidate, thereby pitting one client against another for the same candidate.
- We are retained only by client agencies and not by our candidates. While we have a reputation for being actively involved in the profession and providing training, workshops, and general advice to candidates, we represent only our clients. In addition, we ***always*** represent and speak of our client in a positive manner; during the recruitment engagement as well as years after.
- We do not misrepresent our client list. Only those searches that we personally conducted appear on our list; rather than those conducted by other Recruiters while with other executive search firms.

CLIENT REFERENCES

Please feel free to contact any of the following current and recent clients to inquire about their experience with Bobbi Peckham. In addition, we would be pleased to furnish the client contact and phone numbers for any past clients of Ms. Peckham or Mr. McKenney listed in the Attachment.

City of Burbank, CA – City Manager

Emily Gabel-Luddy, Mayor; or Mark Scott, City Manager
(213) 280-5784; egluddy@aol.com

City of Carmel-by-the-Sea, CA – City Administrator

Jason Burnett, Mayor; or Jason Stilwell, City Administrator
(831) 620-2000; Jason@burnettforcarmel.com

City of Encinitas, CA – City Manager

Teresa Barth, Mayor; or Gus Vina, City Manager
(760) 633-2620; tbarth@encinitasca.gov

City of Indian Wells, CA – City Manager

Mary Roche, Mayor; or Wade McKinney, City Manager
(760) 346-2489; mwindsor@indianwells.com

City of La Palma, CA – City Manager

Laurie Murray, Administrative Services Manager
(714) 690-3338; lauriem@cityoflapalma.org

City of Palmdale, CA – City Manager

James Ledford, Mayor; Matt Ditzhazy, City Attorney; or David Childs, City Manager
(661) 267-5151; mditzhazy@cityofpalmdale.org

City of Palos Verdes Estates, CA – City Manager

Jim Goodhart, Mayor; or Tony Dahlerbruch, City Manager
(310) 378-0383; jgoodhart@pvestates.org

City of San Clemente, CA – Assistant City Manager

Pall Gudgierson, City Manager; or Sam Penrod, Human Resources Manager
(760) 525-1817; penrods@san-clemente.org

City of Santa Clara, CA – City Manager

Jamie Matthews, Mayor; Julio Fuentes, City Manager; or Liz Brown, Human Resources Director
(408) 482-7713; lizbrown@santaclaraca.gov

RECENT CLIENTS AND EXECUTIVE SEARCHES

City/County Manager, Executive Director, and Related

Alameda County Waste Mgt. Authority	Executive Director
American Canyon, City of	City Manager
American Water Works Assoc., CA/NV Section	Executive Director
Antioch, City of	City Manager
Arvada, CO, City of	Deputy City Manager
Ashland, OR, City of	City Administrator (2002 and 2005)
Atherton, City of	Assistant City Manager
Baldwin Park, City of	Chief Executive Officer
Belmont, City of	City Manager
Benicia, City of	City Manager
Big Bear Lake, City of	City Manager (1995, 2001 and 2006)
Big Bear Lake, City of	General Manager, Dept. of Water & Power
Big Bear Lake, City of	Asst. General Mgr., Dept. of Water & Power
Buellton, City of	City Manager
Burbank, City of	City Manager
California Water Pollution Control Association	Association Manager
Calistoga, City of	City Manager
Campbell, City of	City Manager
Carlsbad, City of	Assistant City Manager
Carmel-by-the-Sea, City of	City Administrator
Corvallis, OR, City of	City Manager
Daly City, City of	Assistant City Manager
Del Mar, City of	City Manager
Delano, City of	City Manager
Douglas County, CO	Deputy County Manager
Durango, CO, City of	City Manager
Encinitas, City of	City Manager
Eureka, City of	City Manager
Exeter, City of	City Administrator
Foothills Park & Recreation District, Littleton, CO	Executive Director
Fort Lupton, CO, City of	City Administrator
Fremont, City of	Assistant City Manager
Garfield County, CO	County Manager
Gilroy, City of	City Administrator
Gilroy, City of	Assistant City Administrator
Glendora, City of	City Manager
Grand Junction, CO, City of	City Manager (2001 and 2006)
Greeley, CO, City of	City Manager
Hayward, City of	City Manager
Hayward, City of	Assistant City Manager
Hesperia, City of	City Manager
Hughson, City of	City Manager
Indian Wells, City of	City Manager
Indio, City of	City Manager
Incline Village General Improvement District, NV	General Manager

King City, City of	City Manager
La Plata County, CO	County Manager
Laramie, WY, City of	City Manager
Mammoth Lakes, Town of	Town Manager
Manitou Springs Chamber of Commerce, Visitors Bureau & Office of Economic Development, CO	Chief Operating Officer
Martinez, City of	City Manager
Midpeninsula Regional Open Space District	General Manager
Midpeninsula Regional Open Space District	Assistant General Manager
Mill Valley, City of	City Manager
Milpitas, City of	City Manager
Monte Vista Water District	General Manager
Moraga, Town of	Town Manager
Mountain House Community Svcs. District, CA	General Manager
Mountain Village, CO, Town of	Town Manager
Norco, City of	City Manager
North Lake Tahoe Public Utility District	General Manager (2004 and 2007)
North Lake Tahoe Resort Association	Executive Director
Novato, City of	City Manager
Orange County Fire Authority	Assistant Chief, Business Services
Palmdale, City of	City Manager
Palo Alto, City of	Assistant City Manager
Palos Verdes Estates, City of	City Manager
Park City Municipal Corporation, UT	City Manager
Pleasant Hill, City of	City Manager
Porterville, City of	Deputy City Manager
Public Agency Risk Sharing Authority of CA	General Manager
Redding, City of	City Manager
Redlands, City of	City Manager
Redwood City, City of	City Manager
Rohnert Park, City of	City Manager
Sacramento, CA, Crocker Art Museum	Executive Director
San Clemente, City of	Assistant City Manager
San Jacinto, City of	City Manager
San Jose, City of	Executive Director, Historical Museum
San Mateo, County of	County Manager
San Rafael, City of	Assistant City Manager
Santa Clara Co. Open Space Authority	General Manager
Sea Ranch Association, CA	Community Manager
Sedona, AZ, City of	City Manager
Snowmass Village, CO, Town of	Town Manager
South San Francisco, City of	City Manager
St. Helena, City of	City Manager
Steamboat Springs, CO, City of	City Manager
Steamboat Springs Chamber Resort Assoc., CO	Executive Vice President
Teton County, WY	County Administrator
Tracy, City of	City Manager
Tracy, City of	Assistant City Manager
Truckee, Town of	Town Manager

Tulare, City of
Tulare Co. Economic Development Corporation
Washington County, OR
Waterford, City of
Windsor, CO, Town of
Winter Park, CO, Town of
Woodside, Town of
Yakima Regional Clean Air Authority, WA
Yolo, County of

City Manager (2005 and 2011)
President
Director of Health & Human Services
City Administrator
Town Manager
Town Manager
Town Manager
Executive Director/Air Pollution Control Officer
County Administrator

City Attorney/Legal Counsel

Antioch, City of
Archuleta County, CO
Ashland, OR, City of
Brisbane, City of
Burlingame, City of
Eureka, City of
Garfield County, CO
Hayward, City of
Midpeninsula Regional Open Space District, CA
Milpitas, City of
Mountain Village, CO, Town of
Pleasanton, City of
Redding, City of
Richmond, City of
San Bruno, City of
South Lake Tahoe, City of

City Attorney
County Attorney
City Attorney
City Attorney
City Attorney
City Attorney
County Attorney
City Attorney
General Counsel
Assistant City Attorney
Town Attorney
City Attorney
Assistant City Attorney
City Attorney
City Attorney
City Attorney

Community Development/Planning/Environmental Services

Alhambra, City of
Ashland, OR, City of
Baldwin Park, City of
Belmont, City of
Beverly Hills, City of
Brookings Economic Development Agency, SD
Delano, City of
Eastern Municipal Water District
Fremont, City of
Fremont, City of
Hayward, City of
Hayward, City of
Hesperia, City of
Jefferson County, CO
Laguna Niguel, City of
Livermore, City of
Martinez, City of
Mountain Village, CO, Town of
Murrieta, City of
Needles, City of

Director of Development Services
Community Development Director
Community Development Director
Community Development Director
Community Development Director
Executive Director
Economic Development Manager
Director, Development & Customer Services
Deputy Director of Community Development
Deputy Rdevelopment Agency Director, Housing
Community Development Director
Economic Development Manager
Redevelopment Director
Planning & Development Director
Director of Community Development
Economic Development Director
Community Development Director
Dir. Of Community Development & Housing
Development Services Director
City Planner

North Tahoe Public Utility District, CA
Novato, City of
Novato, City of
Oceanside, City of
Palo Alto, City of
Pasadena, City of
Reno, NV, City of
San Bernardino, City of
San Bruno, City of
San Clemente, City of
San Mateo, City of
San Mateo, City of
San Pablo, City of
San Rafael, City of
County of Santa Clara, San Jose, CA
Seaside, City of
Seaside, City of
Teton County, CO
Vail, CO, Town of
Walnut Creek, City of
Washington County, OR
Winters, City of

Planning & Engineering Manager
Community Development Director
Planning Manager
Economic Development Director
Development Services Director
Director of Planning & Permitting
Redevelopment Administrator
Business Development Manager
Community Development Director
Econo. Development & Housing Director
Planning Manager
Building Official
Development Services Director
Community Development Director
Director, Dept. of Planning & Development
Sr. Planning Services Manager
Redevelopment Services Manager
Planning & Development Director
Director of Community Development
Economic Development Manager
Land Development Services Manager
Community Development Director

Library Director and Related

Boulder, CO, City of
Hayward, City of
Huntington Beach, City of
Mountain View, City of
Oceanside, City of
Orange, City of
Palo Alto, City of
Pleasanton, City of
Torrance, City of

Library Director
Library Director
Library Director
Library Director
Library Director
City Librarian
Library Director
Library Services Director
Cultural Arts Administrator

Parks & Recreation

Foothills Park & Rec. District, CO
Los Altos, City of
North Clackamas County, OR
Pacifica, City of
Palo Alto, City of
Pleasanton, City of
Pleasanton, City of
Reno, NV, City of
Rialto, City of
Roseville, City of
San Clemente, City of
Tracy, City of

Executive Director
Recreation Director
Parks & Recreation Director
Dir. Of Parks, Beaches & Recreation
Community Services Director
Community Services Manager
Director of Parks & Community Svcs.
Director of Parks & Recreation
Parks & Community Services Director
Parks, Rec. & Libraries Director
Dir. Of Beaches, Parks & Recreation
Parks & Community Services Director

Public Works/Engineering and Related

Ashland, OR, City of	Public Works Director
Belmont, City of	Public Works Director
Belmont, City of	Senior Civil Engineer
Benicia, City of	Land Use & Engineering Manager
Big Bear Lake, City of	City Engineer
Campbell, City of	City Engineer
Campbell, City of	Associate Civil Engineer
Carlsbad, City of	Deputy Public Works Director
Chino Basin Municipal Water District, CA	Manager of Planning & Engineering
Delta Diablo Sanitary District, CA	Senior Engineer
Fremont, City of	Manager of Maintenance Operations
Galt, City of	Public Works Director
Gilroy, City of	Building Field Services Manager
Greeley, CO, City of	Public Works Director
Greenfield, City of	Public Works Director
Hayward, City of	Director of Public Works
Jefferson County, Golden, CO	Airport Manager
Louisville, CO, City of	Public Works Director
Marin Municipal Water District, CA	Environmental Resources Division Manager
Milpitas, City of	Public Works Director/City Engineer
North Tahoe Public Utility District, CA	Planning & Engineering Manager
Oceanside, City of	Community Services Director
Orange County Fire Authority, CA	Fleet Manager
Port San Luis Harbor District, CA	Facilities Manager
Sacramento County, CA	Associate Civil Engineer
San Jose, City of	General Services Director
San Luis Obispo, City of	Public Works Director
South Lake Tahoe, City of	Public Works Director
Steamboat Springs, CO, City of	Public Works Director
Yorba Linda, City of	Field Services Supervisor

Human Resources/Personnel

AC Transit District	Human Resources Manager
American Canyon, City of	Administrative Services Director
Azusa, City of	Human Resources Director
Belmont, City of	Human Resources Director
Belmont, City of	Personnel Analyst
Brookings, SD, City of	Director of Human Resources
Contra Costa Water District, CA	Human Resources Manager
Delta Diablo Sanitation District, CA	Personnel Officer
Douglas County, CO	Human Services Director
East Bay Regional Park District	Personnel Director
Encinitas, City of	Human Resources Manager
Glendale, AZ, City of	Personnel Director
Hayward, City of	Human Resources Director
Jefferson County, CO	Human Resources Director
Mountain View, City of	Director of Employee Services

Oceanside, City of
Orange County Fire Authority, CA
Palm Desert, City of
Palo Alto, City of
Porterville, City of
Redwood City, City of
San Bruno, City of
San Rafael, City of
Seaside, City of
South Lake Tahoe, City of
Southern CA Association of Governments
Torrance, City of

Personnel Director
Human Resources Director
Human Resources Manager
Chief People Officer
Administrative Services Manager
Human Resources Director
Human Resources Director
Human Resources Director
Personnel Services Manager
Administrative Services Manager
Human Resources Manager
Risk Manager

Finance Director/Controller/Treasurer

Alameda County, CA
Alhambra, City of
American Canyon, City of
Antioch, City of
Arvada, CO, City of
Atherton, City of
Aurora, CO, City of
Azusa, City of
Brisbane, City of
Burbank, City of
Claremont, City of
Contra Costa Water District
Daly City, City of
Dublin, City of
Durango, CO, City of
East Bay Regional Park District
Emeryville, City of
Fairfield, City of
Goodwill Industries of San Joaquin Valley
Gonzales, City of
Hayward, City of
La Quinta, City of
Long Beach, City of
Marin Municipal Water District
Menlo Park, City of
Milpitas, City of
Modesto, City of
Monterey, City of
Morgan Hill, City of
Needles, City of
Oakland, City of
Orange County Fire Authority
Orange County Fire Authority
Orange County Fire Authority
Oxnard, City of

Finance Director
Finance Director
Finance Director
Finance Director
Director of Finance
Finance Director
Finance Director
Director of Finance
Finance Director
Director of Finance
Administrative Services Director
Finance Director
Controller
Finance Director
Director of Finance
Finance Director/Controller
Finance Director
Finance Director
Finance Director
City Treasurer
Auditor/Controller
Financial Services Manager
Finance Director
Director of Finance
Finance Director
Finance Director
Finance Director
Budget Director
Assistant Chief, Business Services
Financial Services Manager
Treasurer (2000 and 2004)
Finance Director

Pasadena, City of
Pasadena, City of
Porterville, City of
Rancho Cordova, City of
Reno, NV, City of
San Mateo, City of
San Mateo, City of
Santa Clarita, City of
Santa Cruz, City of
Seaside, City of
Steamboat Springs, CO, City of
Superior Court of Calif./Co. of San Mateo
Union City, City of
Ventura, City of
Visalia, City of
Washington County, OR
Western Municipal Water District
Winter Park, CO, City of
Yorba Linda, City of

Controller
Accounting Manager
Administrative Services Manager
Assistant Finance Director
Finance Director
Finance Director
Deputy Director of Finance
Finance Manager
Finance Director
Financial Services Manager
Finance Director
Finance Director
Finance Director
Treasury Manager
Finance Director
Finance Director
Finance Director
Finance Director
Finance Director

Public Safety/Law Enforcement

Alhambra, City of
Alhambra, City of
Antioch, City of
Atherton, City of
Baldwin Park, City of
Belmont, City of
Clayton, City of
Eureka, City of
Gilroy, City of
Hayward, City of
Livermore, City of
Lone Tree, CO, City of
Lone Tree, CO, City of
Los Altos, City of
Menlo Park, City of
Milpitas, City of
Modesto, City of
Oceanside, City of
Porterville, City of
Redondo Beach, City of
Riverton, WY, City of
San Rafael, City of
Santa Monica, City of
Vail, CO, Town of
West Covina, City of

Chief of Police
Fire Chief
Police Chief
Police Chief
Police Chief
Police Chief
Police Chief
Police Chief
Fire Chief
Fire Chief
Fire Chief
Patrol Operations Commander
Police Chief
Police Captain
Police Chief
Police Chief
Fire Chief
Police Captain
Chief of Police
Communications Manager
Police Chief
Chief of Police
Police Chief
Fire Chief
Fire Chief

City/County Clerk

Alameda County, CA

Clerk of the Board

Berkeley, City of
Hayward, City of
Oceanside, City of
Menlo Park, City of
Midpeninsula Regional Open Space District, CA
Monterey, City of
Mountain View, City of
San Jose, City of
San Luis Obispo, City of
San Mateo, City of
Santa Cruz, City of

City Clerk
City Clerk
Public Information Officer
City Clerk
Public Information Officer
City Clerk
City Clerk
City Clerk
City Clerk
City Clerk
City Clerk

Information Technology

Fremont, City of
Jefferson County, Golden, CO
Superior Court of Calif., County of San Mateo

Information Svcs. Tech. Director
Information Technology Director
Information Technology Director



AVERY
ASSOCIATES

Los Gatos ♦ San Luis Obispo

January 8, 2014

Susan Slayton, Administrative Services Director
City of Morro Bay
595 Harbor
Morro Bay, CA 93442

Dear Susan:

Avery Associates is pleased to submit our proposal for the recruitment of a new City Manager for the City of Morro Bay. We value our ongoing working relationship with the City and would look forward to supporting your needs in this assignment.

