



CITY OF MORRO BAY CITY COUNCIL AGENDA

The City of Morro Bay provides essential public services and infrastructure to maintain a safe, clean and healthy place for residents and visitors to live, work and play.

Regular Meeting Tuesday, April 25, 2023 – 5:30 P.M. Veterans Memorial Hall 209 Surf St., Morro Bay, CA

Public Participation:

Public participation is allowed in the following ways:

- Community members may attend the meeting in person at the Morro Bay Veterans Hall.
- Alternatively, members of the public may watch the meeting and speak during general Public Comment or on a specific agenda item by logging in to the Zoom webinar using the information provided below. Please use the “raise hand” feature to indicate your desire to provide public comment.

Please click the link below to join the webinar:

- <https://us02web.zoom.us/j/82722747698?pwd=aWZpTzcwTHlRTk9xaTlmWVNW/RWFUQT09>
Password: 135692
 - Or Telephone Attendee: 1 (408) 638-0968 or 1 (669) 900 6833 or 1 (346) 248 7799; Webinar ID: 827 2274 7698; Password: 135692; Press * 9 to “Raise Hand” for Public Comment
- Members of the public may watch the meeting either on cable Channel 20 or as streamed on the City [website](#).
 - Community members are encouraged to submit agenda correspondence in advance of the meeting via email to the City Council at council@morrobayca.gov prior to the meeting. Agenda Correspondence received at council@morrobayca.gov by 10 a.m. on the meeting day will be posted on the City website.

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE
RECOGNITION
CLOSED SESSION REPORT
MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS
CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

PRESENTATIONS

- Morro Bay Chamber of Commerce Quarterly Update

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.

Public comment is an opportunity for members of the public to provide input to the governing body. To increase the effectiveness of the Public Comment Period, the City respectfully requests the following guidelines and expectations be followed:

- Those desiring to speak are asked to complete a speaker slip, which are located at the entrance, and submit it to the City Clerk. However, speaker slips are not required to provide public comment.
- When recognized by the Mayor, please come forward to the podium to speak. Though not required, it is helpful if you state your name, city of residence and whether you represent a business or group. Unless otherwise established by the Mayor, comments are to be limited to three minutes.
- All remarks should 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.
- The Council in turn agrees to abide by its best practices of civility and civil discourse according to Resolution No. 07-19.

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 FOR THE MARCH 28, 2023, CITY COUNCIL MEETING;
(CITY CLERK)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE APRIL 5, 2023, CITY COUNCIL SPECIAL
MEETING; (CITY CLERK)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE APRIL 11, 2023, CITY COUNCIL SPECIAL
CLOSED SESSION MEETING; (CITY CLERK)

RECOMMENDATION: Approve as submitted.

- A-4 ADOPTION OF RESOLUTION NO. 22-23 UPHOLDING THE FEBRUARY 7, 2023 PLANNING COMMISSION APPROVAL OF COASTAL DEVELOPMENT PERMIT #CDP22-025 WITH CHANGES IN CONDITIONS FOR THE PROPOSED NEW HOME AT 2440 LAUREL AVENUE; (COMMUNITY DEVELOPMENT DEPARTMENT)

RECOMMENDATION: Staff recommends the Council adopt Resolution No. 22-23 upholding the February 7, 2023 Planning Commission approval of Coastal Development Permit #CDP22-025 with changes in conditions as approved by the City Council at the April 11, 2023 Public Hearing.

- A-5 ADOPTION OF RESOLUTIONS APPROVING AGREEMENTS TO SHARE COSTS OF THE CALPERS EMPLOYER CONTRIBUTION PURSUANT TO GOVERNMENT CODE SECTION 20516 – UNREPRESENTED MANAGEMENT, UNREPRESENTED CONFIDENTIAL AND UNREPRESENTED DEPARTMENT HEAD EMPLOYEES; (HUMAN RESOURCES MANAGER)

RECOMMENDATION: Staff recommends the City Council adopt Resolution Nos. 23-23, 24-23, and 25-23 approving agreements to share costs of the employer contribution of the City’s California Public Employees Retirement System (CalPERS) contributions for the Tier 1 and Tier 2 miscellaneous and safety unrepresented management, unrepresented confidential and unrepresented department head employees.

- A-6 AUTHORIZATION TO LOWER THE CITY’S WATER CONSERVATION REQUIREMENTS FROM SEVERELY RESTRICTED CONDITIONS TO MODERATELY RESTRICTED CONDITIONS; (PUBLIC WORKS DEPARTMENT)

RECOMMENDATION: Staff recommends that the City Council direct staff to lower the City’s water conservation requirements from Severely Restricted Conditions to Moderately Restricted Conditions.

- A-7 CONSIDERATION OF APPOINTMENT OF KATHRYN HOVERSTEN TO THE CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE; (CITY CLERK)

RECOMMENDATION: Staff recommends the City Council consider the appointment of Kathryn Hoversten to the Citizens Oversight/Finance Advisory Committee (“CFAC”) to complete an unexpired term through January 31, 2026.

B. PUBLIC HEARING ITEMS

- B-1 PUBLIC HEARING AND ADOPTION OF RESOLUTION NO. 26-23, WHICH RESCINDS RESOLUTIONS NO. 33-22 AND 66-22 AND ADOPTS THE FY 2023-24 MASTER FEE SCHEDULE; (ASSISTANT CITY MANAGER/ADMIN SERVICES DIRECTOR)

RECOMMENDATION: Staff recommends that City Council conduct the formally noticed public hearing, review the proposed Master Fee Schedule, and adopt Resolution No. 26-23 which updates the City’s Master Fee Schedule for Fiscal Year (FY) 2023-24. This Resolution rescinds Resolution Nos. 33-22 and 66-22 that adopted the current FY 2022-23 Master Fee Schedule and replaces it in its entirety for the new fiscal year.

C. BUSINESS ITEMS

- C-1 COST ALLOCATION PLAN UPDATE; (ASSISTANT CITY MANAGER/ADMIN SERVICES DIRECTOR)

RECOMMENDATION: Staff recommends that City Council 1) receive the updated Cost Allocation Plan, 2) approve the resulting interfund charges for inclusion in the FY 2023-24 budget, and 3) direct staff to update the Cost Allocation Plan data annually using the interactive model provided.

- C-2 CONTINUED DISCUSSION AND ADOPTION OF FY 2023-24 AND FY 2024–25 CITY COUNCIL GOALS AND ACTION ITEMS; (INTERIM CITY MANAGER)

RECOMMENDATION: Staff recommends the City Council continue discussion and adopt the proposed City Council goals, goals' statements, and action Items.

- C-3 CONSIDER APPROVING A REQUEST TO THE CALIFORNIA COASTAL COMMISSION TO PROCESS A CONSOLIDATED COASTAL DEVELOPMENT PERMIT WITH THE COUNTY OF SAN LUIS OBISPO FOR THE MORRO BAY TO CAYUCOS TRAIL CONNECTOR PROJECT; (PUBLIC WORKS DEPARTMENT)

RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 27-23 approving a request to the California Coastal Commission to process a Consolidated Coastal Development Permit with the County of San Luis Obispo for the Morro Bay to Cayucos Trail Connector Project.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

E. ADJOURNMENT

The next Regular Meeting will be held on **Tuesday, May 9, 2023 at 5:30 p.m.**

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, 595 HARBOR ST, MORRO BAY, CA 93442 FOR ANY REVISIONS OR CALL THE CLERK'S OFFICE AT 805-772-6205 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 UPON REQUEST BY CALLING THE CITY CLERK'S OFFICE AT 805-772-6205.

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.

PRESENT: Carla Wixom Mayor
Laurel Barton Council Member
Cyndee Edwards Council Member
Jennifer Ford Council Member
Zara Landrum Council Member

ABSENT: None

STAFF: Greg Carpenter Interim City Manager
Chris Neumeyer City Attorney
Dana Swanson City Clerk
Sarah Johnson-Rios Assistant City Manager/Admin Services Dir.
Greg Kwolek Public Works Director
Scot Graham Community Development Director
Daniel McCrain Fire Chief
Amy Watkins Police Chief
Ted Schiafone Harbor Director
Cindy Jacinth Senior Planner
Emily Conrad Finance Manager

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Wixom called the meeting to order at 5:35 p.m., with all but Council Member Landrum present.

The Mayor announced that due to multiple power failures and surges, we were experiencing technical difficulties affecting the ability to broadcast the meeting. If that continued to occur, the meeting would be continued to Wednesday, March 29, 2023, at 5:30 p.m. in the Morro Bay Community Center.

<https://youtu.be/7pvaNytNQJI?t=28>

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION – None

CLOSED SESSION REPORT – City Attorney Neumeyer stated no reportable action was taken by the City Council in accordance with the Brown Act.

MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/7pvaNytNQJI?t=170>

Due to technical difficulties, the Council took a brief recess at 5:39 p.m. The meeting resumed at 5:42 p.m.

<https://youtu.be/7pvaNytNQJI?t=496>

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

<https://youtu.be/7pvaNytNQJI?t=1000>

Council Member Landrum joined the meeting at 5:52 p.m.

PRESENTATIONS

- San Luis Obispo Council of Governments (SLOCOG) 2023 Regional Transportation Plan Presentation
<https://youtu.be/7pvaNytNQJI?t=2467>

PUBLIC COMMENT

<https://youtu.be/7pvaNytNQJI?t=3130>

Homer Alexander, Morro Bay, urged the City to promptly reopen the bike path.

Rachel Wilson, Cayucos, opposed offshore wind development and battery storage facilities that would negatively impact the estuary and Central Coast.

Sharon O'Leary, Morro Bay, provided an update on her activities as a Community Resource Connections volunteer and services coordinated by Estero Bay Alliance of Care (EBAC). With regard to goal planning, she hoped the City would explore a safe parking program and contract with an organization that could provide a warming/cooling station for unhoused residents.

Aaron Ochs, Morro Bay, opposed offshore wind farm development and the proposed battery storage facility.

Margaret Carman, Morro Bay, opposed offshore wind energy and the proposed battery storage project.

Michael Wambolt, Visit Morro Bay, provided an update on tourism activity and marketing strategies.

Erica Crawford, Morro Bay Chamber of Commerce, announced upcoming events including the Community Awards Gala on Friday, April 21st. Visit morrochamber.org for more details.

Betsy Gaudette-Cross, Morro Bay, asked that the BESS project be agendized so the community would have an opportunity to ask questions and provide input.

Nattalia Merzoyan, Morro Bay, spoke regarding in opposition to offshore wind and the proposed BESS project.

Terry Simons, Morro Bay, appreciated the collective storm date by staff and commented on potential FEMA funding for decommissioning of properties out of the flood zone.

Judy Setting, Morro Bay, opposed development of an industrial port or battery storage project and hoped to preserve Morro Bay's natural beauty.

Nicole Dorfman, Morro Bay, opined offshore wind and battery storage projects are not green energy and advocated for more resident input on these issues.

Steve Mathieu, Morro Bay resident and co-owner of AGP Video, commented on the electrical issues being experienced at the Vets Hall and the need for updates to the Channel 20 production equipment. He also discussed storm impacts along Preston Lane.

Betty Winholtz, Morro Bay, appreciated staff efforts to clear storm drains on south Main Street before the recent storm and asked if the City Park project would be completed before the Memorial Weekend event. Lastly, she encouraged the City to not hire a consultant for street assessments.

Mayor Wixom closed public comment.

Given the frequent power surges and uncertainty viewers participating via teleconference could fully participate in the meeting, out of an abundance of caution, at 7:09 p.m. the meeting was continued to Wednesday, March 29, 2023 at 5:30 p.m. in the Morro Bay Community Center.

The meeting reconvened on Wednesday, March 29, 2023 at 5:35 p.m. with all members present. Council Members Landrum and Edwards participated via teleconference in accordance with AB 2449 as they were traveling on City business.

https://youtu.be/HGZTHHk_WDM?t=70

Mayor re-opened public comment for those who did not have an opportunity to provide general public comment on March 28, 2023.

https://youtu.be/HGZTHHk_WDM?t=209

Haley Goodman, Dimension Renewable Energy, introduced a community solar program designed to bring energy savings to communities throughout the state. Visit www.dimension-energy.com for more information.

Linda Winters, Morro Bay, shared her appreciation for the help received and noted she and other mobile home park residents were home preparing for another storm.

Dawn Beattie, Morro Bay, responded to previous comments and encouraged people to get accurate information.

Paul Donnelly, Morro Bay, asked that the bronze dedication plaque previously located in the Community Center lobby and Council Member photos in City Hall be replaced. He also asked when the WRF pipeline would be complete.

The public comment period was closed.

A. CONSENT AGENDA

https://youtu.be/HGZTHHk_WDM?t=784

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 FOR THE FEBRUARY 28, 2023, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (CITY CLERK)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE FEBRUARY 28, 2023, CITY COUNCIL MEETING; (CITY CLERK)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE MARCH 15, 2023, CITY COUNCIL SPECIAL MEETING; (CITY CLERK)

RECOMMENDATION: Approve as submitted.

A-4 RESOLUTION NO. 15-23 FOR APPROVAL OF PARCEL MAP MB22-0044 (295 ATASCADERO ROAD) AND ACCEPTANCE OF ABANDONMENT OF RIGHT OF WAY; (PUBLIC WORKS DEPARTMENT)

RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 15-23 approving the Parcel Map MB 22-0044 (295 Atascadero Road) and Acceptance of Abandonment of Right of Way.

- A-5 LICENSE AGREEMENT TWO-YEAR RENEWAL WITH PG&E FOR USE OF MORRO BAY COMMUNITY CENTER PARKING LOT FOR PSPS EVENTS; (FIRE DEPARTMENT)

RECOMMENDATION: Authorize the City Manager and Fire Chief to enter into a two-year renewal of the License Agreement with Pacific Gas and Electric (PG&E) through an amendment (Amendment No. 1 at Attachment 1 hereto), approved as to form by the City Attorney, for the use of the Morro Bay Community Center parking lot to establish an Outdoor Community Resource Center (CRC) in the event of a Public Safety Power Shut-off (PSPS) event.

- A-6 ADOPTION OF RESOLUTION NO. 16-23 UPDATING THE CITY'S CONFLICT OF INTEREST CODE; (CITY CLERK)

RECOMMENDATION: Staff recommends City Council update the City's Conflict of Interest Code by adopting the proposed Resolution No. 16-23.

- A-7 PROCLAMATION DECLARING APRIL 2023 AS MONTH OF THE CHILD AND CHILD ABUSE PREVENTION MONTH; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-8 PROCLAMATION DECLARING MARCH 2023 AS AMERICAN RED CROSS MONTH; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-9 DESIGNATE UP TO \$80,000 IN APPROVED CAPITAL IMPROVEMENT PROJECT FUNDS FOR MULTIPLE EMERGENCY DOCK REPAIRS; (HARBOR DEPARTMENT)

RECOMMENDATION: Staff recommends the City Council designate up to \$80,000 in budget savings from the approved capital improvement project funds for the Boat Launch Ramp & Float Replacement Planning project to new capital improvement projects for Emergency Dock Repairs.

Mayor Wixom opened public comment for the Consent Agenda.

Terry Simons, Morro Bay, spoke regarding Item A-4, asking why this action was occurring so late in the process. Regarding Item A-6, he requested FPPC records from the City and hoped they would be available soon for public review.

Betty Winholtz, Morro Bay, spoke regarding Item A-5, hoping the City would better advertise this service. Regarding Item A-6, she was pleased the policy includes contractors hired by the City.

The public comment period was closed.

Staff responded to questions raised during public comment.

MOTION: Council Member Barton moved approval of Items A-1 through A-9 on Consent Agenda. The motion was seconded by Council Member Ford and carried 5-0 by roll call vote.

B. PUBLIC HEARINGS

- B-1 REVIEW AND ADOPT FINAL FUNDING RECOMMENDATIONS FOR THE 2023 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM; (COMMUNITY DEVELOPMENT DEPARTMENT)
https://youtu.be/HGZTHHk_WDM?t=1074

Senior Planner Jacinth provided the report and responded to Council inquiries.

Mayor Wixom opened the Public Hearing and public comment for Item B-1.

Betty Winholtz, Morro Bay, asked the City to consider a different approach next year that allowed more public input on projects chosen for funding. She also asked if the City would receive more funding if it applied separately rather than part of the consortium.

Devon McQuade, 5Cities Homeless Coalition, described the programs and services provided countywide and, specifically, how those programs served Morro Bay households.

The Public Hearing was closed.

MOTION: Council Member Barton moved to adopt Resolution No. 12-23 approving final funding recommendations for the 2023 Community Development Block Grant funds and forward recommendations to the San Luis Obispo County Board of Supervisors for inclusion with the other final funding requests from the Urban County Consortium. The funding recommendation is for the two applications received from 5 Cities Homeless Coalition and the City Public Works Department along with City program administration of \$3,667 for a total 2023 funding allocation of \$89,860. Additionally, staff recommends the City Council authorize the City Manager to make pro rata adjustments to the allocation based on the final funding amount from San Luis Obispo County based on the approval of the federal budget and HUD's final grant amount to the County. The motion was seconded by Council Member Edwards and carried 5-0 by roll call vote.

