

# City of Morro Bay

## City Council Agenda

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### *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.*

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**REGULAR MEETING – FEBRUARY 22, 2010**

**CLOSED SESSION – FEBRUARY 22, 2010  
CITY HALL CONFERENCE ROOM - 5:00 P.M.  
595 HARBOR ST., MORRO BAY, CA**

**CS-1 GOVERNMENT CODE SECTION 54956.8; REAL PROPERTY TRANSACTIONS.** Instructing City's real property negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease of real property as to 3 parcels.

- Property: 625 Harbor Street; Library.  
Negotiating Parties: SLO County and City of Morro Bay.  
Negotiations: Lease Terms and Conditions.

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

**PUBLIC SESSION – FEBRUARY 22, 2010  
VETERANS MEMORIAL HALL - 6:00 P.M.  
209 SURF ST., MORRO BAY, CA**

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

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

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

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

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk, (805) 772-6205. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A. CONSENT CALENDAR

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

A-1 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETINGS OF JANUARY 25, 2010 AND FEBRUARY 8, 2010; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-2 RESOLUTION APPROVING ASSIGNMENT OF LEASE SITE 86-86W, LOCATED AT 801 EMBARCADERO, FROM 801 EMBARCADERO LLC (CALDWELL AND REDICAN) TO 801 EMBARCADERO LLC (CALDWELL); (HARBOR)

**RECOMMENDATION: Adopt Resolution No. 10-10.**

A-3 REQUEST TO CHANGE RECREATION & PARKS COMMISSION MEETING DAY AND TIME; (RECREATION & PARKS)

**RECOMMENDATION: Review and approve the Recreation & Parks Commission's request to change their regular monthly meeting day and time.**

A-4 STATUS REPORT ON WATER USAGE FOR JANUARY 2010; (PUBLIC SERVICES)

**RECOMMENDATION: Review and file report.**

A-5 RESOLUTION NO. 08-10 AUTHORIZING SUBMISSION OF RURAL TRANSIT FUND GRANT APPLICATIONS; (PUBLIC SERVICES)

**RECOMMENDATION: Adopt Resolution No. 08-10.**

A-6 RESOLUTION NO. 09-10 AWARDED CONTRACT TO PURCHASE ONE NEW REPLACEMENT TROLLEY; (PUBLIC SERVICES)

**RECOMMENDATION: Adopt Resolution No. 09-10.**

A-7 RESOLUTION AUTHORIZING SACRAMENTO COUNTY TO RECEIVE THE SUPPLEMENTAL ENERGY PROGRAM GRANT ON BEHALF OF THE CITY OF MORRO BAY; (PUBLIC SERVICES)

**RECOMMENDATION: Adopt Resolution No. 12-10.**

A-8 PROCLAMATION DESIGNATING FEBRUARY 20-27, 2010 AS "NATIONAL FFA WEEK"; (ADMINISTRATION)

**RECOMMENDATION: Adopt Proclamation.**

A-9 PROCLAMATION DESIGNATING TUESDAY, FEBRUARY 23, 2010 AS "SPAY DAY USA"; (ADMINISTRATION)

**RECOMMENDATION: Adopt Proclamation.**

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

- B-1 DISCUSSION ON THE FISCAL YEAR 2010/11 BUDGET AND PRIORITIES;  
(ADMINISTRATION)

**RECOMMENDATION: Receive public comment on the fiscal year 2010/11 budget.**

C. UNFINISHED BUSINESS

- C-1 AUTHORIZATION TO ADD AND HIRE A WASTEWATER COLLECTIONS  
SYSTEMS OPERATOR II; (PUBLIC SERVICES)

**RECOMMENDATION: Authorize the addition and hiring of a new Wastewater Collections Systems Operator II for the Wastewater Collections Division.**

- C-2 DISCUSSION ON WATER QUALITY TESTING IN MORRO BAY'S  
DRINKING WATER; (PUBLIC SERVICES)

**RECOMMENDATION: Review the report and provide direction to staff as necessary to test for emerging contaminants.**

- C-3 DISCUSSION REGARDING ALTERNATIVE BIOSOLIDS MANAGEMENT  
OPTIONS; (CITY COUNCIL)

**RECOMMENDATION: Consider report and direct staff accordingly.**

- C-4 RESOLUTION NO. 11-10 ADDING TO AND AMENDING THE COUNCIL  
POLICIES AND PROCEDURES MANUAL REGARDING THE EXPENSE  
REIMBURSEMENT POLICY FOR ELECTED AND APPOINTED  
OFFICIALS, CITY LETTERHEAD AND THE COUNCIL COMPENSATION  
COMMITTEE; (ADMINISTRATION)

**RECOMMENDATION: Adopt Resolution No. 11-10.**

D. NEW BUSINESS

- D-1 RESOLUTION NO. 13.10 ESTABLISHING THE PURPOSE OF THE RISK  
MANAGEMENT FUND; (ADMINISTRATIVE SERVICES)

**RECOMMENDATION: Adopt Resolution No. 13-10.**

- D-2 CONSIDERATION OF AN AMENDMENT TO MORRO BAY MUNICIPAL  
CODE CHAPTER 2.16.080 REGARDING THE DUTIES OF THE CITY  
ATTORNEY; (CITY ATTORNEY)

**RECOMMENDATION: Review the report and draft amendments to Morro Bay Municipal Code 2.16.080 regarding the duties of the City Attorney, and direct staff to return for introduction and first reading with any amendments.**

- E. DECLARATION OF FUTURE AGENDA ITEMS
- F. ADJOURNMENT

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

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

**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.**

AGENDA NO: A-1

MEETING DATE: 2/22/10

MINUTES - MORRO BAY CITY COUNCIL  
CLOSED SESSION – JANUARY 25, 2010  
CITY HALL CONFERENCE ROOM - 5:00 P.M.

Mayor Peters called the meeting to order at 5:00 p.m.

PRESENT:	Janice Peters	Mayor
	Carla Borchard	Councilmember
	Rick Grantham	Councilmember
	Noah Smukler	Councilmember
	Betty Winholtz	Councilmember

STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney

CLOSED SESSION

MOTION: Councilmember Grantham moved the meeting be adjourned to Closed Session. The motion was seconded by Councilmember Winholtz and unanimously carried. (5-0)

Mayor Peters read the Closed Session Statement.

**CS-1 GOVERNMENT CODE SECTION 54956.8; REAL PROPERTY TRANSACTIONS.** Instructing City's real property negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease of real property.

- Property: Lease Site 86/86W; 801 Embarcadero  
Negotiating Parties: City and Caldwell  
Negotiations: Lease Terms and Conditions.

The meeting adjourned to Closed Session at 5:00 p.m. and returned to regular session at 5:40 p.m.

MOTION: Councilmember Winholtz moved the meeting be adjourned. The motion was seconded by Councilmember Borchard and unanimously carried. (5-0)

The meeting adjourned at 5:40 p.m.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JANUARY 25, 2010  
VETERANS MEMORIAL HALL - 6:00 P.M.

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

PRESENT:	Janice Peters	Mayor
	Carla Borchard	Councilmember
	Rick Grantham	Councilmember
	Noah Smukler	Councilmember
	Betty Winholtz	Councilmember
STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney
	Bridgett Kessler	City Clerk
	Rick Algert	Harbor Director
	Bruce Ambo	Public Services Director
	John DeRohan	Police Chief
	Bruce Keogh	Wastewater Treatment Plant Manager
	Rob Livick	City Engineer
	Mike Pond	Fire Chief
	Susan Slayton	Administrative Services Director
	Joe Woods	Recreation & Parks Director

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

MAYOR AND COUNCIL MEMBERS REPORTS, ANNOUNCEMENTS &  
PRESENTATIONS

CLOSED SESSION REPORT - City Attorney Robert Schultz reported the City Council met in Closed Session, and no reportable action under the Brown Act was taken.

PUBLIC COMMENT

Mary Stallard, Morro Bay Pups, thanked those who helped in getting the Jody Giannini Family Dog Park built and ready for opening. She also encouraged membership to Morro Bay Pups.

Steve Eckes, Morro Bay Pups, acknowledged the contributions of the City in completing the Jody Giannini Family Dog Park. He said the essential construction of the park is complete with the help of volunteers Sam Ayoob and Steve Marketello. Mr. Eckes invited the public to come visit the dog park and encouraged membership to Morro Bay Pups in maintaining the park.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JANUARY 25, 2010

Robert Davis stated the Morro Bay Citizens Bike Committee is working with the City Engineer in updating the City's Bike Plan. He said the Committee is going to meet on February 3<sup>rd</sup> to review the plan that is to include the list of Unmet Bike Needs, and he invited the public to attend. Mr. Davis stated the Committee is pleased the North Main Street Overlay and Bike Lanes Project are proceeding with federal funding under the American Recovery and Reinvestment Act, as well as the potential for funding through San Luis Obispo Council of Governments for another Main Street project.

Joey Racano, California Ocean Outfall Group, voiced his support for Item D-3 (Discussion Regarding Water Reclamation Options). He expressed concern with the removal of trees in the City and fireworks being displayed in a State Marine Reserve.

Claire Raymond and Gracie Wilkins, Cal Poly journalism students, requested permission to take photos at the meeting.

Virginia Hiramatsu announced a Community Kick-Off for the 2010 Relay for Life would be held on February 9<sup>th</sup> at the Embarcadero Grill, with the 2010 Relay for Life of Morro Bay to be held on August 7<sup>th</sup> and 8<sup>th</sup>. She provided contact information and requested community participation in this important event.

Peter Candela, Chamber of Commerce, addressed Item D-1 (Request from the Morro Bay 4<sup>th</sup>, Inc. for a Fee Waiver for the 4<sup>th</sup> of July Event) and stated the Chamber of Commerce is working in partnership with the Morro Bay 4<sup>th</sup>, Inc. by giving support and requested all agencies show their support in this community event.

Nancy Guthrie expressed support for Item A-3 (Adoption of Ordinance No. 553 Adding Section 3.08.105 to the Morro Bay Municipal Code Establishing a Local Business Preference Program).

Bill Peirce stated he is a member of the Morro Bay 4<sup>th</sup>, Inc. and said this is a community event and needs the support of the community. He said there has always been a barge in an acceptable location in the estuary that has received approval from all necessary agencies to have fireworks in the bay.

Pauline Stansbury, Morro Bay Seniors, stated she would be glad to be involved in the Fundraiser Follies. She announced the benefits of the Morro Bay Seniors, and noted volunteers are needed.

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REGULAR MEETING – JANUARY 25, 2010

Grant Crowl stated City zoning codes have been violated by City staff on two projects that had been heard by the Planning Commission on January 18<sup>th</sup>. He requested the City Council revisit the Planning Commission meeting and reviews these items because precedence has been set and there is no reason for a person to file for a building permit on an existing project after that ruling.

John Barta addressed Item D-3 stating the City has State Water rights of over 3,000 acre feet per year, although the City only requires 1,300 acre feet; and during drought years, deliveries are proportionately reduced such as this year. He said San Luis Obispo County has 20,000 acre feet of unused but reserved allocations that the City can purchase in time of need at an increased cost over a normal allocation. Mr. Barta stated water reclamation is expensive and may interfere with the deadline of upgrading the City's wastewater treatment plant, which would also be costly. He also noted the desalination plant capacity could provide an adequate amount of water in the worst of circumstances.

Jack McCurdy addressed Item D-3 and said the present water supply is out of date, and water reclamation is the future of the City's water supply. He said the proposed wastewater reclamation project would conduct an in-depth study of all potential water supply sources that will make sufficient water available during water shortages created by seasonal water cycles, facility maintenance, drought, disasters and pollution events. Mr. McCurdy stated it seems clear to do other than water reclamation would be a disservice to this community.

Peter Risley addressed Item D-3 and expressed concern with the City's local water supply, which is dependent on the City's local aquifers that are now contaminated by nitrates. He said this is a threat to the community and proactive actions should be taken to solve this problem. He said State Water is not dependable and the City should consider what it will do without it; and, only by preserving the aquifers of Morro and Chorro Valleys will the City have local water supplies to protect its future. He said the use of reclaimed water is part of this discussion and dumping this water into the ocean is a great waste.

Bill Fritch expressed opposition to Item D-1 stating as a taxpayer and with the present budget situation, he does not believe the City can afford to waive these fees. He also noted fireworks are not good for the environment.

Joan Solu expressed support for Item D-1, which helps the City's economy by bringing in tourists who stay in the hotels and eat at the restaurants.

Michael Texeira addressed the importance of promoting disaster planning.

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Channel Channing, Morro Bay 4<sup>th</sup>, Inc., announced their contact information for anyone interested in volunteering at the 4<sup>th</sup> of July festivities.

Richard Sadowski addressed Item D-3 stating both the City aquifers are polluted, and said water reclamation should be a necessity that the City should be pursuing.

Robert Staller addressed Item D-3 and explained why water reclamation is important to those farming in the Morro and Chorro Valleys due to the water conditions in the these areas.

Peter Beaman expressed opposition to Item B-2 (Discussion and Direction on Placing a Measure on the June 2010 General Election Ballot Approving an Increase in the City's Transient Occupancy Tax) stating due to the economy, motel owners have had to cut their room rates. He expressed support for Item D-1 because the 4<sup>th</sup> of July festivities are good for tourism.

Mayor Peters closed the hearing for public comment.

Mayor Peters called for a break at 7:14 p.m.; the meeting resumed at 7:24 p.m.

A. CONSENT CALENDAR

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

A-1 RESOLUTION NO. 03-10 ADOPTING THE CITY OF MORRO BAY  
INVESTMENT POLICY; (ADMINISTRATIVE SERVICES)

**RECOMMENDATION: Adopt Resolution No. 03-10.**

A-2 APPROVAL OF THE 2010/11 BUDGET CALENDAR; (ADMINISTRATIVE  
SERVICES)

**RECOMMENDATION: Approve the schedule of events leading to adoption of  
the biennial budget.**

A-3 ADOPTION OF ORDINANCE NO. 553 ADDING SECTION 3.08.105 TO THE  
MORRO BAY MUNICIPAL CODE ESTABLISHING A LOCAL BUSINESS  
PREFERENCE PROGRAM; (CITY ATTORNEY)

MINUTES - MORRO BAY CITY COUNCIL  
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A-4 RESOLUTION IN SUPPORT OF THE LOCAL TAXPAYER, PUBLIC SAFETY AND TRANSPORTATION PROTECTION ACT OF 2010; (CITY COUNCIL)

**RECOMMENDATION: Adopt Resolution No. 04-10.**

A-5 PROPOSED CHANGES TO THE STORMWATER MANAGEMENT PLAN; (PUBLIC SERVICES)

**RECOMMENDATION: Review and approve the proposed changes to the Stormwater Management Plan for submittal to the Regional Water Quality Control Board on January 29, 2010.**

Councilmember Winholtz pulled Items A-1 and A-5 from the Consent Calendar; Councilmember Smukler pulled Item A-2.

**MOTION:** Councilmember Borchard moved the City Council approve Items A-3 and A-4 of the Consent Calendar. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

A-1 RESOLUTION NO. 03-10 ADOPTING THE CITY OF MORRO BAY INVESTMENT POLICY; (ADMINISTRATIVE SERVICES)

Councilmember Winholtz requested an amendment to page 3 of the Investment Policy under “Delegation of Authority”, removing the Mayor and Account Clerk III as positions and corresponding City personnel delegated the power to invest the funds of the City.

**MOTION:** Councilmember Winholtz moved the City Council approve Item A-1 of the Consent Calendar as amended. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

A-2 APPROVAL OF THE 2010/11 BUDGET CALENDAR; (ADMINISTRATIVE SERVICES)

Councilmember Smukler suggested adding a preliminary budget workshop in February before staff begins to work on their budget proposals.

Mayor Peters suggested scheduling the preliminary budget workshop along with the goal-setting workshop.

City Manager Andrea Lueker suggested returning this item to the next Council meeting to schedule these workshops; Council concurred.

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No further action was taken on this item.

A-5 PROPOSED CHANGES TO THE STORMWATER MANAGEMENT PLAN;  
(PUBLIC SERVICES)

Councilmember Winholtz requested staff clarification on various sections of the Stormwater Management Plan; City Engineer Rob Livick responded to her questions.

MOTION: Councilmember Winholtz moved the City Council approve Item A-5 of the Consent Calendar. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 FIRE STATION 53 CONSTRUCTION AND FUNDING UPDATE; (FIRE)

Fire Chief Mike Pond stated on March 9, 2009, the City Council authorized the City Manager to secure funding through a loan with the USDA in an amount not to exceed \$3,000,000. Additionally, the City Council allocated \$168,000 of Measure Q funds annually to service the USDA loan. The award of the ARRA funded FEMA Fire Station Construction Grant has reduced the City's potential share to \$1,497,350 for this project. The current USDA loan rate is 4% and the debt service will be \$86,310 annually for a thirty year loan. Staff will be re-submitting corrected construction plans for building and planning review around February 11, 2010. Once approved and final funding is received from FEMA and the USDA, bid documents will be finalized and the project sent out for bid. FEMA has advised that their review of environmental and historical documents and release of funds should be complete in the next 90 days. A public hearing and a renewed architectural agreement are the last tasks required before the USDA can complete the City's loan. He stated this public hearing and a renewed architectural agreement will satisfy the final requirements for the USDA loan, and the City can expect the release of federal grant funds in the next 90 days. Chief Pond recommended the City Council accept this report and open a public hearing to receive public comment. No action is required by Council to continue moving forward with this project.

Frank Seiple, Architect, showed a rendering of the fire station and received questions and comments from the City Council.

Mayor Peters opened the hearing for public comment.

Keith Taylor, Friend of the Morro Bay Fire Department, stated this project will not be complete in 2010, otherwise the plans are perfect.

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Mayor Peters closed the public comment hearing.

Councilmember Smukler stated he would prefer to invest the money further into sustainability features such as a solar system instead of obtaining LEED certification. He said that along the lines of amenities in the living quarters, it is important to invest in good quality, but not in excess with the bells and whistles.

Councilmember Grantham expressed support for the proposed plans, and noted it needs to be built to code because it is a hardened facility governed by the state and federal government.

Councilmember Winholtz stated she has concern with the height of the proposed structure and said it should not go over the 30-foot height limit. She said this structure should fit into the area and it is larger than she expected.

Mayor Peters expressed support for the design and the financing of this project.

Councilmember Borchard addressed the use of the storage facility on the site, and requested staff be conscientious of the cost of the items placed in and the use of this facility.

No action was taken on this item.

**B-2 DISCUSSION AND DIRECTION ON PLACING A MEASURE ON THE JUNE 2010 GENERAL ELECTION BALLOT APPROVING AN INCREASE IN THE CITY'S TRANSIENT OCCUPANCY TAX; (CITY ATTORNEY)**

City Attorney Robert Schultz stated at the June 23, 2009 meeting, City Council directed staff to draft enabling documents to submit a tax measure increasing the City's transient occupancy tax (TOT) on the June 8, 2010 ballot for voter approval as part of the general municipal election. At the December 25, 2009 Council meeting, Staff presented draft documents for review and comment. After receiving public comment, the City Council continued the hearing to this meeting. TOT at a rate of 10% per rental is currently collected by all entities renting lodging for 30 days or less. Those taxes are remitted monthly to the City, and that revenue stream accounts for approximately 18% of the General Fund's revenues before transfers in. TOT is the second largest revenue source to the City (property tax is the largest.) In order to increase TOT, the City must hold an election at the same time that an election is held where members of the City Council will be elected. In addition, pursuant to State law, any increase of the tax rate must first be approved by a 2/3 vote (4 members) of the City Council and then a majority vote of the

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City's voters who vote at a regular Municipal Election. Mr. Schultz requested direction from Council regarding placing a measure on the June 8, 2010 ballot increasing the TOT from 10% to 12%. The deadline for submittal of such a measure to the County is February 24, 2010.

Mayor Peters opened the hearing for public comment.

The following people expressed opposition to placing a measure on the June 2010 General Election Ballot approving an increase in the City's Transient Occupancy Tax (TOT): Peter Candela, John Solu, Michele Jacquez, Jeff Eckles, Don Doubledee, Tom Laurie, and Joan Solu.

Mayor Peters closed the public comment hearing.

Councilmember Grantham stated he does not support taking 1% from the Tourism Business Improvement District (BID), and he does support a 1% TOT increase.

Councilmember Winholtz stated she supports increasing the TOT however she would prefer placing it on the November ballot. She said she would like to consider reevaluating the structure of the Community Promotions Committee and the BID.

Councilmember Smukler stated he is not in support of an increase to the TOT and would like to follow the production of the BID and reconsider an increase at another time.

Councilmember Borchard stated knowing how the industry is suffering she is not in support of an increase to the TOT at this time.

Mayor Peters stated she supports a 1% increase to the TOT in the fall, or that it would not take effect until a certain date.

**MOTION:** Mayor Peters moved the City Council direct staff to return to Council for reconsideration placing a measure on the November 2010 General Election Ballot approving a 1% increase to the City's Transient Occupancy Tax. The motion was seconded by Councilmember Winholtz and carried with Councilmember Borchard and Councilmember Smukler voting no. (3-2)

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C. UNFINISHED BUSINESS

C-1 RESOLUTION NO. 05-10 ADOPTING THE MID-YEAR BUDGET  
ADJUSTMENTS; (ADMINISTRATIVE SERVICES)

Administrative Services Director Susan Slayton presented the 2009/10 mid-year performance reports, along with the requested budget amendments. She recommended the City Council approve Resolution No. 05-10 adopting the mid-year budget amendments.

The City Council asked questions relating to the mid-year budget adjustments.

MOTION: Mayor Peters moved the City Council continue the adoption of the mid-year budget adjustments to the February 8, 2010 City Council meeting. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

D. NEW BUSINESS

D-1 REQUEST FROM THE MORRO BAY 4<sup>TH</sup>, INC. FOR A FEE WAIVER FOR  
THE 4<sup>TH</sup> OF JULY EVENT; (ADMINISTRATION)

City Manager Andrea Lueker stated Morro Bay 4<sup>th</sup> Inc. has approached the City to request a fee waiver for costs associated with the 4<sup>th</sup> of July Public Area Use Permit. The group has also asked the City include a flyer requesting donations to be inserted with the monthly water bill sent to water users. Ms. Lueker recommended the City Council review the staff report regarding the fee waiver and mailing request and provide staff further direction.

Councilmember Grantham stated he would like some thought to the change of location of the fireworks display to the high school. He said a fee waiver should either be given to all non-profits or none at all; it has to be fair. Councilmember Grantham stated Morro Bay 4<sup>th</sup> should have to pay for using the City water bills to include their flyers.

Councilmember Winholtz stated the high school was a good location for past fireworks shows. She suggested using Council contingency funds to help fund this event.

Councilmember Smukler stated he would like to consider a one-time fee waiver for this non-profit group. He said he was contacted by some North Morro Bay residents about locating the fireworks display at the high school because it is more centralized rather than driving down to the Embarcadero.

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Mayor Peters stated the City has supported other events in the past, and this is a free event for the community and tourists.

Councilmember Borchard stated she would be in support of local non-profit groups that were promoting City events. She said there are other non-profit groups that have been given fee waivers, and the Chamber has placed flyers in the City water bills.

