City of Morro Bay
City Council Agenda

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

AMENDED REGULAR MEETING
TUESDAY, AUGUST 23, 2016
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

RECOGNITION - None

CLOSED SESSION REPORT
MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS
CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

PRESENTATIONS
Presentation of Maritime Discovery Month Proclamation
Chamber of Commerce Quarterly Presentation

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

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

- When recognized by the Mayor, please come forward to the podium and state your name and city of residence 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.

A. CONSENT AGENDA

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion. The public will also be provided an opportunity to comment on consent agenda items.

A-1 APPROVAL OF MINUTES FROM THE AUGUST 9, 2016 SPECIAL CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FROM THE AUGUST 10, 2016 SPECIAL CLOSED SESSION CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FROM THE AUGUST 15, 2016 SPECIAL CLOSED SESSION CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 APPROVAL OF PROCLAMATION DECLARING OCTOBER AS MARITIME DISCOVERY MONTH; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-5 ADOPTION OF RESOLUTION NO. 62-16 AUTHORIZING THE CITY OF MORRO BAY TO ENTER INTO A 2016-2018 SURRENDERED AND ABANDONED VESSEL EXCHANGE GRANT CONTRACT WITH THE STATE OF CALIFORNIA DEPARTMENT OF PARKS AND RECREATION, DIVISION OF BOATING AND WATERWAYS, FOR A GRANT TO THE CITY IN THE AMOUNT OF $13,400 FOR REMOVAL OF ABANDONED/SURRENDERED VESSELS AND HAZARDS TO NAVIGATION; (HARBOR)

RECOMMENDATION: Adopt Resolution No. 62-16.

A-6 ADOPTION OF RESOLUTION NO. 63-16 AUTHORIZING THE CITY OF MORRO BAY TO ENTER INTO A 2016-2031 BOATING SAFETY AND ENFORCEMENT GRANT CONTRACT WITH THE STATE OF CALIFORNIA DEPARTMENT OF PARKS AND RECREATION, DIVISION OF BOATING AND WATERWAYS, FOR A GRANT TO THE CITY IN THE AMOUNT OF $18,437.00 FOR PURCHASE OF FLIR THERMAL IMAGING EQUIPMENT; (HARBOR)

RECOMMENDATION: Adopt Resolution No. 63-16.

A-7 ADOPTION OF RESOLUTION 64-16, A RESOLUTION OF INTENTION TO SET A PUBLIC HEARING FOR THE ABANDONMENT (VACATION) OF A PORTION OF THE PUBLIC SERVICES (SEWER) EASEMENT ON THE NORTHEAST PORTION

OF PROPERTY AT 219 MARINA (C.P. PARKER, 219 MARINA, APPLICANT) PERMIT NO. E00-000-107; (PUBLIC WORKS)

RECOMMENDATION: Adopt Resolution No. 64-16.

A-8 APPROVAL OF PROPOSED AMENDMENT #2 FOR WATER RECLAMATION FACILITY (WRF) MASTER PLAN CONTRACT WITH BLACK AND VEATCH; (PUBLIC WORKS)

RECOMMENDATION: Approve as submitted.

A-9 ADOPTION OF RESOLUTION NO. 65-16 IMPLEMENTING THE TENTATIVE AGREEMENT AND MEMORANDUM OF UNDERSTANDING WITH THE MORRO BAY POLICE EMPLOYEES AND RELATED COMPENSATION FOR THE PERIOD JULY 1, 2016 – JUNE 30, 2017; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 65-16.

A-10 ADOPTION OF RESOLUTION NO. 66-16 IMPLEMENTING THE TENTATIVE AGREEMENT AND MEMORANDUM OF UNDERSTANDING WITH THE MORRO BAY FIREFIGHTERS ASSOCIATION AND RELATED COMPENSATION FOR THE PERIOD JULY 1, 2016 – JUNE 30, 2017; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 66-16.

A-11 ADOPTION OF RESOLUTION NO. 67-16 IMPLEMENTING THE TENTATIVE AGREEMENT AND MEMORANDUM OF UNDERSTANDING WITH THE SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU), LOCAL 620, AND RELATED COMPENSATION FOR THE PERIOD JULY 1, 2016 – JUNE 30, 2017; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 67-16.

A-12 APPROVAL OF UPDATED FY 16/17 CITY GOALS AND OBJECTIVES, INCLUDING ADDITION OF OBJECTIVE RELATED TO SKATE PARK IMPROVEMENTS; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

B. PUBLIC HEARINGS - NONE

C. BUSINESS ITEMS

C-1 APPROVAL OF ABSENCE OF COUNCIL MEMBER MATT MAKOWETSKI FROM ATTENDANCE AT COUNCIL MEETINGS FOR A 90-DAY PERIOD; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Staff recommends the Council discuss Council Member Makowetski's request for a leave of absence and direct staff accordingly.

C-2 FY 2015/16 GOALS REVIEW; (ADMINISTRATION)

RECOMMENDATION: Receive and file.

C-3 DISCUSSION AND APPROVAL OF CITY ORGANIZATIONAL ITEMS AND APPROVAL OF FY 16/17 SALARY SCHEDULE; (ADMINISTRATION)

RECOMMENDATION: Receive and discuss the report then approve new job descriptions and FY 16/17 salary schedule.

C-4 AUTHORIZE AWARD OF A CONSULTANT AGREEMENT FOR PRELIMINARY ENGINEERING SERVICES FOR PROJECT 05-5391R, STATE ROUTE 1/MAIN STREET AT SR41 INTERCHANGE IMPROVEMENTS; (PUBLIC WORKS)

RECOMMENDATION: Receive the report, review recommendations from the Public Works Advisory Board, and authorize the Public Works Director to execute an agreement for Preliminary Engineering Services for Project 05-5391R.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

E. ADJOURNMENT

The next Regular Meeting will be held on **Tuesday**, **September 13, 2016 at 6:00 pm** at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

THIS AGENDA IS SUBJECT TO AMENDMENT UP TO 72 HOURS PRIOR TO THE DATE AND TIME SET FOR THE MEETING. PLEASE REFER TO THE AGENDA POSTED AT CITY HALL FOR ANY REVISIONS OR CALL THE CLERK'S OFFICE AT 772-6205 FOR FURTHER INFORMATION.

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

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

AGENDA NO: A-1

MEETING DATE: August 23, 2016

MINUTES - MORRO BAY CITY COUNCIL
SPECIAL MEETING – AUGUST 9, 2016
VETERANS MEMORIAL HALL
209 SURF STREET – 3:30 P.M.

PRESENT:	Jamie Irons	Mayor
	Matt Makowetski	Councilmember
	John Headding	Councilmember
	Christine Johnson	Councilmember
	Noah Smukler	Councilmember
STAFF:	Dana Swanson	City Clerk
	Chris Neumeyer	Assistant City Attorney

ESTABLISH QUORUM AND CALL TO ORDER
Mayor Irons established a quorum and called the meeting to order at 3:33 p.m., with all members present.

SPECIAL MEETING AGENDA ITEMS:

I. ADVISORY BOARD INTERVIEWS
https://youtu.be/vC93lrvvzYQ?t=9s

- Public Works Advisory Board (PWAB) interviews to fill one (1) unscheduled vacancy for a term ending January 31, 2017

- Citizens Oversight Committee / Citizens Finance Committee interviews to fill (2) seats made available by adoption of Ordinance 602 and Resolution No. 18-16 which expanded this from a 5- to 7-member Committee. One new member to be appointed for a 3-year term ending January 31, 2019 and one new member to be appointed 6-year term ending January 31, 2022.

The Council interviewed Ric Deschler for the Public Works Advisory Board (PWAB) and Bart Beckman for the Citizens Oversight Committee / Citizens Finance Committee.

PUBLIC COMMENT RE: ITEMS ON THE AGENDA
The public comment period was opened.

Robert Davis, Morro Bay, spoke in support of Ric Deschler for the Public Works Advisory Board.

The public comment period was closed.

MOTION: Mayor Irons moved to appoint Mr. Deschler to fill the unscheduled vacancy on the PWAB for a term ending January 31, 2017. The motion as seconded by Councilmember Smukler. A roll-call vote was taken and the motion passed unanimously, 5-0.

MOTION: Councilmember Smukler moved to appoint Mr. Beckman to a 6-year term on the Citizens Oversight Committee / Citizens Finance Committee. The motion as seconded by Councilmember Johnson. A roll-call vote was taken and the motion passed unanimously, 5-0.

ADJOURNMENT

The meeting adjourned at 4:00 p.m.

Recorded by:

Dana Swanson
City Clerk

MINUTES – MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING –
AUGUST 10, 2016
CITY HALL CONFERENCE ROOM–3:00 P.M.

AGENDA NO: A-2

MEETING DATE: August 23, 2016

PRESENT:	Jamie Irons	Mayor
	John Headding	Councilmember
	Christine Johnson	Councilmember
	Noah Smukler	Councilmember
ABSENT:	Matt Makowetski	Councilmember
STAFF PRESENT:	Dave Buckingham	City Manager
	Chris Neumeyer	Assistant City Attorney
	Eric Endersby	Harbor Director

ESTABLISH QUORUM AND CALL TO ORDER – A quorum was established and the meeting was called to order at 3:00 p.m. with all members but Councilmember Makowetski present.

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

CLOSED SESSION PUBLIC COMMENTS - Mayor Irons opened the meeting for public comment for items only on the agenda.

Stan Trapp stated the attempt to reinterpret the terms of the lease was unfair and not sustainable financially. He requested the rent stay as originally interpreted with appraisal and CPI adjustments only.

Reg Whibley stated the proposed rent increase was unfair and asked how the lease agreement could have been interpreted incorrectly for so many years. He suggested the terms be adjusted when a new lease agreement is executed.

The public comment period was closed.

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

CS-1 PUBLIC EMPLOYMENT
Title: Assistant City Manager

CS-2 CONFERENCE WITH LABOR NEGOTIATORS
City Designated Representatives: Joseph W. Pannone and Colin Tanner
Employee Organizations: Morro Bay Firefighters' Association; Service Employee's International Union - SEIU Local 620

CS-3 GOVERNMENT CODE SECTION 54956.8 - CONFERENCE WITH REAL PROPERTY NEGOTIATOR:
Property: Lease Site 71-74/71W-74W & 75-77/75W-77W, Marina Square, 601 & 699 Embarcadero
Property Negotiators: Morro Bay Marina, a general partnership (Stan Trapp)
Agency Negotiators: Eric Endersby, Harbor Director and Joseph Pannone, City Attorney
Under Negotiation: Price and Terms of Payment

Property: Lease Site 50-51/50W-51W, 451 Embarcadero
Property Negotiators: Reg Whibley
Agency Negotiators: Eric Endersby, Harbor Director and Joseph Pannone, City Attorney
Under Negotiation: Price and Terms of Payment

Property: Lease Site 35W-36W, 235 Main Street
Property Negotiators: William Martony
Agency Negotiators: Eric Endersby, Harbor Director and Joseph Pannone, City Attorney
Under Negotiation: Price and Terms of Payment

RECONVENE TO OPEN SESSION - The City Council reconvened to Open Session. The Council did not take any reportable action pursuant to the Brown Act.

ADJOURNMENT

The meeting adjourned at 5:49 p.m.

Recorded by:

Dana Swanson
City Clerk

AGENDA NO: A-3

MEETING DATE: August 23, 2016

MINUTES – MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING –
AUGUST 15, 2016
CITY HALL CONFERENCE ROOM–5:00 P.M.

PRESENT:	Jamie Irons	Mayor
	John Headding	Councilmember
	Noah Smukler	Councilmember
ABSENT:	Christine Johnson	Councilmember
	Matt Makowetski	Councilmember
STAFF PRESENT:	Dave Buckingham	City Manager

ESTABLISH QUORUM AND CALL TO ORDER – A quorum was established and the meeting was called to order at 5:05 p.m. with Mayor Irons, Councilmember Headding and Councilmember Smukler present.

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

CLOSED SESSION PUBLIC COMMENTS - Mayor Irons opened the meeting for public comment for items only on the agenda; seeing none, the public comment period was closed.

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

CS-1 PUBLIC EMPLOYMENT
Title: Assistant City Manager

RECONVENE TO OPEN SESSION - The City Council reconvened to Open Session. The Council did not take any reportable action pursuant to the Brown Act.

ADJOURNMENT

The meeting adjourned at 5:19 p.m.

Recorded by:

Dana Swanson
City Clerk

AGENDA NO: __A-4_____

MEETING DATE: August 23, 2016

A PROCLAMATION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY DECLARING OCTOBER AS MARITIME DISCOVERY MONTH

CITY COUNCIL
City of Morro Bay, California

WHEREAS, Morro Bay has evolved at the connection between land and ocean for countless centuries before recorded history; and

WHEREAS, Native Americans plied the waters and shores of Morro Bay; and

WHEREAS, Cabrillo's voyage of discovery in 1542 sailed by Morro Bay on the first European expedition up the California Coast; and

WHEREAS, Gaspar de Portolá i Rovira, in 1769, leading a land expedition in search of safe harbors, noted Morro Rock; and

WHEREAS, Morro Bay has been a commercial fishing town for generations; and

WHEREAS, Morro Bay facilitated valuable U.S. Navy training operations during World War II; and

WHEREAS, Morro Bay's vital tourism economy now revolves around activities in and around the bay such as fishing, surfing, kayaking, sailing, etc.

NOW, THEREFORE, BE IT RESOLVED, that the Morro Bay City Council does hereby proclaim the month of October, every year, as Maritime Discovery Month in the City of Morro Bay, and urges the citizens of Morro Bay, California, to join the efforts to celebrate the maritime heritage of our city by the sea.

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the City of Morro Bay to be affixed this 23rd day of August, 2016

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

AGENDA NO: A-5

MEETING DATE: August 23, 2016

Staff Report

TO: **Honorable Mayor and City Council** **DATE: August 11, 2016**

FROM: **Eric Endersby, Harbor Director**

SUBJECT: **Adoption of Resolution No. 62-16 Authorizing the City of Morro Bay to Enter into a 2016-2018 Surrendered and Abandoned Vessel Exchange Grant Contract with the State of California Department of Parks and Recreation, Division of Boating and Waterways, for a grant to the City in the Amount of $13,400 for Removal of Abandoned/Surrendered Vessels and Hazards to Navigation**

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 62-16 authorizing the Harbor Director to execute on behalf of the City the attached Surrendered and Abandoned Vessel Exchange (SAVE) Grant Contract Agreement #C16S0608 with the California Department of Parks and Recreation, Division of Boating and Waterways (DBW), for a $13,400 grant to the City for funding of removal of abandoned/surrendered vessels and hazards to navigation.

ALTERNATIVE

There are no alternatives being offered.

FISCAL IMPACT

Approval of this $13,400 grant agreement will provide funding for demolition and removal of abandoned or surrendered vessels and hazards to navigation. City is required to provide a 10% funding match, or $1,340, which will come from existing budgeted funds.

BACKGROUND

The Surrendered and Abandoned Vessel Exchange (SAVE) grant is a combination of two grant programs: the Vessel Turn-In Program (VTIP) grant, and the Abandoned Water Abatement Fund (AWAF) grant.

The Vessel Turn-In Program (VTIP) was established by DBW from enabling Legislation in 2009. VTIP provides a funding mechanism for local agencies to identify vessels in danger of being abandoned (generally older vessels at or beyond their useful life and falling into dereliction). and then accept ownership of those vessels from willing owners for demolition, prior to the vessels being abandoned and

Prepared By: LS **Dept Review:** EE

City Manager Review: DWB

City Attorney Review: CFN

becoming a hazard to navigation or the environment. The City has accepted three prior grants from DBW under the VTIP program.

The Abandoned Water Abatement Fund (AWAF) was established in 1997 and provides funds to public agencies to remove, store, and dispose of abandoned, wrecked, or derelict vessels or other submerged objects from navigable waterways which pose a hazard to navigation or the environment. To date, the Harbor Department has received and expended over $78,000 in six separate AWAF fund grants.

Today, the two grants are combined to create a single grant, entitled "Surrendered and Abandoned Vessel Exchange" (SAVE), which will allow the City the ability to utilize the funds as deemed necessary for both AWAF and VTIP grant purposes.

In April of 2016, the Harbor Department applied for a SAVE Grant from DBW, and this grant was recently approved in the amount of $13,400.

DISCUSSION

As stewards of the harbor and ocean environment, the $13,4000 SAVE grant will enable the Harbor Department to accept surrendered vessels for demolition prior to them becoming abandoned and posing hazards to navigation or the environment.

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

CONCLUSION

Staff recommend that the City Council adopt Resolution No. 62-16 which will authorize the City, through the Harbor Director, to enter into a 2016-2018 contract with the California Department of Parks and Recreation, Division of Boating and Waterways, for a $13,400 SAVE grant to the City for demolition and removal of abandoned/surrendered vessels and hazards to navigation.

ATTACHMENTS

1. Resolution 62-16
2. SAVE Grant Contract Agreement

RESOLUTION NO. 62-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, AUTHORIZING THE CITY OF MORRO BAY TO ENTER INTO A 2016-2018 SURRENDERED AND ABANDONED VESSEL EXCHANGE CONTRACT, WITH THE DIVISION OF BOATING AND WATERWAYS (CALIFORNIA DEPARTMENT OF PARKS AND RECREATION), FOR A GRANT TO THE CITY IN THE AMOUNT OF $13,400

T H E C I T Y C O U N C I L
City of Morro Bay, California

WHEREAS, City of Morro Bay (City) applied for a Surrendered and Abandoned Vessel Exchange (SAVE) Grant from State of California Department of Parks and Recreation, Division of Boating and Waterways (DBW) in the amount of $15,000.00; and

WHEREAS, DBW awarded the City of Morro Bay a SAVE grant in the amount of $13,400.00, which will allow the City the ability to utilize the funds as deemed necessary for removal of abandoned and surrendered vessels and hazards to navigation; and

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

1. The City is hereby authorized to enter into a SAVE Contract Agreement #C16S0608 with the State of California Department of Parks and Recreation, Division of Boating and Waterways, for the amount of $13,400.00 to be granted to the City for removal of abandoned/surrendered vessels and hazards to navigation ("grant contract agreement").

2. Harbor Director Eric Endersby is hereby authorized to act as the City's agent in regards to all aspects of the grant contract agreement, including but not limited to execution of the grant contract agreement on behalf of the City.

3. The City authorizes $1,340 from existing budgeted funds to match the $13,400 grant provided by DBW, with the City's $1,340 to be used for the same purpose as the DBW grant.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 23rd day of August, 2016 on the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
JAMIE L. IRONS, Mayor

ATTEST:

_____
DANA SWANSON, City Clerk

State of California – Natural Resources Agency

DEPARTMENT OF PARKS AND RECREATION

DIVISION OF BOATING AND WATERWAYS

GRANT AGREEMENT - CERTIFICATE OF FUNDING

GRANTEE:	City of Morro Bay Harbor Department
GRANT TITLE:	SURRENDERED AND ABANDONED VESSEL EXCHANGE (SAVE)
GRANT AMOUNT:	$13,400.00
GRANT NUMBER:	C16S0608
GRANT TERM:	Effective: Date Fully Executed* through September 30, 2018
FULLY EXECUTED:	To be advised

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

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

Grantee: City of Morro Bay Harbor Department	Agency: Department of Parks and Recreation Division of Boating and Waterways
	ATTN: Susan Sykes
Address: 1275 Embarcadero, Morro Bay, CA 93422	Address: One Capitol Mall, Suite 500 Sacramento, CA 95814
Authorized Signature:	Authorized Signature:
Printed Name:	Printed Name: Ramona Fernandez
Title of Authorized Representative:	Title: Chief of Operations
Date:	Date:

CERTIFICATE OF FUNDING

(FOR STATE USE ONLY)

GRANTEE: City of Morro Bay Harbor Department

GRANT TITLE: FY 2016/17 Surrendered and Abandoned Vessel Exchange (SAVE)

GRANT AMOUNT: $13,400.00

GRANT NUMBER: C16S0608

GRANT TERM: Effective: Date Fully Executed* through September 30, 2018

FULLY EXECUTED: To be advised

CONTRACT NO C16S0608	AMENDMENT NO	CALSTARS VENDOR NO 4000000048-02		PROJECT NO
AMOUNT ENCUMBERED BY THIS DOCUMENT $13,400.00	FUND TITLE Abandoned Watercraft Abatement Fund 0577		AGENCY BILLING CODE NO 053706	
PRIOR AMOUNT ENCUMBERED BY THIS DOCUMENT $0	ITEM 3790-101-0577	CHAPTER 23	STATUTE 2016	FISCAL YEAR 2016/17
TOTAL AMOUNT ENCUMBERED TO DATE $13,400.00	INDEX 1706	OBJECT CODE 702	PCA CODE 69007	PROJECT/WORK PHASE N/A
T.B.A. NO	I hereby certify upon my own personal knowledge that the budgeted funds are available for this encumbrance.			
B.R.NO 77-1	ACCOUNTING OFFICER'S SIGNATURE		DATE	

STATE OF CALIFORNIA

Department of Parks and Recreation, Division of Boating and Waterways
One Capitol Mall, Suite 500
Sacramento, CA 95814

EXHIBIT A
SURRENDERED AND ABANDONED VESSELS EXCHANGE (SAVE)

FISCAL YEAR 2016/17

SCOPE OF WORK

Grantee agrees to provide to the Division of Boating and Waterways (DBW) as described herein:

See Grant Application: Letter of Intent, Scope of Work and Work Plan of Exhibit G.

The services shall be performed in the jurisdiction of: City of Morro Bay Harbor Department

State Agency: Division of Boating and Waterways	Grantee (Agency Name): City of Morro Bay Harbor Department
Name: Susan Sykes	Grantee Representative*: Lori Stilts
Title: Derelict Vessel Programs Administrator	Title: Grants Administrator
Address: One Capitol Mall, Suite 500 Sacramento, CA 95814	Address: 1275 Embarcadero, Morro Bay, CA 93422
Phone: (916) 327-1825	Phone: (805) 772-6254 x 256
Fax: (916) 327-1772	Fax: (805) 772-6258
Email: Susan.Sykes@parks.ca.gov	Email: lstilts@morrobayca.gov

* Grantee representative information may only be changed by giving 30 days written notice to DBW.

EXHIBIT B

Surrendered and Abandoned Vessels Exchange (SAVE) Grant Program

1. NEEDS AND OBJECTIVES OF DBW

a. Pursuant to its authority under Harbors and Navigation Code section 525, the Division of Boating and Waterways (DBW) wishes to contract with Grantee for the removal and disposal of abandoned, wrecked or dismantled vessels, or parts thereof, or any other partially submerged objects (hereinafter "eligible water hazards") which pose a substantial hazard to navigation within Grantee's jurisdiction as listed on the Questionnaire, found in Exhibit A.

b. Pursuant to its authority under Harbors and Navigation Code Section 525, the Division of Boating and Waterways (DBW) wishes to contract with Grantee for the removal and disposal of surrendered vessels, or parts thereof, which are in danger of being abandoned and has a likelihood of causing environmental degradation or becoming a hazard to navigation within Grantee's jurisdiction as specified according to the Grantee's Work Plan, found in Exhibit A.

2. WATER HAZARDS ELIGIBLE FOR REMOVAL AND DISPOSAL

The funds provided under this Agreement shall be used for the combined purposes of Surrendered and Abandoned Vessels Exchange (SAVE) as follows:

a. **Abatement, removal, storage and/or disposal of eligible water hazards**. For purposes of this Agreement, "abandoned" is defined in Harbors and Navigation Code section 522(a):

"Any hulk, derelict, wreck, or parts of any ship, vessel, or other watercraft sunk, beached, or allowed to remain in an unseaworthy or dilapidated condition upon publicly owned submerged lands, salt marsh, or tidelands within the corporate limits of any municipal corporation or other public corporation or entity having jurisdiction or control over those lands, without its consent expressed by resolution of its legislative body, for a period longer than 30 days without a watchman or other person being maintained upon or near and in charge of the property, is abandoned property".

Harbors and Navigation Code, Section 525 (1)(A):

"…the Abandoned Watercraft Abatement Fund, which is hereby created as a special fund. Moneys in the fund shall be used exclusively, upon appropriation by the Legislature, for grants to be awarded by the department to local agencies for the abatement, removal, storage, and disposal as public nuisances of any abandoned property as described in Section 522 or for the disposal of surrendered vessels as defined in Section 526.1, wrecked or dismantled vessels, or parts thereof, or any other partially submerged objects that pose a substantial hazard to navigation, from navigable waterways or adjacent public property or private property with the landowner's consent.

b. The funds provided under this Agreement shall not be utilized for abatement, removal, storage, or disposal of commercial vessels. Commercial vessels include those vessels for which the most recent registration or documentation was commercial, even though that registration or documentation may have lapsed.

c. If Grantee is reimbursed for the costs related to the abatement, removal, storage, and/or disposal of an eligible water hazard by the registered or legal owner or other

person or entity known to have an interest in the water hazard, then the water hazard shall no longer be eligible for funding under this Agreement. Grantee shall notify DBW in writing of such reimbursement and shall return all funds disbursed by DBW to Grantee with respect to such water hazard immediately.

d. **Abatement, removal, storage and disposal of eligible surrendered vessels**. For purposes of this Agreement, "surrendered" is defined in Harbors and Navigation Code section 526.1(a):

e. "'surrendered vessel' means a recreational vessel that the verified titleholder has willingly surrendered to a willing agency under both of the following conditions:

(1) The public agency has determined in its sole discretion that the vessel is in danger of being abandoned, and therefore has a likelihood of causing environmental degradation or becoming a hazard to navigation.

(2) The decision to accept a vessel is based solely on the potential of the vessel to likely be abandoned and cause environmental degradation or become a hazard to navigation."

f. The funds provided under this Agreement shall not be utilized for surrender, abatement, removal, storage, or disposal of commercial vessels. Commercial vessels include those vessels for which the most recent registration or documentation was commercial, even though that registration or documentation may have lapsed.

g. If Grantee is reimbursed for the costs related to the removal, storage, and/or disposal of a surrendered vessel by the registered or legal owner or other person or entity known to have an interest in the vessel, then the vessel shall no longer be eligible for funding under this Agreement. Grantee shall notify DBW in writing of such reimbursement and shall return all funds disbursed by DBW to Grantee with respect to such vessel immediately.

3. RIGHT OF INSPECTION

Grantee shall allow DBW and other state agency representatives, at any reasonable time, to inspect any site where Grantee or its subcontractors are performing work under this Agreement.

4. ANNUAL MEETING

Grantee's representative or alternate shall participate in an annual one-day video or phone conference conducted by DBW during the term of this agreement. Should the Grantee or representative be unable to attend the meeting and cannot provide a substitute from the agency, the Grantee must forward a letter to DBW stating the reason why they cannot attend. DBW must grant approval in writing in order for the Grantee not to be in breach of this Agreement for failure to attend.

5. ACTIVITY/NON ACTIVITY: REPORTING REQUIREMENTS

a. Grantee shall provide quarterly reports to DBW describing the status of existing issues known, pending, or in progress.

b. Lack of quarterly reporting and/or removal activity within any twelve month period during the term of this agreement is subject to possible revocation of grant.

6. OVERLAPPING ANNUAL GRANT AWARDS

A minimum of fifty percent (50%) of an existing SAVE grant must be utilized and reported for reimbursement to DBW by the new grant application deadline to qualify for a new fiscal year grant. Only one overlapping grant per fiscal year will be allowed.

7. HAZARDOUS MATERIALS

Grantee shall be responsible for securing any necessary or prudent studies, permits, or authorizations associated with treatment, removal, storage, or any other handling of hazardous substances including, but not limited to, toxic waste, petroleum waste, asbestos, and similar substances, prior to the removal of any vessel and water hazard pursuant to this Agreement.

Grantee shall be responsible for the proper and lawful handling, abatement, removal, storage, and/or disposal of any hazardous substances encountered in the execution of this Agreement.

8. TITLES AND LIENS

a. **Abandoned vessels**: Grantee shall comply with all relevant provisions of the Harbors and Navigation Code regarding notices, hearings and liens in the performance of this Agreement. Grantee (in conjunction with local law enforcement) shall conduct a title search for all vessels presumed to be abandoned, as provided by Harbors and Navigation Code section 526.

b. **Surrendered vessels**: Grantee shall comply with all relevant provisions of Harbors and Navigation Code section 526.1 in the performance of this Agreement, requiring that a surrendered vessel be that of the "verified titleholder."

9. MEDIA

Grantee agrees to acknowledge DBW's financial support whenever work funded by this Agreement is publicized in any news media, brochures, or other type of promotional material.

10. MEDIA MATERIALS RELEASE

Grantee agrees to irrevocably grant to California State Parks, Division of Boating and Waterways, its employees, officers, agents, and assigns (hereinafter referred to as "DBW"), the non-exclusive, royalty-free, perpetual and worldwide right and permission to use, reproduce, publish, copy, distribute, alter, license, adapt, and display the photographs, motion pictures, caption information, and/or written quotes (hereinafter referred to collectively as "Photographs"), that the Grantee has submitted to DBW for art, editorial, advertising, marketing, trade, broadcast, print, educational programs, or any other lawful purpose whatsoever, in any and all media. In connection with the foregoing license, the Grantee agrees not to use, reproduce, adapt, or display the Photographs, or allow others to do so, in a manner that tends to subject DBW or its AWAF, VTIP and/or SAVE programs to ridicule, disparagement, mockery, satire, or that could tarnish the image of the DBW's AWAF, VTIP, and/or SAVE programs. Grantee hereby releases and discharges DBW from any and all claims and demands arising out of or in connection with the use of the Photographs, including without limitations, any and all claims for libel, defamation, invasion of privacy, and/or publicity rights. DBW assumes no responsibility for lost or damaged Photographs or for the use of same. DBW may sell, assign, license, or transfer all rights granted to it hereunder.

Grantee also grants DBW and its licensees the unrestricted right to use and disclose its

name in connection with use of the Photographs. The Grantee understands that it will not be paid for any use or right granted herein.

The Grantee understands and agrees that the Photographs may be used in whole or in part, at any time. The license granted herein to DBW includes the right and permission to conduct or have conducted such alterations to the Photographs as DBW deems necessary. Grantee releases and discharges DBW and agrees to indemnify and hold DBW harmless from any liability by virtue of any blurring, distortion, alteration, optical illusion or use in composite form, loss or damage, whether intentional or otherwise, that may occur in the use of the Photographs. The Grantee waives any right to inspect or approve any finished product, advertising or other copy that may be used in connection therewith or the use to which it may be applied.

The Grantee declares and avows that the Photographs it is submitting to DBW are its own original work in all respects. The Grantee is the sole and exclusive owner of the Photographs; they are free, clear, and unencumbered. No part of them is taken from or based on any other work; no part infringes the copyright or any other right of any person; and the reproduction, publication, exhibition, or any other use by DBW of the Photographs in any form whatever will not in any way, directly or indirectly, infringe on the rights of any person. The Grantee agrees to indemnify and hold DBW harmless from and against any and all loss, damage, costs, charges, legal fees, recoveries, judgments, amounts paid in settlement, penalties, and expenses that may be obtained against, imposed on, or suffered by DBW by reason of (1) any violation or infringement of any proprietary right or copyright; or (2) any libelous or unlawful matter contained in the Photographs. Grantee also agrees to indemnify and hold DBW harmless for any such amounts arising from its breach of any covenant, representation, or warranty of this agreement.

11. PERMITS AND DOCUMENTATION

Prior to the removal of any abandoned vessel, eligible water hazard, or surrendered vessel, the Grantee shall obtain all necessary permits, authorizations, and documentation necessitated by any applicable provision of law.

12. SECURING OF BIDS

Grantee shall comply with any applicable laws and regulations governing the competitive bidding process when awarding subcontracts to marine salvage companies under this Agreement.

13. SUBCONTRACTORS

Grantee agrees that it shall guarantee and shall be responsible for ensuring that any and all of its contractors and subcontractors holds a valid business license and carries general commercial liability insurance coverage sufficient to fully insure against any and all risks of hazardous activities associated with the work to be performed under this Agreement; and Grantee agrees that if any of Grantee's contractors or subcontractors fail to fulfill any of these requirements, that Grantee itself carries general commercial liability insurance coverage sufficient to fully insure against any and all risks of hazardous activities associated with the work to be performed under this Agreement, whether performed by the Grantee, Grantee's contractor(s), or Grantee's subcontractor(s). Grantee shall provide DBW with a certificate of insurance from any contractor(s) and subcontractor(s) prior to the commencement of any work under this Agreement.

14. TRAFFIC CONTROL AND TRAFFIC SAFETY

The Grantee shall provide for adequate traffic control and safety measures at any site where Grantee and its subcontractors will perform any work under this Agreement.

15. AIR OR WATER POLLUTION VIOLATION

Grantee warrants that it is not (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to any cease and desist order not subject to review issued pursuant to Water Code section 13301 for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

16. ENTIRE AGREEMENT

This Agreement consists of the terms of this Agreement and all attachments, which are expressly incorporated herein. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required.

17. APPROVAL OF AGREEMENT AND AMENDMENTS

This Agreement and any variation thereto is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Commencement of performance prior to approval of this Agreement will be at the Grantee's own risk.

18. DISABLED VETERAN BUSINESS ENTERPRISE (DVBE) PARTICIPATION REQUIREMENT

There are no Disabled Veteran Business Enterprise participation requirements with this agreement.

19. AUTHORITY TO CONTRACT

Grantee must provide DBW with evidence of its authority to enter into this Agreement. Grantee may provide a delegation of contracting authority from its local governing body that by law has authority to contract. Alternatively, Grantee shall provide DBW with a resolution, order, motion, or ordinance of its local governing body that by law has authority to contract, authorizing execution of this Agreement.

20. COMPLIANCE WITH LAW AND REGULATIONS

Grantee and its subcontractor(s) shall comply with all applicable laws and regulations of the State of California for all work to be performed under this Agreement. By signing this Agreement, Grantee certifies its compliance and the compliance of all subcontractors with: (a) applicable provisions of the California Environmental Quality Act; (b) Nondiscrimination Program requirements of Government Code section 12990 (a-f) and Title 2, California Code of Regulations, section 8103 (and section 8113 in contracts over $5,000) along with section 7285 et. seq. of the Fair Employment and Housing Act; (c) Drug-Free Workplace requirement of Government Code section 8350 et seq.; (d) National Labor Relations Board Certification of Public Contract Code section 10296; (e) Workers' Compensation requirement of Labor Code section 3700; and (f) Americans with Disabilities Act regulations issued pursuant to 42 U.S.C. section 12101 et seq.

21. INDEPENDENT CONTRACTOR

Grantee and its employees are independent contractors and shall not be considered officers or employees of DBW or agents of the State of California.

22. INSURANCE REQUIREMENTS

The abatement, removal, storage, and /or disposal of vessels under this Agreement is a hazardous activity. Grantee therefore must maintain commercial general liability insurance in an amount and of a type acceptable to DBW and to the Department of General Services/ Office of Risk and Insurance Management (ORIM).

1. **General provisions applying to all policies**

a. Coverage Term

Coverage needs to be in force for the complete term of the Agreement. If insurance expires during the term of the grant, a new certificate must be received by the Division at least ten (10) days prior to the expiration of this insurance. Any new insurance must still comply with the original terms of the grant.

b. Policy cancellation or termination & notice of non-renewal

Insurance policies shall contain a provision stating coverage will not be cancelled without 30 days prior written notice to the Division. In the event Grantee fails to keep in effect at all times the specified insurance coverage, the Division may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event, subject to the provisions of this Agreement.

c. Deductible

Grantee is responsible for any deductible or self-insured retention contained within their insurance program.

d. Primary clause

Any required insurance contained in this Agreement shall be primary, and not excess or contributory, to any other insurance carried by the State.

e. Insurance carrier required rating

All insurance companies must carry a rating acceptable to ORIM. If the Grantee is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required by DBW or ORIM.

f. Endorsements

Any required endorsements requested by the Division must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.

g. Inadequate Insurance

Inadequate or lack of insurance does not negate the Grantee's obligations under the Agreement.

h. Use of Subcontractors

In the case of Grantee's utilization of subcontractors to complete the contracted scope of work, Grantee shall include all subcontractors as insured's under Grantee's insurance or supply evidence of subcontractor's insurance to the State when requested equal to policies, coverages, and

limits required of Grantee.

2. **Insurance Requirements**

a. Commercial General Liability

The Grantee shall maintain general liability on an occurrence form with limits of not less than $1,000,000 per occurrence for bodily injury and property damage liability combined with a $2,000,000 annual policy aggregate. The policy shall include coverage for liabilities arising out of premises, operations, independent subcontractors, products, completed operations, personal and advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Grantee's limit of liability. The policy must include:

"The State of California, its officers, agents, employees and servants as additional insureds, but only with respect to work performed under the contract."

This **endorsement** must be supplied under form acceptable to the Office of Risk and Insurance Management.

In the case of Grantee's utilization of subcontractors to complete the contracted scope of work, Grantee shall include all subcontractors as insured's under Grantee's insurance or supply evidence of insurance to the State equal to policies, coverages and limits required of Grantee.

b. Automobile Liability

The Grantee shall maintain motor vehicle liability with limits not less than $1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired and non-owned motor vehicles.

c. Watercraft Liability

The Grantee shall maintain watercraft liability insurance with limits not less than $1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of the maintenance and use of any watercraft (owned, hired or non-owned). The policy must include:

"The State of California, its officers, agents, employees and servants as additional insureds, but only with respect to work performed that is connected with or related to the activities contemplated in this Agreement."

This **endorsement** must be supplied under form acceptable to the Office of Risk and Insurance Management.

d. Workers Compensation and Employers Liability

The Grantee shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of the Agreement. Employer's liability limits of $1,000,000 are required. The insurer waives any right of recovery the insurer may have against the State because of payments the insurer makes for injury or damage arising out of the work done under contract with the State. A Waiver of Subrogation or Right to Recover endorsement in favor of the

State must be attached to certificate.

If applicable, Grantee shall provide coverage for all its employees for any injuries or claims under the U.S. Longshoremen's and Harbor Workers' Compensation Act, the Jones Act or under laws, regulations, or statutes applicable to maritime employees. By signing this contract, Grantee acknowledges compliance with these regulations.

e. Environmental/Pollution Liability

Grantee shall maintain Pollution Liability for limits not less than $1,000,000 occurrence covering the Grantee's liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs incurred arising out of the work or services to be performed under this contract. The policy must include:

"The State of California, its officers, agents, employees and servants as additional insureds, but only with respect to work performed under the contract."

This **endorsement** must be supplied under form acceptable to the Office of Risk and Insurance Management.

Coverage shall be provided for both work performed on site and during transportation as well as proper disposal of hazardous materials.

3. **Self-Insurance**

If the Grantee is self-insured for a portion or all of its insurance, the Grantee shall provide evidence of self-insurance when requested by DBW. Review of financial information including a letter of credit may be required. The Division reserves the right to request financial information.

4. **Statement of Insurance Coverage:**

Grantee certifies and agrees that they have all required insurance coverages as stated in the grant agreement, which will be in effect for the entire term of the agreement.

Approver initials : **Date:**

Name:

Title:

23. TERMINATION

a. DBW may terminate this Agreement for any reason upon thirty (30) days written notice to Grantee.

b. If the Grantee fails to keep the required insurance in effect at all times during the term of this agreement, DBW may, in addition to other remedies it may have, terminate this agreement upon two days written notice.

c. DBW may, by two-day written notice to Grantee and without any prejudice to its other remedies, terminate this agreement because of failure of Grantee to fulfill any of the requirements of this agreement.

d. Upon receipt of any notice terminating this Agreement, Grantee shall immediately

discontinue all removal and disposal activities affected, unless the notice directs otherwise. In such event, DBW shall pay Grantee only for removal and disposal activities completed prior to the termination date.

e. Upon termination of this agreement, Grantee shall promptly return all advanced funds. At DBW's sole discretion, DBW may offer an opportunity to cure any breach prior to terminating for default.

24. ASSIGNMENT

This Agreement is not assignable by the Grantee, either in whole or in part, without the consent of the State in the form of a formal written amendment.

25. MATCHING REQUIREMENT

a. Section 525(C) of the Harbors and Navigation Code states, "A grant awarded by the department pursuant to subparagraph (A) shall be matched by a 10-percent contribution from the local agency receiving the grant."

b. The 10-percent contribution is in addition to funds awarded in the grant.

c. The burden of proof in complying with the 10-percent contribution requirement is the responsibility of the grantee. Grant funds will not be disbursed until the grantee has provided DBW with acceptable documentation that it complied with the 10-percent contribution requirement for each disbursement.

26. BUDGET DETAIL AND PAYMENT PROVISIONS

Invoicing and Payment

a. DBW will reimburse the grantee for actual expenditures within the scope of the AWAF program upon written request by Grantee.

b. Invoices from service providers and subcontractors to Grantee, submitted by Grantee to DBW for reimbursement, must contain the following:

c. **AWAF Claim Requests to Include** (Use the AWAF claim form provided on DBW's website at www.dbw.ca.gov under Grants & Loans, or the online grant system, OLGA, available on DBW's website):

1. Name and address of Grantee
2.. Contract or invoice number
3. Description of service performed
4. Date the service was performed
5. Location of each service
6. Vessel name, CF# or HIN# if available; otherwise, description of vessel.

d. Documents to submit with AWAF reimbursement claims:

1. Invoices from subcontractors to Grantee
2. Proof of payment from Grantee to subcontractors for services received
3. Statement of 10% match contribution if using in-kind services, with supporting verification of in-kind contribution. If using personnel hours for in-kind match, include hours, purpose or action, date of action, and/or other as requested by DBW. Only net, raw hours will be accepted. Please use the form provided on DBW's website at www.dbw.ca.gov under Grants & Loans, or the online grant system, OLGA, available on DBW website.

4. Photos of vessels with CF numbers (if available)

5. Department of Motor Vehicles (DMV) documents (if available)

e. **VTIP Claim Requests to Include** (Use the VTIP claim form provided on DBW's website at www.dbw.ca.gov under Grants & Loans, or the online grant system, OLGA, available on DBW's website):

1. Name and address of Grantee
2. Contract or invoice number
3. Description of service performed
4. Date the service was performed
5. Location of each service
6. Vessel name, CF# or HIN#

f. Documents to submit with VTIP reimbursement claims:

1. Invoices from subcontractors to Grantee
2. Proof of payment by Grantee to subcontractors for services received
3. Statement of 10% match contribution if using in-kind services, with supporting verification of in-kind contribution. If using personnel hours for in-kind match, include hours, purpose or action, date of action, and/or other as requested by DBW. Only net hourly rates (no benefits included) hours will be accepted.Please use form provided on DBW's website at www.dbw.ca.gov under Grants & Loans, or the online grant system, OLGA, available on DBW website.
4. Photos of vessels (if available)
5. Statement of Release completed and signed by owner(s). A sample of this form is provided on DBW's website at www.dbw.ca.gov under Grants & Loans, or the online grant system, OLGA.
6. Department of Motor Vehicles (DMV) documents: Certificate of Ownership signed by owner, or DMV Notice of Transfer and Release of Liability Form, completed and signed by owner(s).

g. Reimbursement claims and support documents (as indicated above) are to be submitted to DBW at::

Division of Boating and Waterways

One Capitol Mall, Suite 500

Sacramento, CA 95814

Attention: AWAF Unit

h. Submission of fraudulent invoices or other claim documentation is a breach of this Agreement, which shall result in forfeiture of all funds advanced and provided under this Agreement.

i. All requests for payment must be submitted to DBW no later than 45 days prior to the expiration date of the agreement. DBW is not obligated to make payment on any reimbursement request(s) received or for any services completed after this date.

27. BUDGET CONTINGENCY CLAUSE

A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program; this Agreement shall be of no further force and effect. In this event, DBW shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Agreement and Grantee shall not be obligated to perform any provisions of this Agreement.

B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, DBW shall have the option to either cancel this Agreement with no liability occurring to DBW, or offer an agreement amendment to Grantee to reflect the reduced amount.

28. INDEMNIFICATION

Grantee shall be responsible for, and DPR shall not be answerable or accountable in any manner for, any loss or expense by reason of any damage or injury to person or property, or both, arising out of or related in any way to activities carried out by Grantee, its agents, officers, contractors, subcontractors and/or employees, under this Agreement Grantee shall protect, hold harmless, indemnify and defend DPR, its agents, officers, and/or employees against any and all actions, claims, and damages to persons or property, penalties, obligations and liabilities that may be asserted or claimed by any person, firm, association, entity, corporation, political subdivision, or other organization or person arising out of or in connection with Grantee or Grantee's contractor's or subcontractor's activities hereunder, whether or not there is concurrent passive negligence on the part of DPR, its agents, officers, and/or employees.

EXHIBIT C

GENERAL TERMS AND CONDITIONS

1. APPROVAL:

This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Grantee may not commence performance until such approval has been obtained.

2. EFFECTIVE DATE:

Effective date means either the start date or the approval date by the Department of General Services (DGS), whichever is later. In cases where DGS approval is not required, this Agreement is of no force or effect until the date of the last DBW signature. No work shall commence until the effective date.

3. AMENDMENT:

No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.

4. ASSIGNMENT:

This Agreement is not assignable by the Grantee, either in whole or in part, without the consent of the State in the form of a formal written amendment.

5. AUDIT:

Grantee agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Grantee agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Grantee agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).

6. INDEMNIFICATION:

Grantee agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by the subcontractor or Grantee in the performance of this Agreement.

7. DISPUTES:

Grantee shall continue with the responsibilities under this Agreement during any dispute.

8. TERMINATION FOR CAUSE:

The State may terminate this Agreement and be relieved of any payments should the Grantee fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any

manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Grantee under this Agreement and the balance, if any, shall be paid to the Grantee upon demand.

9. RECYCLING CERTIFICATION:

The Grantee shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).

10. NON-DISCRIMINATION CLAUSE:

During the performance of this Agreement, Grantee and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. Grantee and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Grantee and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

11. CERTIFICATION CLAUSES:

The GRANTEE CERTIFICATION CLAUSES contained in the document CCC 307 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.

12. TIMELINESS:

Time is of the essence in this Agreement.

13. COMPENSATION:

The consideration to be paid Grantee, as provided herein, shall be in compensation for all of Grantee's expenses incurred in the performance hereof, as outlined in Exhibit B, item #1.

14. GOVERNING LAW:

This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

15. ANTITRUST CLAIMS:

The Grantee by signing this agreement hereby certifies that if these services or goods are

obtained by means of a competitive bid, the Grantee shall comply with the requirements of the Government Codes Sections set out below.

a. The Government Code Chapter on Antitrust claims contains the following definitions:

1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of

Section 16750 of the Business and Professions Code.

2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.

b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.

c. . If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.

d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

16. CHILD SUPPORT COMPLIANCE ACT:

For any Agreement in excess of $100,000, the Grantee acknowledges in accordance with Public Contract Code 7110, that:

a. The Grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

b. The Grantee, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development

Department.

17. UNENFORCEABLE PROVISION:

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

18. PRIORITY HIRING CONSIDERATIONS:

If this Agreement includes services in excess of $200,000, the Grantee shall give priority consideration in filling vacancies in positions funded by the agreement to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

19. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:

a. If for this Agreement Grantee made a commitment to achieve small business participation, then Grantee must within 60 days of receiving final payment under this Agreement (or within such other time period as may be specified elsewhere in this Agreement) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)

b. If for this Agreement Grantee made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Grantee must within 60 days of receiving final payment under this Agreement (or within such other time period as may be specified elsewhere in this Agreement) certify in a report to the awarding department: (1) the total amount the prime Grantee received under the Agreement; (2) the name and address of the DVBE(s) that participated in the performance of the Agreement; (3) the amount each DVBE received from the prime Grantee; (4) that all payments under the Agreement have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

20. LOSS LEADER:

If this agreement involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a “loss leader” as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)

EXHIBIT D

CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Grantee to the clause(s) listed below. This certification is made under the laws of the State of California.

Grantee Agency Name (Printed) City of Morro Bay Harbor Department	Federal ID Number 95-2308629
By (Authorized Signature)	
Printed Name and Title of Person Signing ,	
Date Executed	Executed in the County of San Luis Obispo

GRANTEE CERTIFICATION CLAUSES

1. STATEMENT OF COMPLIANCE:

Grantee has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)

2. DRUG-FREE WORKPLACE REQUIREMENTS:

Grantee will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

1) the dangers of drug abuse in the workplace;

2) the person's or organization's policy of maintaining a drug-free workplace;

3) any available counseling, rehabilitation and employee assistance programs; and,

4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

1) receive a copy of the company's drug-free workplace policy statement; and,

2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Grantee may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Grantee has made false certification, or violated the certification by failing to

carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION:

Grantee certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Grantee within the immediately preceding two-year period because of Grantee's failure to comply with an order of a Federal court, which orders Grantee to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES $50,000 OR MORE- PRO BONO REQUIREMENT:

Grantee hereby certifies that Grantee will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Grantee agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the agreement equal to the lessor of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its agreement with the State.

Failure to make a good faith effort may be cause for non-renewal of a state agreement for legal services, and may be taken into account when determining the award of future contracts/agreements with the State for legal services.

5. EXPATRIATE CORPORATIONS:

Grantee hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Grantees contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The Grantee further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.

b. The Grantee agrees to cooperate fully in providing reasonable access to the Grantee's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the Grantee's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS:

For contracts over $100,000 executed or amended after January 1, 2007, the Grantee certifies that Grantee is in compliance with Public Contract Code section 10295.3.

EXHIBIT E

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST:

Grantee needs to be aware of the following provisions regarding current or former state employees. If Grantee has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (PCC 10410):

1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.

2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (PCC 10411):

1) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

2) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Grantee violates any provisions of above paragraphs, such action by Grantee shall render this Agreement void. (PCC 10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (PCC 10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION:

Grantee needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Grantee affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT:

Grantee assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. GRANTEE NAME CHANGE:

An amendment is required to change the Grantee's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment. Any changes of the Grantee's representative shall be notified to DBW within 30 days written notice on Grantee's letterhead.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the Grantee is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate Grantee performing within the state not be subject to the franchise tax.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION:

A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION:

Under the State laws, the Grantee shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204:

This form must be completed by all Grantees that are not another state agency or other governmental entity.

EXHIBIT F

Bid/Proposal Attachment regarding the Darfur Contracting Act of 2008

Effective January 1, 2009, all Invitations for Bids (IFB) or Requests for Proposals (RFP) for goods or services must address the requirements of the Darfur Contracting Act of 2008 (Act). (Public Contract Code sections 10475, et seq.; Stats. 2008, Ch. 272). The Act was passed by the California Legislature and signed into law by the Governor to preclude State agencies generally from contracting with "scrutinized" companies that do business in the African nation of Sudan (of which the Darfur region is a part), for the reasons described in Public Contract Code section 10475.

A scrutinized company is a company doing business in Sudan as defined in Public Contract Code section 10476. Scrutinized companies are ineligible to, and cannot, bid on or submit a proposal for a contract with a State agency for goods or services. (Public Contract Code section 10477(a)).

Therefore, Public Contract Code section 10478 (a) requires a company that currently has (or within the previous three years has had) business activities or other operations outside of the United States to certify that it is not a "scrutinized" company when it submits a bid or proposal to a State agency. (See # 1 on the sample Attachment).

A scrutinized company may still, however, submit a bid or proposal for a contract with a State agency for goods or services if the company first obtains permission from the Department of General Services (DGS) according to the criteria set forth in Public Contract Code section 10477(b). (See # 2 on the sample Attachment).

The following sample Attachment may be included in an IFB or RFP to satisfy the Act's certification requirements of bidders and proposers.

EXHIBIT F – DARFUR CONTRACTING ACT

Pursuant to Public Contract Code section 10478, if a bidder or proposer currently or within the previous three years has had business activities or other operations outside of the United States, it must certify that it is not a "scrutinized" company as defined in Public Contract Code section 10476.

Therefore, to be eligible to submit a bid or proposal, please complete only one of the following three paragraphs (via initials for Paragraph # 1 or Paragraph # 2, or via initials and certification for Paragraph # 3):

1. _____ We do not currently have, or we have not had within the previous three years, business activities or other operations outside of the United States.

OR

2. _____ We are a scrutinized company as defined in Public Contract Code section 10476, but we have received written permission from the Department of General Services (DGS) to submit a bid or proposal pursuant to Public Contract Code section 10477(b). A copy of the written permission from DGS is included with our bid or proposal.

OR

3. _____ We currently have, or we have had within the previous three years, business activities or other operations outside of the United States, but we certify below that we are not a scrutinized company as defined in Public Contract Code section 10476.

CERTIFICATION For # 3.

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective proposer/bidder to the clause listed above in # 3. This certification is made under the laws of the State of California.

Grantee Agency Name (Printed) City of Morro Bay Harbor Department	Federal ID Number 95-2308629
By (Authorized Signature)	
Printed Name and Title of Person Signing ,	
Date Executed	Executed in the County of San Luis Obispo

YOUR BID OR PROPOSAL WILL BE DISQUALIFIED UNLESS YOUR BID OR PROPOSAL INCLUDES THIS FORM WITH EITHER PARAGRAPH #1 OR #2 INITIALED OR PARAGRAPH #3 INITIALED AND CERTIFIED

Applicant Information

1. Applicant Information

a.	Applicant Name	City of Morro Bay		
b.	Organizational Unit	Harbor Department		
c.	Address	1275 Embarcadero		
d.	Address 2			
e.	City	Morro Bay	State CA	Zip 93422
f.	Federal ID Number	95-2308629	Reference No.	
g.	Agency Type			

(●) City ( ) County

( ) Federally Recognized Native American Tribe ( ) District

2. Project Information

a.	Project Name	Surrendered and Abandoned Vessel Exchange (SAVE) Fiscal Year 2016/2017		
b.	Is implementing agency same as Applicant		(●) Yes	( ) No
c.	Implementing Agency Name			
d.	Project Start Date	Oct-01-2016	End Date	Sep-30-2018
e.	Amount of Funds Requested	$13,400.00	Project Cost	$14,740.00

3. Contacts

a. Project Administrator

Name	Lori Stilts				
Title	Grants Administrator				
Mailing Address	1275 Embarcadero				
City	Morro Bay	State	CA	Zip	93442
Telephone	(805) 772-6254 - 256			Fax	(805) 772-6258 - 256
E-mail Address	lstilts@morrobayca.gov				

b. Authorized Representative

Name	Eric Endersby				
Title	Director				
Mailing Address	1275 Embarcadero				
City	Morro Bay	State	CA	Zip	93442
Telephone	(805) 772-6254			Fax	(805) 772-6258
E-mail Address	eendersby@morrobayca.gov				

1. Agency Type and Area of Responsibility (AOR)

The City of Morro Bay Harbor Department (CMBHD) is an executive-level department of the City of Morro Bay charged and entrusted with management of the City's approximate 3,300 acres of State-owned and granted waterfront and submerged tidelands. This area was granted first to the County of San Luis Obispo by the State Legislature in 1947 by amendment of Section 1 of Chapter 1076 of the Statutes of 1947, and then conveyed to the City of Morro Bay upon its incorporation in 1964, to be operated as an enterprise zone for the establishment, improvement and conduction of a harbor.

Morro Bay, the only all-weather harbor of safe refuge between Monterey and Santa Barbara, is a recreational and commercial port with roughly 350 recreational vessels, 60-70 commercial fishing vessels, six sport fishing charter vessels, four heavy service vessels, 15,000-18,000 annual trailer boat launches and hundreds of transient yachts calling port annually. In addition, Coast Guard Station Morro Bay with two motor lifeboats and the California Department of Fish and Wildlife patrol vessel BLUEFIN call Morro Bay home.

In addition to management of the City's waterfront, bay and beaches, the department operates a harbor patrol whose patrol area includes Morro Bay proper, and in mutual aid to other agencies in the ocean areas of Estero Bay from Point Estero to Point Buchon. The Morro Bay Harbor Patrol's duties include general patrol and law enforcement, search and rescue, courtesy and emergency towing, firefighting, animal and environmental/pollution response, and general water and beach safety and education.

2. Statement of Need

The CMBHD is requesting funding for participation in the Surrendered and Abandoned Vessel Exchange (SAVE) program which now combines the AWAF and the VTIP grants into one funding opportunity.

Morro Bay is home port to approximately 500 vessels, a percentage of which exceed their useful life each year and fall into dereliction. Since vessels are not like motor vehicles in the sense that it's not a simple matter to dispose of them, many owners have expressed an interest to us in turning in their vessels for demolition due to both the financial inability to continue ownership or to dispose of them on their own. In addition, the vessels that slowly fall into dereliction, often become abandoned and left as a hazard.

Our department currently has one 28' recreational vessel pending VTIP status and floating marine debris which will need to be removed from blocking a side tie dock preventing safe tie up.

The CMBHD is requesting $15,000.00 in SAVE grant funds.

1. Legal authority to remove abandoned vessels

As the primary uniformed public safety agency on Morro Bay waters, the Morro Bay Harbor Patrol is authorized to and tasked with enforcement of Morro Bay Municipal Code Chapter 15, Morro Bay Harbor Department Rules and Regulations and State of California Harbors and Navigation Code. This authority is codified in Morro Bay Municipal Code and California Penal Code Section 836.5.

Abandoned vessels are removed specifically under California Harbors and Navigation Code Sections 500-526.

2. Agency Experience

CMBHD began participation in the AWAF program in 2008, and since then have efficiently executed six AWAF grants, three VTIP grants and one SAVE grant to dispose of approximately 47 vessels and marine debris. Before AWAF, VTIP and now SAVE, CMBHD disposed of derelict and abandoned vessels out of its own limited funding. For vessels that are not trailerable, they are dragged by heavy equipment up our public launch ramp during the off-season and low-use times. All vessels are disposed of legally with heavy equipment contractors under a competitive bid process, using Best Management Practices and with the oversight of Harbor Patrol Officers. Materials, parts and metals are recycled to the maximum extent possible.

3. Adjudication Process

Abandoned and derelict vessels with identified owners and/or registration numbers at some point become delinquent in their slip or other fees, whereby CMBHD impounds them under Morro Bay Municipal Code Chapter 15.56. From there, Harbors and Navigation Code sections 500-509 are followed. This most always results in lien sale of the vessels, through a commercial lien service, with no buyers due to the dilapidated condition of them. These vessels are then disposed of.

For vessels with no known owners or identification, procedures under Harbors and Navigation Code sections 522-526 are followed, and the vessels disposed of accordingly.

4. Agency prevention efforts of abandoned vessels

1. Identification and monitoring of at-risk vessels by Harbor Patrol on a daily basis, and close collaboration with waterfront leaseholders who manage slips and marinas in Morro Bay.

2. Education and outreach to at-risk vessel owners.

3. Enforcement of local and State laws, rules and regulations pertaining to such vessels such as registration requirements, operational requirements, pollution discharge issues and applicable permit requirements.

4. Citation of offenders and aggressive delinquent fee collection, impoundment and liens as a deterrent.

5. Application Questionnaire

1. Does your agency have an active local enforcement program tasked with addressing abandoned vessels in your jurisdiction? (●) Yes ( ) No

   If yes, explain in detail. If no, elaborate on your agency's efforts to create a program or if you utilize enforcement services from another agency and how.

   The Morro Bay Harbor Patrol as identified and outlined in the Letter of Intent section.

2.

Does your agency have a submerged navigational hazard abatement plan (SNHAP)? This may include: 1) An established internal process outlining procedures to prevent, mitigate and process abandoned vessels; 2) Bylaws, regulations, or ordinances that help prevent or mitigate abandoned vessels. (●) Yes ( ) No

If Yes, provide plan documentation on the next page (Submerged Navigational Hazard Abatement Plan (SNHAP) documentation).

If No, explain your agency's efforts to create a SNHAP and anticipated date of effect.

3. At-risk vessels: Explain if/how your agency identifies at-risk vessels (what indicators do you look for). Do you identify and document existing owners/occupants, and do you work with owners to prevent vessels from being abandoned?

A. What is the vessel's general outward appearance and does it appear properly maintained?
B. Does the vessel regularly or ever get underway?
C. Does the vessel require regular assistance such as towing, pumping or other measures?
D. Does the vessel get periodically hauled-out?
E. Is the vessel owner's slip or mooring account current?
F. Is the vessel's registration current?
G. What is the past history of the vessel and/or vessel's owner?

Identified vessels/owners and contact or dealings with them are documented in Harbor Patrol daily logs. Should issues arise and/or not be resolved, documentation via letters and/or citations are employed.

From initial contact, CMBHD works with vessel owners to attempt to resolve the issues first through outreach, education and assistance, including identification of potential resources, then to documentation of continued issues and eventually enforcement should the issues continue.

4. Does your agency regularly check vessels in your AOR for current registrations? (●) Yes ( ) No

If Yes, What is your process? Visually with displayed vessel registration numbers, through slip and rental agreements, and via our marina operators' responsibilities under their respective leases.

5. List by name and size the bodies of water or waterways in your agency's area of responsibility. If you wish to add maps or photos, please click on the BLUE arrow below to upload.

Name	Size	Attachment
Morro Bay granted tidelands	3,300 acres	15907_0_Morro Bay 3300 acres.pdf

6. Local agencies are required to make a 10 percent match by cash, or in-kind. Is your agency able to comply with the 10 percent match in advance before any grant money is reimbursed? (●) Yes ( ) No

7. To provide additional information, please click on the Blue Arrow to add an attachment

6. Submerged Navigational Hazard Abatement Plan (SNHAP) documentation

Attachments: SNHAP

1. Outreach / Advertising plan for implementing a Vessel Turn-In Program

1. Turn-in vessels will be accepted on a first-come, first-serve basis, with additional priority being placed on those vessels that, in the opinion of Harbor Department staff, pose the greatest environmental and/or navigational hazards to Morro Bay waters. Vessels will be accepted to the point that VTIP funding allows, and the City is prepared to provide the 10% in-kind funding match.
2. Vessels owners must show proof of ownership confirmable with DMV records. Owners will be required to sign their vessel title over to the City of Morro Bay, complete the Release of Liability form, and sign the City's turn-in agreement (attached).
3. Vessels will be accepted during normal business hours Monday through Friday.
4. The public will be notified of the program via the City of Morro Bay website, Facebook, launch ramp and T-Pier kiosk, and flyers placed in pertinent local businesses and the Harbor Department office. (see attached photos)
5. The City of Morro Bay has demonstrated ample ability to dispose of various sizes and types of vessels over the years through participation in the Abandoned Watercraft Abatement Fund grant program, and our own lien sale and demolition program. A competitive bid process is used, open to qualified vendors. Vessels will be disposed of in an environmentally sound and legal manner per the bid process as the individual bidders propose.

Attachments:

Vessel Turn-In Agreement
Vessel Turn-In brochure locations

2. Administrative Information

1. Please state if you will accept surrendered vessels only within Area of Responsibility (AOR) or if you will accept outside Area of Responsibility requests

☐ Within AOR ☑ Within and Outside AOR

2. Identify schedule for accepting surrendered vessels

☑ Daily ☐ Weekly ☐ Monthly ☐ As Needed

3. Location where vessels will be accepted

◉ Agency Office ○ Local Landfill ○ Pickup by Agency or Salvager ○ As Needed

4. Storage area: Does your agency have a storage area for surrendered vessels pending destruction? ◉ Yes ○ No

If Yes, identify the type of storage area

☑ Water ☑ Land

1. Applicant Certification

Per Harbors and Navigation Code 525 (C) "A grant awarded by the department pursuant to subparagraph (A) shall be matched by a 10% contribution from the local agency receiving the grant." This matching fund may be rendered in cash, or through in-kind contributions which must be verified, and are at the discretion of DBW. These contributions may include (but are not limited to) the following: administrative costs, personnel hours, removal, and/or storage.

Grant monies WILL NOT be reimbursed by DBW unless 10% of each reimbursement claim is met.

a. ☑ Under penalty of perjury, I certify that I have examined this application and the document(s), proposal(s), and statement(s) submitted in conjunction herewith, and that to the best of my information and belief, the information contained herein is true, accurate, correct, and complete.

b. ☑ I certify that I am the person authorized to submit this application on behalf of the applicant.

Prepared by:	Name:	Lori Stilts	Date:	04/29/2016
Reviewed by:	Name:	Eric Endersby	Date:	04/29/2016
Approving Officer:	Name:	Eric Endersby	Date:	04/29/2016

AGENDA NO: A-6

MEETING DATE: August 23, 2016

Staff Report

TO: **Honorable Mayor and City Council** **DATE: August 11, 2016**

FROM: **Eric Endersby, Harbor Director**

SUBJECT: **Adoption of Resolution No. 63-16 Authorizing the City of Morro Bay to Enter into a 2016-2031 Boating Safety and Enforcement Grant Contract with the State of California Department of Parks and Recreation, Division of Boating and Waterways, for a grant to the City in the Amount of $18,437.00 for Purchase of FLIR Thermal Imaging Equipment**

RECOMMENDATION

Staff recommend the City Council adopt Resolution No. 63-16 authorizing the Harbor Director to execute on behalf of the City the attached Boating Safety and Enforcement (BS&E) Equipment Grant Contract Agreement #C16L0612 with the California Department of Parks and Recreation, Division of Boating and Waterways (DBW) for a $18,437.00 grant to the City for the funding of FLIR thermal imaging equipment.

ALTERNATIVE

There are no alternatives being offered.

FISCAL IMPACT

There is no required funding match to this grant; it is fully funded. Estimated cost for the FLIR equipment is $23,916.00. Funds required beyond the $18,437.00 grant amount will come from existing budgeted department funds.

BACKGROUND

The Harbor Department has obtained numerous BS&E grants from DBW for engine re-powers, miscellaneous equipment, two rescue personal watercraft, funding towards a new 29-foot rescue/patrol vessel purchase, and most recently a new boat trailer. In March of 2016, the Harbor Department applied for a $18,437.00 BS&E Grant from DBW for the purchase of FLIR Thermal Imaging Equipment, and this grant was recently approved in the amount of $18,437.00.

DISCUSSION

Like a life vest or an engine in a patrol boat, the FLIR thermal imaging units are another tool in our

Prepared By: _LS_____	**Dept Review: __EE____**
City Manager Review: __DWB_____	
City Attorney Review: ___CFN_____	

toolbox to complete the mission. Not only completing the mission, but completing it safely and effectively perhaps in the dark on a stormy winter evening. Not only do we anticipate the FLIR thermal imagers to improve our response time and ability to respond to emergencies at night or during foul weather, we will also use the unit for hazmat detection in the bay.

Grant funds will be used towards the purchase of night vision FLIR thermal imaging equipment for our Harbor Patrol vessels (handheld FLIR equipment). The City's purchasing policies will be followed for acquisition of this equipment.

CONCLUSION

Staff recommends that the City Council adopt Resolution No. 63-16 which will authorize the City, through the Harbor Department, to enter into a 2016-2031 contract with the California Department of Parks and Recreation, Division of Boating and Waterways, for a $18,437.00 BS&E grant to the City towards the purchase of new FLIR thermal imaging equipment.

ATTACHMENTS

1. Resolution 63-16
2. BSE Equipment Grant Contract Agreement

RESOLUTION NO. 63-16

RESOLUTION OF THE CITY COUNCIL OF CITY OF MORRO BAY, CALIFORNIA AUTHORIZING THE CITY TO ENTER INTO A 2016-2031 BOATING SAFETY & ENFORCEMENT GRANT CONTRACT WITH THE STATE OF CALIFORNIA DEPARTMENT OF PARKS AND RECREATION, DIVISION OF BOATING AND WATERWAYS, FOR A GRANT TO THE CITY IN THE AMOUNT OF $18,437.00 FOR THE PURCHASE OF FLIR THERMAL IMAGING EQUIMPMENT

T H E C I T Y C O U N C I L
City of Morro Bay, California

WHEREAS, the City of Morro Bay applied for a grant from the State of California Department of Parks and Recreation, Division of Boating and Waterways (DBW) under the Boating Safety and Enforcement (BS&E) grant program; and

WHEREAS, the City of Morro Bay was awarded a DBW grant in the amount of $18,437.00 under the BS&E program for the purchase of FLIR thermal imaging equipment.

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

1. The City of Morro Bay is hereby authorized to enter into a BS&E contract #C16L0612 with DBW for the amount of $18,437.00 to be granted to the City for the purchase of FLIR thermal imaging equipment ("grant agreement").

2. Harbor Director Eric Endersby is hereby authorized to act as the City's agent in regards to all aspects of the grant agreement, including but not limited to execution of the grant agreement on behalf of the City.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 23rd day of August, 2016 on the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
JAMIE L. IRONS, Mayor

ATTEST:

_____
DANA SWANSON, City Clerk

State of California – Natural Resources Agency

DEPARTMENT OF PARKS AND RECREATION

DIVISION OF BOATING AND WATERWAYS

GRANT AGREEMENT

GRANTEE: City of Morro Bay Harbor Department

THE TERM OF THIS AGREEMENT IS: Effective: Date Fully Executed* through September 30, 2031

GRANT TITLE: LAW ENFORCEMENT EQUIPMENT GRANT PROGRAM

GRANT NUMBER: C16L0612

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

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

Grantee: City of Morro Bay Harbor Department	Agency: Department of Parks and Recreation Division of Boating and Waterways
	ATTN: Joanna Andrade
Address: 1275 Embarcadero, Morro Bay, CA 93422	Address: One Capitol Mall, Suite 500 Sacramento, CA 95814
Authorized Signature:	Authorized Signature:
Printed Name:	Printed Name: Ramona Fernandez
Title of Authorized Representative:	Title: Chief of Operations
Date:	Date:

CERTIFICATE OF FUNDING

(FOR STATE USE ONLY)

GRANTEE: City of Morro Bay Harbor Department

THE TERM OF THIS AGREEMENT IS: Effective: Date Fully Executed* through September 30, 2031

GRANT TITLE: LAW ENFORCEMENT EQUIPMENT GRANT PROGRAM

GRANT NUMBER: C16L0612

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2016</td><td>FISCAL YEAR
2016/17</td></tr>
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702</td><td>PCA CODE
68113</td><td>PROJECT/WORK PHASE</td></tr>
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<tr><td>B.R.NO</td><td colspan="2">ACCOUNTING OFFICER’S SIGNATURE</td><td colspan="2">DATE</td></tr>
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BOATING SAFETY AND ENFORCEMENT
GRANT AGREEMENT

City of Morro Bay Harbor Department
EQUIPMENT GRANT # C16L0612

State of California
Department of Parks and Recreation
Division of Boating and Waterways

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BOATING SAFETY AND ENFORCEMENT GRANT

EQUIPMENT AND OPERATION CONTRACT

SCOPE OF WORK

This GRANT AGREEMENT C16L0612 is entered into on To be advised between the State of California, Department of Parks and Recreation, Division of Boating and Waterways (DEPARTMENT) and the City of Morro Bay Harbor Department (GRANTEE). The DEPARTMENT and the GRANTEE agree as follows:

1. CONTRACT

This Contract includes

EXHIBIT A, Standard Terms and Conditions

EXHIBIT B, General Terms and Conditions

EXHIBIT C, 49 CFR Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, and

EXHIBIT D, Circular No. A-128, Audits of State and Local Government,

EXHIBIT E, Suggested Language for Recycling Certification, Contractor Certification Clauses, DVBE, and Darfur Act,

EXHIBIT F, Darfur Contracting Act.

EXHIBIT G BOATING SAFETY AND ENFORCEMENT EQUIPMENT GRANT APPLICATION

2. GRANT

The DEPARTMENT will make a grant to the GRANTEE of up to $ 18,437.00 (Eighteen Thousand Four Hundred Thirty Seven and 00/100). This GRANT shall not exceed this amount, shall be made using Federal funds, and shall be used to purchase MISCELLANEOUS EQUIPMENT (, 2-Night Vision-Flir Handheld Bi Oculars, Night Vision - FLIR Thermal Imagers) in accordance with **EXHIBIT A.**

3. PURCHASE COMPLETION DATE

The EQUIPMENT purchase shall be completed no later than September 30, 2017. The DEPARTMENT will make payment under this CONTRACT upon receipt of a written request by the GRANTEE as specified in Article III and XIII of EXHIBIT A attached hereto.

4. SPECIAL PROVISIONS

(a) GRANTEE hereby certifies that the obligations created by this CONTRACT do not violate the provisions of Sections 1090 to 1096 of the Government Code.

(b) This CONTRACT is not fully executed until signed by the DEPARTMENT, GRANTEE, and approved by the Department of General Services, if required. Grantee may not go out to bid until CONTRACT is fully executed and equipment specifications have been approved by the DEPARTMENT.

(c) GRANTEE hereby certifies that during the performance of this CONTRACT, GRANTEE and any sub-grantees shall fully comply with State regulations regarding the implementation of Disabled Veteran business participation goals as set forth in ARTICLE XVI, Disabled Veteran Business Enterprise Participation Requirements, ARTICLE XVII, Recycling Certification and ARTICLE XVIII, CONTRACTORS CERTIFICATION CLAUSES.

(d) GRANTEE shall continue with the responsibilities of this CONTRACT during any dispute.

(e) Notices required between the DEPARTMENT and the GRANTEE shall be deemed to have been given when mailed to the respective addresses below, first-class postage fully prepaid thereon.

EXHIBIT A

STANDARD TERMS AND CONDITIONS FOR

BOATING SAFETY AND ENFORCEMENT EQUIPMENT GRANT AGREEMENT

ARTICLE I — DEFINITIONS

A. **GRANT AGREEMENT** means the contract to which these standard terms and conditions are appended.

B. **EQUIPMENT** means a DEPARTMENT approved electronics, power plant and other equipment purchased for use in boating safety and law enforcement activities. .

C. **PURCHASE COSTS** means those costs incurred by the GRANTEE in purchasing the EQUIPMENT; such PURCHASE COSTS shall not include any operation and maintenance costs, nor any costs incurred prior to the effective date of this CONTRACT, nor any indirect or overhead costs claimed by the GRANTEE.

D. **GRANTEE FUNDS** mean any funds provided by the GRANTEE for the operation and maintenance of the EQUIPMENT.

E. **GRANT** means a grant, using FEDERAL FUNDS, made by the DEPARTMENT to the GRANTEE to finance all or part of the PURCHASE COSTS.

ARTICLE II — TERM OF CONTRACT

A. The term of this CONTRACT shall begin on the effective date of the GRANT AGREEMENT and shall continue for FIFTEEN [15] YEARS from such date unless terminated earlier in accordance with the terms and conditions of this CONTRACT.

B. No amendment or variation of the terms of this CONTRACT shall be valid unless made in writing, signed by the DEPARTMENT, GRANTEE, AND approved as required. No oral understanding or CONTRACT not incorporated in the CONTRACT is binding on any of the parties.

ARTICLE III — DISBURSEMENT OF GRANT

A. The DEPARTMENT shall have no obligation to disburse the GRANT unless and until the GRANTEE obtains the prior written approval of the DEPARTMENT of the type and cost of the EQUIPMENT and attendant equipment.

B. The DEPARTMENT will reimburse the GRANTEE through the GRANT for the PURCHASE COSTS of the EQUIPMENT.

C. The DEPARTMENT may make payment under this CONTRACT upon receipt of a written payment request by the GRANTEE, such request shall be substantiated by invoices or other such evidence of PURCHASE COSTS and a signed certification that the GRANTEE complied with procurement procedures as outlined in ARTICLE XIII.

ARTICLE IV — EQUIPMENT OWNERSHIP

The DEPARTMENT shall be the legal owner of the EQUIPMENT and the GRANTEE shall not assign, mortgage, hypothecate or transfer its interest in the EQUIPMENT without the prior written approval of the DEPARTMENT.

ARTICLE V — OPERATION AND MAINTENANCE OF EQUIPMENT

A. The GRANTEE shall use the EQUIPMENT for the purposes of promoting boating safety and law enforcement and shall keep the EQUIPMENT available for search and rescue operations.

B. The GRANTEE shall be responsible for the costs of operating and maintaining the EQUIPMENT; the DEPARTMENT shall not be liable for such costs.

C The GRANTEE shall maintain the EQUIPMENT in good repair.

D. The GRANTEE, at its own expense, agrees to replace the EQUIPMENT if it is destroyed or rendered useless prior to the expiration of this GRANT.

E. Representatives, agents or employees of the GRANTEE in the performance of this GRANT shall act in independent capacity and not as officers, employees or agents of the DEPARTMENT.

F. The GRANTEE shall keep complete and accurate records of all expenditures pertaining to the purchase of additional equipment and the operation and maintenance of the EQUIPMENT; such records shall be available and open to the DEPARTMENT at all reasonable times for inspection and audit by any authorized representative of the DEPARTMENT.

ARTICLE VI — TERMINATION OF GRANT AGREEMENT

A. Either DEPARTMENT or GRANTEE may unilaterally terminate this GRANT if a material breach of the GRANT is made by the other; such termination shall become effective NINETY [90] DAYS following the date of receipt by either the DEPARTMENT or the GRANTEE of a written notice of termination from the party initiating the termination.

B. The GRANTEE may terminate this GRANT if the GRANTEE becomes financially or legally unable to comply with the terms and conditions of this GRANT AGREEMENT; such termination shall become effective NINETY [90] DAYS following receipt by the DEPARTMENT of a written notice of termination from the GRANTEE.

C. The DEPARTMENT may terminate this GRANT immediately and be relieved of any payments should the legislative body of the GRANTEE fail to appropriate GRANTEE FUNDS or if the GRANTEE fails to perform the requirements of this Agreement at the time and in the manner herein provided; such termination to become effective upon receipt by the GRANTEE of a written termination notice from the DEPARTMENT.

D. This GRANT shall terminate three years after the effective date specified on page 1 of the GRANT AGREEMENT if the GRANTEE has not received all of the GRANT prior to such date.

ARTICLE VII — REVERSION OF EQUIPMENT TO DEPARTMENT

If, for any reason whatsoever, this GRANT is terminated prior to the expiration of the term of the GRANT, then the GRANTEE shall deliver the EQUIPMENT to the DEPARTMENT and shall execute any document necessary to effect appropriate changes in pertinent public records; the reversion of registered title is hereby declared to be in addition to, and not in lieu of, any other remedies for breach of this GRANT which may be available to the DEPARTMENT.

ARTICLE VIII — LIABILITY

A. The GRANTEE waives all claims and recourse against the DEPARTMENT, including the right to contribution for any loss or damage arising from, growing out of or in any way connected with or incident to this GRANT.

B. Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by GRANTEE in the performance of this Agreement. GRANTEE warrants, represents and agrees that it and its subcontractors, employees and representatives shall at all times comply with all applicable State contracting laws, codes, rules and regulations in the performance of this agreement.

C. If the DEPARTMENT is named as a co-defendant, the GRANTEE shall notify the DEPARTMENT and represent it unless the DEPARTMENT elects to represent itself. If the DEPARTMENT undertakes its own defense, it shall bear its own litigation costs, expenses and attorney's fees.

ARTICLE IX — WAIVER OF RIGHTS

It is the intention of the parties hereto that from time to time either party may waive certain of its rights under this GRANT. Any waiver at this time by either party hereto of its rights with respect to a default or any other matter arising in connection with this GRANT shall not be deemed to be a waiver with respect to any other default or matter.

ARTICLE X — REMEDIES NOT EXCLUSIVE

The use by either the DEPARTMENT or GRANTEE of any remedy specified in this GRANT for the enforcement of this GRANT AGREEMENT is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.

ARTICLE XI — OPINIONS AND DETERMINATIONS

Where the terms of GRANT provide for action to be based upon the opinion, judgment, approval, review, or determination of either the DEPARTMENT or GRANTEE, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.

ARTICLE XII — ASSIGNMENT OR TRANSFER OF EQUIPMENT

No assignment or transfer of this GRANT or any part hereof, rights hereunder, or interest herein by GRANTEE shall be valid unless and until it is approved by the DEPARTMENT and made subject to such reasonable terms and conditions as the DEPARTMENT may impose.

ARTICLE XIII — PROCUREMENT PROCEDURES

A. The GRANTEE may use its own procurement procedures which reflect applicable State and Local laws and regulations, provided that the procedures conform to applicable Federal law, the standards identified in EXHIBIT C, 49 CFR Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, and the specifications prepared by the GRANTEE and approved by the DEPARTMENT. There shall be no changes, corrections,

modifications or exceptions to DEPARTMENT¬- approved specifications without advance approval by the DEPARTMENT.

B. Procurement procedures for boats must be invitation for Bids. Please pay special attention to the specific procurement standards regarding advertising by your department, adequate purchase descriptions, sealed bids, and public openings.

C. Procurement procedures used by the GRANTEE must conform to State law and regulations regarding Disabled Veteran Business Enterprise Participation Requirements, ARTICLE XVI, Recycling Certification, ARTICLE XVII, AND CONTRACTORS CERTIFICATION CLAUSES, ARTICLE XVIII. The GRANTEE is responsible, in its sole discretion, for the review of all bids for compliance.

D. **EQUIPMENT AND ELECTRONICS PROCCEDUREMENT PROCEDURES:**

Grantee must obtain at least three (3) bids or rate quotations from qualified sources for each item that has a unit cost of $5,000 or more. The bids may be obtained over the phone, but must be verified with a fax or original copy from the vendor, and must include the make, model, size, name of vendor, date, and cost of item.

E. **AWARDING AGENCY REVIEW**

(1) Grantees and sub-grantees must make available, upon request of the awarding agency, technical specifications on proposed procurements where the awarding agency believes such review is needed to ensure that the item and/or services specified is the one being proposed for purchase. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the grantee or sub-grantee desires to have the review accomplished after a solicitation has been developed, the awarding agency may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

(2) Grantees and sub-grantees must on request make available for Awarding agency pre-award review procurement documents, such as requests for proposals or invitations for bids, independent cost estimates, etc. when:

(A) A grantee's or sub-grantee's procurement procedures or operation fails to comply with the procurement standards in this section; or

(B) The procurement is expected to be awarded without competition or only one bid or offer is received in response to a solicitation; or

(C) The proposed award is to be awarded to other than the apparent low bidder under a sealed bid procurement; or

(D) A proposed GRANT modification changes the scope of a contract.

(3) A grantee or sub-grantee will be exempt from the pre-award review in paragraph (D)(2) of this section if the awarding agency determines that its procurement systems comply with
the standards of this section.

(A) A grantee or sub-grantee may request that its procurement system be reviewed by the awarding agency to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews shall occur where there is a continuous high-dollar funding, a third-party contracts are awarded on a regular basis.

(B) A grantee or sub-grantee may self-certify its Procurement system. Such self-certification shall not Limit the warding agency's right to survey the system. Under a self-certification procedure, awarding agencies may wish to reply on written assurances from the grantee or sub-grantee that it is complying with these standards. A
grantee or sub-grantee will cite specific procedures, regulations, standards, etc., as being in compliance with these requirements and have its system available for review.

ARTICLE XIV — SUBJECT TO AUDIT

GRANTEE agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the Performance of this Agreement. GRANTEE agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. GRANTEE agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, GRANTEE agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement (GC 8546.7, PCC 10115 et seq., and CCR Title 2, Section 1896).

ARTICLE XV — NON-DISCRIMINATION CLAUSE

A. During the performance of this GRANT, GRANTEE and its sub¬-grantees shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), medical condition (cancer), age, marital status, denial of family and medical care leave and denial of pregnancy disability leave. GRANTEES and sub-grantees shall insure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment. GRANTEES and sub-grantees shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285.0 et seq.).

The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990 (a-f), are set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations and are incorporated into this GRANT by reference and made a part hereof as if set forth in full. GRANTEE and sub-grantees shall give written notice of their obligations under this clause to labor organization with which they have a collective bargaining or other agreement.

B. GRANTEE shall include the non-discrimination and compliance provisions of this clause in all sub-grants to perform work under this GRANT.

ARTICLE XVI — DISABLED VETERAN BUSINESS ENTERPRISE PARTICIPATION REQUIREMENT

A. State law requires that State contracts have participation goals of 3% for Disabled Veteran Business Enterprises (DVBEs). Local governmental agency contracts where the State retains a proprietary interest must comply with this requirement.

B. GRANTEE is responsible for advising all prospective bidders of responsibilities and requirements by including specific language in any and all invitations for Bids and Requests for proposals.

C. The GRANTEE is responsible for reviewing all bids for compliance with the DVBE participation requirement.

ARTICLE XVII — RECYCLING CERTIFICATION

A. State law requires that state contracts shall have Recycling Certification in writing under penalty of perjury, the minimum, if not exact, percentage of recycled content, both post consumer waste and secondary waste as defined in the Public Contract Code, Sections 12161 and 12200, in materials, goods, or supplies offered or products used in the performance of this Agreement, regardless of

whether the product meets the required recycled product percentage as defined in the Public Contract Code, Sections 12161 and 12200. Contractor may certify that the product contains zero recycled content. (PCC 10233, 10308.5, 10354)

B. GRANTEE is responsible for advising all prospective bidders of responsibilities and requirements by including specific language in any and all Invitations for Bids and Requests for Proposals. Suggested language and forms which may be used are attached to this exhibit.

C. The GRANTEE is responsible for reviewing all bids for compliance with Recycling Certification requirement.

ARTICLE XVIII — CONTRACTOR CERTIFICATION CLAUSES

A. The CONTRACTOR CERTIFICATION CLAUSES contained in document CCC307 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.

B. GRANTEE is responsible for advising all prospective bidders of responsibilities and requirements by including specific language in any and all Invitations for Bids and Requests for Proposals. Suggested language and forms which may be used are attached to this exhibit.

C. The GRANTEE is responsible for reviewing all bids for compliance with Recycling Certification requirement.

ARTICLE XIX — DISPOSITION OF PROCEEDS FROM SALE OF EQUIPMENT

If the GRANTEE has contributed money other than GRANT funds to cover the payment of PURCHASE COSTS, and in the event of a sale of the EQUIPMENT after the expiration or termination of this GRANT or the reversion of the EQUIPMENT to the DEPARTMENT, then the proceeds of the EQUIPMENT sale shall be distributed between the DEPARTMENT and the GRANTEE in proportion to their respective contributions in paying the PURCHASE COSTS, e.g.: if the PURCHASE COSTS totaled $100,000 and the GRANT contribution amounts to $60,000, then the DEPARTMENT would receive 60% of the EQUIPMENT sale proceeds and the GRANTEE would receive 40%.

EXHIBIT B

GENERAL TERMS AND CONDITIONS

1. APPROVAL:

This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.

2. AMENDMENT:

No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.

3. ASSIGNMENT:

This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.

4. AUDIT:

Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).

5. INDEMNIFICATION:

Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.

6. DISPUTES:

Contractor shall continue with the responsibilities under this Agreement during any dispute.

7. TERMINATION FOR CAUSE:

The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.

8. INDEPENDENT CONTRACTOR:

Contractor, and the agents and employees of Contractor, in the performance of this

Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

9. RECYCLING CERTIFICATION:

The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).

10. NON-DISCRIMINATION CLAUSE:

During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

11. CERTIFICATION CLAUSES:

The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 307 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.

12. TIMELINESS:

Time is of the essence in this Agreement.

13. COMPENSATION:

The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

14. GOVERNING LAW:

This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

15. ANTITRUST CLAIMS:

The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.

a. The Government Code Chapter on Antitrust claims contains the following definitions:

   1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.

   2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.

b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.

c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.

d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

16. CHILD SUPPORT COMPLIANCE ACT:

For any Agreement in excess of $100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:

a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development

Department.

17. UNENFORCEABLE PROVISION:

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

18. PRIORITY HIRING CONSIDERATIONS:

If this GRANT AGREEMENT includes services in excess of $200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the GRANT AGREEMENT to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

19. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:

a. If for this GRANT AGREEMENT Contractor made a commitment to achieve small business participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)

b. If for this Contract Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) certify in a report to the awarding department: (1) the total amount the prime Contractor received under the Contract; (2) the name and address of the DVBE(s) that participated in the performance of the Contract; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Contract have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

20. LOSS LEADER:

If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a “loss leader” as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)

EXHIBIT C

[Code of Federal Regulations]

[Title 49, Volume 1, Parts 1 to 99]

From the U.S. Government Printing Office via GPO Access

TITLE 49—TRANSPORTATION

PART 18—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

Subpart A—General

Sec

18.1 Purpose and scope of this part.

18.2 Scope of subpart.

18.3 Definitions.

18.4 Applicability.

18.5 Effect on other issuances.

18.6 Additions and exceptions.

Subpart B—-Pre-Award Requirements

18.10 Forms for applying for grants.

18.11 State plans.

18.12 Special grant or sub grant conditions for “high risk” grantees.

Subpart C—-Post-Award Requirements Financial Administration

18.20 Standards for financial management systems.

18.21 Payment.

18.22 Allowable costs.

18.23 Period of availability of funds.

18.24 Matching or cost sharing.

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Changes, Property, and Sub awards

18.30 Changes.

18.31 Real property.

18.32 Equipment.

18.33 Supplies.

18.34 Copyrights.

18.35 Sub awards to debarred and suspended parties.

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Reports, Records Retention, and Enforcement

18.40 Monitoring and reporting program performance.

18.41 Financial reporting.

18.42 Retention and access requirements for records.

18.43 Enforcement.

18.44 Termination for convenience.

Subpart D--After-the-Grant Requirements

18.50 Closeout.

18.51 Later disallowance's and adjustments.

18.52 Collection of amounts due.

Subpart E—Entitlements [Reserved]

Authority: 49 U.S.C. 322(a).

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A - General

Sec. 18.1 Purpose and scope of this part.

This part establishes uniform administrative rules for Federal grants and cooperative agreements and sub-awards to State, local and Indian tribal governments.

Sec. 18.2 Scope of subpart.

This subpart contains general rules pertaining to this part and procedures for control of exceptions from this part.

Sec. 18.3 Definitions.

As used in this part:

Accrued expenditures mean the charges incurred by the grantee during a given period requiring the provision of funds for:

(1) Goods and other tangible property received;

(2) services performed by employees, contractors, sub grantees, subcontractors, and other payees; and

(3) other amounts becoming owed under programs for which no current services or performance is required, such as annuities, insurance claims, and other benefit payments.

Accrued income means the sum of:

(1) Earnings during a given period from services performed by the grantee and goods and other tangible property delivered to purchasers, and

(2) amounts becoming owed to the grantee for which no current services or performance is required by the grantee.

Acquisition cost of an item of purchased equipment means the net invoice unit price of the property including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the grantee's regular accounting practices.

Administrative requirements mean those matters common to grants in general, such as financial management, kinds and frequency of reports, and retention of records. These are distinguished from “programmatic” requirements, which concern matters that can be treated only on a program-by-program or grant-by-grant basis, such as kinds of activities that can be supported by grants under a particular program.

Awarding agency means:

(1) with respect to a grant, the Federal agency, and

(2) with respect to a subgrant, the party that awarded the subgrant.

Cash contributions means the grantee's cash outlay, including the outlay of money contributed to the grantee or subgrantee by other public agencies and institutions, and private organizations and individuals.

When authorized by Federal legislation, Federal funds received from other assistance agreements may be considered as grantee or subgrantee cash contributions.

Contract means (except as used in the definitions for “grant” and “subgrant” in this section and except where qualified by “Federal”)a procurement contract under a grant or subgrant, and means a procurement subcontract under a contract.

Cost sharing or matching means the value of the third party in-kind contributions and the portion of the costs of a federally assisted project or program not borne by the Federal Government.

Cost-type contract means a contract or subcontract under a grant in which the contractor or subcontractor is paid on the basis of the costs it incurs, with or without a fee.

Equipment means tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.

Expenditure report means:

(1) For non-construction grants, the SF-269

“Financial Status Report” (or other equivalent report);

(2) for construction grants, the SF-271 “Outlay Report and Request for Reimbursement” (or other equivalent report).

Federally recognized Indian tribal government means the governing body or a governmental agency of any Indian tribe, band, nation, or other organized group or community (including any Native village as defined in section 3 of the Alaska Native Claims Settlement Act, 85 Stat 688) certified by the Secretary of the Interior as eligible for the special programs and services provided by him through the Bureau of Indian Affairs.

Government means a State or local government or a federally recognized Indian tribal government.

Grant means an award of financial assistance, including cooperative agreements, in the form of money, or property in lieu of money, by the Federal Government to an eligible grantee. The term does not include technical assistance which provides services instead of money, or other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct appropriations. Also, the term does not include assistance, such as a fellowship or other lump sum award, which the grantee is not required to account for.

Grantee means the government to which a grant is awarded and which is

accountable for the use of the funds provided. The grantee is the entire legal entity even if only a particular component of the entity is designated in the grant award document.

Local government means a county, municipality, city, town, township, local public authority (including any public and Indian housing agency under the United States Housing Act of 1937) school district, special district, intrastate district, council of governments (whether or not incorporated as a nonprofit corporation under state law), any other regional or interstate government entity, or any agency or instrumentality of a local government.

Obligations means the amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a given period that will require payment by the grantee during the same or a future period.

OMB means the United States Office of Management and Budget.

Outlays (expenditures) mean charges made to the project or program. They may be reported on a cash or accrual basis. For reports prepared on a cash basis, outlays are the sum of actual cash disbursement for direct charges for goods and services, the amount of indirect expense incurred, the value of in-kind contributions applied, and the amount of cash advances and payments made to contractors and subgrantees. For reports prepared on an accrued expenditure basis, outlays are the sum of actual cash disbursements, the amount of indirect expense incurred, the value of inkind contributions applied, and the new increase (or decrease) in the amounts owed by the grantee for goods and other property received, for services performed by employees, contractors, subgrantees, subcontractors, and other payees, and other amounts becoming owed under programs for which no current services or performance are required, such as annuities, insurance claims, and other benefit payments.

Percentage of completion method refers to a system under which payments are made for construction work according to the percentage of completion of the work, rather than to the grantee's cost incurred.

Prior approval means documentation evidencing consent prior to incurring specific cost.

Real property means land, including land improvements, structures and appurtenances thereto, excluding movable machinery and equipment.

Share, when referring to the awarding agency's portion of real property, equipment or supplies, means the same percentage as the awarding agency's portion of the acquiring party's total costs under the grant to which the acquisition costs under the grant to which the acquisition cost of the property was charged. Only costs are to be counted—not the value of third-party in-kind contributions.

State means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State exclusive of local governments. The term does not include any public and Indian housing agency under United States Housing Act of 1937.

Subgrant means an award of financial assistance in the form of money, or property in lieu of money, made under a grant by a grantee to an eligible subgrantee. The term includes financial assistance when provided by contractual legal agreement, but does not include procurement purchases, nor does it include any form of assistance which is excluded from the definition of “grant” in this part.

Subgrantee means the government or other legal entity to which a subgrant is awarded and which is accountable to the grantee for the use of the funds provided.

Supplies means all tangible personal property other than “equipment” as defined in this part. Suspension means depending on the context, either:

(1) temporary withdrawal of the authority to obligate grant funds pending corrective action by the grantee or subgrantee or a decision to terminate the grant, or

(2) an action taken by a suspending official in accordance with agency regulations implementing E.O. 12549 to immediately exclude a person from participating in grant transactions for a period, pending completion of an investigation and such legal or debarment proceedings as may ensue.

Termination means permanent withdrawal of the authority to obligate previously-awarded grant funds before that authority would otherwise expire. It also means the voluntary relinquishment of that authority by the grantee or subgrantee. “Termination” does not include:

(1) Withdrawal of funds awarded on the basis of the grantee's underestimate of the unobligated balance in a prior period;

(2) Withdrawal of the unobligated balance as of the expiration of a grant;

(3) Refusal to extend a grant or award additional funds, to make a competing or noncompeting continuation, renewal, extension, or supplemental award; or

(4) voiding of a grant upon determination that the award was obtained fraudulently, or was otherwise illegal or invalid from inception.

Terms of a grant or subgrant mean all requirements of the grant or subgrant, whether in statute, regulations, or the award document.

Third party in-kind contributions mean property or services which benefit a federally assisted project or program and which are contributed by non-Federal third parties without charge to the grantee, or a cost-type contractor under the grant agreement.

Unliquidated obligations for reports prepared on a cash basis mean the amount of obligations incurred by the grantee that has not been paid. For reports prepared on an accrued expenditure basis, they represent the amount of obligations incurred by the grantee for which an outlay has not been recorded.

Unobligated balance means the portion of the funds authorized by the Federal agency that has not been obligated by the grantee and is determined by deducting the cumulative obligations from the cumulative funds authorized.

Sec. 18.4 Applicability.

(a) General. Subparts A through D of this part apply to all grants and subgrants to governments, except where inconsistent with Federal statutes or with regulations authorized in accordance with the exception provision of Sec.

18.6, or:

(1) Grants and subgrants to State and local institutions of higher education or State and local hospitals.

(2) The block grants authorized by the Omnibus Budget Reconciliation Act of 1981 (Community Services; Preventive Health and Health Services; Alcohol, Drug Abuse, and Mental Health Services; Maternal and Child Health Services; Social Services; Low-Income Home Energy Assistance; States' Program of Community Development Block Grants for Small Cities; and Elementary and Secondary Education other than programs administered by the Secretary of Education under title V, subtitle D, chapter 2, Section 583—the Secretary's discretionary grant program) and titles I-III of the Job Training Partnership Act of 1982 and under the Public Health Services Act (Section 1921), Alcohol and Drug Abuse Treatment and Rehabilitation Block Grant and part C of title V, Mental Health Service for the Homeless Block Grant).

(3) Entitlement grants to carry out the following programs of the Social Security Act.

(i) Aid to Needy Families with Dependent Children (title IV-A of the Act, not including the Work Incentive Program (WIN) authorized by section 402(a)19(G); HHS grants for WIN are subject to this part);

(ii) Child Support Enforcement and Establishment of Paternity (title IV-D of the Act);

(iii) Foster Care and Adoption Assistance (title IV-E of the Act);

(iv) Aid to the Aged, Blind, and Disabled (titles I, X, XIV, and XVI-AABD of the Act); and

(v) Medical Assistance (Medicaid) (title XIX of the Act) not including the State Medicaid Fraud Control program authorized by section 1903(a)(6)(B).

(4) Entitlement grants under the following programs of The National School Lunch Act:

(i) School Lunch (section 4 of the Act),

(ii) Commodity Assistance (section 6 of the Act),

(iii) Special Meal Assistance (section 11 of the Act),

(iv) Summer Food Service for Children (section 13 of the Act), and

(v) Child Care Food Program (section 17 of the Act).

(5) Entitlement grants under the following programs of The Child Nutrition Act of 1966:

(i) Special Milk (section 3 of the Act), and

(ii) School Breakfast (section 4 of the Act).

(6) Entitlement grants for State Administrative expenses under The Food Stamp Act of 1977 (section 16 of the Act).

(7) A grant for an experimental, pilot, or demonstration project that is also supported by a grant listed in paragraph (a)(3) of this section;

(8) Grant funds awarded under subsection 412(e) of the Immigration and Nationality Act (8 U.S.C. 1522(e)) and subsection 501(a) of the Refugee Education Assistance Act of 1980 (Pub. L.96-422, 94 Stat. 1809), for cash

assistance, medical assistance, and supplemental security income benefits to refugees and entrants and the administrative costs of providing the assistance and benefits;

(9) Grants to local education agencies under 20 U.S.C. 236 through 241-1(a), and 242 through 244 (portions of the Impact Aid program), except for 20 U.S.C. 238(d)(2)(c) and 240(f) (Entitlement Increase for Handicapped Children); and

(10) Payments under the Veterans Administration's State Home Per Diem Program (38 U.S.C. 641(a)).

(b) Entitlement programs. Entitlement programs enumerated above in Sec. 18.4(a) (3) through (8) are subject to subpart E.

Sec. 18.5 Effect on other issuance's.

All other grants administration provisions of codified program regulations, program manuals, handbooks and other nonregulatory materials which are inconsistent with this part are superseded, except to the extent they are required by statute, or authorized in accordance with the exception provision in Sec. 18.6.

Sec. 18.6 Additions and exceptions.

(a) For classes of grants and grantees subject to this part, Federal agencies may not impose additional administrative requirements except in codified regulations published in the Federal Register.

(b) Exceptions for classes of grants or grantees may be authorized only by OMB.

(1) All Departmental requests for exceptions shall be processed through the Assistant Secretary of Administration.

(2) [Reserved]

(c) Exceptions on a case-by-case basis and for subgrantees may be authorized by the affected Federal agencies.

(1) All case-by-case exceptions may be authorized by the affected operating administrations or departmental offices, with the concurrence of the Assistant Secretary for Administration.

(2) [Reserved]

[53 FR 8086 and 8087, Mar. 11, 1988, as amended at 60 FR 19646, Apr. 19, 1995] Subpart B - Pre-Award Requirements

Sec. 18.10 Forms for applying for grants.

(a) Scope

(1) This section prescribes forms and instructions to be used by governmental organizations (except hospitals and institutions of higher education operated by a government) in applying for grants. This section is not applicable, however, to formula grant programs which do not require applicants to apply for funds on a project basis.

(2) This section applies only to applications to Federal agencies for grants, and is not required to be applied by grantees in dealing with applicants for subgrants. However, grantees are encouraged to avoid more detailed or burdensome application requirements for subgrants.

(3) Forms and procedures for Federal Highway Administration (FHWA)

projects are contained in 23 CFR part 630, subpart B, 23 CFR part 420, subpart A, and 49 CFR part 450.

(b) Authorized forms and instructions for governmental organizations.

(1) In applying for grants, applicants shall only use standard application forms or those prescribed by the granting agency with the approval of OMB under the Paperwork Reduction Act of 1980.

(2) Applicants are not required to submit more than the original and two copies of pre-applications or applications.

(3) Applicants must follow all applicable instructions that bear OMB clearance numbers. Federal agencies may specify and describe the programs, functions, or activities that will be used to plan, budget, and evaluate the work under a grant. Other supplementary instructions may be issued only with the approval of OMB to the extent required under the Paperwork Reduction Act of 1980. For any standard form, except the SF-424 face sheet, Federal agencies may shade out or instruct the applicant to disregard any line item that is not needed.

(4) When a grantee applies for additional funding (such as a continuation supplemental award) or amends a previously submitted application, only the affected pages need be submitted. Previously submitted pages with information that is still current need not be resubmitted.[53 FR 8086 and 8087, Mar. 11, 1988, as amended at 53 FR 8086, Mar. 11, 1988]Sec. 18.11 State plans.

(a) **Scope.** The statutes for some programs require States to submit plans before receiving grants. Under regulations implementing Executive Order 12372, “Intergovernmental Review of Federal Programs,” States are allowed to simplify, consolidate and substitute plans. This section contains additional provisions for plans that are subject to regulations implementing the Executive order.

(b) **Requirements.** A State need meet only Federal administrative or programmatic requirements for a plan that are in statutes or codified regulations.

(c) **Assurances.** In each plan the State will include an assurance that the State shall comply with all applicable Federal statutes and regulations in effect with respect to the periods for which it receives grant funding. For this assurance and other assurances required in the plan, the State may:

(1) Cite by number the statutory or regulatory provisions requiring the assurances and affirm that it gives the assurances required by those provisions,

(2) Repeat the assurance language in the statutes or regulations, or

(3) Develop its own language to the extent permitted by law.

(d) **Amendments.** A State will amend a plan whenever necessary to reflect:

(1) New or revised Federal statutes or regulations or (2) a material change in any State law, organization, policy, or State agency operation. The State will obtain approval for the amendment and its effective date but need submit for approval only the amended portions of the plan.

Sec. 18.12 Special grant or subgrant conditions for "high-risk" grantees.

(a) A grantee or subgrantee may be considered "high risk" if an awarding agency determines that a grantee or subgrantee:

(1) Has a history of unsatisfactory performance, or

(2) Is not financially stable, or

(3)) Has a management system which does not meet the management standards set forth in this part, or

(4) Has not conformed to terms and conditions of previous awards;

(5) Is otherwise not responsible; and if the awarding agency determines that an award will be made, special conditions and/or restrictions shall correspond to the high risk condition and shall be included in the award.

(b) Special conditions or restrictions may include:

(1) Payment on a reimbursement basis;

(2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given funding period;

(3) Requiring additional, more detailed financial reports;

(4) Additional project monitoring;

(5) Requiring the grantee or subgrantee to obtain technical or management assistance; or

(6) Establishing additional prior approvals.

(c) If an awarding agency decides to impose such conditions, the awarding official will notify the grantee or subgrantee as early as possible, in writing, of:

(1) The nature of the special conditions/restrictions;

(2) The reason(s) for imposing them;

(3) The corrective actions which must be taken before they will be removed and the time allowed for completing the corrective actions; and

(4) The method of requesting reconsideration of the conditions/ restrictions imposed.

Subpart C—Post-Award Requirements Financial Administration

Sec. 18.20 Standards for financial management systems.

(a) A State must expand and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to:

(1) Permit preparation of reports required by this part and the statutes authorizing the grant, and

(2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

(b) The financial management systems of other grantees and subgrantees must meet the following standards:

(1) Financial reporting. Accurate, current, and complete disclosure of the

financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.

(2) **Accounting records.** Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.

(3) **Internal control.** Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes.

(4) **Budget control.** Actual expenditures or outlays must be compared with budgeted amounts for each grant or subgrant. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant or subgrant agreement. If unit cost data are required, estimates based on available documentation will be accepted whenever possible.

(5) **Allowable cost.** Applicable OMB cost principles, agency program regulations, and the terms of grant and subgrant agreements will be followed in determining the reasonableness, allow ability, of costs.

(6) **Source documentation.** Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc.

(7) **Cash management.** Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-¬credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees.

(c) An awarding agency may review the adequacy of the financial management system of any applicant for financial assistance as part of a preaward review or at any time subsequent to award.

(d) Certain Urban Mass Transportation Administration (UMTA) grantees shall comply with the requirements of section 15 of the Urban Mass Transportation (UMT) Act of 1964, as amended, as implemented by 49 CFR part 630, regarding a uniform system of accounts and records and a uniform reporting system for certain grantees.[53 FR 8086 and 8087, Mar. 11, 1988, as amended at 53 FR 8086, Mar. 11, 1988]

Sec. 18.21 Payment.

(a) **Scope.** This section prescribes the basic standard and the methods under which a Federal agency will make payments to grantees, and grantees will make payments to subgrantees and contractors.

(b) **Basic standard.** Methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantee or subgrantee, in accordance with Treasury regulations at 31 CFR part 205.

(c) **Advances.** Grantees and subgrantees shall be paid in advance, provided they maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of the funds and their disbursement by the grantee or subgrantee.

(d) **Reimbursement.** Reimbursement shall be the preferred method when the requirements in paragraph (c) of this section are not met. Grantees and subgrantees may also be paid by reimbursement for any construction grant. Except as otherwise specified in regulation, Federal agencies shall not use the percentage of completion method to pay construction grants. The grantee or subgrantee may use that method to pay its construction contractor, and if it does, the awarding agency's payments to the grantee or subgrantee will be based on the grantee's or subgrantee's actual rate of disbursement.

(e) Working capital advances. If a grantee cannot meet the criteria for advance payments described in paragraph (c) of this section, and the Federal agency has determined that reimbursement is not feasible because the grantee lacks sufficient working capital, the awarding agency may provide cash or a working capital advance basis.

Under this procedure the awarding agency shall advance cash to the grantee to cover its estimated disbursement needs for an initial period generally geared to the grantee's disbursing cycle. Thereafter, the awarding agency shall reimburse the grantee for its actual cash disbursements. The working capital advance method of payment shall not be used by grantees or subgrantees if the reason for using such method is the unwillingness or inability of the grantee to provide timely advances to the subgrantee to meet the sub subgrantee's actual cash disbursements.

(f) Effect of program income, refunds, and audit recoveries on payment.

(1) Grantees and subgrantees shall disburse repayments to and interest earned on a revolving fund before requesting additional cash payments for the same activity.

(2) Except as provided in paragraph (f) (1) of this section, grantees and

subgrantees shall disburse program income, rebates, refunds, contract settlements, audit recoveries and interest earned on such funds before requesting additional cash payments.

(g) Withholding payments

(1) Unless otherwise required by Federal statute, awarding agencies shall not withhold payments for proper charges incurred by grantees or subgrantees unless;

(i) The grantee or subgrantee has failed to comply with grant award conditions or

(ii) The grantee or subgrantee is indebted to the United States.

(2) Cash withheld for failure to comply with grant award condition, but without suspension of the grant, shall be released to the grantee upon subsequent compliance. When a grant is suspended, payment adjustments will be made in accordance with Sec. 18.43(c).

(3) A Federal agency shall not make payment to grantees for amounts that are withheld by grantees or subgrantees from payment to contractors to assure satisfactory completion of work. Payments shall be made by the Federal agency when the grantees or subgrantees actually disburse the withheld funds to the contractors or to escrow accounts established to assure satisfactory completion of work.

(h) Cash depositories.

(1) Consistent with the national goal of expanding the opportunities for minority business enterprises, grantees and subgrantees are encouraged to use minority banks (a bank which is owned at least 50 percent by minority group members). A list of minority owned banks can be obtained from the Minority Business Development Agency, Department of Commerce, Washington, DC 20230.

(2) A grantee or subgrantee shall maintain a separate bank account only when required by Federal-State agreement.

(i) Interest earned on advances. Except for interest earned on advances of funds exempt under the Intergovernmental Cooperation Act (31 U.S.C. 6501 et seq.) and the Indian Self¬ Determination Act (23 U.S.C. 450), grantees and subgrantees shall promptly, but at least quarterly, remit interest earned on advances to the Federal agency. The grantee or subgrantee may keep interest amounts up to $100 per year for administrative expenses.

(j) 23 U.S.C. 121 limits payments to States for highway construction projects to the Federal share of the costs of construction incurred to date, plus the Federal share of the value of stockpiled materials.

(k) Section 404 of the Surface Transportation Assistance Act of 1982 directs the Secretary to reimburse States for the Federal share of costs incurred. [53 FR 8086 and 8087, Mar. 11, 1988, as amended at 53 FR 8086, Mar. 11, 1988]

Sec. 18.22 Allowable costs.

(a) **Limitation on use of funds.** Grant funds may be used only for:

(1) The allowable costs of the grantees, subgrantees and cost-type contractors, including allowable costs in the form of payments to fixed-

price contractors; and

(2) Reasonable fees or profit to cost-type contractors but not any fee or profit (or other increment above allowable costs) to the grantee or subgrantee.

(b) Applicable cost principles. For each kind of organization, there is a set of Federal principles for determining allowable costs. Allowable costs will be determined in accordance with the cost principles applicable to the organization incurring the costs. The following chart lists the kinds of organizations and the applicable cost principles.

(c) The overhead cost principles of OMB Circular A-87 shall not apply to State highway agencies for FHWA funded grants.

(d) Sections 3(1) and 9(p) of the UMT Act of 1964, as amended, authorize the Secretary to include in the net project cost eligible for Federal assistance, the amount of interest earned and payable on bonds issued by the State or local public body to the extent that the proceeds of such bonds have actually been expended in carrying out such project or portion thereof. Limitations are established in sections 3 and 9 of the UMT Act of 1964, as amended.

(e) Section 9 of the UMT Act of 1964, as amended, authorizes grants to finance the leasing of facilities and equipment for use in mass transportation services provided leasing is more cost effective than acquisition or construction.

[53 FR 8086 and 8087, Mar. 11, 1988, as amended at 53 FR 8086, Mar. 11, 1988]

Sec. 18.23 Period of availability of funds.

(a) **General.** Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period.

(b) Liquidation of obligations. A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period (or as specified in a program regulation) to coincide with the submission of the annual Financial Status Report (SF-269). The Federal agency may extend this deadline at the request of the grantee.

Sec. 18.24 Matching or cost sharing.

(a) **Basic rule:** Costs and contributions acceptable. With the qualifications and exceptions listed in paragraph (b) of this section, a matching or cost sharing requirement may be satisfied by either or both of the following:

(1) Allowable costs incurred by the grantee, subgrantee or a cost-type contractor under the assistance agreement. This includes allowable costs borne by non-Federal grants or by others cash donations from non-Federal third parties.

(2) The value of third party in-kind contributions applicable to the period to which the cost sharing or matching requirements applies.

(b) **Qualifications and exceptions¬.**

(1) Costs borne by other Federal grant agreements. Except as provided by Federal statute, a cost sharing or matching requirement may not be

met by costs borne by another Federal grant. This prohibition does not apply to income earned by a grantee or subgrantee from a contract awarded under another Federal grant.

(2) General revenue sharing. For the purpose of this section, general revenue sharing funds distributed under 31 U.S.C. 6702 are not considered Federal grant funds.

(3) Cost or contributions counted towards other Federal costs¬-sharing requirements. Neither costs nor the values of third party in-kind contributions may count towards satisfying a cost sharing or matching requirement of a grant agreement if they have been or will be counted towards satisfying a cost sharing or matching requirement of another Federal grant agreement, a Federal procurement contract, or any other award of Federal funds.

(4)) Costs financed by program income. Costs financed by program income, as defined in Sec. 18.25, shall not count towards satisfying a cost sharing or matching requirement unless they are expressly permitted in the terms of the assistance agreement. (This use of general program income is described in Sec. 18.25(g).)

(5) Services or property financed by income earned by contractors. Contractors under a grant may earn income from the activities carried out under the contract in addition to the amounts earned from the party awarding the contract. No costs of services or property supported by this income may count toward satisfying a cost sharing or matching requirement unless other provisions of the grant agreement expressly permit this kind of income to be used to meet the requirement.

(6) Records. Costs and third party in-kind contributions counting towards satisfying a cost sharing or matching requirement must be verifiable from the records of grantees and subgrantee or cost-type contractors. These records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services will be supported by the same methods that the organization uses to support the allocability of regular personnel costs.

(7) Special standards for third party in-kind contributions.

(i) Third party in-kind contributions count towards satisfying a cost sharing or matching requirement only where, if the party receiving the contributions were to pay for them, the payments would be allowable costs.

(ii) Some third party in-kind contributions are goods and services that, if the grantee, subgrantee, or contractor receiving the contribution had to pay for them, the payments would have been an indirect costs. Costs sharing or matching credit for such contributions shall be given only if the grantee, subgrantee, or contractor has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of the contributions.

(iii) A third party in-kind contribution to a fixed-price contract may count towards satisfying a cost sharing or matching requirement only if it results in:

(A)) An increase in the services or property provided under the contract

(without additional cost to the grantee or subgrantee) or

(B) A cost savings to the grantee or subgrantee.

(iv) The values placed on third party in-kind contributions for cost sharing or matching purposes will conform to the rules in the succeeding sections of this part. If a third party in-kind contribution is a type not treated in those sections, the value placed upon it shall be fair and reasonable.

(8) 23 U.S.C. 121(a) permits reimbursement for actual construction cost incurred by States for highway construction projects. Except for private donations of right-of-way, contributions and donations shall not be considered State costs, and shall not be allowable for matching purposes for highway construction contracts. 23 U.S.C. 323 permits private donations of right-of-way to be used for a State's matching share, and establishes procedures for determining the fair market value of such donated right-of-way.

(9) Section 4(a) of the UMT Act of 1964, as amended, provides that the Federal grant for any project to be assisted under section 3 of the UMT Act of 1964, as amended, shall be in an amount equal to 75 percent of the net project costs. Net project cost is defined as that portion of the cost of the project which cannot be reasonably financed from revenues.

(10) Section 18(e) of the UMT Act of 1964, as amended, limits the Federal share to 80 percent of the net cost of construction, as determined by the Secretary of Transportation. The Federal share for the payment of subsidies for operating expenses, as defined by the Secretary, shall not exceed 50 percent of the net cost of such operating expense projects.

(c) **Valuation of donated services¬.**

(1) Volunteer services. Unpaid services provided to a grantee or subgrantee by individuals will be valued at rates consistent with those ordinarily paid for similar work in the grantee's or subgrantee's organization. If the grantee or subgrantee does not have employees performing similar work, the rates will be consistent with those ordinarily paid by other employers for similar work in the same labor market. In either case, a reasonable amount for fringe benefits may be included in the valuation. Employees of other organizations. When an employer other than a grantee, subgrantee, or cost-type contractor furnishes free of charge the services of an employee in the employee's normal line of work, the services will be valued at the employee's regular rate of pay exclusive of the employee's fringe benefits and overhead costs. If the services are in a different line of work, paragraph (c)(1) of this section applies.

(3) Section 5(g) of the Department of Transportation Act (49 U.S.C. 1654(g)) limits in-kind service contributions under the local Rail Service Assistance Program to “the cash equivalent of State salaries for State public employees working in the State rail assistance program, but not including overhead and general administrative costs.”

(d) Valuation of third party donated supplies and loaned equipment or space.(1)

If a third party donates supplies, the contribution will be valued at the market value of the supplies at the time of donation.

(2)) If a third party donates the use of equipment or space in a building but retains title, the contribution will be valued at the fair rental rate of the equipment or space.

(e) Valuation of third party donated equipment, buildings, and land.

If a third party donates equipment, buildings, or land, and title passes to a grantee or subgrantee, the treatment of the donated property will depend upon the purpose of the grant or subgrant, as follows:

(1) Awards for capital expenditures. If the purpose of the grant or subgrant is to assist the grantee or subgrantee in the acquisition of property, the market value of that property at the time of donation may be counted as cost sharing or matching,

(2) Other awards. If assisting in the acquisition of property is not the purpose of the grant or subgrant, paragraphs (e)(2) (i) and (ii) of this section apply:

(i) If approval is obtained from the awarding agency, the market value at the time of donation of the donated equipment or buildings and the fair rental rate of the donated land may be counted as cost sharing or matching. In the case of a subgrant, the terms of the grant agreement may require that the approval be obtained from the Federal agency as well as the grantee. In all cases, the approval may be given only if a purchase of the equipment or rental of the land would be approved as an allowable direct cost. If any part of the donated property was acquired with Federal funds, only the non-federal share of the property may be counted as cost¬sharing or matching.

(ii) If approval is not obtained under paragraph (e)(2)(i) of this section, no amount may be counted for donated land, and only depreciation or use allowances may be counted for donated equipment and buildings. The depreciation or use allowances for this property are not treated as third party in-kind contributions. Instead, they are treated as costs incurred by the grantee or subgrantee. They are computed and allocated (usually as indirect costs) in accordance with the cost principles specified in Sec. 18.22, in the same way as depreciation or use allowances for purchased equipment and buildings. The amount of depreciation or use allowances for donated equipment and buildings is based on the property's market value at the time it was donated.

(f) Valuation of grantee or subgrantee donated real property for construction/acquisition. If a grantee or subgrantee donates real property for a construction or facilities acquisition project, the current market value of that property may be counted as cost sharing or matching. If any part of the donated property was acquired with Federal funds, only the non-federal share of the property may be counted as cost sharing or matching.

(g) Appraisal of real property. In some cases under paragraphs (d),(e) and (f) of this section, it will be necessary to establish the market value of land or a building or the fair rental rate of land or of space in a building. In these cases, the Federal agency may require the market value or fair rental value be set by an independent appraiser, and that the value or rate be certified by

the grantee. This requirement will also be imposed by the grantee on subgrantees.

[53 FR 8086 and 8087, Mar. 11, 1988, as amended at 53 FR 8086, Mar. 11, 1988]

Sec. 18.25 Program income.

(a) **General.** Grantees are encouraged to earn income to defray program costs. Program income includes income from fees for services performed, from the use or rental of real or personal property acquired with grant funds, from the sale of commodities or items fabricated under a grant agreement, and from payments of principal and interest on loans made with grant funds. Except as otherwise provided in regulations of the Federal agency, program income does not include interest on grant funds, rebates, credits, discounts, refunds, etc. and interest earned on any of them.

(b) **Definition of program income.** Program income means gross income received by the grantee or subgrantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. “During the grant period” is the time between the effective date of the award and the ending date of the award reflected in the final financial report.

(c) **Cost of generating program income.** If authorized by Federal regulations or the grant agreement, costs incident to the generation of program income may be deducted from gross income to determine program income.

(d) **Governmental revenues.** Taxes, special assessments, levies, fines, and other such revenues raised by a grantee or subgrantee are not program income unless the revenues are specifically identified in the grant agreement or Federal agency regulations as program income.

(e) **Royalties.** Income from royalties and license fees for copyrighted material, patents, and inventions developed by a grantee or subgrantee is program income only if the revenues are specifically identified in the grant agreement or Federal agency regulations as program income. (See Sec. 18.34.)

(f) **Property.** Proceeds from the sale of real property or equipment will be handled in accordance with the requirements of Secs. 18.31 and 18.32.

(g) **Use of program income.** Program income shall be deducted from outlays which may be both Federal and non-Federal as described below, unless the Federal agency regulations or the grant agreement specify another alternative (or a combination of the alternatives). In specifying alternatives, the Federal agency may distinguish between income earned by the grantee and income earned by subgrantees and between the sources, kinds, or amounts of income. When Federal agencies authorize the alternatives in paragraphs (g) (2) and (3) of this section, program income in excess of any limits stipulated shall also be deducted from outlays.