C. BUSINESS ITEMS

- C-1 PRESENTATION AND DISCUSSION OF THE FISCAL YEAR (FY) 2021-22 ANNUAL COMPREHENSIVE FINANCIAL REPORT; (ADMINISTRATIVE SERVICES DEPARTMENT)
https://youtu.be/HGZTHHk_WDM?t=2328

Assistant City Manager/Administrative Services Director Johnson-Rios introduced the item and turned to Lindsey Zimmerman, Partner with Brown Armstrong, who provided the report and responded to Council inquiries.

The public comment period for Item C-1 was opened.

Terry Simons, Morro Bay, asked when and how the joint facilities owned by the City and the Cayucos Sanitary district would be divided and how that would be handled.

Betty Winholtz, Morro Bay, raised various questions regarding City finances and whether the City would be considering a rebate from the \$41 monthly surcharge passed in 2018.

Paul Donnelly, Morro Bay, understood from his participation on the WRFAC construction costs for the WRF would be split 71% from the sewer fund and 29% from the water fund and asked, based on WIFIA funding, if that was still true. He also asked if the City was considering a rebate of the \$41 surcharge.

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

No formal action was taken on this item.

Mayor Wixom invited Nataly Renteria from First 5 SLO to speak regarding the Month of the Child Proclamation presented as Item A-7.

https://youtu.be/HGZTHHk_WDM?t=4306

C-2 INPUT FOR THE CITY STRATEGIC PLANNING FORUM FOR FY 2023-24 AND FY 2024-25; (INTERIM CITY MANAGER/ASSISTANT CITY MANAGER/ADMIN SERVICES DIRECTOR)

https://youtu.be/HGZTHHk_WDM?t=4561

Interim City Manager Carpenter provided the report and responded to Council inquiries.

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

Terry Simons, Morro Bay, asked if there would be an opportunity for public comment at the April 5th meeting.

Betty Winholtz, Morro Bay, provided a brief overview of her written comments submitted for the upcoming Goals Workshop.

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

No formal action was taken.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

https://youtu.be/HGZTHHk_WDM?t=6007

Mayor Wixom requested and received majority support for a resolution asking for notification of local, regional and state meetings regarding offshore wind energy development in the area outside of Morro Bay, and that Council authorize the Mayor to send a letter to state and federal legislature stating the City's desire to be engaged and represented during the process.

E. ADJOURNMENT

The meeting was adjourned at 7:19 p.m.

Recorded by:

Dana Swanson
City Clerk

MINUTES - MORRO BAY CITY COUNCIL
SPECIAL MEETING – APRIL 5, 2023
MORRO BAY COMMUNITY CENTER AUDITORIUM
5:30 P.M.

AGENDA NO: A-2
MEETING DATE: April 25, 2023

PRESENT: Carla Wixom Mayor
Laurel Barton Council Member
Cyndee Edwards Council Member
Jennifer Ford Council Member
Zara Landrum Council Member

ABSENT: None

STAFF: Greg Carpenter Interim City Manager
Dana Swanson City Clerk
Sarah Johnson-Rios Assistant City Manager/Admin Services Dir.
Greg Kwolek Public Works Director
Scot Graham Community Development Director
Amy Watkins Interim Police Chief
Ted Schiafone Harbor Director

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Wixom established a quorum and called the meeting to order at 5:35 p.m. with all members present.

PUBLIC COMMENT FOR ITEMS ON THE AGENDA

<https://youtu.be/4zz7yAiF16U?t=89>

Paul Donnelly, Morro Bay, hoped the Council would consider goals that are affordable and achievable for the City.

David Nelson, Morro Bay, requested a forensic audit of expenses related to the WRF project and stated his injection well concerns.

The public comment period was closed.

SPECIAL MEETING AGENDA:

<https://youtu.be/4zz7yAiF16U?t=395>

I. CITY COUNCIL GOALS WORKSHOP

Facilitated Goal Setting Exercise by Janette Williams, The Centre for Organization Effectiveness

- Review Past Goals
- Report on Goals input received from individual Council Members, City staff, Advisory Bodies and Community Survey
- Discuss and define Future Goals
- Provide input and direction to staff to guide prioritization of FY 23-24 & FY 24-25 work plan

Interim City Manager Carpenter introduced the item and turned it over to Janette Williams with The Centre for Organization Effectiveness to make the presentation.

<https://youtu.be/4zz7yAiF16U?t=397>

Mayor Wixom reopened public comment.
<https://youtu.be/4zz7yAiF16U?t=1877>

Aaron Ochs, Morro Bay, emphasized the need for economic development, suggested the City consider allowing a third commercial cannabis operation, stressed the involving the commercial fishing industry, and opposed a change in zoning that would allow industrial use along the Embarcadero.

Jim Curnutt, Citizens for Affordable Living, asked the Council to consider the following goals: spend more than \$2 Million per year to improve streets; discontinue the recycling component of the WRF project and make full use of State Water; pass a resolution opposing offshore wind energy, including language Morro Bay would not provide infrastructure or support for wind farms; reverse the increase of building height in the downtown area; and revise the General Fund Reserve Policy to require 25% to increase available funding for capital projects.

Cherise Hansson, Morro Bay resident and business owner, asked the City to update its Waterfront Master Plan to spur economic development and also to implement paid parking at Morro Rock, using those new revenues for safety and maintenance.

Jamie Irons, Morro Bay, suggested the City officially adopt the Water Resources Center by name with a mission statement and commitment to pursue its full potential; continue ADA upgrades along sidewalks, improve striping and lighting at intersections and crosswalks; discuss effects of homelessness and come up with one thing the City can implement; and seek grant funding for improvement measures such as a Pedestrian and Bike Plan.

Pam Dougherty, Morro Bay, spoke in favor of increased affordable housing, protecting the national estuary and commercial fishing industry, and maintaining current zoning along the Embarcadero.

Cal Myers, Morro Bay, emphasized the need to update the Waterfront Master Plan.

Lee Johnson, Morro Bay, urged the Council to explore increased revenue opportunities such as offshore wind, battery storage and paid parking before making decisions; increase housing stock by building smaller denser units and going higher in the downtown area; and enhance key resources and infrastructure by advancing the water recovery portion of the new plant. He noted the waterfront is key to revenue generation and should be maintained and protected.

Heidi Bea, Morro Bay, strongly urged a comprehensive infrastructure plan of streets and sewers in light of recent rains.

Susan Funk, City of Atascadero Mayor Pro Tem and Chair of the Countywide Homeless Services Oversight Council, urged the Council to include homelessness and affordable housing in the city goals and collaborate with the County and other cities to seek solutions.

Glenn Silloway, Morro Bay, reinforced the importance of a regional approach to increase affordable housing and reduce homelessness.

Paul Donnelly, Morro Bay, suggested the City could save money by hiring an in-house engineer rather than rely on consultants.

Cheri Frazier, Morro Bay, offered strategies to improve community engagement including a simplified bullet-point agenda and advance notice of big topics. She asked for an update on the

Power Plant Master Plan survey and, regarding fiscal sustainability, was concerned development does not reflect the majority of resident views.

Terry Simons, Morro Bay, suggested improving the planning process has the potential to advance the community and enhance revenues.

Betsy Gaudette-Cross, Morro Bay, offered the following on behalf of a group of residents: potential large scale developments that impact zoning be placed on an open meeting agenda before closed session negotiations; eliminate city administration changes to approved projects; protect commercial zoning along the Embarcadero; maintain current walking bridge connecting Embarcadero with Atascadero Rd.; renew 20-year lease with Morro Dunes; study additional Embarcadero entry/exit at Highway 1 and Main Street through the power plant property; enhance public involvement with study sessions on large projects; provide 2-week notice of upcoming agenda items; replace overhead projector at public meetings; and give AGP Video \$90k for audio/visual improvements at the Vets Hall.

Judy Setting, Morro Bay, offered the following goals input: ensure local control, do not permit county, state and federal entities to bypass our city government; maintain fair representation by not allowing representation by non-profit organizations at City staff meetings; replace contract attorney with in-house attorney, open forensic investigation regarding Vistra MOU and appraisal that undervalued power plant property, protect Measure “D” initiative; set standards for width and depth of harbor channels; protect environment and recreational use of harbor.

Dead Air Dave, Estero Bay Community Radio, announced the channel has expanded to north county and is live streamed on centralcoastradio.org. Non-profit organizations are invited to submit information regarding upcoming events to yourvoice@centralcoastradio.org.

Sharon O’Leary, Community Resource Connections, spoke regarding the need for a safe parking program and warming shelter run by non-profit groups or companies with experience providing these services.

Don Maruska, Morro Bay business owner, urged the Council to look carefully at potential revenue opportunities, including disposition of Morro Bay Power Plant and climate action / clean energy initiatives.

Garry Johnson, Morro Bay, appreciated the City’s support for the Maritime Museum and announced upcoming events.

David Nelson, Morro Bay, suggested the City require PG&E to mitigate the power plant property, and opposed recycled water.

An unnamed business owner suggested a community organic farm at the Vistra property.

Nicole Dorfman, Morro Bay, opposed waterfront industrialization and urged the Council to retain the current zoning along the Embarcadero. For new revenues, she suggested a 1% optional fee to support the environment.

Mayor Wixom closed public comment.

The Council commented on the proposed Goals and community input received thus far. <https://youtu.be/4zz7yAiF16U?t=5357>

The Council took a brief recess at 8:14 p.m.; the meeting resumed at 8:29 p.m. with all members present.

Ms. Williams led a prioritization exercise whereby the Mayor & Council Members individually identified one objective for each goal then discussed and prioritized three goal statements or objectives for each goal.

<https://youtu.be/4zz7yAiF16U?t=9600>

Public Infrastructure

1. Assess and report on state of infrastructure (streets, storm drains, sewer lines, sidewalks, Harbor) to assist in prioritization of work efforts;
2. Repair, update and enhance Veterans Hall to continue to serve the community;
3. Striping program to improve crosswalks, accessible parking, and streets.

Fiscal Sustainability & Economic Vitality

1. Pursue grant funding opportunities, potentially with use of a grant writer;
2. Streamline permitting processes (development and business license permits);
3. Evaluate opportunities for highest and best use of City-owned property.

Communication / Community Engagement

1. Build relationships with advisory boards;
2. Hold study sessions and community workshops on upcoming development;
3. Improve website and social media presence, provide simplified communications for upcoming meetings.

Housing / Support for Unhoused Residents

1. Identify opportunities and locations for low-income housing projects;
2. Explore achievable options for unhoused (emergency shelter and safe parking) and continue to collaborate with regional partners to achieve 5-year strategic plan;
3. Speed up processing of ADU permits to increase availability of affordable housing.

The Council did not take any formal action on this item.

ADJOURNMENT

The meeting adjourned at 9:26 p.m.

Recorded by:

Dana Swanson
City Clerk

CS-3 CONFERENCE WITH REAL PROPERTY NEGOTIATOR - GOVERNMENT CODE SECTION 54956.8

Property: Lease Site 86/86W, 801 Embarcadero, The Libertine Pub
Property Negotiator: Eric Newton
Agency Negotiators: Ted Schiafone, Harbor Director; Greg Carpenter, Interim City Manager; Chris Neumeyer, City Attorney
Negotiation: Price and Terms of Payment

CS-4 CONFERENCE WITH REAL PROPERTY NEGOTIATOR - GOVERNMENT CODE SECTION 54956.8

Property: Lease Site 62/62W, 495 Embarcadero, Associated Pacific Constructors
Property Negotiator: Paul Gillen
Agency Negotiators: Ted Schiafone, Harbor Director; Greg Carpenter, Interim City Manager; Chris Neumeyer, City Attorney
Negotiation: Price and Terms of Payment

CS-5 CONFERENCE WITH REAL PROPERTY NEGOTIATOR - GOVERNMENT CODE SECTION 54956.8

Property: 781 Market Avenue (APN 066-321-027)
Property Negotiator: Brady Lock
Agency Negotiators: Scot Graham, Community Development Director; Greg Carpenter, Interim City Manager; and Chris Neumeyer, City Attorney
Negotiation: Price and Terms of Payment

RECONVENE IN OPEN SESSION – The City Council reconvened in Open Session. The Council did not take any reportable action in accordance with the Brown Act.

ADJOURNMENT - The meeting adjourned at 5:00 p.m.

Recorded by:

Dana Swanson
City Clerk



AGENDA NO: A-4

MEETING DATE: April 25, 2023

Staff Report

TO: Honorable Mayor and City Council

DATE: April 17, 2023

FROM: Nancy Hubbard, Contract Planner

SUBJECT: Adoption of Resolution No. 22-23 Upholding the February 7, 2023 Planning Commission Approval of Coastal Development Permit #CDP22-025 with Changes in Conditions for the Proposed New Home at 2440 Laurel Avenue

RECOMMENDATION

Staff recommends the Council adopt Resolution No. 22-23 upholding the February 7, 2023 Planning Commission approval of Coastal Development Permit #CDP22-025 with changes in conditions as approved by the City Council at the April 11, 2023 Public Hearing.

ALTERNATIVES

None.

FISCAL IMPACT

There is no fiscal impact.

BACKGROUND/DISCUSSION

On April 11, 2023, the City Council held a public hearing to hear two “cross-appeals” filed by the permit applicant at 2440 Laurel Avenue (Murphy) and site neighbor at 2403 Nutmeg Avenue (Metzger). The staff report and related materials can be found [here](#) (see Item B-1).

Following the public hearing and after hearing testimony of both parties, the Council sought consensus from the permit applicant and site neighbor for a modified version of a Planning Commission added condition as follows:

1. Enhance front elevation step back on upper level: Applicant shall move the west side of the roofline back to **extend no more than 8 feet from the vertical face of the upper floor a minimum of 8 feet (allowing a 4-foot overhang) over the balcony** and submit for review and approval by Community Development Director. This is in accordance with Residential Design Guidelines: Single-family design guidelines: B. Mass and scale and C: Surface articulation. **Change made April 25, 2023 by City Council.**

During a brief recess, staff discussed the proposed modified condition with Mr. Murphy and the Mayor then re-opened the public hearing to allow both Mr. Murphy and Ms. Metzger an opportunity to

Prepared By: <u> DS/NH </u>	Department Review: <u> </u>
City Manager Review: <u> </u>	City Attorney Review: <u> LNL </u>

comment for the record. The attached Resolution No. 22-23 reflects Council action including: 1) Keep the Planning Commission condition on change of color and material on the lower level, and 2) reduce the front roof line to 8 feet or less.

CONCLUSION

Staff recommends the Council adopt Resolution No. 22-23 upholding the February 7, 2023 Planning Commission approval of Coastal Development Permit #CDP22-025 with changes in conditions as approved by the City Council at the April 11, 2023 Public Hearing.

ATTACHMENT

1. Resolution No. 22-23

RESOLUTION NO. 22-23

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
TO UPHOLD THE FEBRUARY 7, 2023 PLANNING COMMISSION APPROVAL OF
COASTAL DEVELOPMENT PERMIT #CDP22-025 WITH CHANGES IN CONDITIONS
FOR THE PROPOSED NEW HOME AT 2440 LAUREL AVE**

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

WHEREAS, the Planning Commission of the City of Morro Bay (the “City”) conducted a public hearing on February 7, 2023 at the Morro Bay Veterans Memorial Building at 209 Surf Street, Morro Bay, CA as well as through virtual public participation provided telephonically through Zoom, for the purpose of considering appeal of an administrative Coastal Development Permit (CPD22-025) for demo of an existing home and construction of a new home at 2440 Laurel Ave (“Project”) ; and

WHEREAS, The Planning Commission denied the appeal and upheld the administrative approval of Coastal Development Permit No. CDP22-025 with two new conditions; and

WHEREAS, Ms. Tina Metzger filed an appeal on February 16, 2023, of the Planning Commission February 7, 2023, decision to deny her previous appeal and uphold the approval of CDP22-025 with added conditions; and

WHEREAS, Mr. Michael Murphy, property owner/applicant filed an appeal on February 17, 2023, of the Planning Commission February 7, 2023, decision to approve CDP22-025 with added conditions; and

WHEREAS, the City Council of the City of Morro Bay conducted a public hearing on April 11, 2023, for the purpose of considering both appeals of the Planning Commission February 7, 2023, approval of Coastal Development Permit #CDP22-025 with the two new conditions; and

WHEREAS, notice of the public hearing was provided at the time and in the manner required by law; and

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

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

Section 1: Findings. Based upon all the evidence, the Council makes the following findings:

California Environmental Quality Act (CEQA)

For purposes of the California Environmental Quality Act, the project meets the requirements for a categorical exemption under CEQA Guidelines Section 15301,

Class 1 for the demo of an existing home and Section 15303, Class 3a, for a new single-family home on a residentially zoned parcel. Additionally, none of the Categorical Exemption exceptions, noted under Section 15300.2, apply to the project.

