

Agenda Correspondence

August 9, 2016 City Council Meeting

Agenda Item C-1

8/9/16 Meeting
Item c-1

Dana Swanson

RECEIVED
City of Morro Bay

From: Christine Johnson
Sent: Tuesday, August 09, 2016 10:02 AM
To: Dana Swanson
Subject: Fw: Second Try-Keep our Morro Bay Police Department-No Sheriff's Department Administration

AUG - 9 2016

FYI...thanks.

Christine Johnson, Councilmember
City of Morro Bay
805.305.3759
cjohnson@morrobayca.gov

From: Valerielevulett [REDACTED]
Sent: Tuesday, August 9, 2016 10:00 AM
To: Jamie Irons; John Headding; Christine Johnson; Matt Makowetski; Noah Smukler
Subject: Second Try-Keep our Morro Bay Police Department-No Sheriff's Department

Please delete previous draft email sent at 9:49 a.m. today and include this in the record. I inadvertently sent a draft.

Dear Mayor Irons and Council: I am writing to express my dismay over the current discussions to outsource the functions of the Morro Bay Police Department to the County Sheriff's Department. Several years back, the residents of Morro Bay passed Measure Q, a half-cent sales tax increase to help finance the continuation and maintenance of our police and fire departments. They have, and continue to serve our community in a professional manner.

I have lived in this community for 25 years now, and yes, I have had to call the Morro Bay Police from my home located in the [REDACTED] more than once due to neighborhood drug trafficking, loud late night parties, or a passed out drunk laying in the middle of the street in the cold of winter, and most sadly, child abuse. Things happen in our idyllic little town, and I have always been so thankful for our police officers who have proven to be well trained, compassionate, and knowledgeable. They know their community and they respond appropriately to difficult situations. I have always felt safe and secure, knowing that the police are just a few minutes away.

We are not simply a small town of 10,500 people, with a static population base. With more than one million visitors a year, based on hotel rate occupancy only, our population can swell any given week by 20,000 to 30,000. The Sheriff's Department is not experienced in dealing with this kind of need. The numbers are likely to increase as the city continues to promote tourism as a means to increase income to pay for our infrastructure needs. With the closing of the power plant, and general lack of income generating industry in this town, other than that based on tourism, we need to bring in more money. Tourism constitutes nearly 30% of tax base as is, and will likely increase as the years go by. Sadly, as we head toward becoming another Pismo Beach or Avila, and their huge weekend and holiday population increases, we need a community based police force more than ever.

We all share in a good quality of life in Morro Bay, and that quality of life if made possible by our community spirit, volunteerism, and a sound infrastructure. The Morro Bay Police Department know their residents and have been well trained to address the needs of *this* community.

Respectfully,

Valerie A. Levulett
[REDACTED]

8/9/16 Meeting
Item C-1

Dana Swanson

From: Carole Truesdale [REDACTED]
Sent: Monday, August 08, 2016 12:30 PM
To: Council; Jamie Irons
Cc: Dave Buckingham; Dana Swanson
Subject: Agenda No. C-1; Meeting Date August 9, 2016 Staff Report from David Buckingham, City Manager

RECEIVED
City of Morro Bay

AUG - 8 2016

Administration

Honorable Mayor & Council Members,

There are a couple of items on this Staff Report that I would like to bring to your attention as written, and perhaps consider further clarification or updating the information to include additional facts:

Page 2...BACKGROUND AND DISCUSSION, 3rd paragraph beginning: "With the departure of Police Chief Christey..."

As I read this statement, it states that the Chief left for a higher paying position in Pacific Grove. Because this is part of public record, I feel that further information should be included in this statement. Chief's partner is involved in a law practice in Santa Cruz, CA, which made it impossible for her partner to move to Morro Bay. Second, they became parents with the birth of their daughter on July 13, 2016 and Chief Christey made the decision to be closer to help raise her daughter, which is a responsible action from any parent; thereby being closer in proximity to their residence of one hour to Santa Cruz vs. 3-plus hours.

I realize that several other officers have left the MBPD for higher paying positions, however in this case that was not the reason, and I would appreciate if the Council will consider correcting the comment to include my additions. Chief Christy did not leave MBPD to obtain a higher paying position.

Page 2...BACKGROUND AND DISCUSSION, 4th paragraph beginning: "The City Manager..." The date of July 13, 2016 is incorrect and should read: July 12, 2016.

Page 7...BACKGROUND AND DISCUSSION, sub-heading "What About Dispatch"... 2nd paragraph beginning with..."Staff's is working....", last sentence "Those calls increased 3% last year and cost the city an additional \$17,000." However, the 2nd to the last paragraph states: "In sum, our professional staff's assessment is that the City's move to regional dispatch has improved public safety and costs are likely roughly the same, if not slightly lower?"

This is a confusing statement to me when you take into consideration the extra support staff that the City needed to hire to supplement the clerical work that the dispatch personnel were performing.