(1) Deduction. Ordinarily program income shall be deducted from total allowable costs to determine the net allowable costs. Program income shall be used for current costs unless the Federal agency authorizes otherwise. Program income which the grantee did not anticipate at the

time of the award shall be used to reduce the Federal agency and grantee contributions rather than to increase the funds committed to the project.

(2) Addition. When authorized, program income may be added to the funds committed to the grant agreement by the Federal agency and the grantee.

The program income shall be used for the purposes and under the conditions of the grant agreement.

(3) Cost sharing or matching. When authorized, program income may be used to meet the cost sharing or matching requirement of the grant agreement. The amount of the Federal grant award remains the same.

(4)) Section 3(a)(1)(D) of the UMT Act of 1964, as amended, provides that the Secretary shall establish requirements for the use of income derived from appreciated land values for certain UMTA grants. Specific requirements shall be contained in grant agreements.

(5) UMTA grantees may retain program income for allowable capital or operating expenses.

(6) For grants awarded under section 9 of the UMT Act of 1964, as amended, any revenues received from the sale of advertising and concessions in excess of fiscal year 1985 levels shall be excluded from program income.

(7) 23 U.S.C. 156 requires that States shall charge fair market value for the sale, lease, or use of right-of-way airspace for non¬-transportation purposes and that such income shall be used for projects eligible under 23 U.S.C.

(h)) Income after the award period. There are no Federal requirements governing the disposition of program income earned after the end of the award period (i.e., until the ending date of the final financial report, see paragraph (a) of this section), unless the terms of the agreement or the Federal agency regulations provide otherwise.

[53 FR 8086 and 8087, Mar. 11, 1988, as amended at 53 FR 8087, Mar. 11, 1988]
Sec. 18.26 Non-Federal audits.

(a) **Basic rule.** Grantees and subgrantees are responsible for obtaining audits in accordance with the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations.” The audits shall be made by an independent auditor in accordance with generally accepted government auditing standards covering financial audits.

(b) **Subgrantees.** State or local governments, as those terms are defined for purposes of the Single Audit Act Amendments of 1996, that provide Federal awards to a subgrantee, which expends $300,000 or more (or other amount as specified by OMB) in Federal awards in a fiscal year, shall:

(1) Determine whether State or local subgrantees have met the audit requirements of the Act and whether subgrantees covered by OMB Circular A-110, “Uniform Administrative Requirements for Grants and

Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit organizations," have met the audit requirements of the Act. Commercial contractors (private for-profit and private and governmental organizations) providing goods and services to State and local governments are not required to have a single audit performed. State and local governments should use their own procedures to ensure that the contractor has complied with laws and regulations affecting the expenditure of Federal funds;

(2) Determine whether the subgrantee spent Federal assistance funds provided in accordance with applicable laws and regulations. This may be accomplished by reviewing an audit of the subgrantee made in accordance with the Act, Circular A-110, or through other means (e.g., program reviews) if the subgrantee has not had such an audit;

(3) Ensure that appropriate corrective action is taken within six months after receipt of the audit report in instance of noncompliance with Federal laws and regulations;

(4) Consider whether subgrantee audits necessitate adjustment of the grantee's own records; and

(5) Require each subgrantee to permit independent auditors to have access to the records and financial statements.

(c) Auditor selection. In arranging for audit services, Sec. 18.36 shall be followed.

[53 FR 8086 and 8087, Mar. 11, 1988, as amended at 61 FR 21387, May 10, 1996; 62 FR 45939, 45947, Aug. 29, 1997]

Changes, Property, and Sub-awards

Sec. 18.30 Changes.

(a) **General.** Grantees and subgrantees are permitted to rebudget within the approved direct cost budget to meet unanticipated requirements and may make limited program changes to the approved project. However, unless waived by the awarding agency, certain types of post-award changes in budgets and projects shall require the prior written approval of the awarding agency.

(b) **Relation to cost principles.** The applicable cost principles (see Sec. 18.22) contain requirements for prior approval of certain types of costs. Except where waived, those requirements apply to all grants and subgrants even if paragraphs (c) through (f) of this section do not.

(c) **Budget changes.**

(1) Nonconstruction projects. Except as stated in other regulations or an award document, grantees or subgrantees shall obtain the prior approval of the awarding agency whenever any of the following changes is anticipated under a nonconstruction award:

(i) Any revision which would result in the need for additional funding.

(ii) Unless waived by the awarding agency, cumulative transfers among direct cost categories, or, if applicable, among separately budgeted programs, projects, functions, or activities which exceed or are expected to exceed ten percent of the current total approved budget,

whenever the awarding agency's share exceeds $100,000.

(iii) Transfer of funds allotted for training allowances (i.e., from direct payments to trainees to other expense categories).

(2) Construction projects. Grantees and subgrantees shall obtain prior written approval for any budget revision which would result in the need for additional funds.

(3) Combined construction and non-construction projects. When a grant or subgrant provides funding for both construction and non-construction activities, the grantee or subgrantee must obtain prior written approval from the awarding agency before making any fund or budget transfer from non-construction to construction or vice versa.

(d) Programmatic changes. Grantees or subgrantees must obtain the prior approval of the awarding agency whenever any of the following actions is anticipated:

(1) Any revision of the scope or objectives of the project (regardless of whether there is an associated budget revision requiring prior approval).

(2) Need to extend the period of availability of funds.

(3) Changes in key persons in cases where specified in an application or a grant award. In research projects, a change in the project director or principal investigator shall always require approval unless waived by the awarding agency.

(4) Under non-construction projects, contracting out, sub-granting (if authorized by law) or otherwise obtaining the services of a third party to perform activities which are central to the purposes of the award. This approval requirement is in addition to the approval requirements of Sec. 18.36 but does not apply to the procurement of equipment, supplies, and general support services.

(e) **Additional prior approval requirements.** The awarding agency may not require prior approval for any budget revision which is not described in paragraph (c) of this section.

(f) **Requesting prior approval.**

(1) A request for prior approval of any budget revision will be in the same budget formal the grantee used in its application and shall be accompanied by a narrative justification for the proposed revision.

(2) A request for a prior approval under the applicable Federal cost principles (see Sec. 18.22) may be made by letter.

(3) A request by a subgrantee for prior approval will be addressed in writing to the grantee. The grantee will promptly review such request and shall approve or disapprove the request in writing. A grantee will not approve any budget or project revision which is inconsistent with the purpose or terms and conditions of the Federal grant to the grantee. If the revision, requested by the subgrantee would result in a change to the grantee's approved project which requires Federal prior approval, the grantee will obtain the Federal agency's approval before approving the subgrantee's request.

Sec. 18.31 Real property.

(a) **Title.** Subject to the obligations and conditions set forth in this section, title to real property acquired under a grant or subgrant will vest upon acquisition in the grantee or subgrantee respectively.

(b) **Use.** Except as otherwise provided by Federal statutes, real property will be used for the originally authorized purposes as long as needed for that purposes, and the grantee or subgrantee shall not dispose of or encumber its title or other interests.

(c) **Disposition.** When real property is no longer needed for the originally authorized purpose, the grantee or subgrantee will request disposition instructions from the awarding agency. The instructions will provide for one of the following alternatives:

(1) Retention of title. Retain title after compensating the awarding agency. The amount paid to the awarding agency will be computed by applying the awarding agency's percentage of participation in the cost of the original purchase to the fair market value of the property. However, in those situations where a grantee or subgrantee is disposing of real property acquired with grant funds and acquiring replacement real property under the same program, the net proceeds from the disposition may be used as an offset to the cost of the replacement property.

(2) Sale of property. Sell the property and compensate the awarding agency. The amount due to the awarding agency will be calculated by applying the awarding agency's percentage of participation in the cost of the original purchase to the proceeds of the sale after deduction of any actual and reasonable selling and fixing-up expenses. If the grant is still active, the net proceeds from sale may be offset against the original cost of the property. When a grantee or sub-grantee is directed to sell property, sales procedures shall be followed that provide for competition to the extent practicable and result in the highest possible return.

(3) Transfer of title. Transfer title to the awarding agency or to a third-party designated/approved by the awarding agency. The grantee or subgrantee shall be paid an amount calculated by applying the grantee or subgrantee's percentage of participation in the purchase of the real property to the current fair market value of the property.

(d)) If the conditions in 23 U.S.C. 103(e) (5), (6), or (7), as appropriate, are met and approval is given by the Secretary, States shall not be required to repay the Highway Trust Fund for the cost of right-of-way and other items when certain segments of the Interstate System are withdrawn.

[53 FR 8086 and 8087, Mar. 11, 1988, as amended at 53 FR 8087, Mar. 11, 1988]

Sec. 18.32 Equipment.

(a) **Title.** Subject to the obligations and conditions set forth in this section, title to equipment acquired under a grant or subgrant will vest upon acquisition in the grantee or subgrantee respectively.

(b) **States.** A State will use, manage, and dispose of equipment acquired under a grant by the State in accordance with State laws and procedures. Other grantees and subgrantees will follow paragraphs (c) through (e) of this section.

(c) **Use.**

(1)) Equipment shall be used by the grantee or subgrantee in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a Federal agency.

(2) The grantee or subgrantee shall also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use shall be given to other programs or projects supported by the awarding agency. User fees should be considered if appropriate.

(3) Notwithstanding the encouragement in Sec. 18.25(a) to earn program income, the grantee or subgrantee must not use equipment acquired with grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services, unless specifically permitted or contemplated by Federal statute. (4) When acquiring replacement equipment, the grantee or subgrantee may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property, subject to the approval of the awarding agency.

(d) **Management requirements.** Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

(1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

(2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

(3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.

(4) Adequate maintenance procedures must be developed to keep the property in good condition.

(5) If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

(e) **Disposition.** When original or replacement equipment acquired under a grant or subgrant is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency, disposition of the equipment will be made as follows:

(1) Items of equipment with a current per-unit fair market value of less than $5,000 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency.

(2) Items of equipment with a current per unit fair market value in excess of $5,000 may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment.

(3)) In cases where a grantee or subgrantee fails to take appropriate disposition actions, the awarding agency may direct the grantee or subgrantee to take excess and disposition actions.

(f) **Federal equipment.** In the event a grantee or subgrantee is provided federally-owned equipment:

(1) Title will remain vested in the Federal Government.

(2) Grantees or subgrantees will manage the equipment in accordance with Federal agency rules and procedures, and submit an annual inventory listing.

(3) When the equipment is no longer needed, the grantee or subgrantee will request disposition instructions from the Federal agency.

(g) **Right to transfer title.** The Federal awarding agency may reserve the right to transfer title to the Federal Government or a third part named by the awarding agency when such a third party is otherwise eligible under existing statutes. Such transfers shall be subject to the following standards:

(1) The property shall be identified in the grant or otherwise made known to the grantee in writing.

(2) The Federal awarding agency shall issue disposition instruction within 120 calendar days after the end of the Federal support of the project for which it was acquired. If the Federal awarding agency fails to issue disposition instructions within the 120 calendar-day period the grantee shall follow Sec. 18.32(e).

(3) When title to equipment is transferred, the grantee shall be paid an amount calculated by applying the percentage of participation in the purchase to the current fair market value of the property.

Sec. 18.33 Supplies.

(a) **Title.** Title to supplies acquired under a grant or subgrant will vest, upon acquisition, in the grantee or subgrantee respectively.

(b) **Disposition.** If there is a residual inventory of unused supplies exceeding $5,000 in total aggregate fair market value upon termination or completion of the award, and if the supplies are not needed for any other federally sponsored programs or projects, the grantee or subgrantee shall compensate the awarding agency for its share.

Sec. 18.34 Copyrights.

The Federal awarding agency reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for Federal Government purposes:

(a) The copyright in any work developed under a grant, subgrant, or contract under a grant or subgrant; and

(b) Any rights of copyright to which a grantee, subgrantee or a contractor purchases ownership with grant support.

Sec. 18.35 Subawards to debarred and suspended parties.

Grantees and subgrantees must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, “Debarment and Suspension.”

Sec. 18.36 Procurement.

(a) **States.** When procuring property and services under a grant, a State will follow the same policies and procedures it uses for procurements from its non-Federal funds.

The State will ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations. Other grantees and subgrantees will follow paragraphs (b) through (i) in this section.

(b) **Procurement standards.**

(1) Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.

(2) Grantees and subgrantees will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

(3) Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

(i) The employee, officer or agent,

(ii) Any member of his immediate family,

(iii) His or her partner, or

(iv) An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-

agreements. Grantee and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

(4) Grantee and subgrantee procedures will provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

(5) To foster greater economy and efficiency, grantees and subgrantees are encouraged to enter into State and local intergovernmental agreements for procurement or use of common goods and services.

(6) Grantees and subgrantees are encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

(7) Grantees and subgrantees are encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

(8) Grantees and subgrantees will make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

(9) Grantees and subgrantees will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

(10) Grantees and subgrantees will use time and material type contracts only:

(i) After a determination that no other contract is suitable, and

(ii) If the contract includes a ceiling price that the contractor exceeds at its own risk.

(11) Grantees and subgrantees alone will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to source evaluation, protests, disputes, and claims. These standards do not

relieve the grantee or subgrantee of any contractual responsibilities under its contracts. Federal agencies will not substitute their judgment for that of the grantee or subgrantee unless the matter is primarily a Federal concern. Violations of law will be referred to the local, State, or Federal authority having proper jurisdiction.

(12) Grantees and subgrantees will have protest procedures to handle and resolve disputes relating to their procurements and shall in all instances disclose information regarding the protest to the awarding agency. A protestor must exhaust all administrative remedies with the grantee and subgrantee before pursuing a protest with the Federal agency. Reviews of protests by the Federal agency will be limited to:

(i) Violations of Federal law or regulations and the standards of this section (violations of State or local law will be under the jurisdiction of State or local authorities) and

(ii) Violations of the grantee's or subgrantee's protest procedures for failure to review a complaint or protest. Protests received by the Federal agency other than those specified above will be referred to the grantee or subgrantee.

(c) **Competition.**

(1) All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of Sec. 18.36. Some of the situations considered to be restrictive of competition include but are not limited to:

(i) Placing unreasonable requirements on firms in order for them to qualify to do business,

(ii) Requiring unnecessary experience and excessive bonding,

(iii) Noncompetitive pricing practices between firms or between affiliated companies,

(iv) Noncompetitive awards to consultants that are on retainer contracts,

(v) Organizational conflicts of interest,

(vi) Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance of other relevant requirements of the procurement, and

(vii) Any arbitrary action in the procurement process.

(2) Grantees and subgrantees will conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts State licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criteria provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

(3) Grantees will have written selection procedures for procurement transactions. These procedures will ensure that all solicitations:

(i) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition.

The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equal” description may be used as a means to define the performance or other salient requirements of a procurement. The specific features of the named brand which must be met by offerors shall be clearly stated; and

(ii) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

(4) Grantees and subgrantees will ensure that all pre-qualified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, grantees and subgrantees will not preclude potential bidders from qualifying during the solicitation period.

(d) **Methods of procurement to be followed**

(1) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the simplified acquisition threshold fixed at 41 U.S.C. 403(11) (currently set at $100,000). If small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources.

(2) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in Sec. 18.36(d)(2)(i) apply.

(i) In order for sealed bidding to be feasible, the following conditions should be present:

(A) A complete, adequate, and realistic specification or purchase description is available;

(B) Two or more responsible bidders are willing and able to compete effectively and for the business; and

(C) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(ii) If sealed bids are used, the following requirements apply:

(A) The invitation for bids will be publicly advertised and bids shall be

solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids;

(B) The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond;

(C) All bids will be publicly opened at the time and place prescribed in the invitation for bids;

(D) A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(E) Any or all bids may be rejected if there is a sound documented reason.

(3) Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed-price or cost reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

(i) Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical;

(ii) Proposals will be solicited from an adequate number of qualified sources;

(iii) Grantees and subgrantees will have a method for conducting technical evaluations of the proposals received and for selecting awardees;

(iv) Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and

(v) Grantees and subgrantees may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

(4) Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate.

(i) Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following

circumstances applies:

(A) The item is available only from a single source;

(B) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

(C) The awarding agency authorizes noncompetitive proposals; or

(D) After solicitation of a number of sources, competition is determined inadequate.

(ii) Cost analysis, i.e., verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits, is required.

(iii) Grantees and subgrantees may be required to submit the proposed procurement to the awarding agency for pre-award review in accordance with paragraph (g) of this section.

(e) **Contracting with small and minority firms, women's business enterprise and labor surplus area firms.**

(1) The grantee and subgrantee will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible.

(2) Affirmative steps shall include:

(i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

(iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;

(iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;

(v) Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce; and

(vi) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (e)(2) (i) through (v) of this section.

(f) **Contract cost and price.**

(1) Grantees and subgrantees must perform a cost or price analysis in connection with every procurement action including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, grantees must make independent estimates before receiving bids or proposals. A cost analysis must be performed when the offeror is required to submit the elements of his estimated cost, e.g., under professional, consulting, and architectural engineering services contracts. A cost analysis will be necessary when adequate price competition is lacking, and for sole source procurements, including contract modifications or change orders, unless price reasonableness

can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price.

(2) Grantees and subgrantees will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

(3) Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles (see Sec. 18.22). Grantees may reference their own cost principles that comply with the applicable Federal cost principles.

(4) The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

(g) **Awarding agency review.**

(1) Grantees and subgrantees must make available, upon request of the awarding agency, technical specifications on proposed procurements where the awarding agency believes such review is needed to ensure that the item and/or service specified is the one being proposed for purchase. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the grantee or subgrantee desires to have the review accomplished after a solicitation has been developed, the awarding agency may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

(2) Grantees and subgrantees must on request make available for awarding agency pre-award review procurement documents, such as requests for proposals or invitations for bids, independent cost estimates, etc. when:

(i) A grantee's or subgrantee's procurement procedures or operation fails to comply with the procurement standards in this section; or

(ii) The procurement is expected to exceed the simplified acquisition threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation; or

(iii) The procurement, which is expected to exceed the simplified acquisition threshold, specifies a “brand name” product; or

(iv) The proposed award is more than the simplified acquisition threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or

(v) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the simplified acquisition

threshold.

(3) A grantee or subgrantee will be exempt from the pre-award review in paragraph (g)(2) of this section if the awarding agency determines that its procurement systems comply with the standards of this section.

(i) A grantee or subgrantee may request that its procurement system be reviewed by the awarding agency to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews shall occur where there is a continuous high-dollar funding, and third-party contracts are awarded on a regular basis.

(ii) A grantee or subgrantee may self-certify its procurement system. Such self-certification shall not limit the awarding agency's right to survey the system. Under a self¬-certification procedure, awarding agencies may wish to rely on written assurances from the grantee or subgrantee that it is complying with these standards. A grantee or subgrantee will cite specific procedures, regulations, standards, etc., as being in compliance with these requirements and have its system available for review.

(h) **Bonding requirements.** For construction or facility improvement contracts or subcontracts exceeding the simplified acquisition threshold, the awarding agency may accept the bonding policy and requirements of the grantee or subgrantee provided the awarding agency has made a determination that the awarding agency's interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows:

(1) A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

(2) A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(h) **Bonding requirements**

(3) A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

(i) Contract provisions. A grantee's and subgrantee's contracts must contain provisions in paragraph (i) of this section. Federal agencies are permitted to require changes, remedies, changed conditions, access and records retention, suspension of work, and other clauses approved by the office of Federal Procurement Policy.

(1) Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such

sanctions and penalties as may be appropriate. (Contracts more than the simplified acquisition threshold)

(2) Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of $10,000)

(3) Compliance with Executive Order 11246 of September 24, 1965, entitled “Equal Employment Opportunity,” as amended by Executive order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of $10,000 by grantees and their contractors or subgrantees)

(4) Compliance with the Copeland “Anti-Kickback” Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3). (All contracts and subgrants for construction or repair)

(5) Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts in excess of $2000 awarded by grantees and subgrantees when required by Federal grant program legislation)

(6) Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts awarded by grantees and subgrantees in excess of $2000, and in excess of $2500 for other contracts which involve the employment of mechanics or laborers)

(7) Notice of awarding agency requirements and regulations pertaining to reporting.

(8) Notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract.

(9) Awarding agency requirements and regulations pertaining to copyrights and rights in data.

(10) Access by the grantee, the subgrantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

(11) Retention of all required records for three years after grantees or subgrantees make final payments and all other pending matters are closed.

(12) Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (Contracts, subcontracts, and subgrants of amounts in excess of $100,000)

(13) Mandatory standards and policies relating to energy efficiency which

are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94¬163, 89 Stat. 871).

(j) 23 U.S.C. 112(a) directs the Secretary to require recipients of highway construction grants to use bidding methods that are “effective in securing competition.”

Detailed construction contracting procedures are contained in 23 CFR part 635, subpart A.

(k) Section 3(a)(2)(C) of the UMT Act of 1964, as amended, prohibits the use of grant or loan funds to support procurements utilizing exclusionary or discriminatory specifications.

(l) 46 U.S.C. 1241(b)(1) and 46 CFR part 381 impose cargo preference requirements on the shipment of foreign made goods.

(m) Section 165 of the Surface Transportation Assistance Act of 1982, 49 U.S.C. 1601, section 337 of the Surface Transportation and Uniform Relocation Assistance Act of 1987, and 49 CFR parts 660 and 661 impose Buy America provisions on the procurement of foreign products and materials.

(n) Section 105(f) of the Surface Transportation Assistance Act of 1982, section 106(c) of the Surface Transportation and Uniform Relocation Assistance Act of 1987, and 49 CFR part 23 impose requirements for the participation of disadvantaged business enterprises.

(o) Section 308 of the Surface Transportation Assistance Act of 1982, 49 U.S.C. 1068(b)(2), authorizes the use of competitive negotiation for the purchase of rolling stock as appropriate.

(p) 23 U.S.C. 112(b) provides for an exemption to competitive bidding requirements for highway construction contracts in emergency situations.

(q) 23 U.S.C. 112 requires concurrence by the Secretary before highway construction contracts can be awarded, except for projects authorized under the provisions of 23 U.S.C. 171.

(r) 23 U.S.C. 112(e) requires standardized contract clauses concerning site conditions, suspension or work, and material changes in the scope of the work for highway construction contracts.

(s) 23 U.S.C. 140(b) authorizes the preferential employment of Indians on Indian Reservation road projects and contracts.

(t) FHWA, UMTA, and Federal Aviation Administration (FAA) grantees and subgrantees shall extend the use of qualifications-based (e.g., architectural and engineering services) contract selection procedures to certain other related areas and shall award such contracts in the same manner as Federal contracts for architectural and engineering services are negotiated under Title IX of the Federal Property and Administrative Services Act of 1949, or equivalent State (or airport sponsor for FAA) qualifications-based requirements. For FHWA and UMTA programs, this provision applies except to the extent that a State adopts or has adopted by statute a formal procedure for the procurement of such services.

[53 FR 8086 and 8087, Mar. 11, 1988, as amended at 53 FR 8087, Mar. 11, 1988; 60 FR 19639, 19647, Apr. 19, 1995]

Sec. 18.37 Subgrants.

(a) **States.** States shall follow state law and procedures when awarding and administering subgrants (whether on a cost reimbursement or fixed amount basis) of financial assistance to local and Indian tribal governments. States shall:

(1) Ensure that every subgrant includes any clauses required by Federal statute and executive orders and their implementing regulations;

(2) Ensure that subgrantees are aware of requirements imposed upon them by Federal statute and regulation;

(3) Ensure that a provision for compliance with Sec. 18.42 is placed in every cost reimbursement subgrant; and

(4) Conform any advances of grant funds to subgrantees substantially to the same standards of timing and amount that apply to cash advances by Federal agencies.

(b) **All other grantees.** All other grantees shall follow the provisions of this part which are applicable to awarding agencies when awarding and administering subgrants (whether on a cost reimbursement or fixed amount basis) of financial assistance to local and Indian tribal governments. Grantees shall:

(1) Ensure that every subgrant includes a provision for compliance with this part;

(2) Ensure that every subgrant includes any clauses required by Federal statute and executive orders and their implementing regulations; and

(3) Ensure that subgrantees are aware of requirements imposed upon them by Federal statutes and regulations.

(c) Exceptions. By their own terms, certain provisions of this part do not apply to the award and administration of subgrants:

(1) Section 18.10;

(2) Section 18.11;

(3) The letter-of-credit procedures specified in Treasury Regulations at 31 CFR part 205, cited in Sec. 18.21; and

(4) Section 18.50.

Reports, Records, Retention, and Enforcement

Sec. 18.40 Monitoring and reporting program performance.

(a) **Monitoring by grantees.** Grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function or activity.

(b) **Nonconstruction performance reports.** The Federal agency may, if it decides that performance information available from subsequent applications contains sufficient information to meet its programmatic needs, require the grantee to submit a performance report only upon expiration or termination of grant support. Unless waived by the Federal agency this report will be due on the same date as the final Financial Status Report.

(1) Grantees shall submit annual performance reports unless the awarding agency requires quarterly or semi-annual reports. However, performance reports will not be required more frequently than quarterly. Annual reports shall be due 90 days after the grant year, quarterly or semi-annual reports shall be due 30 days after the reporting period. The final performance report will be due 90 days after the expiration or termination of grant support. If a justified request is submitted by a grantee, the Federal agency may extend the due date for any performance report. Additionally, requirements for unnecessary performance reports may be waived by the Federal agency.

(2) Performance reports will contain, for each grant, brief information on the following:

(i) A comparison of actual accomplishments to the objectives established for the period. Where the output of the project can be quantified, a computation of the cost per unit of output may be required if that information will be useful.

(ii) The reasons for slippage if established objectives were not met.

(iii) Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

(3) Grantees will not be required to submit more than the original and two copies of performance reports.

(4) Grantees will adhere to the standards in this section in prescribing performance reporting requirements for subgrantees.

(c) **Construction performance reports.** For the most part, on-site technical inspections and certified percentage-of-completion data are relied on heavily by Federal agencies to monitor progress under construction grants and subgrants. The Federal agency will require additional formal performance reports only when considered necessary, and never more frequently than quarterly.

(1) Section 12(h) of the UMT Act of 1964, as amended, requires pre¬-award testing of new buses models.

(2) [Reserved]

(d) **Significant developments.** Events may occur between the scheduled performance reporting dates which have significant impact upon the grant or subgrant supported activity. In such cases, the grantee must inform the Federal agency as soon as the following types of conditions become known:

(1) Problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the award. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.

(2) Favorable developments which enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more beneficial results than originally planned.

(e) **Federal agencies may make site visits as warranted by program needs.**

(f) **Waivers, extensions.**

(1) Federal agencies may waive any performance report required by this part if not needed.

(2) The grantee may waive any performance report from a subgrantee when not needed. The grantee may extend the due date for any performance report from a subgrantee if the grantee will still be able to meet its performance reporting obligations to the Federal agency.

[53 FR 8086 and 8087, Mar. 11, 1988, as amended at 53 FR 8087, Mar. 11, 1988]

Sec. 18.41 Financial Reporting.

(a) **General.**

(1) Except as provided in paragraphs (a) (2) and (5) of this section, grantees will use only the forms specified in paragraphs (a) through (e) of this section, and such supplementary or other forms as may from time to time be authorized by OMB, for:

(i) Submitting financial reports to Federal agencies, or

(ii) Requesting advances or reimbursements when letters of credit are not used.

(2) Grantees need not apply the forms prescribed in this section in dealing with their subgrantees. However, grantees shall not impose more burdensome requirements on subgrantees.

(3) Grantees shall follow all applicable standard and supplemental Federal agency instructions approved by OMB to the extent required under the Paperwork Reduction Act of 1980 for use in connection with forms specified in paragraphs (b) through (e) of this section. Federal agencies may issue substantive supplementary instructions only with the approval of OMB. Federal agencies may shade out or instruct the grantee to disregard any line item that the Federal agency finds unnecessary for its decision making purposes.

(4) Grantees will not be required to submit more than the original and two copies of forms required under this part.

(5) Federal agencies may provide computer outputs to grantees to expedite or contribute to the accuracy of reporting. Federal agencies may accept the required information from grantees in machine usable format or computer printouts instead of prescribed forms.

(6) Federal agencies may waive any report required by this section if not needed.

(7)) Federal agencies may extend the due date of any financial report upon receiving a justified request from a grantee.

(b) **Financial Status Report.**

(1) Form. Grantees will use Standard

Form 269 or 269A, Financial Status Report, to report the status of funds for all non-construction grants and for construction grants when required in accordance with Sec. 18.41(e)(2)(iii).

(2) Accounting basis. Each grantee will report program outlays and program income on a cash or accrual basis as prescribed by the awarding agency. If the Federal agency requires accrual information and the grantee's accounting records are not normally kept on the

accrual basis, the grantee shall not be required to convert its accounting system but shall develop such accrual information through and analysis of the documentation on hand.

(3) Frequency. The Federal agency may prescribe the frequency of the report for each project or program. However, the report will not be required more frequently than quarterly. If the Federal agency does not specify the frequency of the report, it will be submitted annually. A final report will be required upon expiration or termination of grant support.

(4) Due date. When reports are required on a quarterly or semiannual basis, they will be due 30 days after the reporting period. When required on an annual basis, they will be due 90 days after the grant year. Final reports will be due 90 days after the expiration or termination of grant support.

(c) **Federal Cash Transactions Report**

(1) Form.

(i) For grants paid by letter or credit, Treasury check advances or electronic transfer of funds, the grantee will submit the Standard Form 272, Federal Cash Transactions Report, and when necessary, its continuation sheet, Standard Form 272a, unless the terms of the award exempt the grantee from this requirement.

(ii) These reports will be used by the Federal agency to monitor cash advanced to grantees and to obtain disbursement or outlay information for each grant from grantees. The format of the report may be adapted as appropriate when reporting is to be accomplished with the assistance of automatic data processing equipment provided that the information to be submitted is not changed in substance.

(2) Forecasts of Federal cash requirements. Forecasts of Federal cash requirements may be required in the “Remarks” section of the report.

(3) Cash in hands of subgrantees. When considered necessary and feasible by the Federal agency, grantees may be required to report the amount of cash advances in excess of three days needs in the hands of their subgrantees or contractors and to provide short narrative explanations of actions taken by the grantee to reduce the excess balances.

(4) Frequency and due date. Grantees must submit the report no later than 15 working days following the end of each quarter. However, where an advance either by letter of credit or electronic transfer of funds is authorized at an annualized rate of one million dollars or more, the Federal agency may require the report to be submitted within 15 working days following the end of each month.

(d) **Request for advance or reimbursement¬.**

(1) Advance payments. Requests for Treasury check advance payments will be submitted on Standard Form 270, Request for Advance or Reimbursement. (This form will not be used for drawdowns under a letter of credit, electronic funds transfer or when Treasury check advance payments are made to the grantee automatically on a predetermined basis.)

(2) Reimbursements. Requests for reimbursement under non-construction grants will also be submitted on Standard Form 270. (For reimbursement requests under construction grants, see paragraph (e)(1) of this section.)

(3) The frequency for submitting payment requests is treated in Sec.18.41 (b)(3).

(e) **Outlay report and request for reimbursement for construction programs.**

(1) Grants that support construction activities paid by reimbursement method.

(i) Requests for reimbursement under construction grants will. be submitted on Standard Form 271, Outlay Report and Request for Reimbursement for Construction Programs. Federal agencies may, however, prescribe the Request for Advance or Reimbursement form, specified in Sec. 18.41(d), instead of this form.

(ii) The frequency for submitting reimbursement requests is treated in Sec. 18.41(b)(3).

(e) **Outlay report and request for reimbursement for construction programs.**

(2) Grants that support construction activities paid by letter of credit, electronic funds transfer or Treasury check advance.

(i) When a construction grant is paid by letter of credit, electronic funds transfer or Treasury check advances, the grantee will report its outlays to the Federal agency using Standard Form 271, Outlay Report and Request for Reimbursement for Construction Programs. The Federal agency will provide any necessary special instruction. However, frequency and due date shall be governed by Sec. 18.41(b) (3) and (4).

(ii) When a construction grant is paid by Treasury check advances based on periodic requests from the grantee, the advances will be requested on the form specified in Sec. 18.41(d).

(iii) The Federal agency may substitute the Financial Status Report specified in Sec. 18.41(b) for the Outlay Report and Request for Reimbursement for Construction Programs.

(3) Accounting basis. The accounting basis for the Outlay Report and Request for Reimbursement for Construction Programs shall be governed by Sec. 18.41(b)(2).

(f) **Notwithstanding the provisions of paragraphs (a)(1) of this section, recipients of FHWA and National Highway Traffic Safety Administration (NHTSA) grants shall use FHWA, NHTSA or State financial reports.**

[53 FR 8086 and 8087, Mar. 11, 1988, as amended at 53 FR 8087, Mar. 11, 1988]

Sec. 18.42 Retention and access requirements for records.

(a) **Applicability.**

(1) This section applies to all financial and programmatic records, supporting documents, statistical records, and other records of grantees or subgrantees which are:

(i) Required to be maintained by the terms of this part, program regulations or the grant agreement, or

(ii) Otherwise reasonably considered as pertinent to program regulations or the grant agreement.

(2) This section does not apply to records maintained by contractors or subcontractors. For a requirement to place a provision concerning records in certain kinds of contracts, see Sec. 18.36(i)(10).

(b) **Length of retention period.**

(1) Except as otherwise provided, records must be retained for three years from the starting date specified in paragraph (c) of this section.

(2) If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the 3-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular 3-year period, whichever is later.

(3) To avoid duplicate recordkeeping, awarding agencies may make special arrangements with grantees and subgrantees to retain any records which are continuously needed for joint use. The awarding agency will request transfer of records to its custody when it determines that the records possess long-term retention value. When the records are transferred to or maintained by the Federal agency, the 3-year retention requirement is not applicable to the grantee or subgrantee

(c) **Starting date of retention period¬**

(1) General. When grant support is continued or renewed at annual or other intervals, the retention period for the records of each funding period starts on the day the grantee or subgrantee submits to the awarding agency its single or last expenditure report for that period. However, if grant support is continued or renewed quarterly, the retention period for each year's records starts on the day the grantee submits its expenditure report for the last quarter of the Federal fiscal year.

In all other cases, the retention period starts on the day the grantee submits its final expenditure report. If an expenditure report has been waived, the retention period starts on the day the report would have been due.

(2) Real property and equipment records. The retention period for real property and equipment records starts from the date of the disposition or replacement or transfer at the direction of the awarding agency.

(3) Records for income transactions after grant or subgrant support. In some cases grantees must report income after the period of grant support. Where there is such a requirement, the retention period for the records pertaining to the earning of the income starts from the end of the grantee's fiscal year in which the income is earned.

(4) Indirect cost rate proposals, cost allocations plans, etc. This paragraph applies to the following types of documents, and their supporting records: indirect cost rate computations or proposals, cost allocation

plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).

(i) If submitted for negotiation. If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the grantee) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.

(ii) If not submitted for negotiation. If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the grantee) for negotiation purposes, then the 3-year retention period for the proposal plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

(d) **Substitution of microfilm.** Copies made by microfilming, photocopying, or similar methods may be substituted for original the records.

(e) **Access to records**

(1) Records of grantees and subgrantees. The awarding agency and the Comptroller General of the United States, or any of their authorized representatives, shall have the right of access to any pertinent books, documents, papers, or other records of grantees and subgrantees which are pertinent to the grant, in order to make audits, examinations, excerpts, and transcripts.

(2) Expiration of right of access. The right of access in this section must not be limited to the required retention period but shall last as long as the records are retained.

(f) **Restrictions on public access.** The Federal Freedom of Information Act (5 U.S.C. 552) does not apply to records unless required by Federal, State, or local law, grantees and subgrantees are not required to permit public access to their records.

Sec. 18.43 Enforcement

(a) **Remedies for noncompliance.** If a grantee or subgrantee materially fails to comply with any term of an award, whether stated in a Federal statute or regulation, an assurance, in a State plan or application, a notice of award, or elsewhere, the awarding agency may take one or more of the following actions, as appropriate in the circumstances:

(1) Temporarily withhold cash payments pending correction of the deficiency by the grantee or subgrantee or more severe enforcement action by the awarding agency,

(2) Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance,

(3) Wholly or partly suspend or terminate the current award for the grantee's or subgrantee's program,

(4) Withhold further awards for the program, or

(5) Take other remedies that may be legally available.

(b) **Hearings, appeals.** In taking an enforcement action, the awarding agency will provide the grantee or subgrantee an opportunity for such hearing, appeal, or other administrative proceeding to which the grantee or subgrantee is entitled under any statute or regulation applicable to the action involved.

(c) **Effects of suspension and termination.** Costs of grantee or subgrantee resulting from obligations incurred by the grantee or subgrantee during a suspension or after termination of an award are not allowable unless the awarding agency expressly authorizes them in the notice of suspension or termination or subsequently. Other grantee or subgrantee costs during suspension or after termination which are necessary and not reasonably avoidable are allowable if:

(1) The costs result from obligations which were properly incurred by the grantee or subgrantee before the effective date of suspension or termination, are not in anticipation of it, and, in the case of a termination, are non-cancellable, and,

(2) The costs would be allowable if the award were not suspended or expired normally at the end of the funding period in which the termination takes effect.

(d) **Relationship to debarment and suspension.** The enforcement remedies identified in this section, including suspension and termination, do not preclude grantee or subgrantee from being subject to "Debarment and Suspension" under E.O. 12549 (see Sec. 18.35).

Sec. 18.44 Termination for convenience.

Except as provided in Sec. 18.43 awards may be terminated in whole or in part only as follows:

(a) **General.** The Federal agency will close out the award when it determines that all applicable administrative actions and all required work of the grant has been completed.

(b) **Reports.** Within 90 days after the expiration or termination of the grant, the grantee must submit all financial, performance, and other reports required as a condition of the grant. Upon request by the grantee, Federal agencies may extend this timeframe. These may include but are not limited to:

(1) Final performance or progress report.

(2) Financial Status Report (SF 269) or Outlay Report and Request for Reimbursement for Construction Programs (SF-271) (as applicable).

(3) Final request for payment (SF-270) (if applicable).

(4) Invention disclosure (if applicable).

(5) Federally-owned property report:In accordance with Sec. 18.32(f), a grantee must submit an inventory of all federally owned property (as distinct from property acquired with grant funds) for which it is accountable and request disposition instructions from the Federal agency of property no longer needed.

(c) **Cost adjustment.** The Federal agency will, within 90 days after receipt of

reports in paragraph (b) of this section, make upward or downward adjustments to the allowable costs.

(d) **Cash adjustments.**

(1) The Federal agency will make prompt payment to the grantee for allowable reimbursable costs.

(2) The grantee must immediately refund to the Federal agency any balance of unobligated (unencumbered) cash advanced that is not authorized to be retained for use on other grants.

Subpart D--After-the-Grant Requirements

Sec. 18.51 Later disallowances and adjustments.

The closeout of a grant does not affect:

(a) The Federal agency's right to disallow costs and recover funds on the basis of a later audit or other review;

(b) The grantee's obligation to return any funds due as a result of later refunds, corrections, or other transactions;

(c) Records retention as required in Sec. 18.42;

(d) Property management requirements in Secs. 18.31 and 18.32; and Audit requirements in Sec. 18.26.

Sec. 18.52 Collection of amounts due.

(a) Any funds paid to a grantee in excess of the amount to which the grantee is finally determined to be entitled under the terms of the award constitute a debt to the Federal Government. If not paid within a reasonable period after demand, the Federal agency may reduce the debt by:

(1) Making an administrative offset against other requests for reimbursements,

(2) Withholding advance payments otherwise due to the grantee, or

(3) Other action permitted by law.

(b) Except where otherwise provided by statutes or regulations, the Federal agency will charge interest on an overdue debt in accordance with the Federal Claims Collection Standards (4 CFR Ch. II). The date from which interest is computed is not extended by litigation or the filing of any form of appeal.

Subpart E—Entitlements [Reserved]

EXHIBIT D

Appendix A to Part 96—Office of Management and Budget

Circular No. A-128—Uniform Audit Requirements for State and Local Governments

EXECUTIVE OFFICE OF THE PRESIDENT

Office of Management and Budget

CIRCULAR NO. A-128

April 12, 1985

To the Heads of Executive Departments and Establishments.

Subject: Audits of State and Local Governments.

1. Purpose.

This Circular is issued pursuant to the Single Audit Act of 1984, Pub. L. 98-502. It establishes audit requirements for State and local governments that receive Federal aid, and defines Federal responsibilities for implementing and monitoring those requirements.

2. Super-session.

The Circular supersedes Attachment P, "Audit Requirements," of Circular A-102, "Uniform requirements for grants to State and local governments."

3. Background.

The Single Audit Act builds upon earlier efforts to improve audits of Federal aid programs. The Act requires State or local governments that receive $100,000 or more a year in Federal funds to have an audit made for that year. Section 7505 of the Act requires the Director of the Office of Management and Budget to prescribe policies, procedures and guidelines to implement the Act. It specifies that the Director shall designate "cognizant" Federal agencies, determine criteria for making appropriate charges to Federal programs for the cost of audits, and provide procedures to assure that small firms or firms owned and controlled by disadvantaged individuals have the opportunity to participate in contracts for single audits.
4. Policy. The Single Audit Act requires the following:

4. Policy.

The Single Audit Act requires the following:

a. State or local governments that receive $100,000 or more a year in Federal financial assistance shall have an audit made in accordance with this Circular.

b. State or local governments that receive between $25,000 and $100,000 a year shall have an audit made in accordance with this Circular, or in accordance with Federal laws and regulations governing the programs they participate in.

c. State or local governments that receive less than $25,000 a year shall be exempt from compliance with the Act and other Federal audit requirements. These State and local governments shall be governed by audit requirements prescribed by State or local law or regulation.

d. Nothing in this paragraph exempts State or local governments from maintaining records of Federal financial assistance or from providing access to such records to Federal agencies, as provided for in Federal law or in Circular A-102, "Uniform requirements for grants to State or local governments."¬

5. Definitions.

For the purposes of this Circular the following definitions from the Single Audit Act apply:

a. Cognizant agency means the Federal agency assigned by the Office of Management and Budget to carry out the responsibilities described in paragraph 11 of this Circular.

b. Federal financial assistance means assistance provided by a Federal agency in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations, but does not include direct Federal cash assistance to individuals.

It includes awards received directly from Federal agencies, or indirectly through other units of State and local governments.

c. Federal agency has the same meaning as the term agency in section 551(1) of title 5, U.S.C.

d. Generally accepted accounting principles has the meaning specified in the generally accepted government auditing standards.

e. Generally accepted government auditing standards means the Standards For Audit of Government Organizations, Programs, Activities, and Functions, developed by the Controller General, dated February 27, 1981.

f. Independent auditor means:

(1) A State or local government auditor who meets the independence standards specified in generally accepted government auditing standards; or

(2) A public accountant who meets such independence standards.

g. Internal controls means the plan of organization and methods and procedures adopted by management to ensure that:

(1) Resource use is consistent with laws, regulations, and policies;

(2) Resources are safeguarded against waste, loss, and misuse; and

(3) Reliable data is obtained, maintained, and fairly disclosed in reports.

h. Indian tribe means any Indian tribe, band, nations, or other organized group or community, including any Alaskan Native village or regional or village corporations (as defined in, or established under, the Alaskan Native Claims Settlement Act) that is recognized by the United States as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

i. Local government means any unit of local government within a State, including a county, a borough, municipality, city, town, township, parish, local public authority, special district, school district, intrastate district, council of governments, and any other instrumentality of local government.

j. Major Federal Assistance Program, as defined by Pub. L. 98-502, is described in the Attachment to this Circular.

k. Public accountants means those individuals who meet the qualification standards included in generally accepted government auditing standards for personnel performing government audits.

l. State means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, any instrumentality thereof, and any multi-State, regional, or interstate entity that has governmental functions and any Indian tribe.

m. Sub-recipient means any person or government department, agency, or establishment that receives Federal financial assistance to carry out a program through a State or local government, but does not include an individual that is a beneficiary of such a

program. A sub-recipient may also be a direct recipient of Federal financial assistance.

6. Scope of Audit.

The Single Audit Act provides that:

a. The audit shall be made by an independent auditor in accordance with generally accepted government auditing standards covering financial and compliance audits.

b. The audit shall cover the entire operations of a State or local government or, at the option of that government, it may cover departments, agencies or establishments that received, expended, or otherwise administered Federal financial assistance during the year. However, if a State or local government receives $25,000 or more in General Revenue Sharing Funds in a fiscal year, it shall have an audit of its entire operations. A series of audits of individual departments, agencies, and establishments for the same fiscal year may be considered a single audit.

c. Public hospitals and public colleges and universities may be excluded from State and local audits and the requirements of this Circular.

However, if such entities are excluded, audits of these entities shall be made in accordance with statutory requirements and the provisions of Circular A-110, "Uniform requirements for grants to universities, hospitals, and other nonprofit organizations."

d. The auditor shall determine whether:

(1) The financial statements of the government, department, agency or establishment present fairly its financial position and the results of its financial operations in accordance with generally accepted accounting principles;

(2) The organization has internal accounting and other control systems to provide reasonable assurance that it is managing Federal financial assistance programs in compliance with applicable laws and regulations; and

(3) The organization has complied with laws and regulations that may have material effect on its financial statements and on each major Federal assistance program.

7. Frequency of Audit.

Audits shall be made annually unless the State or local government has, by January 1, 1987, a constitutional or statutory requirement for less frequent audits. For those governments, the cognizant agency shall permit biennial audits, covering both years, if the government so requests. It shall also honor requests for biennial audits by governments that have an administrative policy calling for audits less frequent than annual, but only for fiscal years beginning before January 1, 1987.

8. Internal Control and Compliance Reviews.

The Single Audit Act requires that the independent auditor determine and report on whether the organization has internal control systems to provide reasonable assurance that it is managing Federal assistance programs in compliance with applicable laws and regulations.

a. Internal control review. In order to provide this assurance the auditor must make a study and evaluation of internal control systems used in administering Federal assistance programs. The study and evaluation must be made whether or not the auditor intends to place reliance on such systems. As part of this review, the auditor shall:

(1) Test whether these internal control systems are functioning in accordance with prescribed procedures.

(2) Examine the recipient's system for monitoring sub-recipients and obtaining and acting on sub-recipient audit reports.

b. Compliance review. The law also requires the auditor to determine whether the organization has complied with laws and regulations that may have a material effect on each major Federal assistance program.

(1) In order to determine which major programs are to be tested for compliance, State and local governments shall identify in their accounts all Federal funds received and expended and the programs under which they were received. This shall include funds received directly from Federal agencies and through other State and local governments.

(2) The review must include the selection and testing of a representative number of charges from each major Federal assistance program. The selection and testing of transactions shall be based on the auditor's professional judgment considering such factors as the amount of expenditures for the program and the individual awards; the newness of the program or changes in its conditions; prior experience with the program, particularly as revealed in audits and other evaluations (e.g., inspections, program reviews); the extent to which the program is carried out through sub-recipients; the extent to which the program contracts for goods or services; the level to which the program is already subject to program reviews or other forms of independent oversight; the adequacy of the controls for ensuring compliance; the expectation of adherence or lack of adherence to the applicable laws and regulations; and the potential impact of adverse findings.

(a) In making the test of transactions, the auditor shall determine whether:

• The amounts reported as expenditures were for allowable services, and

• The records show that those who received services or benefits were eligible to receive them.

(b) In addition to transaction testing, the auditor shall determine whether:

•Matching requirements, levels of effort and earmarking limitations were met,

•Federal financial reports and claims for advances and reimbursements contain information that is supported by the books and records from which the basic financial statements have been prepared, and

•Amounts claimed or used for matching were determined in accordance with OMB Circular A-87, “Cost principles for State and local governments, “and Attachment F of Circular A-102, “Uniform requirements for grants to State and local governments.”

(c) The principal compliance requirements of the largest Federal aid programs may be ascertained by referring to the Compliance Supplement for Single Audits of State and Local Governments, issued by OMB and available from the Government Printing Office. For those programs not covered in the Compliance Supplement, the auditor may ascertain compliance requirements by researching the statutes, regulations, and agreements

governing individual programs.

(2) Transactions related to other Federal assistance programs that are selected in connection with examinations of financial statements and evaluations of internal controls shall be tested for compliance with Federal laws and regulations that apply to such transactions.

9. Sub-recipients.

State or local governments that receive Federal financial assistance and provide $25,000 or more of it in a fiscal year to a sub-recipient shall:

a. Determine whether State or local sub-recipients have met the audit requirements of this Circular and whether sub-recipients covered by Circular A-110, "Uniform requirements for grants to universities, hospitals, and other nonprofit organizations," have met that requirement;

b. Determine whether the sub-recipient spent Federal assistance funds provided in accordance with applicable laws and regulations. This may be accomplished by reviewing an audit of the sub-recipient made in accordance with this Circular, Circular A-110, or through other means (e.g., program reviews) if the sub-recipient has not yet had such an audit;

c. Ensure that appropriate corrective action is taken within six months after receipt of the audit report in instances of noncompliance with Federal laws and regulations;

d. Consider whether sub-recipient audits necessitate adjustment of the recipient's own records; and

e. Require each sub-recipient to permit independent auditors to have access to the records and financial statements as necessary to comply with this Circular.

10. Relation to Other Audit Requirements.

The Single Audit Act provides that an audit made in accordance with this Circular shall be in lieu of any financial or financial compliance audit required under individual Federal assistance programs. To the extent that a single audit provides Federal agencies with information and assurances they need to carry out their overall responsibilities, they shall rely upon and use such information. However, a Federal agency shall make any additional audits which are necessary to carry out its responsibilities under Federal law and regulation. Any additional Federal audit effort shall be planned and carried out in such a way as to avoid duplication.

a. The provisions of this Circular do not limit the authority of Federal agencies to make, or contract for audits and evaluations of Federal financial assistance programs, nor do they limit the authority of any Federal agency Inspector General or other Federal audit official.

b. The provisions of this Circular do not authorize any State or local government or sub-recipient thereof to constrain Federal agencies, in any manner, from carrying out additional audits.

c. A Federal agency that makes or contracts for audits in addition to the audits made by recipients pursuant to this Circular shall, consistent with other applicable laws and regulations, arrange for funding the cost of such additional audits. Such additional audits include economy and efficiency audits, program results audits, and program evaluations.

11. Cognizant Agency Responsibilities.

The Single Audit Act provides for cognizant Federal agencies to oversee the implementation of this Circular.

a. The Office of Management and Budget will assign cognizant agencies for States and their subdivisions and larger local governments and their subdivisions. Other Federal agencies may participate with an assigned cognizant agency, in order to fulfill the cognizance responsibilities. Smaller governments not assigned a cognizant agency will be under the general oversight of the Federal agency that provides them the most funds whether directly or indirectly.

b. A cognizant agency shall have the following responsibilities:

(1) Ensure that audits are made and reports are received in a timely manner and in accordance with the requirements of this Circular.

(2) Provide technical advice and liaison to State and local governments and independent auditors.

(3) Obtain or make quality control reviews of selected audits made by non-Federal audit organizations, and provide the results, when appropriate, to other interested organizations.

(4) Promptly inform other affected Federal agencies and appropriate Federal law enforcement officials of any reported illegal acts or irregularities. They should also inform State or local law enforcement and prosecuting authorities, if not advised by the recipient, of any violation of law within their jurisdiction.

(5) Advise the recipient of audits that have been found not to have met the requirements set forth in this Circular. In such instances, the recipient will be expected to work with the auditor to take corrective action. If corrective action is not taken, the cognizant agency shall notify the recipient and Federal awarding agencies of the facts and make recommendations for follow-up action. Major inadequacies or repetitive substandard performance of independent auditors shall be referred to appropriate professional bodies for disciplinary action.

(6) Coordinate, to the extent practicable, audits made by or for Federal agencies that are in addition to the audits made pursuant to this Circular; so that the additional audits
upon such audits.

(7) Oversee the resolution of audit findings that affect the programs of more than one agency.

12. Illegal Acts or Irregularities.

If the auditor becomes aware of illegal acts or other irregularities, prompt notice shall be given to recipient management officials above the level of involvement. (See also paragraph 13(a)(3) below for the auditor's reporting responsibilities.) The recipient, in turn, shall promptly notify the cognizant agency of the illegal acts or irregularities and of proposed and actual actions, if any. Illegal acts and irregularities include such matters as conflicts of interest, falsification of records or reports, and misappropriations of funds or other assets.

13. Audit Reports.

Audit reports must be prepared at the completion of the audit. Reports serve many needs of State and local governments as well as meeting the requirements of the Single Audit Act.

a. The audit report shall state that the audit was made in accordance with the provisions of this Circular. The report shall be made up of at least:

(1) The auditor's report on financial statements and on a schedule of Federal

assistance; the financial statements; and a schedule of Federal assistance, showing the total expenditures for each Federal assistance program as identified in the Catalog of Federal Domestic Assistance. Federal programs or grants that have not been assigned a catalog number shall be identified under the caption “other Federal assistance.”

(2) The auditor's report on the study and evaluation of internal control systems must identify the organization's significant internal accounting controls, and those controls designed to provide reasonable assurance that Federal programs are being managed in compliance with laws and regulations. It must also identify the controls that were evaluated, the controls that were not evaluated, and the material weaknesses identified as a result of the evaluation.

(3) The auditor's report on compliance containing:

• A statement of positive assurance with respect to those items tested for compliance, including compliance with law and regulations pertaining to financial reports and claims for advances and reimbursements;

• Negative assurance on those items not tested;

• A summary of all instances of noncompliance; and

• An identification of total amounts questioned, if any, for each Federal assistance award, as a result of noncompliance.

b. The three parts of the audit report may be bound into a single report, or presented at the same time as separate documents.

c. All fraud abuse, or illegal acts or indications of such acts, including all questioned costs found as the result of these acts that auditors become aware of, should normally be covered in a separate written report submitted in accordance with paragraph 13f.

d. In addition to the audit report, the recipient shall provide including a plan for corrective action taken or planned and comments on the status of corrective action taken. IF prior corrective action is not necessary, a statement describing the reason it is not should accompany the audit report.

e. The reports shall be made available by the State or local government for public inspection within 30 days after the completion of the audit.

f. In accordance with generally accepted government audit standards, reports shall be submitted by the auditor to the organization audited and to those requiring or arranging for the audit. In addition, the recipient shall submit copies of the
reports to each Federal department or agency that provided Federal assistance funds to the recipient. Sub-recipients shall submit copies to recipients that provided them Federal assistance funds. The reports shall be sent within 30 days after the completion of the audit, but no later than one year after the end of the audit period unless a longer period is agreed to with the cognizant agency.

g. Recipients of more than $100,000 in Federal funds shall submit one copy of the audit report within 30 days after issuance to a central clearinghouse to be designated by the Office of Management and Budget. The clearinghouse will keep completed audits on file and follow up with State and local governments that have not submitted required audit reports.

h. Recipients shall keep audit reports on file for three years from their issuance.

14. Audit Resolution.

As provided in paragraph 11, the cognizant agency shall be responsible for monitory the

resolution of audit findings that affect the programs of more than one Federal agency.

Resolution of findings that relate to the programs of a single Federal agency will be the responsibility of the recipient and that agency. Alternate arrangements may be made on a case-by-case basis by agreement among the agencies concerned.

Resolution shall be made within six months after receipt of the report by the Federal departments and agencies. Corrective action should proceed as rapidly as possible.

15. Audit work papers and Reports.

Work papers and reports shall be retained for a -minimum of three years from the date of the audit report, unless the auditor is notified in writing by the cognizant agency to extend the retention period. Audit work papers shall be made available upon request to the cognizant agency or its designee or the General Accounting Office, at the completion of the audit.

16. Audit Costs.

The cost of audits made in accordance with the provisions of this Circular are allowable charges to Federal assistance programs.

a. The charges may be considered a direct cost or an allocated indirect cost, determined in accordance with the provision of Circular A-87, “Cost principles for State and local governments.”

b. Generally, the percentage of costs charged to Federal assistance programs for a single audit shall not exceed the percentage that Federal funds expended represent of total funds expended by the recipient during the fiscal year. The percentage may be exceeded, however, if appropriate documentation demonstrates higher actual cost:

17. Sanctions.

The Single Audit Act provides that no cost may be charged to Federal assistance programs for audits required by the Act that are not made in accordance with this Circular. In cases of continued inability or unwillingness to have a proper audit, Federal agencies must consider other appropriate sanctions including:

• Withholding a percentage of assistance payments until the audit is completed satisfactorily,

• Withholding or disallowing overhead costs, and

• Suspending the Federal assistance agreement until the audit is made.

18. Auditor Selection.

In arranging for audit services State and local governments shall follow the procurement standards prescribed by Attachment 0 of Circular A-102, “Uniform requirements for grants to State and local governments.” The standards provide that while recipients are encouraged to enter into intergovernmental agreements for audit and other services, analysis should be made to determine whether it would be more economical to purchase the services from private firms. In instances where use of such intergovernmental agreements are required by State statutes (e.g., audit services) these statutes will take precedence.

19. Small and Minority Audit Firms.

Small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals shall have the maximum practicable opportunity to participate in contracts awarded to fulfill the requirements of this Circular. Recipients of Federal assistance shall take the following steps to further this goal:

a. Assure that small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals are used to the fullest extent practicable.

b. Make information on forthcoming opportunities available and arrange time frames for

the audit so as to encourage and facilitate participation by small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals.

c. Consider in the contract process whether firms competing for larger audits intend to subcontract with small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals.

d. Encourage contracting with small audit firms or audit firms owned and controlled by socially and economically disadvantaged individuals which have traditionally audited government programs and, in such cases where this is not possible, assure that these firms are given consideration for audit subcontracting opportunities.

e. Encourage contracting with consortiums of small audit firms as described in paragraph (a) above when a contract is too large for an individual small audit firm or audit firm owned and controlled by socially and economically disadvantaged individuals.

f. Use the services and assistance, as appropriate, of such organizations as the Small Business Administration in the solicitation and utilization of small audit firms or audit firms owned and controlled by socially and economically disadvantaged individuals.

20. Reporting.

Each Federal agency will report to the Director of OMB on or before March 1, 1987, and annually thereafter on the effectiveness of State and local governments in carrying out the provisions of this Circular. The report must identify each State or local government or Indian tribe that, in the opinion of the agency, is failing to comply with the Circular.

21. Regulations.

Each Federal agency shall include the provisions of this Circular in its regulations implementing the Single Audit Act.

22. Effective Date.

This Circular is effective upon publication and shall apply to fiscal years of State and local governments that begin after December 31, 1984. Earlier implementation is encouraged. However, until it is implemented, the audit provisions of Attachment P to Circular A-102 shall continue to be observed.

23. Inquiries.

Attachment P to Circular A-102 shall continue to be observed.

23. inquiries. All questions or inquiries should be addressed to Financial Management Division, Office of Management and Budget, telephone number 202/395-3993.

24. Sunset Review Date.

This Circular shall have an independent policy review to ascertain its effectiveness three years from the date of issuance.

David A. Stockman, Director.

Attachment - Circular A-128

Definition of Major Program as Provided in Pub. L. 98-502

Major Federal Assistance Program, for State and local governments having Federal assistance expenditures between $100,000 and $100,000,000, means any program for which Federal expenditures during the applicable year exceed the larger of $300,000, or 3 percent of such total expenditures. Where total expenditures of Federal assistance exceed $100,000,000, the following criteria apply:

EXHIBIT E

SUGGESTED LANGUAGE FOR RECYLING CERTIFICATION

State law requires that state contracts shall have Recycling Certification in writing under penalty of perjury, the minimum, if not exact, percentage of recycled content, both post consumer waste and secondary waste as defined in the Public Contract Code, Sections 12161 and 12200, in materials, goods, or supplies offered or products used in the performance of this Agreement, regardless of whether the product meets the required recycled product percentage as defined in the Public Contract Code, Sections 12161 and 12200. Contractor may certify that the product contains zero recycled content. (PCC 10233, 10308.5, 10354)

RECYCLED CONTENT CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

Name and Title of Person Signing	Date Executed
Authorized Signature	Executed in the County of San Luis Obispo
Title	Telephone Number
Legal Business Name City of Morro Bay Harbor Department	Federal ID Number 95-2308629

The Contractor hereby certifies under penalty of perjury, that

percent of the materials, goods, supplies offered, or products used in the performance of this contract meets the or exceeds the minimum percentage of recycled material as defined in Sections 12161 and 12200 of the Public Contract Code. The Contractor may certify that the product contains zero recycled content.

EXHIBIT E (Cont.)

CCC-307

CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

Contractor/Bidder Firm Name (Printed) City of Morro Bay Harbor Department	Federal ID Number 95-2308629
By (Authorized Signature)	
Printed Name and Title of Person Signing ,	
Date Executed	Executed in the County of San Luis Obispo

CONTRACTOR CERTIFICATION CLAUSES

1. STATEMENT OF COMPLIANCE:

Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)

2. DRUG-FREE WORKPLACE REQUIREMENTS:

Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

1) the dangers of drug abuse in the workplace;

2) the person's or organization's policy of maintaining a drug-free workplace;

3) any available counseling, rehabilitation and employee assistance programs; and,

4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

1) receive a copy of the company's drug-free workplace policy statement; and,

2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION:

Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES $50,000 OR MORE- PRO BONO REQUIREMENT:

Contractor hereby certifies that contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lessor of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

5. EXPATRIATE CORPORATIONS:

Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS:

For contracts over $100,000 executed or amended after January 1, 2007, the contractor certifies that contractor is in compliance with Public Contract Code section 10295.3.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST:

Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.

2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

1) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

2) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION:

Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT:

Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. CONTRACTOR NAME CHANGE:

An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION:

A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION:

Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204:

This form must be completed by all contractors that are not another state agency or other governmental entity.

Sample Bid/Proposal Attachment regarding the Darfur Contracting Act of 2008

Effective January 1, 2009, all Invitations for Bids (IFB) or Requests for Proposals (RFP) for goods or services must address the requirements of the Darfur Contracting Act of 2008 (Act). (Public Contract Code sections 10475, et seq.; Stats. 2008, Ch. 272). The Act was passed by the California Legislature and signed into law by the Governor to preclude State agencies generally from contracting with "scrutinized" companies that do business in the African nation of Sudan (of which the Darfur region is a part), for the reasons described in Public Contract Code section 10475.

A scrutinized company is a company doing business in Sudan as defined in Public Contract Code section 10476. Scrutinized companies are ineligible to, and cannot, bid on or submit a proposal for a contract with a State agency for goods or services. (Public Contract Code section 10477(a)).

Therefore, Public Contract Code section 10478 (a) requires a company that currently has (or within the previous three years has had) business activities or other operations outside of the United States to certify that it is not a "scrutinized" company when it submits a bid or proposal to a State agency. (See # 1 on the sample Attachment).

A scrutinized company may still, however, submit a bid or proposal for a contract with a State agency for goods or services if the company first obtains permission from the Department of General Services (DGS) according to the criteria set forth in Public Contract Code section 10477(b). (See # 2 on the sample Attachment).

The following sample Attachment may be included in an IFB or RFP to satisfy the Act's certification requirements of bidders and proposers.

Exhibit F

DARFUR CONTRACTING ACT

Pursuant to Public Contract Code section 10478, if a bidder or proposer currently or within the previous three years has had business activities or other operations outside of the United States, it must certify that it is not a "scrutinized" company as defined in Public Contract Code section 10476.

Therefore, to be eligible to submit a bid or proposal, please complete only one of the following three paragraphs (via initials for Paragraph # 1 or Paragraph # 2, or via initials and certification for Paragraph # 3):

1. _____ We do not currently have, or we have not had within the previous three years, business activities or other operations outside of the United States.

OR

2. _____ We are a scrutinized company as defined in Public Contract Code section 10476, but we have received written permission from the Department of General Services (DGS) to submit a bid or proposal pursuant to Public Contract Code section 10477(b). A copy of the written permission from DGS is included with our bid or proposal.

OR

3. _____ We currently have, or we have had within the previous three years, business activities or other operations outside of the United States, but we certify below that we are not a scrutinized company as defined in Public Contract Code section 10476.

CERTIFICATION For # 3.

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective proposer/bidder to the clause listed above in # 3. This certification is made under the laws of the State of California.

Grantee Agency Name (Printed) City of Morro Bay Harbor Department	Federal ID Number 95-2308629
By (Authorized Signature)	
Printed Name and Title of Person Signing ,	
Date Executed	Executed in the County of San Luis Obispo

YOUR BID OR PROPOSAL WILL BE DISQUALIFIED UNLESS YOUR BID OR PROPOSAL INCLUDES THIS FORM WITH EITHER PARAGRAPH #1 OR #2 INITIALED OR PARAGRAPH #3 INITIALED AND CERTIFIED

Applicant Information

1. Applicant Information

a.	Applicant Name	City of Morro Bay		
b.	Organizational Unit	Harbor Department		
c.	Address	1275 Embarcadero		
d.	Address 2			
e.	City	Morro Bay	State CA	Zip 93422
f.	Federal ID Number	95-2308629	Reference No.	
g.	Agency Type			

(●) City ( ) County

( ) State Agency ( ) District

2. Project Information

a.	Project Name	FLIR Equimpment for Enforcement & Safety Vessels and Land Vehicles		
b.	Is implementing agency same as Applicant	(●) Yes ( ) No		
c.	Implementing Agency Name			
d.	Project Start Date	Oct-01-2016	End Date	Sep-30-2019
e.	Amount of Funds Requested	$18,437.00	Project Cost	$18,437.00

3. Contacts

a. Project Administrator

Name	Lori Stilts				
Title	Grants Administrator				
Mailing Address	1275 Embarcadero				
City	Morro Bay	State	CA	Zip	93442
Telephone	(805) 772-6254 - 256			Fax	(805) 772-6258 - 256
E-mail Address	lstilts@morro-bay.ca.us				

1. Statement of Need

The City of Morro Bay is proposing a Boating Safety and Enforcement (BS&E) grant application to purchase one mounted FLIR thermal imaging unit and two handheld FLIR thermal imager portable units.

The Morro Bay Harbor Patrol is a service-oriented public safety organization with first responder responsibilities operating principally on bay and ocean waters in Morro and Estero Bays. We respond to hundreds of calls for service every year from vessel emergencies and search and rescues, to enforcement actions, medical aids and hazardous materials and other spills, day and night, in fair weather and foul.

FLIR thermal imaging units are vital pieces of equipment for may maritime incidents that will provide our Officers with enhanced visual capabilities to conduct low-visibility, night time and all-weather searches for difficult to identify targets that could not otherwise be seen. Like a GPS unit to search for a vessel lost in the fog, the FLIR units would be another tool in our toolbox to help us safely, effectively and successfully complete our various missions.

Thank you for considering our proposal, and feel free to contact me if you have any questions or need further information.

Sincerely,

Eric Endersby
Harbor Director

1. Citation Authority

Does your boating safety and enforcement unit have citation authority?	(•) Yes ( ) No
If YES, Code #	PC 836.5
Does your boating safety and enforcement unit have arrest authority?	(•) Yes ( ) No
If YES, Code #	PC 836.5

2. Boating Safety and Enforcement Income

Tax Revenue:

Market Value of Boats	66,850,000
Multiplied by Tax Rate	0.010
	668,500.00
Multiplied by Agency's General Tax Allocation Factor(%)	0.720
Boat Tax Revenue	4,813.20

Other Revenue:

a. other local revenue sources	309,775.00
b. any other State funding sources	0.00
TOTAL ANNUAL INCOME	314,588.20

Expenditures for boating safety and enforcement as defined in Section 663.7 (a) of the Harbors and Navigation Code: 905,825

3. Describe your agency's boating safety and enforcement activities

24-hours a day, the Morro Bay Harbor Department is responsible for coordination of all boating and safety and enforcement activities within its jurisdiction, and often responds out of its jurisdiction on mutal aid calls assisting the US Coast Guard, fire, police and sheriff's departments and other agencies. Daily activities include boating safety and enforcement, vessel assistance and emergency repsonse, seach and rescue, medical aid, fire fighting, beach lifeguarding and animal and pollution response.

As the local force on the water 365 days a year, the Morro Bay Harbor Patrol is the first line of defense on Morro and Estero Bays, and often the first to notice and report suspicious waterborne activities to the proper authorities.

4. Describe your agency's needs for this grant

a. Describe patrol boat in a two-foot window (ex. 19' - 21')

b. Please upload boat specifications for review 15933__2016 FLIR Equipment Quote.pdf

c. Describe type of engine and propulsion

d. Describe trailer

e. Give estimated cost of above

f.

Your BS&E unit will use this patrol boat for hours per week.

g. Is the grant request for:

○ New Patrol Boat ◉ Equipment / Repairs

** All items purchased with funding provided by the Division of Boating and Waterways are for the exclusive use of the Boating Safety and Enforcement Unit.*

5. Describe the recreational boating activity on your waterways:

Recreational power and sail, sport fishing, and commercial fishing vessels all ply the waters of Morro Bay. The harbor has approximately 250 vessels in permanent slips, 125 vessels on permanent moorings, and two commercial piers berth an average of 25 to 30 vessels each day. Small watercraft (canoes, kayaks, skiffs, windsurfers, personal watercraft) usage is heavy and increasing. There is a paved 3-lane launch ramp that averages 8,500 - 9,500 boat launches per year. This is the only year-round vehicle trailer launching facility between Monterey and Santa Barbara Counties. There are two sport fish landings that operate six vessels combined, two large passenger for hire dinner/cruise vessels, and one commercial landing that operates various large heavy work vessels engaged in many marine construction projects throughout the state. The Morro Bay Yacht Club hosts hundreds of transient vessels each year that pass through Morro Bay along with the club's sailing activities and regattas. In addition, the Morro Bay Harbor is designated a Harbor of Safe Refuge for transient boaters during hazardous conditions.

6. Describe patrol boat/trailer/outboard motor being replaced

a. **Vessel**

Year	Make	Length	CF#	HIN #

b. **Trailer**

Year	Make	Length	Axles	License	VIN#

c. **Outboard Motor(s)**

Year	Make	Horsepower	Serial #

d. If requesting to replace a vessel, your agency must provide the completed Office of Fleet Administration #6 form (OFA6).

7. List your boating inventory

Year	Make	CF #
1984	Radon	2190 XC
1995	Radon	3290 XC
2013	Radon	5532 XC
2012	Kawasaki - Jet Ski	5377 XC
2012	Kawasaki - Jet Ski	5376 XC

Budget Detail for Boating Safety and Enforcement Equipment Grant - FY 2016 / 17
Agency: City of Morro Bay Harbor Department
Application: FLIR Equimpment for Harbor/Safety Vessels and Land Partol Vehicles

	Line Item	Qty	Rate	UOM	Req Amount	Total
1	**Equipment**					
	Night Vision - FLIR Thermal Imager Notes : Please see Bid/Estimate from Alcom Marine Electronics with detailed line items attached to this application. Order number #B32766-D for the Mounted/Fixed Flir.	1.0000	6224.070	PKG	6,224.00	6,224.00
	2-Night Vision-Flir Handheld Bi Oc Notes : Please see Bid/Estimate from Alcom Marine Electronics with detailed line items attached to this application. Order number #B33374 for two (2) Handheld Bi Oculars Flir.	1.0000	17692.070	PKG	17,692.00	17,692.00
Total for Equipment					23,916.00	23,916.00
2	**Adjustment**					
	Adjustment	0.0000	0.000		-5,479.00	-5,479.00
TOTAL EXPENDITURES					**18,437.00**	**18,437.00**

Budget Summary for Boating Safety and Enforcement Equipment Grant - FY 2016 / 17
Agency: City of Morro Bay Harbor Department
Application: FLIR Equimpment for Harbor/Safety Vessels and Land Partol Vehicles

	Category	Req Amount	Total	Narrative
1	Equipment	23,916.00	23,916.00	
2	Adjustment	-5,479.00	-5,479.00	
TOTAL EXPENDITURES		**18,437.00**	**18,437.00**	

Applicant Certification

a. ☑ Under penalty of perjury, I certify that I have examined this application and the document(s), proposal(s), and statement(s) submitted in conjunction herewith, and that to the best of my information and belief, the information contained herein is true, accurate, correct, and complete.

b. ☑ I certify that I am the person authorized to submit this application on behalf of the applicant.

Name: Lori Stilts

Title: Business Coordinator

Date Signed: 02/19/2016

AGENDA NO: A-7

MEETING DATE: August 23, 2016

Staff Report

TO: **Honorable Mayor and City Council** **DATE: August 15, 2016**

FROM: **Rob Livick, PE/PLS, Public Works Director/City Engineer**

SUBJECT: **Adoption of Resolution 64-16, a Resolution of Intention to set a Public Hearing for the Abandonment (Vacation) of a Portion of the Public Services (Sewer) Easement on the Northeast Portion of Property at 219 Marina (C.P. Parker, 219 Marina, Applicant) Permit No. E00-000-107**

RECOMMENDATION

Adopt Resolution 64-16, a resolution of intention to abandon (vacate) a portion of the sewer easement at 219 Marina, and set a public hearing for September 27, 2016.

ALTERNATIVES

Do not adopt a resolution of intention, to abandon (vacate) a portion of the sewer easement at 219 Marina and suspend all staff actions regarding said proposed abandonment.

FISCAL IMPACT

The abandonment of a portion of the sewer easement removes a small area (approximately 80 square feet) of the sewer easement at 219 Marina St. from access by City of Morro Bay while adding a dedicated 5-foot-wide (approximately 280 square feet) easement to access sewer for potential future maintenance.

BACKGROUND/ DISCUSSION

The State of California Streets and Highways Code §8300 et seq, Public Streets, Highways, and Service Easements Vacation Law contains procedures under which a local agency can vacate or abandon its Rights-of-Ways. Upon a petition or request of an interested person and at the discretion of the legislative body, the legislative body shall set a hearing by fixing the date, hour, and place of the hearing and cause the publishing and posting of the notices required by the Streets and Highways code.

The code also requires that if the proposed abandonment of a street, highway, or public service easement is within an area for which a General Plan is adopted by a local agency, the legislative body of the public entity shall consider the General Plan prior to vacating the street, highway, or public service easement.

Prepared By: ____PN____ **Dept Review: ___RL___**

City Manager Review: _____

City Attorney Review: __CFN_____

The proposed portion of sewer easement to be abandoned is an eight (8) foot by five (5) feet section of 219 Marina Street between Embarcadero Road and Morro Avenue. The portion of this sewer easement for proposed abandonment has no existing sewer mainline and the abandonment will allow for the development of the parcel consistent with the City's General Plan. The property owners have requested the City of Morro Bay abandon this easement using the procedures set forth in §8300 et seq of the California Streets and Highways Code.

This abandonment was presented and recommended for approval at the July 19, 2016 Planning Commission Meeting. The Planning Commission found that the proposed abandonment is in conformance with the adopted City of Morro Bay General Plan. Discussion at the Planning Commission focused on access to the existing sewer infrastructure. The Planning Commission recommended a condition requiring dedication of a five-foot access easement from Marina Street to the existing sewer mainline, which was found to be in the Public's interest.

The Planning Commission recommended conditions included the following: "*The applicant shall dedicate a 5.0-foot wide easement along the easterly property line of Parcel 1, 7/PM/63 for access to the sewer easement. The only improvements allowed within the access easement described above shall be flatwork or groundcover.*"

Prior to preceding to Public Hearing the site will be noticed pursuant to the California Streets and Highways Code. Additionally, while not required by law, all property owners of record within 500 feet of the subject site will be notified of the public hearing and invited to voice any concerns.

CONCLUSION

The proposal can be found consistent with the California Streets and Highways Code and the City's general plan. The proposal is exempt under the general rule pursuant to State CEQA guidelines, and it appears that all of the required findings can be made to recommend the proposed abandonment action proceed to the required public hearing.

Staff concurs with the recommendations by the Planning Commission.

ATTACHMENTS

1. Resolution No. 64-16
2. Planning Commission Resolution No. 17-16

RESOLUTION NO. 64-16

RESOLUTION OF THE CITY COUNCIL OF CITY OF MORRO BAY, CALIFORNIA OF INTENTION FOR THE PARTIAL ABANDONMENT OF A SEWER EASEMENT PARALLEL TO MARINA STREET AND SETTING A PUBLIC HEARING AND CAUSING THE PUBLISHING AND POSTING OF THE NOTICES

WHEREAS, pursuant to California Streets and Highways Code §8300 et seq, ('the Code") an interested person, may request the abandonment (vacation) of a public services easement, and

WHEREAS, property owner 219 Marina Street, Morro Bay, California (Parcel 1 of 7/PM/63) has requested abandonment of a portion of a sewer easement located on their property in order to receive the full enjoyment of said property, and

WHEREAS, at its discretion the City Council may, pursuant to code, abandon all or part of a public service easement within the City, and

WHEREAS, the Planning Commission of the City of Morro Bay conducted a hearing on July 19, 2016 and found the proposed abandonment consistent with the City's General Plan conformance, and

WHEREAS, the Planning Commission, in accordance with the code, did find the proposed abandonment consistent with the City's General Plan with the following conditions:

1. The applicant shall dedicate a 5.0-foot-wide easement along the easterly property line of Parcel 1, 7/PM/63 for access to the sewer easement as shown in Exhibit A.

2. The only improvements allowed within the access easement described above shall be flatwork or groundcover.

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

1. The City Clerk shall set a hearing for the proposed abandonment for September 27, 2016 at the regular City Council meeting scheduled for 6:00 p.m. at 219 Surf Street, Morro Bay, California.
2. The City Clerk shall cause the publication of a notice of the hearing on the proposed abandonment for at least two successive weeks prior to the hearing in a newspaper of general circulation for the City of Morro Bay.
3. At least two weeks before the day set for the hearing, the City Clerk shall post conspicuously notices of the proposed abandonment along the line of the easement proposed to be abandoned in accordance with the code.

4. All property owners of record within 500 feet of the subject site will be notified by the City Clerk in a timely manner of the public hearing and invited to voice any concerns.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 23rd day of August, 2016 on the following vote:

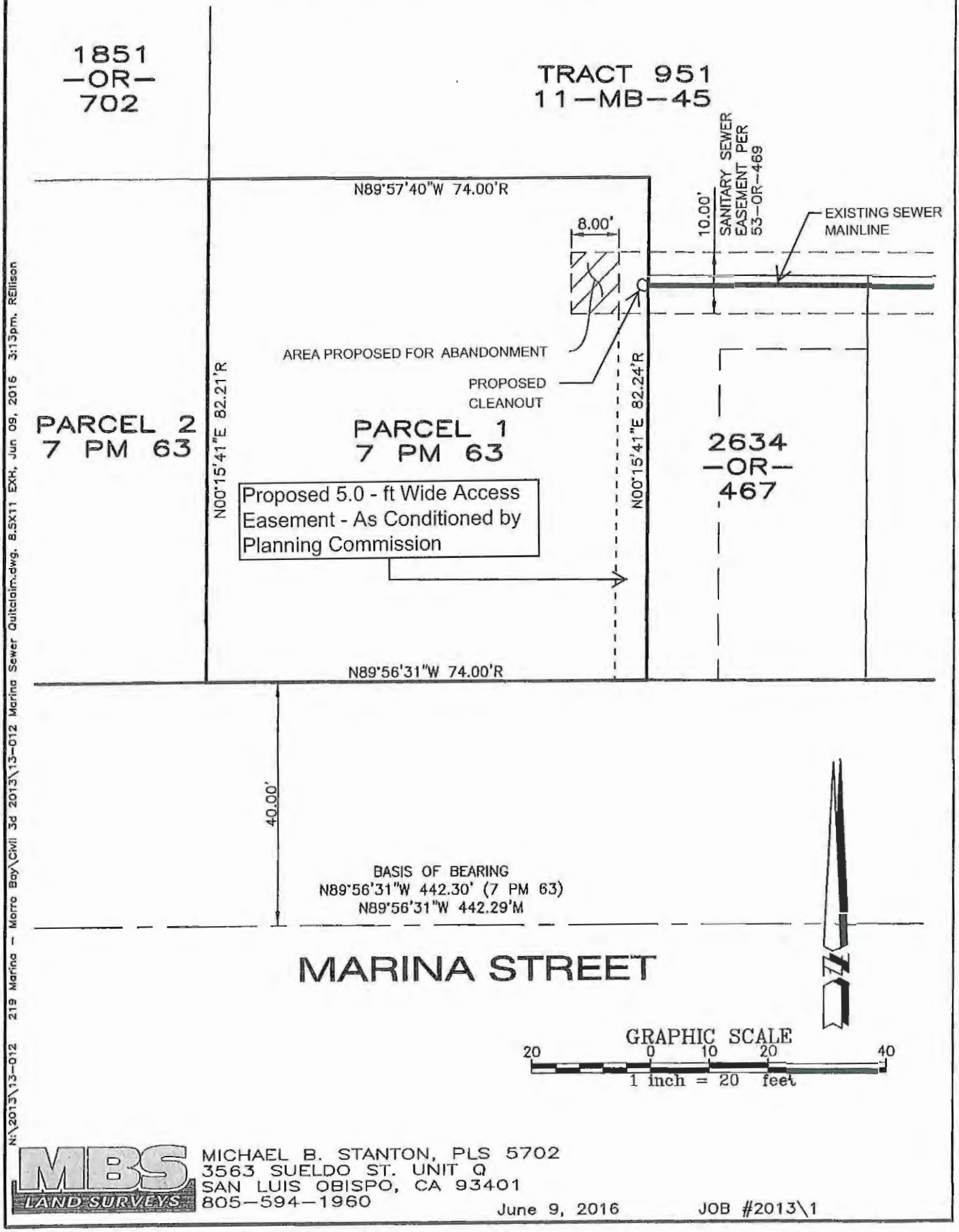
AYES:
NOES:
ABSENT:
ABSTAIN:

_____
JAMIE L. IRONS, Mayor

ATTEST:

_____
DANA SWANSON, City Clerk

EXHIBIT "A"



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MBS LAND SURVEYS
MICHAEL B. STANTON, PLS 5702
3563 SUELDO ST. UNIT Q
SAN LUIS OBISPO, CA 93401
805-594-1960

June 9, 2016 JOB #2013\1

RL - Revised 07/19/2015

RESOLUTION NO. PC 17-16

A RESOLUTION OF THE MORRO BAY PLANNING COMMISSION DETERMINING THAT THE SEWER ABANDONMENT ON MARINA STREET IS CONSISTENT WITH THE MORRO BAY GENERAL PLAN

WHEREAS, the Planning Commission of the City of Morro Bay (the "City") conducted hearings at the Morro Bay Veteran's Hall, 209 Surf Street, Morro Bay, California, on July 19, 2016 for the purpose of considering General Plan conformant of a sewer easement abandonment located at 219 Marina Street, Morro Bay, California; Parcel 1 of 7/PM/63; APN: 066-301-059; and

WHEREAS, pursuant to Californian Streets and Highways Code Section 8313 and Government Code Section 65402, the Planning Commission shall determine that the proposed portion of the sewer easement abandonment is in conformance with the adopted General Plan; and,

WHEREAS, the Planning Commission has duly considered all evidence, including public testimony, testimony of interested parties, and the evaluation and recommendations by staff, presented at said hearing.

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of Morro Bay as follows:

Section 1: Findings. Based upon all the evidence, the Commission makes the following findings:

A. California Environmental Quality Act (CEQA) Findings:

i. Pursuant to the California Environmental Quality Act, the project is categorically exempt under Section 15601(b)(3) of the guidelines consistent with the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The activity in question is not a project, but instead is the abandonment of a portion of the sewer easement.

ii. The exceptions to the categorical exemptions identified in Section 15300.2 of the guidelines do not apply.

B. The Planning Commission of the City of Morro Bay has evaluated the suitability of a portion of the sewer easement abandonment in relation to applicable provisions of the General Plan, Local Coastal Plan and Zoning Code, including Section 17.24.040 of the Zoning Ordinance and finds that a portion of this easement can be abandoned consistent with these policy document and that there are not special circumstances applicable to the easement to justify any future

requests for either a variance or exception; with the following conditions:

i. The applicant shall dedicate a 5.0-foot-wide easement along the easterly property line of Parcel 1, 7/PM/63 for access to the sewer easement.

ii. The only improvements allowed within the access easement described above shall be flatwork or groundcover.

Section 3. Action. The Planning Commission does hereby find that the abandonment of a portion of the sewer easement located at 219 Marina Street (Parcel 1, 7/PM/63) is in conformance with the adopted City of Morro Bay General Plan and recommends the City Council proceed with the procedures required by the California Streets and Highways Code in order to abandon (vacate) said portion of easement as shown on Exhibit A and the aforementioned conditions.

PASSED AND ADOPTED by the Morro Bay Planning Commission at a regular meeting thereof held on this 19th day of July, 2016 on the following vote:

AYES: Tefft, Luhr, Lucas, Ingraffia, Sadowski

NOES: None

ABSENT: None

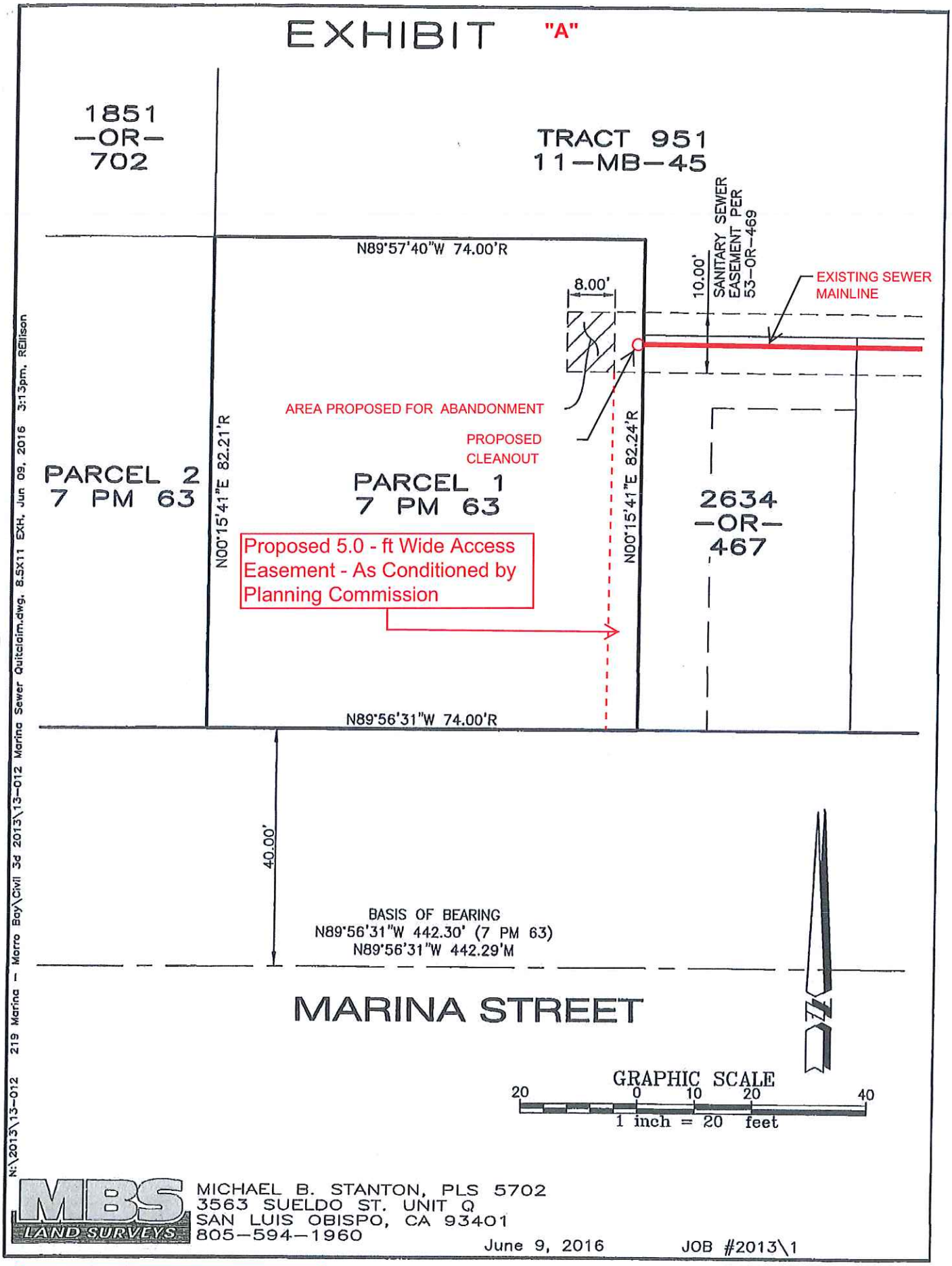
ABSTAIN: None

Robert Tefft, Chairperson

ATTEST

Scot Graham, Planning Secretary

EXHIBIT "A"



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MBS LAND SURVEYS
MICHAEL B. STANTON, PLS 5702
3563 SUELDO ST. UNIT Q
SAN LUIS OBISPO, CA 93401
805-594-1960

June 9, 2016 JOB #2013\1

RL - Revised 07/19/2015

AGENDA NO: A-8

MEETING DATE: August 23, 2016

Staff Report

TO: **Honorable Mayor and City Council** **DATE: August 16, 2016**

FROM: **Mike Nunley, PE – Water Reclamation Facility Program Manager**

SUBJECT: **Approval of Proposed Amendment #2 for Water Reclamation Facility (WRF) Master Plan Contract with Black and Veatch**

RECOMMENDATION

Staff recommends City Council review and approve the attached Amendment #2 to the WRF Facility Master Plan (FMP) contract between the City and Black and Veatch.

FISCAL IMPACT

The potential fiscal impact is $7,224. However, it is estimated that the extra work provided for by the proposed Amendment #2 will be within the City's fiscal year budget for the Water Reclamation Facility.

DISCUSSION

The City previously identified a need for a new WRF and previously retained Black and Veatch (B&V) to prepare a master plan for the project, through an Agreement for Consultant Services which commenced July 16, 2015 in an amount not-to-exceed $710,123. The City and B&V entered into an Amendment # 1 to the Agreement on June 15, 2016 for further services in an additional amount not-to-exceed $116,595. Staff now recommends approval of an Amendment #2 to the Agreement for additional B&V services in an additional amount not-to-exceed $7,224, for work not covered by the Agreement or Amendment #1.

To inform the planning and design of the new WRF, and with input from Black and Veatch, the City has been collecting and testing influent wastewater samples to characterize the City's influent wastewater at various times of the year. Considering the investment of City staff time to collect and prepare samples, the cost of testing, and the importance of accurately defining the influent wastewater characteristics for the future WRF design, City staff recommends assistance from Black and Veatch's wastewater treatment process expert to provide on-site review and input to the City's sampling and testing program. This task is not included in the original contract or Amendment #1. The proposed Amendment #2 includes up to two 8-hour days with City staff to provide review and input to the City's wastewater sampling techniques and protocols, and a written summary of observations and comments for future City reference.

Prepared By: ___MN_____ **Dept Review: ____**

City Manager Review: _____

City Attorney Review: _____

CONCLUSION
Staff recommends approval of Amendment #2.

ATTACHMENT
Amendment #2 to the WRF FMP Agreement with Black and Veatch Corp.

AMENDMENT NO. 2 TO THE
AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE CITY OF MORRO BAY AND BLACK AND VEATCH CORPORATION.

This Amendment No. 2 is entered into as of August 12, 2016, between the City of Morro Bay, a municipal corporation ("City") and Black and Veatch Corporation, a Delaware corporation, authorized to do business in California ("Consultant").

RECITALS

WHEREAS, City and Consultant entered into an Agreement for Consultant Services commencing as of July 16, 2015 for consulting services related to the Water Reclamation Facility Master Plan, which was approved by the City Public Works Director for a not to exceed amount of $710,123.00 (the "Agreement"); and

WHEREAS, City and Consultant entered into an "Amendment No. 1 to the Agreement for Consultant Services Between the City of Morro Bay and Black & Veatch Corporation" ("Amendment No. 1") entered into as of June 15, 2016 for consulting services related to the Amendment No. 1 – Amended Scope of Services, which was approved by the City Public Works Director for a not to exceed amount of $116,595, for a total not to exceed amount of $826,718 for the entire Agreement as amended by Amendment No. 1; and

WHEREAS, Consultant has specific knowledge and experience to provide technical oversight on wastewater treatment processes for review and input to the City's sampling and testing program, and

WHEREAS, the parties desire to further amend the Agreement to provide for additional wastewater treatment process expertise related to the City's sampling and testing program of the wastewater influent, which requires an expansion of the tasks to be provided by Consultant pursuant to the Agreement as amended.

NOW THEREFORE, City and Consultant mutually agree to further amend the Agreement as amended as follows:

1. The services to be provided by Consultant pursuant to the Agreement as amended is supplemented to also include the additional scope of work for Task 801 – On-Site Support set forth in the "Scope of Services: Amendment No. 2 - August 1, 2016" attached hereto as Exhibit A and incorporated herein by this reference (the "Additional Work No. 2").

2. The compensation to be paid for the Additional Work No. 2 shall not exceed Seven Thousand, Two Hundred and Twenty-Four Dollars ($7,224) for the additional work as shown on Page 2 of Exhibit A, for a total not-to exceed-amount of Eight Hundred Thirty-Three Thousand, Nine Hundred and Forty-Two Dollars ($833,942) for the Agreement as amended by Amendment No. 1 and this Amendment No. 2.

3. Except as expressly stated herein, all terms and conditions in the Agreement, as amended by Amendment No. 1, shall remain in full force and effect.

4. The effective date of this Amendment No. 2 is August 12, 2016.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 2 to be executed by their duly authorized representatives as of the day first written above.

City of Morro Bay
a municipal corporation

By: _____
Rob Livick, Public Works Director

Black & Veatch Corporation
a Delaware Corporation

By: _____
Associate Vice President
(Title)

Attest:

_____
Dana Swanson, City Clerk

By: _____
Senior Vice President
(Title)

APPROVED AS TO FORM

_____
Joseph W. Pannone, City Attorney

Exhibit A

City of Morro Bay
Water Reclamation Facility Master Plan

SCOPE OF SERVICES
Amendment No. 2 – August 1, 2016

GENERAL

The City of Morro Bay (City) has identified a need for a new Water Reclamation Facility (WRF) and has retained Black & Veatch (B&V) to prepare a master plan for the project. To inform the planning and design of the new WRF and with input from B&V, the City has been collecting and testing samples to characterize the constituents and concentrations of those constituents within the City's wastewater at various times of the year.

The City has requested assistance from Black & Veatch wastewater treatment process expert Sandeep Sathyamoorthy to provide on-site review and input to the City's sampling and testing program. **Amendment No. 2 includes the Scope of Services and associated budget for this effort.**

TASK GROUP 800 – WASTEWATER CHARACTERIZATION TESTING SUPPPORT

Task 801 – On-Site Support

Sandeep Sathyamoorthy of Black & Veatch shall travel from his home office in Walnut Creek, CA to Morro Bay, and shall spend up to two (2) 8-hour days with City staff to provide review and input to the City's wastewater sampling techniques and protocols. At the conclusion of this time, Mr. Sathyamoorthy will provide a written summary of his observations and comments for future City reference. Travel time from Walnut Creek to Morro Bay (4 hours each way) and cost (250 miles each way) will be compensated under this task. Mr. Sathyamoorthy's lodging and meals (2 nights) will be compensated under this task as well. Project management and administration time to support this task is included in the budget for this task specifically.

City of Morro Bay
Water Reclamation Facility Master Plan
Amendment No. 2 - August 1, 2016
FEE ESTIMATE

Task Number & Description	HOURS															COST				
	Project Director Mari Garza-Bird	Project Manager Matt Thomas	Technical Advisors Dr. Welch; Jim Clark; James Strayer	Collection & Conveyance Matt Thomas	WRF Brad Hemken	WW Reuse/Process Sandeep Sathyamoorthy	Engineering Manager	Civil/Site	Electrical; & Instrumentation Control	QA/QC	Staff Engineer	CAD Operator	Cost Estimator	Admin/Clerical	Total Hours	B&V Labor	Project Expenses	Other Expenses	Subconsultant Costs (including markup)	Total Cost
Task Group 800 - Wastewater Characterization Testing Support																				
801 On-Site Support		2				25								2	29	$6,095	$254	$875		$7,224
Subtotal Task Group 800	**0**	**2**	**0**	**0**	**0**	**25**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2**	**29**	**$6,095**	**$254**	**$875**	**$0**	**$7,224**
Total	**0**	**2**	**0**	**0**	**0**	**25**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2**	**29**	**6,095**	**254**	**875**	**0**	**7,224**

AGENDA NO: A-9

MEETING DATE: August 23, 2016

Staff Report

TO: **Honorable Mayor and City Council** **DATE:** **August 22, 2016**

FROM: **Susan Slayton, Administrative Services Director**

SUBJECT: **Adoption of Resolution No. 65-16 Implementing the Tentative Agreement and Memorandum of Understanding with the Morro Bay Police Employees and Related Compensation for the Period July 1, 2016 – June 30, 2017**

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. 65-16, implementing the Tentative Agreement and Memorandum of Understanding between the City of Morro Bay and the Morro Bay Peace Officers Association. The term of the MOU is from July 1, 2016 through June 30, 2017.

FISCAL IMPACT

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

1. 2.25% Cost of Living Adjustment (COLA), effective with the pay period including July 1;
2. 2% Equity Salary Adjustment (ESA), effective with the pay period including July 1, 2016;
3. 2% longevity pay for officers with 10 years or more of continuous service with any agency.
   Total cost of items 1 - 3 = $93,768, $12,076 of which is a reserve for unfunded liabilities.

In addition, the following items were agreed to, the costs of which are unknown:

4. An accelerated vacation schedule, reaching the maximum accrual at 15 years instead of 20;
5. A change to the vacation accrual cap, increasing from 246 hours to 280 hours; and
6. Probationary periods have been changed from 18 months to 12 months for all officers.

DISCUSSION

City representatives met and conferred with Morro Bay Peace Officers Association (POA) to reach a Tentative Agreement (TA) and successor Memorandum of Understanding (MOU), both of which are attached. The fiscal impact to the City is $93,768, of which $12,076 is a reserve for unfunded liabilities. This TA and MOU have been ratified by the MBPOA.

ATTACHMENTS

1. Resolution No. 65-16 with Exhibits 1, 2 and 3

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

City Manager Review: DWB

City Attorney Review: CJT

RESOLUTION NO. 65-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, APPROVING THE TENTATIVE AGREEMENT FOR A SUCCESSOR MEMORANDUM OF UNDERSTANDING AND THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF MORRO BAY AND THE MORRO BAY PEACE OFFICERS' ASSOCIATION FOR THE PERIOD OF JULY 1, 2016 THROUGH JUNE 30, 2017

THE CITY COUNCIL
Morro Bay, California

WHEREAS, the City of Morro Bay (City) has, and continues to, recognize the Morro Bay Peace Officers' Association (POA) as the sole exclusive bargaining agent for those City employees, designated as being in the Law Enforcement Unit, including the classifications of Police Officer, Senior Officer, Corporal and Sergeant, for all matters concerning wages, hours and working conditions; and

WHEREAS, the most current Memorandum of Understanding (MOU) between the City and the POA expired on July 1, 2016; and

WHEREAS, the City labor relations representatives and POA representatives have successfully met and conferred to negotiate a successor MOU between the parties, pursuant to both the Meyers-Milias-Brown Act (MMBA) (Government Code Sections 3500-3511), and the City's Employer-Employee Relations Resolution No. 74-69, and have jointly prepared and executed the attached Tentative Agreement for a Successor MOU between the City and the POA, for the period July 1, 2016 through, and including, June 30, 2017, subject to City Council determination and approval, which is made a part hereof by this reference; and

WHEREAS, MMBA Section 3505.1 provides: "If a tentative agreement is reached by the authorized representatives of the public agency and a recognized employee organization, or recognized employee organizations, the governing body shall vote to accept or reject the tentative agreement, within 30 days of the date it is first considered, at a duly noticed public meeting. If the governing body adopts the tentative agreement, the parties shall jointly prepare a written memorandum of understanding;" and

WHEREAS, the City labor relations representatives and the POA representatives have jointly prepared and executed the attached successor MOU between the City and the POA, for the period July 1, 2016 through, and including, June 30, 2017, subject to City Council determination and approval, which is made a part hereof by this reference; and

WHEREAS, once approved by the governing body of a local agency, the MOU becomes a binding agreement between the local agency and the employee organization; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, AS FOLLOWS:

Section 1. The City Council approves the Tentative Agreement for a Successor MOU between the City and the POA for the period of July 1, 2016 through and including June 30, 2017, a copy of which is attached hereto as Exhibit 1.

Section 2. The City Council approves the successor MOU between the City and the POA for the period of July 1, 2016 through, and including, June 30, 2017, a copy of which is attached hereto as Exhibit 2 with a red-lined version attached as Exhibit 3.

PASSED AND ADOPTED, by the City Council of the City of Morro Bay, at a regular meeting thereof held on the 23rd day of August 2016, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
JAMIE L. IRONS, Mayor

ATTEST:

_____
DANA SWANSON, City Clerk

TENTATIVE AGREEMENT FOR A SUCCESSOR MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF MORRO BAY AND THE MORRO BAY PEACE OFFICERS' ASSOCIATION, INC. (Per Government Code Section 3505.1)

The City of Morro Bay ("City"), through its designated labor representatives, and the Morro Bay Peace Officers' Association, Inc. ("Association"), through its labor representatives, have met and conferred in good faith on wages, hours and other terms and conditions of employment for the unit members designated as Police Officers, Senior Officers, Corporals and Sergeants, and have reached tentative agreements contingent upon all being adopted together, which are set forth below in this Tentative Agreement For A Successor Memorandum Of Understanding ("Tentative Agreement"). Each agreement reached below sets forth the nature of the agreement and the Article and/or Section being modified in the prior Memorandum of Understanding between the parties.

This document constitutes a joint recommendation by the labor representatives of both the City and the Association, after ratification of the Association membership of same, to be submitted to the City of Morro Bay City Council ("City Council") for its determination and approval. This Tentative Agreement is of no force or effect unless or until ratified and approved by the City Council. If the City Council adopts the Tentative Agreement, then the parties shall jointly prepare a written memorandum of understanding per Government Code Section 3505.1.

1. ARTICLE 7 – TERM

One year term from July 1, 2016 to June 30, 2017.

2. ARTICLE 8 – RENEGOTIATIONS

Parties agree to commence renegotiations for a successor Memorandum of Understanding for the period beginning July 1, 2017, by serving their initial written proposals by January 31, 2017, with negotiation meetings to commence no later than March 1, 2017. Should the parties be unable to reach agreement on a new contract before the current contract expires, all applicable provisions of this MOU shall remain in full force and effect until such time as a new MOU is reached, or September 30, 2017, whichever first occurs.

3. ARTICLE 11 – VACATION/HOLIDAY LEAVE CHANGES

11.1 Vacation

11.1.1 Effective retroactive to July 1, 2016 for those employees still employed by the City upon City Council adoption of this Tentative Agreement, the vacation accrual rates for all represented positions within this UNIT will be increased as follows:

Service Years	Vacation Accrual
1-2	88 hrs
3-4	96 hrs
5	104 hrs
6-7	112 hrs
8-9	120 hrs
10	128 hrs
11-12	136 hrs
13-14	144 hrs
15 or more	160 hrs

UNIT members hired after July 1, 2016 may be credited with years of service based upon prior law enforcement service at other agencies as determined within the sole discretion of the Police Chief and as approved by the City Manager and to be documented in both the recruit's conditional offer and the City's initial hire Personnel Action Form. Retroactive application shall be applied to those employees hired on or before July 1, 2016, but there shall be no increased retroactive accrual of vacation. Rather the increased accrual only applies starting July 1, 2016.

11.1.4 Effective retroactive to July 1, 2016 for those employees still employed by the City upon City Council adoption of this Tentative Agreement, the maximum amount of vacation accrual will be 280 hours. When an employee reaches the maximum accrual limit of 280 hours, the employee shall cease to accrue vacation leave until the usage of vacation causes the balance to be less than 280 hours.

11.2.2 Effective upon City Council adoption of this Tentative Agreement, employees who work a holiday listed in 11.2.1, shall be paid one and one-half (1.5) times their base hourly rate. An employee is eligible for the one and one-half time pay only for the hours actually worked during the actual calendar holiday date as set forth in 11.2.1 above regardless of any change in City observation of same based upon the actual day of the week of the holiday. Each employee will be credited eight (8) hours Holiday leave for each holiday listed in 11.2.1 or recognized under 11.2.3, in addition to pay for time worked on that holiday. Holiday Leave hours shall be pro-rated annually and credited to employees at the rate of four hours per pay period. [For example, if a listed holiday is Sunday, and the City recognizes the holiday on Monday, the employee working the actual holiday on Sunday shall receive credit under the code Police Holiday Worked for working the actual holiday).

4. ARTICLE 15 – HEALTH BENEFITS

15.4 Parties agree to update this section to reflect that current City contributions remain effective through June 30, 2017, but with a reopener to discuss any health provider rate changes effective calendar year 2017.

5. ARTICLE 18 – SALARIES

Parties agree to delete the following:

18.1 This Memorandum is effective upon adoption by the City Council, and any salary increases will be made effective retroactive to the pay period including July 1, 2016.

Parties agree to COLA and Equity Adjustments as follows and as reflected in the attached updated Salary Table:

18.1 Effective retroactive to the pay period including July 1, 2016 for those employees still employed by the City upon City Council adoption of this Tentative Agreement, the City shall provide a Cost of Living Adjustment (COLA) increase to base salaries for all Unit classifications by 2.25%.

18.2 Effective retroactive to the pay period including July 1, 2016 for those employees still employed by the City upon City Council adoption of this Tentative Agreement, the City shall provide an Equity Salary Adjustment (ESA) increase to base salaries for all Unit classifications by 2.0%. The 2% shall apply the same time as the 2.25% COLA, not compounded, so as to realize a 4.25% total base salary increase.

18.3 City agrees to conduct salary survey by December 31, 2016 for informational purposes for successor negotiations. The parties agree that any salary surveys the parties exchange will use the survey cities of Arroyo Grande, Atascadero, Grover Beach, Paso Robles, Pismo Beach and San Luis Obispo. MOU changes required to reflect this new term in Article I and Article 7.

6. ARTICLE 19 – SPECIAL PAY PRACTICES

19.8 Add the following in place of the existing language:

"Any individual concurrently assigned as both a Corporal and Detective shall for compensation pay purposes only receive the Corporal salary and no additional compensation for being assigned as a Detective."

19.11 LONGEVITY PAY

In order to help reduce the high turnover rate of sworn personnel and retain and attract highly trained, professional and experienced personnel, the parties agree as follows:

> In recognition of a unit member's length of service to public safety, the following "Longevity Pay" will be made to qualifying members which shall include length of continuous service with any law enforcement agency (as determined for new and lateral hires within the sole discretion of the Chief of Police):

Upon completion of Ten (10) years of continuous, sworn, law enforcement service: 2.0% (of base hourly pay per pay period).

Said increase shall be effective retroactive to the pay period including July 1, 2016 for those employees still employed by the City upon City Council adoption of this Tentative Agreement and made during the regular pay period in which the Unit member's anniversary date falls, and shall be included in the regular paycheck.

7. ARTICLE 21 – PROBATIONARY PERIOD

In order to assist the Morro Bay Police Department with the recruitment of experienced lateral candidates, the parties have agreed that the probationary status be changed to the following:

Sworn personnel:
New officer – 12 months
Lateral – 12 months

For existing probationary officers:
Officers Gregory Gruich and Jeremy Painter will complete their respective probationary period on September 1, 2016;

Officers Morton Campbell, Gian Mettifogo and Thomas Nolen will complete their respective probationary periods 12 months from their original hire date.

8. ARTICLE 1 – PURPOSE

This Article shall be updated to reflect the business identity and full name of the Morro Bay Peace Officers' Association, Inc. ("ASSOCIATION"), a California corporation. Similar to how the City of Morro Bay is described as a municipal corporation.

9. ARTICLE 16 – EDUCATIONAL INCENTIVES

Section 16.2 shall be deleted in its entirety given that no current employees receive this benefit and no new employees can receive it.

10. (NEW) ARTICLE 27 – JOINT DRAFTING

Each party has cooperated in the drafting and preparation of this Memorandum of Understanding. Hence, in any legal construction or interpretation to be made of this Memorandum of Understanding, the same shall not be construed against any party.

11. (NEW) ARTICLE 28 – CITY COUNCIL APPROVAL

The CITY's labor relations representatives and the ASSOCIATION's representatives have met and conferred in good faith on wages, hours and other terms and conditions of employment for the unit members represented by the ASSOCIATION and have reached agreements which are set forth in this Memorandum of Understanding. This Memorandum of Understanding when executed by the CITY's labor relations representatives and the ASSOCIATION representatives constitutes a joint recommendation therefrom, after ratification of the ASSOCIATION membership, to be submitted to the City Council for its determination and approval by resolution, as the City Council may deem fit and proper. This Memorandum of Understanding is of no force or effect unless or until approved and adopted by a resolution of the City Council.

Morro Bay Peace Officers' Association, Inc.

Greg Gruich, President

Tony Mosqueda, Vice President

Jody Cox, Representative

City of Morro Bay

David Buckingham, City Manager

Colin Tanner, Lead Negotiator/Deputy CA

Susan Slayton, Administrative Services Dir

Laurie Goforth, Human Resources Analyst

ATTACHMENT A

POLICE SALARY SCHEDULE

POSITION	ANNUAL COMPENSATION RANGE 1	2	3	4	5	6
Sergeant	$ 73,585	$ 77,264	$ 81,127	$ 85,184	$ 89,443	$ 93,915
Corporal	$ 62,530	$ 65,657	$ 68,939	$ 72,387	$ 76,006	$ 79,807
Special Assignments: Detective School Resource Officer Senior Officer	$ 61,955	$ 65,052	$ 68,305	$ 71,720	$ 75,306	$ 79,072
Police Officer	$ 59,004	$ 61,955	$ 65,052	$ 68,305	$ 71,720	$ 75,306

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE MORRO BAY PEACE OFFICERS ASSOCIATION

AND

THE CITY OF MORRO BAY

JULY 1, 2016 – JUNE 30, 2017

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MEMORANDUM OF UNDERSTANDING
BETWEEN THE MORRO BAY PEACE OFFICERS' ASSOCIATION
AND THE CITY OF MORRO BAY
2016 - 2017

ARTICLE 1 - PURPOSE

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

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

WHEREAS, the Morro Bay Peace Officers' Association, Inc, is a California corporation, existing under the laws of the state of California; and

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

THEREFORE, this Memorandum of Understanding, referred to as "MOU", is entered into as of July 1, 2016, between the City of Morro Bay, referred to as "CITY," and the Morro Bay Peace Officers' Association, referred to as "ASSOCIATION."

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

ARTICLE 2 - MANAGEMENT

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

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

2.1.2 To determine the existence, or nonexistence, of facts which are the basis of the management decision in compliance with State law.

2.1.3 To determine the necessity, organization, implementation, and termination of any service or activity conducted by the CITY or other government jurisdiction, and to expand or diminish police services.

2.1.4 To direct, supervise, recruit, select, hire, evaluate, promote, transfer, discipline, discharge, terminate, demote, reduce, suspend, reprimand, withhold salary increases and benefits for disciplinary reasons, or otherwise discipline employees, in accordance with Department or CITY Rules, Regulations, or Ordinances.

2.1.5 To determine the nature, manner, means, extent, type, time, quantity, quality, technology, standard, and level of police services to be provided to the public.

2.1.6 To require the performance of other public safety services, not specifically stated herein, in the event of an emergency or disaster, as deemed necessary by the CITY.

2.1.7. To lay off employees of the Police Department because of lack of work or funds or under conditions where continued work would be inefficient or nonproductive or not cost effective, as determined by the CITY.

2.1.8. To determine and/or change the police facilities, methods, technology, equipment, operations to be performed, organization structure, and allocate or assign work by which the CITY police operations and services are to be conducted.

2.1.9. To determine methods of financing.

2.1.10 To plan, determine, and manage the Department's budget, which includes, but is not limited to, changes in the number of locations and types of operations, processes and materials to be used in carrying out all Police Department functions, and the right to contract or subcontract any work or operations of the Police Department.

2.1.11 To determine the size and composition of the Police Department work force, assign work to employees of the Police Department, in accordance with requirements determined by the Police Department, and to establish and require compliance to work hours and changes to work hours, work schedules, including call back, standby, and overtime, and other work assignments, except as otherwise limited by this MOU, or subsequent MOUs.

2.1.12 To establish and modify goals and objectives, related to productivity and performance programs and standards, including, but not limited to, quality and quantity, and required compliance therewith.

2.1.13 To determine qualifications, skills, abilities, knowledge, selection procedures and standards, job classification, job specifications, and to reallocate and reclassify employees, in accordance with division and/or CITY Rules and Regulations.

2.1.14 To determine the issues of public policy and the overall goals and objectives of the Police Department, and to take necessary action to achieve the goals and objectives of the Police Department.

2.1.15 To hire, transfer intra- or inter-Department, promote, reduce in rank, demote, reallocate, terminate, and take other personnel action for non-disciplinary reasons, in accordance with Department and/or CITY Rules, Regulations and Ordinances.

2.1.16 To determine policies, procedures, and standards for recruiting, selecting, training, and promoting employees.

2.1.17 To establish, implement, and/or modify rules and regulations, policies, and procedures related to productivity, performance, efficiency, personal appearance standards, code of ethics and conduct, safety, health, and order, and to require compliance therewith.

2.1.18 To maintain order and efficiency in police facilities and operation.

2.1.19 To restrict the activity of an employee organization on CITY facilities, except as set forth in this MOU.

2.1.20 To take any and all necessary steps and actions to carry out the service requirements and mission of the CITY in emergencies or any other time deemed necessary by the CITY, and not specified above.

2.2 Nothing herein is meant to diminish CITY rights provided by the Government Code.

2.3 Nothing herein is meant to diminish the Public Safety Officers Procedural Bill of Rights Act, as set forth in the Government Code Sections 3300-3313.

2.4 AUTHORITY IF THIRD PARTY NEUTRAL - MANAGEMENT RIGHTS

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

ARTICLE 3 - RECOGNITION

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

Sergeant
Corporal
Senior Officer
Police Officer

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

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

3.3 ELECTRONIC DEPOSIT:

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

ARTICLE 4 - ASSOCIATION BUSINESS

4.1 Employee representatives, designated by the ASSOCIATION, shall be granted time off, without loss of pay, to attend "meet and confer" sessions with the City Manager, and/or his/her designee, on subjects within the scope of representation when such meetings are scheduled during regular working hours. Should such meetings extend beyond an employee representative's regular working hours, the employee representative shall be paid for only the regular working hours.

It is understood that this time-off provision shall only apply to a maximum of three (3) employees attending any one meeting between the CITY and the ASSOCIATION. Where exceptional circumstances warrant, the City Manager may approve the attendance at such meetings of additional employee representatives. The ASSOCIATION shall, whenever practicable, submit the names of all employee representatives to the City Manager, or designee, at least two working days in advance of such meetings. Provided further: (1) no employee representative shall leave his or her duty or work station or assignment, without specific approval of the department head or other authorized CITY management

official; and (2) any such meeting is subject to scheduling by CITY management, in a manner consistent with operating needs and work schedules.

4.2 Nothing provided herein shall limit or restrict CITY management from scheduling such meetings before or after regular CITY or work hours.

4.3 Off-duty employees will not be paid for attending meet and confer sessions, nor will over-time be paid for same.

ARTICLE 5 - AUTHORIZED AGENTS

For the purpose of administering the terms and provisions of this MOU:

5.1 The CITY's principal authorized agent shall be the City Manager, or his/her duly authorized representative (address: 595 Harbor Street, Morro Bay, CA 93442; telephone (805) 772-6201), except where a particular management representative is specifically designated in the MOU.

5.2 The ASSOCIATION's principal authorized representative shall be the President of the Association, or his/her duly authorized representative (address P. O. Box 276, Morro Bay, CA 93443).

ARTICLE 6 - WITHHOLDING OF ASSOCIATION DUES AND INSURANCE

6.1 It is agreed that the CITY will withhold ASSOCIATION dues and ASSOCIATION group insurance premiums from the monthly pay of each regular CITY employee, who is a member of the ASSOCIATION. ASSOCIATION agrees to provide CITY with individual ASSOCIATION member authorizations signed by the individual ASSOCIATION member, authorizing the CITY to make agreed deductions, specifying the amount of each deduction, and authorizing the CITY to issue a single check, payable to the ASSOCIATION, for the collective amount of the individual deductions. The CITY does not accept responsibility for computing the amounts of deductions or for meeting payment dates which may not coincide with established pay periods. The CITY will issue a single check to the ASSOCIATION for the total amount of deductions withheld from the individual employees' pay. The ASSOCIATION will be responsible for the accounting and disbursing of all such funds received from the CITY. The ASSOCIATION will be responsible for properly notifying the CITY of any changes in deductions, and will be the sole agent through which the CITY will act in explaining, initiating, executing, or terminating the provisions of this Article. Such notification must be received by the CITY at least two weeks prior to the effective date of the change, and shall contain the following information: employee name, social security number, and job classification. Also, such change notice must include a copy of the notice sent to the employees, officially informing them of the change.

6.2 All ASSOCIATION members, on payroll deduction for payment of ASSOCIATION dues on the day of signing of this MOU, must remain on payroll deduction for the life of the MOU, or so long as they remain members of the UNIT. ASSOCIATION members, who establish payroll dues deduction during the term of this MOU, must remain on payroll deduction for the life of this MOU, or so long as they remain members of the UNIT. ASSOCIATION members on dues payroll deduction may terminate such ASSOCIATION dues during the period of December 15 - 31 by notifying both the ASSOCIATION and the CITY Human Resources Department of their termination of ASSOCIATION dues deduction. Such notification shall be in the form of a letter, containing the following information: employee name, social security number, and job classification.

6.3 The ASSOCIATION shall indemnify, and hold harmless, the CITY, its officers, agents, and employees from any and all claims, demands, damages, costs, expenses, or liability arising out of this Article.

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

ARTICLE 7 – TERM

Except as otherwise provided herein, the term of this MOU commences on July 1, 2016, and expires, and is otherwise fully terminated, on June 30, 2017.

ARTICLE 8 - RENEGOTIATIONS

The parties agree to commence renegotiations for a successor MOU for the period beginning July 1, 2017, by serving their initial written proposals by January 31, 2017, with negotiations meetings to commence no later than March 1, 2017. Should the parties be unable to reach agreement on a new contract before the current contract expires, all applicable provisions of this MOU shall remain in full force and effect until such time as a new MOU is reached, or September 30, 2017, whichever first occurs.

ARTICLE 9 - ANTI-DISCRIMINATION

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

ARTICLE 10 - WORK SCHEDULE

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

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

10.2 OVERTIME

10.2.1 Sworn Personnel

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

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

10.2.2 Compensatory Time Off

Effective with the ratification of this MOU, Compensatory Time Off (hereinafter "CTO") shall be earned at the overtime rate of one and one-half (1.5) times the number of overtime hours, worked as defined in Articles 10.2.1 and 10.2.2. CTO may be accrued up to a maximum of 140 hours. Overtime earned, in excess of the CTO maximum accrual, shall be compensated in cash.

10.2.3 Compensatory Time Payoff

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

10.3 EMERGENCIES

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

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

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

10.4 SHIFT ROTATION

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

ARTICLE 11 - VACATION/HOLIDAY LEAVE

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

11.1 VACATION

11.1.1 The following is a list of vacation annual accrual schedule by years of employment, effective retroactive to July 1, 2016 for those employees still employed by the City upon City Council adoption of this successor MOU:

SERVICE YEARS	VACATION ACCRUAL
1-2	88 hrs
3-4	96 hrs
5	104 hrs
6-7	112 hrs
8-9	120 hrs
10	128 hrs
11-12	136 hrs
13-14	144 hrs
15 or more	160 hrs

UNIT members hired after July 1, 2016 may be credited with years of service based upon prior law enforcement service at other agencies as determined within the sole discretion of the Police Chief and as approved by the City Manager and to be documented in both the recruit's conditional offer and the City's initial hire Personnel Action Form. Retroactive application shall be applied to those employees hired on or before the City Council's adoption of this MOU, but there shall be no increased retroactive accrual of vacation. Rather the increased accrual only applies starting July 2, 2016.

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

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

11.1.4 Effective retroactive to the pay period including July 1, 2016, the maximum amount of vacation accrual will be 280 hours. When an employee reaches the maximum accrual limit of 280 hours, the employee shall cease to accrue vacation leave until the usage of vacation causes the balance to be less than 280 hours. Employees, who have a requested vacation denied or canceled within 60 days prior to reaching the 280 hour accrual maximum, shall, upon request, be given an additional 60 days following reaching the maximum to utilize vacation, prior to ceasing to accrue.