Coastal Development Permit Findings

1. The City Council finds that the project is consistent with applicable provisions of the Local Coastal Program and Chapter 3 of the California Coastal Act for a new single-family home and removal of the existing residential dwelling unit.
2. The City Council finds the project, as conditioned, is consistent with the character of the neighborhood in which it is located. The project is surrounded by compatible uses of moderate density residential development; and is of a design, mass and scale suitable for the location.

Section 2: Action. The City Council does hereby deny both appeals and upholds the Planning Commission approval of Coastal Development Permit (CDP22-025), with the added condition, as modified below (additions shown in ***bold italics***, deletions shown in ~~strike through~~). Approval is supported by the above findings:

PLANNING COMMISSION ADDED CONDITIONS:

Enhance front elevation step back on upper level: Applicant shall move the west side of the roofline back to ***extend no more than 8 feet from the vertical face of the upper floor*** ~~a minimum of 8 feet (allowing a 4-foot overhang) over the balcony~~ and submit for review and approval by Community Development Director. This is in accordance with Residential Design Guidelines: Single-family design guidelines: B. Mass and scale and C: Surface articulation. [***Change made April 25, 2023 by City Council.***]

Section 3: Incorporation of Facts. The findings and conclusions herein are further supported by all findings of fact presented at the April 11, 2023, City Council hearing, including without limitation those facts stated in the accompanying staff report, exhibits, public and appellant comments, and City Council deliberations; all of which evidence is incorporated herein by this reference.

PASSED AND ADOPTED by the City Council of the City of Morro Bay for consent at a regular meeting thereof held on this 25th day of April 2023 on the following vote:

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

CARLA WIXOM, Mayor

ATTEST

DANA SWANSON, City Clerk



AGENDA NO: A-5

MEETING DATE: April 25, 2023

Staff Report

TO: Honorable Mayor and City Council

DATE: April 25, 2023

FROM: Rachael Hendricks / Human Resources Manager

SUBJECT: Adoption of Resolutions Approving Agreements to Share Costs of the CalPERS Employer Contribution Pursuant to Government Code Section 20516 – Unrepresented Management, Unrepresented Confidential and Unrepresented Department Head Employees

RECOMMENDATION

Staff recommends the City Council adopt Resolution Nos. 23-23, 24-23, and 25-23 approving agreements to share costs of the employer contribution of the City’s California Public Employees Retirement System (CalPERS) contributions for the Tier 1 and Tier 2 miscellaneous and safety unrepresented management, unrepresented confidential and unrepresented department head employees.

ALTERNATIVES

No alternatives are recommended as the affected employees have already agreed to contribute 1% of their salary towards the employer portion of their retirement benefits, beyond the existing employee contribution rates established by CalPERS.

FISCAL IMPACT

The implementation of the 1% cost sharing for Tier 1 and Tier 2 Safety and miscellaneous employees in the unrepresented employee groups, including confidential, management, and department head employees, towards their retirement benefits was accounted for when Resolutions No. 54-22, 55-22 and 56-22 were adopted and will be reflected in the FY 23-24 operating budget.

BACKGROUND/SUMMARY

CalPERS is a state agency that manages pension and health benefits for public employees in California. The City of Morro Bay's contract with CalPERS outlines the terms and conditions of providing retirement benefits to its employees, including contribution rates and cost-sharing arrangements. The City’s retirement contract with CalPERS covers three classifications of employees: police safety employees, fire safety employees, and miscellaneous employees (i.e., non-sworn employees). Each classification has three benefit levels or "tiers" with formulas based on factors such as years of service, age at retirement, and final compensation. The CalPERS retirement contract requires contributions from both employees and the City.

In recent years, CalPERS and the agencies it provides retirement benefits to have faced financial challenges due to increasing costs and unfunded liabilities. Government Code Section 20516

Prepared By: RH

Dept Review:

City Manager Review: GC

City Attorney Review: MH

(Employees Sharing Additional Cost) helps address these shortfalls by allowing a contracting agency and its employees to share the costs of the employer contribution with an amendment of their contract.

On June 14, 2022 Council adopted Resolution Nos. 54-22 (pertaining to unrepresented confidential compensation and benefits), 55-22 (pertaining to unrepresented management compensation and benefits), and 56-22 (pertaining to department head compensation and benefits) that approved a 4% COLA base salary increase, effective the pay period containing July 1, 2023, contingent upon cost-sharing being approved by the unrepresented employees and implemented. The cost sharing language in these resolutions reads as follows:

Employee Cost Sharing: CalPERS Classic Member Tier 1 & Tier 2 employees shall make a 1% cost sharing contribution to the employer's contribution to CalPERS effective the first full payroll period after City Council approval of a CalPERS Contract Amendment providing for such payment commencing FY 23/24, but in no event sooner than the pay period including July 1, 2023.

CalPERS requires proof of a simple majority agreement of affected employees to proceed with amending the City's contract with CalPERS for cost sharing. Amending the City's CalPERS contract to implement cost sharing involves several procedural steps. The next step for implementing cost sharing will be for the City to bring forward for Council consideration a resolution providing notice of the City's intention to approve a contract amendment with CalPERS and an ordinance authorizing the contract amendment with CalPERS. Staff anticipates that this will be brought to Council on May 9, 2023.

CONCLUSION

Staff recommends that the City Council adopt Resolution Nos. 23-23, 24-23, and 25-23.

ATTACHMENTS

1. Resolution No. 23-23 Resolution of the City Council of the City of Morro Bay, California Approving An Agreement Between Members of the Unrepresented Management Group and the City of Morro Bay to Share the Costs of the Employer Contribution Pursuant to Government Code Section 20516.
2. Resolution No. 24-23 Resolution of the City Council of the City of Morro Bay, California Approving An Agreement Between Members of the Unrepresented Confidential Group and the City of Morro Bay to Share the Costs of the Employer Contribution Pursuant to Government Code Section 20516.
3. Resolution No. 25-23 Resolution of the City Council of the City of Morro Bay, California Approving An Agreement Between Members of the Unrepresented Department Head Group and the City of Morro Bay to Share the Costs of the Employer Contribution Pursuant to Government Code Section 20516.

RESOLUTION NO. 23-23

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
APPROVING AN AGREEMENT BETWEEN MEMBERS OF THE UNREPRESENTED
MANAGEMENT EMPLOYEES AND THE CITY OF MORRO BAY, CALIFORNIA TO
SHARE COSTS OF THE EMPLOYER CONTRIBUTION PURSUANT TO
GOVERNMENT CODE SECTION 20516**

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

WHEREAS, the unrepresented management employees of the City of Morro Bay are not covered by a memorandum of understanding; and

WHEREAS, City of Morro Bay Resolution No. 55-22, which enumerates the compensation and benefits for unrepresented management employees, provides that CalPERS Classic Member Tier 1 & Tier 2 Safety and Miscellaneous shall make a 1% cost sharing contribution to CalPERS effective the first full payroll period after City Council approval of a CalPERS Contract Amendment providing for such payment commencing FY 23/24, but in no event sooner than the pay period including July 1, 2023; and

WHEREAS, in order to process a CalPERS contract amendment for cost sharing, CalPERS requires proof of a simple majority agreement of affected employees; and

WHEREAS, the undersigned members of the unrepresented management employees and the City of Morro Bay, hereby agree that effective on such date as CalPERS approves a contract amendment implementing a cost-sharing agreement, but in no event before the payroll period that includes July 1, 2023, pursuant to Government Code Section 20516, Classic Tier 1 and Tier 2 Safety and Miscellaneous employees will pay 1% of their compensation toward the employer contribution rate. This 1% will be over and above the employee's normal contribution rate, and

WHEREAS, this resolution shall include all "classic" unrepresented management employees in the CalPERS "classic" Tier 1 and Tier 2 benefit levels.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 25th day of April 2023 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:

CARLA WIXOM, Mayor

ATTEST:

DANA SWANSON, City Clerk

City of Morro Bay Unrepresented Management

Dana Swanson, City Clerk

Bonnie Johnson, Police Support Services Manager

Janeen Burlingame, Management Analyst

Damaris Hanson, Utility Division Manager

Stephen Doerr, Information Systems Technician

Kirk Carmichael, Recreation Services Manager

Kelley Mattos, Sr. Administrative Services Analyst

Cynthia Jacinth, Senior Planner

Emily Conrad, Finance Manager

Matthew Vierra, Fire Marshal/Division Chief

RESOLUTION NO. 24-23

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
APPROVING AN AGREEMENT BETWEEN MEMBERS OF THE UNREPRESENTED
CONFIDENTIAL EMPLOYEES AND THE CITY OF MORRO BAY, CALIFORNIA TO
SHARE COSTS OF THE EMPLOYER CONTRIBUTION PURSUANT TO
GOVERNMENT CODE SECTION 20516**

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

WHEREAS, the unrepresented confidential employees of the City of Morro Bay are not covered by a memorandum of understanding; and

WHEREAS, City of Morro Bay Resolution No. 54-22, which numerates the compensation and benefits for unrepresented confidential employees, provides that CalPERS Classic Member Tier 1 & Tier 2 Miscellaneous employees shall make a 1% cost sharing contribution to CalPERS effective the first full payroll period after City Council approval of a CalPERS Contract Amendment providing for such payment commencing FY 23/24, but in no event sooner than the pay period including July 1, 2023; and

WHEREAS, in order to process a CalPERS contract amendment for cost sharing, CalPERS requires proof of a simple majority agreement of affected employees; and

WHEREAS, the undersigned members of the unrepresented confidential employees and the City of Morro Bay, hereby agree that effective on such date as CalPERS approves a contract amendment implementing a cost-sharing agreement, but in no event before the payroll period that includes July 1, 2023, pursuant to Government Code Section 20516, Classic Tier 1 and Tier 2 Miscellaneous employees will pay 1% of their compensation toward the employer contribution rate. This 1% will be over and above the employee's normal contribution rate; and

WHEREAS, this resolution shall include all "classic" unrepresented confidential employees in the CalPERS Tier 1 and Tier 2 contract levels.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 25th day of April 2023 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:

CARLA WIXOM, Mayor

ATTEST:

DANA SWANSON, City Clerk

City Of Morro Bay Unrepresented Confidential

Heather Goodwin, Executive Assistant/Deputy City Clerk

RESOLUTION NO. 25-23

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
APPROVING AN AGREEMENT BETWEEN MEMBERS OF THE UNREPRESENTED
DEPARTMENT HEAD EMPLOYEES AND THE CITY OF MORRO BAY, CALIFORNIA
TO SHARE COSTS OF THE EMPLOYER CONTRIBUTION PURSUANT TO
GOVERNMENT CODE SECTION 20516**

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

WHEREAS, the unrepresented department head employees of the City of Morro Bay are not covered by a memorandum of understanding; and

WHEREAS, City of Morro Bay Resolution No. 56-22, which enumerates the compensation and benefits for unrepresented department head employees, provides that CalPERS Classic Member Tier 1 & Tier 2 Safety and Miscellaneous employees shall make a 1% cost sharing contribution to CalPERS effective the first full payroll period after City Council approval of a CalPERS Contract Amendment providing for such payment commencing FY 23/24, but in no event sooner than the pay period including July 1, 2023; and

WHEREAS, in order to process a CalPERS contract amendment for cost sharing, CalPERS requires proof of a simple majority agreement of affected employees; and

WHEREAS, the undersigned members of the unrepresented department head employees and the City of Morro Bay, hereby agree that effective on such date as CalPERS approves a contract amendment implementing a cost-sharing agreement, but in no event before the payroll period that includes July 1, 2023, pursuant to Government Code Section 20516, Tier 1 and Tier 2 Classic Safety and Miscellaneous employees will pay 1% of their compensation toward the employer contribution rate. This 1% will be over and above the employee's normal contribution rate, and

WHEREAS, this resolution shall include all "classic" department head employees in the CalPERS Tier 1 and Tier 2.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 25th day of April 2023 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:

CARLA WIXOM, Mayor

ATTEST:

DANA SWANSON, City Clerk

City of Morro Bay Unrepresented Department Heads

Amy Watkins, Police Chief

Daniel McCrain, Fire Chief

Scot Graham, Community Development Director



AGENDA NO: A-6

MEETING DATE: April 25, 2023

Staff Report

TO: Honorable Mayor and City Council DATE: April 19, 2023

**FROM: Greg Kwolek, Public Works Director
Damaris Hanson, Utilities Division Manager**

SUBJECT: Authorization to Lower the City’s Water Conservation Requirements from Severely Restricted Conditions to Moderately Restricted Conditions

RECOMMENDATION

Staff recommends that the City Council direct staff to lower the City’s water conservation requirements from Severely Restricted Conditions to Moderately Restricted Conditions.

ALTERNATIVES

The City Council may choose to keep the “severely restricted” conditions in place or, alternatively, provide alternative direction to staff.

FISCAL IMPACT

Reinstating the moderately restricted water conservation conditions may increase water revenues to the extent that the community increases water usage.

BACKGROUND

In June 2021, the City Council directed staff to raise the level of water conservation restrictions to “severely restricted” once Governor Newsom included the County of San Luis Obispo in the drought state of emergency, which he did in July 2021 by executive order. As the year progressed, the drought-stricken areas worsened, and new counties were added to the long growing list. In October 2021, the governor again asked the residents to continue conservation efforts and proclaimed a severe state of emergency. Through calendar year 2022, forecasts of anticipated drought intensity worsened with the news that a rare 3-year La-Nina was continuing to plague the State.

The wet and stormy 2022-2023 winter season brought much rain to Morro Bay, the County, and the State, and as a result most counties have moved from level of severe drought to none. On March 24, 2023, Governor Newsom announced the easing of drought restrictions that were placed in 2021. The Winter Storms of 2023 have dramatically changed the drought conditions in the State of California, and locally, for the County of San Luis Obispo. The State announced increased water deliveries to 29 public agencies that serve 27 million Californians, now expecting to deliver 75% of requested water supplies. This is up 35% from what was announced in February, and the highest since 2017.

Prepared By: <u> DH </u>	Dept Review: <u> GK </u>
City Manager Review: <u> </u>	City Attorney Review: <u> CFN </u>
2023-04-25 CC Mtg Page 29 of 80	

The Governor’s proclamation ends his previously issued voluntary 15% water conservation target while continuing to encourage water conservation in daily living. This also ends the requirement of implementing Level 2 restrictions, which include the restricting of outdoor watering to only two days a week. The proclamation continues to maintain the ban on wasteful water uses, such as watering ornamental grass on commercial properties. Lastly, the proclamation does still allow for continuing drought response and recovery efforts, by retaining a state of emergency for all 58 counties.

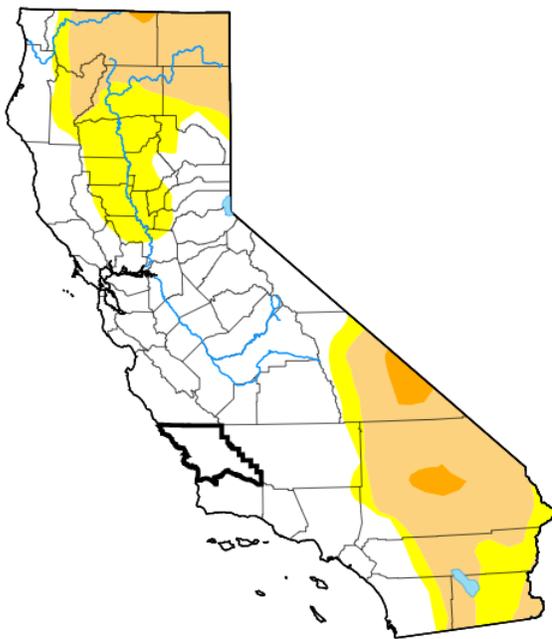
DISCUSSION

When the City Council approved raising the water conservation restrictions from moderately restricted to severely restricted conservation restrictions in June 2021, the City, along with much of the State of California, was experiencing historic drought conditions that negatively impacted the City’s water supply. This necessitated conservation requirements and the application of mandatory water use reductions in line with the Morro Bay Municipal Code (MBMC) and water shortage contingency plan.

With the 2023 winter storms, the drought situation in the State and San Luis Obispo County have drastically changed. As of March 30, 2023, the United States Drought Monitor showed San Luis Obispo County and much of the State no longer in a drought.