Councilmember Smukler agreed with Councilmember Borchard's comments.

The City Council agreed to donate their contingency funds to assist with costs for the 4<sup>th</sup> of July festivities.

**MOTION:** Councilmember Borchard moved the City Council approve the placement of 4<sup>th</sup> of July inserts in City water bills at the expense of Morro Bay 4<sup>th</sup>, Inc. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

Councilmember Borchard stated she would donate \$500 of her contingency funds towards the 4<sup>th</sup> of July festivities.

Mayor Peters called for a break at 9:25 p.m.; the meeting resumed at 9:30 p.m.

**D-2 DISCUSSION REGARDING ALTERNATIVE BIOSOLIDS MANAGEMENT  
OPTIONS; (CITY COUNCIL)**

**MOTION:** Mayor Peters moved the City Council continue the discussion regarding Alternative Biosolids Management to the February 8, 2010 City Council meeting. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

**D-3 DISCUSSION REGARDING WATER RECLAMATION OPTIONS; (CITY  
COUNCIL)**

Councilmember Smukler stated in the 1990's, because of drought and groundwater pollution, the City of Morro Bay became a leader in water conservation efforts. The City is currently dealing with severe water supply challenges that again require a retooling of our water supply portfolio. As stated in the City's Urban Water Management Plan (2005): "Overall, upgrading the Morro Bay/Cayucos Wastewater Treatment Plant or constructing a new plant will probably be required for a viable recycled water project. Given the other water supply options available, it does not appear that recycled water provides a cost effective project alternative at this time. In the future if the wastewater treatment plant

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must upgrade to tertiary treatment in order to meet NPDES permit requirements, recycled water projects should then be considered.” Currently, the City is developing a plan for a new Wastewater Treatment Plant while simultaneously experiencing severe impacts to the “other water supply options available” including the State Water Project and groundwater basins (Morro and Chorro). Councilmember Smukler reviewed the potential benefits of a wastewater reclamation project with an urban and/or agricultural reuse or groundwater recharge element and recommendations, and requested Council consider the information and direct staff accordingly.

Councilmember Grantham stated the City should be realistic and fiscally responsible in its approach. He suggested the City stay on track by going on tertiary treatment with a goal to go with water reclamation.

Councilmember Winholtz expressed her support for water reclamation due to the potential for lack of water, and the City needs a long-term plan because it’s not going to get any better.

Councilmember Borchard stated cost is an important consideration, and she cannot pass the cost of water reclamation on to the taxpayers at this time.

Mayor Peters agreed with Councilmember Borchard and noted the City does not have the staff to work on water reclamation at this time.

The majority of Council was to not change the direction of the City at this time.

**MOTION:** Councilmember Smukler moved the City Council send this item to the Morro Bay/Cayucos Sanitary District Joint Powers Authority to discuss the concept of approaching the California Coastal Commission for a concept plan approval for water reclamation. The motion was seconded by Councilmember Winholtz and failed with Councilmember Borchard, Councilmember Grantham and Mayor Peters voting no. (2-3)

**D-4 DISCUSSION ON UNMET BIKE NEEDS FROM MORRO BAY CITIZENS  
BIKE COMMITTEE; (CITY COUNCIL)**

Councilmember Winholtz stated while not an official City advisory body, the Morro Bay Citizens Bike Committee has an informal relationship with the City through the City’s Recreation and Parks Commission. Annually, it submits recommendations to the County Council of Governments regarding Unmet Needs. On November 9, 2009, the City Council received an oral report from the Morro Bay Citizens Bike Committee representative regarding this year’s recommendations. For 2010, with the intent to make

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JANUARY 25, 2010

the community safer, two new Unmet Bike Needs are recommended: a) address the bicycle turning movements at the intersection of Main Street and Quintana Road, and add it to the City Bikeways Plan; and b) construct a Class I bike trail on the west side of Main Street above the sidewalk from the Quintana/Main intersection to Surf Street. For 2010, to make the City safer and more attractive for cyclists, the following are recommended for inclusion in the City's Bikeways Plan: a) short- and long-term bicycle parking shall be provided whenever a new structure is erected or enlarged or whenever a new use is established which requires a total of 10 more vehicle parking spaces; and b) the City shall perform an annual review of bicycle facilities to identify and repair deficiencies, particularly striping. Councilmember Winholtz recommended: 1) consider directing the City's SLOCOG representative to communicate the Council's support for the Unmet Bike Needs at the February 3, 2010 meeting; and 2) consider directing the City's Planning Commission to review and make recommendation back to City Council this spring regarding the recommended additions to the City's Bikeways Plan.

**MOTION:** Councilmember Winholtz moved the City Council direct the City's SLOCOG representative to communicate the Council's support for the City Committee's Unmet Bike Needs at the next San Luis Obispo Council of Governments meeting; and, direct staff to include in the City's Bikeway Plan: a) address the bicycle turning movements at the intersection of Main Street and Quintana Road, b) short- and long-term bicycle parking shall be provided whenever a new structure is erected or enlarged or whenever a new use is established which requires a total of 10 more vehicle parking spaces, and c) the City shall perform an annual review of bicycle facilities to identify and repair deficiencies, particularly striping, paving, signage, parking, racks, etc. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

**D-5 DISCUSSION ON FORMING A CITY COUNCIL COMPENSATION COMMITTEE PURSUANT TO THE CITY COUNCIL POLICIES AND PROCEDURES; (ADMINISTRATION)**

City Manager Andrea Lueker stated Section 2.6 of the City Council Policies and Procedures indicate that a Council Compensation Committee should be formed by January 31<sup>st</sup> of each even-numbered year. The policy sections specify the makeup of the Committee and call for the Committee to study Council compensation and bring back recommendations to the City Council. Ms. Lueker recommended the City Council review the Policy and provides direction to staff.

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MOTION: Mayor Peters moved the City Council waive the option to form a City Council Compensation Committee pursuant to City Council Policies and Procedures. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

D-6 DISCUSSION OF CITY OF MORRO BAY INTERNAL COMMITTEE APPOINTMENTS; (ADMINISTRATION)

City Manager Andrea Lueker stated the City Council serve on the following City of Morro Bay Internal Committees: Council Sub-Committee on Employee Grievances, JPA Sub-Committee, and Mobilehome Conversion Sub-Committee. This item was agendized for a review of those appointments and to make any changes as deemed by the City Council.

Councilmember Smukler and Councilmember Winholtz both expressed their interest in serving on the JPA Sub-Committee in place of Mayor Peters and Councilmember Grantham.

MOTION: Mayor Peters moved the City Council approve to maintain the Internal Committee Appointments. The motion was seconded by Councilmember Grantham and carried with Councilmember Smukler and Councilmember Winholtz voting no. (3-2)

E. DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Smukler requested to agendize further discussions on water reclamation; Council concurred – (Councilmember Smukler will prepare the report.)

ADJOURNMENT

The meeting adjourned at 11:04 p.m.

Recorded by:

Bridgett Kessler  
City Clerk



**AGENDA NO.: A-1**

**Meeting Date: 2/22/10**

**THE MINUTES FOR THE  
FEBRUARY 8, 2010  
CITY COUNCIL MEETING  
WILL BE AVAILABLE  
BY  
FRIDAY, FEBRUARY 19, 2010  
5:00 P.M.**



AGENDA NO:     A-2      
MEETING DATE:   2/22/2010  

# Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** February 22, 2010

**FROM:** Harbor Director

**SUBJECT:** Resolution Approving Assignment of Lease Site 86/86W, located at 801 Embarcadero, from 801 Embarcadero LLC (Caldwell and Redican) to 801 Embarcadero LLC (Caldwell)

**RECOMMENDATION:**

Staff recommends that the City Council approve assignment of Lease Site 86/86W.

**MOTION:** I move that the City Council adopt Resolution No. 10-10 approving assignment of Lease Site 86/86W, located at 801 Embarcadero from 801 Embarcadero LLC (Caldwell and Redican) to 801 Embarcadero LLC (Caldwell).

**FISCAL IMPACT:**

None

**SUMMARY:**

Lease Site 86/86W was assigned to Burton Caldwell in August 2006. In April 2007 Mr. Caldwell and Mr. Redican formed 801 Embarcadero LLC and Mr. Caldwell requested that the lease agreement for Lease Site 86/86W be assigned to 801 Embarcadero LLC, Burton K. Caldwell and Doug Redican, Members. Mr. Caldwell is now requesting that the lease agreement be assigned to 801 Embarcadero LLC, Burt Caldwell sole member.

**DISCUSSION:**

In January 2010 Doug Redican assigned his membership interest in 801 Embarcadero LLC to Burt Caldwell. The lease agreement for Lease Site 86/86W requires that any assignment of the lease be approved by the City Council. Mr. Caldwell turned in paperwork requesting assignment of the lease from 801 Embarcadero LLC (Caldwell and Redican) to 801 Embarcadero LLC (Caldwell) January 12, 2010. The tenant is in compliance with the terms of the lease agreement and the existing businesses, Embarcadero Grill and Southern Port Traders will continue operating on the site.

Prepared By: \_\_\_\_\_      Dept Review: \_\_\_\_\_  
City Manager Review: \_\_\_\_\_  
City Attorney Review: \_\_\_\_\_

**CONCLUSION:**

Staff recommends that the City Council adopt Resolution No. 10-10 approving assignment of Lease Site 86/86W, located at 801 Embarcadero, from 801 Embarcadero LLC (Caldwell and Redican) to 801 Embarcadero LLC (Caldwell) conditional upon City Attorney receipt and approval of the associated assignment document(s) by March 15, 2010.

**RESOLUTION NO. 10-10**

**ASSIGNMENT OF LEASE SITE 86/86W, LOCATED AT 801 EMBARCADERO,  
FROM 801 EMBARCADERO LLC (CALDWELL AND REDICAN),  
TO 801 EMBARCADERO LLC (CALDWELL)**

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

**WHEREAS**, the City of Morro Bay is the lessor of certain tidelands in the Morro Bay described as Lease Site 86/86W; and,

**WHEREAS**, 801 Embarcadero LLC (Caldwell and Redican) is the lessee of said property; and,

**WHEREAS**, Mr. Redican assigned his membership interest in 801 Embarcadero LLC to Mr. Caldwell; and,

**WHEREAS**, the lease agreement for Lease Site 86/86W requires City Council approval of any sublease; and,

**WHEREAS**, the necessary application was signed and turned in along with the associated application fee on January 12, 2010.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Morro Bay that assignment of the lease agreement for Lease Site 86/86W, located at 801 Embarcadero, from 801 Embarcadero LLC (Caldwell and Redican) to 801 Embarcadero LLC (Caldwell) is hereby approved.

**BE IT FURTHER RESOLVED** that approval of said assignment is conditioned by the City Attorney's receipt and approval of the assignment documents no later than March 15, 2010.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay at a regular meeting held thereof on the 22<sup>nd</sup> day of February 2010 by the following vote:

AYES:

NOES:

ABSENT:

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JANICE PETERS, MAYOR

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BRIDGETT BAUER, CITY CLERK





AGENDA NO: D-3

MEETING DATE: 02/04/2010

## Staff Report

**TO: Recreation and Parks Commission      DATE: 02/04/2010**  
**FROM: Joe Woods, Recreation and Parks Director**  
**SUBJECT: Review and Discussion on the Meeting Time and Day of the Month for Recreation and Parks Commission.**

### **RECOMMENDATION:**

Staff recommends the Recreation and Parks Commission (RPC) review their meeting time and day, and determine the feasibility of change. Staff further recommends that if the RPC decides a time and/or day change would be beneficial, they forward a recommendation to the City Council to amend their meeting time and/or day of the month.

### **FISCAL IMPACT:**

Maintaining the current meeting schedule would have little or no financial impact on the Department budget, changing the day and/or time may. Staff has experienced substantial savings by pairing up public meetings which reduces the number of setups for maintenance as well as the video supplier. Furthermore, Staff would recommend RPC keep this in mind while reviewing changes to the current schedule.

### **SUMMARY:**

The Commission has met on different days and times over the last twenty-eight years, changing times or days in order to encourage public and staff participation. A brief history of days and times follows:

1982 – 1998    third Thursday at 7:00 p.m.  
1988 – 1991    third Thursday at 5:30 p.m.  
1991 – 1992    first Thursday at 5:30 p.m.  
1992 – 1995    third Thursday at 6:30 p.m.  
1995 – 1998    second Thursday at 6:30 p.m.  
1998 – 2006    second Thursday at 6:00 p.m.  
2006 –         first Thursday at 5:00 p.m.

In reviewing the statistics of the last two years, a full Commission sat only once, June 5, 2008; and the Commission did not meet due to lack of quorum on two occasions both of which were

scheduled Parks Tours in July.

<b>Meeting Date</b>	<b>Present</b>	<b>Absent</b>
01-03-08	Mahan, Hale, Solu, Munoz	Winter, House, Hensley
02-07-08	Mahan, Hensley, Hale, Solu, Wenger, Vaughan	Munoz
03-06-08	Hensley, Hale, Vaughan, Solu	Munoz, Wenger, Mahan
04-03-08	Munoz, Vaughan, Hale, Mahan, Solu	Wenger, Hensley
05-01-08	Munoz, Vaughan, Wenger, Hale	Solu, Hensley, Mahan
06-05-08	Munoz, Vaughan, Wenger, Hale, Mahan, Hensley, Solu	NONE
Parks Tour	Munoz, Solu, Wenger Tour completed w/o discussion	Vaughan, Hale, Mahan, Hensley – Quorum not met
08-07-08	Vaughan, Hale, Hensley, Munoz, Solu	Mahan, Wenger
09-04-08	Hale, Vaughan, Mahan, Wenger, Solu	Munoz, Hensley
10-02-08	Hensley, Hale, Mahan, Munoz, Wenger, Solu	Vaughan
11-06-08	Hensley, Hale, Mahan, Munoz, Solu	Vaughan, Wenger
12-04-08	<b>MEETING CANCELED</b>	
01-08-09	Hensley, Vaughan, Mahan, Munoz, Solu	Hale, Wenger
02-05-09	Mahan, Hale, Munoz, Hagle, Croley, Solu	Hensley
03-05-09	<b>MEETING CANCELLED</b>	
04-02-09	Hensley, Mahan, Munoz, Croley, Solu	Hale, Hagle
05-21-09	Hale, Mahan, Munoz, Hagle, Solu	Hensley, Croley
06-04-09	Hagel, Munoz, Mahan, Hale	Solu, Hensley, Croley
07-07-09	<b>MEETING CANCELED – PARKS TOUR</b>	<b>LACK OF QUORUM</b>
08-06-09	Munoz, Mahan, O’Toole, Sidaris, Hale	Croley – ARRIVED LATE
09-03-09	Munoz, Mahan, O’Toole, Sidaris, Hale	Croley
10-01-09	Mahan, O’Toole, Croley, Hale	Munoz, Sidaris
11-05-09	Sidaris, Mahan, Croley, Hale	Munoz, O’Toole
12-03-09	Sidaris, Munoz, Croley, Hale	Mahan, O’Toole

**DISCUSSION:**

In discussion of meeting time and day, the RPC may consider the following options:

1. The fourth Tuesday of the month at between 5:00 p.m. – 6:00 p.m. Follows City Council’s Monday night meeting.
2. The third Thursday of the month anytime after 12:00 p.m. Follows TBID Thursday morning meeting. \*set up is on the floor in U-shape.
3. Continue with first Thursday at 5:00 p.m. Precedes the HAB Thursday at 7:00 p.m.

Attachments include:

- Staff Report 10/26/2005, Discussion of Time Change for RPC and minutes
- Staff Report 06/01/2006, Discussion of Date Change for RPC and minutes



AGENDA NO: A-4

MEETING DATE: February 22, 2010

# Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** February 16, 2010

**FROM:** Dylan Wade, Utilities/Capital Projects Manager

**SUBJECT:** Status Report on Water Usage for January 2010

**RECOMMENDATION:**

It is recommended that the City Council review and file this status report.

**FISCAL IMPACT:**

The water enterprise fund has been impacted by the shift from primarily State Water as the main source of the City's water supply to groundwater and the Desalination Plant product as the main sources of supply by increasing operational and employee expenses. While the operating expenses have increased in the short term, no rate increase is currently anticipated since the net difference to the overall operating budget is minimal and reserves can be used to cover any shortfall.

**BACKGROUND:**

The City of Morro Bay has four main sources of water supply. Water sources in order of supplied quantities are; the State Water Project, Chorro groundwater, Morro groundwater, and a Desalination Plant. Deliveries of water from the State water Project are the lowest this year that they have ever been in the history of the project. Since the primary water supply source for the City of Morro Bay is unavailable, the City has been forced to rely more heavily on the other sources.

Contamination with nitrates of both the Chorro and Morro groundwater resources by agricultural activities has greatly impacted our water supplies. During periods of reduced State Water Project deliveries it is necessary to blend our other sources of water to reduce nitrate levels in the distribution system. The Desalination Plant is undergoing a series of upgrades to restore the operation of that facility which has most recently been used to remove nitrates from the Morro Groundwater.

**Prepared By:** \_\_\_\_\_      **Dept Review:** \_\_\_\_\_  
**City Manager Review:** \_\_\_\_\_  
**City Attorney Review:** \_\_\_\_\_

## **DISCUSSION:**

### January Water Usage

Total January Water production was 89.88 af with 31.79 af of water from the Morro groundwater basin receiving treatment through the Desalination plant, 28.40 af of State water delivered, and 29.69 af of groundwater from the Morro and Chorro Basins.

### Current Water Usage

During the Month of February, the City has used water from the Morro and Chorro groundwater Basin's. The majority of water produced has been treated by Brackish Water Reverse Osmosis (BWRO) Treatment in the Desalination Plant. Water produced from the Chorro groundwater basin receives only chlorination as treatment. The recent storm events have increased the bacteriological loading to both of the groundwater basins.

### Recent Division Activities

In addition to treating water with the Desalination Plant, working with a local contractor, staff has made some modifications to the piping that connects the East and West King's tanks. This work was in response to the reduced State Water Project water deliveries and will enable the future blending of chlorinated State Water with chlorinated local sources to produce a residual with chloramines. Currently the City is using free chlorine as the residual disinfectant which has led to some customer complaints. Once the State permits these newly installed chemical injection systems, the City will have a much greater ability to blend water sources. The upgrade process at the Desalination plant has also continued with a local contractor working on the installation of a new control system.

### Chorro Groundwater Issues

The City has produced water from the Chorro groundwater basin to meet water demands. Our groundwater permits require that stream flows be above 1.4cfs when extractions occur. Currently the City is measuring creek flows biweekly. Our permit conditions require continuous flow monitoring which has not yet been installed. City and County staffs met to discuss these creek flow monitoring locations and the County offered to grant lead agency status to the City for the environmental portion of this work. Staff has also met with the first property owner in the Chorro valley and is discussing what changes will need to be made in order to disconnect them from our system.

### Future Water Usage

It is anticipated that in the month of March the water system will have to rely on the Chorro and Morro groundwater basins. The continued use of the Chorro groundwater basin represents a risk to the City due to the lack of treatment, the customer connections, and the onerous permit conditions.

## **CONCLUSION:**

It is recommended that the City Council review and file this status report.



AGENDA NO: A-5

MEETING DATE: February 22, 2010

## Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** February 17, 2010  
**FROM:** Janeen Burlingame, Management Analyst  
**SUBJECT:** Resolution No. 08-10 Authorizing Submission of Rural Transit Fund Grant Applications

### **RECOMMENDATION**

Staff recommends the City Council adopt Resolution No. 08-10 authorizing submission of Rural Transit Fund (RTF) grant applications for operating assistance and the purchase of various materials, supplies and equipment needed for operation of the Morro Bay Dial-A-Ride and Trolley services.

**MOTION: I move that the City Council adopt Resolution No. 08-10.**

### **FISCAL IMPACT**

Total estimated costs for the RTF projects are \$68,500 of which \$66,280 is requested from RTF and the remaining \$2,220 would come from the transit enterprise fund.

### **SUMMARY**

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

SLOCOG, RTA and City staff worked on developing program policies and procedures that would govern the RTF program for SLOCOG Board approval that would preserve the intent of the Section 5311 program in terms of who and what projects would be eligible for funds. The SLOCOG Board adopted the policies and procedures in October 2003. The City of Morro Bay is an eligible recipient to apply for these funds.

Approximately \$500,000 is available for competitive distribution for the FY 2010/2011 cycle. Applications are due March 1 and applicants are requested to rank multiple project applications in case all requests cannot be funded.

### **DISCUSSION**

The City intends to submit applications for the FY 2010/2011 cycle for the following projects: operating assistance for Morro Bay Dial-A-Ride and bus stop information display cases. The projects have been ranked in order of importance.

Prepared By: <u>J Burlingame</u>	Dept Review: _____
City Manager Review: _____	
City Attorney Review: _____	

- **1<sup>st</sup> Priority:** The operating assistance for Morro Bay Dial-A-Ride project would be for the request of \$50,000 in operating assistance, after taking into account the decrease in TDA (elimination of State Transit Assistance (STA) and decrease in Local Transportation Funds (LTF) over the past two fiscal years), to offset the need from the general fund in order to complete the Transit Efficiencies Group work to develop a transit service plan and go through the review, approval and implementation anticipated during FY 2010/2011. A service plan is estimated to be brought to the Public Works Advisory Board and City Council in March for review.
- **2<sup>nd</sup> Priority:** The bus stop information display cases project will be for the purchase of new display cases for the trolley routes so operational information and route maps showing trolley stops can be placed at each trolley stop. The current display cases are too narrow to accommodate a route map. Implementation of this project would complete a recommendation from the adopted North Coast Transit Plan to provide a route map at all stops. The estimated project cost is \$18,500 of which \$16,280 will be requested from the RTF and the remaining \$2,220 would come from the transit fund for the required local match.

Historically, operating assistance requests tend not to be funded as several years back the SLOCOG adopted a policy whereby capital projects were first priority and operating assistance requests could only be considered if all capital needs had been met; however, given the decreases in TDA over the past two fiscal years and the recent reduction and then elimination of STA funds due to the recession, operating assistance requests have been approved.

In 2008 the RTA requested and received approval from the SLOCOG Board to use RTF funds from a previously approved capital project for operating assistance in the 2008/2009 fiscal year due to a large budget deficit so the RTA could continue providing existing service levels. The SLOCOG Board also approved the City's use of a previously approved capital project for operating assistance in the 2008/2009 fiscal year due to the 50% cut in STA funding and 10% cut in LTF in the middle of the fiscal year so that the City could continue providing existing service levels for Dial-A-Ride.

With the continued downturn in the economy resulting in lower LTF funds appropriated to the City and the elimination of STA for FY 2009/2010, the SLOCOG Board approved an operating assistance RTF grant request from the City so that further cuts to Dial-A-Ride service beyond the elimination of Saturday service would not be required for FY 2009/2010.