We feel well suited to support your recruitment needs in this assignment. Our firm has extensive experience in City Manager recruitments. Currently, we are at various stages of City Manager searches for the cities of South San Francisco, San Mateo, Sunnyvale, Monterey and Lynwood and have recently completed City Manager assignments for the cities of Hollister, Pacifica and Emeryville, and the County Executive Officer for the County of Santa Barbara. As several of these communities are on the coast, we also appreciate the additional complexities associated with your coastal location. During the past 24 months we have also completed City Manager recruitments for the cities of Chico, Los Altos, Riverbank, Menlo Park, Dixon, Rio Vista and Greenfield. As a result of these collective assignments, we have a very current and active database of City Manager candidates that would be of great value in this search.

Our extensive database of executives in municipal government provides an excellent foundation for the outreach efforts we describe in our proposal. We've also had extensive interaction with City Councils, City Managers and Assistant City Managers based on our labor relations practice. All of these contacts would be an excellent resource in support of this recruitment.

Following review of our proposal, it is our hope that our prior work relationship with your city, our history of successful recruitments, our professionalism, and positive results we have delivered for our clients will provide the basis for selection of our firm. The enclosed proposal contains the following information:

- Company Overview
- Firm Qualifications/Experience
- Recruitment Team
- Recruitment Strategy

William Avery & Associates, Inc.
Consultants to Management

3-1/2 N. Santa Cruz Ave., Suite A
Los Gatos, CA 95030
408.399.4424
Fax: 408.399.4423
www.averyassoc.net

- * Recruitment Schedule
- Consulting Fee
- Guarantees & Ethics

Thank you for the opportunity to be considered for this recruitment. If you have any questions, please do not hesitate to call me at 408-399-4424.

Sincerely,

William H. Avery

WHA:jmc



PROPOSAL FOR THE CITY OF MORRO BAY RECRUITMENT FOR THE CITY MANAGER

William Avery & Associates, Inc. – Overview

William Avery & Associates, Inc. (Avery Associates) is a successful and service focused Management Consulting firm based in Los Gatos, California. Incorporated in 1982, the firm specializes in Executive Search, Labor Relations and Human Resources/Management Consulting.

The firm currently includes two Principals and several key consultants. Bill Avery, the founder of Avery Associates, heads the firm. He oversees the Labor Relations practice and also leads key searches. Paul Kimura is the Principal who oversees the Executive Search and Recruitment practice. Key staff members include Ann Slate, who supports the search practice and the firm's administrative staff includes Anne Matteini, the Finance/Contracts Administrator, and Jackie Collins and Jessica Towner. Temporary staff as needed augments the team.

Mr. Avery, having served in the past as a City Manager, provides the firm with direct experience and knowledge of city administration. Mr. Kimura's expertise in executive, technical and business recruitment, which he gained during his nineteen years of high technology experience, provides the basis for many of the recruitment strategies and tactics utilized by the firm. Collectively and combined, the firms Principals offer exceptional expertise in the area of public sector recruitment and consulting.

Firm Qualifications/Experience – What Differentiates Avery Associates

Exceptional service delivery and a very high quality work product provide excellent results for our clients. This begins with the initial client meetings, which lead to detailed timelines for deliverables followed by weekly recruitment status updates following initiation of the search. Our candidate outreach efforts are professionally and confidentially conducted. The evaluation materials we provide clients are routinely characterized as accurate, comprehensive and of very high quality. We believe more so than any other public sector recruitment firm. This is largely based on our interview system utilizing behavioral interview techniques, which we describe in our recruitment plan. This leads to a quality product with excellent end results for our clients.

The service element is based on two factors: The first is the collective service philosophy from all of our organizational team members. They are each dedicated to providing service and support to clients. The second factor is based on the high level of engagement and participation from the firm Principals in every search assignment. This hands-on involvement includes client interface, identifying and developing the ideal candidate profile and position specification, development of the search strategy, candidate outreach, interviewing and assessment, completion of reference interviews, candidate presentation, final interview facilitation and when desired, negotiation of employment terms with the successful candidate.



Recruitment Team for the City of Morro Bay

William Avery will serve as the Project Lead and will be assisted by Ann Slate. Mr. Avery will be personally involved in the initial client discussions, strategy development, outreach, interview and assessment of candidates, presentation of final candidates and will be available throughout the search process to provide other related consulting services.

Recruitment Strategy and Services Provided

I. Position Profile and Organizational Assessment

The initial assessment phase is a critical component of the search process. Mr. Avery will meet with the key decision makers to discuss the organizational needs and position requirements and to formalize the job description.

In this assignment we would anticipate Mr. Avery having individual meetings with the City Council and with key staff members to solicit their views on the ideal candidate. If desired, the team would also meet with community groups and key stakeholders identified by the City. Community/stakeholder input can occur in several ways. Most of our clients utilize either one or a combination of the following approaches: (1) Creation of an online survey that is accessible to the public through the City's website; (2) Convening a community meeting to solicit input on the ideal qualifications and attributes for the city manager; (3) Council identifies representatives from the community who would then be contacted and "interviewed" by the consulting firm; or (4) Creation of a link from the City's website to an Avery email box for forwarding direct input.

Our goal for this aspect of the recruitment process is to:

- Understand the City priorities for this position.
- Develop a clear understanding and consensus on the expertise, experience, education, performance attributes and operational style of the ideal candidate.
- Discuss the goals, objectives, deliverables, and challenges related to this position.
- Gain insight of the various organizational dynamics and departmental issues that exist within the organization.
- Identify the compelling aspects to this opportunity.

The formal position description and a subsequent ideal candidate profile would be developed from the above discussions and incorporated into the formal position announcement. The candidate profile is also utilized in various other means as a marketing tool, for advertising copy, postings, and for other announcements.



II. Development of the Search Strategy

Our search strategy will be developed in conjunction with the organizational assessment. The final approach is based on your input and considerations during the assessment activity. For this assignment, we feel it is critical to develop a high level of visibility with a comprehensive outreach program supplemented by a focused targeted recruitment approach. It is our experience that despite extensive mailing, postings and announcements, many qualified individuals will not know of a position being available. We would incorporate the following elements into this search:

- Development of a targeted candidate list based on our extensive database of key executive contacts, referrals and recommendations from key sources, and other current and former City Management personnel who have extensive contacts and networks in this area. Throughout the outreach period, this list of potential candidates is expanded through phone and/or email contact regarding this position.
- Direct outreach and contact to various city managers and city/county executives who could be viable candidates for the position. This allows us to contact and market the position to potential candidates that are not actively seeking new opportunities. This aspect of outreach is essential to the success of the recruitment as many times, the successful candidate is not looking for another opportunity or is not aware the opportunity exists. Our role is to actively and aggressively, yet professionally, identify and contact individuals that meet the position specifications.
- To ensure we create as much visibility to the position as possible. This includes an extensive mailing campaign to current city managers in the state and where possible utilizing email blasts to city management membership. Additionally, we would utilize Internet posting on sites such as the ICMA, Western City and other appropriate online sites. We would also use print advertising the ICMA newsletter, Jobs Available and if turn around time allows for it, Western City magazine.

III. Candidate Assessment

Our assessment process involves several “tiers” of evaluation. All candidates responding to this position will initially be evaluated based on their resume and if appropriate, an extensive phone “screening” by a member of the project team. Candidates who pass the initial “qualifying” criteria are then scheduled for a formal interview with Mr. Avery. These extended personal interviews typically take one hour and a thorough discussion of their experience, accomplishments, management philosophy and interpersonal style takes place.

In interviewing candidates, we utilize a methodology based on “behavioral” interview techniques. Fundamentally, this approach explores a candidate’s past accomplishments and experiences that relate to the position being considered. The philosophy here is that



the best indicator of future performance is to evaluate past behavior. This methodology allows the firm to "project" how a candidate would approach and address the key challenges in the new position.

Those individuals who best fit the position requirements will have a Candidate Assessment Report developed by the Principal who conducted the interview. Additionally, two initial reference interviews are performed on these candidates. The reference interviews provide our clients with additional insights on the candidate's "behavior" and style.

IV. Candidate Presentation

Upon completion of formal interviews, a selection of candidates for presentation is made. We feel our extensive qualification, interview, and reference interviewing process and the knowledge gained during our initial assessment period; enable our client to proceed with fewer rather than more finalists. However, we will not restrict or limit the number of candidates recommended as this decision is related to the overall strength and depth of the candidate pool.

The final candidates are presented in our extensive candidate presentation "book". Each finalist will have a file consisting of a candidate summary sheet, the submitted cover letter and resume, the Candidate Assessment Report (based on the "behavioral" interview), and two candidate reference interviews. This extensive profile on each recommended candidate continually generates positive feedback from our clients as it provides extensive detail beyond just a resume.

The Candidate book also identifies other candidates who were given secondary consideration, which provides the client insight on others who were interviewed. Candidate summary sheets are created for everyone who submitted a resume would also be included. This provides the client an insight to the level and nature of response for their position.

V. Selection Process

Once the final candidate interview group is identified, we will assist in the structuring of the interview process and coordinate the interview scheduling activity. Our firm will also provide candidates with guidance related to travel planning, hotel accommodations, as well as other interview planning issues. Our firm will also develop potential interview questions and be in attendance during final interviews to help facilitate the process and to lead an end of day debrief and evaluation process.

Upon request, our firm will also arrange for summary background evaluations on the City's final one or two candidates. A copy of these confidential reports can be provided for you. The costs for these investigations are considered independent of the recruitment expenses listed below and will be invoiced separately.



VI. Position Closure and Follow-Up

Based on the firm's experience in human resource management and executive search, we are able to assist our clients in formulating appropriate compensation and other employment arrangements. We will be available throughout our retention to assist in this process.

As a matter of policy, Avery Associates monitors the transition and progress of any executive we place with a client. Within the first three to six months following the hired individual joining the City, we will speak with that individual to ensure the transition has effectively occurred. During the same period we will also review the individual's status with your office.

Recruitment Schedule

Task	Scheduled Dates
<p><i>Search Initiation, Marketing & Advertising Development:</i></p> <ul style="list-style-type: none"> ▪ <i>Initial meetings with City Council, staff, key stakeholders/community to define the ideal candidate profile</i> ▪ <i>Develop working draft of the recruitment brochure for approval by client</i> ▪ <i>Recruitment strategy finalized</i> ▪ <i>Determination of advertising scope and placement deadlines</i> ▪ <i>Brochure designed and printed</i> 	<i>Weeks 1 - 4</i>
<p><i>Marketing, Advertisement and Outreach Period:</i></p> <p><i>Advertise in:</i></p> <ul style="list-style-type: none"> ▪ <i>Mailing to City Managers</i> ▪ <i>Jobs Available</i> ▪ <i>Western City</i> ▪ <i>ICMA newsletter and website</i> ▪ <i>City Management Internet advertising</i> <p><i>Preliminary candidate screening</i></p>	<i>Weeks 4 - 10</i>
<i>Candidate Review - Screening and Finalists Selection</i>	<i>Weeks 6 - 10</i>
<i>Development and finalization of Oral Board Interview process and interview questions</i>	<i>Weeks 11-13</i>
<i>Oral Board Interviews with City Council</i>	<i>Week 14</i>
<i>Department Head/Finance Staff/Council and/or Community representative interviews with finalists (if desired)</i>	<i>Week 14-15</i>
<i>Final interviews and reference checks</i>	<i>Week 16</i>
<i>Appointment Offer/Acceptance</i>	<i>Week >17</i>
<i>Report to Work Date</i>	<i>Week >17</i>



Consulting Fee

Based on the services described in our proposal, the professional services consulting fee for this recruitment will be \$15,900. If awarded the search, we would request an initial retainer of \$5,900 at the outset of the search. A second invoice of \$5,000 would be submitted upon the Clients acceptance of a finalist candidate group. The final balance of \$5,000 would be invoiced upon acceptance of a job offer constituting completion of the search. Our invoicing models ensures the firm will remain totally committed to the City throughout the duration of the search as the final invoice is not submitted until the City has an accepted candidate. The consulting fee will be inclusive of all services defined within this proposal unless otherwise stated.

In addition to the Professional Services Fee, normal and direct out-of-pocket expenses associated with the search are charged back to the client. Expenses for this assignment would be a not-to-exceed amount of \$6,500 without the express consent of the City. These expenses include: advertising, clerical time, supplies, printing, telephone, postage, summary background evaluations, and consultant travel for client discussions, meetings and local or out-of-area candidate interviews. All expense items will be detailed and billed on a monthly basis.

Guarantees and Ethics

Whenever William Avery & Associates, Inc. is retained; we make several guarantees and commitments to a client. Due to our experience, knowledge and success within the management-consulting field, we assure a client that we will only present candidates who meet a substantial majority of the ideal qualifications that you have outlined. We are also committed to continue our search efforts until a successful candidate is employed.

During our placement efforts, we openly share any relationships, previous experience and knowledge for any candidate we present for consideration. Our commitment and responsibility is to our clients and their best interests.

It is also our practice to replace a candidate who may voluntarily resign during the first year of his/her employment. This same commitment applies if the client finds it necessary to terminate or to request the resignation of the selected individual in the first year for reasons which would have precluded his/her employment had they been known at the time employment started. In either case, we invoice a client only for out-of-pocket expenses incurred in identifying a replacement.



AGREEMENT BETWEEN
MORRO BAY
AND
WILLIAM AVERY & ASSOCIATES

This agreement, effective immediately, is entered into by and between WILLIAM AVERY & ASSOCIATES, INC. (hereinafter referred to as CONSULTANT) at 3 1/2 N. Santa Cruz Avenue, Suite A, Los Gatos, California 95030 and the CITY OF MORRO BAY (hereinafter referred to as CITY).

WITNESSETH:

WHEREAS, CITY has need for specialized consultant services; and

WHEREAS, CONSULTANT has the training, experience and competence to perform the specialized service required by the CITY; and

WHEREAS, CITY has the authority under state law to employ CONSULTANT;

NOW THEREFORE, the parties to this agreement do hereby mutually agree as follows:

I.

DUTIES OF CONSULTANT

1. CONSULTANT will perform any and all necessary work in order to assist the CITY in recruiting and hiring a qualified CITY MANAGER. Work to be performed includes:
 - a) CONSULTANT to meet with CITY Officials and others deemed appropriate by the CITY.
 - b) CONSULTANT will develop recruitment materials (including the candidate profile, job announcement, and employment ads) for the CITY.
 - c) CONSULTANT will conduct outreach to seek out and recruit qualified candidates for the position.
 - d) CONSULTANT will conduct preliminary screening to eliminate candidates who do not possess minimum required qualifications.

- f) CONSULTANT will work with the CITY to provide a recommended list of finalists. In performing the screening, CONSULTANT will utilize a combination of the following techniques:
 - 1. Resume review
 - 2. Phone interviews
 - 3. Formal interviews
 - 4. Initial reference interviews
 - g) CONSULTANT will present the CITY with the recommended list of finalists accompanied by detailed written reports. CONSULTANT will work with the CITY to arrange for interviews, suggest interview questions, and if requested, attend interview sessions.
 - h) CONSULTANT will notify all unsuccessful candidates.
 - i) CONSULTANT will, if requested, assist with final reference checks, compensation negotiations, etc.
- 2. All work on this assignment will be performed by Paul Kimura of William Avery & Associates.
 - 3. Attached is a scope of services document, which details the work to be performed and the process to be followed.

II.

DUTIES OF CITY

- 1. CITY shall cooperate with CONSULTANT in the performance of this agreement as follows:
 - a) Providing all information reasonably accessible to CITY which may be helpful to CONSULTANT in the performance of services, and
 - b) Make staff available for interviews/consultation, etc.
 - c) Providing clerical and stenographic assistance as CONSULTANT may reasonably require on-site, and
 - d) Providing a suitable location where interview sessions may be conducted.

III.

CONSIDERATION

1. For the services described above, the CITY shall pay CONSULTANT the sum of Fifteen Thousand Nine Hundred (\$15,900) Dollars. Five Thousand Three Hundred (\$5,300) Dollars to be due and payable upon commencement of work. A second invoice of Five Thousand Three Hundred (\$5,300) Dollars will be submitted upon presentation of candidate recommendations and the final balance of Five Thousand Three Hundred (\$5,300) Dollars will be invoiced at the completion of the search.
2. CONSULTANT shall bill CITY for direct expenses for advertisement, clerical time, long distance telephone, travel, etc. Total billings for expenses shall not exceed Six Thousand Five Hundred (\$6,500) Dollars. Expenses will be detailed and billed monthly.

IV.

