



REGULAR MEETING

SAND CITY COUNCIL

AND

**SUCCESSOR AGENCY OF THE FORMER
REDEVELOPMENT AGENCY**

AGENDA

SAND CITY COUNCIL CHAMBERS

TUESDAY, DECEMBER 6, 2016

5:30 P.M.

AGENDA
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY
OF THE REDEVELOPMENT AGENCY

Regular Meeting – December 6, 2016
5:30 P.M.
CITY COUNCIL CHAMBERS
Sand City Hall, One Sylvan Park, Sand City, CA 93955

- 1. INVOCATION**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**
- 4. COMMUNICATIONS**

Members of the public may address the City Council/Successor Agency on matters not appearing on the City Council/Successor Agency Agenda at this time for up to three minutes. In order that the City Clerk may later identify the speaker in the minutes of the meeting, it is helpful if speakers state their names. Public comments regarding items on the scheduled agenda will be heard at the time the item is being considered by the City Council/Successor Agency.

The City Council Chambers podium is equipped with a portable microphone for anyone unable to come to the podium. If you need assistance, please advise the City Clerk as to which item you would like to comment on and the microphone will be brought to you.

A. Written

B. Oral

5. SWEARING-IN CEREMONY OF NEW CITY COUNCIL

- A. Approval of City RESOLUTION Providing for the Appointment of Nominated City Officials as if Elected at the November 8, 2016 Municipal Election
- B. Swearing-in Ceremony of Appointed Officials:
 - 1) David K. Pendergrass, Mayor
 - 2) Mary Ann Carbone and Todd Kruper, Council Members

6. CONSENT CALENDAR

The Consent Agenda consists of routine items for which City Council approval can be taken with a single motion and vote. A Council member may request that any item be placed on the Regular Agenda for separate consideration.

- A. Conditional Use Permits (CUP) and Coastal Development Permits (CDP) are subject to annual review by the City Council and City staff. Upon review of each of the following Use Permits, staff is recommending

continued operation of the Use Permits to the City Council based on the finding that these uses are in compliance with their permits.

- (1) CUP #186,236,286, Gene's Auto Body (automotive shop), 1531-A Shasta/ 524-A Elder Avenue
- (2) CUP #394, Frank D'Aquanno (automotive), 477 Redwood Avenue
- (3) CUP #425, Glastonbury, Inc. (equipment store & rent), 495-A Elder Avenue
- (4) CUP #480, Video Ranch (office, video production), 1793 Catalina Avenue
- (5) CDP #07-07, Ga-Ga (hair salon), 490 Orange Avenue
- (6) CUP #422, Garza Plumbing (contractor), 351-A Orange Avenue
- (7) CUP #574, Ringer Electric (Photo Studio), 613-C Ortiz Avenue
- (8) CUP #575, Mattress Nation (wholesale/storage), 495-B Elder Avenue
- (9) CDP #01-05, Guistiniani (Masonry contractor), 698 Ortiz Avenue

- B. Approval of Sand City Council Meeting Minutes, November 15, 2016
- C. Acceptance of City/Successor Agency Monthly Financial Report, October 2016
- D. Approval of City RESOLUTION Authorizing Health Care Benefit Changes for the 2017 Contract Year
- E. Approval of City RESOLUTION Re-Appointing David Pendergrass to the Monterey Regional Waste Management Board of Directors
- F. Approval of City RESOLUTIONS Honoring:
 - 1) Officer David DuCoeur in Recognition of his Life Saving Actions while assisting a victim of Assault on the State Parks Beach Area
 - 2) Officer Brandon Segovia in Recognition of his Life Saving Actions while assisting a victim of Assault on the State Parks Beach Area
- G. Approval of City Donation/Contribution
 - 1) Salvation Army Christmas - \$300

7. CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

8. PUBLIC HEARING

- A. Presentation on and Consideration of the Audited Financial Statements for the Year ended June 30, 2016 and Independent Auditor's Report by Therese Courtney and Mike Nolan of Hayashi & Wayland (10 minutes)
 - 1) Approval of City RESOLUTION Accepting the Audited Financial Statements for the Year Ended June 30, 2016 and Independent Auditor's Report
- B. **SECOND READING: ORDINANCE** Amending Title 15 of the Sand City Municipal Code to Adopt the 2016 California Building Code and Appendices H, I, J; the 2016 California Historical Building Code; the 2016 California Existing Building Code; the 2016 California Residential Code;

the 2016 California Plumbing Code, the 2016 Electrical Code; the 2016 Mechanical Code; the 2016 California Green Building Standard Code including Appendix G and I; the 2016 California Fire Code; and the 2016 International Property Maintenance Code Except Section 111

- C. FIRST READING: ORDINANCE Amending Chapters 18.04, 18.06, 18.08, 18.10, 18.12, 18.13, 18.21, and 18.59 of the Sand City Municipal Code Title 18 (Zoning Ordinance) and the Official City Zoning Map to Implement Policies of the 2015-2023 (5th Cycle) Housing Element as Conditionally Certified by the State Department of Housing and Community Development
- D. FIRST READING: ORDINANCE of the City Council of Sand City to Increase the Rate of Transient Occupancy Tax Imposed in Sand City from Eight Percent to Twelve Percent

9. OLD BUSINESS

- A. Progress report on Public Works projects, South of Tioga Redevelopment project, Coastal projects, and other Sand City community programs by City Engineer/Community Development Director/City Administrator.

10. NEW BUSINESS

- A. Comments by Council Members on Meetings and Items of interest to Sand City
- B. Consideration of Cancelling Future City Council meeting

PURPOSE: It is proposed that the City Council cancel the City Council meeting scheduled for January 3, 2017 to minimize conflict with the Christmas and New Year's Holiday closure of City Hall, December 23, 2016 – January 2, 2017

- C. Upcoming Meetings/Events

11. ADJOURNMENT

<p>Next Scheduled Council Meeting: Tuesday, December 20, 2016 5:30 PM Sand City Council Chambers 1 Sylvan Park, Sand City</p>

This is intended to be a draft agenda. The City reserves the right to add or delete to this agenda as required.

The current Sand City agenda is available in PDF format on our website at:
www.sandcity.org/agenda

If you have a request for a disability-related modification or accommodation, including auxiliary aids or services, which will allow you to participate in a Sand City public meeting, please call the City Clerk at (831) 394-3054 extension 20, or give your written request to the City Clerk at One Sylvan Park, Sand City, CA 93955 at least 48 hours prior to the scheduled meeting to allow the City Clerk time to arrange for the requested modification or accommodation.

AGENDA ITEM

5A

MEMO

To: Honorable Mayor and City Council
From: Todd Bodem, City Administrator
Date: November 23, 2016
Subject: Resolution for the Appointment of Mary Ann Carbone to the Office of the City Council Member

Overview

No other persons filed for the Mayoral and the City Council Member seats except for the incumbents. Only one incumbent was nominated for the Mayor's position and only two incumbents were nominated for the two City Council seats to be filled at the November 8, 2016 Election. As rescinded in California Elections Code, Section 10229.1, the City Council may appoint to the office, the persons who has been nominated.

Name	Office	Term
David K. Pendergass	Mayor	2016-2018
Mary Ann Carbone	City Council Member	2016-2020
Todd Kruper	City Council Member	2016-2020

Recommendation

Approve a Resolution appointing David K. Pendergrass to the Office of Mayor for a two-year term from 2016-2018 and Mary Ann Carbone and Todd Kruper to the Office of City Council Member for four-year terms from 2016-2020

CITY OF SAND CITY

RESOLUTION SC ____, 2016

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAND CITY PROVIDING FOR THE APPOINTMENT OF NOMINATED CITY OFFICIALS AS IF ELECTED AT THE NOVEMBER 8, 2016 MUNICIPAL ELECTION

WHEREAS, at close of the nomination period of August 12, 2016, there are the exact total of candidates as offices to be elected at the November 8, 2016 Municipal Election; and

WHEREAS, under such circumstances, Section 10229 of the California Elections Code allows one of the following courses of action to be taken by the City Council:

1. Appoint to the office the person who has been nominated.
2. Appoint to the office any eligible elector if no one has been nominated.
3. Hold the election if either no one or only one person has been nominated; and

WHEREAS, only one incumbent was nominated for the Mayor's position and only two incumbents were nominated for the two City Council seats to be filled at the November 8, 2016 Election; therefore the City Council may take action pursuant to either Option 1 or Option 3; and

WHEREAS, no other City offices were to be filled at the November 8, 2016 election; and

WHEREAS, the City Council determined that by appointing the officers as permitted by Elections Code Section 10229, the City will save the cost of the Municipal Election.

NOW THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Sand City as follows:

Section 1. That pursuant to Section 10229 of the Elections Code, the following persons are hereby appointed to the office to which they are nominated:

<u>NAME</u>	<u>OFFICE</u>	<u>TERM</u>
David K. Pendergrass	Mayor	2016-2018
Mary Ann Carbone	City Council Member	2016-2020
Todd Kruper	City Council Member	2016-2020

Section 2. That the persons appointed by Section 1 of this Resolution shall qualify and take office and serve exactly as if elected at the November 8, 2016

City of Sand City Resolution SC ____, 2016

Municipal Election and Resolution SC 16-40, 2016 calling said election is rescinded.

Section 3. That the City Clerk shall certify to the passage and adoption of this Resolution and shall transmit a certified copy to the Monterey County Elections Department and the Board of Supervisors of Monterey County.

PASSED AND ADOPTED by the City Council of the City of Sand City on this ____ day of December, 2016, by the following vote:

AYES:

NOES:

ASBTAIN:

ABSENT:

APPROVED:

David K. Pendergrass, Mayor

ATTEST:

Linda K. Scholink, City Clerk

AGENDA ITEM

6B

MINUTES
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY
OF THE REDEVELOPMENT AGENCY

Regular Meeting – November 15, 2016
5:30 P.M.
CITY COUNCIL CHAMBERS

Mayor Pendergrass opened the meeting at 5:30 P.M.

The invocation was led by Reverend Hellam.

The Pledge of Allegiance was led by Police Chief Brian Ferrante.