Given that and the anticipated decrease in the TDA funds the City would be allocated for FY 2010/2011, due to the continued economic downturn, resulting in lower sales tax generation (the basis for the LTF portion of TDA), and the Governor's recent proposal to eliminate the sales tax on fuel (the basis for the STA portion of TDA), staff feels it is appropriate to request operating assistance for the Dial-A-Ride for another year as there are no critical capital needs for vehicles or communications equipment at this time. Staff is working on developing a transit service plan for review, approval and implementation anticipated during FY 2010/2011. The service plan is estimated to be brought to the Public Works Advisory Board and City Council in March for review.

**CONCLUSION:**

Staff recommends the City Council adopt Resolution No. 08-10 authorizing submission of RTF grant applications for operating assistance and the purchase of various materials, supplies and equipment needed for operation of the Morro Bay Dial-A-Ride and Trolley services.

**RESOLUTION NO. 08-10**

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

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

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

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

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

**WHEREAS**, SLOCOG, RTA, and other rural transit operators worked together to develop a process to exchange FTA Section 5311 formula funds with Transportation Development Act (TDA) funds to create the Rural Transit Fund, including Policies and Procedures to govern the RTF program; and

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

**WHEREAS**, there is \$500,000 available for competitive distribution with project applications for the 2010/2011 RTF cycle due March 1, 2010.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Morro Bay, California, that the Public Services Director, or his duly appointed representative, is authorized to submit applications to the Rural Transit Fund for the following projects: operating assistance for the Morro Bay Dial-A-Ride and purchase of bus stop information display cases.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay at a regular meeting thereof held on the 22<sup>nd</sup> day of February, 2010 on the following vote:

AYES:  
NOES:  
ABSENT:

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Janice Peters, Mayor

ATTEST:

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Bridgett Kessler, City Clerk



AGENDA NO: A-6

MEETING DATE: February 22, 2010

## Staff Report

**TO:** Honorable Mayor and Council                      **DATE:** February 17, 2010  
**FROM:** Janeen Burlingame, Management Analyst  
**SUBJECT:** Resolution No. 09-10 Awarding Contract to Purchase One New Replacement Trolley

### **RECOMMENDATION**

Adopt Resolution No. 09-10 awarding Invitation to Bid No. T1-09 to National Bus Sales in the amount of \$141,774, declare the 1999 trolley surplus and authorize disposition of the vehicle in accordance with Federal Transit Administration regulations.

**MOTION: I move that the City Council adopt Resolution No. 09-10, declare the 1999 trolley surplus and authorize disposition of the vehicle.**

### **FISCAL IMPACT**

Total cost for the vehicle will be \$141,774, which includes delivery to the City's Corporation Yard. If the City pays National Bus Sales within 10 days of vehicle acceptance, a 1% discount would be applied and the vehicle cost would be \$140,356.26. The City will be paying sales tax directly to the State at the 8.75% rate. Funding will come from an American Recovery and Reinvestment Act 5311 grant and no general funds will be used.

### **DISCUSSION**

The trolley to be replaced is more than ten years old, has approximately 73,000 miles and is beyond the useful life criteria established by the Federal Transit Administration. On November 4, 2009 staff sent to nine trolley manufacturers Invitation to Bid No. T1-09. Proposers were to submit bids by 3:00 p.m. P.S.T., December 2, 2009, and by that time staff received the following two bids which are available for Council review at the City Clerk's office:

1. National Bus Sales     \$141,774 (includes delivery cost)
2. Molly Corporation     \$144,019 (includes delivery cost)

Pursuant to Invitation to Bid No. T1-09, Section B, item 1 of the Special Bidders Conditions and Specifications, award of the bid will be "to the lowest responsible, responsive bidder." National Bus Sales was the lowest responsible and responsive bidder at \$141,774. In addition, a 1% discount is available from National Bus Sales for payment within 10 days of vehicle acceptance.

Both National Bus Sales and Molly Corporation's vehicles have been Altoona tested as required by the Surface Transportation and Uniform Relocation Assistance Act of 1987, Section 317. In addition, both National Bus Sales and Molly Corporation submitted the required Federal certifications fully executed.

Prepared By: J. Burlingame

Dept Review: \_\_\_\_\_

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

The bid from National Bus Sales noted three deviations from the required bid specifications that after review by maintenance staff were deemed to be acceptable. Molly Corporation had numerous deviations from the required bid specifications that after review by maintenance staff, many were deemed to be acceptable; however, there were some deviations in relation to the farebox, drivers seat, bumper, exterior mirrors and public address system that the City would want as specified in the bid and as a result would need to be added at additional cost.

Per the conditions of the Recovery Act grant received by the City for this procurement project, the City was required to submit received proposals and staff's recommendation for award to Caltrans Headquarters for review and approval. At the writing of this staff report, Caltrans staff has reviewed the two proposals and has notified the City that it will be recommending approval of the staff recommendation to award IFB No. T1-09 to National Bus Sales.

### **CONCLUSION**

Based on the above information, and in accordance with the General and Special Bidders Conditions and Instructions, staff recommends the Council adopt Resolution No. 09-10 awarding Invitation to Bid No. T1-09 to National Bus Sales for \$141,774, declare the 1999 trolley surplus and authorize disposition of the vehicle in accordance with Federal Transit Administration regulations.

**RESOLUTION NO. 09-10**

**A RESOLUTION AWARDED INVITATION FOR BID NO. T1-09  
TO PURCHASE ONE (1) NEW LIFT EQUIPPED TROLLEY**

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

**WHEREAS**, on March 4, 2009 the City submitted a grant application to the American Recovery and Reinvestment Act (ARRA) Section 5311 Grant for the purchase of one (1) new lift equipped trolley; and

**WHEREAS**, the City was notified on October 13, 2009 that it would be awarded a \$160,000 ARRA Section 5311 grant for the purchase of said trolley; and

**WHEREAS**, the ARRA Section 5311 grant does not require a local match so no general funds are needed for the purchase of the new trolley; and

**WHEREAS**, the City received the fully executed agreement with the State of California Department of Transportation on October 26, 2009; and

**WHEREAS**, the City distributed Invitation for Bid No. T1-09 to nine trolley manufacturers around the country on November 4, 2009; and

**WHEREAS**, pursuant to Section B, Item 1 of the Special Bidders Conditions and Specifications, award of the bid will be to the lowest responsible, responsive bidder; and

**WHEREAS**, National Bus Sales was deemed to be the lowest responsible, responsive bidder.

**NOW, THEREFORE, BE IT RESOLVED** that the Morro Bay City Council award Invitation for Bid No. T1-09 to National Bus Sales to purchase one (1) new lift equipped trolley in the amount of \$141,774.

**PASSED AND ADOPTED** by the Morro Bay City Council at a regular meeting thereof held on the 22<sup>nd</sup> day of February 2010 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

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Janice Peters, Mayor

**ATTEST:**

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Bridgett Kessling, City Clerk



AGENDA NO: A-7

MEETING DATE: February 22, 2010

## Staff Report

**TO: Honorable Mayor and City Council**

**Date: February 16, 2010**

**FROM: Bruce Ambo, Public Services Director  
Cindy Jacinth, Housing Programs Coordinator**

**SUBJECT: Resolution authorizing Sacramento County to receive the Supplemental Energy Program (SEP) Grant on behalf of the City of Morro Bay**

### **RECOMMENDATION:**

It is recommended that the City Council approve the resolution which authorizes Sacramento County to receive the Supplemental Energy Program Grant on behalf of the City of Morro Bay.

**MOTION: I move that the City Council adopt Resolution No. 12-10 authorizing Sacramento County to receive the Supplemental Energy Program Grant on behalf of the City of Morro Bay.**

### **FISCAL IMPACT:**

The grant funds will be used to pay the initial \$10,000 pilot program participation fees, offset initial fees associated with bond issuance, start-up costs, an interest rate buy-down, local marketing/education/training/outreach/coordination and grant administration.

### **SUMMARY:**

The City of Morro Bay in collaboration with the County of San Luis Obispo has submitted a grant application with Sacramento County as the lead agency under the AB 811 CaliforniaFIRST Program. The grant application was recently awarded by the California Energy Commission. A resolution is required which authorizes Sacramento County to receive the Supplemental energy Program Grant on behalf of the City of Morro Bay.

### **BACKGROUND/DISCUSSION:**

This is a follow up to the City's collaboration with the County in applying for a grant under the AB 811 CaliforniaFIRST Program. The grant application was recently awarded by the California Energy Commission (CEC).

Prepared By: \_\_\_\_\_ Dept Review: \_\_\_\_\_  
City Manager Review: \_\_\_\_\_  
City Attorney Review: \_\_\_\_\_

The CaliforniaFIRST Program is being instituted by California Communities, a joint powers authority sponsored by the League of California Cities and the California State Association of Counties, to allow owners of property in participating cities and counties to finance renewable energy, energy efficiency and water efficiency improvements on their property. If a property owner chooses to participate, the improvements will be financed by the issuance of bonds by California Communities. California Communities will levy “contractual assessments” on the owner’s property to repay the portion of the bonds issued to finance the improvements on that property.

**CONCLUSION:**

The CaliforniaFIRST Program enables participation of those households, commercial and industrial establishments that would be appropriate for the program to benefit from these resources. Authorizing Sacramento County to receive the awarded Supplemental Energy Program (SEP) Grant on behalf of the City of Morro Bay is the first step toward providing members of the public with options to efficiently conserve resources and reduce green house gas production and global warming.

**RESOLUTION NO. 12-10**

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA  
AUTHORIZING SACRAMENTO COUNTY TO RECEIVE  
THE SUPPLEMENTAL ENERGY PROGRAM GRANT  
ON BEHALF OF THE CITY OF MORRO BAY**

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

**WHEREAS**, the City of Morro Bay City Council recognizes that it is in the interest of the regional, state, and national economy to stimulate the economy; create and retain jobs; reduce fossil fuel emissions; and reduce total energy usage and improve energy efficiency within our jurisdiction; and

**WHEREAS**, State Energy Program (SEP) funds are available through the California Energy Commission’s SEP for grants to eligible local governments for energy efficiency, energy conservation, renewable energy, and other energy related projects and activities authorized by the American Recovery and Reinvestment Act of 2009 (“ARRA”); and

**WHEREAS**, SEP allows for cities, counties, or groups of cities and counties in California to apply for SEP funds on behalf of eligible local governments; and

**WHEREAS**, the City of Morro Bay is eligible for SEP funding under the California Energy Commission’s SEP; and

**WHEREAS**, the City of Morro Bay is proposing to collaborate with Sacramento County to implement a program for financing the energy efficiency, energy conservation, renewable energy, and other energy related projects and activities authorized by ARRA, which program is described in Exhibit A for the purpose of qualifying for SEP funds from the California Energy Commission; and

**WHEREAS**, the City of Morro Bay has considered the application of the California Environmental Quality Act (CEQA) to the approval of the program for financing energy efficiency, energy conservation, renewable energy, and other energy related projects and activities authorized by ARRA described in Exhibit A; and

**NOW, THEREFORE, BE IT RESOLVED**, that in compliance with the CEQA, the City of Morro Bay finds that the approval of the program for financing energy efficiency, energy conservation, renewable energy, and other energy related projects and activities authorized by ARRA described in Exhibit A is not a “project” under CEQA, because the program does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4)).

**BE IT FURTHER RESOLVED**, that the City of Morro Bay authorizes Sacramento County to submit a collaborative application on its behalf to the California Energy Commission for a potential apportionment of up to \$575,000 in SEP funds for the program for financing energy efficiency, energy conservation, renewable energy, and other energy related projects and activities authorized by ARRA described in Exhibit A.

**BE IT FURTHER RESOLVED**, if recommended for funding by the California Energy Commission, the City of Morro Bay authorizes Sacramento County to accept a grant award on its behalf and to enter into all necessary contracts and agreements, and amendments thereto, on its behalf to implement and carry out the program for financing the project/s described in Exhibit A.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay at a regular meeting thereof held on the 22nd day of February, 2010 on the following vote:

AYES:  
NOES:  
ABSENT:

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JANICE PETERS, Mayor

ATTEST:

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BRIDGETT KESSLING, City Clerk

## EXHIBIT A

### California Energy Commission State Energy Program CaliforniaFIRST Collaborative Proposal Summary of Proposal Scope & Budget Framework

#### **Description of Program Proposal**

Under the lead applicant, Sacramento County, the 14 counties eligible to participate in the pilot stage of the CaliforniaFIRST Program are collaborating on a proposal to the California Energy Commission State Energy Program for a grant of up to \$16.5 million. The grant funds will be used to offset initial fees associated with bond issuance, start-up costs for the 14 counties and all incorporated cities, an interest rate buy-down, local marketing/education/training/outreach, local coordination, and grant administration to support the launch of the CaliforniaFIRST municipal financing program.

#### **CaliforniaFIRST Program County Participants and Proposal Collaborators**

✓ Alameda	✓ Sacramento	✓ San Mateo	✓ Ventura
✓ Fresno	✓ San Benito	✓ Santa Clara	✓ Yolo
✓ Kern	✓ San Diego	✓ Santa Cruz	
✓ Monterey	✓ San Luis Obispo	✓ Solano	

#### **Budget Basics**

##### **1. CaliforniaFIRST financing costs and fees (~\$6M)**

Guided by California Communities and the CaliforniaFIRST Program Administrator Renewable Funding, this program element will:

- buy-down the interest rate on the initial round(s) of projects financed by the CaliforniaFIRST Program,
- cover fixed costs associated with initial bond counsel, bond disclosure, fiscal agent and bond rating,
- cover legal and validation costs, and
- cover the deployment of technology (web portal) to support local programs.

##### **2. Grant/Contract Administration & Steering Committee Liaison: (~\$2.0M)**

On behalf of the applicant agency, grant/contractor administration duties include gathering relevant reporting information from all partner jurisdictions and CaliforniaFIRST, financial oversight and invoicing, contract administration, tracking, monitoring, and oversight of deliverables. In addition, the grant administrator will serve as the partner liaison between all participating steering committees to maintain coordination and consistency on the local marketing efforts between parties as well as provide marketing and contract technical assistance, training, and advice to participating agencies. The Grant Administrator will also coordinate local efforts with those programs funded under the California Comprehensive Residential Building Retrofit Program.

##### **3. Regional Program Coordination & Marketing: (~\$8.5M)**

In line with the overall project goals, funding has been budgeted on a regional basis to each of the six primary program regions in the following amounts, based on total number of Counties:

- Capitol Region (Sacramento/Yolo): \$1,800,000
- Central Valley Region (Fresno/Kern): \$1,150,000
- Bay Area Region: (Alameda/San Mateo/Santa Clara/Solano): \$2,300,000
- North Central Coast Region: (Monterey/Santa Cruz/San Benito): \$1,725,000
- South Central Coast Region: (Ventura/San Luis Obispo): \$1,150,000
- Southern California Region: (San Diego): \$575,000

This final program element serves to provide each region with the resources necessary to help facilitate the rapid adoption of energy efficiency and renewable energy generation system installations throughout the target area by connecting property owners to any and all available on-the-ground or proposed resources, and services, providing a streamlined framework for easy navigation, reduced out-of-pocket expenses, and overall increased cost effectiveness for both participants and the program overall. The focus of the program will be to create region-wide (or county-wide, where appropriate) cooperative project design, implementation, marketing, and coordination to maximize economies of scale, take advantage of overlapping markets, and ultimately allow each dollar to go further to benefit all parties.

### **Financing Costs and Fees**

#### **A. Financing Costs**

As Program Administrator of the California Communities CaliforniaFIRST Program, Renewable Funding will coordinate and provide program administration, financing, and legal services to support a robust statewide municipal financing program. Specific financing costs are concentrated at the start of the program and result in increased fees to a program participant, and therefore a higher effective interest rate. In order to lower the interest rate, the SEP funds will be used to cover bond disclosure counsel, bond rating fees, and a bond fiscal agent. In addition, a direct interest rate buy-down will be employed to achieve a bond rate that is equivalent to an A-rated bond, which is likely to be the bond rating later in the program.

#### **B. Set-up Fees**

A funding request equivalent to the city and county set-up fees will be included in the proposal. The costs for initial legal work and validation proceedings will be covered by this request. Additionally, the costs of establishing county web portals, importing local assessor's data, and maintaining the website will be part of this funding request.

### **Suggested Major Marketing Program Coordination & Marketing Program Elements**

#### **A. Agency Coordination / Steering Committee Participation**

In recognition of the additional coordination time required to get new programs off the ground, individual counties may elect to include a modest amount of staff time for agency representatives to participate in the program steering committee and other activities to drive marketing program design, educational/marketing material development, form and protocol development, etc. By investing this time at the onset, we are able to develop a self-sustaining program for the long term. County agencies (that is, auditor/tax collector/controller) will receive a small percentage, incorporated into each loan, to cover regular ongoing program administration costs associated with maintaining the tax roll and collecting annual assessments in years beyond the grant term. Some jurisdictions may instead wish to contribute this time as project leveraged funds/resources to increase overall program cost effectiveness based on their individual needs and resources. Regional partnership may also elect to use a portion of the resources from this program element toward informal or formalized staff/personnel training within their jurisdictions.

## B. Education / Outreach/ Marketing

Successful program adoption requires thoughtful design, convenient procedures, and a robust program education component to encourage and energize program participation. Achieving this goal, the project team will create clear, consistent, and thematic program branding imagery, educational and recruitment tools such as program brochures. The program will be supported by the CaliforniaFIRST web portal and links to new and existing partner and complementary websites, frequently asked questions, applications, and/or other program materials. In addition, the project will engage a wide-stretching network of partners to promote, recruit, and disseminate program information utilizing existing mechanisms of door-to-door outreach, community event tabling, workshops and presentations, or other appropriate energy efficiency and complementary program participation activities. Major elements might include:

- ✓ Outreach Promotional Materials: Brochures, Door-hangers, Postcard Mailers, Bill Inserts, etc.
- ✓ Program Marketing Advertisements: Print Ads, Radio/TV Ads, PSA Production
- ✓ Promotional Outreach Events, Trade Shows or Community Workshops
- ✓ Homeowner/Business/Contractor/Staff Training Seminars
- ✓ Sustainability Site Signage
- ✓ Green Building and/or LEED Certification Technical Assistance

## C. Community Coordinator / Partner Liaison / Supplies

The community coordinator is envisioned to serve as the single point regional program coordinator to unify, inform, collaborate, and engage all program parties in relation to local coordination and marketing efforts; respond to public inquiries; facilitate the education, outreach, marketing, recruitment; and promote program adoption by the target community. In addition the coordinator is responsible for coordinating with the grant administrator, tracking/reporting necessary progress and metrics, meeting/exceeding grant milestones and targets, incorporating required complementary program components, and working with CaliforniaFIRST to assure QA/QC measures are applied to all participating properties. Specific tasks will be driven by the overall project goals as well as the specific needs of each region and may include:

- ✓ **Coordination** with Grant Administrator/Steering Committee Liaison
- ✓ **Marketing Coordination** with CaliforniaFIRST Municipal Finance District
- ✓ **Facilitation** of local Regional Steering Committee Members and Partners
- ✓ **Assist** with Implementation Strategy, Documents, Procedures & Protocols Development
- ✓ **Guide** Promotion, Marketing, Education, Recruitment & Program Information Dissemination
- ✓ **Link** Program Participants to Regional Energy Efficiency & Complementary Programs
- ✓ **Connect** to Concurrent Complementary Workforce Development Training/Graduates
- ✓ **Administer** Regional Program Budget, Competitive Bidding, Other Program Transparency Reqs
- ✓ **Track** and/or compile, Monitor & Evaluate Program Progress, Energy Savings, GHG Reductions Achieved, Partner Leveraged Funds and Ancillary Environmental Benefits

## Sample County Budget

A sample budget based on the above framework is provided below. Please note that these amounts are subject to change based on the actual needs of each participating jurisdiction as well as feedback obtained regarding funder and partner thresholds for competitiveness.

<b>Component</b>	<b>% Overall</b>	<b>Gross Benefit Per County</b>	<b>Net Benefit Per County</b>
1. CaliforniaFIRST Costs & Fees	39%	\$ 428,571.43	-
2. Grant Administration & Technical Assistance	10%	\$ 107,142.86	-

3A. Steering Advisory Committee	10%	\$ 115,000.00	\$ 115,000.00
3B. Education, Outreach, Incentives, Marketing	23%	\$ 258,750.00	\$ 258,750.00
3C. Community Coordination	18%	\$ 201,250.00	\$ 201,250.00
<b>Total</b>	<b>100%</b>	<b>\$ 1,110,714.29</b>	<b>\$ 575,000.00</b>

**Grant Development Team:**

- **County of Sacramento**—Lead Agency (Applicant), will oversee grant writing, provide final edits and required signatures, and submit finalized proposal on behalf of entire collaborative team based on the approved proposed program scope and budget framework
- **Ecology Action**—Partner Grant Writer (Lead on Marketing), will develop narrative based on proposed program scope and budget framework, especially as it pertains to local coordination and marketing project administration, marketing/contract technical assistance, regional coordination, and marketing, to meet all grant requirements and maximize proposal competitiveness.
- **Renewable Funding**—Partner Grant Writer (Lead on Finance), will develop narrative based on proposed program scope and budget framework, especially for CaliforniaFIRST Program finance-related program elements, to meet all grant requirements and maximize proposal competitiveness.

AGENDA NO: A-8

MEETING DATE: 2/22/10

**A PROCLAMATION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY  
DESIGNATING FEBRUARY 20-27, 2010  
AS “NATIONAL FFA WEEK”**

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

**WHEREAS**, the FFA and agricultural education provide a strong foundation for the youth of America and the future of the food, fiber and natural resources systems; and

**WHEREAS**, the FFA promotes premier leadership, personal growth and career success among its members; and

**WHEREAS**, agricultural education and the FFA ensure a steady supply of young professionals to meet the growing demands in the science, business and technology of agriculture; and

**WHEREAS**, the FFA motto – “learning to do, doing to learn, earning to live, living to serve” – gives direction of purpose to these students who take an active role in succeeding in agricultural education; and

**WHEREAS**, the FFA promotes citizenship, volunteerism, patriotism and cooperation.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Morro Bay that February 20-27, 2010, is designated as “National FFA Week.”

IN WITNESS WHEREOF I have  
hereunto set my hand and caused the  
seal of the City of Morro Bay to be  
affixed this 22<sup>nd</sup> day of February 2010

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JANICE PETERS, MAYOR  
City of Morro Bay, California

AGENDA NO: A-9

MEETING DATE: 2/22/10

**A PROCLAMATION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY  
DESIGNATING TUESDAY, FEBRUARY 23, 2010  
AS "SPAY DAY USA"**

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

**WHEREAS**, pets provide companionship to more than 71,000,000 households in the United States; and

**WHEREAS**, humane societies and animal shelters have to put down more than four million cats, dogs and rabbits each year, many of whom are healthy and adoptable, due to a lack of critical resources and public awareness; and

**WHEREAS**, this tragic overpopulation of pets costs citizens and taxpayers of this country millions of dollars annually through animal service programs aimed at coping with the millions of homeless animals; and

**WHEREAS**, spaying and neutering has been shown to dramatically reduce the overpopulation of pets and feral cats, proving to be a wise investment in saving animal lives and taxpayer dollars; and

**WHEREAS**, veterinarians, national and local animal protection organizations, and private citizens worked together to ensure the spaying or neutering of more than 32,500 pets and feral cats through "Spay Day USA" in 2009; and

**WHEREAS**, veterinarians, national and local animal protection organizations, and private citizens have joined together again to advocate the spaying and neutering of pets and feral cats on "Spay Day USA 2010":

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Morro Bay that February 23, 2010, is designated "Spay Day USA." The City Council is authorized and requested to issue a proclamation calling upon the citizens of Morro Bay to observe the day by having their own cats, dogs and rabbits spayed or neutered or by sponsoring the spaying or neutering of another person's pet.