INSURANCE

1. Consultant shall obtain and maintain for the duration of the Agreement and any and all amendments, insurance against claims for injuries to persons or damage to property which may arise out of or in connection with performance of the Services by Consultant or Consultant's agents, representatives, employees or subcontractors.
2. Consultant, at its sole expense, shall maintain the types of coverages and minimum limits indicated below, unless otherwise approved by City in writing. These minimum amounts of coverage will not constitute any limitations or cap on Consultant's indemnification obligations under this Agreement.
 - a) Commercial General Liability Insurance. Consultant shall maintain occurrence based coverage with limits not less than \$1,000,000 per occurrence.
 - b) Business Automobile Liability Insurance. Consultant shall maintain coverage with limits not less than \$1,000,000 per each accident for owned, hired and non-owned automobiles.
 - c) Workers' Compensation Insurance. Consultant shall maintain coverage as required by the California Labor Code.
 - d) Professional Liability Insurance. Consultant shall maintain coverage with limits not less than \$1,000,000 per occurrence. Professional Liability may be written as claims-made coverage.

V.

INDEMNITY

CONSULTANT shall indemnify, defend, and hold harmless the CITY, its officers, agents and employees against any and all liability, claims, actions, causes of actions or demands whatsoever against them, or any of them, for injury to or death of persons or damage to property arising out of, connected with, or caused by CONSULTANT, CONSULTANT'S employees, agents or independent contractors or companies in the performance of (or in any way arising from) the terms and provisions of this Agreement.

WILLIAM AVERY & ASSOCIATES

CITY OF MORRO BAY

William Avery, President

Dated: _____

Dated: _____

**SCOPE OF SERVICES
FOR THE
CITY MANAGER RECRUITMENT
FOR THE CITY OF MORRO BAY**

Recruitment Team for the City of Morro Bay

Bill Avery will serve as the Project Lead and will be assisted by Ann Slate in this assignment. Mr. Avery will be personally involved in the initial client discussions, strategy development, outreach, interview and assessment of candidates, presentation of final candidates and will be available throughout the search process to provide other related consulting services.

Recruitment Plan and Services Provided

I. Position Profile and Organizational Assessment

The initial assessment phase is a critical component of the search process. Mr. Avery, or Ms. Slate will meet with the key decision makers to discuss the organizational needs and position requirements and to formalize the job description. In this assignment we would anticipate individual meetings with the City Council in addition to various department heads as designated by the City. We also feel it important to reach out to the community and solicit their input on the ideal candidate. If desired, we would meet with community groups identified by you. Our goal for this aspect of the recruitment process is to:

- Understand the Council and City priorities for this position.
- Develop a clear understanding and consensus on the expertise, experience, education, performance attributes and operational style of the ideal candidate.
- Discuss the goals, objectives, deliverables, and challenges related to this position.
- Gain insight of the various organizational dynamics and departmental issues that exist within the organization.
- Identify the compelling aspects to this opportunity.

The formal position description and a subsequent ideal candidate profile would be developed from the above discussions and incorporated into the formal position announcement. The candidate profile is also utilized in various other means as a marketing tool, for advertising copy, postings, and for other announcements.

II. Development of the Search Strategy

We anticipate this assignment to be a nationwide search. Our search strategy will reflect that approach and will be developed in conjunction with the organizational assessment. The final approach is based on your input and considerations during the assessment activity. For this assignment, we feel it is critical to develop a high level of visibility with a comprehensive outreach program supplemented by a focused targeted recruitment approach. We would incorporate the following elements into this search:

- Original research, which consists of identification and contact of current incumbents or other candidates who meet the profile, but are not actively seeking other employment.
- Development of a targeted candidate list based on our extensive database of key executive contacts, referrals and recommendations from key sources, and other current and former City Management personnel who have extensive contacts and networks in this area.
- Public information sources that include various membership listings such as the California League of Cities, ICMA and the various municipal organizations within the State.
- An extensive mailing campaign to current city managers and select assistant managers throughout the State.
- Print advertising in Western City and Jobs Available magazines and ICMA newsletter.
- Internet job postings on national public sector employment bulletin boards, City Management and Municipal Assistant association-based web sites, and our company website.

III. Candidate Assessment

Our assessment process involves several “tiers” of evaluation. All candidates responding to this position will initially, be evaluated based on their resume and if appropriate, an extensive phone “screening” by a firm Consultant. Candidates who pass the initial “qualifying” criteria are then scheduled for a formal interview with the Principal in charge of the project. These extended personal interviews typically take one hour and a thorough discussion of their experience, accomplishments, management philosophy and interpersonal style takes place. Those individuals who best fit the position requirements will have a Candidate Assessment Report developed by the Principal who conducted the interview. Additionally, two initial reference interviews are performed on these candidates.

IV. Candidate Presentation

Upon completion of formal interviews, a selection of candidates for presentation is made. Typically, the number of final candidates requested by our clients range from four to seven. We feel our extensive qualification, interview, and reference interviewing process and the knowledge gained during our initial assessment period, enable our client to proceed with fewer rather than more finalists.

The final candidates are presented in our in depth candidate presentation “book”. Each finalist will have a file consisting of a candidate summary sheet, a resume, the Candidate Assessment Report (based on the formal interview), and two candidate reference interviews.

Candidate summary sheets for everyone else who submitted a resume will also be included. This provides the client an insight to the level and nature of response for their position.

V. Selection Process

Once the final candidate interview group is identified, we will assist in the structuring of the interview process and coordinate the interview scheduling activity. Our firm will also provide candidates with guidance related to travel planning, hotel accommodations, as well as other interview planning issues.

Upon request, our firm will also arrange a summary background evaluation on the City's final one or two candidates. A copy of these confidential reports can be provided to you.

VI. Position Closure and Follow-Up

Based on the firm's experience in human resource management and executive search, we are able to assist our clients in formulating appropriate compensation and other employment arrangements. We will be available throughout our retention to assist in this process.

As a matter of policy, Avery Associates monitors the transition and progress of any executive we place with a client. Within the first three to six months following the hired individual joining the City, we will speak with that individual to ensure the transition has effectively occurred. During the same period we will also review the individual's status with your office.

Scope of Services

Search Work Plan

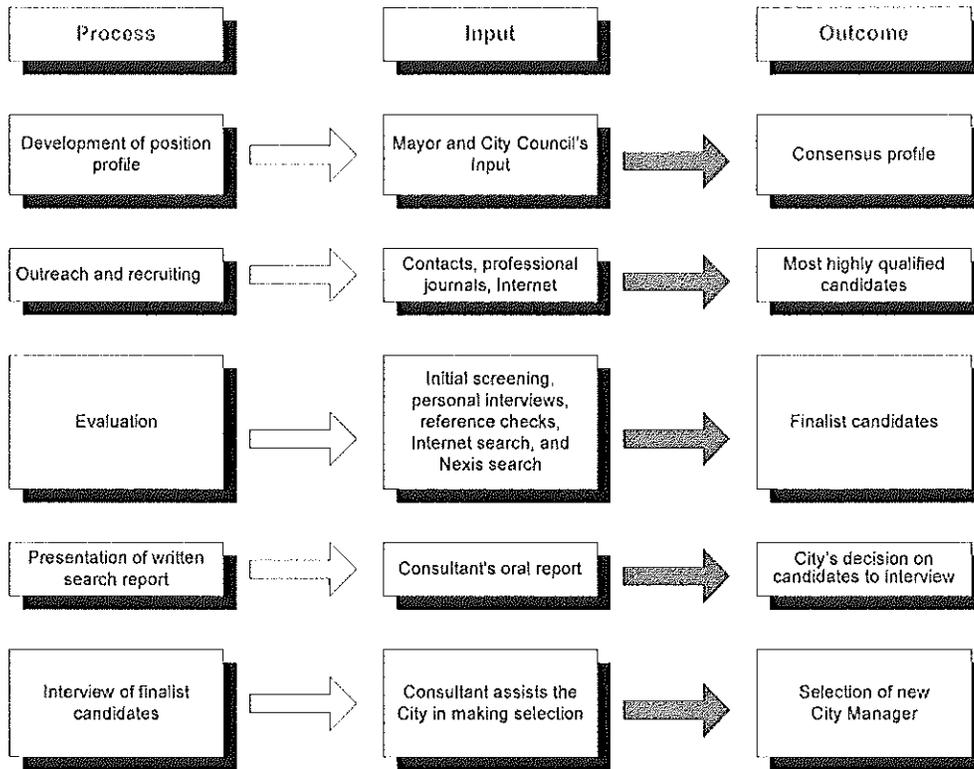
The key elements of the search process will include:

- Work with the City of Morro Bay's Mayor and City Council to develop characteristics and attributes of the successful candidate, appropriate and necessary selection criteria, selection process, and timeline, representing a proposed initial path for selection of a new City Manager.
- Develop recruitment materials and solicitations that describe the City Manager position, the City organization, and the community.
- Conduct a broad and thorough national recruitment utilizing professional publications including, but not necessarily limited to, Jobs Available and Western City Magazine.
- Conduct targeted recruitment of qualified individuals.
- Acknowledge receipt of candidates' application materials and maintain communication with all candidates throughout the recruitment process.
- Conduct initial screening of all candidates' applications.
- Develop a list of top candidates for presentation to the Mayor and City Council.
- Assist the Mayor and City Council in the selection of finalists.
- Prepare and recommend appropriate interview questions and evaluation tools.
- Coordinate the final on-site selection process as determined at a time designated by the Mayor and City Council. Tasks that should occur during this phase of the process include at a minimum formal interviews with the Mayor and City Council. Other tasks may include facilitation of candidate meetings with existing executive level employees and tours of City facilities.
- Coordinate the on-site portion of the process including scheduling interviews and other activities, and making travel and lodging arrangements as directed by the City.
- Conduct all background and reference checks, including public records searches and credit checks, on the finalists.
- Negotiate and finalize an initial contract with the selected candidate following consent and approval and with the advice of the Mayor and City Council. If a contract cannot be successfully negotiated with the final can-

didate, the Mayor and City Council may select another candidate from the finalists and the firm may re-interview any previously selected final candidate.

- Provide notification to all candidates not selected as finalists for the position.
- Provide weekly progress reports to the City. Periodic on-site meetings may be required to discuss ongoing progress and to determine the process for screening candidates.

City of Morro Bay – City Manager Search Process



This section describes the usual steps in the search for the position of City Manager.

Task 1 – Review Project Management Approach

The Project Director on this assignment will be Mr. Robert Burg. The Project Director will meet with the Mayor and City Council, and others as appropriate, to discuss the project management for the search. The discussion will include a review of the work plan, confirmation of timing, and communication methods.

Task 2 – Develop Position Profile and Recruitment Brochure

The position profile for the City Manager is the guide for the entire search process. The development of the profile includes the collection of technical information and recruitment criteria.

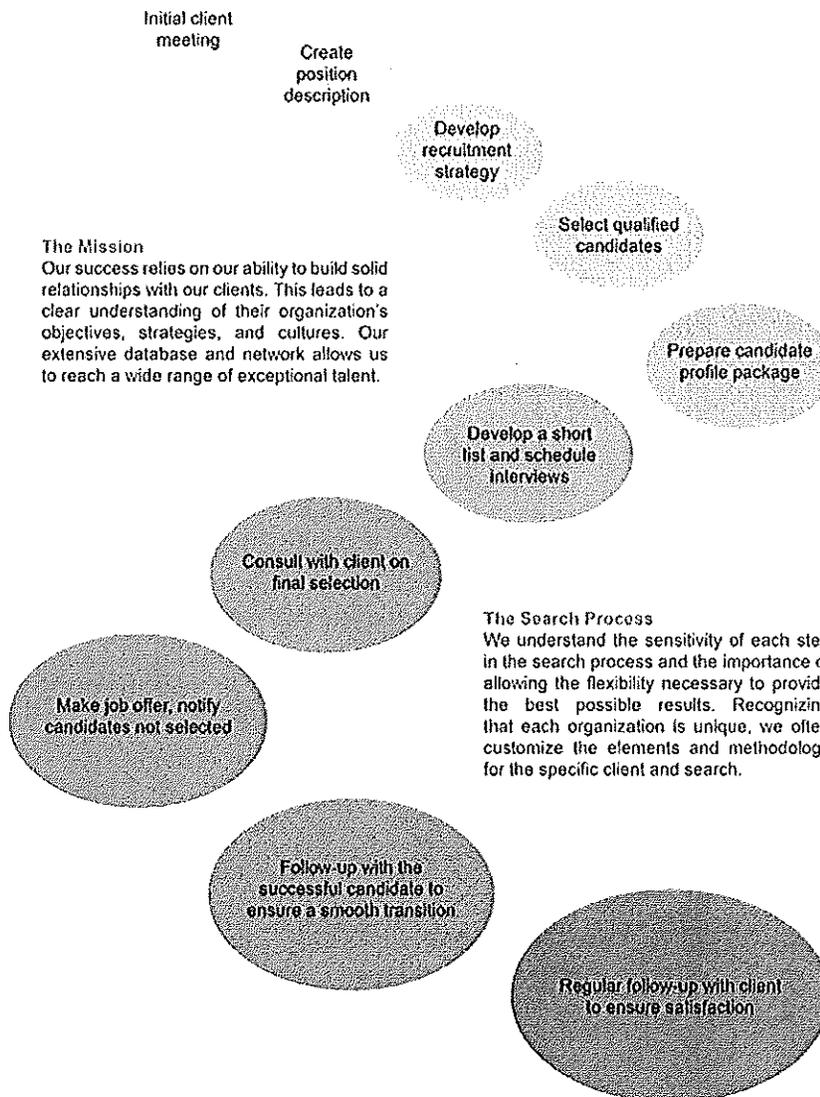
Technical Information

Mr. Burg will meet with the Mayor and City Council, and others, as necessary. The purpose of these meetings is to gain an understanding of the experience and professional background requirements desired in the new City Manager. These meetings will also help the search consultant gain an understanding of the work environment and the issues facing the City.

Recruitment Criteria

The recruitment criteria are those personal and professional characteristics and experiences desired in the new City Manager. The criteria should reflect the goals and priorities of the City.

Subsequent to the development and adoption of the candidate profile, the technical information and recruitment criteria will be documented in an information or recruitment brochure prepared by the search consultant. The brochure will be reviewed by the City in draft format, revised as appropriate, and published for use throughout the search.



Task 3 – Outreach and Recruiting

This task is among the most important of the entire search. It is the focus of the activities of the search consultant and includes specific outreach and recruiting activities briefly described below.

Outreach

An outreach and advertising campaign will be developed. It will include the placement of ads in appropriate professional publications and Internet sites such as Jobs Available and Western City Magazine. Specific Internet sites related to government will be used, including *Careers In Government*, as a method of extending the specific outreach in a short period of time.

Additionally, the advertisements and the full text of the position profile (the recruitment brochure) will be placed on Ralph Andersen & Associates' home page, which is accessed by a large number of qualified candidates. This method of outreach to potential applicants provides a confidential source that is monitored by many key level executives on an on-going basis.

Candidate Identification

Ralph Andersen & Associates will use their extensive contacts to focus the recruiting effort. In making these contacts, the search consultant will target those individuals who meet the criteria set by the City. Each of the candidates identified through the recruiting efforts will be sent an information brochure. Candidates will also be contacted directly to discuss the position and to solicit their interest in being considered.

Both the outreach and recruiting activities will result in applications and resumes from interested candidates. As they are received, resumes will be acknowledged and candidates will be advised of the general timing of the search process. The following tasks involve the actual selection process, once all resumes have been received.

Task 4 – Candidate Evaluation

This task will be conducted following the application closing date. It includes the following specific activities:

Screening

All of the applications will be carefully reviewed. Those that meet the recruitment criteria and minimum qualifications will be identified and subject to a more detailed evaluation. This evaluation will include consideration of such factors as professional experience, and size and complexity of the candidate's current organization as compared to the candidate profile.

Preliminary Reference Review

The search consultant will conduct preliminary reference reviews for those candidates identified as the most qualified as a result of the screening process. Direct contact will be made with references to learn more about the candidates' experience, past performance, and management style.

Preliminary Interviews via Skype

Mr. Burg, as the Project Director, will conduct preliminary interviews with the top group of candidates identified through the screening and preliminary reference review processes. The interviews are extensive and designed to gain additional information about the candidates' experience, management style, and "fit" with the recruitment criteria. Interviews will be conducted using Skype or via telephone. No consultant travel for preliminary in-person interviews has been included in this proposal.

The screening portion of the candidate evaluation process typically reduces a field of applicants to approximately five (5) to eight (8) individuals. Those individuals will be reviewed with the City prior to proceeding with the individual interviews.

Task 5 – Search Report

After completing Task 4, the search consultant will meet with the Mayor and City Council to review the search report on the five (5) to eight (8) top candidates. The report divides all of the candidates into three groups including 1) Highly Qualified; 2) Qualified; and 3) No Further Interest. The search report will include resumes for candidates in both the highly qualified and qualified groups. The results of reference reviews and interviews will be provided in writing. From this meeting will come a confirmed group of finalist candidates (typically 6).

Task 6 – Selection

The final selection process will vary depending upon the desires of the City. The typical services provided by Ralph Andersen & Associates in the selection process are described briefly below. The search consultant will coordinate the selection process for the finalist group of candidates. This includes handling the logistical matters with candidates and with the City.