Present: Council Member Blackwelder
Council Member Carbone
Council Member Hubler
Council Member Kruper
Mayor Pendergrass

Staff: Todd Bodem, City Administrator
Jim Heisinger, City Attorney
Leon Gomez, City Engineer
Brian Ferrante, Police Chief
Linda Scholink, Administrative Services Director/City Clerk
Charles Pooler, Associate Planner

AGENDA ITEM 4, COMMUNICATIONS

A. Written communication distributed to the Council included a flyer announcing an open reception for artist Raymond Magsalay, overview of the West Nile Virus, and staff report memorandum for Agenda Item 9A regarding the Regional Emergency Coordination Center.

B. Oral

5:31 P.M. Floor opened for Public Comment.

There was no comment from the Public.

5:31 P.M. Floor closed to Public Comment.

AGENDA ITEM 5, CONSENT CALENDAR

The Consent Agenda consists of routine items for which City Council approval can be taken with a single motion and vote. A Council member may request that any item be placed on the Regular Agenda for separate consideration.

- A. Conditional Use Permits (CUP) and Coastal Development Permits (CDP) are subject to annual review by the City Council and City staff. Upon review of each of the following Use Permits, staff is recommending continued operation of the Use Permits to the City Council based on the finding that these uses are in compliance with their permits. There was no discussion of the following use permits.
- 1) CUP #328/CDP 88-01, Granite Rock (construction), 1755 Del Monte Blvd
 - 2) CUP #478, Signature Nails (sales/service), 824 Playa Avenue
 - 3) CDP 09-05, Coastal Fabrication, (welding/fabrication), 755 Redwood Avenue
 - 4) CUP #534, Big Sur Marathon, (storage), 570 California Avenue
- B. There was no discussion of the Sand City Council Meeting Minutes, November 1, 2016.
- C. There was no discussion of the Public Works Monthly Report, October 2016.
- D. There was no discussion of the Police Department Monthly Report, October 2016.
- E. There was no discussion of the Sand City Joint Powers Financing Authority **Resolution** Confirming its Officers.
- F. There was no discussion of the Monthly Fort Ord Reuse Authority (FORA) Report, November 2016.
- G. There was no discussion of the City/Successor Agency Financial Report, September 2016.
- H. There was no discussion of the Phase II Bungalows at East Dunes Final Tract Map.

Motion to approve the Consent Calendar items was made by Council Member Blackwelder, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

AGENDA ITEM 6, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

There were no items pulled from the Consent Calendar.

AGENDA ITEM 7, PUBLIC HEARING

- A. **FIRST READING: ORDINANCE Amending Title 15 of the Sand City Municipal Code to Adopt the 2016 California Building Code and Appendices H, I, J; the 2016 California Historical Building Code; the 2016 California Existing Building Code; the 2016 California**

Residential Code; the 2016 California Plumbing Code, the 2016 Electrical Code; the 2016 Mechanical Code; the 2016 California Green Building Standard Code including Appendix G and I; the 2016 California Fire Code; and the 2016 International Property Maintenance Code Except Section 111

Associate Planner Charles Pooler commented that every few years the State of California updates the building codes. The last update occurred in 2013, and the attached ordinance updates Title 15 of the City's municipal code. The updates must be implemented by county and municipal governments throughout California to become effective on January 2017. The most significant amendment to the City's municipal code will be altering Section 15.08.030 regarding the appeal process of the Fire Chief's decisions in which the fire code establishes the procedures and qualifications. Staff recommends adoption of the attached draft ordinance to update and amend Title 15 of the Sand City Municipal Code.

5:35 P.M. Floor opened for Public Comment.

There was no comment from the public.

5:35 P.M. Floor closed to Public Comment.

Motion to approve the FIRST READING of the **Ordinance by title**, amending Title 15 of the Sand City Municipal Code to Adopt the 2016 California Building Code and Appendices H, I, J; the 2016 California Historical Building Code; the 2016 California Existing Building Code; the 2016 California Residential Code; the 2016 California Plumbing Code, the 2016 Electrical Code; the 2016 Mechanical Code; the 2016 California Green Building Standard Code including Appendix G and I; the 2016 California Fire Code; and the 2016 International Property Maintenance Code Except Section 111 was made by Council Member Hubler, seconded by Council Member Kruper. Roll Call Vote AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

AGENDA ITEM 8, OLD BUSINESS

- A. Progress report on Public Works projects, South of Tioga Redevelopment project, Coastal projects, and other Sand City community programs by the City Engineer/Community Development Director/City Administrator**

City Engineer Leon Gomez reported that the desalination plant produced 5 acre feet of water to date. The second response to the Coastal Commission's Notice of Incomplete Coastal Development Permit is presently being worked on by staff. The Coastal Commission is requesting additional information regarding Tioga well #3, and the modification of the plants' discharge permit (which Cal-Am is not pursuing and was clearly stated in the response letter). 'Save the Whales' will be replacing the blue

emblems throughout the town at no charge to the City as part of the Stormwater program. Benchmark Communities submitted \$14,100 dollars today towards City fees for development of Phase II of the Bungalows project as required by the subdivision improvement agreement. The project should be moving forward. The second submittal for the Porsche site improvement is on its way to Porsche's site engineer for his review and comments.

Associate Planner Charles Pooler reported that the retaining walls for the Bungalows Project have been installed. The architect was contacted regarding construction of lots 2 & 3, and he stated that they are in the process of ordering materials. An individual from Benchmark Communities purchased the Hyles property and will be constructing one house on both lots. Plans for the project should be presented to the Design Review Committee sometime in January. It is a more modern design, but looks consistent with the project area. A call was received from Mr. Garza who is expecting to have plans resubmitted within the next six weeks for the Catalina Lofts mixed use project. Tenant improvement plans and a sign permit have been requested for the renovation of the building for the proposed new Home Goods expected to be moving into the building.

Chief Ferrante reported that Public Works is in the process of decorating the City for the holidays, and working on the playground structure. The Police Department is conducting background checks in the hope of hiring a new officer within the next few weeks.

AGENDA ITEM 9, NEW BUSINESS

- A. Consideration of City RESOLUTION Approving a Memorandum of Agreement (MOA) between the City of Sand City and the California State University Monterey Bay (CSUMB) and other Undersigned and Listed Signatory Jurisdictions for the Cooperative Use of the CSUMB Monterey Peninsula Regional Emergency Coordination Center (RECC), and Authorizing the City Administrator to Execute the Agreement on behalf of the City of Sand City**

Council Member Todd Kruper commented that the attached resolution would allow the City to move forward with the Emergency Operations Committee's recommendation to have some type of emergency operations center.

Chief Brian Ferrante added that the City is in the process of updating the Emergency Operations Plan and part of the plan involves staffing an emergency operations center. This can become labor, staffing, and cost intensive. There is an emergency center located at California State University Monterey Bay that is available to several jurisdictions and is available to the City at a nominal cost of \$5,000 a year.

In response to Council Member Hubler's question regarding how the Regional Emergency Coordination Center would work during the event of

an earthquake, Chief Ferrante replied that whether the event were local or regional, personnel would be dispatched to the center and would provide man power, partner agencies would be notified, and the California State University Monterey Bay (CSUMB) center would deal and manage the activities relating to the emergency. The center allows for communication between other centers and regional centers, and should the event expand beyond the County, the State's emergency center will be contacted as well.

The Mayor commented on what happened during the 1987 earthquake and 1989 El Nino storms that occurred, and the inability of the City to respond adequately during the events. New information and Staff training will be provided by the agency to assist in preparing the City in the event of an emergency.

Motion to approve the City **Resolution by title**, approving a Memorandum of Agreement (MOA) between the City of Sand City and the California State University Monterey Bay (CSUMB) and other Undersigned and Listed Signatory Jurisdictions for the Cooperative Use of the CSUMB Monterey Peninsula Regional Emergency Coordination Center (RECC), and Authorizing the City Administrator to Execute the Agreement on behalf of the City of Sand City was made by Council Member Kruper, seconded by Council Member Carbone. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

The Mayor thanked Staff and the Emergency Operations Committee for working on an emergency operations plan for the City.

B. Comments by Council Members on Meetings and Items of interest to Sand City

Vice Mayor Carbone commented that she distributed a report from the Mosquito Abatement District and left several copies for the public.

Council Member Hubler commented that he will be singing during the Tree Lighting Ceremony. He has been working at Monterey Sculpture Center the last several weeks, constructing a large bronze 8' x 4' x 2' sculpture that says, "Peace Be Unto You" in Persian and it will be delivered to the Syrian Peace Center in Palo Alto.

Council Member Kruper reported that on the draft minutes of the Public Safety Committee (PSC) meeting, discussion revolved around the possibility of purchasing refurbished rifles and body worn cameras. The last arborist will be contacted to remove overgrowth within the street bulb-outs. The Public Safety Committee structure will also be reviewed and updated to include the Director of Administrative Services as a committee member. Discussion on tobacco retail and licensure was held and the PSC decided to go with Monterey County's structure, so that the City does not have to develop their own Ordinance.

The MCCVB website has seen 640,077 visitors this year to date. Since July,

the sales team has secured 84 groups representing 17,212 room nights. The City of Monterey received 23 group bookings in October with an economic impact of \$5,098,856, and the City of Marina received \$882,237 dollars in earned media coverage in October.

C. Upcoming Meetings/Events

The City Clerk received RSVP's from the Council for the Monterey County Peace Officers Association. Chief Ferrante reported that the 'Medal of Valor' will be presented to Officers Bushnell and Escobar for the shooting that occurred at Target. Officers Segovia and DuCouer will receive the 'Distinguished Service Award' for a woman that was stabbed at the beach where they provided first aid and called in medical assistance. The Mayor suggested that the City recognize the Officers Segovia and DuCoeur at the City's Annual Awards Banquet.

AGENDA ITEM 10, CLOSED SESSION

{Council Members Hubler and Blackwelder stepped down from the dais due to a possible conflict of interest by residing within 500' of the subject property}

6:06 P.M.

- A. City Council /Agency Board to adjourn to Closed Session to confer with Legal Counsel regarding Real Property Negotiations in accordance with Section 54956.8 of the Ralph M. Brown Act:**

**Property: Carroll Property
Address: 525 Ortiz Avenue
APNs: 011-196-004, 013, 019, 020
Agency Negotiator: City Administrator
Negotiating Party: DBO Development**

6:30 P.M.

{Council Members Hubler and Blackwelder returned to the dais}

- B. Re-adjourn to Open Session to report any action taken at the conclusion of Closed Session in accordance with 54957.1 of the Ralph M. Brown Act**

The Council met in Closed Session and gave instruction to the real property negotiator for the matter listed on the agenda.