IN WITNESS WHEREOF I have  
hereunto set my hand and caused the  
seal of the City of Morro Bay to be  
affixed this 22<sup>nd</sup> day of February 2010

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JANICE PETERS, MAYOR  
City of Morro Bay, California



AGENDA NO: B-1

MEETING DATE: February 22, 2010

# Staff Report

**TO:** Honorable Mayor and Council                      **DATE:** February 17, 2010  
**FROM:** Andrea Lueker, City Manager  
**SUBJECT:** Discussion on the Fiscal Year 2010/11 Budget and Priorities

**RECOMMENDATION:**

Open the public hearing to receive comments in regard to the fiscal year 2010/2011 budget. No further action is recommended.

**FISCAL IMPACT:**

Not applicable

**DISCUSSION:**

The City Council approved the budget calendar (Attachment 1) at their February 8, 2010 City Council meeting. As part of that discussion the City Council approved and encouraged additional opportunities to receive public comment in regard to the budget. In addition to general comments the Council is interested in members of the public answering two specific questions:

1. In these difficult budget items, what City Services are most important to you?
2. What do you value most about Morro Bay?

Staff will collect all the comments/responses and provide that information to the City Council at their first budget/goal workshop scheduled for March 16<sup>th</sup>/17<sup>th</sup>.

The other dates for public comment on the budget include the March 8<sup>th</sup> City Council meeting and prior to the March 16<sup>th</sup> Budget/Goal Workshop (specific time to be determined).

**Prepared By:** \_\_\_\_\_                      **Dept Review:** \_\_\_\_\_  
**City Manager Review:** \_\_\_\_\_  
**City Attorney Review:** \_\_\_\_\_



AGENDA NO: C-1

MEETING DATE: 02/22/10

# Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** February 16, 2010  
**FROM:** Dylan Wade, Utilities/Capital Projects Manager  
**SUBJECT:** Authorization to Add and Hire a Wastewater Collections Systems Operator II

## **RECOMMENDATION:**

Authorize the addition and hiring of a new Wastewater Collections Systems Operator II for the Waste Water Collections Division.

**MOTION:** I move that the City Council Authorize the addition and hiring of a new Wastewater Collections Systems Operator II for the Waste Water Collections Division.

## **FISCAL IMPACT:**

This action will result in an increase to the fixed operating costs for the Waste Water Collections Division, while reducing the costs associated with contractual services. The cost impact to the department will vary for each task based on the relative costs/efficiencies between contract labor rates and our own labor rates. Hiring an in house worker will result in an estimated cost savings of \$9,753 to \$108,192 per year.

## **BACKGROUND:**

The work tasks that will be assigned to this position, have already been committed to with the City Council's adoption of the State mandated Sanitary Sewer Management Plan (SSMP) on June 8<sup>th</sup>, 2009. In the June 4<sup>th</sup>, 2009 staff report for the adoption of the SSMP staff underscored the importance of this position noting that, "Implementation of the plan will lead to larger operational expenditures, larger capital expenditures, and potentially larger staffing levels to meet the minimal standards of the General Waste Discharge Requirements." See Attachment A "Sanitary Sewer Management Plan". Staff requested authorization to fill this position at the November 3, 2009 City Council meeting. See Attachment B "Authorization to Add and Hire a Collections Maintenance Worker II". The City Council requested that this item be postponed until after the mid-year budget review, and also requested that additional information regarding the cost of outsourcing this work be performed.

Prepared By: \_\_\_\_\_

Dept Review: \_\_\_\_\_

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

**DISCUSSION:**

The Collections Division Mandatory Minimum Work Effort spreadsheet is attached outlining the tasks committed to as a part of the SSMP and a gross estimate of work effort required from each position to complete the tasks. Because only the mandatory work efforts are outlined, not all of the work efforts of the Division are included in the spreadsheet. Many of the assists to other divisions and emergency type tasks that occur infrequently, are difficult to estimate, and are not included.

The pay range for a Wastewater Collections System Operator II in Morro Bay is between \$17.02- 20.69 per hour depending on their step. As a prevailing wage City, the minimum amount that a contract laborer working for the City can be paid performing sewer maintenance work is \$28.98 per hour. For a prevailing wage laborer the minimum fringe benefit package raises their minimum salary to \$44.07. With a benefits package range of \$11.63 to \$18.30 per hour for City staff in this division (depending on their elections), the minimum hourly savings ranges between \$5.08 to \$15.42 per hour. The actual rates quoted by a local supplier of sanitary sewer maintenance services were significantly higher at \$85.00 per hour, which would raise the maximum hourly savings to \$56.35 per hour. Based on a 48 week work year the savings to the City would range between \$9,753 to \$108,192 per year.

**CONCLUSION:**

Staff recommends that the Council authorize the addition and hiring of a new Wastewater Collections Systems Operator II for the Waste Water Collections Division. There will be a net savings to the Collections Division Budget by hiring permanent staff versus hiring contract laborers to perform these duties at prevailing wage rates. In addition to the cost savings, having an additional person on staff will increase the emergency response abilities, the reliability, and the level of service provided by the Division.

Attachments:

A - Sanitary Sewer Management Plan June 4<sup>th</sup> 2009 staff report

B - Authorization to Add and Hire a Collections Maintenance Worker II November 3, 2009 staff report



AGENDA NO:

MEETING DATE:

# Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** June 4, 2009  
**FROM:** Dylan Wade, Utilities/Capital Projects Manager  
Michael Randall, Assistant Engineer  
Jim Hayes, Collections System Supervisor  
**SUBJECT:** Sanitary Sewer Management Plan

## **RECOMMENDATION:**

It is recommended that the City Council adopt the completed Sanitary Sewer Management Plan (SSMP).

## **FISCAL IMPACT:**

To date there have been minimal costs for reproduction of documents and handouts associated with this effort. In addition there has been approximately 1400 hours of staff time invested developing these standards in addition to the routine duties of the Collections division. Implementation of the plan will lead to larger operational expenditures, larger capital expenditures, and potentially larger staffing levels to meet the minimal standards of the General Waste Discharge Requirements.

## **BACKGROUND AND DISCUSSION:**

In 2006 the State Water Resources Control Board adopted Order No. 2006-003 General Waste Discharge Requirements for Wastewater Collections Agencies. One requirement of this order is that all Public collections systems in the State of California are required to reduce the risks to Public Health and the environment by creating an SSMP. The purpose of the SSMP is to implement a set of Best Management Practices into the operations of all the collection systems in the State.

The SSMP includes eleven (11) mandatory elements ranging in complexity from preparing goals and a mission statement, to performing a complete capacity assessment. During the October 8<sup>th</sup> 2007 City Council meeting the City Council adopted elements one and two of the SSMP, outlined a schedule for preparation of the other chapters of the SSMP, and directed staff to prepare the plan in conjunction with the Public Works Advisory Board. We have

Prepared By: \_\_\_\_\_      Dept Review: \_\_\_\_\_  
City Manager Review: \_\_\_\_\_  
City Attorney Review: \_\_\_\_\_

completed the work program and are now bringing the completed document forward for your review and adoption.

The General Waste Discharge Requirements require that this plan be audited every two years and any necessary changes made. We will bring this document back in 2011 with a review of the performance of our system, and corrections necessary to remedy any deficiencies found in this document.

**CONCLUSION:**

It is recommended that the City Council adopt the completed SSMP.



AGENDA NO:

MEETING DATE: 11/09/09

## Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** November 3, 2009  
**FROM:** Dylan Wade, Utilities/Capital Projects Manager  
**SUBJECT:** Authorization to Add and Hire a Collections Maintenance Worker II

### **RECOMMENDATION:**

Authorize the addition and hiring of a new Maintenance Worker II for the Waste Water Collections Department.

**MOTION:** I move that the City Council Authorize the addition and hiring of a new Maintenance Worker II for the Waste Water Collections Department.

### **FISCAL IMPACT:**

This action will result in an increase to the fixed operating costs for the Waste Water Collections Division, while reducing the costs associated with contractual services. The cost impact to the department will vary for each task based on the relative costs/efficiencies between contract labor rates and our own labor rates. Cost impacts to the Waste Water Collections Division are estimated to be negligible because the high cost of contracted prevailing wage labor offsets any inefficiencies of adding a full time position.

### **BACKGROUND:**

The work tasks that will be assigned to this position, have already been committed to with the City Council's adoption of the State mandated Sanitary Sewer Management Plan (SSMP) on June 8<sup>th</sup> of this year. In the June 4<sup>th</sup> staff report for the adoption of the SSMP staff underscored the importance of this position noting that, "Implementation of the plan will lead to larger operational expenditures, larger capital expenditures, and potentially larger staffing levels to meet the minimal standards of the General Waste Discharge Requirements." Staff is now requesting that an additional person be added to help cover these added work tasks.

### **DISCUSSION:**

The Collections Division Mandatory Minimum Work Effort spreadsheet is attached outlining the tasks committed to as a part of the SSMP and a gross estimate of work effort required

Prepared By: \_\_\_\_\_

Dept Review: \_\_\_\_\_

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

from each position to complete the tasks. Because only the mandatory work efforts are outlined, not all of the work efforts of the Division are included in the spreadsheet. Many of the assists to other divisions and emergency type tasks that occur infrequently, are difficult to estimate, and are not included.

**CONCLUSION:**

Staff recommends that the Council authorize the addition and hiring of a new Maintenance Worker II for the Waste Water Collections Division.

## Collections Department Mandatory Minimum Work Efforts (in work days)

SSMP Mandatory Elements	Task	SUP	MW3	MW2	MW2	New Hire
<b>Element 1</b>						
Goals	semiannual planning	2	2	2	2	2
<b>Element 2</b>						
Organization	Internal and Interdepartment	20	10	5	5	5
	Interface with other agencies	15	10	5	5	5
<b>Element 3</b>						
Legal Authority	Illicit discharge prevention*	2	2	0	0	
	Sewer connection design & construction*	2	2	0	0	
	Access maintenance	0	0	30	30	
	Violation enforcement *	10	8	0	0	
<b>Element 4</b>						
O&M	Collections System mapping	8	12	5	5	
	<b>Daily Preventative Maintenance</b>					
	Safety and Vehicle inspections	5	5	5	5	5
	USA's	1	10	10	10	
	Lift Station checks	2	2	45	45	
	Customer Complaints and Questions	30	30	1	1	1
	Scheduled Line Cleaning	1	1	45	45	
	Enhanced Maintenance	10	10	30	30	
	Daily logs/records	25	25	10	10	10
	Root removals	1	1	12	12	
	Work Orders	20	20	15	15	
	<b>Monthly Preventative Maintenance</b>					
	Preparing and planning the work	6	6	1	1	1
	Preparing the monthly report	6	3	0	0	
	Certifications through CIWQS	2	1	0	0	
	Equipment Calibration	1	1	8	7	1
	<b>Annual Preventative Maintenance</b>					
	WWTP Annual report support	1	1	0	0	
	Root Treatment	5	5	5	5	
	Video Inspections	20	20	20	20	
	Emergency Notifications	1	1	1	1	
	OSHA audits	1	1	1	1	1
	<b>Other Preventative Maintenance</b>					
	DOT reporting	2	2	1	1	1
	Personell Evaluations	4	0	0	0	
	Drivers Liscense testing	1	1	1	1	1
	Driver Liscense physicals	1	1	1	1	1
	Certification Testing	1	1	1	1	1
	Repair and Rehabilitation*	20	20	10	10	
	Training	2	2	2	2	2
	Maintaining Inventories	2	2	2	2	2
<b>Element 5</b>						
Performance	Developing Performance Standards	2	2	0	0	
<b>Element 6</b>						
Overflow Response	Responses and reporting of SSO's	5	5	5	5	
<b>Element 7</b>						
F.O.G. program	F.O.G. Control*	13	13	1	1	
	Source Control/Pretreatment Program	2	1	0	0	

<b>Element 8</b>						
System Evaluations and Capacity Assurance	CIP program*	10	10	5	5	
	Capacity evaluation*	5	5	5	5	
	I&I program*	5	10	5	5	
<b>Element 9</b>						
Monitoring & Mods	Program Review and Audits	2	2	2	2	
<b>Element 10</b>						
Audits		0	0	0	0	
<b>Element 11</b>						
Communications Program	Public Education and Outreach*	12	12	1	1	
		Sup	MW3	MW2	MW2	New Hire
<b>Total work days of effort to complete mandatory minimum tasks.</b>		<b>286</b>	<b>278</b>	<b>298</b>	<b>297</b>	<b>39</b>
<b>Total Work Days Available (12 H, 10V, 5S)</b>		<b>234</b>	<b>234</b>	<b>234</b>	<b>234</b>	<b>234</b>
<b>Percent Work Load</b>	<b>average = 102.38%</b>	<b>122.22%</b>	<b>118.80%</b>	<b>127.35%</b>	<b>126.92%</b>	<b>16.67%</b>

\* Tasks that are not currently receiving the necessary coverage.



AGENDA NO: C-2

Meeting Date: 2/22/10 Action: \_\_\_\_\_

## Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** February 10, 2010

**FROM:** Dylan Wade, Utilities/Capital Projects Manager

**SUBJECT:** Discussion on Water Quality Testing in Morro Bay's Drinking Water

### **RECOMMENDATION:**

It is recommended that City Council review this staff report and provide direction to Staff as it deems necessary to test for emerging contaminants.

### **FISCAL IMPACT:**

The City currently conducts routine water quality testing in accordance with the permits and direction issued by the California Department of Health. To the extent that additional monitoring is requested there will be costs incurred to conduct that monitoring. The estimated cost for each location to test the drinking water in Morro Bay for emerging contaminants is \$431 plus the associated staff time.

### **BACKGROUND:**

The Morro Bay City Council held a discussion on the water quality in the City at the January 11, 2010 meeting. During that discussion, the Council requested that staff investigate the availability and costs for testing for emerging contaminants.

### **DISCUSSION:**

The City of Morro Bay conducts a routine monitoring program testing the quality of both the source waters and the treated waters that enter into the distribution system. The water is tested for the more than 100 contaminants for which both primary and secondary drinking water standards

Prepared By: \_\_\_\_\_

Dept Review: \_\_\_\_\_

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

Page 1 of 2

have been established. In addition to testing for the regulated contaminants for which primary or secondary standards apply, the City also performs testing to assist the EPA in determining to what extent unregulated contaminants occur as part of the 5 year repeating Unregulated Contaminant Monitoring Rule process. Other testing is performed by the City as needed to ensure the integrity of the treatment process being used, or in the case of the recent nitrate studies, as an indicator of source water characteristics.

Recent advances in laboratory techniques have created the ability to test for certain products that may persist in the environment in trace concentrations. These products, such as pharmaceuticals and personal care products, are referred to as emerging contaminants. Councilmember Grantham provided staff a list of 19 chemical substances that the United States Geological Survey labs have found to potentially persist in the environment. Of these 19 chemicals, staff was only able to find commercial labs able to test for these five; Phenol, Carbamazepine, Ibuprofen, Diclofenac, and Gemfibrozil. The costs quoted above are for the testing of these five chemicals. The lab we are proposing using can also test for the following; Acetaminophen, caffeine, Cotinine, Lincomycin, Sulfadimethoxine, Sulfathiazole, Sulfamethoxazole, Sulfamethazine, Trimethoprim, Triclosan, Tylosin at additional cost. The reporting limits for these chemicals is at concentrations in the range of 1- 5 parts per trillion.

Since the City receives water from multiple sources, some of which are subject to the influence of wastewater, there is the potential to find trace levels of these contaminants in the drinking water in Morro Bay. Depending on a number of factors such as the time of year, or blend of waters being used, the probability of finding trace contaminants will vary. While there are no known health risks from exposure to emerging contaminants occurring in trace amounts, and the methodologies for testing or treating water containing these emerging contaminants are not well established, testing can be pursued at the will of the Council.

## **CONCLUSION**

It is recommended that the City Council review this staff report and provide direction to staff as it deems necessary.



AGENDA NO: C-3

MEETING DATE: 2/22/2010

# Council Report

**TO:** Honorable Mayor and City Council

**DATE:** Feb 22, 2010

**FROM:** Noah Smukler, City Councilmember

**SUBJECT:** Discussion regarding alternative biosolids management options

**RECOMMENDATION:**

The City Council considers this information and direct staff accordingly

**FISCAL IMPACT:**

The fiscal impact to the City of Morro Bay is to be determined by our actions.

**SUMMARY & POSSIBLE ACTIONS:**

- a. Continue involvement in the San Luis County Regional Biosolids Management Plan workgroup and prepare to consider participation in the anticipated RFP and EIR process evaluating regional options and usage guidelines. On March 23, the SLO County Board of Supervisors will be hearing the Conservation and Open Space element review with discussion on biosolids and Open Space land application.
- b. Retain documents and records of all information about the existing Morro Bay/Cayucos Biosolids Composting Program to be available as an aid for other communities or our own to develop similar projects in the future.
- c. As an alternative option to extend our leadership in composting, consider proposals from the local non-profit "Environmental Protection Associates" regarding their potential development of a pilot Zero Waste Recycling Park and Organics Composting program.
- d. Consider involving the Cal Poly Civic and Environmental Engineering Department to aid in the evaluation of alternative biosolids management options. (The Department was involved with the City's plant in a 2006 design project and just completed a project assisting the LA County Sanitation District develop their Biosolids Management Project.)

Prepared By: NOS Dept Review: \_\_\_\_\_

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

- e. Continue participation with SLO Integrated Waste Management Authority and encourage the development of a countywide public education campaign focused on increasing awareness about proper disposal behaviors and the expensive impacts from inappropriate disposal of hazardous materials in the water treatment system. (i.e. Cat litter, pharmaceutical drugs, etc)
- f. Consider utilizing the services of Engel & Grey Composting (Santa Maria) as a more local option that has reduced hauling impacts to the environment, potentially less hauling costs in an accelerated fuel cost scenario and may offer collaborative opportunities for local “pre-consumer” organics (food waste) composting for special events, markets and restaurants. The current biosolids composting operation will not be terminated until November 2010, so staff will want to time their solicitation of updated biosolids hauling and composting bids appropriately. We would need to verify that Engel & Grey is certified to handle our anticipated “Sub Class B” Biosolids.

**BACKGROUND:**

The Morro Bay/Cayucos Water Treatment Plant construction project, as currently proposed, eliminates the existing onsite composting program and sludge drying beds. The new biosolids management plan is to pay to haul the Sub Class B Biosolids via truck to a Kern County based composting facility. Addition of tertiary treatment will increase the volume of biosolids to be disposed. Hauling expenses will be susceptible to fuel cost increases and tightened regulations.

The benefits of a locally based Biosolids Management or Minimization Plan are:

- More control and predictability in long term operational costs
- Continue leadership by example and retained knowledge of program
- Improved Carbon Footprint of WWTP operations and maintenance
- Energy generation potential
- Improved ability to identify and address pollution sources in the system
- Ability to regulate and protect local area from out of area biosolids

*Update Regional Biosolids Composting Project Concept*

The Morro Bay/Cayucos water treatment plant composting operation is the only such program in the County. All other SLO County water treatment plants are dependent on trucking of treated biosolids to either an out-of-county composting operation or to a local landfill. Both of these choices are best described as “temporary avoidance behavior”.

Other municipalities and the County of San Luis Obispo have discussed the concept of a San Luis County regional biosolids composting project. In the past several months the County has convened two meetings to discuss the possibility of utilizing vermiculture (worms) in the processing of biosolids as is being done in other states and countries. There may be an opportunity to set up some pilot programs in SLO County and there is discussion of developing a Request for Proposals (RFP) to solicit proposals for an Environmental Impact Report (EIR) to evaluate the various disposal options of locally generated biosolids. Our own WWTP Manager Bruce Keogh has attended these meetings. The next move is to develop the RFP for the EIR and bring together representatives from the county, cities and special districts that operate wastewater treatment facilities to help draft the RFP. Interestingly, water is anticipated to be a major limiting factor of the project. Knowing that the cost of the EIR will likely be in the \$250 K range, the project will need the participation of several operators to successfully fund the EIR. Due to estimated costs, it is assumed that the funding and operation of such a project is best approached from a regional, “economics of scale” perspective.

Additional “out-of-County” option:

The City of San Luis Obispo currently utilizes the Santa Maria based composting operation “Engel & Grey” and reports that they were selected as the closest, most affordable option. A review of their situation by City of SLO staff is included below:

“The (City of San Luis Obispo) Council approved an agreement with Engel and Gray in 2001 for composting the City’s biosolids and again in 2005. The City has budgeted \$135,000 in 2009-10 and \$137,000 for 2010-11. Our current agreement will expire in late 2010. Staff has been very pleased with the service and professionalism of Engel and Grey.

City of SLO Report: Our contract with Engel and Gray includes loading the biosolids at the Water Reclamation Facility and hauling them to Engel and Gray’s permitted composting facility in Santa Maria . The biosolids are mixed with green waste then wind- rowed, turned periodically, and monitored for temperature, moisture, and a variety of other criteria to ensure a properly composted product. Engel and Gray market its compost under the “Harvest Blend” brand.

The City and other county wastewater agencies, including Morro Bay, have been meeting routinely to discuss biosolids issues in San Luis Obispo County with a goal of beneficially using County material within the County. Currently every agency’s biosolids, save most of Morro Bay ’s, are being hauled out of the County.”



AGENDA NO: C-4

MEETING DATE: February 22, 2010

## Staff Report

**TO:** Honorable Mayor and Council                      **DATE:** February 16, 2010  
**FROM:** Andrea Lueker, City Manager

**SUBJECT:** Approval of Resolution No. 11-10 Adding To and Amending the Council Policies and Procedures Manual Regarding the Expense Reimbursement Policy for Elected and Appointed Officials, City Letterhead and the Council Compensation Committee.

**RECOMMENDATION:**

Approve Resolution No. 11-10 which would amend the Council Policies and Procedures Manual.

**MOTION:** I move that the City Council approve Resolution No 11-10 amending the Council Policies and Procedures Manual in regard to expense reimbursement, city letterhead and the Council Compensation Committee.

**FISCAL IMPACT:**

Not applicable.

**DISCUSSION:**

At the October 8, 2007 City Council meeting, the City Council adopted Resolution No. 52-07 (Attachment 1) which outlined an expense reimbursement policy for elected officials. However, that policy was not incorporated into the Council Policies and Procedures Manual. Staff has incorporated that information in Chapter 2 of the Manual with the added information red/blue-lined and attached (Attachment 2).

At the January 14, 2008 City Council meeting, the City Council motioned (Attachment 3) for an amendment to Section 2.6 of the Council Policies and Procedures Manual which would change the word "shall" to "may". Staff has incorporated that amendment in Chapter 2 of the Manual with the amendment red/blue-lined and attached (Attachment 4).