Page 8...CONCLUSION and RECOMMENDATIONS, First paragraph ..."White outsourcing the..."

I seriously question the validity of the \$500,000 estimated savings from the Sheriff's Department to provide equivalent service as the current Morro Bay PD does. Policing is a labor intensive activity in which new technology and automation can not readily be applied. The MBPD consists of 18 dedicated individuals whose salaries are reportedly about \$1,200 per month lower than those of the County Sherriff's. If the current MBPD staff were to be absorbed into the county forces, their salaries would have to be made comparable to their colleagues to avoid discriminatory compensation practices. A quick calculation indicates that this would cost the County an additional \$260,000 a year. To provide equivalent service to Morro Bay with a savings of \$500,000 per annum implies the county could do this for \$750,000 a year less. This is very hard to imagine. Since Morro Bay must ultimately pay the county the cost of this "equivalent" service, Either the bill will have to be increased or the service level will have to be significantly reduced.

Granted, the back-of-the-envelope analysis above is not based on rigorous cost figures, it is disturbing that it is significantly in the wrong direction to blindly accept the projected half million dollar savings discussed in the Staff Report. This cannot encourage outsourcing with a promise to partially enable the streets of Morro Bay to be better maintained could easily cost the city more than it currently expends for the PD and significantly reduce the funds for street maintenance.

The Staff Report needs to have facts to properly inform the citizenry of Morro Bay and its City Council on such major proposed changes. Without legitimate data, decisions by either will be severely compromised and our precious resources will be squandered. I would recommend that future City Staff reports be based on facts that are accurate and verifiable. If the Staff wants to add a section based on speculation and personal wishes, please label it as such.

Thank you Mayor and Council for your time and consideration.

Kind personal regards,

Larry & Carole Truesdale

"Food without wine is a corpse; wine without food a ghost. United and well matched, they are as body and soul; living partners!" chef...Andre Simon (1877-1970)

8/9/16 Meeting
Item C-1

Dana Swanson

From: Jamie Irons
Sent: Monday, August 08, 2016 9:19 AM
To: Dana Swanson
Subject: Fw: Council meeting August 9th

RECEIVED
City of Morro Bay

AUG - 8 2016

Administration

agenda correspondence for C-1. Jamie

From: Rosemary Donnell [REDACTED]
Sent: Tuesday, August 2, 2016 1:39 PM
To: Jamie Irons
Subject: Council meeting August 9th

Dear Morro Bay City government representatives,

RE: August 9, 2016 City Council meeting

My husband and I have carefully read document 9757 and understand the meeting on the 9th is only to decide whether to proceed with studying the possibility of out-sourcing our Police Department.

When we moved here in 1977 and subsequently bought property, one of the main reasons we chose Morro Bay rather than Los Osos or Cayucos is that it had its own police and fire departments. We've always been pleased with both. Morro Bay Police Department has been the epitome of "community based policing," before that was ever a popular trend.

We have a lot we could say about why we wouldn't want to be policed by the County Sheriff's department. Since that's not the issue before the Council on the 9th, we will refrain at this time.

We do, however, strongly suggest that we not even waste time and resources studying this. As average citizens of Morro Bay, I can assure you everyone I talk to is very upset about even the slight possibility of losing our own police department.

Thank you for your consideration,
James and Rosemary Donnell

8/9/16 Meeting
Item C-1

Dana Swanson

From: Jamie Irons
Sent: Monday, August 08, 2016 9:42 AM
To: Dana Swanson
Subject: Fw: Morro Bay Police

RECEIVED
City of Morro Bay

AUG - 8 2016

Administration

agenda correspondence item C-1. Jamie

From: Marston Taylor [REDACTED]
Sent: Saturday, July 30, 2016 12:26 AM
To: Jamie Irons; John Heading; Christine Johnson; Matt Makowetski; Noah Smukler
Subject: Morro Bay Police

I understand that the decision to keep Morro Bay Police is coming up soon. I hope you will keep them and not let the Sheriff Department take them over.

I worked for the Los Angeles Police Department for 9 years. In that time I saw the contract for the transit system switch from the LAPD to the Sheriff Office, because they were the low bid. I saw how the Sheriff Department lowered staff levels and LAPD still handled the calls, because the Sheriffs were responding with long estimated time of arrivals.

I am concerned that the great service we get now from MBPD will turn into what Cambra gets, which at night is responding time from Los Osos. I am also concerned that high crime areas in the county will get our current resources in deployment meetings.

The cost savings also does not make sense. The average deputy makes a lot more money than a Morro Bay Officer. In the end will we get less deputies that we pay more?

Morro Bay has lots of events: farmers markets, festivals, parades, etc. I always see MBPD at these functions. I would be surprised if the Sheriffs will be present at these events at the same levels.

Good customer service is hard to replace.