The search consultant will prepare an interview booklet that includes an executive candidate summary, resume, and candidate report (with interview comments, preliminary reference checks, and other relevant information) for each candidate. In addition, the booklet will contain suggested questions and areas for discussion based upon the recruitment criteria. Copies of the interview booklet will be provided in advance of the candidate interviews.

The search consultant will attend the interviews to assist the Mayor and City Council through the selection process. This assistance will include an initial orientation, candidate introductions, and facilitation of discussion of candidates after all interviews have been completed.

Additionally verifications will be made on the top candidates and will include education verifications, Department of Motor Vehicle check, wants and warrants, civil and criminal litigation search, and credit check. Additionally, Ralph Andersen & Associates will verify any stated certifications that candidates may have to verify they are currently in good standing and review any notations on their licenses in the form of any public complaints against the individual. The results of these verifications will be discussed with the City at the appropriate time.

The search consultant is available to provide assistance to the City in the final selection as may be desired. This assistance may include providing or obtaining any additional information desired to assist in making the final selection decision.

Task 7 – Negotiation

The search consultant is available to assist the City in negotiating a compensation package with the selected candidate. This may include recommendations on setting compensation levels. Additionally, Ralph Andersen & Associates will prepare a draft employment agreement and work with the City's Legal Counsel on the finalization of this document.

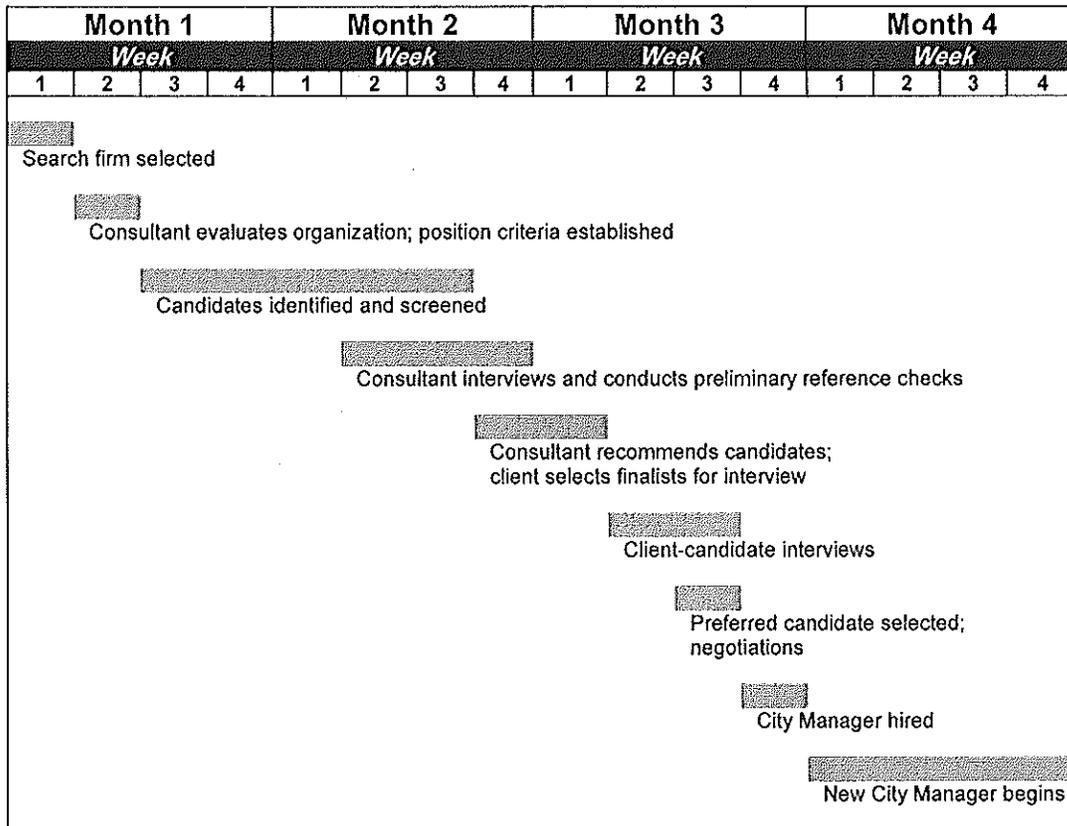
Task 8 – Close Out

After the City has reached agreement with the individual selected for the position, the search consultant will close out the search. These activities will include advising all of the final candidates of the status of the search by telephone.

Project Timing

If retained by the City, Ralph Andersen & Associates would complete the search within 75 to 90 days (or less) from the execution of the agreement between the City of Morro Bay and Ralph Andersen & Associates. Negotiation with the top candidate will take an additional week or two after finalist interviews.

The estimated timeline is as follows:



CITY OF MORRO BAY, CALIFORNIA

Response to Request for Proposals

RE: City Manager Recruitment

*Prepared by Paul Wenbert, Western Regional Manager,
Slavin Management Consultants, December 26, 2013*



7828 E. Red Hawk Circle, Mesa, Arizona 85207

480-664-2676

pwconsulting@cox.net

www.slavinweb.com



December 26, 2013

Ms. Susan Slayton
Acting City Manager
City of Morro Bay
Sent via e-mail to: sslayton@morro-bay.ca.us

Dear Ms. Slayton:

Slavin Management Consultants is pleased to submit this proposal to conduct the executive search for Morro Bay's next City Manager at a cost of \$15,580 plus expenses.

Slavin Management Consultants (SMC) operates a national practice from its home office near Atlanta, Georgia, and also has consultants in California, Oregon, Arizona, Texas, Ohio, Michigan, Connecticut, and Florida. With its extensive national network, SMC is confident in its ability to secure a group of outstanding candidates from throughout the nation that would be a good fit for the City.

Mr. Paul Wenbert will serve as project manager on this assignment. After a 30-year career in city management including nearly 13 years as city manager, Mr. Wenbert joined SMC in 2007 as its Western Regional Manager. He has conducted or assisted in the conduct of 40 searches for SMC for jurisdictions as small as Carlisle, Iowa, (3,900 population) to as large as Phoenix Arizona, (1.5 million population).

Mr. Wenbert will be assisted in all phases of this assignment by Mr. John Nowak. Mr. Nowak who recently joined SMC has 34 years of local government management experience, 28 of which have been in southern California including 23 years at the executive level.

Mr. Robert Slavin will provide project oversight and support on this assignment. Having conducted or assisted in the conduct of more than 800 executive recruitments including more than 100 in California, Mr. Slavin is among the most experienced local government management recruiters in the country.

Thank you for the opportunity to submit this proposal. Please contact me at 480-664-2676 if you have any questions about this proposal.

Sincerely,


Paul Wenbert
Western Regional Manager

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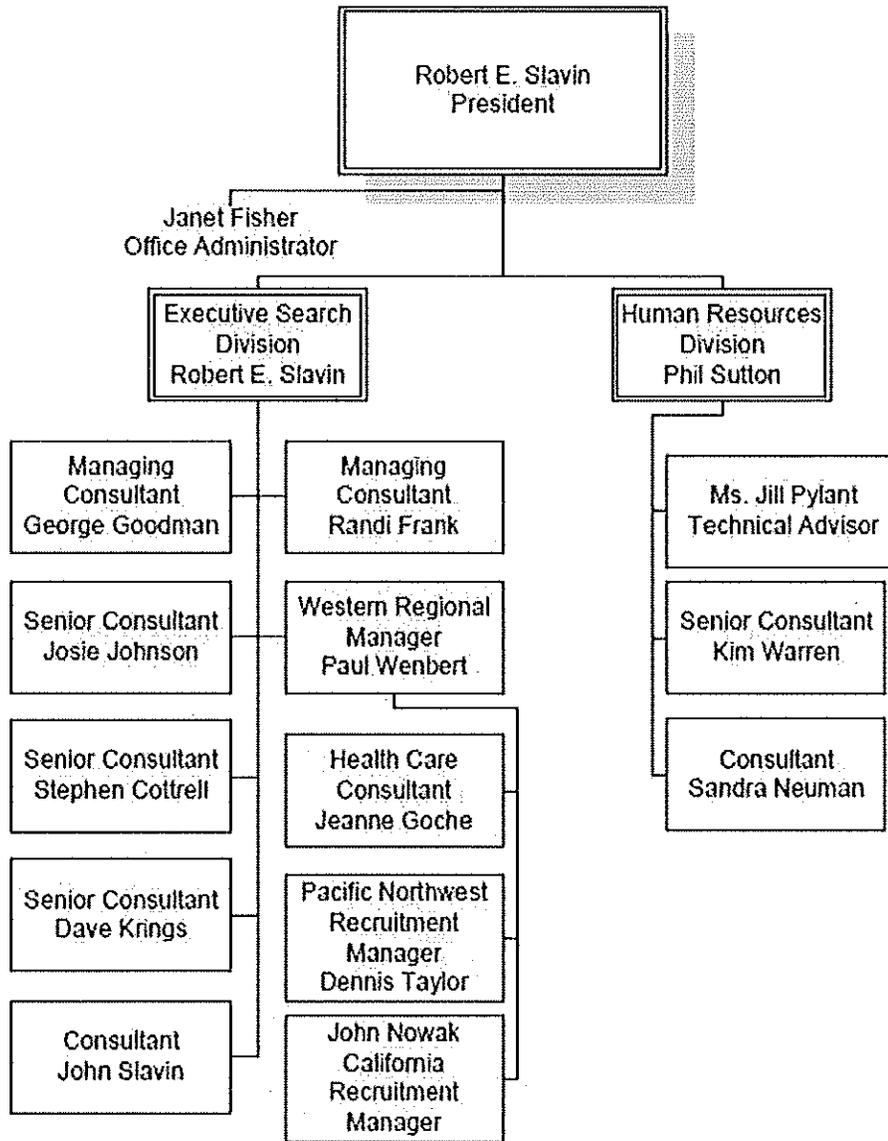
SECTION I—ABOUT SLAVIN MANAGEMENT CONSULTANTS

Slavin Management Consultants (SMC) was formed in 1991 and is incorporated in the State of Georgia. SMC operates a national practice from its home office near Atlanta, Georgia. The principal and only stock holder of the firm is Robert E. Slavin. Mr. Slavin has extensive experience as a local government manager, an executive recruiter and a management consultant. In addition to the home office staff, SMC has consultants in Ann Arbor, Michigan; Cincinnati, Ohio; Dallas, Texas; Eugene, Oregon; Hartford, Connecticut; Helena, Montana; Key West, Florida; Manteca, California; and Mesa, Arizona. As one of the only national public sector executive recruiting firms in the country, SMC is confident in its ability to secure a group of outstanding candidates from throughout the nation that would be a good fit for the City.

SMC provides high-quality consulting services to state and local governments, health care providers, transit authorities, utilities, special districts, and private sector clients. Specialty practice areas include executive recruitment, pay and classification, performance appraisal systems, and organizational development and training. SMC has conducted successful assignments for hundreds of public sector organizations nationally and received many accolades for its work.

Slavin Management Consultants is in excellent financial condition. The company is profitable, is current with all of its accounts, and has no debt. SMC has never been sued and is not aware of any pending legal actions against the company.

SLAVIN MANAGEMENT CONSULTANTS ORGANIZATIONAL CHART



EEO COMMITMENT

Slavin Management Consultants is committed to building a diverse workforce which reflects the face of the communities it serves. In addition, SMC honors and respects the differences and abilities of its employees and provides them with the necessary opportunities, tools, and support to achieve their maximum potential.

Equitably managing a diverse workforce is at the heart of equal opportunity. Valuing diversity is the basis for a policy of inclusion. Diversity recognizes and respects the multitude of differences which employees bring to the workplace. Diversity complements organizational values that stress teamwork, leadership, empowerment,

and quality service. Diversity is best implemented when managers maintain an environment that values the differences in their employees and take steps to ensure that all employees know they are welcome.

To achieve workplace equity and inclusion, SMC utilizes the practices outlined below:

- It does not discriminate in employment on the basis of race, color, religion, national origin, sex, age, disability, marital status, sexual orientation, creed, ancestry, medical condition, or political ideology;
- Its recruiting efforts ensure that applicant pools are both capable and diverse;
- It makes employment decisions based on job-related criteria and provides opportunities for entry and promotion into non-traditional jobs; and
- It maintains a workplace free of all forms of harassment.

SMC STAFF ASSIGNED TO THIS PROJECT

SMC's roots run deep in California as that is where SMC President Bob Slavin started his career. Throughout Mr. Slavin's career, he has conducted more than 100 searches in California alone. Mr. Slavin has an outstanding local government network both in California and throughout the country. Mr. Slavin is among the most experienced recruiters of local government managers in the nation. He has a strong and proven commitment to providing exceptional recruitment services to public agencies and has received many accolades supporting this work. Mr. Slavin has conducted or assisted in the conduct of more than **800 successful executive searches** throughout his career. Mr. Slavin will be providing project oversight and advice on this assignment.

Mr. Paul Wenbert will serve as project manager on this assignment. After a 30-year career in local government management, Mr. Wenbert joined SMC in 2007 as its Western Regional Manager. He has conducted or assisted in the conduct of 40 searches for SMC for jurisdictions as small as Carlisle, Iowa, (3,900 population) to as large as Phoenix, Arizona (1.5 million population).

During his city management career, Mr. Wenbert was responsible for management of a \$470 million budget and 1,100 employees as Deputy City Manager for the City of Mesa, Arizona. Also, Mr. Wenbert spent nearly 13 years of his career as a city manager. Mr. Wenbert has an extensive nationwide professional network based on his 30 years of involvement in the International City/County Management Association (ICMA) including serving on the ICMA Board and chairing 3 ICMA Committees. Mr. Wenbert has a significant local government management network in California primarily through his involvement in ICMA.

Mr. John Nowak will be involved in all phases of this assignment. Mr. Nowak who recently joined SMC has 34 years of local government management experience 28 of

which have been in southern California including 23 years at the executive level. He has worked for numerous jurisdictions in southern California and Tennessee ranging in population from 13,000 to 1.8 million. His most recent position was Deputy City Manager in Manteca, California. For the past five years, Mr. Nowak has served as a redevelopment and economic development consultant for several California jurisdictions.

Mr. Nowak has an extensive local government management network in California due to his California work experience and involvement in the League of California Cities. He also has a large national and international local government management network due to his nearly 30 years of service on many ICMA committees.

Additional information about SMC staff assigned to this project is included in Appendix A.

SMC'S RESULTS-ORIENTED PROCESS

SMC uses a critical path search process which allows its clients to focus their attention on the selection process rather than on identifying, recruiting, screening, and evaluating candidates. The best prospects are typically happily employed and do not respond to advertisements. These people need to be found and encouraged to become candidates. They are understandably reluctant to apply for positions when their application could become a matter of public information prior to being assured that the client is interested in their candidacy. SMC has a proven track record of aggressively pursuing these types of "happily employed" candidates to encourage them to submit their applications as evidenced by the newspaper article at the end of the Appendix. SMC's approach to this assignment will reflect the unique qualities of Morro Bay, and it will honor the confidentiality of candidates to the extent permitted by California law.

SMC would like the City of Morro Bay to consider SMC's unique qualities and approach identified below that help to distinguish it from other public sector recruiting firms.

- SMC is results-oriented. Once the recruitment profile is approved by the City, SMC will "lock" into the profile's criteria and carefully identify, recruit, and evaluate candidates who meet **the City of Morro Bay's criteria**. SMC does not simply bring forward candidates it already knows.
- SMC is committed to complete client satisfaction. SMC's successful placement-oriented approach will ensure that the project work is practical, realistic, and timely and that it has the full commitment and support of the client so that a successful placement occurs.
- SMC makes use of resources that go beyond "Google" searches to conduct background checks of potential candidates. **In addition and fairly unique to this**

industry, SMC visits finalists' work sites prior to client interviews to learn first-hand about candidates' management style and work performance.

- SMC are leaders in the executive search field having conducted more than 800 public sector executive searches throughout the nation (see Appendix B for partial list).
- SMC's methodologies are state-of-the-art and include advertising in traditional publications, websites, and use of SMC's large resume data base to generate quality applicants.
- SMC's style is interactive in that it builds a partnership with its clients.
- SMC uses discount airfares and makes multi-client trips whenever possible to reduce expenses to its clients.
- SMC are experts in EEO/AA recruitment. Approximately 25 percent of its placements are females and/or minorities.
- Every search SMC has conducted resulted in a selection from among its recommended group of candidates. SMC's experience includes large and small organizations and chief executives and subordinate-level positions. **More than 95 percent of SMC's placements have remained in their clients' positions for more than five years, and the guarantee (see Section III, page 10) of redoing the search due to the candidate leaving during the first 2 years of the new position has occurred only twice out of more than 800 searches.** SMC has established this enviable track-record due to its extensive research at the beginning of each assignment about the client and the position to be filled which helps SMC identify candidates that are a good fit for the position. This candidate fit is further verified through extensive background checks and visits to finalists' work sites. SMC believes the best predictor of future candidate performance is past performance which is why SMC obtains such a substantial amount of information about each finalist.