San Luis Obispo County, CA

morro > San Luis Obispo County, CA



Map released: Thurs. March 30, 2023

Data valid: March 28, 2023 at 8 a.m. EDT

Intensity

- None
- D0 (Abnormally Dry)
- D1 (Moderate Drought)
- D2 (Severe Drought)
- D3 (Extreme Drought)
- D4 (Exceptional Drought)
- No Data

Authors

United States and Puerto Rico Author(s):
Curtis Riganti, National Drought Mitigation Center

Pacific Islands and Virgin Islands Author(s):
Ahira Sanchez-Lugo, NOAA/NCEI

The Department of Water Resources expects San Luis Reservoir, which stores San Luis Obispo County's State Water, to end the wet season at capacity. Lake Oroville, the State Water Project’s largest reservoir, is at 120% of average for this time of year and currently releasing water through the Oroville spillway to reduce flood risk downstream in anticipation of the spring snowmelt. The State Water Project will continue to optimize water storage in Lake Oroville to support environmental needs in the summer and allow for carryover storage for next year if dry conditions return. The State is also

advancing actions to expand storage and boost water supply by bolstering groundwater supply and storage through groundwater recharge, accelerating stormwater capture to boost water groundwater recharge and fast-tracking groundwater recharge projects, along with several other projects.

After three of the driest years on record, recent rains and snowfall have dramatically changed conditions allowing for easing of water conservation restrictions. However, given the recent extended drought and the State Water Project's unreliability year to year, it is reasonable to reduce, rather than eliminate, the level of water restrictions for the community to encourage water conservation in daily living.

The major difference between severely and moderately restricted conditions to City ratepayers is residents will be able to irrigate their landscaping any day of the week; however, watering between the hours of 10:00 a.m. and 4:00 p.m. will still be prohibited. Also, visitor-serving facilities will no longer be required to display water conservation requirements. A full description of both moderate and severe restrictions is outlined below:

Moderately Restricted Water Supply Conditions

1. Use of water which results in excessive gutter runoff is prohibited.
2. Outdoor water use for washing vehicles, boats, buildings or other similar uses shall be attended and have hand-controlled water devices, typically including spring-loaded shutoff nozzles.
3. No water shall be used for cleaning driveways, patios, parking lots, sidewalks, streets, or other such uses except where necessary to protect the public health or safety.
4. Outdoor Irrigation
 - a. Outdoor irrigation is prohibited between the hours of ten a.m. and four p.m.
 - b. All consumers are directed to use no more water than necessary to maintain landscaping.
5. Marinas and Waterfront Installations
 - a. Use of fresh water to wash down boats, docks, or other incidental activities shall be attended and have hand-controlled devices, typically including spring-loaded shutoff nozzles.
 - b. All hoses shall have spring-loaded shutoff nozzles or similar controlling devices.
6. Restaurants shall serve drinking water only in response to a specific request by a customer.
7. Newly planted landscaping or newly seeded lawns installed prior to the date these mandatory conservation requirements are imposed may be temporarily exempted from the provisions of subsection B1 of this section; provided, the owner/tenant establishes documentation satisfactory to the city conclusively proving the planting date. Any temporary exemption shall expire when the planting is sufficiently established to survive without excessive gutter runoff. All other conservation measures remain applicable during the temporary exemption.

Severely Restricted Water Supply Conditions

1. Outdoor Water Use (Except Irrigation)
 - a. Use of water which results in excessive gutter runoff is prohibited.
 - b. No water shall be used for cleaning driveways, patios, parking lots, sidewalks, streets, or other such uses except where necessary to protect the public health or safety.
 - c. Washing cars by use of a hose is prohibited. Use of a bucket is permitted subject to non-wasteful applications.
2. Outdoor Irrigation

- a. Outdoor irrigation is prohibited between the hours of ten a.m. and four p.m.
 - b. Irrigation of private and public landscaping, turf areas, and gardens is permitted at even-numbered addresses only on Wednesdays and Sundays, and at odd-numbered addresses only on Tuesdays and Saturdays. All consumers are directed to use no more water than necessary to maintain landscaping.
 - c. Newly planted landscaping or newly seeded lawns installed prior to the date these mandatory conservation requirements are imposed may be temporarily exempted from the provisions of subsection (C)(2)(b) of this section; provided, the owner/tenant establishes documentation satisfactory to the city conclusively proving the planting date. Any temporary exemption shall expire when the planting is sufficiently established to survive with twice per week watering. All other conservation measures remain applicable during the temporary exemption.
3. Marinas and Waterfront Installations
 - a. Use of fresh water to wash down boats, docks, or other incidental activities is prohibited.
 - b. All hoses shall have spring-loaded shutoff nozzles or similar controlling devices.
 4. Restaurants shall serve water only in response to a specific request by a customer.
 5. Emptying and refilling of swimming pools and commercial spas is prohibited except to prevent structural damage and/or to comply with public health regulations.
 6. Use of potable water for compaction or dust control purposes in construction activities is prohibited.
 7. Any dysfunctional water fixtures in public or commercial facilities shall be repaired within three days of receipt of notification by the city.
 8. All visitor-serving facilities in the city shall prominently display these mandatory water conservation requirements for the benefit and education of visitors to the community. Such display shall be done in a permanent vandal-resistant manner. Visitor-serving facilities shall include, but not be limited to, all motels, restaurants, campgrounds, recreational vehicle parks, mobile home parks, service stations, public restrooms, etc. The owners or managers of such facilities shall distribute to all customers a printed handout or flyer describing these mandatory water conservation requirements. Such handouts or flyers shall be provided to the owners or managers of such facilities by the city free of charge.

CONCLUSION

Due to the rainy winter season and subsequent increase in State Water allocation, as well as the Governor's proclamation to easing of water restrictions, Staff recommends the City Council reduce the water conservation requirements from Severely Restricted Conditions to Moderately Restricted Conditions.

ATTACHMENT

None



AGENDA NO: A-7

MEETING DATE: April 25, 2023

Staff Report

TO: Honorable Mayor and City Council

DATE: April 17, 2023

FROM: Dana Swanson, City Clerk

SUBJECT: Consideration of Appointment of Kathryn Hoversten to the Citizens Oversight/Finance Advisory Committee

RECOMMENDATION

Staff recommends the City Council consider the appointment of Kathryn Hoversten to the Citizens Oversight/Finance Advisory Committee (“CFAC”) to complete an unexpired term through January 31, 2026.

ALTERNATIVES

Direct staff to continue to recruit and re-advertise the vacant position(s).

FISCAL IMPACT

There is no fiscal impact.

BACKGROUND/DISCUSSION

In April 2022, the City Council adopted Ordinance No. 651 reducing the number of CFAC members from seven to five and amending the timing of the annual report to Council. The decision to reduce membership was, in part, based on the City being unable to maintain seven active Committee members and the resulting challenges of having a quorum present to conduct meetings. In January 2023, the Council appointed Stephen Peck and Jean Johnston to fill two of the four positions available at that time and directed staff to continue efforts to fill the remaining two seats. Recruitment information was distributed via the City website, City social media, printed ads and flyers in the City Hall and Library kiosk.

As of the March 31, 2023, application deadline, the City received two applications; however, one of the applicants chose to withdraw upon learning there was a conflict between their normal work schedule and the CFAC meeting schedule.

As noted on her application, Ms. Hoversten is a 40-year Morro Bay resident with 20+ years’ experience as a CPA/Accountant. Given her experience and desire to serve the community, staff recommends the City Council consider the appointment of Ms. Hoversten to fill the current unscheduled vacancy for a term ending January 31, 2026. Staff will continue to accept applications to fill the remaining vacancy.

Prepared By: <u> DS </u>	Department Review: <u> </u>
City Manager Review: <u> GC </u>	City Attorney Review: <u> CFN </u>

CONCLUSION

Staff recommends the City Council review Ms. Hoversten's application, and by vote, decide if they wish to fill the vacant CFAC position. This term will expire on January 31, 2026.

ATTACHMENT

1. Kathryn Hoversten's Application



CITY OF MORRO BAY ADVISORY BODY APPLICATION

Contact Information

Full Name Kathryn Hoversten	Home Phone N/A
Street Address [REDACTED]	Cell Phone [REDACTED]
Mailing Address (if different than above)	Work Phone N/A
City, State, Zip Code Morro Bay, CA 93442	Email Address [REDACTED]

Do you live within the Morro Bay City Limits? Yes No

Are you registered to vote in the City of Morro Bay? Yes No

Advisory Body Information

I would like to be considered for appointment to the following Commission/Advisory Body:

- Citizens Oversight and Citizens Finance Advisory Committee*
- Harbor Advisory Board
 - Marine-Oriented Business
 - Waterfront Leaseholder
 - Recreational Boating
 - Member-at-Large
 - South Bay/Los Osos Representative
 - Morro Bay Commercial Fisherman's Association (MBCFO)
 - Alternate Member to MBCFO
- Planning Commission*
- Public Works Advisory Board*
- Recreation & Parks Commission
- Visit SLO County (VSLOC) Board of Directors – County and Regional Board

* Must be a resident and registered to vote in the City of Morro Bay during the term of appointment.

Employment Information

Present or Last Employer Self Employed mostly	Position or Occupation CPA/Accountant
Employer Address	How Many Years 20+
City, State, Zip Code	

Education and Training

Institution Name, City and State	Major, Degree or Area of Study
Humboldt State University, Arcata, CA	BS in Business, Emphasis in Accounting

Qualifications and Interests

Please use the space provided, or attach a separate document, responding to the questions below. If desired, you may attach a resume or other additional documentation for consideration.

1. Are you currently or have you previously served on a board, commission, committee, or other public body, If so, which one and when? What do you feel were the advisory body’s major accomplishment(s) during your tenure?
No.

2. What experience, technical training, and skill qualify you for an appointment, considering your experience and activities in business, labor, professional, social, or other organization?
My career has all been accounting related. Primarily started with income tax preparation for individuals and all other business entities. Subsequently have done accounting for many retail and service related businesses.

3. Why are you interested in serving on this advisory board, commission, or committee?
I have lived in Morro Bay for 40 years and feel like being a volunteer on this committee will be beneficial for both the city and myself. I am interested in learning more about how the city operates, and having oversight of financial operations is always a good idea.

I have read the Advisory Bodies Handbook regarding the expectations and responsibilities of this Commission/Advisory Board/Committee and, should I be appointed, am able and willing to devote the necessary time to perform the required duties.

Kathy Hoversten
Kathy Hoversten (Mar 2, 2023 14:50 PST)

(Signature)

Mar 2, 2023

(Date)

This application is a public record that be disclosed to the public upon request. All appointees to a City Commission, Advisory Board, or Committee will be required, in accordance with State law to file a "Statement of Economic Interest Form 700" which remains available for public inspection.

Completed applications may be emailed to cityclerk@morrobayca.gov or mailed to: Office of the City Clerk, City Hall, 595 Harbor Street, Morro Bay, CA 93442



AGENDA NO: B-1

MEETING DATE: April 25, 2023

Staff Report

TO: Honorable Mayor and City Council

DATE: April 18, 2023

FROM: Sarah Johnson-Rios, Assistant City Manager/Admin Services Director

SUBJECT: Public Hearing and Adoption of Resolution No. 26-23, which Rescinds Resolutions No. 33-22 and 66-22 and Adopts the FY 2023-24 Master Fee Schedule

RECOMMENDATION

Staff recommends that City Council conduct the formally noticed public hearing, review the proposed Master Fee Schedule, and adopt Resolution No. 26-23 which updates the City’s Master Fee Schedule for Fiscal Year (FY) 2023-24. This Resolution rescinds Resolution Nos. 33-22 and 66-22 that adopted the current FY 2022-23 Master Fee Schedule and replaces it in its entirety for the new fiscal year.

BACKGROUND

Annually, the City reviews and revises the adopted Master Fee Schedule, which specifies what charges are approved for various City provided services. “Fee” activities are services and functions provided by the City to individuals who receive some direct material benefit above and beyond services offered to residents at general taxpayer expense. Council has directed this annual process be revised to have one consolidated fee schedule brought forward in late Spring. This format allows staff to implement any revised fees into budget preparations for the upcoming fiscal years.

The Morro Bay Municipal Code Chapter 3.34, Master Fee Schedule, stipulates how the City shall move forward with amending the Master Fee Schedule. Relevant sections of that chapter are included below for reference.

3.34.010 – Established

The City Master Fee Schedule is established, which shall set forth a consolidated listing of fees as fixed and adopted by the City Council, in accordance with all applicable provisions of state and city laws.

3.34.020 – Fee Revisions and Reviews

Any fees included in the Master Fee Schedule may be reviewed and revised annually by the City Council. The City’s cost of providing the services shall be computed and reflected in these fees. The fees shall then be enumerated, and the revised Master Fee Schedule adopted by resolution of the City Council.

Prepared By: <u> </u> SJR	Dept Review: <u> </u> SJR
City Manager Review: <u> </u> GC	City Attorney Review: <u> </u> LNL

The 2019 Fee Study by Revenue and Cost Specialist, LLC provides the basis for the majority of fees in the Master Fee Schedule. Fees have been increased by the consumer price indices annually since the completion of that study, consistent with the Municipal Code framework.

DISCUSSION

Effective Date

Development-related fees cannot be implemented any earlier than 60 days after City Council adoption. Thus, all proposed fees (including development fees) in the Master Fee Schedule would be effective July 1, 2023.

Changes for FY 2023-24

Unless otherwise noted in the fee schedule, proposed fees are adjusted annually by the All-Urban Consumer Price Index (CPI), Los Angeles area, based on the December 2022 12-month change. This represents 4.9% for the FY 23-24 Fee Schedule. Impact fees are adjusted annually by the California Construction Cost Index (CCCI) rate, based on the December 2022 12-month change. This represents 9.3% for the FY 23-24 Fee Schedule. All fees of \$1.00 or greater that are not in per foot or square footage units are rounded to the nearest dollar. Fees that are limited by State law or were already at 100% cost recovery were not increased.

There are a few proposed substantive changes beyond applying the indices described above. Those changes that are proposed this year are indicated in red text in the Proposed Fee Schedule document, and are summarized as follows:

Planning Fees: The following fees were added or updated based on new permit types and provisions outlined in the new Zoning Code (Ordinance 654).

- Sidewalk or dock sign permit
- Master sign program
- Master sign program amendment
- Planned Development Overlay District Plan fee
- Design Review Permits
- Modifications

Harbor Fees: These daily rates are being added to allow for daily storage; currently the fee schedule only includes monthly rates.

- Dry storage daily rate
- Triangle Lot Trailer/Boat Storage daily rate

There are a number of fees for which no increase is proposed because the increase would be immaterial, and the staff decided to “round down” instead of up, or market rates did not warrant an increase.

Several fees were modified or eliminated this year for fees that were redundant or unclearly described, or programs that were eliminated. These fee verbiage modifications or eliminations are shown with strikethrough text in the proposed FY 2023-24 Master Fee Schedule attached.

Exceptions to Cost Recovery

While Council may elect to recover the full cost of providing a service that offers direct benefits to an individual, Council may also elect to forgo full cost recovery. There are a couple of instances where

full cost recovery is not being sought in the Proposed FY 2023-24 Master Fee Schedule, as follows:

Appeal Fee – The 2019 Fee Study by Revenue and Cost Specialist, LLC identified that the cost to appeal a City decision at that time was \$6,994. That amount would have been escalated by CPI since to be well over \$7,000 today. In prior years, Council elected to set the fee at a much lower rate, around \$300, and less than 10% of cost recovery. The proposed fee schedule continues that prior direction, applying CPI and resulting in a \$342-dollar fee. The cost recovery in FY 2023-24 is estimated to be less than 5%. Council may direct staff to increase that fee if desired.

Commercial Fishing Slip Fee - Consistent with prior Council direction regarding the Commercial Fishing Slip Fee, full cost recovery recommended by the study conducted by Revenue and Cost Specialists, LLC was not implemented. Instead, the fee increased to \$8/foot in October 2022 and was scheduled to increase only by CPI for the subsequent ten years. This year, due to rounding to the nearest dollar, there is no proposed increase. In return, the Morro Bay Commercial Fishermen's Organization agreed to provide \$100,000 in grant funds awarded by the Central California Joint Cable Fisheries to the City once a construction project on the docks and piers moves forward. It should also be noted the commercial fishing docks were heavily damaged during the January and March storms. Emergency funding approved by Council will only repair a few docks, leaving the commercial fishing fleet using sub-standard docks throughout much of next year.

FISCAL IMPACTS

Most fees are proposed to increase by CPI or the construction cost index. Given that the intent of the fee schedule is to maintain but not exceed cost recovery, and City costs to provide services are also continuing to increase, there should not be a significant net change to City revenues over expenditures in FY 23-24.

ATTACHMENTS

1. Resolution No. 26-23
 - a. [Link](#) to Proposed FY 2023-24 Master Fee Schedule
2. [Link](#) to existing FY 2022-23 Adopted Master Fee Schedule from Resolution No. 56-21.