Marston

Sent from my iPhone

8/9/16 Meeting
Item C-1

Dana Swanson

From: Jamie Irons
Sent: Monday, August 08, 2016 9:40 AM
To: Dana Swanson
Subject: Fw: Not Outsourcing Morro Bay Police Department

RECEIVED
City of Morro Bay

AUG - 8 2016

Administration

agenda correspondence item C-1. Jamie

From: Randy Peirce [REDACTED]
Sent: Saturday, July 30, 2016 12:14 PM
To: Jamie Irons; John Headding; Christine Johnson; Matt Makowetski; Noah Smukler; Dave Buckingham
Subject: Not Outsourcing Morro Bay Police Department

Dear Mayor Irons, Morro Bay City Council Members and Mr. Buckingham,

Outsourcing and job cutting is an outdated solution to today's economic problems but it is Management Partners silver bullet for the financial woes of cities that utilize this corporation's consulting services. In every report I have read that Management Partners has submitted to cities, from Placentia to El Monte to San Bernardino to Morro Bay (2008 and 2016), it is a common thread running through their recommendations even as they acknowledge it may not be what the citizens want. Rather than looking at creative solutions such as vertical integration and cross-training, Management Partners wants to use a scalpel. Look at how well outsourcing police and fire dispatching has worked: it costs more, police and fire are often in the dark about what the other agency is doing and a lack of local knowledge has lead to delays as services are dispatched to the wrong location (just today the dispatcher had no clue where North Point parks was). As the sheriff of Dallas County, Lupe Valdez said this week at the DNC, "The only way to serve the community is to know the community." Listen to your constituency:

KEEP OUR POLICE DEPARTMENT LOCAL

Randy C. Anderson-Peirce

Morro Bay resident

8/9/16 Meeting
Item C-1

Dana Swanson

From: Jamie Irons
Sent: Monday, August 08, 2016 9:38 AM
To: Dana Swanson
Subject: Fw: Police Department

RECEIVED
City of Morro Bay

AUG - 8 2016

Administration

for agenda correspondence item C-1. Jamie

From: peggy Q [REDACTED]
Sent: Saturday, July 30, 2016 6:02 PM
To: Council
Subject: Police Department

Morro Bay City Council Members,

Please do not consider contracting Police Department services. It is important that our city maintain its own police force to protect citizens, visitors, and tourists.

Morro Bay has a number of largely attended events each year that need the services of an in home police department. As well, this city has a large senior citizen demographic that depends on police responding to calls in a timely manner -- and that can only happen with a police force maintained in Morro Bay.

Thank you for discarding the idea of contracting out police services.

Sincerely,

Margaret Quigley
[REDACTED]
Morro Bay, CA 93442
[REDACTED]

8/9/16 Meeting
Item C-1

Dana Swanson

From: Jamie Irons
Sent: Monday, August 08, 2016 9:32 AM
To: Dana Swanson
Subject: Fw: Our own Police force is necessary and valuable, reject out-sourcing this service.

RECEIVED
City of Morro Bay

for agenda correspondence C-1. Jamie

AUG - 8 2016

Administration

From: Lynda Merrill [REDACTED]
Sent: Sunday, July 31, 2016 5:09 PM
To: Noah Smukler; John Headding; Matt Makowetski; Christine Johnson; Jamie Irons
Subject: Our own Police force is necessary and valuable, reject out-sourcing this service.

Dear Mayor Irons, Councilmembers Smuckler, Headding, Makowetski and Johnson,

I believe our own Police force is important to the quality of our lives in Morro Bay. I have been collected many signatures on a petition to be presented at the Aug. 9th Council meeting. The people I've talked with point out that we need quick response and even though I've heard Mr. Buckingham say 'the service will be the same' I and others feel there is no way this can be accomplished without our own Police Department located right here in town.

People are concerned about the homeless in our City and believe without the hard work of our Policemen out in our parks, streets and neighborhoods that we will have more problems. Our police are valuable and do much more than we can possibly know to keep our community safe and free of trouble.

People are concerned about the possibility of more gang activity without the constant alert of our police to spot trouble before it happens. They watch out for graffiti (an indicator of territory, I've heard), and are knowledgeable about influx of gang members in our City. Every week in the Police report you can see examples of the tremendous job our officers do.

We have lived here 30 years and have called our police infrequently (5 times), the most important time was when a condo owner who lived next to us was dealing drugs and had himself a drug habit and a serious mental problem. We called our police (officer Manny Silva) when we feared bad trouble was brewing. He responded to our call, came out and solved the problem. We will never forget that evening which could have turned out much worse. We are forever grateful for Officer Silva's good work . (they already knew of this individual and his health problems)

I would like to ask that you all reject this (management partner's suggestion) to examine further out-sourcing our police force to the Sheriff's Department. Please strike it off of the 'list' once and for all. Worrying the Citizen's about this subject is not healthy. Many people are older seniors and being concerned about response time and our Police force (sheriff) not knowing us and what is important and watching over us is frightening. This is very disruptive to everyone's peace of mind.