At the January 11, 2010 City Council meeting, the City Council motioned for an amendment to Section 5.4 of the Council Policies and Procedures Manual in regard to the use of City letterhead. Staff has amended that language with the amendment red/blue-lined and attached (Attachment 5).

**Prepared By:** \_\_\_\_\_                      **Dept Review:** \_\_\_\_\_  
**City Manager Review:** \_\_\_\_\_  
**City Attorney Review:** \_\_\_\_\_

**RESOLUTION NO. 11-10**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY ADDING TO AND AMENDING THE COUNCIL POLICIES AND PROCEDURES MANUAL REGARDING EXPENSE REIMBURSEMENT POLICY FOR ELECTED AND APPOINTED OFFICIALS, CITY LETTERHEAD AND THE COUNCIL COMPENSATION COMMITTEE**

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

**WHEREAS**, the Council Policies and Procedures Manual for the City of Morro Bay is a combination of City Council actions, policies references and information regarding the City Council; and

**WHEREAS**, to ensure that all Councilmembers are familiar with and understand the City of Morro Bay’s philosophies and policies regarding serving on the City Council, the City of Morro Bay adopted Resolution No. 42-02 and its Council Policies and Procedures Manual on August 12, 2002; and

**WHEREAS**, the City desires to add section 2.3.1.1 in regard to authorized expenses, 2.3.1.2 in regard to expenses not eligible, section 2.4.3 in regard to transportation, section 2.4.4 in regard to lodging, section 2.4.5 in regard to meals, section 2.4.6 in regard to miscellaneous expenses, section 2.4.7 in regard to the cash advance policy, section 2.4.8 in regard to the credit card use policy, section 2.4.9 in regard to expense reports, section 2.4.10 in regard to reports to City Council and section 2.4.11 in regard to compliance with laws and violation, as follows:

**2.3.1.1. Authorized Expenses**

City funds, equipment, supplies (including letter head), titles, and staff time must only be used for authorized City business. Expenses incurred in connection with the following types of activities generally constitute authorized expenses, as long as the other requirements of this section are met:

- Communicating with representatives of regional, state and national government on City-adopted positions.
- Attending educational seminars designed to improve official’s skill and information levels.
- Participating in regional, state and national organizations whose activities affect the City’s interests.
- Recognizing service to the City (i.e. thanking a longtime employee with a retirement gift or celebration of nominal value and cost).
- Implementing a City-approved strategy for attracting or retaining businesses to the City, which will typically involve at least one staff member.
- Meetings such as those listed above for which a meeting stipend is expressly authorized under this section.

All other expenditures require prior approval by the City Council, including international and out-of-state travel.

**2.3.1.2. Expenses Not Eligible for Reimbursement**

- The personal portion of any trip.
- Political or charitable contributions or events.
- Family expenses, including partner's expenses, when accompanying official on City-related business.
- Entertainment expenses, including theater, movies, sporting events (including gym, massage and/or golf related expenses) or other cultural events.
- Alcohol/personal bar expenses.
- Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline.
- Personal losses incurred while on City business.

### **2.4.3 TRANSPORTATION**

If trip arrangements are made, as a convenience, for spouse or family members, reimbursement to the City for any advanced expenses should be received by the City prior to the trip. When attending conferences or meetings that are of such distances that is more economical to take commercial transportation, if an official proposes to drive his/her car in those cases, commercial air fare will be paid and not automobile mileage. Government and group rates must be used when available.

2.4.3.1 Airfares that are reasonable and economical shall be eligible for purposes of reimbursement.

2.4.3.2 Automobile mileage is reimbursed at IRS rates in effect at the time of travel. These rates are designed to compensate the driver for gasoline, insurance, maintenance, and other expenses associated with operating the vehicle. This amount does not include bridge and road tolls which are also reimbursable.

2.4.3.3 Car Rental rates that are reasonable and economical shall be eligible for purposes of reimbursement.

2.4.3.4 Taxi and shuttle fares may be reimbursed, including a 15% gratuity per fare, when the cost of such fares is equal or less than the cost of car rentals, gasoline and parking combined, or when such transportation is necessary for time-efficiency.

### **2.4.4 LODGING**

Lodging expenses will be reimbursed or paid for when travel on official City business reasonably requires an overnight stay. If such lodging is in connection with a conference, lodging expenses must not exceed the group rate published by the conference sponsor for the meeting in question if such rates are available at the time of booking. Travelers must request government rates, when available. If the group rate is not available, reimbursement at the IRS rate in effect at the time of travel shall apply (IRS Publication 463).

### **2.4.5 MEALS**

A local expense reimbursement policy identifying a "per diem" of reasonable rates for meals in not adopted. Receipts for expenses for meals shall be required. Actual expenses shall be reimbursed subject to the maximum per diem for the mean as set by the IRS rate in effect at the time of travel. (Cal. Gov't Code 53232.2© and Publication 1542 at [www.Irs.gov](http://www.Irs.gov) or [www.policyworks.gov/perdiem](http://www.policyworks.gov/perdiem).) The City will not pay for alcohol/personal bar expenses.

#### **2.4.6 MISCELLANEOUS EXPENSES**

Officials will be reimbursed for actual telephone, fax, and parking expenses incurred on City business. Telephone bill should identify which calls were made on City business.

#### **2.4.7 CASH ADVANCE POLICY**

From time to time, it may be necessary for an official to request a cash advance to cover anticipated expenses while traveling or doing business on the City's behalf. Such request for an advance should be submitted to the City Manager ten working days prior to the need for the advance with the following information

1. The purpose of the expenditures
2. The benefits of such expenditures to the residents of the City.
3. The anticipated amount of the expenditures(s) (for example, hotel rates, meal costs, and transportation expenses).
4. The dates of the expenditure.

Any unused advance must be returned to the City within five working days of the official's return, along with an expense report and receipts documenting how the advance was used. In the event the City Manager is uncertain as to whether a request complies with this policy, such individual must seek resolution from the City Council.

#### **2.4.8 CREDIT CARD USE POLICY**

The City issues credit cards to individual office holders for selected City expenses. City office holders may use the City's credit card for such purposes as airline tickets and hotel reservations by following the same procedures for cash advances. Receipts documenting expenses incurred on the City credit card and compliance with this section must be submitted within thirty working days of use. Credit cards may not be used for personal expenses, even if the official subsequently reimburses the City.

#### **2.4.9 EXPENSE REPORT CONTENT AND SUBMISSION DEADLINES**

All cash advance expenditures, credit card expenses and expense reimbursement requests must be submitted on an expense report form provided by the City. This form shall include the following advisory:

“All expenses reported on this form must comply with the City's policies relating to expenses and use of public resources. The information submitted on this form is a public record. Penalties for misusing public resources and violating the City's policies include loss of reimbursement privileges, restitution, civil and criminal penalties as well as additional income tax liability. “

Expense reports must document that the expense in question met the requirements of this Policy. Officials must submit their expense reports within thirty calendar days of an expense being incurred, accompanied by receipts documenting each expense. Restaurant receipts, in addition to any credit card receipts, are also part of the necessary documentation.

Inability to provide such documentation in a timely fashion may result in the expense being borne by the official.

In the event the official does not attend the trip and non-refundable expenses have been incurred for registration, lodging and/or travel, the non-attending official shall submit a written explanation of the reasons for non-attendance to the City Manager. The City

Manager shall determine if the public funds advanced must be reimbursed to the City. Any decision of the City Manager may be appealed to the City Council.

**2.4.10 REPORTS TO CITY COUNCIL, BOARD OR COMMISSION**

At the next regular City Council meeting (or Planning Commission) meeting, each official shall briefly report on the meetings attended at City expense. If multiple officials attended, a joint report may be made.

**2.4.11 COMPLIANCE WITH LAWS; VIOLATION**

City officials should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All City expenditures are public records subject to disclosure under the Public Reports Act and other applicable laws. Use of public resources or falsifying expense reports is a violation of this Policy and may result in any or all of the following: 1) loss of reimbursement privileges, 2) a demand for restitution to the City, 3) the City's reporting the expenses as income to the elected official to state and federal tax authorities, 4) civil penalties of up to \$1,000 per day and three times the value of the resources used, and 5) prosecution for misuse of public resources.

**WHEREAS**, the above mentioned sections all were adopted with Resolution No. 52-07 during the October 8, 2007 City Council meeting, but not incorporated into the Council Policies and Procedures Manual; and

**WHEREAS**, the City desires to amend section 5.4 in regard to the use of City letterhead, as follows:

**5.4 USE OF CITY LETTERHEAD**

Staff will not prepare correspondence representing a Councilmember's personal point of view or a dissenting point of view from an official City policy or Council position. If Councilmembers use their title, position, or City letterhead to express a personal opinion, the letter shall state "I am writing this letter on behalf of myself" and, the official City position must also be stated clearly so the audience understands the difference/relationship between the official City position and the viewpoint of the Councilmember. If a letter is written on behalf of the majority of the City Council, the letter shall state "I am writing this letter on behalf of the City Council". A copy of any and all correspondence developed by or for a Councilmember on City letterhead shall be provided to the City Manager and the rest of the City Council.

**WHEREAS**, the City desires to amend section 2.6 in regard to the Council Compensation Committee as approved by the City Council at their January 14, 2008 City Council meeting, as follows:

**2.6 COUNCIL COMPENSATION COMMITTEE**

A five member review committee shall may be appointed by January 31, in even numbered years and shall bring its proposed recommendations in resolution form to the City Council within 90 days, or no later than May 1st.

**NOW, THEREFORE**, be it resolved that the City Council of the City of Morro Bay does

hereby add sections 2.3.1.1, 2.3.1.2., 2.4.3, 2.4.4, 2.4.5, 2.4.6, 2.4.7, 2.4.8, 2.4.9., 2.4.10., 2.4.11, 5.4 and amend section 2.6 to the Council Policies and Procedures Manual to reflect the above amendments.

**PASSED AND ADOPTED**, by the City Council, City of Morro Bay at a regular meeting thereof held on the 22<sup>nd</sup> day of February 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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JANICE PETERS, Mayor

ATTEST:

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BRIDGETT KESSLING, City Clerk

# **City of Morro Bay**

## **Council Policies and Procedures**

### **SCOPE**

**This resolution shall establish the procedures for the conduct of all meetings of the City Council of the City of Morro Bay. The purpose of this resolution is to provide that the City Council's meeting procedures will be consistent with the Brown Act (Government Code Sections 54950 et seq.) establish procedures which will be convenient for the public and contribute to the orderly conduct of the City's business. The procedures herein are in addition to, and not in place of, Morro Bay Municipal Code 2.08 and any other applicable ordinances and statutes, and in the event of conflict between this resolution and applicable ordinances or statutes, the latter shall govern.**

**RESOLUTION NO: 46-02  
ADOPTED BY THE CITY COUNCIL OF  
THE CITY OF MORRO BAY ON  
AUGUST 12, 2002 APPROVING AND ADOPTING  
THE COUNCIL POLICIES AND PROCEDURES MANUAL  
AND RESCINDING RESOLUTION NO. 47-01**

**RESOLUTION NO: 54-03  
ADOPTED BY THE CITY COUNCIL OF  
THE CITY OF MORRO BAY ON  
NOVEMBER 13, 2003 AMENDING COUNCIL  
POLICIES AND PROCEDURES MANUAL  
SECTIONS 1.2.2 AND 1.3.7.1.1**

**RESOLUTION NO: 37-04  
ADOPTED BY THE CITY COUNCIL OF  
THE CITY OF MORRO BAY ON  
JUNE 24, 2004 AMENDING COUNCIL  
POLICIES AND PROCEDURES MANUAL  
SECTION 1.3.9.3.5**

**RESOLUTION NO: 42-05  
ADOPTED BY THE CITY COUNCIL OF  
THE CITY OF MORRO BAY ON  
NOVEMBER 14, 2005 AMENDING COUNCIL  
POLICIES AND PROCEDURES MANUAL  
SECTION 4.5**

**RESOLUTION NO: 23-06  
ADOPTED BY THE CITY COUNCIL OF  
THE CITY OF MORRO BAY ON  
MAY 22, 2006 AMENDING COUNCIL  
POLICIES AND PROCEDURES MANUAL  
REGARDING CANCELLATION OF MEETINGS**

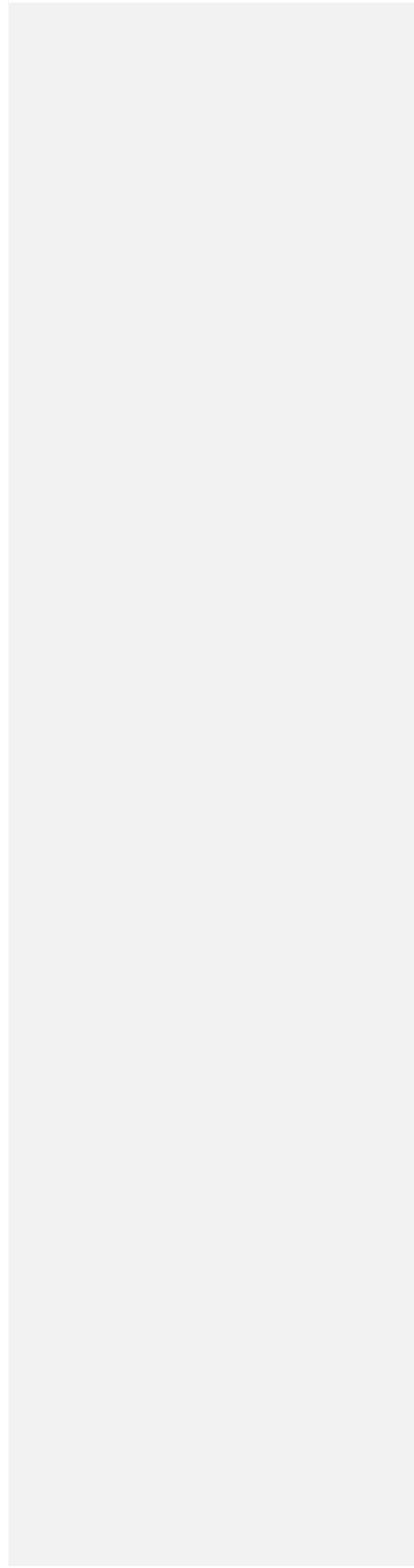
**RESOLUTION NO. 24-07  
ADOPTED BY THE CITY COUNCIL OF  
THE CITY OF MORRO BAY ON  
MAY 14, 2007 AMENDING COUNCIL  
POLICIES AND PROCEDURES MANUAL  
REGARDING EX PARTE COMMUNICATIONS**

**RESOLUTION NO. 50-07  
ADOPTED BY THE CITY COUNCIL OF  
THE CITY OF MORRO BAY ON  
OCTOBER 8, 2007 ADDING TO AND AMENDING COUNCIL  
POLICIES AND PROCEDURES MANUAL  
REGARDING USE OF CITY LETTERHEAD AND  
USE OF SPEAKER SLIPS AT CITY COUNCIL MEETINGS**

**RESOLUTION NO. 76-08  
ADOPTED BY THE CITY COUNCIL OF  
THE CITY OF MORRO BAY ON  
NOVEMBER 10, 2008 AMENDING COUNCIL  
POLICIES AND PROCEDURES MANUAL  
REGARDING THE ORDER OF BUSINESS ON THE  
CITY COUNCIL AGENDA, APPOINTMENT OF VICE MAYOR  
AND FILLING COUNCIL VACANCIES**

**RESOLUTION NO. 11-10**

**ADOPTED BY THE CITY COUNCIL OF THE CITY OF MORRO BAY ON  
FEBRUARY 22, 2010 ADDING TO AND AMENDING THE COUNCIL POLICIES  
AND PROCEDURES MANUAL REGARDING EXPENSE REIMBURSEMENT  
POLICY FOR ELECTED AND APPOINTED OFFICIALS, CITY LETTERHEAD  
AND THE COUNCIL COMPENSATION COMMITTEE**



**CHAPTER ONE  
MEETING GUIDELINES & PROCEDURES**

**1.1 MEETING SCHEDULE**

**1.1.1 MEETINGS OF COUNCIL**

The Council shall provide by ordinance the time and place of holding meetings and the manner in which special meetings may be called. Public interest and convenience shall be primary considerations when decisions are made as to time, location and frequency.

Except as otherwise provided by law, all meetings of the Council shall be open to the public.

**1.1.2 REGULAR MEETINGS**

- 1.1.2.1 Regular meetings shall be held the second and fourth Monday of each month beginning at 6:00 p.m. In the event that a regular meeting of the Council shall fall on a legal holiday, that regular meeting shall be held at the same place and time on the next succeeding working day. (MBMC 2.08.010). Except in the case of an emergency, a regular meeting can only be cancelled by an affirmative vote of the majority of the Council at a previously noticed meeting. (Reso. 23-06), (part)
- 1.1.2.2 Regular meetings shall be held in the Veterans Memorial Building, 209 Surf Street, in the City of Morro Bay. (MBMC 2.08.010)
- 1.1.2.3 Regular meetings shall be between the hours of 6:00 p.m. - 11:00 p.m. It shall be the policy of the City Council to complete meetings by 11:00 p.m. unless a majority of the Council elects to continue past the adjournment hour. If at the hour of 11:00 p.m. the City Council has not concluded its business, the Council will review the balance of the agenda and determine whether to extend the meeting beyond the hour of 11:00 p.m., continue any remaining items, or adjourn the meeting to another date and time.

**1.1.3 STUDY SESSIONS (Open to the public)**

- 1.1.3.1 The purpose of these meetings shall be for informal discussions between staff, advisory bodies or consultants, the public, and the City Council regarding specific programs, projects or

policies. Study Sessions may be conducted in a variety of formats, including Public Workshops.

1.1.3.2 Study Sessions will be held at a time and place within the City limits and convenient to Council and advantageous for public participation.

1.1.3.3 Participation of the public shall be at the discretion of the Presiding Officer, upon consensus of the Council.

#### **1.1.4 SPECIAL MEETINGS**

1.1.4.1 Special meetings may be called by the Mayor or three members of the City Council. (GC  $\alpha$  54956) Written notice of each special meeting must be given not less than twenty-four (24) hours before such meeting to each Member of the City Council not joining the call. Special meetings may be cancelled only by consent of a majority of the members of the Council not less than 24 hours before the date of the special meeting. Notice of such cancellation shall be given to all Council Members and written notice shall be posted for the public not less than 24 hours before the meeting. (Reso. 23-06), (part)

1.1.4.2 Written notice must be given to the City Council and to the media twenty-four hours prior to each meeting. (GC  $\alpha$  54956)

1.1.4.3 A supplemental telephone call shall be made if necessary to notify each Council Member.

1.1.4.4 No business other than that announced shall be discussed.

1.1.4.5 Any special meeting held at a place other than the Veterans Memorial Building shall be open to the public. Such meetings shall be held within the city limits. Notice requirements of the Brown Act shall be complied with for any such meetings; regular minutes shall be taken by the City Clerk and shall be available for public inspection.

#### **1.1.5 USE OF COUNCIL CHAMBERS**

1.1.5.1 The City Manager, or designee, is responsible for maintaining a calendar on the use of the Council Chamber and all requests for reservations shall be cleared through the administrative office.

- 1.1.5.2 When a question arises regarding permission for any group to use the facility, the City Manager shall have authority to make the final decision. The following rules are established as a guide:
- a. Use of the Council Chamber for regular meetings by City commissions, committees, and other advisory bodies shall take precedence over any other group or agency. To the extent possible, special meetings will be scheduled around other regularly scheduled non-city uses. In the event of a conflict, the City will give priority to rescheduling or relocating any use displaced by a city-related use.
  - b. Council chambers is available for other use on a first-come-first-serve basis, after City, city-affiliated and other regular uses are scheduled.
  - c. With the approval of the City Manager, and within the provisions of existing video production agreements, other local governmental agencies may use the Council Chamber for the purpose of live or video cablecasting public hearings and/or public meetings during regular or non-business hours.

## **1.2 AGENDA**

### **1.2.1 ESTABLISHING THE COUNCIL AGENDA**

The purpose of the agenda is to provide a framework within which Council meetings can be conducted and to effectively implement the approved Council Goals, Financial Plan and Budget, and also work programs, objectives, and business of the City as established by the present or earlier City Councils. Agenda items also include recommendations to the City Council from advisory bodies, land use and zoning actions or appeals, bid and purchasing procedures, and mandates from other levels of government. Staff shall work within the policy context established by the Council and will not arbitrarily place matters on the agenda that are outside the scope of existing work programs of the City, except as approved by the Mayor or a majority of the Council, and to inform and advise the Council of matters necessary to the proper operation and well-being of the City.

- a. Tentative Council Meeting Agenda - published before the close of business on the second Friday prior to the Council meeting.
- b. Full agenda packet published before the close of business Wednesday prior to the Council meeting.

The process for determining the format and order of the agenda is based primarily on the order of business adopted by the City Council (See Section 1.2.8). The process for establishing the order of specific business and public hearing items is a collaborative one determined largely by anticipated public attendance (those matters involving greater audience attendance are usually scheduled ahead of other items). The City Manager shall meet with department heads on the day of the City Council meeting to discuss issues and to review upcoming agenda items.

In addition, the City Manager shall review the agenda materials with the Mayor, or in the Mayor's absence, the Vice-Mayor. The final agenda is set subject to the approval of the Mayor (or Vice-Mayor), after consultation with the City Manager.

### **1.2.2 PLACING AN ITEM ON THE AGENDA (COUNCIL MEMBER)**

Any Council Member may request an item be placed on a future agenda by submitting a request, orally or in writing, to consider the matter and by discussing the request during the "Declaration of Future Agenda Items" section of the regular agenda. If a majority of the Council approves, staff will prepare a staff report for the next agenda if formal Council action is required. Otherwise, the Councilmember making the request is strongly encouraged to provide at a minimum a brief description as to the focus of the discussion. (Reso. 54-03), (part)

If only one other Council Member supports hearing the item, an item will be listed on the next available agenda to consider the matter of whether or not the Council will take up the item itself. The Council will take no action on the substance of the matter at this second review unless there is adequate public notice and information is provided for the Council to make an informed decision. If at this meeting, a majority of the Council approves, staff will prepare a staff report for the subsequent agenda if formal Council action is required. (Reso. 54-03), (part)

Additionally, an individual Council Member may place an urgency item on an agenda with a minimum of 72 hours legal notice and a memorandum from the Council Member to the Council and staff setting forth the substantive issues of the item. For purposes of this paragraph, urgency shall arise in those limited situations where an item requires immediate action, and the need to take immediate action came to the attention of the Council Member subsequent to the distribution of the agenda.

### **1.2.3 PLACING AN ITEM ON THE AGENDA (ADVISORY BODIES)**

Recommendations made by advisory bodies, as part of their normal scope of duties and responsibilities, shall be timely placed on the City Council agenda by

staff. Any Member of the Council may ask for consideration of the request pursuant to those procedures set out in 1.2.2.

#### **1.2.4 PLACING AN ITEM ON THE AGENDA (THE PUBLIC)**

A member of the public may request an item be placed on a future agenda during the Public Comment period at the beginning of every Council meeting, or via other communication with Council Members. Any Member of the Council may ask for consideration of the request pursuant to those procedures set out in 1.2.2.