AGENDA ITEM 11, ADJOURNMENT

Motion to adjourn the meeting was made by Council Member Kruper, seconded by Council Member Blackwelder to the next regularly scheduled Council meeting on Tuesday, December 6, 2016 at 5:30 p.m. There was consensus of the Council to adjourn the meeting at 6:37 p.m.

Linda K. Scholink, City Clerk

AGENDA ITEM

6C

INTER

MEMORANDUM

OFFICE

To: City Council/Agency Board Members
From: Director of Administrative Services
Subject: Financial Reports
Date: November 28, 2016

Linda

Attached are the financial reports for both the City of Sand City and the Sand City Successor Agency for the former Redevelopment Agency for the month of October 2016.

A. City of Sand City Reports

1. Balance Sheet Report for October 2016.
2. Revenue received in the month of October 2016-Total \$426,103.75
(This total includes transfers).
Month End Cash Register Activity Report for October 2016.
3. Expenditures paid for in the month of October 2016-Total \$ 216,973.58
Month End October 2016 Accounts Payable Report
This shows all City Expenditures (excluding employee payroll)
The Payroll figure listed below includes the Councils stipends.
Payroll \$ 134,102.42
Payroll taxes \$ 43,157.84
4. Current City Balances as of October 31, 2016
Total \$ 4,724,101.58 - restricted & unrestricted
(Includes, Rabobank Bank and Local Agency Investment Fund, (LAIF).
5. The City also has \$992,000 in CD's ranging from 6 months to 3 years.

B. Sand City Successor Agency for the former Redevelopment Agency Reports

1. Balance Sheet Report for October 2016
2. Revenue received in the month of October-Total \$ 162.71
Month End Cash Register Activity Report for October 2016
3. Expenditures paid for in the month of October - \$ 570,858.83
Month End Cash Disbursement Report for October 2016.

4. Current Successor Agency Balances October 31, 2016
 Total \$ 1,203,198.81- restricted and unrestricted (Includes Rabobank and Bond CD's).
 ● In addition to the City and Successor Agency balances, there is a total of
 ● \$ 818,552.06 being held in CD's and reserve accounts for the 2008 Tax and Tax Exempt bonds.

NOTES TO THE FINANCIAL REPORT

Special City Notes for October 2016

On the Month End Cash Register Activity Report - Special or Major Receipts for the Month of October 2016 are listed below. A large portion of the receipts were for Business License renewals.

<u>Date</u>	<u>Receipt #</u>	<u>Source</u>	<u>Amount</u>	<u>Description</u>
10/19/16	20213	County of Monterey	\$ 29,323.78	COPS Grant- Special Allocation
10/24/16	20227	State of California	\$171,800.00	Sales taxes received
10/24/16	20228	State of California	\$151,100.00	Transaction Tax Received

Transfers

(Transfers are shown on the cash register activity report; they are transfers from one bank account to another and should not be considered as a revenue or expenditure)

<u>Date</u>	<u>Receipt #</u>	<u>Source</u>	<u>Amount</u>	<u>Description</u>
There were no transfers this month.				

Month End Cash Disbursement Report - Special or Major Expenses for the Month of October 2016 are explained below.

<u>Check #</u>	<u>Paid To</u>	<u>Amount</u>	<u>Description</u>
30041	City of Marina	\$ 5,000.00	FY 2016-2017 SRU Annual Contribution
30043	Monterey County Weekly	\$ 4,539.00	2016 West End Advertising
30055	Public Employees Retire.	\$ 3,250.00	GASB 68 Reports for 2016-2017
30064	East Dunes, LLC	\$ 15,700.00	Refund of Cash Surety – Bungalows
30071	Creegan & D'Angelo	\$ 16,480.00	September Engineering Services
30075	EMC Planning Group, Inc.	\$ 26,025.33	Website, Vibrancy Plan, Biological, Misc.
30081	Hayashi & Wayland	\$ 18,131.08	September Audit/Management Services
30105	Tracnet	\$ 5,000.00	Police Software, RMS System

Successor Agency Notes for October 2016

On the Month End Cash Register Activity Report - Special or Major Receipts for the Month of October 2016 are listed below. There were no major or special receipts this month.

<u>Date</u>	<u>Receipt #</u>	<u>Source</u>	<u>Amount</u>	<u>Description</u>
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Transfers

There were no transfers this month.

<u>Date</u>	<u>Receipt #</u>	<u>Source</u>	<u>Amount</u>	<u>Description</u>
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Month End Cash Disbursement Report-Special or Major Expense for the Month of October 2016 is explained below. There were no major or special expenditures this month.

<u>Date</u>	<u>Paid To</u>	<u>Amount</u>	<u>Description</u>
10/24/16	US Bank	\$386,660.30	Nov. 1, 2016 2008A Bond Payment
10/24/16	US Bank	\$183,955.03	Nov. 1, 2016 2008B Bond Payment

If you have any questions or concerns regarding the above reports, please let me know before the Council meeting.

City of Sand City

REPORT.: 11/15/16
 RUN....: 11/15/16
 Run By.: LINDA

City of Sand City
 Balance Sheet Report
 ALL FUND(S)

PAGE: 001
 ID #: GLBS
 CTL.: SAN

Ending Calendar Date.: October 31, 2016

Fiscal (04-17)

Assets			Acct ID
<hr/>			
Cash Clearing Checking Account	462,361.52	99	1001
General Fund HOUSING ACCT. FROM SERAF SA	21,422.37	10	1003
General Fund CITY- OPEB POTENTIAL FUNDING	142,125.07	10	1004
General Fund Tioga Beach Clean Up Fund	120,000.00	10	1007
General Fund LAIF	3,813,557.31	10	1008
General Fund Fair market value adjustments	5,918.32	10	1009
General Fund Investment CD	164,635.31	10	1020
General Fund Pro Equities Money Market	5,074.56	10	1080
General Fund Pro Equities CD's	991,000.00	10	1081
General Fund Cash Balance	441,624.45	10	1099
Gas Tax - 2105 Cash Balance	18,387.67	31	1099
Traffic Safety Cash Balance	2,349.28	35	1099
Cash Clearing Cash Balance	-462,361.52	99	1099
General Fund PROPERTY TAX RECEIVABLE	3,468.69	10	1103
General Fund SERAF RECEIVABLE	663,632.37	10	1112
General Fund Sales Tax Receivable	193,425.04	10	1115
General Fund TRANSACTION TAX RECEIVABLE	63,845.28	10	1116
General Fund Due From RA/Operating Expenses	3,626,057.91	10	1130
General Fund Due From AGENCY/Costco/Seaside	4,649,999.99	10	1140
General Fund Due RA/COP reimbursement	1,454,766.42	10	1145
Gen. Fixed Asst BIKE TRAIL INTERCONNECT-TIOGA	53,556.91	60	1273
General LTD Act AMOUNT PROVIDED FOR LTD	6,664,657.22	70	1280
Gen. Fixed Asst Land	1,005,871.95	60	1290
Gen. Fixed Asst Land Improvements	441,562.65	60	1291
Gen. Fixed Asst VEHICLE FIXED ASSET	573,289.76	60	1292
Gen. Fixed Asst Furniture and Fixtures	114,513.83	60	1293
Gen. Fixed Asst Buildings	8,477,897.16	60	1295
Gen. Fixed Asst FIXED ASSETS EQUIPMENT	2,408,652.83	60	1297
Gen. Fixed Asst CITY HALL	233,744.63	60	1298
Gen. Fixed Asst INFRASTRUCTURE- streets	4,533,097.95	60	1299
Gen. Fixed Asst ACCUMULATED DEPRECIATION	-6,267,730.58	60	1300
General LTD Act DEFERRED OUTFLOWS-PERS CONTRIB	1,122,298.56	70	1400 00
General LTD Act DEFERRED OUTFLOWS-ACTUARIAL	89,413.00	70	1405 00
<hr/>			
Total of Assets ---->	35,832,115.91		35,832,115.91
<hr/>			

Liabilities			Acct ID
<hr/>			
General Fund STRONG MOTION	110.88	10	2010
General Fund SB1473-COUNTY PERMIT ASSESSMEN	16.00	10	2012
General LTD Act Compensated Absences	528,385.37	70	2020
General LTD Act NET OBEP LIABILITY	3,460,741.00	70	2025

REPORT.: 11/15/16
 RUN....: 11/15/16
 Run By.: LINDA

City of Sand City
 Balance Sheet Report
 ALL FUND(S)

PAGE: 002
 ID #: GLBS
 CTL.: SAN

Ending Calendar Date.: October 31, 2016 Fiscal (04-17)

Liabilities			Acct ID

General Fund DEFERRED REVENUE	86,056.15	10	2050
General Fund DEFERRED REVENUE RDA COP REIMB	774,766.42	10	2056
General Fund Orosco-South of Tioga	-18,827.90	10	2059
General LTD Act capital lease-2 fords f350's	9,961.49	70	2070
General LTD Act STREET SWEEPER-CAPTIAL LEASE	82,128.84	70	2071
General Fund State Mandated CASP Fee	9.30	10	2115
General Fund Health Insurance	21,135.64	10	2150
General Fund Dental/Vision	344.27	10	2160
General Fund POLICE ASSOC. DUES	350.00	10	2180
General Fund PEPRA RETIREMENT %	2,118.34	10	2191
General Fund AFLAC PRE TAX	178.75	10	2195
General Fund AFLAX-AFTER TAX	-160.90	10	2196
General Fund PERS SURVIVOR BENEFIT	40.00	10	2197
General Fund	-4,085,322.71	10	2200
General LTD Act	-643,174.49	70	2200
General Fund NET PENSION LIABILITY	4,085,322.71	10	2200 00
General LTD Act NET PENSION LIABILITY	4,085,322.71	70	2200 00
General Fund DEFERRED INFLOWS-ACTUARIAL	-753,878.19	10	2500
General LTD Act DEFERRED INFLOWS-ACTUARIAL	393,790.97	70	2500
General Fund DEFERRED INFLOWS-ACTUARIAL	753,878.19	10	2500 00
General LTD Act DEFERRED INFLOWS-ACTUARIAL	753,878.19	70	2500 00