*Thank you for reading my letter and please retain our local Police force.
Sincerely, Lynda Merrill*

8/9/16 Meeting
Item C-1

Dana Swanson

From: Jamie Irons
Sent: Monday, August 08, 2016 9:31 AM
To: Dana Swanson
Subject: Fw: Outsourcing of Police Services

RECEIVED
City of Morro Bay

AUG - 8 2016

Administration

agenda correspondence for C-1. Jamie

From: Carol Greenelsh [REDACTED]
Sent: Monday, August 1, 2016 1:31 PM
To: Jamie Irons
Subject: Outsourcing of Police Services

Jamie Irons,

I am appalled that we are considering contracting our Police Dept. out to the SLO Sheriff's Dept. I also am aware that we are once again considering the Fire Dept. also. We are an Incorporated City and want our services to be provided right here in our own city and not to the county. They provide a very important benefit to all citizens of Morro Bay.

We went through this on the Fire Dept back in the 90's and the residents were overwhelmingly against this and now here we are again trying to outsource one of our major departments within the city. I have not spoken with one person that is in favor of this. The city seems to need money but we keep spending on things that cause us to spend more.

Please answer the question as to why the dog was sold so cheaply? Hard pressed in today's market to buy a registered dog for \$1500 (trained no less)! Then we bought a K-9 car for \$47,000 plus and sold for \$7500. I can understand a dog with it's handler but not the way the transaction went down. Cal Poly probably has more money than our City as they were willing to pay Ofc. Stephanie Pippan more so why did we release these assets at that loss of funds?

It not only appears that Manager David Buckingham has too much authority and the City Council has relinquished that to him but the Council needs to take back control. That is what the City Council is for.

Now we have several employees who are leaving the City on a "golden handshake" offer. What did you think might happen? So I think you are waking a sleeping giant in the residents of this great City.

I will be at the Aug 9th meeting, have signed the petition but I want answers on the dog issue (and that is not that I think we had a great need for one in the first place) I am totally against outsourcing the Police Dept or the Fire Dept. to the county.

Carol Greenelsh
[REDACTED]

8/9/16 Meeting
Item C-1

Dana Swanson

From: Jamie Irons
Sent: Monday, August 08, 2016 7:52 AM
To: Dana Swanson
Subject: Fw: Save Our MBPD / Do Not Outsource.

RECEIVED
City of Morro Bay

AUG - 8 2016

Administration

agenda correspondence for the record. thanks, jamie

From: Tim Hixson [REDACTED]
Sent: Monday, August 8, 2016 5:11 AM
To: Jamie Irons; Noah Smukler; Christine Johnson; John Headding; Matt Makowetski; Dave Buckingham
Subject: Save Our MBPD / Do Not Outsource.

Please do not turn our MBPD over to the Sheriff's dept. Some reasons against doing so are as follows:

- 1) The time & expense to both Morro Bay City & the Sheriff's staff at all levels & departments to put this proposal together is going to be huge. It is an expense Morro Bay cannot afford.
If I'm not mistaken this is not the 1st time that outsourcing our MBPD or MBFD has been attempted & each time the community feedback was overwhelmingly against it. It was a bad idea once & it still is. It is a very poor use of taxpayer dollars even putting the proposal together with the end result a proven loser.
- 2) Local PD has lots of local in house knowledge, intel. & history with the Gang, Homeless & Mental Health challenges that exist in our city. All that would be lost with the outsourcing of our PD. The hand over would NOT be seamless & the health & safety of Morro Bay would suffer as a result. We cannot let that happen.
- 3) If the unthinkable does happen & Morro Bay does outsource our Police Department's services & it proves to be the failure I'm sure it will be the expense to the taxpayers of Morro Bay to put our Police Department back together again would be off the charts.
- 4) Be sure that ALL discussions going forward on this matter are made public.
- 5) While I applaud our Mayor, Council & Manager for trying to save taxpayer dollars the outsourcing of our Police Department's services is NOT the place to do it. Let's stop this before it gets started.

My understanding is that during the August 9th City Council meeting the Mayor & Council will decide to proceed with further evaluation or dismiss the option all together of outsourcing our MBPD services to the Sheriff's department.

You, as our elected officials are charged here with a very important vote on August 9th. A vote for outsourcing could have very negative long term impacts to our cities finances & to the health & safety of the citizens of Morro Bay that you were elected to serve.

Please vote to dismiss this idea altogether. It is the right thing to do.

You all have asked for public & citizen input on this matter. Please let this serve as my public input.

Thank you very much for your attention to this very important matter.

Sincerely, Tim Hixson



Morro Bay, Ca.

Dana Swanson

8/9/16 Meeting
Item C-1

From: Rhonda Mayeda [REDACTED]
Sent: Sunday, August 07, 2016 7:53 PM
To: Council
Subject: Police Dept.