While SMC is proud of its results-oriented approach of focusing on the practical aspects of filling positions in a timely and cost-effective manner, SMC realizes that process is important as well. For example, Morro Bay's City Manager recruitment profile and advertisement will be viewed by thousands of local government professionals throughout the nation. This provides an excellent opportunity for Morro Bay to market itself and increase its visibility to opinion-makers throughout the United States. SMC will produce a quality recruitment profile brochure that markets Morro Bay in a positive light (see Appendix D for example of SMC recruitment profile). In addition, the "customer service" approach SMC employs in dealing with prospective candidates will also reflect positively on Morro Bay. SMC is as proud of its responsiveness to candidates as it is to its clients.

CITY/COUNTY MANAGER SEARCHES CONDUCTED

SMC has completed more than 250 city and county manager searches throughout the nation. The following are city and county manager searches that SMC has conducted in the last 4 years.

CLIENT	POPULATION	YEAR	SEARCH
Adams, CO	452,000	2013	County Manager
Amberley Village, OH	4,000	2011	Village Manager
Aurora, CO	314,000	2010	City Manager
Bay City, MI	35,000	Current	City Manager
Bloomfield, CT	20,000	2013	Town Manager
Branson, MO	11,000	2013	City Administrator
Carlisle, IA	4,000	2013	City Administrator
Cass, MI	51,000	2011	County Adm/Controller
Corpus Christi, TX	285,000	2011	City Manager
Fridley, MN	27,000	2013	City Manager
Georgetown, SC	9,000	2013	City Administrator
Glynn, GA	76,000	2010	County Administrator
Greenville, NC	85,000	2012	City Manager
Gulf Shores, AL	10,000	2013	City Administrator
Hardeeville, SC	3,000	2011	City Manager
Independence, KS	10,000	2010	City Manager
Iowa City, IA	65,000	2010	City Manager
Klamath Falls, OR	21,000	2012	City Manager
Longmont, CO	87,000	2012	City Manager
Newark, DE	31,000	2012	City Manager
Oak Park, IL	52,000	2013	Village Manager
Peoria, IL	183,000	2011	County Administrator
Prince William, VA	402,000	2010	County Executive Officer
Rock Hill, SC	67,000	2010	City Manager
Seminole, FL	409,000	2011	County Manager
Snellville, GA	18,000	2012	City Manager
St. Joseph, MO	76,000	2011	City Manager
Tazewell, IL	131,000	2012	County Administrator
Venice, FL	21,500	2012	City Manager
Waukegan, IA	14,000	2013	City Administrator
West Des Moines, IA	57,000	2011	City Manager
Wyandotte/Kansas City, KS	159,000	Current	County Administrator
Wyoming, OH	8,000	2011	City Manager

FIRM CONTACT INFORMATION

The following individuals will serve as the primary contacts for this project.

Project Manager

Paul Wenbert
Western Regional Manager
Slavin Management Consultants
7828 E. Red Hawk Circle
Mesa, Arizona 85207
480-664-2676 (work)
480-444-9512 (cell)
pwconsulting@cox.net

Other Professional Staff

Mr. John Nowak
California Recruitment Manager
Slavin Management Consultants
Post Office Box 2127
Manteca, California 95336
209-825-1420
johnn51@msn.com

Robert E. Slavin
President
Slavin Management Consultants
3040 Holcomb Bridge Road, Suite A-1
Norcross, Georgia 30071
770-449-4656 (work)
678-296-2037 (cell)
770-416-0848 (fax)
slavin@bellsouth.net

SECTION II—WORK PLAN

SMC will use a proven and comprehensive seven-step work plan to complete this project as follows:

1. Develop recruitment profile;
2. Recruit qualified candidates;
3. Submit written progress report on semi-finalists to client;
4. Conduct background investigations/site visits on finalists;
5. Assist client in interview and selection process;
6. Facilitate employment of selected candidate; and
7. Conduct follow-up with client after candidate has been employed.

Each step of this work plan is described below.

1. Develop recruitment profile

SMC will meet with the Mayor and City Council Members and Department Directors to learn about the City's needs and culture. Also, SMC will provide options for additional external and internal stakeholder involvement. Finally, SMC would appreciate receiving a guided tour of the community. These meetings and tour as well as independent research conducted by SMC about the community and position will help SMC determine the unique challenges to be managed by Morro Bay's next City Manager. This will allow SMC to accurately describe the desired professional and personal attributes top candidates should possess.

Once SMC has gained sufficient information, it will prepare a draft recruitment profile and review it with the Mayor and City Council to obtain their approval. The profile will include information about the Morro Bay community, City government, issues and opportunities to be managed by the next City Manager, and the job requirements and selection criteria.

2. Recruit qualified candidates

SMC will utilize the following resources to conduct a national recruitment for qualified candidates that meet the job specifications and selection criteria for the position:

- SMC's database of candidates;
- SMC's professional local government management network;
- Advertisements in national professional print publications and websites and regional publications as appropriate; and
- Sending the recruitment profile to persons who have the requisite experience for the position.

3. Submit written progress report on semi-finalists

SMC will submit a written progress report on the semi-finalists and meet with the client to discuss this report. Typically 10-15 semi-finalists are included in the progress report.

The progress report will summarize each semi-finalists' experience and education. The report will also include a screening of semi-finalists against the selection criteria and job requirements contained in the recruitment profile. This screening will be based on:

- a review of resumes and cover letters;
- SMC's phone interviews of semi-finalists;
- semi-finalists' responses to a supplemental questionnaire that provides additional information about semi-finalists' management styles, writing skills, and how closely their experience relates to the selection criteria and job requirements in the recruitment profile; and
- SMC's knowledge of semi-finalists' work performance and the quality of the organizations and communities in which they have served.

The progress report will also include the semi-finalists' current salary. At SMC's meeting with the client, the client will select the finalists to interview using SMC's candidate ranking forms if desired. Typically five finalists are interviewed. Appendix E contains an example of the type of information which will be included in the progress report.

4. Conduct background investigations/site visits on finalists

SMC will conduct background investigations and site visits on the finalists. In order to better assess the finalists' management style and interpersonal characteristics, SMC will personally interview each in his or her present work environment while protecting the finalists' confidentiality. SMC will closely examine each finalist's experience, achievements, management style, and interpersonal skills in relation to the recruitment profile's selection criteria.

SMC's background investigations include detailed and extensive reference checks which cover a minimum period of ten years. SMC will interview the references provided by the finalists as well as others who can evaluate the candidate's job performance. The background work also includes investigation to the maximum extent permitted under federal law of finalists':

- criminal and civil court records;
- credit history;
- driving records; and
- college degrees.

At the client's option, SMC can arrange for assessment centers and/or psychological (or similar) testing of the candidates. These optional items will result in additional cost to the client.

SMC will provide a report to the client about these background checks and site visits.

5. Assist client in interview and selection process

SMC will assist the client in developing the interview process based on SMC's knowledge of best practices and will provide a list of interview questions for the client's consideration. SMC will contact the finalists to inform them of interview schedules and other logistical details, and SMC will be present during the interviews. Finally, SMC will notify all unsuccessful candidates of the final decision reached.

6. Facilitate employment of selected candidate

SMC will provide information about trends in employment, employment agreements, and relocation expenses to the client. SMC will also facilitate negotiation of the selected candidate's compensation package.

7. Conduct follow-up with client after candidate has been employed

SMC will follow-up with the Mayor and the new City Manager six and twelve months after the selected candidate has been employed to evaluate the success of the placement. SMC will assist in any adjustments that may be necessary.

SECTION III—GUARANTEES

SMC provides a comprehensive set of assurances and guarantees to clients that include:

- A commitment to excellence. SMC guarantees that the selection process and placement will be of high quality and successful. To accomplish this, SMC will continue to work with the client until a satisfactory candidate is selected and accepts employment;
- SMC guarantees its work and will redo the search if the position is vacated, for any reason, within two years of the employment date of a SMC recommended candidate; in this event, SMC will charge the client only for its out-of-pocket expenses to redo the search (no professional fees will be charged);
- SMC will never actively recruit any *candidate* who SMC has placed nor will SMC actively recruit any *employee* from a client organization for at least two years from the completion date of an assignment;
- SMC will properly handle any and all media relations. Unless otherwise directed, it is SMC's standard practice to tell all media that SMC is working on behalf of the

client and that any public statement should come from the client directly. Under no conditions will SMC release information to the media unless specifically directed by the client to do so; and

- SMC will keep the client informed and involved in the search process. SMC will provide frequent verbal and written progress reports to the client.

SECTION IV—PROJECT SCHEDULE

The search process normally takes 90 days to complete and typically follows the schedule below.

STEPS	DAYS				
	1-30	30-45	45-60	60-90	90-360
1. Develop recruitment profile and advertising program for client approval	✓				
2. Identify qualified candidates and receive and review resumes	✓	✓			
3. Screen & evaluate prospective candidates/prepare progress report and meet with client		✓	✓		
4. Background investigations and site visits on finalists				✓	
5. Interview and evaluate finalists				✓	
6. Assist in selection and facilitate employment				✓	
7. Follow-up					✓

SECTION V—PROJECT COST

PROFESSIONAL FEES

The project cost is \$15,580 of professional fees plus expenses. The following table shows the level of involvement by project step and cost.

PROJECT COSTS				
STEPS	ASSIGNED HOURS (Approximate)		RATE (Hr)	FEES
	Project Manager	Consultant		
1. Project planning/develop recruitment profile/prepare and place advertising	35		\$85	\$2,975
		5	\$40	\$200
2. Identify and recruit candidates / acknowledge resumes	34		\$85	\$2,720
		28	\$40	\$1,120
3. Phone interviews with potential semi-finalists/prepare progress report	20		\$85	\$1,700
		10	\$40	\$400
4. Meet with client to review progress report and select finalists	4		\$85	\$340
5. Schedule finalists interviews / assist client with designing interview process	8		\$85	\$680
6. Finalists background investigation (includes SMC on-site visits with finalist candidates)	33		\$85	\$2,805
		32	\$40	\$1,280
7. Finalists interviews/assist in employee selection	12		\$85	\$1,020
8. Negotiate employment agreement	4		\$85	\$340
9. Follow-up	4		No Charge	\$0
TOTAL HOURS	152	76		
TOTAL COST				\$15,580

EXPENSES

Expenses for this executive search will be billed on an actual cost basis and will not exceed 55 percent of the professional fee (\$8,569). Additional detail about these expenses is shown below.

Consultant Travel: The client pays direct costs for all necessary consultant travel using lowest available air rates, corporate hotel rates at moderately priced properties (Holiday Inn or equivalent), rental cars using the corporate discount, and normal meals. The client controls these costs in the following ways: 1) the client pre-approves all work plans including all consultant and candidate travel; and 2) when appropriate, the consultant will work on more than one search when traveling and will therefore allocate costs to multiple clients.

Office Costs: telephone (\$350 flat fee, billed in two installments), fax, postage, copier, and delivery costs.

Advertising: typically approximately \$2,500. The client controls these costs because the advertising program will be approved by the client prior to implementation.

The cost for finalists to travel to the client's locale for interviews is not included in the cost of this proposal. Such costs are typically paid by the client on a reimbursement basis directly to the candidates and controlled through the client's prior approval of the finalists. These costs vary depending on candidate location, spousal involvement, and the length of the interview process. For budgeting purposes, an average cost of between \$450-650 per candidate would be appropriate. Typically five candidates are interviewed.

Should the client's needs result in an increased project scope that significantly increases consultant travel and/or advertising costs, it may be necessary to increase the expense budget for the project which would require client approval. Regarding travel expenses, SMC's project budget includes a total of 3 trips to the client's locale for 2 consultants. If the client requires SMC to make additional trips to its locale that result in SMC's total project expenses exceeding \$8,569, then the client will reimburse SMC for these out-of-pocket travel expenses. The client's liability to Slavin Management Consultants for services rendered under this agreement will not exceed the agreed upon price unless an increase is authorized by the client in writing.

SMC will submit monthly invoices for fees and expenses. It is SMC's practice to bill 30 percent at the start of the search, 30 percent at the end of thirty days, 30 percent at the end of sixty days, and the remaining 10 percent shortly after the time that the candidate accepts the position. Expenses will be billed in addition and shown as a separate figure. Each invoice will be payable upon receipt.

SMC will comply with all applicable laws, rules, and regulations of federal, state, and local government entities. SMC's liability, if any, will not be greater than the amount paid to SMC for the services rendered.

ACCEPTANCE/SIGNATURE

This proposal is presented by Slavin Management Consultants by:

SIGNATURE:  _____

NAME: Paul Wenbert
TITLE: Western Regional Manager
DATE: December 26, 2013

This proposal is accepted for the City of Morro Bay, California by:

SIGNATURE: _____

NAME: _____

TITLE: _____

DATE: _____

APPENDIX

APPENDIX A – ABOUT PROJECT STAFF

Paul Wenbert, ICMA-CM, SMC Western Regional Manager

Mr. Wenbert has 30 years of local government management experience including 24 years of executive level experience with nearly 13 of those as a city manager. Mr. Wenbert joined Slavin Management Consultants in June 2007 as Western Regional Manager. He is headquartered in Mesa, Arizona. Most recently, Mr. Wenbert completed 6.5 years of service as Deputy City Manager for the City of Mesa. His career highlights include 9 years as City Administrator for Newton, Iowa; 3.5 years as Village Manager for Villa Park, Illinois, and 4.5 years as Assistant City Manager for Ames, Iowa. Early in his career Mr. Wenbert served as an administrative intern for Fort Wayne, Indiana, administrative assistant for Marion, Indiana, and administrative intern and administrative assistant for Mesa, Arizona.

Mr. Wenbert has a Masters degree in Public Administration from Arizona State University and a Bachelor of Science degree in Public Affairs from Indiana University. He is an ICMA Credentialed Manager and a graduate of the Senior Executive Institute at the University of Virginia.

His career highlights include:

- Managed city departments with \$470 million budget and 1,100 employees in Mesa, Arizona;
- Chaired Keep Maytag In Newton Task Force which facilitated retention of more than 2,000 jobs and addition of 440 jobs and \$41 million of investment;
- Instituted Productivity Improvement Programs in Newton, Iowa, and Villa Park, Illinois, resulting in over \$3 million of savings;
- Negotiated revised intergovernmental agreement with twelve local governments for regional landfill operated by City of Newton and involved in many other intergovernmental relations activities in Newton, Villa Park, and Mesa;
- Negotiated many collective bargaining agreements and developed and implemented many personnel and wage classification systems;
- Worked for the City of Mesa during the time period when it was the fastest growing community in the United States and was involved with many growth issues such as infrastructure planning and financing, interstate interchange decisions and allocating resources equitably to newly developed and existing areas of the community;

-
- In all positions enhanced citizen connection to city government through various methods including citizen-based strategic planning, citizen focus groups, regular community attitude surveys, and citizen academies;
 - In all positions improved staff team-building through city-wide staff development and training and city-wide committee work assignments;
 - Received ICMA Program Excellence Award for Collaborative Children and Youth Initiatives;
 - Received Greater Newton Area Chamber of Commerce Key Award for Chairing Keep Maytag In Newton Task Force; and
 - Received Joe Lukehart Professional Service Award for Advancement of City Management in Iowa.

Professional Affiliations

- ICMA--Past Executive Board Member, Chair of the Endowment Fund Committee, Chair of Employment Agreements Task Force, and Chair of Assistants Steering Committee; current Mentor for Emerging Leader Development Program
- Iowa City/County Management Association—Past President and other offices
- Illinois City/County Management Association Metro Managers—Past Board Member
- Newton, Iowa Rotary Club—Past President and other offices
- Arizona City/County Management Association—Past Chairperson of Committee on Professional Conduct
- Arizona Municipal Management Assistants Association—Past President and other offices

John E. Nowak, California Recruitment Manager

Mr. Nowak has 34 years of local government management experience 28 of which have been in southern California including 23 years at the executive level. He has worked for numerous jurisdictions in southern California and Tennessee ranging in population from 13,000 to 1.8 million. His most recent position was Deputy City Manager in Manteca, California. For the past five years, Mr. Nowak has served as a redevelopment and economic development consultant for several California jurisdictions.

Previously Mr. Nowak served as Redevelopment Administrator for San Bernardino County and Deputy City Manager in Culver City, Moorpark, San Gabriel, and San Marino, California. Mr. Nowak was City Manager in San Marino and Lawndale, California. Early in his career, Mr. Nowak served in management positions in Lancaster, California and metropolitan, state, and regional positions in Nashville, Tennessee. He has also served as an economic and redevelopment consultant for the cities of Moorpark and Manteca and for San Bernardino County in California. Mr. Nowak joined Slavin Management Consultants in 2013.

Mr. Nowak has a Master of Public Administration degree from West Virginia University and a Bachelor of Arts degree in Political Science from Siena College.