#### **1.2.5 EMERGENCY ITEMS**

Emergency items may be placed on the agenda only in accordance with state law. Generally, only those matters affecting public health or safety may be considered emergency in nature. A four-fifths vote of Council is necessary to add an emergency item.

#### **1.2.6 RECONSIDERATION**

Reconsideration of an item shall be allowed in accordance with Robert's Rules of Order and established Council guidelines. Resubmittal of issues previously acted upon is discouraged, but requests will be considered upon a consensus of a majority of the Council.

#### **1.2.7 ORDER OF BUSINESS** shall be as follows:

- 1.2.7.1 Establish Quorum and Call to Order
- 1.2.7.2 Moment of Silence
- 1.2.7.3 Pledge of Allegiance
- 1.2.7.4 Mayor and Council Members Reports, Announcements and Presentations
- 1.2.7.5 Closed Session Report
- 1.2.7.6 Public Comment
- 1.2.7.7 Consent Calendar
- 1.2.7.8 Public Hearings (shall start no sooner than 7:00 p.m.)
- 1.2.7.9 Unfinished Business
- 1.2.7.10 New Business
- 1.2.7.11 Council Declaration of Future Agenda Items (Reso. 76-08),  
(part)

#### **1.2.8 NOTIFICATION AND ADVERTISING**

The City will advertise all matters of significant neighborhood or community public interest that appear on a City Council or Planning Commission agenda where advertising is required by law. Said advertisements shall include location maps, project descriptions and posting of property, if required, written in plain English in order to fully inform all interested individuals.

All advertising shall be accomplished in an economical manner. All affidavits of publication shall be reviewed by the City Clerk and will be available to interested members of the public.

### **1.3 MEETING PROCEDURES**

#### **1.3.1 PRESIDING OFFICER**

1.3.1.1 The Mayor is the Presiding Officer and acts as Chair at Council meetings.

1.3.1.2 In the absence or incapacity of the Mayor, the Vice Mayor will serve as Presiding Officer.

1.3.1.3 In the absence of both the Mayor and Vice-Mayor, a Mayor pro-tem shall be selected from the quorum present. The pro-tem shall act as Chair for the meeting.

1.3.1.4 Seating arrangement of the Council:

The Mayor, with the approval of individual Council Members, shall establish seating arrangements for regular Council meetings.

1.3.1.5 Signing of City Documents:

The Mayor, unless unavailable, shall sign all ordinances, resolutions, contracts and other documents which have been adopted by the City Council and require an official signature, except where the City Manager has been authorized by Council to sign documents. In the event the Mayor is unavailable, the Vice Mayor's signature may be used.

#### **1.3.2 QUORUM**

A majority of the Council Members shall constitute a quorum for the transaction of business.

#### **1.3.3 DISCUSSION RULES**

1.3.3.1 Obtaining the floor:

1.3.3.1.1 A Member of the City Council or staff shall first address the Mayor and gain recognition.

1.3.3.1.2 Comments and questions should be limited to the issue before Council.

1.3.3.1.3 Cross-exchange between Council Members and public should be avoided.

1.3.3.2 Questions to Staff:

A Council Member shall, after recognition by the Presiding Officer, address questions to the designated staff member.

1.3.3.3 Interruptions:

1.3.3.3.1 Once recognized, a Council Member shall not be interrupted while speaking except to make a point of order or personal privilege.

1.3.3.3.2 If a Council Member is called to order while speaking, the individual shall cease speaking until the question of order is determined.

1.3.3.3.3 Upon being recognized by the Mayor, members of staff shall hold the floor until completion of their remarks or until recognition is withdrawn by the Mayor.

1.3.3.4 Limitation on Discussion:

No Council Member shall speak more than once on a particular subject until every other Council Member has had the opportunity to speak. Council Members are encouraged to discuss items during the decision-making process.

1.3.3.5 Tabling Procedure:

Immediately stop discussion and vote.

1.3.3.6 Right of Protest:

A Council Member is never required to state reasons for dissent.

1.3.3.7 Rules of Procedure:

The Council shall determine its own rules of procedure.

1.3.3.8 Council Minutes:

If a Council Member wishes a stated opinion to be entered in the minutes, he/she should precede the statement with "for the record," or request the City Clerk to enter it into the record following the statement.

**1.3.4 PARLIAMENTARY PROCEDURE**

Those rules in effect according to the City Council policy (State law and Robert's Rules). The following summarizes the most frequently used actions.

**1.3.5 PROTOCOL**

1.3.5.1 Council Members and staff shall:

1.3.5.1.1 Work earnestly to preserve appropriate order and decorum during all meetings.

1.3.5.1.2 Side conversations, disruptions, interruptions or delaying efforts are discouraged.

1.3.5.2 Persons demonstrating rude, boisterous, or profane behavior will be called to order by the Mayor. If such conduct continues, the Mayor may call a recess, request the removal of such person(s) from the Council Chamber, adjourn the meeting, or take such other appropriate action as permitted by the Brown Act.

1.3.5.3 Only the City Council, staff, Designated Representatives, and those authorized by the Mayor shall be permitted to sit at the Council or staff tables.

1.3.5.4 Enforcement of order:

1.3.5.4.1 The Police Chief or his designee shall act as the Sergeant-at-Arms.

1.3.5.4.2 Any Council Member may request the Mayor to enforce the rules of protocol. Upon motion and majority vote, the Mayor shall be required to do so.

### **1.3.6 VOTING PROCEDURES**

- 1.3.6.1 When present, all Council Members shall vote. Failure of a seated Council Member to vote will be construed as an affirmative vote.
- 1.3.6.2 No ordinance, resolution or motion shall be passed or become effective without receiving the affirmative vote of at least three Members of the Council.
- 1.3.6.3 A conflict of interest shall be declared whenever appropriate and in compliance with State law and the Council Member will step down, disclose the nature of the conflict of interest, and shall not make, participate in making, or influence the decision.
- 1.3.6.4 A vote may be changed by a Council Member only immediately after the vote announcement by the City Clerk and prior to the introduction of the next agenda item.
- 1.3.6.5 The City Clerk shall restate the motion prior to the vote or request the Mayor or Presiding Officer to restate the motion, if required for Council or public clarification.
- 1.3.6.6 Voice voting is the preferred method for recording Council votes.
- 1.3.6.7 A Roll Call vote may be taken at the discretion of the Chair.
- 1.3.6.8 General consent vote may be taken at the discretion of the Chair, if there are no negative votes or objections by Council Members.
- 1.3.6.9 Upon the request of any Member, the ayes and noes shall be taken and recorded on any vote.
- 1.3.6.10 The ayes and noes shall be taken upon the passage of all ordinances and resolutions and entered upon the journal of the proceedings of the Council.
- 1.3.6.11 Following the vote the Mayor or Presiding Officer shall announce whether the questions have been carried or defeated.
- 1.3.6.12 Tie votes: Should a tie vote occur, the Council is required to continue the item by majority vote or make motions until an action receives three affirmative votes.

- 1.3.6.13 The Mayor may publicly explain the effect of the vote for the audience or may direct a member of the staff to do so.

### **1.3.7 PUBLIC COMMENT**

Members of the public may address the City Council in a variety of ways. Written comments on agenda items are encouraged and are most effective if presented at least one week prior to the meeting. Written material distributed at the meeting will be made a part of the public record. If the material is too voluminous for Council to review during the meeting or is new material not previously considered, Council may at its discretion continue the item to a future meeting. The Mayor will invite comments from the public in support of, or in opposition to, specific public hearing agenda items following the staff report. Oral communications on matters that are *not* on the agenda and are *not* public hearing items may be provided during the Public Comment period at the beginning of every meeting. The following are guidelines for providing public comments:

- 1.3.7.1 During Public Comment period, Members of the public may address the City Council on items that are consent agenda items, listed business items, and/or items that are not on the printed agenda. At the discretion of the Mayor or Mayor Pro Tem, speaker slips will be required. Speakers' time will be limited to three minutes or to the interval specified by the Mayor or Mayor Pro Tem. The Public Comment period shall be limited to forty-five minutes.
  - 1.3.7.1.1 Each person addressing the City Council shall do so in an orderly manner and the Council respectfully requests that speakers refrain from make repetitious, slanderous or irrelevant remarks, or engaging in any other disorderly conduct which disrupts, disturbs, or otherwise impedes the orderly conduct of the Council meeting. Any person who so disrupts the meeting may, at the discretion of the Mayor or a majority of the City Council, be subject to ejection from that meeting. (Reso. 54-03), (part)
  - 1.3.7.1.2 Persons addressing the Council shall address the Council as a whole and shall not engage in a dialogue with individual Council Members, City staff or members of the audience. No questions shall be asked of a Council Member or a member of City staff without first obtaining permission of the Mayor. The Mayor shall determine whether, or in what manner, an answer will be provided. Any

person violating this rule while addressing the Council shall be called to order by the Mayor.

- 1.3.7.2 Pursuant to the Brown Act, action may not be taken on issues not listed on the agenda. Staff may be asked to follow-up on such items.
- 1.3.7.3 Individuals desiring to speak shall:
  - 1.3.7.3.1 Address the Council from the podium after giving name and city of residence. Speakers shall direct their comments to the Council, not the audience.
  - 1.3.7.3.2 Comment on the specific matter before the Council (other than calendared public hearings) with reasons for the position taken.
- 1.3.7.4 Applicants or Applicant Representatives or Appellants desiring to speak shall:
  - 1.3.7.4.1 Shall be permitted to speak first during the public comment portion of the public hearing for not more than ten (10) minutes.
  - 1.3.7.4.2 Address the Council from the podium after giving their name and address, and/or the name and address of the applicant/appellant they are representing.
- 1.3.7.5 Council Members actions
  - 1.3.7.5.1 Council Members may question the person addressing the Council at the conclusion of the person's comments or upon expiration of the person's time to speak. Such questions shall be directed to the person through the Mayor.
  - 1.3.7.5.2 Council Members shall not engage the person addressing the Council in a dialogue with the City Council or City staff but shall confine communication to a question and answer format conducted through the Mayor.
  - 1.3.7.5.3 If a member of the audience has addressed the Council on matters which are not on the agenda, Council Members shall refrain from extended

discussion of the matter. If a Council so wishes, the Council Member may direct the City Manager to place the matter on the next agenda.

- 1.3.7.6 After the public hearing is closed, no member of the public shall be permitted to address the Council or the staff from the audience, except at the discretion of the Mayor or the majority of the Council.
- 1.3.7.7 Upon violation of the rules of order and decorum established in Section 1.3.2 – 1.3.7 of this Resolution, the procedure to enforce the rule shall be as follows:
  - 1.3.7.7.1 Warning. The Mayor shall request that a person who is violating the rules of decorum cease such conduct. If, after receiving a warning from the Mayor, the person persists in disturbing the meeting, the Mayor shall order the person to leave the City Council meeting. If the person does not leave the meeting, the Mayor may order any law enforcement officer who is on duty at the City Council meeting as sergeant-at-arms to remove the person from the City Council chambers.
  - 1.3.7.7.2 Removal. Any law enforcement officer who is serving as sergeant-at-arms at the City Council meeting shall carry out the orders and instructions given by the Mayor for the purpose of maintaining order and decorum. Upon instruction of the Mayor, it shall be the duty of the sergeant-at-arms to remove from the City Council meeting any person who is disturbing the proceedings of the City Council.
  - 1.3.7.7.3 Resisting Removal. Any person who resists removal by the sergeant-at-arms may be charged with a violation of the rules of order and decorum as well as any other applicable ordinance or law.
  - 1.3.7.7.4 Motion to Enforce. If the presiding officer of the City Council fails to enforce the rules of order and decorum set forth in Section 1.3.2 – 1.3.7, any Member of the City Council may move to require the Mayor to do so, and an affirmative vote of a majority of the City Council shall require the Mayor to do so, and an affirmative vote of a majority of the

Council may appeal to the entire Council the ruling of the Mayor that a person be removed from the meeting, in which event the decision of the Council majority shall govern and conclusively determine such question. If the Mayor fails to carry out the will of the majority of the City Council, the majority may designate another Member of the City Council to act as Mayor for the limited purpose of enforcing the rules of order and decorum established in Section 1.3.2 - 1.3.7.

- 1.3.7.7.5 Clearing the Room. If a meeting of the City Council is disturbed or disrupted in such a manner as to make infeasible or improbable the restoration of order, the Mayor or a majority of the City Council may exercise the authority granted in the California Government Code section 54957.9 by ordering the meeting room cleared and continuing in session in the manner authorized by Section 54957.9 of the Government Code.

### **1.3.8 CONSENT ITEMS**

Consent items are the first items on the agenda. Only items that are routine, relate to implementation of approved budget items or to City operations, or are second readings of ordinances, or are items to be later set for public hearing are to be placed on the Consent Agenda. Items of significant neighborhood or community public interest should be heard as a Public Hearing or Business item, and not placed on the Consent Agenda.

- 1.3.8.1 Minor Questions. A Council Member may ask questions on any item without it being pulled from the Consent Agenda. When a Council Member has a minor question for clarification concerning a consent item that will not involve extended discussion, the item may be pulled for clarification at the beginning of the meeting and the questions will be addressed along with the rest of the Consent Agenda. There should be no objections at this time. Council Members are encouraged to seek clarifications prior to the meeting (if at all possible).
- 1.3.8.2 No Vote. When a Council Member wishes to pull an item simply to register a dissenting vote, a request should be made that the item be pulled for separate vote without discussion. Such items will also be handled at the beginning of the meeting along with the rest of the Consent Agenda.

- 1.3.8.3 Any item may be pulled by a Council Member for discussion. A member of the public may request the Council to pull an item for discussion.
- 1.3.8.4 Pulled items shall be heard at the close of the Consent Agenda unless a majority of the Council chooses another time.

### **1.3.9 NOTICED PUBLIC HEARINGS**

During the pendency of any Public Hearing that is a quasi-judicial proceeding, no Council member or Planning Commission member shall engage in an ex parte communication with any "Interested Party" who intends to influence the decision of the council or board member in a proceeding unless the council or board member discloses the ex parte communication in the council or board's record. "Interested Party" means any individual with an interest in the quasi-judicial proceeding that is greater than the general interest of the public as a whole. The term includes, but is not limited to, parties involved in the proceeding, parties that may be significantly affected by the decision, and nonprofit or public interest organizations and associations with a special interest in the matter regulated. A member of the public at large who expresses a casual or general opinion about a pending proceeding would not necessarily be an "Interested Party." (Reso. 24-07)

Matters which are required to be heard in a noticed Public Hearing shall be conducted in the following manner:

- 1.3.9.1 Time for Consideration. Matters noticed to be heard by the City Council shall commence no earlier than the time specified in the notice of hearing, or as soon thereafter as is reasonably possible, and shall continue until the same has been completed or until other disposition of the matter has been made.
- 1.3.9.2 Continuance of Hearing. Any hearing being held or noticed or ordered to be held by the City Council may, by order or notice of continuance, be continued or re-continued to any subsequent meeting.
- 1.3.9.3 Conduct of Hearings. When a matter for Public Hearing comes before the City Council, the presiding officer shall open the public hearing and;
  - 1.3.9.3.1 Call for a report on noticing from the City Clerk.
  - 1.3.9.3.2 Call for a report on written communications received by the City pertaining to the item being heard.

- 1.3.9.3.3 Request that staff present the staff report and any other relevant evidence. Presentation of the staff report prior to the formal opening of the Public Hearing shall not prevent its consideration as evidence. Any such evidence shall be made a part of the record of the Public Hearing.
- 1.3.9.3.4 The Mayor shall then recognize the proponents or appellants in the cause, who shall be permitted 5 minutes to present evidence related to the matter under consideration.
- 1.3.9.3.5 The Mayor shall then recognize members of the public. No person may speak without first being recognized by the Mayor. Members of the City Council who wish to ask questions of the speakers or each other during the Public Hearing may do so. Members should be mindful that the purpose of the Public Hearing is to obtain testimony, and not to debate the merits of the item under consideration. Members should avoid debate and expressions of personal opinion until after the close of the public testimony portion of the Public Hearing. The Presiding Officer shall conduct the hearing in such a manner as to afford due process to all affected persons. For Public Hearings, when 10 or more members of the public desire to speak, the Mayor or Mayor Pro Tem may require speaker slips be completed and delivered to the Clerk before the item is considered. Comments from the public shall be limited to three (3) minutes per speaker for Public Hearings, unless the City Council affirmatively decides otherwise. For Public Hearings that have the potential to be appealed to the California Coastal Commission, members of the public who desire to receive notice of any further proceedings shall write their name and address on the interested parties list at the back of the room. (Reso. 37-04) (Reso. 50-07), (part)
- 1.3.9.3.6 The Mayor shall then close the public testimony portion of the Public Hearing. Council Members may still, however, ask questions of staff or members of the public. Upon conclusion of Council deliberations and immediately prior to a motion, the Mayor shall formally close the public

hearing. Upon formal closing of the public hearing, no additional public testimony shall be solicited or received without reopening the hearing.

- 1.3.9.4 Evidence. All persons interested in the matter being heard by the City Council shall be entitled to submit written evidence or remarks, as well as other graphic evidence. All such evidence presented shall be retained by the City Clerk as part of the Clerk's record. Prior to declaring the public hearing open, the Mayor may establish a time limit for the entire public hearing, or establish time limits for the presentation of each individual speaker.

### **1.3.10 CLOSED SESSION MEETINGS** (closed to the public)

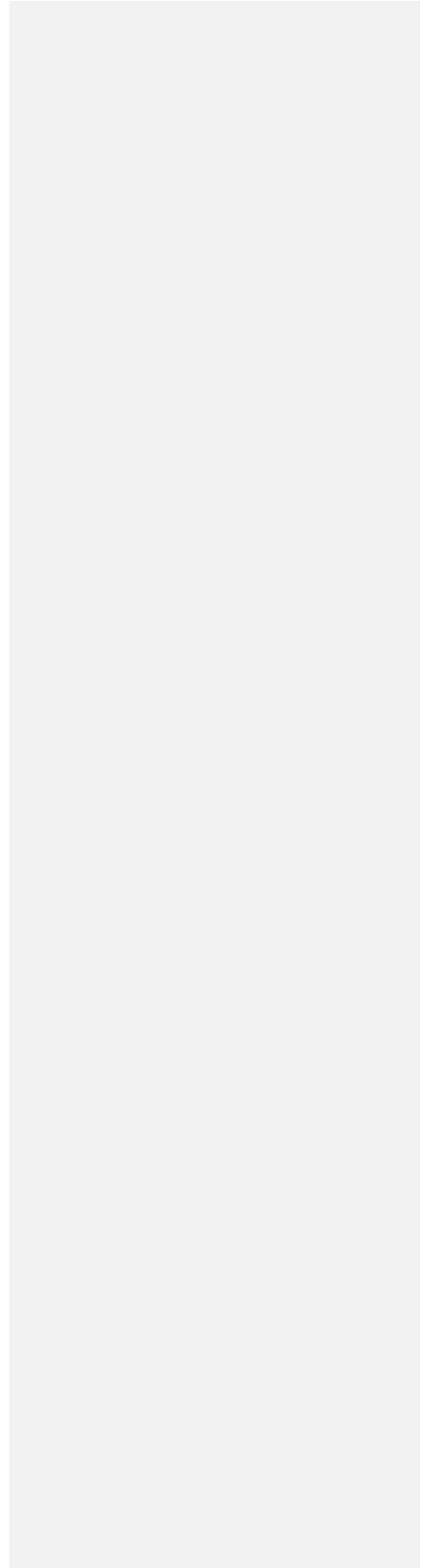
- 1.3.10.1 Closed Session Meetings are regulated pursuant to the Brown Act. The most common purpose of a closed session is to avoid revealing confidential information that may, in specified circumstances, prejudice the legal or negotiating position of the City or compromise the privacy interests of employees. Closed sessions should be conducted keeping those narrow purposes in mind.
- 1.3.10.2 No Member of the Council, employee of the City, or anyone else present shall disclose to any person the content or substance of any discussion which takes place in a closed session unless authorized by a four-fifths vote of the Council.

## **1.4 MEETING COVERAGE**

The purpose of cablecasting meetings of the Morro Bay City Council is to enhance the awareness and education of the general public regarding the actions and deliberations of the City Council.

- 1.4.1 Coverage of City Council meetings shall be gavel-to-gavel; whether presented to the public live or taped, Council coverage is not to be edited or subjected to editorial comment.
- 1.4.2 All City Council meetings shall be cablecast or taped for broadcast, except for meetings or portions of meetings which are closed to the public, or when the majority of the Council directs otherwise.
- 1.4.3 Cameras used for the gavel-to-gavel coverage shall be operated only by City employees, firms, or persons authorized by the City.

- 1.4.4 Cameras shall be operated so that they are primarily focused on the officially recognized speaker, and on any visually displayed information they may be showing.
- 1.4.5 “Reaction” shots will not be permitted.
- 1.4.6 The City Clerk’s minutes shall remain the official record of Council proceedings.



**CHAPTER TWO  
COUNCIL COMPENSATION**

Council compensation and benefits are established every other year by Council action.

**2.1 SALARIES FOR MAYOR AND COUNCIL MEMBERS**

Pursuant to Morro Bay Municipal Code 2.20.010, compensation for services rendered in an official capacity shall be provided as follows: Members of the City Council shall receive \$300 per month. Pursuant to Morro Bay Municipal Code 2.20.015, the Mayor will receive an additional \$200 per month beyond the compensation paid to Council Members.

**2.2 RETIREMENT, MEDICAL, DENTAL, VISION, AND LIFE INSURANCE**

The Mayor and Council Members shall be entitled to participation in P.A.R.S. retirement. The City shall pay a contribution to P.A.R.S. equal to 1% of salary. The City shall pay in full the cost of the Mayor and Council Members' participation in health, dental, vision and life insurance. Any unexpended amount will not be distributed to the Mayor and Council Members in cash.

**2.3 PROFESSIONAL DEVELOPMENT**

The Mayor and each Council Member shall be reimbursed for normal and customary business expenses as follows:

**2.3.1 BUSINESS TRAVEL EXPENSE AND CONFERENCE REGISTRATION**

The Mayor and each Council Member shall be reimbursed for normal and incidental expenses and for costs of professional development and educational conferences designed to improve understanding of and proficiency in municipal affairs. Such reimbursement shall be for out-of-county expenses only and shall be reimbursed in accordance with accepted City Travel Guidelines.

**2.3.1.1. Authorized Expenses**

City funds, equipment, supplies (including letter head), titles, and staff time must only be used for authorized City business. Expenses incurred in connection with the following types of activities generally constitute authorized expenses, as long as the other requirements of this section are met:

- Communicating with representatives of regional, state and national government on City-adopted positions.
- Attending educational seminars designed to improve official's skill and information levels.

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- Participating in regional, state and national organizations whose activities affect the City's interests.
- Recognizing service to the City (i.e. thanking a longtime employee with a retirement gift or celebration of nominal value and cost).
- Implementing a City-approved strategy for attracting or retaining businesses to the City, which will typically involve at least one staff member.
- Meetings such as those listed above for which a meeting stipend is expressly authorized under this section.