11.1.5 A UNIT employee may exercise an option to convert into cash a maximum of forty (40) hours of accrued vacation leave each fiscal year, upon 30 days' notice to payroll. Such conversion shall be computed at the employee's current base hourly rate, on an hour-per-hour basis.

11.2 HOLIDAYS

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

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

11.2.2 Effective upon City Council adoption of this MOU, employees who work a holiday listed in 11.2.1, shall be paid one and one-half (1.5) times their base hourly rate. An employee is eligible for the one and one-half time pay only for the hours actually worked during the actual calendar holiday date as set forth in 11.2.1 above regardless of any change in City observation of same based upon the actual day of the week of the holiday. Each employee will be credited eight (8) hours Holiday leave for each holiday listed in 11.2.1 or recognized under 11.2.3, in addition to pay for time worked on that holiday. Holiday Leave hours shall be pro-rated annually and credited to employees at the rate of four hours per pay period. [For example, if a listed holiday is Sunday, and the City recognizes the holiday on Monday, the employee working the actual holiday on Sunday shall receive credit under the code Police Holiday Worked for working the actual holiday).

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

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

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

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

11.3 MILITARY LEAVE

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

11.4 ASSOCIATION LEAVE

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

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

ARTICLE 12 - SICK LEAVE

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

12.2 Based on individual utilization of paid sick leave in the preceding calendar year, rolling backwards 365 days from the date of requested conversion, employee may convert unused

accumulated sick leave into paid vacation leave once per fiscal year, pursuant to the formula below:

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

At least 160 accrued hours must remain in employee's sick leave bank for any employee to be eligible for conversion, or for any conversion to be authorized. In addition, the right to convert, along with any conversion hours, does not carry over or rollover from fiscal year to fiscal year; failure to request conversion, in any fiscal year, eliminates the right to do so for that fiscal year, and does not permit employees to aggregate conversion hours in any other fiscal year.

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

ARTICLE 13 - BEREAVEMENT

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

ARTICLE 14 - RETIREMENT

14.1 It is the employee's obligation to contribute the employee's contribution to CalPERS. The employee shall pay his/her own contribution by payroll deduction, consistent with the provisions of 414 (h) 2 of the Internal Revenue Code.

14.1.1 For Sworn members, the current contribution rates are 9% CalPERS Safety for classic members (Tier 1 & Tier 2), 11.5% for new members (Tier 3).

14.2 The ASSOCIATION understands and agrees that employees bear the risk of payment of any increases in the employee contribution, above the current percentage, made by action of CalPERS or the state legislature.

14.3 Parties agree that CITY payment of CalPERS contributions are made based upon tax treatment currently permitted by the State Franchise Tax Board and the IRS.

14.4 Should current tax treatment change, the ASSOCIATION and the employee shall hold harmless the CITY, its officers and agents, from any and all claims or costs of any type, including, but not limited to, liability for back taxes, arising out of this MOU, to pay part of the employee's CalPERS contribution. Should current tax treatment change, the ASSOCIATION shall have the opportunity to meet and confer, regarding any such changes.

14.5 For Sworn employees, hired prior to September 17, 2011, the CITY agrees to continue to provide CalPERS Safety employees in this UNIT with a retirement benefit program through the California Public Employees Retirement System (CalPERS) as follows:

14.5.1 3% @ 50 formula (21362.2)
14.5.2 Unused Sick Leave Credit (Section 20965)
14.5.3 Military Service Credit (Sections 21023.5, 21024 & 21027)
14.5.4 Final Compensation 1 Year (Section 20042)
14.5.5 1959 Survivor Benefit, Level 4 (Section 21574)
14.5.6 Pre-Retirement Death Benefits (Section 21548 Option 2W & 21551)
14.5.7 Retired Death Benefit $500 (Section 21620)
14.5.8 Prior service (Section 20055)
14.5.9 Public Service Credit for Periods of Layoff (Section 21022)

14.6 For Sworn employees, hired on or after September 17, 2011, and those hired on or after January 1, 2013, who meet the definition of classic member, pursuant to the California Public Employees Pension Reform Act of 2013 (PEPRA), the CITY will provide the following CalPERS formula and optional benefits:

14.6.1 3% @ 55 formula (21363.1)
14.6.2 Unused Sick Leave Credit (Section 20965)
14.6.3 Military Service Credit (Sections 21023.5, 21024 & 21027)
14.6.4 Final Compensation 3 Year (Section 20037)
14.6.5 1959 Survivor Benefit Level 4 (Section 21574)
14.6.6 Pre-Retirement Death Benefits (Section 21548 Option 2W and 21551)
14.6.7 Retired Death Benefit $500 (Section 21620)
14.6.8 Prior Service (Section 20055)
14.6.9 Public Service Credit for Periods of Layoff (Section 21022)

14.7 Pursuant to the California Public Employees' Pension Reform Act of 2013 (PEPRA), effective January 1, 2013, Sworn employees hired, who meet the definition of new member under PEPRA and are not eligible for reciprocity, will be provided the following retirement formula and optional benefits:

14.7.1 2.7% @ 57 formula (Section 7522.25(d))
14.7.2 Unused Sick Leave Credit (Section 20965)
14.7.3 Military Service Credit (Sections 21023.5, 21024 & 21027)
14.7.4 Final compensation 3 Year (Section 20037)
14.7.5 1959 Survivor Benefit Level 4 (Section 21574)

14.7.6 Pre-Retirement Death Benefits (Section 21548 Option 2W and 21551)
14.7.7 Retired Death Benefit $500 (Section 21620)
14.7.8 Prior Service (Section 20055)
14.7.9 Public Service Credit for Periods of Layoff (Section 21022)

ARTICLE 15 - HEALTH BENEFITS

15.1 HEALTH INSURANCE

15.1.1 UNIT employees receive a cafeteria plan contribution, including the amount required by CalPERS, as follows:

Employee only - up to $715/month or cost of insurance, whichever is less
Employee + 1 – up to $1,109/month or cost of insurance, whichever is less
Employee + family - up to $1,326/month or cost of insurance, whichever is less

15.2 DENTAL AND VISION INSURANCE:

15.2.1 During the term of this MOU, the CITY shall offer dental, life and vision insurance, and each employee shall be required to carry both dental, life and vision insurance for self. Life Insurance is provided at $50,000 per employee. The following rates are effective January 1, 2016:

	Vision	Dental	Life	Totals	City pays	EE pays
Employee only	$ 8.86	$ 55.47	$7.50	$ 71.83	$ 68.90	$ 2.93
Employee + 1	$ 16.59	$143.09	$7.50	$ 167.18	$ 155.43	$11.75
Employee + 2+	$ 22.59	$143.09	$7.50	$ 173.18	$ 160.97	$12.21

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

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

15.4 The provisions of this section shall be binding on the parties through the remainder of this MOU, and for the term of the MOU that will be effective July 1, 2016. The parties agree herewith to retain the option to re-open collective bargaining, with respect to this section, to discuss any changes to the 2017 health rates.

ARTICLE 16 - EDUCATIONAL INCENTIVES

16.1 P.O.S.T. CERTIFICATES

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

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

16.1.3 For Sworn UNIT members hired on or after January 1, 1998, CITY agrees to pay $140 per month for P.O.S.T. certificates as follows:

	Intermediate	Advanced
Sergeant	$140	$140
Corporal	$140	$140
Officer	$140	$140

ARTICLE 17 - UNIFORMS

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

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

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

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

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

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

17.6 All safety equipment originally issued and replaced by the department remains the Department's property.

17.7 The annual uniform allowance will be as follows:

Sworn officers: $ 1,150

17.8 The CITY agrees to repair or replace any personal article damaged while on duty, including uniform items as listed above, providing that such article is a reasonable and necessary part of the employee's attire.

ARTICLE 18 - SALARIES

18.1 Effective retroactive to the pay period including July 1, 2016, for those employees still employed by the City upon City Council adoption of this MOU, the City shall provide a Cost of Living Adjustment (COLA) increase to base salaries for all Unit classifications by 2.25%.

18.2 Effective retroactive to the pay period including July 1, 2016 for those employees still employed by the City upon City Council adoption of this MOU, the City shall provide an Equity Salary Adjustment (ESA) increase to base salaries for all Unit classifications by 2.0%. The 2% shall apply at the same time as the 2.25% COLA, not compounded, so as to realize a 4.25% total base salary increase.

18.3 City agrees to conduct salary survey by December 31, 2016 for informational purposes for successor negotiations. The parties agree that any salary surveys the parties exchange will use the survey cities of Arroyo Grande, Atascadero, Grover Beach, Paso Robles, Pismo Beach and San Luis Obispo.

ARTICLE 19 - SPECIAL PAY PRACTICES

19.1 STANDBY

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

1. Be ready to respond immediately to a call for service;
2. Be readily available at all hours by telephone or other agreed-upon communication equipment; and
3. Refrain from activities which might impair his/her assigned duties upon call.

The parties agree that employees on standby as defined above, are "waiting to be engaged."

19.1.2 Regardless of any hours actually worked, employees on standby shall be compensated for two (2) hours computed at their straight hourly base rate per twenty-four (24) hours of authorized standby time (e.g., 2 hours standby + actual time worked).

The twenty-four (24) hours' time period is defined as 0700 hours to 0659 hours the following day.

Subject to the maximum accrual provisions of Section 10.2.3, employees may elect to receive two (2) straight time compensatory time off hours in lieu of paid standby compensation.

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

19.2 CALL BACK

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

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

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

19.3 OUT OF CLASS ASSIGNMENT

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

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

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

19.5 BILINGUAL PAY

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

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

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

19.6 FIELD TRAINING OFFICER (FTO) ASSIGNMENT PAY

Individuals, in the classification of Police Officer formally assigned a trainee by the Chief of Police, or his/her designee, shall be compensated at the rate of 5% of base hourly rate. Compensation will be paid only when acting as FTO.

19.7 SENIOR OFFICER ASSIGNMENT PAY

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

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

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

19.8 DETECTIVE ASSIGNMENT PAY

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

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

Any individual concurrently assigned as both a Corporal and Detective shall for compensation pay purposes only receive the Corporal salary and no additional compensation for being assigned as a Detective.

19.8.1 SCHOOL RESOURCE OFFICER (SRO) ASSIGNMENT PAY

The SRO assignment is not a permanent promotion to a higher classification. Continuation in the assignment is based on an annual performance evaluation of "Meets Satisfactory Performance Standards," as well as at the discretion of the Chief of Police.

SRO will be compensated at the rate of 5% above base pay for the term of the assignment, and will be responsible for juvenile investigations, as assigned.

19.9 NIGHT SHIFT DIFFERENTIAL

Sworn employees in this UNIT will receive 2.5% of base hourly pay for each hour worked between the hours of 7:00 p.m. and 7:00 a.m.

19.10 CANINE CARE PAY

An employee who is assigned a City canine, as part of a drug detection search program or a service dog program, and who boards the canine at his/her home, shall be paid $13.50 per hour (hereinafter, the "canine care pay rate") for all time the employee spends outside of regular work hours on the care of the assigned canine. Compensable canine care activities include feeding, grooming, exercising, cleaning up, obtaining veterinarian services or caring for any injuries, and shall not include other time spent with the canine (e.g., commute time, as a family pet, etc.). Employees, subject to this provision, shall not receive on-call pay or call back pay for any time spent in the care of the assigned canine. The residence of the employee, assigned a City canine, shall not constitute the employee's work place. Travel (commute) time, from the employee's home to the assigned work site,

or from the assigned work site to the employee's home, with the canine, shall not be considered time worked or care of the canine.

It is estimated and agreed that the officers spend one-half hour per day outside of regular work hours on compensable canine care activities. Off duty time spent on compensable canine care tasks shall be considered actual hours worked. These hours will be paid at the rate of 1.5 times the canine care pay rate ($20.25).

19.11 LONGEVITY PAY

In order to help reduce the high turnover rate of sworn personnel and retain and attract highly trained, professional and experienced personnel, the parties agree as follows:

In recognition of a unit member's length of service to public safety, the following "Longevity Pay" will be made to qualifying members which shall include length of continuous service with any law enforcement agency (as determined for new and lateral hires within the sole discretion of the Chief of Police):

Upon completion of Ten (10) years of continuous, sworn, law enforcement service: 2.0% (of base hourly pay per pay period)

Said increase shall be effective retroactive to the pay period including July 1, 2016 for those employees still employed by the City upon City Council adoption of this MOU and made during the regular pay period in which the Unit member's anniversary date falls, and shall be included in the regular paycheck.

ARTICLE 20 - BULLETIN BOARD

20.1 CITY agrees to furnish space for ASSOCIATION-purchased bulletin boards of reasonable size for the posting of ASSOCIATION material. Location of such bulletin boards shall be at the Police Station in an area commonly used for briefings or meetings.

20.2 ASSOCIATION agrees it shall not use bulletin boards to ridicule, defame, or harass any CITY employees, officer or agent.

ARTICLE 21 - PROBATIONARY PERIOD

21.1 In order to assist the Morro Bay Police Department with the recruitment of experienced lateral candidates, we recommend the probationary status be changed to the following:

Sworn personnel:

New officer – 12 months
Lateral – 12 months

21.2 For existing probationary officers:

Officers Gregory Gruich and Jeremy Painter will complete their respective

probationary period on September 1, 2016;

Officers Morton Campbell, Gian Mettifogo and Thomas Nolen will complete their respective probationary periods 12 months from their original hire date.

ARTICLE 22 - DRUG AND ALCOHOL TESTING

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

ARTICLE 23 - GRIEVANCE PROCEDURE

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

CITY further agrees that any payment of overtime arising because of UNIT personnel's involvement in grievance investigation or processing shall not be authorized. Time spent on the investigation and processing of grievances will be recorded on a form provided by CITY. Stewards will be permitted reasonable time-off with pay for the investigation and processing of grievances provided, however, stewards shall first obtain permission from the department head and/or his/her designee and inform him/her of the nature of his/her business. CITY shall grant such permission promptly unless such absence would cause an undue interruption of work or would require the CITY to pay overtime in order to maintain the normal operation of the department.

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

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

23.2 PURPOSE

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

23.3 ASSOCIATION REPRESENTATIVE

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

23.4 PROCEDURE

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

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

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

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

ARTICLE 25 - FULL UNDERSTANDING, MODIFICATION, WAIVER

25.1 This MOU sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements by the parties, whether formal or informal, regarding any such matters are hereby superseded or terminated in their entirety.

25.2 It is agreed and understood that each party hereto voluntarily and unqualifiedly waives its right to negotiate, and agrees that the other party shall not be required to negotiate, with respect to any matter covered herein.

25.3 No agreement, alteration, understanding variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed in writing by all parties hereto, and if required, approved by the CITY and ratified by the membership of the ASSOCIATION.

25.4 The waiver of any breach of any term, or condition of this MOU by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

ARTICLE 26 - SEVERABILITY

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

ARTICLE 27 – JOINT DRAFTING

Each party has cooperated in the drafting and preparation of this MOU . Hence, in any legal construction or interpretation to be made of this MOU, the same shall not be construed against any party.

ARTICLE 28 – CITY COUNCIL APPROVAL

The CITY's labor relations representatives and the ASSOCIATION's representatives have met and conferred in good faith on wages, hours and other terms and conditions of employment for the unit members represented by the ASSOCIATION and have reached agreements which are set forth in this MOU . This MOU when executed by the CITY's labor relations representatives and the ASSOCIATION representatives constitutes a joint recommendation therefrom, after ratification of the ASSOCIATION membership, to be submitted to the City Council for its determination and approval by resolution, as the City Council may deem fit and proper. This MOU is of no force or effect unless or until approved and adopted by a resolution of the City Council.

MORRO BAY PEACE OFFICERS' ASSN.

Greg Gruich, President

Tony Mosqueda, Employee Representative

Jody Cox, Employee Representative

CITY OF MORRO BAY

Dave Buckingham, City Manager

Colin Tanner, Labor Negotiator

Susan Slayton, Administrative Services Director

Laurie Goforth, Human Resources Analyst

ATTACHMENT A

POLICE SALARY SCHEDULE

POSITION	ANNUAL COMPENSATION RANGE 1	2	3	4	5	6
Sergeant	$ 73,585	$ 77,264	$ 81,127	$ 85,184	$ 89,443	$ 93,915
Corporal	$ 62,530	$ 65,657	$ 68,939	$ 72,387	$ 76,006	$ 79,807
Special Assignments: Detective School Resource Officer Senior Officer	$ 61,955	$ 65,052	$ 68,305	$ 71,720	$ 75,306	$ 79,072
Police Officer	$ 59,004	$ 61,955	$ 65,052	$ 68,305	$ 71,720	$ 75,306

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE MORRO BAY PEACE OFFICERS ASSOCIATION

AND

THE CITY OF MORRO BAY

JULY 1, 2016 – JUNE 30, 2017

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MEMORANDUM OF UNDERSTANDING
BETWEEN THE MORRO BAY PEACE OFFICERS' ASSOCIATION
AND THE CITY OF MORRO BAY
2016 - 2017

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ARTICLE 1 - PURPOSE

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

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

WHEREAS, the Morro Bay Peace Officers' Association, Inc, is a California corporation, existing under the laws of the state of California; and

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

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THEREFORE, this Memorandum of Understanding, referred to as "MOU", is entered into as of July 1, 2016, between the City of Morro Bay, referred to as "CITY," and the Morro Bay Peace Officers' Association, referred to as "ASSOCIATION."

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

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ARTICLE 2 - MANAGEMENT

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

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

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2.1.2 To determine the existence, or nonexistence, of facts which are the basis of the management decision in compliance with State law.

2.1.3 To determine the necessity, organization, implementation, and termination of any service or activity conducted by the CITY or other government jurisdiction, and to expand or diminish police services.

2.1.4 To direct, supervise, recruit, select, hire, evaluate, promote, transfer, discipline, discharge, terminate, demote, reduce, suspend, reprimand, withhold salary increases and benefits for disciplinary reasons, or otherwise discipline employees, in accordance with Department or CITY Rules, Regulations, or Ordinances.

2.1.5 To determine the nature, manner, means, extent, type, time, quantity, quality, technology, standard, and level of police services to be provided to the public.

2.1.6 To require the performance of other public safety services, not specifically stated herein, in the event of an emergency or disaster, as deemed necessary by the CITY.

2.1.7. To lay off employees of the Police Department because of lack of work or funds or under conditions where continued work would be inefficient or nonproductive or not cost effective, as determined by the CITY.

2.1.8. To determine and/or change the police facilities, methods, technology, equipment, operations to be performed, organization structure, and allocate or assign work by which the CITY police operations and services are to be conducted.

2.1.9. To determine methods of financing.

2.1.10 To plan, determine, and manage the Department's budget, which includes, but is not limited to, changes in the number of locations and types of operations, processes and materials to be used in carrying out all Police Department functions, and the right to contract or subcontract any work or operations of the Police Department.

2.1.11 To determine the size and composition of the Police Department work force, assign work to employees of the Police Department, in accordance with requirements determined by the Police Department, and to establish and require compliance to work hours and changes to work hours, work schedules, including call back, standby, and overtime, and other work assignments, except as otherwise limited by this MOU, or subsequent MOUs.

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2.1.12 To establish and modify goals and objectives, related to productivity and performance programs and standards, including, but not limited to, quality and quantity, and required compliance therewith.

2.1.13 To determine qualifications, skills, abilities, knowledge, selection procedures and standards, job classification, job specifications, and to reallocate and reclassify employees, in accordance with division and/or CITY Rules and Regulations.

2.1.14 To determine the issues of public policy and the overall goals and objectives of the Police Department, and to take necessary action to achieve the goals and objectives of the Police Department.

2.1.15 To hire, transfer intra- or inter-Department, promote, reduce in rank, demote, reallocate, terminate, and take other personnel action for non-disciplinary reasons, in accordance with Department and/or CITY Rules, Regulations and Ordinances.

2.1.16 To determine policies, procedures, and standards for recruiting, selecting, training, and promoting employees.

2.1.17 To establish, implement, and/or modify rules and regulations, policies, and procedures related to productivity, performance, efficiency, personal appearance standards, code of ethics and conduct, safety, health, and order, and to require compliance therewith.

2.1.18 To maintain order and efficiency in police facilities and operation.

2.1.19 To restrict the activity of an employee organization on CITY facilities, except as set forth in this MOU.

2.1.20 To take any and all necessary steps and actions to carry out the service requirements and mission of the CITY in emergencies or any other time deemed necessary by the CITY, and not specified above.

2.2 Nothing herein is meant to diminish CITY rights provided by the Government Code.

2.3 Nothing herein is meant to diminish the Public Safety Officers Procedural Bill of Rights Act, as set forth in the Government Code Sections 3300-3313.

2.4 AUTHORITY IF THIRD PARTY NEUTRAL - MANAGEMENT RIGHTS

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

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ARTICLE 3 - RECOGNITION

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

Sergeant
Corporal
Senior Officer
Police Officer

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

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

3.3 ELECTRONIC DEPOSIT:

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

ARTICLE 4 - ASSOCIATION BUSINESS

4.1 Employee representatives, designated by the ASSOCIATION, shall be granted time off, without loss of pay, to attend "meet and confer" sessions with the City Manager, and/or his/her designee, on subjects within the scope of representation when such meetings are scheduled during regular working hours. Should such meetings extend beyond an employee representative's regular working hours, the employee representative shall be paid for only the regular working hours.

It is understood that this time-off provision shall only apply to a maximum of three (3) employees attending any one meeting between the CITY and the ASSOCIATION. Where exceptional circumstances warrant, the City Manager may approve the attendance at such meetings of additional employee representatives. The ASSOCIATION shall, whenever practicable, submit the names of all employee representatives to the City Manager, or designee, at least two working days in advance of such meetings. Provided further: (1) no employee representative shall leave his or her duty or work station or assignment, without specific approval of the department head or other authorized CITY management

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Public Safety Dispatcher (position eliminated September 26, 2014)¶

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official; and (2) any such meeting is subject to scheduling by CITY management, in a manner consistent with operating needs and work schedules.

4.2 Nothing provided herein shall limit or restrict CITY management from scheduling such meetings before or after regular CITY or work hours.

4.3 Off-duty employees will not be paid for attending meet and confer sessions, nor will over-time be paid for same.

ARTICLE 5 - AUTHORIZED AGENTS

For the purpose of administering the terms and provisions of this MOU:

5.1 The CITY's principal authorized agent shall be the City Manager, or his/her duly authorized representative (address: 595 Harbor Street, Morro Bay, CA 93442; telephone (805) 772-6201), except where a particular management representative is specifically designated in the MOU.

5.2 The ASSOCIATION's principal authorized representative shall be the President of the Association, or his/her duly authorized representative (address P. O. Box 276, Morro Bay, CA 93443).

ARTICLE 6 - WITHHOLDING OF ASSOCIATION DUES AND INSURANCE

6.1 It is agreed that the CITY will withhold ASSOCIATION dues and ASSOCIATION group insurance premiums from the monthly pay of each regular CITY employee, who is a member of the ASSOCIATION. ASSOCIATION agrees to provide CITY with individual ASSOCIATION member authorizations signed by the individual ASSOCIATION member, authorizing the CITY to make agreed deductions, specifying the amount of each deduction, and authorizing the CITY to issue a single check, payable to the ASSOCIATION, for the collective amount of the individual deductions. The CITY does not accept responsibility for computing the amounts of deductions or for meeting payment dates which may not coincide with established pay periods. The CITY will issue a single check to the ASSOCIATION for the total amount of deductions withheld from the individual employees' pay. The ASSOCIATION will be responsible for the accounting and disbursing of all such funds received from the CITY. The ASSOCIATION will be responsible for properly notifying the CITY of any changes in deductions, and will be the sole agent through which the CITY will act in explaining, initiating, executing, or terminating the provisions of this Article. Such notification must be received by the CITY at least two weeks prior to the effective date of the change, and shall contain the following information: employee name, social security number, and job classification. Also, such change notice must include a copy of the notice sent to the employees, officially informing them of the change.

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6.2 All ASSOCIATION members, on payroll deduction for payment of ASSOCIATION dues on the day of signing of this MOU, must remain on payroll deduction for the life of the MOU, or so long as they remain members of the UNIT. ASSOCIATION members, who establish payroll dues deduction during the term of this MOU, must remain on payroll deduction for the life of this MOU, or so long as they remain members of the UNIT. ASSOCIATION members on dues payroll deduction may terminate such ASSOCIATION dues during the period of December 15 - 31 by notifying both the ASSOCIATION and the CITY Human Resources Department of their termination of ASSOCIATION dues deduction. Such notification shall be in the form of a letter, containing the following information: employee name, social security number, and job classification.

6.3 The ASSOCIATION shall indemnify, and hold harmless, the CITY, its officers, agents, and employees from any and all claims, demands, damages, costs, expenses, or liability arising out of this Article.

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

ARTICLE 7 – TERM

Except as otherwise provided herein, the term of this MOU commences on July 1, 2016, and expires, and is otherwise fully terminated, on June 30, 2017.

ARTICLE 8 - RENEGOTIATIONS

The parties agree to commence renegotiations for a successor MOU for the period beginning July 1, 2017, by serving their initial written proposals by January 31, 2017, with negotiations meetings to commence no later than March 1, 2017. Should the parties be unable to reach agreement on a new contract before the current contract expires, all applicable provisions of this MOU shall remain in full force and effect until such time as a new MOU is reached, or September 30, 2017, whichever first occurs.

ARTICLE 9 - ANTI-DISCRIMINATION

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

ARTICLE 10 - WORK SCHEDULE

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

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

10.2 OVERTIME

10.2.1 Sworn Personnel

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

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

10.2.2 Compensatory Time Off

Effective with the ratification of this MOU, Compensatory Time Off (hereinafter "CTO") shall be earned at the overtime rate of one and one-half (1.5) times the number of overtime hours, worked as defined in Articles 10.2.1 and 10.2.2. CTO may be accrued up to a maximum of 140 hours. Overtime earned, in excess of the CTO maximum accrual, shall be compensated in cash.

10.2.3 Compensatory Time Payoff

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

10.3 EMERGENCIES

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

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

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

10.4 SHIFT ROTATION

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

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Overtime is described as all work authorized by management and actually worked by the employee in excess of forty (40) hours worked in a workweek. For the purpose of defining hours worked, vacation leave and holiday leave shall be considered as time worked in a workweek. All overtime as defined above shall be paid at one and one-half (1.5) times the employee's regular rate of pay. ¶
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NOTE: Section 10.2.1 will be removed after September 26, 2014, or at the time that dispatch personnel are no longer under contract with the CITY, whichever is later.¶

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ARTICLE 11 - VACATION/HOLIDAY LEAVE

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

11.1 VACATION

11.1.1 The following is a list of vacation annual accrual schedule by years of employment, effective retroactive to July 1, 2016 for those employees still employed by the City upon City Council adoption of this successor MOU:

SERVICE YEARS	VACATION ACCRUAL
1-2	88 hrs
3-4	96 hrs
5	104 hrs
6-7	112 hrs
8-9	120 hrs
10	128 hrs
11-12	136 hrs
13-14	144 hrs
15 or more	160 hrs

UNIT members hired after July 1, 2016 may be credited with years of service based upon prior law enforcement service at other agencies as determined within the sole discretion of the Police Chief and as approved by the City Manager and to be documented in both the recruit's conditional offer and the City's initial hire Personnel Action Form. Retroactive application shall be applied to those employees hired on or before the City Council's adoption of this MOU, but there shall be no increased retroactive accrual of vacation. Rather the increased accrual only applies starting July 2, 2016.

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

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

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11.1.4 Effective retroactive to the pay period including July 1, 2016, the maximum amount of vacation accrual will be 280 hours. When an employee reaches the maximum accrual limit of 280 hours, the employee shall cease to accrue vacation leave until the usage of vacation causes the balance to be less than 280 hours. Employees, who have a requested vacation denied or canceled within 60 days prior to reaching the 280 hour accrual maximum, shall, upon request, be given an additional 60 days following reaching the maximum to utilize vacation, prior to ceasing to accrue.

11.1.5 A UNIT employee may exercise an option to convert into cash a maximum of forty (40) hours of accrued vacation leave each fiscal year, upon 30 days' notice to payroll. Such conversion shall be computed at the employee's current base hourly rate, on an hour-per-hour basis.

11.2 HOLIDAYS

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

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

11.2.2 Effective upon City Council adoption of this MOU, employees who work a holiday listed in 11.2.1, shall be paid one and one-half (1.5) times their base hourly rate. An employee is eligible for the one and one-half time pay only for the hours actually worked during the actual calendar holiday date as set forth in 11.2.1 above regardless of any change in City observation of same based upon the actual day of the week of the holiday. Each employee will be credited eight (8) hours Holiday leave for each holiday listed in 11.2.1 or recognized under 11.2.3, in addition to pay for time worked on that holiday. Holiday Leave hours shall be pro-rated annually and credited to employees at the rate of four hours per pay period. [For example, if a listed holiday is Sunday, and the City recognizes the holiday on Monday, the employee working the actual holiday on Sunday shall receive credit under the code Police Holiday Worked for working the actual holiday).

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

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

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

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

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11.3 MILITARY LEAVE

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

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11.4 ASSOCIATION LEAVE

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

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

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ARTICLE 12 - SICK LEAVE

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

12.2 Based on individual utilization of paid sick leave in the preceding calendar year, rolling backwards 365 days from the date of requested conversion, employee may convert unused

accumulated sick leave into paid vacation leave once per fiscal year, pursuant to the formula below:

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

At least 160 accrued hours must remain in employee's sick leave bank for any employee to be eligible for conversion, or for any conversion to be authorized. In addition, the right to convert, along with any conversion hours, does not carry over or rollover from fiscal year to fiscal year; failure to request conversion, in any fiscal year, eliminates the right to do so for that fiscal year, and does not permit employees to aggregate conversion hours in any other fiscal year.

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

ARTICLE 13 - BEREAVEMENT

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

ARTICLE 14 - RETIREMENT

14.1 It is the employee's obligation to contribute the employee's contribution to CalPERS. The employee shall pay his/her own contribution by payroll deduction, consistent with the provisions of 414 (h) 2 of the Internal Revenue Code.

14.1.1 For Sworn members, the current contribution rates are 9% CalPERS Safety for classic members (Tier 1 & Tier 2), 11.5% for new members (Tier 3).

14.2 The ASSOCIATION understands and agrees that employees bear the risk of payment of any increases in the employee contribution, above the current percentage, made by action of CalPERS or the state legislature.

14.3 Parties agree that CITY payment of CalPERS contributions are made based upon tax treatment currently permitted by the State Franchise Tax Board and the IRS.

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. **NOTE: Section 14.1.2 will be removed after September 26, 2014, or at the time that dispatch personnel are no longer under contract with the CITY, whichever is later.¶**

14.4 Should current tax treatment change, the ASSOCIATION and the employee shall hold harmless the CITY, its officers and agents, from any and all claims or costs of any type, including, but not limited to, liability for back taxes, arising out of this MOU, to pay part of the employee's CalPERS contribution. Should current tax treatment change, the ASSOCIATION shall have the opportunity to meet and confer, regarding any such changes.

14.5 For Sworn employees, hired prior to September 17, 2011, the CITY agrees to continue to provide CalPERS Safety employees in this UNIT with a retirement benefit program through the California Public Employees Retirement System (CalPERS) as follows:

14.5.1 3% @ 50 formula (21362.2)
14.5.2 Unused Sick Leave Credit (Section 20965)
14.5.3 Military Service Credit (Sections 21023.5, 21024 & 21027)
14.5.4 Final Compensation 1 Year (Section 20042)
14.5.5 1959 Survivor Benefit, Level 4 (Section 21574)
14.5.6 Pre-Retirement Death Benefits (Section 21548 Option 2W & 21551)
14.5.7 Retired Death Benefit $500 (Section 21620)
14.5.8 Prior service (Section 20055)
14.5.9 Public Service Credit for Periods of Layoff (Section 21022)

14.6 For Sworn employees, hired on or after September 17, 2011, and those hired on or after January 1, 2013, who meet the definition of classic member, pursuant to the California Public Employees Pension Reform Act of 2013 (PEPRA), the CITY will provide the following CalPERS formula and optional benefits:

14.6.1 3% @ 55 formula (21363.1)
14.6.2 Unused Sick Leave Credit (Section 20965)
14.6.3 Military Service Credit (Sections 21023.5, 21024 & 21027)
14.6.4 Final Compensation 3 Year (Section 20037)
14.6.5 1959 Survivor Benefit Level 4 (Section 21574)
14.6.6 Pre-Retirement Death Benefits (Section 21548 Option 2W and 21551)
14.6.7 Retired Death Benefit $500 (Section 21620)
14.6.8 Prior Service (Section 20055)
14.6.9 Public Service Credit for Periods of Layoff (Section 21022)

14.7 Pursuant to the California Public Employees' Pension Reform Act of 2013 (PEPRA), effective January 1, 2013, Sworn employees hired, who meet the definition of new member under PEPRA and are not eligible for reciprocity, will be provided the following retirement formula and optional benefits:

14.7.1 2.7% @ 57 formula (Section 7522.25(d))
14.7.2 Unused Sick Leave Credit (Section 20965)
14.7.3 Military Service Credit (Sections 21023.5, 21024 & 21027)
14.7.4 Final compensation 3 Year (Section 20037)
14.7.5 1959 Survivor Benefit Level 4 (Section 21574)

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14.7.1 . Highest single year compensation¶
14.7.2 . 2.7% at 55 Retirement Formula¶
14.7.3 . Sick Leave Credit Option (Section 20965)¶
14.7.4 . Military Service Credit effective 4-13-00 (Section 21024)¶
14.7.5 . Pre-Retirement Optional Settlement 2 Death Benefit¶
14.7.6 . . 1959 Survivor Benefit, Level 4 (21574) ¶
¶
NOTE: Section 14.7 will be removed after September 26, 2014, or at the time that dispatch personnel are no longer under contract with the CITY, whichever is later.¶
. ¶
¶
14.8 . For Non-Sworn employees, hired on or after September 17, 2011, but before January 1, 2013, the retirement benefits set forth in 14.7 above will be modified and reads as follows:¶
¶
14.8.1 . Final Compensation 3 Year (Section 20037)¶
14.8.2 . 2% at 60 Retirement formula¶
14.8.3 . Sick Leave Credit Option (Section 20965)¶
14.8.4 . Military Service Credit effective 4-13-00 (Section 21024)¶
14.8.5 . Pre-Retirement Optional Settlement 2 Death Benefit¶
14.8.6 . 1959 Survivor Benefit, Level 4 (21574) compensation.¶
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NOTE: Section 14.8 will be removed after September 26, 2014, or at the time that dispatch personnel are no longer under contract with the CITY, whichever is later.

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14.7.6 Pre-Retirement Death Benefits (Section 21548 Option 2W and 21551)
14.7.7 Retired Death Benefit $500 (Section 20620)
14.7.8 Prior Service (Section 20055)
14.7.9 Public Service Credit for Periods of Layoff (Section 21022)

ARTICLE 15 - HEALTH BENEFITS

15.1 HEALTH INSURANCE

15.1.1 UNIT employees receive a cafeteria plan contribution, including the amount required by CalPERS, as follows:

Employee only - up to $715/month or cost of insurance, whichever is less
Employee + 1 – up to $1,109/month or cost of insurance, whichever is less
Employee + family - up to $1,326/month or cost of insurance, whichever is less

15.2 DENTAL AND VISION INSURANCE:

15.2.1 During the term of this MOU, the CITY shall offer dental, life and vision insurance, and each employee shall be required to carry both dental, life and vision insurance for self. Life Insurance is provided at $50,000 per employee. The following rates are effective January 1, 2016:

	Vision	Dental	Life	Totals	City pays	EE pays
Employee only	$ 8.86	$ 55.47	$7.50	$ 71.83	$ 68.90	$ 2.93
Employee + 1	$ 16.59	$143.09	$7.50	$ 167.18	$ 155.43	$11.75
Employee + 2+	$ 22.59	$143.09	$7.50	$ 173.18	$ 160.97	$12.21

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

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

15.4 The provisions of this section shall be binding on the parties through the remainder of this MOU, and for the term of the MOU that will be effective July 1, 2016. The parties agree herewith to retain the option to re-open collective bargaining, with respect to this section, to discuss any changes to the 2017 health rates.

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¶
14.10.1 Sick Leave Option (Section 20965)¶
14.10.3 Military Service Credit (21024)¶
. 14.10.4 1959 Survivor Benefit 4th Level (21574)¶
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NOTE: Section 14.8 will be removed after September 26, 2014, or at the time that dispatch personnel are no longer under contract with the CITY, whichever is later.
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ARTICLE 16 - EDUCATIONAL INCENTIVES

16.1 P.O.S.T. CERTIFICATES

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

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

16.1.3 For Sworn UNIT members hired on or after January 1, 1998, CITY agrees to pay $140 per month for P.O.S.T. certificates as follows:

	Intermediate	Advanced
Sergeant	$140	$140
Corporal	$140	$140
Officer	$140	$140

ARTICLE 17 - UNIFORMS

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

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

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

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

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

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

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16.1.5 . The CITY agrees to pay for Dispatcher P.O.S.T. certificates as follows:¶
¶
. . . Intermediate . Advanced¶
¶
. $120/month . $120/month¶
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NOTE: Section 16.1.4 & 16.1.5 will be removed after September 26, 2014, or at the time that dispatch personnel are no longer under contract with the CITY, whichever is later.¶

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16.2.1 CITY agrees to pay the following education incentives on base salary to regular employees hired prior to January 1, 1998 who hold degrees above the minimum required in their respective classification.¶
¶
Associate of Arts Degree . $ 600 annually¶
Bachelor's Degree . . $1,200 annually¶
¶
16.2.2 If an employee's job description requires an AA degree and the employee has a Bachelor's Degree, the employee will receive only the difference between an AA and a BA degree, or $600 annually.¶
¶
16.2.3 . If an employee's job description requires a degree or if an employee is promoted to a classification that requires a degree, the employee shall not receive education incentive pay for the required degree. This section shall not be interpreted to reduce the amount of education incentive pay that any employee hired prior to January 1, 1998 receives, notwithstanding the fact that the employee is promoted to a higher position requiring a particular degree, or the fact that the job description for the employee's existing position has been revised to require a particular degree. In the event an employee hired prior to January 1, 1998 promotes to a position requiring a degree not required by the lower position, or if the job description for an employee hired prior to January 1998 is revised to require a degree not previously required for the position, the employee shall, for the term of the MOU, continue to receive the amount of the education incentive pay received in the lower position or previous job description.¶
¶
16.2.4 Based on the new job descriptions for all classifications which were adopted in May 1996, as well as salary survey implementation over the last three years, employees currently in positions now required to hold an AA or BA degree according to the job description for the classification they hold, will continue to receive an educational incentive for said degree. Any employees, hired on or aft ... [31]

17.6 All safety equipment originally issued and replaced by the department remains the Department's property.

17.7 The annual uniform allowance will be as follows:

Sworn officers: $ 1,150

17.8 The CITY agrees to repair or replace any personal article damaged while on duty, including uniform items as listed above, providing that such article is a reasonable and necessary part of the employee's attire.

ARTICLE 18 - SALARIES

18.1 Effective retroactive to the pay period including July 1, 2016, for those employees still employed by the City upon City Council adoption of this MOU, the City shall provide a Cost of Living Adjustment (COLA) increase to base salaries for all Unit classifications by 2.25%.

18.2 Effective retroactive to the pay period including July 1, 2016 for those employees still employed by the City upon City Council adoption of this MOU, the City shall provide an Equity Salary Adjustment (ESA) increase to base salaries for all Unit classifications by 2.0%. The 2% shall apply at the same time as the 2.25% COLA, not compounded, so as to realize a 4.25% total base salary increase.

18.3 City agrees to conduct salary survey by December 31, 2016 for informational purposes for successor negotiations. The parties agree that any salary surveys the parties exchange will use the survey cities of Arroyo Grande, Atascadero, Grover Beach, Paso Robles, Pismo Beach and San Luis Obispo.

ARTICLE 19 - SPECIAL PAY PRACTICES

19.1 STANDBY

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

1. Be ready to respond immediately to a call for service;
2. Be readily available at all hours by telephone or other agreed-upon communication equipment; and
3. Refrain from activities which might impair his/her assigned duties upon call.

The parties agree that employees on standby as defined above, are "waiting to be engaged."

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Deleted: 18.1 This Memorandum is effective upon adoption by the City Council, and any salary increases will be made with the subsequent pay period after that adoption.¶
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Deleted: Effective with the pay periods including July 1 of each year of this two-year Memorandum, salaries shall be increased by the following percentages: the City shall provide:¶ . 18.1.1 . Cost of Living Adjustment (COLA) increase to base salaries for all UNIT classifications by 2.25%; and¶ ... [32]
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19.1.2 Regardless of any hours actually worked, employees on standby shall be compensated for two (2) hours computed at their straight hourly base rate per twenty-four (24) hours of authorized standby time (e.g., 2 hours standby + actual time worked).

The twenty-four (24) hours' time period is defined as 0700 hours to 0659 hours the following day.

Subject to the maximum accrual provisions of Section 10.2.3, employees may elect to receive two (2) straight time compensatory time off hours in lieu of paid standby compensation.

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

19.2 CALL BACK

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

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

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

19.3 OUT OF CLASS ASSIGNMENT

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

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

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19.3.1 An employee who is in the classification of Dispatcher and is assigned to train a new Dispatcher, shall receive an additional one-dollar ($1.00) per hour when he/she actually performs the duties of a Dispatch/Trainer.¶
¶
19.3.2 The parties agree, the Chief has the right to assign the Dispatcher Training function to any qualified Dispatcher.¶
¶
NOTE: Section 19.3 will be removed after September 26, 2014, or at the time that dispatch personnel are no longer under contract with the CITY, whichever is later.¶

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

19.5 BILINGUAL PAY

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

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

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

19.6 FIELD TRAINING OFFICER (FTO) ASSIGNMENT PAY

Individuals, in the classification of Police Officer formally assigned a trainee by the Chief of Police, or his/her designee, shall be compensated at the rate of 5% of base hourly rate. Compensation will be paid only when acting as FTO.

19.7 SENIOR OFFICER ASSIGNMENT PAY

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

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

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

19.8 DETECTIVE ASSIGNMENT PAY

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

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

Any individual concurrently assigned as both a Corporal and Detective shall for compensation pay purposes only receive the Corporal salary and no additional compensation for being assigned as a Detective.

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19.8.1 SCHOOL RESOURCE OFFICER (SRO) ASSIGNMENT PAY

The SRO assignment is not a permanent promotion to a higher classification. Continuation in the assignment is based on an annual performance evaluation of "Meets Satisfactory Performance Standards," as well as at the discretion of the Chief of Police.

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SRO will be compensated at the rate of 5% above base pay for the term of the assignment, and will be responsible for juvenile investigations, as assigned.

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19.9 NIGHT SHIFT DIFFERENTIAL

Sworn employees in this UNIT will receive 2.5% of base hourly pay for each hour worked between the hours of 7:00 p.m. and 7:00 a.m.

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19.10 CANINE CARE PAY

An employee who is assigned a City canine, as part of a drug detection search program or a service dog program, and who boards the canine at his/her home, shall be paid $13.50 per hour (hereinafter, the "canine care pay rate") for all time the employee spends outside of regular work hours on the care of the assigned canine. Compensable canine care activities include feeding, grooming, exercising, cleaning up, obtaining veterinarian services or caring for any injuries, and shall not include other time spent with the canine (e.g., commute time, as a family pet, etc.). Employees, subject to this provision, shall not receive on-call pay or call back pay for any time spent in the care of the assigned canine. The residence of the employee, assigned a City canine, shall not constitute the employee's work place. Travel (commute) time, from the employee's home to the assigned work site,

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or from the assigned work site to the employee's home, with the canine, shall not be considered time worked or care of the canine.

It is estimated and agreed that the officers spend one-half hour per day outside of regular work hours on compensable canine care activities. Off duty time spent on compensable canine care tasks shall be considered actual hours worked. These hours will be paid at the rate of 1.5 times the canine care pay rate ($20.25).

19.11 LONGEVITY PAY

In order to help reduce the high turnover rate of sworn personnel and retain and attract highly trained, professional and experienced personnel, the parties agree as follows:

In recognition of a unit member's length of service to public safety, the following "Longevity Pay" will be made to qualifying members which shall include length of continuous service with any law enforcement agency (as determined for new and lateral hires within the sole discretion of the Chief of Police):

Upon completion of Ten (10) years of continuous, sworn, law enforcement service: 2.0% (of base hourly pay per pay period)

Said increase shall be effective retroactive to the pay period including July 1, 2016 for those employees still employed by the City upon City Council adoption of this MOU and made during the regular pay period in which the Unit member's anniversary date falls, and shall be included in the regular paycheck.

ARTICLE 20 - BULLETIN BOARD

20.1 CITY agrees to furnish space for ASSOCIATION-purchased bulletin boards of reasonable size for the posting of ASSOCIATION material. Location of such bulletin boards shall be at the Police Station in an area commonly used for briefings or meetings.

20.2 ASSOCIATION agrees it shall not use bulletin boards to ridicule, defame, or harass any CITY employees, officer or agent.

ARTICLE 21 - PROBATIONARY PERIOD

21.1 In order to assist the Morro Bay Police Department with the recruitment of experienced lateral candidates, we recommend the probationary status be changed to the following:

Sworn personnel:

New officer – 12 months
Lateral – 12 months

21.2 For existing probationary officers:

Officers Gregory Gruich and Jeremy Painter will complete their respective

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probationary period on September 1, 2016;

Officers Morton Campbell, Gian Mettifogo and Thomas Nolen will complete their respective probationary periods 12 months from their original hire date.

ARTICLE 22 - DRUG AND ALCOHOL TESTING

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

ARTICLE 23 - GRIEVANCE PROCEDURE

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

CITY further agrees that any payment of overtime arising because of UNIT personnel's involvement in grievance investigation or processing shall not be authorized. Time spent on the investigation and processing of grievances will be recorded on a form provided by CITY. Stewards will be permitted reasonable time-off with pay for the investigation and processing of grievances provided, however, stewards shall first obtain permission from the department head and/or his/her designee and inform him/her of the nature of his/her business. CITY shall grant such permission promptly unless such absence would cause an undue interruption of work or would require the CITY to pay overtime in order to maintain the normal operation of the department.

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

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

23.2 PURPOSE

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

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23.3 ASSOCIATION REPRESENTATIVE

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

23.4 PROCEDURE

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

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

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

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

ARTICLE 25 - FULL UNDERSTANDING, MODIFICATION, WAIVER

25.1 This MOU sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements by the parties, whether formal or informal, regarding any such matters are hereby superseded or terminated in their entirety.

25.2 It is agreed and understood that each party hereto voluntarily and unqualifiedly waives its right to negotiate, and agrees that the other party shall not be required to negotiate, with respect to any matter covered herein.

25.3 No agreement, alteration, understanding variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed in writing by all parties hereto, and if required, approved by the CITY and ratified by the membership of the ASSOCIATION.

25.4 The waiver of any breach of any term, or condition of this MOU by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

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ARTICLE 26 - SEVERABILITY

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

ARTICLE 27 – JOINT DRAFTING

Each party has cooperated in the drafting and preparation of this MOU. Hence, in any legal construction or interpretation to be made of this MOU, the same shall not be construed against any party.

ARTICLE 28 – CITY COUNCIL APPROVAL

The CITY's labor relations representatives and the ASSOCIATION's representatives have met and conferred in good faith on wages, hours and other terms and conditions of employment for the unit members represented by the ASSOCIATION and have reached agreements which are set forth in this MOU. This MOU when executed by the CITY's labor relations representatives and the ASSOCIATION representatives constitutes a joint recommendation therefrom, after ratification of the ASSOCIATION membership, to be submitted to the City Council for its determination and approval by resolution, as the City Council may deem fit and proper. This MOU is of no force or effect unless or until approved and adopted by a resolution of the City Council.

MORRO BAY PEACE OFFICERS' ASSN.	CITY OF MORRO BAY
_____	_____
Greg Gruich, President	Dave Buckingham, City Manager
_____	_____
Tony Mosqueda, Employee Representative	Colin Tanner, Labor Negotiator
_____	_____
Jody Cox, Employee Representative	Susan Slayton, Administrative Services Director
	_____
	Laurie Goforth, Human Resources Analyst

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Deleted: Laurie Goforth, Human Resources Analyst

ATTACHMENT A

POLICE SALARY SCHEDULE

POSITION	ANNUAL COMPENSATION RANGE 1	2	3	4	5	6
Sergeant	$ 73,585	$ 77,264	$ 81,127	$ 85,184	$ 89,443	$ 93,915
Corporal	$ 62,530	$ 65,657	$ 68,939	$ 72,387	$ 76,006	$ 79,807
Special Assignments: Detective School Resource Officer Senior Officer	$ 61,955	$ 65,052	$ 68,305	$ 71,720	$ 75,306	$ 79,072
Police Officer	$ 59,004	$ 61,955	$ 65,052	$ 68,305	$ 71,720	$ 75,306

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. . . . . Susan Slayton, Administrative Services Director¶

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with the first pay period after ratification of

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18-19 152 hrs

20 or more 160 hrs

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the City Council's adoption of the successor MOU

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the first full pay period after City Council adoption of the successor MOU

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the first full pay period after City Council adoption of the successor MOU

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The maximum amount of vacation accrual is 246 hours. When an employee reaches the maximum accrual limit of 246 hours, the employee shall cease to accrue vacation leave until the usage of vacation causes the balance to be less than 246 hours.

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11.1.6 This provision applies to all existing employees, but annual increases will not be retroactively applied.

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

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Employees who work a holiday listed in 11.2.1, shall be paid one and one-half (1.5) times their base hourly rate. An employee is eligible for the one and one-half time pay only for the hours actually worked during the actual calendar holiday date as set forth in 11.2.1 above regardless of any change in City observation of same based upon the actual day of the week of the holiday. Each employee will be credited eight (8) hours Holiday leave for each holiday listed in 11.2.1 or recognized under 11.2.3, in addition to pay for time worked on that holiday. Holiday Leave hours shall be pro-rated annually and credited to employees at the rate of four hours per pay period. [For example, if a listed holiday is Sunday, and the City recognizes the holiday on Monday, the employee working the actual holiday on Sunday shall receive credit under the code Police Holiday Worked for working the actual holiday).

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Employees who work a holiday listed in 11.2.1, shall be paid one and one-half (1.5) times their base hourly rate. An employee is eligible for the one and one-half time pay only for the hours actually worked during the actual calendar holiday date, if it is in conflict with the City observed day of recognition. Each employee will be credited eight (8) hours Holiday leave for each holiday listed in 11.2.1 or recognized under 11.2.3, in addition to pay for time worked on that holiday. Holiday Leave hours shall be pro-rated annually and credited to employees at the rate of four hours per pay period. (ie: If a listed holiday is Sunday, and City recognizes holiday on Monday, the employee working the actual holiday on Sunday shall receive credit for the Police Holiday Worked).

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upon City Council approval of this Tentative Agreement

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16.2 COLLEGE DEGREES

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

Associate of Arts Degree	$ 600 annually
Bachelor's Degree	$1,200 annually

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

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

16.2.4 Based on the new job descriptions for all classifications which were adopted in May 1996, as well as salary survey implementation over the last three years, employees currently in positions now required to hold an AA or BA degree according to the job description for the classification they hold, will continue to receive an educational incentive for said degree. Any employees, hired on or

after January 1, 1998, or current employees promoted on or after January 1, 1998 to positions requiring degrees, will be subject to section 16.2.3 above.

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

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Effective with the pay periods including July 1 of each year of this two-year Memorandum, salaries shall be increased by the following percentages: the City shall provide:

18.1.1 Cost of Living Adjustment (COLA) increase to base salaries for all UNIT classifications by 2.25%; and

18.1.1 Equity Salary Adjustment (ESA) increase to base salaries for all UNIT classificationsby 2.0%,

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The 2% ESA shall apply a the same time as the 2.25% COLA, not compounded, so as to realize a 4.25% total base salary increase.

Retroactive to the pay period including July 1, 2014: 1 ½%

Pay period including July 1, 2015: 1 ½%

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18.3 Any retroactive payments will be made only to those members who remain employed by the CITY at the time this Memorandum is formally adopted by the City Council.

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Association

proposes

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who qualify under the following schedule

and

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This provision shall apply to the above milestones reached after the first full pay period after City Council adoption of the successor MOU. Those UNIT members having already reached the above milestones would receive this pay effective the first full pay period after City Council adoption of the successor MOU.

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The parties agree that any appointments, made after July1, 2016, or ratification of this MOU, whichever is later, to fill vacant positions shall be subject to the following probationary periods: Sworn personnel 18 monthsto a 12 month probationary period.

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AGENDA NO: A-10

MEETING DATE: August 23, 2016

Staff Report

TO: **Honorable Mayor and City Council** **DATE:** **August 22, 2016**

FROM: **Susan Slayton, Administrative Services Director**

SUBJECT: **Adoption of Resolution No. 66-16 Implementing the Tentative Agreement and Memorandum of Understanding with the Morro Bay Firefighters Association and Related Compensation for the Period July 1, 2016 – June 30, 2017**

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 66-16, implementing the Tentative Agreement and Memorandum of Understanding between the City of Morro Bay and the Morro Bay Firefighters Association. The term of the MOU is from July 1, 2016 through June 30, 2017.

FISCAL IMPACT

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

1. 2.25% Cost of Living Adjustment (COLA), effective with the pay period including July 1;
2. Paramedic incentive set at 9% of top step firefighter base salary ($6,088.68/yr for each eligible employee), effective with the pay period including July 1, 2016;
3. Specialized equipment (Rescue Water Craft) incentive set at 2% of base salary for up to six employees.

Total cost of items 1 - 3 = $63,395, $8,045 of which is a reserve for unfunded liabilities.

DISCUSSION

City representatives met and conferred with Morro Bay Firefighters Association (FFA) to reach a Tentative Agreement (TA) and successor Memorandum of Understanding (MOU), both of which are attached. The fiscal impact to the City is $63,395, of which $8,045 is a reserve for unfunded liabilities. This TA and MOU have been ratified by the MBFFA.

Attachments:

1. Resolution No. 66-16 with Exhibits 1 and 2
2. MBFFA MOU 2016-17 (red-lined)

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

City Manager Review: __DWB_____

City Attorney Review: __CJT_____

RESOLUTION NO. 66-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, APPROVING THE TENTATIVE AGREEMENT FOR A SUCCESSOR MEMORANDUM OF UNDERSTANDING (MOU) AND THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF MORRO BAY AND THE MORRO BAY FIRE FIGHTERS ASSOCIATION, IAFF LOCAL 3725, FOR THE PERIOD OF JULY 1, 2016 THROUGH JUNE 30, 2017

THE CITY COUNCIL
Morro Bay, California

WHEREAS, the City of Morro Bay (City) has, and continues to recognize, the Morro Bay Firefighters Association, IAFF Local 3725 (MBFFA) as the sole exclusive bargaining agent for those City fire fighting employees, for all matters concerning wages, hours and working conditions; and

WHEREAS, the most current Memorandum of Understanding (MOU) between the City and MBFFA expired on July 1, 2016; and

WHEREAS, the City labor relations representatives and MBFFA representatives have successfully met and conferred to negotiate a successor MOU between the parties, pursuant to both the Meyers-Milias-Brown Act (MMBA) (Government Code Sections 3500-3511), and the City's Employer-Employee Relations Resolution No. 74-69, and have jointly prepared and executed the attached Tentative Agreement (TA) for a Successor MOU between the City and MBFFA, for the period July 1, 2016 through, and including, June 30, 2017, subject to City Council determination and approval, which is made a part hereof by this reference; and

WHEREAS, MMBA Section 3505.1 provides: "If a tentative agreement is reached by the authorized representatives of the public agency and a recognized employee organization, or recognized employee organizations, the governing body shall vote to accept or reject the tentative agreement, within 30 days of the date it is first considered, at a duly noticed public meeting. If the governing body adopts the tentative agreement, the parties shall jointly prepare a written memorandum of understanding;" and

WHEREAS, the City labor relations representatives and MBFFA representatives have jointly prepared and executed the attached successor MOU between the City and MBFFA, for the period July 1, 2016 through, and including, June 30, 2017, subject to City Council determination and approval, which is made a part hereof by this reference; and

WHEREAS, once approved by the governing body of a local agency, the MOU becomes a binding agreement between the employee organization and the local agency.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, AS FOLLOWS:

Section 1. The City Council approves the TA for a Successor MOU between the City and the MBFFA for the period of July 1, 2016 through, and including, June 30, 2017, a copy of which is attached hereto as Exhibit 1.

Section 2. The City Council approves the successor MOU between the City and MBFFA for the period of July 1, 2016 through, and including, June 30, 2017, a copy of which is attached hereto as Exhibit 2.

PASSED AND ADOPTED, by the City Council of the City of Morro Bay, at a regular meeting thereof held on the 23rd day of August 2016, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
JAMIE L. IRONS, Mayor

ATTEST:

_____
DANA SWANSON, City Clerk

TENTATIVE AGREEMENT FOR A SUCCESSOR MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF MORRO BAY AND THE MORRO BAY FIREFIGHTERS ASSOCIATION, INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS LOCAL 3725 (Per Government Code Section 3505.1)

The City of Morro Bay ("City"), through its designated labor representatives, and the Morro Bay Firefighters Association, International Association of Fire Fighters Local 3725 ("MBFFA"), through its labor representatives, have met and conferred in good faith on wages, hours and other terms and conditions of employment for the unit members designated as fire fighters, including the classifications of Firefighter, Firefighter/Paramedic, Engineer, Engineer/Paramedic, Captain and Captain/Paramedic, and have reached tentative agreements contingent upon all being adopted together, which are set forth below in this Tentative Agreement For A Successor Memorandum Of Understanding ("Tentative Agreement"). Each agreement reached below sets forth the nature of the agreement and the Article and/or Section being modified in the prior Memorandum of Understanding between the parties.

This document constitutes a joint recommendation by the labor representatives of both the City and the MBFFA, after ratification of the MBFFA membership of same, to be submitted to the City of Morro Bay City Council ("City Council") for its determination and approval. This Tentative Agreement is of no force or effect unless or until ratified and approved by the City Council. If the City Council adopts the Tentative Agreement, then the parties shall jointly prepare a written memorandum of understanding per Government Code Section 3505.1.

1. ARTICLE 1 – PURPOSE

Parties agree to update previous MBFFA MOU to reflect the correct business identity and full name of the Morro Bay Firefighters Association, International Association of Fire Fighters Local 3725 (referred to as "MBFFA"), an unincorporated association under the laws of the State of California.

2. ARTICLE 7 – TERM

The parties agree to a one year term from July 1, 2016 to June 30, 2017. MOU changes required to reflect this new term in Article I and Article 7 of previous MBFFA MOU.

3. ARTICLE 8 – RENEGOTIATIONS

8.1 The parties agree to change the dates of exchange of proposals in previous MBFFA MOU to reflect December 1, 2016 to January 31, 2017 (instead of prior February 15, 2016 to March 15, 2016). Add negotiation commencement date of March 1, 2017.

8.3 The parties agree to update the MOU extension period in previous MBFFA MOU to September 30, 2017 (instead of September 30, 2016).

4. ARTICLE 15 – EDUCATIONAL INCENTIVES

The parties agree that Article 15 shall be deleted in its entirety given that no current employees receive this benefit and no new employees can receive it. All subsequent Articles will then need to be renumbered.

5. ARTICLE 17 – SALARIES

The parties agree to delete the previous MBFFA MOU Section 17.1, 17.2 and 17.5 in their entirety and replace with the following (in new MOU these will be Article 16):

17.1 This Memorandum is effective upon adoption by the City Council, and any salary increases will be made effective retroactive to the pay period including July 1, 2016.

17.2 Effective retroactive to the pay period including July 1, 2016 for those employees still employed by the City upon City Council adoption of this Tentative Agreement, the City shall provide a Cost of Living Adjustment (COLA) increase to base salaries for all Unit classifications by 2.25%(see attached updated salary table).

17.5 City agrees to conduct salary survey by December 31, 2016 for informational purposes for successor negotiations. The parties agree that any salary surveys the parties exchange will use the survey cities of Arroyo Grande, Atascadero, CDF, Cambria, Paso Robles, and San Luis Obispo.

6. ARTICLE 18 – SPECIAL PAY PRACTICES (TO BE RENUMBERED ARTICLE 17 IN NEW MOU)

18.1 MEDIC DIFFERENTIAL

18.1.1 An employee, certified as an EMT-P (Paramedic), shall receive an annual incentive of $6,088.68. This incentive is calculated as 9% of a Step 5 firefighter's salary ($67,652 x 9%). The incentive will be paid on a bi-weekly payroll in the amount of $234.18.

18.1.2 Delete from previous MBFFA MOU reference to re-opener to discuss increases to 18.1.1.

18.6 SPECIAL ASSIGNMENT PAY

18.6.1 Unit members, possessing the appropriate certification as determined by the City, and assigned to work as part of the Rescue Water Craft program operating specialized equipment, shall receive additional compensation of two percent (2%) of base pay. This incentive is limited to a maximum of six (6) designated employees, starting upon approval of this MOU, but may be expanded to eight (8) designated employees, upon approval of City Manager and City Council approval of the additional budgeted funds. City makes no representations as to whether this special pay may be included in a Unit

member's "compensation earnable" for purposes of determining the Unit member's CalPERS retirement allowance.

7. **ARTICLE 20 – MINIMUM STAFFING (TO BE RENUMBERED ARTICLE 19 IN NEW MOU)**

Delete reference in Section 20.2 to the 2004 Strategic Plan and instead simply state that: "Prior City Strategic Plans have recommended…."

The following alternative language for Section 20.3.1 shall replace the existing language in its entirety:

20.3.1 The Fire Chief may assign the least senior qualified Engineer as a floater to fill shifts when other unit members are off on leave, training, or otherwise unable to cover their assigned shifts. There may also be some situations whereby it may be a benefit to both parties wherein the Fire Chief may assign a represented member who may need to flex their schedule as the floater upon the agreement of both the Fire Chief and the member.

8. **(NEW) ARTICLE 27 – JOINT DRAFTING**

Each party has cooperated in the drafting and preparation of this Memorandum of Understanding. Hence, in any legal construction or interpretation to be made of this Memorandum of Understanding, the same shall not be construed against any party.

9. **(NEW) ARTICLE 28 – CITY COUNCIL APPROVAL**

The CITY's labor relations representatives and the MBFFA's representatives have met and conferred in good faith on wages, hours and other terms and conditions of employment for the unit members represented by the MBFFA and have reached agreements which are set forth in this Memorandum of Understanding. This Memorandum of Understanding when executed by the CITY's labor relations representatives and the MBFFA's representatives constitutes a joint recommendation therefrom, after ratification of the MBFFA's membership, to be submitted to the City Council for its determination and approval by resolution, as the City Council may deem fit and proper. This Memorandum of Understanding is of no force or effect unless or until approved and adopted by a resolution of the City Council.

[SIGNATURES ON NEXT PAGE]

Morro Bay Firefighters Ass'n, IAFF Local 3725

George Rees

Jeff Simpson

Michael Hoese

City of Morro Bay

David Buckingham, City Manager

Colin Tanner, Lead Negotiator/Deputy CA

Susan Slayton, Administrative Services Dir

Laurie Goforth, Human Resources Analyst

Morro Bay Firefighters Ass'n, IAFF Local 3725

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Susan Slayton, Administrative Services Dir

Laurie Goforth, Human Resources Analyst

ATTACHMENT A

CITY OF MORRO BAY
FY 16/17 FFA SALARY SCHEDULE

TITLE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
FIREFIGHTER	55,658	58,441	61,363	64,431	67,652
FIRE ENGINEER	60,849	63,891	67,086	70,440	73,962
FIRE CAPTAIN	69,946	73,443	77,116	80,971	85,020

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE MORRO BAY

FIREFIGHTERS ASSOCIATION,

IAFF LOCAL 3725

AND

THE CITY OF MORRO BAY

JULY 1, 2016 – JUNE 30, 2017

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MEMORANDUM OF UNDERSTANDING
BETWEEN THE MORRO BAY FIRE FIGHTERS ASSOCIATION, IAFF LOCAL 3725 AND THE CITY OF MORRO BAY
2016 - 2017

ARTICLE I PURPOSE

WHEREAS, the City of Morro Bay is a municipal corporation, existing under the laws of the State of California as a general law city (hereinafter referred to as the "CITY"); and

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

WHEREAS, the Morro Bay Fire Fighters Association (hereinafter referred to as the "MBFFA") is an unincorporated association under the laws of the State of California, and is affiliated with the International Association of Fire Fighters (IAFF) as IAFF Local 3725; and

WHEREAS, the CITY and the MBFFA recognize that the mission and the purpose of the CITY are to provide high-quality and economical municipal services and facilities to the residents of the City of Morro Bay.

THEREFORE, this Memorandum of Understanding (hereinafter referred to as the "MOU") is entered into as of July 1, 2016, between the CITY and the MBFFA.

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

ARTICLE 2 MANAGEMENT

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

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

2.1.2 To determine the existence, or nonexistence, of facts which are the basis of the management decision, in compliance with State law.

2.1.3 To determine the necessity, organization, implementation, and termination of any service or activity conducted by the CITY or other government jurisdiction, and to expand or diminish fire services.

2.1.4 To direct, supervise, recruit, select, hire, evaluate, promote, transfer, discipline, discharge, terminate, demote, reduce, suspend, reprimand, withhold salary increases and benefits for disciplinary reasons, or otherwise discipline employees, in accordance with Department or CITY Rules, Regulations, or Ordinances.

2.1.5 To determine the nature, manner, means, extent, type, time, quantity, quality, technology, standard, and level of fire services to be provided to the public.

2.1.6 To require performance of other public safety services not specifically stated herein, in the event of emergency or disaster, as deemed necessary by the CITY.

2.1.7 To lay off employees of the Fire Department because of lack of work or funds or under conditions where continued work would be inefficient or nonproductive or not cost effective, as determined by the CITY.

2.1.8 To determine and/or change the fire facilities, methods, technology, equipment, operations to be performed, organization structure, and allocate or assign work by which the CITY fire operations and services are to be conducted.

2.1.9 To determine method of financing.

2.1.10 To plan, determine, and manage Department's budget, which includes, but is not limited to, changes in the number of locations and types of operations, processes, and materials to be used in carrying out all Fire Department functions and the right to contract or subcontract any work or operations of the Fire Department.

2.1.11 To determine the size and composition of the Fire Department work force, assign work to employees of the Fire Department, in accordance with requirements determined by the Fire Department, and to establish and require compliance to work hours and changes to work hours, work schedules, including call back, standby, and overtime, and other work assignments, except as otherwise limited by this MOU, or subsequent MOUs.

2.1.12 To establish and modify goals and objectives related to productivity and performance programs and standards, including, but not limited to, quality and quantity, and required compliance therewith.

2.1.13 To determine qualifications, skills, abilities, knowledge, selection procedures and standards, job classification, job specifications, and to reallocate and reclassify employees, in accordance with division and/or CITY Rules and Regulations.

2.1.14 To determine the issues of public policy, and the overall goals and objectives of the Fire Department, and to take necessary action to achieve the goals and objectives of the Fire Department.

2.1.15 To hire, transfer (intra- or inter- Department), promote, reduce in rank, demote, reallocate, terminate and take other personnel action for non-disciplinary reasons, in accordance with Department and/or CITY Rules, Regulations and Ordinances.

2.1.16 To determine policies, procedures and standards for recruiting, selecting, training, and promoting employees.

2.1.17 To establish, implement, and/or modify rules and regulations, policies, and procedures, related to productivity, performance, efficiency, personal appearance standards, code of ethics and conduct, safety, health, and order, and to require compliance therewith.

2.1.18 To maintain order and efficiency in Fire facilities and operation.

2.1.19 To restrict the activity of an employee organization on CITY facilities, except as set forth in this MOU.

2.1.20 To take any, and all, necessary steps and actions to carry out the service requirements and mission of the CITY in emergencies or any other time deemed necessary by the CITY, and not specified above.

2.2 Nothing herein is meant to diminish CITY rights provided by the Government Code.

2.3 Nothing herein is meant to diminish employee rights as provided by the Government Code, including the right to meet and confer on changes in standards for promotion.

ARTICLE 3 MBFFA RECOGNITION

3.1 Pursuant to Resolution No. 74-69, the Employer-Employee Relations Resolution of the City of Morro Bay and applicable state law, the MBFFA was designated by the CITY as the representative of CITY fire fighting employees. The term "employee" or "employees" as used herein is comprised of the following classifications:

Captain/Paramedic
Captain
Engineer/Paramedic
Engineer
Firefighter/Paramedic
Firefighter

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

3.3 FIRE ENGINEER RATING

3.3.1 It is recognized, in principle, as long as the full-time MBFFA personnel complement of the Morro Bay Fire Department remains at ten (10) or less, that efficient operation of the Department requires an increase in the authorized number of Fire Engineers. Accordingly, CITY agrees to promote to Fire Engineer all personnel classified as Fire Fighter hired after the effective date of this MOU provided that they have served for eighteen (18) months with the CITY in the Fire Fighter classification; that at the completion of eighteen months of employment, they have been recommended by the Fire Chief for promotion and have demonstrated, through successful completion of written and practical examinations that they have successfully completed six semester units of Fire Science courses at an institution approved by the Fire Chief. The CITY shall make every effort to schedule the examination to be completed prior to the expiration of eighteen months. The content and passing grade of the written and practical examinations will be determined by the Fire Chief subject to the approval of the City Manager.

3.3.2 An individual recommended for promotion, and failing to attain a passing grade in either the written or practical examination, shall not be eligible for reexamination until six (6) months after the date of failure.

ARTICLE 4 MBFFA BUSINESS

4.1 Employee representatives, designated by the MBFFA, shall be granted time off, without loss of pay, to attend "meet and confer" sessions with the City Manager, and/or his/her designee(s), on subjects within the scope of representation, when such meetings are scheduled during regular working hours. Should such meeting extend beyond an employee representative's regular working hours, the employee representative shall be paid for only the regular working hours.

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

4.3 Off-duty employees will not be paid for attending meet and confer sessions, nor will overtime be paid for same. The parties agree to consider the shift schedules of team members in scheduling meetings.

4.4 MBFFA may hold unit meetings at the Fire Station, 715 Harbor Street, after 1700 hours, with two days' prior notice to Fire Chief. The Fire Chief has the authority to deny and/or cancel said meeting, if it conflicts with official CITY activities for MBFFA duties.

ARTICLE 5 AUTHORIZED AGENTS

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

5.1 Management's principal authorized agent shall be the City Manager, or his/her duly authorized representative(s), (address: 595 Harbor Street, Morro Bay, CA 93442; telephone (805) 772-6201), except where a particular management representative is specifically designated in the MOU.

5.2 The MBFFA principal authorized representative shall be the shop steward of the unit, or his/her duly authorized representative(s) (address 715 Harbor St., Morro Bay, CA 93442).

ARTICLE 6 WITHHOLDING OF MBFFA DUES AND INSURANCE

6.1 It is agreed that CITY will withhold MBFFA dues and MBFFA group insurance premiums from the monthly pay of each regular CITY employee, who is a member of the MBFFA. MBFFA agrees to provide CITY with individual MBFFA member authorizations signed by the individual MBFFA member, authorizing CITY to make agreed deductions, specifying the amount of each deduction, and authorizing CITY to issue a check, payable to MBFFA, for the collective amount of the individual deductions. CITY does not accept responsibility for computing the amounts of deductions or for meeting payment dates, which may not coincide with established pay periods. CITY will issue a single check to the MBFFA for the total amount of deductions withheld from the individual employees' pay. The MBFFA will be responsible for the accounting and disbursing of all such funds received from CITY. MBFFA will be responsible for properly notifying CITY of any changes in deductions, and will be the sole agent, through which CITY will act, in explaining, initiating, executing, or terminating the provisions of this Article. Such notification must be received by the CITY at least two weeks prior to the effective date of the change. Also, such change notice must include a copy of the notice sent to the employees officially, telling them of the change.

6.2 MBFFA shall indemnify and hold harmless the CITY, its officers, agents, and employees from any and all claims, demands, damages, costs, expenses, or liability arising out of this Article.

6.3 It is agreed that CITY will deposit payroll deductions made payable to a CITY-approved Credit Union, providing the MBFFA makes arrangements for such services that are acceptable to both members and CITY.

ARTICLE 7 TERM

Except as otherwise specifically provided herein, the term of this MOU commences on July 1, 2016, and expires, and is otherwise fully terminated, on June 30, 2017.

ARTICLE 8 RENEGOTIATIONS

8.1 In the event either party wants to renegotiate a successor MOU, such party shall serve upon the other, during the period of December 1, 2016 to January 31, 2017, its written request to begin negotiations, as well as its full and entire written proposals amending this MOU. Negotiations shall commence no later than March 1, 2017.

8.2 The parties agree that, except by mutual agreement, no new subjects may be introduced into the process after the third (3^{rd}) negotiations meeting.

8.3 Should the parties be unable to reach agreement on a new contract before the current contract expires, all applicable provisions of this MOU shall remain in full force and effect until such time as a new MOU is reached, or September 30, 2017, whichever first occurs.

ARTICLE 9 ANTI-DISCRIMINATION

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

ARTICLE 10 WORK SCHEDULE

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

10.1 WORKDAY
The normal workday shall be a twenty-four (24) consecutive hour period, except in cases of emergency or for reasons of attendance at extended training opportunities, or temporary duty assignments while on light duty, when other shifts may be assigned by the Chief, provided there is mutual agreement between the parties.

10.2 WORKSHIFT
Employees shall be scheduled to work on regular work shifts having regular starting and quitting times. Except for emergencies, employees' work shifts shall not be changed without four days (96 hours) prior written notice to the employee. Call out or overtime does not constitute a change in work shift.

10.3 WORKWEEK
The normal workweek shall average fifty-six (56) hours of work in a seven (7) consecutive day period, except in cases of emergency.

10.4 OVERTIME

10.4.1 Overtime is defined as all hours worked in excess of 106 hours worked in a 14-day work period. For those assigned to an 8-hour day, overtime shall be defined as all hours worked in excess of forty hours per week. Vacation time and compensatory time off shall be treated as hours worked.

10.4.2 All overtime, as defined above, shall be paid at one and one-half (1.5) times the employee's regular rate of pay. Compensatory time off earned, pursuant to 10.4.4 below, will accrue at one and one-half (1.5) times hours worked.

10.4.3 Employees, required to return to work on a scheduled vacation day, shall be paid at the rate of 1.5 times their regular rate of pay for the hours actually worked.

10.4.4 Employees may elect compensatory time off (CTO) in lieu of paid overtime, subject to the following provisions.

10.4.4.1 CTO may be elected for overtime incurred due to training time only.

10.4.4.2 Maximum CTO accrual will be 140 hours. All overtime earned after CTO is accrued to the 140-hour maximum will be paid in cash.

10.4.4.3 Accrued CTO may be cashed out upon the request of the employee and the approval of the department. CTO accrued at time of separation will be paid off.

10.4.4.4 CTO may be taken off upon employee request and department approval. CTO will not be approved if it will require overtime.

10.4.4.5 Other overtime provisions notwithstanding, employees forced to hold over for 12 hours or more will receive time and one-half compensation for the hours worked on that day.

10.5 EMERGENCIES

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

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

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

ARTICLE 11 VACATIONS AND HOLIDAYS

11.1 CITY and MBFFA agree that difficulties exist in equating the work schedules of fire fighters to the work schedule of non-shift personnel, i.e., shift periods compared to hours and days worked by other CITY employees. Therefore, a formula is agreed to for computing the vacations and holiday periods for fire fighters. Such formula is agreed to be a ratio as follows: Fire Fighter's total available shifts per year is to the general employees' total available work days per year (260) as X is to the number of authorized vacation and holidays days of the general employees, when X equals the amount of shifts off for Fire Fighters comparing Fire Fighters to employees of equal tenure.

11.2 Pursuant to Section 11.1, the following lists the vacation and holiday annual accrual schedule for members of the MBFFA assigned to shift work:

SERVICE YEARS	VACATION ACCRUAL	HOLIDAY ACCRUAL	TOTAL ANNUAL ENTITLEMENT	SHIFTS/ YEAR
0 thru 2	112.0 hrs.	146.96 hrs.	258.96 hrs.	10.792
3 thru 4	123.2 hrs.	146.96 hrs.	270.16 hrs.	11.257
5 thru 6	134.4 hrs.	146.96 hrs.	281.36 hrs.	11.723
7 thru 8	145.6 hrs.	146.96 hrs.	292.52 hrs.	12.19
9 thru 10	156.8 hrs.	146.96 hrs.	303.76 hrs.	12.657
11 thru 12	168.0 hrs.	146.96 hrs.	314.96 hrs.	13.123
13 thru 14	179.2 hrs.	146.96 hrs.	326.16 hrs.	13.59
15 thru 16	190.4 hrs.	146.96 hrs.	337.36 hrs.	14.057
17 thru 18	201.6 hrs.	146.96 hrs.	348.56 hrs.	14.523
19 thru 20	212.8 hrs.	146.96 hrs.	359.76 hrs.	14.99
21 +	224.0 hrs.	146.96 hrs.	370.96 hrs.	15.547

11.3 MAXIMUM ACCUMULATION

It is recognized long-standing accumulations of vacation/holiday time exist for some employees. In order to compensate employees for this unused time, CITY and MBFFA agree on the following policy:

11.3.1 Unused vacation/holiday leave may be carried over into the following year to a maximum of two times an employee's annual accumulation of vacation time plus one year of holiday time. Employees exceeding the maximum, as of the pay period containing November 1 of each year, will be paid off for time exceeding the maximum. The CITY shall make said payment with the pay period containing December 1 of each year. Payment shall be computed, based upon the employee's base hourly rate of pay as of June 30 of the same calendar year.

11.3.2 Employees separating from the CITY are entitled to pay for the accumulated vacation based upon employee's base hourly rate of pay at separation.

11.3.3 A member of the MBFFA may exercise an option to convert into cash a maximum of one hundred twelve (112) hours of accrued vacation leave each fiscal year. Such conversion shall be computed at the employee's current base hourly rate, on an hour-per-hour basis.

11.4 The following holidays are used in Section 11.2 above, to determine total annual entitlement. Employees may be scheduled to work on holidays. All employees, except those assigned to 8-hour shifts, shall be compensated for holidays as provided in 11.2 above.

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

11.5 For any additional holiday proclaimed by the Mayor, shift employees shall be paid (not banked) for 11.2 hours of work, and employees assigned to eight-hour duty shall receive the holiday off. Employees may be scheduled to work on such holidays.

ARTICLE 12 SICK LEAVE

12.1 It is agreed that the firefighters will earn sick leave per month at the same ratio that their assigned shift schedule compares to other full-time employees (1.4:1) for 24-hour shift workers or (1.0:1) for eight-hour shift employees. There shall be no maximum number of sick leave hours that a member of MBFFA may accrue.

12.2 All use of sick leave shall be charged on an hour-for-hour basis.

12.3 At termination, accumulated in the sick leave accrual is not compensable; however, upon retirement, sick leave accrual may be converted to additional time, as provided by California Public Employees Retirement System (CalPERS) unused sick leave credit.

12.4 Any use of sick leave, covering a period beyond seven calendar days, may require approval by a qualified medical authority for release to resume regular duties.

12.5 Recognizing Section 12.1 above requires a transition from the method of accruing and charging sick leave contained in earlier Memoranda of Understanding, the following conversion of previously accrued sick leave shall be made:

12.5.1 For shift workers, all Sick Leave hours accrued, but unused, as of December 31, 2002, shall be multiplied by a factor of three (3) and shall become the employee's Sick Leave Accrual account, until utilized on an hour for hour basis.

12.5.2 Credits added to the Sick Leave Accrual account for full-time employees, after the date above, shall be 11.2 hours per month, or 0.046154 hours, for each regular hour worked for part-time employees on shift work or eight (8) hours per month for employees assigned to an eight-hour day.

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

	Maximum Conversion		
Sick Leave Utilization	Sick Leave	To	Vacation Leave
0 hours	96 hours		48 hours
.25 to 8 hours	72 hours		36 hours
8.25 to 16 hours	48 hours		24 hours
16.25 to 25 hours	24 hours		12 hours
Over 25 hours	0 hours		0 hours

At least 160 accrued hours must remain in employee's sick leave bank for any employee to be eligible for conversion, or for any conversion to be authorized. In addition, the right to convert does not carry over or rollover from calendar year to calendar year; failure to request conversion, in the current calendar year, eliminates the right to do so for that calendar year, and does not permit employees to aggregate conversion hours in any other calendar year.

ARTICLE 13 RETIREMENT BENEFITS

13.1 It is the employee's obligation to contribute the employee's contribution to CalPERS. The employee shall pay his/her own contribution by payroll deduction, consistent with the provisions of 414 (h) 2 of the Internal Revenue Code (9% CalPERS Safety for *classic members*; 50% of the expected normal cost, which is currently 23% (employee pays 11.5%), for *new members*).

13.2 The CITY agrees to continue to provide MBFFA, hired prior to March 19, 2011, with a retirement benefit program through the CalPERS as follows:

13.2.1 3% @ 50 formula (Section 21362.2)
13.2.2 Unused Sick Leave Credit (Section 20965)
13.2.3 Military Service Credit (Section 21023.5, 21024 & 21027)

13.2.4 Final Compensation 1 year (Section 20042)
13.2.5 1959 Survivor Benefit Level 4 (Section 21574)
13.2.6 Pre-Retirement Death Benefits (Section 21548 Option 2W & 21551)
13.2.7 Retired Death Benefit $500 (Section 21620)
13.2.8 Prior Service (Section 20055)
13.2.9 Public Service Credit for Periods of Layoff (Section 21022)

13.3 All employees, hired on or after March 19, 2011, but before January 1, 2013, and those hired on or after January 1, 2013, who meet the definition of *classic member*, pursuant to the California Public Employee's Pension Reform Act of 2013 (PEPRA), in the regular, full-time classifications listed in Article 3.1 of this MOU between the CITY and the MBFFA, shall be provided with the following CalPERS retirement benefits:

13.3.1 3% @ 55 formula (Section 21363.1)
13.3.2 Unused Sick Leave Credit (Section 20965)
13.3.3 Military Service Credit (Section 21023.5, 21024 & 21027)
13.3.4 Final compensation 3 Year (Section 20037)
13.3.5 1959 Survivor Benefit Level 4 (Section 21574)
13.3.6 Pre-Retirement Death Benefits (Section 21548 Option 2W & 21551)
13.3.7 Retired Death Benefit $500 (Section 21620)
13.3.8 Prior Service (Section 20055)
13.3.9 Public Service Credit for Periods of Layoff (Section 21022)

13.4 Pursuant to the California Public Employees' Pension Reform Act of 2013 (PEPRA), effective January 1, 2013, Sworn employees hired, who meet the definition of *new member* under PEPRA and are not eligible for reciprocity, will be provided the following CalPERS benefits:

13.4.1 2.7% @ 57 formula (Section 7522.25(d))
13.4.2 Unused Sick Leave Credit (Section 20965)
13.4.3 Military Service Credit (Sections 21023.5, 21024 & 21027)
13.4.4 Final compensation 3 Year (Section 20037)
13.4.5 1959 Survivor Benefit Level 4 (Section 21574)
13.4.6 Pre-Retirement Death Benefits (Section 21548 Option 2W and 21551)
13.4.7 Retired Death Benefit $500 (Section 21620)
13.4.8 Prior Service (Section 20055)
13.46.9 Public Service Credit for Periods of Layoff (Section 21022)

13.5 CITY and MBFFA to jointly explore the establishment of an employee-funded Retirement Health Savings Account.

ARTICLE 14 HEALTH BENEFITS

14.1 CITY shall pay, to each active employee by each pay period, the monthly sum of the health plan selected by the employee, and dental/life and vision plans. CITY and MBFFA agree that CITY payment of this lump sum is to be used to provide medical care coverage for the

employee and/or employees dependents, and that the employees hold harmless the CITY, its officers and agents, including, but not limited to, liability arising out of this MOU. Employees will be supplied with the current division of payment for medical, dental/life, and vision insurance between CITY and each employee in MBFFA, as changes occur during this MOU.

14.2 HEALTH INSURANCE

14.2.1 MBFFA shall receive a cafeteria plan contribution, including the minimum contribution amount required by CalPERS, as follows:

Employee only - up to $715/month or cost of insurance, whichever is less
Employee + 1 – up to $1,109/month or cost of insurance, whichever is less
Employee + family - up to $1,326/month or cost of insurance, whichever is less

14.3 DENTAL/LIFE AND VISION INSURANCE

Life Insurance is provided at $50,000 per employee. The following rates were effective January 1, 2016:

	Vision	Dental	Life	Totals	City pays	EE pays
Employee only	$ 8.86	$ 55.47	$7.50	$ 71.83	$ 68.90	$ 2.93
Employee + 1	$ 16.59	$143.09	$7.50	$ 167.18	$ 155.43	$11.75
Employee + 2+	$ 22.59	$143.09	$7.50	$ 173.18	$ 160.97	$12.21

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

ARTICLE 15 UNIFORM ALLOWANCE

The uniform for the Fire Department is a two-piece work uniform and two T-shirts, of a style, material and manufacture determined by the Fire Chief. Two (2) complete uniforms will be provided upon initial employment with the Fire Department, and replacements provided are on an "as needed basis," as determined by the Fire Chief. The CITY will provide safety footgear of a type, style, and manufacture, as recommended by the Fire Chief. CITY is responsible for normal upkeep, i.e., heels and soles, with replacement as determined by the Fire Chief.

ARTICLE 16 SALARIES

16.1 This MOU is effective upon adoption by the City Council, and any salary increases will be made effective retroactive to the pay period including July 1, 2016.

16.2 Effective retroactive to the pay period including July 1, 2016 for those employees still employed by the CITY upon City Council adoption of this MOU, the CITY shall provide a Cost of Living Adjustment (COLA) increase to base salaries for all Unit classifications by 2.25%. Attached Exhibit A reflects salaries for the MBFFA for the duration of this MOU.

16.3 Any and all education/special pay incentives will be added to base salary.

16.4 Electronic Deposit. All employees hired after January 1, 2003, shall receive their pay by electronic methods. New hires must present account information for a checking or a savings account, with an ACH member financial institution.

16.5 CITY agrees to conduct salary survey by December 31, 2016 for informational purposes for successor negotiations. The parties agree that any salary surveys the parties exchange will use the survey cities of Arroyo Grande, Atascadero, CDF, Cambria, Paso Robles, and San Luis Obispo.

ARTICLE 17 SPECIAL PAY PRACTICES

17.1 MEDIC DIFFERENTIAL

17.1.1 An employee, certified as an EMT-P (Paramedic), shall receive an annual incentive of $6,088.68. This incentive is calculated as 9% of a Step 5 firefighter's salary ($67,652 x 9%). The incentive will be paid on a bi-weekly payroll in the amount of $234.18.

17.1.2 The CITY may require any employee to attend EMT-P training.

17.2 CALL-OUT PAY

17.2.1 It is agreed that the CITY will guarantee a minimum of three (3) hours pay, computed at straight hourly rates, for any MBFFA member called back to duty from an off-duty status.

17.2.2 If an employee is called to return to duty, such call-out shall not be canceled until the employee reports to the Fire Station. To be eligible to receive the minimum, the employee must report to the Fire Station.

17.2.3 If an employee is on-duty and held beyond the end of the work period, time worked will be paid as actual hours worked, under Section 10.4 of this MOU. Such holdover shall not qualify for Call-out Pay.

17.3 WORKING OUT-OF-CLASS

Employees may be worked on an out-of-class assignment only as provided in the Personnel Rules and Regulations of the CITY, except as provided herein below:

17.3.1 Employees shall receive an additional 5% compensation for out-of-class assignments that last 24 consecutive hours. Such additional 5% pay shall start on the 25th hour, retroactive to the first hour of the out-of-class assignment. Such additional

compensation shall be paid during the first six (6) months of the out-of-class assignment.

17.3.2 If the assignment is extended by six (6) months, then starting on the first day of the extension:

17.3.2.1 The employee shall continue to receive the 5% compensation, if the out-of-class assignment is required to fill an absence due to an employee who is out on 4850 leave.

17.3.2.2 The employee shall receive an additional 5% for a total of 10% additional compensation, if the out-of-class assignment is required to fill a vacant position.

17.3.3 An employee placed in an out-of-class assignment will not be taken off that assignment for the sole purpose of avoiding the payment provided above.

17.3.4 Whenever possible, CITY intends to fill vacancies with qualified employees.

17.3.5 Short-term out-of-class assignments (such as acting captain) will be paid on an hour-for-hour basis.

17.4 STANDBY PAY

Compensation for standby duty for acting Fire Chief position, when not called back to duty, shall be paid two (2) hours of overtime pay (acting rate) per full 24-hour shift.

17.5 SPECIAL ASSIGNMENT PAY

17.6.1 Unit members, possessing the appropriate certification as determined by the City, and assigned to work as part of the Rescue Water Craft program operating specialized equipment, shall receive additional compensation of two percent (2%) of base pay. This incentive is limited to a maximum of six (6) designated employees, starting upon approval of this MOU, but may be expanded to eight (8) designated employees, upon approval of City Manager and City Council approval of the additional budgeted funds. City makes no representations as to whether this special pay may be included in a Unit member's "compensation earnable" for purposes of determining the Unit member's CalPERS retirement allowance.

ARTICLE 18 HEALTH AND SAFETY ARTICLE

18.1 Management shall provide and maintain safe and healthy work facilities and equipment.

18.2 Safety and health conditions in employment in the CITY are subject to the provisions of State and Federal legislation, which regulates the health environment and safety conditions of the work place.

18.3 A Citywide Safety/Loss Control Committee shall be established, and shall review accidents, review alleged safety deficiencies, and recommend safety training and safety equipment. The MBFFA may appoint one Unit representative to serve on the committee. If the committee meets, during the designated employee's normal working hours, the employee shall receive paid release time to attend the meeting.

18.4 If an employee becomes alerted to an unsafe condition or health hazard, he/she shall report such condition to his/her immediate supervisor. If such conditions cannot be satisfactorily remedied by the immediate supervisor, an employee has the right to submit the matter either personally, or through the steward, to his/her Department Head, or designated safety representative. On any matter of safety not resolved, after proceeding through the above process, consultation will take place between management and the MBFFA, if requested.

18.5 A first aid kit shall be furnished and maintained at work facilities readily and conveniently accessible to MBFFA employees.

18.6 Management agrees to provide to employees, who are exposed to potentially toxic agents or toxic materials, the appropriate medical services at no cost to the employee.

18.7 Any safety equipment required by the CITY shall be furnished by the CITY.

ARTICLE 19 MINIMUM STAFFING

19.1 CITY agrees to provide minimum staffing of three full-time personnel except in cases of emergency as determined by the Fire Chief.

a. Exception: For brief transitional periods lasting 10 hours or less, minimum staffing may be allowed to drop to a minimum of two with the Chief's approval.

19.2 Prior City Strategic Plans have recommended the CITY provide 4-person daily staffing in the Fire Department.

a. The CITY and MBFFA agree that 4-person full-time minimum staffing will be provided in the MOU, when a second fire station or second company is staffed and operational. The 4-person minimum refers to the total on-duty staffing of full-time firefighters in the CITY.

b. The CITY currently staffs a single, two-piece suppression company consisting of an engine and a rescue. This response configuration is not affected by item a. above.

19.3 The CITY agrees to cap the total number of part-time, unrepresented firefighters to one per scheduled 24-hour shift.

a. Exception: In an emergency, and for mutual aid response coverage, the CITY may have more than one reserve firefighter working 24-hour shifts, provided the CITY is meeting its minimum staffing requirements.

19.3.1 The Fire Chief may assign the least senior qualified Engineer as a floater to fill shifts when other Unit members are off on leave, training, or otherwise unable to cover their assigned shifts. There may also be some situations whereby it may be a benefit to both parties wherein the Fire Chief may assign a represented member who may need to flex their schedule as the floater upon the agreement of both the Fire Chief and the member.

19.3.2 The CITY will post a work schedule every 30 days for the vacation relief position, and provide 96 hours notice prior to making schedule changes. There will be no more than two schedule changes within each 30-day schedule.

ARTICLE 20 PERSONNEL RULES

Parties recognize the applicability and agreement with the Personnel Rules utilized by the CITY for all employees. From time to time, the Personnel Rules may be amended, and the CITY will offer the opportunity to meet and confer on those items, within the scope of bargaining. Nothing in this article shall make the CITY's Personnel Rules subject to the Grievance Procedure.

ARTICLE 21 LAYOFFS

The parties agree to use the layoff procedure as set forth in 2.32.120 of the CITY's Municipal Code along with the CITY Layoff Policy.

For purposes of workforce reductions, as outlined by the CITY's Personnel Rules and Regulations, shifts worked by part-time, unrepresented employees will be eliminated prior to a reduction in full-time MOU-represented personnel.

ARTICLE 22 PROCESSING OF FORMAL GRIEVANCES

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

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

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

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

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

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

ARTICLE 23 ELIMINATION OF FIRE SERVICE

If the fire service function of the CITY is merged into another agency, or if another agency assumes said function, then prior to such action, the CITY shall meet and confer with MBFFA concerning the effects of such action.

ARTICLE 24 NO STRIKE, NO LOCK-OUT

24.1 During the life of this MOU, the CITY will not lock out any employees nor will the MBFFA cause, authorize, advise or encourage any interruption of work or any other concerted refusal to render services or to work, including overtime or any other curtailment or restriction of work at any time during the term of this MOU. The term "interruption of work" shall mean any work stoppage or strike (including economic and unfair labor practice strikes) or any intentional slow down of work.

24.2 There shall be no refusal to work on, handle or produce any materials or equipment because of a labor dispute.

24.3 Any employee engaging in any action prohibited by this Article shall be subject to immediate discharge or such other discipline as the CITY may assess. Such discharge or discipline shall not be reviewable through the Grievance Procedure.

ARTICLE 25 FULL UNDERSTANDING, MODIFICATION, WAIVER

25.1 This MOU sets forth the full and entire understanding of the parties, regarding the matters set forth herein, and any other prior or existing understanding or MOUs by the parties, whether

formal or informal, regarding any such matters are hereby superseded or terminated in their entirety.

25.2 It is agreed and understood that each party hereto voluntarily and unqualifiedly waives its right to negotiate, and agrees that the other party shall not be required to negotiate, with respect to any matter covered herein.

25.3 No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed in writing by all parties hereto, and if required, approved by the CITY and ratified by the membership of the MBFFA.

25.4 The waiver of any breach of any term, or condition of this MOU by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

ARTICLE 26 SEVERABILITY

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

ARTICLE 27 – JOINT DRAFTING

Each party has cooperated in the drafting and preparation of this MOU. Hence, in any legal construction or interpretation to be made of this MOU, the same shall not be construed against any party.

ARTICLE 28 – CITY COUNCIL APPROVAL

The CITY's labor relations representatives and the MBFFA's representatives have met and conferred in good faith on wages, hours and other terms and conditions of employment for the unit members represented by the MBFFA and have reached agreements which are set forth in this MOU. This MOU when executed by the CITY's labor relations representatives and the MBFFA's representatives constitutes a joint recommendation therefrom, after ratification of the MBFFA's membership, to be submitted to the City Council for its determination and approval by resolution, as the City Council may deem fit and proper. This Memorandum of Understanding is of no force or effect unless or until approved and adopted by a resolution of the City Council.

[SIGNATURES ON NEXT PAGE]

MORRO BAY FIRE FIGHTERS ASS'N, IAFF LOCAL 3725

George Rees

Jeff Simpson

Michael Hoese

CITY OF MORRO BAY

David Buckingham, City Manager

Colin Tanner, Lead Negotiator/Deputy CA

Susan Slayton, Administrative Services Dir

Laurie Goforth, Human Resources Analyst

EXHIBIT A

CITY OF MORRO BAY
FY 16/17 MBFFA SALARY SCHEDULE

TITLE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
FIREFIGHTER	55,658	58,441	61,363	64,431	67,652
FIRE ENGINEER	60,849	63,891	67,086	70,440	73,962
FIRE CAPTAIN	69,946	73,443	77,116	80,971	85,020

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE MORRO BAY

FIREFIGHTERS ASSOCIATION,

IAFF LOCAL 3725

AND

THE CITY OF MORRO BAY

JULY 1, 2016 – JUNE 30, 2017

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MEMORANDUM OF UNDERSTANDING
BETWEEN THE MORRO BAY FIRE FIGHTERS ASSOCIATION, IAFF LOCAL 3725
AND THE CITY OF MORRO BAY
2016 - 2017

ARTICLE I PURPOSE

WHEREAS, the City of Morro Bay is a municipal corporation, existing under the laws of the State of California as a general law city (hereinafter referred to as the "CITY"); and

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

WHEREAS, the Morro Bay Fire Fighters Association (hereinafter referred to as the "MBFFA") is an unincorporated association under the laws of the State of California, and is affiliated with the International Association of Fire Fighters (IAFF) as IAFF Local 3725; and

WHEREAS, the CITY and the MBFFA recognize that the mission and the purpose of the CITY are to provide high-quality and economical municipal services and facilities to the residents of the City of Morro Bay.

THEREFORE, this Memorandum of Understanding (hereinafter referred to as the "MOU") is entered into as of July 1, 2016, between the CITY and the MBFFA.

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

ARTICLE 2 MANAGEMENT

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

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

2.1.2 To determine the existence, or nonexistence, of facts which are the basis of the management decision, in compliance with State law.

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2.1.3 To determine the necessity, organization, implementation, and termination of any service or activity conducted by the CITY or other government jurisdiction, and to expand or diminish fire services.

2.1.4 To direct, supervise, recruit, select, hire, evaluate, promote, transfer, discipline, discharge, terminate, demote, reduce, suspend, reprimand, withhold salary increases and benefits for disciplinary reasons, or otherwise discipline employees, in accordance with Department or CITY Rules, Regulations, or Ordinances.

2.1.5 To determine the nature, manner, means, extent, type, time, quantity, quality, technology, standard, and level of fire services to be provided to the public.

2.1.6 To require performance of other public safety services not specifically stated herein, in the event of emergency or disaster, as deemed necessary by the CITY.

2.1.7 To lay off employees of the Fire Department because of lack of work or funds or under conditions where continued work would be inefficient or nonproductive or not cost effective, as determined by the CITY.

2.1.8 To determine and/or change the fire facilities, methods, technology, equipment, operations to be performed, organization structure, and allocate or assign work by which the CITY fire operations and services are to be conducted.

2.1.9 To determine method of financing.

2.1.10 To plan, determine, and manage Department's budget, which includes, but is not limited to, changes in the number of locations and types of operations, processes, and materials to be used in carrying out all Fire Department functions and the right to contract or subcontract any work or operations of the Fire Department.

2.1.11 To determine the size and composition of the Fire Department work force, assign work to employees of the Fire Department, in accordance with requirements determined by the Fire Department, and to establish and require compliance to work hours and changes to work hours, work schedules, including call back, standby, and overtime, and other work assignments, except as otherwise limited by this MOU, or subsequent MOUs.

2.1.12 To establish and modify goals and objectives related to productivity and performance programs and standards, including, but not limited to, quality and quantity, and required compliance therewith.

2.1.13 To determine qualifications, skills, abilities, knowledge, selection procedures and standards, job classification, job specifications, and to reallocate and reclassify employees, in accordance with division and/or CITY Rules and Regulations.

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2.1.14 To determine the issues of public policy, and the overall goals and objectives of the Fire Department, and to take necessary action to achieve the goals and objectives of the Fire Department.

2.1.15 To hire, transfer (intra- or inter- Department), promote, reduce in rank, demote, reallocate, terminate and take other personnel action for non-disciplinary reasons, in accordance with Department and/or CITY Rules, Regulations and Ordinances.

2.1.16 To determine policies, procedures and standards for recruiting, selecting, training, and promoting employees.

2.1.17 To establish, implement, and/or modify rules and regulations, policies, and procedures, related to productivity, performance, efficiency, personal appearance standards, code of ethics and conduct, safety, health, and order, and to require compliance therewith.

2.1.18 To maintain order and efficiency in Fire facilities and operation.

2.1.19 To restrict the activity of an employee organization on CITY facilities, except as set forth in this MOU.

2.1.20 To take any, and all, necessary steps and actions to carry out the service requirements and mission of the CITY in emergencies or any other time deemed necessary by the CITY, and not specified above.

2.2 Nothing herein is meant to diminish CITY rights provided by the Government Code.

2.3 Nothing herein is meant to diminish employee rights as provided by the Government Code, including the right to meet and confer on changes in standards for promotion.

ARTICLE 3 MBFFA RECOGNITION

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3.1 Pursuant to Resolution No. 74-69, the Employer-Employee Relations Resolution of the City of Morro Bay and applicable state law, the MBFFA was designated by the CITY as the representative of CITY fire fighting employees. The term "employee" or "employees" as used herein is comprised of the following classifications:

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Captain/Paramedic
Captain
Engineer/Paramedic
Engineer
Firefighter/Paramedic
Firefighter

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

3.3 FIRE ENGINEER RATING

3.3.1 It is recognized, in principle, as long as the full-time MBFFA personnel complement of the Morro Bay Fire Department remains at ten (10) or less, that efficient operation of the Department requires an increase in the authorized number of Fire Engineers. Accordingly, CITY agrees to promote to Fire Engineer all personnel classified as Fire Fighter hired after the effective date of this MOU provided that they have served for eighteen (18) months with the CITY in the Fire Fighter classification; that at the completion of eighteen months of employment, they have been recommended by the Fire Chief for promotion and have demonstrated, through successful completion of written and practical examinations that they have successfully completed six semester units of Fire Science courses at an institution approved by the Fire Chief. The CITY shall make every effort to schedule the examination to be completed prior to the expiration of eighteen months. The content and passing grade of the written and practical examinations will be determined by the Fire Chief subject to the approval of the City Manager.

3.3.2 An individual recommended for promotion, and failing to attain a passing grade in either the written or practical examination, shall not be eligible for reexamination until six (6) months after the date of failure.

ARTICLE 4 MBFFA BUSINESS

4.1 Employee representatives, designated by the MBFFA, shall be granted time off, without loss of pay, to attend "meet and confer" sessions with the City Manager, and/or his/her designee(s), on subjects within the scope of representation, when such meetings are scheduled during regular working hours. Should such meeting extend beyond an employee representative's regular working hours, the employee representative shall be paid for only the regular working hours.

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

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4.3 Off-duty employees will not be paid for attending meet and confer sessions, nor will over-time be paid for same. The parties agree to consider the shift schedules of team members in scheduling meetings.

4.4 MBFFA may hold unit meetings at the Fire Station, 715 Harbor Street, after 1700 hours, with two days' prior notice to Fire Chief. The Fire Chief has the authority to deny and/or cancel said meeting, if it conflicts with official CITY activities for MBFFA duties.

ARTICLE 5 AUTHORIZED AGENTS

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

5.1 Management's principal authorized agent shall be the City Manager, or his/her duly authorized representative(s), (address: 595 Harbor Street, Morro Bay, CA 93442; telephone (805) 772-6201), except where a particular management representative is specifically designated in the MOU.

5.2 The MBFFA principal authorized representative shall be the shop steward of the unit, or his/her duly authorized representative(s) (address 715 Harbor St., Morro Bay, CA 93442).

ARTICLE 6 WITHHOLDING OF MBFFA DUES AND INSURANCE

6.1 It is agreed that CITY will withhold MBFFA dues and MBFFA group insurance premiums from the monthly pay of each regular CITY employee, who is a member of the MBFFA. MBFFA agrees to provide CITY with individual MBFFA member authorizations signed by the individual MBFFA member, authorizing CITY to make agreed deductions, specifying the amount of each deduction, and authorizing CITY to issue a check, payable to MBFFA, for the collective amount of the individual deductions. CITY does not accept responsibility for computing the amounts of deductions or for meeting payment dates, which may not coincide with established pay periods. CITY will issue a single check to the MBFFA for the total amount of deductions withheld from the individual employees' pay. The MBFFA will be responsible for the accounting and disbursing of all such funds received from CITY. MBFFA will be responsible for properly notifying CITY of any changes in deductions, and will be the sole agent, through which CITY will act, in explaining, initiating, executing, or terminating the provisions of this Article. Such notification must be received by the CITY at least two weeks prior to the effective date of the change. Also, such change notice must include a copy of the notice sent to the employees officially, telling them of the change.

6.2 MBFFA shall indemnify and hold harmless the CITY, its officers, agents, and employees from any and all claims, demands, damages, costs, expenses, or liability arising out of this Article.

6.3 It is agreed that CITY will deposit payroll deductions made payable to a CITY-approved Credit Union, providing the MBFFA makes arrangements for such services that are acceptable to both members and CITY.

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ARTICLE 7 TERM

Except as otherwise specifically provided herein, the term of this MOU commences on July 1, 2016, and expires, and is otherwise fully terminated, on June 30, 2017.

ARTICLE 8 RENEGOTIATIONS

8.1 In the event either party wants to renegotiate a successor MOU, such party shall serve upon the other, during the period of December 1, 2016 to January 31, 2017, its written request to begin negotiations, as well as its full and entire written proposals amending this MOU. Negotiations shall commence no later than March 1, 2017.

8.2 The parties agree that, except by mutual agreement, no new subjects may be introduced into the process after the third (3rd) negotiations meeting.

8.3 Should the parties be unable to reach agreement on a new contract before the current contract expires, all applicable provisions of this MOU shall remain in full force and effect until such time as a new MOU is reached, or September 30, 2017, whichever first occurs.

ARTICLE 9 ANTI-DISCRIMINATION

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

ARTICLE 10 WORK SCHEDULE

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

10.1 WORKDAY
The normal workday shall be a twenty-four (24) consecutive hour period, except in cases of emergency or for reasons of attendance at extended training opportunities, or temporary duty assignments while on light duty, when other shifts may be assigned by the Chief, provided there is mutual agreement between the parties.

10.2 WORKSHIFT
Employees shall be scheduled to work on regular work shifts having regular starting and quitting times. Except for emergencies, employees' work shifts shall not be changed without four days (96 hours) prior written notice to the employee. Call out or overtime does not constitute a change in work shift.

10.3 WORKWEEK
The normal workweek shall average fifty-six (56) hours of work in a seven (7) consecutive day period, except in cases of emergency.

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10.4 OVERTIME

10.4.1 Overtime is defined as all hours worked in excess of 106 hours worked in a 14-day work period. For those assigned to an 8-hour day, overtime shall be defined as all hours worked in excess of forty hours per week. Vacation time and compensatory time off shall be treated as hours worked.

10.4.2 All overtime, as defined above, shall be paid at one and one-half (1.5) times the employee's regular rate of pay. Compensatory time off earned, pursuant to 10.4.4 below, will accrue at one and one-half (1.5) times hours worked.

10.4.3 Employees, required to return to work on a scheduled vacation day, shall be paid at the rate of 1.5 times their regular rate of pay for the hours actually worked.

10.4.4 Employees may elect compensatory time off (CTO) in lieu of paid overtime, subject to the following provisions.

10.4.4.1 CTO may be elected for overtime incurred due to training time only.

10.4.4.2 Maximum CTO accrual will be 140 hours. All overtime earned after CTO is accrued to the 140-hour maximum will be paid in cash.

10.4.4.3 Accrued CTO may be cashed out upon the request of the employee and the approval of the department. CTO accrued at time of separation will be paid off.

10.4.4.4 CTO may be taken off upon employee request and department approval. CTO will not be approved if it will require overtime.

10.4.4.5 Other overtime provisions notwithstanding, employees forced to hold over for 12 hours or more will receive time and one-half compensation for the hours worked on that day.

10.5 EMERGENCIES

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

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

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

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ARTICLE 11 VACATIONS AND HOLIDAYS

11.1 CITY and MBFFA agree that difficulties exist in equating the work schedules of fire fighters to the work schedule of non-shift personnel, i.e., shift periods compared to hours and days worked by other CITY employees. Therefore, a formula is agreed to for computing the vacations and holiday periods for fire fighters. Such formula is agreed to be a ratio as follows: Fire Fighter's total available shifts per year is to the general employees' total available work days per year (260) as X is to the number of authorized vacation and holidays days of the general employees, when X equals the amount of shifts off for Fire Fighters comparing Fire Fighters to employees of equal tenure.

11.2 Pursuant to Section 11.1, the following lists the vacation and holiday annual accrual schedule for members of the MBFFA assigned to shift work:

SERVICE YEARS	VACATION ACCRUAL	HOLIDAY ACCRUAL	TOTAL ANNUAL ENTITLEMENT	SHIFTS/ YEAR
0 thru 2	112.0 hrs.	146.96 hrs.	258.96 hrs.	10.792
3 thru 4	123.2 hrs.	146.96 hrs.	270.16 hrs.	11.257
5 thru 6	134.4 hrs.	146.96 hrs.	281.36 hrs.	11.723
7 thru 8	145.6 hrs.	146.96 hrs.	292.52 hrs.	12.19
9 thru 10	156.8 hrs.	146.96 hrs.	303.76 hrs.	12.657
11 thru 12	168.0 hrs.	146.96 hrs.	314.96 hrs.	13.123
13 thru 14	179.2 hrs.	146.96 hrs.	326.16 hrs.	13.59
15 thru 16	190.4 hrs.	146.96 hrs.	337.36 hrs.	14.057
17 thru 18	201.6 hrs.	146.96 hrs.	348.56 hrs.	14.523
19 thru 20	212.8 hrs.	146.96 hrs.	359.76 hrs.	14.99
21 +	224.0 hrs.	146.96 hrs.	370.96 hrs.	15.547

11.3 MAXIMUM ACCUMULATION

It is recognized long-standing accumulations of vacation/holiday time exist for some employees. In order to compensate employees for this unused time, CITY and MBFFA agree on the following policy:

11.3.1 Unused vacation/holiday leave may be carried over into the following year to a maximum of two times an employee's annual accumulation of vacation time plus one year of holiday time. Employees exceeding the maximum, as of the pay period containing November 1 of each year, will be paid off for time exceeding the maximum. The CITY shall make said payment with the pay period containing December 1 of each year. Payment shall be computed, based upon the employee's base hourly rate of pay as of June 30 of the same calendar year.

11.3.2 Employees separating from the CITY are entitled to pay for the accumulated vacation based upon employee's base hourly rate of pay at separation.

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11.3.3 A member of the MBFFA may exercise an option to convert into cash a maximum of one hundred twelve (112) hours of accrued vacation leave each fiscal year. Such conversion shall be computed at the employee's current base hourly rate, on an hour-per-hour basis.

11.4 The following holidays are used in Section 11.2 above, to determine total annual entitlement. Employees may be scheduled to work on holidays. All employees, except those assigned to 8-hour shifts, shall be compensated for holidays as provided in 11.2 above.

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

11.5 For any additional holiday proclaimed by the Mayor, shift employees shall be paid (not banked) for 11.2 hours of work, and employees assigned to eight-hour duty shall receive the holiday off. Employees may be scheduled to work on such holidays.

ARTICLE 12 SICK LEAVE

12.1 It is agreed that the firefighters will earn sick leave per month at the same ratio that their assigned shift schedule compares to other full-time employees (1.4:1) for 24-hour shift workers or (1.0:1) for eight-hour shift employees. There shall be no maximum number of sick leave hours that a member of MBFFA may accrue.

12.2 All use of sick leave shall be charged on an hour-for-hour basis.

12.3 At termination, accumulated in the sick leave accrual is not compensable; however, upon retirement, sick leave accrual may be converted to additional time, as provided by California Public Employees Retirement System (CalPERS) unused sick leave credit.

12.4 Any use of sick leave, covering a period beyond seven calendar days, may require approval by a qualified medical authority for release to resume regular duties.

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12.5 Recognizing Section 12.1 above requires a transition from the method of accruing and charging sick leave contained in earlier Memoranda of Understanding, the following conversion of previously accrued sick leave shall be made:

12.5.1 For shift workers, all Sick Leave hours accrued, but unused, as of December 31, 2002, shall be multiplied by a factor of three (3) and shall become the employee's Sick Leave Accrual account, until utilized on an hour for hour basis.

12.5.2 Credits added to the Sick Leave Accrual account for full-time employees, after the date above, shall be 11.2 hours per month, or 0.046154 hours, for each regular hour worked for part-time employees on shift work or eight (8) hours per month for employees assigned to an eight-hour day.

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

	Maximum Conversion		
Sick Leave Utilization	Sick Leave	To	Vacation Leave
0 hours	96 hours		48 hours
.25 to 8 hours	72 hours		36 hours
8.25 to 16 hours	48 hours		24 hours
16.25 to 25 hours	24 hours		12 hours
Over 25 hours	0 hours		0 hours

At least 160 accrued hours must remain in employee's sick leave bank for any employee to be eligible for conversion, or for any conversion to be authorized. In addition, the right to convert does not carry over or rollover from calendar year to calendar year; failure to request conversion, in the current calendar year, eliminates the right to do so for that calendar year, and does not permit employees to aggregate conversion hours in any other calendar year.

ARTICLE 13 RETIREMENT BENEFITS

13.1 It is the employee's obligation to contribute the employee's contribution to CalPERS. The employee shall pay his/her own contribution by payroll deduction, consistent with the provisions of 414 (h) 2 of the Internal Revenue Code (9% CalPERS Safety for *classic members*; 50% of the expected normal cost, which is currently 23% (employee pays 11.5%), for *new members*).

13.2 The CITY agrees to continue to provide MBFFA, hired prior to March 19, 2011, with a retirement benefit program through the CalPERS as follows:

13.2.1 3% @ 50 formula (Section 21362.2)
13.2.2 Unused Sick Leave Credit (Section 20965)
13.2.3 Military Service Credit (Section 21023.5, 21024 & 27)

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13.2.4 Final Compensation 1 year (Section 20042)
13.2.5 1959 Survivor Benefit Level 4 (Section 21574)
13.2.6 Pre-Retirement Death Benefits (Section 21548 Option 2W & 21551)
13.2.7 Retired Death Benefit $500 (Section 21620)
13.2.8 Prior Service (Section 20055)
13.2.9 Public Service Credit for Periods of Layoff (Section 21022)

13.3 All employees, hired on or after March 19, 2011, but before January 1, 2013, and those hired on or after January 1, 2013, who meet the definition of *classic member*, pursuant to the California Public Employee's Pension Reform Act of 2013 (PEPRA), in the regular, full-time classifications listed in Article 3.1 of this MOU between the CITY and the MBFFA, shall be provided with the following CalPERS retirement benefits:

13.3.1 3% @ 55 formula (Section 21363.1)
13.3.2 Unused Sick Leave Credit (Section 20965)
13.3.3 Military Service Credit (Section 21023.5, 21024 & 21027)
13.3.4 Final compensation 3 Year (Section 20037)
13.3.5 1959 Survivor Benefit Level 4 (Section 21574)
13.3.6 Pre-Retirement Death Benefits (Section 21548 Option 2W & 21551)
13.3.7 Retired Death Benefit $500 (Section 21620)
13.3.8 Prior Service (Section 20055)
13.3.9 Public Service Credit for Periods of Layoff (Section 21022)

13.4 Pursuant to the California Public Employees' Pension Reform Act of 2013 (PEPRA), effective January 1, 2013, Sworn employees hired, who meet the definition of *new member* under PEPRA and are not eligible for reciprocity, will be provided the following CalPERS benefits:

13.4.1 2.7% @ 57 formula (Section 7522.25(d))
13.4.2 Unused Sick Leave Credit (Section 20965)
13.4.3 Military Service Credit (Sections 21023.5, 21024 & 21027)
13.4.4 Final compensation 3 Year (Section 20037)
13.4.5 1959 Survivor Benefit Level 4 (Section 21574)
13.4.6 Pre-Retirement Death Benefits (Section 21548 Option 2W and 21551)
13.4.7 Retired Death Benefit $500 (Section 21620)
13.4.8 Prior Service (Section 20055)
13.46.9 Public Service Credit for Periods of Layoff (Section 21022)

13.5 CITY and MBFFA to jointly explore the establishment of an employee-funded Retirement Health Savings Account.

ARTICLE 14 HEALTH BENEFITS

14.1 CITY shall pay, to each active employee by each pay period, the monthly sum of the health plan selected by the employee, and dental/life and vision plans. CITY and MBFFA agree that CITY payment of this lump sum is to be used to provide medical care coverage for the

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employee and/or employees dependents, and that the employees hold harmless the CITY, its officers and agents, including, but not limited to, liability arising out of this MOU. Employees will be supplied with the current division of payment for medical, dental/life, and vision insurance between CITY and each employee in MBFFA, as changes occur during this MOU.

14.2 HEALTH INSURANCE

14.2.1 MBFFA shall receive a cafeteria plan contribution, including the minimum contribution amount required by CalPERS, as follows:

Employee only - up to $715/month or cost of insurance, whichever is less
Employee + 1 – up to $1,109/month or cost of insurance, whichever is less
Employee + family - up to $1,326/month or cost of insurance, whichever is less

14.3 DENTAL/LIFE AND VISION INSURANCE

Life Insurance is provided at $50,000 per employee. The following rates were effective January 1, 2016:

	Vision	Dental	Life	Totals	City pays	EE pays
Employee only	$ 8.86	$ 55.47	$7.50	$ 71.83	$ 68.90	$ 2.93
Employee + 1	$ 16.59	$143.09	$7.50	$ 167.18	$ 155.43	$11.75
Employee + 2+	$ 22.59	$143.09	$7.50	$ 173.18	$ 160.97	$12.21

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

ARTICLE 15 UNIFORM ALLOWANCE

The uniform for the Fire Department is a two-piece work uniform and two T-shirts, of a style, material and manufacture determined by the Fire Chief. Two (2) complete uniforms will be provided upon initial employment with the Fire Department, and replacements provided are on an "as needed basis," as determined by the Fire Chief. The CITY will provide safety footgear of a type, style, and manufacture, as recommended by the Fire Chief. CITY is responsible for normal upkeep, i.e., heels and soles, with replacement as determined by the Fire Chief.

ARTICLE 16 SALARIES

16.1 This MOU is effective upon adoption by the City Council, and any salary increases will be made effective retroactive to the pay period including July 1, 2016.

16.2 Effective retroactive to the pay period including July 1, 2016 for those employees still employed by the CITY upon City Council adoption of this MOU, the CITY shall provide a Cost of Living Adjustment (COLA) increase to base salaries for all Unit classifications by 2.25%. Attached Exhibit A reflects salaries for the MBFFA for the duration of this MOU.

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Employee only - up to $715/month or cost of insurance, whichever is less¶
Employee + 1 – up to $1,025/month or cost of insurance, whichever is less ¶
Employee + family - up to $1,180/month or cost of insurance, whichever is less¶

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16.3 Any and all education/special pay incentives will be added to base salary.

16.4 Electronic Deposit. All employees hired after January 1, 2003, shall receive their pay by electronic methods. New hires must present account information for a checking or a savings account, with an ACH member financial institution.

16.5 CITY agrees to conduct salary survey by December 31, 2016 for informational purposes for successor negotiations. The parties agree that any salary surveys the parties exchange will use the survey cities of Arroyo Grande, Atascadero, CDF, Cambria, Paso Robles, and San Luis Obispo.

ARTICLE 17. SPECIAL PAY PRACTICES

17.1 MEDIC DIFFERENTIAL

17.1.1 An employee, certified as an EMT-P (Paramedic), shall receive an annual incentive of $6,088.68. This incentive is calculated as 9% of a Step 5 firefighter's salary ($67,652 x 9%). The incentive will be paid on a bi-weekly payroll in the amount of $234.18.

17.1.2 The CITY may require any employee to attend EMT-P training.

17.2 CALL-OUT PAY

17.2.1 It is agreed that the CITY will guarantee a minimum of three (3) hours pay, computed at straight hourly rates, for any MBFFA member called back to duty from an off-duty status.

17.2.2 If an employee is called to return to duty, such call-out shall not be canceled until the employee reports to the Fire Station. To be eligible to receive the minimum, the employee must report to the Fire Station.

17.2.3 If an employee is on-duty and held beyond the end of the work period, time worked will be paid as actual hours worked, under Section 10.4 of this MOU. Such holdover shall not qualify for Call-out Pay.

17.3 WORKING OUT-OF-CLASS

Employees may be worked on an out-of-class assignment only as provided in the Personnel Rules and Regulations of the CITY, except as provided herein below:

17.3.1 Employees shall receive an additional 5% compensation for out-of-class assignments that last 24 consecutive hours. Such additional 5% pay shall start on the 25th hour, retroactive to the first hour of the out-of-class assignment. Such additional

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compensation shall be paid during the first six (6) months of the out-of-class assignment.