RESOLUTION NO. 26-23

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
ADOPTING FISCAL YEAR 2023-24 MASTER FEE SCHEDULE**

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

WHEREAS, the City Council finds fees and charges for City services are annually in need of review for possible updating to reflect changes in the cost of providing those services; and

WHEREAS, pursuant to the California Constitution, with certain exceptions, if a City Fee exceeds the City's cost for providing the service covered by that fee, that fee is considered a tax; and

WHEREAS, the City has reviewed the attached fees, and finds they do not exceed the actual costs of providing related services when that limitation is applicable; and

WHEREAS, on April 12, 2022, City Council adopted Resolution No. 33-22, specifying that the annual adjustment indices applicable to the Master Fee Schedule are the Los Angeles-Long Beach-Anaheim CPI published by the Bureau of Labor Statistics and the State's Construction Cost Index that is produced by the Department of General Services; and

WHEREAS, the City Council adopted Resolution 33-22 approving the Fiscal Year (FY) 2023-24 Master Fee Schedule on April 12, 2022; and

WHEREAS, the City Council adopted Resolution No. 66-22 approving Liveaboard Fees inadvertently omitted from the previously adopted Master Fee Schedule; and

WHEREAS, based upon continuing economic impacts due to the COVID-19 Pandemic and other factors, commercial fishing slip fees increased from \$7.10/foot to \$8/foot on October 1, 2022, and annual increases will be instituted on this fee annually for the next 10 years following 2022 using the December to December Los Angeles-Long Beach-Anaheim CPI, rounded to the nearest dollar. Moreover, in consideration for this reduced (compared to market) commercial fishing slip fee schedule, Morro Bay Commercial Fishermen's Organization agrees to provide a \$100,000 in grant funds awarded by Central California Joint Cable Fisheries to the City once a construction project on the docks and piers move forward; and

WHEREAS, the City has reviewed the attached amended FY 2023-24 Master Fee Schedule, and finds the fees therein do not exceed actual costs of providing related services when that limitation is applicable; and

WHEREAS, California Government Code sections 66000, *et seq.*, mandate numerous detailed and stringent requirements for all development fees levied by local government on new construction projects; and

WHEREAS, Section 66017 of the California Government Code requires a 60-day

“waiting period” before any development fee increase can become effective; and

WHEREAS, pursuant to government Code section 66016, *et seq.*, specific fees to be charged for services must be adopted by City Council resolution or ordinance, after providing notice and holding a public hearing; and

WHEREAS, the City’s Municipal Code Section 3.34.020 (Fee revisions and reviews), states: “Any fees, included in the Master Fee Schedule, may be reviewed, and revised annually by the city council. The City’s cost of providing the services shall be completed and reflected in these fees. The fees shall then be enumerated, and the revised Master Fee Schedule adopted by resolution of the City Council.”

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

SECTION 1. Effective July 1, 2023, Resolutions No. 33-22 and 66-22 shall be rescinded.

SECTION 2. Effective July 1, 2023, the Fiscal Year 2023-24 Master Fee Schedule, attached hereto and incorporated herein by reference, is hereby amended and readopted.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 25th day of April 2023, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:

CARLA WIXOM, Mayor

ATTEST:

DANA SWANSON, City Clerk

Public Hearing, and
Adoption of Resolution
No. 25-23, to Adopt
the Fiscal Year 2023-
24 Master Fee
Schedule

Sarah Johnson-Rios, Assistant City
Manager/Admin Services Director

Item B-1





Master Fee Schedule Review & Approval

- The City reviews and revises the Fee Schedule annually
- It specifies what charges are approved for various City provided services
- Fees are charged when individuals receive some direct material benefit beyond services offered to residents at general taxpayer expense
- This process is governed by the State Constitution and Morro Bay Municipal Code (Ch. 3.34)



Timeline

- Proposed Master Fee Schedule noticed and posted on April 10th, 15 days prior to public hearing.
- Development related fees cannot be implemented any earlier than 60 days after City Council adoption.
- Thus, all proposed fees (including development fees) in the Master Fee Schedule would be **effective July 1, 2023.**



Indices used for Increases

- Los Angeles-Long Beach-Anaheim Consumer Price Index (CPI)
 - Calculated by the Bureau of Labor Statistics
 - **4.9%** December 2021-December 2022
- Construction-related fees – California Construction Cost Index (CCCI)
 - Calculated by the California Department of General Services
 - Based on the Engineering New Record indices for LA & San Fran areas
 - Available for free online
 - **9.3%** December 2021-December 2022



Proposed Master Fee Schedule

Unless noted below, the City's adopted fee schedule is adjusted annually by the All Urban Consumer Price Index (CPI), Los Angeles area, based on the December 2022 12-month change. This represents **4.9%** for the FY 2023-24 Fee Schedule.

Impact fees are adjusted annually by the California Construction Cost Index (CCCI) rate, based on the December 2022 12-month change. This represents **9.3%** for the FY 2023-24 Fee Schedule.

All fees of \$1.00 or greater that are not in per foot or square footage units are rounded to the nearest dollar.
Fees that are limited by State law or that were already at 100% cost recovery were not increased.

GENERAL FEES		
Fee Name	FY 2022-23 Fee Amount	FY 2023-24 Fee Amount
Photocopies per page (unless otherwise defined).		
	\$ 0.40	\$ 0.40
Photocopies (per 11" x 17" page)	\$ 0.70	\$ 0.70
Copies -Digital - per device	\$ 5	\$ 6
Certified Copies of City Documents	\$ 25	\$ 25
Records Request (retrieval of FPPC filings 5 or more years old)	\$ 5	\$ 6
Print material mailed	Cost of copying/printing and postage	Cost of copying/printing and postage
Refundable appeal fee for non-land use administrative decisions (Estimated Cost of Appeal is \$3,565. The \$306 appeal fee denotes 8.6% of cost recovery.)	\$ 326	\$ 342
Elections filing fee - Notice of intention to circulate petition		



Exceptions to Cost Recovery

Appeal Fee (to appeal a City decision):

- Fee Study identified the costs at \$6,994 in 2019 (higher now due to CPI)
- Council has decided in the past to set the fee at a much lower rate, forgoing cost recovery
- Consistent with prior Council direction, proposed fee for FY 2023-24: **\$342**
- Cost recovery in FY 23-24 – estimated to be less than 5% of actual cost

Commercial Fishing Slip Fee:

- Consistent with prior Council direction
- Increased to \$8/foot in October 2022 and only by CPI for 10 years following
- Morro Bay Commercial Fisherman's Organization agreed to provide \$100,000 in grant funds



Changes for FY 2023-24

Planning Fees: Updates consistent with the new Zoning Code (Ordinance 654).

- Sidewalk or dock sign permit
- Master sign program
- Master sign program amendment
- Planned Development Overlay District Plan fee
- Design Review Permits
- Modifications

Harbor Fees: Daily storage rates are being added; currently the fee schedule only includes monthly rates.

- Dry storage daily rate
- Triangle Lot Trailer/Boat Storage daily rate

Minor updates to verbiage, outlined in strikethrough and red text



Recommendation

Staff recommends that City Council conduct the formally noticed public hearing, review the proposed Master Fee Schedule, and adopt Resolution No. 26-23 which updates the City's Master Fee Schedule for Fiscal Year (FY) 2023-24. This Resolution rescinds Resolution Nos. 33-22 and 66-22 that adopted the current FY 2022-23 Master Fee Schedule and replaces it in its entirety for the new fiscal year.

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AGENDA NO: C-1

MEETING DATE: April 25, 2023

Staff Report

TO: Honorable Mayor and City Council

DATE: April 18, 2023

FROM: Sarah Johnson-Rios, Assistant City Manager/Admin Services Director

SUBJECT: Cost Allocation Plan Update

RECOMMENDATION

Staff recommends that City Council 1) receive the updated Cost Allocation Plan, 2) approve the resulting interfund charges for inclusion in the FY 2023-24 budget, and 3) direct staff to update the Cost Allocation Plan data annually using the interactive model provided.

ALTERNATIVES

Rather than implementing the recommended interfund charges outlined in the Discussion section of the report and in the attached CAP, Council could provide alternative direction to staff, including but not limited to the following alternatives:

- Change the existing practice relative to interfund charges to the Harbor Fund to discontinue charges for maintenance services provided in the Harbor's public spaces, resulting in \$167,101 in annual costs that would be incurred by the General Fund rather than the Harbor Fund (note that the FY 22-23 Adopted budget provides approximately \$201,000 from Measure Q & E for Harbor-related operating expenses and \$210,000 for Harbor capital expenditures, which more than offsets the full cost allocation plan transfer amount).
- Fully account for the costs of providing public safety and infrastructure services through Measure Q & E revenues by charging the fund for the cost of internal services required to support Police, Fire, Public Works, and Harbor services paid by Measure Q & E funds. This would result in an interfund transfer of \$346,487 from the Measure Q & E fund in FY 23-24.

BACKGROUND

Periodically, the City updates its Cost Allocation Plan (CAP), which identifies the costs of administrative, management, general governmental, and central support services within the municipal organization and analyzes the manner in which those costs relate to the array of direct services provided to the community. The City last formally studied these cost allocation practices in 2019, updating values annually as feasible following application of assumed cost inflation. The City also has the Information Technology Fund as an Internal Service Fund, which separates Citywide IT costs into their own fund in order to separately track and recover costs for IT services provided to other City functions and funds.

After conducting a Request for Proposals and receiving five responses, a selection panel comprised

Prepared By: _____ SJR

Dept Review: __SJR__

City Manager Review: _____

City Attorney Review: __CFN__

of an interdepartmental team selected ClearSource Financial Consulting as the best respondent. The Cost Allocation Plan update was completed using detailed data provided by City staff and industry practices from ClearSource regarding the nature and costs of internal services provided.

The CAP is an inward-facing document that yields overhead rates, interfund charges for service (transfers), and other values that can represent or be applied to cost recovery opportunities for these central services (such as overhead rates used when grant funding is received).

The CAP provides a reasonable basis for utilizing various fund revenues to recover supportive costs borne by the General Fund and Information Technology Internal Service Fund. The CAP does not implement any new fees for the public.

DISCUSSION

The Updated CAP has two components: a Central Services Cost Allocation Plan (CAP) and an Information Technology Internal Services Fund (ISF) CAP. Each component results in interfund charges (transfers) for inclusion in the Annual Operating Budget for Fiscal Year 2023-2024.

Central Services Cost Allocation Plan

Currently, all the services considered for cost recovery in the Central Services CAP reside in the General Fund (fund 001). Therefore, any recoverable costs reduce the burden on the General Fund and appropriately charge other funds for the internal services that are provided to those funds. This Cost Allocation Plan allocates the costs of various support services and general governmental programs to the direct organizational units that benefit from the central services provided. The allocated costs include City Council, City Manager’s Office, City Clerk, Human Resources, City Attorney general counsel services, Finance, Consolidated Maintenance, and electricity in certain City administrative facilities. Allocating these costs across all City functions and funds results in the following interfund charges for central services in FY 2023-24 (Exhibit E1 in the attached CAP):

**EXHIBIT E1 | INTERFUND CHARGE FOR CENTRAL SERVICE IN FY 2023-24
(REIMBURSEMENT TO THE GENERAL FUND)**

Fund Receiving an Interfund Charge for Service and Reimbursing the General Fund	Interfund Charge for Service	
	Transfer to the General Fund	Distribution of Outcomes
301 Transit Fund	\$ 20,868	0.49%
311 Water Operating Fund	\$ 379,510	8.82%
321 Sewer Operating Fund	\$ 340,770	7.92%
331 Harbor Operating Fund	\$ 346,676	8.06%
565 North Point Assessment	\$ 787	0.02%
570 Cloisters Park Maint AD	\$ 22,152	0.52%
Reimbursement to the General Fund	\$ 1,110,763	25.83%
001 General Fund - Remaining Central Services Borne [a]	\$ 3,189,773	74.17%
Total Central Services Allocated in this Plan	\$ 4,300,536	100.00%

[a] This amount includes the General Fund share of allocated services and shares calculated for other funds historically not assessed an interfund charge for service.

This would allow the General Fund to recover the associated costs of providing services to each of the six funds listed.

This baseline recommendation represents a continuation of existing policy regarding central services cost allocation. Council could consider alternatives as outlined in the “Alternatives” section of the report, or other alternatives that may result in less than maximum cost recovery for the General Fund.

Any reduction in cost recovery to the General Fund would have impacts on what the General Fund could afford going forward, including service provision, payment of CalPERS liabilities, and capital improvement investments.

Information Technology Internal Services Fund Cost Allocation Plan

Services considered in the Information Technology ISF CAP are accounted for in the Information Technology Fund (fund 450). Recoverable costs improve the self-sufficiency attained by that ISF.

Exhibit E5 in the attached CAP lists the charge for Information Technology Service calculated for Fiscal Year 2023-24. Any amounts not assessed to the funds named will either reduce available reserves in the Information Technology Fund 450 and/or will need to be subsidized by the General Fund to preserve the self-sufficiency of the ISF.

The presented list of charges for Information Technology Service includes the assumption that Sales & Use Tax Measure Q & E Fund can be assessed for the ISF service that supports the direct labor and expenses accounted for in the fund. If implemented in FY 2023-24, this would represent a change in accounting practice, as Measures Q & E has not yet been assessed its share of internal service fund costs. The last CAP was completed prior to the passage of Measure E. Given the increased fund revenues and increased services provided by the fund since Measure E’s passage in 2020, it is appropriate to consider having Measure Q & E cover the costs of the IT equipment and services required to deliver police, fire, public works, and harbor services consistent with Council’s priorities for Measure Q & E fund expenditures.

**EXHIBIT E5 | CHARGE FOR INFORMATION TECHNOLOGY SERVICE IN FY 2023-24
(REIMBURSEMENT TO THE INTERNAL SERVICE FUND)**

Information Technology Service Allocated and Potential Reimbursement to the Internal Service Fund	Interfund Charge for Service	
	Potential Transfer to the IT ISF	Distribution of Outcomes
003 Sales & Use Tax Measure Q & E	\$ 92,234	9.5%
311 Water Operating Fund	\$ 73,217	7.5%
321 Sewer Operating Fund	\$ 100,004	10.3%
331 Harbor Operating Fund	\$ 47,151	4.9%
565 North Point Assessment	\$ 211	0.0%
570 Cloisters Park Maint AD	\$ 5,932	0.6%
<hr/>		
001 General Fund - Allocated Share	\$ 635,514	65.4%
001 General Fund - Share for Other Funds Not Charged	\$ 17,204	1.8%
Reimbursement to the Information Technology Internal Service Fund 450	\$ 971,467	100.0%

FISCAL IMPACTS

The recommended action would allow the General Fund to recover the cost of central services provided to other funds, and the IT fund to be a self-sustaining fund and not rely on outsized General Fund contributions. This would be one factor in helping maintain the ability of the General Fund to continue to provide core services while also making necessary contributions to capital improvements and the City’s unfunded pension liability.

Alternatives that would pursue less than full cost recovery would benefit other funds but would have a negative fiscal impact on the General Fund and/or the IT Fund.

The alternative of allocating internal services costs as well as IT costs to Measure Q & E would result in a more positive fiscal impact on the General Fund but would likely result in a reduction of Measure Q & E funds available for capital improvements (however, the General Fund could allocate additional funding to capital improvements if Council directed).

ATTACHMENT

1. [Link](https://www.morrobayca.gov/DocumentCenter/View/17681/Cost-Allocation-Plan-DRAFT-FY-23-24) to updated Cost Allocation Plan:
<https://www.morrobayca.gov/DocumentCenter/View/17681/Cost-Allocation-Plan-DRAFT-FY-23-24>



AGENDA NO: C-2

MEETING DATE: April 25, 2023

Staff Report

TO: Honorable Mayor and City Council

DATE: April 20, 2023

FROM: Greg Carpenter, Interim City Manager

SUBJECT: Continued Discussion and Adoption of FY 2023-24 and FY 2024–25 City Council Goals and Action Items

RECOMMENDATION

Staff recommends the City Council continue discussion and adopt the proposed City Council goals, goals' statements, and action Items.

ALTERNATIVES

None

FISCAL IMPACT

There is no immediate fiscal impact related to the recommendation; however, many of the action items have associated fiscal impacts, some of which will result in costs to the City when implemented and others which may bring revenue enhancements to the City if implemented. Following Council approval, the work plan items anticipated to occur in FY 2023-24 will be incorporated into the FY 2023-24 Proposed Budget.

BACKGROUND/DISCUSSION

At the April 11, 2023 Regular Meeting, the Council received a staff presentation of proposed City Council goals, goals' statements and action items for FY 2023-24 and FY 2024-25, accepted public comment, and began deliberations. Given the late hour, there was Council consensus to continue the item to a future meeting. A link to the April 11th staff report is provided below and a more concise list of proposed goals, goals' statements and action items is attached for discussion.

ATTACHMENTS

1. [Link](#) to March 29, 2023 Continued Regular Meeting Agenda Packet (Item C-2)
2. [Link](#) to April 11, 2023 Regular Meeting Agenda Packet (Item C-2)
3. Proposed FY 2023-24 & 2024-25 Goals, Goals' Statements & Action Items

Prepared By: DS

Dept Review: _____

City Manager Review: GC

City Attorney Review: _____

Adoption of
FY 2023-24 and
FY 2024-25
City Council Goals
and Action Items

Greg Carpenter, Interim City Manager
Item C-2

The seal of the City of Morro Bay is circular with a blue outer ring containing the text "CITY OF MORRO BAY" at the top and "INCORPORATED JULY 17, 1964" at the bottom, separated by two stars. The inner circle features a landscape with a sailboat, a green boat, a pelican, and a butterfly, set against a backdrop of a rocky cliff.