His career highlights include:

- City Manager in both full-service and contract city organizations;
- Department director of community development/public works functions with 30 employees and \$2.3 million budget in San Gabriel, California;
- Directed community-based preparation of long-range strategic plan in San Marino;
- Revised San Marino Municipal Code writing all related ordinances;
- Managed repairs of earthquake damage in San Marino and San Gabriel including project manager for complete renovations of their city halls;
- Created regional public-private emergency preparedness board in Antelope Valley of California bringing comprehensive approach for disaster planning and recovery among local, state, and federal agencies and private sector;
- Created second California Disaster Recovery Redevelopment Project Area in San Bernardino County Old Fire burn area;
- Prepared and negotiated development agreements for regional lifestyle retail center and Costco in Manteca and regional distribution center in San Bernardino County;
- Negotiated labor agreements with general employee, police, and fire unions in multiple California cities;
- Prepared and managed state grant programs for parks and public safety including nationally recognized program for children's car seat enforcement;
- Initiated and directed establishment of first cities' sub-regional Joint Powers Authority in Los Angeles County to address State's solid waste mandates;

-
- Established budget preparation and presentation procedures to make budget document more transparent and understandable; and
 - Reorganized city departments including police, fire, public works, and community development for improved accountability and operational efficiency.

Professional Affiliations

- International City/County Management Association—served on many Committees including International Committee, Awards Committee, Conference Planning Committee, and Nominating Committee
- League of California Cities/California City Managers Department—past Chairperson of International Committee and Board Member
- Rotary International—past Club President in San Gabriel and Treasurer in Culver City

Robert E. Slavin, SMC President

Mr. Slavin is one of the pioneers in public sector and nonprofit executive recruiting. He is among the best known and respected professional recruiters in the industry. He is a frequent speaker at professional conferences and has written many articles for professional journals concerning governmental management. By special invitation, Mr. Slavin assisted the United States Office of Personnel Management in establishing the Federal Senior Executive Service.

Mr. Slavin began his local government career in 1967. His experience includes 12 years working directly for local governments and seven years as a principal consultant with the government search practice of Korn/Ferry International, the largest search firm in the world. He headed the local government search practices for Mercer/Slavin, Incorporated; Mercer, Slavin & Nevins; and Slavin, Nevins and Associates, Inc. Mr. Slavin now heads the executive search practice for Slavin Management Consultants. Clients include state and local governments, nonprofits, and private sector businesses throughout the United States. Mr. Slavin's experience includes search assignments for the 1984 Los Angeles Olympic's Organizing Committee.

Mr. Slavin's experience and qualifications include organizational analysis, classification and compensation studies, and assessment centers and human resource systems studies.

Prior to being invited to join Korn/Ferry International, Mr. Slavin served as Assistant City Manager/Director of Human Resources for the City of Beverly Hills, California. While at Beverly Hills, Mr. Slavin conducted many executive level recruitment assignments

involving nationwide search and placement. Before joining the City of Beverly Hills, Mr. Slavin was the Assistant Personnel Director for the City of San Leandro, California.

Before San Leandro, Mr. Slavin was on the personnel staff of Santa Clara County, California. His assignments included recruitment, classification and selection for the County's Health Department, Medical Center, Transportation Agency, Sheriff's Office, Superintendent of Schools, Fire Marshall, Assessor's Office, Library System, and County Recorder's Office.

Mr. Slavin received his Bachelor of Science degree in Political Science from the University of Santa Clara and has completed the graduate course work for a Master's degree in Public Administration at California State University at Hayward.

Professional Affiliations

- International City/County Management Association
- American Society for Public Administration
- International Personnel Management Association—Human Relations Commission
- Southern California Public Labor Relations Council
- Southern California Municipal Assistants Association
- Bay Area Salary Survey Committee

APPENDIX B – PARTIAL CLIENT LIST

The following list of clients represent organizations for which our principal Consultants performed significant project work. This client list spans twenty years of experience of SMC consultants. Please contact SMC if you desire to speak with the individuals who were project contacts.

MUNICIPALITIES

Aiken, South Carolina	Chesapeake, Virginia
Albany, Georgia	Clearwater, Florida
Alpharetta, Georgia	Columbia, Missouri
Anaheim, California	Columbus, Georgia
Ann Arbor, Michigan	Concord, New Hampshire
Arlington, Texas	Corpus Christi, Texas
Arlington Heights, Illinois	Corta Madera, California
Atlanta, Georgia	Creedmoor, North Carolina
Atlantic Beach, Florida	Culver City, California
Asheville, North Carolina	Dallas, Texas
Auburn, Maine	Davenport, Iowa
Aurora, Colorado	Davie, Florida
Austin, Texas	Decatur, Georgia
Bartlesville, Oklahoma	Decatur, Illinois
Bentonville, Arkansas	Delray Beach, Florida
Bergenfield, New Jersey	Del Rio, Texas
Berkeley, California	Denton, Texas
Beverly Hills, California	Destin, Florida
Birmingham, Alabama	Dothan, Alabama
Bisbee, Arizona	Dubuque, Iowa
Blacksburg, Virginia	Duluth, Georgia
Bloomington, Illinois	Dunedin, Florida
Boynton Beach, Florida	Durham, North Carolina
Brea, California	Eagle Pass, Texas
Broken Arrow, Oklahoma	Edmond, Oklahoma
Brownsville, Texas	Elgin, Illinois
Bryan, Texas	Enfield, Connecticut
Burbank, California	Escondido, California
Camarillo, California	Evanston, Illinois
Carson, California	Fort Collins, Colorado
Casper, Wyoming	Fort Lauderdale, Florida
Chapel Hill, North Carolina	Fort Worth, Texas
Charlotte, North Carolina	Franklin, Tennessee

Frisco, Colorado
Gainesville, Florida
Gainesville, Georgia
Galesburg, Illinois
Garden City, New York
Glastonbury, Connecticut
Glendale, Arizona
Glen Ellyn, Illinois
Grand Rapids, Michigan
Greensboro, North Carolina
Gulfport, Florida
Hemet, California
Hercules, California
Highland Park, Illinois
Hollywood, Florida
Homestead, Florida
Huntington Beach, California
Independence, Missouri
Iowa League of Cities
Jacksonville Beach, Florida
Jupiter, Florida
Kalamazoo, Michigan
Kansas City, Missouri
Lakewood, Colorado
Lapeer, Michigan
Laramie, Wyoming
Laredo, Texas
Lenexa, Kansas
Liberty, Missouri
Lillburn, Georgia
Little Rock, Arkansas
Long Beach, California
Manassas, Virginia
Mesa, Arizona
Miami Beach, Florida
Milwaukie, Oregon
Minneapolis, Minnesota
Miramar, Florida
Modesto, California
Muscatine, Iowa
Neptune Beach, Florida

New Smyrna Beach, Florida
Norfolk, Virginia
Norman, Oklahoma
North Las Vegas, Nevada
North Miami Beach, Florida
Northglenn, Colorado
North Port, Florida
Oberlin, Ohio
Ocean City, Maryland
Oceanside, California
Olathe, Kansas
Oklahoma City, Oklahoma
Oxnard, California
Palm Bay, Florida
Palm Beach Gardens, Florida
Palo Alto, California
Panama City, Florida
Park Ridge, Illinois
Pasadena, California
Peoria, Illinois
Phoenix, Arizona
Pittsburg, Kansas
Pompano Beach, Florida
Portage, Michigan
Pueblo, Colorado
Richmond, California
Richmond, Virginia
Riverside, California
Riverview, Michigan
Roanoke, Virginia
Rockville, Maryland
Sacramento, California
St. Louis Park, Minnesota
Salem, Oregon
San Diego, California
San Fernando, California
San Francisco, California
San Jose, California
San Juan Capistrano, California
Sandersville, Georgia
Santa Ana, California

Santa Monica, California
Sarasota, Florida
Shaker Heights, Ohio
Simi Valley, California
Sioux City, Iowa
Springfield, Missouri
Storm Lake, Iowa
Stratford, Connecticut
Sunnyvale, California
Sunrise, Florida
Takoma Park, Maryland
Topeka, Kansas
Titusville, Florida
Thornton, Colorado
Traverse City, Michigan
Topeka, Kansas
Turlock, California

Upper Arlington, Ohio
Urbandale, Iowa
Valdez, Alaska
Virginia Beach, Virginia
Waco, Texas
Warrensburg, Missouri
Washington, Illinois
West Des Moines, Iowa
West Hartford, Connecticut
West Hollywood, California
West Palm Beach, Florida
Wichita, Kansas
Winston-Salem, North Carolina
Winter Park, Florida
Worthington, Minnesota
Wyoming, Ohio
Ypsilanti, Michigan

COUNTIES

Alameda County, California
Albemarle County, Virginia
Arapahoe County, Colorado
Beaufort County, South Carolina
Broward County, Florida
Brown County, Wisconsin
Buffalo County, Nebraska
Chaffee County, Colorado
Chesterfield County, Virginia
Clark County, Nevada
Cobb County, Georgia
Dade County, Florida
Eagle County, Colorado
Escambia County, Florida
Fairfax County, Virginia
Forsyth County, Georgia
Fremont County, Colorado
Fresno County, California
Fulton County, Georgia
Glynn County, Georgia
Gunnison County, Colorado

Hall County, Georgia
Hamilton County, Ohio
Lake County, Florida
Lake County, Illinois
La Plata County, Colorado
Leon County, Florida
Lincoln County, North Carolina
Livingston County, Illinois
Los Angeles County, California
Martin County, Florida
McHenry County, Illinois
Mecklenburg County, North Carolina
Mendocino County, California
Mesa County, Colorado
Moffat County, Colorado
Monterey County, California
Muscatine County, Iowa
New Kent County, Virginia
Orange County, New York
Orange County, North Carolina
Palm Beach County, Florida

Peoria County, Illinois
Pinellas County, Florida
Polk County, Florida
Prince William County, Virginia
Ramsey County, Minnesota
St. Louis County, Minnesota
Saline County, Kansas
San Diego County, California
San Luis Obispo County, California
San Mateo County, California
Sarasota County, Florida

Sedgwick County, Kansas
Seminole County, Florida
Sonoma County, California
Springettsbury Township, Pennsylvania
Spotsylvania County, Virginia
Volusia County, Florida
Wake County, North Carolina
Washtenaw County, Michigan
Whiteside County, Illinois
Whitfield County, Georgia
Yolo County, California

OTHER ORGANIZATIONS

Development Groups

Arrowhead Regional Development,
Duluth, Minnesota
Columbia Development Corporation,
South Carolina
Fresno Economic Development
Commission, California
Fresno Redevelopment Authority,
California
GoTopeka, Inc., Kansas
Lincoln Road Development Corporation
Los Angeles, California, Community
Redevelopment Agency
Mid-American Regional Council, Kansas
City, Missouri
West Palm Beach Downtown
Development Authority, Florida

Housing Authorities

California Housing Finance Agency
Jefferson County Housing Authority,
Alabama
Las Vegas Housing Authority
Memphis Housing Authority, Tennessee
Ocala Housing Authority, Florida
Peoria Housing Authority, Illinois

Libraries

Birmingham, Alabama Public Library
Central Arkansas Library System
Lexington, Kentucky Library System
Metropolitan Library System of
Oklahoma

Non-Profits and Other Governmental Jurisdictions

California State Government
CDC Federal Credit Union, Atlanta,
Georgia
Children's Board of Hillsborough County,
Florida
District of Columbia
East Brunswick Township, New Jersey
Fresno Employment and Training
Commission, California
Jefferson County Personnel Board,
Alabama
Ketchikan-Gateway Borough, Alaska
Local Government Insurance Trust,
Maryland
Los Angeles County, California
Department of Public Health
Los Angeles, California Music Center
Operating Company

Non-Profits and Other Governmental Jurisdictions (continued)

Los Angeles Olympics Organizing Committee
Metropolitan Nashville, Tennessee Arts Commission
Skiff Medical Center, Newton, Iowa
South Brunswick Township, New Jersey
Southwest Florida Regional Planning Council

Professional Associations

American Public Works Association
Association of County Commissioners, Georgia
Georgia Municipal Association
International City/County Management Association
Iowa League of Cities

School Districts

Adams County School District #14, Commerce City, Colorado
Lake Sumpter Community College, Florida
Dallas Independent School District, Texas

Transportation Agencies

Alameda-Contra Costa Transit District, Oakland, California
Bay Area Rapid Transit District, Oakland, California
Dallas Area Rapid Transit District, Dallas, Texas
Dayton Regional Transit Authority, Dayton, Ohio
Honolulu Municipal Transit Authority, Honolulu, Hawaii
Lee County Port Authority, Florida
Port Everglades Authority, Fort Lauderdale, Florida
Port of Sacramento, California
Riverside Transit Agency, California
San Francisco Bay Area Rapid Transit District, California
Sarasota/Manatee Airport Authority, Florida
Southern California Rapid Transit District

Utility Districts

Columbus Water Works, Georgia
Metropolitan Sewer District of Greater Cincinnati, Ohio
Public Works Commission of Fayetteville, North Carolina
Rivanna Solid Waste Authority, Virginia
Rivanna Water and Sewer Authority, Virginia
Sacramento Municipal Utility District, California
Spartanburg Utility District, South Carolina

APPENDIX C – MINORITY AND FEMALE PLACEMENTS

CLIENT	POSITION	AFRICAN AMERICAN	FEMALE	LATINO
ALACHUA COUNTY, FL	County Administrator			X
ALBANY, GA	City Manager	X		
	Police Chief	X		
	Assistant City Manager	X		
	Human Resources Director	X		
ASPEN, CO	City Manager		X	
AUSTIN, TX	City Manager		X	
	Police Chief			X
BERKELEY, CA	City Manager	X		
	Public Works Director			X
BEVERLY HILLS, CA	Sanitation Director	X		
	Library Director		X	
BOCA RATON, FL	City Manager		X	
	Asst. City Manager		X	
BROWARD COUNTY, FL	Assistant Director of Equal Employment	X	X	
BRYAN, TX	Municipal Court Judge		X	
	City Manager		X	
CAMARILLO, CA	City Clerk		X	
CARSON, CA	Planning Director		X	
CHAPEL HILL, NC	Transportation Director		X	
	Human Resources Director		X	
CHARLOTTE COUNTY, FL	County Attorney		X	
CENTRAL CITY ASSN. OF THE CITY OF LOS ANGELES (CA)	Director of Security	X		
CHARLOTTE, NC	Neighborhood Services Director	X		
COLUMBIA, MO	Police Chief	X		
CULVER CITY, CA	Finance Director			X
DALLAS INDEPENDENT SCHOOL DISTRICT (TX)	Chief Financial Officer	X	X	
DALLAS, TX	City Attorney		X	
DECATUR, GA	Chief of Police	X		
DISTRICT OF COLUMBIA	Executive Director Alcoholic Beverage Regulations Commission		X	
DURHAM, NC	City Manager	X		
	City Manager	X	X	
	Police Chief		X	
	Public Works Director	X	X	
ESCAMBIA COUNTY, FL	Assistant County Administrator	X		

CLIENT	POSITION	AFRICAN AMERICAN	FEMALE	LATINO
ESCONDIDO, CA	Civic Center Construction Mgr		X	
EVANSTON, IL	City Manager		X	
FRESNO, CA (PIC)	Executive Director	X		
FORT LAUDERDALE, FL	Fire Chief	X		
FORT MYERS, FL	City Manager	X		
FRESNO, CA (PIC)	Executive Director	X		
GAINESVILLE, FL	Equal Employment Director	X		
GLASTONBURY, CT	Human Resources Director	X	X	
GREENBELT HOMES, INC. (MARYLAND)	Executive Director		X	
GREENSBORO, NC	Assistant City Manager	X		
HAMILTON COUNTY, OH	Jobs and Family Services Director		X	
HILLSBOROUGH COUNTY (FL) CHILDREN'S BOARD	Executive Director		X	
HOLLYWOOD, FL	City Manager	X		
JUPITER, FL	Assistant to the City Manager		X	
	Public Works Director		X	
KALAMAZOO, MI	City Manager		X	
	Assistant City Manager		X	
KANSAS CITY, MO	Water Services Director			X
LAKE COUNTY, FL	County Attorney		X	
LAKE COUNTY, IL	Purchasing Director		X	
	Human Resources Director	X		
	Assistant County Administrator		X	
LA PLATA COUNTY, CO	Human Services Director		X	
LEE COUNTY, FL	County Administrator		X	
	Human Resources Director	X		
	Dir, Visitors & Convention Bureau		X	
LINCOLN ROAD DEVELOPMENT CORP.	Executive Director		X	
LONG BEACH, CA	Police Chief	X		
	Executive Director, Civil Service Commission		X	
LOS ANGELES COUNTY REDEVELOPMENT AGENCY	Sr. Project Manager		X	
	Project Manager	X		
	Project Manager			X