17.3.2 If the assignment is extended by six (6) months, then starting on the first day of the extension:

17.3.2.1 The employee shall continue to receive the 5% compensation, if the out-of-class assignment is required to fill an absence due to an employee who is out on 4850 leave.

17.3.2.2 The employee shall receive an additional 5% for a total of 10% additional compensation, if the out-of-class assignment is required to fill a vacant position.

17.3.3 An employee placed in an out-of-class assignment will not be taken off that assignment for the sole purpose of avoiding the payment provided above.

17.3.4 Whenever possible, CITY intends to fill vacancies with qualified employees.

17.3.5 Short-term out-of-class assignments (such as acting captain) will be paid on an hour-for-hour basis.

17.4 STANDBY PAY

Compensation for standby duty for acting Fire Chief position, when not called back to duty, shall be paid two (2) hours of overtime pay (acting rate) per full 24-hour shift.

17.5 SPECIAL ASSIGNMENT PAY

17.6.1 Unit members, possessing the appropriate certification as determined by the City, and assigned to work as part of the Rescue Water Craft program operating specialized equipment, shall receive additional compensation of two percent (2%) of base pay. This incentive is limited to a maximum of six (6) designated employees, starting upon approval of this MOU, but may be expanded to eight (8) designated employees, upon approval of City Manager and City Council approval of the additional budgeted funds. City makes no representations as to whether this special pay may be included in a Unit member's "compensation earnable" for purposes of determining the Unit member's CalPERS retirement allowance.

ARTICLE 18. HEALTH AND SAFETY ARTICLE

18.1 Management shall provide and maintain safe and healthy work facilities and equipment.

18.2 Safety and health conditions in employment in the CITY are subject to the provisions of State and Federal legislation, which regulates the health environment and safety conditions of the work place.

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18.3 A Citywide Safety/Loss Control Committee shall be established, and shall review accidents, review alleged safety deficiencies, and recommend safety training and safety equipment. The MBFFA may appoint one Unit representative to serve on the committee. If the committee meets, during the designated employee's normal working hours, the employee shall receive paid release time to attend the meeting.

18.4 If an employee becomes alerted to an unsafe condition or health hazard, he/she shall report such condition to his/her immediate supervisor. If such conditions cannot be satisfactorily remedied by the immediate supervisor, an employee has the right to submit the matter either personally, or through the steward, to his/her Department Head, or designated safety representative. On any matter of safety not resolved, after proceeding through the above process, consultation will take place between management and the MBFFA, if requested.

18.5 A first aid kit shall be furnished and maintained at work facilities readily and conveniently accessible to MBFFA employees.

18.6 Management agrees to provide to employees, who are exposed to potentially toxic agents or toxic materials, the appropriate medical services at no cost to the employee.

18.7 Any safety equipment required by the CITY shall be furnished by the CITY.

ARTICLE 19 MINIMUM STAFFING

19.1 CITY agrees to provide minimum staffing of three full-time personnel except in cases of emergency as determined by the Fire Chief.

a. Exception: For brief transitional periods lasting 10 hours or less, minimum staffing may be allowed to drop to a minimum of two with the Chief's approval.

19.2 Prior City Strategic Plans have recommended the CITY provide 4-person daily staffing in the Fire Department.

a. The CITY and MBFFA agree that 4-person full-time minimum staffing will be provided in the MOU, when a second fire station or second company is staffed and operational. The 4-person minimum refers to the total on-duty staffing of full-time firefighters in the CITY.

b. The CITY currently staffs a single, two-piece suppression company consisting of an engine and a rescue. This response configuration is not affected by item a. above.

19.3 The CITY agrees to cap the total number of part-time, unrepresented firefighters to one per scheduled 24-hour shift.

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a. Exception: In an emergency, and for mutual aid response coverage, the CITY may have more than one reserve firefighter working 24-hour shifts, provided the CITY is meeting its minimum staffing requirements.

19.3.1 The Fire Chief may assign the least senior qualified Engineer as a floater to fill shifts when other Unit members are off on leave, training, or otherwise unable to cover their assigned shifts. There may also be some situations whereby it may be a benefit to both parties wherein the Fire Chief may assign a represented member who may need to flex their schedule as the floater upon the agreement of both the Fire Chief and the member.

19.3.2 The CITY will post a work schedule every 30 days for the vacation relief position, and provide 96 hours notice prior to making schedule changes. There will be no more than two schedule changes within each 30-day schedule.

ARTICLE 20 PERSONNEL RULES

Parties recognize the applicability and agreement with the Personnel Rules utilized by the CITY for all employees. From time to time, the Personnel Rules may be amended, and the CITY will offer the opportunity to meet and confer on those items, within the scope of bargaining. Nothing in this article shall make the CITY's Personnel Rules subject to the Grievance Procedure.

ARTICLE 21 LAYOFFS

The parties agree to use the layoff procedure as set forth in 2.32.120 of the CITY's Municipal Code along with the CITY Layoff Policy.

For purposes of workforce reductions, as outlined by the CITY's Personnel Rules and Regulations, shifts worked by part-time, unrepresented employees will be eliminated prior to a reduction in full-time MOU-represented personnel.

ARTICLE 22 PROCESSING OF FORMAL GRIEVANCES

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

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

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

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

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

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

ARTICLE 23. ELIMINATION OF FIRE SERVICE

If the fire service function of the CITY is merged into another agency, or if another agency assumes said function, then prior to such action, the CITY shall meet and confer with MBFFA concerning the effects of such action.

ARTICLE 24. NO STRIKE, NO LOCK-OUT

24.1 During the life of this MOU, the CITY will not lock out any employees nor will the MBFFA cause, authorize, advise or encourage any interruption of work or any other concerted refusal to render services or to work, including overtime or any other curtailment or restriction of work at any time during the term of this MOU. The term "interruption of work" shall mean any work stoppage or strike (including economic and unfair labor practice strikes) or any intentional slow down of work.

24.2 There shall be no refusal to work on, handle or produce any materials or equipment because of a labor dispute.

24.3 Any employee engaging in any action prohibited by this Article shall be subject to immediate discharge or such other discipline as the CITY may assess. Such discharge or discipline shall not be reviewable through the Grievance Procedure.

ARTICLE 25. FULL UNDERSTANDING, MODIFICATION, WAIVER

25.1 This MOU sets forth the full and entire understanding of the parties, regarding the matters set forth herein, and any other prior or existing understanding or MOUs by the parties, whether

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formal or informal, regarding any such matters are hereby superseded or terminated in their entirety.

25.2 It is agreed and understood that each party hereto voluntarily and unqualifiedly waives its right to negotiate, and agrees that the other party shall not be required to negotiate, with respect to any matter covered herein.

25.3 No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed in writing by all parties hereto, and if required, approved by the CITY and ratified by the membership of the MBFFA.

25.4 The waiver of any breach of any term, or condition of this MOU by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

ARTICLE 26. SEVERABILITY

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

ARTICLE 27 – JOINT DRAFTING

Each party has cooperated in the drafting and preparation of this MOU. Hence, in any legal construction or interpretation to be made of this MOU, the same shall not be construed against any party.

ARTICLE 28 – CITY COUNCIL APPROVAL

The CITY's labor relations representatives and the MBFFA's representatives have met and conferred in good faith on wages, hours and other terms and conditions of employment for the unit members represented by the MBFFA and have reached agreements which are set forth in this MOU. This MOU when executed by the CITY's labor relations representatives and the MBFFA's representatives constitutes a joint recommendation therefrom, after ratification of the MBFFA's membership, to be submitted to the City Council for its determination and approval by resolution, as the City Council may deem fit and proper. This Memorandum of Understanding is of no force or effect unless or until approved and adopted by a resolution of the City Council.

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MORRO BAY FIRE FIGHTERS ASS'N, IAFF LOCAL 3725

George Rees

Jeff Simpson

Michael Hoese

CITY OF MORRO BAY

David Buckingham, City Manager

Colin Tanner, Lead Negotiator/Deputy CA

Susan Slayton, Administrative Services Dir

Laurie Goforth, Human Resources Analyst

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Jeff Simpson . Edward Kreins, Interim City Manager¶
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EXHIBIT A

CITY OF MORRO BAY

FY 16/17 MBFFA SALARY SCHEDULE

TITLE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
FIREFIGHTER	55,658	58,441	61,363	64,431	67,652
FIRE ENGINEER	60,849	63,891	67,086	70,440	73,962
FIRE CAPTAIN	69,946	73,443	77,116	80,971	85,020

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Effective with the pay period including July 1, 2015, MBFF salaries shall be increased by three percent (3%).

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Attached Exhibit A reflects salaries for the MBFFMBFFA for the duration of this MOU.

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All salary adjustments, including, but not limited to, merit increases, educational incentives, and any other pay adjustments, will take effect at the beginning of the next payroll period after the scheduled effective date of the increase.

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George Rees David Buckingham, City Manager

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Jeff Simpson Colin Tanner, Negotiator, Aleshire & Wynder

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Michael Hoese Laurie Goforth, Human Resources Analyst

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Susan Slayton, Admin Services Director

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MORRO BAY FIRE FIGHTERS CITY OF MORRO BAY

_____ _____

Jeff Simpson Edward Kreins, Interim City Manager

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Michael Talmadge Susan Slayton, Admin Svcs Dir

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Laurie Goforth, Human Resources Analyst

AGENDA NO: A-11

MEETING DATE: August 23, 2016

Staff Report

TO: **Honorable Mayor and City Council** **DATE:** **August 22, 2016**

FROM: **Susan Slayton, Administrative Services Director**

SUBJECT: **Adoption of Resolution No. 67-16 Implementing the Tentative Agreement and Memorandum of Understanding with the Service Employees International Union (SEIU), Local 620, and Related Compensation for the Period July 1, 2016 – June 30, 2017**

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. 67-16, implementing the Tentative Agreement and Memorandum of Understanding between the City of Morro Bay and SEIU. The term of the MOU is from July 1, 2016 through June 30, 2017.

FISCAL IMPACT

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

1. 2.25% Cost of Living Adjustment (COLA), effective with the pay period including July 1; and
2. Deferred compensation City match of up to $600 per member per year on a 2:1 basis.

Total cost of items 1 - 2 = $138,393, $27,868 of which is a reserve for unfunded liabilities.

Additionally, qualifying SEIU members will annually receive a safety shoe reimbursement up to $200. This is a $50 per qualifying member increase, and now includes safety shoes for the Harbor Patrol Officers. The potential annual cost is $6,400 per year, an increase of $2,200.

Total impact of this MOU: $140,593

DISCUSSION

City representatives met and conferred with SEIU to reach a Tentative Agreement (TA) and successor Memorandum of Understanding (MOU), both of which are attached. The fiscal impact to the City is $140,593, of which $27,868 is a reserve for unfunded liabilities. This TA and MOU have been ratified by the SEIU. The 2016/17 Adopted Budget accounted for the total impact of this MOU.

At the time of publishing, SEIU had not officially signed the Tentative Agreement and MOU; however, the representatives have agreed to the terms and are taking it to the group at noon Tuesday, August 23rd. It is anticipated signed agreements will be available prior to the Council Meeting.

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

City Manager Review: __DWB_____

City Attorney Review: __CJT_____

ATTACHMENTS

1. Resolution No. 67-16 with Exhibits 1 and 2
2. SEIU MOU 2016-17 (Red-Lined)

RESOLUTION NO. 67-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, APPROVING THE TENTATIVE AGREEMENT FOR A SUCCESSOR MEMORANDUM OF UNDERSTANDING (MOU) AND THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF MORRO BAY AND THE SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU), LOCAL 620, FOR THE PERIOD OF JULY 1, 2016 THROUGH JUNE 30, 2017

THE CITY COUNCIL
Morro Bay, California

WHEREAS, the City of Morro Bay (City) has, and continues to recognize, the Service Employees International Union (SEIU), Local 620, as the sole exclusive bargaining agent for the City's miscellaneous employees, for all matters concerning wages, hours and working conditions; and

WHEREAS, the most current Memorandum of Understanding (MOU) between the City and SEIU expired on July 1, 2016; and

WHEREAS, the City labor relations representatives and SEIU representatives have successfully met and conferred to negotiate a successor MOU between the parties, pursuant to both the Meyers-Milias-Brown Act (MMBA) (Government Code Sections 3500-3511), and the City's Employer-Employee Relations Resolution No. 74-69, and have jointly prepared and executed the attached Tentative Agreement for a Successor MOU between the City and SEIU, for the period July 1, 2016 through, and including, June 30, 2017, subject to City Council determination and approval, which is made a part hereof by this reference; and

WHEREAS, MMBA Section 3505.1 provides: "If a tentative agreement is reached by the authorized representatives of the public agency and a recognized employee organization, or recognized employee organizations, the governing body shall vote to accept or reject the tentative agreement, within 30 days of the date it is first considered, at a duly noticed public meeting. If the governing body adopts the tentative agreement, the parties shall jointly prepare a written memorandum of understanding;" and

WHEREAS, the City labor relations representatives and SEIU representatives have jointly prepared and executed the attached successor MOU between the City and SEIU, for the period July 1, 2016 through, and including, June 30, 2017, subject to City Council determination and approval, which is made a part hereof by this reference; and

WHEREAS, once approved by the governing body of a local agency, the MOU becomes a binding agreement between the employee organization and the local agency.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, AS FOLLOWS:

Section 1. The City Council approves the Tentative Agreement for a Successor MOU between the City and SEIU for the period of July 1, 2016 through, and including, June 30, 2017, a copy of which is attached hereto as Exhibit 1.

Section 2. The City Council approves the successor MOU between the City and SEIU for the period of July 1, 2016 through, and including, June 30, 2017, a copy of which is attached hereto as Exhibit 2.

PASSED AND ADOPTED, by the City Council of the City of Morro Bay, at a regular meeting thereof held on the 23rd day of August 2016, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
JAMIE L. IRONS, Mayor

ATTEST:

_____
DANA SWANSON, City Clerk

TENTATIVE AGREEMENT FOR A SUCCESSOR MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF MORRO BAY AND SERVICE EMPLOYEES' INTERNATIONAL UNION LOCAL 620 (Per Government Code Section 3505.1)

The City of Morro Bay ("CITY"), through its designated labor representatives, and Service Employees International Union Local No. 620 ("UNION"), through its labor representatives, have met and conferred in good faith on wages, hours and other terms and conditions of employment for CITY employees in the Miscellaneous Employees Unit ("UNIT") as designated by the classifications attached hereto as Exhibit A, and have reached tentative agreements contingent upon all being adopted together, which are set forth below in this Tentative Agreement For A Successor Memorandum Of Understanding ("Tentative Agreement"). Each agreement reached below sets forth the nature of the agreement and the Article and/or Section being modified in the prior Memorandum of Understanding ("MOU") between the parties.

This document constitutes a joint recommendation by the labor representatives of both the CITY and the UNION, after ratification of the UNION membership of same, to be submitted to the City of Morro Bay City Council ("City Council") for its determination and approval. This Tentative Agreement is of no force or effect unless or until ratified and approved by the City Council. If the City Council adopts the Tentative Agreement, then the parties shall jointly prepare a written MOU per Government Code Section 3505.1.

1. ARTICLE 1 – PURPOSE

Parties agree to update previous UNION MOU ARTICLE 1, Section 1.4 to reflect that successor MOU is entered into as of July 1, 2016.

2. ARTICLE 3 – RECOGNITION

Parties agree to update previous UNION MOU ARTICLE 3, Section 3.1 to reflect the current represented classifications as those set forth in Exhibit A hereto.

3. ARTICLE 4 – UNION BUSINESS

Parties agree to update previous UNION MOU ARTICLE 4, by adding the following new subsections 4.4 and 4.5:

4.4 If the UNION and the CITY are actively meeting and conferring (e.g. after a successor letter has been delivered to the CITY to initiate conferring), then pursuant to Government Code Section 3505.3, a reasonable number of UNION representatives shall be permitted paid release time from regular working hours upon reasonable notification to the CITY as follows:

a. When formally meeting and conferring with representatives of the CITY on matters within the scope of representation;

b. When testifying or appearing as the designated representative of UNION in conferences, hearings, or other proceedings before the board, or an agent thereof, in matters relating to a charge filed by the UNION against the CITY or by the CITY against the UNION;

c. When testifying or appearing as the designated representative of the UNION in matters before a personnel or merit commission.

d. For the purposes of this section, "designated representative" means an officer of the UNION or a member serving in proxy of the UNION.

4.5 The UNION will be permitted to retain and use bulletin boards for member informational purposes at the following locations: 1) City Hall 2) Public Works/Community Development 3) Recreation Services 4) Water and Collections Department 5) Wastewater Treatment Plant 6) Fire Department and 7) Harbor Department.

4. ARTICLE 6 – UNION SECURITY and WITHHOLDING OF UNION DUES/FEES

Parties agree to update previous UNION MOU ARTICLE 6, Section 6.4 to change the Government Code reference from 3502 to 3502.5, which is the correct citation to the agency shop provision of the Meyers-Milias-Brown Act (Gov't Code Sections 3500-3511 et. seq.).

5. ARTICLE 7 – TERM

The parties agree to a one year term from July 1, 2016 to June 30, 2017. MOU changes required to reflect this new term in ARTICLE 7 of previous UNION MOU.

6. ARTICLE 8 – RENEGOTIATIONS

8.1 The parties agree to change the dates of exchange of proposals in previous UNION MOU to reflect December 1, 2016 to January 31, 2017.

8.3 The parties agree to update the negotiation commencement date for a successor MOU in the previous UNION MOU to March 1, 2017.

7. ARTICLE 10 – WORK SCHEDULE

Parties agree to add the following new provision subsection to the previous UNION MOU ARTICLE 10:

10.8 Breaks

As a general practice, employees shall be permitted to take a minimum fifteen (15) minute paid rest/hydration/exercise break for every four (4) hours worked. In addition, employees shall be permitted to take a minimum thirty (30) minute and maximum sixty (60) minute unpaid meal break for up to ten (10) hours worked. The scheduling of these breaks shall be subject to departmental policy and will require approval of an employee's supervisor or

manager. The inability of a department to schedule or allow such breaks or of an employee to take such breaks shall not give rise to any right to or claim for compensation and/or monetary damages of any kind.

8. ARTICLE 12 – HOLIDAYS

Parties agree to replace ARTICLE 12, Section 12.7, and add new Section 12.8 as follows:

12.7 Employees, who work on a CITY-designated holiday, shall have up to 10 hours banked, depending on scheduled hours for that date, and also shall be paid one and one-half times their base hourly rate for the hours actually worked on the holiday.

12.8 The first payroll including July 1, each employee's bank will be credited with 16 hours floating holiday regardless of actual work schedules.

9. ARTICLE 14 – RETIREMENT BENEFITS

Parties agree to add the following new provision subsection to the previous UNION MOU ARTICLE 14:

14.8 CITY will contribute on a 2:1 basis (i.e., employee contributes $2, and CITY contributes $1) with CITY maximum of $600.00 per employee in any calendar year to an employee's deferred compensation 457 plan.

10. ARTICLE 15 – HEALTH BENEFITS

15.2 Previous UNION MOU shall be updated to delete reference to previous lower Life Insurance amount and reflect current $50,000 per employee benefit. Contribution chart shall also be updated to show current previously agreed upon rates and payments.

15.4 Delete existing language and replace with:

The provisions of this ARTICLE shall be binding on the parties through the remainder of this MOU, and for the term of the MOU, which will be effective upon City Council approval. The parties agree herewith to retain the option to re-open discussion with respect to this ARTICLE, for any changes to the 2017 health, dental and vision rates. Re-opening would occur in September 2016 or as soon as final health rates become available for the 2017.

11. ARTICLE 16 – EDUCATIONAL INCENTIVES

The parties agree that ARTICLE 16, Section 16.2 of the previous UNION MOU shall be deleted in its entirety given that no current employees receive this benefit and no new employees can receive it. Former Section 16.1 shall be split into two parts renumbered 16.1 and 16.2.

13. ARTICLE 17 – WORK UNIFORMS

Parties agree to replace previous UNION MOU ARTICLE 17, Section 17.3 with the following:

17.3 Safety Shoes

Effective July 1, 2016, employees required to wear steel-toed safety shoes and Harbor Patrol Officers required to wear approved footwear, in the performance of their duties, shall be eligible to receive an annual reimbursement, for the provision of said shoes, in the amount of $200 per fiscal year. Harbor Patrol Officers shall be required to wear 6" black leather boots or water/safety specific shoes as approved within the sole discretion of the Harbor Director. Proof of purchase of shoes and boots are required. Once purchased, such appropriate footwear must be worn only while working.

14. ARTICLE 18 – WAGES AND INCENTIVES

The parties agree to delete the previous UNION MOU Section 18.1 and add a new Section 18.7 as follows:

18.1 Effective retroactive to the pay period including July 1, 2016 for those employees still employed by the CITY upon City Council adoption of this Tentative Agreement, the CITY shall provide a Cost of Living Adjustment (COLA) increase to base salaries for all UNIT classifications by 2.25% (see Exhibit A updated salary table).

18.7 The UNION and the CITY will each jointly conduct an internal salary survey in the middle of the contract term. The market comparable cities studied shall be as follows: City of Paso Robles, the City of Atascadero, the City of San Luis Obispo, the City of Pismo Beach, the City of Grover Beach and the City of Arroyo Grande. Positions dedicated to the Harbor Department shall include Channel Island Harbor, Pillar Point Harbor, and Ventura Port district.

15. ARTICLE 19 – SPECIAL PAY PRACTICES

The parties agree to add language to the previous UNION MOU ARTICLE 19, subsection 19.1.2 reflecting that "agreed-upon" holidays for standby pay will be the actual holidays except in the case of Harbor Department personnel. This will be effective upon ratification of this MOU by the City Council.

16. (NEW) ARTICLE 25 – JOINT DRAFTING

Each party has cooperated in the drafting and preparation of this MOU. Hence, in any legal construction or interpretation to be made of this MOU, the same shall not be construed against any party.

18. (NEW) ARTICLE 26 – CITY COUNCIL APPROVAL

The CITY's labor relations representatives and the UNION's representatives have met and conferred in good faith on wages, hours and other terms and conditions of employment for the unit members represented by the UNION and have reached agreements which are set forth in this MOU. This MOU when executed by the CITY's labor relations representatives and the UNION's representatives constitutes a joint recommendation therefrom, after ratification of the UNION's membership, to be submitted to the City Council for its determination and approval by resolution, as the City Council may deem fit and proper. This MOU is of no force or effect unless or until approved and adopted by a resolution of the City Council.

SEIU LOCAL 620	**City of Morro Bay**
Darryl Scheck, Field Representative	David Buckingham, City Manager
Lori Stilts, Team Member	Colin Tanner, Lead Negotiator/Deputy CA
Mike Mobley, Team Member	Susan Slayton, Administrative Services Dir
Dustin Pitman, Team Member	Laurie Goforth, Huma Resources

EXHIBIT A

CITY OF MORRO BAY
FY 16/17 SEIU REPRESENTED CLASSIFICATIONS & SALARY SCHEDULES

TITLE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
ACCOUNT CLERK I	36,980	38,829	40,770	42,809	44,949
WASTEWATER COLL SYS WORKER I	36,980	38,829	40,770	42,809	44,949
OFFICE ASSISTANT III	36,980	38,829	40,770	42,809	44,949
OFFICE ASSISTANT IV	39,981	41,980	44,079	46,283	48,597
ACCOUNT CLERK II	41,537	43,614	45,795	48,084	50,489
WASTEWATER COLL SYS WORKER II	41,537	43,614	45,795	48,084	50,489
CONS MAINTENANCE WORKER II	41,537	43,614	45,795	48,084	50,489
WATER SYSTEM OPERATOR I	41,537	43,614	45,795	48,084	50,489
WASTEWATER TREATMENT OP-IN-TRNG	41,537	43,614	45,795	48,084	50,489
PERMIT TECHNICIAN	42,539	44,666	46,899	49,244	51,707
ACCOUNT CLK III	44,487	46,711	49,047	51,499	54,074
WASTEWATER COLL SYS WORKER III	44,487	46,711	49,047	51,499	54,074
CONS MAINTENANCE WORKER III	44,487	46,711	49,047	51,499	54,074
WASTEWATER TREATMENT OP I	44,487	46,711	49,047	51,499	54,074
ADMINISTRATIVE TECHNICIAN	45,273	47,537	49,914	52,409	55,030
ADMINISTRATIVE UTILITIES TECH	45,273	47,537	49,914	52,409	55,030
PERMIT TECHNICIAN - CERTIFIED	45,273	47,537	49,914	52,409	55,030
SUPPORT SERVICES TECHNICIAN	45,273	47,537	49,914	52,409	55,030
MECHANIC	46,721	49,057	51,510	54,086	56,790
WATER SYSTEM OPERATOR II	49,488	51,962	54,560	57,289	60,153
WASTEWATER TREATMENT OP II	49,488	51,962	54,560	57,289	60,153
HARBOR PATROL OFFICER	51,618	54,199	56,909	59,754	62,742
WASTEWATER COLL SYS LEADWORKER	51,767	54,355	57,073	59,927	62,923
CS MAINTENANCE LEADWORKER	51,767	54,355	57,073	59,927	62,923
ENGINEERING TECHNICIAN III	51,767	54,355	57,073	59,927	62,923
WATER SYSTEM OPERATOR III	51,962	54,561	57,289	60,153	63,161

WASTEWATER TRTMT OP II/LAB ANALYST	51,962	54,561	57,289	60,153	63,161
TITLE	**STEP 1**	**STEP 2**	**STEP 3**	**STEP 4**	**STEP 5**
RECREATION SUPERVISOR	52,919	55,565	58,344	61,261	64,324
ASSISTANT PLANNER	53,249	55,911	58,707	61,642	64,724
ASSISTANT CIVIL ENGINEER	55,376	58,144	61,052	64,104	67,309
BUILDING INSPECTOR	55,376	58,144	61,052	64,104	67,309
ENGINEERING TECHNICIAN IV	55,376	58,144	61,052	64,104	67,309
WASTEWATER TREATMENT LEADWORKER	55,376	58,144	61,052	64,104	67,309
HARBOR BUSINESS COORDINATOR	57,641	60,523	63,550	66,727	70,063
RECREATION COORDINATOR	57,641	60,523	63,550	66,727	70,063
HARBOR PATROL SUPERVISOR	60,801	63,841	67,033	70,385	73,904
ASSOCIATE CIVIL ENGINEER	61,972	65,070	68,324	71,740	75,327
ASSOCIATE PLANNER	61,972	65,070	68,324	71,740	75,327
BUILDING INSPECTOR/PLANS EXAMINER	61,972	65,070	68,324	71,740	75,327
WASTEWATER COLL SYS SUPERVISOR	61,972	65,070	68,324	71,740	75,327
CONS MAINTENANCE FIELD SUPERVISOR	61,972	65,070	68,324	71,740	75,327
WATER SYSTEM SUPERVISOR	61,972	65,070	68,324	71,740	75,327
WASTEWATER TREATMENT SUPERVISOR	61,972	65,070	68,324	71,740	75,327

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE MORRO BAY

SERVICE EMPLOYEES

INTERNATIONAL UNION

LOCAL NO. 620

AND

THE CITY OF MORRO BAY

JULY 1, 2016 – JUNE 30, 2017

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MEMORANDUM OF UNDERSTANDING BETWEEN
SERVICE EMPLOYEES INTERNATIONAL UNION LOCAL NO. 620
AND THE CITY OF MORRO BAY
JULY 2016 - JUNE 2017

ARTICLE 1 – PURPOSE

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

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

1.3 **WHEREAS**, Service Employees International Union Local No. 620 and the City of Morro Bay recognize that the mission and the purpose of the City is to provide for high-quality and economical municipal services and facilities to the residents of the City of Morro Bay.

1.4 **THEREFORE**, this Memorandum of Understanding ("MOU") is entered into as of July 1, 2016, between the City of Morro Bay, hereafter called the "CITY," and Service Employees International Union Local No. 620, hereafter called the "UNION."

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

ARTICLE 2 – MANAGEMENT

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

2.1.1 To manage the CITY, determine policies and procedures, and the right to manage the affairs of all Departments.

2.1.2 To determine the existence, or nonexistence, of facts that are the basis of the management decision in compliance with State law.

2.1.3 To determine the necessity, organization, implementation, and termination of any service or activity conducted by the CITY or other government jurisdiction, and to expand or diminish services.

2.1.4 To direct, supervise, recruit, select, hire, evaluate, promote, transfer, discipline, discharge, terminate, demote, reduce, suspend, reprimand, withhold salary increases and benefits for disciplinary reasons, or otherwise discipline employees, in accordance with Department or CITY Rules, Regulations, or Ordinances.

2.1.5 To determine the nature, manner, means, extent, type, time, quantity, quality, technology, standard, and level of services to be provided to the public.

2.1.6 To require performance of other public services, not specifically stated herein, in the event of emergency or disaster, as deemed necessary by the CITY.

2.1.7 To lay off employees because of lack of work or funds or under conditions where continued work would be inefficient or nonproductive or not cost effective, as determined by the CITY.

2.1.8 To determine and/or change facilities, methods, technology, equipment, operations to be performed, organization structure, and allocate or assign work by which the CITY operations and services are to be conducted.

2.1.9 To determine method(s) of financing.

2.1.10 To plan, determine, and manage Departments' budget, which includes, but is not limited to, changes in the number of locations and types of operations, processes and materials to be used in carrying out all functions, and the right to contract or subcontract any work or operations.

2.1.11 To determine the size and composition of the work force, assign work to employees of the CITY, in accordance with requirements determined by the CITY, and to establish and require compliance to work hours and changes to work hours, work schedules, including call back, standby, and overtime, and other work assignments, except as otherwise limited by this MOU, or subsequent MOUs.

2.1.12 To establish and modify goals and objectives, related to productivity and performance programs and standards, including, but not limited to, quality and quantity, and required compliance therewith.

2.1.13 To determine qualifications, skills, abilities, knowledge, selection procedures and standards, job classification, job specifications, and to reallocate and reclassify employees, in accordance with division and/or CITY Rules and Regulations.

2.1.14 To determine the issues of public policy and the overall goals and objectives of the CITY, and to take necessary action to achieve the goals and objectives of the CITY.

2.1.15 To hire, transfer intra- or inter-Department, promote, reduce in rank, demote, reallocate, terminate, and take other personnel action for non-disciplinary reasons, in accordance with Department and/or CITY Rules, Regulations and Ordinances.

2.1.16 To determine policies, procedures and standards for recruiting, selecting, training and promoting employees.

2.1.17 To establish, implement, and/or modify Rules and Regulations, policies, and procedures related to productivity, performance, efficiency, personal appearance standards, code of ethics and conduct, safety, health, and order, and to require compliance therewith.

2.1.18 To maintain order and efficiency in facilities and operation.

2.1.19 To restrict the activity of an employee organization on CITY facilities, except as set forth in this MOU.

2.1.20 To take any and all necessary steps and actions to carry out the service requirements and mission of the CITY, in emergencies or any other time deemed necessary by the CITY, and not specified above.

2.2 Nothing herein is meant to diminish CITY rights provided by the Government Code.

2.3 Authority of Third Party Neutral – Management Rights
All management rights, powers, authority, and functions, whether heretofore or hereinafter exercised, shall remain vested exclusively with the CITY. No third party neutral shall have the authority to diminish any of the management rights that are included in this MOU.

2.4 Nothing herein is meant to diminish employee rights provided by the Government Code.

ARTICLE 3 – RECOGNITION

3.1 Pursuant to Resolution No. 74-69, the Employer-Employee Relations Resolution of the City of Morro Bay and applicable state law, Service Employees International Union Local 620 was designated by the City of Morro Bay City Council as the exclusive representative of City employees in the Miscellaneous Employees Unit (hereafter "UNIT"). The UNIT is comprised of the following classifications:

Account Clerk I
Account Clerk II
Account Clerk III
Administrative Technician
Administrative Utilities Technician
Assistant Civil Engineer
Assistant Planner
Associate Civil Engineer
Associate Planner
Building Inspector
Building Inspector/Plans Examiner
Consolidated Maintenance Worker I
Consolidated Maintenance Worker II
Consolidated Maintenance Worker III
Consolidated Maintenance Leadworker
Consolidated Maintenance Field Supervisor
Engineering Technician I
Engineering Technician II
Engineering Technician III
Engineering Technician IV
Harbor Business Coordinator
Harbor Patrol Officer
Harbor Patrol Officer Supervisor
Housing Programs Coordinator
Mechanic
Office Assistant II
Office Assistant III
Office Assistant IV
Permit Technician
Permit Technician - Certified
Recreation Supervisor - Sports
Recreation Supervisor – Youth
Recreation Coordinator
Support Services Technician
Wastewater Treatment Plant Operator In-Training
Wastewater Treatment Plant Operator I
Wastewater Treatment Plant Operator II
Wastewater Treatment Plant Operator II/Lab Analyst
Wastewater Treatment Plant Leadworker
Wastewater Treatment Plant Supervisor
Wastewater Collection System Operator I
Wastewater Collection System Operator II
Wastewater Collection System Operator III
Wastewater Collection System Leadworker
Wastewater Collection System Supervisor

Water System Operator I
Water System Operator II
Water System Operator III
Water System Supervisor

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

3.2 Employees, working on a regular basis in a classified position, but less than full-time, shall receive vacation and sick leave accruals on a pro-rated basis, commensurate with hours worked. Effective January 1, 1998, all benefits for new hires, including insurance benefits, will be allocated on a pro-rated basis, commensurate with hours worked.

3.3 Electronic Deposit:
All Employees, hired after the effective date of this contract, shall receive their pay by electronic methods. New hires must present account information for a checking or a savings account with an ACH-member financial institution.

ARTICLE 4 - UNION BUSINESS

4.1 Employee representatives, designated by the UNION, shall be granted time off, without loss of pay, to attend "meet and confer" sessions with the City Manager, and/or his/her designee, on subjects within the scope of representation, when such meetings are scheduled during regular working hours. Should such meeting extend beyond an employee representative's regular working hours, the employee representative shall be paid for only the regular working hours.

It is understood that this "time-off provision" shall only apply to a maximum of three (3) employees attending any one meeting between CITY and UNION. Where exceptional circumstances warrant, the City Manager may approve the attendance at such meetings of additional employee representatives. The UNION shall, whenever practicable, submit the names of all employee representatives to the City Manager, or designee, at least two working days in advance of such meetings. Provided further: 1) that no employee representative shall leave his/her duty or work station or assignment without specific approval of the department head or other authorized CITY management official; and 2) that any such meeting is subject to scheduling by CITY management and UNION, in a manner consistent with operating needs and work schedules.

4.2 Nothing provided herein shall limit or restrict CITY management and UNION from scheduling such meetings before or after regular CITY or work hours.

4.3 Off-duty employees will not be paid for attending meet and confer sessions, nor will over-time be paid for same.

4.4 If the UNION and the CITY are actively meeting and conferring (e.g. after a successor letter has been delivered to the CITY to initiate conferring), then pursuant to Government Code Section 3505.3, a reasonable number of UNION representatives shall be permitted paid release time from regular working hours upon reasonable notification to the CITY as follows:

a. When formally meeting and conferring with representatives of the CITY on matters within the scope of representation;

b. When testifying or appearing as the designated representative of UNION in conferences, hearings, or other proceedings before the board, or an agent thereof, in matters relating to a charge filed by the UNION against the CITY or by the CITY against the UNION;

c. When testifying or appearing as the designated representative of the UNION in matters before a personnel or merit commission.

d. For the purposes of this section, "designated representative" means an officer of the UNION or a member serving in proxy of the UNION.

4.5 The UNION will be permitted to retain and use bulletin boards for member informational purposes at the following locations: 1) City Hall 2) Public Works/Community Development 3) Recreation Services 4) Water and Collections Department 5) Wastewater Treatment Plant 6) Fire Department and 7) Harbor Department.

ARTICLE 5 - AUTHORIZED AGENTS

For the purpose of administering the terms and provisions of this MOU:

5.1 Management's principal authorized agent shall be the City Manager, or his/her duly authorized representative (address: 595 Harbor Street, Morro Bay, CA 93442, telephone (805) 772-6201), except where a particular management representative is specifically designated in the MOU.

5.2 The UNIT's principal authorized representative shall be: Service Employees International Union Local 620 (114 Vine Street, Santa Maria, CA 93454 (805) 963-0601).

5.3 The UNION shall furnish the CITY's City Manager with a written list, identifying by name and work location, up to three stewards and one chief steward.

5.4 UNION stewards shall be authorized, when participating in the investigation and processing of a grievance, to take a reasonable amount of CITY–time, without loss of compensation or benefits, to perform these duties.

5.5 UNION stewards shall be selected in accordance with current SEIU written policy on file with the CITY Human Resources Office.

ARTICLE 6 – UNION SECURITY and WITHHOLDING OF UNION DUES/FEES

6.1 "Maintenance of Membership"
All UNIT employees who, on the effective date of this MOU, are members of SEIU Local 620, and all such employees, who thereafter voluntarily become members of Local 620, shall maintain their membership in Local 620, subject to the right to resign membership during the period commencing thirty days prior to June 30 of each year of this MOU.

6.2 Agency Shop
Pursuant to UNION's initiation, allowed by an amendment to the Meyers-Milias-Brown Act, the CITY and the UNION will abide by the following provisions, as they relate to an agency shop.

Agency Shop, as defined under Meyers-Milias-Brown, means "an arrangement that requires an employee, as a condition of continued employment, either to join the recognized employee organization, or to pay the organization a service fee in an amount not to exceed the standard initiation fee, periodic dues, and general assessments of the organization." CITY recognizes that UNION has petitioned for ,and a majority of employees have cast ballots in a secret ballot election in favor of, agency shop for this bargaining UNIT.

The United States Supreme Court has decided that Unions may not charge non-members for expenses unrelated to the actual representation of the employees in the bargaining UNIT, such as political contributions, organizing activities, and member-only benefits. Employees, who question whether the amount of the UNION's Agency Fee contains unlawful charges, may file a written objection with the UNION to the Agency Fee, and if successful, have their Agency Fee reduced to cover only the lawfully-chargeable amount. Any costs related to this objection process will be borne by the UNION.

6.3 Conscientious Objection
Any employee, who is a member of a bona fide religion, body, or sect that has historically held conscientious objections to joining or financially supporting public employee organizations, shall not be required to join or financially support any public employee organization as a condition of employment. Such employees shall be required to, in lieu of periodic dues, initiation fees, or agency fees, pay sums, equal to the dues, initiation fees, or agency fees, to a nonreligious, non-labor charitable fund, exempt from taxation under Section 501(C)(3) of the Internal Revenue Code, chosen by the employee from the following: Hospice, CASA, or United Way for the purpose of payroll deductions. Proof of payments shall be made on a monthly basis to the CITY, as a condition of continued exemption from the requirement of financial support to the UNION.

6.4 Covered employees shall execute written authorization for either UNION dues deductions, the agency fee, or, if eligible, the charitable contribution. In the absence of a written authorization, the CITY shall deduct the agency fee from the employees' paycheck, pursuant to the Meyers-Milias-Brown Act (Gov't Code Sections 3500-3511 et.seq.). Section 3502.5. The CITY agrees to promptly remit, to the UNION, all monies deducted, accompanied by an "Agency Fee Deduction Report," to include the names and amounts of the deductions in the same manner and timeframes as the current provision of the dues deduction reports.

6.5 Rescission of Agency Shop
This agency shop provision may be rescinded by a majority vote of all the employees in the UNIT covered by the MOU, provided that:

6.5.1 A request for such a vote is supported by a petition of at least 30% of the employees in the bargaining UNIT;

6.5.2 The vote is by secret ballot;

6.5.3 The vote may be taken at any time during the term of the MOU, but in no event shall there be more than one vote taken during each contract year.

6.6 Applicability
An agency shop arrangement shall not apply to management, confidential, or supervisory employees.

6.7 Reporting Requirement
The UNION shall keep an adequate itemized record of its financial transactions, and shall make available annually, to the CITY and to the employees who are members of the organization, within 60 days after the end of its fiscal year, a detailed written financial report, thereof, in the form of a balance sheet and an operating statement, certified as to accuracy by its president and treasurer or corresponding principal officer, a certified public accountant, or as otherwise required by law.

6.8 Indemnification
The UNION shall indemnify, and hold the CITY harmless, against any liability arising from any claims, demands, or other action relating to the CITY's compliance with the agency shop obligation. The UNION shall comply with all statutory and legal requirements, with respect to agency shop.

ARTICLE 7 - TERM

Except as otherwise specifically provided herein, the term of this MOU shall be from July 1, 2016, through June 30, 2017.

ARTICLE 8 - RENEGOTIATIONS

8.1 In the event either party wants to renegotiate a successor MOU, such party shall serve, upon the other during the period December 1, 2016 to January 31, 2017, its written request to begin negotiations, as well as its full and entire written proposals amending this MOU.

8.2 The parties agree that, except by mutual agreement, no new subjects may be introduced into the process after the third negotiations meeting.

8.3 Upon receipt of such written notice and proposals, negotiations shall begin no later than March 1,2017.

ARTICLE 9 - ANTI-DISCRIMINATION

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

ARTICLE 10 - WORK SCHEDULE

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

10.1 Workday

The normal workday shall be eight hours of work in a 24 consecutive hour period, except in cases of emergencies. Alternative work schedules can be implemented, upon approval of the City Manager, and providing they are not in violation of Fair Labor Standards Act (FLSA) regulations.

10.2 Work Shift

Employees shall be scheduled to work on regular work shifts having regular starting and quitting times. Except for emergencies, employees' work shifts shall not be changed without 24-hour prior notice to the employee. Call-out or overtime does not constitute as change in work shift.

10.3 Work Week

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

10.4 Overtime Compensation

10.4.1 All work required by the CITY, and actually performed beyond 40 hours worked in a workweek, is defined as FLSA overtime. FLSA overtime shall be

compensated at one and one-half times the employee's regular rate of pay, as defined by FLSA.

10.4.2 Designated CITY holidays shall be considered as time worked, for purposes of computing overtime, for personnel working a Monday through Friday, eight hours a day, schedule with Saturday and Sunday as regular days off. Employees working other schedules will accrue eight hours holiday time, and if working on the CITY designated holiday, be paid at the rate of one and one-half times the employee's regular rate of pay, as defined by FLSA. Effective upon the ratification of this contract, vacation hours used shall also be considered as time worked, for overtime calculation purposes.

10.4.3 There shall be no double compensation for the same hours of work, nor any "pyramiding" of overtime.

10.5 Compensatory Time Off (CTO):

10.5.1 At the employee's option, CTO may be taken in lieu of payment for overtime.

10.5.2 CTO may be accrued. An employee's CTO balance shall indicate the amount of CTO available for employee's use. For example, if an employee works two hours of FLSA overtime, and elects to accrue CTO, the employee's CTO balance shall indicate three hours.

10.5.3 An employee's CTO balance shall not exceed a maximum of 60 hours. If overtime is earned that would exceed this limit, the excess shall be paid in cash.

10.5.4 All CTO, requested by an employee, must be approved in advance by the employee's Department Head.

10.5.5 Employees, separating from the CITY, are entitled to pay for accumulated CTO at their current base rate of pay.

10.6 Emergencies

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

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

10.7 Shift Rotation

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

10.8 Breaks

As a general practice, employees shall be permitted to take a minimum fifteen (15) minute paid rest/hydration/exercise break for every four (4) hours worked. In addition, employees shall be permitted to take a minimum thirty (30) minute and maximum sixty (60) minute unpaid meal break for up to ten (10) hours worked. The scheduling of these breaks shall be subject to departmental policy and will require approval of an employee's supervisor or manager. The inability of a department to schedule or allow such breaks or of an employee to take such breaks shall not give rise to any right to or claim for compensation and/or monetary damages of any kind.

ARTICLE 11 - VACATION LEAVE

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

11.1 During the term of this MOU, paid vacation leave shall be earned at the following rate:

	Maximum Entitlement	
Service Years	Days	Hours
1 thru 2	10	80
3 thru 4	11	88
5 thru 6	12	96
7 thru 8	13	104
9 thru 10	14	112
11 thru 12	15	120
13 thru 14	16	128
15 thru 16	17	136
17 thru 18	18	144
19 thru 20	19	152
21 or more	20	160

11.2 The standard for vacation time is eight hours equals one day.

11.3 Effective July 1, 2014, employees will be provided an option to convert up to 40 hours of vacation into compensation per fiscal year provided that at the time of the conversion request at least 20 hours of vacation time remains in the employee's vacation bank. Conversion may be requested throughout the fiscal year, with a minimum of 30 days' notice to payroll, and Department Head approval.

11.4 Maximum Accumulation

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

11.4.1 CITY and UNION agree that the vacation cap to be in place for this UNIT will be 220 hours, to be achieved in the following manner:

11.4.1.1 Unused vacation leave may be carried over into the calendar year 2008 and subsequent calendar years to a maximum of 220 hours. Employees exceeding the 220-hour maximum, as of the pay period containing November 1st will be paid off for vacation time that exceeds the 220-hour maximum. Payment shall be computed based upon the employee's current base hourly rate of pay. Vacation pay out will occur in the first pay period occurring on or after December 1st.

11.4.2 Employees, separating from the CITY, are entitled to pay for accumulated vacation based upon employee's current base hourly rate of pay.

ARTICLE 12 - HOLIDAYS

12.1 For the purpose of this MOU, the following days are the holidays for the employees in this UNIT:

New Year's Day	January 1
Martin Luther King, Jr.'s, Day	3rd Monday in January
Lincoln's Birthday	February 12th
President's Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4th
Labor Day	1st Monday in September
Veterans' Day	November 11th
Thanksgiving Day	4th Thursday in November
Day after Thanksgiving Day	Friday after Thanksgiving
Christmas Day	December 25th
Two (2) Floating Holidays	Varies

12.2 Holidays, falling on Saturday, shall be observed on the preceding Friday, and holidays, falling on Sunday, shall be observed on the following Monday, and shall be considered designated holidays for purposes of overtime.

12.3 One holiday equals eight hours. For those UNIT employees, participating in alternative work schedules, one holiday shall equal the number of hours the employee is scheduled to work on the day of the holiday. Accrued holiday time may be taken in less than eight hour increments.

12.4 It is agreed that when a holiday is proclaimed by the Mayor of the CITY, then each employee shall be granted time-off in the same number of equivalent work hours. Such time-off shall be selected by the Department Head.

12.5 Employees may accumulate up to a maximum of 48 hours holiday time for holidays worked. Hours of holiday time, accumulated over 48 hours, will be paid off. When an employee terminates employment with the CITY, he/she shall receive pay for his/her current holiday balance up to a maximum of 48 hours at his/her current base hourly rate.

12.6 CITY's denial of requested holiday time off shall be neither arbitrary nor capricious.

12.7 Employees, who work on a CITY-designated holiday, shall have up to 10 hours banked, depending on scheduled hours, and also shall be paid one and one-half times their base hourly rate for the hours actually worked on the holiday.

12.8 The first payroll including July 1, each employee's bank will be credited with 16 hours floating holiday, regardless of actual work schedules.

ARTICLE 13 - SICK LEAVE

13.1 During the term of this MOU, sick leave shall be earned at the rate of one eight-hour workday for each calendar month of service. Sick leave used shall be actual employee time off. For example, if an employee works four 10 hour days per week and is off sick for one of the 10 hour days, 10 hours shall be deducted from employee's sick leave balance. There shall be no maximum to the amount of sick leave that an employee may accumulate.

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

Sick Leave Utilization	Sick Leave	Maximum Conversion to Vacation Leave
0 hours	96 hours	48 hours
0.25 to 8 hours	72 hours	36 hours
8.25 to 16 hours	48 hours	24 hours
16.25 to 25 hours	24 hours	12 hours
Over 25 hours	0 hours	0 hours

At least 160 accrued hours must remain in employee's sick leave bank for any employee to be eligible for conversion or for any conversion to be authorized. In addition, the right

to convert, along with any conversion hours, does not carry over or rollover from calendar year to calendar year; failure to request conversion in any calendar year eliminates the right to do so for that calendar year.

13.3 Upon the service retirement of an employee who has more than 10 years of service with the CITY, said employee shall be entitled to receive payment for up to 720 hours of his/her accrued sick leave at thirty percent (30%) of the employee's rate of pay as of the date of service retirement.

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

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

ARTICLE 14 - RETIREMENT BENEFITS

14.1 All employees will contribute the entire employee retirement contribution, which is currently: 1) classic members, Tier 1 - 8% Miscellaneous/9% Safety; classic members, Tier 2 - 7% Miscellaneous/9% Safety; or PEPRA members, Tier 3 – 6.25% Miscellaneous/11.5% Safety.

14.2 The CITY agrees to continue providing all CalPERS Miscellaneous employees in this UNIT, who were hired prior to January 1, 2012, with the following CalPERS retirement formula and optional benefits (existing employees promoted to another position within the CITY, will not be considered new hires, with respect to retirement formulas):

14.2.1 2.7% @ 55 formula (Section 21354.5)
14.2.2 Unused Sick Leave Credit Option (Section 20965)
14.2.3 Military Service Credit (Section 21024 & 21027)
14.2.4 Single Highest Year Final Compensation (Section 20042)
14.2.5 1959 Survivor Benefit, Level 4 (Section 21574)
14.2.6 Pre-Retirement Option 2W Death Benefit (Section 21548)

14.3 For CalPERS Miscellaneous employees, who were hired on or after January 1, 2012, but before January 1, 2013, and those hired on or after January 1, 2013, who meet the definition of classic member, pursuant to the California Public Employee's Pension Reform Act of 2013 (PEPRA), the CITY will provide the following CalPERS optional benefits:

14.3.1 2% @ 60 formula (benefit factor increases to 2.418% @ 63+) (21353)
14.3.2 Unused Sick Leave Option (Section 20965)
14.3.3 Military Service Credit (Section 21024 & 21027)
14.3.4 Final Compensation Average 36 consecutive highest months (20037)
14.3.5 1959 Survivor Benefit, Level 4 (21574)

14.3.6 Pre-Retirement Option 2W Death Benefit (Section 21548)

14.4 Pursuant to the California Public Employees' Pension Reform Act of 2013 (PEPRA), effective January 1, 2013, employees hired, who meet the definition of new member under PEPRA, will be covered by following retirement formula and receive the following CalPERS optional benefits:

14.4.1 2% @ 62 retirement formula (benefit factor increases to 2.5% @ 67+)
14.4.2 Final Compensation Average 36 consecutive highest months (20037)
14.4.3 Member contribution rate of fifty (50) percent of the expected normal cost rate(currently 6.25%)
14.4.4 Unused Sick Leave Credit (Section 20965)
14.4.5 Military Service Credit (Section 21024 and 21027)
14.4.6 1959 Survivor Benefit, Level 4 (21574)
14.4.7 Pre-Retirement Option 2W Death Benefit (Section 21548)

14.5 The CITY agrees to continue providing CalPERS Safety employees (Harbor Officers reclassed to Safety 10/17/1998) in this UNIT, who were hired prior to September 17, 2011, with the following CalPERS retirement formula and optional benefits (existing employees, promoted to another position within the CITY, will not be considered new hires, with respect to retirement formulas):

14.5.1 3% @ 50 plan (21362.2)
14.5.2 Unused Sick Leave Credit (Section 20965)
14.5.3 Military Service Credit (Section 21024 & 21027)
14.5.4 Highest Single Year Final Compensation (Section 20042)
14.5.7 1959 Survivor Benefit, Level 4 (Section 21574)
14.5.8 Pre-Retirement Option 2W Death Benefit (Section 21548)

14.6 For CalPERS Safety employees (Harbor Patrol Officers, who were hired on or after September 17, 2011, and those hired on or after January 1, 2013, who meet the definition of classic member pursuant to the California Public Employees Pension Reform Act of 2013 (PEPRA), the CITY will provide the following CalPERS optional benefits:

14.6.1 3% @ 55 plan (Section 21363.1)
14.6.2 Unused Sick Leave Credit (Section 20965)
14.6.3 Military Service Credit (Section 21024)
14.6.4 Final Compensation 3 Year (20037)
14.6.5 1959 Survivor Benefit Level 4 (Section 21574)
14.6.6 4th Level Survivor Benefit (Section 21574)
14.6.7 Pre-Retirement Death Option 2W

14.7 Pursuant to the California Public Employees' Pension Reform Act of 2013 (PEPRA), effective January 1, 2013, safety employees hired who meet the definition of new member under PEPRA, will be covered by the following retirement formula and optional CalPERS benefits:

14.7.1 2.7% @ 57 retirement formula (Section 7522.25(d))
14.7.2 Final Compensation Average 36 consecutive highest months (20037)
14.7.3 Member contribution rate of fifty (50) percent of the expected normal cost rate (currently 11.5%)
14.7.4 Unused Sick Leave Option (Section 20965)
14.7.5 Military Service Credit (Section 21024)
14.7.6 1959 Survivor Benefit Level 4 (Section 21574)
14.7.7 4th Level Survivor Benefit (Section 21574)
14.7.8 Pre-Retirement Death Option 2W

14.8 City will contribute, on a 2:1 basis (i.e., employee contributes $2, and City contributes $1) with City maximum of $600.00 per employee in any calendar year, to an employee's deferred compensation 457 plan.

ARTICLE 15 - HEALTH BENEFITS

15.1 Health Insurance

15.1.1 Employees of this UNIT shall participate in the CalPERS medical insurance plans on a cafeteria style basis, with the CITY contributing the CalPERS minimum (currently $125/month) to the active employee's medical insurance, and $1.00/month, or the amount required by CalPERS, to retiree medical insurance. Any costs in excess of these contribution rates shall be paid by the employee and retiree.

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

Employee only - up to $715/month or cost of insurance, whichever is less
Employee + 1 – up to $1,109/month or cost of insurance, whichever is less
Employee + family - up to $1,326/month or cost of insurance, whichever is less

15.1.3 Effective January 1, 2009, cash-back was eliminated, except as provided herein. Employees, receiving cash-back in December 2008, shall continue to receive the same amount for the term of this MOU, except that if cash-back employees change the structure of their insurance (add dependents, delete dependents, drop insurance with the CITY, change carriers, etc.) cash-back is not an option. Cash-back will be eliminated for employees during the open enrollment period in 2012 for calendar year 2013, and in subsequent years, if said employees are required (because of eliminated plans) to change carrier. In the event an employee receiving cash-back is forced to make a plan change because the CITY changes plans and/or ceases to contract with PERS for insurance, that employee will maintain cash-back.

15.2 Dental, Life and Vision Insurance

15.2.1 Life Insurance is provided at $50,000 per employee. The following rates are effective January 1, 2016:

	Vision	Dental	Life	Totals	City pays	EE pays
Employee only	$ 8.86	$ 55.47	$7.50	$ 71.83	$ 68.90	$ 2.93
Employee + 1	$16.59	$143.09	$7.50	$ 167.18	$ 155.43	$11.75
Employee + 2+	$22.59	$143.09	$7.50	$ 173.18	$ 160.97	$12.21

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

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

15.4. The provisions of this ARTICLE shall be binding on the parties through the remainder of this MOU, and for the term of the MOU, which will be effective upon City Council approval. The parties agree herewith to retain the option to re-open discussion, with respect to this ARTICLE, for any changes to the 2017 health rates. Re-opening would occur in September 2016, or as soon as the 2017 health rates become available.

ARTICLE 16 - EDUCATION INCENTIVES

16.1 CITY agrees to reimburse the costs for job-related and job-required certifications, correspondence courses, and licenses (except Class III driver's license) upon successful completion of the examination or course by the employees, having written authorization in advance from their department head. This shall include application fees, examination fees, and certificate fees. Renewal fees may be paid in advance by the CITY. This provision does not apply to continuing education requirements.

16.2 CITY agrees to provide a CITY vehicle, when available, during normal working hours for required transportation, and will permit paid time for employees to take examinations scheduled during normal working hours. No mileage payments are authorized for personal transportation, and time spent outside normal working hours shall not be compensated, except that tests taken for CITY-required certifications shall be taken in paid status.

ARTICLE 17 - WORK UNIFORMS

17.1 CITY will provide work coveralls, including laundry service, for each employee whose working conditions create undue wear and tear on work clothing.

CITY will select and provide uniform work shirt, including laundry service, for all field employees. Work shirts shall include a CITY logo and the employee's name.

17.2 Determination of individual entitlement to CITY-provided work uniforms will be at the discretion of the appropriate department head, and with the approval of the City Manager. UNIT members in classifications currently receiving uniforms shall continue to do so.

17.2.1 Each employee, as determined in 17.2, will be provided a CalPERS benefit of $16.18 per pay period. This benefit shall increase should the cost increase.

17.3 Safety Shoes

Effective July 1, 2016, employees required to wear steel-toed safety shoes and Harbor Patrol Officers required to wear approved footwear in the performance of their duties, shall be eligible to receive an annual reimbursement, for the provision of said shoes, in the amount of $200 per fiscal year. Harbor Patrol Officers shall be required to wear 6" black leather boots or water/safety-specific shoes as approved within the sole discretion of the Harbor Director. Proof of purchase of shoes and boots are required. Once purchased, such appropriate footwear must be worn only while working.

ARTICLE 18 – WAGES AND INCENTIVES

18.1 Effective retroactive to the pay period including July 1, 2016 for those employees still employed by the CITY upon City Council adoption of this MOU, the CITY shall provide a Cost of Living Adjustment (COLA) increase to base salaries for all UNIT classifications by 2.25% (see Exhibit A updated salary table).

18.2 Required Certificate.

Employees in the Maintenance Worker classifications in the Collections division shall receive a $75 per month incentive for the California Water Environment Association Collections Certificate required by their classification. Those employee classifications are: Wastewater Collection System Leadworker and Wastewater Collection System Operator I, II and III.

18.3 Additional Certificate. An employee classified as a Wastewater Treatment Plant Operator with a certificate issued by the California State Water Resources Control Board, or those employees classified as Water System Operator and Wastewater Collection System Operator, shall receive a $50 per month incentive for one certification above that required by the position held.

Those employees classified as Water System Operator will additionally receive a $50 per month incentive for one treatment certification above that required by the position held.

18.4 All salary adjustments, including but not limited to merit increases, educational incentives, and any other pay adjustments will take effect at the beginning of the next payroll period after the scheduled effective date of the increase.

18.5 Any and all special pay incentives will be calculated on base salary.

18.6 Attached Exhibit A reflects wages for UNIT members for the duration of this MOU.

18.7 The UNION and the CITY will each jointly conduct an internal salary survey in the middle of the contract term. The market comparable cities studied shall be as follows: City of Paso Robles, the City of Atascadero, the City of San Luis Obispo, the City of Pismo Beach, the City of Grover Beach and the City of Arroyo Grande. Positions dedicated to the Harbor Department shall include Channel Island Harbor, Pillar Point Harbor, and Ventura Port district.

ARTICLE 19 - SPECIAL PAY PRACTICES

19.1 Standby

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

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

19.1.2 It is agreed that personnel, who are scheduled on a routine basis, for standby duty, shall be compensated at the rate of forty-two ($42) per day for each day of scheduled standby duty performed. This increase is effective upon the City Council ratification of this MOU.

Effective upon City Council ratification of this MOU, standby pay rates for the following, City recognized holidays, shall be compensated at the rate of sixty dollars ($60.00) for UNION employees except Harbor Department:

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

19.1.3 For Harbor Department employees (HPO Supervisor and Officers), standby rates shall be compensated at the rate of sixty dollars ($60.00) for the agreed upon holidays listed below, regardless of the City-recognized holiday schedule:

1) New Year's Eve
2) New Year's Day
3) Memorial Day Weekend Friday
4) Memorial Day Weekend Saturday
5) Independence Day
6) Labor Day Weekend Friday
7) Labor Day Weekend Saturday
8) Thanksgiving Day
9) Day after Thanksgiving
10) Christmas Eve
11) Christmas Day

19.2 Call Back

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

19.2.2 CITY will guarantee a minimum of three (3) work hours credit (four and one half (4-1/2) hours compensation), for each employee called back for work, as defined above.

19.2.3 Whenever an employee is called back to work, the CITY considers the employee "on-duty" for three hours, even if employee returns home. No additional call-back time pay is allowed during this period, if the employee is again called back. However, if more than three hours have passed since the initial call-back, and the employee is called back to work again, the employee may claim an additional three work hours credit (four and one half hours call-back compensation) under the conditions set forth in 19.2.1 above.

19.2.4 Said employee shall receive either pay or compensatory time-off, pursuant to Article 10 - Overtime Compensation, for the minimum or for all time actually worked, whichever is greater.

19.2.5 Employees called back to work, pursuant to this section, shall be eligible for mileage reimbursement when utilizing their personal vehicle.

19.3 Members of this UNIT who are required by their supervisor to attend meetings outside of the normal work schedule shall be paid a minimum of three hours at time and one-half without regard to hours actually worked during the work week. Meetings during regular work hours shall be included in employees' regular rate of pay and not compensated beyond that.

19.4 Class A Driver's License and Captain's License
Effective with the City Council ratification of this MOU, UNIT members, possessing a Class A Driver's License, will receive $50 per month.

Effective with the City Council ratification of this MOU, UNIT members in the Harbor Department, possessing a Captain's License, will receive $50 per month.

19.5 Bilingual Pay (Spanish)
Effective with the City Council ratification of this MOU, up to three (3) UNIT members may earn $75 per month for speaking Spanish, and $75 per month for writing in Spanish, for a total possible of $150 per month.

A test is required; Human Resources, or designee, will administer the test.

UNIT employees have the option to re-open and discuss this section to add other languages, if the need is demonstrated.

ARTICLE 20 - PROBATION

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

ARTICLE 21 - GRIEVANCE PROCEDURE

21.1 Purpose of the Procedure

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

21.2 Definition of Informal Grievance

An informal grievance is defined as an oral (or email) concern by an employee expressed to his/her supervisor with a request to informally discuss the grievance with the supervisor and/or the department head.

21.3 Definition of Formal Grievance

A formal grievance shall be defined as any formal written complaint of an employee filed with his/her immediate supervisor within thirty days of the action or inaction by the CITY which constitutes the subject of the grievance relating to his/her wages, hours of work, and working conditions. Such grievance shall not include performance evaluations or reprimands. However, employees may provide a written rebuttal to a performance evaluation or written reprimand that will be attached to the original document for placement in the employee's file.

21.4 Informal Discussion with Supervisor

An employee shall first pursue all informal grievances with his/her supervisor and at any time that the employee deems that the informal grievance is a formal grievance, the employee may reduce it to a formal written grievance.

21.5 Formal Conference with Supervisor

If an employee does not obtain satisfaction of his/her informal grievance by means of an informal discussion with his/her supervisor, or if employee is unable to communicate with his/her supervisor, employee and/or his/her representative may, by written grievance, request and shall be accorded a formal conference within ten days with the supervisor and/or department head. The decision of the supervisor shall be reported to the employee and/or his/her representative within five business days of the date the conference was held with the supervisor.

21.6 Department Review

In the event the employee does not obtain satisfaction at any level of review by means of informal or formal grievance and a formal conference with his/her supervisors, employee and/or his/her representative may submit the grievance in writing to the supervisor or department head. The procedure to be followed by the supervisor who receives a grievance in writing shall be established by each department head for his/her department, and shall include review of the grievance by the immediate supervisor and such successively higher levels of management as may be determined by the department head. A cumulative record of the decision and the reason for the decision at each level of review shall be maintained. The ultimate decision shall be that of the department head. The decision must be reported to the employee in writing within ten business days of the date that the request for departmental review was submitted to the supervisor.

21.7 Mediation

If, within ten working days after receipt of the written decision of the Department Head the employee is still dissatisfied, he/she may request the services of a

mediator from the State Mediation and Conciliation Service. CITY is not bound by the determination and/or recommendations of said mediator.

21.8 Appeal to the City Manager

In the event the employee does not obtain satisfaction by means of the mediator, employee and/or his/her representative shall submit the grievance in writing to the City Manager within ten days after notification of the mediator's determination is given to the employee. The City Manager may meet with the employee and/or his/her representative, the mediator and the department head before making a decision; or may waive administrative review and refer the grievance directly to a committee of the City Council appointed to hear grievances. A copy of the City Manager's decision on the matter must be presented to the employee within ten business days of the date the grievance was filed with the City Manager.

21.9 Submission to a Committee of the City Council

In the event that the employee does not obtain satisfaction by means of the administrative procedures outlined above, he/she may request a hearing by a committee of the City Council. The hearing shall be held by the committee within fifteen business days of the date of receipt of the request at the convenience of all parties, unless waived by mutual consent of the employee and the department head. The hearing shall be informal. The employee and/or his/her representative, the department head and/or the City Manager shall appear before the committee to present the facts pertinent to the case. The burden of proof shall rest with the employee. The committee shall limit its review of the grievance to the subject matter contained in the previous steps of the grievance procedure and shall make its decision within thirty days after the termination of the hearing unless of the hearing unless a reasonable time extension is deemed necessary and all parties are notified.

21.10 Time Limits

In case the time limits outlined above are not observed by the representative of the CITY, the employee and/or his/her representative shall have the right to carry the grievance directly to the next higher level of review.

21.11 Group Grievance Procedure

The recognized employee organizations may present a general grievance (affecting several employees) in writing directly to the City Manager. Upon receipt of such grievance, the City Manager shall establish a time for a hearing, at which time all affected parties may appear before the City Manager to present facts pertinent to the issue. The decision of the City Manager shall be presented to all parties

concerned within fifteen business days and, within five business days of receipt of the City Manager's decision which is unacceptable, shall be appealable by the group to a committee of the City Council for their findings and recommendations within thirty days thereafter. If either party wishes to appeal, they may file an appeal with the City Council as a whole within five business days of the final decision of the committee of the City Council.

ARTICLE 22 - NO STRIKE, NO LOCK-OUT

22.1 During the term of this MOU, the CITY will not lockout any employees nor will UNIT employees or the UNION cause, authorize, advise or encourage any interruption of work or any other concerted action. The term "interruption of work" shall mean any work stoppage, "sick out," or strike (including economic, sympathy, and unfair labor practice strikes) or any intentional slowdown of work. The term "other concerted action" includes picketing or boycott activities by the UNION.

22.2 There shall be no refusal to work on, handle or produce any materials or equipment because of a labor dispute.

22.3 Any employee engaging in any action prohibited by this Article shall be subject to immediate discharge or such other discipline as the CITY may assess. Such discharge or discipline shall not be reviewable through the Grievance Procedure.

ARTICLE 23 - FULL UNDERSTANDING, MODIFICATION, WAIVER

23.1 This MOU sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements by the parties, whether formal or informal, regarding any such matters are hereby superseded or terminated in their entirety.

23.2 It is agreed and understood that each party hereto voluntarily and unqualifiedly waives its right to negotiate, and agrees that the other party shall not be required to negotiate, with respect to any matter covered herein. Notwithstanding the foregoing, it is agreed that from time-to-time the CITY may introduce changes in its Personnel Rules and offer the Union an opportunity to meet and confer prior to implementing changes within the scope of bargaining.

23.3 No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed in writing by all parties hereto, and if required, approved by the CITY and ratified by the membership of the UNION.

23.4 The waiver of any breach of any term, or condition of this MOU by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

24.4 The City agrees to meet and confer regarding any change in job titles and descriptions of represented employees.

ARTICLE 24 - SEVERABILITY

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

ARTICLE 25 – JOINT DRAFTING

Each party has cooperated in the drafting and preparation of this MOU. Hence, in any legal construction or interpretation to be made of this MOU, the same shall not be construed against any party.

ARTICLE 26 – CITY COUNCIL APPROVAL

The CITY's labor relations representatives and the UNION's representatives have met and conferred in good faith on wages, hours and other terms and conditions of employment for the UNIT members represented by the UNION and have reached agreements which are set forth in this MOU. This MOU, when executed by the CITY's labor relations representatives and the UNION's representatives, constitutes a joint recommendation therefrom, after ratification of the UNION's membership, to be submitted to the City Council for its determination and approval by resolution. This MOU is of no force or effect unless or until approved and adopted by a resolution of the City Council.

SEIU LOCAL 620	**CITY OF MORRO BAY**
Darryl Scheck, Field Representative	David Buckingham, City Manager
Mike Mobley, Shop Steward	Colin Tanner, Negotiator, Aleshire & Wynder
Dustin Pitman, Team Member	Laurie Goforth, Human Resources
Lori Stilts, Team Member	Susan Slayton, Admin Svcs Director

EXHIBIT A

CITY OF MORRO BAY

FY 16/17 SEIU REPRESENTED CLASSIFICATIONS & SALARY SCHEDULES

TITLE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
ACCOUNT CLERK I	36,980	38,829	40,770	42,809	44,949
WASTEWATER COLL SYS WORKER I	36,980	38,829	40,770	42,809	44,949
OFFICE ASSISTANT III	36,980	38,829	40,770	42,809	44,949
OFFICE ASSISTANT IV	39,981	41,980	44,079	46,283	48,597
ACCOUNT CLERK II	41,537	43,614	45,795	48,084	50,489
WASTEWATER COLL SYS WORKER II	41,537	43,614	45,795	48,084	50,489
CONS MAINTENANCE WORKER II	41,537	43,614	45,795	48,084	50,489
WATER SYSTEM OPERATOR I	41,537	43,614	45,795	48,084	50,489
WASTEWATER TREATMENT OP-IN-TRNG	41,537	43,614	45,795	48,084	50,489
PERMIT TECHNICIAN	42,539	44,666	46,899	49,244	51,707
ACCOUNT CLK III	44,487	46,711	49,047	51,499	54,074
WASTEWATER COLL SYS WORKER III	44,487	46,711	49,047	51,499	54,074
CONS MAINTENANCE WORKER III	44,487	46,711	49,047	51,499	54,074
WASTEWATER TREATMENT OP I	44,487	46,711	49,047	51,499	54,074
ADMINISTRATIVE TECHNICIAN	45,273	47,537	49,914	52,409	55,030
ADMINISTRATIVE UTILITIES TECH	45,273	47,537	49,914	52,409	55,030
PERMIT TECHNICIAN - CERTIFIED	45,273	47,537	49,914	52,409	55,030
SUPPORT SERVICES TECHNICIAN	45,273	47,537	49,914	52,409	55,030
MECHANIC	46,721	49,057	51,510	54,086	56,790
WATER SYSTEM OPERATOR II	49,488	51,962	54,560	57,289	60,153
WASTEWATER TREATMENT OP II	49,488	51,962	54,560	57,289	60,153
HARBOR PATROL OFFICER	51,618	54,199	56,909	59,754	62,742
WASTEWATER COLL SYS LEADWORKER	51,767	54,355	57,073	59,927	62,923
CONS MAINTENANCE LEADWORKER	51,767	54,355	57,073	59,927	62,923
ENGINEERING TECHNICIAN III	51,767	54,355	57,073	59,927	62,923
WATER SYSTEM OPERATOR III	51,962	54,561	57,289	60,153	63,161

TITLE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
WASTEWATER TRTMT OP II/LAB ANALYST	51,962	54,561	57,289	60,153	63,161
RECREATION SUPERVISOR	52,919	55,565	58,344	61,261	64,324
ASSISTANT PLANNER	53,249	55,911	58,707	61,642	64,724
ASSISTANT CIVIL ENGINEER	55,376	58,144	61,052	64,104	67,309
BUILDING INSPECTOR	55,376	58,144	61,052	64,104	67,309
ENGINEERING TECHNICIAN IV	55,376	58,144	61,052	64,104	67,309
WASTEWATER TREATMENT LEADWORKER	55,376	58,144	61,052	64,104	67,309
HARBOR BUSINESS COORDINATOR	57,641	60,523	63,550	66,727	70,063
HOUSING PROGRAMS COORDINATOR	57,641	60,523	63,550	66,727	70,063
RECREATION COORDINATOR	57,641	60,523	63,550	66,727	70,063
HARBOR PATROL SUPERVISOR	60,801	63,841	67,033	70,385	73,904
ASSOCIATE CIVIL ENGINEER	61,972	65,070	68,324	71,740	75,327
ASSOCIATE PLANNER	61,972	65,070	68,324	71,740	75,327
BUILDING INSPECTOR/PLANS EXAMINER	61,972	65,070	68,324	71,740	75,327
WASTEWATER COLL SYS SUPERVISOR	61,972	65,070	68,324	71,740	75,327
CONS MAINTENANCE FIELD SUPERVISOR	61,972	65,070	68,324	71,740	75,327
WATER SYSTEM SUPERVISOR	61,972	65,070	68,324	71,740	75,327
WASTEWATER TREATMENT SUPERVISOR	61,972	65,070	68,324	71,740	75,327

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE MORRO BAY

SERVICE EMPLOYEES

INTERNATIONAL UNION

LOCAL NO. 620

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AND

THE CITY OF MORRO BAY

JULY 1, 2016 – JUNE 30, 2017

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MEMORANDUM OF UNDERSTANDING BETWEEN
SERVICE EMPLOYEES INTERNATIONAL UNION LOCAL NO. 620
AND THE CITY OF MORRO BAY
JULY 2016 - JUNE 2017

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ARTICLE 1 – PURPOSE

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

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

1.3 **WHEREAS**, Service Employees International Union Local No. 620 and the City of Morro Bay recognize that the mission and the purpose of the City is to provide for high-quality and economical municipal services and facilities to the residents of the City of Morro Bay.

1.4 **THEREFORE**, this Memorandum of Understanding ("MOU") is entered into as of July 1, 2016, between the City of Morro Bay, hereafter called the "CITY," and Service Employees International Union Local No. 620, hereafter called the "UNION."

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

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ARTICLE 2 – MANAGEMENT

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

2.1.1 To manage the CITY, determine policies and procedures, and the right to manage the affairs of all Departments.

2.1.2 To determine the existence, or nonexistence, of facts that are the basis of the management decision in compliance with State law.

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2.1.3 To determine the necessity, organization, implementation, and termination of any service or activity conducted by the CITY or other government jurisdiction, and to expand or diminish services.

2.1.4 To direct, supervise, recruit, select, hire, evaluate, promote, transfer, discipline, discharge, terminate, demote, reduce, suspend, reprimand, withhold salary increases and benefits for disciplinary reasons, or otherwise discipline employees, in accordance with Department or CITY Rules, Regulations, or Ordinances.

2.1.5 To determine the nature, manner, means, extent, type, time, quantity, quality, technology, standard, and level of services to be provided to the public.

2.1.6 To require performance of other public services, not specifically stated herein, in the event of emergency or disaster, as deemed necessary by the CITY.

2.1.7 To lay off employees because of lack of work or funds or under conditions where continued work would be inefficient or nonproductive or not cost effective, as determined by the CITY.

2.1.8 To determine and/or change facilities, methods, technology, equipment, operations to be performed, organization structure, and allocate or assign work by which the CITY operations and services are to be conducted.

2.1.9 To determine method(s) of financing.

2.1.10 To plan, determine, and manage Departments' budget, which includes, but is not limited to, changes in the number of locations and types of operations, processes and materials to be used in carrying out all functions, and the right to contract or subcontract any work or operations.

2.1.11 To determine the size and composition of the work force, assign work to employees of the CITY, in accordance with requirements determined by the CITY, and to establish and require compliance to work hours and changes to work hours, work schedules, including call back, standby, and overtime, and other work assignments, except as otherwise limited by this MOU, or subsequent MOUs.

2.1.12 To establish and modify goals and objectives, related to productivity and performance programs and standards, including, but not limited to, quality and quantity, and required compliance therewith.

2.1.13 To determine qualifications, skills, abilities, knowledge, selection procedures and standards, job classification, job specifications, and to reallocate and reclassify employees, in accordance with division and/or CITY Rules and Regulations.

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2.1.14 To determine the issues of public policy and the overall goals and objectives of the CITY, and to take necessary action to achieve the goals and objectives of the CITY.

2.1.15 To hire, transfer intra- or inter-Department, promote, reduce in rank, demote, reallocate, terminate, and take other personnel action for non-disciplinary reasons, in accordance with Department and/or CITY Rules, Regulations and Ordinances.

2.1.16 To determine policies, procedures and standards for recruiting, selecting, training and promoting employees.

2.1.17 To establish, implement, and/or modify Rules and Regulations, policies, and procedures related to productivity, performance, efficiency, personal appearance standards, code of ethics and conduct, safety, health, and order, and to require compliance therewith.

2.1.18 To maintain order and efficiency in facilities and operation.

2.1.19 To restrict the activity of an employee organization on CITY facilities, except as set forth in this MOU.

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2.1.20 To take any and all necessary steps and actions to carry out the service requirements and mission of the CITY, in emergencies or any other time deemed necessary by the CITY, and not specified above.

2.2 Nothing herein is meant to diminish CITY rights provided by the Government Code.

2.3 Authority of Third Party Neutral – Management Rights
All management rights, powers, authority, and functions, whether heretofore or hereinafter exercised, shall remain vested exclusively with the CITY. No third party neutral shall have the authority to diminish any of the management rights that are included in this MOU.

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2.4 Nothing herein is meant to diminish employee rights provided by the Government Code.

ARTICLE 3 – RECOGNITION

3.1 Pursuant to Resolution No. 74-69, the Employer-Employee Relations Resolution of the City of Morro Bay and applicable state law, Service Employees International Union Local 620 was designated by the City of Morro Bay City Council as the exclusive representative of City employees in the Miscellaneous Employees Unit (hereafter "UNIT"). The UNIT is comprised of the following classifications:

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Account Clerk I
Account Clerk II
Account Clerk III
Administrative Technician
Administrative Utilities Technician
Assistant Civil Engineer
Assistant Planner
Associate Civil Engineer
Associate Planner
Building Inspector
Building Inspector/Plans Examiner
Consolidated Maintenance Worker I
Consolidated Maintenance Worker II
Consolidated Maintenance Worker III
Consolidated Maintenance Leadworker
Consolidated Maintenance Field Supervisor
Engineering Technician I
Engineering Technician II
Engineering Technician III
Engineering Technician IV
Harbor Business Coordinator
Harbor Patrol Officer
Harbor Patrol Officer Supervisor
Housing Programs Coordinator
Mechanic
Office Assistant II
Office Assistant III
Office Assistant IV
Permit Technician
Permit Technician - Certified
Recreation Supervisor - Sports
Recreation Supervisor – Youth
Recreation Coordinator
Support Services Technician
Wastewater Treatment Plant Operator In-Training
Wastewater Treatment Plant Operator I
Wastewater Treatment Plant Operator II
Wastewater Treatment Plant Operator II/Lab Analyst
Wastewater Treatment Plant Leadworker
Wastewater Treatment Plant Supervisor
Wastewater Collection System Operator I
Wastewater Collection System Operator II
Wastewater Collection System Operator III
Wastewater Collection System Leadworker
Wastewater Collection System Supervisor

Comment [SS1]: This was also dropped off in 2004; listed as Custodian

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Comment [SS2]: The two were also dropped off the salary schedule in 2004

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Maintenance Worker I (Facilities, Parks, Streets)¶
Maintenance Worker II (Facilities, Parks, Streets)¶
Maintenance Worker III (Facilities, Parks, Streets

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Comment [SS3]: The OAII was dropped off the salary schedule in 2004

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Water System Operator I
Water System Operator II
Water System Operator III
Water System Supervisor

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

3.2 Employees, working on a regular basis in a classified position, but less than full-time, shall receive vacation and sick leave accruals on a pro-rated basis, commensurate with hours worked. Effective January 1, 1998, all benefits for new hires, including insurance benefits, will be allocated on a pro-rated basis, commensurate with hours worked.

3.3 Electronic Deposit:
All Employees, hired after the effective date of this contract, shall receive their pay by electronic methods. New hires must present account information for a checking or a savings account with an ACH-member financial institution.

ARTICLE 4 - UNION BUSINESS

4.1 Employee representatives, designated by the UNION, shall be granted time off, without loss of pay, to attend "meet and confer" sessions with the City Manager, and/or his/her designee, on subjects within the scope of representation, when such meetings are scheduled during regular working hours. Should such meeting extend beyond an employee representative’s regular working hours, the employee representative shall be paid for only the regular working hours.

It is understood that this “time-off provision” shall only apply to a maximum of three (3) employees attending any one meeting between CITY and UNION. Where exceptional circumstances warrant, the City Manager may approve the attendance at such meetings of additional employee representatives. The UNION shall, whenever practicable, submit the names of all employee representatives to the City Manager, or designee, at least two working days in advance of such meetings. Provided further: 1) that no employee representative shall leave his/her duty or work station or assignment without specific approval of the department head or other authorized CITY management official; and 2) that any such meeting is subject to scheduling by CITY management and UNION, in a manner consistent with operating needs and work schedules.

4.2 Nothing provided herein shall limit or restrict CITY management and UNION from scheduling such meetings before or after regular CITY or work hours.

4.3 Off-duty employees will not be paid for attending meet and confer sessions, nor will over-time be paid for same.

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4.4 If the UNION and the CITY are actively meeting and conferring (e.g. after a successor letter has been delivered to the CITY to initiate conferring), then pursuant to Government Code Section 3505.3, a reasonable number of UNION representatives shall be permitted paid release time from regular working hours upon reasonable notification to the CITY as follows:

a. When formally meeting and conferring with representatives of the CITY on matters within the scope of representation;

b. When testifying or appearing as the designated representative of UNION in conferences, hearings, or other proceedings before the board, or an agent thereof, in matters relating to a charge filed by the UNION against the CITY or by the CITY against the UNION;

c. When testifying or appearing as the designated representative of the UNION in matters before a personnel or merit commission.

d. For the purposes of this section, "designated representative" means an officer of the UNION or a member serving in proxy of the UNION.

4.5 The UNION will be permitted to retain and use bulletin boards for member informational purposes at the following locations: 1) City Hall 2) Public Works/Community Development 3) Recreation Services 4) Water and Collections Department 5) Wastewater Treatment Plant 6) Fire Department and 7) Harbor Department.

ARTICLE 5 - AUTHORIZED AGENTS

For the purpose of administering the terms and provisions of this MOU:

5.1 Management's principal authorized agent shall be the City Manager, or his/her duly authorized representative (address: 595 Harbor Street, Morro Bay, CA 93442, telephone (805) 772-6201), except where a particular management representative is specifically designated in the MOU.

5.2 The UNIT's principal authorized representative shall be: Service Employees International Union Local 620 (114 Vine Street, Santa Maria, CA 93454 (805) 963-0601).

5.3 The UNION shall furnish the CITY's City Manager with a written list, identifying by name and work location, up to three stewards and one chief steward.

5.4 UNION stewards shall be authorized, when participating in the investigation and processing of a grievance, to take a reasonable amount of CITY–time, without loss of compensation or benefits, to perform these duties.

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5.5 UNION stewards shall be selected in accordance with current SEIU written policy on file with the CITY Human Resources Office.

ARTICLE 6 – UNION SECURITY and WITHHOLDING OF UNION DUES/FEES

6.1 "Maintenance of Membership"
All UNIT employees who, on the effective date of this MOU, are members of SEIU Local 620, and all such employees, who thereafter voluntarily become members of Local 620, shall maintain their membership in Local 620, subject to the right to resign membership during the period commencing thirty days prior to June 30 of each year of this MOU.

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6.2 Agency Shop
Pursuant to UNION's initiation, allowed by an amendment to the Meyers-Milias-Brown Act, the CITY and the UNION will abide by the following provisions, as they relate to an agency shop.

Agency Shop, as defined under Meyers-Milias-Brown, means "an arrangement that requires an employee, as a condition of continued employment, either to join the recognized employee organization, or to pay the organization a service fee in an amount not to exceed the standard initiation fee, periodic dues, and general assessments of the organization." CITY recognizes that UNION has petitioned for ,and a majority of employees have cast ballots in a secret ballot election in favor of, agency shop for this bargaining UNIT.

The United States Supreme Court has decided that Unions may not charge non-members for expenses unrelated to the actual representation of the employees in the bargaining UNIT, such as political contributions, organizing activities, and member-only benefits. Employees, who question whether the amount of the UNION's Agency Fee contains unlawful charges, may file a written objection with the UNION to the Agency Fee, and if successful, have their Agency Fee reduced to cover only the lawfully-chargeable amount. Any costs related to this objection process will be borne by the UNION.

6.3 Conscientious Objection
Any employee, who is a member of a bona fide religion, body, or sect that has historically held conscientious objections to joining or financially supporting public employee organizations, shall not be required to join or financially support any public employee organization as a condition of employment. Such employees shall be required to, in lieu of periodic dues, initiation fees, or agency fees, pay sums, equal to the dues, initiation fees, or agency fees, to a nonreligious, non-labor charitable fund, exempt from taxation under Section 501(C)(3) of the Internal Revenue Code, chosen by the employee from the following: Hospice, CASA, or United Way for the purpose of payroll deductions. Proof of payments shall be made on a monthly basis to the CITY, as a condition of continued exemption from the requirement of financial support to the UNION.

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6.4 Covered employees shall execute written authorization for either UNION dues deductions, the agency fee, or, if eligible, the charitable contribution. In the absence of a written authorization, the CITY shall deduct the agency fee from the employees' paycheck, pursuant to the Meyers-Milias-Brown Act (Gov't Code Sections 3500-3511 et.seq.), Section 3502.5. The CITY agrees to promptly remit, to the UNION, all monies deducted, accompanied by an "Agency Fee Deduction Report," to include the names and amounts of the deductions in the same manner and timeframes as the current provision of the dues deduction reports.

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6.5 Rescission of Agency Shop
This agency shop provision may be rescinded by a majority vote of all the employees in the UNIT covered by the MOU, provided that:

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6.5.1 A request for such a vote is supported by a petition of at least 30% of the employees in the bargaining UNIT;

6.5.2 The vote is by secret ballot;

6.5.3 The vote may be taken at any time during the term of the MOU, but in no event shall there be more than one vote taken during each contract year.

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6.6 Applicability
An agency shop arrangement shall not apply to management, confidential, or supervisory employees.

6.7 Reporting Requirement
The UNION shall keep an adequate itemized record of its financial transactions, and shall make available annually, to the CITY and to the employees who are members of the organization, within 60 days after the end of its fiscal year, a detailed written financial report, thereof, in the form of a balance sheet and an operating statement, certified as to accuracy by its president and treasurer or corresponding principal officer, a certified public accountant, or as otherwise required by law.

6.8 Indemnification
The UNION shall indemnify, and hold the CITY harmless, against any liability arising from any claims, demands, or other action relating to the CITY's compliance with the agency shop obligation. The UNION shall comply with all statutory and legal requirements, with respect to agency shop.

ARTICLE 7 - TERM

Except as otherwise specifically provided herein, the term of this MOU shall be from July 1, 2016, through June 30, 2017.

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ARTICLE 8 - RENEGOTIATIONS

8.1 In the event either party wants to renegotiate a successor MOU, such party shall serve, upon the other during the period December 1, 2016 to January 31, 2017, its written request to begin negotiations, as well as its full and entire written proposals amending this MOU.

8.2 The parties agree that, except by mutual agreement, no new subjects may be introduced into the process after the third negotiations meeting.

8.3 Upon receipt of such written notice and proposals, negotiations shall begin no later than March 1,2017.

ARTICLE 9 - ANTI-DISCRIMINATION

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

ARTICLE 10 - WORK SCHEDULE

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

10.1 Workday

The normal workday shall be eight hours of work in a 24 consecutive hour period, except in cases of emergencies. Alternative work schedules can be implemented, upon approval of the City Manager, and providing they are not in violation of Fair Labor Standards Act (FLSA) regulations.

10.2 Work Shift

Employees shall be scheduled to work on regular work shifts having regular starting and quitting times. Except for emergencies, employees' work shifts shall not be changed without 24-hour prior notice to the employee. Call-out or overtime does not constitute as change in work shift.

10.3 Work Week

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

10.4 Overtime Compensation

10.4.1 All work required by the CITY, and actually performed beyond 40 hours worked in a workweek, is defined as FLSA overtime. FLSA overtime shall be

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compensated at one and one-half times the employee's regular rate of pay, as defined by FLSA.

10.4.2 Designated CITY holidays shall be considered as time worked, for purposes of computing overtime, for personnel working a Monday through Friday, eight hours a day, schedule with Saturday and Sunday as regular days off. Employees working other schedules will accrue eight hours holiday time, and if working on the CITY designated holiday, be paid at the rate of one and one-half times the employee's regular rate of pay, as defined by FLSA. Effective upon the ratification of this contract, vacation hours used shall also be considered as time worked, for overtime calculation purposes.

10.4.3 There shall be no double compensation for the same hours of work, nor any "pyramiding" of overtime.

10.5 Compensatory Time Off (CTO):

10.5.1 At the employee's option, CTO may be taken in lieu of payment for overtime.

10.5.2 CTO may be accrued. An employee's CTO balance shall indicate the amount of CTO available for employee's use. For example, if an employee works two hours of FLSA overtime, and elects to accrue CTO, the employee's CTO balance shall indicate three hours.

10.5.3 An employee's CTO balance shall not exceed a maximum of 60 hours. If overtime is earned that would exceed this limit, the excess shall be paid in cash.

10.5.4 All CTO, requested by an employee, must be approved in advance by the employee's Department Head.

10.5.5 Employees, separating from the CITY, are entitled to pay for accumulated CTO at their current base rate of pay.

10.6 Emergencies

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

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

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10.7 Shift Rotation

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

10.8 Breaks

As a general practice, employees shall be permitted to take a minimum fifteen (15) minute paid rest/hydration/exercise break for every four (4) hours worked. In addition, employees shall be permitted to take a minimum thirty (30) minute and maximum sixty (60) minute unpaid meal break for up to ten (10) hours worked. The scheduling of these breaks shall be subject to departmental policy and will require approval of an employee's supervisor or manager. The inability of a department to schedule or allow such breaks or of an employee to take such breaks shall not give rise to any right to or claim for compensation and/or monetary damages of any kind.

ARTICLE 11 - VACATION LEAVE

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

11.1 During the term of this MOU, paid vacation leave shall be earned at the following rate:

	Maximum Entitlement	
Service Years	Days	Hours
1 thru 2	10	80
3 thru 4	11	88
5 thru 6	12	96
7 thru 8	13	104
9 thru 10	14	112
11 thru 12	15	120
13 thru 14	16	128
15 thru 16	17	136
17 thru 18	18	144
19 thru 20	19	152
21 or more	20	160

11.2 The standard for vacation time is eight hours equals one day.

11.3 Effective July 1, 2014, employees will be provided an option to convert up to 40 hours of vacation into compensation per fiscal year provided that at the time of the conversion request at least 20 hours of vacation time remains in the employee's vacation bank. Conversion may be requested throughout the fiscal year, with a minimum of 30 days' notice to payroll, and Department Head approval.

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11.4 Maximum Accumulation

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

11.4.1 CITY and UNION agree that the vacation cap to be in place for this UNIT will be 220 hours, to be achieved in the following manner:

11.4.1.1 Unused vacation leave may be carried over into the calendar year 2008 and subsequent calendar years to a maximum of 220 hours. Employees exceeding the 220-hour maximum, as of the pay period containing November 1st will be paid off for vacation time that exceeds the 220-hour maximum. Payment shall be computed based upon the employee's current base hourly rate of pay. Vacation pay out will occur in the first pay period occurring on or after December 1st.

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11.4.2 Employees, separating from the CITY, are entitled to pay for accumulated vacation based upon employee's current base hourly rate of pay.

ARTICLE 12 - HOLIDAYS

12.1 For the purpose of this MOU, the following days are the holidays for the employees in this UNIT:

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New Year's Day	January 1
Martin Luther King, Jr.'s, Day	3rd Monday in January
Lincoln's Birthday	February 12th
President's Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4th
Labor Day	1st Monday in September
Veterans' Day	November 11th
Thanksgiving Day	4th Thursday in November
Day after Thanksgiving Day	Friday after Thanksgiving
Christmas Day	December 25th
Two (2) Floating Holidays	Varies

12.2 Holidays, falling on Saturday, shall be observed on the preceding Friday, and holidays, falling on Sunday, shall be observed on the following Monday, and shall be considered designated holidays for purposes of overtime.

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12.3 One holiday equals eight hours. For those UNIT employees, participating in alternative work schedules, one holiday shall equal the number of hours the employee is scheduled to work on the day of the holiday. Accrued holiday time may be taken in less than eight hour increments.

12.4 It is agreed that when a holiday is proclaimed by the Mayor of the CITY, then each employee shall be granted time-off in the same number of equivalent work hours. Such time-off shall be selected by the Department Head.

12.5 Employees may accumulate up to a maximum of 48 hours holiday time for holidays worked. Hours of holiday time, accumulated over 48 hours, will be paid off. When an employee terminates employment with the CITY, he/she shall receive pay for his/her current holiday balance up to a maximum of 48 hours at his/her current base hourly rate.

12.6 CITY's denial of requested holiday time off shall be neither arbitrary nor capricious.

12.7 Employees, who work on a CITY-designated holiday, shall have up to 10 hours banked, depending on scheduled hours, and also shall be paid one and one-half times their base hourly rate for the hours actually worked on the holiday.

12.8 The first payroll including July 1, each employee's bank will be credited with 16 hours floating holiday, regardless of actual work schedules.

ARTICLE 13 - SICK LEAVE

13.1 During the term of this MOU, sick leave shall be earned at the rate of one eight-hour workday for each calendar month of service. Sick leave used shall be actual employee time off. For example, if an employee works four 10 hour days per week and is off sick for one of the 10 hour days, 10 hours shall be deducted from employee's sick leave balance. There shall be no maximum to the amount of sick leave that an employee may accumulate.

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

Sick Leave Utilization	Sick Leave	Maximum Conversion to Vacation Leave
0 hours	96 hours	48 hours
0.25 to 8 hours	72 hours	36 hours
8.25 to 16 hours	48 hours	24 hours
16.25 to 25 hours	24 hours	12 hours
Over 25 hours	0 hours	0 hours

At least 160 accrued hours must remain in employee's sick leave bank for any employee to be eligible for conversion or for any conversion to be authorized. In addition, the right

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to convert, along with any conversion hours, does not carry over or rollover from calendar year to calendar year; failure to request conversion in any calendar year eliminates the right to do so for that calendar year.

13.3 Upon the service retirement of an employee who has more than 10 years of service with the CITY, said employee shall be entitled to receive payment for up to 720 hours of his/her accrued sick leave at thirty percent (30%) of the employee's rate of pay as of the date of service retirement.

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

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

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ARTICLE 14 - RETIREMENT BENEFITS

14.1 All employees will contribute the entire employee retirement contribution, which is currently: 1) classic members, Tier 1 - 8% Miscellaneous/9% Safety; classic members, Tier 2 - 7% Miscellaneous/9% Safety; or PEPRA members, Tier 3 – 6.25% Miscellaneous/11.5% Safety.

14.2 The CITY agrees to continue providing all CalPERS Miscellaneous employees in this UNIT, who were hired prior to January 1, 2012, with the following CalPERS retirement formula and optional benefits (existing employees promoted to another position within the CITY, will not be considered new hires, with respect to retirement formulas):

14.2.1 2.7% @ 55 formula (Section 21354.5)
14.2.2 Unused Sick Leave Credit Option (Section 20965)
14.2.3 Military Service Credit (Section 21024 & 21027)
14.2.4 Single Highest Year Final Compensation (Section 20042)
14.2.5 1959 Survivor Benefit, Level 4 (Section 21574)
14.2.6 Pre-Retirement Option 2W Death Benefit (Section 21548)

14.3 For CalPERS Miscellaneous employees, who were hired on or after January 1, 2012, but before January 1, 2013, and those hired on or after January 1, 2013, who meet the definition of classic member, pursuant to the California Public Employee's Pension Reform Act of 2013 (PEPRA), the CITY will provide the following CalPERS optional benefits:

14.3.1 2% @ 60 formula (benefit factor increases to 2.418% @ 63+) (21353)
14.3.2 Unused Sick Leave Option (Section 20965)
14.3.3 Military Service Credit (Section 21024 & 21027)
14.3.4 Final Compensation Average 36 consecutive highest months (20037)
14.3.5 1959 Survivor Benefit, Level 4 (21574)

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14.3.6 Pre-Retirement Option 2W Death Benefit (Section 21548)

14.4 Pursuant to the California Public Employees' Pension Reform Act of 2013 (PEPRA), effective January 1, 2013, employees hired, who meet the definition of new member under PEPRA, will be covered by following retirement formula and receive the following CalPERS optional benefits:

14.4.1 2% @ 62 retirement formula (benefit factor increases to 2.5% @ 67+)
14.4.2 Final Compensation Average 36 consecutive highest months (20037)
14.4.3 Member contribution rate of fifty (50) percent of the expected normal cost rate(currently 6.25%)
14.4.4 Unused Sick Leave Credit (Section 20965)
14.4.5 Military Service Credit (Section 21024 and 21027)
14.4.6 1959 Survivor Benefit, Level 4 (21574)
14.4.7 Pre-Retirement Option 2W Death Benefit (Section 21548)

14.5 The CITY agrees to continue providing CalPERS Safety employees (Harbor Officers reclassed to Safety 10/17/1998) in this UNIT, who were hired prior to September 17, 2011, with the following CalPERS retirement formula and optional benefits (existing employees, promoted to another position within the CITY, will not be considered new hires, with respect to retirement formulas):

14.5.1 3% @ 50 plan (21362.2)
14.5.2 Unused Sick Leave Credit (Section 20965)
14.5.3 Military Service Credit (Section 21024 & 21027)
14.5.4 Highest Single Year Final Compensation (Section 20042)
14.5.7 1959 Survivor Benefit, Level 4 (Section 21574)
14.5.8 Pre-Retirement Option 2W Death Benefit (Section 21548)

14.6 For CalPERS Safety employees (Harbor Patrol Officers, who were hired on or after September 17, 2011, and those hired on or after January 1, 2013, who meet the definition of classic member pursuant to the California Public Employees Pension Reform Act of 2013 (PEPRA), the CITY will provide the following CalPERS optional benefits:

14.6.1 3% @ 55 plan (Section 21363.1)
14.6.2 Unused Sick Leave Credit (Section 20965)
14.6.3 Military Service Credit (Section 21024)
14.6.4 Final Compensation 3 Year (20037)
14.6.5 1959 Survivor Benefit Level 4 (Section 21574)
14.6.6 4th Level Survivor Benefit (Section 21574)
14.6.7 Pre-Retirement Death Option 2W

14.7 Pursuant to the California Public Employees' Pension Reform Act of 2013 (PEPRA), effective January 1, 2013, safety employees hired who meet the definition of new member under PEPRA, will be covered by the following retirement formula and optional CalPERS benefits:

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14.7.1 2.7% @ 57 retirement formula (Section 7522.25(d))
14.7.2 Final Compensation Average 36 consecutive highest months (20037)
14.7.3 Member contribution rate of fifty (50) percent of the expected normal cost rate (currently 11.5%)
14.7.4 Unused Sick Leave Option (Section 20965)
14.7.5 Military Service Credit (Section 21024)
14.7.6 1959 Survivor Benefit Level 4 (Section 21574)
14.7.7 4th Level Survivor Benefit (Section 21574)
14.7.8 Pre-Retirement Death Option 2W

14.8 City will contribute, on a 2:1 basis (i.e., employee contributes $2, and City contributes $1) with City maximum of $600.00 per employee in any calendar year, to an employee's deferred compensation 457 plan.

ARTICLE 15 - HEALTH BENEFITS

15.1 Health Insurance

15.1.1 Employees of this UNIT shall participate in the CalPERS medical insurance plans on a cafeteria style basis, with the CITY contributing the CalPERS minimum (currently $125/month) to the active employee's medical insurance, and $1.00/month, or the amount required by CalPERS, to retiree medical insurance. Any costs in excess of these contribution rates shall be paid by the employee and retiree.

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

Employee only - up to $715/month or cost of insurance, whichever is less
Employee + 1 – up to $1,109/month or cost of insurance, whichever is less
Employee + family - up to $1,326/month or cost of insurance, whichever is less

15.1.3 Effective January 1, 2009, cash-back was eliminated, except as provided herein. Employees, receiving cash-back in December 2008, shall continue to receive the same amount for the term of this MOU, except that if cash-back employees change the structure of their insurance (add dependents, delete dependents, drop insurance with the CITY, change carriers, etc.) cash-back is not an option. Cash-back will be eliminated for employees during the open enrollment period in 2012 for calendar year 2013, and in subsequent years, if said employees are required (because of eliminated plans) to change carrier. In the event an employee receiving cash-back is forced to make a plan change because the CITY changes plans and/or ceases to contract with PERS for insurance, that employee will maintain cash-back.

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¶
Employee only - up to $715/month or cost of insurance, whichever is less¶
Employee + 1 – up to $1,025/month or cost of insurance, whichever is less ¶
Employee + family - up to $1,180/month or cost of insurance, whichever is less
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15.2 Dental, Life and Vision Insurance

15.2.1 Life Insurance is provided at $50,000 per employee. The following rates are effective January 1, 2016:

	Vision	Dental	Life	Totals	City pays	EE pays
Employee only	$ 8.86	$ 55.47	$7.50	$ 71.83	$ 68.90	$ 2.93
Employee + 1	$16.59	$143.09	$7.50	$ 167.18	$ 155.43	$11.75
Employee + 2+	$22.59	$143.09	$7.50	$ 173.18	$ 160.97	$12.21

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

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

15.4. The provisions of this ARTICLE shall be binding on the parties through the remainder of this MOU, and for the term of the MOU, which will be effective upon City Council approval. The parties agree herewith to retain the option to re-open discussion, with respect to this ARTICLE, for any changes to the 2017 health rates. Re-opening would occur in September 2016, or as soon as the 2017 health rates become available.

ARTICLE 16 - EDUCATION INCENTIVES

16.1 CITY agrees to reimburse the costs for job-related and job-required certifications, correspondence courses, and licenses (except Class III driver's license) upon successful completion of the examination or course by the employees, having written authorization in advance from their department head. This shall include application fees, examination fees, and certificate fees. Renewal fees may be paid in advance by the CITY. This provision does not apply to continuing education requirements.

16.2 CITY agrees to provide a CITY vehicle, when available, during normal working hours for required transportation, and will permit paid time for employees to take examinations scheduled during normal working hours. No mileage payments are authorized for personal transportation, and time spent outside normal working hours shall not be compensated, except that tests taken for CITY-required certifications shall be taken in paid status.

ARTICLE 17 - WORK UNIFORMS

17.1 CITY will provide work coveralls, including laundry service, for each employee whose working conditions create undue wear and tear on work clothing.

CITY will select and provide uniform work shirt, including laundry service, for all field employees. Work shirts shall include a CITY logo and the employee's name.

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16.2.1 . CITY agrees to pay the following education incentives on base salary to regular employees, hired prior to January 1, 1998, who hold degrees above the minimum required in their respective classification.¶
¶
Associate of Arts Degree . . $ 600 annually¶
Bachelor's Degree . . . $1,200 annually¶
¶
16.2.2 . If an employee's job description requires an AA degree, and the employee has a Bachelor's Degree, the employee will receive only the difference between an AA and a BA degree, or $600 annually.¶
¶
16.2.3 . If an employee's job description requires a degree, or if an employee is promoted to a classification that requires a degree, the employee shall not receive education incentive pay for the required degree.¶
¶
The parties agree that this section shall not be interpreted to reduce the amount of education incentive pay that any employee, hired prior to January 1, 1998 receives, notwithstanding the fact that the employee is promoted to a higher position requiring a particular degree, or the fact that the job description for the employee's existing position has been revised to require a particular degree. In the event an employee, hired prior to January 1, 1998, promotes to a position requiring a degree not required by the lower position, or if the job description for an employee, hired prior to January 1, 1998, is revised to require a degree not previously required for the position, the employee shall continue to receive the amount of the educat ... [32]

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17.2 Determination of individual entitlement to CITY-provided work uniforms will be at the discretion of the appropriate department head, and with the approval of the City Manager. UNIT members in classifications currently receiving uniforms shall continue to do so.

17.2.1 Each employee, as determined in 17.2, will be provided a CalPERS benefit of $16.18 per pay period. This benefit shall increase should the cost increase.

17.3 Safety Shoes

Effective July 1, 2016, employees required to wear steel-toed safety shoes and Harbor Patrol Officers required to wear approved footwear in the performance of their duties, shall be eligible to receive an annual reimbursement, for the provision of said shoes, in the amount of $200 per fiscal year. Harbor Patrol Officers shall be required to wear 6" black leather boots or water/safety-specific shoes as approved within the sole discretion of the Harbor Director. Proof of purchase of shoes and boots are required. Once purchased, such appropriate footwear must be worn only while working.

ARTICLE 18 – WAGES AND INCENTIVES

18.1 Effective retroactive to the pay period including July 1, 2016 for those employees still employed by the CITY upon City Council adoption of this MOU, the CITY shall provide a Cost of Living Adjustment (COLA) increase to base salaries for all UNIT classifications by 2.25% (see Exhibit A updated salary table).

18.2 Required Certificate.

Employees in the Maintenance Worker classifications in the Collections division shall receive a $75 per month incentive for the California Water Environment Association Collections Certificate required by their classification. Those employee classifications are: Wastewater Collection System Leadworker and Wastewater Collection System Operator I, II and III.

18.3 Additional Certificate. An employee classified as a Wastewater Treatment Plant Operator with a certificate issued by the California State Water Resources Control Board, or those employees classified as Water System Operator and Wastewater Collection System Operator, shall receive a $50 per month incentive for one certification above that required by the position held.

Those employees classified as Water System Operator will additionally receive a $50 per month incentive for one treatment certification above that required by the position held.

18.4 All salary adjustments, including but not limited to merit increases, educational incentives, and any other pay adjustments will take effect at the beginning of the next payroll period after the scheduled effective date of the increase.

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18.5 Any and all special pay incentives will be calculated on base salary.

18.6 Attached Exhibit A reflects wages for UNIT members for the duration of this MOU.

18.7 The UNION and the CITY will each jointly conduct an internal salary survey in the middle of the contract term. The market comparable cities studied shall be as follows: City of Paso Robles, the City of Atascadero, the City of San Luis Obispo, the City of Pismo Beach, the City of Grover Beach and the City of Arroyo Grande. Positions dedicated to the Harbor Department shall include Channel Island Harbor, Pillar Point Harbor, and Ventura Port district.

ARTICLE 19 - SPECIAL PAY PRACTICES

19.1 Standby

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

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

19.1.2 It is agreed that personnel, who are scheduled on a routine basis, for standby duty, shall be compensated at the rate of forty-two ($42) per day for each day of scheduled standby duty performed. This increase is effective upon the City Council ratification of this MOU.

Effective upon City Council ratification of this MOU, standby pay rates for the following, City recognized holidays, shall be compensated at the rate of sixty dollars ($60.00) for UNION employees except Harbor Department:

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

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19.1.3 For Harbor Department employees (HPO Supervisor and Officers), standby rates shall be compensated at the rate of sixty dollars ($60.00) for the agreed upon holidays listed below, regardless of the City-recognized holiday schedule:

1) New Year's Eve
2) New Year's Day
3) Memorial Day Weekend Friday
4) Memorial Day Weekend Saturday
5) Independence Day
6) Labor Day Weekend Friday
7) Labor Day Weekend Saturday
8) Thanksgiving Day
9) Day after Thanksgiving
10) Christmas Eve
11) Christmas Day

19.2 Call Back

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

19.2.2 CITY will guarantee a minimum of three (3) work hours credit (four and one half (4-1/2) hours compensation), for each employee called back for work, as defined above.

19.2.3 Whenever an employee is called back to work, the CITY considers the employee "on-duty" for three hours, even if employee returns home. No additional call-back time pay is allowed during this period, if the employee is again called back. However, if more than three hours have passed since the initial call-back, and the employee is called back to work again, the employee may claim an additional three work hours credit (four and one half hours call-back compensation) under the conditions set forth in 19.2.1 above.

19.2.4 Said employee shall receive either pay or compensatory time-off, pursuant to Article 10 - Overtime Compensation, for the minimum or for all time actually worked, whichever is greater.

19.2.5 Employees called back to work, pursuant to this section, shall be eligible for mileage reimbursement when utilizing their personal vehicle.

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19.3 Members of this UNIT who are required by their supervisor to attend meetings outside of the normal work schedule shall be paid a minimum of three hours at time and one-half without regard to hours actually worked during the work week. Meetings during regular work hours shall be included in employees' regular rate of pay and not compensated beyond that.

19.4 Class A Driver's License and Captain's License

Effective with the City Council ratification of this MOU, UNIT members, possessing a Class A Driver's License, will receive $50 per month.

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Effective with the City Council ratification of this MOU, UNIT members in the Harbor Department, possessing a Captain's License, will receive $50 per month.

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19.5 Bilingual Pay (Spanish)

Effective with the City Council ratification of this MOU, up to three (3) UNIT members may earn $75 per month for speaking Spanish, and $75 per month for writing in Spanish, for a total possible of $150 per month.

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A test is required; Human Resources, or designee, will administer the test.

UNIT employees have the option to re-open and discuss this section to add other languages, if the need is demonstrated.

ARTICLE 20 - PROBATION

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

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ARTICLE 21 - GRIEVANCE PROCEDURE

21.1 Purpose of the Procedure

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

21.2 Definition of Informal Grievance

An informal grievance is defined as an oral (or email) concern by an employee expressed to his/her supervisor with a request to informally discuss the grievance with the supervisor and/or the department head.

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21.3 Definition of Formal Grievance

A formal grievance shall be defined as any formal written complaint of an employee filed with his/her immediate supervisor within thirty days of the action or inaction by the CITY which constitutes the subject of the grievance relating to his/her wages, hours of work, and working conditions. Such grievance shall not include performance evaluations or reprimands. However, employees may provide a written rebuttal to a performance evaluation or written reprimand that will be attached to the original document for placement in the employee's file.

21.4 Informal Discussion with Supervisor

An employee shall first pursue all informal grievances with his/her supervisor and at any time that the employee deems that the informal grievance is a formal grievance, the employee may reduce it to a formal written grievance.

21.5 Formal Conference with Supervisor

If an employee does not obtain satisfaction of his/her informal grievance by means of an informal discussion with his/her supervisor, or if employee is unable to communicate with his/her supervisor, employee and/or his/her representative may, by written grievance, request and shall be accorded a formal conference within ten days with the supervisor and/or department head. The decision of the supervisor shall be reported to the employee and/or his/her representative within five business days of the date the conference was held with the supervisor.

21.6 Department Review

In the event the employee does not obtain satisfaction at any level of review by means of informal or formal grievance and a formal conference with his/her supervisors, employee and/or his/her representative may submit the grievance in writing to the supervisor or department head. The procedure to be followed by the supervisor who receives a grievance in writing shall be established by each department head for his/her department, and shall include review of the grievance by the immediate supervisor and such successively higher levels of management as may be determined by the department head. A cumulative record of the decision and the reason for the decision at each level of review shall be maintained. The ultimate decision shall be that of the department head. The decision must be reported to the employee in writing within ten business days of the date that the request for departmental review was submitted to the supervisor.

21.7 Mediation

If, within ten working days after receipt of the written decision of the Department Head the employee is still dissatisfied, he/she may request the services of a

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mediator from the State Mediation and Conciliation Service. CITY is not bound by the determination and/or recommendations of said mediator.

21.8 Appeal to the City Manager

In the event the employee does not obtain satisfaction by means of the mediator, employee and/or his/her representative shall submit the grievance in writing to the City Manager within ten days after notification of the mediator's determination is given to the employee. The City Manager may meet with the employee and/or his/her representative, the mediator and the department head before making a decision; or may waive administrative review and refer the grievance directly to a committee of the City Council appointed to hear grievances. A copy of the City Manager's decision on the matter must be presented to the employee within ten business days of the date the grievance was filed with the City Manager.

21.9 Submission to a Committee of the City Council

In the event that the employee does not obtain satisfaction by means of the administrative procedures outlined above, he/she may request a hearing by a committee of the City Council. The hearing shall be held by the committee within fifteen business days of the date of receipt of the request at the convenience of all parties, unless waived by mutual consent of the employee and the department head. The hearing shall be informal. The employee and/or his/her representative, the department head and/or the City Manager shall appear before the committee to present the facts pertinent to the case. The burden of proof shall rest with the employee. The committee shall limit its review of the grievance to the subject matter contained in the previous steps of the grievance procedure and shall make its decision within thirty days after the termination of the hearing unless of the hearing unless a reasonable time extension is deemed necessary and all parties are notified.

21.10 Time Limits

In case the time limits outlined above are not observed by the representative of the CITY, the employee and/or his/her representative shall have the right to carry the grievance directly to the next higher level of review.

21.11 Group Grievance Procedure

The recognized employee organizations may present a general grievance (affecting several employees) in writing directly to the City Manager. Upon receipt of such grievance, the City Manager shall establish a time for a hearing, at which time all affected parties may appear before the City Manager to present facts pertinent to the issue. The decision of the City Manager shall be presented to all parties

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concerned within fifteen business days and, within five business days of receipt of the City Manager's decision which is unacceptable, shall be appealable by the group to a committee of the City Council for their findings and recommendations within thirty days thereafter. If either party wishes to appeal, they may file an appeal with the City Council as a whole within five business days of the final decision of the committee of the City Council.

ARTICLE 22 - NO STRIKE, NO LOCK-OUT

22.1 During the term of this MOU, the CITY will not lockout any employees nor will UNIT employees or the UNION cause, authorize, advise or encourage any interruption of work or any other concerted action. The term "interruption of work" shall mean any work stoppage, "sick out," or strike (including economic, sympathy, and unfair labor practice strikes) or any intentional slowdown of work. The term "other concerted action" includes picketing or boycott activities by the UNION.

22.2 There shall be no refusal to work on, handle or produce any materials or equipment because of a labor dispute.

22.3 Any employee engaging in any action prohibited by this Article shall be subject to immediate discharge or such other discipline as the CITY may assess. Such discharge or discipline shall not be reviewable through the Grievance Procedure.

ARTICLE 23 - FULL UNDERSTANDING, MODIFICATION, WAIVER

23.1 This MOU sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements by the parties, whether formal or informal, regarding any such matters are hereby superseded or terminated in their entirety.

23.2 It is agreed and understood that each party hereto voluntarily and unqualifiedly waives its right to negotiate, and agrees that the other party shall not be required to negotiate, with respect to any matter covered herein. Notwithstanding the foregoing, it is agreed that from time-to-time the CITY may introduce changes in its Personnel Rules and offer the Union an opportunity to meet and confer prior to implementing changes within the scope of bargaining.

23.3 No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed in writing by all parties hereto, and if required, approved by the CITY and ratified by the membership of the UNION.

23.4 The waiver of any breach of any term, or condition of this MOU by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

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24.4 The City agrees to meet and confer regarding any change in job titles and descriptions of represented employees.

ARTICLE 24 - SEVERABILITY

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

ARTICLE 25 – JOINT DRAFTING

Each party has cooperated in the drafting and preparation of this MOU. Hence, in any legal construction or interpretation to be made of this MOU, the same shall not be construed against any party.

ARTICLE 26 – CITY COUNCIL APPROVAL

The CITY's labor relations representatives and the UNION's representatives have met and conferred in good faith on wages, hours and other terms and conditions of employment for the UNIT members represented by the UNION and have reached agreements which are set forth in this MOU. This MOU, when executed by the CITY's labor relations representatives and the UNION's representatives, constitutes a joint recommendation therefrom, after ratification of the UNION's membership, to be submitted to the City Council for its determination and approval by resolution. This MOU is of no force or effect unless or until approved and adopted by a resolution of the City Council.

SEIU LOCAL 620	**CITY OF MORRO BAY**
_____	_____
Darryl Scheck, Field Representative	David Buckingham, City Manager
_____	_____
Mike Mobley, Shop Steward	Colin Tanner, Negotiator, Aleshire & Wynder
_____	_____
Dustin Pitman, Team Member	Laurie Goforth, Human Resources
_____	_____
Lori Stilts, Team Member	Susan Slayton, Admin Svcs Director

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EXHIBIT A

CITY OF MORRO BAY

FY 16/17 SEIU REPRESENTED CLASSIFICATIONS & SALARY SCHEDULES

TITLE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
ACCOUNT CLERK I	36,980	38,829	40,770	42,809	44,949
WASTEWATER COLL SYS WORKER I	36,980	38,829	40,770	42,809	44,949
OFFICE ASSISTANT III	36,980	38,829	40,770	42,809	44,949
OFFICE ASSISTANT IV	39,981	41,980	44,079	46,283	48,597
ACCOUNT CLERK II	41,537	43,614	45,795	48,084	50,489
WASTEWATER COLL SYS WORKER II	41,537	43,614	45,795	48,084	50,489
CONS MAINTENANCE WORKER II	41,537	43,614	45,795	48,084	50,489
WATER SYSTEM OPERATOR I	41,537	43,614	45,795	48,084	50,489
WASTEWATER TREATMENT OP-IN-TRNG	41,537	43,614	45,795	48,084	50,489
PERMIT TECHNICIAN	42,539	44,666	46,899	49,244	51,707
ACCOUNT CLK III	44,487	46,711	49,047	51,499	54,074
WASTEWATER COLL SYS WORKER III	44,487	46,711	49,047	51,499	54,074
CONS MAINTENANCE WORKER III	44,487	46,711	49,047	51,499	54,074
WASTEWATER TREATMENT OP I	44,487	46,711	49,047	51,499	54,074
ADMINISTRATIVE TECHNICIAN	45,273	47,537	49,914	52,409	55,030
ADMINISTRATIVE UTILITIES TECH	45,273	47,537	49,914	52,409	55,030
PERMIT TECHNICIAN - CERTIFIED	45,273	47,537	49,914	52,409	55,030
SUPPORT SERVICES TECHNICIAN	45,273	47,537	49,914	52,409	55,030
MECHANIC	46,721	49,057	51,510	54,086	56,790
WATER SYSTEM OPERATOR II	49,488	51,962	54,560	57,289	60,153
WASTEWATER TREATMENT OP II	49,488	51,962	54,560	57,289	60,153
HARBOR PATROL OFFICER	51,618	54,199	56,909	59,754	62,742
WASTEWATER COLL SYS LEADWORKER	51,767	54,355	57,073	59,927	62,923
CONS MAINTENANCE LEADWORKER	51,767	54,355	57,073	59,927	62,923
ENGINEERING TECHNICIAN III	51,767	54,355	57,073	59,927	62,923
WATER SYSTEM OPERATOR III	51,962	54,561	57,289	60,153	63,161

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TITLE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
WASTEWATER TRTMT OP II/LAB ANALYST	51,962	54,561	57,289	60,153	63,161
RECREATION SUPERVISOR	52,919	55,565	58,344	61,261	64,324
ASSISTANT PLANNER	53,249	55,911	58,707	61,642	64,724
ASSISTANT CIVIL ENGINEER	55,376	58,144	61,052	64,104	67,309
BUILDING INSPECTOR	55,376	58,144	61,052	64,104	67,309
ENGINEERING TECHNICIAN IV	55,376	58,144	61,052	64,104	67,309
WASTEWATER TREATMENT LEADWORKER	55,376	58,144	61,052	64,104	67,309
HARBOR BUSINESS COORDINATOR	57,641	60,523	63,550	66,727	70,063
HOUSING PROGRAMS COORDINATOR	57,641	60,523	63,550	66,727	70,063
RECREATION COORDINATOR	57,641	60,523	63,550	66,727	70,063
HARBOR PATROL SUPERVISOR	60,801	63,841	67,033	70,385	73,904
ASSOCIATE CIVIL ENGINEER	61,972	65,070	68,324	71,740	75,327
ASSOCIATE PLANNER	61,972	65,070	68,324	71,740	75,327
BUILDING INSPECTOR/PLANS EXAMINER	61,972	65,070	68,324	71,740	75,327
WASTEWATER COLL SYS SUPERVISOR	61,972	65,070	68,324	71,740	75,327
CONS MAINTENANCE FIELD SUPERVISOR	61,972	65,070	68,324	71,740	75,327
WATER SYSTEM SUPERVISOR	61,972	65,070	68,324	71,740	75,327
WASTEWATER TREATMENT SUPERVISOR	61,972	65,070	68,324	71,740	75,327

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COLIN TO ADD LANGUAGE FROM AB 1181 enacted in 2013 that modified MMBA section 3505.3 to provide expanded release time rights only insofar as this modification expands release time rights.

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in areas not generally exposed to the general public, recognizing that most, if not all, City property is public property. Those locations are properly labeled as follows: .

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16.2 College Degrees

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

Associate of Arts Degree	$ 600 annually
Bachelor's Degree	$1,200 annually

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

16.2.3 If an employee's job description requires a degree, or if an employee is promoted to a classification that requires a degree, the employee shall not receive education incentive pay for the required degree.

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

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

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New Year's Day January 1

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

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AGENDA NO: A-12

MEETING DATE: August 23, 2016

Staff Report

TO: **Honorable Mayor and Council Members** **DATE: August 17, 2016**

FROM: **David Buckingham, City Manager**

SUBJECT: **Approval of Updated FY 16/17 City Goals and Objectives, Including Addition of Objective Related to Skate Park Improvements**

RECOMMENDED ACTION

Staff recommends the Council review and approve certain amendments to the City's FY16/17 Goals and Objectives.