1



Proposed City Council Goals

- Public Infrastructure
- Economic Vitality
- Housing / Homelessness Response
- Community Engagement

2

2



Goal #1 – Public Infrastructure

Goal Statements (Objectives)

- Assess and provide report on state of infrastructure including streets, sewer lines, sidewalks, storm drains and Harbor infrastructure
- January 2023 storm response and future mitigation
- Repair, update and enhance Veterans Hall so it can continue to serve the community
- Striping program to improve sidewalks, crosswalks & accessible parking

3

3



Goal #1 – Public Infrastructure

Proposed Action Items	Responsibility	Budget Impact
Street Paving	PW	FY 22-23 \$2.9M FY 23-24 \$2M (+ storm)
Complete Capital Needs Assessment	PW/Harbor	FY 22-23 \$610K
Complete Development Impact Fee Study	All	FY 23-24 \$40K
Prioritize storm recovery efforts, maximizing FEMA/insurance reimbursement opportunities Hazard mitigation / climate resiliency (grant funding eligibility)	PW/Finance/Harbor	FY 22-23 \$1.8M FY 23-24 \$1.9M
New or updated Council Chamber – A/V upgrades, web-based agenda management system for closed captioning and improved accessibility for visually impaired	PW/Clerk/IT	FY 22-23 \$83K FY 23-24 \$275K FY 24-25 \$175k \$30K annually
Public safety needs assessment (Standards of Cover)	Fire/Police	FY 23-24 \$30-50K
Make City streetscape more attractive by keeping up road striping, parking lines and curb painting	PW	FY 23-24 \$150K (Q/E) LSRSP plan, improvements

4

4



Goal #2 – Economic Vitality

Goals’ Statements (Objectives)

- Pursue grant writing opportunities
- Evaluate opportunities for City-owned properties
- Streamline permit process for residential and commercial development

5

5



Goal #2 – Economic Vitality

Proposed Action Items	Responsibility	Budget Impact
Market Plaza development opportunities (currently under negotiations)	CD	FY 23-24 \$20K in staff time
Pursue grant opportunities, including: <ul style="list-style-type: none"> • RFP for full-service Grant Writer & Grant Administration (if successful) • Coleman Beach area • Climate Action Plan & Waterfront Master Plan • DBW grant funding for boat ramp replacement 	PW/CD/Finance/Harbor	FY 23-24 \$100K \$100-200K annually
Review of City-owned properties, strategy to optimize use or revenues	CD/Harbor/Fin	FY 23-24 \$5K staff time for Phase 1
Streamline permit processing for residential (including ADUs) and commercial development (also supports Housing goal)	CD	FY 23-24 \$10K staff time
Present Paid Parking Pilot Program to Council and implement, as directed	CM	FY 22-23 \$90K (not all spent) FY 23-24 \$40k (unspent from FY 22-23)
Monitor and stay engaged in offshore wind development	CM/Harbor	Ongoing staff time
Review of Vistra proposed battery project application	CD	\$0 (reimbursable)

6



Goal #3 – Housing / Homelessness Response

Goals' Statements (Objectives)

- Identify low-income housing opportunities
- Explore achievable options for unhoused residents
- Speed up processing of ADU permits to increase availability of affordable housing

7

7



Goal #3 – Housing / Homelessness Response

Proposed Action Items	Responsibility	Budget Impact
Housing Element Program Implementation (Housing by-right Policy and Objective Design Guidelines projects underway – \$275K rec'd in grant funding)	CD	FY 23-24 \$83,000 in existing grants
Continue participation in the County-wide 5-year Strategic Plan to address homelessness <ul style="list-style-type: none"> • Homeless Outreach Case Manager 	CM/CD	FY 22-23 \$50K FY 23-24 \$50K?
Continue participation in County's 5-year Housing & Infrastructure Plan	CM/CD	FY 23-24 \$0 – actions TBD
Upzone Seashell Estates property for proposed housing project	CD	FY 23-24; cost to be paid by applicant
Explore achievable options at the City level (emergency warming shelters, pallet homes, etc.)	CD	FY 23-24 \$0 - actions TBD
Identify affordable housing incentive program	CD	TBD
Speed up processing of ADU permits to increase availability of affordable housing (Also covered under permit streamlining)	CD	Staff time

8

8



Goal #4 – Community Engagement

Goals' Statements (Objectives)

- Build relationships and improve the purpose of advisory bodies to attract and retain members
- Hold community workshops and study sessions on upcoming development
- Improve City website and social media presence

9

9



Goal #4 – Community Engagement

Proposed Action Items	Responsibility	Budget Impact
Leverage partnerships with Chamber, Visit Morro Bay and other event hosts	CM/CD/PW/H/F/CC	
Ad hoc Committee review of Planning Process	CD	Staff time
Conduct joint Council/advisory board meetings periodically and consider biannual or annual advisory board reports to Council	CM/CD/Fin/PW/H/Rec	FY 23-24 \$5K/meeting – staff time
Continue MBPD Citizens Academy, Consider Community Academy and other opportunities for project / community outreach, including study sessions and workshops	CM/CD/Fin/PW/H/Rec	FY 23-24 \$10K/meeting – staff time
Explore/assess available communication tools	All	Staff time
Develop and implement social media communication plan	All	FY 23-24 \$75K

10

10



AGENDA NO: C-3 MEETING DATE: April 25, 2023
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Staff Report

TO: Honorable Mayor and City Council **DATE: April 20, 2023**

FROM: Gregory Kwolek, Public Works Director

SUBJECT: Consider Approving a Request to the California Coastal Commission to Process a Consolidated Coastal Development Permit with the County of San Luis Obispo for the Morro Bay to Cayucos Trail Connector Project

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 27-23 approving a request to the California Coastal Commission to process a Consolidated Coastal Development Permit with the County of San Luis Obispo for the Morro Bay to Cayucos Trail Connector Project.

BACKGROUND/DISCUSSION

The planned Morro Bay to Cayucos Connector Trail is a County of San Luis Obispo project that intends to connect Morro Bay and Cayucos with a multi-use trail. Locally, it would provide safe access to pedestrians and cyclists between the two communities. A full description of the project, which was provided by the San Luis Obispo County Department of Parks and Recreation, is attached. The trail proposes to begin in Cloisters Park, going north by way of Sandalwood Avenue and Beachcomber Street with shared use of roadways, then routed east on Yerba Buena and north again on Toro Lane. After Toro Lane, the new trail construction would start at the North Point Natural Area, where it then goes past Morro Bay Dog Beach and into the County to the community of Cayucos.

The connector trail project was originally conceived approximately 15 years ago. In 2010, the County obtained certification for an Environmental Impact Report (EIR) for the project. During the planning, environmental, and engineering phase of the project, the County presented progress to the City of Morro Bay at various public meetings, including City Council (June 2011), the City Public Works Advisory Board (February 2015), and the Planning Commission (January 2021). The original EIR did not include the trail running along Toro Lane as it does currently, but instead had the trail run parallel on State Highway 1. This plan was ultimately abandoned by the County due to safety reasons, which are explained in Attachment 2. The County then prepared an Addendum to the EIR in 2022 that included the Toro Lane alignment. Recently, the County was awarded a \$7.4 Million Active Transportation Program Grant for construction of the trail, and the County now has requested the City of Morro Bay to join the County in submitting a consolidated permit application to the California Coastal Commission.

Since part of the project falls within the City’s boundaries, the City of Morro Bay must either submit a consolidated coastal development permit application with the County or submit its own coastal development permit application for the project to continue to the next phase. A benefit to the City of agreeing to the County request to submit a consolidated permit application with the County include not using as much City funds or resources as otherwise would be involved. Also, the public will not be substantially impaired by the review consolidation for reasons including, but not limited to, the Morro Bay Public Works Advisory Board on April 19th considered this consolidated permit application, the Morro Bay City Council is holding this public meeting on April 25th considering this consolidated permit application, the County of San Luis Obispo will consider or considered the consolidated permit application at a public meeting, and the Coastal Commission will consider a consolidated permit application (if submitted) at a public meeting. All four of these public meeting provided or will provide an opportunity for public participation.

Shortly after learning of the project’s new route along Toro Lane, a representative of the North Point

Prepared By: <u> GK </u>	Dept Review: <u> GK </u>
City Manager: _____	City Attorney: <u> JWP </u>

Morro Bay Homeowners Association (NPMBHOA) reached out to the City with concerns about the new route. These concerns are outlined in Attachment 3. The City has reviewed these concerns and has met with representatives of the NPMBHOA. City staff and attorneys and the NPMBHOA representatives and their legal counsel disagree on whether the concerns raised by NPMBHOA would cause the proposed project to be overturned, if approved by the Coastal Commission. The San Luis Obispo County Counsel's Office and Coastal Commission legal counsel do not believe that approval would be overturned due to the NPMBHOA concerns.

NPMBHOA and members of the surrounding neighborhood were notified that this matter was to be heard at both the Public Works Advisory Board (PWAB) meeting on Wednesday, April 19, 2023, and this City Council meeting. This notification was provided at least 10 days in advance of both meetings.

During the PWAB meeting on Wednesday, April 19, 2023, four property owners from Toro Lane were present in person and on Zoom to share their concerns about the route chosen for the Connector Trail, and seven members of the local cycling community came and spoke in support of the project as presented. Those who made public comments from the Toro Lane group spoke generally in support of the overall project but were opposed to the County's plan to route the connector trail along Toro Lane. Their comments are summarized below:

- Toro Lane is too narrow to safely accommodate the anticipated increased influx of users of the Connector Trail.
- Residents and their guests may have difficulty safely backing out of their driveways and may not see oncoming cyclists.
- The City's existing easement along Toro Lane that allows for multi-use access to the North Point Natural Area does not allow for through traffic for a trail that goes beyond the park.
- The original trail route, which ran along a portion of Highway 1 to avoid Toro Lane, is preferred noting inclusion of a guardrail separating the trail from the highway could provide a safer alternative to the Toro Lane route.

Comments made at the meeting in support of the project are summarized below:

- There is excitement in support of this project, which was conceived as far back as 2004.
- The Toro Lane route is safer than putting trail users closer to the highway, even if there was a rail separating the trail from the highway.
- There would be user discomfort and anxiety if the trail were next to the highway even with a barrier. It would be difficult to converse with other riders, such as children, who may need direction while on the trail because of the noise from vehicles.
- The City and County should work with the residents on Toro Lane to address their safety concerns.

A separate concern was also raised by a constituent that submitting a separate coastal development permit application, as opposed to a consolidated permit application, would result in an enhanced public engagement process. Staff does not necessarily believe this to be the case as staff would expect the Coastal Commission in a separate permit scenario to consider both the City and County permit applications at the same meeting, possibly with a combined Coastal Commission staff report.

Finally, members of the PWAB shared mixed support and concerns about the project. Based on the feedback received from the public and members of the PWAB, the County committed to review options to mitigate the safety issue, and also committed to bring 90% design of the project back to the PWAB for review.

ATTACHMENTS

1. Resolution No. 27-23 Approving a request to the California Coastal Commission to process a consolidated Coastal Development Permit
2. Project Description (provided by County)
3. Justification for Increased Trail Width and Toro Lane Alternative (Provided by County)
4. NPMBHOA Letter to the City listing concerns about the Toro Lane Route
5. Bike SLO County Letter of Support

RESOLUTION NO. 27-23

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
APPROVING A REQUEST TO THE CALIFORNIA COASTAL
COMMISSION TO PROCESS A CONSOLIDATED COASTAL DEVELOPMENT
PERMIT WITH THE COUNTY OF SAN LUIS OBISPO FOR THE MORRO BAY
TO CAYUCOS TRAIL CONNECTOR PROJECT**

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

WHEREAS, the City Council during its regularly scheduled meeting at the Morro Bay Veteran's Hall, 209 Surf Street, Morro Bay, California, on April 25, 2023, considered a request by the County of San Luis Obispo (County) for consolidated Coastal Development Permit processing by the California Coastal Commission for the purpose of considering the Project for the Morro Bay to Cayucos Trail Connector Project, which includes two route segments within the City limits of the City of Morro Bay along multi-use trails in the Cloisters development, Sandalwood Avenue, Java Street, Beachcomber Street, Yerba Buena Street, and Toro Lane; and

WHEREAS, the City Council has duly considered the evaluation and recommendations by staff and information received from the applicant presented at said meeting.

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

Section 1: Findings. Based upon all the evidence, the Council makes the following findings:

Findings

- A. Per Section 30601.3 of the California Coastal Act, the Coastal Commission may process and act upon a consolidated coastal development permit application, if (i) the proposed project requires a coastal development permit from both a local government with a certified local coastal program and the Commission, (ii) the applicant, the appropriate local government and the Commission, which may agree through its executive director, consent to consolidate the permit action and (iii) provided public participation is not substantially impaired by that review consolidation.
- B. The Council hereby finds that these requirements are met, including that the public will not be substantially impaired by the review consolidation for reasons including, but not limited to, the Morro Bay Public Works Advisory Board on April 19th considered this consolidated permit application, the Morro Bay City Council held a public meeting on April 25th considering this consolidated permit application, the County of San Luis Obispo will consider or considered the consolidated permit application at a public meeting, and the Coastal Commission will consider a consolidated permit application at a public meeting, all four of these public meeting providing an opportunity for public participation.

Section 2: Based upon all the evidence, and the City Council hereby approves the County and City filing for a consolidated CDP to be reviewed and issued by the Coastal Commission for

the portions of the Cayucos Connector Trail Project that fall within the City's certified Local Coastal Plan boundary area.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on this 25th day of April 2023, on the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSE:

CARLA WIXOM, Mayor

ATTEST

DANA SWANSON, City Clerk

The Morro Bay to Cayucos Connector Trail

Morro Bay to Cayucos Connector Trail



Project Description

The Morro Bay to Cayucos Connector trail would complete an important segment in the non-motorized transportation network along Highway 1. The project corridor would extend from Cloisters Park in the City of Morro Bay north to the site of Norma Rose Park in the community of Cayucos. The project is a completion of the bikeway network between these two locations. It would include signing existing bikeways where cyclists share the street with vehicles and development of a new dedicated bikeway and pedestrian corridor, completely separated from traffic where no bikeways currently exist.

The proposed project would incorporate the following general design criteria:

- Existing Class III bikeways within the project corridor would be signed as such and identified as part of the Morro Bay to Cayucos Connector. □
- The Class I bikeway would be 16 feet wide (two 6-foot travel lanes, and two 2-foot shoulders on each side).
- Bridge segments would be 16 feet wide, inside railing to inside railing.
- Segments within 5 feet of the Highway 1 edge of pavement would include a 32-inch-high concrete barrier, unless adequate vertical separation exists.
- Where conflicts could occur between motorists and the Class I bikeways users (at the Pier Landing parking area, for example), the barrier would be designed to accommodate continued pedestrian access across the bikeway while separating users from parking areas.

- At-grade segments of the bikeway would be composed of asphaltic-concrete paving over approximately 6 inches of compacted aggregate base.
- Three interpretive signs pull out areas. (Bio mitigation measure 3)

Due to the relatively long project corridor and linear nature of the project, the bikeway component is broken into five segments for discussion. Segment 1 and Segment 5 include the existing bikeways in the project corridor. Segments 2 through 4 include the new Class I bikeway.

Segment 1:

Cloisters Park to Yerba Buena Street Segment 1, the southernmost segment, would begin at Cloisters Park in Morro Bay. This segment would follow an existing Class I bikeway through the park (this same bikeway heads south to downtown Morro Bay as well, although it is not a part of the proposed project). Once leaving the park, the segment follows Sandalwood and Beachcomber Drives to Yerba Buena Street. This segment is approximately 1.3 miles and is identified as a “recreational route” on the County Bike Map. Segment 1 incorporates existing parking facilities for the project at Cloisters Park, the end of Azure Street, and at Morro Strand State Beach. No improvements other than signage of the route are proposed for this segment. This segment links with Segment 2 on Yerba Buena Street adjacent to Highway 1.