CLIENT	POSITION	AFRICAN AMERICAN	FEMALE	LATINO
LOS ANGELES COUNTY (CA) HEALTH SYSTEMS AGENCY	Executive Director	X	X	
	Deputy Exec. Dir.			X
LOS ANGELES COUNTY DEPARTMENT OF PUBLIC HEALTH	Public Health Director	X		
LOS ANGELES OLYMPICS ORGANIZING COMMITTEE	Human Resources Director	X	X	
	Director of Venues		X	
METROZOO (MIAMI FL)	Director of Marketing		X	
MEMPHIS (TN) HOUSING AUTHORITY	Executive Director	X		
MIAMI (FL) OFF-STREET PARKING SYSTEM	Finance Director			X
MIAMI VALLEY REGIONAL TRANSIT AUTH. (DAYTON, OH)	Executive Director	X	X	
MIRAMAR, FL	City Manager		X	
MONTEREY COUNTY, CA	Hospital Administrator	X		
NOAH DEVELOPMENT CORPORATION	Executive Director	X		
NORFOLK, VA	Human Resources Director	X		
	Senior Engineer		X	
	Social Services Director	X		
OCALA (FL) PUBLIC HOUSING AUTHORITY	Executive Director	X		
OBERLIN, OH	City Manager		X	
ORMOND BEACH, FL	City Manager	X		
OKLAHOMA CITY, OK	City Manager	X		
PALM BAY, FL	Human Resources Director		X	
PALM BEACH COUNTY, FL	Assistant County Administrator		X	
PALM BEACH COUNTY (FL) CHILDREN'S SERVICES BOARD	Executive Director		X	
PALM BEACH COUNTY (FL) HEALTH CARE DISTRICT	Executive Director		X	
PALM BEACH GARDENS, FL	City Manager (1992)		X	
	City Manager (1999)			X
PALO ALTO, CA	City Attorney		X	
PEORIA (IL) PUBLIC HOUSING AUTHORITY	Executive Director	X		
PRINCE WILLIAM COUNTY, VA	Fire Chief		X	
RICHMOND, CA	City Manager	X		

CLIENT	POSITION	AFRICAN AMERICAN	FEMALE	LATINO
RICHMOND, VA	Director of Public Health	X		
ROANOKE, VA	Police Chief	X		
	Economic Development Director		X	
	Assistant City Manager	X	X	
	Director of Human Services		X	
ROCKVILLE, MD	Assistant City Manager		X	
SACRAMENTO, CA	Human Resources Director	X	X	
SAGINAW, MI	Police Chief			X
SAN DIEGO, CA	City Manager	X		
SAN FRANCISCO, CA	Assistant City Administrator		X	
SAN JOSE, CA	Police Chief	X		
SANTA MONICA, CA	Deputy City Manager		X	
SARASOTA, FL	Human Resources Director	X		
SARASOTA COUNTY, FL	Deputy County Administrator	X		
SELMA, AL	Police Chief	X		
SHAKER HEIGHTS, OH	City Administrator		X	
SUNNYVALE, CA	Public Information Officer		X	
	City Clerk		X	
STRATFORD, CT	Human Resources Director		X	
TAKOMA PARK, MD	City Manager		X	
	Recreation Director	X	X	
	Housing and Community Development Director		X	
	Public Works Director	X		
THORNTON, CO	Public Information Officer		X	
TOPEKA, KS	City Manager	X		
VALDOSTA, GA	Assistant Public Works Director		X	
VENICE, FL	Police Chief		X	
VIRGINIA BEACH, VA	Human Resources Director	X		
VIRGINIA BEACH PARK TRUST (FL)	Executive Director	X		
VOLUSIA COUNTY, FL	County Manager		X	
WACO, TX	Deputy City Manager		X	
	Exec. Dir. - Support Services			X
	Assistant City Manager	X		
	Director of Facilities			X

CLIENT	POSITION	AFRICAN AMERICAN	FEMALE	LATINO
WAKE COUNTY, NC	Human Services Director			X
THE WEINGART CENTER (LOS ANGELES)	Executive Director		X	
WEST COVINA, CA	Planning Director	X	X	
WEST MIFFLIN, PA	Town Administrator		X	
WEST PALM BEACH, FL	Assistant City Administrator	X	X	
WICHITA, KS	Human Resources Dir	X	X	
	Community Services Dir	X	X	
	Communications Director		X	
	Director of Libraries		X	
	Housing and Development Director	X	X	
	City Manager	X		
YPSILANTI, MI	City Manager	X		
ZOOLOGICAL SOCIETY OF FLORIDA (DADE COUNTY)	Executive Director			X



City of Aurora, Colorado

Invites Qualified Candidates to Apply for

CITY MANAGER

ABOUT AURORA – Aurora, Colorado, part of the Aurora/Denver metropolitan area, is a city of 314,000 residents and is the third largest city in Colorado. Strategically located near the Denver International Airport, Aurora is home to many bioscience, aerospace, healthcare, and high technology employers including the Raytheon Company, Northrop Grumman, Lockheed Martin, and Boeing.

During the last several decades, Aurora has evolved from a bedroom suburb cast in the shadow of Denver into its own dynamic urban center that is the second largest community in the 3.5 million population metropolitan area. With an emphasis on smart growth, infill development, sustainability, and livable neighborhoods, Aurora's population has grown by 1.5 percent annually over the last 18 years. Only slightly more than half of Aurora's 154 square miles is currently developed so there is ample opportunity for Aurora to continue to grow.

HISTORY

Incorporated in 1891, Aurora was originally named Fletcher by its founder, former Chicago resident Donald Fletcher. In 1907, the community changed its name to Aurora. Agriculture was the main industry in Aurora's early years.

In 1921 while Aurora still had less than 2,000 residents, the U.S. government selected Aurora as the site for Fitzsimons Army Hospital to treat the wounded—especially those affected by mustard gas and tuberculosis—during World War I. In 1938, the Lowry Air Force Base located partly in Aurora was built. In 1942, the Army Air Corps built Buckley Field, now named the Buckley Air Force Base. These bases enhanced Aurora's military presence and helped to spur Aurora's growth to a community of 50,000 residents by 1960.

Fueled by interstate highway construction and the desirable quality of life offered by the area, Aurora's population increased more than five-fold to 276,000 by 2000. However, the 1990's was not without its challenges as the Lowry Air Force Base and the Fitzsimons Army Hospital were closed by the federal government. The community responded to these challenges by converting Fitzsimons into a world-class medical campus and one of the largest bioscience parks in the country.

*Additional information about Aurora is available at
www.auroragov.org*

The City of Aurora has won more than 100 awards in the last decade. Most noteworthy is that Aurora received the All-America City Award in 2008 for the Fitzsimons Campus development, an after-school program, and an immigrant integration project.

The City has received 7 ICMA awards in recent years for innovative programs in the areas of sustainability, community partnerships, public-private partnerships, citizen involvement, public safety, and services to the disadvantaged. Also, in 2009, Aurora was one of only 20 jurisdictions in the country to receive the ICMA Center for Performance Measurement Certificates of Achievement, Distinction, and Excellence for its performance management program. The City also was named the Top Digital City in America for cities of 250,000+ population in 2007 and 2008.

The City is rigorous in its pursuit of excellence and professionalism in the delivery of its services as demonstrated by the following City departments that have met national accreditation standards:

- Police—accredited by Commission on Accreditation for Law Enforcement Agencies;*
- Public Works—accredited by American Public Works Association (1 of only 3 in Colorado);*
- Fire—accredited by Commission of Fire Accreditation International; and*
- Building—accredited by International Accreditation Service (only one in Colorado).*

HOUSING

In the 1980's, the City established a vision of creating new employment centers with high-paying jobs along with housing options desired by these employees. As a result, many new housing developments with higher-end detached single-family and condominium units have been created. One of these developments, Southshore, was named the Community of the Year in 2007 by the Home Builders Association of Metropolitan Denver.



FITZSIMONS CAMPUS

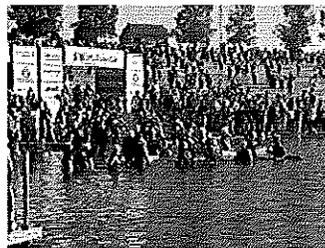
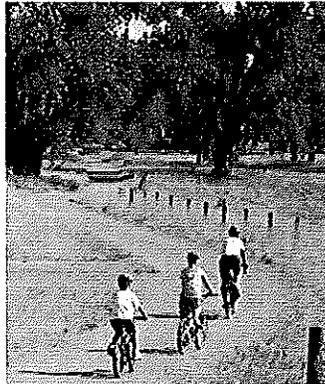
With the closing of the Fitzsimons Army Hospital by the federal government in 1995, Aurora partnered with the University of Colorado Health Sciences Center and the University of Colorado Medical School to create the Fitzsimons Redevelopment Authority. The result has been the establishment of the Fitzsimons Campus that in combination with the adjacent Anschutz Medical Campus has created a 578-acre site with 15,000 employees dedicated to bioscience, healthcare, medical education, and advanced research. This is the largest bioscience development in Colorado and one of the largest in the country.

There are still 184 acres at the Fitzsimons Campus yet to be developed. When completed, the total public and private investment in the Fitzsimons Campus will be \$4.2 billion, and the Campus will be home to 30,000 employees. The Campus currently has two hospitals--University of Colorado Medical School and The Children's Hospital. In addition, a \$98 million Veteran's Administration Hospital is currently being constructed and is projected to open in 2013.

LEISURE & CULTURE

Aurora's climate is mild and dry with more than 300 days of sunshine annually offering ample opportunity to participate in outside activities year-round. Residents and visitors to Aurora enjoy the scenic mile-high beauty of the eastern Colorado prairie with views of both Pike's Peak to the south and the Rocky Mountains to the west. The community has a multitude of recreational facilities including:

- Sports Park, a city-owned facility that has 23 full-sized soccer fields and 12 baseball/softball fields that host national and regional tournaments;
- Seven municipal golf courses ranging from traditional layouts to award-winning championship courses;
- More than 100 improved parks and over 50 miles of hiking and biking trails;
- Two indoor pools, five outdoor pools, and two City reservoirs that allow for swimming, fishing, and wind sailing;
- One full-service City recreation center, 3 community centers, and 3 neighborhood centers;
- A City skate park and dog park;
- The Morrison Nature Center situated on 200-acres of open space featuring classes and interactive exhibits; and
- The 1100-acre Plains Conservation Center featuring the flora and fauna of Colorado's eastern plains.



The community also has many cultural assets including the Aurora History Museum, Aurora Symphony Orchestra, Aurora Fox Arts Center, Aurora Singers, DeLaney Farm Historic District, and the East End Arts District.

TRANSPORTATION

Aurora is served by an extensive transportation network consisting of freeways and toll-roads, light rail, and buses. There is both an inner loop freeway system comprised of Interstates 70 and 225 and an outer-loop system consisting of the E-470 toll-road.

The Regional Transportation District provides commuter and light rail and bus service for the metropolitan area. Aurora currently has 2 light rail stations. Ten additional light rail stations are proposed to be built in Aurora including a commuter rail transfer station that will connect light rail to a future commuter rail line whose destination is the Denver International Airport.

NEIGHBORHOODS

Aurora has a diverse housing stock located in more than 450 neighborhoods, 382 of which are City-registered neighborhood associations. Tree-lined streets, open prairie, majestic views of the mountains, and many neighborhood parks make Aurora neighborhoods an ideal place to call home. Aurora's Neighborhood Services Department works in conjunction with neighborhood groups to maintain an attractive community appearance and enhance residents' quality of life.

EDUCATION

Most of the community is served by 2 public school districts—Aurora Public Schools and the Cherry Creek School District. Aurora Public Schools has been making improvements to every school building due to a voter-approved \$225 million bond program. More than half of Aurora's students attend schools in the Cherry Creek District which is one of the top performing school districts in the country. There is also one other public school district that serves some Aurora students.

Aurora has the following 8 campuses of higher education: University of Colorado Medical School; Anthem College; Columbia College; Regis University; Platt College; Pickens Technical College; Concorde Career College; and Community College of Aurora.

THE CITY GOVERNMENT –

GOVERNANCE AND ORGANIZATIONAL STRUCTURE

The City of Aurora has operated under the council-manager form of government since 1954. The City Council consists of a Mayor and 10 Council Members elected to 4-year overlapping terms. The Mayor and 4 Council Members are elected at-large, and the other 6 Council Members are elected by wards. Aurora is the 25th largest council-manager city in the country.

The City has a long history of its Mayors being actively involved in day-to-day representation of the City. In recognition of this, the Mayor's position was changed to full-time in 1993 by Aurora voters. The Mayor's duties which consist of chairing City Council meetings and voting to break ties on Council agenda items were not impacted as a result of the change to a full-time position.

The City Council appoints a Mayor Pro Tem annually for a one-year term. The Mayor Pro Tem serves as Mayor in his or her absence and also makes appointments to the 9 Council Committees that address various policy issues. Each Council Member chairs one Committee and serves on 3 Committees. Following is a list of the Council Committees: Community Partnership; Management and Finance; Neighborhood Services; Operations and Environmental Affairs; Planning, Economic Development and Redevelopment; Public and Intergovernmental Relations; Public Safety and Courts; Transportation and Airports; and Water.

The City Manager ensures that the policy direction set by the City Council is carried out and that City services are delivered equitably to all residents. The City Manager is responsible for recommending the budget to the City Council and for hiring and providing managerial leadership to City staff. The former City Manager recently retired after 13 years in the position. Including the former City Manager, the previous 2 City Managers served for a total of 20 years, both leaving voluntarily. The City is a full-service operation with 2,676 FTE's. The City conducts collective bargaining with both Police and Fire unions. In addition to the City Manager, the City Council appoints the City Attorney, Presiding Judge, and Court Administrator.

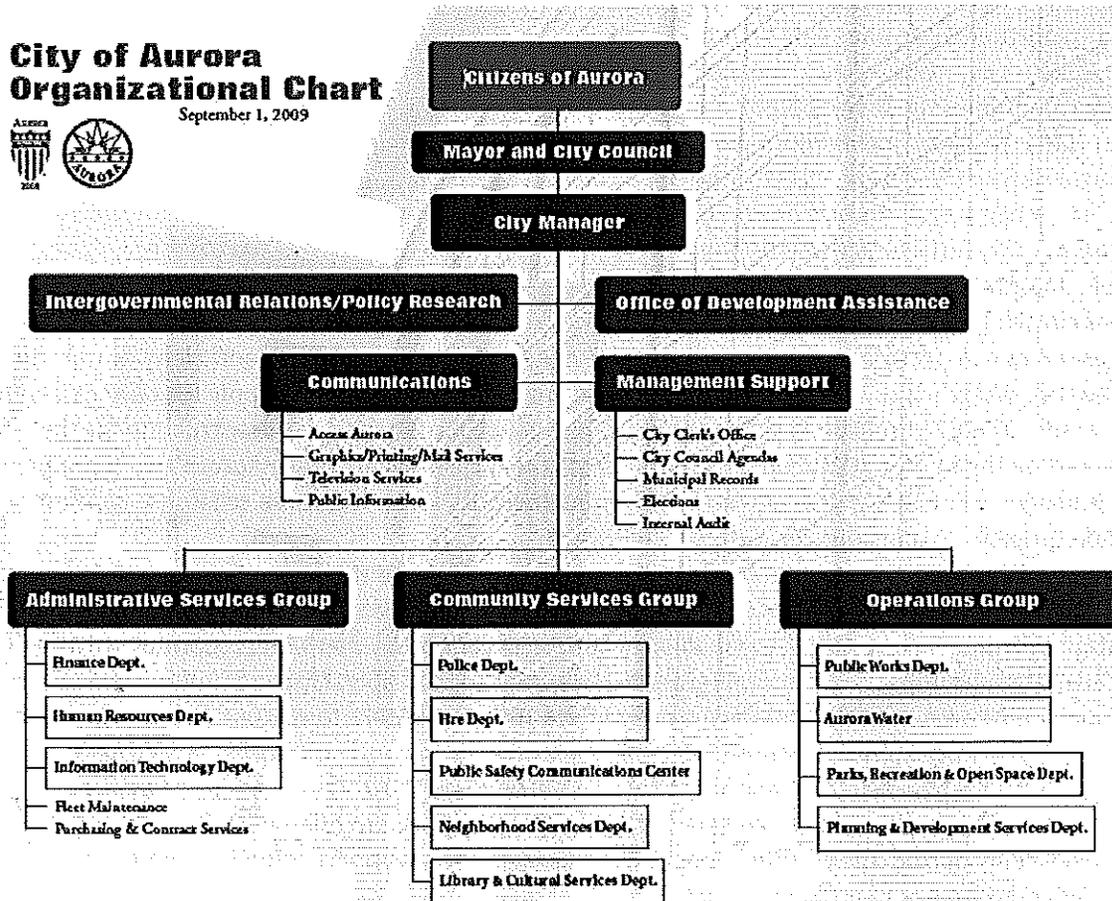


Aurora Municipal Center completed in 2003 houses the City's administrative offices

City of Aurora Organizational Chart



September 1, 2009



FINANCIAL ISSUES

The City has an annual budget of \$615 million and a five-year Capital Improvement Program budget of \$710 million. The City is sales tax dependent with sales taxes comprising 54 percent of General Fund revenues. Other major General Fund revenue sources include property taxes, use taxes, franchise fees, and the state highway users tax. There are 4 self-supporting enterprise funds—Water, Wastewater, Golf, and Development Review. The City operates on a January-December fiscal year.

Like most local governments, Aurora has experienced financial challenges in recent years. Sales tax collections are projected to increase by only 1.5 percent in 2010, and salary schedules for 2010 were increased by 1-3 percent. Approximately 50 employee layoffs have occurred recently largely as the result of voter disapproval of a ballot measure in November 2009 to fund libraries through a General Improvement District.

The City has a rather unique voter-approved requirement to maintain staffing of at least 2 sworn Police personnel per 1,000 population. Population projections are updated annually to ensure compliance with this requirement.