FISCAL IMPACT

No impact to amend our FY16/17 Objectives.

BACKGROUND

Following considerable outreach to and input from the community, the City Council adopted our FY16/17 goals with 88 discreet work plan objectives in February 2016. While making multiple changes to our objectives during the year is not advised, it is completely reasonable to consider periodic amendments as we work to remain responsive to the community.

In July, responding to the thoughtful interest of several younger members of the community, the Council directed an agenda item to consider adding an objective relating to the Teen Center skate park to our FY16/17 objectives.

Further, the departure of the Police Commander and Police Chief makes a number of objectives related to the Police Department unlikely to be completed before June 30, 2017. Additionally, the delay in WRF activities while the community reviewed our preferred site made completion of a number of WRF objectives not possible this year.

Staff thus presents a number of proposed amendments to our FY16/17 Goals and Objectives.

We should all be aware that the City will be going through a 2-month public process from Dec 2016 to Feb 2017 to develop our goals and objectives for FY17/18.

DISCUSSION

1. **Skate Park.**
    a. Situation. The surface under the existing skate park is in poor condition. Further, the new Morro Bay BMX park has been a great success and addition of a new skate park would be positive both for residents and visitors.

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

City Manager Review: __DWB_____ **City Attorney Review:** _____

b. Recommendation. Add the following as Objective 8.i under Quality of Life: Research and bring to Council for decision options to develop a new skate park in Morro Bay. Resurface the pavement under the existing skate park at the Teen Center.

2. **WRF – Environmental Review.**
   a. Situation. Objective 1.e – Environmental Review – is to "Complete and Certify environmental review." As briefed to Council last meeting, the Environmental Review will not be complete and ready for certification until November 2017. This is on our timeline for WRF Phase I completion in June 2021.
   b. Recommendation. Modify Objective 1.e to: "Continue environmental review with all appropriate public noticing to allow for certification by Nov 2017."

3. **WRF – SRF Loan Application.**
   a. Situation. Objective 1.f – SRF Loan Application – is to "Complete state revolving fund (SRF) construction loan application." Due to the WRF site selection delay, this task will not take place until Dec 2017.

   b. Recommendation. Modify Objective 1.f to: "Begin preparation of state revolving fund (SRF) construction loan application to allow completion and submittal by Dec 2017."

4. **WRF – Construction RFP.**
   a. Situation. Objective 1.j – Construction RFP – is to "Issue a Request for Proposals to pre-qualify design build or builder teams, depending on the procurement method, to participate in the bidding process." Due to the WRF site selection delay, a Request for Qualifications is scheduled to be issued in Jun 2017 to pre-qualify teams. A subsequent Request for Proposals will be issued to qualified teams in FY 17/18.
   b. Recommendation. Modify Objective 1.j to "Issue a Request for Qualifications to pre-qualify design build or builder teams, depending on the procurement method, to participate in the bidding process."

5. **WRF – Construction Contract.**
   a. Situation. Objective 1.k – Construction Contract – is to "Issue a design-build or other design/construction contract approved by Council. Due to the WRF site selection delay, this task will not take place until May 2018.
   b. Recommendation. Remove Objective 1.j and add to the City's FY17/18 Goals and Objectives.

6. **Public Safety – Good Neighbor Campaign / Police Volunteers.**
   a. Situation. Objective 4.c – Good Neighbor Campaign – is to "Plan and Implement a Good Neighbor Campaign, including aspects of Public Safety and Law Enforcement." With ongoing transitions in the Police Department, the City Manager recommends delaying this objective until FY17/18. However, our interim Police Chief is working to reinvigorate our Police Volunteer Program including updating the Police Volunteer agreement / standard operating procedures.
   b. Recommendation. Change objective 4.c from "Good Neighbor Campaign" to "Police Volunteers: refresh the Police Volunteer program and update appropriate agreements and standard operating procedures relating to that program."

7. **Public Safety – Strategic Plan Implementation.**
   a. Situation. Objective 4.e – Strategic Plan Implementation – is to "Implement certain items to be identified from the 2015/16 Police Department and Fire Department Strategic Plans." With ongoing transition in the Police Department, the City Manager recommends delaying the Police

Department portion of this objective until FY 17/18.

b. Recommendation. Change objective 4.e to "Implement certain items to be identified from the 2015/16 Fire Department Strategic Plan."

RECOMMENDATION

Staff recommends the Council approve the seven amendments to the FY 16/17 Goals and Objectives noted above.

ATTACHMENTS

1. Approved FY16/17 Goals and Objectives.

CITY OF MORRO BAY

CITY HALL
595 Harbor Street
Morro Bay, CA 93442

Memorandum for City Council, Staff and the Public

Date: February 24, 2016

Subject: 2016-2017 City Goals and Objectives

1. **Purpose.** The purpose of this document is to identify City of Morro Bay Goals and Objectives for the Budget Year July 2016 – Jun 2017.
   a) The City of Morro Bay Strategic Planning Framework, adopted by the City Council on December 8, 2015, directs the timing for development of City Goals and Objectives.
   b) In accordance with that policy, the City's 10 existing goals remain in place. They will be reviewed and modified in January of 2017.
   c) The City's 2016/17 budget year objectives were developed in January and February of 2016, encompassing broad input from residents, staff, advisory bodies and Council. This process included receiving resident, board and Council input through the year, then, two formal Council study sessions in January 2016 and deliberation at one Council meeting on February 9, 2016. This document was approved / adopted by Council on February 23, 2016.
   d) The objectives under each goal identify a number of specific objectives the City intends to accomplish in the July 2016 to June 2017 budget year. Accomplishing these objectives, however, is dependent on adequate resourcing – both staff time and money. Thus, some objectives may not be completed if adequate resources are not allocated during the fiscal year 2016/2017 budget process.
   e) City staff intends to develop simple action plans, including milestones and basic metrics, for each of these program objectives. Staff will update the Council on the status of work on each objective periodically through the year, and formally at the November 15, 2016 Annual Goals Update.

2. **Goals and Objectives.** Following are the City of Morro Bay's 10 Goals and subordinate program objectives for budget year 2016-17:

Goal #1 - Develop New WRF

a) **Public Participation.** Continue to pursue robust public input on site design and aesthetics opportunities/process associated WRF project, site and ancillary facilities.

b) **Property Acquisition.** Complete property appraisal, make first earnest money payment, and close on property.

c) **Facility Master Plan.** Complete the facility master plan.

d) **Complete the Master Reclamation Plan.** Make initial, then final determinations on reclamation options for the water reclamation component of the facility and approve the master reclamation plan.

e) **Environmental Review.** Complete and certify environmental review.

f) **SRF Loan Application.** Complete state revolving fund (SRF) construction loan application.

g) **Grant Funding.** Investigate and pursue additional Proposition 1 grants applicable to the WRF project.

h) **Annexation.** As part of the GP/LCP process, evaluate possible annexation of property acquired for the WRF and bring to Council for decision.

i) **Construction Delivery Decision.** Bring to Council for decision the method of procurement to be used for construction of the WRF.

j) **Construction RFP.** Issue a Request for Proposal to pre-qualify design-build or builder teams, dependent on procurement method, to participate in the bidding process.

k) **Construction Contract.** Issue a design-build or other design/construction contract approved by Council.

l) **Cayucos Participation Decision.** Bring to Council for decision final throughput design / construction requirement based on Cayucos CSD decision on participation in the MB WRF project.

m) **Existing WWTP Site Future.** Work with the Cayucos Sanitary District to frame decision regarding future ownership of shared property at existing WWTP site.

n) **City Corporation Yard Transition.** Complete design and identify funding requirements for possible City corporation yard component of the WRF project.

o) **Improve Influent Quality.** Research and bring to Council for decision various options, from incentives to ordinances, to improve the quality of influent at the new WRF to decrease treatment costs.

<u>Goal #2 - Improve Streets</u>

a) **Street Summit.** Plan and execute a "streets summit" to inform residents and work various street improvement approaches including financing and a possible funding revenue measure on the Nov. 2018 ballot.

b) **Traffic Calming.** Complete 2-3 traffic calming projects at appropriate locations as dictated by the circulation element of the general plan. Include San Jacinto/Main for primary consideration.

c) **41/Main Street Intersection Funding.** Research options and bring to Council for decision the required 50-percent local match (~ $2M) to the Highway 41, Main Street and Highway 1 (ramp) Intersection improvement project. (Moved from Goal 4, otherwise unchanged.)

d) **Traffic Signs.** Replace 20% of non-conforming traffic signs.

e) **Traffic Markings.** Refresh Street markings, focusing on cross walks and legends, in the down town, embarcadero, north Main and routes to school.

f) **Bike Needs.** Complete specific items from the unmet bike needs list that are funded in the FY16/17 budget process. Include Highway 1 and Yerba Buena, Bike Parking at public buildings, and traffic calming on San Jacinto for primary consideration. (If not completed in 2015/16, also complete the Class 1 path from Lemos to Cloisters, San Jacinto and Main bike safety, and installation of Bike Friendly Community signs.)

g) **Bike Lane Painting.** Bring to Council in the budget scaled proposals for green painting various bike lanes including extensions through intersections, as appropriate.

h) **Construction Timing.** Research and bring to council for consideration actions to remove existing City-imposed restrictions on timing of street work so that some paving, patching and painting work can be performed at appropriate times during shoulder and summer seasons.

Goal #3 - Review and Update Significant City Land Use Plans

a) **GP/LCP.** Continue work on the GP/LCP update, completing the alternatives analysis and administrative draft of the Blue Print / Green Print; and administrative draft of the Program EIR, while pursuing robust public input in the entire process.

b) **Zoning Option for GP/LCP update.** Bring to Council for consideration a budget decision to add a full zoning update/overhaul to the GP/LCP contract.

c) **WRF / Righetti Property Master Plan.** Complete site master plan for the entire Righetti property should the Council decide to construct the WRF at that site.

d) **Wireless Ordinance.** Update wireless ordinance and process through Coastal Commission.

e) **Downtown/Waterfront Strategic Plan (DWSP).** Consider incorporating the downtown/waterfront strategic plan into the GP/LCP process. Complete the DWSP part of the plan.

f) **2016 Building Code.** Review and adopt the 2016 California Building and Standards Code. Consider integrating green building incentives and greywater / solar–ready initiatives not included in the state revisions.

Goal #4 - Maintain Core Public Safety Services

a) **Speed Survey.** Update citywide speed survey to determine appropriate safe driving speeds for all streets.

b) **Marijuana Ordinances.** Begin a robust public discussion, informed by the results of a likely marijuana "recreational use" statewide initiative on the November 2016 ballot that results in Council consideration and action on all aspects of marijuana cultivation, medical and possible recreational use.

c) **Good Neighbor Campaign.** Plan and implement a "Good Neighbor Campaign", including aspects of Public Safety and Code Enforcement.

d) **Public Safety Scrub of MBMC.** Complete a review of all public safety ordinances in the MBMC, including various sections of the MBMC that currently require first offence warning for violations of code, and bring recommended changes to Council for decision.

e) **Strategic Plan Implementation.** Implement certain items to be identified from the 2015/16 Police Department and Fire Department strategic plan updates.

f) **Public Education.** Provide 3 CERT training sessions for the public and multiple Hands-Only-CPR presentations with the goal to educate 100 citizens in CERT and 500 citizens in Hands –Only-CPR.

Goal #5 - Ensure Fiscal Sustainability

a) **Budget Forecast.** Complete a, professional, external, 10-year budget forecast in Jan-Mar 2017 with the new Council.

b) **Budget Transparency.** Consider and implement additional budget transparency / citizen participation actions.

c) **CFAC Review.** Review and refine the roles and responsibilities of the Citizens Finance Advisory Committee after their first full year of operation.

d) **Community Choice Aggregation.** Partner with regional entities to further research possible implementation of a Community Choice Aggregation approach to energy choice.

e) **Budget Policies.** Adopt a comprehensive set of financial and budget policies to provide a meaningful and easily understood framework for maintaining financial discipline.

f) **Vehicle Replacement.** Determine City vehicle requirements, then determine replacement costs over a 15-year period to estimate the total costs required to fund replacements on an annual basis.

g) **Recreation Programming.** Evaluate partnerships and/or contracting opportunities to increase the range recreation programming through the use of external service providers.

Goal #6 - Support Economic Development

a) **Tidelands Trust Lease Management Policy.** Update and revise the City Lease Management Policy.

b) **Economic Development Strategic Plan**. Launch the initial EDSP marketing toolkit and the 30-60-90-day action steps in the MB Economic Development Strategic Plan fostered by Chabin Concepts.

c) **MBPP.** Consider providing proactive support, including a possible "memorandum of cooperation", to any entity pursuing demolition, remediation and redevelopment (for non-energy producing purposes) of the Morro Bay Power Plant property.

d) **Business Information on Website.** Complete a full renovation of the "Doing Business" section of the City's website to enhance service for existing businesses and better market to potential new business for Morro Bay.

e) **Business Incentives**. Research, evaluate, and bring to Council for consideration business incentive opportunities that may encourage existing business reinvestments in Morro Bay or recruit new businesses to the community.

f) **Commercial Real Estate Inventory.** Partner with a local real estate agent to create a commercial real estate inventory and market this information on the City's website.

g) **Aquarium Project.** Work closely with the Central Coast Aquarium to bring a Concept Plan for approval to Council and Coastal Commission.

h) **Business Improvement Districts.** Be receptive to, and provide City support, to any business improvement district opportunities proposed by Morro Bay business interests.

i) **Economic Development Code Scrub.** Complete a high-level analysis of the Morro Bay Municipal Code to revise/remove policies that impede or hamper an improved business climate.

j) **Maritime Museum.** Update the current MOU and complete a license agreement with the Central Coast Maritime Museum.

k) **Marine Services Facility**. Contract for, complete and bring to Council for consideration a full feasibility study for the proposed Marine Services Facility.

l) **Tourism Integration.** Complete the integration of the management of Tourism Business Improvement District operations with other aspects of the City's Economic Development plans and activities.

m) **Food Trucks.** Research and bring to Council for consideration a change to the MBMC to allow "food trucks" during approved events.

Goal #7 - Improve City Infrastructure, Facilities and Public Spaces.

a) **Market Street Bluff / Centennial Parkway Area Revitalization**. Begin a public process and bring to Council ideas for revitalization of the city owned properties adjacent to Centennial Parkway, including the Front Street parking lot, the Branigan's / Distasio's building, and the City-owned parking lot at Market and Pacific.

b) **Implementation of Concept Plans.** Depending on public input and funding, complete design, research funding tools and begin implementation work on various projects including Centennial Parkway revitalization and the Embarcadero Promenade concept.

c) **ADA Compliance Improvements.** Following the ongoing ADA compliance assessment, complete $50K of ADA compliance improvements, or as set by the FY2016/17 budget.

d) **Signage and Branding.** Install new welcome, way finding and street signs based on updated city "branding" resulting from the Vision / Values and DWSP projects.

e) **Improve Trash Collection and Public Restroom Cleaning.** Research and bring to Council for funding proposals to increase the frequency of public trash collection in public areas and the cleaning of public restrooms.

f) **Tree Trimming.** Research and bring to Council for direction a proposal to increase the frequency of tree trimming in the downtown from ~5 years to ~2 ½ years, while continuing City tree management and planting consistent with the Urban Forest Management plan.

g) **Community Beautification.** Budget depending, implement specific Community Heritage and Beautification Committee recommendations including installing permanent aesthetic lighting in downtown street trees, providing direct City support to the Hidden History interpretive panel project, Vet's Hall turf removal / garden installation. Refresh and re-implement the City Adopt-a-Park program.

h) **ESH Fencing.** Fence the Environmentally Sensitive Habitat (ESH) between the Embarcadero dirt extension and the Morro Bay Power Plant property in the same manner as the ESH fencing on the opposite side of the road.

i) **City Hall Functional Improvements.** Plan and complete remodeling of the IT space in City Hall to provide additional / more functional office space and improved customer service in MB City Hall.

j) **Facility Maintenance Program.** Update the Facility Maintenance Program using priority setting in time to influence the 2017/18 budget cycle.

Goal #8 - Enhance Quality of Life

a) **Community Pool Planning.** Prepare for, and enact, the overall management of community access at the new Morro Bay High School/Community Pool.

b) **City-Sponsored/Partnered Events.** Execute the following City/Partnered Events: Fourth of July, Rock to Pier Run, Dixon Spaghetti Dinner, Downtown Trick-Or-Treat (partner with the Chamber of Commerce), Lighted Boat Parade/Christmas Tree Lighting (partner with Rotary).

c) **Sea Otter Awareness.** Take specific action to raise awareness of Sea Otter protection practices and participate in the 2016 Sea Otter Awareness Week.

d) **Pickleball Court Space.** Research and present to Council opportunities for additional, future Pickleball court space.

e) **Recreation Guide.** Sponsor and publish the Morro Bay Recreation Programs Guide in Fall, Winter, and Spring, beginning Fall 2016.

f) **Vet's Hall Renovation Planning.** Bring to Council a proposal for partial revitalization of Vet's Hall to achieve functional improvements for public meetings and work toward a more attractive / rentable space for private events.

g) **Public Meeting Broadcasts.** Bring to Council a proposal for upgrading City-owned broadcast equipment used to video and broadcast public meetings.

h) **Community Paramedicine.** Research and partner with other EMS agencies in our County for possible proposals for Federally funded Community Paramedicine Programs starting after 2018, pursue public / private partnerships to simultaneously improve local healthcare access.

Goal #9 - Improve Water Supply Diversification

a) **State Water Planning.** Assess the long-term requirements for continued participation in the State Water Project, conduct initial determination what level of participation is appropriate, and identify timeline for contract renewal.

b) **Desal Permit.** Submit permit application for full time use of the City desal plant as part of the City's water portfolio.

c) **Desal Location.** Research and bring to Council for decision options to relocate the City desal plant.

d) **"One Water" Planning.** In concert with the GP/LCP update, complete Master Plans for Water Supply, Water System, Wastewater Collection, and stormwater as a "One Water" Plan.

e) **CMC Emergency Exchange Agreement.** Resolve emergency exchange agreement with CDCR for CMC water.

Goal #10 - Improve City Operations

a) **IT Support.** Assess opportunities to enhance IT help desk support services through supplemental, contractual support.

b) **IT Disaster Protection.** Move City computer servers from City Hall to the Fire Station.

c) **Records Management.** Develop a prioritized, budgeted short- and long-term plan for improving records management policies and procedures, including development of a trustworthy electronic records system, and staff education regarding legal requirements and best practices. Begin digital scanning of Harbor Dept Records.

d) **Compensation Study.** Complete a professional, external, comparative study of City of Morro Bay compensation policies and levels to ensure both taxpayers and employee interests are appropriately served. Complete the study in time for 2017/18 MOU negotiations.

e) **Lease Management Office Reorganization.** Research and bring to Council for consideration transferring Harbor lease and property management functions to the Administrative Services Department or another City Department. (MP Recommendation)

f) **MBMC and City Organization.** Review and bring to Council for consideration changes to the MBMC related to City staff organization.

g) **Succession Planning.** Develop a succession planning framework and conduct detailed succession planning for positions at high risk for turnover. (MP Rec.)

h) **Harbor Maintenance.** Evaluate transferring Harbor maintenance functions to Public Works.

i) **GIS.** Research and bring to Council for decision options for providing comprehensive geographic information system data for both internal and customer serving applications.

j) **Community Resource Connections.** Refine and formalize, with Council resolution, the relationship between the City and the Community Resource Connections Office.

David W. Buckingham
City Manager

AGENDA NO: C-1
MEETING DATE: August 23, 2016

Staff Report

TO: **Honorable Mayor and City Council** **DATE:** **August 17, 2016**

FROM: **Susan Slayton, Administrative Services Director**

SUBJECT: **Approval of Absence of Council Member Matt Makowetski from Attendance at Council Meetings for a 90-day Period**

RECOMMENDATION

Staff recommends the City Council decide whether to grant Council Member Makowetski's request to be absent from Council meetings due to health reasons.

ALTERNATIVES

1. Decide not to consider the request.
2. Grant a greater or lesser period of time for that absence.

BACKGROUND/DISCUSSION

Government Code section 36513 provides if a Council Member is absent from all regular Council meetings scheduled within a consecutive 60-day period, without permission, then that Council Member's seat is considered vacated. The vacation of that seat would not occur if the Council has granted permission for those absences to occur.

In September 2015, Council Member Makowetski requested a leave of absence for health reasons. The Council approved a 90-day leave of absence at its September 8, 2015, Regular Meeting. Councilmember Makowetski returned from that leave of absence on November 17, 2015.

By the attached letter, Council Member Makowetski has indicated, for health reasons, he will be absent from Council meetings and unable to fulfill other Council duties. He has also requested the Council consider permitting his absence from all Council meetings that will be scheduled for a 90-day period. If the Council grants that permission, then Council Member Makowetski's seat would not be vacated due to his absence. Whether or not to grant that permission is in the sole discretion of the City Council. That 90-day period would commence from the date of granting the approval, unless otherwise determined by the City Council.

CONCLUSION

Staff recommends the City Council consider, and decide, whether to grant Council Member Makowetski's request.

ATTACHMENT Letter from Council Member Makowetski

Prepared By: DS	**Dept Review:** SS
City Manager Review: DWB	**City Attorney Review:** CFN

Dana Swanson

From: Dave Buckingham
Sent: Wednesday, August 17, 2016 12:27 PM
To: Dana Swanson
Subject: FW: Leave of Absence from City Council

From: Matt Makowetski
Sent: Sunday, August 14, 2016 7:21 PM
To: Jamie Irons <jirons@morrobayca.gov>; Dave Buckingham <dbuckingham@morrobayca.gov>; Joe Pannone <jpannone@morrobayca.gov>
Subject: Leave of Absence from City Council

Gentlemen,

I am writing this email to alert you and staff that I need to step away from my Council duties once more. The medical condition that I have had for the previous 14 months has again steadily taken over my sight in my left eye. It has progressively gotten worse and is now at the point that I need once again to request a leave from City Council responsibilities. If there is a need for a more formal letter, please let me know. I'd like to be as proactive as possible letting staff, council, and the public know about this situation. Let me know if there is any thing additional that may be needed.

Thanks,

Matt Makowetski

AGENDA NO: C-2

MEETING DATE: August 23, 2016

Staff Report

TO: **Honorable Mayor and Council Members** **DATE: August 18, 2016**

FROM: **David Buckingham, City Manager**

SUBJECT: **FY 2015/16 Goals Review**

PURPOSE

The purpose of this report is to provide the Council and the community a brief end-of-the-fiscal-year review of the status of our FY15/16 goals and objectives with a focus on items completed in the past six months and slated for first six months of FY16/17. Essentially a "your tax dollars at work" update to our community.

RECOMMENDED ACTION

Receive and file

FISCAL IMPACT

None

BACKGROUND

In February 2015, in concert with the City's strategic planning process, the City Council adopted 73 objectives associated with our ten City Goals. In May 2015, the Council budgeted for many of these objectives. In November 2015, and again in February 2016, the Council adjusted a number of these FY15/16 objectives.

Over the past 12 months, with additional guidance, direction and/or approval from Council as appropriate, staff has been working to accomplish the objectives laid out by the Council.

DISCUSSION

With the fiscal year having ended on June 30, staff presents this brief overview of the status of our FY15/16 fiscal year objectives, highlighting a number of items of that may be of special interest to the Council and our community. The final FY15/16 goal status is at attachment 1.

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

City Manager Review: **DWB** **City Attorney Review:** **CFN**

1. **Summary.**
   - **a.** 5 objectives were suspended by Council for various reasons leaving 68 city objectives.
   - **b.** 52 of 68 objectives are complete. (76%)
   - **c.** 10 of 68 objectives are ongoing to completion and were added by Council to the FY16/17 goals list. (15%)
   - **d.** 6 of 68 objectives are nearly complete and staff is tracking them to completion. (9%)

2. **Highlights.** This section highlights a number of key objectives / projects by department, division or program.

   - **a. Water Reclamation Facility.** The Council received a full WRF update at their Aug 9 meeting.
     i. Last Year.
        1. (Goal 1) Site preference decision completed.
        2. (Objective 1.e/f) Selection of Program Management, Facility Master Planning and Environmental Review consultants completed.
        3. (Goal 1) Master Reclamation Planning begun with much background work completed.
        4. (Goal 1) Program budget documents developed with WRFCAC.
        5. (Objective 1.a) Extensive public engagement completed.
        6. (Goal 1) Major Maintenance and Repair at the existing WWTP completed.

Final Major Maintenance and Repair Work at Existing Waste Water Treatment Plant

     ii. Coming up:
        1. (Goal 1) The City is pressing forward to complete Phase 1 construction of our new Water Reclamation Facility at the preferred South Bay Boulevard (SBB) (Tri-W site) site by June 2021.
        2. (Objective 1.c) Facility Mater Planning to be complete by Dec 2016.
        3. (Objective 1.e) Environmental Review ongoing.
        4. (Objective 1.a) Public workshops scheduled for remainder of 2016.

Public Outreach Invite to Environmental Impact Report Scoping Meeting

b. Public Works.

i. Last Year.

1. (Objective 2.b) Traffic calming project at Pacific and Main completed.
2. (Objective 5.b) $560,000, Energy Savings Performance Contract funded, energy-efficient HVAC and solar installations on City buildings ongoing/completed.
3. (Objective 7.b) $60,000 of sidewalk repairs, budgeted at midyear with surplus TOT revenue, ongoing / completed.
4. (Objective 7.d) ADA assessment of all City facilities and public areas completed, $40,000 of ADA improvements completed / ongoing.
5. (Objective 9.f) Water Conservation Goals exceeded.
6. (Objective 2.d) Pavement Management Software updated.

Sidewalk Repair Work - $60,000 of Sidewalk Repairs Performed in Jul-Aug 2016

ii. Coming up:
    1. (Goal 2) ~$1,000,000 paving program to be completed in Oct/Nov 2016.
    2. (Goal 10) *Cityworks* public-facing, web-based permitting and work management system should be deployed by the end of the year.
    3. (Goal 7) Additional sidewalk repair and gap closure to be completed with Community Development Block Grant Funds, 20% increase in public trash cans, new memorial benches at the Rock.

New Paving at Pacific and Market - ~$1,000,000 Street Paving Planned for Oct-Nov 2016

c. Community Development.

i. Last Year.
    1. (Objective 10.h) Additional $200,000 Coastal Commission grant awarded for General Plan / Local Coastal Plan work. (Aug 2016)
    2. (Objective 4.d) Code Enforcement section organized, staffed and working.
    3. (Objective 3.b/d) Design Guidelines and Secondary Unit Ordinance updated / adopted.
    4. (Objective 3.a) Significant General Plan / Local Coastal Plan outreach and work completed, draft vision and values presented to Council.

Community Design Workshop for General Plan / Local Coastal Plan

ii. Coming up:

1. (FY15/16 Objective 3.c) Sign ordinance outreach near completion, ordinance should be complete in early fall 2016.
2. (FY15/16 Objective 4.d) Code enforcement outreach continuing, to date 700+ responses received to Morro Bay code enforcement survey.
3. (Objective 3.a) Downtown Waterfront Strategic Plan to be completed by end of 2016.
4. (FY 15/16 Objective 10.b) Vision / Values to be approved by Council in early fall 2016.

Code Enforcement "Before" Picture of Situation at 2515 Greenwood

Code Enforcement "After" Picture of Situation at 2515 Greenwood

d. Police Deaprtment.

i. Last Year.

1. (Objective 4.f) Body Worn Cameras purchased and deployed.
2. (Objective 4.h) Public Safety ordinances regarding synthetic drugs and illegal fireworks updated / adopted.
3. (Objective 7.e) Department logistics needs assessment complete.

Body Worn Cameras IN Use by All MB Police Officers

ii. Coming up:

1. (Goal 4) Police Commander recruitment / selection.
2. (Goal 4) Police Chief recruitment / selection.
3. (Goal 4) Police Volunteer Program to be bolstered.

Police Volunteers Supporting Kids Club Field Trip

e. Fire Deaprtment.

i. Last Year.

1. (Objective 4.b) Local Hazard Mitigation Plan complete, near ready for adoption.
2. (Objective 4.a) "Hands Only" CPR and Community Emergency Response Training goals achieved.
3. (Objective 8.b) Free community health event held in fire station.

"Hands Only" CPR Training Conducted by Fire Department

ii. Coming up:

1. (Goal 8) Beginning talks with Dignity Health to enhance Community Paramedicine.
2. (Goal 8) Next free health clinic scheduled for Oct 30.
3. (Goal 4) Fire and other staff attending grant funded training at the National Emergency Management Institute in Emmitsburg, MD.

City / Dignity Health Partnered Health Clinics at the Fire Station

f. Harbor Deaprtment.

i. Last Year.

1. (Objective 6.h) Substantial progress made in partnership with Central Coast Maritime Museum.
2. (Objective 6.e) Marine Services Facility market analysis completed.
3. (Objective 7.e) Harbor Office logistical needs assessment completed.

Central Coast Maritime Museum Phase I - Established on the Embarcadero

ii. Coming up:

1. (Objective 6.a) Lease Management Policy update to begin.
2. (Objective 3) Working Waterfront definition and designation discussion to begin.
3. (Objective 8.c) Sea Otter Awareness Week celebration scheduled September 18-24.

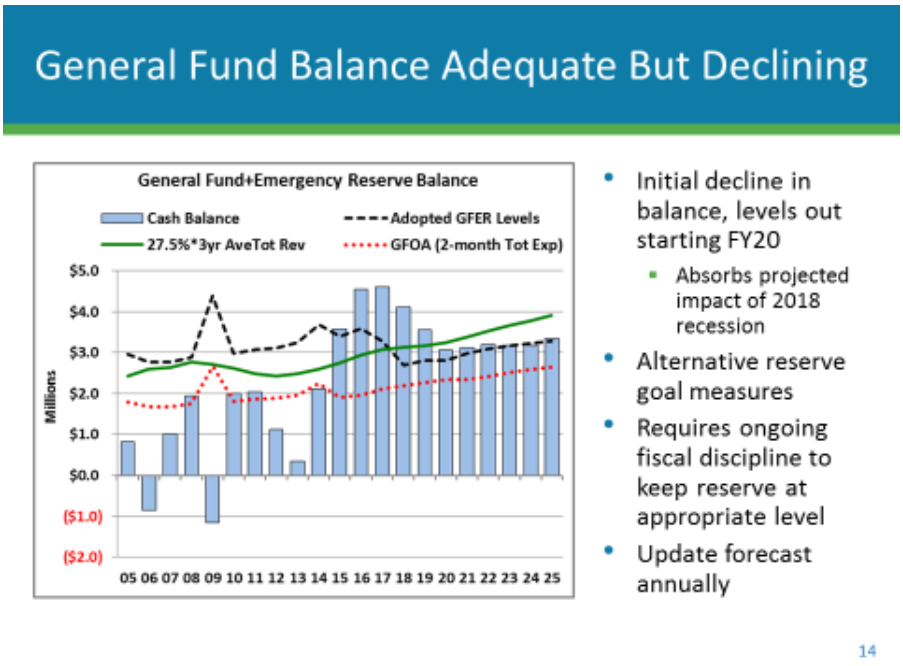
Stickers for All Rental Kayaks and SUPs to be Provided for Sea Otter Awareness Week

g. Administrative Services Department.

i. Last Year.

1. (Objective 5.a) Budget process, and adopted budget, further improved. 10-year budget forecast completed for general fund and harbor enterprise fund.
2. (Goal 5) New auditor selected, audit completed.
3. (Goal 5) MOU negotiations completed with SEIU, POA and FFA.

10-Year Budget Forecast Completed for General Fund and Harbor Enterprise Fund



ii. Coming up:

1. (Objective 5.b) Citizens Finance Advisory Committee to work on public friendly budget summary documents.
2. (Goal 5) New Budget and Accounting Manager to be hired.
3. (Goal 5) Continue to implement audit improvements.

h. Tourism Marketing and Promotion Division.

i. Last Year.

1. (Goal 5) TOT up strong in 4th quarter and over the year. June 2016 TOT increased 9% over June 2015. 2016 TOT up 7.7% over 2015.
2. (Objective 6.g) New Tourism Manager on board, established positive relationship with all stakeholders.
3. (Objective 6.g) New Tourism Marketing and PR contractor on board and working for the City.

Tourism Marketing and PR Product from Mental Marketing

ii. Coming up:

1. (Objective 6.l) Outdoor Travel Writers conference secured for Morro Bay this fall.
2. (Objective 6.l) 1 ½ day Roger Brooks destination marketing seminar open to all visitor related services / businesses, and all community members, schedule for October.
3. (Goal 8) Maritime Month featuring San Salvador visit, Harbor Festival and Sea Otter Week planned for September.

San Salvador – Coming to Morro Bay for 10 Days in Sep

i. Recreation Services Division.

i. Last Year.

1. (Objective 8.g) Improved marketing for youth sports and other programs implemented.
2. (FY16/17 Objective 8.d) Permanent Pickleball Courts established in Del Mar Park.
3. (Objective 8.e) National Citizen Survey completed. (see attachment)
4. (Objective 10) Long serving employees working full time without full benefits were made FTE employees. Substantial personnel transition near complete.

New Pickleball Courts Completed in Partnership with Senior Center

ii. Coming up:

1. (Objective 8.e) City-wide Morro Bay Activities Guide to be published in Oct in partnership with local business.

2. (Objective 8.b) Downtown Trick or Treat planned in partnership with Chamber of Commerce.

3. (Goal 8/10) New Recreation Division Coordinator to be identified and on board soon.

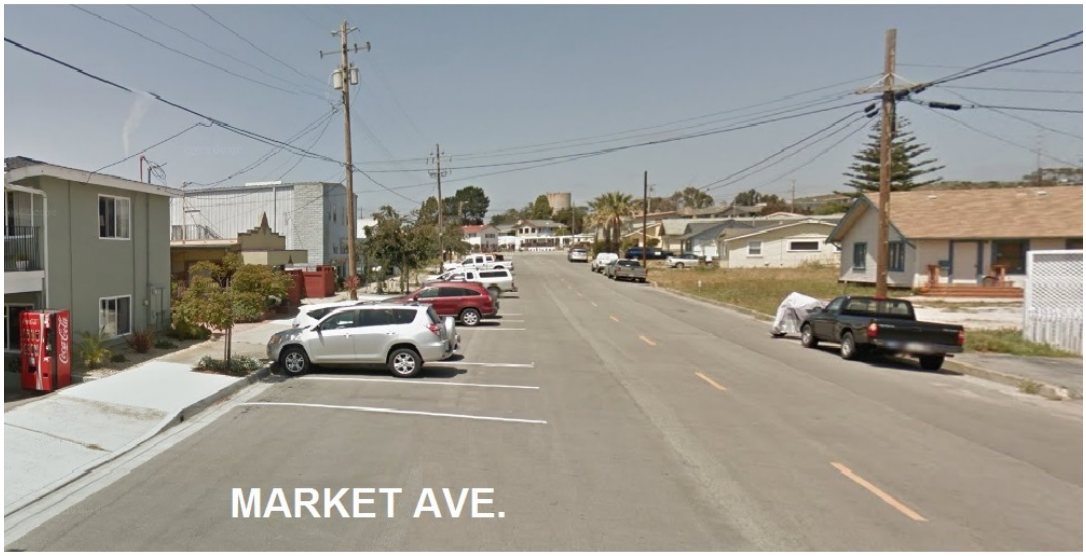
Morro Bay Activities Guide Advertising Poster

j. Economic Development and Public Engagement.

i. Last Year.

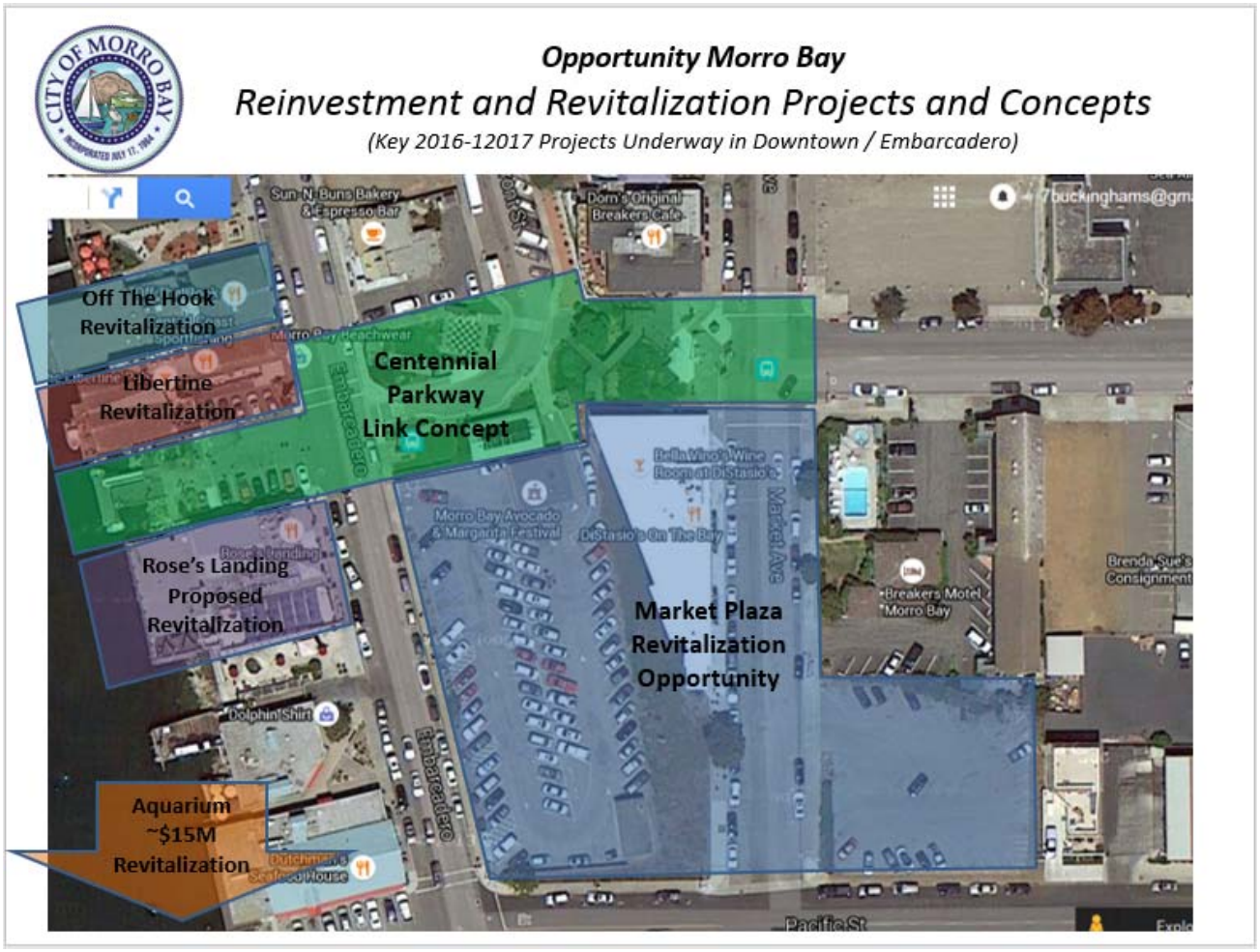
1. (Goal 6) 13 "Opportunity Morro Bay" outreach sessions connected City with over 100 local and regional business leaders with positive effects clearly observed.
2. (Objective 6.b) Economic Development Strategic Plan stakeholder and community outreach complete. Final plan due soon.
3. (Objective 6.h) Partnership with Central Coast Aquarium established with new aquarium planning in progress.
4. (Objective 10.e) Q-Alert public engagement, automated service request system deployed and well used both by the community and staff.
5. (Goal 6) Angle-in parking established on Market Street, allowing Elemental Herbs to move their business to the Sun Bulletin Building in Morro Bay.

New Striping Pattern on Market - New Business Established in Sun Bulletin Building



Partnership for Construction of New Aquarium Established

ii. Coming up:
    1. (FY15/16 Objective 6.c) Downtown high-speed fiber network installation beginning this fall.
    2. (Goal 6) Significant reinvestment / revitalization projects coming to council including:
        a. Market Plaza
        b. Centennial Parkway
        c. Embarcadero Promenade
        d. Libertine lease site reconstruction
        e. Off the Hook lease site reconstruction
        f. Morro Bay Aquarium reconstruction



CONCLUSION

The City made good progress on the Goals and Objectives adopted by Council for fiscal year 2015/16 that ended June 2016. Staff anticipates similar positive progress in fiscal year 2016/17.

ATTACHMENT Quality of Life Survey Results

THE NCS™

The National Citizen Survey™

Morro Bay, CA

Community Livability Report

2016

NRC
National Research Center Inc

2955 Valmont Road Suite 300
Boulder, Colorado 80301
n-r-c.com • 303-444-7863

ICMA
Leaders at the Core of Better Communities

777 North Capitol Street NE Suite 500
Washington, DC 20002
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Charter Members
AAPOR Transparency Initiative
AMERICAN ASSOCIATION FOR PUBLIC OPINION RESEARCH

The National Citizen Survey™
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The NCS™ is presented by NRC in collaboration with ICMA.

NRC is a proud member of the AAPOR Transparency Initiative, providing clear disclosure of our sound and ethical survey research practices.

About

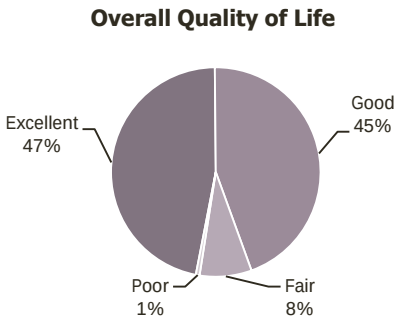
The National Citizen Survey™ (The NCS) report is about the "livability" of Morro Bay. The phrase "livable community" is used here to evoke a place that is not simply habitable, but that is desirable. It is not only where people do live, but where they want to live.

Great communities are partnerships of the government, private sector, community-based organizations and residents, all geographically connected. The NCS captures residents' opinions within the three pillars of a community (Community Characteristics, Governance and Participation) across eight central facets of community (Safety, Mobility, Natural Environment, Built Environment, Economy, Recreation and Wellness, Education and Enrichment and Community Engagement).

The Community Livability Report provides the opinions of a representative sample of 534 residents of the City of Morro Bay. The margin of error around any reported percentage is 4% for the entire sample. The full description of methods used to garner these opinions can be found in the *Technical Appendices* provided under separate cover.

Quality of Life in Morro Bay

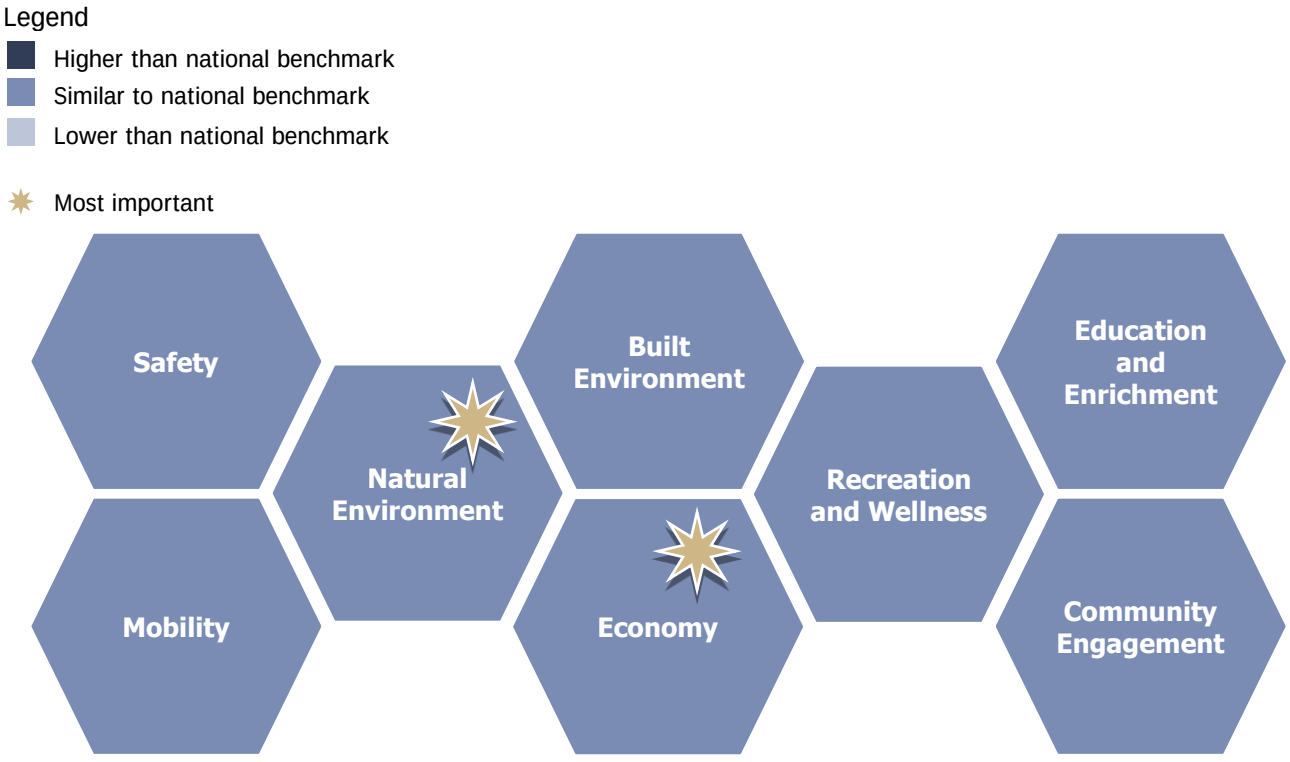
Almost all residents rated the quality of life in Morro Bay as excellent or good. This rating was higher than the national benchmark comparison (see Appendix B of the *Technical Appendices* provided under separate cover).



Shown below are the eight facets of community. The color of each community facet summarizes how residents rated it across the three sections of the survey that represent the pillars of a community – Community Characteristics, Governance and Participation. When most ratings across the three pillars were higher than the benchmark, the color for that facet is the darkest shade; when most ratings were lower than the benchmark, the color is the lightest shade. A mix of ratings (higher and lower than the benchmark) results in a color between the extremes.

In addition to a summary of ratings, the image below includes one or more stars to indicate which community facets were the most important focus areas for the community. Residents identified Natural Environment and Economy as priorities for the Morro Bay community in the coming two years. Ratings for all facets (Safety, Economy, Mobility, Natural Environment, Built Environment, Recreation and Wellness, Education and Enrichment and Community Engagement) were positive and similar to other communities. This overview of the key aspects of community quality provides a quick summary of where residents see exceptionally strong performance and where performance offers the greatest opportunity for improvement. Linking quality to importance offers community members and leaders a view into the characteristics of the community that matter most and that seem to be working best.

Details that support these findings are contained in the remainder of this Livability Report, starting with the ratings for Community Characteristics, Governance and Participation and ending with results for Morro Bay's unique questions.



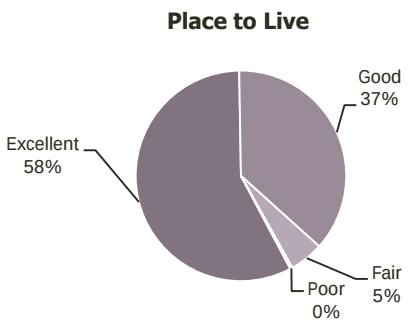
Community Characteristics

What makes a community livable, attractive and a place where people want to be?

Overall quality of community life represents the natural ambience, services and amenities that make for an attractive community. How residents rate their overall quality of life is an indicator of the overall health of a community. In the case of Morro Bay, 94% rated the City as an excellent or good place to live. Respondents' ratings of Morro Bay as a place to live were similar to ratings in other communities across the nation.

In addition to rating the City as a place to live, respondents rated several aspects of community quality including Morro Bay as a place to raise children and to retire, their neighborhood as a place to live, the overall image or reputation of Morro Bay and its overall appearance. About 4 in 5 respondents gave excellent or good ratings to their neighborhoods as places to live, Morro Bay as a place to raise children and the overall image and appearance of the City; these ratings were similar to ratings seen in other communities. Close to 9 in 10 residents gave favorable ratings to Morro Bay as a place to retire, which is higher than the national benchmark comparison.

Delving deeper into Community Characteristics, survey respondents rated over 40 features of the community within the eight facets of Community Livability. Ratings within the pillar of Community Characteristics tended to be mixed. At least 9 in 10 residents gave positive ratings to all aspects of Safety, ratings which were all similar to the benchmark. Within Mobility, at least three-quarters of residents gave excellent or good ratings to the overall ease of travel in Morro Bay, ease of travel by walking, travel by bicycle and travel by car; all of these ratings were higher than ratings seen in comparison communities. Ratings within the facet of Natural Environment were similarly strong: almost all residents gave favorable ratings to the overall natural environment and the air quality in Morro Bay, and these ratings were higher than the national benchmarks. Ratings within the facets of Built Environment and Education and Enrichment tended to be somewhat lower. While more than half of participants gave excellent or good ratings to public places where people like to spend time and the overall built environment, less than one-third gave high marks to the availability of affordable quality housing, variety of housing options and the availability of affordable quality child care/preschool; these aspects were rated lower than the benchmarks. Ratings in the facet of Economy varied: more than 9 in 10 residents gave positive ratings to Morro Bay as a place to visit (a rating that was higher than the benchmark), but ratings were lower for the overall economic health of Morro Bay (40% excellent or good), the City as a place to work (45%), shopping opportunities (31%), cost of living (16%) and employment opportunities (8%), which were all lower than the benchmarks. Within Recreation and Wellness, about 7 in 10 participants gave positive ratings to recreational opportunities and fitness opportunities. However, only about one-quarter of residents gave favorable ratings to the availability of affordable quality health care and preventive health care and only about 1 in 10 were pleased with the availability of affordable quality mental health care; all of these ratings were lower than ratings seen in comparison communities. All aspects of Community Engagement were rated positively by a majority of respondents and were similar to the national benchmarks.



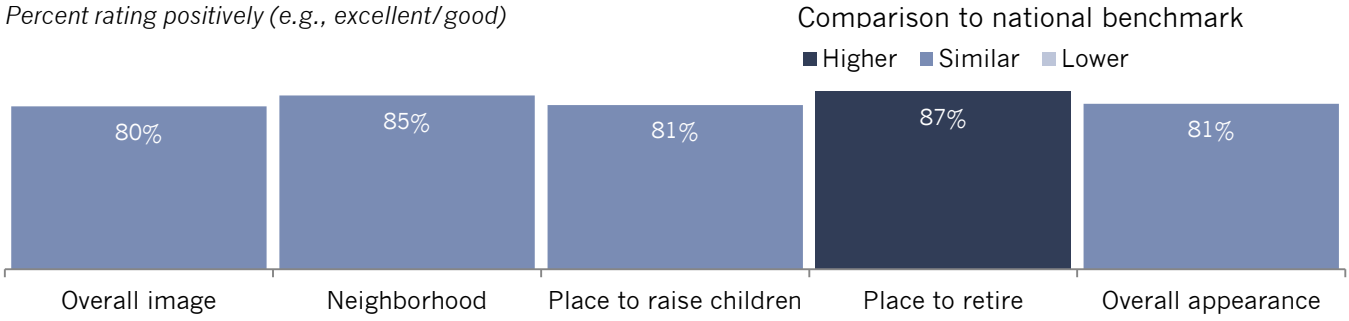
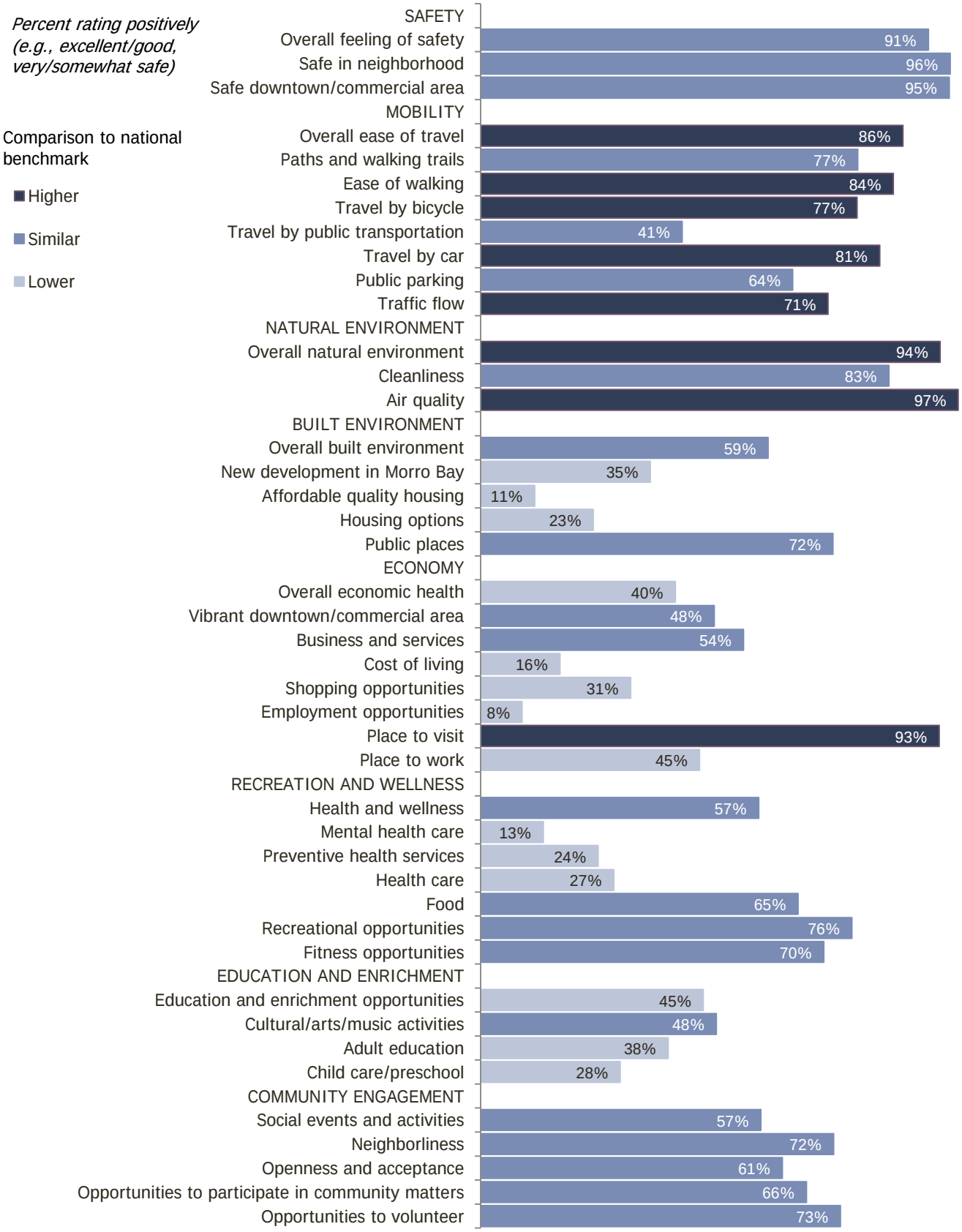


Figure 1: Aspects of Community Characteristics



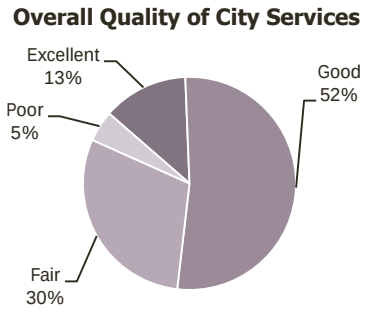
Governance

How well does the government of Morro Bay meet the needs and expectations of its residents?

The overall quality of the services provided by Morro Bay as well as the manner in which these services are provided are a key component of how residents rate their quality of life. About 65% of residents gave excellent or good ratings to the overall quality of City services, while about one-third gave positive ratings to the services provided by the Federal Government. Both of these ratings were similar to the national benchmarks.

Survey respondents also rated various aspects of Morro Bay's leadership and governance. About 7 in 10 residents gave positive ratings to the customer service provided by City employees. About 4 in 10 residents gave excellent or good ratings to the value of services for taxes paid, the overall direction of the City, the job the City does at welcoming citizen involvement, acting in the best interest of Morro Bay, being honest and treating all residents fairly. Ratings for aspects of Morro Bay's leadership and governance were generally similar to ratings seen in comparison communities; however, ratings for the overall direction of the City, confidence in City government, the job the City does at treating all residents fairly and acting in the best interest of Morro Bay were lower than the national benchmarks.

Respondents evaluated over 30 individual services and amenities available in Morro Bay. Ratings within the pillar of Governance were mostly similar to ratings seen in comparison communities. Within the facet of Safety, about three-quarters or more of participants gave high marks to police, fire and ambulance/EMS services as well as to crime prevention and fire prevention. Within Mobility, about 6 in 10 survey participants gave excellent or good ratings to traffic enforcement and traffic signal timing. However, sidewalk maintenance, street repair and street cleaning were rated positively by fewer than half of residents, and these ratings were lower than ratings for these services in other communities across the nation. Ratings in the facet of Natural Environment were generally strong and similar to the benchmarks. About 9 in 10 residents gave high marks to garbage collection services and about 8 in 10 positively rated recycling services; however, only about one-third of residents gave positive ratings to drinking water in Morro Bay, which was lower than ratings seen in comparison communities. In Built Environment, only about 3 in 10 respondents gave high marks to land use, planning and zoning, but at least half of residents gave favorable ratings to storm drainage, sewer services and utility billing. Economic development was rated positively by about one-quarter of residents, a rating which was lower than seen in other communities. At least 6 in 10 residents gave high marks to all aspects of Recreation and Wellness, Education and Enrichment and Community Engagement; all of these ratings were similar to ratings seen in communities elsewhere.



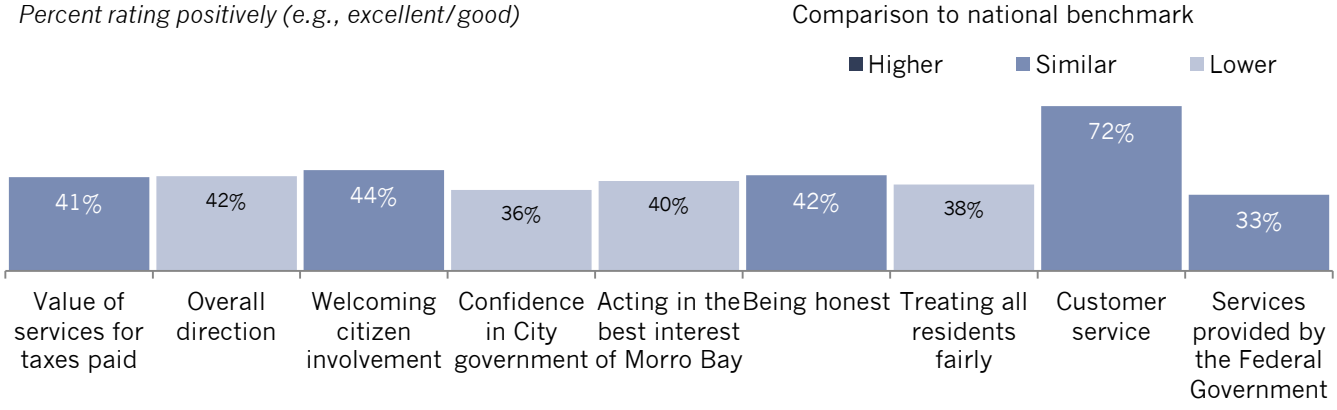
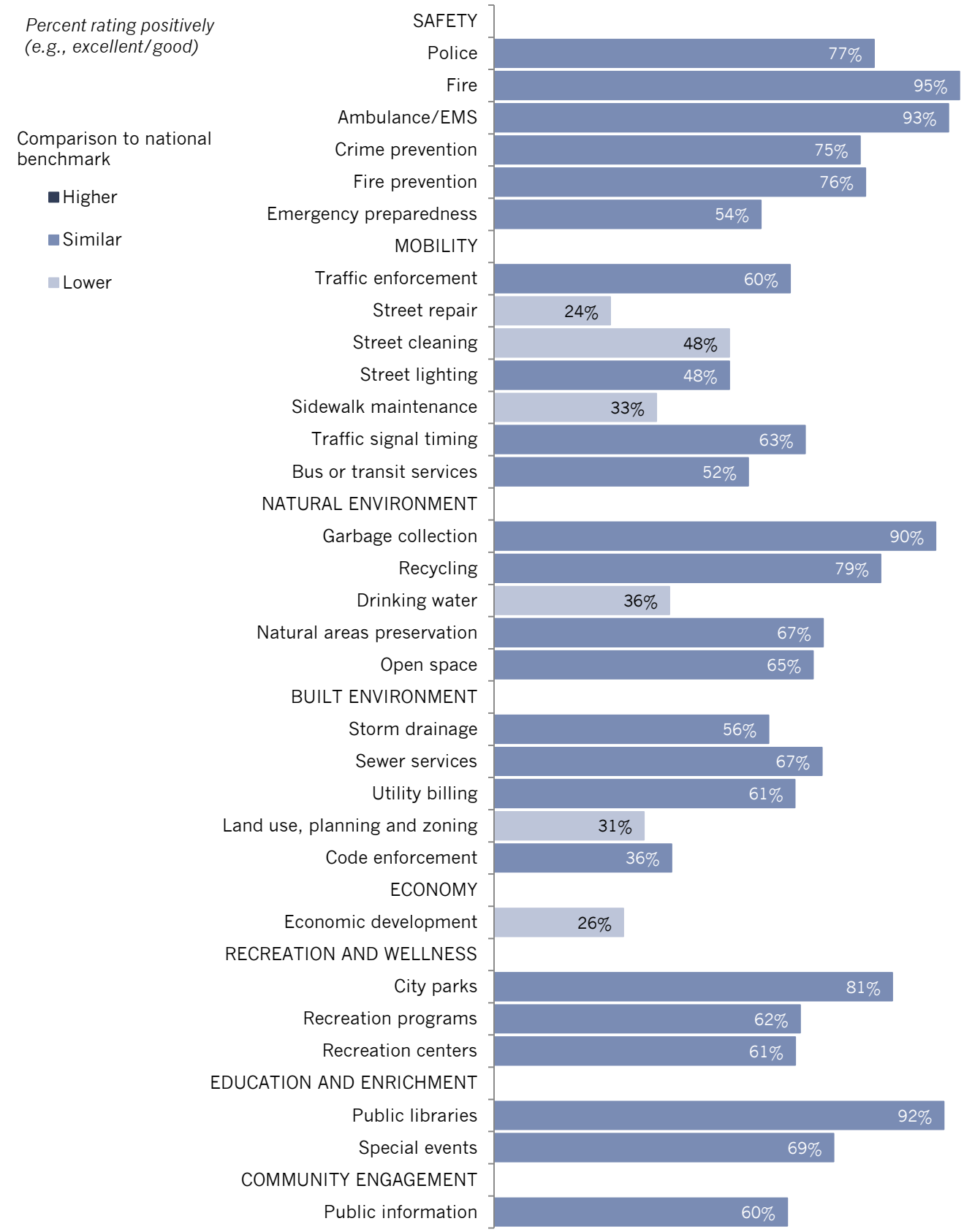


Figure 2: Aspects of Governance

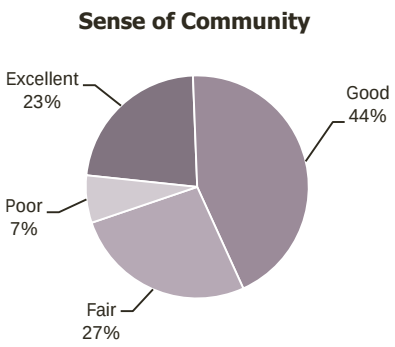


Participation

Are the residents of Morro Bay connected to the community and each other?

An engaged community harnesses its most valuable resource, its residents. The connections and trust among residents, government, businesses and other organizations help to create a sense of community; a shared sense of membership, belonging and history. About two-thirds of Morro Bay residents rated the sense of community as excellent or good, which was similar to ratings given in other communities nationwide. More than 4 in 5 respondents reported that they would recommend Morro Bay to someone who asked and about 9 in 10 planned to remain in the City for the next five years. About half of participants reported that they had contacted City of Morro Bay employees in the past 12 months. All of these participation rates were similar to rates observed elsewhere.

The survey included over 30 activities and behaviors for which respondents indicated how often they participated in or performed each, if at all. About three-quarters of residents did not report a crime and more than 8 in 10 had not been the victim of a crime in the 12 months prior to the survey. When compared to other communities, more participants in Morro Bay had stocked supplies for an emergency in the past year (49%). Within the facets of Mobility and Natural Environment, levels of participation were strong and mostly higher than the national benchmarks. More than half of participants reported that they had carpooled instead of driving alone and about 8 in 10 had walked or biked instead of driving. Almost all residents indicated that they had made efforts to conserve water (98%) and had recycled at home (99%) in the 12 months prior to the survey. Within Economy, almost all residents reported that they had purchased goods or services in Morro Bay, but only about 3 in 10 reported that they worked in Morro Bay, which was lower than rates seen elsewhere. More than 7 in 10 survey participants indicated that they had attended a City-sponsored event, which was higher than rates reported in other communities. Rates of Participation in Built Environment, Recreation and Wellness and Community Engagement were strong and similar to the rates seen in other communities across the nation.



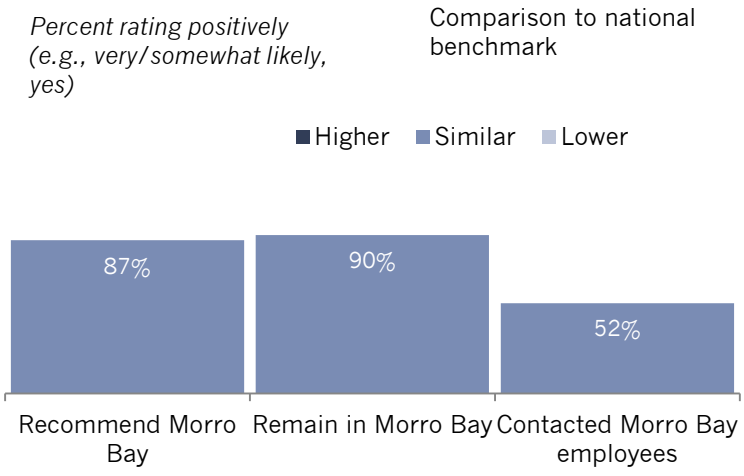
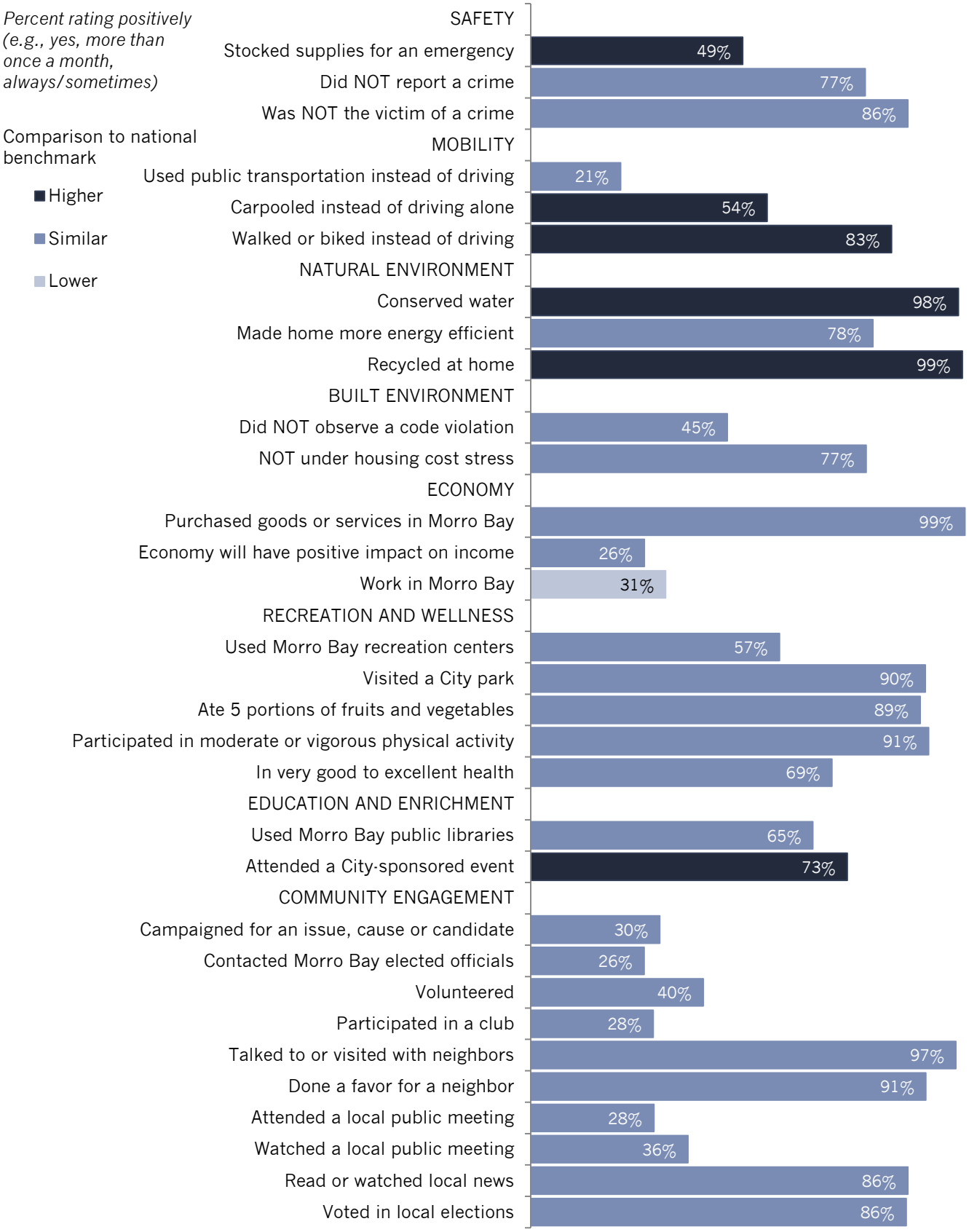


Figure 3: Aspects of Participation

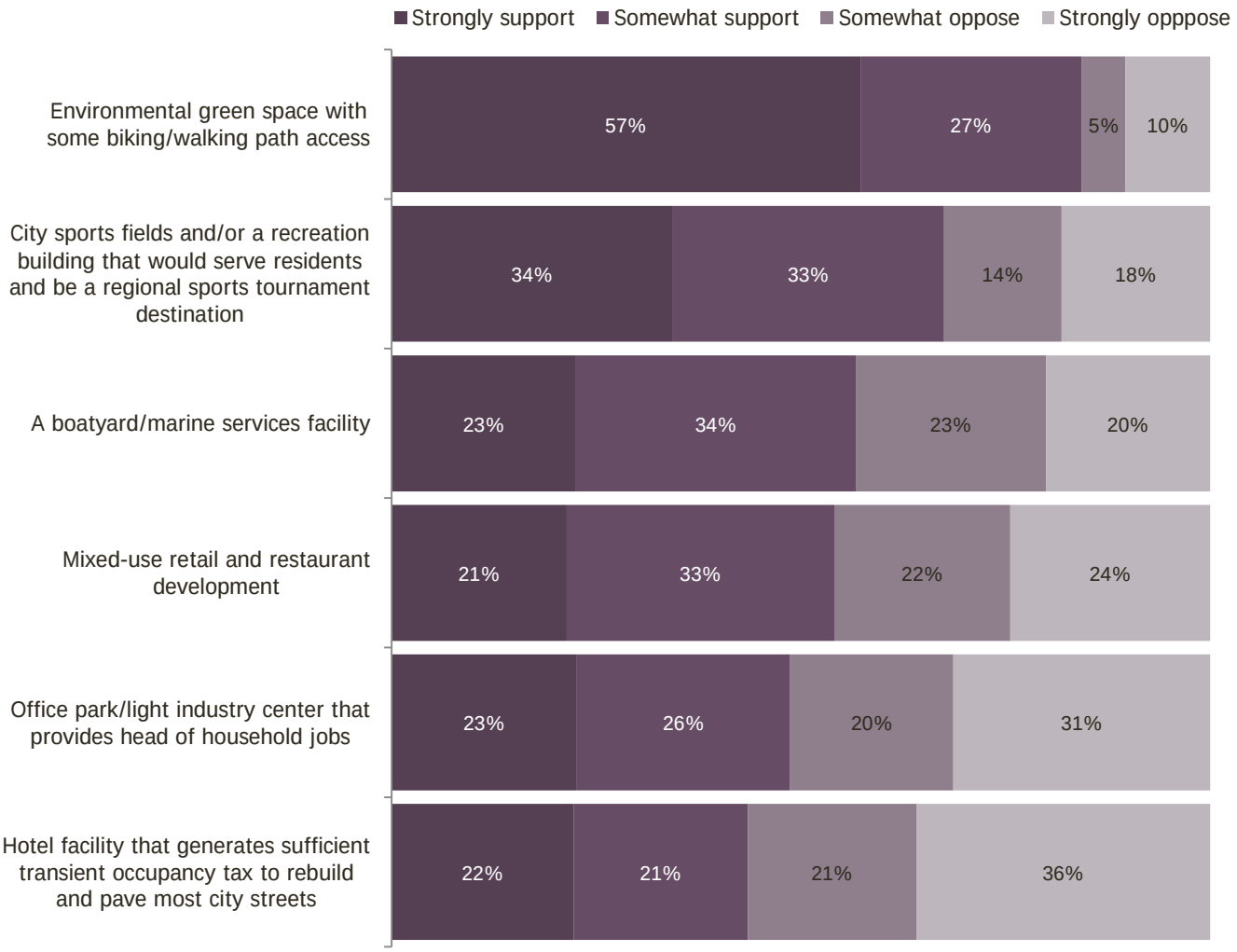


Special Topics

The City of Morro Bay included seven questions of special interest on The NCS. The first special-interest question asked residents to what extent they would support various plans to redevelop the Morro Bay Power Plant site. More than 8 in 10 respondents indicated they would support developing the site into an environmental green space and about two-thirds indicated that they would support building a City sports field and/or a recreation building. Plans to use the site to build an office park/light industry center or hotel facility were opposed by a slight majority of residents.

Figure 4: Support for Redevelopment of Morro Bay Power Plant Site

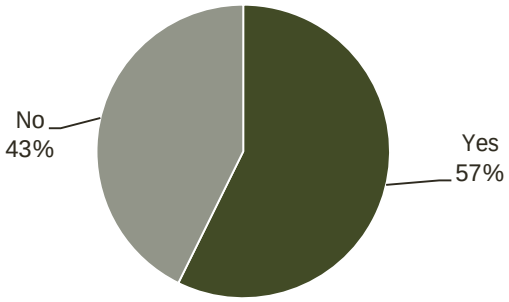
If the Morro Bay Power Plant were to be demolished and the site were redeveloped, please indicate to what extent you would support or oppose inclusion of the following on that site:



Residents were next asked if they would support preserving the Morro Bay Power Plant stacks as a part of redevelopment. A majority of residents (57%) indicated that they would like to preserve one or more stacks.

Figure 5: Support for Preservation of Morro Bay Power Plant Stacks

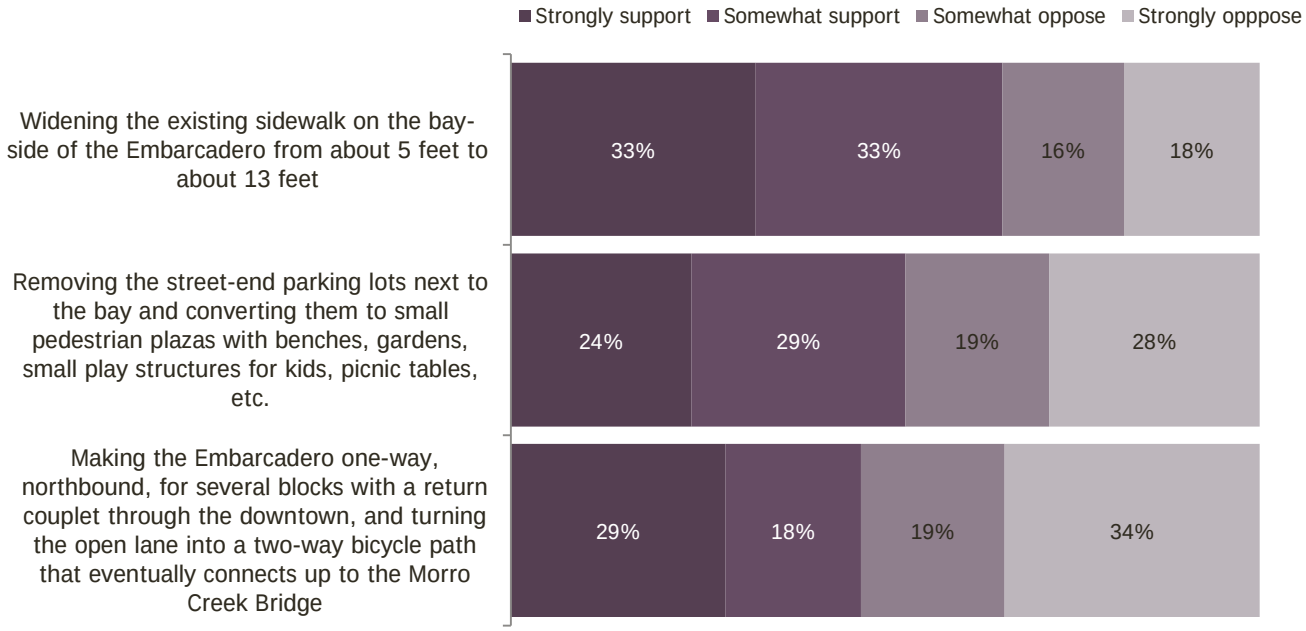
If the Morro Bay Power Plant were redeveloped, would you like to see one or more stacks - or parts thereof - retained and integrated into the new design?



The third special-interest question asked residents to indicate their support for various proposed improvements to the Embarcadero. About two-thirds of respondents reported that they strongly or somewhat support widening the existing sidewalk from 5 feet to about 13 feet. A majority of residents indicated that they would support removing the street-end parking lots to the bay and converting them to small green spaces. About half of residents opposed making the Embarcadero one-way northbound for several blocks, and about one-third of residents strongly opposed doing so.

Figure 6: Support for Improvements to the Embarcadero

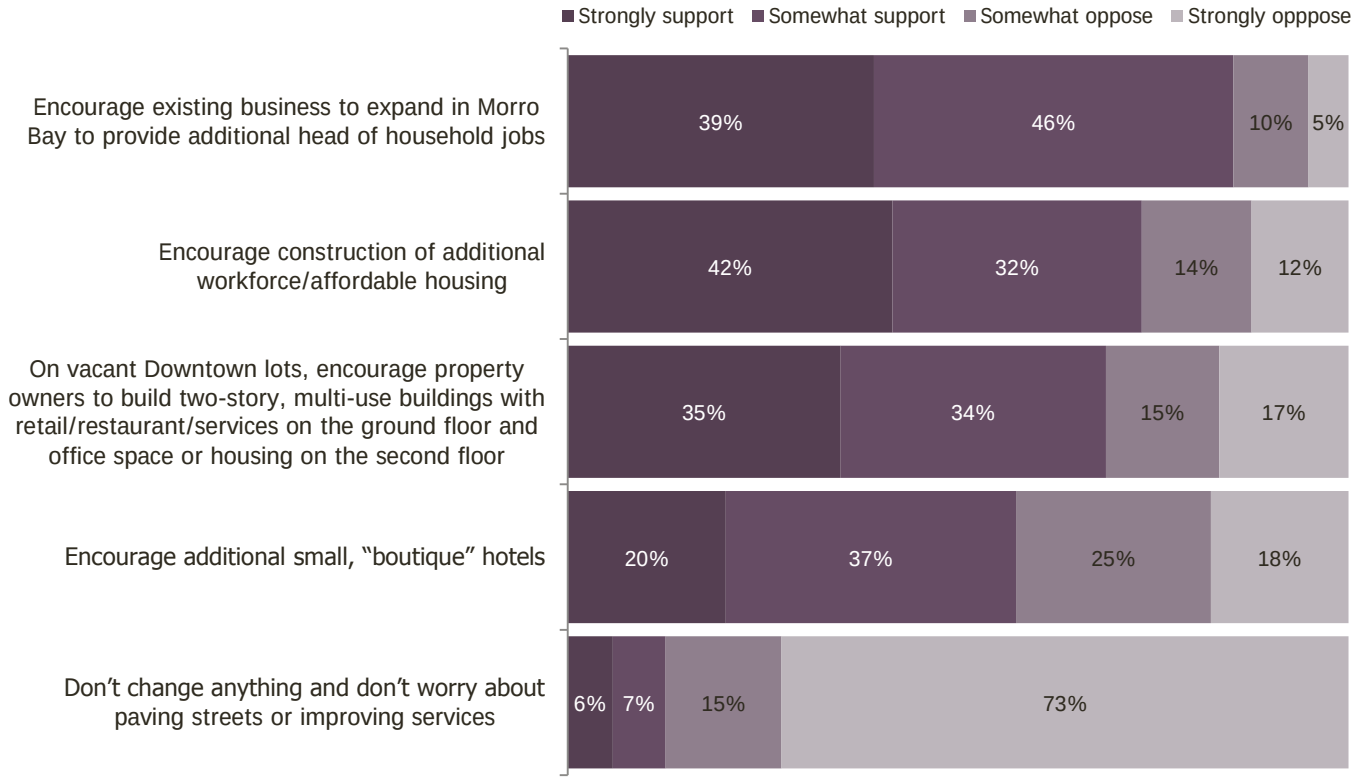
The City is considering ways to improve the Embarcadero experience for drivers, bicyclists and pedestrians, and to better link the Embarcadero area with our Downtown. To what extent would you support or oppose the following:



Residents were next asked to indicate their support for various strategies to improve the City's finances and help generate revenue to pave streets, repair infrastructure, improve recreation programs and maintain safety and harbor services. More than 8 in 10 respondents reported they would support encouraging existing businesses in Morro Bay to expand to provide additional jobs, and about three-quarters would support the construction of additional affordable housing. A vast majority of residents (88%) were opposed to the statement "Don't change anything and don't worry about paving street or improving services".

Figure 7: Support for Strategies to Improve City's Finances

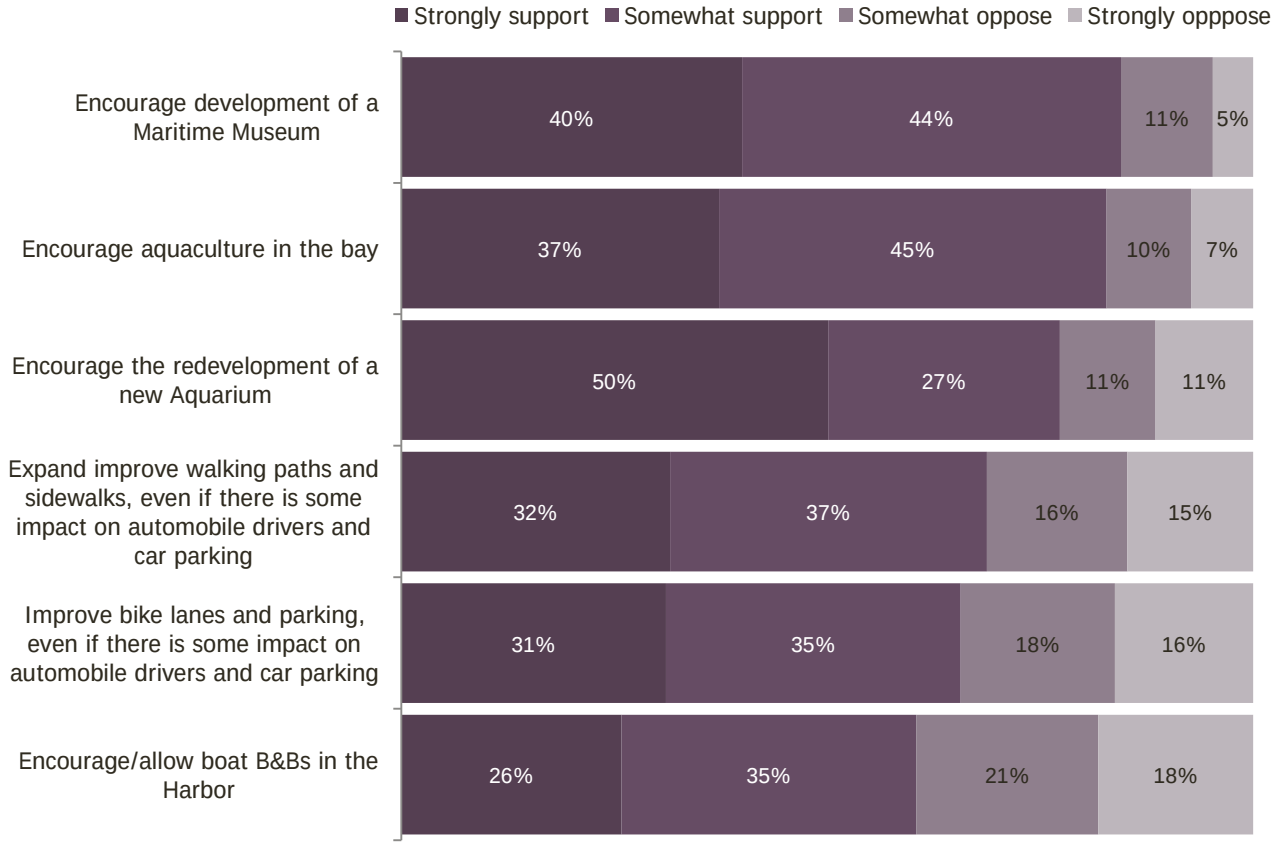
The City requires additional revenue to pave streets, replace aging infrastructure, improve recreation programs and maintain/improve our Police, Fire and Harbor services. To what extent do you support or oppose the each of the following to improve the City's finances:



The next special-interest question asked residents to indicate the extent to which they supported various development ideas that would serve both residents and visitors. At least 8 in 10 respondents strongly or somewhat supported encouraging the development of a Maritime Museum and encouraging aquaculture in the bay. At least a majority of residents were in favor of all other proposed development ideas.

Figure 8: Support for Development of Attractions for Residents and Visitors

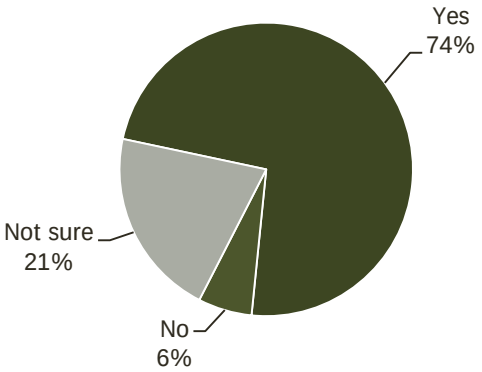
To what extent do you support or oppose each of the following ideas to serve both residents and visitors:



The next special-interest question asked residents if they would attend free summer evening concerts in the Downtown or a City park. About three-quarters of respondents indicated that they would go to a free summer evening concert; an additional 2 in 10 weren't sure whether they would attend.

Figure 9: Interest in Free Summer-Evening Concerts

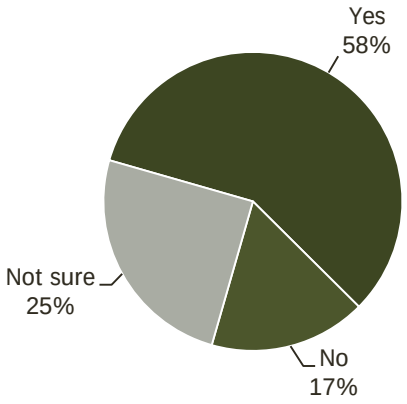
Would you come to free summer-evening concerts in the Downtown or a City park?



The final special-interest question asked residents if they would support the City spending resources to host a weekend concert series in the fall. More than half of residents reported that they would support the city spending resources on this concert series, while about 2 in 10 opposed the expenditure. About one-quarter of respondents weren't sure.

Figure 10: Support for City Expenditures for Fall Concert Series

Would you want the City to expend resources to help host a concert series on some fall weekends?



Conclusions

Morro Bay residents enjoy a high quality of life.

Almost all respondents (91%) rated the overall quality of life in Morro Bay as excellent or good. At least 8 in 10 residents gave high marks to the City as a place to raise children and as a place to retire; ratings for Morro Bay as a place to retire were higher than ratings in comparable communities. The City's overall image and overall appearance were rated positively by about 8 in 10 survey participants. Additionally, about 9 in 10 residents said they would recommend living in Morro Bay to someone who asked and plan to remain living Morro Bay for the next five years.

The Economy is a top priority for residents.

More than 8 in 10 residents identified Economy as a key focus area for the community in the coming two years. Ratings within the facet of Economy tended to be mixed. About 9 in 10 residents gave excellent or good ratings to Morro Bay as a place to visit; this rating was higher than ratings seen in comparison communities. Almost all residents (99%) reported that they had purchased goods or services in Morro Bay, and about half of participants gave favorable ratings to the overall quality of business and service establishments in the City and the vibrancy of Morro Bay's downtown/commercial area. However, only about 4 in 10 respondents gave excellent or good ratings to the overall economic health of Morro Bay and less than a third gave favorable ratings to shopping opportunities and the cost of living in the City; these ratings were lower than ratings seen elsewhere. Further, less than half of residents gave favorable ratings to the Morro Bay as a place to work and only 8% gave excellent or good ratings to employment opportunities in the City. More than 8 in 10 participants indicated that they would support encouraging existing businesses in Morro Bay to expand to provide additional jobs as a strategy to improve City finances.

The Natural Environment is an important and positive feature of the community.

The Natural Environment was also identified as a key focus area for the community in the next two years. Residents of Morro Bay tended to give high ratings to aspects of Natural Environment. Almost all survey participants gave excellent or good ratings to the overall natural environment (94%) and air quality in the City (97%); both of these ratings were higher than ratings seen in other communities nationwide. Natural Environment-related City services also received strong ratings: about two-thirds or more of residents gave favorable ratings to garbage collection, recycling services and natural areas preservation. Further, more Morro Bay residents indicated that they had made efforts to conserve water and had recycled at home than residents in other communities nationwide. About 85% of residents indicated that they somewhat or strongly support the Morro Bay Power Plant site being turned into an environmental green space with some trail access.

THE NCS™

The National Citizen Survey™

Morro Bay, CA

Dashboard Summary of Findings

2016

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Summary

The National Citizen Survey™ (The NCS™) is a collaborative effort between National Research Center, Inc. (NRC) and the International City/County Management Association (ICMA). The survey and its administration are standardized to assure high quality research methods and directly comparable results across The NCS communities. The NCS captures residents' opinions within the three pillars of a community (Community Characteristics, Governance and Participation) across eight central facets of community (Safety, Mobility, Natural Environment, Built Environment, Economy, Recreation and Wellness, Education and Enrichment and Community Engagement). This report summarizes Morro Bay's performance in the eight facets of community livability with the "General" rating as a summary of results from the overarching questions not shown within any of the eight facets. The "Overall" represents the community pillar in its entirety (the eight facets and general).

By summarizing resident ratings across the eight facets and three pillars of a livable community, a picture of Morro Bay's community livability emerges. Below, the color of each community facet summarizes how residents rated each of the pillars that support it – Community Characteristics, Governance and Participation. When most ratings were higher than the benchmark, the color is the darkest shade; when most ratings were lower than the benchmark, the color is the lightest shade. A mix of ratings (higher and lower than the benchmark) results in a color between the extremes.

Morro Bay residents tended to give positive ratings to most aspects of community livability; these ratings were generally similar to ratings seen in other communities across the nation. Within the pillar of Community Characteristics, ratings in the facets of Natural Environment and Mobility tended to be higher than ratings in comparison communities; however, ratings for Built Environment and Education and Enrichment were not as strong. Within Governance, ratings for Economy tended to be lower than ratings seen elsewhere. Rates of Participation were generally strong: reported levels of participation in the facets of Mobility, Natural Environment and Education and Enrichment were higher than levels observed in in other communities nationwide. This information can be helpful in identifying the areas that merit more attention.

Figure 1: Dashboard Summary

	Community Characteristics			Governance			Participation		
	Higher	Similar	Lower	Higher	Similar	Lower	Higher	Similar	Lower
Overall	10	26	14	0	30	10	6	28	1
General	2	5	0	0	3	0	0	3	0
Safety	0	3	0	0	6	0	1	2	0
Mobility	5	3	0	0	4	3	2	1	0
Natural Environment	2	1	0	0	4	1	2	1	0
Built Environment	0	2	3	0	4	1	0	2	0
Economy	1	2	5	0	0	1	0	2	1
Recreation and Wellness	0	4	3	0	3	0	0	5	0
Education and Enrichment	0	1	3	0	2	0	1	1	0
Community Engagement	0	5	0	0	4	4	0	11	0

Legend	
	Higher
	Similar
	Lower

Figure 2: Detailed Dashboard

	Community Characteristics	Benchmark	Percent positive	Governance	Benchmark	Percent positive	Participation	Benchmark	Percent positive
General	Overall appearance	↔	81%	Customer service	↔	72%	Recommend Morro Bay	↔	87%
	Overall quality of life	↑	91%	Services provided by Morro Bay	↔	65%	Remain in Morro Bay	↔	90%
	Place to retire	↑↑	87%	Services provided by the Federal Government	↔	33%	Contacted Morro Bay employees	↔	52%
	Place to raise children	↔	81%						
	Place to live	↔	94%						
	Neighborhood	↔	85%						
	Overall image	↔	80%						
Safety	Overall feeling of safety	↔	91%	Police	↔	77%	Was NOT the victim of a crime	↔	86%
	Safe in neighborhood	↔	96%	Crime prevention	↔	75%	Did NOT report a crime	↔	77%
	Safe downtown/commercial area	↔	95%	Fire	↔	95%	Stocked supplies for an emergency	↑	49%
				Fire prevention	↔	76%			
				Ambulance/EMS	↔	93%			
				Emergency preparedness	↔	54%			
Mobility	Traffic flow	↑	71%	Traffic enforcement	↔	60%	Carpooled instead of driving alone	↑	54%
	Travel by car	↑	81%	Street repair	↓	24%	Walked or biked instead of driving	↑↑	83%
	Travel by bicycle	↑	77%	Street cleaning	↓	48%	Used public transportation instead of driving	↔	21%
	Ease of walking	↑	84%	Street lighting	↔	48%			
	Travel by public transportation	↔	41%	Sidewalk maintenance	↓	33%			
	Overall ease of travel	↑	86%	Traffic signal timing	↔	63%			
	Public parking	↔	64%	Bus or transit services	↔	52%			
	Paths and walking trails	↔	77%						
Natural Environment	Overall natural environment	↑	94%	Garbage collection	↔	90%	Recycled at home	↑	99%
	Air quality	↑↑	97%	Recycling	↔	79%	Conserved water	↑	98%
	Cleanliness	↔	83%	Drinking water	↓↓	36%	Made home more energy efficient	↔	78%
				Open space	↔	65%			
				Natural areas preservation	↔	67%			
Built Environment	New development in Morro Bay	↓	35%	Sewer services	↔	67%	NOT experiencing housing cost stress	↔	77%
	Affordable quality housing	↓↓	11%	Storm drainage	↔	56%	Did NOT observe a code violation	↔	45%
	Housing options	↓↓	23%	Utility billing	↔	61%			
	Overall built environment	↔	59%	Land use, planning and zoning	↓	31%			
	Public places	↔	72%	Code enforcement	↔	36%			

Legend

↑↑ Much higher ↑ Higher ↔ Similar ↓ Lower ↓↓ Much lower * Not available

	Community Characteristics	Benchmark	Percent positive	Governance	Benchmark	Percent positive	Participation	Benchmark	Percent positive
Economy	Overall economic health	↓	40%	Economic development	↓	26%	Economy will have positive impact on income	↔	26%
	Shopping opportunities	↓	31%				Purchased goods or services in Morro Bay	↔	99%
	Employment opportunities	↓↓	8%				Work in Morro Bay	↓	31%
	Place to visit	↑↑	93%						
	Cost of living	↓↓	16%						
	Vibrant downtown/commercial area	↔	48%						
	Place to work	↓	45%						
	Business and services	↔	54%						
Recreation and Wellness	Fitness opportunities	↔	70%	City parks	↔	81%	In very good to excellent health	↔	69%
	Recreational opportunities	↔	76%	Recreation centers	↔	61%	Used Morro Bay recreation centers	↔	57%
	Health care	↓↓	27%	Recreation programs	↔	62%	Visited a City park	↔	90%
	Food	↔	65%				Ate 5 portions of fruits and vegetables	↔	89%
	Mental health care	↓↓	13%				Participated in moderate or vigorous physical activity	↔	91%
	Health and wellness	↔	57%						
	Preventive health services	↓↓	24%						
Education and Enrichment	Cultural/arts/music activities	↔	48%	Public libraries	↔	92%	Used Morro Bay public libraries	↔	65%
	Child care/preschool	↓	28%	Special events	↔	69%	Attended a City-sponsored event	↑	73%
	Adult education	↓	38%						
	Overall education and enrichment	↓	45%						
Community Engagement	Opportunities to participate in community matters	↔	66%	Public information	↔	60%	Sense of community	↔	67%
	Opportunities to volunteer	↔	73%	Overall direction	↓	42%	Voted in local elections	↔	86%
	Openness and acceptance	↔	61%	Value of services for taxes paid	↔	41%	Talked to or visited with neighbors	↔	97%
	Social events and activities	↔	57%	Welcoming citizen involvement	↔	44%	Attended a local public meeting	↔	28%
	Neighborliness	↔	72%	Confidence in City government	↓	36%	Watched a local public meeting	↔	36%
				Acting in the best interest of Morro Bay	↓	40%	Volunteered	↔	40%
				Being honest	↔	42%	Participated in a club	↔	28%
				Treating all residents fairly	↓	38%	Campaigned for an issue, cause or candidate	↔	30%
							Contacted Morro Bay elected officials	↔	26%
							Read or watched local news	↔	86%
							Done a favor for a neighbor	↔	91%

Legend

↑↑ Much higher ↑ Higher ↔ Similar ↓ Lower ↓↓ Much lower * Not available

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The National Citizen Survey™

Local Government Playbook of Strategies to Improve Communities

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The NCS™ is presented by NRC in collaboration with ICMA.

Introduction

Think of this guide as a helium balloon that will help lighten the burden of determining how to put your survey results to work for your community. Most community leaders are buried in information, because running local government requires knowing a lot about your own organization, the organizations of other entities that can inhibit or facilitate your success and your residents' perspectives about what is and ought to be happening. The National Citizen Survey you recently conducted has provided you with reliable reconnaissance about your residents' opinions and activities that you can get from no administrative records or discussions with managers or elected officials. Although the information in your survey is uniquely valuable, knowing what to make of it – as in, what to do with it – benefits from some assistance.

First, Take a Deep Breath

Pressure mounts to use data wisely. People are saying that data are money. Everyone is talking about how data help managers make the right decisions – to reduce crime, improve the housing stock, expand the tax base, sell bonds. It is true that being data driven does increase the likelihood that your decisions will be better for the community, but we recommend that as managers or elected officials are exposed to valid information about resident perspectives about the local quality of life, governance and reports of residents' engagement in the community, it is best to take off your leader hat and just listen to what the report says. Forget how data driven you must be and appreciate the survey results like you might your favorite music. Take the time to feel your own reaction to what you hear. Rather than pretend that management decisions are made strictly by the numbers and that emotion plays no part in the power of data, the first question a leader should ask of his survey data is not "do they make sense?" but "do they feel right?"

Once you've noticed which survey results resonate most with you, then examine them. Do they square with other data you have? Do they confirm what you and others have observed? Finally, as you think about what the survey results mean to you, remember that you are not alone. There are some, probably many, staff who have more direct experience with the areas reported on in the survey. Convene them to participate in the debrief, which may include the one you have with the researchers at National Research Center, Inc. if you have conducted The National Citizen Survey. In that debrief, you will get a sense of how NRC recommends you move forward to put your results to use.

Where the Action Is

Putting your results to work is precisely why you conducted the survey, so taking the time to absorb the results is the beginning, not the end of the survey process. This Playbook of Strategies provides you with recommendations about how to move forward with your survey results. To help you get started with navigating toward building successful outcomes in your community The Playbook includes vignettes of how other jurisdictions used their survey results to improve their communities. The local governments highlighted in this playbook include:

- Cartersville, Georgia
- Winter Garden, Florida
- Paducah, Kentucky
- Noblesville, Indiana
- Park City, Utah
- Boulder, Colorado
- Hamilton, Ohio
- Puget Sound Clean Air Agency (King, Kitsap, Pierce and Snohomish Counties, Washington)
- Ankeny, Iowa
- Fort Collins, Colorado
- Greeley, Colorado
- Pocatello, Idaho
- Livermore, California
- Peoria, Arizona
- Longmont, Colorado
- Westminster, Colorado
- Littleton, Colorado

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Creating Livable Communities

The Many Faces of "Livability"

Most leaders charged with running local governments seek to create "livable communities." However, the phrase has been used to cover so much territory that it no longer is clear what anyone really means by it. For the literal minded, a livable place is, redundantly, where people reside and, if a place were not livable, it would be empty, save for passers-by – including those who arrive temporarily for commerce. However, by livable, most people mean something symbolic. The phrase "livable community" evokes a place that is not simply habitable but that is desirable. It is not only where people do live, but where they want to live.

Awards are given for the most livable places in America and the winners are chosen, often by magazines, based on many quality of life criteria like safety, affordability and beauty. Because livability means so many things to different people, researchers and community organizations have explored just about every window into the meaning of the term. For some, livability has to do with the built environment – a place that hews to land conservation, avoids sprawl and funnels activity into pedestrian-friendly space with low rise buildings and attractive greenery (Kunstler, 1993). Proper land use in a livable place results in the "spirit of community," (Fischer, 2000) where neighbors trust and rely on each other and turn to each other for help. One organization reminds us that livability should not be the aspiration of only well off communities: "livability extends to economic dynamism and career opportunities as well as recreational, aesthetic, cross-generational and cultural activities." (Community Research Connections in http://crcresearch.org/case-studies/case-studies-sustainable-infrastructure/land-use-planning/what-makes-a-city-liveable).

A livable community not only attracts people because its infrastructure represents good planning principles, it may also provide expansive opportunities like those of great cities. One simple characteristic of a great city that intersects with livable communities is the creation of a place where people want to spend time outside (http://ecolocalizer.com/2009/07/08/what-is-a-good-city/). A more elaborate set of amenities comes from the mid-twentieth century, when Lewis Mumford described this way what exceptional cities provide: "The chief function of the city is to convert power into form, energy into culture, dead matter into the living symbols of art, biological reproduction into social creativity." This is a tall order but one that some believe would contribute to a city becoming "livable."

Below is a word cloud of definitions of livability that came from 18 articles reviewed by the National Association of Regional Networks (NARC).[1] It demonstrates the salience of Transportation and Community Quality as well as the diversity of other terms used to describe "livability."

Figure 1: Livability Word Cloud

[1] Livability Word Cloud Including Scholarly and Practitioner Definitions (www.wordle.net) in LIVABILITY LITERATURE REVIEW: A SYNTHESIS OF CURRENT PRACTICE. National Association of Regional Councils and U.S. Department of Transportation 2012, Washington, D.C.

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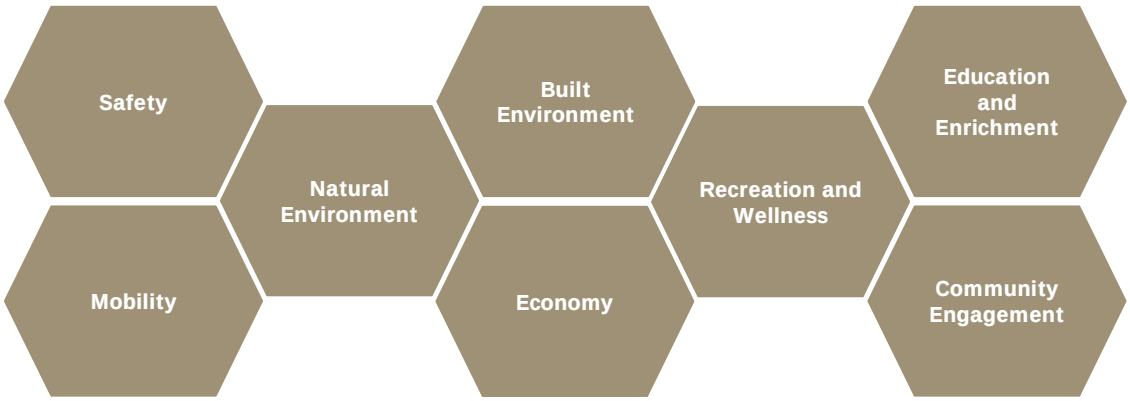
Figure 2: The Eight Facets of Livable Communities



Cross-cutting Management for Livability

While more and more local governments seek to create livable communities, the management tool they most often rely on is an engine comprising individual departments, each charged with providing targeted services, like police, library, parks, economic development, streets and many more. As much as the directors of these departments sit together at the executive table, they also confront unique service delivery issues that force a focused rather than peripheral view of their territory, so interconnection of work effort is hard to achieve. The difficulty of integrating the plans and actions of individual departments is the reason that local government (in fact any level of government and any large business) struggles to become a finely tuned, efficient and high powered machine. Nevertheless, the delivery of a livable community requires a honed engine with strong connection among all departments because the characteristics that make communities livable are not the territory of individual units (or even the government alone, as noted above).

Solutions to local challenges will come most easily from an integrated drive to improve. For example, a high crime rate in a jurisdiction is unlikely to be solved only by police or court action. Crime may be the result of conditions related to jobs, schools, street lighting, community connectedness, public trust, location of parks and more. Likewise, pedestrian friendly streets can be developed best with a partnership of planning, parks, utilities, police, fire, efforts to encourage community engagement and participation of the private sector and faith-based organizations.

The NCS Helps Manage "Livability"

The National Citizen Survey™ has been designed to gather resident perspectives about community livability and to report to elected officials, local managers and community stakeholders those areas of livability that are doing well and those that merit improvement. The results of The NCS are reported in eight facets of community livability –natural environment, economy, built environment, recreation and wellness, safety, education and enrichment, mobility and community engagement. For each facet, residents report their perspectives about three aspects of livability – what we call the pillars of community life – the quality of community, quality of services and related resident activities.

With The NCS, the vague definitions of livability disappear because the report offers quantified metrics that indicate how livable the community is overall and within each domain. These measures will help leaders identify areas of strength and need and evaluate progress toward improvement. The emphasis on livability makes for a strategic approach to community quality and arms local leaders with critical information they need to help move the community where residents want it to be.

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The Es of Action

NRC researchers have identified six kinds of action that can be considered as response to your citizen survey results. These categories of action have been gleaned from studying how jurisdictions have used their resident opinions to improve their communities and they are shown in the graphic, below. Don't feel obliged to identify interventions in each of the six categories, but appreciate them as suggested areas where important movement in community quality can be, and has been, made.

Envision: Results of The National Citizen Survey often are used by communities as part of goal setting and strategic or comprehensive planning. By understanding what residents think are the characteristics of the community that are most important to protect or improve, by knowing what is working and what remain challenges, local leaders can be guided toward planning for a community that builds on its strengths and improves in the areas that matter the most.

Earmark: Jurisdictions use The National Citizen Survey results most often to allocate or redistribute resources based on the aspects of community that residents find wanting. When mobility is important but not easily available or delivered with obstacles to accessibility, it may be wise to invest more in transit, roads, bicycling or walking paths. If ratings of the community's recreation and wellness are not strong or resident participation in civic volunteer opportunities are weak, wise reallocation of limited resources to enhance those facets of community will help move you forward.

Educate: Getting the word out about community amenities, services and opportunities to let residents and leaders of other organizations understand what you do well and what they may not understand about your community is one of the most common uses of survey findings. Whether marketing existing programs or communicating a new community brand, education about what seems to be misunderstood or what may remain little known is a great way to use The NCS results.

Engage: Engagement can come in two essential forms – engagement with individuals or partnership with groups. In both cases, the results of your survey are relevant to the community overall and are not simply a comment on local government. Livable communities grow from the connection of businesses, non-profits, the government and residents working together. Engagement with individuals may mean little more than inviting residents to comment and work on The NCS findings; partnership with organizations can even start with your own employees and then spread to work with other levels of government, hospitals, schools and the Chamber of Commerce. When civic life is understood to be everyone's purview, the questions that arise from The NCS aren't only, "how can government improve?" They include, "how can we all contribute to making things better?"

Enact: Across the country, hundreds of millions of dollars have been raised or saved based on findings of The National Citizen Survey. These successes are created by findings that indicate support for possible bond raising ballot questions or that identify a need for new services, like recycling or transit, that could save time and money or simply improve the quality of life. Enacting new policies or establishing new programs often are the actions that follow attention to what residents report on their citizen survey.

Evaluate: The act of using The NCS is itself an evaluation of community, but beyond that single use of the survey, repeated use permits leaders to determine if the programs, policies or personnel changes they enact have had their intended effects. Other kinds of evaluation can come from The NCS. Often clients want to understand more about a finding of a survey, so they seek information from a more in-depth survey on fewer topics or by listening to groups of stakeholders through guided discussions. Performance measurement – comparing this administration's results to earlier administrations of the survey in your own jurisdiction or to benchmark jurisdictions - is a kind of evaluation that is linked to survey results when resident responses are tracked along with other performance data about service activities and costs.

Not every action must reflect each of the Es listed above. Your use of the Es of Action can be effective relying only on one theme. Nevertheless, this

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example from Cartersville, GA embodies parts of each of the action themes.

A Case Study in Resident-friendly Recycling

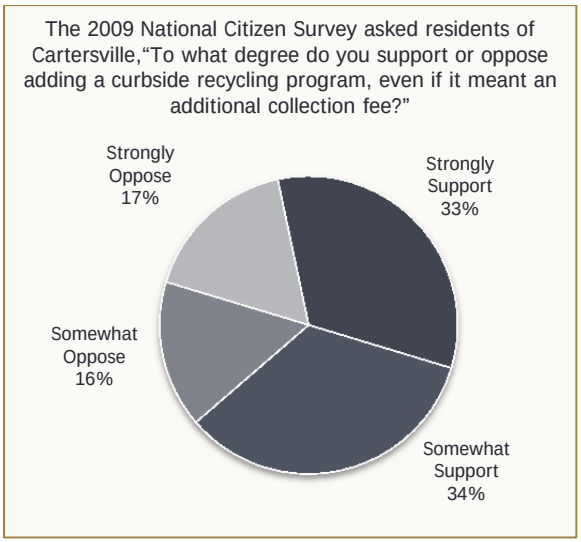
Cartersville, Georgia

The City of Cartersville, GA had a robust program in place for garbage collection and disposal. Since the mid-1970s, standard services such as curbside pick-up, large item pick-up, and dumpster services had been augmented by extras like bulk leaf vacuuming and grass clipping removal. The City had conducted a pilot recycling program in the late 1990s, but low participation and high costs made further implementation prohibitive. Although there was a rising sense that the city should provide recycling services, staff were concerned that recycling would require a rate increase that could upset customers and cause further difficulty. In 2009, Cartersville added a question about recycling to its fourth administration of The National Citizen Survey. The survey revealed that 67% of residents were supportive of including recycling in the city's waste disposal program, even if that change required an additional cost. Based on results from The National Citizen Survey, Cartersville decided the time was right to implement a recycling program, and set a goal to have the program in place by the beginning of 2012. Before implementing the new recycling program, Cartersville went through a multi-step planning and implementation process to ensure its success.

Envision: The City first identified seven major questions that would need to be resolved: How will recyclable materials be received? What type of containers do you want to use? What type of vehicle will it take? Can our regular collection routes be utilized? How much manpower will it take? How much will this program cost, and how will we pay for it?

The Public Works department met with its processing partner, Bartow County Solid Waste, to answer the first question. It was determined that a dual stream collection system – with one stream for paper and a separate stream for containers – could be easily integrated into the current structure and would also be sustainable for the foreseeable future.

The City also looked at its current five-day pick-up schedule and determined that a biweekly pick-up schedule would enable the City to implement recycling pick-up with minimal additional staff.



Earmark: Cartersville's Solid Waste Fund operates as an enterprise fund, and is therefore solely dependent on funds collected within that department to operate. Public Works increased fees by a reasonable $2 per month to generate the funds needed to implement the program.

Next, the City needed to determine what type of collection containers should be used. Instead of choosing the standard 18-gallon open tubs, Cartersville opted for a container that would be easier for residents and collection staff to handle. The City decided on a smaller version of their garbage collection containers in two colors – dark blue for containers and light gray for paper. Because recycling was scheduled for collection every other week, the bins selected were large enough to hold two weeks' worth of recycling for the average household. A complementary recycling vehicle was selected for its ability to dump these units into a divided body for paper and containers.

Educate: The public was informed that recycling would be available to all residents on an opt-in basis, and they were encouraged to sign up to receive the collection bins. Information about the new program was distributed in the City's newsletter and sent to residents along with their garbage bills.

To facilitate ease of use, a sticker displaying the full year's collection schedule was displayed on the top of each container. This way, residents would only have to glance at the top of their trash bins to determine their next date for pick-up.

Engage: To add value for the monthly increase, the City developed and publicized a program called "Reside with Pride." The program includes specific times each year in which solid waste customers can

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leave items from their home or yard curbside for pick-up free of charge – eliminating waste that might have accumulated over several weeks or months.

Evaluate: In February 2012, Cartersville successfully launched its first recycling program. Residents signing up to receive the service exceeded the City's original estimate of 2,000 households.

	2013	2011
Approval rating	83%	50%
Comparison to Benchmark	Above	Much below

As a follow-up, the City included additional questions about the program in its 2013 administration of The National Citizen Survey. Quality of recycling services went from "much below" both the national and southeast United States benchmarks to "above" the benchmark in each area. Sixty-three percent of Cartersville residents indicated that they had recycled at least once in the past twelve months.

In the following chapters, each of the six Es is further defined and is accompanied by case studies of local governments that have used survey results from their residents to help strengthen their communities. These studies are intended to inform and inspire other local governments not only to understand but to act on survey data.

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Envision

Every organization plans. Some plans happen on the fly when meetings seem to be veering off track but in most local governments, managers are trained to plan. Most plan to plan, by scheduling and distributing relevant materials in advance of meetings to create plans. Strategic, master, comprehensive or long range plans most often are created out of discussions with elected boards, councils or commissions. In an analysis of strategic plan success, it was found that more than 70% of plans fail. The research also found that a critical key to success in strategic planning was understanding stakeholder opinions:

> *Without an objective and unbiased understanding of "what's going on here," you're not likely to come up with strategies that will be very effective. Take a hard look at what's happening externally and internally and pay special attention to the needs of your stakeholders. As John Dewey once said, "A problem well defined is a problem half solved."*[2]

These plans always benefit from starting with credible information about the status of the community and issues that resonate with residents. We often liken the use of citizen survey results in the planning context as building a platform on which all stakeholders can stand and look at the same horizon. This way, there will be much less opportunity for individuals to claim they speak for the entire community when they offer the perspectives of a vocal minority or merely claim to know what all taxpayers are thinking.

Although strategic planning can vary significantly in terms of time and resources, there are a number of characteristics that help create more successful strategic plans in local governments.

Characteristics of Successful Strategic Plans

- Set an appropriate scope, timeframe and resource allotment
- Play to organizational strengths
- Align with your organizational culture
- Has actionable, tangible steps
- List expected outputs and outcomes
- Assign responsibility
- Are revisited (progress against goals are regularly monitored and considered).[3][4]

Two case studies highlight the use of survey data in strategic planning. Winter Garden, Florida used The NCS data, first to help develop its strategic plan, and now continues to use survey data as performance measures when revisiting the strategic plan.

Case Studies in Strategic Planning

Winter Garden, FL

In Winter Garden, Florida, elected commission and senior staff identified the need to create a budget that reflects the values of the community. Winter Garden, with a previous tagline, "a charming little city with a juicy past" (referring to its history in the orange industry), has a historic downtown with bike and pedestrian connections to surrounding towns via its 22 mile West Orange Trail. A city west of Orlando, this gem of a small community relies on resident perspectives to assure that the community is steering in the right direction.

The experiences and preferences of stakeholder groups were collected through a survey of residents, focus groups, a town hall meeting and interviews. With a mission of becoming the best small city in Florida, staff then augmented findings with other sources of data and observations.

Results were synthesized to describe the community's vision, values and goals. Research results and the strategic plan help guide the City in decision-making, budget allocation performance measurement.

[2] Leo Bottary. Top 10 Attributes Of Successful Strategic Plans https://www.openforum.com/articles/top-10-attributes-of-successful-strategic-plans/

[3] Colorado Trust OCA

[4] Leo Bottary. Top 10 Attributes Of Successful Strategic Plans. August 2011. https://www.openforum.com/articles/top-10-attributes-of-successful-strategic-plans/

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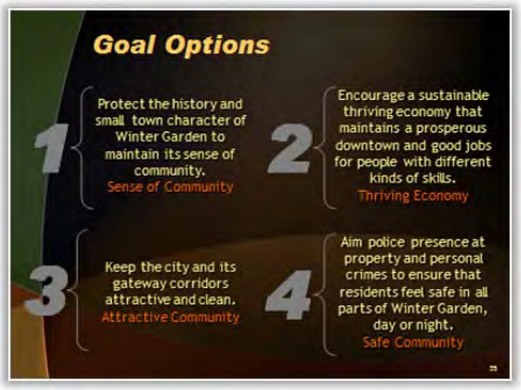

Winter Garden monitors its strategic plan using performance data from The NCS. Throughout its annual budget document, Winter Garden publishes, along with operational indicators, customer service indicators from The NCS and other sources. Since the city conducts The NCS every other year, targets are set for years when the survey is to be repeated.

Key Performance Indicators: Customer Service Indicators	FY 09/10 Actual	FY 10/11 Actual
Safety from Property Crime Survey Index	51%	71%
Crime Prevention Survey Index	60%	83%
Average Safety in Your Neighborhood Survey Index	80%	89%
Safety in Downtown Winter Garden After Dark Survey Index	68%	82%

Paducah, Kentucky

Paducah is in far western Kentucky, bordering Illinois. I-24 swoops through the city of 25,000. Paducah is a river city located at the confluence of the Ohio and Tennessee Rivers. Besides housing West Kentucky Community and Technical College and Murray State University's Paducah Campus, Paducah is home to two hospitals, a bustling shopping area, and numerous art galleries and cultural venues including the Luther F. Carson Four Rivers Performing Arts Center and the National Quilt Museum of the United States.

Paducah also is an employment hub for the region with jobs in health care and the river industry. West of the city is the Paducah Gaseous Diffusion Plant, a facility that began enriching uranium in 1952 and one of the area's largest employers. Just before our planning session with Paducah leaders, USEC, which leases the plant from the Department of Energy, announced plans to cut jobs. The plant currently is in a transition phase with the DOE negotiating with Global Laser Enrichment for the enrichment and sale of depleted uranium tails at the plant.

NRC conducted a full day workshop with Paducah's top staff and City commission to identify key survey findings. Notably, the local press attended this meeting and the journalist on assignment was invited to participate in the discussions. In the community visioning, participants were asked to

specify what was unique about Paducah as well as what they wanted for Paducah in the coming years. Survey results clearly showed that residents were not enthusiastic about the economic condition of the City. The imminent cut back in jobs at USEC did not help matters. In the discussion about the future, leaders identified this vision: A downtown hotel, high-paying quality jobs, economic development, population growth, sustained economy, more businesses/employer infill and more shopping. In small groups, jobs and economic development were seen to be top priorities.

But The NCS also identified public trust as an area that concerned residents, and that concern resonated with leaders. Therefore, from their small group discussions, leaders identified public image and community pride as areas for attention in addition to the local economy. These conclusions led to a set of action plans. To bolster community pride and reputation, the city would develop a marketing and community engagement strategy and increase its focus on neighborhood revitalization.

Economic development was to include developing a matrix to identify the types of businesses to incent depending on anticipated return on investment, creating a more development-ready infrastructure, and educating the public on building inspection policies to help encourage new development and the expansion of existing industries.

Paducah leaders will track the action plans and readjust as needed before The NCS is conducted again in two years.

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Engage

Modern government might be better viewed as a social network rather than "the cockpit from which society is governed." The more modes of opportunity that allow direct citizen engagement, the more accurately government represents public consensus about decisions and priorities.[5]

Dynamic partnerships can dramatically increase the effectiveness and buy-in for government programs. Your largest partner in governing is your residents. Partnerships also involve the private sector, community-based organizations and other government organizations. Partnerships allow actors to learn from each other's experiences with the effect of increasing efficiency and ultimately improving the breadth and quality of a community. By collaborating with others, government can garner a broader range of resources.