All other expenditures require prior approval by the City Council, including international and out-of-state travel.

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2.3.1.2. Expenses Not Eligible for Reimbursement

- The personal portion of any trip.
- Political or charitable contributions or events.
- Family expenses, including partner's expenses, when accompanying official on City-related business.
- Entertainment expenses, including theater, movies, sporting events (including gym, massage and/or golf related expenses) or other cultural events.
- Alcohol/personal bar expenses.
- Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline.
- Personal losses incurred while on City business.

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**2.3.2 LEAGUE OF CALIFORNIA CITIES CONFERENCE**

The City shall reimburse for the cost of participating in the Annual Conference of the League of California Cities, the City shall also reimburse the following costs for spousal participation, which is encouraged:

- Double room instead of a single room.
- Spousal registration fees to attend Conference seminars (this does not include reimbursement for recreational activities that may be offered by the League during meeting activities).
- Travel expenses only if a bus, train, or plane must be used rather than a city vehicle.
- If the public official uses his/her personal vehicle, travel reimbursement shall be provided only the employee.

- Meals that spouses are expected to attend as part of directly-related Conference activities will be reimbursed at the same per diem as the public official.

### **2.3.3 CHANNEL COUNTIES DIVISION MEETINGS**

When the spouse of an official or employee is expected to attend a quarterly meeting of the Channel Counties Division of the League, the meal expense will be paid by the City with the authorization of the City Manager.

## **2.4 CITY BUSINESS AND MILEAGE REIMBURSEMENT**

The Mayor and each Council Member shall be reimbursed as follows:

### **2.4.1 CITY BUSINESS**

For costs incurred in connection with official City business, Mayor and Council Members shall be reimbursed for in-county expenses including meals, tickets, periodicals, dues, subscriptions, and similar miscellaneous expenses.

### **2.4.2 MILEAGE**

For official travel within the County of San Luis Obispo, reimbursement shall be made upon submittal of an official mileage expense form.

### **2.4.3 TRANSPORTATION**

If trip arrangements are made, as a convenience, for spouse or family members, reimbursement to the City for any advanced expenses should be received by the City prior to the trip. When attending conferences or meetings that are of such distances that is more economical to take commercial transportation, if an official proposes to drive his/her car in those cases, commercial air fare will be paid and not automobile mileage. Government and group rates must be used when available.

2.4.3.1 Airfares that are reasonable and economical shall be eligible for purposes of reimbursement.

2.4.3.2 Automobile mileage is reimbursed at IRS rates in effect at the time of travel. These rates are designed to compensate the driver for gasoline, insurance, maintenance, and other expenses associated with operating the vehicle. This amount does not include bridge and road tolls which are also reimbursable.

2.4.3.3 Car Rental rates that are reasonable and economical shall be eligible for purposes of reimbursement.

2.4.3.4 Taxi and shuttle fares may be reimbursed, including a 15% gratuity per fare, when the cost of such fares is equal or less than the cost of car rentals, gasoline and parking combined, or when such transportation is necessary for time-efficiency.

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#### 2.4.4 LODGING

Lodging expenses will be reimbursed or paid for when travel on official City business reasonably requires an overnight stay. If such lodging is in connection with a conference, lodging expenses must not exceed the group rate published by the conference sponsor for the meeting in question if such rates are available at the time of booking. Travelers must request government rates, when available. If the group rate is not available, reimbursement at the IRS rate in effect at the time of travel shall apply (IRS Publication 463).

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#### 2.4.5 MEALS

A local expense reimbursement policy identifying a "per diem" of reasonable rates for meals in not adopted. Receipts for expenses for meals shall be required. Actual expenses shall be reimbursed subject to the maximum per diem for the mean as set by the IRS rate in effect at the time of travel. (see Cal. Gov't Code 53232.2© and Publication 1542 at [www.Irs.gov](http://www.Irs.gov) or [www.policyworks.gov/perdiem](http://www.policyworks.gov/perdiem).) The City will not pay for alcohol/personal bar expenses.

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#### 2.4.6 MISCELLANEOUS EXPENSES

Officials will be reimbursed for actual telephone, fax, and parking expenses incurred on City business. Telephone bill should identify which calls were made on City business.

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#### 2.4.7 CASH ADVANCE POLICY

From time to time, it may be necessary for an official to request a cash advance to cover anticipated expenses while traveling or doing business on the City's behalf. Such request for an advance should be submitted to the City Manager ten working days prior to the need for the advance with the following information

1. The purpose of the expenditures
2. The benefits of such expenditures to the residents of the City.
3. The anticipated amount of the expenditures(s) (for example, hotel rates, meal costs, and transportation expenses).
4. The dates of the expenditure.

Any unused advance must be returned to the City within five working days of the official's return, along with an expense report and receipts documenting how the advance was used. In the event the City Manager is uncertain as to whether a request complies with this policy, such individual must seek resolution from the City Council.

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#### 2.4.8 CREDIT CARD USE POLICY

The City issues credit cards to individual office holders for selected City expenses. City office holders may use the City's credit card for such purposes as airline tickets and hotel reservations by following the say procedures for cash advances. Receipts documenting expenses incurred on the City credit card and

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compliance with this section must be submitted within thirty working days of use. Credit cards may not be used for personal expenses, even if the official subsequently reimburses the City.

#### **2.4.9 EXPENSE REPORT CONTENT AND SUBMISSION DEADLINES**

All cash advance expenditures, credit card expenses and expense reimbursement requests must be submitted on an expense report form provided by the City. This form shall include the following advisory:

“All expenses reported on this form must comply with the City’s policies relating to expenses and use of public resources. The information submitted on this form is a public record. Penalties for misusing public resources and violating the City’s policies include loss of reimbursement privileges, restitution, civil and criminal penalties as well as additional income tax liability.”

Expense reports must document that the expense in question met the requirements of this Policy. Officials must submit their expense reports within thirty calendar days of an expense being incurred, accompanied by receipts documenting each expense. Restaurant receipts, in addition to any credit card receipts, are also part of the necessary documentation.

Inability to provide such documentation in a timely fashion may result in the expense being borne by the official.

In the event the official does not attend the trip and non-refundable expenses have been incurred for registration, lodging and/or travel, the non-attending official shall submit a written explanation of the reasons for non-attendance to the City Manager. The City Manager shall determine if the public funds advanced must be reimbursed to the City. Any decision of the City Manager may be appealed to the City Council.

#### **2.4.10 REPORTS TO CITY COUNCIL, BOARD OR COMMISSION**

At the next regular City Council meeting (or Planning Commission) meeting, each official shall briefly report on the meetings attended at City expense. If multiple officials attended, a joint report may be made.

#### **2.4.11 COMPLIANCE WITH LAWS; VIOLATION**

City officials should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All City expenditures are public records subject to disclosure under the Public Reports Act and other applicable laws. Use of public resources or falsifying expense reports is a violation of this Policy and may result in any or all of the following: 1) loss of reimbursement privileges, 2) a demand for restitution to the City, 3) the City’s reporting the expenses as income to the elected official to state and federal tax authorities, 4) civil penalties of up to \$1,000 per day and three times the value of the resources used, and 5) prosecution for misuse of public resources.

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## **2.5 GENERAL PROCEDURES AND LIMITATIONS**

Appropriate budgetary practices and accounting controls shall be established to ensure that expenditures and reimbursements are in compliance with approved budget allocations. The Mayor and each Council Member is expected to plan business activities so as to stay within budget. When exceptional circumstances require that additional amounts be allocated to accounts, formal Council action shall be required.

### **2.5.1 ACCOUNTING**

An account shall be established in the name of each Council Member with all expenditures charged to the individual Council Member or Mayor. Receipts shall be submitted within the fiscal year. The Council budget shall be available for public review in the City Clerk's Office and the Mayor and Council Members shall receive periodic statements.

### **2.5.2 REIMBURSEMENT LIMITATION**

The City's adopted Travel Guidelines shall govern all expenditures for non-local professional development and conferences. These guidelines include all non-local official meals, tuition or fees, transportation to meeting sites, materials and telephone usage.

### **2.5.3 SPECIAL EXPENSES**

For occasions when the Mayor and/or a Council Member is designated by the City Council to represent the City at special meetings, reimbursement shall be made from the appropriate Travel Expense Account.

### **2.5.4 HONORARIUM**

If the Mayor or a Council Member receives an honorarium as a result of his/her participation in a meeting or conference, the amount of the honorarium shall be deducted from the amount normally provided by the City for that meeting or conference if the City paid for the Council Member's attendance at such meeting or conference.

### **2.5.5 OTHER GUIDELINES**

Any other travel-related issue not specifically governed in this resolution shall be adjudicated in accordance with the City of Morro Bay Travel Expense Reimbursement Policy.

## **2.6 COUNCIL COMPENSATION COMMITTEE**

A five-member review committee ~~shall~~may be appointed by January 31, in even-numbered years and shall bring its proposed recommendations in resolution form to the City Council within 90 days, or no later than May 1st.

#### **2.6.1 MEMBERSHIP**

The committee membership shall have as broad a representation as possible, including but not limited to, two former elected officials who are not currently serving on the Council, and one citizen-at-large.

#### **2.6.2 REVIEW RESPONSIBILITY**

The committee shall review the full Council compensation package including salary, benefits, expense reimbursement, professional development allowances and any other compensation provided the City Council. Review should include, but shall not be limited to: 1) compensation of Council and Mayors of cities of similar population and/or budget size; 2) compensation practices of both Charter and General Law cities; 3) Government Code provisions for General Law cities; and 4) Council and Mayor responsibilities in Morro Bay at the time of the committee's review; and, 5) any structural changes that may have occurred in municipal government either as a result of State legislation or by actions of the local electorate that may have added to or deducted from the duties and responsibilities of the Council Members and/or Mayor.

**CHAPTER THREE  
COUNCIL POWERS & APPOINTMENTS**

**3.1 MAYOR - POWER AND DUTIES**

- 3.1.1 The Mayor shall preside at all meetings of the City Council and perform such other duties consistent with the office as may be imposed by the Council or by vote of the people. The Mayor shall be entitled to, and must vote when present, but shall possess no veto power.
- 3.1.2 The Mayor shall be recognized as the official head of the City for all ceremonial purposes.
- 3.1.3 The Mayor may order flags flown on City property to be lowered to half-staff in mourning for any member of the community designated to have made significant contributions to the City of Morro Bay, in accordance with recognized customs or practices not inconsistent with State and Federal law.
- 3.1.4 The Mayor shall exercise such other powers and perform such other duties as may be prescribed by law or ordinance or by resolution of the Council, except as limited by law.

**3.2 APPOINTMENT OF VICE MAYOR**

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. If all have held the position, the Council Member who has held it the least number of times shall be appointed Vice Mayor. If all Council Members have held it for the same number of years, the Council Member for whom it has been the longest period of time since holding the position shall be appointed Vice Mayor. (Reso. 76-08), (part)

**3.3 FILLING COUNCIL VACANCIES**

**3.3.1 SPECIAL ELECTION**

Measure “R” codified as Ordinance 527 requires the City Council to immediately call a special election to fill any vacant seat on the Council, including the Mayor’s seat. The special election shall be held on the next

established election date, as specified in California Elections Code, which is not less than 114 days from the call of the special election. The City Council may appoint an elector who is a registered voter in the City of Morro Bay to fill such vacancy prior to the special election. The appointee shall hold office only until the date of said special election. (Reso. 76-08)

**3.3.2 LIMITATION OF COUNCILMEMBER WHO RUNS FOR MAYOR BEFORE COMPLETING REGULAR TERM.**

A sitting Council Member is disqualified from nomination for election to the office of Mayor in the next election if the remainder of their Council term after the next election cannot be filled by a vote of the electors on or prior to that election date. (Reso. 76-08)

**3.4 GENERAL POWERS OF THE COUNCIL**

Subject to the provisions of law and the delegation of power to any person, officer, Board, or Commission, the Council shall have the power in the name of the City, to do and perform all acts and things appropriate to a municipal corporation and the general welfare of its inhabitants and that are not specifically forbidden by the Constitution and laws of the State of California.

**3.5 ADMINISTERING OATHS: SUBPOENAS**

Each Member of the Council shall have the power to administer oaths and affirmations in any investigation or proceeding pending before the Council. The Council shall have the power and authority to compel the attendance of witnesses, to examine them under oath and compel the production of evidence before it. Subpoenas may be issued in the name of the City and be attested by the City Clerk. Disobedience of such subpoena or the refusal to testify (upon other than constitutional grounds), shall be deemed contempt and shall be punishable as provided by the general laws of the State.

**3.6 LIMITATIONS**

No Member of the Council shall be appointed to or serve as a voting Member of any City Board, Committee, or Authority, whether composed of citizen volunteers, City employees, or a combination of both. This is not to be construed as prohibiting Members of the Council from serving on Committees or Subcommittees of the Council itself, or of agencies representing other local, state or federal government.

**3.7 METHOD OF ACTION BY COUNCIL**

All action by the Council shall be taken only by means of ordinance, resolution, or oral motion duly made and passed.

Ordinances shall become a part of the Municipal Code and so remain until amended or voided. All municipal laws relating to taxation or to possible criminal action against an offender shall be in the form of ordinances.

Resolutions shall be serially numbered and filed sequentially in the office of the City Clerk.

Oral motions shall be recorded only in the minutes of any regular or special meeting of the Council.

### **3.8 ORDINANCES**

The consideration and adoption of ordinances shall be in accordance with relevant state law. Ordinances not legally required to have a public hearing shall be set for a public hearing if the subject matter is controversial or of a special nature. In addition, a majority of the City Council may direct that the consideration of an ordinance will be set for public hearing.

No ordinance, resolution or motion shall be passed or become effective without receiving the affirmative vote of at least three Members of the Council.

### **3.9 ACCEPTANCE OF GRANTS OR DEEDS**

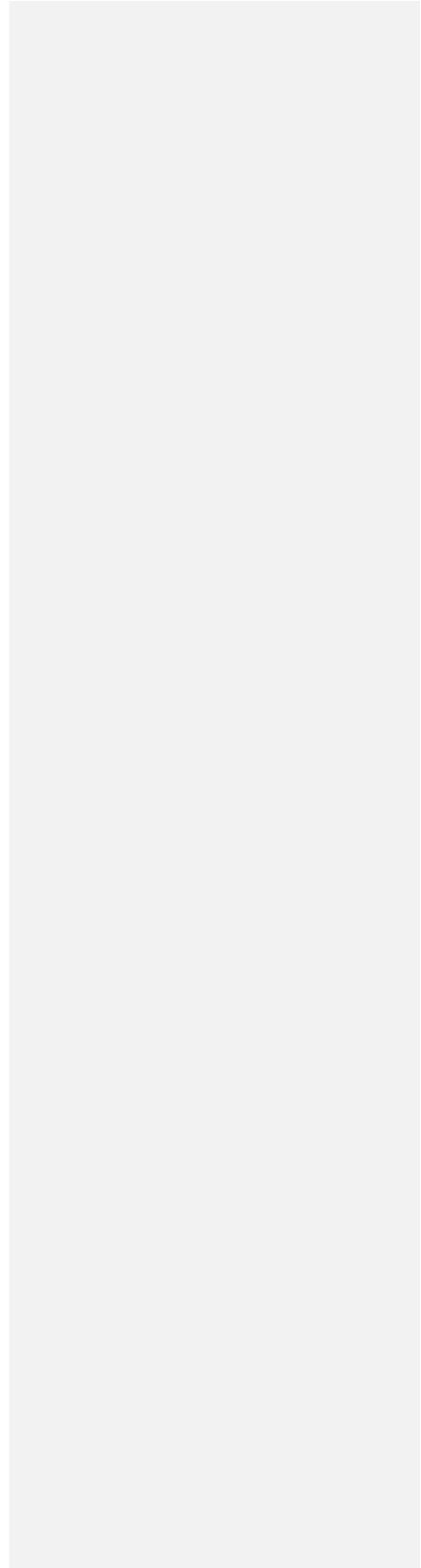
The Mayor and Vice Mayor of the City of Morro Bay are hereby authorized to accept and consent to the recording of any deed or grant conveying any interest in or easement upon real property to the City of Morro Bay.

### **3.10 LEGISLATIVE ACTION PROGRAM**

The City has a legislative program to strengthen local government, promote City goals, and defend the City against legislative actions by state and federal governments that would weaken local government or take away traditional revenue sources. In order to respond promptly and proactively to fast-paced legislative changes, City staff is authorized to take positions on legislation provided the positions are consistent with the Legislative Actions of the City Council, and/or resolutions or recommendations of the League of California Cities.

### **3.11 AMICUS CURIAE PARTICIPATION**

The City is frequently requested to join as *amicus curiae* (friend of court) in cases of statewide significance to cities. Because of the often short time limits for filing *amicus curiae* briefs, the City Attorney is authorized to participate in such briefs, at no cost to the City, if the Legal Advisory Committee of the League of California Cities has urged participation.



## **CHAPTER FOUR THE BROWN ACT**

### **4.1 APPLICABILITY AND PENALTIES**

The entire City organization conducts its business in compliance with the Ralph M. Brown Act, State Government Code Sections 54950 et seq. The intent of the Act is to ensure that deliberations and actions of local public agencies are conducted in open and public meetings. The law provides for misdemeanor penalties for Members of a board who violate the Act (GC  $\square$  54959). In addition, violations are subject to civil action (GC  $\square$  54960). A current copy of the Act will be provided to all Council Members assuming office, but the provisions that most directly affect the Council are summarized in this Chapter.

### **4.2 MAJOR PROVISIONS**

#### **4.2.1 APPLICABILITY**

The Act applies to Council, City staff and all bodies that advise Council. (GC  $\square$  54952.2)

#### **4.2.2 MEETINGS**

All meetings shall be open and public.

4.2.2.1 A meeting takes place whenever a quorum (three or more) Members are present and information about the business of the board is received; discussions qualify for a meeting.

4.2.2.2 Serial meetings take place when any Member of Council contacts more than one other Council Member for the purpose of deliberating or acting upon an item pending before the City Council (does not apply to the public or media).

4.2.2.3 Correspondence that merely takes a position on an issue is acceptable. (GC  $\square$  54953)

#### **4.2.3 AGENDAS**

Agendas for regular meetings must be posted 72 hours in advance of the meeting and must meet various requirements. (GC  $\square$  54954.2)

#### **4.2.4 ACTIONS**

No action shall be taken on any item not appearing on the posted agenda.  
Exceptions:

- 4.2.4.1 An emergency situation exists, (determined by a majority of the Council.)
- 4.2.4.2 That the need to take action arose subsequent to the agenda being posted (determined by 4/5 of the Council; or if less than 4/5 are present, by unanimous vote.)
- 4.2.4.3 The item was continued to another meeting that was scheduled and posted within five days of the original agenda. (GC  $\square$  54954.2)

#### **4.2.5 PUBLIC INPUT**

The public has an opportunity to address the Council on any item of interest to the public that is within the jurisdiction of the Council. The City has the right to establish time limits on speakers and the total time allocated for a particular issue. (GC  $\square$  54954.3)

#### **4.2.6 PUBLIC DISRUPTIONS**

A portion or all of the public may be removed if willful disruption makes conducting the meeting "unfeasible"; the press may remain unless they participate in the disruption. (GC  $\square$  54957.9)

#### **4.2.7 CORRESPONDENCE**

All writings distributed for discussion or consideration at a public meeting are public records. (GC  $\square$  54957.5) The public is encouraged to submit written material regarding agenda items to the City Clerk a week prior to the Council meeting so that it may be included in the public packet. Written material distributed at the meeting will be made a part of the public record. If the material is too voluminous for Council to review during the meeting or is new material not previously considered, Council may at its discretion continue the item to a future meeting.

#### **4.2.8 CLOSED SESSIONS MAY BE HELD TO DISCUSS:**

- 4.2.8.1 Real Property. The purchase, sale, exchange or lease of real property with the City's negotiator; the real property and the person(s) with whom the City may negotiate must be

announced in open session prior to the closed session. (GC § 54956.8)

- 4.2.8.2 Litigation pending or a significant exposure to litigation, or the decision to initiate litigation; the litigation or title must be identified in open session prior to the closed session unless the Council states that to do so would jeopardize its ability to conclude existing settlement negotiation or effectuate service of process. (GC § 54956.9)
- 4.2.8.3 Compensation (salaries and benefits) of employees; to review its position and instruct designated representatives. (GC § 54957.6)
- 4.2.8.4 Personnel. The appointment, employment, evaluation of performance, or dismissal, of a public employee, or to hear complaint against the employee, unless the employee requests a public hearing. (GC § 54957.6)

#### **4.3 SPECIAL MEETINGS**

Special Meetings may be called by the Mayor or a majority of the Council, with strict notification requirements delivered to the media and Council 24 hours before the time of the meeting. (GC § 54956)

#### **4.4 EMERGENCY MEETINGS**

Emergency meetings may be called without the normal 24 hour notice and posting requirements if prompt action is required due to the disruption or threatened disruption of public facilities. Only work stoppages, crippling disasters or other activities that severely impair the public health and/or safety qualify for emergency meetings. (GC § 54956.5.)

#### **4.5 ELECTRONIC MAIL (EMAIL), THE PUBLIC RECORDS ACT AND THE BROWN ACT**

City email is no less a part of “official city business” than any other written correspondence, and there is no expectation of privacy for city email messages. Good judgment and common sense should therefore prevail at all times regarding its appropriate use.

City email is subject to disclosure under the Public Records Act and is subject to the requirements of the Brown Act. While the Brown Act does not prohibit the use of email to make individual contacts between Members of the Council, or the public or staff, great care should be taken to avoid the use of email to contact a

majority of the Council, either individually or serially, “in a connected plan to engage in collective deliberation on public business.”