RECEIVED
City of Morro Bay

AUG - 8 2016

Administration

Dear City Council,

We have been happy residents in the city of Morro Bay for the last 16 years. We live in a wonderful, quiet town with excellent weather and more importantly, a caring and concerned community of people committed to preserving our town and way of life. Thank you for your hard work in implementing the proper bolts and screws to keep our lovely town together...it is not an easy task. We commend you for your dedication and plenty of hours devoted to taking care of our Morro Bay.

However, we are very concerned about this discussion to contract out one of our vital services...,the police department. We feel that the police department is part of our community as well as the fire department and other public services which makes our town safe and protected and a great place to live. Police and fire are vital services that cannot be compromised. In light of the increase of tourism and population, we feel it is super important we maintain our police and fire departments. Not only are they an integral part of our community, but we need them for their quick responses to safety and life threatening concerns. Their presence is necessary. Let's not be shortsighted with our police and fire departments...keep them as a part of our community. There's an old British saying that goes: "Penny wise, pound foolish." It refers to someone who goes to great lengths to save some money (a few pennies) now, but ends up losing more money (many British pounds) later on.

When public services diminish, so does the quality of life in our town. What do we want Morro Bay to be?

Please keep our police department. Thank you for your time.

Regards,

Ben and Rhonda Mayeda

8/9/16 Meeting
Item C-1

RECEIVED
City of Morro Bay

AUG - 5 2016

Administration

To Mayor Jamie Irons,

I am writing this letter in regards to the City of Morro Bay considering omitting the Morro Bay Police Department and contracting with San Luis Obispo County Sheriff Department.

I am a Morro Bay citizen of over 8 years now, a home owner for the past three and been raising my daughter here with my wife for the past two. We are so lucky to have a local Police Department and the importance of the community policing they provide is essential to Morro Bay's quality of life. Although San Luis Obispo County Sheriffs are great and professional, the Law Enforcement coverage for Morro Bay would most likely go to the two deputies that cover the Los Osos beat, or the two deputies that cover the beat from Cayucos to the county line at Ragged Point. This would drastically decrease response time to calls for service and reduce proactive community patrols. This is not something I would like for the future of Morro Bay, especially with an increase in property crimes in the area and our steady flow of visitors.

I urge the city of Morro Bay to keep our local Police Department no matter what the cost and the citizens of Morro Bay to stand behind our local Police Department.

Thank you for your time,

A concerned Morro Bay resident, 7/20/16.

8/9/16 Meeting
Item C-1

July 1, 2016
RECEIVED
City of Morro Bay

AUG - 5 2016

To the Mayor and City Council:
Scrap the Morro Bay Police Department?
Whoever dreamed up that absurdity should be ashamed of
himself/herself. Administration

What about response times, and availability of officers when
emergencies arise in other parts of the county?

I'm as eager as anyone to keep the tax-rate down. However,
in matters of public safety and health, a tight-fisted budget and
circ economy can easily create more problems than aid.

Nowadays, every city must have a constant, alert "Blue"
presence.

Drop at once and for all time any idea of outsourcing our
excellent police force!

Sincerely,

John Severson



Mr. John Severson

Morro Bay, CA 93442-2412

★ SUPPORT OUR TROOPS ★

Agenda Correspondence

August 9, 2016 City Council Meeting

Agenda Item C-3

Dana Swanson

8/9/16 Meeting
Item C3

From: Barbara Spagnola
Sent: Saturday, August 06, 2016 3:55 PM
To: Jamie Irons; John Headding; Christine Johnson; Matt Makowetski; Noah Smukler
Cc: Susan Slayton; Dana Swanson; Dave Buckingham
Subject: Agenda Item C3 - Aug 9, 2016 City Council Meeting

RECEIVED
City of Morro Bay

AUG - 8 2016

Mayor Irons and City Council Members,

Administration

Please be aware the Citizens Finance Advisory Committee (CFAC) has had several discussions during their 2015 meetings on the subject of financing street repairs with revenues generated from the District Transaction Tax (Measure Q). At the November 4, 2015 CFAC meeting, the committee voted against moving forward with securing a loan for repairing streets until completion of the revised pavement management plan and other alternatives for funding the work were explored. At the December 15, 2015 CFAC meeting, the committee was specifically requested to respond to the questions of obtaining a \$6 million loan to accelerate the street repair process, and repaying the loan with Measure Q funds over a 20 or 30-year period. After an elongated discussion, the committee again voted no to both questions (borrowing against Measure Q) at that time.