Total of Liabilities ---->	9,537,171.03		

FUND Balances			Acct ID

General Fund Unappropriated Fund Balance	18,023,277.73	10	3400
Gas Tax - 2105 Unappropriated Fund Balance	14,338.22	31	3400
Traffic Safety Unappropriated Fund Balance	2,222.79	35	3400
Gen. Fixed Asst Unappropriated Fund Balance	-1,325,753.59	60	3400
General LTD Act Unappropriated Fund Balance	-794,665.30	70	3400
Gen. Fixed Asst Investment in Fixed Assets	12,538,168.46	60	3600
Gen. Fixed Asst CAPITAL LEASE	96,561.11	60	3601
Gen. Fixed Asst Donated Assets	430,000.00	60	3602
CURRENT EARNINGS	-2,689,204.54		

Total of FUND Balances ---->	26,294,944.88		35,832,115.9
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Reg	Period	Date	Receipt	T	Opr	ID No	Description	G/L Posting	Amt Paid
000	10-16	10/13/16	20173	C	Mis	PAR02	SAND CITY PARKING PARKING VIOLATION #6367 Receipt Date: 10/13/16	Db: 99 1001 Cr: 10 4221 08	50.00
							MARITZA RAMIREZ Issued.: TO (DEVON) Oct 13 2016 11:12 am Devon	Lazzarino Db: 99 1001	75.00
			20174	C	Mis	PAR02	SAND CITY PARKING PARKING VIOLATION #6903 Receipt Date: 10/13/16	Cr: 10 4221 08	
							Paid by: DAVID GLOVER Issued.: TO (DEVON) Oct 13 2016 11:19 am Devon	Lazzarino Db: 99 1001	.70
			20175	C	Mis	CAS70	BUSINESS LICENSE CASP FEE 70% FY 16-17 BUSINESS LICENSE CASP FEE	Cr: 10 4033 00 Db: 99 1001	.30
						Mis CAS30	Receipt Date: 10/13/16 BUSINESS LICENSE CASP FEE 30% FY 16-17 BUSINESS LICENSE CASP FEE	Cr: 10 2115	
							Paid by: DEVINE GLASS Issued.: TO (DEVON) Oct 13 2016 11:21 am Devon	Lazzarino Db: 99 1001	40.00
			20176	C	Mis	PAR02	SAND CITY PARKING PARKING VIOLATION #6965 Receipt Date: 10/13/16	Cr: 10 4221 08	
							Paid by: CONRADO MARTINEZ Issued.: TO (DEVON) Oct 13 2016 11:20 am Devon	Lazzarino Db: 99 1001	40.00
			20177	C	Mis	PAR02	SAND CITY PARKING PARKING VIOLATION #6955 Receipt Date: 10/13/16	Cr: 10 4221 08	
							Paid by: MTAS TIRE SERVICE Issued.: TO (DEVON) Oct 13 2016 11:21 am Devon	Lazzarino Db: 99 1001	40.00
			20178	C	Mis	PAR02	SAND CITY PARKING PARKING VIOLATION #6241 Receipt Date: 10/13/16	Cr: 10 4221 08	
							Paid by: JOSEPH WATT Issued.: TO (DEVON) Oct 13 2016 11:21 am Devon	Lazzarino Db: 99 1001	40.00
			20179	C	Mis	PAR02	SAND CITY PARKING PARKING VIOLATION #7113 Receipt Date: 10/13/16	Cr: 10 4221 08	
							Paid by: JOSE CASAS Issued.: TO (DEVON) Oct 13 2016 11:21 am Devon	Lazzarino Db: 99 1001	40.00
			20180	C	Mis	PAR02	SAND CITY PARKING PARKING VIOLATION #6963 Receipt Date: 10/13/16	Cr: 10 4221 08	
							Paid by: SAMANTHA SANDERS Issued.: TO (DEVON) Oct 13 2016 11:22 am Devon	Lazzarino Db: 99 1001	40.00
			20181	C	Mis	PAR02	SAND CITY PARKING PARKING VIOLATION #7086 Receipt Date: 10/13/16	Cr: 10 4221 08	
							Paid by: ATSPS RENT A CAR Issued.: TO (DEVON) Oct 13 2016 11:22 am Devon	Lazzarino Db: 99 1001	40.00
			20182	C	Mis	PAR02	SAND CITY PARKING PARKING VIOLATION #7115 Receipt Date: 10/13/16	Cr: 10 4221 08	
							Paid by: ARIEL TORRES Issued.: TO (DEVON) Oct 13 2016 11:22 am Devon	Lazzarino Db: 99 1001	40.00
			20183	C	Mis	PAR02	SAND CITY PARKING PARKING VIOLATION #7125 Receipt Date: 10/13/16	Cr: 10 4221 08	
							Paid by: NORMA ACOSTA Issued.: TO (DEVON) Oct 13 2016 11:23 am Devon	Lazzarino Db: 99 1001	40.00
			20184	C	Mis	PAR02	SAND CITY PARKING PARKING VIOLATION #600 Receipt Date: 10/13/16	Cr: 10 4221 08	
							Paid by: RUSSELL SCHELLENBERG Issued.: TO (DEVON) Oct 13 2016 11:23 am Devon	Lazzarino Db: 99 1001	40.00
			20185	C	Mis	PAR02	SAND CITY PARKING PARKING VIOLATION #5745 Receipt Date: 10/13/16	Cr: 10 4221 08	
							Paid by: PAMELA BENNETT Issued.: TO (DEVON) Oct 13 2016 11:23 am Devon	Lazzarino Db: 99 1001	1246.35
			20186	C	Mis	REN01	RENTAL INCOME OCTOBER 2016 CELL TOWER RENT Receipt Date: 10/13/16	Cr: 10 4740 00	
							Paid by: CROWN CASTLE Issued.: TO (DEVON) Oct 13 2016 11:24 am Devon	Lazzarino Db: 99 1001	150.00
			20187	C	Mis	WT01	BUSINESS LICENSE FY 16-17 BUSINESS LICENSE RENEWAL Receipt Date: 10/13/16	Cr: 10 4055 00 Db: 99 1001	37.50
						Mis WT02	BUSINESS LIC LATE CH FY 16-17 BUSINESS LICENSE RENEWAL Receipt Date: 10/13/16	Cr: 10 4060 00 Db: 99 1001	.70
						Mis CAS70	BUSINESS LICENSE CASP FEE 70% FY 16-17 BUSINESS LICENSE RENEWAL Receipt Date: 10/13/16	Cr: 10 4033 00 Db: 99 1001	.30
						Mis CAS30	BUSINESS LICENSE CASP FEE 30% FY 16-17 BUSINESS LICENSE RENEWAL Receipt Date: 10/13/16	Cr: 10 2115	
							Paid by: WAYLAND PROPERTIES Issued.: TO (DEVON) Oct 13 2016 11:24 am Devon	Lazzarino Db: 99 1001	920.00
			20188	C	Mis	WT01	BUSINESS LICENSE NEW BUSINESS LICENSE Receipt Date: 10/13/16	Cr: 10 4055 00 Db: 99 1001	.70
						Mis CAS70	BUSINESS LICENSE CASP FEE 70% NEW BUSINESS LICENSE Receipt Date: 10/13/16	Cr: 10 4033 00 Db: 99 1001	
						Mis CAS30	BUSINESS LICENSE CASP FEE 30% NEW BUSINESS LICENSE Receipt Date: 10/13/16	Cr: 10 2115	

Reg	Period	Date	Receipt	T	Opr	ID No	Description	G/L Posting	Amt Paid	
000	10-16	10/13/16	20189	C	Mis	WT01	BUSINESS LICENSE FY 16-17 BUSINESS LICENSE RENEWAL Receipt Date: 10/13/16	Db: 99 1001	335.11	
						Mis	WT02	BUSINESS LIC LATE CH FY 16-17 BUSINESS LICENSE RENEWAL Receipt Date: 10/13/16	Cr: 10 4055 00 Db: 99 1001	49.40
						Mis	CAS70	BUSINESS LICENSE CASP FEE 70% FY 16-17 BUSINESS LICENSE RENEWAL Receipt Date: 10/13/16	Cr: 10 4060 00 Db: 99 1001	.70
						Mis	CAS30	BUSINESS LICENSE CASP FEE 30% FY 16-17 BUSINESS LICENSE RENEWAL Receipt Date: 10/13/16	Cr: 10 4033 00 Db: 99 1001	.30
								Issued..: TO (DEVON) Oct 13 2016 11:25 am Devon Lazzarino		
20190				C	Mis	TAX01	GAS TAX - 2105 31 SEPTEMBER 2016 HIGHWAY USERS TAX Receipt Date: 10/13/16	Db: 99 1001	206.03	
						Mis	TAX02	GAS TAX - 2106 32 SEPTEMBER 2016 HIGHWAY USERS TAX Receipt Date: 10/13/16	Cr: 31 4305 11 Db: 99 1001	488.84
						Mis	TAX03	GAS TAX - 2107 33 SEPTEMBER 2016 HIGHWAY USERS TAX Receipt Date: 10/13/16	Cr: 31 4305 11 Db: 99 1001	280.02
								Issued..: TO (DEVON) Oct 13 2016 11:26 am Devon Lazzarino		
20191				C	Mis	MS	DALE ALLEN NOVEMBER 2016 DENTAL COBRA Receipt Date: 10/13/16	Db: 99 1001	69.24	
								Cr: 10 2160		
								Issued..: TO (DEVON) Oct 13 2016 11:26 am Devon Lazzarino		
20192				C	Mis	UUT	UTILITY USERS TAX AUGUST 2016 UUT Receipt Date: 10/13/16	Db: 99 1001	11646.07	
								Cr: 10 4025 00		
								Issued..: TO (DEVON) Oct 13 2016 12:13 pm Devon Lazzarino		
20193				C	Mis	WT02	BUSINESS LIC LATE CH FY 16-17 BUSINESS LICENSE BALANCE DUE Receipt Date: 10/13/16	Db: 99 1001	506.06	
						Mis	CAS70	BUSINESS LICENSE CASP FEE 70% FY 16-17 BUSINESS LICENSE BALANCE DUE Receipt Date: 10/13/16	Cr: 10 4060 00 Db: 99 1001	.70
						Mis	CAS30	BUSINESS LICENSE CASP FEE 30% FY 16-17 BUSINESS LICENSE BALANCE DUE Receipt Date: 10/13/16	Cr: 10 4033 00 Db: 99 1001	.30
								Cr: 10 2115		
								Issued..: TO (DEVON) Oct 13 2016 12:14 pm Devon Lazzarino		
20194				C	Mis	VEH01	VEHICLE ABATEMENT 2ND QUARTER 2016 VEHICLE ABATEMENT Receipt Date: 10/13/16	Db: 99 1001	43.91	
								Cr: 10 4225 08		
								Issued..: TO (DEVON) Oct 13 2016 12:14 pm Devon Lazzarino		
20195				C	Mis	WT02	BUSINESS LIC LATE CH FY 16-17 BUSINESS LICENSE BALANCE DUE Receipt Date: 10/13/16	Db: 99 1001	24.70	
								Cr: 10 4060 00		
								Issued..: TO (DEVON) Oct 13 2016 12:15 pm Devon Lazzarino		
20196				C	Mis	WT01	BUSINESS LICENSE FY 16-17 BUSINESS LICENSE RENEWAL Receipt Date: 10/13/16	Db: 99 1001	2.00	
								Cr: 10 4055 00		
								Issued..: TO (DEVON) Oct 13 2016 12:15 pm Devon Lazzarino		
20197				C	Mis	WT01	BUSINESS LICENSE FY 16-17 BUSINESS LICENSE BALANCE DUE Receipt Date: 10/13/16	Db: 99 1001	68.61	
						Mis	CAS70	BUSINESS LICENSE CASP FEE 70% FY 16-17 BUSINESS LICENSE BALANCE DUE Receipt Date: 10/13/16	Cr: 10 4055 00 Db: 99 1001	.70
						Mis	CAS30	BUSINESS LICENSE CASP FEE 30% FY 16-17 BUSINESS LICENSE BALANCE DUE Receipt Date: 10/13/16	Cr: 10 4033 00 Db: 99 1001	.30
								Cr: 10 2115		
								Issued..: TO (DEVON) Oct 13 2016 12:15 pm Devon Lazzarino		
20199				C	Mis	WT01	BUSINESS LICENSE NEW BUSINESS LICENSE BALANCE DUE Receipt Date: 10/13/16	Db: 99 1001	2002.35	
						Mis	CAS70	BUSINESS LICENSE CASP FEE 70% NEW BUSINESS LICENSE BALANCE DUE Receipt Date: 10/13/16	Cr: 10 4055 00 Db: 99 1001	.70
						Mis	CAS30	BUSINESS LICENSE CASP FEE 30% NEW BUSINESS LICENSE BALANCE DUE Receipt Date: 10/13/16	Cr: 10 4033 00 Db: 99 1001	.30
								Cr: 10 2115		
								Issued..: TO (DEVON) Oct 13 2016 12:17 pm Devon Lazzarino		
20200				C	Mis	WT01	BUSINESS LICENSE NEW BUSINESS LICENSE Receipt Date: 10/13/16	Db: 99 1001	150.00	
						Mis	CAS70	BUSINESS LICENSE CASP FEE 70% NEW BUSINESS LICENSE Receipt Date: 10/13/16	Cr: 10 4055 00 Db: 99 1001	.70
						Mis	CAS30	BUSINESS LICENSE CASP FEE 30% NEW BUSINESS LICENSE Receipt Date: 10/13/16	Cr: 10 4033 00 Db: 99 1001	.30
								Cr: 10 2115		
								Issued..: TO (DEVON) Oct 13 2016 12:17 pm Devon Lazzarino		
20201				C	Mis	WT01	BUSINESS LICENSE FY 16-17 BUSINESS LICENSE BALANCE DUE Receipt Date: 10/13/16	Db: 99 1001	40.00	
								Cr: 10 4055 00		