Partnering with Your Residents

Residents are the heart of any community. By contributing their time, energy and talents, resident volunteers pump the life blood of thriving towns and cities. Residents who donate their time serve in many roles – neighborhood organizers, park volunteers, senior center ride providers, and more. However, although all communities have a wide range of sources for volunteers, volunteers often are an untapped resource, in many instances simply because residents are not asked to contribute. Volunteers can benefit government outside of direct service also. Volunteers create community ownership and generate public support for government by sharing their positive experiences with others in their community. Studies have found that levels of public trust are higher in communities with higher levels of civic engagement.[6]

Maximizing the benefits of volunteers takes commitment, planning, time, and organization. Governments should spend time considering whether and why they want to work with volunteers and develop a philosophy for the overall engagement of volunteers. Volunteers should never be considered "free help" but rather extensions of paid staff engaged in the fulfillment of a government's mission. Although there are no guarantees that all volunteers will be beneficial for an organization, these best practices should increase the likelihood of success. Particularly important are initial and periodic assessments of whether and how volunteers should be used.

More intensive collaboration may involve using a "Train-the-Trainer" model whereby local government staff train residents to go out into the community and share information and skills with other residents. Resident behaviors are strongly correlated with sustainability, community safety and emergency preparedness, health and wellness, community inclusivity and more. Pro-social attitudes and behaviors can be significantly strengthened through community outreach, training and organizing.

The development of local non-government leadership also has been a strategy used in many community health initiatives. Identifying and promoting a local "champion" lends a strong hand in helping residents adopt behaviors to strengthen communities.

Strategies for Successful Use of Volunteer Resources

- Conduct a periodic organizational assessment to determine whether and in what ways volunteers should be used and the organizational capacity for effective use of volunteers
- Develop plans around the appropriate skills, expertise, uses and roles of volunteers
- Identify effective recruiting strategies to attract capable people
- Have policies and procedures for volunteers, including risk management procedures, rules and regulations, and expected time commitment
- Screen and interview applicants for volunteer positions
- Place volunteers where they will be most effective in terms of the organization's needs and the volunteer's skills and available time
- Orient and train volunteers, not only on specific tasks, but on the organization's mission, vision and goals.
- Provide meaningful volunteer jobs and roles in the organization
- Have a designated manager to supervise volunteers
- Empower volunteers by encouraging them to take initiative and ask questions
- Periodically assess volunteer performance and staff support for volunteers
- Track volunteer hours
- Regularly show appreciation and recognition of volunteers

[5] What I Learned: An Insider's Guide to Improving Local Government Modest proposals for fixing local government in America by James G. Kostaras AIA, AICP / Summer 2011: Government (Volume 14 n2)
6 ASPA Task Force on Civic Education in the 21st Century and Putnam, R.B. Bowling Alone, America's Declining Social Capital. Journal of Democracy.

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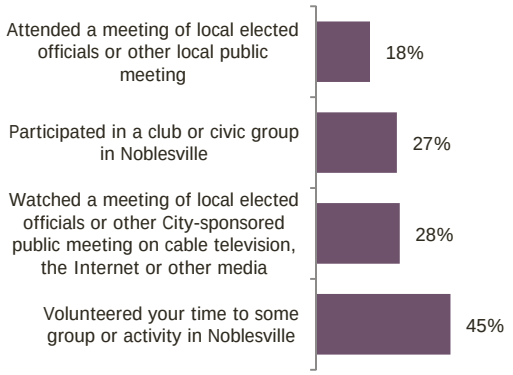
A Case Study in Civic Engagement

Noblesville, Indiana

Civic engagement has been a passion of the mayor of this fast growing Indiana city since he took office on January 1, 2004. Mayor John Ditslear wasn't yet mayor when the Community Vision for Excellence initiative started in 1993. Its mission was to measure progress on a variety of indicators so that Noblesville would continue to be a great community for residents and visitors. The goals of Vision Noblesville (as it is now called) include helping all residents find meaningful employment, a healthy lifestyle, life-long learning opportunities, social services assistance when needed and available volunteer options.

Noblesville's 2010 National Citizen Survey was instrumental in alerting Mayor Ditslear of the need to enhance community volunteerism. According to the survey findings that year, participation in clubs or civic groups was not as strong as it was in other communities. The same was true for attending or watching public meetings and the number of Noblesville residents that volunteered was not remarkably high.



Percent of respondents who did each at least once in last 12 months

Being able to analyze the Citizen Survey data about this issue helped the mayor plan solutions. "We learned from the 2010 citizen survey that residents wanted more volunteer opportunities," said Mayor Ditslear.

To create a solution, he began a one year part-time pilot program that focused on increasing opportunities for and participation in volunteerism. This resulted in the creation of a volunteer program for community special events which has been very successful and continues to grow. This was followed by hiring a full-time manager of Vision Noblesville. Vision Noblesville has brought together a wide variety of community members to review long-term issues for the city and determine the best way to address these issues. Data are intentionally combined with community stories to help craft solutions which engage all sectors – government, business, education, and nonprofits. Currently, Vision Noblesville has 16 teams whose participants represent 72 different community organizations and businesses. These teams are working on issues ranging from enhancing the arts and creating more environmentally sustainable practices to improving the local workforce and services provided to families in need. All Vision Noblesville team members volunteer their time and expertise.

In the coming years, new Citizen Survey results along with other data will help the committees measure their success in achieving each of their established goals, including the goal of increasing volunteerism and civic engagement.

Case Studies in linking Civic Engagement for Fund Raising with Measurement

Park City, Utah and Boulder, Colorado

Foundations can't just snap their fingers and expect money to rain from the sky. Often, potential donors want information to help them understand where limited funds ought to be contributed. Kind of like a stock prospectus, only prettier, the Boulder County Trends Report, a publication of The Community Foundation for Boulder County, and the Park City Mile Post – modeled after the Boulder report –

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published by The Park Record in cooperation with The Park City Foundation, offer an array of indicators about community from administrative sources and survey research. The Boulder County Trend Report touts "150 ways to gauge the state of our community and be inspired." Each publication focuses on annual highlights. The Park City Mile Post is focused on three areas: growth and development, connectivity and the economy. In the Connectivity section of the report, social connections and civic engagement are covered.

The Boulder County Trends report highlighted the economy, education, the environment and the Latino community at the same time that it also offered up to date indicators of community engagement[7].

Percent of Boulder County Residents Who Say We're Very Open or Open to the Following Groups	
Families with young children	81%
Young adults without children	68%
Gay and Lesbian people	51%
Senior citizens	58%
Recent college grads	51%
Racial and ethnic minorities	45%
Immigrants from other countries	43%
Source: TCF Survey 2014	

In their data reports, both Park City and The Community Foundation of Boulder County offer examples of how residents and businesses can support the community not only through monetary donations but through donations of time like reading to children in school, becoming a tutor, volunteering for an after school program, making sure your business supports parents with children in school, using alternative modes of travel, becoming more active and more.

Partnering with Other Organizations

Your creativity in finding strong and even uncommon partners that are outside the sector in which you operate can be an enormous asset for local government. An unlikely nonprofit partner may hold the solution to a problem you have faced for a long time. Partners from the private sector may be especially powerful allies. You cannot succeed doing everything on your own, hidden from the goodwill of potential partners.

Engaging in meaningful partnerships takes motivation and a plan, and not all partnerships and collaborations are successful. Research has found that successful partnerships have certain practices in common. Consider how you can implement some of these strategies, or add to the ones you already are using, as you strengthen your network of partner organizations and volunteers.

Strategies to Promote Successful Partnerships

- Identify service needs and organizational gaps that could be filled by partners
- Strategically identify partnerships that will be most beneficial to your organization
- Create a partnership plan that describes the purposes and activities that will link the partners over the coming 12 to 24 months
- Partner with diverse types of organizations, both for-profit businesses and nonprofits, private and public
- Provide meaningful roles and engaging activities for partners
- Work with partners to leverage community resources in order to achieve goals
- Communicate regularly with partners – sharing information on each others' activities, successes, and challenges, as well as community needs and resources
- Co-sponsor activities with partners
- Participate in grant writing activities together
- Periodically publish evaluation findings in communications aimed at a wide variety of stakeholders, including partners
- Create community events with partners not only to familiarize the public with each program but also to show the links between program partners

Hamilton, Ohio is featured to demonstrate the importance of public-private partnerships.

A Public-Private Partnership to Energize the Urban Core

Hamilton, Ohio

Even as the great recession was receding, Hamilton, Ohio, like many cities and towns across the U.S. continued to suffer economically. Ratings from The National Citizen Survey described a community that felt job growth was too slow, shopping opportunities were not good and Hamilton was not a great place to work. On top of that, ratings for economic development were subpar.

[7] In, "Our civic participation and giving" (p. 85, Boulder County Trends 2013, Community Foundation of Boulder County)

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The specific and weak ratings of these economy-related community characteristics and services were enlightening even as the general sentiments were not news to city leaders. Knowing the economic challenges they faced, Hamilton leaders had put in place a rigorous public-private partnership program to grow the economic base of the community – even before the national economic meltdown in 2008.

The Hamilton Community Foundation, with cooperation of the city, sold the Hamiltonian Hotel to Concord Hospitality Enterprises, developer of Marriott Hotels. With favorable financial arrangements, the redevelopment of the old hotel into a Courtyard by Marriott created great opportunities for riverfront redevelopment – a boon to community quality as well as to the Hamilton budget. There is now an ambitious strategic plan for "Energizing Hamilton's Urban Core" (https://www.hamilton-city.org/Modules/ShowDocument.aspx?documentid=4707) that includes housing for workers, commercial and industrial development, upgraded infrastructure and enhanced entertainment opportunities. This extensive redevelopment effort should affect resident perceptions about the economic vitality of Hamilton and the next iteration of the citizen survey will demonstrate if this aspiration is being met.

Partnerships for Sustainability

Partnerships found to be most effective often involve multiple partners from multiple sectors. Areas commonly addressed through collaboration of private, public and non-profit groups focus on sustainability and food security. Advocates working on community food security have been one of the most innovative groups in terms of forming partnerships to address community needs. For more information on these partnerships, please see the following web pages.

- American Planning Association: Helping local, regional, and state governments address food system challenges http://www.planning.org/nationalcenters/health/briefingpapers/foodcouncils.htm
- Nuener Kailee, Kelly Sylvia and Samina Raja. Planning to Eat? Innovative Government Plans and Policies to Build Healthy Food Systems in the United States. September 2011. http://cccfoodpolicy.org/sites/default/files/resources/planning_to_eat_sunybuffalo.pdf

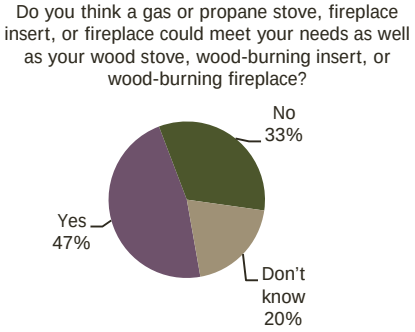
Partnerships with other government organizations also are becoming a necessity of modern government. Issues related to sustainability, mobility and economic development often are addressed best through a regional model.

A Case Study in Intergovernmental Cooperation

Puget Sound Clean Air Agency

Wood burning devices (fireplaces and wood stoves) rank as one of the top air pollution offenders in the Puget Sound area of Washington. Although these devices create light, warmth and atmosphere, they are harmful to the environment and the health of area residents. Pollution levels from these sources were higher than the goals established by the Clean Air Agency's Board of Directors.

The Puget Sound Clean Air Agency's mission is to protect the health of residents who reside in King, Kitsap, Pierce and Snohomish Counties and to improve air quality by adopting and enforcing air quality regulations, sponsoring voluntary initiatives to improve air quality, and educating people and businesses about clean-air choices. The four-county Puget Sound region spans an area of 6,300 square miles and is home to approximately 3.4 million people. The Board understood that collaboration with educational, governmental, non-profit and corporate entities was key to facilitating awareness and behavior change among residents.



To understand if there would be resistance to modifying wood burning sources, the Board commissioned a survey to gather information about the use of wood-burning devices in households in the Puget Sound region. Information from this survey was combined with scientific data to create an emissions inventory and determine policies for the region.

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Educate

Education and outreach are essential elements for strengthening and extending the work of local governments. They can take many forms, including marketing and public relations; community education and advocacy; collaborations, alliances, and partnerships; networking and more. Outreach is the mechanism for building a base of support. Increased networking and greater outreach mean access to more people. Without effective outreach efforts, organizations may limit their access to resources and fail to establish a positive image or reputation within the community.[8] Public outreach is more than just broadcasting to residents. Good outreach should target diverse audiences:

- Community-based organizations such as schools, faith communities and community associations
- Business associations for possible partnerships, volunteers, donations and media access
- Volunteer groups
- Local media

Public Outreach and Education

Public outreach can be more than getting the word out. It can educate your audiences about broader issues like the need for water conservation or decreased use of motorized vehicles in your community.

The advances of technology have increased government's ability significantly to communicate with residents in cost-efficient, time sensitive manners. Most local governments now have web pages useful for educating residents and visitors. Some web pages also allow interaction such as ability to pay bills, ask questions, and communicate with other public officials and residents about community issues. Many cities provide 311 platforms where residents can report problems in their neighborhoods. Some local governments have established their own Facebook pages and communicate with citizens regularly using Twitter and YouTube (see Ankeny case study). Online Town Meetings also are becoming more commonplace (see Fort Collins case study).

For more information on social media use in local governing, see ICMA's Social Media Playbook http://icma.org/en/Page/100423/Social_Media__Local_Government_Playbook.

For examples of using technology for civic engagement, see: http://knightfoundation.org/features/civictech/

Key Strategies in Public Outreach[9]

- Have a strategic communication plan in place
- Develop one or more core messages
- Identify appropriate audiences
- Identify and train staff members to talk with media and the general public
- Target key media for regular outreach
- Have some combination of web, printed, and video materials to inform the media and the public
- Develop events that will showcase your community and its goals to the media and the public
- Work with stakeholders and partners on joint education and outreach efforts

A Case Study in the use of Social Media

Ankeny, Iowa

The City of Ankeny, Iowa is one of the fastest-growing communities in the state of Iowa. Results from all administrations of The National Citizen Survey going back ten years describe a community that is consistently revered by its fifty some thousand residents. Residents give the city ratings that exceed those of other communities for quality of life, quality of service delivery, housing costs, land use planning, safety and just about every other important community characteristic. In Ankeny, more residents are visiting the city website and more here than elsewhere across the U.S. believe that public information services are top notch. One of the few characteristics of the community that was not considered exemplary compared to ratings from residents in other places was "value of services for the taxes paid to Ankeny." As much as it was a strong rating, unlike other ratings, this one was not above those given in comparison communities. Furthermore, the rating for opportunities to attend cultural activities was lower than elsewhere. Finally, the number of residents having interaction with the city continued a decade long slide.

[8] Building Capacity in Nonprofit Organizations. Edited by Carol J. De Vita and Cory Fleming. Copyright © April 2001. The Urban Institute. http://www.urban.org/uploadedpdf/building_capacity.pdf.

[9] www.coloradotrust.org/attachments/0000/3848/OrganizationalCapacityAssessmentTool.pdf

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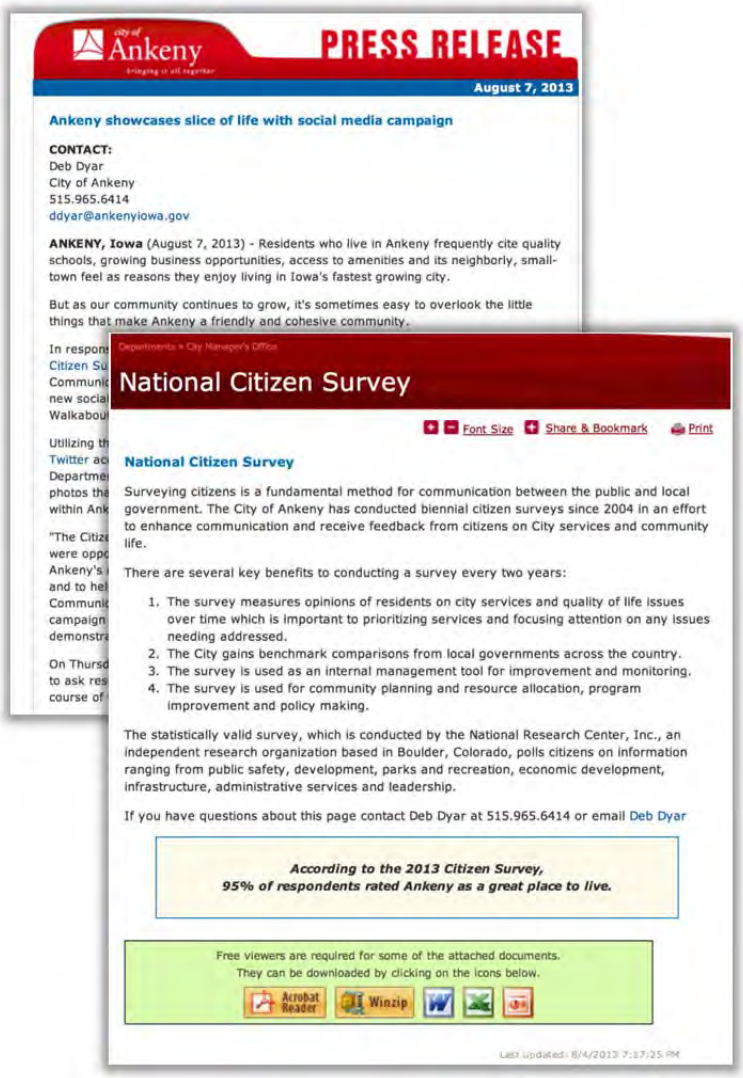
Because The NCS indicated that 3 in 4 residents had access to social media such as Twitter and Facebook, City staff proactively launched a social media campaign called 'Wednesday Walkabout' – a video series promoted through the City's social media channels to help inform residents both old and new alike about the history and different amenities in their community.

In addition to this social media outreach campaign, Ankeny publishes an interactive site to let residents learn about the results of The National Citizen Survey on the City website (www.ankenyiowa.gov).



city of Ankeny

PRESS RELEASE

August 7, 2013

Ankeny showcases slice of life with social media campaign

CONTACT:
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City of Ankeny
515.965.6414
ddyar@ankenyiowa.gov

ANKENY, Iowa (August 7, 2013) - Residents who live in Ankeny frequently cite quality schools, growing business opportunities, access to amenities and its neighborly, small-town feel as reasons they enjoy living in Iowa's fastest growing city.

But as our community continues to grow, it's sometimes easy to overlook the little things that make Ankeny a friendly and cohesive community.

Departments » City Manager's Office

National Citizen Survey

Font Size | Share & Bookmark | Print

National Citizen Survey

Surveying citizens is a fundamental method for communication between the public and local government. The City of Ankeny has conducted biennial citizen surveys since 2004 in an effort to enhance communication and receive feedback from citizens on City services and community life.

There are several key benefits to conducting a survey every two years:

1. The survey measures opinions of residents on city services and quality of life issues over time which is important to prioritizing services and focusing attention on any issues needing addressed.
2. The City gains benchmark comparisons from local governments across the country.
3. The survey is used as an internal management tool for improvement and monitoring.
4. The survey is used for community planning and resource allocation, program improvement and policy making.

The statistically valid survey, which is conducted by the National Research Center, Inc., an independent research organization based in Boulder, Colorado, polls citizens on information ranging from public safety, development, parks and recreation, economic development, infrastructure, administrative services and leadership.

If you have questions about this page contact Deb Dyar at 515.965.6414 or email Deb Dyar

According to the 2013 Citizen Survey, 95% of respondents rated Ankeny as a great place to live.

Free viewers are required for some of the attached documents.
They can be downloaded by clicking on the icons below.

Acrobat Reader | Winzip

Last updated: 8/4/2013 7:17:25 PM

A Case Study in Online Resident Outreach and Communication

Fort Collins, Colorado

Fort Collins has been conducting biennial citizen surveys for more than a decade. Clearly the voice of residents is intended to help steer the direction of the city. Biennial budget documents are salted with scores of references to the citizen surveys among many measures that managers use to set targets for improving community quality. By putting residents central in the strategic direction of the city, Fort Collins takes the risk that unscripted "reviews" and resident perspectives may not match the preferences of staff or elected officials. Such is the nature of democracy at its best.

Besides its rich history with citizen surveys, the City of Fort Collins has partnered with Mindmixer™ to create a website to promote civic engagement online called Idea Lab (http://idealab.fcgov.com/). They operate the website as a "town meeting" allowing residents to respond at a time and place convenient. After creating an account, residents can share ideas, join discussions and help local government and other community organizations take action around an issue through shaping decisions, impacting policy and spreading awareness.

This virtual town hall has posts about sustainability, transportation, community engagement, diversity, and quality of life to name a few. Conversations occur between residents, city staff and community organizations.

Widen our sidewalks and incorporate them into the trail system.

Sidewalks along busier streets like Timberline and Lemay should be widened to encourage biking for the many of us that aren't comfortable riding in the bike lanes.

2 Comments

Maybe a little obvious, but having an annual block party is a great way for neighbors to get to know each other. We have a group that does the planning which builds extra connections.

Great idea! And you can always apply for grant money from Neighborhood Services to help offset costs. fcgov.com/neighborhoodgrants

ginny sawyer Administrator

Marketing and Advocacy

Public outreach can also be about branding. With traditional marketing outlets and the advent of social media, local governments are now choosing to

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promote their communities and the work they do to visitors and residents alike. Reimaging or branding is an increasingly popular approach for cities and counties to highlight their unique attributes in a strategic voice.

A Case Study in Community Branding

Greeley, Colorado

Greeley, Colorado has a rich agricultural history of sugar beets, produce, corn and cattle as well as a highly-regarded university. However, as the longtime home of a meat processing facility, Greeley grew to have a reputation inside and outside the city as a place that featured some of the less attractive attributes of agriculture. A simplistic summary of a complex community, this stereotype, born out of the city's agrarian heritage, seemed to have a tail wind that blew into all parts of Colorado until City leaders had had enough. It was time for this city, with a population just shy of 100,000, to allocate resources to define the problem more clearly, gather and analyze data, set baselines for future comparisons and, most importantly, to take action.

The citizen survey results confirmed what everyone knew, but the survey put a number to it: two-thirds of Greeley residents thought that the community's image was not good.

However, about the same percent felt that more effort should be put into improving the community image through "communication, marketing and image building with residents and external audiences, community appearance, etc."

This and other data gave Greeley's leaders the information they needed to move forward. It clearly showed that the city had grown and evolved from its early agricultural roots and that people were fed up with the old misperceptions. A partnership was formed by Greeley City government with the Greeley Chamber of Commerce, University of Northern Colorado, Aims Community College and others to improve the city's image.

With financial and civic support, Greeley embarked on an aggressive marketing and image initiative to show the state – and even local residents – that Greeley was far more than its distant history. The advertising campaign within the initiative, named "Greeley Unexpected," includes photos, conversations, traditional advertising, social and traditional media engagement and multi-media placements that highlight the great things about Greeley that too many people did not know or ignored.

These images, from the Greeley Unexpected campaign, help tell the story of a diverse and creative community and generate enthusiasm for the little known facts that Greeley is home to a variety of interesting individuals and businesses, from internationally known musicians to a special effects house that creates animatronic horrors for Hollywood.

For more information about the Greeley Unexpected campaign, a Flickr gallery of Greeley scenes, and more, visit: http://www.greeleyunexpected.com.

For more information on local government branding, see ICMA's Knowledge Network Community Branding Resources: http://icma.org/en/BlogPost/529/Knowledge_Network_Community_Branding_Resources

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Earmark

By "earmark," we simply mean "use resources." Those resources could be finance, personnel or facilities but reallocation of resources is one common use of The NCS results and those decisions often are linked to the budget. Sometimes direct questions of residents tell you whether there is support for a bond issue or tax increase and sometimes the ratings you receive about the characteristics of your community suggest that new resources are needed to boost flagging opinion.

A Case Study in Earmarking

Pocatello, Idaho

In Pocatello, Idaho some residents brought to council's attention the sore state of the existing animal shelter and the need for a new place. Because city council members were careful stewards of the public treasury, they were reluctant to forge ahead with a new expenditure, even if it was for wayward pets. Pocatello, Idaho used survey results to determine if there was enough resident support to include a ballot initiative in a local election. Clearly, as you see in the table of results, below, there was!

Now, the question did not include a price or a payment structure, but the overwhelming sentiment in favor showed that there was an opportunity to move forward (even with the expected decline in support once costs were identified) and that clear opportunity helped council make a decision to put the shelter's construction on the ballot.

To what extent would you support or oppose the construction of a new Animal Shelter to improve and expand the facility?	Percent
Strongly support	47%
Somewhat support	40%
Somewhat oppose	7%
Strongly oppose	6%
Total	100%

In the words of one city administrator, "... on the last survey, we had one question asking about support for replacing the city's animal shelter. The response on that particular question was so strong that a very conservative council was nonetheless motivated to put the question on the ballot for a $2.8M bond (in Idaho, cities cannot go into long-term debt without a vote of the citizens and it has to be 2/3 YES (66%) in order for a general obligation bond to pass). The bond passed with 72%. I've pointed to this result as an example of why surveys are useful. You think there is no support and has no chance in a bond election? The survey suggested otherwise and in fact it was otherwise. I'm fairly certain that without the survey, the question never would have made it to the ballot, let alone pass. So there you are."

You can see a great video about the Pocatello Animal Shelter and how the bond measure helped them achieve their goals on their website: http://www.pocatello.us/animal/.

A more recent trend in governing relates to the use of performance-based budgeting (see Fort Collins' "Budgeting for Outcomes" http://www.fcgov.com/citymanager/budget.php) or priority-based budgeting (see Boulder's "Priority Based Budget" https://bouldercolorado.gov/budget/priority-based-budgeting). Performance budgeting is based on an organization's mission, goals and objectives. It is a way to allocate resources and link the distribution of fund to measured results.[10] Because the key outcome or "result" of local governing is resident satisfaction, surveys are often used to include residents in the budgeting process. Many local governments are now using resident opinion to help evaluate resource allocations made based on performance-based budgeting. Organizations that are using Priority Based Budgeting, first seek clarification about what community goals should drive resource allocation. Not only are elected officials asked what community goals should be, but The National Citizen Survey includes questions to assess community values that provide empirical evidence of what residents feel is most important for funding. (See http://www.pbbcenter.org/ for more on Priority Based Budgeting.)

Following is a verbatim description from one of the Livermore, California managers showing how Livermore uses The NCS results in a comprehensive budgeting process.

10 K. Carter,The Performance Budget Revisited: A Report on State Budget Reform - Legislative Finance,Paper #91, Denver, National Conference of State Legislatures, pp. 2-3

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A Case Study in Strategic Budgeting

Livermore, California

Quickly, let me outline the budget process as we developed it in Livermore. I see the various parts of it as a "mosaic", which when put altogether create an overall, coherent picture.

"First, we conduct The NCS every other year to use as a basic "report card" to gauge how residents feel about city services."

"Next staff prepares proposed work plans around services which take into consideration the results of The NCS. These two elements, the results of The NCS and the proposed work plans, are then sent to the City Council as background input for the annual City Council Goal Setting session as they develop priorities for the two-year budget. The Council then lists the proposed priorities (their own, ones from the proposed work plan which could be modified by the Council) on big newspaper sheets. Each Council member is given five colored dots to stick on their favorite items. The 5 items getting the most "votes" become the City Council priorities for the next two years. Obviously, this does not mean that other matters would not come up or be addressed during the two years, but does give clear FOCUS on what the staff and Council want to accomplish over the next two years. It is also helpful in avoiding leaping onto some big, new idea during the two years, because staff outline for the Council how assigning resources to the work on the "new idea" would delay or eliminate work on the Council's major Two Year Goals."

"Next, The NCS results, the newly minted Council goals, and the subsequently revised work plan are then used by the CM and Department Heads, along with their own professional views, to prepare a Preliminary Budget. The City Manager and Assistant City Manager meet in a Department Head Team meeting to hammer out a budget - this is a true team meeting where every Department Head hears, presents, and considers their budget request to every other Department (this is quite different than the traditional approach where the CM and ACM would meet with each Department Head separately). The Team approach means that the Police Chief has to "defend" the PD requests to the likes of the Library Director and Human Services Director! Although the CM has ultimate veto power (which we have never once had to actually use), the Team works until it develops a plan that everyone can support (in fact the Budget Transmittal letter sent to the Council is always signed not only by the CM but every Department Head!)."

"Next the Preliminary Budget is sent to the Council for presentation, review, public comment, and eventual Council adoption. So the "mosaic" is created from the following pieces: The NCS results, the staff proposed work plan, the Council Goal Setting Session, the Council approved revised work plan, the staff proposed Preliminary Budget, public hearings, and finally Council adoption."

A Case Study in Strategic Budgeting

Peoria, Arizona

Another example of local government altering services based on resident preferences as stated in The National Citizen Survey is Peoria, Arizona. As the recession was biting into Peoria's dwindling budget, the idea to close city operations one day a week and to consolidate 40 hours into 4 days was tested among staff and council. Before moving forward on the idea, leaders wanted to assess the interest of residents in four 10 hour days instead of five 8 hour days. The 2009 citizen survey for Peoria had this question:

To save money, the City of Peoria is considering closing City Hall on Fridays, but extending the hours of service counters (for utility payments, building permits, etc.) from 7a.m. to 6 p.m. Monday through Thursday. Other city services, such as libraries, Rio Vista Recreation Center, fire and police would not be impacted by this change. To what extent would you support or oppose this change?	Percent
Strongly support	54%
Somewhat support	37%
Somewhat oppose	3%
Strongly oppose	5%
Total	100%

Support for the shift was extensive, so in 2010, the government shifted its hours of operation to help offset revenue shortfalls.

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Enact

One of the greatest strengths of local government is its ability to shape communities using policies and laws. Systems-level change is often easiest achieved through changes in local policy. The principal activities of local government legislation are to develop, introduce, reform, and implement policies, and ensure that policies that are implemented do strengthen communities and address areas of weakness or need. Policies enacted by local governments can:

- Tax
- Subsidize/grant/loan
- Alter economic conditions
- Regulate
- Structure rights
- Generate information, keep records, disseminate information
- Fund government service
- Provide jobs
- Build and maintain infrastructure
- Reform the government itself [11]

Whether it is adoptions to design codes, the limitation of parking spaces, utility rebates provided to older adults, or business relocation incentives, local officials have significant power to address the deepest community needs. Fort Collins, Colorado is featured in the case study below for its work in sustainability and climate change.

A Case Study in Surveys for Policy

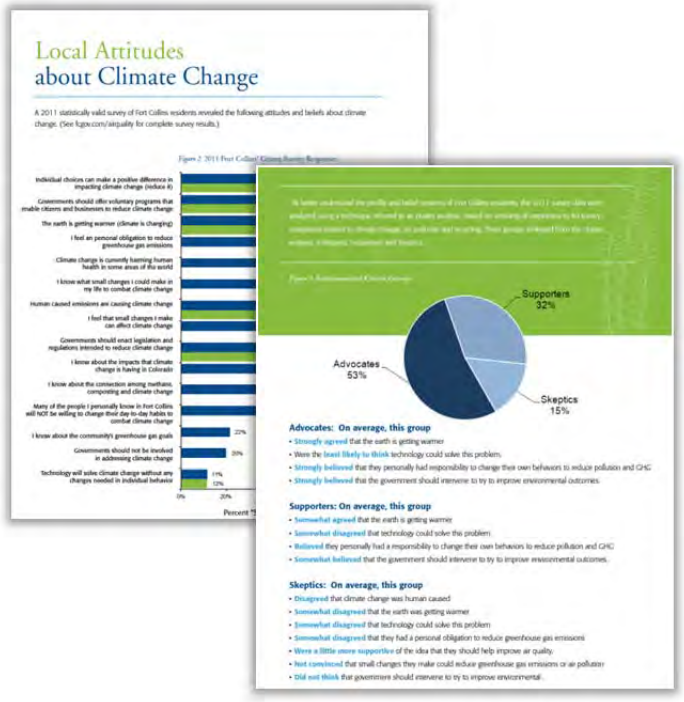
Fort Collins, Colorado

Policies built on broad-based resident perspectives will receive stronger community support than policies created with only special interest input and the perspectives of residents with easiest access to council. Knowing that community values supported air quality programming, in 2011, the City contracted with National Research Center, Inc. to conduct a survey of its residents about climate attitudes and policies. The survey was designed to help local leaders create policies that best reflected resident preferences and the survey helped policy-makers create plans to address the concerns of different resident groups using a population segmentation approach with survey results.

From the Fort Collins Climate Status Report, 2012: "Fort Collins has long been committed to reducing the community's carbon footprint." City staff identified the number one reason to have a community-wide air quality action plan as this: "First, city residents have high expectations for a clean environment. Residents have identified the Air Quality Program as being the single most important program for protecting their future quality of life, according to the City of Fort Collins 2003 Citizen Survey." (in Fort Collins Air Quality Plan, May 2011. p.1 http://www.fcgov.com/airquality/pdf/2011-AirQualityPlan-Final-LowRes.pdf).

The 2011 survey demonstrated that residents were broadly committed to government's role in reducing greenhouse gases and, with the cluster analysis of survey results, the survey showed what drove supporters, skeptics and advocates. The survey also showed that skeptics amounted to only 1 in 6 Fort Collins adults while supporters and advocates comprised over 80% of the population.

For other examples of policies enacted by local governments in terms of climate change, see http://www.epa.gov/statelocalclimate/local/local-examples/case-studies.html



[11] People's Policy Institute: Participatory Policy Analysis: Achieving Systems Level Change Through CBPR http://depts.washington.edu/ccph/pdf_files/CCPH_call_slides_10-21-09_bXw.pdf

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Evaluate

"We must, in other words, become adept at learning. We must become able not only to transform our institutions, in response to changing situations and requirements; we must invent and develop institutions which are 'learning systems', that is to say, systems capable of bringing about their own continuing transformation." (Donald Schon 1973: 28)[12]

The concepts of "learning organizations" and, more recently, "data driven communities" have been influencing governments to improve by tracking performance. If you have recently completed The NCS or any type of citizen survey, you have begun the process of becoming a learning organization. A key is learning how to use data to assess needs and then evaluate the results of actions taken to address the needs.

What is evaluation?

Evaluation can be defined in a variety of ways, but the following is a definition that may be most relevant to local governments:

Evaluation is the systematic way that data are assembled into a picture of (1) how well an organization is delivering its services and (2) the impact of those services on the target population.[13]

There are three major categories of evaluation best used in local government, and all three can provide meaningful evidence of service quality and impacts.

Needs assessments provide a picture of a community's or a community group's (like older adults or government employees) strengths and needs.

Outcome evaluations measure the results of government service or activity and generally include questions about the process by which outcomes are achieved (like police quality as one service delivery process attempting to achieve the outcome of a sense of public safety).

Performance measurement tracks service delivery efficiencies and resident opinion about the success of service delivery. (Such performance tracking can be done in the service of an outcome evaluation for specific community values or goals.) Local governments benefit from all three types of evaluation to become learning organizations.

Including the Voice of the Resident

Most government staff and elected officials believe they are in touch with residents' points of view. But understanding what residents want and what works can't come only from anecdotes or chance conversations with a few residents or staff. Valid and convincing assessment requires a grasp of evaluation principles and use of evaluation methods that bring in the voices of a representative sample of residents and offers robust empirical evidence about governing effectiveness. Although some needs assessments and evaluation are done without including the voice of the resident, it is best to include your greatest stakeholder.

Needs Assessments

The first step in improving community livability is to understand the strengths and needs of the community. The NCS or any citizen survey serves as a valuable needs assessment tool because it lets community leaders understand what residents themselves find working and what opportunities lie ahead. Needs assessments also can be conducted on specific issues such as older adult community livability, transportation or parks and recreation. Surveys or focus groups for particular topics are important and efficient ways to collect additional information before spending extensive resources on new activities or strategies.

A Case Study on Use of Deeper Investigation

Longmont, Colorado

Longmont did annual citizen surveys for years and then its managers realized they wanted to understand more about some of those survey findings. To do that, staff decided to alternate the general citizen survey one year with a policy exploration survey the next. This way there would be more information about the "Why's" of results.

For example, in one general citizen survey, Longmont recognized that resident ratings of snow removal were middling and stagnant. Over many years, residents gave average ratings just short of "good" on a scale of "excellent, good, fair poor."

[12] Smith, M. K. (2001, 2007) 'The learning organization', the encyclopedia of informal education, http://www.infed.org/biblio/learning-organization.htm.

[13] P. H.Rossi and H. E. Freeman (1993). Evaluation: A Systematic Approach. Thousand Oaks, CA: Sage Publications, Inc. To order this textbook on evaluation, visit: www.sagepub.com.

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Ratings of Snow Removal Service Compared by Year								
years prior to current	Average rating (0=poor, 33=fair, 66=good, 100=excellent)							
	Current	-2	-3	-4	-5	-6	-8	-10
Snow removal on major streets	64	69	67	62	65	65	63	61

Although ratings for snow removal in other places were, on average, not as good as Longmont's ratings, Longmont managers wondered if residents' perspectives about snow removal were influenced by widespread disagreement with snow removal policy.

In the policy exploration survey following the "current" year of the general survey, National Research Center asked residents about the policy that might have the biggest impact on overall ratings of snow removal. Given that big storms tend to most influence ratings of snow removal, the question asked if residents supported or opposed the policy of forbidding parking on plow routes during a snow emergency.

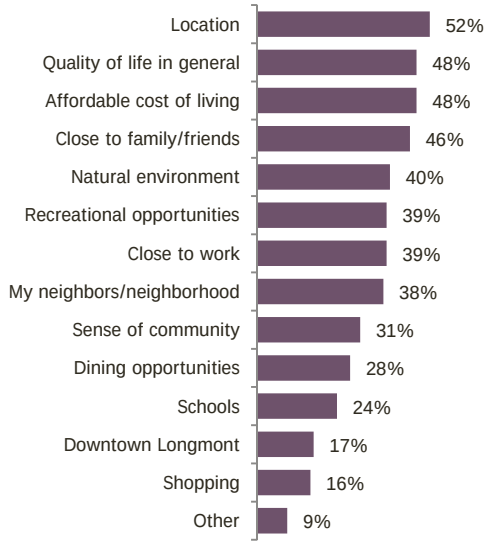
To what extent do you agree or disagree that during a declared snow emergency, the City of Longmont should implement and enforce a no parking policy along the approved snow plow routes in order to more efficiently plow the streets?	Percent
Strongly agree	65%
Somewhat agree	28%
Somewhat disagree	4%
Strongly disagree	2%
Total	100%

The vast majority of residents supported the policy, so no change has been planned. Although discovery that residents support the no-parking policy is unlikely to raise ratings, had policy makers unilaterally rescinded the policy and permitted parking on plow routes during big snow storms, those above average ratings likely would not have sustained.

For years, residents had been giving strong ratings to the overall quality of life in Longmont. City management and elected officials were interested in understanding what components of the community influenced those ratings. So following the biennial general citizen survey, the exploration survey sought deeper insight into community quality of life.

How would you rate your overall quality of life in Longmont?	Percent
Excellent	21%
Good	59%
Fair	18%
Poor	2%
Total	100%

In a question without response options, residents, in their own words, offered what they found to be most appealing about life in Longmont. Results were as follows:



By learning what mattered most to residents of the community, local leaders are able to protect what seems to keep Longmont attractive – e.g. affordability and the environment – and to build on those aspects of community that may not yet be reasons to love life there (e.g. shopping and the downtown).

Performance Measurement

Most government performance measurement systems collect and report data that already reside in administrative filing cabinets and on file servers. Beyond the use of these "hard" measures, the assessment of relative performance success should also include residents' attitudes about the delivery of services and the qualities of the community that are meant to improve (in part) because of great services. Along with crime rates or road repair, assessments should include residents' evaluations of the effectiveness of local policing and the quality of community mobility. Going beyond administrative records to track performance tells local leaders how well a city or county is meeting its vision of success.

The same survey that assessed community strengths and needs can be used to reevaluate a community at a later date. The NCS and other broad citizen surveys are intended not only to serve as a community needs assessment but also as a systematic performance monitoring tool. Many communities now use survey results in their performance measurement systems. The City of Westminster, Colorado and the City of Littleton, Colorado are great examples of

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incorporating resident opinions into performance systems.

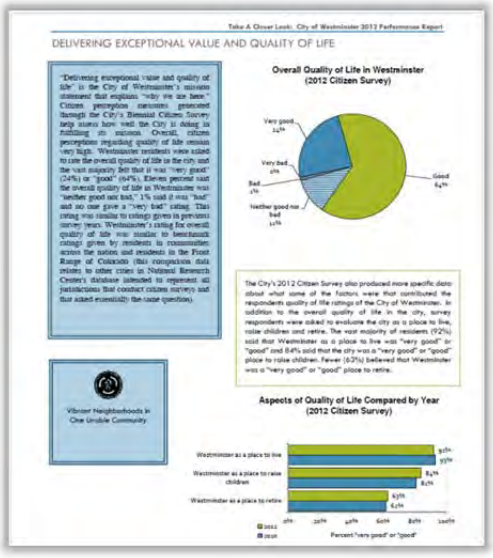
Survey Results Fit Well into Performance Measures

Westminster, Colorado

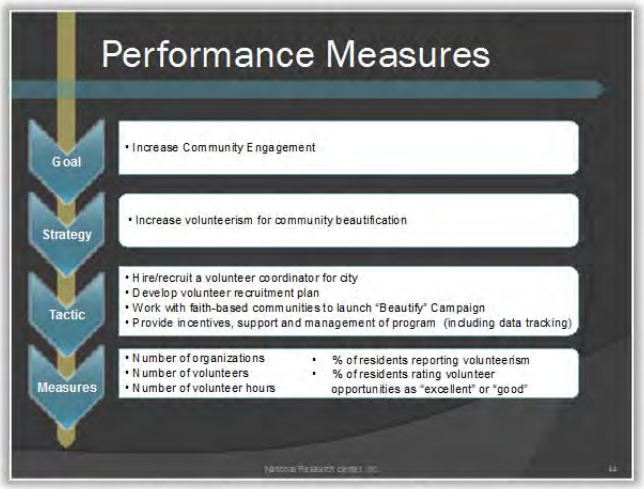
Westminster, Colorado has been on the front line of measuring and reporting performance for many years. City leaders view transparency about the efficiency and effectiveness of their work as a basic condition of local government. In its most recent report about its performance, "Take a Closer Look," staff wrote this:

"Performance measurement in the City of Westminster is continuously refined to ensure that the City is "measuring what matters." Through constant reinforcement, the City's performance measurement program works to improve the delivery of City services and the management of resources. Ultimately, performance measurement helps determine the progress made towards achieving the City's Strategic Plan Goals and Objectives."

You can see on page 1 of that report (http://www.ci.westminster.co.us/Portals/0/Repository/Documents/CityGovernment/CMO%20-%20Take%20A%20Closer%20Look%20Report%20-%202013.pdf) that staff are keenly aware that measuring outputs and efficiencies are important only as they serve creation of a high quality of community. Therefore the report starts with resident perspectives about the quality of life in Westminster as reported in the most recent Citizen Survey, conducted by National Research Center, Inc.



Beyond resident perspectives on overall quality of life, Westminster as a place to live, raise children and retire, the performance report includes resident



opinions about the quality of public works services. In place of cubic yards of snow plowed or linear miles of streets repaired or gallons of water treated, are resident sentiments about the quality of snow removal, street repair and water as you can see below:

A Mix of Survey and Administrative Data in a Community Scorecard

Littleton, Colorado

The City of Littleton, Colorado produces an annual community scorecard (http://www.littletongov.org/modules/showdocument.aspx?documentid=3278) that presents data related to its City Council's goals. In the 2013-2014 report, performance data were presented in the following strategic areas:

- Assure a financially-sound city government
- Provide a safe community to live, work and play
- Develop and maintain the public infrastructure
- Preserve and cultivate a quality community
- Pursue a balanced and sustainable local economy
- Support environmental sustainability
- Foster community involvement, communication and trust

The report not only has hard data about sprinkler system installs, budget allocations, number of exhibits, visitors and miles traveled, but it also has resident perspectives about service quality and strategic direction directly from its citizen survey. Not only does the report include results of the survey but it shows how those results compare to results asked of residents in comparison communities.

Program Evaluation

Once you have decided to take action to improve your community, it is important to evaluate the results of your efforts. Strong governing requires both experimentation and use of evaluation data.

Strategies to Promote Successful Use of Evaluation

- Identify program goals, objectives, and performance measures well in advance of implementing their evaluation
- Regularly track service activities and outcomes
- Systematically measure service outputs (how many residents attended council meetings last year?) and outcomes (how much did their knowledge of community issues increase?)
- Regularly communicate evaluation results to staff, residents, and other stakeholders
- Use evaluation data to improve services
- Encourage organizational learning

Evaluations can be small or large, often based on the price tag of the new initiative. In the Educate section of this playbook, the reimaging campaign undertaken by Greeley, Colorado was presented. Although Greeley has only been working on this new branding initiative a short time, government staff wanted to assess its "penetration" at an early stage, so they launched a short, web-based survey to community stakeholders followed by a survey of residents of Greeley and residents in three of the state's largest cities – Denver, Fort Collins and Colorado Springs.

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A Case Study in New Program Evaluation

Greeley, Colorado

Greeley, Colorado has created a new image initiative and campaign called "Greeley Unexpected." (See the Educate section for more information on the initiative.) The initiative did not come cheap. The intent was to go big – to change the perceptions that (at least) Coloradans had about Greeley. After the initiative had been running for several months, stakeholders were getting antsy to know if their investment was paying off and City staff needed data to help determine the direction for the 2014 campaign. So City staff, working with NRC, designed and put in the field a survey for residents and non-residents to determine the reach and effectiveness of the first year's campaign. This research was at least as much to keep stakeholders (including funding decision makers such as the City Council) in the loop about the City's attention to the big evaluative question ("Have perceptions of Greeley improved?") as it was to determine the answer to the question.

The answer to the question has come with extensive and robust inquiry that has relied on surveys of residents and those from out of town.

With the results hot off the research report, this is how Greeley released the findings – a fitting way to reinforce the new brand!

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Next Steps

As you consider how to strengthen your community, remember that you don't always have to blaze a new trail to get the job done. This Playbook has many examples in broad categories that reflect common and effective action areas for local governments. Build on the examples you find here that resonate with your community and dive in or give a call to National Research Center staff or the organizations we have highlighted. NRC can help you get in contact with those best equipped to help you solve the toughest problems whether related to budget, communication, ballot questions, strategic planning or citizen engagement. Quality communities are what every local government strives to encourage, but the burden cannot rest only on the shoulders of local government staff and elected officials. National Research Center can facilitate your success.

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THE NCS™

The National Citizen Survey™

Morro Bay, CA

Technical Appendices
2016

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Charter Members
AAPOR Transparency Initiative
AMERICAN ASSOCIATION FOR PUBLIC OPINION RESEARCH

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The NCS™ is presented by NRC in collaboration with ICMA.

NRC is a charter member of the AAPOR Transparency Initiative, providing clear disclosure of our sound and ethical survey research practices.

Appendix A: Complete Survey Responses

Responses excluding "don't know"

The following pages contain a complete set of responses to each question on the survey, excluding the "don't know" responses. The percent of respondents giving a particular response is shown followed by the number of respondents (denoted with "N=").

Table 1: Question 1

Please rate each of the following aspects of quality of life in Morro Bay:	Excellent		Good		Fair		Poor		Total	
Morro Bay as a place to live	58%	N=303	37%	N=195	5%	N=27	0%	N=2	100%	N=527
Your neighborhood as a place to live	45%	N=236	41%	N=216	13%	N=66	2%	N=12	100%	N=530
Morro Bay as a place to raise children	41%	N=175	40%	N=173	17%	N=72	3%	N=11	100%	N=432
Morro Bay as a place to work	17%	N=70	28%	N=115	28%	N=117	27%	N=112	100%	N=414
Morro Bay as a place to visit	65%	N=333	28%	N=144	6%	N=31	1%	N=3	100%	N=512
Morro Bay as a place to retire	60%	N=299	27%	N=134	9%	N=47	3%	N=17	100%	N=496
The overall quality of life in Morro Bay	47%	N=248	45%	N=237	8%	N=43	1%	N=3	100%	N=530

Table 2: Question 2

Please rate each of the following characteristics as they relate to Morro Bay as a whole:	Excellent		Good		Fair		Poor		Total	
Overall feeling of safety in Morro Bay	47%	N=248	44%	N=235	6%	N=34	2%	N=13	100%	N=530
Overall ease of getting to the places you usually have to visit	44%	N=236	42%	N=220	12%	N=62	2%	N=12	100%	N=530
Quality of overall natural environment in Morro Bay	59%	N=307	35%	N=181	6%	N=32	0%	N=2	100%	N=522
Overall "built environment" of Morro Bay (including overall design, buildings, parks and transportation systems)	12%	N=61	47%	N=242	34%	N=174	8%	N=40	100%	N=518
Health and wellness opportunities in Morro Bay	19%	N=94	38%	N=186	32%	N=159	11%	N=55	100%	N=495
Overall opportunities for education and enrichment	13%	N=58	33%	N=152	41%	N=191	13%	N=62	100%	N=463
Overall economic health of Morro Bay	8%	N=39	31%	N=147	43%	N=203	17%	N=80	100%	N=468
Sense of community	23%	N=118	44%	N=228	27%	N=138	7%	N=36	100%	N=519
Overall image or reputation of Morro Bay	29%	N=150	51%	N=267	17%	N=88	3%	N=17	100%	N=521

Table 3: Question 3

Please indicate how likely or unlikely you are to do each of the following:	Very likely		Somewhat likely		Somewhat unlikely		Very unlikely		Total	
Recommend living in Morro Bay to someone who asks	57%	N=298	31%	N=161	7%	N=38	5%	N=28	100%	N=525
Remain in Morro Bay for the next five years	70%	N=363	20%	N=104	4%	N=19	6%	N=30	100%	N=517

Table 4: Question 4

Please rate how safe or unsafe you feel:	Very safe		Somewhat safe		Neither safe nor unsafe		Somewhat unsafe		Very unsafe		Total	
In your neighborhood during the day	81%	N=427	15%	N=79	1%	N=6	3%	N=16	0%	N=1	100%	N=529
In Morro Bay's downtown/commercial area during the day	74%	N=388	22%	N=113	3%	N=17	1%	N=4	1%	N=3	100%	N=526

Table 5: Question 5

Please rate each of the following characteristics as they relate to Morro Bay as a whole:	Excellent		Good		Fair		Poor		Total	
Traffic flow on major streets	20%	N=104	51%	N=267	24%	N=127	5%	N=26	100%	N=524
Ease of public parking	19%	N=103	44%	N=233	27%	N=145	9%	N=47	100%	N=529
Ease of travel by car in Morro Bay	34%	N=179	47%	N=249	16%	N=82	3%	N=17	100%	N=526
Ease of travel by public transportation in Morro Bay	10%	N=30	31%	N=97	42%	N=130	17%	N=53	100%	N=311
Ease of travel by bicycle in Morro Bay	27%	N=115	50%	N=210	20%	N=86	3%	N=13	100%	N=424
Ease of walking in Morro Bay	41%	N=212	43%	N=224	13%	N=67	3%	N=16	100%	N=518
Availability of paths and walking trails	28%	N=145	48%	N=247	20%	N=100	4%	N=19	100%	N=510
Air quality	62%	N=328	35%	N=183	3%	N=14	0%	N=1	100%	N=525
Cleanliness of Morro Bay	31%	N=162	52%	N=275	15%	N=77	2%	N=11	100%	N=525
Overall appearance of Morro Bay	26%	N=135	56%	N=294	15%	N=79	4%	N=20	100%	N=527
Public places where people want to spend time	25%	N=127	47%	N=245	25%	N=131	3%	N=16	100%	N=519
Variety of housing options	5%	N=25	18%	N=87	37%	N=181	40%	N=196	100%	N=489
Availability of affordable quality housing	2%	N=10	9%	N=42	24%	N=114	65%	N=309	100%	N=475
Fitness opportunities (including exercise classes and paths or trails, etc.)	25%	N=126	45%	N=229	24%	N=119	7%	N=34	100%	N=508
Recreational opportunities	33%	N=168	43%	N=219	21%	N=105	4%	N=20	100%	N=512
Availability of affordable quality food	18%	N=95	47%	N=244	27%	N=144	8%	N=42	100%	N=525
Availability of affordable quality health care	5%	N=25	22%	N=100	40%	N=184	33%	N=150	100%	N=458
Availability of preventive health services	6%	N=27	17%	N=73	44%	N=186	32%	N=133	100%	N=419
Availability of affordable quality mental health care	3%	N=7	10%	N=29	32%	N=91	55%	N=156	100%	N=282

Table 6: Question 6

Please rate each of the following characteristics as they relate to Morro Bay as a whole:	Excellent		Good		Fair		Poor		Total	
Availability of affordable quality child care/preschool	4%	N=7	24%	N=40	45%	N=74	27%	N=43	100%	N=164
Adult educational opportunities	6%	N=21	32%	N=112	37%	N=131	25%	N=86	100%	N=350
Opportunities to attend cultural/arts/music activities	10%	N=48	38%	N=186	37%	N=180	15%	N=73	100%	N=487
Employment opportunities	1%	N=2	8%	N=32	39%	N=159	53%	N=215	100%	N=409
Shopping opportunities	5%	N=27	25%	N=131	45%	N=233	25%	N=127	100%	N=518
Cost of living in Morro Bay	2%	N=10	14%	N=73	40%	N=204	44%	N=228	100%	N=516
Overall quality of business and service establishments in Morro Bay	9%	N=45	45%	N=233	41%	N=213	5%	N=28	100%	N=519
Vibrant downtown/commercial area	8%	N=41	40%	N=206	42%	N=218	11%	N=55	100%	N=520
Overall quality of new development in Morro Bay	7%	N=31	28%	N=120	46%	N=199	20%	N=86	100%	N=435
Opportunities to participate in social events and activities	13%	N=63	44%	N=212	37%	N=179	6%	N=27	100%	N=480
Opportunities to volunteer	24%	N=99	50%	N=208	22%	N=92	5%	N=20	100%	N=420
Opportunities to participate in community matters	17%	N=77	49%	N=225	26%	N=120	7%	N=34	100%	N=456
Openness and acceptance of the community toward people of diverse backgrounds	14%	N=60	48%	N=210	29%	N=125	10%	N=44	100%	N=439
Neighborliness of residents in Morro Bay	25%	N=130	47%	N=244	20%	N=105	8%	N=42	100%	N=520

Table 7: Question 7

Please indicate whether or not you have done each of the following in the last 12 months.	No		Yes		Total	
Made efforts to conserve water	2%	N=11	98%	N=519	100%	N=529
Made efforts to make your home more energy efficient	22%	N=114	78%	N=414	100%	N=528

Please indicate whether or not you have done each of the following in the last 12 months.	No		Yes		Total	
Observed a code violation or other hazard in Morro Bay	45%	N=234	55%	N=285	100%	N=519
Household member was a victim of a crime in Morro Bay	86%	N=456	14%	N=72	100%	N=527
Reported a crime to the police in Morro Bay	77%	N=406	23%	N=124	100%	N=530
Stocked supplies in preparation for an emergency	51%	N=270	49%	N=256	100%	N=526
Campaigned or advocated for an issue, cause or candidate	70%	N=369	30%	N=155	100%	N=525
Contacted the City of Morro Bay (in-person, phone, email or web) for help or information	48%	N=256	52%	N=272	100%	N=528
Contacted Morro Bay elected officials (in-person, phone, email or web) to express your opinion	74%	N=391	26%	N=137	100%	N=528

Table 8: Question 8

In the last 12 months, about how many times, if at all, have you or other household members done each of the following in Morro Bay?	2 times a week or more		2-4 times a month		Once a month or less		Not at all		Total	
Used Morro Bay recreation centers or their services	12%	N=64	17%	N=87	28%	N=148	43%	N=225	100%	N=524
Visited a neighborhood park or City park	30%	N=158	33%	N=174	28%	N=146	10%	N=50	100%	N=528
Used Morro Bay public libraries or their services	15%	N=79	24%	N=126	26%	N=136	35%	N=186	100%	N=527
Attended a City-sponsored event	2%	N=10	12%	N=62	59%	N=310	27%	N=145	100%	N=528
Used bus, rail, subway or other public transportation instead of driving	4%	N=19	4%	N=20	13%	N=70	79%	N=419	100%	N=528
Carpooled with other adults or children instead of driving alone	20%	N=103	16%	N=86	18%	N=96	46%	N=240	100%	N=524
Walked or biked instead of driving	36%	N=187	28%	N=147	19%	N=100	17%	N=91	100%	N=525
Volunteered your time to some group/activity in Morro Bay	10%	N=50	9%	N=49	21%	N=108	60%	N=316	100%	N=523
Participated in a club	6%	N=33	8%	N=39	14%	N=74	72%	N=375	100%	N=521
Talked to or visited with your immediate neighbors	57%	N=301	30%	N=159	10%	N=53	3%	N=14	100%	N=527
Done a favor for a neighbor	28%	N=148	31%	N=163	32%	N=168	9%	N=50	100%	N=528

Table 9: Question 9

Thinking about local public meetings (of local elected officials like City Council or County Commissioners, advisory boards, town halls, HOA, neighborhood watch, etc.), in the last 12 months, about how many times, if at all, have you or other household members attended or watched a local public meeting?	2 times a week or more		2-4 times a month		Once a month or less		Not at all		Total	
Attended a local public meeting	0%	N=2	3%	N=13	25%	N=133	72%	N=376	100%	N=524
Watched (online or on television) a local public meeting	3%	N=18	10%	N=51	23%	N=120	64%	N=335	100%	N=523

Table 10: Question 10

Please rate the quality of each of the following services in Morro Bay:	Excellent		Good		Fair		Poor		Total	
Police/Sheriff services	34%	N=153	44%	N=198	15%	N=67	8%	N=35	100%	N=453
Fire services	55%	N=234	40%	N=167	4%	N=19	1%	N=3	100%	N=422
Ambulance or emergency medical services	52%	N=192	41%	N=153	6%	N=22	2%	N=6	100%	N=373
Crime prevention	21%	N=78	54%	N=205	17%	N=64	8%	N=32	100%	N=378
Fire prevention and education	26%	N=89	49%	N=167	23%	N=79	1%	N=3	100%	N=338
Traffic enforcement	15%	N=61	45%	N=188	28%	N=115	12%	N=49	100%	N=413
Street repair	4%	N=20	20%	N=97	32%	N=158	44%	N=219	100%	N=495
Street cleaning	10%	N=51	37%	N=182	31%	N=152	21%	N=100	100%	N=484
Street lighting	10%	N=51	38%	N=187	34%	N=168	18%	N=89	100%	N=494
Sidewalk maintenance	6%	N=28	27%	N=128	39%	N=182	28%	N=133	100%	N=471

Please rate the quality of each of the following services in Morro Bay:	Excellent		Good		Fair		Poor		Total	
Traffic signal timing	11%	N=51	52%	N=232	30%	N=133	7%	N=30	100%	N=446
Bus or transit services	16%	N=45	36%	N=102	33%	N=94	15%	N=42	100%	N=284
Garbage collection	46%	N=231	44%	N=223	8%	N=40	2%	N=10	100%	N=505
Recycling	38%	N=190	41%	N=203	10%	N=48	12%	N=58	100%	N=499
Storm drainage	16%	N=73	40%	N=177	33%	N=148	11%	N=49	100%	N=447
Drinking water	10%	N=48	26%	N=130	33%	N=164	31%	N=157	100%	N=499
Sewer services	18%	N=83	49%	N=229	28%	N=133	5%	N=22	100%	N=467
Utility billing	17%	N=81	44%	N=214	30%	N=144	9%	N=42	100%	N=481
City parks	29%	N=146	52%	N=264	14%	N=72	5%	N=23	100%	N=504
Recreation programs or classes	14%	N=44	49%	N=154	26%	N=83	11%	N=36	100%	N=317
Recreation centers or facilities	13%	N=48	48%	N=171	30%	N=107	9%	N=31	100%	N=357
Land use, planning and zoning	4%	N=15	27%	N=101	42%	N=161	27%	N=103	100%	N=380
Code enforcement (weeds, abandoned buildings, etc.)	5%	N=19	31%	N=123	38%	N=151	26%	N=101	100%	N=395
Economic development	3%	N=12	23%	N=79	45%	N=154	29%	N=98	100%	N=342
Public library services	49%	N=192	42%	N=166	7%	N=29	1%	N=4	100%	N=391
Public information services	16%	N=56	44%	N=154	31%	N=109	9%	N=32	100%	N=351
Emergency preparedness (services that prepare the community for natural disasters or other emergency situations)	14%	N=46	40%	N=135	33%	N=111	12%	N=41	100%	N=334
Preservation of natural areas such as open space, farmlands and greenbelts	20%	N=91	47%	N=209	24%	N=109	9%	N=38	100%	N=448
Morro Bay open space	22%	N=99	43%	N=192	27%	N=122	8%	N=35	100%	N=448
City-sponsored special events	14%	N=62	55%	N=238	25%	N=110	5%	N=24	100%	N=433
Overall customer service by Morro Bay employees (police, receptionists, planners, etc.)	24%	N=106	49%	N=218	21%	N=94	7%	N=29	100%	N=446

Table 11: Question 11

Overall, how would you rate the quality of the services provided by each of the following?	Excellent		Good		Fair		Poor		Total	
The City of Morro Bay	13%	N=62	52%	N=252	30%	N=143	5%	N=23	100%	N=480
The Federal Government	5%	N=19	29%	N=119	41%	N=168	26%	N=107	100%	N=413

Table 12: Question 12

Please rate the following categories of Morro Bay government performance:	Excellent		Good		Fair		Poor		Total	
The value of services for the taxes paid to Morro Bay	5%	N=21	36%	N=159	41%	N=181	18%	N=78	100%	N=439
The overall direction that Morro Bay is taking	7%	N=29	35%	N=152	37%	N=160	22%	N=96	100%	N=437
The job Morro Bay government does at welcoming citizen involvement	11%	N=42	34%	N=134	36%	N=145	19%	N=77	100%	N=397
Overall confidence in Morro Bay government	7%	N=29	29%	N=130	35%	N=155	30%	N=135	100%	N=449
Generally acting in the best interest of the community	7%	N=34	32%	N=149	36%	N=164	25%	N=115	100%	N=461
Being honest	9%	N=35	33%	N=134	32%	N=130	26%	N=103	100%	N=402
Treating all residents fairly	8%	N=32	30%	N=124	37%	N=150	26%	N=105	100%	N=411

Table 13: Question 13

Please rate how important, if at all, you think it is for the Morro Bay community to focus on each of the following in the coming two years:	Essential		Very important		Somewhat important		Not at all important		Total	
Overall feeling of safety in Morro Bay	46%	N=235	30%	N=157	20%	N=101	4%	N=22	100%	N=516
Overall ease of getting to the places you usually have to visit	22%	N=115	43%	N=224	30%	N=152	5%	N=25	100%	N=516

Please rate how important, if at all, you think it is for the Morro Bay community to focus on each of the following in the coming two years:	Essential		Very important		Somewhat important		Not at all important		Total	
Quality of overall natural environment in Morro Bay	54%	N=280	34%	N=173	10%	N=50	2%	N=10	100%	N=513
Overall "built environment" of Morro Bay (including overall design, buildings, parks and transportation systems)	28%	N=147	46%	N=237	22%	N=116	3%	N=16	100%	N=516
Health and wellness opportunities in Morro Bay	29%	N=149	38%	N=194	30%	N=157	3%	N=16	100%	N=516
Overall opportunities for education and enrichment	24%	N=122	41%	N=213	30%	N=152	5%	N=27	100%	N=513
Overall economic health of Morro Bay	44%	N=228	44%	N=230	11%	N=56	1%	N=5	100%	N=518
Sense of community	39%	N=203	43%	N=220	16%	N=85	2%	N=9	100%	N=517

Table 14: Question 14

If the Morro Bay Power Plant were to be demolished and the site were redeveloped, please indicate to what extent you would support or oppose inclusion of the following on that site:	Strongly support		Somewhat support		Somewhat oppose		Strongly oppose		Total	
Environmental green space with some biking/walking path access	57%	N=296	27%	N=140	5%	N=28	10%	N=53	100%	N=516
City sports fields and/or a recreation building that would serve residents and be a regional sports tournament destination	34%	N=174	33%	N=168	14%	N=73	18%	N=92	100%	N=506
Hotel facility that generates sufficient transient occupancy tax to rebuild and pave most city streets	22%	N=114	21%	N=109	21%	N=105	36%	N=184	100%	N=512
Office park/light industry center that provides head of household jobs	23%	N=113	26%	N=130	20%	N=99	31%	N=156	100%	N=498
A boatyard/marine services facility	23%	N=109	34%	N=165	23%	N=112	20%	N=97	100%	N=483
Mixed-use retail and restaurant development	21%	N=109	33%	N=167	22%	N=110	24%	N=124	100%	N=510

Table 15: Question 15

If the Morro Bay Power Plant were redeveloped, would you like to see one or more stacks - or parts thereof - retained and integrated into the new design?	Percent	Number
Yes	57%	N=257
No	43%	N=191
Total	100%	N=448

Table 16: Question 16

The City is considering ways to improve the Embarcadero experience for drivers, bicyclists and pedestrians, and to better link the Embarcadero area with our Downtown. To what extent would you support or oppose the following:	Strongly support		Somewhat support		Somewhat oppose		Strongly oppose		Total	
Widening the existing sidewalk on the bay-side of the Embarcadero from about 5 feet to about 13 feet	33%	N=165	33%	N=166	16%	N=82	18%	N=91	100%	N=503
Removing the street-end parking lots next to the bay and converting them to small pedestrian plazas with benches, gardens, small play structures for kids, picnic tables, etc.	24%	N=120	29%	N=142	19%	N=95	28%	N=139	100%	N=495
Making the Embarcadero one-way, northbound, for several blocks with a return couplet through the downtown, and turning the open lane into a two-way bicycle path that eventually connects up to the Morro Creek Bridge	29%	N=141	18%	N=89	19%	N=94	34%	N=167	100%	N=490

Table 17: Question 17

The City requires additional revenue to pave streets, replace aging infrastructure, improve recreation programs and maintain/improve our Police, Fire and Harbor services. To what extent do you support or oppose the each of the following to improve the City's finances:	Strongly support		Somewhat support		Somewhat oppose		Strongly oppose		Total	
On vacant Downtown lots, encourage property owners to build two-story, multi-use buildings with retail/restaurant/services on the ground floor and office space or housing on the second floor	35%	N=176	34%	N=171	15%	N=73	17%	N=83	100%	N=503

The City requires additional revenue to pave streets, replace aging infrastructure, improve recreation programs and maintain/improve our Police, Fire and Harbor services. To what extent do you support or oppose the each of the following to improve the City's finances:	Strongly support		Somewhat support		Somewhat oppose		Strongly oppose		Total	
Encourage existing business to expand in Morro Bay to provide additional head of household jobs	39%	N=191	46%	N=224	10%	N=47	5%	N=25	100%	N=487
Encourage additional small, "boutique" hotels	20%	N=98	37%	N=181	25%	N=121	18%	N=86	100%	N=487
Encourage construction of additional workforce/affordable housing	42%	N=208	32%	N=160	14%	N=70	12%	N=62	100%	N=501
Don't change anything and don't worry about paving streets or improving services	6%	N=28	7%	N=32	15%	N=71	73%	N=348	100%	N=479

Table 18: Question 18

To what extent do you support or oppose each of the following ideas to serve both residents and visitors:	Strongly support		Somewhat support		Somewhat oppose		Strongly oppose		Total	
Encourage development of a Maritime Museum	40%	N=199	44%	N=221	11%	N=53	5%	N=24	100%	N=496
Encourage the redevelopment of a new Aquarium	50%	N=254	27%	N=138	11%	N=57	11%	N=58	100%	N=508
Encourage/allow boat B&Bs in the Harbor	26%	N=119	35%	N=159	21%	N=98	18%	N=84	100%	N=460
Encourage aquaculture in the bay	37%	N=165	45%	N=201	10%	N=44	7%	N=32	100%	N=442
Improve bike lanes and parking, even if there is some impact on automobile drivers and car parking	31%	N=158	35%	N=176	18%	N=92	16%	N=83	100%	N=509
Expand improve walking paths and sidewalks, even if there is some impact on automobile drivers and car parking	32%	N=162	37%	N=191	16%	N=84	15%	N=76	100%	N=512

Table 19: Question 19

Would you come to free summer-evening concerts in the Downtown or a City park?	Percent	Number
Yes	93%	N=389
No	7%	N=30
Total	100%	N=419

Table 20: Question 20

Would you want the City to expend resources to help host a concert series on some fall weekends?	Percent	Number
Yes	78%	N=308
No	22%	N=89
Total	100%	N=397

Table 21: Question D1

How often, if at all, do you do each of the following, considering all of the times you could?	Never		Rarely		Sometimes		Usually		Always		Total	
Recycle at home	1%	N=3	0%	N=3	2%	N=10	15%	N=80	82%	N=433	100%	N=529
Purchase goods or services from a business located in Morro Bay	0%	N=0	1%	N=3	21%	N=109	51%	N=271	28%	N=146	100%	N=529
Eat at least 5 portions of fruits and vegetables a day	3%	N=17	8%	N=39	33%	N=172	32%	N=167	24%	N=126	100%	N=521
Participate in moderate or vigorous physical activity	2%	N=12	6%	N=34	31%	N=161	35%	N=186	25%	N=132	100%	N=525
Read or watch local news (via television, paper, computer, etc.)	5%	N=24	9%	N=48	20%	N=106	28%	N=149	38%	N=202	100%	N=529
Vote in local elections	10%	N=53	4%	N=21	7%	N=39	17%	N=92	61%	N=325	100%	N=529

Table 22: Question D2

Would you say that in general your health is:	Percent	Number
Excellent	27%	N=139
Very good	43%	N=223
Good	22%	N=116
Fair	6%	N=32
Poor	3%	N=14
Total	100%	N=524

Table 23: Question D3

What impact, if any, do you think the economy will have on your family income in the next 6 months? Do you think the impact will be:	Percent	Number
Very positive	7%	N=34
Somewhat positive	20%	N=103
Neutral	56%	N=293
Somewhat negative	16%	N=87
Very negative	2%	N=8
Total	100%	N=525

Table 24: Question D4

What is your employment status?	Percent	Number
Working full time for pay	53%	N=281
Working part time for pay	12%	N=61
Unemployed, looking for paid work	2%	N=9
Unemployed, not looking for paid work	2%	N=13
Fully retired	31%	N=163
Total	100%	N=527

Table 25: Question D5

Do you work inside the boundaries of Morro Bay?	Percent	Number
Yes, outside the home	22%	N=108
Yes, from home	9%	N=46
No	69%	N=346
Total	100%	N=500

Table 26: Question D6

How many years have you lived in Morro Bay?	Percent	Number
Less than 2 years	14%	N=75
2 to 5 years	23%	N=122
6 to 10 years	14%	N=72
11 to 20 years	22%	N=114
More than 20 years	28%	N=145
Total	100%	N=528

Table 27: Question D7

Which best describes the building you live in?	Percent	Number
One family house detached from any other houses	71%	N=374
Building with two or more homes (duplex, townhome, apartment or condominium)	25%	N=131
Mobile home	3%	N=17
Other	2%	N=9
Total	100%	N=530

Table 28: Question D8

Is this house, apartment or mobile home...	Percent	Number
Rented	45%	N=236
Owned	55%	N=292
Total	100%	N=528

Table 29: Question D9

About how much is your monthly housing cost for the place you live (including rent, mortgage payment, property tax, property insurance and homeowners' association (HOA) fees)?	Percent	Number
Less than $600 per month	9%	N=44
$600 to $999 per month	17%	N=85
$1,000 to $1,499 per month	26%	N=134
$1,500 to $2,499 per month	34%	N=174
$2,500 to $2,999 per month	7%	N=34
$3,000 or more per month	8%	N=38
Total	100%	N=509

Table 30: Question D10

Do any children 17 or under live in your household?	Percent	Number
No	81%	N=428
Yes	19%	N=100
Total	100%	N=528

Table 31: Question D11

Are you or any other members of your household aged 65 or older?	Percent	Number
No	63%	N=329
Yes	37%	N=197
Total	100%	N=526

Table 32: Question D12

How much do you anticipate your household's total income before taxes will be for the current year? (Please include in your total income money from all sources for all persons living in your household.)	Percent	Number
Less than $25,000	13%	N=65
$25,000 to $49,999	23%	N=115
$50,000 to $99,999	39%	N=192
$100,000 to $149,999	12%	N=60
$150,000 or more	12%	N=61
Total	100%	N=492

Table 33: Question D13

Are you Spanish, Hispanic or Latino?	Percent	Number
No, not Spanish, Hispanic or Latino	89%	N=460
Yes, I consider myself to be Spanish, Hispanic or Latino	11%	N=56
Total	100%	N=516

Table 34: Question D14

What is your race? (Mark one or more races to indicate what race(s) you consider yourself to be.)	Percent	Number
American Indian or Alaskan Native	4%	N=20
Asian, Asian Indian or Pacific Islander	1%	N=7
Black or African American	1%	N=4
White	91%	N=467
Other	6%	N=33

Total may exceed 100% as respondents could select more than one option.

Table 35: Question D15

In which category is your age?	Percent	Number
18 to 24 years	3%	N=18
25 to 34 years	18%	N=96
35 to 44 years	11%	N=57
45 to 54 years	18%	N=94
55 to 64 years	19%	N=99
65 to 74 years	19%	N=99
75 years or older	11%	N=56
Total	100%	N=519

Table 36: Question D16

What is your sex?	Percent	Number
Female	53%	N=273
Male	47%	N=242
Total	100%	N=515

Table 37: Question D17

Do you consider a cell phone or landline your primary telephone number?	Percent	Number
Cell	67%	N=353
Land line	20%	N=103
Both	13%	N=69
Total	100%	N=526

Responses including "don't know"

The following pages contain a complete set of responses to each question on the survey, including the "don't know" responses. The percent of respondents giving a particular response is shown followed by the number of respondents (denoted with "N=").

Table 38: Question 1

Please rate each of the following aspects of quality of life in Morro Bay:	Excellent		Good		Fair		Poor		Don't know		Total	
Morro Bay as a place to live	57%	N=303	37%	N=195	5%	N=27	0%	N=2	0%	N=1	100%	N=528
Your neighborhood as a place to live	45%	N=236	41%	N=216	13%	N=66	2%	N=12	0%	N=0	100%	N=530
Morro Bay as a place to raise children	34%	N=175	33%	N=173	14%	N=72	2%	N=11	17%	N=86	100%	N=518
Morro Bay as a place to work	13%	N=70	22%	N=115	22%	N=117	21%	N=112	21%	N=111	100%	N=525
Morro Bay as a place to visit	63%	N=333	27%	N=144	6%	N=31	1%	N=3	3%	N=14	100%	N=526
Morro Bay as a place to retire	57%	N=299	25%	N=134	9%	N=47	3%	N=17	6%	N=31	100%	N=527
The overall quality of life in Morro Bay	47%	N=248	45%	N=237	8%	N=43	1%	N=3	0%	N=0	100%	N=530

Table 39: Question 2

Please rate each of the following characteristics as they relate to Morro Bay as a whole:	Excellent		Good		Fair		Poor		Don't know		Total	
Overall feeling of safety in Morro Bay	47%	N=248	44%	N=235	6%	N=34	2%	N=13	0%	N=0	100%	N=530
Overall ease of getting to the places you usually have to visit	44%	N=236	41%	N=220	12%	N=62	2%	N=12	0%	N=1	100%	N=531
Quality of overall natural environment in Morro Bay	59%	N=307	35%	N=181	6%	N=32	0%	N=2	0%	N=2	100%	N=524
Overall "built environment" of Morro Bay (including overall design, buildings, parks and transportation systems)	12%	N=61	46%	N=242	33%	N=174	8%	N=40	2%	N=9	100%	N=527
Health and wellness opportunities in Morro Bay	18%	N=94	36%	N=186	30%	N=159	11%	N=55	5%	N=28	100%	N=523
Overall opportunities for education and enrichment	11%	N=58	29%	N=152	37%	N=191	12%	N=62	11%	N=59	100%	N=522
Overall economic health of Morro Bay	7%	N=39	28%	N=147	39%	N=203	15%	N=80	11%	N=57	100%	N=526
Sense of community	22%	N=118	43%	N=228	26%	N=138	7%	N=36	1%	N=8	100%	N=527
Overall image or reputation of Morro Bay	28%	N=150	50%	N=267	17%	N=88	3%	N=17	2%	N=9	100%	N=530

Table 40: Question 3

Please indicate how likely or unlikely you are to do each of the following:	Very likely		Somewhat likely		Somewhat unlikely		Very unlikely		Don't know		Total	
Recommend living in Morro Bay to someone who asks	56%	N=298	31%	N=161	7%	N=38	5%	N=28	1%	N=4	100%	N=529
Remain in Morro Bay for the next five years	69%	N=363	20%	N=104	4%	N=19	6%	N=30	1%	N=7	100%	N=524

Table 41: Question 4

Please rate how safe or unsafe you feel:	Very safe		Somewhat safe		Neither safe nor unsafe		Somewhat unsafe		Very unsafe		Don't know		Total	
In your neighborhood during the day	81%	N=427	15%	N=79	1%	N=6	3%	N=16	0%	N=1	0%	N=0	100%	N=529
In Morro Bay's downtown/commercial area during the day	74%	N=388	21%	N=113	3%	N=17	1%	N=4	1%	N=3	0%	N=1	100%	N=527

Table 42: Question 5

Please rate each of the following characteristics as they relate to Morro Bay as a whole:	Excellent		Good		Fair		Poor		Don't know		Total	
Traffic flow on major streets	20%	N=104	51%	N=267	24%	N=127	5%	N=26	0%	N=1	100%	N=524
Ease of public parking	19%	N=103	44%	N=233	27%	N=145	9%	N=47	0%	N=0	100%	N=529

Please rate each of the following characteristics as they relate to Morro Bay as a whole:	Excellent		Good		Fair		Poor		Don't know		Total	
Ease of travel by car in Morro Bay	34%	N=179	47%	N=249	16%	N=82	3%	N=17	0%	N=2	100%	N=528
Ease of travel by public transportation in Morro Bay	6%	N=30	19%	N=97	25%	N=130	10%	N=53	40%	N=208	100%	N=518
Ease of travel by bicycle in Morro Bay	22%	N=115	41%	N=210	17%	N=86	3%	N=13	18%	N=93	100%	N=517
Ease of walking in Morro Bay	40%	N=212	43%	N=224	13%	N=67	3%	N=16	1%	N=6	100%	N=524
Availability of paths and walking trails	28%	N=145	47%	N=247	19%	N=100	4%	N=19	3%	N=14	100%	N=523
Air quality	62%	N=328	35%	N=183	3%	N=14	0%	N=1	1%	N=3	100%	N=528
Cleanliness of Morro Bay	31%	N=162	52%	N=275	15%	N=77	2%	N=11	0%	N=0	100%	N=525
Overall appearance of Morro Bay	26%	N=135	56%	N=294	15%	N=79	4%	N=20	0%	N=1	100%	N=528
Public places where people want to spend time	24%	N=127	47%	N=245	25%	N=131	3%	N=16	1%	N=5	100%	N=525
Variety of housing options	5%	N=25	16%	N=87	34%	N=181	37%	N=196	7%	N=39	100%	N=527
Availability of affordable quality housing	2%	N=10	8%	N=42	22%	N=114	59%	N=309	9%	N=49	100%	N=524
Fitness opportunities (including exercise classes and paths or trails, etc.)	24%	N=126	43%	N=229	23%	N=119	6%	N=34	4%	N=20	100%	N=527
Recreational opportunities	32%	N=168	42%	N=219	20%	N=105	4%	N=20	2%	N=13	100%	N=525
Availability of affordable quality food	18%	N=95	46%	N=244	27%	N=144	8%	N=42	0%	N=2	100%	N=527
Availability of affordable quality health care	5%	N=25	19%	N=100	35%	N=184	29%	N=150	13%	N=67	100%	N=525
Availability of preventive health services	5%	N=27	14%	N=73	35%	N=186	25%	N=133	20%	N=105	100%	N=524
Availability of affordable quality mental health care	1%	N=7	5%	N=29	17%	N=91	30%	N=156	46%	N=244	100%	N=527

Table 43: Question 6

Please rate each of the following characteristics as they relate to Morro Bay as a whole:	Excellent		Good		Fair		Poor		Don't know		Total	
Availability of affordable quality child care/preschool	1%	N=7	8%	N=40	14%	N=74	8%	N=43	69%	N=360	100%	N=524
Adult educational opportunities	4%	N=21	22%	N=112	25%	N=131	17%	N=86	33%	N=170	100%	N=521
Opportunities to attend cultural/arts/music activities	9%	N=48	35%	N=186	34%	N=180	14%	N=73	7%	N=38	100%	N=526
Employment opportunities	0%	N=2	6%	N=32	30%	N=159	41%	N=215	22%	N=118	100%	N=527
Shopping opportunities	5%	N=27	25%	N=131	45%	N=233	24%	N=127	0%	N=2	100%	N=520
Cost of living in Morro Bay	2%	N=10	14%	N=73	39%	N=204	44%	N=228	1%	N=5	100%	N=520
Overall quality of business and service establishments in Morro Bay	9%	N=45	44%	N=233	40%	N=213	5%	N=28	1%	N=7	100%	N=526
Vibrant downtown/commercial area	8%	N=41	39%	N=206	42%	N=218	10%	N=55	1%	N=5	100%	N=524
Overall quality of new development in Morro Bay	6%	N=31	23%	N=120	38%	N=199	16%	N=86	16%	N=85	100%	N=520
Opportunities to participate in social events and activities	12%	N=63	40%	N=212	34%	N=179	5%	N=27	9%	N=46	100%	N=527
Opportunities to volunteer	19%	N=99	40%	N=208	18%	N=92	4%	N=20	20%	N=105	100%	N=525
Opportunities to participate in community matters	15%	N=77	43%	N=225	23%	N=120	7%	N=34	13%	N=66	100%	N=522
Openness and acceptance of the community toward people of diverse backgrounds	11%	N=60	40%	N=210	24%	N=125	8%	N=44	17%	N=87	100%	N=526
Neighborliness of residents in Morro Bay	25%	N=130	46%	N=244	20%	N=105	8%	N=42	2%	N=8	100%	N=528

Table 44: Question 7

Please indicate whether or not you have done each of the following in the last 12 months.	No		Yes		Total	
Made efforts to conserve water	2%	N=11	98%	N=519	100%	N=529
Made efforts to make your home more energy efficient	22%	N=114	78%	N=414	100%	N=528
Observed a code violation or other hazard in Morro Bay	45%	N=234	55%	N=285	100%	N=519
Household member was a victim of a crime in Morro Bay	86%	N=456	14%	N=72	100%	N=527

Please indicate whether or not you have done each of the following in the last 12 months.	No		Yes		Total	
Reported a crime to the police in Morro Bay	77%	N=406	23%	N=124	100%	N=530
Stocked supplies in preparation for an emergency	51%	N=270	49%	N=256	100%	N=526
Campaigned or advocated for an issue, cause or candidate	70%	N=369	30%	N=155	100%	N=525
Contacted the City of Morro Bay (in-person, phone, email or web) for help or information	48%	N=256	52%	N=272	100%	N=528
Contacted Morro Bay elected officials (in-person, phone, email or web) to express your opinion	74%	N=391	26%	N=137	100%	N=528

Table 45: Question 8

In the last 12 months, about how many times, if at all, have you or other household members done each of the following in Morro Bay?	2 times a week or more		2-4 times a month		Once a month or less		Not at all		Total	
Used Morro Bay recreation centers or their services	12%	N=64	17%	N=87	28%	N=148	43%	N=225	100%	N=524
Visited a neighborhood park or City park	30%	N=158	33%	N=174	28%	N=146	10%	N=50	100%	N=528
Used Morro Bay public libraries or their services	15%	N=79	24%	N=126	26%	N=136	35%	N=186	100%	N=527
Attended a City-sponsored event	2%	N=10	12%	N=62	59%	N=310	27%	N=145	100%	N=528
Used bus, rail, subway or other public transportation instead of driving	4%	N=19	4%	N=20	13%	N=70	79%	N=419	100%	N=528
Carpooled with other adults or children instead of driving alone	20%	N=103	16%	N=86	18%	N=96	46%	N=240	100%	N=524
Walked or biked instead of driving	36%	N=187	28%	N=147	19%	N=100	17%	N=91	100%	N=525
Volunteered your time to some group/activity in Morro Bay	10%	N=50	9%	N=49	21%	N=108	60%	N=316	100%	N=523
Participated in a club	6%	N=33	8%	N=39	14%	N=74	72%	N=375	100%	N=521
Talked to or visited with your immediate neighbors	57%	N=301	30%	N=159	10%	N=53	3%	N=14	100%	N=527
Done a favor for a neighbor	28%	N=148	31%	N=163	32%	N=168	9%	N=50	100%	N=528

Table 46: Question 9

Thinking about local public meetings (of local elected officials like City Council or County Commissioners, advisory boards, town halls, HOA, neighborhood watch, etc.), in the last 12 months, about how many times, if at all, have you or other household members attended or watched a local public meeting?	2 times a week or more		2-4 times a month		Once a month or less		Not at all		Total	
Attended a local public meeting	0%	N=2	3%	N=13	25%	N=133	72%	N=376	100%	N=524
Watched (online or on television) a local public meeting	3%	N=18	10%	N=51	23%	N=120	64%	N=335	100%	N=523

Table 47: Question 10

Please rate the quality of each of the following services in Morro Bay:	Excellent		Good		Fair		Poor		Don't know		Total	
Police/Sheriff services	30%	N=153	38%	N=198	13%	N=67	7%	N=35	12%	N=61	100%	N=514
Fire services	45%	N=234	32%	N=167	4%	N=19	1%	N=3	18%	N=93	100%	N=515
Ambulance or emergency medical services	37%	N=192	30%	N=153	4%	N=22	1%	N=6	28%	N=142	100%	N=515
Crime prevention	15%	N=78	40%	N=205	13%	N=64	6%	N=32	26%	N=131	100%	N=509
Fire prevention and education	17%	N=89	33%	N=167	15%	N=79	1%	N=3	34%	N=174	100%	N=512
Traffic enforcement	12%	N=61	37%	N=188	23%	N=115	10%	N=49	19%	N=99	100%	N=512
Street repair	4%	N=20	19%	N=97	31%	N=158	43%	N=219	3%	N=18	100%	N=512
Street cleaning	10%	N=51	35%	N=182	30%	N=152	19%	N=100	5%	N=28	100%	N=512
Street lighting	10%	N=51	36%	N=187	33%	N=168	17%	N=89	4%	N=19	100%	N=513
Sidewalk maintenance	5%	N=28	25%	N=128	36%	N=182	26%	N=133	8%	N=41	100%	N=513
Traffic signal timing	10%	N=51	46%	N=232	26%	N=133	6%	N=30	13%	N=64	100%	N=510
Bus or transit services	9%	N=45	20%	N=102	18%	N=94	8%	N=42	44%	N=226	100%	N=510

Please rate the quality of each of the following services in Morro Bay:	Excellent		Good		Fair		Poor		Don't know		Total	
Garbage collection	45%	N=231	43%	N=223	8%	N=40	2%	N=10	2%	N=12	100%	N=517
Recycling	37%	N=190	39%	N=203	9%	N=48	11%	N=58	3%	N=16	100%	N=515
Storm drainage	14%	N=73	34%	N=177	29%	N=148	9%	N=49	13%	N=66	100%	N=513
Drinking water	9%	N=48	25%	N=130	32%	N=164	30%	N=157	3%	N=18	100%	N=517
Sewer services	16%	N=83	45%	N=229	26%	N=133	4%	N=22	8%	N=43	100%	N=511
Utility billing	16%	N=81	42%	N=214	28%	N=144	8%	N=42	5%	N=27	100%	N=508
City parks	28%	N=146	51%	N=264	14%	N=72	4%	N=23	2%	N=12	100%	N=516
Recreation programs or classes	8%	N=44	30%	N=154	16%	N=83	7%	N=36	38%	N=198	100%	N=515
Recreation centers or facilities	9%	N=48	34%	N=171	21%	N=107	6%	N=31	30%	N=151	100%	N=508
Land use, planning and zoning	3%	N=15	20%	N=101	31%	N=161	20%	N=103	26%	N=131	100%	N=511
Code enforcement (weeds, abandoned buildings, etc.)	4%	N=19	24%	N=123	30%	N=151	20%	N=101	23%	N=117	100%	N=511
Economic development	2%	N=12	16%	N=79	31%	N=154	20%	N=98	32%	N=158	100%	N=501
Public library services	37%	N=192	32%	N=166	6%	N=29	1%	N=4	24%	N=123	100%	N=514
Public information services	11%	N=56	30%	N=154	22%	N=109	6%	N=32	31%	N=157	100%	N=508
Emergency preparedness (services that prepare the community for natural disasters or other emergency situations)	9%	N=46	27%	N=135	22%	N=111	8%	N=41	34%	N=170	100%	N=504
Preservation of natural areas such as open space, farmlands and greenbelts	18%	N=91	42%	N=209	22%	N=109	8%	N=38	11%	N=56	100%	N=504
Morro Bay open space	20%	N=99	38%	N=192	24%	N=122	7%	N=35	11%	N=57	100%	N=505
City-sponsored special events	12%	N=62	47%	N=238	22%	N=110	5%	N=24	14%	N=73	100%	N=507
Overall customer service by Morro Bay employees (police, receptionists, planners, etc.)	21%	N=106	43%	N=218	19%	N=94	6%	N=29	12%	N=58	100%	N=505

Table 48: Question 11

Overall, how would you rate the quality of the services provided by each of the following?	Excellent		Good		Fair		Poor		Don't know		Total	
The City of Morro Bay	12%	N=62	49%	N=252	28%	N=143	4%	N=23	6%	N=31	100%	N=510
The Federal Government	4%	N=19	23%	N=119	33%	N=168	21%	N=107	19%	N=94	100%	N=507

Table 49: Question 12

Please rate the following categories of Morro Bay government performance:	Excellent		Good		Fair		Poor		Don't know		Total	
The value of services for the taxes paid to Morro Bay	4%	N=21	31%	N=159	35%	N=181	15%	N=78	14%	N=74	100%	N=513
The overall direction that Morro Bay is taking	6%	N=29	30%	N=152	31%	N=160	19%	N=96	15%	N=78	100%	N=515
The job Morro Bay government does at welcoming citizen involvement	8%	N=42	26%	N=134	28%	N=145	15%	N=77	22%	N=114	100%	N=511
Overall confidence in Morro Bay government	6%	N=29	25%	N=130	30%	N=155	26%	N=135	13%	N=65	100%	N=514
Generally acting in the best interest of the community	7%	N=34	29%	N=149	32%	N=164	22%	N=115	10%	N=54	100%	N=515
Being honest	7%	N=35	26%	N=134	25%	N=130	20%	N=103	22%	N=112	100%	N=514
Treating all residents fairly	6%	N=32	24%	N=124	29%	N=150	20%	N=105	20%	N=104	100%	N=515

Table 50: Question 13

Please rate how important, if at all, you think it is for the Morro Bay community to focus on each of the following in the coming two years:	Essential		Very important		Somewhat important		Not at all important		Total	
Overall feeling of safety in Morro Bay	46%	N=235	30%	N=157	20%	N=101	4%	N=22	100%	N=516
Overall ease of getting to the places you usually have to visit	22%	N=115	43%	N=224	30%	N=152	5%	N=25	100%	N=516

Please rate how important, if at all, you think it is for the Morro Bay community to focus on each of the following in the coming two years:	Essential		Very important		Somewhat important		Not at all important		Total	
Quality of overall natural environment in Morro Bay	54%	N=280	34%	N=173	10%	N=50	2%	N=10	100%	N=513
Overall "built environment" of Morro Bay (including overall design, buildings, parks and transportation systems)	28%	N=147	46%	N=237	22%	N=116	3%	N=16	100%	N=516
Health and wellness opportunities in Morro Bay	29%	N=149	38%	N=194	30%	N=157	3%	N=16	100%	N=516
Overall opportunities for education and enrichment	24%	N=122	41%	N=213	30%	N=152	5%	N=27	100%	N=513
Overall economic health of Morro Bay	44%	N=228	44%	N=230	11%	N=56	1%	N=5	100%	N=518
Sense of community	39%	N=203	43%	N=220	16%	N=85	2%	N=9	100%	N=517

Table 51: Question 14

If the Morro Bay Power Plant were to be demolished and the site were redeveloped, please indicate to what extent you would support or oppose inclusion of the following on that site:	Strongly support		Somewhat support		Somewhat oppose		Strongly oppose		Don't know		Total	
Environmental green space with some biking/walking path access	56%	N=296	27%	N=140	5%	N=28	10%	N=53	2%	N=9	100%	N=525
City sports fields and/or a recreation building that would serve residents and be a regional sports tournament destination	33%	N=174	32%	N=168	14%	N=73	18%	N=92	3%	N=17	100%	N=522
Hotel facility that generates sufficient transient occupancy tax to rebuild and pave most city streets	22%	N=114	21%	N=109	20%	N=105	35%	N=184	2%	N=12	100%	N=523
Office park/light industry center that provides head of household jobs	22%	N=113	25%	N=130	19%	N=99	30%	N=156	3%	N=17	100%	N=514
A boatyard/marine services facility	21%	N=109	32%	N=165	22%	N=112	19%	N=97	7%	N=34	100%	N=517
Mixed-use retail and restaurant development	21%	N=109	32%	N=167	21%	N=110	24%	N=124	3%	N=16	100%	N=526

Table 52: Question 15

If the Morro Bay Power Plant were redeveloped, would you like to see one or more stacks - or parts thereof - retained and integrated into the new design?	Percent	Number
Yes	50%	N=257
No	37%	N=191
Don't know	13%	N=64
Total	100%	N=512

Table 53: Question 16

The City is considering ways to improve the Embarcadero experience for drivers, bicyclists and pedestrians, and to better link the Embarcadero area with our Downtown. To what extent would you support or oppose the following:	Strongly support		Somewhat support		Somewhat oppose		Strongly oppose		Don't know		Total	
Widening the existing sidewalk on the bay-side of the Embarcadero from about 5 feet to about 13 feet	31%	N=165	32%	N=166	16%	N=82	17%	N=91	4%	N=21	100%	N=525
Removing the street-end parking lots next to the bay and converting them to small pedestrian plazas with benches, gardens, small play structures for kids, picnic tables, etc.	23%	N=120	27%	N=142	18%	N=95	27%	N=139	6%	N=30	100%	N=525
Making the Embarcadero one-way, northbound, for several blocks with a return couplet through the downtown, and turning the open lane into a two-way bicycle path that eventually connects up to the Morro Creek Bridge	27%	N=141	17%	N=89	18%	N=94	32%	N=167	6%	N=34	100%	N=524

Table 54: Question 17

The City requires additional revenue to pave streets, replace aging infrastructure, improve recreation programs and maintain/improve our Police, Fire and Harbor services. To what extent do you support or oppose the each of the following to improve the City's finances:	Strongly support		Somewhat support		Somewhat oppose		Strongly oppose		Don't know		Total	
On vacant Downtown lots, encourage property owners to build two-story, multi-use buildings with retail/restaurant/services on the ground floor and office space or housing on the second floor	34%	N=176	33%	N=171	14%	N=73	16%	N=83	4%	N=21	100%	N=524
Encourage existing business to expand in Morro Bay to provide additional head of household jobs	37%	N=191	43%	N=224	9%	N=47	5%	N=25	6%	N=33	100%	N=520
Encourage additional small, "boutique" hotels	19%	N=98	35%	N=181	24%	N=121	17%	N=86	6%	N=29	100%	N=516
Encourage construction of additional workforce/affordable housing	40%	N=208	31%	N=160	14%	N=70	12%	N=62	4%	N=20	100%	N=520
Don't change anything and don't worry about paving streets or improving services	5%	N=28	6%	N=32	14%	N=71	69%	N=348	6%	N=28	100%	N=507

Table 55: Question 18

To what extent do you support or oppose each of the following ideas to serve both residents and visitors:	Strongly support		Somewhat support		Somewhat oppose		Strongly oppose		Don't know		Total	
Encourage development of a Maritime Museum	38%	N=199	42%	N=221	10%	N=53	5%	N=24	5%	N=25	100%	N=522
Encourage the redevelopment of a new Aquarium	48%	N=254	26%	N=138	11%	N=57	11%	N=58	3%	N=18	100%	N=526
Encourage/allow boat B&Bs in the Harbor	23%	N=119	30%	N=159	19%	N=98	16%	N=84	12%	N=62	100%	N=522
Encourage aquaculture in the bay	33%	N=165	40%	N=201	9%	N=44	6%	N=32	13%	N=64	100%	N=506
Improve bike lanes and parking, even if there is some impact on automobile drivers and car parking	30%	N=158	34%	N=176	18%	N=92	16%	N=83	3%	N=15	100%	N=524
Expand improve walking paths and sidewalks, even if there is some impact on automobile drivers and car parking	31%	N=162	36%	N=191	16%	N=84	14%	N=76	2%	N=12	100%	N=524

Table 56: Question 19

Would you come to free summer-evening concerts in the Downtown or a City park?	Percent	Number
Yes	74%	N=389
No	6%	N=30
Not sure	21%	N=111
Total	100%	N=530

Table 57: Question 20

Would you want the City to expend resources to help host a concert series on some fall weekends?	Percent	Number
Yes	58%	N=308
No	17%	N=89
Not sure	25%	N=131
Total	100%	N=528

Table 58: Question D1

How often, if at all, do you do each of the following, considering all of the times you could?	Never		Rarely		Sometimes		Usually		Always		Total	
Recycle at home	1%	N=3	0%	N=3	2%	N=10	15%	N=80	82%	N=433	100%	N=529
Purchase goods or services from a business located in Morro Bay	0%	N=0	1%	N=3	21%	N=109	51%	N=271	28%	N=146	100%	N=529
Eat at least 5 portions of fruits and vegetables a day	3%	N=17	8%	N=39	33%	N=172	32%	N=167	24%	N=126	100%	N=521
Participate in moderate or vigorous physical activity	2%	N=12	6%	N=34	31%	N=161	35%	N=186	25%	N=132	100%	N=525
Read or watch local news (via television, paper, computer, etc.)	5%	N=24	9%	N=48	20%	N=106	28%	N=149	38%	N=202	100%	N=529
Vote in local elections	10%	N=53	4%	N=21	7%	N=39	17%	N=92	61%	N=325	100%	N=529

Table 59: Question D2

Would you say that in general your health is:	Percent	Number
Excellent	27%	N=139
Very good	43%	N=223
Good	22%	N=116
Fair	6%	N=32
Poor	3%	N=14
Total	100%	N=524

Table 60: Question D3

What impact, if any, do you think the economy will have on your family income in the next 6 months? Do you think the impact will be:	Percent	Number
Very positive	7%	N=34
Somewhat positive	20%	N=103
Neutral	56%	N=293
Somewhat negative	16%	N=87
Very negative	2%	N=8
Total	100%	N=525

Table 61: Question D4

What is your employment status?	Percent	Number
Working full time for pay	53%	N=281
Working part time for pay	12%	N=61
Unemployed, looking for paid work	2%	N=9
Unemployed, not looking for paid work	2%	N=13
Fully retired	31%	N=163
Total	100%	N=527

Table 62: Question D5

Do you work inside the boundaries of Morro Bay?	Percent	Number
Yes, outside the home	22%	N=108
Yes, from home	9%	N=46
No	69%	N=346
Total	100%	N=500

Table 63: Question D6

How many years have you lived in Morro Bay?	Percent	Number
Less than 2 years	14%	N=75
2 to 5 years	23%	N=122
6 to 10 years	14%	N=72
11 to 20 years	22%	N=114
More than 20 years	28%	N=145
Total	100%	N=528

Table 64: Question D7

Which best describes the building you live in?	Percent	Number
One family house detached from any other houses	71%	N=374
Building with two or more homes (duplex, townhome, apartment or condominium)	25%	N=131
Mobile home	3%	N=17
Other	2%	N=9
Total	100%	N=530

Table 65: Question D8

Is this house, apartment or mobile home...	Percent	Number
Rented	45%	N=236
Owned	55%	N=292
Total	100%	N=528

Table 66: Question D9

About how much is your monthly housing cost for the place you live (including rent, mortgage payment, property tax, property insurance and homeowners' association (HOA) fees)?	Percent	Number
Less than $600 per month	9%	N=44
$600 to $999 per month	17%	N=85
$1,000 to $1,499 per month	26%	N=134
$1,500 to $2,499 per month	34%	N=174
$2,500 to $2,999 per month	7%	N=34
$3,000 or more per month	8%	N=38
Total	100%	N=509

Table 67: Question D10

Do any children 17 or under live in your household?	Percent	Number
No	81%	N=428
Yes	19%	N=100
Total	100%	N=528

Table 68: Question D11

Are you or any other members of your household aged 65 or older?	Percent	Number
No	63%	N=329
Yes	37%	N=197
Total	100%	N=526

Table 69: Question D12

How much do you anticipate your household's total income before taxes will be for the current year? (Please include in your total income money from all sources for all persons living in your household.)	Percent	Number
Less than $25,000	13%	N=65
$25,000 to $49,999	23%	N=115
$50,000 to $99,999	39%	N=192
$100,000 to $149,999	12%	N=60
$150,000 or more	12%	N=61
Total	100%	N=492

Table 70: Question D13

Are you Spanish, Hispanic or Latino?	Percent	Number
No, not Spanish, Hispanic or Latino	89%	N=460
Yes, I consider myself to be Spanish, Hispanic or Latino	11%	N=56
Total	100%	N=516

Table 71: Question D14

What is your race? (Mark one or more races to indicate what race(s) you consider yourself to be.)	Percent	Number
American Indian or Alaskan Native	4%	N=20
Asian, Asian Indian or Pacific Islander	1%	N=7
Black or African American	1%	N=4
White	91%	N=467
Other	6%	N=33

Total may exceed 100% as respondents could select more than one option.

Table 72: Question D15

In which category is your age?	Percent	Number
18 to 24 years	3%	N=18
25 to 34 years	18%	N=96
35 to 44 years	11%	N=57
45 to 54 years	18%	N=94
55 to 64 years	19%	N=99
65 to 74 years	19%	N=99
75 years or older	11%	N=56
Total	100%	N=519

Table 73: Question D16

What is your sex?	Percent	Number
Female	53%	N=273
Male	47%	N=242
Total	100%	N=515

Table 74: Question D17

Do you consider a cell phone or landline your primary telephone number?	Percent	Number
Cell	67%	N=353
Land line	20%	N=103
Both	13%	N=69
Total	100%	N=526

Appendix B: Benchmark Comparisons

Comparison Data

NRC's database of comparative resident opinion is comprised of resident perspectives gathered in surveys from over 500 communities whose residents evaluated the same kinds of topics on The National Citizen Survey™. The comparison evaluations are from the most recent survey completed in each community; most communities conduct surveys every year or in alternating years. NRC adds the latest results quickly upon survey completion, keeping the benchmark data fresh and relevant. The communities in the database represent a wide geographic and population range. The City of Morro Bay chose to have comparisons made to the entire database.

Interpreting the Results

Ratings are compared when there are at least five communities in which a similar question was asked. Where comparisons are available, four columns are provided in the table. The first column is Morro Bay's "percent positive." The percent positive is the combination of the top two most positive response options (i.e., "excellent" and "good," "very safe" and "somewhat safe," "essential" and "very important," etc.), or, in the case of resident behaviors/participation, the percent positive represents the proportion of respondents indicating "yes" or participating in an activity at least once a month. The second column is the rank assigned to Morro Bay's rating among communities where a similar question was asked. The third column is the number of communities that asked a similar question. The final column shows the comparison of Morro Bay's rating to the benchmark.

In that final column, Morro Bay's results are noted as being "higher" than the benchmark, "lower" than the benchmark or "similar" to the benchmark, meaning that the average rating given by Morro Bay residents is statistically similar to or different (greater or lesser) than the benchmark. More extreme differences are noted as "much higher" or "much lower."

Benchmark Database Characteristics	
Region	Percent
New England	3%
Middle Atlantic	5%
East North Central	15%
West North Central	13%
South Atlantic	22%
East South Central	3%
West South Central	7%
Mountain	16%
Pacific	16%
Population	Percent
Less than 10,000	10%
10,000 to 24,999	22%
25,000 to 49,999	23%
50,000 to 99,999	22%
100,000 or more	23%

National Benchmark Comparisons

Table 75: Community Characteristics General

	Percent positive	Rank	Number of communities in comparison	Comparison to benchmark
The overall quality of life in Morro Bay	91%	60	408	Higher
Overall image or reputation of Morro Bay	80%	123	310	Similar
Morro Bay as a place to live	94%	63	353	Similar
Your neighborhood as a place to live	85%	97	275	Similar
Morro Bay as a place to raise children	81%	159	345	Similar
Morro Bay as a place to retire	87%	7	325	Much higher
Overall appearance of Morro Bay	81%	117	317	Similar

Table 76: Community Characteristics by Facet

		Percent positive	Rank	Number of communities in comparison	Comparison to benchmark
Safety	Overall feeling of safety in Morro Bay	91%	73	254	Similar
	In your neighborhood during the day	96%	86	315	Similar
	In Morro Bay's downtown/commercial area during the day	95%	72	267	Similar
Mobility	Overall ease of getting to the places you usually have to visit	86%	18	174	Higher
	Availability of paths and walking trails	77%	70	276	Similar
	Ease of walking in Morro Bay	84%	29	258	Higher
	Ease of travel by bicycle in Morro Bay	77%	26	261	Higher
	Ease of travel by public transportation in Morro Bay	41%	65	150	Similar
	Ease of travel by car in Morro Bay	81%	21	266	Higher
	Ease of public parking	64%	46	142	Similar
	Traffic flow on major streets	71%	30	315	Higher
Natural Environment	Quality of overall natural environment in Morro Bay	94%	14	243	Higher
	Cleanliness of Morro Bay	83%	88	242	Similar
	Air quality	97%	3	223	Much higher
Built Environment	Overall "built environment" of Morro Bay (including overall design, buildings, parks and transportation systems)	59%	99	165	Similar
	Overall quality of new development in Morro Bay	35%	224	252	Lower
	Availability of affordable quality housing	11%	262	268	Much lower
	Variety of housing options	23%	237	247	Much lower
	Public places where people want to spend time	72%	54	159	Similar
Economy	Overall economic health of Morro Bay	40%	131	170	Lower
	Vibrant downtown/commercial area	48%	68	153	Similar
	Overall quality of business and service establishments in Morro Bay	54%	162	240	Similar
	Cost of living in Morro Bay	16%	158	167	Much lower
	Shopping opportunities	31%	222	262	Lower
	Employment opportunities	8%	273	279	Much lower
	Morro Bay as a place to visit	93%	9	181	Much higher
	Morro Bay as a place to work	45%	267	323	Lower
Recreation and Wellness	Health and wellness opportunities in Morro Bay	57%	126	167	Similar
	Availability of affordable quality mental health care	13%	141	144	Much lower
	Availability of preventive health services	24%	200	206	Much lower
	Availability of affordable quality health care	27%	222	229	Much lower
	Availability of affordable quality food	65%	119	206	Similar
	Recreational opportunities	76%	64	268	Similar

		Percent positive	Rank	Number of communities in comparison	Comparison to benchmark
	Fitness opportunities (including exercise classes and paths or trails, etc.)	70%	74	160	Similar
Education and Enrichment	Overall opportunities for education and enrichment	45%	139	166	Lower
	Opportunities to attend cultural/arts/music activities	48%	173	261	Similar
	Adult educational opportunities	38%	136	150	Lower
	Availability of affordable quality child care/preschool	28%	210	225	Lower
Community Engagement	Opportunities to participate in social events and activities	57%	122	228	Similar
	Neighborliness of Morro Bay	72%	30	160	Similar
	Openness and acceptance of the community toward people of diverse backgrounds	61%	150	255	Similar
	Opportunities to participate in community matters	66%	108	242	Similar
	Opportunities to volunteer	73%	99	233	Similar

Table 77: Governance General

	Percent positive	Rank	Number of communities in comparison	Comparison to benchmark
Services provided by the City of Morro Bay	65%	294	398	Similar
Overall customer service by Morro Bay employees (police, receptionists, planners, etc.)	72%	213	331	Similar
Value of services for the taxes paid to Morro Bay	41%	291	356	Similar
Overall direction that Morro Bay is taking	42%	253	287	Lower
Job Morro Bay government does at welcoming citizen involvement	44%	197	279	Similar
Overall confidence in Morro Bay government	36%	145	167	Lower
Generally acting in the best interest of the community	40%	145	167	Lower
Being honest	42%	132	161	Similar
Treating all residents fairly	38%	138	166	Lower
Services provided by the Federal Government	33%	174	219	Similar

Table 78: Governance by Facet

		Percent positive	Rank	Number of communities in comparison	Comparison to benchmark
Safety	Police/Sheriff services	77%	236	405	Similar
	Fire services	95%	73	329	Similar
	Ambulance or emergency medical services	93%	88	312	Similar
	Crime prevention	75%	164	319	Similar
	Fire prevention and education	76%	137	254	Similar
	Emergency preparedness (services that prepare the community for natural disasters or other emergency situations)	54%	186	252	Similar
Mobility	Traffic enforcement	60%	232	336	Similar
	Street repair	24%	336	378	Lower
	Street cleaning	48%	240	288	Lower
	Street lighting	48%	231	280	Similar
	Sidewalk maintenance	33%	257	288	Lower
	Traffic signal timing	63%	33	228	Similar
	Bus or transit services	52%	100	194	Similar
Natural Environment	Garbage collection	90%	47	311	Similar
	Recycling	79%	190	322	Similar
	Drinking water	36%	298	300	Much lower
	Preservation of natural areas such as open space, farmlands and greenbelts	67%	79	230	Similar
	Morro Bay open space	65%	55	152	Similar

		Percent positive	Rank	Number of communities in comparison	Comparison to benchmark
Built Environment	Storm drainage	56%	221	326	Similar
	Sewer services	67%	232	287	Similar
	Utility billing	61%	102	146	Similar
	Land use, planning and zoning	31%	246	266	Lower
	Code enforcement (weeds, abandoned buildings, etc.)	36%	260	328	Similar
Economy	Economic development	26%	233	254	Lower
Recreation and Wellness	City parks	81%	169	293	Similar
	Recreation programs or classes	62%	251	310	Similar
	Recreation centers or facilities	61%	184	253	Similar
Education and Enrichment	City-sponsored special events	69%	91	180	Similar
	Public library services	92%	57	307	Similar
Community Engagement	Public information services	60%	176	260	Similar

Table 79: Participation General

	Percent positive	Rank	Number of communities in comparison	Comparison to benchmark
Sense of community	67%	109	273	Similar
Recommend living in Morro Bay to someone who asks	87%	140	251	Similar
Remain in Morro Bay for the next five years	90%	36	244	Similar
Contacted Morro Bay (in-person, phone, email or web) for help or information	52%	84	281	Similar

Table 80: Participation by Facet

		Percent positive	Rank	Number of communities in comparison	Comparison to benchmark
Safety	Stocked supplies in preparation for an emergency	49%	22	147	Higher
	Did NOT report a crime to the police	77%	101	163	Similar
	Household member was NOT a victim of a crime	86%	170	241	Similar
Mobility	Used bus, rail, subway or other public transportation instead of driving	21%	66	134	Similar
	Carpooled with other adults or children instead of driving alone	54%	17	155	Higher
	Walked or biked instead of driving	83%	13	160	Much higher
Natural Environment	Made efforts to conserve water	98%	6	149	Higher
	Made efforts to make your home more energy efficient	78%	61	150	Similar
	Recycle at home	99%	4	226	Higher
Built Environment	Did NOT observe a code violation or other hazard in Morro Bay	45%	112	154	Similar
	NOT experiencing housing costs stress	77%	38	222	Similar
Economy	Purchase goods or services from a business located in Morro Bay	99%	3	157	Similar
	Economy will have positive impact on income	26%	119	224	Similar
	Work inside boundaries of Morro Bay	31%	107	157	Lower
Recreation and Wellness	Used Morro Bay recreation centers or their services	57%	108	212	Similar
	Visited a neighborhood park or City park	90%	45	244	Similar
	Eat at least 5 portions of fruits and vegetables a day	89%	15	153	Similar
	Participate in moderate or vigorous physical activity	91%	16	156	Similar

		Percent positive	Rank	Number of communities in comparison	Comparison to benchmark
	In very good to excellent health	69%	57	156	Similar
Education and Enrichment	Used Morro Bay public libraries or their services	65%	111	212	Similar
	Attended City-sponsored event	73%	12	160	Higher
Community Engagement	Campaigned or advocated for an issue, cause or candidate	30%	18	146	Similar
	Contacted Morro Bay elected officials (in-person, phone, email or web) to express your opinion	26%	8	156	Similar
	Volunteered your time to some group/activity in Morro Bay	40%	114	232	Similar
	Participated in a club	28%	96	211	Similar
	Talked to or visited with your immediate neighbors	97%	6	157	Similar
	Done a favor for a neighbor	91%	13	151	Similar
	Attended a local public meeting	28%	36	232	Similar
	Watched (online or on television) a local public meeting	36%	43	197	Similar
	Read or watch local news (via television, paper, computer, etc.)	86%	78	157	Similar
	Vote in local elections	86%	46	224	Similar

Communities included in national comparisons

The communities included in Morro Bay's comparisons are listed on the following pages along with their population according to the 2010 Census.