While the CFAC committee recognized that the cost of borrowing would potentially be offset by the avoidance of inflationary construction costs and further degradation of our streets, we were concerned that other factors, both financial and nonfinancial, should be considered before committing a large portion of Measure Q funds for 20-30 years. Approximately \$ 340K of Measure Q revenues are currently "committed" to payment of the fire station debt service, and funding of the fourth firefighter and a portion of the school resource officer at Morro Bay High School. Our members felt adding significantly more debt to Measure Q for a long period of time was not financially prudent, especially since the \$6 million loan would likely only repair about ¼ of the streets. From a citizens' perspective, our committee members could not recommend borrowing for 20-30 years to only repair a minority of the streets, without a long term plan to fix the remaining streets. We were also concerned about the amount of additional debt the city would be taking on, recognizing the upcoming WRF project and its associated debt. We concluded our discussion by stating we would be amenable to considering a Measure Q backed street repair loan in the future, if it were a component of a more comprehensive and strategic solution to streets repair, perhaps including additional funding from the general fund coupled with a parcel or other tax initiative.

To the best of my recollection, the CFAC has not had any further specific discussion on this topic in 2016; we would be happy to reconsider the subject if there is any additional information available. Just wanted to ensure you were aware of our previous discussion as you revisit this topic at your August 9, 2016 meeting. Thank you for your consideration.

Barbara Spagnola, Chair
Citizens Finance Advisory Committee
Email: bspagnola@morrobayca.gov

[REDACTED]
Morro Bay, CA 93442

8/9/16 Meeting
Item C-3

Dana Swanson

RECEIVED
City of Morro Bay

From: Homer Alexander [REDACTED]
Sent: Friday, August 05, 2016 2:54 PM
To: Council
Cc: Dave Buckingham; Rob Livick; Susan Slayton; Rick Sauerwein; Dana Swanson
Subject: August 9th agenda item C-3 Street Financing
Attachments: Street Loan.pdf; PWEB 6.15.15 item B-2.pdf

AUG - 5 2016
Administration

Mayor and City Council

Attached are comments regarding Tuesday night's agenda item C-3.

Homer Alexander

 Virus-free. www.avast.com

TO: Mayor Irons and City Council Members

FROM: Homer Alexander *H Alexander*

DATE: August 5, 2016

SUBJECT: August 9th City Council Agenda item C-3
Financing Street Repairs using Measure Q to service the debt

It is my opinion borrowing money for street maintenance is a mistake for a number of reasons.

If I read the staff report (attached) correctly that was presented to the Public Works Advisory Board on June 15th, the City has 53 miles of streets of which 21% "have exceeded the useful pavement life" or stated differently there are 11.1 miles of streets that are in really bad shape.

Even though it is substantially less expensive, using borrowed money to chip or slurry seal the streets does not seem to make sense to me since the improvements would not last as long as the 20 or 30 year life of the loan. Logically, the borrowed money should only be used to reconstruct the streets that were beyond their useful life. Using the \$1.5M figure in the PWAB staff report for reconstruction of one street mile, the below table illustrates the number of miles of streets that could be reconstructed with the proceeds from the various proposed loans options.

Plan	Amount	Term Years	Miles of streets beyond their Useful Life	Miles of Streets to be Reconstructed @ \$1.5M/Mile	Remaining Miles of Streets that are beyond their Useful Life
1	\$4.34M	20	11.1	2.9	8.2
2	\$5.36M	30	11.1	3.6	7.5
3	\$7.36M	20	11.1	4.9	6.2
4	\$9.07M	30	11.1	6.0	5.1

My concern is the remaining street miles in the last column. Where is the money going to come from to repair those streets? Needless to say the folks who live on those blocks can't wait for 20 or 30 years.

Another issue is the loss of flexibility that Measure Q currently provides. As you are all aware the ½ sales tax was passed with a promise that the extra money would be used for items beyond the City's existing revenue streams. Even though the money can be used for general government expenses, you and previous City Councils have always kept the promise to the voters to only use the funds for public safety and streets.

The current budget projects Measure Q revenue will be \$1.019M. Immediately following the actual budget page is a narrative explaining how the tax revenue will be spent. Under the heading "Recurring Allocations" are three items. Measure Q funds are committed to the USDA to service the debt on the Fire House. It would be difficult to stop funding the fourth Fire Fighter or the

School Resource Officer because they both enjoy community support. These three expenses are 39% of the projected Measure Q tax revenue in this year's budget. The loans that require a \$300K annual payment would make 68% of Measure Q revenue unavailable; at \$500K it would be 88%. Recently the bulk of the money that was not used for the three recurring expenses has gone to streets, but that has not always been the case. In the first five years of Measure Q's existence previous City Councils used between 54% and 66% of the money for public safety (the bulk going to Fire).

If you go forward with either of these loans future City Councils will not have the flexibility that you currently enjoy.

In the chart on page 2 of Mrs. Slayton's staff report the interest cost range from \$1.61M to \$5.85M. Interest expense is a very unproductive use of taxpayers' money. Near the bottom of the same page she lists three "likely" scenarios that will save money over the long term. My question is will these "likely" scenarios offset the interest expense? Also, you might feel more comfortable if the word "likely" was replaced with something more definitive.

Considering the amount of debt that the City is about to incur for Phase I & II for the WRF (and potentially other projects in the water fund) do you really want to take on more? I know that the debt will be serviced from separate revenue streams, but a street loan is still debt and will show up on the City wide balance sheet.