Reg	Period	Date	Receipt	T	Opr	ID No	Description	G/L	Posting	Amt Paid
000	10-16	10/13/16	20201	C						
					Mis	CAS70	BUSINESS LICENSE CASP FEE 70% FY 16-17 BUSINESS LICENSE BALANCE DUE Receipt Date: 10/13/16	Db:	99 1001	.70
					Mis	CAS30	BUSINESS LICENSE CASP FEE 30% FY 16-17 BUSINESS LICENSE BALANCE DUE Receipt Date: 10/13/16	Cr:	10 4033 00	.30
							Paid by: GIUSTINAINI MASONRY Issued..: T0 (DEVON) Oct 13 2016 12:18 pm Devon			
			20202	C	Mis	BUI01	BUILDING PERMIT 4115 PERMITS/FEEES FOR BUNGALOWS RETAINING WALL Receipt Date: 10/13/16	Db:	99 1001	603.35
					Mis	PLA01	PLAN CHECK FEE 4165 PERMITS/FEEES FOR BUNGALOWS RETAINING WALL Receipt Date: 10/13/16	Cr:	10 4115 05	392.18
					Mis	MS	ENGINEER FEES PERMITS/FEEES FOR BUNGALOWS RETAINING WALL Receipt Date: 10/13/16	Db:	99 1001	1020.00
					Mis	STR01	STRONG MOTION 2010 PERMITS/FEEES FOR BUNGALOWS RETAINING WALL Receipt Date: 10/13/16	Cr:	10 4160 11	12.88
					Mis	CBCS	CBSC FEE - SB1473 PERMITS/FEEES FOR BUNGALOWS RETAINING WALL Receipt Date: 10/13/16	Db:	99 1001	2.00
							Paid by: BMCH Issued..: T0 (DEVON) Oct 13 2016 12:18 pm Devon			
			20203	C	Mis	WT01	BUSINESS LICENSE NEW BUSINESS LICENSE Receipt Date: 10/13/16	Cr:	10 4055 00	2500.00
							Paid by: BMCH Issued..: T0 (DEVON) Oct 13 2016 12:19 pm Devon			
			20204	C	Mis	WT01	BUSINESS LICENSE NEW BUSINESS LICENSE BALANCE DUE Receipt Date: 10/13/16	Db:	99 1001	1919.22
					Mis	CAS70	BUSINESS LICENSE CASP FEE 70% NEW BUSINESS LICENSE BALANCE DUE Receipt Date: 10/13/16	Cr:	10 4055 00	.70
					Mis	CAS30	BUSINESS LICENSE CASP FEE 30% NEW BUSINESS LICENSE BALANCE DUE Receipt Date: 10/13/16	Db:	99 1001	.30
							Paid by: BMCH Issued..: T0 (DEVON) Oct 13 2016 12:20 pm Devon			
			20205	C	Mis	WT01	BUSINESS LICENSE NEW BUSINESS LICENSE Receipt Date: 10/13/16	Db:	99 1001	150.00
					Mis	CAS70	BUSINESS LICENSE CASP FEE 70% NEW BUSINESS LICENSE Receipt Date: 10/13/16	Cr:	10 4055 00	.70
					Mis	CAS30	BUSINESS LICENSE CASP FEE 30% NEW BUSINESS LICENSE Receipt Date: 10/13/16	Db:	99 1001	.30
							Paid by: BENCHMARK COMMUNITIES Issued..: T0 (DEVON) Oct 13 2016 12:20 pm Devon			
			20206	C	Mis	CAS70	BUSINESS LICENSE CASP FEE 70% FY 16-17 BUSINESS LICENSE BALANCE DUE Receipt Date: 10/13/16	Db:	99 1001	.70
					Mis	CAS30	BUSINESS LICENSE CASP FEE 30% FY 16-17 BUSINESS LICENSE BALANCE DUE Receipt Date: 10/13/16	Cr:	10 4033 00	.30
							Paid by: GACHINA LANDSCAPE Issued..: T0 (DEVON) Oct 13 2016 12:21 pm Devon			
							Day 10/13/16 Total ----->			25402.82
							----->			5991.02
	10/14/16		20259	C	Mis	EFT20	LAIF - INTEREST 3RD QUARTER 2016 INTEREST Receipt Date: 10/14/16	Db:	10 1008	5991.02
							Paid by: LAIF Issued..: T0 (DEVON) Oct 14 2016 10:08 am Devon			
							Day 10/14/16 Total ----->			5991.02
							----->			10.00
	10/19/16		20207	C	Mis	POL01	POLICE REPORT 4560 POLICE REPORT #SA16442 Receipt Date: 10/19/16	Db:	99 1001	10.00
							Paid by: STEPHEN HOCH Issued..: T0 (DEVON) Oct 19 2016 08:10 am Devon			
			20208	C	Mis	POL01	POLICE REPORT 4560 POLICE REPORT #SA16442 Receipt Date: 10/19/16	Db:	99 1001	10.00
							Paid by: THOMAS CABANILLA Issued..: T0 (DEVON) Oct 19 2016 08:11 am Devon			
			20209	C	Mis	WT01	BUSINESS LICENSE FY 16-17 BUSINESS LICENSE RENEWAL Receipt Date: 10/19/16	Cr:	10 4560 08	25.00
					Mis	CAS70	BUSINESS LICENSE CASP FEE 70% FY 16-17 BUSINESS LICENSE RENEWAL Receipt Date: 10/19/16	Db:	99 1001	.70
					Mis	CAS30	BUSINESS LICENSE CASP FEE 30% FY 16-17 BUSINESS LICENSE RENEWAL Receipt Date: 10/19/16	Cr:	10 4033 00	.30
							Paid by: P&A MOBILE Issued..: T0 (DEVON) Oct 19 2016 08:11 am Devon			
			20210	C	Mis	POL01	POLICE REPORT 4560 POLICE REPORT #SC1601225 Receipt Date: 10/19/16	Db:	99 1001	10.00
							Paid by: LEXIS NEXIS Issued..: T0 (DEVON) Oct 19 2016 08:11 am Devon			
							Day 10/19/16 Total ----->			10.00