City email should not be used in any case where a record of any event, occurrence or statement is required or intended to be retained by the City in the ordinary course of business. City emails is intended to fulfill the same general function as ordinary daily verbal communications among City staff and is considered “transitory” documents (work-in-progress), and therefore are not subject to records retention requirements. For file management and storage purposes, City email messages should only be retained for as long as needed. In most instances this means deleting messages as you have read them, and shortly after you have sent them. (Reso. 42-05), (part)

If an email message, including any attachments thereto, is considered an official city record, such emails should be printed as a hard copy and filed in accordance with the city’s records retention policy. Generally, the sender of the email should be the person responsible for printing and filing it accordingly, but persons responsible for a particular program or project file shall be responsible for retaining all e-mail they send or receive related to that program or project. (Reso. 42-05), (part)

It is the responsibility of individual employees and their department heads to determine if email is an official city record that must be retained in accordance with the city’s record retention policy. The city attorney will assist you in making such a determination. You should keep in mind, however, that preliminary drafts, notes or interagency or intra-agency memoranda that are not retained by the city in the ordinary course of business are generally not considered to be official city records subject to disclosure. Employees are encouraged to delete documents that are not otherwise required to be kept by law or whose preservation is not necessary or convenient to the discharge of your duties or the conduct of the city’s business. (Reso. 42-05), (part)

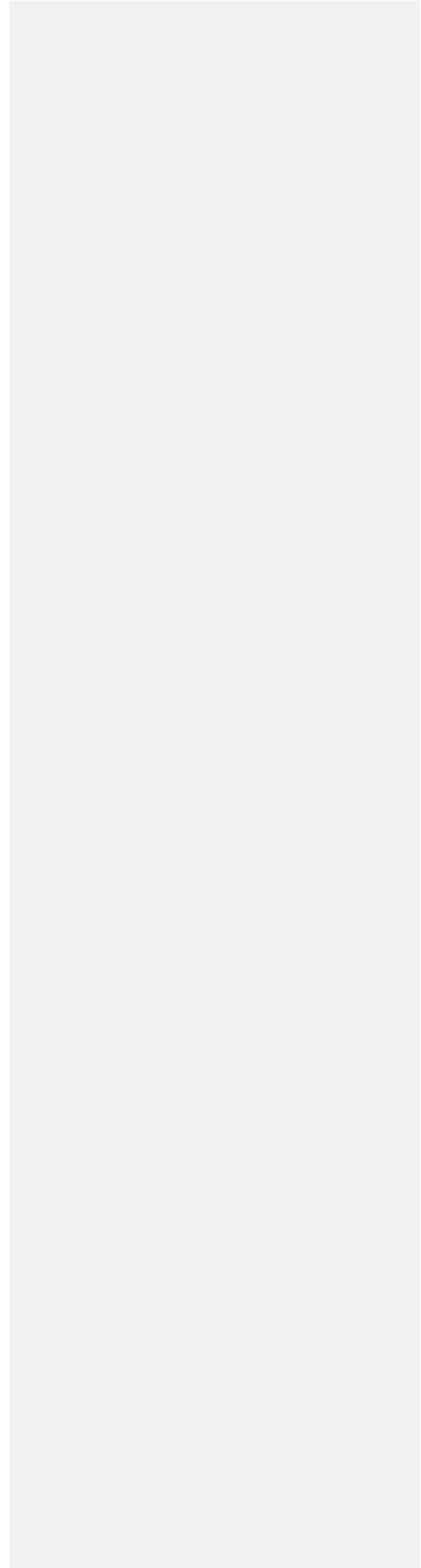
Periodically, the city receives requests for inspection or production of documents pursuant to the Public Records Act, as well as demands by subpoena or court order for such documents. In the event such a request or demand is made for e-mail, the employees having control over such e-mail, once they become aware of the request or demand, shall use their best efforts, by any reasonable means available, to temporarily preserve any e-mail that is in existence until it is determined whether such e-mail is subject to preservation, public inspection or disclosure. The city clerk shall be contacted regarding any such emails within the employee’s control. (Reso. 42-05), (part)

The City does not provide Council Members with a City email address or computer. Therefore, the computers and email address are the personal property of each Councilmember. As such, all email communications and information on a

Council members computer shall not be considered public records nor subject to the Public Records Act. (Reso. 42-05), (part)

#### **4.6 OTHER PROVISIONS**

The Act provides many other restrictions and requirements; this chapter is intended merely as a Council summary and overview of the Act, and nothing in this Chapter supersedes the provisions of the Brown Act. Since State law constantly changes, it is important to ensure you have the latest information. Please check with the City Attorney and/or the City Clerk for more information.



**CHAPTER FIVE  
COUNCIL/STAFF RELATIONSHIPS AND CONDUCT**

**5.1 INTENT**

The City Council as a whole retains full power to accept, reject, amend, influence, or otherwise guide and direct staff actions, decisions, recommendations, workloads and schedules, departmental priorities, and the conduct of City business.

This chapter addresses the relationship and conduct between Council Members and staff with the intent of the Council to: 1) affirm that governing shall be by will of the collective Council, and 2) establish guidelines for Council and staff to ensure orderly, consistent and open City government.

**5.2 GUIDELINES FOR COUNCIL MEMBERS**

The Council shall recognize that the primary functions of staff are to execute Council policy and actions taken by the Council, and to keep the Council informed.

**5.2.1 REQUESTS FOR INFORMATION**

Individual Council Members as well as the Council as a whole shall be permitted complete freedom of access to any information requested of staff, and shall receive the full cooperation and candor of staff in being provided with any requested information.

Council Members shall make routine requests for information through the appropriate department head. Complex or comprehensive requests for information shall be made through the City Manager.

**5.2.2 DIRECTION TO STAFF**

Generally, Council Members shall make requests for work to be done through the City Manager. Individual Members of the Council shall make no attempt to pressure or influence staff decisions, recommendations, workloads, and schedules, and departmental priorities without the prior knowledge and approval of the Council as a whole.

**5.3 GUIDELINES FOR STAFF**

Staff shall recognize that its primary function is to execute Council policy and to keep the Council informed. Staff shall present the Council with all relevant

information, as well as alternatives, in an objective, succinct manner. The City Manager and staff are committed to treating each Council Member equally.

### **5.3.1 TIMELY RESPONSE**

City staff will make every effort to respond in a timely and professional manner to all requests made by individual Council Members for information or assistance, provided that, in the judgment of the City Manager the request is not of a magnitude, either in terms of workload or policy, which would require that it more appropriately be assigned to staff through the collective direction of the City Council. In terms of making this judgment, the following guidelines should be considered: The request should be specific and limited in scope so that staff can respond without altering other priorities and with only minimal delay to other assignments; the request should only impose a "one-time" work requirement, as opposed to an on-going work requirement; the response to the request should not require a significant allocation of staff resources (generally defined as consisting of more than one staff person, or a single staff person working on the issue in excess of 1-2 hours).

### **5.3.2 DIRECTION FROM COUNCIL**

Staff is obligated to take guidance and direction only from the Council as a whole or from the appropriate management superiors as may be the case. Staff is directed to reject any attempts by individual Members of the Council to unduly influence or otherwise pressure them into making, changing or otherwise suppressing staff decisions or recommendations, or changing departmental work schedules and priorities. Staff shall report such attempts to influence them in confidence to the City Manager, who may inform the Council as a whole of such attempts.

### **5.3.3 STAFF SUPPORT TO INDIVIDUAL COUNCIL MEMBERS**

An exception to the above guidelines may be staff work required in support of a Council Member designated by the City Council to represent the City in an intergovernmental role (e.g., Membership on Joint Powers Authority), or relative to a special assignment (e.g., a special task force).

### **5.3.4 INFORMATION DISTRIBUTION**

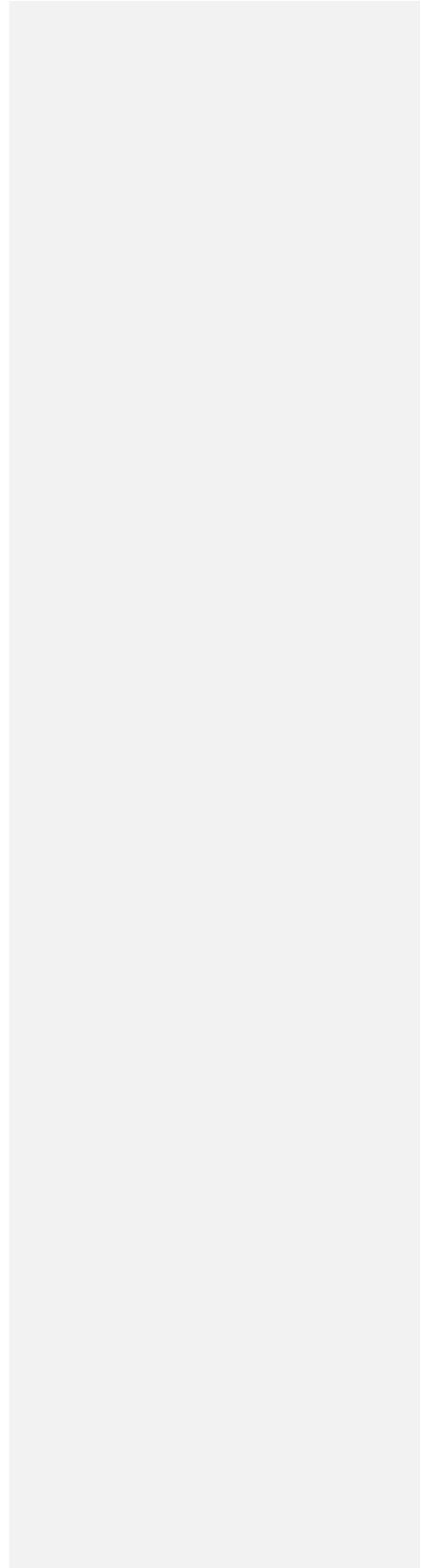
In cases where a staff response to an individual Council Member request involves written material that may be of interest to other Council Members, the City Manager will provide copies of the material to all other Council Members. In making this judgment, the City Manager will consider whether the information is significant or new or otherwise not available to the Council or of interest to the Council.

### **5.3.5 SIGNIFICANT INFORMATION**

Any information, service-related needs, or policy positions perceived as necessary by individual Council Members, which cannot be fulfilled per the above guidelines, should be raised by the individual Council Member under the "Declaration of Future Agenda Items" category of a regularly scheduled City Council meeting. If so directed by the collective action of the Council, then staff will proceed to complete the work within Council established deadlines.

### **5.4 USE OF CITY LETTERHEAD**

Staff will not prepare correspondence representing a Councilmember's personal point of view or a dissenting point of view from an official City policy or Council position. If Councilmembers use their title, position, or City letterhead to express a personal opinion, the letter shall state "I am writing this letter on behalf of myself" and , the official City position must also be stated clearly so the audience understands the difference/relationship between the official City position and the viewpoint of the Councilmember. If a letter is written on behalf of the majority of the City Council, the letter shall state "I am writing this letter on behalf of the City Council" A copy of any and all correspondence developed by or for a Councilmember on City letterhead shall be provided to the City Manager and the rest of the City Council.



**CHAPTER SIX  
ADVISORY BOARD PROCEDURES**

**6.1 COUNTY OR REGIONAL REPRESENTATION**

Annually, the Mayor shall make appointments to a variety of County and/or regional committees and boards. One Member of the Council shall serve as a voting representative and one Member shall serve as alternate. (See 6.6.2 for appointment procedures). 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.

**6.2 OTHER COUNCIL REPRESENTATION, SUBCOMMITTEES**

**6.2.1 COUNCIL LIAISON ASSIGNMENTS**

The Mayor shall have discretion to assign individual Members of Council to a liaison role with Community organizations or events. At the Mayor's discretion, an additional Council Member can be appointed for each such liaison assignment.

**6.2.2 OTHER COUNCIL SUBCOMMITTEES**

Council may establish subcommittees of no more than two members to address areas of concern and/or study.

**6.3 ROLE OF ADVISORY BOARD MEMBERS AT COUNCIL MEETINGS**

**6.3.1 INTENT**

To honor advisory board deliberations, views and positions on issues before Council; enhance communications between Council and their advisory bodies; and allow participation and input by advisory board members.

**6.3.2 COUNCIL AGENDA REPORTS**

6.3.2.1 Recommendation Differences. For those rare occasions when the City Manager recommendation differs from an advisory board recommendation, the difference should be clearly noted.

**6.3.3 COUNCIL MEETINGS**

6.3.3.1 Members of an advisory board are free to appear and give testimony before Council using the public microphone, after

identifying whether they are speaking as a representative of the advisory board or as a private citizen.

6.3.3.2 Reports to Council must be in written form.

#### **6.4 ROLE OF CITY STAFF PERSONS**

Staff support and assistance may be provided or made available, but advisory bodies do not have supervisory authority over City employees. While they may work closely with advisory bodies, staff members remain responsible to their immediate supervisors and ultimately to the City Manager and Council. The members are responsible for the functions of the advisory board and the chairperson is responsible for committee compliance with applicable policies and procedures.

Staff support includes preparation of a summary agenda in conjunction with the Chairperson, and preparation of agenda reports providing a brief background of the issue, a list of alternatives, recommendations, and appropriate backup material, if necessary. Members of advisory bodies are volunteers and should be treated with respect and courtesy. Advisory board members should have sufficient information to reach decisions based upon a clear explanation of the issues within their charge. Sometimes members of advisory bodies may request information not related to their area of service. Staff members should in this case provide the same level of information and assistance as would be accorded any citizen. If in the judgment of staff the request goes beyond that standard, the matter will be turned over to the City Manager. A staff person will be assigned to serve as Secretary, taking minutes as needed.

It is important that advisory bodies wishing to communicate with the City Council do so through adopted or approved Council agenda procedures. Staff members shall assist the advising board to insure appropriate review and that City and State legislation is complied with.

#### **6.5 APPOINTMENT PROCEDURES**

The following procedures shall be the policy of the City Council in regard to appointment of volunteer citizens to the various advisory bodies of the City.

##### **6.5.1 PURPOSE**

The purpose of establishing these procedures shall be to insure that well-qualified, responsible and willing citizens are given the opportunity to serve the City and participate in the governing of their community. These procedures will apply to all appointments and reappointments to standing advisory bodies.

## **6.6 PROCESS**

### **6.6.1 QUALIFICATIONS**

6.6.1.1 The applicant must be a resident and registered voter of the City at the time and during the entire term of appointment, unless excepted by State law or Council approved special requirements in advisory committee by-laws.

6.6.1.2.1 The applicant must be at least 18 years of age at the time of appointment.

6.6.1.2.2 Elected Officials, Officers and Employees of the City of Morro Bay shall not be considered for appointment.

### **6.6.2 TERMS**

6.6.2.1 The term of office for each appointee to an advisory board shall be a maximum of four years. The terms are staggered so that in no event, will all terms on any committee expire in the same year. Incumbents may apply for subsequent terms of service. Terms of Office will expire on January 31, of the specified year.

6.6.2.2 Persons appointed to fill the remainder of a vacated office term may reapply to serve on the same advisory board.

6.6.2.3 Mid-term appointment to a vacant seat shall not preclude the appointee from serving additional terms.

6.6.2.4 As a general policy, an applicant shall not be appointed to serve on more than one advisory board, except that a member may also serve on one technical or special-purpose committee at the same time. If appointed to another committee, he/she will be expected to resign from one board upon being appointed to another.

### **6.6.3 PROCESS**

6.6.3.1 Applications are obtained and filed with the City Clerk's Office.

6.6.3.2 Prior to November 30, of each year, the City Clerk shall advise the City Council of the terms that are due to expire on each advisory board. The City Clerk shall also notify each advisory

- member whose term is due to expire. Each of these members shall be given the opportunity to apply for reappointment.
- 6.6.3.3 The City Clerk shall then place an advertisement in the local newspaper, inviting citizens to apply for consideration as an appointment to an advisory board, with instructions regarding the application process.
  - 6.6.3.4 It is recommended that applicants attend at least one meeting of the advisory body applied for prior to the interview with the City Council.
  - 6.6.3.5 The City Council shall, in a noticed public meeting, interview qualified applicants. In making appointments, the Council shall strive for a representative cross-section of both lay and professional knowledge. The Council will act by separate motion on each appointment made.
  - 6.6.3.6.1 Applicants not appointed will be advised and their applications held for up to one year for consideration in the event of a future vacancy.
  - 6.6.3.6.2 Candidates not appearing for interview before the City Council will be considered for appointment only upon a finding of the City Council by motion that the absence arises from excusable neglect.



AGENDA NO: D-1  
MEETING DATE: 02/22/10

# Staff Report

**TO:** Honorable Mayor and City Council                      **DATE:** February 16, 2010  
**FROM:** Susan Slayton, Administrative Services Director/City Treasurer  
**SUBJECT:** Resolution No. 13-10 Establishing the Purpose of the Risk Management Fund

**RECOMMENDATION:**

Staff recommends that Council adopt Resolution 13-10, which sets the parameters of the Risk Management Fund, as revised.

**MOTION: I move that Council adopt Resolution No. 13-10, setting the purpose and use of the Risk Management Fund, as revised.**

**FISCAL IMPACT:**

Adopting this Resolution allows Council to establish the parameters of the Risk Management Fund, and transfer the excess cash to the General Fund Accumulation Fund, bringing us to our goal of a 27.5% reserve.

**SUMMARY:**

The Risk Management Fund was established to manage the insurance needs of the City; this fund is not required by the California Joint Powers Insurance Authority (CJPIA). The cash balance in this fund has grown well beyond those needs, and staff is recommending that the City Council establish parameters for the Risk Management Fund cash balance, and move the excess funds to the General Fund Accumulation Fund.

**BACKGROUND:**

In 2003, the City of Morro Bay, along with most of the other cities in the County, joined the California Joint Powers Authority (CJPIA) liability insurance program for self-insuring and pooling losses with other member agencies. The City had previously belonged to the Central Coast Cities Self-Insurance Fund (CCCSIF). CCCSIF was dissolved when member cities moved to join the CJPIA, a state-wide insurance pool, to save even more money on the cost of insurance.

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

## **DISCUSSION:**

In the 2006/07 fiscal year, staff combined all of the insurance funds into one Risk Management Fund to simplify the presentation. Once combined, it became apparent that the cash balances in all of the separate insurance funds (\$1.17 million) were excessive for our insurance premium and claims needs that, on average over the last 7 years, have cost between \$700,000 and \$900,000, the majority of which was reimbursed by monthly departmental charges.

It was in that same fiscal year that staff became aware of excess funds held by the defunct CCCSIF for tail claims, which are claims that were not yet settled and that potentially could cost the City. The amount of money required to be retained for the tail claims was estimated by the CJPIA at \$300,000, and staff requested that the balance in excess of this be returned to the City. A check in the amount of \$1.56 million was received in July 2008, and posted to the Risk Management Fund, bringing the total of the fund to \$2.73 million. Since that time, the Risk Management Fund has continued to grow based on interest earnings, contributions and some savings in premiums.

Each year, City departments contribute to the cost of insurance premiums based on the number of employees in each division. Last year, the total cost of the premiums was \$962,000. The \$962,000 was divided between departments, and those funds were then transferred monthly into the Risk Management Fund, to reimburse what had already been taken out to pay the premium costs to the CJPIA. Above and beyond the cost of the premiums, the City has an additional “reserve” of approximately \$2.73 million in that fund. In other words, the Risk Management Fund has served as a “holding place” for funds that have been received (such as the refund for the tail claims). Because of how the CJPIA is designed, the City does not need to retain a reserve to pay for any claims related to the CJPIA covered programs, as those are handled by CJPIA as part of their agreement with the City. In fact, most cities that are members of the CJPIA, or a similar insurance organization, do not have a Risk Management reserve, as it serves no purpose; the funds will never be used. However, there are two specific areas that are not covered by the CJPIA: Land Use lawsuits and some personnel issues. For these purposes, the fund should not retain monies in excess of \$500,000, which is the estimate arrived by staff for the target cash balance.

Staff further recommends that the remaining cash in the Risk Management Fund (\$2.4 million) be transferred to the General Fund Accumulation Fund. This would raise that fund’s cash balance from \$477,042 to \$2.88 million. The General Fund reserve target is 27.5% of General Fund expenditures, or \$2.875 million. By passing this Resolution, Council will have achieved that goal.

**RESOLUTION NO. 13-10**

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA, ESTABLISHING THE  
PARAMETERS FOR THE RISK MANAGEMENT FUND**

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

**WHEREAS**, the City of Morro Bay currently operates an Internal Service Fund entitled Risk Management; and

**WHEREAS**, the City purchases insurance from the California Joint Powers Insurance Authority (CJPIA); and

**WHEREAS**, the City pays for this insurance through the Risk Management Fund, and collects money, on a monthly basis, from the benefitting City departments/funds to reimburse for the cost of the insurance; and

**WHEREAS**, as of January 31, 2010, the Risk Management Fund had accumulated a cash balance in the amount of \$2.9 million;

**WHEREAS**, the cash requirements for the City have been estimated at \$500,000 to pay for any uncovered lawsuits, such as land-use, personnel issues, etc; and

**WHEREAS**, the CJPIA does not require the City to maintain a Risk Management Fund, and most cities do not have a separate Risk Management Fund.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Morro Bay, California, as follows:

**RISK MANAGEMENT FUND**

1. The Risk Management Fund is established as an Internal Service Fund whose purpose is to manage the insurance purchased from the CJPIA, and to pay for any claims not covered by CJPIA;
2. The Risk Management Fund, while not required by CJPIA, has been determined, by the City, to be necessary to account for the covered and uncovered insurance expenses;
3. The cash needs of the Risk Management Fund have been estimated at \$500,000; and
4. The Risk Management Fund cash needs will be annually evaluated through the budget, and adjusted as necessary.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay at a regular meeting thereof held on the 22<sup>nd</sup> day of February 2010, by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

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JANICE PETERS, Mayor

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BRIDGETT KESSLING, City Clerk



AGENDA NO: D-2

MEETING DATE: 2/22/10

# Staff Report

**TO:** Honorable Mayor and City Council

**DATE:** February 16, 2010

**FROM:** Rob Schultz

**SUBJECT:** Consideration of an Amendment to Morro Bay Municipal Code Chapter 2.16.080 regarding the duties of the City Attorney

## **RECOMMENDATION:**

Review the Staff Report and draft amendment to MBMC 2.16.080 regarding the duties of the City Attorney and direct staff to return with this item for Introduction and First Reading with any changes suggested by Council.

## **FISCAL IMPACT:**

None at this time.

## **BACKGROUND:**

Council member Winholtz expressed interest in amending the City Attorney's duties to include a requirement that he/she attend all appeals before the Planning Commission. Morro Bay Municipal Code Section 2.16.080 currently provides the follow:

### **2.16.080 City attorney—Duties.**

A. The city attorney shall advise the city officials in all legal matters pertaining to city business. The city attorney shall prepare such ordinances, formal resolutions, contracts or other legal instruments as may be required by the city council. The city attorney shall attend all regular meetings of the city council, and other meetings as requested by the city council, and give advice or opinions in writing whenever requested to do so by the city council, or with the approval of the city manager, by any of the boards or officers of the city. The city attorney shall approve the form of all bonds given to and all contracts made by the city, endorsing approval thereon in writing. The city attorney shall monitor existing and pending legislation which may affect the city. The city attorney shall periodically report to the city council on pending and threatened litigation in which city is a party or otherwise interested. The city attorney shall perform other legal services required from time to time by the city council.

**Prepared By:** \_\_\_\_\_

**Dept Review:** \_\_\_\_\_

**City Manager Review:** \_\_\_\_\_

**City Attorney Review:** \_\_\_\_\_

If the City Council desires, Morro Bay Municipal Code would be amended as follows:

**2.16.080 City attorney—Duties.**

A. The city attorney shall advise the city officials in all legal matters pertaining to city business. The city attorney shall prepare such ordinances, formal resolutions, contracts or other legal instruments as may be required by the city council. The city attorney shall attend all regular and special meetings of the city council, all appeals held before the planning commission, and other meetings as requested by the city council, and give advice or opinions in writing whenever requested to do so by the city council, or with the approval of the city manager, by any of the boards or officers of the city. The city attorney shall approve the form of all bonds given to and all contracts made by the city, endorsing approval thereon in writing. The city attorney shall monitor existing and pending legislation which may affect the city. The city attorney shall periodically report to the city council on pending and threatened litigation in which city is a party or otherwise interested. The city attorney shall perform other legal services required from time to time by the city council.

**CONCLUSION:**

Staff recommends that this item return for Introduction and First Reading.