Segment 1 Site Plan From EIR



County of San Luis Obispo
General Services Agency

2-11

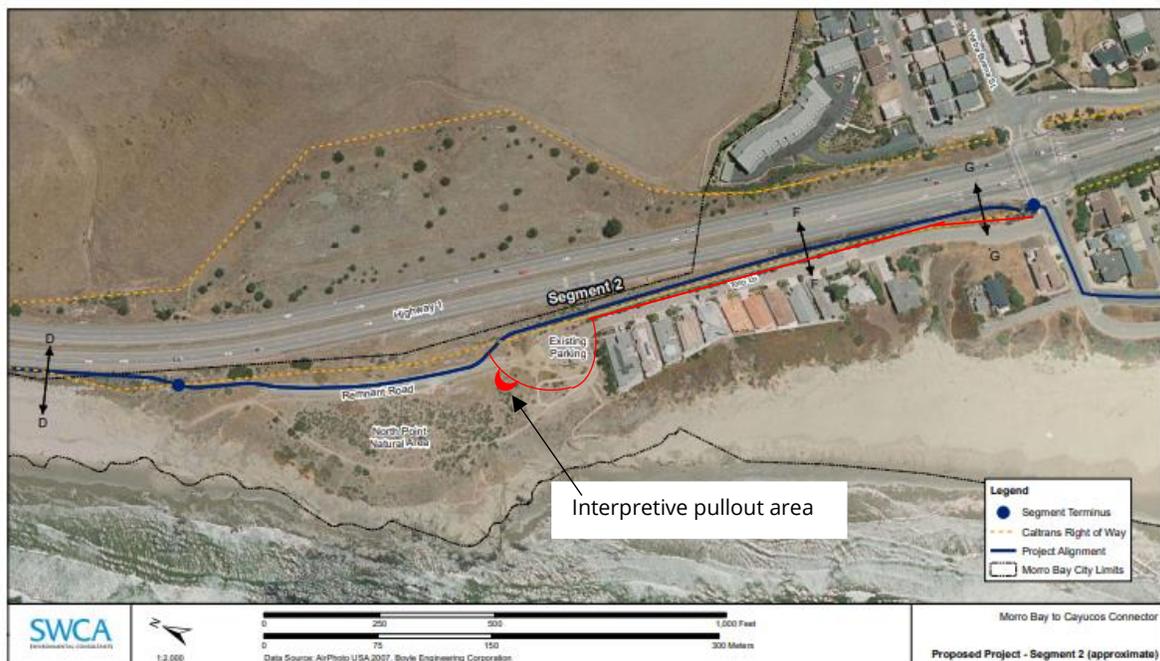
Morro Bay to Cayucos Connector
Draft Environmental Impact Report

No updated plan sheets are provided for this segment because project proposes no new construction in this segment, only bike lane striping and signage along existing bike paths in Morro Bay.

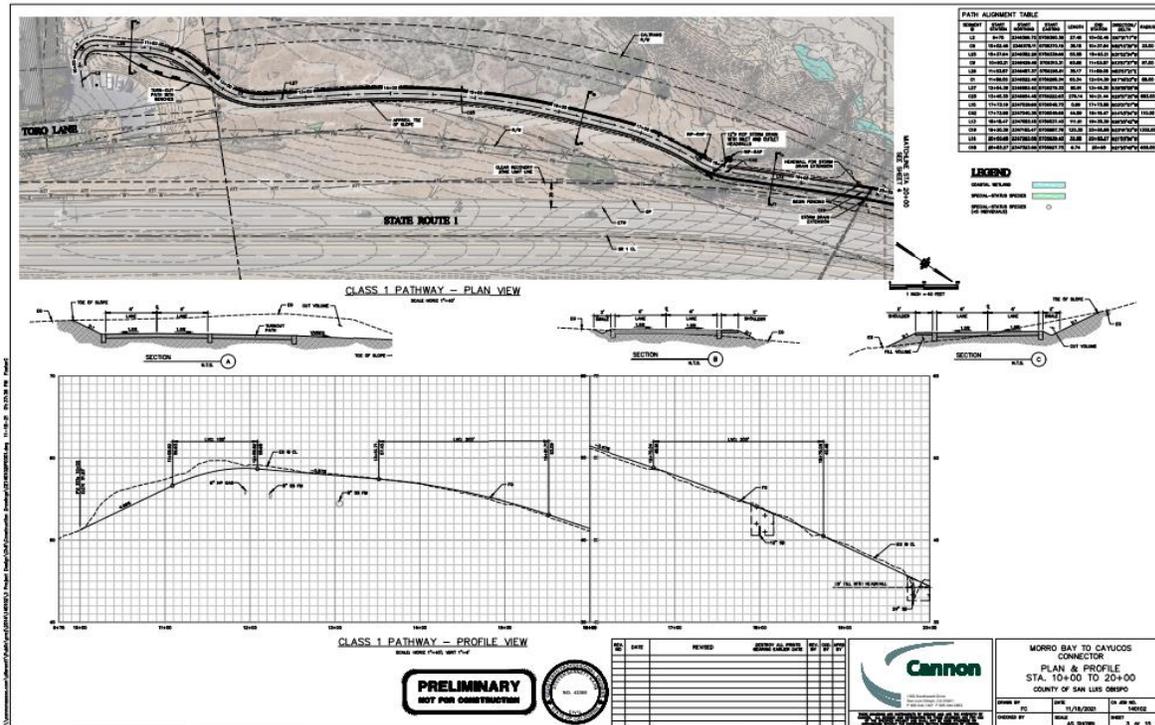
Segment 2

Yerba Buena Street to North Point Natural Area Segment 2 would be approximately 1,800 feet long and extend from the intersection of Yerba Buena Street and Highway 1 continuing north parallel to Toro Lane and Highway 1 and terminating just north of the NPNA. As Segment 2 would begin the bikeway would be located on Toro Lane for approximately 1,200 feet until where it turns west and wraps around the NPNA parking lot where it would turn northwest. Segment 2 would then parallel a partially paved, abandoned section of road (i.e., remnant road) within the NPNA for approximately 600 feet. The bikeway and an interruptive turn out area would be constructed at grade along the remnant road.

Segment 2 From EIR (Changes in Red)



Segment 2 From Most Recent Plans



Segment 3:

North End of the NPNA to North Side of Toro Creek Segment 3 would be approximately 2,300 feet long and extend from the north end of the NPNA to the north side of Toro Creek. The topography is such in this area that retaining walls would be required to construct the bikeway. Due to the narrow width of bluff north of the NPNA, the bikeway would enter the Highway 1 ROW, this time adjacent to the edge of pavement. Retaining walls approximately 1 to 3 feet high would be required for approximately 600 feet on the western edge of this segment, and the proximity to Highway 1 would require that the barrier be located on the eastern edge of the segment, for a length of approximately 600 feet. Starting just south of Pier Landing and for the next 450 feet north, the bikeway would be constructed at grade. It would pass through the northern end of the informal parking area and approach Toro Creek. Segment 3 would require a new bridge across Toro Creek. The bridge would be a free-standing 120-foot span with a 6-inch thick, 16 foot wide surface, and two 4 foot deep steel girders resting on concrete piers outside of creek banks. The side rails would be wire fabric approximately 54 inches tall. The bridge deck would be at or slightly below the grade of Highway 1. After crossing Toro Creek, Segment 3 would require retaining walls for an additional 200 feet, at which point it would approach an existing informal parking area and Segment 4.

Segment 3 From EIR

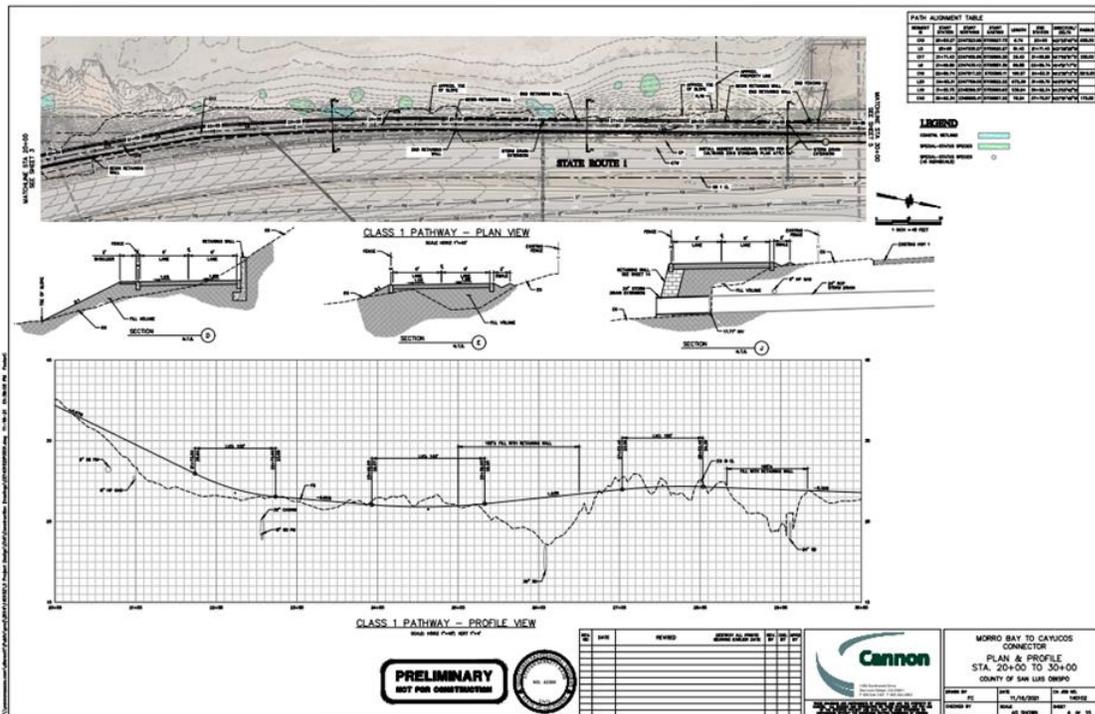


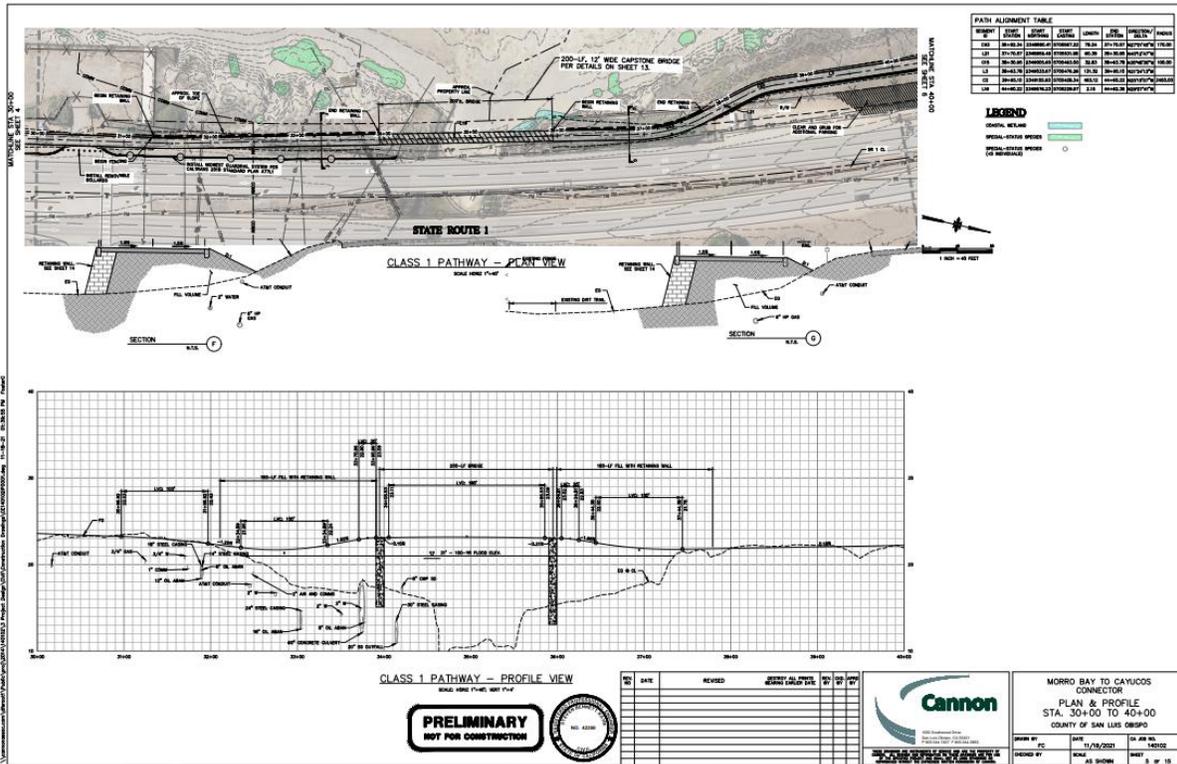
County of San Luis Obispo
General Services Agency

2-15

Morro Bay to Cayucos Connector
Draft Environmental Impact Report

Segment 3 From Most Recent Plans

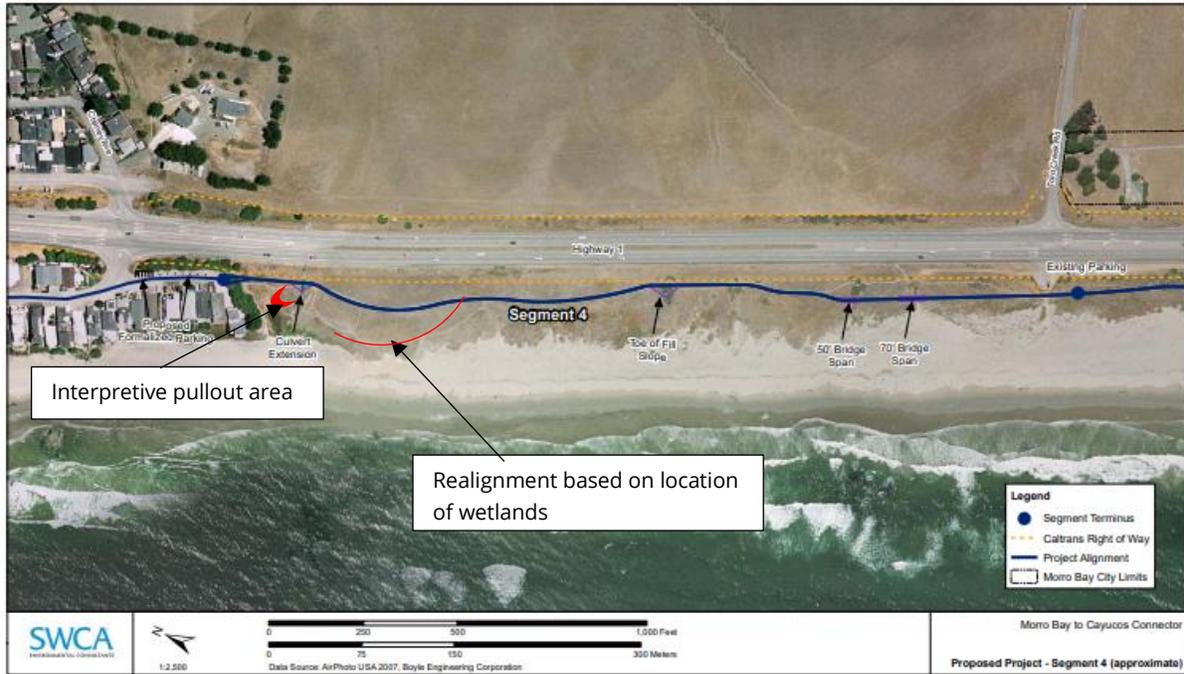




Segment 4:

North Side of Toro Creek to the South End of Studio Drive Segment 4 would be approximately 2,300 feet long and extend from approximately 200 feet north of Toro Creek near the informal parking area across from Toro Creek Road to the south end of Studio Drive. North of the parking area, Segment 4 would be located outside of the Highway 1 ROW and at grade until it reaches Studio Drive. Minor trail alignment changes on bluffs to avoid wetlands (see red line on sitemap below). Given the relatively flat topography, minimal earthwork would be required for this segment; however, there are a number of well-developed drainages that would require culvert extensions and, in some cases, bridges. Three additional bridges are proposed for Segment 4: a 50-foot span and a 70-foot span). These bridges would be 16 feet wide, with 54-inch railings and constructed to span the entire drainage. The project would also partially fill one drainage area to allow for culvert extension. Approximately 100 feet south of Studio Drive, this segment would split into two 6 foot wide bikeways, separating northbound and southbound users. This brief split would allow for clearer ingress and egress to the Class I bikeway. Segment 4 would terminate at the south end of Studio Drive.