Reg	Period	Date	Receipt	T	Opr	ID No	Description	G/L Posting	Amt Paid
000	10-16	10/19/16	20211	C	Mis	CLEEF	CLEEF GRANT AUGUST 2016 COPS GRANT Receipt Date: 10/19/16 Paid by: COUNTY OF MONTEREY Issued..: TO (DEVON) Oct 19 2016 08:11 am Devon	Lazzarino Db: 99 1001 Cr: 10 4069 08	8333.33
			20212	C	Mis	TRA01	COUNTY/TRAFFIC AUGUST 2016 TRAFFIC Receipt Date: 10/19/16	Lazzarino Db: 99 1001 Cr: 35 4205 11	26.41
				Mis	VC		COUNTY/VC AUGUST 2016 TRAFFIC Receipt Date: 10/19/16	Db: 99 1001 Cr: 35 4205 11	40.28
				Mis	VCCR		COUNTY/VC/CR AUGUST 2016 TRAFFIC Receipt Date: 10/19/16	Db: 99 1001 Cr: 35 4205 11	17.68
				Mis	POC01		COUNTY/PROOF OF CORR AUGUST 2016 TRAFFIC Receipt Date: 10/19/16	Db: 99 1001 Cr: 35 4205 11	3.30
				Mis	HTP01		1/2 TAX POLICE/PROP 172 AUGUST 2016 TRAFFIC Receipt Date: 10/19/16	Db: 99 1001 Cr: 10 4330 08	25.82
				Mis	REV		COUNTY/REV & RECOVERY AUGUST 2016 TRAFFIC Receipt Date: 10/19/16	Db: 99 1001 Cr: 10 4210 08	646.73
			20213	C	Mis	CLEEF	CLEEF GRANT FY 16-17 COPS GROWTH SPEC ALLOCATION Receipt Date: 10/19/16 Paid by: COUNTY OF MONTEREY Issued..: TO (DEVON) Oct 19 2016 08:12 am Devon	Lazzarino Db: 99 1001 Cr: 10 4069 08	29323.78
			20214	C	Mis	MS	NANCY FLETCHER NOVEMBER 2016 DENTAL COBRA Receipt Date: 10/19/16 Paid by: NANCY FLETCHER Issued..: TO (DEVON) Oct 19 2016 08:13 am Devon	Lazzarino Db: 99 1001 Cr: 10 2160	69.24
			20215	C	Mis	UUT	UTILITY USERS TAX SEPTEMBER 2016 UUT Receipt Date: 10/19/16 Paid by: PILOT POWER GROUP Issued..: TO (DEVON) Oct 19 2016 08:13 am Devon	Lazzarino Db: 99 1001 Cr: 10 4025 00	247.43
			20216	C	Mis	UUT	UTILITY USERS TAX SEPTEMBER 2016 UUT - ELECTRIC Receipt Date: 10/19/16 Paid by: DIRECT ENERGY Issued..: TO (DEVON) Oct 19 2016 08:14 am Devon	Lazzarino Db: 99 1001 Cr: 10 4025 00	642.75
			20217	C	Mis	UUT	UTILITY USERS TAX SEPTEMBER 2016 UUT Receipt Date: 10/19/16 Paid by: VISTA ENERGY Issued..: TO (DEVON) Oct 19 2016 08:15 am Devon	Lazzarino Db: 99 1001 Cr: 10 4025 00	.54
			20218	C	Mis	UUT	UTILITY USERS TAX SEPTEMBER 2016 UUT - ELECTRIC Receipt Date: 10/19/16 Paid by: NOBLE AMERICAS ENERGY Issued..: TO (DEVON) Oct 19 2016 08:15 am Devon	Lazzarino Db: 99 1001 Cr: 10 4025 00	65.35
			20219	C	Mis	UUT	UTILITY USERS TAX SEPTEMBER 2016 UUT - GAS Receipt Date: 10/19/16 Paid by: NOBLE AMERICAS ENERGY Issued..: TO (DEVON) Oct 19 2016 08:15 am Devon	Lazzarino Db: 99 1001 Cr: 10 4025 00	56.87
			20220	C	Mis	UUT	UTILITY USERS TAX SEPTEMBER 2016 UUT Receipt Date: 10/19/16 Paid by: GAS & POWER TECHNOLOGIES Issued..: TO (DEVON) Oct 19 2016 08:15 am Devon	Lazzarino Db: 99 1001 Cr: 10 4025 00	2.20
			20221	C	Mis	UUT	UTILITY USERS TAX SEPTEMBER 2016 UUT - GAS Receipt Date: 10/19/16 Paid by: TIGER NATURAL GAS Issued..: TO (DEVON) Oct 19 2016 08:16 am Devon	Lazzarino Db: 99 1001 Cr: 10 4025 00	30.98
			20222	C	Mis	WT01	BUSINESS LICENSE FY 16-17 BUSINESS LICENSE RENEWAL Receipt Date: 10/19/16	Lazzarino Db: 99 1001 Cr: 10 4055 00	502.00
				Mis	WT02		BUSINESS LIC LATE CH FY 16-17 BUSINESS LICENSE RENEWAL Receipt Date: 10/19/16	Db: 99 1001 Cr: 10 4060 00	251.00
				Mis	CAS70		BUSINESS LICENSE CASP FEE 70% FY 16-17 BUSINESS LICENSE RENEWAL Receipt Date: 10/19/16	Db: 99 1001 Cr: 10 4033 00	.70
				Mis	CAS30		BUSINESS LICENSE CASP FEE 30% FY 16-17 BUSINESS LICENSE RENEWAL Receipt Date: 10/19/16	Db: 99 1001 Cr: 10 2115	.30
							Paid by: STRUCTURAL SERVICES Issued..: TO (DEVON) Oct 19 2016 08:16 am Devon	Lazzarino Day 10/19/16 Total ---->	40342.69
		10/24/16	20223	C	Mis	REIMB	REIMBURSEMENTS REIMBURSE 2016 LOCC EXPENSES Receipt Date: 10/24/16 Paid by: MARY ANN CARBONE Issued..: TO (DEVON) Oct 24 2016 10:14 am Devon	Lazzarino Db: 99 1001 Cr: 10 4732 00	11.00
			20224	C	Mis	POL01	POLICE REPORT 4560 POLICE REPORT #16-442 Receipt Date: 10/24/16 Paid by: LEXIS NEXIS Issued..: TO (DEVON) Oct 24 2016 10:14 am Devon	Lazzarino Db: 99 1001 Cr: 10 4560 08	10.00

Reg	Period	Date	Receipt	T	Opr	ID No	Description	G/L Posting	Amt Paid
000	10-16	10/24/16	20225	C	Mis	WT01	BUSINESS LICENSE NEW BUSINESS LICENSE Receipt Date: 10/24/16	Db: 99 1001	150.00
					Mis	CAS70	BUSINESS LICENSE CASP FEE 70% NEW BUSINESS LICENSE Receipt Date: 10/24/16	Cr: 10 4055 00 Db: 99 1001	.70
					Mis	CAS30	BUSINESS LICENSE CASP FEE 30% NEW BUSINESS LICENSE Receipt Date: 10/24/16	Cr: 10 4033 00 Db: 99 1001	.30
							NEW BUSINESS LICENSE Receipt Date: 10/24/16 Paid by: APEX IMAGING SERVICES Issued.: TO (DEVON) Oct 24 2016 10:14 am Devon	Lazzarino Db: 99 1001	885.25
					20226	C Mis MS	DBO DEVELOPMENT REIMBURSEMENT AGREEMENT BALANCE - SOUTH OF TIOGA Receipt Date: 10/24/16 Paid by: DBO DEVELOPMENT Issued.: TO (DEVON) Oct 24 2016 10:15 am Devon	Lazzarino Db: 99 1001 Cr: 10 2059	171800.00
					20227	C Mis STAX	SALES TAX RECEIVED AUGUST 2016 IN LIEU SALES TAX Receipt Date: 10/24/16 Paid by: STATE OF CALIFORNIA Issued.: TO (DEVON) Oct 24 2016 10:15 am Devon	Lazzarino Db: 99 1001 Cr: 10 4030 00	151100.00
					20228	C Mis TUT01	TRANSACTION/USE TAX AUGUST 2016 T/U TAX Receipt Date: 10/24/16 Paid by: STATE OF CALIFORNIA Issued.: TO (DEVON) Oct 24 2016 10:15 am Devon	Lazzarino Db: 99 1001 Cr: 10 4032 00	2.00
					20229	C Mis UUT	UTILITY USERS TAX SEPTEMBER 2016 UUT - GAS Receipt Date: 10/24/16 Paid by: SPARK ENERGY Issued.: TO (DEVON) Oct 24 2016 10:16 am Devon	Lazzarino Db: 99 1001 Cr: 10 4025 00	323959.25
							Day 10/24/16 Total ---->		150.00
10/31/16	20230	C Mis	WT01				BUSINESS LICENSE NEW BUSINESS LICENSE Receipt Date: 10/31/16	Db: 99 1001 Cr: 10 4055 00	.70
			Mis				BUSINESS LICENSE CASP FEE 70% NEW BUSINESS LICENSE Receipt Date: 10/31/16	Db: 99 1001 Cr: 10 4033 00	.30
			Mis				BUSINESS LICENSE CASP FEE 30% NEW BUSINESS LICENSE Receipt Date: 10/31/16	Db: 99 1001 Cr: 10 2115	9.00
					20231	C Mis 06065	Paid by: KHOLLECTIVE Issued.: TO (DEVON) Oct 31 2016 10:19 am Devon	Lazzarino Db: 99 1001	40.00
					20232	C Mis PAR02	COPIES COPIES OF KING DDA FILE - 90 PAGES Receipt Date: 10/31/16 Paid by: SHARI GOLAN Issued.: TO (DEVON) Oct 31 2016 10:20 am Devon	Lazzarino Db: 99 1001 Cr: 10 4550 00	40.00
					20233	C Mis PAR02	SAND CITY PARKING PARKING VIOLATION #6952 Receipt Date: 10/31/16 Paid by: LEAH RODRIGUEZ Issued.: TO (DEVON) Oct 31 2016 10:27 am Devon	Lazzarino Db: 99 1001 Cr: 10 4221 08	40.00
					20234	C Mis POL01	SAND CITY PARKING PARKING VIOLATION #7112 Receipt Date: 10/31/16 Paid by: REBECCA LINDE Issued.: TO (DEVON) Oct 31 2016 10:27 am Devon	Lazzarino Db: 99 1001 Cr: 10 4221 08	10.00
					20235	C Mis MS	POLICE REPORT 4560 POLICE REPORT #16-463 Receipt Date: 10/31/16 Paid by: LEXIS NEXIS Issued.: TO (DEVON) Oct 31 2016 10:27 am Devon	Lazzarino Db: 99 1001 Cr: 10 4560 08	109.85
					20236	C Mis UUT	A&S METALS RECYCLING - A;UMINUM, BATTERIES, BRASS, WIRE Receipt Date: 10/31/16 Paid by: A&S METALS Issued.: TO (DEVON) Oct 31 2016 10:28 am Devon	Lazzarino Db: 99 1001 Cr: 10 4730 00	105.70
					20237	C Mis UUT	UTILITY USERS TAX SEPTEMBER 2016 UUT Receipt Date: 10/31/16 Paid by: CONSTELLATION NEW ENERGY Issued.: TO (DEVON) Oct 31 2016 10:28 am Devon	Lazzarino Db: 99 1001 Cr: 10 4025 00	16.88
					20238	C Mis BUI01	UTILITY USERS TAX SEPTEMBER 2016 UUT - GAS Receipt Date: 10/31/16 Paid by: CONSTELLATION NEW ENERGY Issued.: TO (DEVON) Oct 31 2016 10:28 am Devon	Lazzarino Db: 99 1001 Cr: 10 4025 00	2992.19
							BUILDING PERMIT 4115 PERMITS/FEEES FOR 414 ORANGE Receipt Date: 10/31/16	Db: 99 1001 Cr: 10 4115 05	1944.92
						Mis PLA01	PLAN CHECK FEE 4165 PERMITS/FEEES FOR 414 ORANGE Receipt Date: 10/31/16	Db: 99 1001 Cr: 10 4165 05	806.10
						Mis MS	BUILDING DEVELOPMENT FEE PERMITS/FEEES FOR 414 ORANGE Receipt Date: 10/31/16	Db: 99 1001 Cr: 10 4150 05	7100.00
						Mis MS	ENGINEER FEES PERMITS/FEEES FOR 414 ORANGE Receipt Date: 10/31/16	Db: 99 1001 Cr: 10 4160 11	98.00
						Mis STR01	STRONG MOTION 2010 PERMITS/FEEES FOR 414 ORANGE Receipt Date: 10/31/16	Db: 99 1001 Cr: 10 2010	14.00
						Mis CBSC	CBSC FEE - SB1473 PERMITS/FEEES FOR 414 ORANGE Receipt Date: 10/31/16	Db: 99 1001 Cr: 10 2012	