Aurora is one of the founding members of the Colorado Performance Measurement Consortium, a group of thirteen communities affiliated with the ICMA Center for Performance Measurement. The City makes use of performance measures to assist in monitoring its effectiveness and efficiency. Two noteworthy measures are the City's Insurance Services Office (ISO) fire insurance premiums Public Protection Classification rating of 2 and the City's bond ratings of Aa1 (general obligation) and Aa2 (water revenue).

ISSUES AND OPPORTUNITIES – The following is a summary of the issues and opportunities to be managed by Aurora's next City Manager.

- **Financial Management**—financial projections indicate that the City will likely be under continued financial pressure for several years. Like many other local governments, the City has a “structural budget deficit.” The next City Manager is expected to lead a strategic review of alternatives to improve the City's financial condition including reorganization, productivity improvements, compensation policies, increasing the tax base through economic development, and new revenue opportunities.
- **Visioning**—the City Manager needs to be an active participant in visioning with all stakeholders to help Aurora implement its vision statement. The City has many opportunities to shape its future destiny such as attracting quality employment and housing development on infill and outlying land, annexation, and taking advantage of future light rail stations to encourage transit-oriented development. City officials correlate the successful implementation of its vision with enhancing its financial condition.
- **Water Resources**—in Aurora as in most western cities, the acquisition of sufficient water rights and careful management of water resources are essential to ensuring an adequate water supply for current and future residents and businesses. The \$750 million Prairie Waters project which has been under construction for the last five years will be completed by the end of 2010. This water reclamation project will increase Aurora's water supply by 20 percent. The City Manager will oversee the City's efforts to augment its water resource portfolio, consider additional water reclamation projects, and encourage water conservation.
- **Employee Relations**—the City has made a major commitment in recent years to foster a climate of positive, team-oriented employee relations. The Partnership of Aurora City Employees (PACE) is comprised of employee representatives from all departments and all levels of the organization that meets monthly with the City Manager to discuss current issues impacting the organization. In addition, the Labor-Management Committee consisting of city management and Police and Fire union representatives meets monthly to discuss non-bargaining matters. Finally, the City routinely recognizes exemplary employee contributions to the organization and community. City employees truly appreciate City management's efforts to initiate two-way communication. These efforts have improved employee loyalty and morale which is extremely valuable especially during these tough economic times. The next City Manager needs to continue this commitment to employee relations.

AURORA'S VISION STATEMENT
Aurora will be the best city in Colorado and an innovative leader in the region by:

- *Creating great neighborhoods*
- *Emphasizing public safety and quality services*
- *Encouraging a high quality and high wage economic environment*
- *Supporting recreational, cultural, educational and community activities for our citizens*



JOB REQUIREMENTS –

The minimum job requirements are: 1) Master's degree in public administration, business administration, or directly related field; and 2) at least 5 years progressively responsible administrative and managerial experience as a Deputy City Manager or City Manager in a medium to large full-service municipal government or comparable organization. An equivalent combination of experience, education, and training may be considered. The Mayor and City Council are open to considering applicants who do not have local government experience but have managed other types of large complex organizations.

Desired Professional and Personal Attributes

The following are the desired professional and personal attributes for Aurora's next City Manager:

- Strong, assertive, collaborative leader who is able to build consensus among full-time Mayor, City Council, Council-appointed officials, City staff, and community;
- Visionary who partners with Mayor, Council, and City staff on policy initiatives especially in the areas of economic development and water resources;
- Creative, innovative, and "thinks outside the box";
- Good financial management skills and sense of fiscal discipline with ability to develop more efficient ways of delivering City services;
- Ability to work with a highly qualified, cohesive, professional management staff in an effective manner without micro-managing them;
- Excellent human relations skills with ability to relate to and communicate effectively with all stakeholders;
- Situational leadership style an asset in dealing with wide variety of stakeholders and issues;
- Demonstrated philosophy and track-record of valuing City employees and fostering a positive employee relations culture;
- Ability to develop productive working relationships with labor unions;
- Politically astute while maintaining a professional perspective;
- Experience in a rapidly growing community and dealing with growth management issues desired;
- Marketing savvy with ability to promote and enhance Aurora's image;
- Experience working with bioscience, aerospace, high tech, and healthcare industries a plus;
- Knowledge of water rights and water resource/reclamation issues a plus; and
- Experience with succession planning programs a plus.

Compensation

The compensation for the City Manager job is highly competitive including a fringe benefit package with:

- a choice of excellent and comprehensive health, dental, vision, and life insurance plans;
- flexible spending accounts for health and dependent care expenses;
- choice of participation in City's defined benefit retirement plan with current employer and employee contributions of 5.5 percent each or participation in an executive money purchase plan with current employer and employee contributions of 10 percent each;
- a selection of deferred compensation plans (ICMA Retirement Corporation, Lincoln, and Nationwide);
- long-term disability insurance;
- an employee assistance program; and
- voluntary long-term care and universal life insurance programs.

The starting salary is dependent on the selected individual's qualifications and match with the desired attributes being sought by the City. The City will pay reasonable and customary moving expenses for the next City Manager who is required to live within the city limits.

To Apply:

In order to be considered for this position, please send your resume and cover letter with current salary by **June 14, 2010** to pwconsulting@cox.net. For additional information about this job, please contact:

Paul Wenbert, Western Regional Manager
SLAVIN MANAGEMENT CONSULTANTS
3040 Holcomb Bridge Road, Suite A-1
Norcross, Georgia 30071

Phone: (480) 664-2676
Fax: (770) 416-0848
E-mail: pwconsulting@cox.net
On the web at: slavinweb.com



**ANYTOWN, USA CITY MANAGER
SEMI-FINALISTS' QUALIFICATIONS MATRIX**

NAME	CURRENT/ MOST RELEVANT POSITION	LARGEST # OF EMPL MANAGED	LARGEST BUDGET MANAGED	YEARS CM EXP	YEARS SUPV EXP	HIGHEST DEGREE	PROF CERT	CUR- RENTLY EM- PLOYED	EVER TERM- INATED	SUED OR BEEN SUED	OTHER OFFERS LIKELY SOON	SELECTION CRITERIA RANKING (1-10)	CUR- RENT SALARY
		9	\$800 K	0	8	MS	CEDF P	Yes	No	No	No	6.4	\$85 K
		100	\$37 M	7.5	7.5	MPA	No	Yes	No	No	No	7.2	\$102 K
		82+	\$37 M	10+	24	BS	No	Yes	No	No	No	8.3	\$118 K
		225	\$52 M	25	25	MA	ICMA- CM	No	Yes	No	Maybe	NA	\$151 K ¹
		203 +	\$60 M	12.5	12.5	JD	ICMA- CM	Yes	No	No	No	7.7	\$127 K
		46	\$22 M	0	21	MA	AICP	Yes	No	No	No	5.5	\$116 K
		240	\$100+ M	11	34	MPA	No	Yes	No	No	No	8.3	\$126 K
		10	\$55 M	0	17	MPA	No	Yes	No	No	No	6.8	\$60 K
		2,200	\$400+ M	6+	27	MPA	Yes	Yes	Yes	No	Unlikely	7.9	\$112 K ¹
		220	\$55 M	6.5	30	MPA	No	Yes	No	Yes	Maybe	7.4	\$98 K
		85	\$20 M	3.5	7	MPA	No	Yes	No	No	No	7.3	\$104 K
		65	\$45 M	25	25	MPA	ICMA- CM	No	No	No	Maybe	7.4	\$121K ¹

¹Not presently employed full-time; this is salary at candidate's most recent position.

**ANYTOWN, USA CITY MANAGER
CANDIDATE A
SUMMARY OF FIT WITH KEY SELECTION CRITERIA**

	NAME	RANKING (10=HIGHEST, 1=LOWEST)
1	Generalist CM/ACM experience (15%)	9
2	Economic development track record (15%)	7
3	Aggressive, calculated risk-taker (15%)	7
4	Managed high growth communities (10%)	10
5	Intergovernmental relations experience (10%)	7
6	Financial management skills (7.5%)	7
7	Communication style--poise and sense of presence (10%)	8
8	Staff accountability system (10%)	8
9	Employee relations philosophy (7.5%)	9
	AVERAGE RANKING	7.9

2. Please see [REDACTED] response to Supplemental Question #4.
3. While In [REDACTED] he developed the first formal financial policies for the City which required that he obtain financial concessions from the City's unions. He was able to obtain these concessions even though the local economy was robust at the time. Also, while in [REDACTED], he took the initiative to resolve a major conflict between City staff and the development community. City policy was that developers had to construct storm sewers to handle storm water runoff. Many developers wanted the City's regulations to be amended to allow for a mix of storm sewer lines and on-site retention. After researching this issue [REDACTED] decided to amend the regulations to allow for a combination of storm sewer lines and on-site retention and indicated that he believes this change was good public policy.
4. In the nearly nine years he was in [REDACTED] the population grew from approximately 114,000 to 221,000.
5. Please see his response to Supplemental Question #5.
6. Please see his response to Supplemental Question #6.
7. While somewhat soft-spoken he speaks with poise and a quiet confidence that comes with his many years of experience.
8. His system of accountability includes hiring good employees, providing them with good guidance, establishing clear expectations and

performance measures, and checking in with them periodically on the status of their projects as necessary depending on the individual.

9. His style is to be visible and available to all employees and to get to know them. When he worked in [REDACTED], he knew the names of all City employees and oftentimes information about their families.

**ANYTOWN, USA CITY MANAGER
SUPPLEMENTAL QUESTIONNAIRE**

Please limit your responses to no more than 5 pages with a minimum font size of 11.

Name:

Home Address:

Home/Work/Cell phone numbers:

E-mail address:

1. What is the largest number of employees you have managed and where?
2. What are the largest operating and capital budgets you have managed and where?
3. Why are you interested in becoming Anytown's next City Manager, and how does this job fit your overall career goals? If selected for this position, how long would you anticipate remaining in this position?
4. Please describe your leadership style?
5. Please describe any successes you have had in economic development and specifically indicate your role in these successes. Also, what is the economic health of any businesses or other entities that you brought into or expanded in your community?
6. Please describe your experience in building relationships with other area local governments to advocate for your local government's interests while maintaining a regional perspective.
7. What are some specific strategies you have implemented to maintain or improve your jurisdiction's financial condition?
8. Do you have any unusual personal consideration(s) that would need to be resolved before you could accept this position? If so, please explain.
9. Is the resume you submitted accurate and current? If not, please explain any discrepancies.
10. Are you currently employed?
11. Have you ever been fired or resigned under pressure from a job? If so, please explain.
12. Have you ever sued an employer or been sued by an employer or employee? If so, please explain.
13. What is your present or most recent salary?

JOHNSTON, GKIMES, DALLAS CENIER AND URBANDALE REGISTER

Inside today

Kindergarten registration in Johnston is the first look for new parents. **Page 7**

Coming Tuesday

Read about the going-away reception for Urbandale City Manager Robert Layton.

Des Moines Register.com/Urbandale

Des Moines Register.com

Friday, January 16, 2009

Firm chosen to search for new manager

Firm that lured away Layton hired to find candidates to replace him

BY TOM BARTON
tbarton@dmreg.com

The same executive search firm that recruited departing City Manager Robert Layton away from Urbandale will be hired to find his replacement.

The Urbandale City Council at its meeting Tuesday voted unanimously to select Slavin Manage-

ment Consultants of Mesa, Ariz., to coordinate the recruitment of a new city manager.

The search firm recently finished contract negotiations with Layton for the city manager position in Wichita, Kan. Layton is expected to start in Wichita on Feb. 2.

City leaders said they decided to side with a firm that has a proven

track record of aggressively recruiting skilled candidates, including those such as Layton who are not actively looking for a job.

"In an ironic twist, it gives them credibility," Mayor Bob Andeweg said. "They were pretty aggressive in searching for Bob and I want that same result."

Layton, 53, has served as Urbandale's city manager since 1984.

Urbandale officials said they hope to select a new manager by the end of April. Slavin estimates the search will take 90 days.

Five search firms were considered for the job. The Brimeyer Group of Hopkins, Minn., had the lowest offer at \$19,853. Slavin's offer was \$22,816, which the council accepted. The costs do not include expenses for final candidate interviews, such as hotel rooms and meals. In total, the city estimates it will spend \$30,000.

Slavin also will redo the search if the candidate leaves within the first two years.

The other three firms consid-

ered were The Mercer Group Inc. of Galesburg, Ill.; The Par Group of Lake Bluff, Ill.; and Waters-Oldani Consulting Group Inc. of Dallas, Texas.

All have extensive experience recruiting city managers, administrators or department directors for cities in the metro and across Iowa.

The Brimeyer Group, the Mercer Group and the Par Group have worked with Urbandale in the past. The Brimeyer Group was

of engineering and public works, Dave McKay.

Paul Wenbert, western regional manager of Slavin, will lead Urbandale's search. Wenbert served as assistant city manager in Ames and city manager in Newton. He also served as president of the Iowa City/County Management Association.

"He has a unique Iowa perspective that will be important," Andeweg said.

sion Tuesday whether a special meeting to lay out the search process should be closed to the public.

"I would be hesitant to have a (closed meeting) on the process. I think people need to know how we will proceed," said Councilman Ron Pogge.

The council is expected to name an interim city manager—likely Assistant City Manager Su Zanna K. Prophet—at its next



AGENDA NO: **D-6**

MEETING DATE: **1/14/14**

Staff Report

TO: Honorable Mayor and City Council DATE: January 8, 2014

FROM: Susan Slayton, Acting City Manager

SUBJECT: City Council Annual Meeting Schedule - 2014

RECOMMENDATION

Staff recommends the City Council adopt the proposed meeting schedule for calendar year 2014 as well as determine dates for the Joint City Council and Planning Commission meetings:

1. The regular City Council meetings will be held the second and fourth Tuesdays of each month beginning at 6:00pm with the following exceptions: if a Council meeting falls on a proclaimed City Holiday, the meeting will be held on the following Wednesday; and, July 22nd, November 25th and December 23rd, which have traditionally been cancelled.
2. Upon the request of City Council, the Planning Commission and City Council hold a joint meeting twice annually to discuss proposed policies, programs, goals and objectives, budgeting, future planning, and/or any other planning matter(s) requiring joint deliberation. Over the years, these meetings have been scheduled on a variety of dates some of which include 5th Tuesday's of the month as well as regular City Council meeting date(s) with this particular meeting starting one hour early. Staff recommends the City Council discuss these or other options they may be interested in, and schedule the joint meetings accordingly.

BACKGROUND:

For the past ten years, staff has proposed an annual schedule of meeting dates to the City Council for their approval. The proposed schedule for the 2014 calendar year is similar to the 2013 calendar.

A 2014 calendar is attached for your reference.

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

City Manager Review: _____

City Attorney Review: _____

Calendar for year 2014 (United States)

January

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

February

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	

March

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2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

April

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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

May

S	M	T	W	T	F	S
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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

June

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

July

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

August

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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

September

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

October

S	M	T	W	T	F	S
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5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

November

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

December

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			



AGENDA NO: D-7

MEETING DATE: 1/14/2014

Council Report

TO: City Council

DATE: January 8, 2014

FROM: Jamie L. Irons, Mayor

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

RECOMMENDATION

Discuss and appoint Councilmember Christine Johnson as Vice-Mayor as well as appoint Representatives to serve on the various County or Regional Discretionary Boards, Council Liaison Assignments and Sub-Committees for calendar year 2014.

DISCUSSION

The City Council Policies and Procedures Section 3.2 states:

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

Last year Councilmember Leage was appointed as Vice Mayor and as a result of Councilmembers Nancy Johnson and Smukler already having served in that role, Council should make a motion and formally appoint Councilmember Christine Johnson as Vice Mayor for 2014.

The City Council Policies and Procedures Section 6.1 states:

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

Prepared By: JLIrons

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

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

The City Council Policies and Procedures Section 6.2.1 States:

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

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

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

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

The City Council Policies and Procedures Section 6.2.2 States:

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

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

CITY COUNCIL DISCRETIONARY APPOINTMENTS (2014)

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

George Leage Designee
Nancy Johnson Alternate

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

Noah Smukler Delegate
City Manager (or their designee) Alternate

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

Jamie Irons Delegate
Christine Johnson Alternate

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

Nancy Johnson Member

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

Noah Smukler Member
Christine Johnson Alternate

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

Christine Johnson Member

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

Nancy Johnson Member
Christine Johnson Alternate

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

Noah Smukler Member
George Leage Alternate

CITY SELECTION COMMITTEE (as needed)

Jamie Irons Member
Christine Johnson Alternate

LEGISLATIVE DELEGATE (as needed)

Jamie Irons	Member
Noah Smukler	Alternate

SAN LUIS OBISPO COUNTY HOUSING TRUST FUND

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

Christine Johnson	Member
George Leage	Alternate

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

Nancy Johnson	Member
Christine Johnson	Member

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

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

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

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

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

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

COUNCIL SUBCOMMITTEE ON EMPLOYEE GRIEVANCES (meets as needed)

Nancy Johnson	Member
Noah Smukler	Member

JPA SUB-COMMITTEE

Jamie Irons	Member
Noah Smukler	Member