Adams County, CO 441,603
Airway Heights city, WA 6,114
Albany city, OR 50,158
Albemarle County, VA 98,970
Albert Lea city, MN 18,016
Alexandria city, VA 139,966
Algonquin village, IL 30,046
Aliso Viejo city, CA 47,823
Altoona city, IA 14,541
American Canyon city, CA 19,454
Ames city, IA 58,965
Andover CDP, MA 8,762
Ankeny city, IA 45,582
Ann Arbor city, MI 113,934
Annapolis city, MD 38,394
Apache Junction city, AZ 35,840
Apple Valley town, CA 69,135
Arapahoe County, CO 572,003
Arkansas City city, AR 366
Arlington city, TX 365,438
Arlington County, VA 207,627
Arvada city, CO 106,433
Asheville city, NC 83,393
Ashland city, OR 20,078
Ashland town, VA 7,225
Aspen city, CO 6,658
Athens-Clarke County, GA 115,452
Auburn city, AL 53,380
Auburn city, WA 70,180
Augusta CCD, GA 134,777
Aurora city, CO 325,078
Austin city, TX 790,390
Bainbridge Island city, WA 23,025
Baltimore city, MD 620,961
Bartonville town, TX 1,469
Battle Creek city, MI 52,347
Bay City city, MI 34,932
Baytown city, TX 71,802
Bedford city, TX 46,979
Bedford town, MA 13,320
Bellevue city, WA 122,363
Bellingham city, WA 80,885
Beltrami County, MN 44,442
Benbrook city, TX 21,234
Bend city, OR 76,639
Bettendorf city, IA 33,217
Billings city, MT 104,170
Blaine city, MN 57,186
Bloomfield Hills city, MI 3,869
Bloomington city, MN 82,893
Blue Springs city, MO 52,575
Boise City city, ID 205,671
Boone County, KY 118,811
Boulder city, CO 97,385
Bowling Green city, KY 58,067
Bozeman city, MT 37,280
Brentwood city, MO 8,055
Brentwood city, TN 37,060
Brighton city, CO 33,352
Brighton city, MI 7,444
Bristol city, TN 26,702
Broken Arrow city, OK 98,850
Brookfield city, WI 37,920
Brookline CDP, MA 58,732
Broomfield city, CO 55,889
Brownsburg town, IN 21,285
Burien city, WA 33,313
Burleson city, TX 36,690
Cabarrus County, NC 178,011
Cambridge city, MA 105,162

Cannon Beach city, OR 1,690
Canton city, SD 3,057
Cape Coral city, FL 154,305
Cape Girardeau city, MO 37,941
Carlisle borough, PA 18,682
Carlsbad city, CA 105,328
Carroll city, IA 10,103
Cartersville city, GA 19,731
Cary town, NC 135,234
Casper city, WY 55,316
Castine town, ME 1,366
Castle Pines North city, CO 10,360
Castle Rock town, CO 48,231
Cedar Hill city, TX 45,028
Cedar Rapids city, IA 126,326
Centennial city, CO 100,377
Chambersburg borough, PA 20,268
Chandler city, AZ 236,123
Chanhassen city, MN 22,952
Chapel Hill town, NC 57,233
Charlotte city, NC 731,424
Charlotte County, FL 159,978
Charlottesville city, VA 43,475
Chattanooga city, TN 167,674
Chesterfield County, VA 316,236
Chippewa Falls city, WI 13,661
Citrus Heights city, CA 83,301
Clackamas County, OR 375,992
Clarendon Hills village, IL 8,427
Clayton city, MO 15,939
Clearwater city, FL 107,685
Cleveland Heights city, OH 46,121
Clinton city, SC 8,490
Clive city, IA 15,447
Clovis city, CA 95,631
College Park city, MD 30,413
College Station city, TX 93,857
Colleyville city, TX 22,807
Collinsville city, IL 25,579
Columbia city, MO 108,500
Columbia city, SC 129,272
Columbia Falls city, MT 4,688
Columbus city, WI 4,991
Commerce City city, CO 45,913
Concord city, CA 122,067
Concord town, MA 17,668
Coon Rapids city, MN 61,476
Copperas Cove city, TX 32,032
Coronado city, CA 18,912
Corvallis city, OR 54,462
Creve Coeur city, MO 17,833
Cross Roads town, TX 1,563
Dacono city, CO 4,152
Dade City city, FL 6,437
Dakota County, MN 398,552
Dallas city, OR 14,583
Dallas city, TX 1,197,816
Danville city, KY 16,218
Dardenne Prairie city, MO 11,494
Davenport city, IA 99,685
Davidson town, NC 10,944
Decatur city, GA 19,335
Del Mar city, CA 4,161
Delaware city, OH 34,753
Delray Beach city, FL 60,522
Denison city, TX 22,682
Denton city, TX 113,383
Denver city, CO 600,158
Derby city, KS 22,158
Des Peres city, MO 8,373
Destin city, FL 12,305
Dothan city, AL 65,496
Douglas County, CO 285,465
Dover city, NH 29,987
Dublin city, CA 46,036
Dublin city, OH 41,751
Duluth city, MN 86,265
Duncanville city, TX 38,524
Durham city, NC 228,330
Durham County, NC 267,587
Eagle town, CO 6,508
East Baton Rouge Parish, LA 440,171
East Grand Forks city, MN 8,601
East Lansing city, MI 48,579
Eau Claire city, WI 65,883
Eden Prairie city, MN 60,797
Edgerton city, KS 1,671
Edgewater city, CO 5,170
Edina city, MN 47,941
Edmond city, OK 81,405
Edmonds city, WA 39,709
El Cerrito city, CA 23,549
El Dorado County, CA 181,058
El Paso city, TX 649,121
Elk Grove city, CA 153,015
Elk River city, MN 22,974
Elko New Market city, MN 4,110
Elmhurst city, IL 44,121
Encinitas city, CA 59,518
Englewood city, CO 30,255
Erie town, CO 18,135
Escambia County, FL 297,619
Estes Park town, CO 5,858
Fairview town, TX 7,248
Farmington Hills city, MI 79,740
Fayetteville city, NC 200,564
Fishers town, IN 76,794
Flower Mound town, TX 64,669
Forest Grove city, OR 21,083
Fort Collins city, CO 143,986
Fort Smith city, AR 86,209
Fort Worth city, TX 741,206
Fountain Hills town, AZ 22,489
Franklin city, TN 62,487
Fredericksburg city, VA 24,286
Fremont city, CA 214,089
Friendswood city, TX 35,805
Fruita city, CO 12,646
Gahanna city, OH 33,248
Gaithersburg city, MD 59,933
Galveston city, TX 47,743
Gardner city, KS 19,123
Geneva city, NY 13,261
Georgetown city, TX 47,400
Gilbert town, AZ 208,453
Gillette city, WY 29,087
Glendora city, CA 50,073
Glenview village, IL 44,692
Globe city, AZ 7,532
Golden city, CO 18,867
Golden Valley city, MN 20,371
Goodyear city, AZ 65,275
Grafton village, WI 11,459
Grand Blanc city, MI 8,276
Grand Island city, NE 48,520
Grants Pass city, OR 34,533
Grass Valley city, CA 12,860
Greeley city, CO 92,889
Greenville city, NC 84,554
Greenwich town, CT 61,171

Greenwood Village city, CO 13,925
Greer city, SC 25,515
Guilford County, NC 488,406
Gunnison County, CO 15,324
Hailey city, ID 7,960
Haines Borough, AK 2,508
Hallandale Beach city, FL 37,113
Hamilton city, OH 62,477
Hanover County, VA 99,863
Harrisonburg city, VA 48,914
Harrisonville city, MO 10,019
Hayward city, CA 144,186
Henderson city, NV 257,729
Herndon town, VA 23,292
High Point city, NC 104,371
Highland Park city, IL 29,763
Highlands Ranch CDP, CO 96,713
Holland city, MI 33,051
Honolulu County, HI 953,207
Hooksett town, NH 13,451
Hopkins city, MN 17,591
Hopkinton town, MA 14,925
Hoquiam city, WA 8,726
Horry County, SC 269,291
Hudson city, OH 22,262
Hudsonville city, MI 7,116
Huntersville town, NC 46,773
Hurst city, TX 37,337
Hutchinson city, MN 14,178
Hutto city, TX 14,698
Hyattsville city, MD 17,557
Independence city, MO 116,830
Indian Trail town, NC 33,518
Indianola city, IA 14,782
Iowa City city, IA 67,862
Irving city, TX 216,290
Issaquah city, WA 30,434
Jackson County, MI 160,248
James City County, VA 67,009
Jefferson County, CO 534,543
Jefferson County, NY 116,229
Johnson City city, TN 63,152
Johnston city, IA 17,278
Jupiter town, FL 55,156
Kansas City city, KS 145,786
Kansas City city, MO 459,787
Keizer city, OR 36,478
Kenmore city, WA 20,460
Kennedale city, TX 6,763
Kennett Square borough, PA 6,072
Kettering city, OH 56,163
Key West city, FL 24,649
King County, WA 1,931,249
Kirkland city, WA 48,787
Kirkwood city, MO 27,540
Knoxville city, IA 7,313
La Mesa city, CA 57,065
La Plata town, MD 8,753
La Porte city, TX 33,800
La Vista city, NE 15,758
Lafayette city, CO 24,453
Laguna Beach city, CA 22,723
Laguna Hills city, CA 30,344
Laguna Niguel city, CA 62,979
Lake Oswego city, OR 36,619
Lake Stevens city, WA 28,069
Lake Worth city, FL 34,910
Lake Zurich village, IL 19,631
Lakeville city, MN 55,954
Lakewood city, CO 142,980
Lakewood city, WA 58,163
Lane County, OR 351,715
Larimer County, CO 299,630
Las Cruces city, NM 97,618
Las Vegas city, NV 583,756
Lawrence city, KS 87,643
Lee's Summit city, MO 91,364
Lehi city, UT 47,407
Lenexa city, KS 48,190
Lewis County, NY 27,087
Lewiston city, ID 31,894
Lewisville city, TX 95,290
Libertyville village, IL 20,315
Lincoln city, NE 258,379
Lindsborg city, KS 3,458
Littleton city, CO 41,737
Livermore city, CA 80,968
Lombard village, IL 43,165
Lone Tree city, CO 10,218
Long Grove village, IL 8,043
Longmont city, CO 86,270
Longview city, TX 80,455
Los Alamos County, NM 17,950
Louisville city, CO 18,376
Lynchburg city, VA 75,568
Lynnwood city, WA 35,836
Macomb County, MI 840,978
Manhattan Beach city, CA 35,135
Mankato city, MN 39,309
Maple Grove city, MN 61,567
Martinez city, CA 35,824
Maryland Heights city, MO 27,472
Marysville city, WA 60,020
Matthews town, NC 27,198
McAllen city, TX 129,877
McDonough city, GA 22,084
McMinnville city, OR 32,187
Menlo Park city, CA 32,026
Mercer Island city, WA 22,699
Meridian charter township, MI 39,688
Meridian city, ID 75,092
Merriam city, KS 11,003
Mesa County, CO 146,723
Miami Beach city, FL 87,779
Miami city, FL 399,457
Middleton city, WI 17,442
Midland city, MI 41,863
Milford city, DE 9,559
Milton city, GA 32,661
Minneapolis city, MN 382,578
Mission Viejo city, CA 93,305
Modesto city, CA 201,165
Monterey city, CA 27,810
Montgomery County, VA 94,392
Monticello city, UT 1,972
Monument town, CO 5,530
Mooresville town, NC 32,711
Morristown city, TN 29,137
Morrisville town, NC 18,576
Morro Bay city, CA 10,234
Mountain Village town, CO 1,320
Mountlake Terrace city, WA 19,909
Naperville city, IL 141,853
Needham CDP, MA 28,886
New Braunfels city, TX 57,740
New Brighton city, MN 21,456
New Hanover County, NC 202,667
New Orleans city, LA 343,829
New Smyrna Beach city, FL 22,464
Newberg city, OR 22,068

Newport city, RI 24,672
Newport News city, VA 180,719
Newton city, IA 15,254
Noblesville city, IN 51,969
Nogales city, AZ 20,837
Norfolk city, VA 242,803
North Port city, FL 57,357
North Richland Hills city, TX 63,343
Northglenn city, CO 35,789
Novato city, CA 51,904
Novi city, MI 55,224
O'Fallon city, IL 28,281
O'Fallon city, MO 79,329
Oak Park village, IL 51,878
Oakland city, CA 390,724
Oakley city, CA 35,432
Ogdensburg city, NY 11,128
Oklahoma City city, OK 579,999
Olathe city, KS 125,872
Old Town city, ME 7,840
Olmsted County, MN 144,248
Olympia city, WA 46,478
Orland Park village, IL 56,767
Oshkosh city, WI 66,083
Oshtemo charter township, MI 21,705
Otsego County, MI 24,164
Overland Park city, KS 173,372
Oviedo city, FL 33,342
Paducah city, KY 25,024
Palm Beach Gardens city, FL 48,452
Palm Coast city, FL 75,180
Palo Alto city, CA 64,403
Papillion city, NE 18,894
Paradise Valley town, AZ 12,820
Park City city, UT 7,558
Parker town, CO 45,297
Parkland city, FL 23,962
Pasadena city, CA 137,122
Pasco city, WA 59,781
Pasco County, FL 464,697
Pearland city, TX 91,252
Peoria city, AZ 154,065
Peoria city, IL 115,007
Peoria County, IL 186,494
Pflugerville city, TX 46,936
Phoenix city, AZ 1,445,632
Pinehurst village, NC 13,124
Piqua city, OH 20,522
Pitkin County, CO 17,148
Plano city, TX 259,841
Platte City city, MO 4,691
Plymouth city, MN 70,576
Pocatello city, ID 54,255
Polk County, IA 430,640
Pompano Beach city, FL 99,845
Port Orange city, FL 56,048
Portland city, OR 583,776
Post Falls city, ID 27,574
Prince William County, VA 402,002
Prior Lake city, MN 22,796
Pueblo city, CO 106,595
Queen Creek town, AZ 26,361
Radnor township, PA 31,531
Ramsey city, MN 23,668
Raymond town, ME 4,436
Raymore city, MO 19,206
Redmond city, WA 54,144
Rehoboth Beach city, DE 1,327
Reno city, NV 225,221
Reston CDP, VA 58,404
Richmond city, CA 103,701
Richmond Heights city, MO 8,603
Rifle city, CO 9,172
Rio Rancho city, NM 87,521
River Falls city, WI 15,000
Riverside city, CA 303,871
Riverside city, MO 2,937
Rochester Hills city, MI 70,995
Rock Hill city, SC 66,154
Rockville city, MD 61,209
Rogers city, MN 8,597
Rolla city, MO 19,559
Roselle village, IL 22,763
Rosemount city, MN 21,874
Rosenberg city, TX 30,618
Roseville city, MN 33,660
Round Rock city, TX 99,887
Royal Oak city, MI 57,236
Saco city, ME 18,482
Sahuarita town, AZ 25,259
Sammamish city, WA 45,780
San Anselmo town, CA 12,336
San Antonio city, TX 1,327,407
San Carlos city, CA 28,406
San Diego city, CA 1,307,402
San Francisco city, CA 805,235
San Jose city, CA 945,942
San Juan County, NM 130,044
San Marcos city, CA 83,781
San Marcos city, TX 44,894
San Rafael city, CA 57,713
Sanford city, FL 53,570
Sangamon County, IL 197,465
Santa Clarita city, CA 176,320
Santa Fe County, NM 144,170
Santa Monica city, CA 89,736
Sarasota County, FL 379,448
Savage city, MN 26,911
Schaumburg village, IL 74,227
Scott County, MN 129,928
Scottsdale city, AZ 217,385
Seaside city, CA 33,025
SeaTac city, WA 26,909
Sevierville city, TN 14,807
Shawnee city, KS 62,209
Sheboygan city, WI 49,288
Shoreview city, MN 25,043
Shorewood city, MN 7,307
Shorewood village, IL 15,615
Shorewood village, WI 13,162
Sierra Vista city, AZ 43,888
Sioux Center city, IA 7,048
Sioux Falls city, SD 153,888
Skokie village, IL 64,784
Snellville city, GA 18,242
Snowmass Village town, CO 2,826
South Lake Tahoe city, CA 21,403
Southborough town, MA 9,767
Southlake city, TX 26,575
Spokane Valley city, WA 89,755
Spring Hill city, KS 5,437
Springboro city, OH 17,409
Springfield city, MO 159,498
Springville city, UT 29,466
St. Augustine city, FL 12,975
St. Charles city, IL 32,974
St. Cloud city, FL 35,183
St. Cloud city, MN 65,842
St. Joseph city, MO 76,780
St. Louis County, MN 200,226

St. Louis Park city, MN 45,250
Stallings town, NC 13,831
State College borough, PA 42,034
Steamboat Springs city, CO 12,088
Sterling Heights city, MI 129,699
Sugar Grove village, IL 8,997
Sugar Land city, TX 78,817
Summit city, NJ 21,457
Summit County, UT 36,324
Sunnyvale city, CA 140,081
Surprise city, AZ 117,517
Suwanee city, GA 15,355
Tacoma city, WA 198,397
Takoma Park city, MD 16,715
Tamarac city, FL 60,427
Temecula city, CA 100,097
Tempe city, AZ 161,719
Temple city, TX 66,102
Texarkana city, TX 36,411
The Woodlands CDP, TX 93,847
Thornton city, CO 118,772
Thousand Oaks city, CA 126,683
Tigard city, OR 48,035
Tracy city, CA 82,922
Trinidad CCD, CO 12,017
Tualatin city, OR 26,054
Tulsa city, OK 391,906
Twin Falls city, ID 44,125
Tyler city, TX 96,900
Umatilla city, OR 6,906
Upper Arlington city, OH 33,771
Urbandale city, IA 39,463
Vail town, CO 5,305
Vancouver city, WA 161,791
Vernon Hills village, IL 25,113
Vestavia Hills city, AL 34,033
Victoria city, MN 7,345
Vienna town, VA 15,687
Virginia Beach city, VA 437,994
Wake Forest town, NC 30,117
Walnut Creek city, CA 64,173
Washington County, MN 238,136
Washington town, NH 1,123
Watauga city, TX 23,497
Wauwatosa city, WI 46,396
Waverly city, IA 9,874
Weddington town, NC 9,459
West Carrollton city, OH 13,143
West Chester borough, PA 18,461
West Des Moines city, IA 56,609
Western Springs village, IL 12,975
Westerville city, OH 36,120
Westlake town, TX 992
Westminster city, CO 106,114
Weston town, MA 11,261
Wheat Ridge city, CO 30,166
White House city, TN 10,255
Wichita city, KS 382,368
Williamsburg city, VA 14,068
Willowbrook village, IL 8,540
Wilmington city, NC 106,476
Wilsonville city, OR 19,509
Winchester city, VA 26,203
Windsor town, CO 18,644
Windsor town, CT 29,044
Winnetka village, IL 12,187
Winston-Salem city, NC 229,617
Winter Garden city, FL 34,568
Woodbury city, MN 61,961
Woodland city, CA 55,468
Wrentham town, MA 10,955
Yakima city, WA 91,067
York County, VA 65,464
Yorktown town, IN 9,405
Yountville city, CA 2,933

Appendix C: Detailed Survey Methods

The National Citizen Survey (The NCS™), conducted by National Research Center, Inc., was developed to provide communities an accurate, affordable and easy way to assess and interpret resident opinion about important local topics. Standardization of common questions and survey methods provide the rigor to assure valid results, and each community has enough flexibility to construct a customized version of The NCS.

Results offer insight into residents' perspectives about the community as a whole, including local amenities, services, public trust, resident participation and other aspects of the community in order to support budgeting, land use and strategic planning and communication with residents. Resident demographic characteristics permit comparison to the Census as well as comparison of results for different subgroups of residents. The City of Morro Bay funded this research. Please contact Sam Taylor of the City of Morro Bay at staylor@morrobayca.gov if you have any questions about the survey.

Survey Validity

The question of survey validity has two parts: 1) how can a community be confident that the results from those who completed the questionnaire are representative of the results that would have been obtained had the survey been administered to the entire population? and 2) how closely do the perspectives recorded on the survey reflect what residents really believe or do?

To answer the first question, the best survey research practices were used for the resources spent to ensure that the results from the survey respondents reflect the opinions of residents in the entire community. These practices include:

- Using a mail-out/mail-back methodology, which typically gets a higher response rate than phone for the same dollars spent. A higher response rate lessens the worry that those who did not respond are different than those who did respond.
- Selecting households at random within the community to receive the survey to ensure that the households selected to receive the survey are representative of the larger community.
- Over-sampling multi-family housing units to improve response from hard-to-reach, lower income or younger apartment dwellers.
- Selecting the respondent within the household using an unbiased sampling procedure; in this case, the "birthday method." The cover letter included an instruction requesting that the respondent in the household be the adult (18 years old or older) who most recently had a birthday, irrespective of year of birth.
- Contacting potential respondents three times to encourage response from people who may have different opinions or habits than those who would respond with only a single prompt.
- Inviting response in a compelling manner (using appropriate letterhead/logos and a signature of a visible leader) to appeal to recipients' sense of civic responsibility.
- Providing a pre-addressed, postage-paid return envelope.
- Offering the survey in Spanish or other language when requested by a given community.
- Weighting the results to reflect the demographics of the population.

The answer to the second question about how closely the perspectives recorded on the survey reflect what residents really believe or do is more complex. Resident responses to surveys are influenced by a variety of factors. For questions about service quality, residents' expectations for service quality play a role as well as the "objective" quality of the service provided, the way the resident perceives the entire community (that is, the context in which the service is provided), the scale on which the resident is asked to record his or her opinion and, of course, the opinion, itself, that a resident holds about the service. Similarly a resident's report of certain behaviors is colored by what he or she believes is the socially desirable response (e.g., reporting tolerant behaviors toward "oppressed groups," likelihood of voting for a tax increase for services to poor people, use of alternative modes of travel to work besides the single occupancy vehicle), his or her memory of the actual behavior (if it is not a question speculating about future actions, like a vote), his or her confidence that he or she can be honest without suffering any negative consequences (thus the need for anonymity) as well as the actual behavior itself.

How closely survey results come to recording the way a person really feels or behaves often is measured by the coincidence of reported behavior with observed current behavior (e.g., driving habits), reported intentions to behave with observed future behavior (e.g., voting choices) or reported opinions about current community quality

with objective characteristics of the community (e.g., feelings of safety correlated with rates of crime). There is a body of scientific literature that has investigated the relationship between reported behaviors and actual behaviors. Well-conducted surveys, by and large, do capture true respondent behaviors or intentions to act with great accuracy. Predictions of voting outcomes tend to be quite accurate using survey research, as do reported behaviors that are not about highly sensitive issues (e.g., family abuse or other illegal or morally sanctioned activities). For self-reports about highly sensitive issues, statistical adjustments can be made to correct for the respondents' tendency to report what they think the "correct" response should be.

Research on the correlation of resident opinion about service quality and "objective" ratings of service quality vary, with some showing stronger relationships than others. NRC's own research has demonstrated that residents who report the lowest ratings of street repair live in communities with objectively worse street conditions than those who report high ratings of street repair (based on road quality, delay in street repair, number of road repair employees). Similarly, the lowest rated fire services appear to be "objectively" worse than the highest rated fire services (expenditures per capita, response time, "professional" status of firefighters, breadth of services and training provided). Resident opinion commonly reflects objective performance data but is an important measure on its own. NRC principals have written, "If you collect trash three times a day but residents think that your trash haul is lousy, you still have a problem."

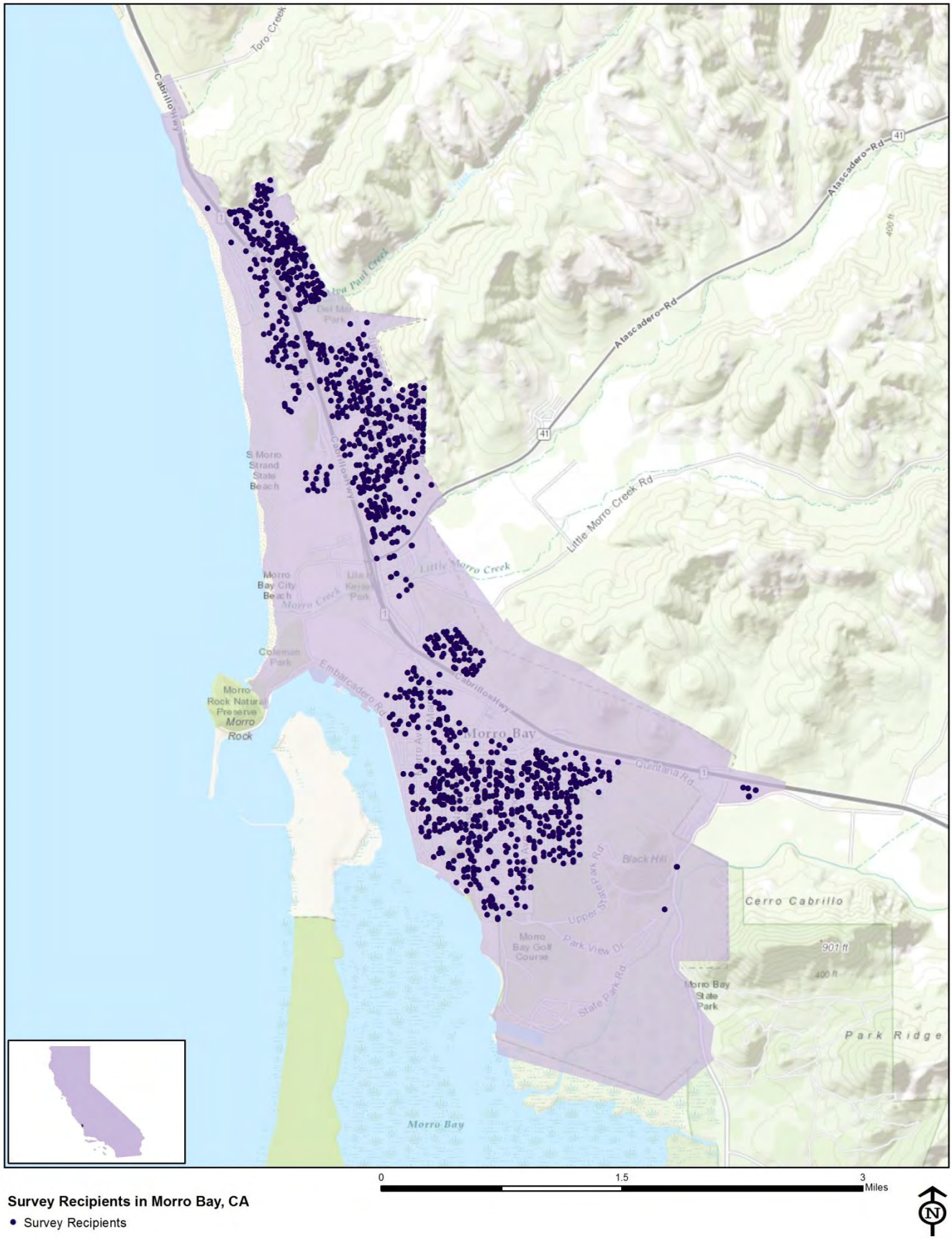
Survey Sampling

"Sampling" refers to the method by which households were chosen to receive the survey. All households within the City of Morro Bay were eligible to participate in the survey. A list of all households within the zip codes serving Morro Bay was purchased based on updated listings from the United States Postal Service. Since some of the zip codes that serve the City of Morro Bay households may also serve addresses that lie outside of the community, the exact geographic location of each housing unit was compared to community boundaries using the most current municipal boundary file (updated on a quarterly basis) and addresses located outside of the City of Morro Bay boundaries were removed from consideration.

To choose the 1,500 survey recipients, a systematic sampling method was applied to the list of households previously screened for geographic location. Systematic sampling is a procedure whereby a complete list of all possible households is culled, selecting every *Nth* one, giving each eligible household a known probability of selection, until the appropriate number of households is selected. Multi-family housing units were over sampled as residents of this type of housing typically respond at lower rates to surveys than do those in single-family housing units. Figure 1 displays a map of the households selected to receive the survey. In general, because of the random sampling techniques used, the displayed sampling density will closely mirror the overall housing unit density (which may be different from the population density). While the theory of probability assumes no bias in selection, there may be some minor variations in practice (meaning, an area with only 15% of the housing units might be sampled at an actual rate that is slightly above or below that).

An individual within each household was selected using the birthday method. The birthday method selects a person within the household by asking the "person whose birthday has most recently passed" to complete the questionnaire. The underlying assumption in this method is that day of birth has no relationship to the way people respond to surveys. This instruction was contained in the cover letter accompanying the questionnaire.

Figure 1: Location of Survey Recipients



Survey Administration and Response

Selected households received three mailings, one week apart, beginning on May 20, 2016. The first mailing was a prenotification postcard announcing the upcoming survey. The next mailing contained a letter from the City Manager inviting the household to participate, a questionnaire and a postage-paid return envelope. The final mailing contained a reminder letter, another survey and a postage-paid return envelope. The second cover letter asked those who had not completed the survey to do so and those who had already done so to refrain from turning in another survey. Both cover letters contained paragraphs in Spanish instructing participants to contact the City if they needed a questionnaire in Spanish; respondents could opt to take the survey online as well in their language of preference. Completed surveys were collected over the following seven weeks.

About 6% of the 1,500 surveys mailed were returned because the housing unit was vacant or the postal service was unable to deliver the survey as addressed. Of the remaining 1,407 households that received the survey, 534 completed the survey, providing an overall response rate of 38%.Of the 534 completed surveys, 18 were completed online.

Confidence Intervals

It is customary to describe the precision of estimates made from surveys by a "level of confidence" and accompanying "confidence interval" (or margin of error). A traditional level of confidence, and the one used here, is 95%. The 95% confidence interval can be any size and quantifies the sampling error or imprecision of the survey results because some residents' opinions are relied on to estimate all residents' opinions.[1]

The margin of error for the City of Morro Bay survey is no greater than plus or minus four percentage points around any given percent reported for the entire sample (534 completed surveys).

For subgroups of responses, the margin of error increases because the sample size for the subgroup is smaller. For subgroups of approximately 100 respondents, the margin of error is plus or minus 10 percentage points.

Survey Processing (Data Entry)

Upon receipt, completed surveys were assigned a unique identification number. Additionally, each survey was reviewed and "cleaned" as necessary. For example, a question may have asked a respondent to pick two items out of a list of five, but the respondent checked three; in this case, NRC would use protocols to randomly choose two of the three selected items for inclusion in the dataset.

All surveys then were entered twice into an electronic dataset; any discrepancies were resolved in comparison to the original survey form. Range checks as well as other forms of quality control were also performed.

Survey Data Weighting

The demographic characteristics of the survey sample were compared to those found in the 2010 Census and American Community Survey estimates for adults in the City of Morro Bay. The primary objective of weighting survey data is to make the survey sample reflective of the larger population of the community. The characteristics used for weighting were housing tenure (rent or own), housing type (attached or detached), ethnicity (Hispanic or not Hispanic) and sex and age. The results of the weighting scheme are presented in the following table.

[1] A 95% confidence interval indicates that for every 100 random samples of this many residents, 95 of the confidence intervals created will include the "true" population response. This theory is applied in practice to mean that the "true" perspective of the target population lies within the confidence interval created for a single survey. For example, if 75% of residents rate a service as "excellent" or "good," then the 4% margin of error (for the 95% confidence interval) indicates that the range of likely responses for the entire community is between 71% and 79%. This source of uncertainty is called sampling error. In addition to sampling error, other sources of error may affect any survey, including the non-response of residents with opinions different from survey responders. Though standardized on The NCS, on other surveys, differences in question wording, order, translation and data entry, as examples, can lead to somewhat varying results.

Table 81: Morro Bay, CA 2016 Weighting Table

Characteristic	Population Norm	Unweighted Data	Weighted Data
Housing			
Rent home	47%	27%	45%
Own home	53%	73%	55%
Detached unit	73%	77%	74%
Attached unit	27%	23%	26%
Race and Ethnicity			
White	89%	90%	88%
Not white	11%	10%	12%
Not Hispanic	88%	94%	89%
Hispanic	12%	6%	11%
Sex and Age			
Female	52%	56%	53%
Male	48%	44%	47%
18-34 years of age	23%	6%	22%
35-54 years of age	29%	18%	29%
55+ years of age	47%	76%	49%
Females 18-34	11%	3%	11%
Females 35-54	15%	10%	15%
Females 55+	26%	43%	27%
Males 18-34	13%	2%	11%
Males 35-54	14%	9%	14%
Males 55+	21%	33%	22%

Survey Data Analysis and Reporting

The survey dataset was analyzed using the Statistical Package for the Social Sciences (SPSS). For the most part, the percentages presented in the reports represent the "percent positive." The percent positive is the combination of the top two most positive response options (i.e., "excellent" and "good," "very safe" and "somewhat safe," "essential" and "very important," etc.), or, in the case of resident behaviors/participation, the percent positive represents the proportion of respondents indicating "yes" or participating in an activity at least once a month.

On many of the questions in the survey respondents may answer "don't know." The proportion of respondents giving this reply is shown in the full set of responses included in Appendix A. However, these responses have been removed from the analyses presented in the reports. In other words, the tables and graphs display the responses from respondents who had an opinion about a specific item.

Appendix D: Survey Materials

Dear Morro Bay Resident,

It won't take much of your time to make a big difference!

Your household has been randomly selected to participate in a survey about your community. Your survey will arrive in a few days.

Thank you for helping create a better City!

Sincerely,

Estimado Residente de Morro Bay,

¡No le tomará mucho de su tiempo para marcar una gran diferencia!

Su hogar ha sido elegido al azar para participar en una encuesta sobre su comunidad. Su encuesta le llegará dentro de pocos días.

¡Gracias por ayudar a crear una Morro Bay mejor!

Atentamente,

David Buckingham
City Manager/Administrador de la Ciudad

Dear Morro Bay Resident,

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David Buckingham
City Manager/Administrador de la Ciudad

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CITY OF MORRO BAY
CITY HALL
595 Harbor Street
Morro Bay, CA 93442

May 2016

Dear City of Morro Bay Resident:

Please help us shape the future of Morro Bay! You have been selected at random to participate in the 2016 Morro Bay Citizen Survey.

Please take a few minutes to fill out the enclosed survey. Your participation in this survey is very important – especially since your household is one of only a small number of households being surveyed. Your feedback will help Morro Bay make decisions that affect our City.

A few things to remember:

- **Your responses are completely anonymous.**
- In order to hear from a diverse group of residents, the adult 18 years or older in your household who most recently had a birthday should complete this survey.
- **You may return the survey by mail in the enclosed postage-paid envelope, or you can complete the survey online at:**

  www.n-r-c.com/survey/morrobay.htm

If you have any questions about the survey please call (805) 772-6290.

Thank you for your time and participation!

Sincerely,

Estimado Residente de la Ciudad de Morro Bay:

¡Por favor ayúdenos a moldear el futuro de Morro Bay! Usted ha sido seleccionado al azar para participar en la Encuesta de Ciudadanos de Morro Bay del 2016.

Por favor tome unos minutos para completar la encuesta adjunta; si usted preferiría completar la encuesta en español, por favor siga las instrucciones abajo para acceder a la encuesta en español por medio de la red. Su participación en esta encuesta es muy importante – especialmente porque su hogar es uno de solamente un número pequeño de hogares que se están encuestando. Sus observaciones le ayudarán a Morro Bay tomar decisiones que afectarán a nuestra Ciudad.

Algunas cosas para recordar:

- **Sus respuestas son completamente anónimas.**
- Para poder escuchar a un grupo diverso de residentes, el adulto de 18 años o más en su hogar que haya celebrado su cumpleaños más recientemente debe completar esta encuesta.
- **Puede devolver la encuesta por correo en el sobre pre-pagado adjunto, o puede completar la encuesta en línea en español en:**

  www.n-r-c.com/survey/morrobay.htm

  Para la versión en español haga clic en "Español" en la esquina superior a mano derecha.

Si tiene alguna pregunta sobre la encuesta por favor llame al (805) 772-6290.

¡Gracias por su tiempo y participación!

Atentamente,

David Buckingham
City Manager/Administrador de la Ciudad

CITY OF MORRO BAY
CITY HALL
595 Harbor Street
Morro Bay, CA 93442

June 2016

Dear City of Morro Bay Resident:

Here's a second chance if you haven't already responded to the 2016 Morro Bay Citizen Survey! **(If you completed it and sent it back, we thank you for your time and ask you to recycle this survey. Please do not respond twice.)**

Please help us shape the future of Morro Bay! You have been selected at random to participate in the 2016 Morro Bay Citizen Survey.

Please take a few minutes to fill out the enclosed survey. Your participation in this survey is very important – especially since your household is one of only a small number of households being surveyed. Your feedback will help Morro Bay make decisions that affect our City.

A few things to remember:

- **Your responses are completely anonymous.**
- In order to hear from a diverse group of residents, the adult 18 years or older in your household who most recently had a birthday should complete this survey.
- **You may return the survey by mail in the enclosed postage-paid envelope, or you can complete the survey online at:**

  www.n-r-c.com/survey/morrobay.htm

If you have any questions about the survey please call (805) 772-6290.

Thank you for your time and participation!

Sincerely,

Estimado Residente de la Ciudad de Morro Bay:

¡Aquí tiene una segunda oportunidad si usted aún no ha respondido a la Encuesta de Ciudadanos de Morro Bay del 2016! **(Si usted la completó y la devolvió, le damos las gracias por su tiempo y le pedimos que recicle esta encuesta. Por favor no responda dos veces.)**

¡Por favor ayúdenos a moldear el futuro de Morro Bay! Usted ha sido seleccionado al azar para participar en la Encuesta de Ciudadanos de Morro Bay del 2016.

Por favor tome unos minutos para completar la encuesta adjunta; si usted preferiría completar la encuesta en español, por favor siga las instrucciones abajo para acceder a la encuesta en español por medio de la red. Su participación en esta encuesta es muy importante – especialmente porque su hogar es uno de solamente un número pequeño de hogares que se están encuestando. Sus observaciones le ayudarán a Morro Bay tomar decisiones que afectarán a nuestra Ciudad.

Algunas cosas para recordar:

- **Sus respuestas son completamente anónimas.**
- Para poder escuchar a un grupo diverso de residentes, el adulto de 18 años o más en su hogar que haya celebrado su cumpleaños más recientemente debe completar esta encuesta.
- **Puede devolver la encuesta por correo en el sobre pre-pagado adjunto, o puede completar la encuesta en línea en español en:**

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Si tiene alguna pregunta sobre la encuesta por favor llame al (805) 772-6290.

¡Gracias por su tiempo y participación!

Atentamente,

David Buckingham
City Manager/Administrador de la Ciudad

The City of Morro Bay 2016 Citizen Survey

Please complete this questionnaire if you are the adult (age 18 or older) in the household who most recently had a birthday. The adult's year of birth does not matter. Please select the response (by circling the number or checking the box) that most closely represents your opinion for each question. Your responses are anonymous and will be reported in group form only.

1. Please rate each of the following aspects of quality of life in Morro Bay:

	Excellent	*Good*	*Fair*	*Poor*	*Don't know*
Morro Bay as a place to live	1	2	3	4	5
Your neighborhood as a place to live	1	2	3	4	5
Morro Bay as a place to raise children	1	2	3	4	5
Morro Bay as a place to work	1	2	3	4	5
Morro Bay as a place to visit	1	2	3	4	5
Morro Bay as a place to retire	1	2	3	4	5
The overall quality of life in Morro Bay	1	2	3	4	5

2. Please rate each of the following characteristics as they relate to Morro Bay as a whole:

	Excellent	*Good*	*Fair*	*Poor*	*Don't know*
Overall feeling of safety in Morro Bay	1	2	3	4	5
Overall ease of getting to the places you usually have to visit	1	2	3	4	5
Quality of overall natural environment in Morro Bay	1	2	3	4	5
Overall "built environment" of Morro Bay (including overall design, buildings, parks and transportation systems)	1	2	3	4	5
Health and wellness opportunities in Morro Bay	1	2	3	4	5
Overall opportunities for education and enrichment	1	2	3	4	5
Overall economic health of Morro Bay	1	2	3	4	5
Sense of community	1	2	3	4	5
Overall image or reputation of Morro Bay	1	2	3	4	5

3. Please indicate how likely or unlikely you are to do each of the following:

	Very likely	*Somewhat likely*	*Somewhat unlikely*	*Very unlikely*	*Don't know*
Recommend living in Morro Bay to someone who asks	1	2	3	4	5
Remain in Morro Bay for the next five years	1	2	3	4	5

4. Please rate how safe or unsafe you feel:

	Very safe	*Somewhat safe*	*Neither safe nor unsafe*	*Somewhat unsafe*	*Very unsafe*	*Don't know*
In your neighborhood during the day	1	2	3	4	5	6
In Morro Bay's downtown/commercial area during the day	1	2	3	4	5	6

5. Please rate each of the following characteristics as they relate to Morro Bay as a whole:

	Excellent	*Good*	*Fair*	*Poor*	*Don't know*
Traffic flow on major streets	1	2	3	4	5
Ease of public parking	1	2	3	4	5
Ease of travel by car in Morro Bay	1	2	3	4	5
Ease of travel by public transportation in Morro Bay	1	2	3	4	5
Ease of travel by bicycle in Morro Bay	1	2	3	4	5
Ease of walking in Morro Bay	1	2	3	4	5
Availability of paths and walking trails	1	2	3	4	5
Air quality	1	2	3	4	5
Cleanliness of Morro Bay	1	2	3	4	5
Overall appearance of Morro Bay	1	2	3	4	5
Public places where people want to spend time	1	2	3	4	5
Variety of housing options	1	2	3	4	5
Availability of affordable quality housing	1	2	3	4	5
Fitness opportunities (including exercise classes and paths or trails, etc.)	1	2	3	4	5
Recreational opportunities	1	2	3	4	5
Availability of affordable quality food	1	2	3	4	5
Availability of affordable quality health care	1	2	3	4	5
Availability of preventive health services	1	2	3	4	5
Availability of affordable quality mental health care	1	2	3	4	5

6. Please rate each of the following characteristics as they relate to Morro Bay as a whole:

	Excellent	*Good*	*Fair*	*Poor*	*Don't know*
Availability of affordable quality child care/preschool	1	2	3	4	5
Adult educational opportunities	1	2	3	4	5
Opportunities to attend cultural/arts/music activities	1	2	3	4	5
Employment opportunities	1	2	3	4	5
Shopping opportunities	1	2	3	4	5
Cost of living in Morro Bay	1	2	3	4	5
Overall quality of business and service establishments in Morro Bay	1	2	3	4	5
Vibrant downtown/commercial area	1	2	3	4	5
Overall quality of new development in Morro Bay	1	2	3	4	5
Opportunities to participate in social events and activities	1	2	3	4	5
Opportunities to volunteer	1	2	3	4	5
Opportunities to participate in community matters	1	2	3	4	5
Openness and acceptance of the community toward people of diverse backgrounds	1	2	3	4	5
Neighborliness of residents in Morro Bay	1	2	3	4	5

7. Please indicate whether or not you have done each of the following in the last 12 months.

	No	*Yes*
Made efforts to conserve water	1	2
Made efforts to make your home more energy efficient	1	2
Observed a code violation or other hazard in Morro Bay (weeds, abandoned buildings, etc.)	1	2
Household member was a victim of a crime in Morro Bay	1	2
Reported a crime to the police in Morro Bay	1	2
Stocked supplies in preparation for an emergency	1	2
Campaigned or advocated for an issue, cause or candidate	1	2
Contacted the City of Morro Bay (in-person, phone, email or web) for help or information	1	2
Contacted Morro Bay elected officials (in-person, phone, email or web) to express your opinion	1	2

8. In the last 12 months, about how many times, if at all, have you or other household members done each of the following in Morro Bay?

	2 times a week or more	*2-4 times a month*	*Once a month or less*	*Not at all*
Used Morro Bay recreation centers or their services	1	2	3	4
Visited a neighborhood park or City park	1	2	3	4
Used Morro Bay public libraries or their services	1	2	3	4
Attended a City-sponsored event	1	2	3	4
Used bus, rail, subway or other public transportation instead of driving	1	2	3	4
Carpooled with other adults or children instead of driving alone	1	2	3	4
Walked or biked instead of driving	1	2	3	4
Volunteered your time to some group/activity in Morro Bay	1	2	3	4
Participated in a club	1	2	3	4
Talked to or visited with your immediate neighbors	1	2	3	4
Done a favor for a neighbor	1	2	3	4

9. Thinking about local public meetings (of local elected officials like City Council or County Commissioners, advisory boards, town halls, HOA, neighborhood watch, etc.), in the last 12 months, about how many times, if at all, have you or other household members attended or watched a local public meeting?

	2 times a week or more	*2-4 times a month*	*Once a month or less*	*Not at all*
Attended a local public meeting	1	2	3	4
Watched (online or on television) a local public meeting	1	2	3	4

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10. Please rate the quality of each of the following services in Morro Bay:

	Excellent	*Good*	*Fair*	*Poor*	*Don't know*
Police/Sheriff services	1	2	3	4	5
Fire services	1	2	3	4	5
Ambulance or emergency medical services	1	2	3	4	5
Crime prevention	1	2	3	4	5
Fire prevention and education	1	2	3	4	5
Traffic enforcement	1	2	3	4	5
Street repair	1	2	3	4	5
Street cleaning	1	2	3	4	5
Street lighting	1	2	3	4	5
Sidewalk maintenance	1	2	3	4	5
Traffic signal timing	1	2	3	4	5
Bus or transit services	1	2	3	4	5
Garbage collection	1	2	3	4	5
Recycling	1	2	3	4	5
Storm drainage	1	2	3	4	5
Drinking water	1	2	3	4	5
Sewer services	1	2	3	4	5
Utility billing	1	2	3	4	5
City parks	1	2	3	4	5
Recreation programs or classes	1	2	3	4	5
Recreation centers or facilities	1	2	3	4	5
Land use, planning and zoning	1	2	3	4	5
Code enforcement (weeds, abandoned buildings, etc.)	1	2	3	4	5
Economic development	1	2	3	4	5
Public library services	1	2	3	4	5
Public information services	1	2	3	4	5
Emergency preparedness (services that prepare the community for natural disasters or other emergency situations)	1	2	3	4	5
Preservation of natural areas such as open space, farmlands and greenbelts	1	2	3	4	5
Morro Bay open space	1	2	3	4	5
City-sponsored special events	1	2	3	4	5
Overall customer service by Morro Bay employees (police, receptionists, planners, etc.)	1	2	3	4	5

11. Overall, how would you rate the quality of the services provided by each of the following?

	Excellent	*Good*	*Fair*	*Poor*	*Don't know*
The City of Morro Bay	1	2	3	4	5
The Federal Government	1	2	3	4	5

12. Please rate the following categories of Morro Bay government performance:

	Excellent	*Good*	*Fair*	*Poor*	*Don't know*
The value of services for the taxes paid to Morro Bay	1	2	3	4	5
The overall direction that Morro Bay is taking	1	2	3	4	5
The job Morro Bay government does at welcoming citizen involvement	1	2	3	4	5
Overall confidence in Morro Bay government	1	2	3	4	5
Generally acting in the best interest of the community	1	2	3	4	5
Being honest	1	2	3	4	5
Treating all residents fairly	1	2	3	4	5

13. Please rate how important, if at all, you think it is for the Morro Bay community to focus on each of the following in the coming two years:

	Essential	*Very important*	*Somewhat important*	*Not at all important*
Overall feeling of safety in Morro Bay	1	2	3	4
Overall ease of getting to the places you usually have to visit	1	2	3	4
Quality of overall natural environment in Morro Bay	1	2	3	4
Overall "built environment" of Morro Bay (including overall design, buildings, parks and transportation systems)	1	2	3	4
Health and wellness opportunities in Morro Bay	1	2	3	4
Overall opportunities for education and enrichment	1	2	3	4
Overall economic health of Morro Bay	1	2	3	4
Sense of community	1	2	3	4

14. If the Morro Bay Power Plant were to be demolished and the site were redeveloped, please indicate to what extent you would support or oppose inclusion of the following on that site:

	Strongly support	*Somewhat support*	*Somewhat oppose*	*Strongly oppose*	*Don't know*
Environmental green space with some biking/walking path access	1	2	3	4	5
City sports fields and/or a recreation building that would serve residents and be a regional sports tournament destination	1	2	3	4	5
Hotel facility that generates sufficient transient occupancy tax to rebuild and pave most city streets	1	2	3	4	5
Office park/light industry center that provides head of household jobs	1	2	3	4	5
A boatyard/marine services facility	1	2	3	4	5
Mixed-use retail and restaurant development	1	2	3	4	5

15. If the Morro Bay Power Plant were redeveloped, would you like to see one or more stacks - or parts thereof - retained and integrated into the new design?

❍ Yes ❍ No ❍ Don't know

16. The City is considering ways to improve the Embarcadero experience for drivers, bicyclists and pedestrians, and to better link the Embarcadero area with our Downtown. To what extent would you support or oppose the following:

	Strongly support	*Somewhat support*	*Somewhat oppose*	*Strongly oppose*	*Don't know*
Widening the existing sidewalk on the bay-side of the Embarcadero from about 5 feet to about 13 feet	1	2	3	4	5
Removing the street-end parking lots next to the bay and converting them to small pedestrian plazas with benches, gardens, small play structures for kids, picnic tables, etc.	1	2	3	4	5
Making the Embarcadero one-way, northbound, for several blocks with a return couplet through the downtown, and turning the open lane into a two-way bicycle path that eventually connects up to the Morro Creek Bridge	1	2	3	4	5

17. The City requires additional revenue to pave streets, replace aging infrastructure, improve recreation programs and maintain/improve our Police, Fire and Harbor services. To what extent do you support or oppose the each of the following to improve the City's finances:

	Strongly support	*Somewhat support*	*Somewhat oppose*	*Strongly oppose*	*Don't know*
On vacant Downtown lots, encourage property owners to build two-story, multi-use buildings with retail/restaurant/services on the ground floor and office space or housing on the second floor	1	2	3	4	5
Encourage existing business to expand in Morro Bay to provide additional head of household jobs	1	2	3	4	5
Encourage additional small, "boutique" hotels	1	2	3	4	5
Encourage construction of additional workforce/affordable housing	1	2	3	4	5
Don't change anything and don't worry about paving streets or improving services	1	2	3	4	5

18. To what extent do you support or oppose each of the following ideas to serve both residents and visitors:

	Strongly support	*Somewhat support*	*Somewhat oppose*	*Strongly oppose*	*Don't know*
Encourage development of a Maritime Museum	1	2	3	4	5
Encourage the redevelopment of a new Aquarium	1	2	3	4	5
Encourage/allow boat B&Bs in the Harbor	1	2	3	4	5
Encourage aquaculture in the bay	1	2	3	4	5
Improve bike lanes and parking, even if there is some impact on automobile drivers and car parking	1	2	3	4	5
Expand improve walking paths and sidewalks, even if there is some impact on automobile drivers and car parking	1	2	3	4	5

19. Would you come to free summer-evening concerts in the Downtown or a City park?

❍ Yes ❍ No ❍ Not sure

20. Would you want the City to expend resources to help host a concert series on some fall weekends?

❍ Yes ❍ No ❍ Not sure

The National Citizen Survey™ • © 2001-2016 National Research Center, Inc.

The City of Morro Bay 2016 Citizen Survey

Our last questions are about you and your household. Again, all of your responses to this survey are completely anonymous and will be reported in group form only.

D1. How often, if at all, do you do each of the following, considering all of the times you could?

	Never	*Rarely*	*Sometimes*	*Usually*	*Always*
Recycle at home	1	2	3	4	5
Purchase goods or services from a business located in Morro Bay	1	2	3	4	5
Eat at least 5 portions of fruits and vegetables a day	1	2	3	4	5
Participate in moderate or vigorous physical activity	1	2	3	4	5
Read or watch local news (via television, paper, computer, etc.)	1	2	3	4	5
Vote in local elections	1	2	3	4	5

D2. Would you say that in general your health is:

❍ Excellent ❍ Very good ❍ Good ❍ Fair ❍ Poor

D3. What impact, if any, do you think the economy will have on your family income in the next 6 months? Do you think the impact will be:

❍ Very positive ❍ Somewhat positive ❍ Neutral ❍ Somewhat negative ❍ Very negative

D4. What is your employment status?

❍ Working full time for pay
❍ Working part time for pay
❍ Unemployed, looking for paid work
❍ Unemployed, not looking for paid work
❍ Fully retired

D5. Do you work inside the boundaries of Morro Bay?

❍ Yes, outside the home
❍ Yes, from home
❍ No

D6. How many years have you lived in Morro Bay?

❍ Less than 2 years ❍ 11-20 years
❍ 2-5 years ❍ More than 20 years
❍ 6-10 years

D7. Which best describes the building you live in?

❍ One family house detached from any other houses
❍ Building with two or more homes (duplex, townhome, apartment or condominium)
❍ Mobile home
❍ Other

D8. Is this house, apartment or mobile home…

❍ Rented
❍ Owned

D9. About how much is your monthly housing cost for the place you live (including rent, mortgage payment, property tax, property insurance and homeowners' association (HOA) fees)?

❍ Less than $600 per month
❍ $600 to $999 per month
❍ $1,000 to $1,499 per month
❍ $1,500 to $2,499 per month
❍ $2,500 to $2,999 per month
❍ $3,000 or more per month

D10. Do any children 17 or under live in your household?

❍ No ❍ Yes

D11. Are you or any other members of your household aged 65 or older?

❍ No ❍ Yes

D12. How much do you anticipate your household's total income before taxes will be for the current year? (Please include in your total income money from all sources for all persons living in your household.)

❍ Less than $25,000
❍ $25,000 to $49,999
❍ $50,000 to $99,999
❍ $100,000 to $149,999
❍ $150,000 or more

Please respond to both questions D13 and D14:

D13. Are you Spanish, Hispanic or Latino?

❍ No, not Spanish, Hispanic or Latino
❍ Yes, I consider myself to be Spanish, Hispanic or Latino

D14. What is your race? (Mark one or more races to indicate what race you consider yourself to be.)

❍ American Indian or Alaskan Native
❍ Asian, Asian Indian or Pacific Islander
❍ Black or African American
❍ White
❍ Other

D15. In which category is your age?

❍ 18-24 years ❍ 55-64 years
❍ 25-34 years ❍ 65-74 years
❍ 35-44 years ❍ 75 years or older
❍ 45-54 years

D16. What is your sex?

❍ Female ❍ Male

D17. Do you consider a cell phone or land line your primary telephone number?

❍ Cell ❍ Land line ❍ Both

Thank you for completing this survey. Please return the completed survey in the postage-paid envelope to: National Research Center, Inc., PO Box 549, Belle Mead, NJ 08502

AGENDA NO: C-3

MEETING DATE: August 23, 2016

Staff Report

TO: **Honorable Mayor and Council Members** **DATE: August 17, 2016**

FROM: **David Buckingham, City Manager**

SUBJECT: **Discussion and Approval of City Organizational Items and Approval of FY 16/17 Salary Schedule**

RECOMMENDED ACTION

Staff recommends the Council review the update contained in this staff report, provide staff general input, approve the attached job descriptions and salary schedule, and approve recommended changes that may have some budget impact. Budget impacts are noted and will be presented to Council for additional approval with the mid-year budget adjustment.

FISCAL IMPACT

This report contains various fiscal impacts. These include a projected $435,000 savings due to implementation of the Early Retirement Management Program, and a number of relatively small increases due to planned, relatively small, organizational changes. The fiscal impacts are noted in each section.

BACKGROUND

The City continues to work to improve both effectiveness and efficiency as we deliver services to the community. These improvements are sometimes made by adjusting our organization. For example, the Council approved establishment of a Community Development Department, apart from Public Works, which has measurably improved our **effectiveness** providing building, land use and planning services. Similarly, our recent consolidation of several maintenance sections into a true consolidated maintenance division has improved **efficiency** of our maintenance effort.

We also continue to identify areas in which the municipal code requires Council action that is related to other actions taken by the Council. For example, the code requires the City Council approve job descriptions for City employees and, primarily due to Council-approved changes, a number of job descriptions require updating. For example, the Council approved the Tourism Manager position in January and approved the budget for that position in June. The job description for that position, and nine others highlighted below, are attached for approval.

Closely related is the City's Early Retirement Management Program, approved by Council in March and now closed and in the implementation stage. This program gave employees nearing retirement the flexibility, through an incentive, to voluntarily retire this year, with the City achieving some savings. The results of this program have given the City some added flexibility in terms of optimizing our organization and ensuring positions are matched to our requirements. The response to the program also, as expected, resulted in a somewhat great than normal number of vacancies to be filled this year.

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

City Manager Review: DWB **City Attorney Review:** CFN

DISCUSSION

1. **Early Retirement Management Program (ERMP)**

   a. Nine City employees applied for the ERMP.

   b. Since all of these employees were CalPERS Tier 1, and most vacancies will be filled by Tier 2/3 CalPERS employees, the City anticipates a savings of around $435,000 in required City pension contributions over the next 10 years with most of those savings coming in the next three years. While we cannot project the precise savings until those positions are filled, it is more than reasonable to anticipate around $100,000 savings each year for the next four years.

   c. The fiscal impact of this program is as noted above.

2. Hiring and Organizational Update

   a. In addition to the nine vacancies created by the ERMP, the City has a number of additional vacancies we are filling. For example, the Deputy City Manager departed in June for a position in his hometown, and the Deputy City Clerk departed in July for a position in Port San Luis more commensurate with her desired career path. Following is a list of current / anticipated vacancies staff is projecting between now and the end of the calendar year:

Position	**Status**
Deputy City Manager	Departed for similar position in hometown
Police Commander	Departed for Police Chief position at Cuesta College
Police Chief	Departed for Police Chief position in Pacific Grove
Legal Assistant/Deputy Clerk	Departed for HR position in Port San Luis
Recreation Supervisor	Resigned
Administrative Services Director	ERMP – employee volunteered for ERMP program
Senior Accounting Technician	ERMP – employee volunteered for ERMP program
Wastewater Division Manager	ERMP – employee volunteered for ERMP program
Wastewater Plant Supervisor	ERMP – employee volunteered for ERMP program
WWTP Operator II	ERMP – employee volunteered for ERMP program
Wastewater Collection Operator	ERMP – employee volunteered for ERMP program
Support Services Technician	ERMP – employee volunteered for ERMP program
Admin Technician	ERMP – employee volunteered for ERMP program
Office Assistant	ERMP – employee volunteered for ERMP program
Maintenance Worker x 2	Vacancies from a 2015 retirement and an internal move.
Water System Operator	Employee did not complete probationary period.

   b. Following is an update on key / highlighted positions above:

      i. **Deputy City Manager.** City has completed a robust recruitment process with over 80 applicants. We anticipate hiring a DCM in the coming weeks.

      ii. **Finance Director.** City has completed a robust recruitment process with over 30 applicants. We anticipate hiring a Finance Director in the next few weeks. The Finance Director will replace the Administrative Services Director, a change approved by Council with the FY16/17 budget. The previously approved salary schedule reflects a

4% salary reduction from Administrative Services Director to Finance Director based on the slight reduction in level of responsibility. The Finance Director job description is included for Council approval in this staff report.

iii. **Police Chief.** Chief Larry Todd is in position as our interim Chief and making a positive impact. Part of his interim duties include completing an organizational assessment. With a strong interim on board, the City Manager is not in a rush to find our future, permanent chief. The City Manager and Chief Todd are planning to begin a deep and wide Police Chief recruitment process in the next month or so with the intent of having our new permanent Police Chief on board soon after the new year.

iv. **Police Commander**. Following Council's recent decision reinforcing our community's commitment to retaining our in-house Police Department, the City extended the recruitment for the Police Commander position. We currently have strong candidates, both in-house and regionally. We anticipate completing a robust interview and selection process in 1-2 months after the recruitment closes in late August.

v. **Recreation Division Coordinator.** Following a wide recruitment that attracted over 40 candidates from across the state, selection for our open Recreation Division Coordinator position is in the final stages. The Recreation Division Coordinator position replaces a vacant Recreation Supervisor position which will not be filled. The Council approved this position, and budgeted for it, in the FY16/17 budget. The job description is included for Council approval in this staff report.

vi. **Budget and Accounting Manager.**

1. The City is recruiting for a Budget / Accounting Manager to replace our existing Senior Accounting Technician position that will become vacant when the incumbent retires later this year under the ERMP.

2. Staff recommends approval of this increase in capacity and level of experience to improve our overall finance and accounting processes and system. Council will recall the recent financial audit noted a number of concerns. Council will also note the 2015 Management Partners Organizational Study identified that the City is undermanned in our Finance Department. Increasing this position from technician level to manager level will help address those moderate concerns.

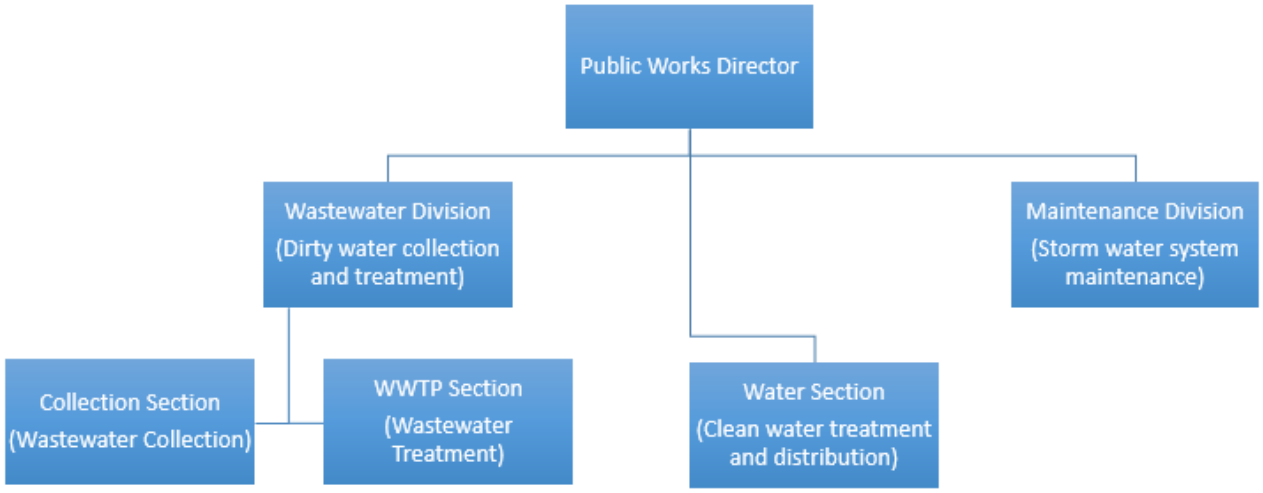
3. This change represents an 15% increase in salary from Senior Technician to Manager. However, in the current and several future budget years, this position will actually cost the City less than is currently budgeted for the Senior Accounting Technician salary level due to the transition from a Tier 1 employee to a Tier 2/3 employee. Savings in CY 2017 will be around $8,000.

4. The job description for the Budget / Accounting Manager is included for Council approval with this staff report.

vii. **Utilities Division Manager and Wastewater Treatment and Collection Supervisor.**

1. The City is ready to begin recruitment for a Utilities Division Manager to replace our retiring Wastewater Division Manager, and a Wastewater Treatment and Collection Supervisor, to replace our retiring WWTP Supervisor. This represents a moderate change in job responsibilities for both positions based on an intended organizational change, outlined below, to prepare for our new Water Reclamation facility and match the maturing of our "one water" approach to all water systems. Please refer to two detailed organizational charts in Attachment 2.

2. Over the past years, the Wastewater Division has consisted of two separate sections, the Wastewater Treatment Plant section and the Wastewater Collection section, each with a separate supervisor. (This is depicted generally in the diagram below.) The WWTP Supervisor and Collection Supervisor have both historically reported to the Wastewater Division Manager who reports to the Public Works Director. On the clean water treatment and distribution side, the Water System section has traditionally reported directly to the Public Works Director. Further, responsibility for storm water system maintenance has generally been conducted by the Consolidated Maintenance Division.



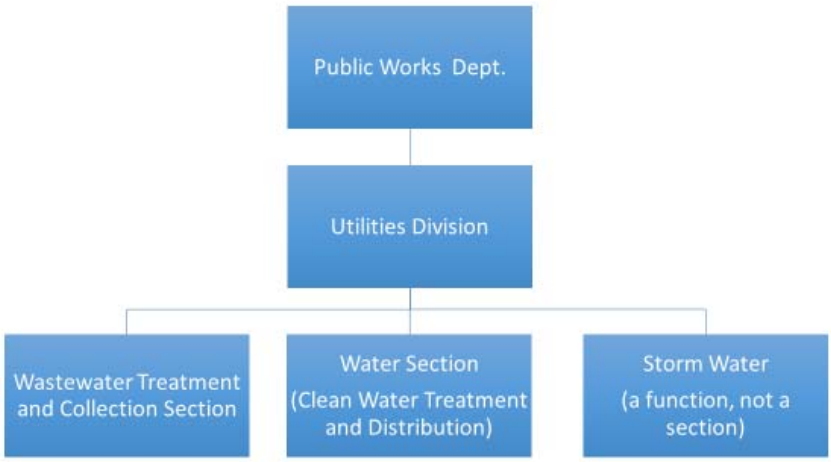
3. For a number of reasons, staff recommends a moderate change to our water organization and intends to start planning this direction now as we are about to hire some key positions.

    a. First, the new Water Reclamation Facility will require a different level of certification for operation, and, once running, will also require less manpower for both operation and maintenance. (The new WRF will be far more automated than our existing plant, and will require less maintenance to keep it running.) Related to this, maintenance of the new WRF facility itself, and the maintenance of the collection (sewer)

system can be executed by the same section, with employees cross-trained, under the supervision of a single supervisor - instead of by separate sections.

b. Second, many cities include both clean water and dirty water in a utilities division instead of having one or both of those functions report separately and directly to the Public Works Director.

c. Third, as we begin to plan for and implement the Council's "one water" direction (seeing all water - clean, dirty and storm water as one resource) it is wise to include all those facets of the water system under the supervision of a single entity. This is depicted below:



d. As this transition occurs, especially with a new WRF that has fewer operation and maintenance requirements, staff sees our total manpower requirements in waste water treatment and collection dropping from 12 employees to perhaps 10. In the long term (5-10 years), this reduction will provide more than adequate savings to pay for the relatively slight salary increase reasonable for a Treatment and Collection Supervisor with significantly broadened responsibility. In the medium term (1-5 years), the ERMP will provide more than adequate savings to cover the proposed salary increase.

e. It should be clearly noted that in no case will this likely reduction in number of FTE employees result in any current employee being laid off. This two-employee reduction will be achieved through planned and anticipated retirements in the next 1-6 years.

f. Staff thus recommends the following:

    i. Changing the title of the Wastewater Division Manager to Utilities Division Manager.

ii. Consolidating, step by step over 5-6 years until the new WRF is fully operational, the WWTP Section and the Collections section into a single multifunctional Treatment and Collection section. This will include replacing our retiring WWTP Supervisor with a Wastewater Treatment and Collection Supervisor who will hold the regulatory position of Chief Plant Operator for the new WRF.

iii. Having the clean water treatment and distribution section report to the Utilities Division Manager, instead of reporting directly to the Public Works Director.

iv. Moving responsibility for storm water system planning and maintenance under the Utilities Division Manager. (As it is now, most storm water planning and maintenance will be conducted by contract. So, this is a functional responsibility, not a separate section of employees. Management and oversight of storm water should be managed by the Utilities Division Manager.)

v. Staff recommends the Council approve the attached job descriptions for Utilities Division Manager. There is no salary impact for this position.

vi. Staff is developing the job description for the Wastewater Treatment and Collection Supervisor. The position will require a level IV license to operate the new WRF, and will have responsibility not only for the treatment plant but also for the collection system. For these reasons, staff has added this position to the salary schedule at a 15% increase, $11,000 per year, from the current WWTP Supervisor level. This increase will be easily covered by the savings gained from eliminating two FTE positions, and eventually reducing the level of responsibility of one supervisor.

viii. **Environmental Programs Manager.** Council recently approved increasing the level of responsibility of our Level IV Engineering Tech to Environmental Programs Manager, a position currently filled by an outstanding employee. The job description for the Environmental Program Manager is included for Council approval. This position was included at this level in the FY16/17 budget.

ix. **Additional Job Descriptions.** The following job descriptions are also included for Council approval for reasons noted:

1. **Public Works Director.** Updates the job description to remove planning, land use and building responsibilities that were moved to Community Development last year with Council approval.

2. **Community Development Director.** Updates the job description from Manager responsibilities to Director responsibilities as approved by Council

with the FY16/17 budget.

3. **City Clerk.** Updates the job description to include Risk Management duties.

4. **Tourism Manager.** In Jan 2016, the Council authorized the City Manager to hire a Tourism Manager. The position was hired in late May and included in the FY16/17 budget. The job description for this position is included for Council approval.

5. **Field Maintenance Supervisor.** Updates the job description to reflect the full range of responsibilities of the previously approved Field Maintenance Supervisor position. This position was approved in the FY16/17 budget that finalized the previously noted consolidation of all maintenance activities into one consolidated maintenance division.

3. **Salary Schedule.** The attached, updated salary schedule reflects all compensation decisions made by Council in the FY16/17 budget process, the recently agreed MOUs, and items discussed in this report.

   a. MOUs with SEIU, the Police Officers Association, and the Fire Fighters Association are being presented for Council approval at this meeting. Previously, Council, approved resolutions for confidential, management, and department head employees. With those FY16/17 compensation documents now complete, staff has updated the draft FY16/17 salary schedule presented in FY16/17 budget.

   b. The attached schedule adds the following lines not previously approved but detailed in the above report.
      - Utility Division Manager
      - Wastewater Treatment and Collection Supervisor
      - Budget and Accounting Manager

RECOMMENDATION

Staff Recommends the Council approve the ten job descriptions and FY 16/17 salary schedule as presented in this report.

ATTACHMENTS

1. Job Descriptions
2. Public Works – Water/Sewer Organization Charts (current and future)
3. FY 2016/17 Salary Schedule

CITY OF MORRO BAY

COMMUNITY DEVELOPMENT DIRECTOR

DEFINITION

Under administrative direction of the City Manager, plan, organize, and direct the City's Community Development Department, including planning, building and safety, and code compliance; responsible for development and administration of the City's General Plan and Local Coastal Plan goals, policies, and environmental review procedures; makes recommendations and advises the Planning Commission, City Council, and other advisory boards; acts as Environmental Coordinator and Zoning Administrator; and performs related work as required.

ESSENTIAL DUTIES AND RESPONSIBILITIES

1. Plans, organizes and directs the activities in the Community Development Department, including planning, building and safety, and code compliance.
2. Formulates rules, procedures, and policies for the efficient operation of the department.
3. Manages department personnel including interviews, selection, training, evaluations, and discipline.
4. Prepares and administers the departmental budget; manages operations to achieve goals within available departmental resources.
5. Confers with governmental agencies, other staff members, and the public; and, attends meetings, makes presentations and recommendations to appointed and elected officials on department related activities.
6. Evaluates the need for and develops plans and budget schedules for long range programs.
7. Prepares staff reports/analyses and environmental documentation for complex development projects.
8. Prepares and directs the preparation of grants, request for proposals, and manages same.
9. Oversees and participates in the preparation, revision, and implementation of the general plan, local coastal program, zoning ordinance, and related planning and environmental matters.
10. Directs activities or participates in the gathering and assembling of pertinent data to be used in zoning studies.
11. Reviews reports on variances, conditional use permits, coastal development permits and other discretionary items.
12. Establishes, maintains and interprets the Zoning Ordinance to regulate physical development in the City.

13. Prepares or supervises preparation of environmental documents and recommendations by staff or consultant.
14. Performs related duties as required.

QUALIFICATIONS

Knowledge of:

City and regional planning with emphasis on zoning administration practices; State, Municipal, and County laws and ordinances governing land use and zoning, including California Environmental Quality Act; methods of preparing designs, plan estimates, reports, applicable zoning ordinances and State and Federal laws; principles of supervision, training and disciplines; basic principles of economics and budgeting techniques.

Ability to:

Prepare, revise and interpret a sound planning and local coastal program for the City; collect and analyze data, and recommend revisions in a general plan consistent with local needs; prepare ordinances and formulate recommendations for land use policies; plan, organize, and supervise the activities of the department; assist in preparation and administration of department budget and controls; establish and maintain effective working relationships with the public and other City officials; work effectively with boards and commissions involved in zoning and planning activities; prepare clear, concise, and accurate reports; speak and write effectively.

Education and Experience:

Equivalent to graduation from an accredited college or university with major work in planning, or closely related field; possession of Master's degree in Planning or Public Policy Administration preferred.

Five years increasingly responsible experience in professional planning including staff supervision. California Coastal Zone experience highly desirable; GIS experience and General Plan Update experience desirable.

Valid California Driver's License.

TOOLS AND EQUIPMENT USED

Personal computer, including word processing software; motor vehicle; calculator; telephone; and copy machine.

PHYSICAL DEMANDS

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Work is performed mostly in office settings. Some outdoor work is required in the inspection of various land use developments and construction sites. Hand-eye coordination is necessary to operate computers and various pieces of office equipment.

While performing the duties of this job, the employee is frequently required to talk or hear; sit; use hands to finger, handle, feel or operate objects, tools, or controls; and reach with hands and arms. The employee is routinely required to stand or walk.

The employee must occasionally lift and/or move up to 25 pounds. Specific vision abilities required by this job include close vision, distance vision, peripheral vision, depth perception and the ability to adjust focus.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee occasionally works in outside weather conditions. The employee is occasionally exposed to wet and/or humid conditions, or airborne particles. The noise level in the work environment is usually moderate but occasionally loud in the office, and moderate in the field. Employees may interact with upset staff and/or public and private representatives in interpreting and enforcing departmental policies and procedures.

SELECTION GUIDELINES

Formal application, rating of education and experience; oral interview and reference check; job related tests may be required.
The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the

position if the work is similar, related or a logical assignment to the position.

The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

Approved by the Morro Bay City Council on xx xx, xxxx

CITY OF MORRO BAY

TOURISM MANAGER

DEFINITION

Under administrative direction of the Deputy City Manager, to organize and direct the City's Tourism Division; responsible for development and administration of the City's tourism operations goals, objectives and programs; makes recommendations to and advises the Tourism Business Improvement District Advisory Board; and do related work as required. Work related to tourism is intended to be part of the City's entire economic development ecosystem and is a crucial part of the local economy.

ESSENTIAL DUTIES AND RESPONSIBILITIES

Planning & Development - Research

- Develop RFP for selection of marketing agency to include print and online campaigns with creative, social media, website development and maintenance, blogs, and public relations
- Develop a 3-5 year vision and strategic plan for City tourism operations and update annually
- Develop an annual Comprehensive Marketing Plan and present it to the Tourism Business Improvement District ("TBID") District Advisory Board for recommendation to City Council and then to Council for approval and updates as needed; develop a TBID Fund budget annually to be considered by the TBID Advisory Board for recommendation, and approval by City Council; develop required Annual Report to be considered by the TBID Advisory Board for recommendation, and approval by City Council
- Selectively utilize outside consultants and data to assist in preparing and validating business plans, subject to City's contracting authority.
- Develop a forecast based on economic data, market data and City tourism goals

Operational Planning and Management

- Ensure tourism operations meet City Council goals and objectives as well as specific tourism operations objectives
- Oversee efficient and effective tourism management operations
- Review existing City tourism policies and procedures on an annual basis
- Review and update Tourism Operational Calendar and present it for approval annually
- Sales related to tourism operations products such as the Adventure Pass, Visitor Guide ad space and more
- Grow strategic partnerships that promote Morro Bay Tourism business growth

within the DMO and local communities.

- Assist in the development and incorporation of new events into the City tourism marketing plan focusing on the off and shoulder seasons
- Originate monthly promotional activities to stimulate tourism growth during off and shoulder seasons in coordination with City's Deputy City Manager
- Ensure website optimization, mobile device, online marketing, and social media are central elements of the marketing plan in coordination with City's Deputy City Manager
- Seek and develop undiscovered markets, research market trends and opportunities

Destination Marketing/Regional Marketing

- Develop distinct Destination Marketing and Media plans in coordination with City's Deputy City Manager, utilizing market research, data and trend analysis for review by TBID Advisory Board and annual approval by the City Council
- Develop distinct Regional Marketing and Media plans in coordination with City's Deputy City Manager and community stakeholders, utilizing market research, data and trend analysis for annual review by the TBID Advisory Board and approval by the City Council

Communications

- Ensure the TBID Advisory Board, City staff, and City Council are kept fully informed on tourism activities and all important factors influencing Morro Bay tourism
- Ensure hoteliers and City are fully informed of goals, plans and activities
- Provide the Board and Council with supporting staff reports and materials for all meetings
- In coordination with other tourism contractors and staff participate in various trade and tourism events and shows to market Morro Bay
- Produce state-required annual assessment report for review by TBID Advisory Board and consideration by City Council; Produce competent staff reports and supplemental documentation related to TBID Advisory Board and City Council meetings and to enhance public transparency and accountability

Community Relations & Events

- Establish sound working relationships and cooperative arrangements with TBID Advisory Board, community groups, organizations, and City Staff
- Act as spokesperson for City tourism management in coordination with the Deputy City Manager or his designee
- Represent City tourism at activities to enhance the City's tourism profile
- Through annual tourism and long-range strategic tourism plans, assist with, support and coordination community events that will directly enhance the destination of Morro Bay and increase tourism as well as overnight hotel stays based on adopted Council goals and objectives.

- Ensure strong relationships with all local hoteliers and build partnerships and relationships with other businesses, vendors, and organizations that can assist in the promotion of the destination of Morro Bay to increase tourism.
- Financial Planning and Management
- Ensure sound budgeting procedures are followed according to any City financial management policy
- Work with City staff in developing comprehensive budgets for recommendation by the TBID Advisory Board and approval by City Council annually with updates as needed
- Provide the TBID Board, City staff with comprehensive, regular reports on revenue and expenditures
- Administer tourism funds according to the approved budget and monitor the monthly cash flow in compliance with City financial management policies and in consultation with the Deputy City Manager or his designee
- Ensure the City complies with all legislation covering taxation and withholding payments
- Human Resources Planning and Management
- Establish a positive, healthy and safe working environment for all staff in accordance with appropriate legislation and best practices
- Coordinate, coach and mentor other tourism contractors or City tourism staff to improve performance on behalf of the City's tourism operations. General tourism contractors and staff will be supervised by this position, which will report to the Deputy City Manager.

QUALIFICATIONS

Knowledge of:

Tourism operations, in particular in regards to community-run or destination marketing organizations or related fields; event support, planning, management, and coordination; California public records and public meetings laws.

Ability to:

Plan, coordinate, and manage tourism operations and marketing; supervise additional contractors or staff members; provide exemplary customer service and community relations to hoteliers and other constituencies that make up the destination that is Morro Bay.

TOURISM MANAGER

Education and Experience:

Two to five years of experience in the field of tourism operations and marketing or related field; Bachelor's or Master's degree in tourism operations and marketing or related field preferred.

Valid California Driver's License.

TOOLS AND EQUIPMENT USED

Personal computer, including word processing software; motor vehicle; calculator; telephone; copy and fax machine.

PHYSICAL DEMANDS

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Work is performed mostly in office settings. Some outdoor work is related to marketing the community at festivals or other events; and in providing customer service or community relations. Hand-eye coordination is necessary to operate computers and various pieces of office equipment.

While performing the duties of this job, the employee is frequently required to talk or hear; sit; use hands to finger, handle, feel or operate objects, tools, or controls; and reach with hands and arms. The employee is routinely required to stand or walk.

The employee must occasionally lift and/or move up to 10-20 pounds (in particular boxes of Visitor Guides). Specific vision abilities required by this job include close vision, distance vision, peripheral vision, depth perception and the ability to adjust focus.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee occasionally works in outside weather conditions. The employee is occasionally exposed to wet and/or humid conditions, or airborne particles. The noise level in the work environment is usually moderate but occasionally loud in the office, and moderate in the field.

SELECTION GUIDELINES

Rating of education and experience; oral interview and reference check; job related tests may be required.

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to the position.

The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

Approved by Morro Bay City Council xxxx x, xxxx

CITY OF MORRO BAY

FINANCE DIRECTOR

DEFINITION

Under administrative direction to plan, organize, and direct the activities of the Finance Department by performing responsible administrative work in fiscal and budget administration; and to do related work as required.

ESSENTIAL DUTIES & RESPONSIBILITIES

1. Plans, organizes, and directs activities related to the City's municipal finance system.
2. Formulates rules, procedures, and policies for the efficient operation of the department.
3. Manages departmental personnel including interviews, selection, training, evaluations, and discipline.
4. Prepares and administers annual departmental operating budget; manages operations to achieve goals within available resources.
5. Consults with governmental agencies, other staff members, and the public; attends meetings, makes presentations and recommendations to appointed and elected officials on departmental-related activities.
6. Evaluates the need for, and develops plans and budget schedules for, long-range programs.
7. Prepares grants, formal bid specifications, and request for proposals, and manages same.
8. Prepares and submits periodic reports, analysis, and recommendations, concerning departmental activities.
9. Administers the maintenance of financial records, including utility billings, business tax certificates, payables, receivables, collections, and payroll activities.
10. Acts as property manager, relating to City-owned property and rentals.
11. Acts as Purchasing Agent for the City.
12. Invests City funds, as the City Treasurer.
13. Responsible for data gathering and accumulation of information for annual budget; assists City Manager with presentation and production of proposed and final document.
14. Staff coordinator for the Citizens Oversight/Finance Advisory Committee, which entails preparing agendas, staff reports, scheduling and attending meetings, and providing reports as requested.
15. Responsible for City's computerized multi-fund municipal accounting system and upgrades.
16. Coordinates City audits, prepares or assists with State Controller's reports, CAFR or basic financial statements.

QUALIFICATIONS

Knowledge of:

Principles, problems, and methods of public and business administration, as applied to a municipality; general municipal revenue and accounting principles and practices; public purchasing requirements and procedures; laws, regulations, and ordinances affecting fiscal operations and audits; technology related to computerized financial systems; principles of supervision and training; investment portfolio management.

Ability to:

Learn, understand, interpret, and apply laws, rules, and regulations to specific accounting and financial situations; organize and supervise the work of staff, engaged in a variety of accounting and financial record-keeping operations; prepare accurate financial reports and analyses; prepare bid packages and oversee purchasing for City equipment and supplies; comprehend computer-generated financial data; establish and maintain cooperative relationships with those contacted during the course of work; supervise others.

Education and Experience:

Equivalent to graduation from an accredited college or university with major work in accounting, business administration, or closely related field; possession of an M.B.A., C.P.A., or M.P.A. desirable.

Five years of professional-level financial management experience in government or private industry requiring knowledge of accounting, purchasing, budgeting, and related central services, such as mail services and surplus property operations; two years of supervisory experience.

Possession of a valid and appropriate California driver's license.

TOOLS & EQUIPMENT USED

Personal computer including work processing and spreadsheet software; mainframe computer system; 10-key calculator; telephone; copy machine; fax machine; scanner.

PHYSICAL DEMANDS

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is frequently required to sit and talk or hear, use hands to finger, handle, or feel objects, tools, or controls; and reach with hands and

arms. The employee is occasionally required to walk.

The employee must occasionally lift and/or move up to 25 pounds. Specific vision abilities required by this job include close vision and the ability to adjust focus.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The noise level in the work environment is usually quiet.

SELECTION GUIDELINES

Formal application, rating of education and experience, oral interview and reference check; job related tests may be required.

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to the position.

The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

Approved by the Morro Bay City Council on xx xx, xxxx.

CITY OF MORRO BAY

RECREATION SERVICES DIVISION COORDINATOR

DEFINITION

Under general supervision, to plan, organize, coordinate, and direct a variety of City recreation programs; to supervise the work of all recreation personnel; and to perform related work as required. Is the in-office coordinator for the Recreation Services Division.

ESSENTIAL DUTIES & RESPONSIBILITIES

1. Plans, organizes, coordinates and directs a variety of assigned recreation activities including youth, teen, and senior services as well as the overall coordination of City events and assisting with community events.
2. Responsible for assisting in the use, scheduling and reservation of City and other agency facilities.
3. Evaluates program and class activities and prepares proposals for future programming to expand the recreational opportunities available to residents and visitors.
4. Provides field and site preparation for recreation activities.
5. Prepares news releases and bulletins and performs general public relations duties, or assists in coordination of said tasks with other staff.
6. Coordinates seasonal sports clinics and directly conducts assigned recreation programs.
7. Monitors and prepares reports regarding program participant attendance.
8. Recruits, directs, trains, and evaluates the work of part-time employees and summer program leaders.
9. Observes and enforces City safety policies.
10. Assists the Deputy City Manager in budget preparation of assigned program activities.
11. Supervises, trains and evaluates staff.
12. Prepares a variety of budgets, plans, records and reports.
13. Responds to public inquires, suggestions, and complaints.
14. Meets with, and organizes, advisory boards who make recommendations for improvements on programs.
15. Supervises full-time staff.
16. Performs computer work to include desk top publishing for procedures, word processing and computer registration.
17. Ensures compliance with State Department of Social Services regulations for school-age child care sites in conjunction.
18. Monitors behavior of children to ensure reinforcement of socially acceptable

behavior.

19. Obtains, writes, and maintains necessary records, reports, waivers, and agreements as required by State regulations including sign-out agreements, attendance, health background, incident and accident reports.
20. Coordinates and supervises teen activities and staff.
21. Coordinates and supervises senior activities and staff.
22. Coordinate contract classes including soliciting new classes, coordinating publicity for classes through flyers and press releases.
23. Performs related duties as required.

QUALIFICATIONS

Knowledge of:

Methods and techniques of recreation programming, supervision of children, early childhood education.

Ability to:

Plan, organize, conduct, evaluate and document a variety of programs and activities for school-age children, teens, and seniors; supervise and direct the activities of recreation employees; plan, promote, and supervise recreational programs; establish and maintain cooperative work relationships with employees and community; understand, communicate, and follow oral and written directions. Multitasking is key. Ability to quickly evaluate and make decisions regarding issues in order to provide reasonable, professional solutions.

Education and Experience:

Four-year college or university degree in recreation, physical education, or early childhood education preferred or any equivalent field.

First Aid and CPR certification.
Possession of a valid and appropriate California Driver's License.

TOOLS & EQUIPMENT USED

Personal computer, including word processing software; calculator; copy and fax machine; telephone; mobile or portable radio; automobile.

PHYSICAL DEMANDS

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is frequently required to walk, sit and talk or hear. The employee is occasionally required to use hands to finger, handle, feel or operate objects, tools, or controls; and reach with hands and arms. The employee is occasionally required to climb or balance; stoop, kneel, crouch, or crawl.

The employee must occasionally lift and/or move up to 50 pounds. Specific vision abilities required by this job include close vision, color vision, and the ability to adjust focus.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee occasionally works in outside weather conditions. The employee is occasionally exposed to wet and/or humid conditions, toxic or caustic chemicals.

The noise level in the work environment is usually quiet while in the office, and moderately loud when in the field.

ELECTION GUIDELINES

Formal application, rating of education and experience, oral interview and reference check; job related tests may be required.

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to the position.

The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

Approved by the Morro Bay City Council on xxxx xx, xxxx.

CITY OF MORRO BAY

BUDGET/ACCOUNTING MANAGER

DEFINITION

Under direction of Finance Director, plans, organizes, leads, and monitors programs and activities related to the City's financial accounting, accounts payable, and payroll systems; manages the City's interim and annual financial reporting needs; internal and external audits; internal controls, cost accounting programs; and customer service activities; this position plans, supervises and reviews the work of professional, technical and accounting office support staff; prepares complex and difficult fiscal analysis; and performs related work assigned.

ESSENTIAL DUTIES & RESPONSIBILITIES

1. Participate in all activities related to the City's accounting function, including the accounting system, payroll, cash receipts, journal entries, accounts payable, business licensing, utility billing and customer service; review and audit claims, computer-generated records and other related documentation for accuracy
2. Assist in developing and standardizing procedures and methods to improve and continuously monitor the efficiency and effectiveness of assigned programs, service delivery methods, and procedures; assesses and monitors workload, administrative and support systems, and internal reporting relationships; identifies opportunities for improvement and makes recommendations to the Finance Director.
3. Perform internal audits of assigned accounts and balances; reconcile differences.
4. Prepare and reconcile journals, ledgers and other accounting records; preparation of reports for submission to various regulatory and government agencies.
5. Coordinate year-end audits; meets with outside auditors to provide information and resolve problems.
6. Provides training to departmental and operating staff regarding the City's financial reporting policies, procedures and reporting capabilities.
7. Preforms responsible accounting, payroll, financial and/or budgetary document processing, document review and program support work in coordinator with other staff.
8. Responsible for data gathering and accumulation of information for City's annual budget.
9. Responsible for City's computerized multi-fund municipal accounting system and upgrades.
10. Coordinates year-end audits, meets with outside auditors to provide information and resolve problems.

BUDGET/ACCOUNTING MANAGER

QUALIFICATIONS

Knowledge of:

Principles, problems, and methods of public and business administration as applied to a municipality; general municipal revenue and accounting principles and practices; public purchasing requirements and procedures; laws, regulations, and ordinance affecting fiscal operations an audits; technology related to computerized financial systems; principles of supervision and training; investment portfolio management.

Ability to:

Learn, understand, interpret, and apply laws, rules, and regulations to specific accounting and financial situations; organize and supervise the work of staff engaged in a variety of accounting and financial record keeping operations; prepare accurate financial reports and analyses; prepare bid packages and oversee purchasing procedures for City equipment and supplies; comprehend computer generated financial data; establish and maintain cooperative relationships with those contacted during the course of work; supervise others; effectively communicate municipal finance to diverse groups of people.

Education and Experience:

Graduation from an accredited college or university with major work in accounting, finance, business or closely related field and five (5) years of experience in municipal finance and/or accounting, including two (2) years of supervisory experience.

Possession of a valid and appropriate California driver's license.

TOOLS & EQUIPMENT USED

Personal computer including word processing, spreadsheet and presentation software; mainframe computer system; 10-key calculator; telephone; copy machine; fax machine; iPad; smartphone.

PHYSICAL DEMANDS

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is frequently required to sit and talk or hear, use hands to finger, handle, or feel objects, tools, or controls; and reach with hands and arms. The employee is occasionally required to walk.

The employee must occasionally lift and/or move up to 25 pounds. Specific vision abilities

required by this job include close vision and the ability to adjust focus.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The noise level in the work environment is usually quiet.

SELECTION GUIDELINES

Formal application, rating of education and experience, oral interview and reference check; job related tests may be required.

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to the position.

The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

Approved by the Morro Bay City Council on xx xx, xxxx.

CITY OF MORRO BAY

UTILITIES DIVISION MANAGER

DEFINITION

Under general administrative direction of the Public Works Director to plan, organize, oversee, coordinate, and review the work of staff performing difficult and complex professional, technical, and administrative support related to all programs and activities of the City's Public Works - Utility operations, which include Water Treatment and Distribution, and Wastewater Collections and Treatment. The Manager will also assist with long- and short-term project planning, design, construction, maintenance, and operations of a wide variety of water/wastewater-related infrastructure construction, maintenance, repair, and other programs, coordinate assigned activities with other City departments and outside agencies, provide complex and responsible support to the Director of Public Works/City Engineer, and perform related work as required. Additionally, the Manager exercises general direction and supervision over supervisory and operations staff.

ESSENTIAL DUTIES & RESPONSIBILITIES

- Plans, manages, and oversees the daily functions, operations, and activities of wastewater collection and treatment, along with the water treatment and distribution systems.
- Participates in the development and implementation of goals, objectives, policies, and priorities for assigned functional areas; recommends, within departmental policy, appropriate service and staffing levels; recommends and administers policies and procedures.
- Participates in the development and administration of and oversees division budgets.
- Develops and standardizes procedures, including emergency procedures, and methods to improve and continuously monitors the efficiency and effectiveness of assigned programs, service delivery methods, and procedures; assesses and monitors workload, administrative and support systems, and internal reporting relationships; identifies opportunities for improvement and recommends to the Director.
- Participates in the selection of, supervises, and evaluates assigned personnel; provides and/or coordinates staff training in work procedures; works with employees on performance issues; implements discipline and termination procedures.
- Recommends and administers policies and procedures such as procedural guidelines, design standards, and standard plans and specifications, while ensuring that operation and maintenance, financial, regulatory, and legal requirements are met.
- Assists in the development of consultant requests for proposals/invitations to bid for

professional and/or construction services, as well as the advertising and bid processes; evaluates proposals and recommends project award; administers contracts after award; prepares specifications for various equipment, materials, and supply purchases.

- Meets and confers with contractors, engineers, developers, architects, a variety of outside agencies, and the general public in acquiring information and coordinating public works maintenance matters; provides information regarding City development requirements as it pertains to the utility systems.
- Provides technical information and instruction regarding applicable procedures and methods; interprets and explains rules, regulations, and procedures; answers questions and resolves concerns.
- May serve as a liaison for the assigned division to other City departments, divisions, and outside agencies; attends meetings, as necessary; provides staff support to commissions, committees, and task forces, as necessary; negotiates and resolves significant and controversial issues.
- Provides highly complex staff assistance to the Director; develops and reviews staff reports related to assigned activities and services; may present information to the City Council and various commissions, committees, and boards; performs a variety of public relations and outreach work related to assigned activities.
- Monitors changes in regulations and technology that may affect operations; recommends policy and procedural changes to the Director.
- Evaluates and coordinates division safety and training programs; implements safety and training procedures, in Conformance with Federal, State and Local regulations and City policy.
- In conjunction with the Environmental Programs Manager; reviews and maintains records; prepares reports regarding the operation of the water, storm and wastewater systems.
- Insures operations and testing are in accordance with water quality control, federal, state, and local agencies standard methods; and issues required reports.
- Utilizes a variety of computerized programs in the maintenance, monitoring, and analyses of wastewater and water system operations, including asset management/work order, telemetry, database, GIS, CAD, spreadsheet and word processing programs.
- Interprets, trains, and enforces all applicable safety standards and inspects job-in-progress for compliance with State and City safety requirements with regard to appropriate personnel, equipment, and procedural precaution.
- Performs other duties as assigned.

QUALIFICATIONS

Knowledge of:

- Administrative principles and practices, including goal setting, program development, implementation, and evaluation, project management, risk management and principles and practices of budget development and administration.
- Principles and practices of employee supervision, including work planning, assignment, review and evaluation, and the training of staff in safety and work procedures.
- Contract management practices in a public agency setting.
- Applicable federal, state, and local laws, regulatory codes, ordinances, and procedures relevant to water, wastewater and storm water systems, including safety regulations.
- Practices of researching operations and maintenance issues, evaluating alternatives, making sound recommendations, and preparing and presenting effective staff reports.
- Modern office practices, methods, and computer equipment and applications related to the work, including English usage, grammar, spelling, vocabulary, and punctuation.
- Techniques for providing a high level of customer service by effectively dealing with the public, vendors, contractors, and City staff.
- Operation of processes and equipment common to wastewater collection and treatment, water treatment and distribution, stormwater collection and treatment; and industrial pretreatment.

Ability to:

- Recommend and implement goals, objectives, and practices for providing effective and efficient services.
- Develop and monitor capital and operating budgets.
- Plan, organize, assign, review, and evaluate the work of staff; train staff in work procedures.
- Evaluate and develop improvements in operations, procedures, policies, or methods.
- Prepare clear and concise reports, correspondence, policies, procedures, and other written materials.
- Analyze, interpret, summarize, and present administrative and technical information and data in an effective manner.
- Interpret, apply, explain, and ensure compliance with federal, state, and local policies, procedures, laws, and regulations.

- Conduct complex research projects, evaluate alternatives, make sound recommendations, and prepare effective technical staff reports.
- Effectively represent the department and the City in meetings with governmental agencies, community groups, and various businesses, professional, and regulatory organizations and in meetings with individuals.
- Establish and maintain a variety of filing, record keeping, and tracking systems.
- Organize and prioritize a variety of projects and multiple tasks in an effective and timely manner; organize own work, set priorities, and meet critical time deadlines.
- Use tact, initiative, prudence, and independent judgment within general policy, procedural, and legal guidelines.
- Establish, maintain, and foster positive and harmonious working relationships with those contacted in the course of work.

Education and Experience:

- Bachelors of Science degree with major related to wastewater treatment, environmental or civil engineering, biological or physical sciences, and
- seven years increasingly responsible experience in the design, management or operations of water systems, wastewater treatment, industrial pretreatment, and/or collection system programs; including three years of supervisory experience and
- Possession of a valid and appropriate California Driver's License.
    - Registration as a Professional Engineer (Civil) in the State of California, or
    - Possession of a Grade V Wastewater Treatment Plant and a Grade III Water Treatment Plant Operator's Certificate issued by the California State Water Resources Control Board.
- Possession of a Grade III Collections Certificate and Grade III Laboratory Analyst Certificate issued by the California Water Environment Association (CWEA) are highly desired.

TOOLS & EQUIPMENT USED

Personal computer including word processing and other software, mobile radio, telephone, copy and fax machine.

PHYSICAL DEMANDS

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to use hands to finger, handle, feel or operate objects, tools, or controls and reach with hands and arms. The employee frequently is required to stand and talk or hear. The employee is occasionally required to walk; sit; climb or balance; stoop, kneel, crouch, or crawl; and smell.

The employee must frequently lift and/or move up to 10 pounds and occasionally lift and/or move up to 50 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, depth perception, and the ability to adjust focus.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee occasionally works in outside weather conditions. The employee occasionally works near moving mechanical parts and is occasionally exposed to wet and/or humid conditions and vibration. The employee occasionally works in high, precarious places and is occasionally exposed to fumes or airborne particles, toxic or caustic chemicals, and risk of electrical shock.

The noise level in the work environment is usually loud in field settings, and moderately quiet in office settings.

SELECTION GUIDELINES

Formal application, rating of education and experience, oral interview and reference check; job related tests may be required.

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to the position.

The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and

requirements of the job change.

Approved by the Morro Bay City Council xxxx xx, xxxx

CITY OF MORRO BAY

ENVIRONMENTAL PROGRAMS MANAGER

DEFINITION

Under the general direction of the Public Works Director, plans, oversees and coordinates, implements, and performs monitoring, testing, and administrative duties to ensure the City's compliance with applicable federal, state, and local regulatory agency requirements pertaining to water, wastewater, stormwater, air quality and industrial waste; performs all other related duties as assigned.

DISTINGUISHING CHARACTERISTICS

The Environmental Programs Manager in the City's Public Works Department. This class is distinguished by its responsibilities for coordinating and performing duties related to the City's day-to-day compliance with various environmental regulations as they pertain to water, water conservation, wastewater, storm water, air quality and industrial waste. The Environmental Programs Manager oversees and may perform a variety of biological, chemical, and physical tests and analyses in both field and laboratory settings for water, wastewater, stormwater, and industrial waste. Duties are performed under the supervision and direction of higher level staff, but performance of duties requires the use of independence, initiative, and discretion within established guidelines. Technical and functional supervision may be exercised over assigned staff.

ESSENTIAL DUTIES & RESPONSIBILITIES

1. Oversees monitoring the City's water quality program, including sampling of the municipal water system, for compliance with Division of Drinking Water standards, and prepares required reports.
2. Develops and oversees the City's comprehensive stormwater program; including preparation of the stormwater plan and the required reporting; good housekeeping activities, construction and post construction activities.
3. Assists the Wastewater Division Manager in the NPDES and other regulatory reporting. requirements for the WWTP/WRF and the Wastewater Collection system.
4. Assists the Director in the preparation or oversight of the water resources planning documents, such as the Urban Water Management Plan and the City's "OneWater" plan.
5. Conducts public Outreach activities
6. Coordinates and directs creek and storm drain cleaning/clearing with the Public Works Consolidated Maintenance Division.
7. Develops and implements active and effective water conservation measures.
8. Conducts or oversees in home water audits.
9. Provides information to citizens, contractors, engineers, and other governmental agencies at the counter, by telephone and by mail.
10. Provides technical support to other City departments.
11. Prepares staff reports and grant applications.
12. Assists in the preparation and administration of the operating budgets.
13. Oversees and assists in the development of computer models and GIS and other databases of the water, wastewater, storm water, streets, and air quality.

14. Attend City meetings (such as City Council, Planning Commission, and Public Works Advisory Board) to present project related information and respond to questions.
15. Performs related duties as required.

QUALIFICATIONS

Knowledge of:

- Management of environmental compliance and regulatory operations.
- General water resources engineering and planning.
- Water quality control and the related biological/physical principles
- Applicable federal, state and local regulations
- Low Impact Development principles
- Mathematics and statistics as related to water resources
- Program management techniques

Ability to:

- Effectively communicate both orally and in writing to a variety of audiences.
- Hike long distances carrying survey equipment weighting approximately 30 lbs.
- Sit at a desk for long periods of time in front of a computer screen while using standard office supplies and equipment such as keyboard and telephone.
- Work out in the field in inclement weather when needed or when responding to emergency situation.
- Operate hand tools needed to perform field studies.
- Work in an indoor and outdoor setting with some travel to different sites and locations.
- Work extended hours including evenings and weekends.
- Walk on uneven terrain to complete surveys and inspections.
- Work where exposure to environmental factor may pose a risk of minor injury or illness.

Requirements:

Graduation from and accredited four-year college or university with a bachelor's degree in environmental, physical or life science, natural resources management, environmental engineering or closely related field. In addition, a minimum of four years of experience performing environmental compliance and regulatory duties.

License or Certificate:

State certification as a Qualified SWPPP Developer/Practitioner (QSD/QSP), State Water Treatment Plant Operator Grade 2 and Wastewater Collections Grade 2 must be obtained within two years of hire. As an alternative to the Wastewater Collections Grade 2 certification, the incumbent may obtain a Qualified Industrial Stormwater Practitioner (QISP) certification. Registration as a Professional Engineer in the State of California will satisfy all of the previously listed certifications. Failure to obtain this certification may be cause for termination of employment in this class Possession of a valid California Driver's License. The required certifications shall be maintained over the duration of the appointment.

TOOLS & EQUIPMENT USED

Personal computer including word processing, spreadsheet, and database; GIS application software; standard water sampling tools; engineering calculator; motor vehicle; telephone; mobile radio.

PHYSICAL DEMANDS

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Work is performed mostly in office settings. Outdoor work is required in the inspection of various land use developments, construction sites, public works facilities, or water system sampling. Hand-eye coordination is necessary to operate drafting instruments, computers and various pieces of office equipment. While performing the duties of this job, the employee is occasionally required to stand; walk; use hands to finger, handle, feel or operate objects, tools, or controls; and reach with hands and arms. The employee is occasionally required to sit; climb or balance; stoop, kneel, crouch, or crawl; talk or hear.

The employee must occasionally lift and/or move up to 50 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions. While performing the duties of this job, the employee occasionally works in outside weather conditions. The employee occasionally works near moving mechanical parts and in traffic; and is occasionally exposed to wet and/or humid conditions, fumes or airborne particles, toxic or caustic chemicals, risk of electrical shock, and vibration.

The noise level in the work environment is usually quiet to moderate.

Approved by the Morro Bay City Council on xxxx xx, xxxx

CITY OF MORRO BAY

PUBLIC WORKS DIRECTOR/CITY ENGINEER

DEFINITION

Under administrative direction of the City Manager, plans, organizes, and directs the activities of the Public Works Department, which includes engineering, streets, storm drainage, consolidated maintenance, wastewater collection and treatment, water production, treatment and distribution, fleet maintenance, public transit and refuse/recycling collection; and to do related work as required.

ESSENTIAL DUTIES & RESPONSIBILITIES

1. Plans, organizes, and directs the activities and works of the all divisions of the department, including: administration, engineering, water, and wastewater.
2. In responsible charge of the design and construction of all City facilities; including: streets, water and wastewater treatment systems, drainage structures, and other public works.
3. Serves as the "City Official" designated to the Board of Professional Engineers, Land Surveyors and Geologists of having "Responsible Charge" for all municipal Engineering and Land Surveying Activities.
2. Formulates rules, procedures, and policies for the efficient operation of the department.
3. Manages departmental personnel including interviews, selection, training, evaluations, and discipline.
4. Prepares and administers annual departmental operating budget; manages operations to achieve goals within available resources.
5. Consults with various governmental agencies, other staff members, and the public; and, attends meetings, makes presentations and recommendations to appointed and elected officials on departmental-related activities.
6. Evaluates the need for, and develops plans and budget schedules for, long range programs.
7. Prepares grants, formal bid specifications, and request for proposals, and manages same.
8. Prepares and submits periodic reports, analysis, and recommendations concerning departmental activities.
9. Supervises and/or coordinates work of a variety of professional consultants and contractors10. Reviews plans and specifications prepared by the engineering division, consultants, and applicants.
10. Supervises administration of contracts for joint wastewater treatment plant, public transit system, recycling, and refuse collection.

11. Directs, conducts, studies and prepares reports on proposed improvements, repairs, or changes in public works.
12. Confers with subordinates on the construction, repair, and maintenance of public works facilities.

QUALIFICATIONS

Knowledge of:
Municipal public works planning, design, and administration; methods, materials, tools, and equipment used in the repair and maintenance of streets, curbs, gutters, storm drains, and street trees; methods, materials, and equipment used in the repair and installation of water and sewer lines and mains; principles of water and wastewater treatment plant operation and maintenance; grant application procedures and writing techniques; methods of preparing deigns, plans, specifications, estimates, reports and recommendations relating to municipal utilities and proposed streets, water and sewer lines, and other public works; principles of supervision, training, and disciplines; basic principles of economics and budgeting techniques.

Ability to:
Plan, organize and supervise the work of employees engaged in a variety of municipal public works activities; maintain work and operational records, and prepare necessary reports; read and interpret construction plans and specifications; establish and maintain cooperative working relationships with other City departments, employees, contractors, other public agencies, and the general public; prepare written reports and make verbal presentations to City Council, Public Works Advisory Board, Planning Commission, and other groups.

Education and Experience:

Equivalent to graduation from an accredited four-year college or university with a degree in civil engineering, or closely related subject. Master's Degree preferred.

Five years of increasingly responsible experience in the construction, maintenance and repair of municipal public works facilities or services, including at least five years in a management or supervisory capacity.

Possession of, or ability to obtain, a valid California Driver's License by time of appointment.

Possession and maintenance of a Registered Professional Civil Engineer license in the State of California.

Desirable: Possession and maintenance of a Registered Professional Land Surveyor license in the State of California.

TOOLS & EQUIPMENT USED

Personal computer, including word processing, spreadsheets, CAD/GIS and database programs; land surveying equipment; motor vehicle; telephone; radio; fax and copy machine.

PHYSICAL DEMANDS

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Work is performed mostly in office settings. Some outdoor work is required in the inspection of the public improvements and other civil engineering works for various land use developments, construction sites, or public works facilities. Additionally, if qualified as a licensed land surveyor, performance of the requisite field work as necessary may be required. Hand-eye coordination is necessary to operate computers and various pieces of office equipment.

While performing the duties of this job, the employee is occasionally required to stand; walk; use hands to finger, handle, feel or operate objects, tools, or controls; and reach with hands and arms. The employee is occasionally required to site; climb or balance; stoop, kneel, crouch, or crawl; talk or hear; and smell.

The employee must occasionally lift and/or move up to 25 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee occasionally works in outside weather conditions. The employee occasionally works near moving mechanical parts and in high, precarious places and is occasionally exposed to wet and/or humid conditions, fumes or airborne particles, toxic or caustic chemicals, risk of electrical shock, and vibration.

The noise level in the work environment is usually quiet to moderate.

SELECTION GUIDELINES

Formal application, rating of education and experience, oral interview and reference check; job-related tests may be required.

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to the position.

The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

Approved by the Morro Bay City Council on xx-xx-xxxx.

h/jdpwdir

CITY OF MORRO BAY

CITY CLERK/RISK MANAGER

DEFINITION

Under administrative direction the City Clerk is responsible for planning, directing, supervising and coordinating activities of the City Clerk's office which include maintaining the City's legislative history; administering municipal elections; ensuring compliance with the Political Reform Act; preparing legislative agendas and minutes; attending City Council meetings; administering the City's records management program; providing administrative and policy support for Council including coordination of all Council advisory bodies, and in coordination with applicable laws, local ordinances, and policies and procedures.

ESSENTIAL DUTIES & RESPONSIBILITIES.

1. Provides prompt, professional and courteous customer service to the public, elected and appointed officials and City employees.
2. Ensures the legislative process, including City elections and City Council meetings are open and public pursuant to State law and the Brown Act.
3. Administers recruitment and selection process for members of City boards, commissions and advisory bodies; ensures advisory body members receive proper orientation and training; administer and files oaths.
4. Coordinates the production of Council agendas and supporting material; attends Council meetings and records actions taken; disseminates information related to Council actions; ensures legal notification has been given.
5. Acts as City's election official to administer and conduct municipal elections when required and coordinates with the County for certain responsibilities during consolidated elections.
6. Administers City elections for candidates and City ballot measures (including initiative, referendum and recall action), including preparing candidate guidelines, administering the candidacy and nomination process, providing information to candidates regarding procedural and disclosure requirements and publishing election notices and results within legal guidelines.
7. Administers the provisions of various State laws, including the California Elections Code, Political Reform Act, brown Act, Maddy Act, and Public Records Act.
8. Serves as the Filing officer for State and City mandated campaign statements, statements of economic interest, certification of ethics training and other similar filings; facilitates the biennial review and update of the City's Conflict of Interest Code.

9. Assists in maintaining the City's website, including posting of agendas, minutes, advisory body openings, various reports and general informational materials.
10. Ensures compliance with the preservation of the City's vital records and availability of these records in accordance with Federal, State, and local statutory requirements.
11. Updates, maintains and oversees the City's Records Retention Policy and Records Retention Schedule to assure schedules and procedures are adhered to and statutory requirements are met; recommends improvements and modifications; assists staff City-wide in properly responding to Public Records Act requests.
12. Manages the processing, indexing, codification, certification, recordation and maintenance of vital records including ordinances, resolutions, deeds, contracts and other documents in accordance with statutory requirements.
13. Updates and maintains a variety of Council and City regulations, policies and handbooks, interprets said documents for staff and the general public, and facilitates training to ensure compliance with these documents.
14. Accepts and processes legal claims, liability claims, accepts all subpoenas and summons for City records and lawsuits.
15. Plans, organizes, and manages self-insured programs for the City's property, liability, and workers' compensation programs.
16. Establishes and reviews insurance requirements and makes recommendations for the level of risk transfer and safety measures needed to assure reasonable balance of risk for the City and its contracts and agreements.
17. Coordinates activities involving claims related to the City's property, liability and workers' compensation insurance, including but not limited to administering claim processing and maintaining communications with claimant, insurance adjuster, Authority management and legal counsel, as appropriate.
18. Performs related duties similar to the above in scope and function as required.

QUALIFICATIONS

Knowledge of:

Modern office practices and procedures including business correspondence, filing, and standard office equipment operation; basic functions and organization of municipal governments; statistical and record keeping methods, correct English usage, spelling, and punctuation; City ordinances, resolutions, and laws affecting the operation of the City Clerk's office; California Election Code; Conflict of Interest Code; City governmental operations, practices and procedures; legal requirements of City Clerk's office; records management systems and procedures.

Ability to:

Perform difficult and responsible secretarial and clerical work; perform the duties required by the City Clerk; take notes at meetings and conferences and prepare clear and concise reports; plan, organize, and schedule a variety of clerical, record maintenance activities, and elections; understand and carry out complex legal requirements and oral and written instructions; recognize priorities and schedule work to meet deadlines; prepare and compile reports and agenda documentation; disseminate information clearly and tactfully to the public and City staff; make decisions on procedural matters without immediate supervision; and establish and maintain effective public and working relationships; transcribe from dictation, type at a speed of 60 words per minute from clear copy; employ good judgment and make sound decisions in accordance with established procedures and policies; establish and maintain cooperative relationships with those contacted in the course of work.

Education and Experience:

Equivalent to graduation from high school; some college preferred.

Either one (1) year of experience performing duties comparable to that of a secretary in the City of Morro Bay; or, three (3) years increasingly responsible secretarial clerical experience involving frequent contact with the public.

Qualifications for appointment to City Clerk - Certified Municipal Clerk or two (2) years of experience as Municipal Clerk including experience in records management.

Valid and appropriate California Driver's License.

TOOLS & EQUIPMENT USED

Typewriter, personal computer, including word processing, spreadsheet and data base software; 10-key calculator; telephone; copy machine; fax machine.

PHYSICAL DEMANDS

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is frequently required to sit and talk or hear, use hands to finger, handle, feel or operate objects, tools, or controls; and reach with hands and arms. The employee is occasionally required to walk.

The employee must occasionally lift and/or move up to 25 pounds. Specific vision abilities required by this job include close vision and the ability to adjust focus.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The noise level in the work environment is usually quiet.

SELECTION GUIDELINES

Formal application, rating of education and experience, oral interview and reference check; job related tests may be required.

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to the position.

The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

Approved by the Morro Bay City Council on xxx xx, xxxx.

h/jdexsec

CITY OF MORRO BAY

CONSOLIDATED MAINTENANCE FIELD SUPERVISOR

DEFINITION

Under administrative direction of the Maintenance Superintendent or the Public Works Director, the Consolidated Maintenance Field Supervisor plans, assigns, participates in and supervises the work of operations and maintenance personnel engaged in a variety of General Fund maintenance operations' and repair activities, including Fleet, Facilities, Parks, Street and Storm Drain Maintenance.

ESSENTIAL DUTIES & RESPONSIBILITIES

1. Plan, lay out, assign and supervise the daily maintenance activities of City consolidated maintenance staff engaged in maintaining and repairing the City and Public owned facilities, infrastructure and properties.
2. Receive work orders or specific direction for maintenance activities, assign work and supervise staff engaged in performing these maintenance activities.
3. Train, lead, and assist staff engaged in performing maintenance activities.
4. Estimate and order materials needed for current and future projects.
5. Evaluate products, estimate needs, and order all custodial supplies and products.
6. Review and inspect work projects in process and at completion, including contractor coordination and direction.
7. Keep records and make reports on materials, equipment used, and staff time spent on various projects.
8. Respond to complaints, evaluate situations, and; make appropriate determinations for corrective actions.
9. Hold safety meetings and tailgates, and enforce safety regulations and policies.
10. Keep Public Works Director or Maintenance Superintendent informed of all maintenance activities.
11. Operate a large variety of hand tools, machinery, and equipment as needed, such as dump truck, tractor, backhoe, motor grader, etc.
12. Maintain a working knowledge of the applicable regulations and practices of the trades.
13. Provide contractor oversight of contracted services needed to satisfy the City-wide maintenance needs, including skilled trades, CDCR and CCC work crews as needed.
14. Inspect various facilities, parks and properties for deficiencies and necessary maintenance and repairs.
15. Assist in the preparation of operations and project budgets
16. Train new and existing staff.
17. Install and maintain wiring, control, and lighting systems
18. Inspect electrical components, such as transformers and circuit breakers
19. Identify electrical problems with a variety of testing devices
20. Repair or replace wiring, equipment, or fixtures using hand tools and power tools
21. Assure all operations are conducted in conformance with established policies, procedures, and standards established by the City and Cal OSHA.

22. Assure coordination with other divisions and departments concerning common issues.
23. Utilize a variety of computerized programs to facilitate preventive maintenance activities, record keeping, and maintenance history.
24. Develop and maintain staff schedule to accommodate City-wide maintenance needs.
25. Perform related work as required.

QUALIFICATIONS

Knowledge of:
Construction materials, procedures, and equipment related to facilities, parks, and streets maintenance; tools, techniques and supplies used in carpentry, plumbing, electrical, HVAC, roofing and custodial maintenance work; principles of supervision training, and management techniques; safety equipment and practices related to the work, including the handling of hazardous chemicals; the operation of appropriate types of power driven equipment.

Ability to:
Plan, assign, and supervise the work of maintenance staff; make time, material, equipment, and cost estimates; perform skilled maintenance work; effectively demonstrate proper work and equipment operation procedures; read and interpret blueprints and plans; recognize potential safety hazards and take corrective action; enforce standard safety procedures for all aspects of the job; perform mathematical and chemical computations relative to the work at hand; operate trucks and other equipment as required; use hand and power tools; understand and carry out oral and written directions; read and write at the level required for successful job performance; establish and maintain cooperative working relationships; train and supervise assigned staff; keep division manager informed of activities. Ability to be on-call in event of emergency, or after hours, and /or regularly scheduled days off.

Education and Experience:
High school graduate or equivalent.

Possession a working knowledge of the applicable electric, building, mechanical, and plumbing Codes.

Possession of Class A or B California Driver's License with required endorsements, including water tanker.

Two (3) years of experience performing the duties comparable to that of a Maintenance Lead Worker in the City of Morro Bay or other demonstrated experience supervising multiple people in multiple trades.

Maintain an American Public Works Association DCS Center Leadership and Management program credential as a Public Works Supervisor 1 or greater, or within 36 months of accepting the position. ***Note: Top step contingent upon achieving this credential.***

TOOLS & EQUIPMENT USED

Motor vehicles, generators, pumps, gauges, common hand and power tools, shovels, wrenches, detection devices, mobile radio, telephone, personal computer including word processing and other software, copy and fax machine, calculator, machinery and heavy equipment.

PHYSICAL DEMANDS

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to use hands to handle, feel or operate objects, tools, or controls and reach with hands and arms. The employee frequently is required to stand. The employee is occasionally required to walk, talk or hear; sit, climb or balance; stoop, kneel, crouch, or crawl, and smell.

The employee must frequently lift and/or move up to 25 pounds and occasionally lift and/or move up to 100 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee occasionally works in outside weather conditions. The employee occasionally works near moving mechanical parts and is occasionally exposed to wet and/or humid conditions. The employee occasionally works in high, precarious places and is occasionally exposed to fumes or airborne particles, risk of electrical shock, and vibration. The employee is occasionally exposed to toxic or caustic chemicals.

The noise level in the work environment is usually moderately loud.

SELECTION GUIDELINES

Formal application, rating of education and experience, oral interview and reference check; job-related tests may be required.

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to the position.

CONSOLIDATED MAINTENANCE FIELD SUPERVISOR

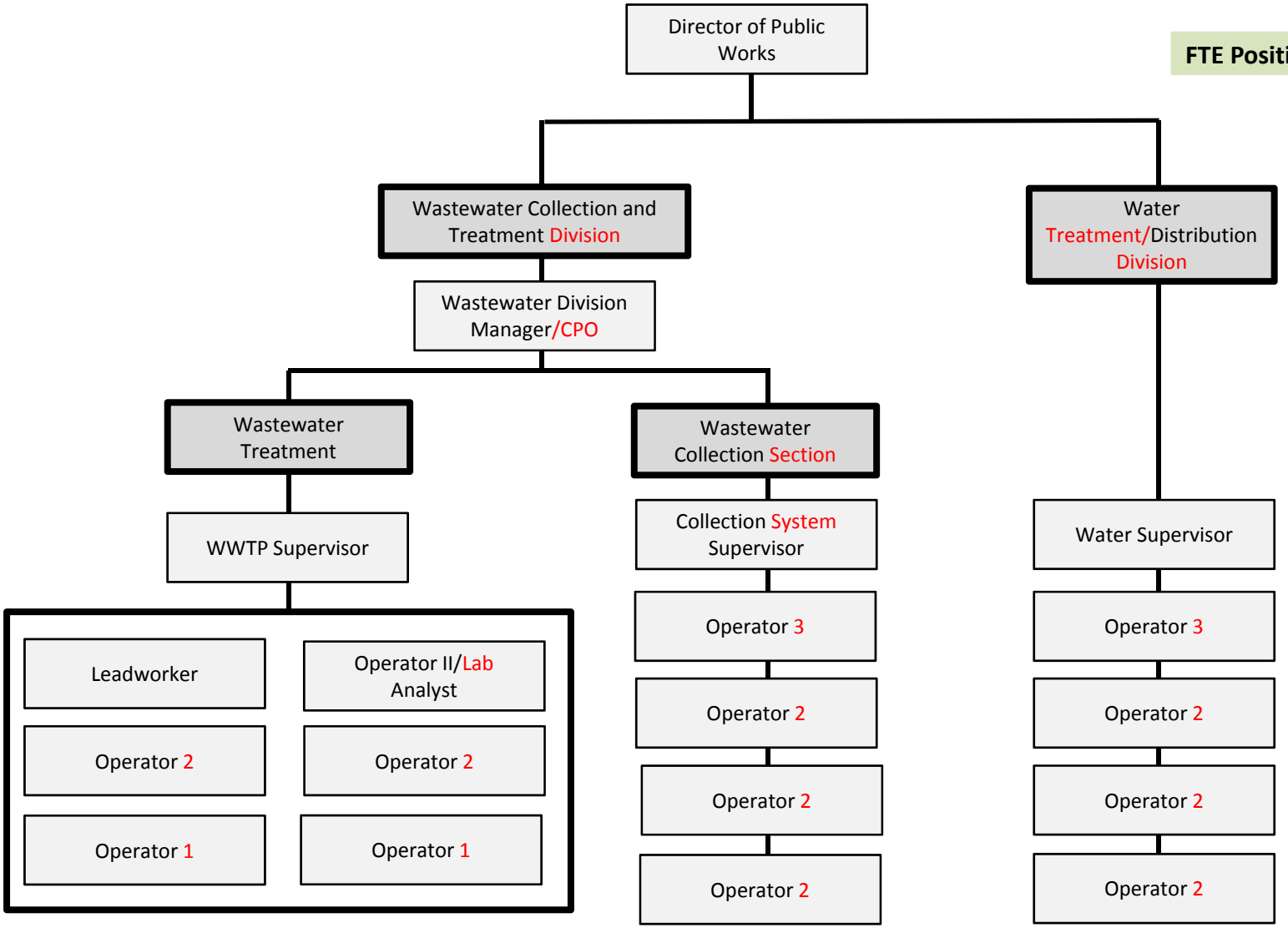
The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

Approved by the Morro Bay City Council on xxxx xx, xxxx.