Segment 4 From EIR (Changes in Red)

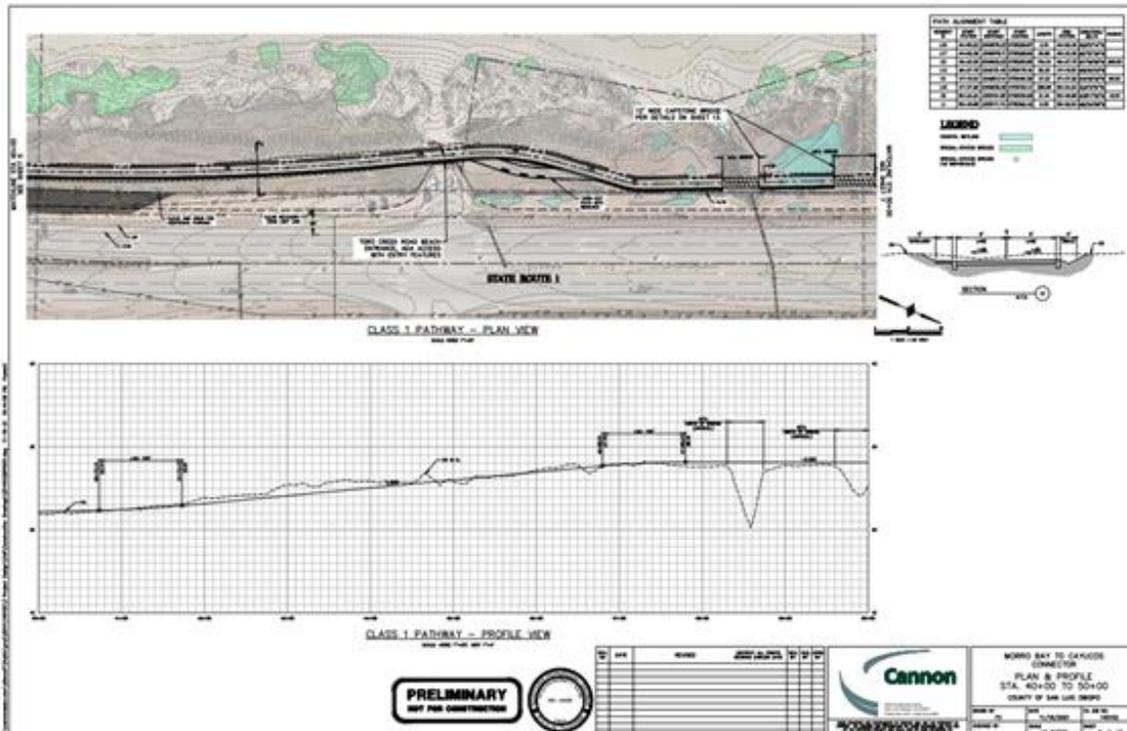


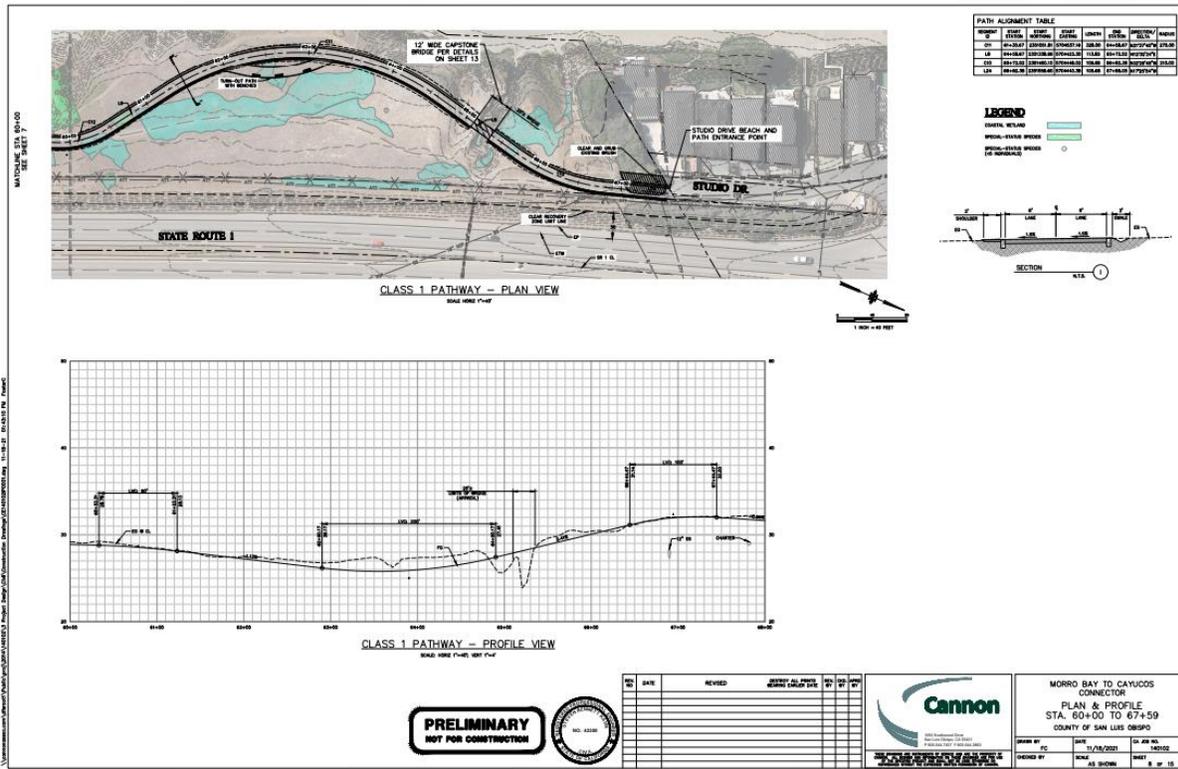
County of San Luis Obispo
General Services Agency

2-17

Morro Bay to Cayucos Connector
Draft Environmental Impact Report

Segment 4 From Most Recent Project Plans





Segment 5:

South End of Studio Drive to Norma Rose Park Segment 5 would extend from the South end of Studio Drive to the site of Norma Rose Park, approximately 6,600 feet, or 1.25 miles. This segment includes the existing parking area located at the south end of Studio Drive. The proposed project would formalize this parking area (which may accommodate 13 spaces) by adding striping. A small amount of additional pavement may also be necessary at this location. According to the County’s Bikeway Plan, Studio Drive is an existing Class III bikeway, although it is not currently signed as such. Segment 5 would follow Studio Drive to Old Creek Road where the segment would cross Highway 1 to another existing Class III bikeway on Ocean Boulevard. This crossing is considered the safest place to cross Highway 1, as it is currently signalized. From the intersection of Ocean Boulevard and Old Creek Road, the segment would head north to the site of the proposed Norma Rose Park where additional bikeways lead to downtown Cayucos via Ocean Boulevard and 13th Street. Alternatively, bikeway users could choose to remain on Studio Drive and reach the coastal access and parking lot at the north end of Studio Drive. No disturbance is proposed for Segment 5, other than signage and striping located on the south end of Studio Drive.

Segment 5 From EIR



County of San Luis Obispo
General Services Agency

2-19

Morro Bay to Cayucos Connector
Draft Environmental Impact Report

There are no updated plan sheets for this segment because project proposes no new construction in this segment, only bike lane striping and signage along existing bike paths in Cayucos.

Interpitve Pull Out Areas

Interpitve pull out areas will match those seen along bike paths in the city of Morro Bay. Pictured below is the interpitve pull out area from Cloisters Park which is in Segment 1 of the proposed trial alignment. These Interpitve area were added to be comlance with EIR mitigation measure BIO/mm-3 and will inform bikeway users of the ecology of bluff habitat, central foredune habitat, beach habitat, and plant and wildlife species that utilize the area.



Related Links

Morro Bay to Cayucos Connector Trail Project Plans

https://slocountyparks.com/wp-content/uploads/2021/12/140102-MORRO-BAY-TO-CAYUCOS-CONNECTOR_2021-11-18.pdf

Morro Bay to Cayucos Connector Trail Environmental Impact Report

https://slocountyparks.com/wp-content/uploads/2016/02/mb_to_cay_connector_final_eir_july_2010.pdf

Reasons to make the trail wider from 12 feet to 16 feet:

The 16-foot-wide trail (comprised of 12'-wide paved surface, with 2'- wide non-paved shoulders) is proposed only on the newly constructed portion of the trail (class I bikeway) along the North Point Natural Area and dog beach. It is not proposed where the trail is proposed along existing streets, including Toro Lane (class III bikeway). As proposed the trail here would be in the form of a sharrow, where bikes, pedestrians, vehicles, and other users share the street. This is the preferred street treatment used in the City of Morro Bay on nearby streets: Beachcomber Dr., Java St., and Sandalwood Ave. and by the County Public Works Department on Studio Drive on the north side of the newly constructed portion of the trail (class I bikeway). The new trail segment along North Point Natural Area and dog beach is proposed to be 16 feet wide (comprised of 12'-wide paved surface, with 2'- wide non-paved shoulders) to accommodate various users. It is anticipated the ocean view will create a distraction for trail users here. Creating space to maneuver around distracted trail users makes for a safer trail and a better user experience.

This trail is a multi-use trail. There will be pedestrians and people on bikes, also people on scooters, roller blades, e bikes, in wheelchairs and pushing strollers. Considering the location of this trail, on the bluffs above dog beach, it is expected that there will be people with dogs on leashes and folks carrying surf boards and beach gear using this trail. It is County Parks' experience with the 12-foot-wide Bob Jones Trail that each user has different widths, speeds, skills, and attention spans and the extra trail width is helpful in safely navigating this mix of users.

Why the segment of the trail was planned along Toro Lane instead of in Highway 1's right of way.

The main reason for this trail is to provide a pedestrian/bicycle path off Highway 1 between Morro Bay and Cayucos. Currently one has to walk/bike along Highway 1 adjacent to high-speed traffic. Safety is the biggest reason for this goal. Locating a segment of this trail onto Toro Lane, as a class III shared bikeway, delineated with sharrows, instead of along the shoulder of Highway 1 makes the users of this trail safer because they are completely separated from the high-speed traffic and high traffic volumes along Highway 1.

Highway 1 with its high-speed traffic is a major deterrent to walking/biking this one-mile segment. A recent survey of more than 150 people in Morro Bay shows:

- 85% of residents walk or bike within Morro Bay.
- 10% of residences walk or bike between Morro Bay and Cayucos.
- 75% of residents said the reason they don't walk or bike between Morro Bay and Cayucos is that they don't feel safe.
- 85% say they would walk or bike between these communities if there were a trail separated from Highway 1.

Biking or walking along Highway 1 is unacceptable to most residents. The traffic volumes and high speeds here along with the ocean view seen from Highway 1's right of way above Toro Lane will create a distraction making this trail segment less safe. Toro Lane is a low traffic volume and low speed non-through street, which is a much safer option. It will be similar to traveling along

Beachcomber Drive and many other streets in the City of Morro Bay that serve as bike routes. This is verified by the 85% of residents who walk or bike in Morro Bay and the 10% who walk or bike along Highway 1. Locating the trail along Highway 1's right of way will decrease the usability of the trail and make it less safe for those who use it.

Morro Bay City Council
Morro Bay, CA
March 13, 2023

Karl Levy
President, NPMBHOA

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

Dear Morro Bay City Council members,

Congratulations and welcome to Mayor Wixom and the new City Council members. Thank you for your dedication and service to our great community.

Thank you for the opportunity to provide input to the city council again for the matter of the Cayucos-Morro Bay Connector Trail. We have provided input at a prior meeting (October 11, 2022) with the prior City Council.

I currently represent the 10 homeowners of the North Point Morro Bay HOA on Toro Lane. Our HOA owns and maintains the private section of Toro Lane (for private and public benefit) as well as providing labor and funding for items like new lighting and upkeep of the park at the end of our road. Our development funded the property exchange and development that enabled the North Point Natural area through agreements with the city, SLO county and the California Coastal Commission. Our HOA feels proud of the beauty, access and community harmony derived from our cooperative investment with Morro Bay.

Background

- The NPMBHOA has fully supported the concept of the trail connector since its inception in 2010. If implemented thoughtfully, it will add much to the communities and public experience.
- The trail design was changed recently to use Toro Lane as the primary conduit for the connector (instead of the land neighboring SR1). We were never notified nor asked to provide an easement for the expansion of use (thoroughfare) and increase in traffic density on our road. We became aware of this intention on or about 7/4/2022.
- There was an addendum to the EIR (ED 22-088, 6/24/22, not publicly circulated, attached) which indicated that the trail should be widened (to 16 ft) to handle expected high traffic and that Toro Lane would be used to save cost. There was no study of the effect on traffic, parking, safety and burden to the homeowners in this addendum.
- The private part of Toro Lane is a dead-end Fire Lane with curbing and no walkways. It is a narrow road (~23 ft), with 10 driveways and its easement-specified public use is limited for pedestrians, dogs, bikes, trucks and cars to reach the parking lot and beach. It is currently at its limit for harmony and safety between all.

Concerns with the current design plan

- The plan to use Toro Lane as the sole conduit for the trail thoroughfare has a host of public safety issues which have not been considered per CEQA guidelines. This is a unanimous opinion of the HOA residents who have lived here more than 20 years.
- The original plan (on record for >10 years) is a much safer and scenic alternative (above Toro Lane) is no longer being considered apparently due to the cost of engineering or construction.
- Expansion of the use of Toro Lane is an unfair change in the terms of the original land grants/easement agreement between the HOA and the city, county and state.
- The expansion of use for Toro Lane to include recreational use, passage to/from Cayucos and resulting higher intensity violates the current easement across our property.
- The use of Toro Lane as the conduit for the thoroughfare creates unfair additional burdens for the residents.

Request to the Morro Bay City Council

- Please recommend that the SLO County Parks Department amend the planned route of the trail connector to the space above Toro Lane.
- Please insist that there is sufficient consideration of safety of the bikeway and roadway wherever the trail will wind up. There has no study to date of the needed space and conflicts for cars, emergency vehicles, delivery and service trucks, people, dogs, bikes and e-bikes. This is a requirement per CEQA guidelines.

We very much appreciate the efforts of the departing city manager (Scott Collins) and the staff attention from the Public Works Department (Greg Kwolek, Eric Riddiough). They really have attempted to remedy the lack of notification and engagement. The offer to alleviate liability concerns and taking over maintenance of the street are very much appreciated. However, these do not mitigate the underlying consequences that will exist. There simply isn't enough room on the street, at the entrance to the park nor space in the parking lot to handle it. We project a sharp increase in traffic of all kinds in addition to the bikes resulting in parking and public safety issues (multi-use conflicts, speed, ebikes, narrow/tight turns, emergency vehicle accommodation, truck turnarounds, etc). We have been discussing alternatives with this group but have not yet addressed the major issues described above.

Our members are good and caring people and are not just concerned for their own properties. We are advocates of Morro Bay and are community-focused. We cannot, however, accept the current plans and the related issues. We are very concerned about our neighborhood and what our daily challenge would be with this new situation. I think that we all should feel that the solution does more good than harm, certainly. I do hope that you will consider our perspective in your deliberations today.

Sincerely,



Karl B. Levy
President, North Point Morro Bay Homeowners Association

CC: NPMBHOA board and members
Babak Naficy, C. Anthony Boyd, Maribel Aguilera


BIKE SLO COUNTY
bikeslocounty.org

March 20, 2023

Morro Bay City Council

The City of Morro Bay
 595 Harbor Street
 Morro Bay, CA 93442
 Phone: 805-772-6200
council@morrobayca.gov

RE: Support for the Morro Bay To Cayucos Trail Connector and Toro Lane Segment

Greetings Mayor Wixom and Council Members Barton, Ford, Edwards, and Landrum :

We, the Executive Director and Board President of Bike SLO County, strongly support San Luis Obispo County's Morro Bay to Cayucos Multi-use Trail Connector project. Bike SLO County is committed to serving our community by promoting improved bicycle safety through education and expanded infrastructure through advocacy. We offer many programs that serve our community, where we have more than 3600 stakeholders of all ages and abilities. And as part of our local community involvement, Bike SLO County will offer to provide a comprehensive SRTS on bike education to Del Mar and Cayucos Elementary schools.

The single biggest obstacle community members cite as to why they do not make more trips or commute by bicycle is the [lack of safety they feel](#) when riding on high speed roadways. The existing gap in the coastal trail between Morro Bay and Cayucos in San Luis Obispo County prevents most cyclists from traveling between these two towns along the existing alignment, CA-1, a high-speed highway. This highway does not have existing bike lanes, only a recovery zone on the highway shoulder, where it exists. Many potential riders will not cycle this route due to the proximity of swiftly moving motor traffic.

We believe that the Morro Bay to Cayucos Trail Connector will bridge a gap in our County's bicycle network that will create greater opportunities and connections for more riders of all ages and abilities, and importantly those who might take up cycling if inviting, safe routes are available. This project will provide a critical link that will facilitate and improve non-motorized transportation.

The City of Morro Bay's role in facilitating the short length of trail from Yerba Buena Street north on Toro lane is not to be understated. Those we need to encourage the most to take up cycling, the interested and concerned, will have an unnecessary point of refusal if forced next to the high speed, noisy traffic on Highway 1. We support efforts to work with the community along Toro Lane in order to gain their acceptance and even embrace this segment for its community value and the value bicycling and walking infrastructure bring to neighborhoods like theirs.

The Morro Bay to Cayucos Multi-use Trail Gap Closure project meets our mission to promote a safe, healthy and connected community through bicycling, and will directly serve a wide group of people from elementary school students to adults, residents, and visitors by building a safe and connected bikeway away from motor vehicles, and only for people who bike and walk. On behalf of Bike SLO County, we offer this letter of support for the Morro Bay to Cayucos



Connector Trail Project.

Sincerely,

Gary Havas
Board President

Rick Ellison
Executive Director