Also, does the Public Service Department have the resources to take on another major project? In addition to their day to day responsibilities, they already have a long list of capital projects that they have committed to complete (Nutmeg Water tank, permitting the Desal Plant, Chorro Creek stream gauges and of course the WRF).

My feeling has always been that if the residents really want to fix their streets, they will be willing to pay for it. If the County tax is unsuccessful in November or if it is successful, but the staff feels that more money is needed to do the job right, the City can put a tax or a bond on the November 2018 ballot. My favorite is a parcel tax. According to the County's Assessors Office last spring Morro Bay had 5,850 parcels with an assessed value of \$2.082B or an average of \$356,000 per parcel, therefore a parcel tax of \$50 per \$100K of assessed value would raise a little over a million dollars a year. Unlike a loan, the revenue from a parcel tax increases in value each year. If you don't like a parcel tax there are a number of other options.

Why incur debt when there are other options available?

cc: David Buckingham
Rob Livick
Susan Slayton
Rick Sauerwein
Dana Swanson



AGENDA NO: B-2

MEETING DATE: June 15, 2016

Staff Report

TO: Public Works Advisory Board

DATE: June 9, 2016

FROM: Rob Livick, PE/PLS – Public Services Director/City Engineer
Rick Sauerwein, PE/PLS – Engineering Division/Capital Projects Manager

SUBJECT: 2016 Streets Summit, Part 1: A Progress Review and Recommendations for the FY 2016-2017 work plan

RECOMMENDATION

Staff recommends Public Works Advisory Board (PWAB) hear public testimony and provide input on the draft FY2016-2017 work plan, future funding alternatives and repair strategies for street improvements in preparation for a Part 2 of the Streets summit that will be a Joint Street Summit with City Council in the fall.

FISCAL IMPACT

No direct fiscal impact at this time as staff time only is being expended. The recommendations made by the Public Works Advisory Board (PWAB), if adopted by City Council, may require additional appropriations for street rehabilitation and maintenance activities.

SUMMARY

The City's Streets Program proceeds commensurate with the availability of maintenance and repair funding which continues to be insufficient to keep pace with the rapid rate of road deterioration.

- The City has 53 centerline miles of roads, and three bridges that we maintain.
- The pavement condition has declined to 54 (a solid D-) and we have a backlog \$26M in deferred maintenance.
- The strategy of adopting a biennial program for a better economy of scale was adopted last year.

Attachment 2 outlines the proposed 2016/2017 work plan (\$950,000 biennial paving program) based on current funding availability. If additional funding becomes available through other financing options under consideration in the FY 2016/17 budget, high priority roads slated for FY2017/18 could be accelerated.

BACKGROUND

Since 2011 the City has invested \$4.1M in our Street Rehabilitation Program. In the past four years, the program has rehabilitated 81 street segments, which represents 17.0 miles of pavement, almost 32% of

Prepared By: RS

Dept Review: RL

City Manager Review: _____

City Attorney Review: _____

the City's total transportation network. These expenditures have provided much needed extension of the pavement life and improved rideability on a third of our City streets. Unfortunately, lack of sufficient funding has resulted in long-term investment through reconstruction of only four failed road segments. Consequently, the number of road segments that have exceeded the useful pavement life has grown significantly to 71 segments or 21% of our road system. In the past three years, maintenance activities have been closely coordinated between the Street Crew and Engineering staff. This coordination continues to improve as a result of the organizational restructuring of Public Works which consolidated all facility, park and street maintenance activities under a single supervisor. This restructuring has allowed crews to routinely place 4 tons of hot-mix asphalt per week to repair badly damaged pavement. While this stop-gap measure will not improve overall PCI, it has an immediate impact on drivability, bikability and walkability of our streets.

Finally, the City has awarded to Williams Concrete and Engineering a multi-year, indefinite delivery, indefinite quantity contract to improve the ADA Accessibility for pedestrians by filling gaps in our existing sidewalk network. We currently have performed \$257,624 of sidewalk improvements through multiple CDBG grant awards. An FY/16/17 allocation of \$67,000 has been approved by the Board of Supervisors and an additional reallocation of up to \$230,000 is expected soon. This will help the City satisfy Federal Highway Administration requirements that mandate missing or substandard curb ramps on existing pedestrian routes be installed whenever new road resurfacing is planned. Measure Q continues to be our primary source of revenue to improve street conditions. Unfortunately, in spite of the City's recent increased investment in our street infrastructure, our backlog of street maintenance and repair continues grow. A list of completed pavement rehabilitation is provided in Attachment 1.