Reg	Period	Date	Receipt	T	Opr	ID No	Description	G/L Posting	Amt Paid
000	10-16	10/31/16	20239	C	Mis	06065	COPIES COPIES - SNG/KING VENTURES FILES - 364 PAGES Receipt Date: 10/31/16 Paid by: SHARI GOLAN Issued..: T0 (DEVON) Oct 31 2016 10:30 am Devon	Lazzarino Db: 99 1001 Cr: 10 4550 00	36.40
			20240	C	Mis	DES01	DESIGN REVIEW FEE DESIGN REVIEW FEE - SIGN Receipt Date: 10/31/16 Paid by: VISIONS DESIGN CENTER Issued..: T0 (DEVON) Oct 31 2016 10:30 am Devon	Lazzarino Db: 99 1001 Cr: 10 4155 05	50.00
			20241	C	Mis	CAS70	BUSINESS LICENSE CASP FEE 70% FY 16-17 BUSINESS LICENSE BALANCE DUE Receipt Date: 10/31/16	Lazzarino Db: 99 1001 Cr: 10 4033 00	.70
					Mis	CAS30	BUSINESS LICENSE CASP FEE 30% FY 16-17 BUSINESS LICENSE BALANCE DUE Receipt Date: 10/31/16	Lazzarino Db: 99 1001 Cr: 10 2115	.30
			20242	C	Mis	MS	Paid by: WHISTLER ASSET MANAGEMENT Issued..: T0 (DEVON) Oct 31 2016 10:31 am Devon DUSTIN BOGUE REIMBURSEMENT AGREEMENT DEPOSIT - PARK AVENUE Receipt Date: 10/31/16 Paid by: DUSTIN BOGUE Issued..: T0 (DEVON) Oct 31 2016 10:31 am Devon	Lazzarino Db: 99 1001 Cr: 10 4162 00 Lazzarino Db: 99 1001	100.00
			20243	C	Mis	COA01	COASTAL PERMIT PERMITS/FEES FOR PARK AVENUE Receipt Date: 10/31/16	Lazzarino Db: 99 1001 Cr: 10 4120 05	500.00
					Mis	DES01	DESIGN REVIEW FEE PERMITS/FEES FOR PARK AVENUE Receipt Date: 10/31/16	Lazzarino Db: 99 1001 Cr: 10 4155 05	100.00
					Mis	SITE	SITE PERMIT PERMITS/FEES FOR PARK AVENUE Receipt Date: 10/31/16 Paid by: DUSTIN BOGUE Issued..: T0 (DEVON) Oct 31 2016 10:32 am Devon	Lazzarino Db: 99 1001 Cr: 10 4145 05	500.00
			20244	C	Mis	WT01	BUSINESS LICENSE ONE TIME ONLY BUSINESS LICENSE - BUNGALOWS RETAINI Receipt Date: 10/31/16	Lazzarino Db: 99 1001 Cr: 10 4055 00	50.00
					Mis	CAS70	BUSINESS LICENSE CASP FEE 70% ONE TIME ONLY BUSINESS LICENSE - BUNGALOWS RETAINI Receipt Date: 10/31/16	Lazzarino Db: 99 1001 Cr: 10 4033 00	.70
					Mis	CAS30	BUSINESS LICENSE CASP FEE 30% ONE TIME ONLY BUSINESS LICENSE - BUNGALOWS RETAINI Receipt Date: 10/31/16	Lazzarino Db: 99 1001 Cr: 10 2115	.30
			20245	C	Mis	TAX10	Paid by: JAY HOWE MASONRY Issued..: T0 (DEVON) Oct 31 2016 10:32 am Devon FRNCHISE TX RF. 4040 3RD QUARTER 2016 FRANCHISE FEES Receipt Date: 10/31/16 Paid by: GREENWASTE RECOVERY Issued..: T0 (DEVON) Oct 31 2016 10:33 am Devon	Lazzarino Db: 99 1001 Cr: 10 4040 00 Lazzarino Db: 99 1001	15601.90
			20255	C	Mis	INT01	INTEREST IN CHECKING OCTOBER 2016 INTEREST Receipt Date: 10/31/16 Paid by: RABOBANK Issued..: T0 (DEVON) Oct 31 2016 01:54 pm Devon	Lazzarino Db: 10 1003 Cr: 10 4410 00	10.34
			20256	C	Mis	HOU01	CITY HOUSING INTEREST OCTOBER 2016 INTEREST Receipt Date: 10/31/16 Paid by: RABOBANK Issued..: T0 (DEVON) Oct 31 2016 01:57 pm Devon	Lazzarino Db: 10 1020 Cr: 10 4413 00	.90
			20257	C	Mis	CDINT	CD INTEREST OCTOBER 2016 INTEREST Receipt Date: 10/31/16 Paid by: RABOBANK Issued..: T0 (DEVON) Oct 31 2016 02:00 pm Devon	Lazzarino Db: 10 1004 Cr: 10 4411 00	7.31
			20258	C	Mis	OPEB	OPEB INTEREST OCTOBER 2016 INTEREST Receipt Date: 10/31/16 Paid by: RABOBANK Issued..: T0 (DEVON) Oct 31 2016 02:02 pm Devon	Lazzarino Day 10/31/16 Total ----->	11.48
								----->	30407.97
								----->	426103.75
								----->	426103.75
								----->	426103.75
								----->	426103.75