Staff Organization

Public Works – Water/Sewer (2016 Current)

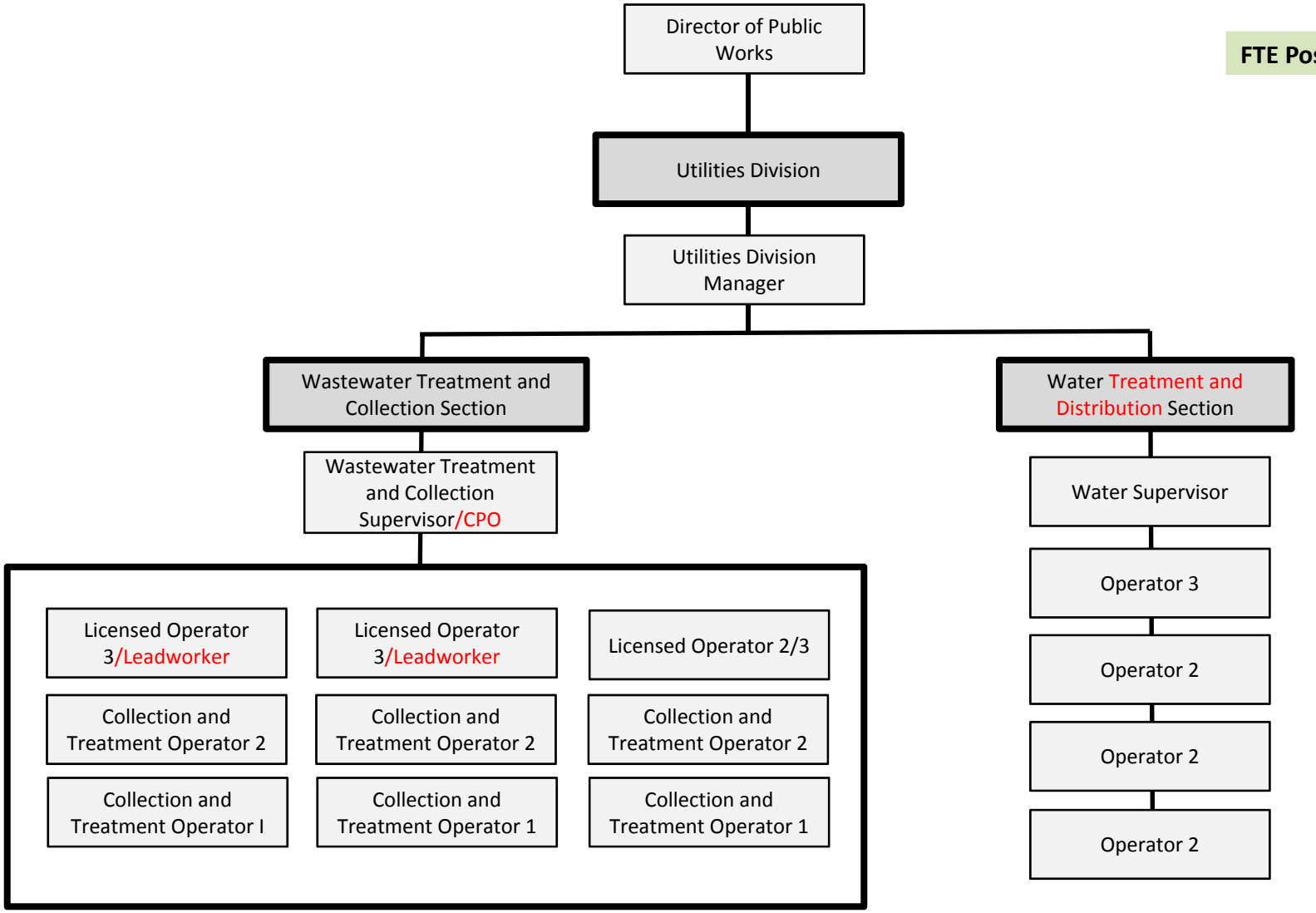
FTE Positions	18



Staff Organization

Public Works – Utilities Division (2021 Future)*

FTE Positions	16



*Begin Transition to staffing levels in 2016

CITY OF MORRO BAY
COMBINED SALARY SCHEDULE
FISCAL YEAR 2016-17

TITLE	GROUP	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
ACCOUNT CLERK I	S	36,980	38,829	40,770	42,809	44,949	
COLLECTION SYSTEM WORKER I	S	36,980	38,829	40,770	42,809	44,949	
OFFICE ASST. III	S	36,980	38,829	40,770	42,809	44,949	
OFFICE ASST. IV	S	39,981	41,980	44,079	46,283	48,597	
ACCOUNT CLERK II	S	41,537	43,614	45,795	48,084	50,489	
COLLECTION SYS WORKER II	S	41,537	43,614	45,795	48,084	50,489	
MAINTENANCE WORKER II	S	41,537	43,614	45,795	48,084	50,489	
WATER SYSTEM OPERATOR I	S	41,537	43,614	45,795	48,084	50,489	
WWTP OIT	S	41,537	43,614	45,795	48,084	50,489	
PERMIT TECHNICIAN	S	42,539	44,666	46,899	49,244	51,707	
ACCOUNT CLK III	S	44,487	46,711	49,047	51,499	54,074	
COLLECTION SYS WORKER III	S	44,487	46,711	49,047	51,499	54,074	
MAINTENANCE WORKER III - PARKS	S	44,487	46,711	49,047	51,499	54,074	
WWTP OPR I	S	44,487	46,711	49,047	51,499	54,074	
ADMINISTRATIVE TECHNICIAN	S	45,273	47,537	49,914	52,409	55,030	
ADMINISTRATIVE UTILITIES TECH	S	45,273	47,537	49,914	52,409	55,030	
PERMIT TECHNICIAN - CERTIFIED	S	45,273	47,537	49,914	52,409	55,030	
SUPPORT SERVICES TECHNICIAN	S	45,273	47,537	49,914	52,409	55,030	
MECHANIC	S	46,721	49,057	51,510	54,086	56,790	
LEGAL ASSISTANT/DEPUTY CITY CLERK	C	49,079	51,533	54,110	56,815	59,656	
WATER SYSTEM OPERATOR II	S	49,488	51,962	54,560	57,289	60,153	
WWTP OPERATOR II	S	49,488	51,962	54,560	57,289	60,153	
SUPPORT SERVICES COORDINATOR	C	51,346	53,913	56,609	59,439	62,411	
HARBOR PATROL OFFICER	S	51,618	54,199	56,909	59,754	62,742	
COLLECTIONS SYS LEADWORKER	S	51,767	54,355	57,073	59,927	62,923	
CONSOLIDATED MAINT LW - STS/PARKS/FA	S	51,767	54,355	57,073	59,927	62,923	
ENGINEERING TECHNICIAN III	S	51,767	54,355	57,073	59,927	62,923	
WATER SYSTEM OPERATOR III	S	51,962	54,561	57,289	60,153	63,161	

S = SEIU; F = Fire; P = Police; C = Confidential; M = Management; E = Executive

City of Morro Bay, CA
Combined Salary Schedule

WWTP OPERATOR II/LAB ANALYST	S	51,962	54,561	57,289	60,153	63,161	
RECREATION SUPERVISOR	S	52,919	55,565	58,344	61,261	64,324	
ASSISTANT PLANNER	S	53,249	55,911	58,707	61,642	64,724	
ASSISTANT CIVIL ENGINEER	S	55,376	58,144	61,052	64,104	67,309	
BUILDING INSPECTOR	S	55,376	58,144	61,052	64,104	67,309	
ENGINEERING TECHNICIAN IV	S	55,376	58,144	61,052	64,104	67,309	
WWTP LEADWORKER	S	55,376	58,144	61,052	64,104	67,309	
FIREFIGHTER	F	55,658	58,441	61,363	64,431	67,652	
HUMAN RESOURCES ANALYST	C	57,564	60,442	63,464	66,637	69,969	
SENIOR ACCOUNTING TECHNICIAN	C	57,564	60,442	63,464	66,637	69,969	
HARBOR BUSINESS COORD	S	57,641	60,523	63,550	66,727	70,063	
RECREATION COORDINATOR	S	57,641	60,523	63,550	66,727	70,063	
POLICE OFFICER	P	59,004	61,955	65,052	68,305	71,720	75,306
HARBOR PATROL SUPERVISOR	S	60,801	63,841	67,033	70,385	73,904	
FIRE ENGINEER	F	60,849	63,891	67,086	70,440	73,962	
ASSOCIATE CIVIL ENGINEER	S	61,972	65,070	68,324	71,740	75,327	
ASSOCIATE PLANNER	S	61,972	65,070	68,324	71,740	75,327	
BUILDING INSPECTOR/PLANS	S	61,972	65,070	68,324	71,740	75,327	
COLLECTION SYSTEM SUPERVISOR	S	61,972	65,070	68,324	71,740	75,327	
MAINTENANCE FIELD SUPERVISOR	S	61,972	65,070	68,324	71,740	75,327	
WATER SYSTEM SUPERVISOR	S	61,972	65,070	68,324	71,740	75,327	
WWTP SUPERVISOR	S	61,972	65,070	68,324	71,740	75,327	
MANAGEMENT ANALYST	M	63,275	66,439	69,761	73,249	76,912	
POLICE DETECTIVE	P	61,955	65,052	68,305	71,720	75,306	79,072
POLICE SCHOOL RESOURCE OFFICER	P	61,955	65,052	68,305	71,720	75,306	79,072
POLICE SENIOR OFFICER	P	61,955	65,052	68,305	71,720	75,306	79,072
POLICE CORPORAL	P	62,530	65,657	68,940	72,387	76,006	79,806
FIRE CAPTAIN	F	69,946	73,443	77,116	80,971	85,020	
WASTEWATER TREATMENT & COLL SUP	S	71,267	74,831	78,572	82,501	86,626	
BUDGET/ACCOUNTING MANAGER	M	74,002	77,703	81,588	85,667	89,950	
CAPITAL PROJECTS MANAGER	M	74,002	77,703	81,588	85,667	89,950	
CONSOLIDATED MAINTENANCE SUPERINTEI	M	74,002	77,703	81,588	85,667	89,950	
ENVIRONMENTAL PROGRAMS MANAGER	M	74,002	77,703	81,588	85,667	89,950	

S = SEIU; F = Fire; P = Police; C = Confidential; M = Management; E = Executive

INFORMATION SERVICES TECHNICIAN	M	74,002	77,703	81,588	85,667	89,950	
TOURISM MANAGER	M	74,002	77,703	81,588	85,667	89,950	
POLICE SERGEANT	P	73,585	77,264	81,127	85,184	89,443	93,915
PLANNING MANAGER	M	81,404	85,475	89,748	94,236	98,947	
CITY CLERK / RISK MANAGER	M	81,800	85,890	90,185	94,694	99,428	
COMMUNITY DEVELOPMENT MANAGER	M	95,936	100,733	105,770	111,058	116,611	
UTILITY DIVISION MANAGER	M	95,936	100,733	105,770	111,058	116,611	
WASTEWATER DIVISION MANAGER	M	95,936	100,733	105,770	111,058	116,611	
POLICE COMMANDER	M	107,707	113,092	118,747	124,684	130,919	
DEPUTY CITY MANAGER	E	117,588	123,467	129,640	136,122	142,928	
COMMUNITY DEVELOPMENT DIRECTOR	E	117,588	123,467	129,640	136,122	142,928	
FINANCE DIRECTOR	E	117,588	123,467	129,640	136,122	142,928	
PUBLIC WORKS DIRECTOR	E	121,973	128,072	134,475	141,199	148,259	
ADMINISTRATIVE SERVICES DIRECTOR	E	121,973	128,072	134,475	141,199	148,259	
HARBOR DIRECTOR	E	124,248	130,460	136,983	143,833	151,024	sworn
FIRE CHIEF	E	124,248	130,460	136,983	143,833	151,024	sworn
POLICE CHIEF	E	124,248	130,460	136,983	143,833	151,024	sworn
ASSISTANT CITY MANAGER	E	126,790	133,130	139,786	146,775	154,114	
CITY MANAGER	E	160,000	160,000	160,000	160,000	160,000	

AGENDA NO: C-4

MEETING DATE: August 23, 2016

Staff Report

TO: **Honorable Mayor and City Council** **DATE: August 17, 2016**

FROM: **Richard P. Sauerwein, PE – Capital Projects Manager**

SUBJECT: **Authorize Award of a Consultant Agreement for Preliminary Engineering Services for Project 05-5391R, State Route 1/Main Street at SR41 Interchange Improvements**

RECOMMENDATION

Staff recommends the City Council:

1. Receive the report and presentation,
2. Review the recommendations from staff and the PWAB to award a consultant agreement to Omni-Means, LTD. for Preliminary Engineering (PE) services of Project 05-5391R, and
3. Authorize the Public Works Director to execute an agreement in the amount of $260,213, including a 10-percent ($23,656) contingency.

ALTERNATIVES

1. Review the proposed scope, budget, and schedule and provide any direction to staff for revision; then continue this item to a future meeting for contract award.
2. Direct staff to cease all work on this project and communicate to SLOCOG staff to reallocate all Federal and State funds associated with the project.

FISCAL IMPACT

The estimated cost to complete the Preliminary Engineering ("PE") phase of this project is $650,000. Typically, the cost of the PE phase is fifteen to twenty-five percent of total project cost. With total project cost estimates at $5M, this equates to an estimated PE phase cost of between $750,000 and $1,250,000; the estimated fee proposed by Omni-Means is below the typical range for the PE costs. Staff and the consultant are able to achieve these savings by leveraging previous work completed in 2001 and the detailed work completed during the Intersection Control Evaluation (ICE) phase, completed this year. The cost for Task 1 is $236,557 and staff is recommending a ten-percent contingency be included in this authorization to expend up to $260,213. $113,000 of Regional State Transportation Program and Rural State Highway Account Funds were programmed in prior years and $300,000 of Federal Congestion Management funds were allocated in FY 15. Local matching funds of $151,000 have previously been provided from accumulated City Traffic Impact Fees to fund the ICE Steps 1&2 and $65,989.30 can be carried over to the PE phase. An

Prepared By: RPS	Dept Review: RL
City Manager Review: DWB	City Attorney Review: CFN

additional $40,000 has been authorized in the FY 16/17 budget. The City will need to allocate additional local funding to award the next task to support the final design, but those funds would not be needed until FY17/18.

SUMMARY

Caltrans approved the Final ICE Step 2 Report on May 6, 2016, and authorized preparation of Preliminary Engineering and Environment Documents. Further expenditure of Federal funds for consultant support requires a formal, well-documented, qualifications-based selection process. This selection process has followed specific Caltrans procedures and the resulting Consultant Services Agreement must include special Federal provisions, contract clauses and forms. Although only one proposal was received, Omni- Means has clearly demonstrated they are the most qualified proposed in accordance with local, State and Federal regulations by providing a high quality work product, demonstrating a strong commitment to this project and building an exceptional working relationship with Caltrans review staff during the ICE Steps 1&2. They have also prepared a thorough, well thought out work plan that will be completed on a fast-track schedule by an exceptional team of professional partners. Staff distributed this Request for Proposals not only through the City web-based Bid Board but also two commonly used web-services that distribute to professional service companies nationwide. It was also distributed throughout the State by California Political News and a directed email notification was made to nine firms thought by staff to be well-suited to successfully complete this project. Staff followed up with those firms to determine why they decided not to respond to this solicitation and the reasons included: lack of available staff; not in their technical sweet spot; competing work priorities; acknowledgement of Omni-Means widely acknowledged expertise in this type of work; the difficulty of overcoming the strategic advantage that Omni-Means brings because of their prior knowledge of the project, thorough understanding of the challenges that must be overcome, and strong working relationships with both Caltrans & SLOCOG, our resource sponsor, and excellent track record of past performance on many similar projects in Caltrans District.

BACKGROUND & DISCUSSION

Staff briefed the PWAB on October 21, 2015 on the merits of proceeding with this project and the Board recommended the City Council authorize the Public Works Director to execute all agreements necessary to move this project forward. Omni-Means has completed both phases of the ICE for the State Route 1/ Main Street @ SR 41 which recommends that two design alternatives, signalization or a roundabout, be considered during the environmental evaluation. Initial meetings with Morro Bay High School and Coastal San Luis Unified School District officials have indicated their strong support for the roundabout alternative, which was determined to be the preferred alternative during ICE Step 2. The PWAB reviewed the project at their July and August 2016 meetings and continue to recommend moving forward with the proposed roundabout as the preferred alternative in order to improve the operational deficiencies at this critical gateway to the community.

The City has now received authorization from Caltrans to proceed to the next step of the project development which is the Preliminary Engineering phase which will prepare the project for construction bidding. During the final stages of ICE Step 2, the Roundabout geometrics have been revised to provide better sight distance of eastbound traffic which is constrained by the SR1 overpass. Two design issues, truck turning movements & speed from NB SR1 Ramp to SB Main St. and special signage requirements will be addressed in greater detail during the detailed design phase. Staff has prepared and issued a nationwide Request for Proposals from qualified Transportation Engineering firms to support the Preliminary Engineering project phase including preparation of a Final Environmental Document meeting the requirements of both the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA) as well as Final Design and Right of Way.

The qualifications based selection has been required for professional services on Federal projects since 1972, when Congress passed the Brooks Act. California enacted a similar "Mini-Brooks" Act in 1990. These procedures do not allow cost to be a factor in selecting a consultant for our project. A consultant selection panel composed of two staff members and the PWAB representative, reviewed the proposal for technical merit, team expertise, demonstrated past performance on similar projects in the coastal zone and meeting the established Disadvantaged Business Enterprise goals.

During a personal interview with the team, the Panel evaluated the proposed team based on the criteria established by the RFP, affirmed Omni-Means as "Most Qualified" and then negotiated the final scope and cost for the initial Task Order. The process is following this schedule:

Issue RFP	Tuesday, July 12, 2016
Submit RFP Questions	Monday, July 18, 2016
Receive proposals	Tuesday, August 2, 2016
Finalist Interviews	Tuesday August 9, 2016
Submit cost proposal, negotiate terms and finalize staff recommendation	Friday, August 12, through Tuesday, August 16, 2016
Award contract	Tuesday, August 23, 2016
Execute contract	Tuesday, August 30 2016
Start work	Thursday, September 1, 2016

CONCLUSION

The Selection Panel and the PWAB recommend award of the contract for Preliminary Engineering of SR1/41/Main Street Interchange Improvements Project to Omni-Means, LTD. based on the solicitation and review process that took place over the past month.

ATTACHMENTS

1. Task Order Consultant Agreement with Omni Means including Proposed Scope and Budget for Phase 1: Preliminary Assessment and Environmental Document
2. Omni-Means Proposal for the Preliminary Engineering of SR1/41/Main Street Interchange Improvements Project is available on the City website

CITY OF MORRO BAY

TASK ORDER AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made, by and between, the City of Morro Bay, a municipal corporation ("City") and Omni-Means, LTD., Nevada corporation, ("Consultant"). In consideration of the mutual covenants and conditions set forth herein the parties agree as follows:

1. TERM

This Agreement shall commence on September, 1 2016, and shall remain and continue in effect until tasks described herein are completed, but in no event later than December 31, 2018, unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

Consultant shall perform the tasks described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. Consultant shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A. All work will be conducted in conformance with the Special Federal Provisions attached as Exhibit B and incorporated herein by this reference, which have been derived from Caltrans Exhibit 10R. If any conflict or inconsistency occurs between any provisions of this Agreement and Exhibit B, the provision in Exhibit B shall control.

3. PERFORMANCE

Consultant shall at all times faithfully, competently and to the best of their ability, experience, and talent, perform all tasks described herein. Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. CITY MANAGEMENT

City's Public Works Director shall represent City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but not including the authority to enlarge the Tasks to Be Performed or change the compensation due to Consultant. City's City Manager shall be authorized to act on City's behalf and to execute all necessary documents which enlarge the Tasks to Be Performed, issue new tasks or change Consultant's compensation, subject to Section 5 hereof.

5. PAYMENT

(a) City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit A-1, attached hereto and incorporated

herein by this reference as though set forth in full, and based upon actual time spent on the above tasks. That amount shall not exceed Two Hundred-Sixty Thousand-Two Hundred-Thirteen Dollars and no cents ($260,213.00) for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City Manager and Consultant at the time City's written authorization is given to Consultant for the performance of said services. The City Manager may approve new tasks within approved budget authority and additional work on awarded tasks not to exceed twenty-five percent (25%) of the amount of the original Task Order, but in no event shall such sum exceed Sixty-five Thousand Fifty-Three Dollars ($65,053.00). Any additional work in excess of this amount shall be approved by the City Council.

(c) Consultant will submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days after receipt of each invoice as to all non-disputed fees. If City disputes any of Consultant's fees, then it shall give written notice to Consultant within fifteen (15) days after receipt of an invoice of any disputed fees set forth on the invoice.

6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

(a) City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon Consultant at least ten-days' (10-days') prior written notice. Upon receipt of said notice, Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If City suspends or terminates a portion of this Agreement, then such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, City shall pay to Consultant the actual value of the work performed up to the time of termination. Upon termination of the Agreement pursuant to this Section, Consultant will submit an invoice to City pursuant to Section 5.

7. DEFAULT OF CONSULTANT

(a) Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date Consultant is notified of default and can terminate this Agreement immediately by written notice to Consultant. If such failure by Consultant to make progress in the performance for work hereunder arises out of causes beyond Consultant's control, and without fault or negligence of Consultant, then it shall not be considered a default.

(b) If the City Manager of his/her delegate determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, then he/she shall cause to be served upon Consultant a written notice of the default. Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that Consultant fails to cure its default within such period of time, City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

8. OWNERSHIP OF DOCUMENTS

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, and full payment by City for services performed pursuant to, this Agreement, all final work product such as documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of City and may be used, reused, or otherwise disposed of by City without the permission of Consultant. With respect to computer files, Consultant shall make available to City, as a service in addition to those set forth herein, at Consultant's office and upon reasonable written request by City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

9. INDEMNIFICATION

(a) Indemnification for Professional Liability. When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including reasonable attorney's fees and costs to the extent same are caused by any negligent act, error or omission of Consultant, its officers, agents, employees or subconsultants (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this agreement. City agrees to hold harmless and indemnify Consultant from and against all claims, liabilities, losses, damages, and costs, including but not limited to attorney's fees, arising out of or in any way connected with the modification, misinterpretation,

misuse or reuse by others of the computer files or any other document provided by Consultant under this Agreement.

(b) Indemnification for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys' fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subconsultants of Consultant.

(c) General Indemnification Provisions. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subconsultant or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth here is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this agreement or this section.

10. INSURANCE

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached to and part of this agreement.

11. INDEPENDENT CONSULTANT

(a) Consultant is and shall at all times remain as to City a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

12. LEGAL RESPONSIBILITIES

Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. Consultant shall at all times observe and comply with applicable legal requirements in effect at the time the drawings and specifications are prepared. City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of Consultant to comply with this Section.

13. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of City will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling City to any and all remedies at law or inequity.

14. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

15. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within City. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

(b) Consultant shall promptly notify City if Consultant, or any of its officers, employees, agents, or subconsultants are served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder or with respect to any project or property located within City. City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing,

or similar proceeding. Consultant agrees to cooperate with City by providing the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

16. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City:	City of Morro Bay 595 Harbor Street Morro Bay, CA 93442 Attention: City Clerk
To Consultant:	Omni-Means LTD. 943 Reserve Drive, Suite 100 Roseville, CA 95678

17. ASSIGNMENT

Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of City.

18. LICENSES

At all times during the term of this Agreement, Consultant shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement.

19. GOVERNING LAW

City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with jurisdiction over City.

20. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement including applicable Federal clauses note in Caltrans Form 10-R, A&E Sample Contract Language. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. CONTENTS OF PROPOSAL

Consultant is bound by the contents of the proposal submitted by Consultant, Exhibit A hereto.

22. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Consultant warrants and represents he/she has the authority to execute this Agreement on behalf of Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF MORRO BAY

By: _____
[Authorized City Representative or Mayor]

Attest:

_____
Dana Swanson, City Clerk

CONSULTANT (2 signatures required)

By: _____
H. Ross Ainsworth, President

By: _____
Joe Weiland, Assistant Secretary

Approved As To Form:

_____
Joseph W. Pannone, City Attorney

EXHIBIT A: SCOPE OF WORK & BUDGET

State Route 1/41/Main Street Interchange Improvement Project
City of Morro Bay

The Scope of Services has been developed based upon the request for proposal, qualifications and contract (RFP/RFQ), visits to the project site, our team's knowledge of the State and Federal requirements, knowledge of the project improvements and requirements through preparation of both approved ICE Step 1 and Step 2 process documents, expertise in roundabout design, knowledge of the local setting, and experience on similar projects.

The following Scope of Services includes two primary tasks as identified in the RFP/RFQ which include; Task 1 Environmental Determination and Planning Permits and, Task 2 Design Engineering. For each primary task, subtasks are provided that clearly demonstrate the services to be provided and our proposed process to successfully deliver not only the required environmental determinations and approvals, but also a complete biddable and constructible project design.

Task 1 - Environmental Determination and Planning Permits

The following Task 1 scope of services include those environmental services anticipated to be required as part of the environmental documentation process under CEQA and NEPA. The scope is based on our understanding of the project and the project history, our experience with similar interchange improvement projects and the Caltrans SER and Guidance for Compliance, preliminary investigation and research, and background information provided by the City as part of the Request for Proposal/Qualifications. Importantly, our approach differs in some significant ways from the Environmental Compliance Evaluation prepared in November 2014 (SWCA 2014). The key factor driving these changes is that Caltrans will serve as the CEQA Lead Agency for the project, rather than the City of Morro Bay (City).

To support the environmental documentation process, the Task 1 scope of services also provide for a public involvement and community outreach process which will include, at a minimum, a public open house, stakeholder meetings and presentations at public hearings. Preliminary engineering services will provide support information for the environmental documentation process which will include, at a minimum, descriptions of the proposed improvement alternatives, planning level right of way and structure information, storm water/drainage requirements and best management practices, and potential utility impacts and coordination issues.

As Caltrans has determined that this project must follow their capital projects process, services are identified that will provide for the documentation required by Caltrans in order to obtain both environmental approval and approval of a preferred project.

Finally, implementation of the project will require a Coastal Development Permit (CDP). Services are identified to acquire this permit.

Task 1A - Project Management, Meetings and Coordination

1A.1 - Project Management and Coordination

Under this task Omni-Means shall, at a minimum, perform the following duties:

- Establish administrative reporting requirement with the City;
- Participate in Project Development Team (PDT) and project coordination meetings;

- Provide monthly project status reports and project schedule updates;
- Coordinate and monitor design for conformance with Caltrans and City of Morro Bay standards and policies;
- Coordinate project submittals and reviews;
- Provide coordination with other agencies;
- Provide project coordination with subconsultants;
- Oversee the project components listed in this Task 1 Scope of Services;
- Implement Quality Assurance and Quality Control Measures;
- Serve as a Liaison with stakeholders and interested persons;
- Provide technical support to lead agency; and
- Prepare invoices at the end of each month of previous month's work.

1A.2 - Project Meetings

Omni-Means shall be available throughout the length of this project to attend meetings as needed with the City of Morro Bay Project Manager. We shall also coordinate and attend all PDT and/or project coordination meetings and prepare meeting records for each meeting. Up to ten (10) PDT and/or project coordination meetings are assumed by Omni-Means through completion of Task 1. Subconsultants will attend each meeting, if needed, based on their level of involvement.

Task 1B - Environmental Determination

SWCA (**Subconsultant**) has developed this scope of services for environmental services anticipated to be required as part of the environmental documentation process under CEQA and NEPA. Since Caltrans will act as CEQA and NEPA Lead Agency, the project will not follow Caltrans's standard Local Assistance process (which was the basis for scoping environmental requirements in the 2014 Environmental Compliance Evaluation). Instead, SWCA understands that the project will be treated as a State Highway System project with Caltrans Oversight and will take somewhat of a hybrid approach. SWCA has consulted with their in-house Caltrans NEPA Specialist and with Caltrans Environmental Planner Kristen Merriman of Caltrans Central Region regarding this project and the appropriate process steps and requirements. The following scope of services has been developed based on this input along with SWCA's extensive experience working with Caltrans on similar projects.

Preliminary Environmental Analysis: SWCA understands that a Project Initiation Document (PID) has already been prepared for the project and that no additional preliminary environmental scoping document will be required. Therefore, preparation of a Preliminary Environmental Analysis Report or PES is not included in this scope of services.

1B.1 - Environmental Project Management / Quality Assurance/Quality Control

SWCA project management will include general management of the Environmental Project Team, as well as coordination/correspondence with Omni-Means, the City, Caltrans, and other regulatory agencies, as deemed appropriate by Omni-Means. SWCA's project manager and additional staff, as appropriate, will be available to meet with the project team and City and/or Caltrans staff at all requested meetings and public hearings (up to 10 meetings assumed). SWCA will be prepared to respond to questions, make presentations, and/or participate in an advisory capacity relating to the environmental planning and permitting components of the project.

1B.2 - Technical Environmental Studies

SWCA has provided a brief description of the scope of work for the various technical studies anticipated to be required as part of the environmental documentation process. It is

important to note that this list of technical studies is only preliminary. The scope of work for the technical studies can be refined or changed by the City as needed in order to best serve City staff and meet Caltrans requirements. The technical studies required would ultimately be developed as a result of meetings with the City and Caltrans environmental staff, public outreach, and consultation with local stakeholders.

Traffic Study: Omni-Means has developed a traffic study as part of the ICE process (Steps 1 and 2). Omni-Means will develop a VISSIM simulation model utilizing the traffic forecasts provided in the ICE studies to simulate peak hour transportation operations for the "No Build" and each of the two build alternatives.

Noise Study Report: Existing uses in the project area would be subject to a short-term increase in noise associated with construction of the proposed project. Demolition of the existing infrastructure and pile driving (if required) may cause both noise and vibration at the project site. Project-generated truck traffic noise may be of concern for nearby residences as equipment and materials shipments (including worker trips) are made to the project site. Adjacent uses may experience an increase in ambient noise levels associated with the addition of travel lanes in closer proximity to adjacent receptors; however, adjacent land uses are not highly sensitive and such increases are expected to be negligible when compared to existing traffic noise along SR-1 and SR-41.

The anticipated minor physical alteration of the vertical or horizontal alignment of SR-1 and/or SR-41 would result in the project being considered a Type 1 project by the FHWA. The SWCA team would prepare a Noise Study Report consistent with Caltrans' SER and utilizing methodology set forth in Caltrans' *Traffic Noise Analysis Protocol for New Highway Construction, Reconstruction, and Retrofit Barrier Projects* (May 2011). Preparation of the noise study will include: 1) recording of long-term 24-hour and short-term 15-minute noise measurements; 2) definition of existing conditions; 3) identification of the loudest noise hour; 4) preparation of anticipated future noise levels using the FHWA's Traffic Noise Model; and 5) consideration of reasonable and feasible noise abatement measures in the event an impact is identified.

If the Noise Study Report identifies existing or modeled future noise levels at any proximate sensitive receptor that would exceed established land use based Noise Abatement Criteria, preparation of a Noise Abatement Decision Report (NADR) would be required. The closest sensitive receptor is a single-family residence located approximately 250 feet northeast of the intersection. Additional receptors, including hotels and residences, are located within 500 feet of the intersection. At this time, it is anticipated that preparation of a NADR will not be required and is not included in this scope of services.

Air Quality / Climate Change Memorandum: The project would generate short-term construction emissions resulting from ground disturbing activities (i.e., fugitive dust) and the use of diesel-fueled construction equipment. Air quality concerns related to the disturbance of potential hazardous substances within the existing structure or surrounding areas, such as asbestos and lead-based paint, are also possible. Long-term air quality would likely be improved by the project, as it would relieve traffic congestion in the area; however, if circulation patterns in the city could be significantly affected by the intersection modifications; overall air quality effects should be considered.

The SWCA team will prepare a memorandum-style air quality/climate change memorandum meeting Caltrans standards. The memorandum will include a quantification of potential

emissions resulting from construction activities through use of the most recent version of the ROADMod modeling program. Changes in mobile source emissions will be estimated using EMFAC2014. The operational emissions analysis will also discuss mobile source air toxics (MSAT). The memorandum will discuss transportation conformity requirements on a regional level. A project-level carbon monoxide or particulate matter hot spot analysis is not required, as the project area is in attainment for these pollutants.

Phase I Initial Site Assessment: PARIKH (**Subconsultant – DBE**) will prepare the Phase I Initial Site Assessment (ISA) study report for the proposed project improvements. Generally the ASTM recommends a 1.0 mile radius for the data search. The ISA study will be prepared to identify potential hazardous waste sites and evaluate environmental factors that may have impacted the soil groundwater quality within the project limits. The study will include data collection and documents research including historical land use based on study of aerial photographs and other relevant documents. The data research will be ordered from Environmental Data Research Inc. (EDR Inc.) for the proposed project. No field exploration and/or testing are included in this phase of the work.

Coastal Zone Consistency Determination: The federal Coastal Zone Management Act requires that a Coastal Zone Consistency Determination be completed for federally funded projects in the coastal zone prior to completion of a NEPA Determination. The determination must be submitted to the California Coastal Commission 90 days prior to approval of the action. The California Coastal Commission has 60 days to respond. SWCA will develop a concise memo addressing consistency of the proposed SR-1/SR-41/Main Street Interchange Improvement Project with the California Coastal Act and the Local Coastal Program. This memo will be submitted to Caltrans, as the federal lead agency, in order to initiate consistency consultation with the Federal Consistency Unit of the California Coastal Commission. SWCA's role during this time will be to support Caltrans with any additional information that may be needed.

Floodplain Studies: Caltrans will require preparation of a Location Hydraulic Study (LHS) and Summary Floodplain Encroachment Report (SFER). Omni-Means will be responsible for preparing both the LHS and SFER, coordinating submittals and reviews with Caltrans, and obtaining the necessary approvals.

Natural Environment Study – Minimal Impact (NES-MI: The Natural Environment Study – Minimal Impact (NES-MI) consists of an impact analysis of the sensitive biological resources with potential to occur within the project impact area. Prior to conducting the fieldwork and NES-MI preparation, SWCA would request an official species list from the USFWS Information for Planning and Conservation (IPaC) website for the project location. The species list would include all federal species that would need to be taken into consideration in the NES-MI. Per Caltrans requirements, the USFWS official species list must be acquired within 6 months of submitting the NES-MI for review. SWCA will ensure that this list is updated prior to submittal to Caltrans.

In addition to the USFWS species list, SWCA graphic specialists would conduct a 5-mile radius search of the project impact area using the CDFW California Natural Diversity Database (CNDDB) to determine what other species may need to be taken into consideration. SWCA's experience has been that a 5-mile radius is acceptable and often results in a more focused list of species for evaluation, thus reducing time spent analyzing species that are considered to have no potential to occur in the subject project area. This is particularly helpful when compiling and analyzing botanical resources within San Luis Obispo County.

Following the database search and review of existing documents, one field survey will be conducted by SWCA biologists to confirm baseline information on vegetation communities, habitat types, and plant and wildlife species in the study area has not changed. At this time, SWCA assumes only one site visit would be necessary. Resources identified during field surveys will be mapped with Global Positioning System (GPS)/GIS and will be overlain on plans and/or aerials provided by the City.

SWCA conducted botanical surveys in the project area on March 24, 2015, and March 23, 2016 to document any special-status plant species or habitat for special-status species present in the proposed project area. No special-status plant species or native habitats that could support special-status plants were observed during either survey effort; therefore, it is SWCA's professional opinion that no special-status species concerns occur in the proposed project area. Caltrans generally accepts botanical survey information for up to 2 years; therefore, we do not believe any further botanical surveys are necessary and none are proposed.

As part of preparation of the NES-MI, SWCA will prepare a focused impact analysis on Morro shoulderband snail (MSS; *Helminthoglypta walkeriana*). Based on an SWCA reconnaissance survey of the study area, almost the entire project site consists of disturbed habitat, and lacks baywood fine sand, and coastal dune scrub vegetation which is the preferred habitat for the Morro shoulderband snail. At this time, we do not believe there will be any potential for MSS to occur at the site. This assessment will be thoroughly discussed within the NES-MI.

The NES-MI will include a description of each project alternative under consideration; regulatory overview; study methods; documentation of existing conditions; special-status plant and animal species, sensitive habitats, and jurisdictional features (wetlands/other waters); evaluation of permanent, temporary, direct, indirect, and cumulative impacts; and recommended avoidance and minimization measures. The NES-MIs will also adequately address invasive plant species as required by Executive Order (EO) 13112, Wetland Protection under EO 11990, and Flood Plain Management under EO 11988. The NES-MI will be prepared using the most current Caltrans template available prior to submittal of the draft to Caltrans.

It is important to note that an NES-MI cannot be used by Caltrans for purposes of Section 7 consultation with USFWS. Therefore, this scope is based on our assumption that the evaluation will determine no potential for take of any federally listed species. SWCA assumes no potential for take will occur based on their familiarity with the project site and their understanding that no disturbance or discharge into Morro Creek (which could affect California red-legged frog [*Rana draytonii*] and steelhead [*Oncorhynchus mykiss*] habitat) is anticipated. If studies determine that additional analysis and documentation would be required to facilitate federal consultation under Section 7, including an NES, BA, and Jurisdictional Waters Delineation, SWCA could complete any additional documentation under a change order.

Visual Impact Assessment (VIA) Checklist: SWCA will utilize the Caltrans Visual Impact Assessment Guide (VIA Guide) to determine the level and type of visual impact assessment that would be required for the project. Itemized responses to the checklist set forth in the VIA Guide would be provided, including project-specific details supporting each response. After completion of the VIA checklist, the final project score will be compared to Caltrans's established thresholds to determine whether additional visual analysis, scoping, photo simulations, public review, or impact determinations and minimization would be necessary.

SWCA will consult with the City and Caltrans to determine the appropriate level of visual analysis necessary.

Minor VIA: Because of the project's location in a highly visible area, with a high number of public views from SR-1 and SR-41, and its scenic importance as a "gateway" to the city, SWCA anticipates that a Minor VIA will be required. SWCA will determine the extent to which the proposed intersection modifications would be visible from Key Viewing Areas (KVAs), and determine the extent of any visual impacts when compared to existing conditions. The Minor VIA will provide a visual analysis to address aesthetic impacts of the project consistent with CEQA, NEPA, and Caltrans requirements and format. SWCA will identify up to three KVAs to ensure adequate coverage of the new alternative and the scope of work will include photographic documentation of existing conditions. Due to the sensitive visual nature of the project site, Omni-Means will prepare visual simulations for inclusion with the Minor VIA.

Land Use and Community Impact Memorandum / Assessment: A memorandum style Land Use and Community Impacts Assessment will be prepared following relevant guidance in Volume 4 of the Caltrans SER, including, in particular, an evaluation of the community impacts that may occur as a result of necessary right-of-way acquisitions and changes in access, circulation, and parking. An analysis of temporary and long-term impacts on local businesses and residents will be conducted to determine potential effects associated with short-term construction activities (i.e., detours and construction noise) and the anticipated permanent right-of-way acquisitions within the project area as a result of the proposed interchange improvements. The analysis will also identify the need for relocation of public utilities and will consider the potential for secondary impacts associated with potential for delays or loss of access for emergency vehicles. The analysis of social impacts will include a discussion of any beneficial effects that would result from the proposed improvements to pedestrian and bicyclist access and streetscape enhancements. SWCA will develop appropriate mitigation measures, as necessary, to reduce impacts through consultation with the City and the project design engineers.

Section 106 Compliance: SWCA will undertake the tasks for National Historic Preservation Act (NHPA) Section 106 and CEQA/NEPA compliance. In order to comply with Section 106, SWCA proposes the following:

- ***Area of Potential Effects Mapping Assistance***

SWCA will assist Omni-Means in the preparation of an APE map that includes a delineation of the area of direct impact and area of indirect effects. The map will depict existing and proposed right-of-way, staging areas, and the location of any cultural resources identified in the APE. The map will be created to meet the standards of Caltrans; this includes, but is not limited to, providing the polygons of any known cultural resources included within the APE as a result of the records search (described below), and creating maps at a scale of 1":200' and printed on 11×17 sheets.

- ***Archaeological Survey Report***
  - Records Search - SWCA will conduct a records search for the proposed project area at the California Historical Resources Information System's Central California Information Center (CCIC), located at the University of California, Santa Barbara. SWCA assumes that Caltrans will require a 1-mile search radius. SWCA further assumes that the records search will be completed at the CCIC for a maximum direct cost of $900.00 and will be conducted at standard rates. The typical turnaround time for this request is approximately 30 days. SWCA would initiate this task immediately following notice to

proceed from Omni-Means. The timing of the records search is critical in meeting the deadline for the Section 106 studies.

o Native American Coordination - Pursuant to Code of Federal Regulations Title 36, Section 800.4(a)(3), preparation of the ASR and HPSR will include coordination with up to 20 local Native American individuals and groups who may have knowledge of, or concerns about, Native American resources in the area. SWCA will initiate this task on behalf of the City and Caltrans by contacting the Native American Heritage Commission (NAHC) to request a Sacred Lands File search and to request a list of Native American contacts. Upon receipt of the Sacred Lands File search, SWCA will prepare and mail letters to each of the NAHC-listed contacts, requesting information concerning any Native American religious or cultural resources within or immediately adjacent to the project area. Up to two telephone calls will be made to each of the Native American groups on the NAHC list to document good-faith follow-up efforts.

o Archaeological Survey Report - SWCA will conduct an intensive-level archaeological survey of the area of direct impacts. SWCA will survey the APE and prepare updates to the California Department of Parks and Recreation (DPR) Series 523 forms for the portion of the site within the APE. No testing or excavation will be conducted, nor will any artifacts, samples, or specimens be collected during the survey.

Upon completion of the field survey, SWCA will prepare an ASR according to Caltrans's current guidance as specified in the SER. The ASR will document the results of the records search, Native American scoping, and field survey. The report will include maps depicting the area surveyed for cultural resources. Locations of sensitive archaeological sites or Native American cultural resources may be depicted or described in the report and will be considered confidential; therefore, the report may not be distributed to the public. This report will be submitted to the City and Caltrans for review. The proposed roundabout location is within the boundaries of a known archaeological site; therefore, SWCA assumes the ASR will result in positive findings. It is anticipated that additional tasks will be required to comply with Section
106; these tasks may include archaeological delineation (Extended Phase I), evaluation (Phase II testing), and data recovery; preparation of a Finding of Effects; and a Memorandum of Agreement. It is impossible to accurately scope this additional work until the preliminary analysis has been completed and appropriate agencies and Native American groups have been consulted; therefore, SWCA's scope does not include additional archaeological testing or reporting at this time. Upon completion of the ASR, SWCA will consult with the project team to determine the necessary next steps, based on the findings in the ASR, project design, the results of Native American consultation, and project team coordination. Any additional work would be completed under a change order.

o Historic Properties Survey Report - Upon completion of the ASR, SWCA will prepare a short-format Caltrans HPSR according to Caltrans's current guidance as specified in the SER. The HPSR is the overarching document that summarizes the results of the cultural resources investigation; it will include a project description, a description of the APE, details of coordination with Native American groups/individuals as well as local government and historic groups, a summary of identification efforts, information regarding any properties identified within the APE, a list of attached documentation, and the findings of the study.

SWCA assumes that no historic properties exist within the APE. Based on our familiarity with the project site and available information, SWCA assumes historic properties are not located within or impacted by the proposed project. However, if the project APE is found to contain historic properties, as described under Section 106 of the NHPA, additional cultural studies would become necessary requiring additional analysis and consultation not included within this scope of services.

1B.3 - CEQA/NEPA Environmental Documentation

In the 2014 Environmental Compliance Evaluation, it was assumed that the appropriate environmental clearance documents for the project would be an IS/MND under CEQA and a Categorical Exclusion (CE) under NEPA. However, as a State Highway System project with Caltrans Oversight, Caltrans will now take the lead under CEQA and NEPA. Based on SWCA's relevant experience with Caltrans and discussion with staff, it is now anticipated that Caltrans will require preparation of an EA under NEPA.

The project is not expected to result in significant and unavoidable environmental impacts; however, an EA may be required to allow for evaluation of more than one design alternative (if necessary, which can't be done in a CE). In addition, the EA will address any potential public controversy over the project's purpose, need, and/or design by providing an opportunity for the public to review and comment on the environmental document.

With Caltrans' role as CEQA Lead Agency, it is likely that an IS/MND that complies with Caltrans' approved templates and SER guidance will be required. In particular, if an EA is ultimately required under NEPA, SWCA believes Caltrans will view the benefits of a IS/EA that meets Caltrans' requirements as outweighing any potential added cost or delay that may result from an approach that doesn't include utilization of the City's 2002 IS/MND.

At this time, SWCA's scope includes preparation of an IS/EA that meets all of the requirements of the Caltrans SER and IS/EA Annotated Outline. However, SWCA's first step in environmental documentation will be to consult closely with the project team and Caltrans to explore any available options for qualifying the project for a CE under NEPA and/or utilizing/updating the City's 2002 IS/MND for CEQA compliance. SWCA will review the NEPA CE Checklist to determine whether any federal regulations can be relied upon to establish the project's qualification for a CE under applicable NEPA regulations. SWCA will also consult with the project team regarding the preferred approach for CEQA compliance: revision of the City's previous 2002 IS/MND or preparation of a new joint document pursuant to the Caltrans SER. The CEQA approach may ultimately be determined based on Caltrans' requirements under NEPA.

Initial Study / Environmental Assessment: SWCA will prepare an IS/EA pursuant to the Caltrans SER and IS/EA Annotated Outline. This scope of work assumes a routine IS/EA is the appropriate environmental document for this project, and a complex IS/EA will not be required. Should it become apparent during environmental evaluation that a complex IS/EA or an EIR/EIS is necessary, Omni-Means and the City will be notified immediately for appropriate action.

SWCA will use the information within the NEPA technical reports prepared for the project to prepare the IS/EA. Preparation of the IS/EA will include an assessment of all resources as required by the City's preferred CEQA checklist and the Caltrans SER. It is assumed that the IS/EA will consider both build alternatives (the traffic signal alternative and the

roundabout alternative) and the No Build Alternative. The IS/EA will be written in language understandable to the public
and decision-makers, and will utilize graphics and tables to clearly present information. It will be concise and focus on the most important issues identified through public and/or internal scoping.

This task assumes up to two rounds of administrative review. SWCA will revise the administrative draft IS/EA in response to comments from Omni-Means, the City, and Caltrans. This task also includes costs to manage noticing, production, distribution, and management of the public review process, including preparation and publishing of a Notice of Availability (NOA) and Notice of Intent (NOI), Notice of Public Hearing or Opportunity for a Public Hearing, and any other required means of noticing the public per CEQA and the SER and as determined by City and Caltrans staff (i.e., newspaper publishing and mailings). SWCA will provide electronic copies of all draft IS/EA documents and assumes the City and/or Caltrans will manage production and printing.

SWCA will be responsible for collection and documentation of all public comments received and public comment analysis, as determined by the City and Caltrans. SWCA will manage noticing, preparation materials, presentation of the project, responses to questions, and compilation of any public comments in preparation of public hearings. SWCA will work closely with the project team to develop responses to comments, for incorporation into a complete Public Comment and Response Report, if requested, for incorporation into the final environmental document.

The Final IS/EA will be prepared by revising the body of the draft IS/EA (as necessary) and will include: a separate Environmental Commitments/Mitigation Measures section, a brief summary of the public review process, a Wetlands Only Practicable Alternative Finding and/or Floodplain Only Practicable Alternative Finding (if necessary), and a discussion as to the final disposition of Section 106 issues. This task assumes up to two rounds of administrative review.

Decision Document (Mitigated Negative Declaration and Finding of No Significant Impact: SWCA will prepare the Mitigated Negative Declaration and Finding of No Significant Impact (MND/FONSI), including an errata sheet for changes to the IS/EA (if necessary) and responses to substantive public concern statements (if necessary). SWCA will facilitate review and document clearance to the extent requested by the City and Caltrans, and will provide public notice of the MND/FONSI through preparation and submittal or publishing of a NOA of the MND/FONSI, Notice of Determination (NOD), CDFW environmental filing fee documentation, or other appropriate means as determined by City and/or Caltrans staff. SWCA will file the NOA, NOD, and CDFW filing fee documentation with the County Clerk and the State Clearinghouse within 5 days of project approval as required by CEQA and the Caltrans SER. (*Please note that applicable CDFW environmental filing fees are assumed to be paid for by the City; receipt of these fees from the City will need to be coordinated within the five day statutory period.*) SWCA also assumes the City and/or Caltrans will manage production and printing of all final MND/FONSI documents.

Task 1C - Planning Permits

1C.1 - Planning Permits

Based on SWCA's knowledge of the permit process for federal and state agencies, implementation of this project will only require permits/agreements/approvals from Caltrans

and the City, and a federal consistency letter from the California Coastal Commission.

SWCA will assume the responsibility of acquiring the Coastal Development Permit (CDP). The City implements the Local Coastal Plan and would administer the CDP for this project (subject to the appellate jurisdiction of the California Coastal Commission). SWCA would prepare the permit package that would include completed permit applications, maps of the project location, site photographs, construction plans, and pertinent background reports. To facilitate the permitting process, SWCA would prepare a signature-ready application package following completion of the technical studies. The coastal development permit is expected to be approved along with the approval of the environmental document. SWCA assumes any other permits required for this project (i.e., encroachment permits) would be acquired by the City.

Task 1D - Public Involvement and Community Outreach

1D.1 - Public Open House

Omni-Means will coordinate and participate in one (1) public open house. Strategic Initiatives (**Subconsultant**) will take the lead on facilitating and running the public meeting (other subconsultants will participate based on their level of involvement). Omni-Means will be responsible for developing all meeting materials and handouts. Omni-Means will also prepare a public meeting notice and provide it to City of Morro Bay staff to be included in the local newspaper. It is anticipated that the City will be responsible for this noticing. Property owners and other interested parties will also be mailed a copy of the notice. It is anticipated that the City of Morro Bay staff would generate the mailing list and Omni-Means will then be responsible for mailing the notices. Finally, a meeting record will be prepared following the conclusion of the public open house.

1D.2 - Stakeholder Meetings

Omni-Means will be available to participate in up to three (3) meetings with stakeholder groups or key interested individuals. A meeting summary will be prepared and provided to the City for review and comment following each meeting.

1D.3 Public Hearings

Omni-Means and SWCA (environmental subconsultant) will prepare and attend one (1) and one (1) City Council hearing. We will be available to present information, provide presentation materials, and answer questions associated with the project at the hearings.

Task 1E Preliminary Engineering

1E.1 - Supplement Preliminary Design

Preliminary engineering design has been completed for the two project build alternatives (traffic signal alternative and 6-legged roundabout alternative) in sufficient detail as to generally satisfy Caltrans Intersection Control Evaluation (ICE) process. Under this task, Omni-Means will review the current designs and provide any final adjustments to ensure that each alternative has been optimized, all final preliminary design comments addressed, and potential design impacts are fully defined.

1E.2 - Preliminary Utility Coordination

Omni-Means will contact utility companies, provide mapping for review and comment, and obtain written confirmation from utility companies on the location of their existing facilities. This information will then be included in the current planning level base mapping and used

to identify potential utility impacts and relocations associated with each project build alternative.

1E.3 - Advance Planning Study (APS)

The proposed roundabout alternative will require provision of a new retaining wall along both the SR 1 northbound off-ramp to, and along the SR 1 northbound on-ramp from SR 41 to facilitate implementation of the proposed improvements. Bengal Engineering (**Bengal, Subconsultant – DBE**) will prepare Advance Planning Studies (APS) to document the scope and cost of the proposed structure work by developing feasible retaining wall system walls along SR 1 to accommodate these improvements. Each APS will be prepared in accordance with guidelines set forth in Caltrans Memo to Designers. Each APS will consist of one plan sheet for each retaining wall showing the basic structure layout and estimated cost.

1E.4 - Right of Way Planning

Right of Way planning services will be provided by Hamner Jewell Associates (**HJA, Subconsultant**).

Services provided by HJA will include the following:

- Provide project team support in the preliminary planning stages, analyzing right of way that would be required for each identified alternative;
- Prepare preliminary right of way cost estimates; and,
- Prepare two Right of Way Data Sheets per Caltrans requirements for the two build alternatives.

1E.5 - Prepare Storm Water Data Report

Omni-Means will prepare a PA/ED level storm water data report (SWDR) based on Caltrans current requirements. The report will identify preliminary project drainage and onsite storm water detention requirements, and provide initial recommendations and preliminary estimates for treatment BMP's for each build alternative.

1E.6 - Other Required Research/Documentation

Omni-Means will conduct the research and provide coordination as required to address, at a minimum, the following topics:

- Regional and System Planning
- Nonstandard Design Features
- Park-and-Ride Facilities
- Highway Planting
- Erosion Control
- Noise Barriers
- Nonmotorized and Pedestrian Features

1E.7 - Update Preliminary Cost Estimates

The preliminary cost estimates developed for each build alternative and provided in the ICE Step 2 document will be updated as needed based on Caltrans requirements.

Task 1F - Project Approval

As Caltrans has determined that this project is a **Capital Project**, their approval of the preferred project will require a two step process. As an environmental document (ED) is required, a draft project report (DPR) must be prepared and approved prior to the project report (PR). The DPR approves the release of the draft environmental document (DED) to the public and the DED must be attached to the DPR. Following public circulation of the DED, consideration of public comments, and the selection of a preferred alternative, the DPR is then revised accordingly and

becomes the PR which recommends Caltrans formal approval of the preferred project. The final environmental document (FED) must also be attached to the PR. The following tasks represent the work required and the sequence for obtaining Caltrans project approval.

1F.1 Administrative Draft Project Report (ADPR)

An Administrative Draft Project Report (ADPR) will be prepared in accordance with Caltrans published guidelines following substantial completion of all preliminary engineering tasks (Task C), environmental technical studies (Task D2), and administrative draft environmental document (ADED). Up to forty (40) copies of the ADPR will be prepared and submitted to the City and PDT for review and comment. An electronic copy of the ADPR will also be provided to both the City and Caltrans.

1F.2 Review Comments on ADPR

Comments received on the ADPR will be reviewed and any identified issues or concerns will be addressed.

1F.3 Draft Project Report (DPR)

Following the resolution of all comments and issues identified with the ADPR, and with Caltrans approval of the draft environmental document (DED), the 1st Draft PR (DPR) will be prepared for review and comment by the City and PDT. Upon resolution of any final comments, the final DPR will be prepared and provided to Caltrans for circulation and approval. The approved DPR will then allow circulation of the DED for public review.

1F.4 Draft Final Project Report (DFPR)

Following public review of the DED, the PDT will consider public comments and a recommendation will be made as to the preferred project. The DPR will be then updated to include the recommended preferred alternative and to reflect any new considerations identified from comments received during the DED public review. A draft final project report (DFPR) will be prepared and up to forty (40) copies of the DFPR will be submitted to the City and PDT for review and comment. An electronic copy of the DFPR will also be provided to both the City and Caltrans.

1F.5 Final Project Report (PR)

Upon resolution of all final comments and issues, a final PR (PR) will be prepared which will also include the FED as an attachment, with up to fifteen (15) copies submitted to the City and PDT for review and comment. Upon resolution of any final comments, one (1) copy of the final PR with original engineer's stamp and signature will be submitted for Caltrans final approval and signatures. Reproduction of up to forty (40) additional copies of the approved PR will be provided to the City and Caltrans. An electronic copy of the approved PR will also be provided to both the City and Caltrans.

Task 2 - Design Engineering

Task 2 will only be initiated following Caltrans final approval of the PR and notice to proceed has been issued. The following Task 2 scope of services include those survey, geotechnical, utility coordination and design engineering services anticipated to be required to develop final plans, specifications and estimate (PS&E) for the Task 1 approved project. All survey, geotechnical and design services will also be provided in accordance with Caltrans guidelines, policies and procedures.

At this time, Task 2 services are based on preparing final PS&E for the proposed 6-lane roundabout alternative. Should another build alternative be identified as the Task 1 approved

project, then the Task 2 scope of services can be adjusted as needed.

Task 2A - Project Management, Coordination, Meetings & Quality Assurance/Control

2A.1 - Project Management

Under this task Omni-Means shall, at a minimum, perform the following duties:

- Establish administrative reporting requirement with the City;
- Participate in Project Development Team (PDT) and project coordination meetings;
- Provide monthly project status reports and project schedule updates;
- Coordinate and monitor design for conformance with Caltrans and City of Morro Bay
- standards and policies;
- Coordinate project submittals and reviews;
- Provide coordination with other agencies;
- Provide project coordination with subconsultants;
- Oversee the project components listed in this Task 2 Scope of Services;
- Implement Quality Assurance and Quality Control Measures;
- Provide technical support to lead agency; and
- Prepare invoices at the end of each month of previous month's work.

2A.2 - Project Coordination and Status Meetings

Omni-Means will provide meeting coordination and oversight including the preparations of meeting minutes summarizing actions taken, actions to be taken, responsible party and resolution date. Up to 12 project team and/or coordination meetings have been budgeted for the Omni-Means management staff. Coordination meetings can include focus meeting with Caltrans Functional Units to resolve design issues. Subconsultants will attend on an as needed basis. Additional meetings will be conducted as necessary on a time and materials basis.

2A.3 Quality Assurance/Quality Control

Omni-Means will assign a QA/QC officer that is independent of the design team to ensure and provide the Quality Assurance/Quality Control Review of internally generated documents and checklists. This will also include independent review of all subconsultant generated reports and documents including but not limited to:

- Topographic Mapping and Surveying (Task 2B)
- Geotechnical Reports (Task 2C)
- Structures Design – Retaining Walls (Task 2E)

The above reviews will be supplemented with reviews from Mark Johnson for roundabout design elements.

Task 2B - Topographic Mapping and Surveying

Topographic and right of way surveying will be provided by Cannon (**Subconsultant**) and will include the area required to complete the design of the project and determine right of way acquisition needs. At a minimum, this includes the SR 1 NB ramps, existing intersections, approaching roads, adjacent City and State rights of way, and lands adjacent to the rights of way.

2B.1 Aerial Topographic Survey

Cannon will utilize published control to establish a survey control base for the project. Existing monuments (section corners, property corners, and other control monuments) found at or near the project site will be used to establish the Horizontal Project Control and aerial control targets.

One benchmark from one of these sources will be used to establish project elevations. Cannon will then be responsible for obtaining the aerial photograph and mapping for the project.

2B.2 Supplemental Topographic Surveying & Mapping

Cannon will perform field surveys to build a reliable and accurate three dimensional ground surface model. All visible existing utilities will be surveyed. Flow line inverts for sewer and storm drain facilities will be obtained during the topographic survey as well. All structures, parking areas, tops and toes of slopes, obstructions, and adjacent improvements will also be surveyed where the location of such facilities will be critical to the design of the project. All trees having a diameter of 4" or greater will be located and described. Once the field data has been collected, reduced and adjusted, a base map will be prepared for the project, including preparation of a three dimensional digital terrain model that will be used for design and earthwork calculations.

2B.3 - Resolution Right-of-Way/Property Line Mapping

Cannon will analyze and resolve pertinent City and State rights-of-way and adjacent property sidelines intersecting the rights-of-way. The locations of existing easements identified in the title reports will be resolved at areas impacting the project. All resolved record title interests will be included in the survey base mapping. No monumentation of property lines will be performed by this task.

2B.4 Design Record of Survey -

Cannon shall design record of survey for the project which will include, at a minimum, the following information:

A. Primary Geodetic Control with ties to project monumentation.
B. Found monumentation used in boundary resolutions.
C. Boundary resolutions with deed references.

Task 2C - Geotechnical Services

2C.1 Geotechnical Design and Materials Report -

Geotechnical design services will be provided by PARIKH (**Subconsultant – DBE**). Specifically, PARIKH will provide the following services leading to preparation and approval of a Geotechnical Design and Materials Report.

Permits/USA Clearances: PARIKH will comply with local permit requirements. They will field locate the boring and call for USA clearance. All necessary permits, including Caltrans, are assumed to be provided.

Field Exploration: PARIKH will drill 8 borings to 5' depth for the pavement investigations along the proposed improvements. For the 2 retaining walls, additional borings to 30' depth are proposed from the slope or the top of the highway embankment. All the explorations are anticipated to impact the existing traffic bearing roads, therefore traffic control will be required. Bulk samples will be collected from the subgrade elevation. PARIKH anticipates using a truck and/or special equipment (portable) for our work.

Laboratory Testing: Laboratory tests will be performed on representative soil samples such as R-value tests, some strength tests and 2 corrosion tests on soil.

Soils Analysis/Evaluation: Perform engineering analyses and develop design recommendations for the proposed pavement design using Caltrans design methods. Traffic Index will be provided by others. Retaining wall design will follow Caltrans standard design

guidelines. Special Non-standard design will require separate Foundation Report to be reviewed by Office of Structure Foundations in Sacramento which is not proposed at this time.

Prepare Geotechnical Design and Materials Report: PARIKH will first prepare a draft Geotechnical Design and Materials Report and provide preliminary design recommendations to the design team. They will then prepare the final Final Geotechnical Design and Materials Report which will include geotechnical recommendations for pavement design using typical R values based on the field work and the Traffic Index values provided by Omni-Means. Retaining walls are expected to use standard Caltrans wall design. Corrosion tests from the soil samples will be provided in a table for use by the designer.

Task 2D - Utility Coordination

2D.1 Utility Mapping and "A" Letters
Omni-Means will coordinate with all utilities to accurately locate and map the existing utilities within the project boundaries. A copy of the base mapping delineating existing utilities will be sent to the appropriate utility company for verification and confirmation from the utility company of location of existing facilities ("A" letters). Letters will be prepared in draft form for placement on City letterhead. Omni-Means will update the project base mapping as required to include all utility information that is received as a part of the notification process.

2D.2 Utility Conflict Maps and Relocation Letters
Omni-Means will prepare utility conflict maps in conformance with the Local Assistance Procedures Manual (LAPM) for use by the City and the utility companies in determining liability (cost share) of the utility relocations. One Conflict Map will be prepared for each utility involvement. The maps will be sent to each utility along with the required Relocation Letter. The Relocation letter will follow Caltrans format, but will be modified to request different times for the draft relocation plan, costs and liability claims to allow the right-of-way acquisitions to proceed concurrently with the utility relocation liability determination.

2D.3 Preliminary Utility Relocation Plan Coordination
This task addresses coordination of the preliminary utility relocation plans with the plans for the project. The affected utility company will complete their relocation plans with input from Omni-Means. For instance, utility sleeves for potential future projects, clearances, and cost and schedules to relocate are typical items addressed under this task. Utility relocations are assumed to be completed prior to construction of the project, or by the utility purveyors' own forces. If it is necessary to perform some of the utility relocations simultaneously with the project construction, coordination of the phasing of utility relocations will be addressed in the Special Provisions and on the Stage Construction Plans.

2D.4 Utility Agreement Support and Notice to Owner Letters
Omni-Means will be available to support the City in the drafting of utility agreements for the relocation of utilities. It is assumed that the City will prepare and execute the Utility Agreements. Omni-Means will prepare the Notice to Owner letters and provide a copy to the City for signature and subsequent delivery to the utility companies.

Task 2E - Engineering Design
At this time, the following Task 2E services are based on preparing final PS&E for the proposed 6-lane roundabout alternative. Should another build alternative be identified as the Task 1 approved project, then the Task 2E scope of services can be adjusted as needed.

2E.1 - Roundabout Geometric Approval Drawings (RGAD)& Structure Type Selection (Retaining Walls)

Roundabout Geometric Approval Drawings (RGAD): Omni-Means will optimize the roundabout concept layout and refine it based on the topographic mapping completed under Task 2B. The RGAD will establish horizontal control and geometric elements including curb geometry, lane widths, channelization, lane transitions, pavement markings, and join conditions including typical sections of each leg and the roundabout circulatory roadway and central island.

An independent peer review of the optimized roundabout design will be provided by Mark Johnson with review comments incorporated into the design prior to submittal to Caltrans. (Independent peer review will be provided throughout the course of the project.) The RGAD will then be submitted to Caltrans for Geometric Approval.

Structure Type Selection (Retaining Walls): Bengal Engineering (Bengal, **Subconsultant – DBE**) will prepare a Type Selection Report. The Type Selection Report will contain a General Plan, the General Plan Estimate, a Vicinity Map, the Structure Type Selection Memo, and the Project Seismic Design Criteria. A Type Selection Review Meeting will be requested after review and acceptance of the Type Selection Report. At the meeting, Bengal will present the structure General Plans for the Retaining Walls, impacts to existing Overcrossing and ramps and briefly discuss pertinent issues. After the Type Selection Review Meeting, Bengal will prepare a meeting summary and, providing all issues brought forward at the Type Selection Meeting are satisfactorily addressed, Bengal will obtain written approval of the proposed structure type.

2E.2 - 60% PS&E Plans

60% Plans: All design plan sheets will be completed to the 60% design level under this task. In addition to the submittal to the City, Omni-Means will submit plan sets to Caltrans, Stakeholder and affected utility companies.
The following plan sheets are anticipated as being the minimum required for roadway design, however if additional sheets are required in order to show project requirements clearly, added sheets will be included:

- Title Sheet - (1)
- Typical Sections - (3)
- Key Map - (1)
- Layout Sheets - (7)
- Profiles - (3)
- Contour Grading - (3)
- Construction Details - (4)
- Drainage Plan, Profile and Details - (5)
- Tree Removal Plans - (1)
- Erosion Control - (3)
- Utility Plans - (3)
- Construction Area Signs - (1)
- Stage Construction - (6)
- Traffic Handling/Detour - (9)
- Motorist Information Sheets - (2)
- Pavement Delineation - (5)

- Sign Plans, Details and Quantities - (5)
- Electrical Service Plans - (1)
- Lighting - (4)
  - - TOTAL = 67 Sheets (Est.)

In addition to roadway design, structure design for the proposed retaining walls will be provided by **Bengal**. Structure design will be in accordance with Caltrans Bridge Design Specifications and applicable sections of the Caltrans Bridge Memo to Designers and Bridge Design Aids manuals. The design and detailing will be performed in accordance with the City and Caltrans design standard including the Caltrans Seismic Design Criteria. Detailing of plans will be in accordance with Caltrans Bridge Design Details Manual and will include use of the Caltrans Standard Plans, the Caltrans XS Sheets and the Caltrans Standard Specifications, as mentioned in the Caltrans Office of Specially Funded Project (OSFP) requirements.

Opinion of Probable Cost: The 60% engineer's estimate of probable construction cost ("Marginal Estimate") for the project will be prepared using the most recent and relevant Caltrans Cost Data, as well as the City's cost data, if available.

Draft Technical Specifications: The draft contract technical Special Provisions for the project will prepared using Caltrans' 2015 Standard Special Provisions and front-end contract boiler plate per City Standards. It is assumed that the City will provide their boiler plate specification and contract documents.

2E.3 Prepare Planting and Irrigation Plans

Omni-Means will prepare landscape architecture construction documents for a "planting only" design that will conform reasonably to applicable codes and regulations of the local and State standards regarding Water Conservation and roundabout design. (Should the City request other design concepts such as a gateway monument and/or art opportunities. the contract will need to be amended to include these concepts.) Specific tasks include:

- Prepare planting plan(s): layout of all plant materials, assemble plant schedule, notes, installation details as needed, and prepare water use calculations per State standards.
- Prepare irrigation plan(s): layout of sprinkler heads, drip irrigation system, piping, valves. Assemble details as needed. Prepare notes, schedules, and calculations.
- Prepare/edit Caltrans planting and irrigation specifications.
- Prepare Opinion of Probable Cost for Landscape based on the construction document package prepared.
- Prepare 60%, 90% and final plans for inclusion in submittal reviews.
- Respond to comments as needed.

2E.4 Drainage Report

Under this task, Omni-Means shall prepare the Drainage Report for the Project. Elements for the report include the existing and proposed drainage shed maps, narrative of the drainage conditions prior to and after the project, determination of pre and post runoff quantities and water quality calculations. It is assumed that downstream conveyance facilities are sufficiently sized to convey the runoff from the project area and no additional offsite improvements or detention will be required. Hydraulic grade line calculations and other design specific information will be included during the 60% and 90% design submittals when this report is finalized and submitted for approval.

2E.5 Storm Water Data Report

The Storm Water Data Report prepared in Task 1 will be updated and resubmitted during

the 60% and 90% design submittals when this report is finalized and submitted for approval.

2E.6 - 90% PS&E

60% PS&E Review Comments: Omni-Means and Bengal will respond to comments on the 60% PS&E submittal and prepare the 90% Plans, Specifications and Estimate. Omni-Means and Bengal (if needed) will meet with City, Caltrans and/or stakeholders, if necessary, to review design review comments in person, by teleconference or net-meeting. A formal comment resolution table will also be prepared identifying all design review comments which will be provided with the 90% PS&E submittal. The table will also include responses to comments and agreed upon comment resolutions from the review meeting.

90% Plans: The plans prepared as part of the 60% design will be supplemented with additional details and information as necessary to respond to comments received. Bengal will also perform an independent design check of the structure plans in conformance with usual Caltrans bridge design procedures and OSFP guidelines. Upon completion of design check, discrepancies between the design and checker will be reconciled and plans updated for preparation of quantities and estimate.

Opinion of Probable Cost: The Cost Estimate and Bid Schedules will be revised to incorporate any changes from the 60% submittal. The estimate will be essentially complete with this submittal.

Technical Specifications: The technical specifications and front end documents will be revised to incorporate any comments received during the 60% review.

Supplemental Reports: Supplemental reports and other supporting calculations will be updated and resubmitted as part of the 90% PS&E submittal package.

2E.7 100% PS&E

The plans, specifications and estimate prepared as part of the 90% PS&E submittal will be supplemented with additional details and information as necessary to respond to comments received. If deemed necessary to address comments, Omni-Means and Bengal (if needed) will meet with City, Caltrans and/or stakeholders to review design review comments. Omni-Means will provide a formal comment resolution table identifying all final design review comments received on the design plans, specifications and estimate.

2E.8 - Final PS&E/Bid Document Preparation

PS&E will be updated based on the agreement and resolution of comments for final submittal of sealed plans and specifications to the City and Caltrans. These plans will include the utility relocation plans, which will be completed by others but included in the plan set for information and required coordination with contractor. This submittal will represent the final contract documents that will be issued for bid and construction.

Exhibit B

Budget Estimate - State Route 1/41/Main Street Interchange Improvements Project
Prepared For: City of Morro Bay
Submitted By: Omni-Means, Ltd
No. P7317
Date 10-Aug-16

Bengal Total DBE % = 6.9% **Parikh Total DBE % = 3.2%** **Task #1 Total DBE % = 10.1%**

Task 1 - Environmental Determination and Planning Permits

Task	Task Description	Staff / Class / Rate	Ainsworth PIC (Princp 2) $231	Weiland PM (PRINCP 2) $212	Krumholz IAC/ QC (PM 4) $211	Boyle QA/QC (PRINCP 2) $222	Stong Project Engr (PM 3) $198	Huffman Engineer 2 $130	Vedula Traffic Engr (PM 3) $198	Sttaff Engineer (Engineer 1) $110	Robertson Land Arch (PM 3) $190	Wunschel Office Surv (Surveyor 3) $132	Purchases & Direct Costs	Omni-Means (Project Lead) Total Hours	Omni-Means (Project Lead) Subtotal	Omni-Means (Project Lead) Task Total	SWCA (Subconsultant) Total Hours	SWCA (Subconsultant) Subtotal	SWCA (Subconsultant) Task Total	Bengal Engineering (Subconsultant - DBE) Total Hours	Bengal Engineering (Subconsultant - DBE) Subtotal	Bengal Engineering (Subconsultant - DBE) Task Total	PARIKH Consultants (Subconsultant - DBE) Total Hours	PARIKH Consultants (Subconsultant - DBE) Subtotal	PARIKH Consultants (Subconsultant - DBE) Task Total	Hamner Jewell Associates (Subconsultant) Total Hours	Hamner Jewell Associates (Subconsultant) Subtotal	Hamner Jewell Associates (Subconsultant) Task Total	Strategic Initiatives (Subconsultant) Total Hours	Strategic Initiatives (Subconsultant) Subtotal	Strategic Initiatives (Subconsultant) Task Total	Mark-up 5%	Total Sub-consultants	Task Sub-Totals	Task Totals
1A	**Project Management, Coordination and Meetings**															**$18,288**			**$0**			**$0**			**$0**			**$0**			**$750**				**$19,076**
1A.1	Project Management		4	32										36	$7,708																		$7,708	
1A.2	Project Meetongs (10)			30	20									50	$10,580															4	$750		$38	$788	$11,368	
1B	**Environmental Determination**															**$16,408**			**$114,811**			**$0**			**$7,504**			**$0**			**$0**				**$137,335**
1B.1	Environmental Project Management / QA/QC			2	8									10	$2,112		132	$17,548														$877	$18,425	$20,537	
1B.2	Technical Environmental Studies			2			14	28	10	36	8			98	$14,296		294	$57,691					63	$7,504								$3,260	$60,951	$75,247	
1B.3	CEQA/NEPA Environmental Documents													0	$0		322	$39,572														$1,979	$41,551	$41,551	
1C	**Planning Permits**															**$634**			**$1,850**			**$0**			**$0**			**$0**			**$0**				**$2,577**
1C.1	Planning Permits			1	2									3	$634		14	$1,850														$93	$1,943	$2,577	
1D	**Public Involvement and Community Outreach**															**$7,904**			**$0**			**$0**			**$0**			**$0**			**$1,750**				**$9,742**
1D.1	Public Open House (1)			6	2		3						$750	11	$3,038															8	$1,750		$88	$1,838	$4,876	
1D.2	Stakeholder Meetings (3)			9	6									15	$3,174																			$3,174	
1D.3	Public Hearings (2)			4	4									8	$1,692																			$1,692	
1E	**Preliminary Engineering**															**$22,495**			**$0**			**$16,420**			**$0**			**$5,105**			**$0**				**$39,991**
1E.1	Supplemental Preliminary Design			2		3		24		8				37	$5,090																			$5,090	
1E.2	Preliminary Utility Coordination						4			8				12	$1,672																			$1,672	
1E.3	Advance Planning Study (APS)			1		1		4						6	$954						140	$16,420										$821	$17,241	$18,195	
1E.4	Right of Way Planning			1	1		4			8		8		22	$3,151													43	$5,105			$255	$255	$3,406	
1E.5	Prepare Storm Water Data Report			1		1	24			16				42	$6,946																			$6,946	
1E.6	Other Required Research/Documentation			1				16						17	$2,292																			$2,292	
1E.7	Update Preliminary Cost Estimates			1		1	2	12						16	$2,390																			$2,390	
1F	**Plan Preparation**															**$27,837**			**$0**			**$0**			**$0**			**$0**			**$0**				**$27,837**
1F.1	Administrative Draft Project Report (ADPR)			4	6		2	24		8			$500	44	$7,010																			$7,010	
1F.2	Review Comments on ADPR			4			4	16						24	$3,720																			$3,720	
1F.3	Draft Project Report (DPR)			4	4		2	24		8			$1,000	42	$7,088																			$7,088	
1F.4	Draft Final Project Report (DFPR)			4	3		2	16		8			$500	33	$5,337																			$5,337	
1F.5	Final Project Report (PR)			2	2		2	12		8			$1,000	26	$4,682																			$4,682	
	Subtotal Base Proposal	Hours	4	111	58	6	63	176	10	108	8	8		552		$93,566	762				140			63			43			12					$236,557	
		Dollars	$924	$23,532	$12,238	$1,332	$12,474	$22,880	$1,980	$11,880	$1,520	$1,056	$3,750			**$93,566**		$116,661	**$116,661**			**$16,420**	**$16,420**		$7,504	**$7,504**		$5,105	**$5,105**		$2,500	**$2,500**	**$7,410**	**$142,991**		**$236,557**

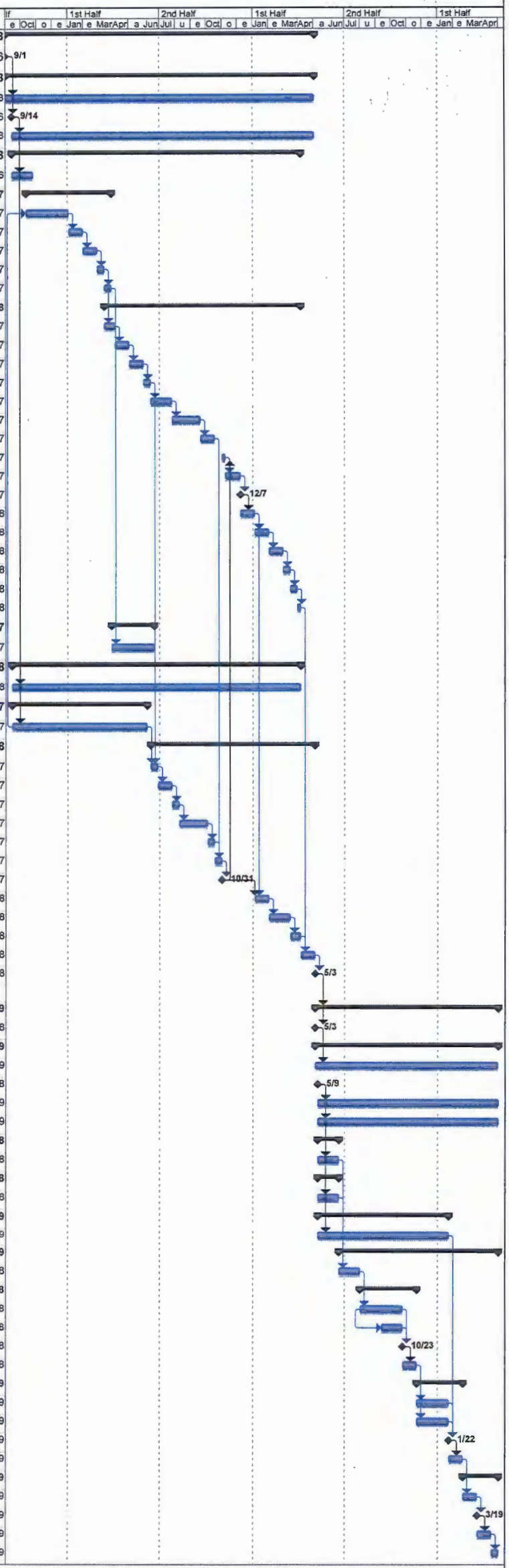
Bengal Total DBE % = 10.2% **Parikh Total DBE % = 11.3%** **Task #2 Total DBE % = 21.5%**

Task 2 - Design Engineering

Task	Task Description	Staff / Class / Rate	Ainsworth PIC (Princp 2) $231	Weiland PM (PRINCP 2) $212	Krumholz IAC/ QC (PM 4) $211	Boyle QA/QC (PRINCP 2) $222	Johnson Roundabout Reviewer $194	Stong Project Engr (PM 3) $198	Huffman Engineer 2 $130	Sttaff Engineer (Engineer 1) $110	Robertson Land Arch (PM 3) $190	Wunschel Office Surv (Surveyor 3) $132	Purchases & Direct Costs	Omni-Means (Project Lead) Total Hours	Omni-Means (Project Lead) Subtotal	Omni-Means (Project Lead) Task Total	Cannon (Subconsultant) Total Hours	Cannon (Subconsultant) Subtotal	Cannon (Subconsultant) Task Total	Bengal Engineering (Subconsultant - DBE) Total Hours	Bengal Engineering (Subconsultant - DBE) Subtotal	Bengal Engineering (Subconsultant - DBE) Task Total	PARIKH Consultants (Subconsultant - DBE) Total Hours	PARIKH Consultants (Subconsultant - DBE) Subtotal	PARIKH Consultants (Subconsultant - DBE) Task Total	Mark-up 5%	Total Sub-consultants	Task Sub-Totals	Task Totals
2A	**Project Management, Coordination, Meetings & QA/QC**															**$34,884**			**$0**			**$0**			**$0**				**$34,884**
2A.1	Project Management		4	52										56	$11,948													$11,948	
2A.2	Project Coordination and Meetings (12)			36	8			12	12					68	$13,256													$13,256	
2A.3	Quality Control/Quality Assurance				8	36								44	$9,680													$9,680	
2B	**Topographis Mapping and Surveying**															**$4,632**			**$46,500**			**$0**			**$0**				**$53,457**
2B.1	Aerial Topographic Survey											4		4	$528		20	$7,050									$353	$7,403	$7,931	
2B.2	Supplemental Topographic Surveying & Mapping								8			4		12	$1,568		65	$10,990									$550	$11,540	$13,108	
2B.3	Resolution Right-of-Way/Property Line Mapping											8		8	$1,056		68	$10,520									$526	$11,046	$12,102	
2B.4	Design Record of Survey			2								8		10	$1,480		108	$17,940									$897	$18,837	$20,317	
2C	**Geotechnical Services**															**$1,400**			**$0**			**$0**			**$46,745**				**$50,482**
2C.1	Geotechnical Design and Materials Report			1				6						7	$1,400									265	$46,745		$2,337	$49,082	$50,482	
2D	**Utility Coordination**															**$20,554**			**$0**			**$0**			**$0**				**$20,554**
2D.1	Utility Mapping and "A" Letters			1				4		16		8	$50	29	$3,870													$3,870	
2D.2	Utility Conflict Maps and Relocation Letters			1				12		24			$50	37	$5,278													$5,278	
2D.3	Preliminary Utility Relocation Plan Coordination			4				24		32				60	$9,120													$9,120	
2D.4	Utilty Agreement Support and Notice to Owner Letters			1				8		4			$50	13	$2,286													$2,286	
2E	**Engineering Design**															**$209,096**			**$0**			**$42,125**			**$0**				**$253,327**
2E.1	RGAD & Structure Type Selection			8			32		28	40			$250.00	108	$16,194					64	$9,240					$462	$9,702	$25,896	
2E.2	60% PS&E			18			16	52	176	200	8		$1,000.00	470	$64,616					129	$15,680					$784	$16,464	$81,080	
2E.3	Preliminary Planting and Irrigation Plans			4					24		48		$150	76	$13,238													$13,238	
2E.4	Drainage Report			4				46		32			$150	82	$13,626													$13,626	
2E.5	Storm Water Data Report			4				36		24			$150	64	$10,766													$10,766	
2E.6	90% PS&E			18			8	32	132	160	28		$1,750	378	$53,534					78	$9,760					$488	$10,248	$63,782	
2E.7	100% PS&E			4				16	68	60	8		$1,750	156	$22,726					54	$7,445					$372	$7,817	$30,543	
2E.8	Final PS&E / Bid Document Preparation			6				8	24	40	8		$2,500	86	$14,396													$14,396	
	Subtotal Base Proposal	Hours	4	164	16	36	56	256	472	632	100	32		1768		$270,566	261			325			265						
		Dollars	$924	$34,768	$3,376	$7,992	$10,864	$50,688	$61,360	$69,520	$19,000	$4,224	$7,850			**$270,566**		$46,500	**$46,500**		$42,125	**$42,125**		$46,745	**$46,745**	**$6,768**	**$142,138**	$412,704	**$412,704**

State Route 1/41/Main Street Interchange Improvement Project
Preliminary Project Schedule

ID	Task Name	Duration	Start	Finish
1	**Task 1 - Environmental Determinaton and Planning Permits**	**436 days**	**Thu 9/1/16**	**Thu 5/3/18**
2	Notice to Procees - (Per RFQ/RFQ)	0 days	Thu 9/1/16	Thu 9/1/16
3	**Project Management, Meetings and Coordination (Task 1A)**	**435 days**	**Thu 9/1/16**	**Wed 5/2/18**
4	Project Management (1A.1)	435 days	Thu 9/1/16	Wed 5/2/18
5	Project Meetings / Kick-Off Meeting (1A.2)	0 days	Wed 9/14/16	Wed 9/14/16
6	Project Meetings / On-Going (1A.2)	426 days	Wed 9/14/16	Wed 5/2/18
7	**Environmental Determination (Task 1B)**	**407 days**	**Wed 9/14/16**	**Thu 4/5/18**
8	Environmental Project Management & QA/QC (1B.1)	30 days	Wed 9/14/16	Tue 10/25/16
9	**Technical Environmental Studies (1B.2)**	**120 days**	**Wed 10/12/16**	**Tue 3/28/17**
10	Prepare Draft Technical Environmental Studies	60 days	Wed 10/12/16	Tue 1/3/17
11	Round 1 Review	20 days	Wed 1/4/17	Tue 1/31/17
12	Round 1 Revisions, 2nd Review	20 days	Wed 2/1/17	Tue 2/28/17
13	Final Technical Studies Revisions	10 days	Wed 3/1/17	Tue 3/14/17
14	Technical Environmental Studies Approved	10 days	Wed 3/15/17	Tue 3/28/17
15	**CEQA/NEPA Environmental Documentation (1B.3)**	**277 days**	**Wed 3/15/17**	**Thu 4/5/18**
16	Prepare Admin Draft IS/EA	15 days	Wed 3/15/17	Tue 4/4/17
17	Admin Draft Review	20 days	Wed 4/5/17	Tue 5/2/17
18	Round 1 Revisions, 2nd Review	20 days	Wed 5/3/17	Tue 5/30/17
19	Draft IS/EA Prepared	10 days	Wed 5/31/17	Tue 6/13/17
20	Draft IS/EA Review	30 days	Wed 6/14/17	Tue 7/25/17
21	Final Reviews and Revisions	40 days	Wed 7/26/17	Tue 9/19/17
22	Draft IS/EA Approved	20 days	Wed 9/20/17	Tue 10/17/17
23	Prepare Draft IS/EA for Public Review	5 days	Wed 11/1/17	Tue 11/7/17
24	Public Comment Period	30 edays	Tue 11/7/17	Thu 12/7/17
25	Public Hearing on Draft IS/EA	0 days	Thu 12/7/17	Thu 12/7/17
26	Prepare Draft Final IS/EA	20 days	Fri 12/8/17	Thu 1/4/18
27	Admin Final Review	20 days	Fri 1/5/18	Thu 2/1/18
28	Round 1 Revisions, 2nd Review	20 days	Fri 2/2/18	Thu 3/1/18
29	Prepare Fina IS/EA	10 days	Fri 3/2/18	Thu 3/15/18
30	Prepare MND/FONSI	10 days	Fri 3/16/18	Thu 3/29/18
31	Publish NOA, Submit NOD	5 days	Fri 3/30/18	Thu 4/5/18
32	**Planning Permits (Task 1C)**	**60 days**	**Wed 3/29/17**	**Tue 6/20/17**
33	Planning Permits (1C.1)	60 days	Wed 3/29/17	Tue 6/20/17
34	**Public Involvement and Community Outreach (Task 1D)**	**407 days**	**Wed 9/14/16**	**Thu 4/5/18**
35	Public Involvement/Community Outreach (1D.1 - 1D.3)	407 days	Wed 9/14/16	Thu 4/5/18
36	**Preliminary Engineering (Task 1E)**	**190 days**	**Wed 9/14/16**	**Tue 6/6/17**
37	Peliminary Engnineering (1E.1 - 1E.7)	190 days	Wed 9/14/16	Tue 6/6/17
38	**Project Approval (Task 1F)**	**232 days**	**Wed 6/14/17**	**Thu 5/3/18**
39	Prepare Admin Draft Project Report (ADPR) (1F.1)	10 days	Wed 6/14/17	Tue 6/27/17
40	ADPR Review	20 days	Wed 6/28/17	Tue 7/25/17
41	Review Comments and Prepare Draft Project Report (DPR) (1F.3)	10 days	Wed 7/26/17	Tue 8/8/17
42	DPR Review	40 days	Wed 8/9/17	Tue 10/3/17
43	Review Comments on DPR	10 days	Wed 10/4/17	Tue 10/17/17
44	Submit DPR for Approval	10 days	Wed 10/18/17	Tue 10/31/17
45	DPR Approved	0 days	Tue 10/31/17	Tue 10/31/17
46	Prepare Draft Final PR (DFPR)	20 days	Fri 1/5/18	Thu 2/1/18
47	DFPR Review	30 days	Fri 2/2/18	Thu 3/15/18
48	Prepare Final PR (PR)	15 days	Fri 3/16/18	Thu 4/5/18
49	Submit Final PR for Approval	20 days	Fri 4/6/18	Thu 5/3/18
50	PR Approved (Task 1 Completed)	0 days	Thu 5/3/18	Thu 5/3/18
51				
52	**Task 2 - Design Engineering**	**258 days**	**Thu 5/3/18**	**Tue 4/30/19**
53	Task 2 Initiated	0 days	Thu 5/3/18	Thu 5/3/18
54	**Project Management, Coordination, Meetings & QA/QC (Task 2A)**	**258 days**	**Fri 5/4/18**	**Tue 4/30/19**
55	Project Management (2A.1)	257 days	Fri 5/4/18	Mon 4/29/19
56	Task 2 Kick-Off Meeting (2A.2)	0 days	Wed 5/9/18	Wed 5/9/18
57	On-going Coordination and Status Meetings (2A.2)	255 days	Wed 5/9/18	Tue 4/30/19
58	Quality Assurance / Quality Control (2A.3)	255 days	Wed 5/9/18	Tue 4/30/19
59	**Topographic Mapping and Surveying (Task 2B)**	**30 days**	**Wed 5/9/18**	**Tue 6/19/18**
60	Topographic Mapping and Surveying (2B.1 - 2B.4)	30 days	Wed 5/9/18	Tue 6/19/18
61	**Geotechnical Services (Task 2C)**	**30 days**	**Wed 5/9/18**	**Tue 6/19/18**
62	Geotechnical Design and Materials Report (2C.1)	30 days	Wed 5/9/18	Tue 6/19/18
63	**Utility Coordination (Task 2D)**	**185 days**	**Wed 5/9/18**	**Tue 1/22/19**
64	Utility Coordination (2d.1 - 2D.4)	185 days	Wed 5/9/18	Tue 1/22/19
65	**Engineering Design (Task 2E)**	**225 days**	**Wed 6/20/18**	**Tue 4/30/19**
66	RGAD and Structure Type Selection (2E.1)	30 days	Wed 6/20/18	Tue 7/31/18
67	**60% PS&E**	**80 days**	**Wed 8/1/18**	**Tue 11/20/18**
68	Prepare 60% PS&E (2E.2)	60 days	Wed 8/1/18	Tue 10/23/18
69	Prepare Draft Drainage & SWDR (2E.4 & 2E.5)	30 days	Wed 9/12/16	Tue 10/23/18
70	60% PS&E & Reports Submittal	0 days	Tue 10/23/18	Tue 10/23/18
71	PS&E Review	20 days	Wed 10/24/18	Tue 11/20/18
72	**90% PS&E**	**65 days**	**Wed 11/21/18**	**Tue 2/19/19**
73	Prepare 90% PS&E (2E.6)	45 days	Wed 11/21/18	Tue 1/22/19
74	Prepare Final Drainage & SWDR (2E.4 & 2E.5)	45 days	Wed 11/21/18	Tue 1/22/19
75	90% Submittal	0 days	Tue 1/22/19	Tue 1/22/19
76	PS&E Review	20 days	Wed 1/23/19	Tue 2/19/19
77	**100% & Final PS&E**	**50 days**	**Wed 2/20/19**	**Tue 4/30/19**
78	Prepare 100 % PS&E (2E.7)	20 days	Wed 2/20/19	Tue 3/19/19
79	100% Submittal	0 days	Tue 3/19/19	Tue 3/19/19
80	PS&E Review	20 days	Wed 3/20/19	Tue 4/16/19
81	Prepare Final PS&E/Bid Documents (2E.8)	10 days	Wed 4/17/19	Tue 4/30/19



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August 1, 2016

Task — Progress — Summary — External Tasks — Deadline
Split — Milestone — Project Summary — External Milestone

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Exhibit B: SPECIAL FEDERAL PROVISIONS

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ARTICLE I INTRODUCTION

Covered in body of this Agreement**.**

G. The consideration to be paid to CONSULTANT as provided herein, shall be in compensation for all of CONSULTANT's expenses incurred in the performance hereof, including travel and per diem, unless otherwise expressly so provided.

ARTICLE II STATEMENT OF WORK

A. CONSULTANT Services

Detail based on the services to be furnished are as provided by CONSULTANT as noted in the RFP. The Nature and extent have been verified during the negotiations. CONSULTANT has made precise statements to eliminate subsequent uncertainties and misunderstandings. Reference to the appropriate standards for design and other standards for work performance have been included in this Agreement. CONSULTANT's/engineer shall sign all Plans, Specifications and Estimate (PS&E) and engineering data furnished under this Agreement, including current registration number. Environmental documents are not considered complete until a Caltrans District Senior Environmental Planner signs the Categorical Exclusion, a Caltrans Deputy District Director signs the Finding of No Significant Impact, or the Caltrans District Director signs the Record of Decision.

B. Right-of-Way

Right-of-Way requirements are to be determined and shown by CONSULTANT on plans, including land surveys and computations with metes and bounds descriptions, and Right-of-Way plots are to be furnished.

C. Surveys

CONSULTANT has the responsibility for performing preliminary field surveys to establish topography, determine Right-of-Way dedications, and setting control points for construction surveys.

D. Subsurface Investigations

CONSULTANT has responsibility for making subsurface investigations as may be required to satisfy Cultural Resource survey requirements, identify underground conflicts and design pavement. If borings or other specialized services are to be made by others under the supervision of CONSULTANT, appropriate provisions are to be incorporated. Archaeological testing and data recovery guidance can be found in the *Standard Environmental Reference*.

E. Local Agency Obligations

All data applicable to the project and in possession of CITY or another agency, or government that are to be made available to CONSULTANT are referred to in this Agreement. Any other assistance or services to be furnished to CONSULTANT are to be stated clearly.

F. Conferences, Visits to Site, Inspection of Work

This Agreement provides for conferences as needed, visits to the site, and inspection of the work by representatives of the state, or FHWA. Costs incurred by CONSULTANT for meetings, subsequent to the initial meeting shall be included in the total compensation described in this Agreement.

H. Documentation and Schedules

CONSULTANT must document the results of the work to the satisfaction of CITY, and if applicable, the State and FHWA. That may include preparation of progress and final reports, plans, specifications and estimates, or similar evidence of attainment of the contract objectives.

I. Deliverables and Number of Copies

All written draft deliverables will be provided in MicroSoft Office formats so changes can be tracked during review. Final deliverables will be provided in both electronic Adobe pdf format, as well as hard copy. The number of copies of papers or documents to be furnished, such as reports, brochures, sets of plans, specifications, or Right of Way plots shall be reasonably determined by CITY'S Project Manager, after consultation with CONSULTANT. CITY shall pay the cost of any additional copies.

ARTICLE III CONSULTANT'S REPORTS OR MEETINGS

A. CONSULTANT shall submit progress reports on each specific project in accordance with the Task Order. Those reports shall be submitted at least once a month. The report should be sufficiently detailed for CITY'S Project Manager to determine, if CONSULTANT is performing to expectations, or is on schedule, to provide communication of interim findings, and to sufficiently address any difficulties or special problems encountered, so remedies can be developed.

B. CONSULTANT's Project Manager shall meet with CITY'Sr Project Manager, as needed, to discuss progress on the project(s).

ARTICLE IV PERFORMANCE PERIOD

A. This contract shall go into effect on September 1, 2016, contingent upon approval by LOCAL AGENCY, and CONSULTANT shall commence work after notification to proceed by LOCAL AGENCY'S Contract Administrator. The contract shall end on December 31, 2018, unless extended by contract amendment.

B. CONSULTANT is advised that any recommendation for contract award is not binding on CITY until this Agreement is fully executed and approved by CITY.

C. The period of performance for each specific project shall be in accordance with the Task Order for that project. If work on a Task Order is in progress on the expiration date of this contract, then the terms of the contract shall be extended by contract amendment.

ARTICLE V ALLOWABLE COSTS AND PAYMENTS

A. CONSULTANT will be reimbursed for hours worked at the hourly rates specified in CONSULTANT'S Cost Proposal. The specified hourly rates shall include direct salary costs, employee benefits, overhead, and fee. Those rates are not adjustable for the performance period set forth in this Agreement.

B. In addition, CONSULTANT will be reimbursed for incurred (actual) direct costs other than salary costs that are in the cost proposal and identified in the cost proposal and in the executed Task Order.

C. Specific projects will be assigned to CONSULTANT through issuance of Task Orders.

D. After a project to be performed under this contract is identified by CITY, CITY will prepare a draft Task Order; less the cost estimate. A draft Task Order will identify the scope of services, expected results, project deliverables, period of performance, project schedule and will designate CITY'S Project Manager. The draft Task Order will be delivered to CONSULTANT for review. CONSULTANT shall return the draft Task Order within ten (10) calendar days along with a Cost Estimate, including a written estimate of the number of hours and hourly rates per staff person, any anticipated reimbursable expenses, overhead, fee if any, and total dollar amount. After agreement has been reached on the negotiable items and total cost; the finalized Task Order shall be signed by both LOCAL AGENCY and CONSULTANT.

E. Task Orders may be negotiated for a lump sum (Firm Fixed Price) or for specific rates of compensation, both of which must be based on the labor and other rates set forth in CONSULTANT'S Cost Proposal.

F. Reimbursement for transportation and subsistence costs shall not exceed the rates as specified in the approved Cost Proposal.

G. When milestone cost estimates are included in the approved Cost Proposal, CONSULTANT shall obtain prior written approval for a revised milestone cost estimate from the Contract Administrator before exceeding such estimate.

H. Progress payments for each Task Order will be made monthly in arrears based on services provided and actual costs incurred.

I. CONSULTANT shall not commence performance of work or services until this contract has been approved by CITY, and notification to proceed has been issued by CITY'S Contract Administrator. No payment will be made prior to approval or for any work performed prior to approval of this contract.

J. A Task Order is of no force or effect until returned to CITY and signed by an authorized representative of CITY. No expenditures are authorized on a project and work shall not commence until a Task Order for that project has been executed by CITY.

K. CONSULTANT will be reimbursed, as promptly as fiscal procedures will permit upon receipt by CITY'S Administrative Services/Finance Director of itemized invoices in triplicate. Separate invoices itemizing all costs are required for all work performed under each Task Order. Invoices shall be submitted no later than 45 calendar days after the performance of work for which CONSULTANT is billing, or upon completion of the Task Order. Invoices shall detail the work performed on each milestone, on each project as applicable. Invoices shall follow the format stipulated for the approved Cost Proposal and shall reference this contract number, project title and Task Order number. Credits due CITY that include any equipment purchased under the provisions of Article XI Equipment Purchase of this contract, must be reimbursed by CONSULTANT prior to the expiration or termination of this contract. Invoices shall be mailed to CITY'S Project Manager at the following address:

CITY OF MORRO BAY

RICHARD SAUERWEIN, PE, CAPITAL PROJECTS MANAGER

955 SHASTA AVE., MORRO BAY, CA 93442

L. The period of performance for Task Orders shall be in accordance with dates specified in the Task Order. No Task Order will be written which extends beyond the expiration date of this Contract.

M. The total amount payable by CITY for an individual Task Order shall not exceed the amount agreed to in the Task Order, unless authorized by contract amendment.

N. If the Consultant fails to satisfactorily complete a deliverable according to the schedule set forth in a Task Order, then no payment will be made until the deliverable has been satisfactorily completed.

O. Task Orders may not be used to amend this Agreement and may not exceed the scope of work under this Agreement.

P. The total amount payable by CITY for all Task Orders resulting from this Agreement shall not exceed $722,000. It is understood and agreed there is no guarantee, either expressed or implied that dollar amount will be authorized under this Agreement through Task Orders.

Q. All subcontracts in excess of $25,000 shall contain the above provisions.

ARTICLE VI TERMINATION

A. CITY reserves the right to terminate this Agreement upon ten-–calendar-days' written notice to CONSULTANT with the reasons for termination stated in the notice.

B. CITY may terminate this AGREEMENT with CONSULTANT if CONSULTANT fails to perform the covenants herein contained at the time and in the manner herein provided. In the event of such termination, CITY may proceed with the work in any manner deemed proper by CITY. If CITY terminates this Agreement with CONSULTANT, then CITY shall pay CONSULTANT the sum due to CONSULTANT under this Agreement prior to termination, unless the cost of completion to CITY exceeds the funds remaining in this Agreement. If so, then the overage shall be deducted from any sum due CONSULTANT under this Agreement and the balance, if any, shall be paid to CONSULTANT upon demand.

ARTICLE VII COST PRINCIPLES AND ADMINISTRATIVE REQUIREMENTS

A. CONSULTANT agrees the Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31.000 et seq., shall be used to determine the cost allowability of individual items.

B. CONSULTANT also agrees to comply with federal procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

C. Any costs for which payment has been made to CONSULTANT that are determined by subsequent audit to be unallowable under 49 CFR, Part 18 and 48 CFR, Federal Acquisition Regulations System, Chapter 1,
Part 31.000 et seq., are subject to repayment by CONSULTANT to LOCAL AGENCY.

D. All subcontracts in excess of $25,000 shall contain the above provisions.

ARTICLE VIII RETENTION OF RECORDS/AUDIT (Verbatim)

For the purpose of determining compliance with Public Contract Code 10115, et seq. and Title 21, California Code of Regulations, Chapter 21, Section 2500 et seq., when applicable and other matters

connected with the performance of the contract pursuant to Government Code 8546.7; CONSULTANT, subconsultants, and CITY shall maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of the contract, including but not limited to, the costs of administering the contract. All parties shall make such materials available at their respective offices at all reasonable times during the contract period and for three years from the date of final payment under the contract. The state, State Auditor, CITY, FHWA, or any duly authorized representative of the Federal Government shall have access to any books, records, and documents of CONSULTANT and it's certified public accountants (CPA) work papers that are pertinent to the contract and indirect cost rates (ICR) for audit, examinations, excerpts, and transactions, and copies thereof shall be furnished if requested. Subcontracts in excess of $25,000 shall contain this provision.

ARTICLE IX AUDIT REVIEW PROCEDURES

A. Any dispute concerning a question of fact arising under an interim or post audit of this Agreement that is not disposed of by mutual agreement, shall be reviewed by CITY'S Administrative Services/Finance Director.

B. Not later than 30 days after issuance of the final audit report, CONSULTANT may request a review by CITY'S Administrative Services/Finance Director of unresolved audit issues. The request for review will be submitted in writing.

C. Neither the pendency of a dispute nor its consideration by CITY will excuse CONSULTANT from full and timely performance, in accordance with the terms of this contract.

D. CONSULTANT and subconsultant contracts, including cost proposals and ICR, are subject to audits or reviews such as, but not limited to, a contract audit, an incurred cost audit, an ICR Audit, or a CPA ICR audit work paper review. If selected for audit or review, the contract, cost proposal and ICR and related work papers, if applicable, will be reviewed to verify compliance with 48 CFR, Part 31 and other related laws and regulations. In the instances of a CPA ICR audit work paper review it is CONSULTANT's responsibility to ensure federal, state, or local government officials are allowed full access to the CPA's work papers including making copies as necessary. The contract, cost proposal, and ICR shall be adjusted by CONSULTANT and approved by CITY contract manager to conform to the audit or review recommendations. CONSULTANT agrees that individual terms of costs identified in the audit report shall be incorporated into the contract by this reference if directed by CITY at its sole discretion. Refusal by CONSULTANT to incorporate audit or review recommendations, or to ensure that the federal, state or local governments have access to CPA work papers, will be considered a breach of contract terms and cause for termination of the contract and disallowance of prior reimbursed costs.

ARTICLE X SUBCONTRACTING

A. Nothing contained in this contract or otherwise, shall create any contractual relation between CITY and any subconsultant(s), and no subcontract shall relieve CONSULTANT of its responsibilities and obligations hereunder. CONSULTANT agrees to be as fully responsible to CITY for the acts and omissions of its subconsultant(s) and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by CONSULTANT. CONSULTANT'S obligation to pay its subconsultant(s) is an independent obligation from CITY'S obligation to make payments to the CONSULTANT.

B. CONSULTANT shall perform the work contemplated with resources available within its own organization and no portion of the work pertinent to this Agreement shall be subcontracted

without written authorization by CITY'S Project Manager, except that, which is expressly identified in the approved Cost Proposal.

C. CONSULTANT shall pay its subconsultants within ten (10) calendar days after receipt of each payment made to CONSULTANT by CITY.

D. Any subcontract in excess of $25,000 entered into as a result of this Agreement shall contain all the provisions stipulated in this Agreement to be applicable to subconsultants.

E. Any substitution of subconsultant(s) must be approved in writing by CITY'S Project Manager prior to the start of work by the subconsultant(s).

ARTICLE XI EQUIPMENT PURCHASE

A. Prior authorization in writing, by CITY'S Project Managewr shall be required before CONSULTANT enters into any unbudgeted purchase order, or subcontract exceeding $5,000 for supplies, equipment, or CONSULTANT services. CONSULTANT shall provide an evaluation of the necessity or desirability of incurring such costs.

B. For purchase of any item, service or consulting work not covered in CONSULTANT'S Cost Proposal and exceeding $5,000 requires prior authorization by CITY'S City Manager with three competitive quotations submitted with the request, or the absence of bidding must be adequately justified.

C. Any equipment purchased as a result of this Agreement is subject to the following: "CONSULTANT shall maintain an inventory of all nonexpendable property. Nonexpendable property is defined as having a useful life of at least two years and an acquisition cost of $5,000 or more. If the purchased equipment needs replacement and is sold or traded in, CITY shall receive a proper refund or credit at the conclusion of the contract, or if the contract is terminated, CONSULTANT may either keep the equipment and credit CITY in an amount equal to its fair market value, or sell such equipment at the best price obtainable at a public or private sale, in accordance with established CITY procedures; and credit CITY in an amount equal to the sales price. If CONSULTANT elects to keep the equipment, then fair market value shall be determined at CONSULTANT'S expense, on the basis of a competent independent appraisal of such equipment. Appraisals shall be obtained from an appraiser mutually agreeable to by CITY and CONSULTANT, if it is determined to sell the equipment, the terms and conditions of such sale must be approved in advance by CITY." 49 CFR, Part 18 requires a credit to Federal funds when participating equipment with a fair market value greater than $5,000 is credited to the project.

D. All subcontracts in excess $25,000 shall contain the above provisions.

ARTICLE XII STATE PREVAILING WAGE RATES

A. CONSULTANT shall comply with the State of California's General Prevailing Wage Rate requirements in accordance with California Labor Code, Section 1770, and all Federal, State, and local laws and ordinances applicable to the work.

B. Any subcontract entered into as a result of this Agreement, if for more than $1,000 for public works construction, alteration, demolition, repair, or maintenance of public works, shall contain all of the provisions of this Article.

C. When prevailing wages apply to the services described in the scope of work, transportation and subsistence costs shall be reimbursed at the minimum rates set by the Department of Industrial

Relations (DIR) as outlined in the applicable Prevailing Wage Determination. See http://www.dir.ca.gov.

ARTICLE XIII CONFLICT OF INTEREST

A. CONSULTANT shall disclose any financial, business, or other relationship with CITY that may have an impact upon the outcome of this Agreement, or any ensuing CITY construction project. CONSULTANT shall also list current clients who may have a financial interest in the outcome of this contract, or any ensuing CITY construction project, which will follow.

B. CONSULTANT hereby certifies it does not now have, nor shall it acquire any financial or business interest that would conflict with the performance of services under this Agreement.

C. Any subcontract in excess of $25,000 entered into as a result of this Agreement, shall contain all of the provisions of this Article.

D. CONSULTANT hereby certifies neither CONSULTANT, nor any firm affiliated with CONSULTANT will bid on any construction contract, or on any contract to provide construction inspection for any construction project resulting from this Agreement. An affiliated firm is one, which is subject to the control of the same persons through joint-ownership, or otherwise.

E. Except for subconsultants whose services are limited to providing surveying or materials testing information, no subconsultant who has provided design services in connection with this contract shall be eligible to bid on any construction contract, or on any contract to provide construction inspection for any construction project resulting from this Agreement.

ARTICLE XIV REBATES, KICKBACKS OR OTHER UNLAWFUL CONSIDERATION

CONSULTANT warrants this Agreement was not obtained or secured through rebates kickbacks or other unlawful consideration, either promised or paid to any CITY employee. For breach or violation of this warranty, CITY shall have the right in its discretion; to terminate the contract without liability; to pay only for the value of the work actually performed; or to deduct from the contract price; or otherwise recover the full amount of such rebate, kickback or other unlawful consideration.

ARTICLE XV PROHIBITION OF EXPENDING CITY STATE OR FEDERAL FUNDS FOR LOBBYING

A. CONSULTANT certifies to the best of his/her/its knowledge and belief:

1. No state, federal or CITY appropriated funds have been paid, or will be paid by-or-on behalf of CONSULTANT to any person for influencing or attempting to influence an officer or employee of any state or federal agency; a Member of the State Legislature or United States Congress; an officer or employee of the Legislature or Congress; or any employee of a Member of the Legislature or Congress, in connection with the awarding of any state or federal contract; the making of any state or federal grant; the making of any state or federal loan; the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any state or federal contract, grant, loan, or cooperative agreement.

2. If any funds other than federal appropriated funds have been paid, or will be paid to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a

Member of Congress, in connection with this federal contract, grant, loan, or cooperative agreement, then CONSULTANT shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

B. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

C. CONSULTANT also agrees by signing this Agreement he/she/it shall require the language of this certification be included in all lower-tier subcontracts, which exceed $100,000 and all such sub recipients shall certify and disclose accordingly.

ARTICLE XVI STATEMENT OF COMPLIANCE

A. CONSULTANT'S signature affixed herein, and dated, shall constitute a certification under penalty of perjury under the laws of the State of California that CONSULTANT has, unless exempt, complied with, the nondiscrimination program requirements of Government Code Section 12990 and Title 2, California Administrative Code, Section 8103.

B. During the performance of this Agreement, Consultant and its subconsultants shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. Consultant and subconsultants shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Consultant and subconsultants shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Contract by reference and made a part hereof as if set forth in full. Consultant and its subconsultants shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

C. CONSULTANT shall comply with regulations relative to Title VI (nondiscrimination in federally-assisted programs of the Department of Transportation – Title 49 Code of Federal Regulations, Part 21 - Effectuation of Title VI of the 1964 Civil Rights Act). Title VI provides that the recipients of federal assistance will implement and maintain a policy of nondiscrimination in which no person in the state of California shall, on the basis of race, color, national origin, religion, sex, age, disability, be excluded from participation in, denied the benefits of or subject to discrimination under any program or activity by the recipients of federal assistance or their assignees and successors in interest.

D. CONSULTANT, with regard to the work performed by it during the Agreement shall act in accordance with Title VI. Specifically, CONSULTANT shall not discriminate on the basis of race, color, national origin, religion, sex, age, or disability in the selection and retention of Subconsultants, including procurement of materials and leases of equipment. CONSULTANT shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the U.S. DOT's Regulations, including employment practices when the Agreement covers a program whose goal is employment.

ARTICLE XVII DEBARMENT AND SUSPENSION CERTIFICATION

A. CONSULTANT'S signature affixed herein, shall constitute a certification under penalty of perjury under the laws of the State of California, CONSULTANT has complied with Title 2 CFR, Part 180, "OMB Guidelines to Agencies on Government wide Debarment and Suspension (nonprocurement)", which certifies he/she/it or any person associated therewith in the capacity of owner, partner, director, officer, or manager, is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency; has not been suspended, debarred, voluntarily excluded, or determined ineligible by any federal agency within the past three (3) years; does not have a proposed debarment pending; and has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years. Any exceptions to this certification must be disclosed to CITY.

B. Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining CONSULTANT responsibility. Disclosures must indicate to whom exceptions apply, initiating agency, and dates of action.

C. Exceptions to the Federal Government Excluded Parties List System maintained by the General Services Administration are to be determined by the Federal highway Administration.

ARTICLE XVIII FUNDING REQUIREMENTS

A. It is mutually understood between the parties this Agreement may have been written before ascertaining the availability of funds or appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays that would occur if this Agreement were executed after that determination was made.

B. This Agreement is valid and enforceable only, if sufficient funds are made available to CITY for the purpose of this contract. In addition, this contract is subject to any additional restrictions, limitations, conditions, or any statute enacted by the Congress, State Legislature, or CITY governing board that may affect the provisions, terms, or funding of this Agreement in any manner.

C. It is mutually agreed if sufficient funds are not appropriated, this Agreement may be amended to reflect any reduction in funds.

D. CITY has the option to void the contract under the 30-day termination clause pursuant to Article VI, or by mutual agreement to amend the contract to reflect any reduction of funds.

ARTICLE XIX CHANGE IN TERMS

A. A. This Agreement may be amended or modified only by mutual written agreement of the parties.

B. B. CONSULTANT shall only commence work covered by an amendment after the amendment is executed and notification to proceed has been provided by CITY'S Project Manager.

C. C. There shall be no change in CONSULTANT's Project Manager or members of the project team, as listed in the approved Cost Proposal, which is a part of this contract without prior written approval by CITY'S Public Works Director.

ARTICLE XX DISADVANTAGED BUSINESS ENTERPRISES (DBE) PARTICIPATION

A. This Agreement is subject to 49 CFR, Part 26 entitled "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs". Consultants who obtain DBE participation on this contract will assist Caltrans in meeting its federally mandated statewide overall DBE goal.

B. The goal for DBE participation for this Agreement is **6%**. Participation by DBE consultant or subconsultants shall be in accordance with information contained in the Consultant Proposal DBE Commitment (Exhibit 10-O1), or in the Consultant Contract DBE Information (Exhibit 10-O2) attached hereto and incorporated as part of the Contract. If a DBE subconsultant is unable to perform, CONSULTANT must make a good faith effort to replace him/her with another DBE subconsultant, if the goal is not otherwise met.

C. DBEs and other small businesses, as defined in 49 CFR, Part 26 are encouraged to participate in the performance of contracts financed in whole or in part with federal funds. CONSULTANT or subconsultant shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. CONSULTANT shall carry out applicable requirements of 49 CFR, Part 26 in the award and administration of US DOT-assisted agreements. Failure by CONSULTANT to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as CITY deems appropriate.

D. Any subcontract entered into as a result of this contract shall contain all of the provisions of this section.

E. A DBE firm may be terminated only with prior written approval from CITY and only for the reasons specified in 49 CFR 26.53(f). Prior to requesting CITY consent for the termination, CONSULTANT must meet the procedural requirements specified in 49 CFR 26.53(f).

F. A DBE performs a Commercially Useful Function (CUF) when it is responsible for execution of the work of this Agreement and is carrying out its responsibilities by actually performing, managing, and supervising the work involved. To perform a CUF, the DBE must also be responsible with respect to materials and supplies used on this Agreement, for negotiating price, determining quality and quantity, ordering the material, and installing (where applicable) and paying for the material itself. To determine whether a DBE is performing a CUF, evaluate the amount of work subcontracted, industry practices, whether the amount the firm is to be paid under this Agreement is commensurate with the work it is actually performing, and other relevant factors.

G. A DBE does not perform a CUF if its role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of DBE participation. In determining whether a DBE is such an extra participant, examine similar transactions, particularly those in which DBEs do not participate.

H. If a DBE does not perform or exercise responsibility for at least thirty percent (30%) of the total cost of its contract with its own work force, or the DBE subcontracts a greater portion of the work of the contract than would be expected on the basis of normal industry practice for the type of work involved, then it will be presumed it is not performing a CUF.

I. CONSULTANT shall maintain records of materials purchased or supplied from all subcontracts entered into with certified DBEs. The records shall show the name and business address of each DBE or vendor and the total dollar amount actually paid each DBE or vendor, regardless of tier. The records shall show the date of payment and the total dollar figure paid to all firms. DBE prime consultants shall also show the date of work performed by their own forces along with the corresponding dollar value of the work.

J. Upon completion of this Agreement, a summary of those records shall be prepared and submitted on the form entitled, "Final Report-Utilization of Disadvantaged Business Enterprise (DBE), First-Tier Subconsultants" CEM-2402F [Exhibit 17-F, of the LAPM], certified correct by CONSULTANT or CONSULTANT'S authorized representative and shall be furnished to the Project Manager with the final invoice. Failure to provide the summary of DBE payments with the final invoice will result in twenty-five percent (25%) of the dollar value of the invoice being withheld from payment until the form is submitted. The amount will be returned to CONSULTANT when a satisfactory "Final Report-Utilization of Disadvantaged Business Enterprises (DBE), First-Tier Subconsultants" is submitted to the Project Manager.

K. If a DBE subconsultant is decertified during the life of this Agreement, then the decertified subconsultant shall notify CONSULTANT in writing with the date of decertification. If a subconsultant becomes a certified DBE during the life of this Agreement, then the subconsultant shall notify CONSULTANT in writing with the date of certification. Any changes should be reported to CITY'S Project Manager within 30 days.

ARTICLE XXI CONTINGENT FEE

CONSULTANT warrants, by execution of this Agreement, no person or selling agency has been employed, or retained, to solicit or secure this Agreement upon an agreement or understanding, for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees, or bona fide established commercial or selling agencies maintained by CONSULTANT for the purpose of securing business. For breach or violation of this warranty, CITY has the right to annul this Agreement without liability; pay only for the value of the work actually performed, or in its discretion to deduct from the contract price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

ARTICLE XXII DISPUTES

A. Any dispute, other than audit, concerning a question of fact arising under this contract that is not disposed of by agreement shall be decided by a committee consisting of CITY'S Administrative Services/Financial Director and Public Works Director, who may consider written or verbal information submitted by CONSULTANT.

B. Not later than 30 days after completion of all deliverables necessary to complete the plans, specifications and estimate, CONSULTANT may request review by CITY'S City Manager of unresolved claims or disputes, other than audit. The request for review will be submitted in writing.

C. Neither the pendency of a dispute, nor its consideration by the committee will excuse CONSULTANT from full and timely performance in accordance with the terms of this contract.

ARTICLE XXIII INSPECTION OF WORK

CONSULTANT and any subconsultant shall permit CITY, the state, and the FHWA if federal participating funds are used in this contract; to review and inspect the project activities and files at all reasonable times during the performance period of this Agreement including review and inspection on a daily basis.

ARTICLE XXIV SAFETY

CONSULTANT shall comply with OSHA regulations applicable to CONSULTANT regarding necessary safety equipment or procedures. CONSULTANT shall comply with safety instructions issued by CITY'S Project Manager and other CITY representatives. CONSULTANT personnel shall wear hard hats and safety vests at all times while working on the construction project site.

A. Pursuant to the authority contained in Section 591 of the Vehicle Code, CITY has determined such areas are within the limits of the project and are open to public traffic. CONSULTANT shall comply with all of the requirements set forth in Divisions 11, 12, 13, 14, and 15 of the Vehicle Code. CONSULTANT shall take all reasonably necessary precautions for safe operation of its vehicles and the protection of the traveling public from injury and damage from such vehicles.

B. Any subcontract entered into as a result of this Agreement, shall contain all of the provisions of this Article.

C. DCONSULTANT must have a Division of Occupational Safety and Health (CAL-OSHA) permit(s), as outlined in California Labor Code Sections 6500 and 6705, prior to the initiation of any practices, work, method, operation, or process related to the construction or excavation of trenches which are five feet or deeper.

ARTICLE XXV INSURANCE

Covered in body of this Agreement**.**

ARTICLE XXVI OWNERSHIP OF DATA

Covered in body of this Agreement**.**

ARTICLE XXVII CLAIMS FILED BY CITY'S CONSTRUCTION CONTRACTOR

A. If claims are filed by CITY'S construction contractor relating to work performed by CONSULTANT'Ss personnel, and additional information or assistance from CONSULTANT'S personnel is required in order to evaluate or defend against such claims; CONSULTANT agrees to make its personnel available for consultation with CITY'S construction contract administration and legal staff and for testimony, if necessary, at depositions and at trial or arbitration proceedings.

B. CONSULTANT'S personnel that CITY considers essential to assist in defending against construction contractor claims will be made available on reasonable notice from CITY. Consultation or testimony will be reimbursed at the same rates, including travel costs that are being paid for CONSULTANT'S personnel services under this Agreement.

C. Services of CONSULTANT's personnel in connection with CITY'S construction contractor claims will be performed pursuant to a written contract amendment, if necessary, extending the termination date of this contract in order to resolve the construction claims.

D. Any subcontract in excess of $25,000 entered into as a result of this contract, shall contain all of the provisions of this Article.

ARTICLE XXVIII CONFIDENTIALITY OF DATA

A. All financial, statistical, personal, technical, or other data and information relative to CITY'S operations, which are designated confidential by CITY and made available to CONSULTANT in order to carry out this contract, shall be protected by CONSULTANT from unauthorized use and disclosure.

B. Permission to disclose information on one occasion, or public hearing held by CITY relating to the contract, shall not authorize CONSULTANT to further disclose such information, or disseminate the same on any other occasion.

C. CONSULTANT shall not comment publicly to the press or any other media regarding the contract or CITY'S actions on the same, except to CITY'S staff, CONSULTANT'S own personnel involved in the performance of this Agreement, at public hearings or in response to questions from a Legislative committee.

D. CONSULTANT shall not issue any news release or public relations item of any nature, whatsoever, regarding work performed or to be performed under this contract without prior review of the contents thereof by CITY, and receipt of CITY'S written permission.

E. Any subcontract entered into as a result of this Agreement shall contain all of the provisions of this Article.

F. All information related to the construction estimate is confidential, and shall not be disclosed by CONSULTANT to any entity other than CITY.

ARTICLE XXVI NATIONAL LABOR RELATIONS BOARD CERTIFICATION

Not applicable to this Agreement.

ARTICLE XXXI RETENTION OF FUNDS

A. Any subcontract entered into as a result of this Agreement shall contain all of the provisions of this section.

B. No retainage will be withheld by CITY from progress payments due the prime consultant. Retainage by the prime consultant or subconsultants is prohibited, and no retainage will be held by the prime consultant from progress due subconsultants. Any violation of this provision shall subject the violating prime consultant or subconsultants to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business and Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the prime consultant or subconsultant in the event of a dispute involving late payment or nonpayment by the prime consultant or deficient subconsultant performance, or noncompliance by a subconsultant. This provision applies to both DBE and non-DBE prime consultants and subconsultants.

EXHIBIT C: INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Agreement, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to City in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to City.

Consultant shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office "Commercial General Liability" policy from CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than $1,000,000 per occurrence.

Business Auto Coverage on ISO Business Auto Coverage from CA 00 01 including symbol 1 (Any Auto) or the exact equivalent. Limits are subject to review, but in no event to be less than $1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant's employees will use personal autos in any way to perform the Scope of Services, then Consultant shall provide evidence of personal auto liability coverage for each such person.

Property Damage Insurance in an amount of not less than $1,000,000 for damage to the property of each person on account of any one occurrence.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer's liability limits.

Excess or Umbrella Liability Insurance (Over Primary) if used to meet limit requirements, shall provide coverage at least as broad as specified for the underlying coverages. Any such coverage provided under an umbrella liability policy shall include a drop down provision providing primary coverage above a maximum $25,000 self-insured retention for liability not covered by primary but covered by the umbrella. Coverage shall be provided on a "pay on behalf" basis, with defense costs payable in addition to policy limits. Policy shall contain a provision obligating insurer at the time insured's liability is determined, not requiring actual payment by the insured first. There shall be no cross liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to City for injury to employees of Consultant, subcontractors or others involved in the Work. The scope of coverage provided is subject to approval of City following receipt of proof of insurance as required herein. Limits are subject to review but in no event less than $1,000,000 per occurrence.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designated to protect against acts, errors or omissions of the Consultant

and “Covered Professional Services” as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than $2,000,000 per claim and in the aggregate. The policy must “pay on behalf of” the insured and must include a provision establishing the insurer’s duty to defend. The policy retroactive date shall be on or before the effective date of this agreement.

Insurance procured pursuant to these requirements shall be written by insurer that are admitted carriers in the state California and with an A.M. Bests rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Consultant. Consultant and City agree to the following with respect to insurance provided by Consultant:

1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds the City of Morro Bay and its officials, employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992. Consultant also agrees to require all Consultants, and subContractors to do likewise.

2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant’s employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against City regardless of the applicability of any insurance proceeds, and to require all Consultants and subContractors to do likewise.

3. All insurance coverage and limits provided by Consultant and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the City or its operations limits the application of such insurance coverage.

4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

5. No liability policy shall contain any provision or definition that would serve to eliminate so-called “third party action over” claims, including any exclusion for bodily injury to an employee of the insured or of any Consultant or subcontractor.

6. All coverage types and limits required are subject to approval, modification and additional requirements by the City, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City’s protection without City’s prior written consent.

7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant’s general liability policy, shall be delivered to City at or prior to the execution of

this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, City has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by City shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at City's option.

8. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subContractor, is intended to apply first and on a primary, noncontributing basis in relation to any other insurance or self-insurance available to City.

9. Consultant agrees to ensure that subcontractors, and any other party involved with the Scope of Services who is brought onto or involved in the Scope of Services by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the Scope of Services will be submitted to City for review.

10. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any Consultant, subContractor, Architect, Engineer or other entity or person in any way involved in the performance of the Scope of Services to self-insure its obligations to City. If Consultant's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the City. At the time the City shall review options with the Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.

11. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City will negotiate additional compensation proportional to the increase benefit to City.

12. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.

13. Consultant acknowledges and agrees that any actual or alleged failure on the part of City to inform Consultant of non-compliance with any insurance requirements in no way imposes any additional obligations on City nor does it waive any rights hereunder in this or any other regard.

14. Consultant will renew the required coverage annually as long as City, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason.

Termination of this obligation is not effective until City executes a written statement to that effect.

15. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City within five days of the expiration of the coverages.

16. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents.

17. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.

18. These insurance requirements are intended to be separate and distinct from any other provision in this agreement and are intended by the parties here to be interpreted as such.

19. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

20. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the Scope of Services reserves the right to charge City or Consultant for the cost of additional insurance coverage required by this agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.
21. Consultant agrees to provide immediate notice to City of any claim or loss against Consultant arising out of the work performed under this agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.