DISCUSSION

In 2009, the Engineering Division of the Public Services Department conducted its first formal pavement condition inventory to prioritize maintenance investments. This survey revealed that the City has an average Pavement Condition Index (PCI) of 63. The PCI is a nationally accepted best management practice that rates roadway conditions on several factors and assigns a quantitative rating from 0 to 100. The established goal for Morro Bay's PMP is to raise our average PCI to 70 by using a variety of road maintenance techniques including: Reconstruction, Overlay, Slurry Seal, Cape Seal and Triple Layer. Streets routinely deteriorate over time typically losing approximately 1 or 2 points a year for the first 15 years after which a much more rapid deterioration increases over time. So a sound PMP invests the majority of available funding into streets of fair condition to prevent this rapid deterioration cycle from starting.

The general emphasis of the PMP is pavement preservation, which is the most effective use of the City's limited funding. For example, cost to totally reconstruct one mile of typical residential street in North Morro Bay with the poor soil conditions is approximately \$1.5 million, while the cost to perform a chip or slurry seal on a street in fair condition to preserve that pavement ranges from \$120,000 to \$300,000 per mile. Our current schedule of planned street rehabilitations from the proposed FY16/17 budget and their estimated costs are included in Attachment 2.

The City has also transitioned to a new PMP software called StreetSaver which has greater utility and lower cost than the original MicoPaver software. We are still "working the bugs out" of this system and learning how the decision algorithms function. Since it has been 5 years since the first PMP staff has initiated a reinspection of streets that seem to have observed conditions that are significantly above or below the current PCI. Staff has completed 20% of the streets since July 2014 and plans to continue this

practice so that every street gets inspected on a five-year cycle. This work clearly demonstrates that our roads are failing faster than we can repair them with our present resources so staff will continue to pursue funding options and explore alternative renovation techniques throughout the summer. Staff expects to significantly update the 5-year Schedule of Pavement Management Plan in anticipation of another Joint Street Summit with City Council in the Fall.

In addition to the PMP, staff is also working with SLOCOG and Caltrans to evaluate options for improving congestion at the SR1/Main Street @ SR41 interchange. Caltrans has recently approved the Step 2 Intersection Control Evaluation study and authorized the preliminary engineering phase to proceed with development of the environmental document using a roundabout design as the preferred alternative. Staff plans to take this recommendation forward to PWAB at our July meeting. Staff is also pursuing a conceptual "Complete Street" design for Greenwood Avenue which could serve as a model for providing better pedestrian and bike facilities on several other Residential collector streets throughout the city. In closing, staff has submitted an Active Transportation Program (ATP) grant application to the California Transportation Commission to close the final gap in the North Embarcadero Pedestrian / Bike trail by connecting the Morro Creek Bridge to Morro Bay High School.

Financing Pavement Management

Pavement management is financed from a number of sources, including General Funds, Measure Q, Regional Transportation funds, and various grants as they become available. The total cost to repair or replace all city streets is currently estimated at \$26 million. Continuing to invest \$475,000 annually (our current budget) over the next twenty-year period is projected to only improve our PCI to 64. Federal and state gas tax revenues continue to be unreliable due to inadequate Congressional reauthorization of the Highway Trust Fund. The City of Morro Bay is not alone in this critical infrastructure funding issue. Caltrans is currently prototyping several alternative methods to fund road maintenance & improvements through a pilot demonstration program. Due to reductions in the Federal Highway Trust Fund and declining State Road Funding gas tax revenues, Governor Brown convened a special session of the State legislature June 19, 2015 to address these critical issues:

- The 2014 California Statewide Local Streets & Roads Needs Assessment Report found that counties and cities are facing a \$79.3 billion funding shortfall for the maintenance and preservation of just the local street and road system over the next decade.
- State highways have \$59 billion in deferred maintenance.
- The average pavement condition in the State is a 66 on a scale of zero to one hundred, or a solid letter grade D.
- It is important to invest in both local and state transportation systems. Drivers, transit, pedestrians and bicyclists do not care about ownership of the transportation system; they just want to get from Point A to Point B as efficiently and safely as possible.
- The longer we wait to fix our roads, the more it will cost taxpayers in the long run.

Last year alone, the SLOCOG lost over \$46M to support its Regional Transportation Improvement Program. Consequently, at their July 13 meeting, the SLOCOG Board of Directors will consider a Self-Help Transportation Investment Plan which would be funded through a voter approved sales tax measure adopt a measure which is expected to provide an additional \$600,000 to fund Morro Bay street improvements.

CONCLUSION

Streets and associated appurtenances are critical to the economic wellbeing of our community and are sorely in need of additional resources to maintain them in a condition that is acceptable to the citizens and visitors of our city. The condition of our streets & sidewalks makes an important first impression on tourists which is important to our continued economic revitalization. Continued allocation of dwindling State gas & vehicle tax revenues, grant funding, Measure Q sales taxes and future development impact fees are essential to keep our roads from deteriorating further. The City should implement a financing plan which would facilitate both preventative maintenance and reconstruction of streets which have exceeded their useful life.

ATTACHMENTS

- 1: Schedule of Completed Street Rehabilitation, 2012-2015
- 2: Schedule of Future Street Rehabilitation Projects