Check Number	Vendor Name	Invoice Description	Check Date	Gross Check Amount
030003	HYATT REGENCY LONG BEACH	2016 LOCC HOTEL - BLACKWELDER	10/03/16	795.90
030003	HYATT REGENCY LONG BEACH	2016 LOCC HOTEL - BODEM	10/03/16	484.60
030005	ASSURANT EMPLOYEE BENEFIT	OCTOBER 2016 LTD PREMIUMS	10/03/16	623.92
030006	A.T. & T.	AUGUST 2016 POLICE CLETS PHONE LINE	10/03/16	66.38
030007	AUTOMOTIVE SPECIALISTS	WATER PUMP/HOSES FOR P/W CHEVY TRUCK	10/03/16	992.73
030008	MARY ANN MCCONNELL	PRE-EMPLOYMENT POLYGRAPH FOR POLICE OFFICER	10/03/16	275.00
030009	CALIFORNIA BUILDING STANDARDS	3RD QUARTER 2016 CBSC FEES	10/03/16	5.00
030010	CALIFORNIA LAW	OCTOBER 2016 POLICE LTD PREMIUMS	10/03/16	220.50
030011	CORBIN WILLITS SYSTEMS	OCTOBER 2016 TECH SUPPORT - MOM	10/03/16	219.35
030012	DEPT. OF CONSERVATION	3RD QUARTER 2016 STRONG MOTION FEES	10/03/16	26.32
030013	HARVEY DRONE	REIMBURSE FOR PHYSICAL EXAM	10/03/16	150.00
030014	DEARBORN NATIONAL LIFE INSURAN	OCTOBER 2016 LIFE INSURANCE PREMIUMS	10/03/16	365.50
030015	GUARDIAN	OCTOBER 2016 DENTAL PREMIUMS	10/03/16	3910.22
030016	HYATT REGENCY LONG BEACH	2016 LOCC HOTEL - CARBONE	10/03/16	784.40
030017	MONTEREY COUNTY BUSINESS	10/14/16 ROAST FOR MARY ANN LEFFEL	10/03/16	1375.00
030018	CITY OF MONTEREY	AUGUST 2016 BUILDING INSPECTIONS/PLAN CHECKS	10/03/16	571.18
030019	OHIO NATIONAL LIFE	OCTOBER 2016 LIFE INSURANCE PREMIUMS	10/03/16	69.55
030020	DAVID PENDERGRASS	OCTOBER 2016 PAYROLL	10/03/16	1513.78
030021	PETTY CASH - TO BE CASHED BY	REPLENISH PETTY CASH	10/03/16	113.34
030022	PITNEY BOWES	REPLENISH POSTAGE MACHINE	10/03/16	300.00
030023	DAVID W. JANSEN	FINANCE - HDL SERVER SPACE ISSUE	10/03/16	168.00
030023	DAVID W. JANSEN	MAINTENANCE/PRINTER/BACKUP/INTERNET	10/03/16	861.00
030024	SAND CITY POLICE OFFICERS	OCTOBER 2016 POA DUES	10/03/16	315.00
030025	UNIVERSAL STAFFING IN	TEMP SERVICES FOR 9/12/16 TO 9/16/16	10/03/16	559.00
030026	MARY ANN WEEMS	FOR OCTOBER 2016	10/03/16	204.02
30003A	PERS - MEDICAL	OCTOBER 2016 PERS HEALTH PREMIUMS	10/07/16	16924.63
30003C	ADP, INC	P/R PROCESSING CHARGES FOR PERIOD ENDING 9/30/16	10/07/16	280.02
030027	RABOBANK VISA CARD	WINCH ANCHOR,DLIFLC,CABINET,SUPPLIES, ETC.	10/11/16	169.28
030028	RABOBANK VISA CARD	FLIGHT FOR CALPERS FORUM - LINDA	10/11/16	169.10
030029	RABOBANK VISA CARD	DESAL INVITES,RESCUE DISCS,DUFFLE,SHOE SHINER	10/11/16	1041.99
030030	RABOBANK VISA CARD	COFFEE FOR 9/17/16 BEACH CLEAN UP	10/11/16	30.00
030031	RABOBANK VISA CARD	2016 LOCC FLIGHT - BODEM	10/11/16	287.20
030032	ACCO BRANDS DIRECT	2017 CALENDARS FOR CITY HALL & POLICE	10/11/16	208.20
030033	AFLAC	SEPTEMBER 2016 AFLAC PREMIUMS	10/11/16	948.07
030034	AMERIPRIDE SERVICES	SEPTEMBER 2016 LAUNDRY SERVICE	10/11/16	479.37
030035	A.T. & T.	AUGUST 2016 POLICE CLETS PHONE LINE	10/11/16	43.16
030036	AUTOMOTIVE SPECIALISTS	DIAGNOSE P/W CHEVY TRUCK - NOT PASSING SMOG	10/11/16	110.00
030037	AVAYA, INC	SEPTEMBER 2016 TELEPHONE LEASE	10/11/16	245.86
030038	TODD BODEM	OCTOBER 2016 ACCRUAL CASH OUT	10/11/16	5084.57
030039	JEFF BUSHNELL	REIMBURSE EXPENSES FOR SERGEANT COURSE/9-12TO9-23	10/11/16	2415.93
030040	CAL-AM WATER	SEPTEMBER 2016 WATER BILL - 1 SYLVAN	10/11/16	90.81
030040	CAL-AM WATER	SEPTEMBER 2016 WATER BILL - 320 ELDER	10/11/16	66.46
030040	CITY OF MARINA	FY 2016-2017 SRU ANNUAL CONTRIBUTION	10/11/16	5000.00
030042	CMRTA	CMRTA ANNUAL CONFERENCE REGISTRATION - CONNIE	10/11/16	325.00
030043	MONTEREY COUNTY WEEKLY	2016 WEST END ADVERTISING	10/11/16	4539.00
030044	COMCAST	OCTOBER 2016 POLICE INTERNET	10/11/16	151.14
030045	HSBC BUSINESS SOLUTIONS	SEPTEMBER 2016 SUPPLIES	10/11/16	1114.87
030046	CSMFO	CSMFO CONFERENCE REGISTRATION - LINDA	10/11/16	370.00
030047	DEL REY OAKS CAR WASH	30 CAR WASH TICKETS FOR POLICE	10/11/16	240.00
030048	LAWRENCE ESCOBAR	REIMBURSE EXPENSES FOR COMPOSITE DRAWING CLASS	10/11/16	68.06
030049	THE HERALD	SEPTEMBER 2016 LEGAL ADVERTISING	10/11/16	181.87
030050	HOME DEPOT CREDIT SERVICE	SEPTEMBER 2016 SUPPLIES	10/11/16	835.57
030051	MARTINS IRRIGATION SUPPLY	VALVES FOR CITY HALL IRRIGATION REPAIR	10/11/16	54.00
030052	MONTEREY COUNTY BUSINESS	10/14/16 MCBC LUNCHEON	10/11/16	75.00
030053	MCCEPD	10/20/16 EMPLOYER AWARDS RECOGNITION & SEMINAR	10/11/16	120.00
030054	MCGRATH RENTCORP	OCTOBER 2016 POLICE LOCKER ROOM RENTAL PAYMENT	10/11/16	184.99
030055	PUBLIC EMPLOYEES RET. SYS	GASB 68 REPORTS FOR 2016-2017	10/11/16	3250.00
030056	PETTY CASH - TO BE CASHED BY	REPLENISH PETTY CASH	10/11/16	131.10
030057	RED WING SHOES	WORK BOOTS FOR FRED	10/11/16	124.65
030058	RED SHIFT INTERNET SRVCS	OCTOBER 2016 CITY/POLICE DSL, WEB & INTERNET	10/11/16	93.89
030059	DAVID W. JANSEN	CITY HALL SYSTEMS SCHEDULED MAINTENANCE 9/29/16	10/11/16	735.00
030059	DAVID W. JANSEN	EMAIL OUTAGE IN CITY HALL	10/11/16	84.00
030059	DAVID W. JANSEN	POLICE - SCANNER OUTAGE	10/11/16	231.00
030059	DAVID W. JANSEN	POLICE - USB CABLE FOR SCANNER	10/11/16	17.33
030059	DAVID W. JANSEN	POLICE/PW - DOMAIN, MAINTENANCE 9/30/16	10/11/16	735.00
030059	DAVID W. JANSEN	ICE FOR 9/17/16 DESAL TOUR/BEACH CLEAN UP	10/11/16	19.51
030060	SMART & FINAL	RESTROOM RENTAL FOR 9/17/16 BEACH CLEAN UP	10/11/16	173.80
030061	STAR SANITATION, LLC	RESTROOM RENTAL FOR JURIED ART SHOW	10/11/16	114.06
030061	STAR SANITATION, LLC	RESTROOM RENTAL FOR JURIED ART SHOW	10/11/16	114.06
030062	STURDY OIL COMPANY	9/15/16 TO 9/30/16 FUEL COSTS	10/11/16	747.08
030063	RABOBANK VISA CARD	SEMINAR, THUMB DRIVES, REGISTRATION	10/11/16	792.34
030064	EAST DUNES LLC	REFUND OF BUNGALOWS PROJECT CASH SURETY BALANCE	10/14/16	15700.00
03003B	PUBLIC EMPLOYEES RET. SYS	SEPTEMBER 2016 PERS RETIREMENT CONTRIBUTIONS	10/14/16	39124.95
030065	AT & T	SEPTEMBER 2016 POLICE TRACNET PHONE LINE	10/18/16	126.58
030066	A.T. & T.	SEPTEMBER 2016 TELEPHONE BILL	10/18/16	267.80
030067	CAPITOL ENQUIRY	2017 CALIFORNIA LEGISLATURE POCKET DIRECTORY	10/18/16	20.23
030068	CALIFORNIA HIGHWAY	SEPTEMBER 2016 HIGHWAY CLEAN UP	10/18/16	295.00
030069	MONTEREY COUNTY WEEKLY	SEPTEMBER 2016 CO-OP/ART COMMITTEE ADVERTISING	10/18/16	1076.00
030070	COMCAST	OCTOBER 2016 POLICE PHONE/PW PHONE AND INTERNET	10/18/16	209.16
030071	CREEGAN & D'ANGELO	SEPTEMBER 2016 ENGINEER SERVICES	10/18/16	16480.00
030072	CYPRESS COAST FORD	WIPER BLADES/OIL CHANGE FOR CHIEF VEHICLE	10/18/16	103.04
030073	DE LAGE LANDEN FINANCIAL SERVI	OCTOBER 2016 STREET SWEEPER PAYMENT #12	10/18/16	1522.18
030074	DYNA CLEAN SERVICES	OCTOBER 9, 2016 OFFICE CLEANING	10/18/16	300.00
030075	EMC PLANNING GROUP, INC.	MARCH-SEPTEMBER 2016 WEBSITE DEVELOPMENT	10/18/16	2731.72
030075	EMC PLANNING GROUP, INC.	SEPTEMBER 2016 OROSCO PROPERTY STAFF REPORT	10/18/16	4048.92
030075	EMC PLANNING GROUP, INC.	SEPTEMBER 2016 SCWSP STAFF SUPPORT	10/18/16	9175.64
030075	EMC PLANNING GROUP, INC.	SEPTEMBER 2016 SWSP BIOLOGICAL SERVICES	10/18/16	851.32
030075	EMC PLANNING GROUP, INC.	SEPTEMBER 2016 VIBRANCY PLAN SERVICES	10/18/16	9217.73
030076	FASTENAL COMPANY	4 HARD HATS FOR P/W	10/18/16	71.66
030077	FIRST ALARM SECURITY	11/1/16 TO 1/31/17 SECURITY	10/18/16	761.91
030078	HOPE SERVICES	SEPTEMBER 2016 CLEAN UP CREW	10/18/16	4647.83

Date...: Nov 28, 2016
 Time...: 1:58 pm
 Run by.: Linda Scholink

City of Sand City
 OCTOBER 2016 ACCOUNTS PAYABLE

Page: 2
 List: 0000
 ID #: FYCPDP

Check Number	Vendor Name	Invoice Description	Check Date	Gross Check Amount
030079	FRED D. HARDEE	BACKGROUND INVESTIGATION FOR POLICE CANDIDATE	10/18/16	1450.00
030080	HEATHER HARDEE	POLYGRAPH FOR POLICE CANDIDATE	10/18/16	295.00
030081	HAYASHI & WAYLAND	SEPTEMBER 2016 AUDIT/MANAGEMENT SERVICES	10/18/16	18131.08
030082	MONTEREY COUNTY TREASURER -	FY 16-17 PROPERTY TAXES 1ST & 2ND INSTALL/\$131.47	10/18/16	262.94
030083	MONTEREY COUNTY TREASURER -	FY 16-17 PROPERTY TAXES 1ST & 2ND INSTALL/\$37.88	10/18/16	75.76
030083	MONTEREY REGIONAL WATER	9/1/16 TO 10/31/16 SEWER BILL - 1 SYLVAN	10/18/16	82.96
030083	MONTEREY REGIONAL WATER	9/1/16 TO 10/31/16 SEWER BILL - 320 ELDER	10/18/16	41.48
030084	MRWMD	SEPTEMBER 2016 REFUSE CHARGES	10/18/16	789.81
030085	NAPA AUTO PARTS	OIL DRY/WINSHIELD WASH FOR CITY VEHICLES	10/18/16	30.72
030086	OFFICE DEPOT , INC.	SEPTEMBER 2016 SUPPLIES	10/18/16	560.84
030087	PACIFIC SMOG	SMOG CHECK FOR P/W TRUCK #8106	10/18/16	39.75
030088	PITNEY BOWES	7/30/16 TO 10/29/16 POSTAGE MACHINE LEASE	10/18/16	510.34
030089	PETTY CASH - TO BE CASHED BY	REPLENISH PETTY CASH	10/18/16	72.91
030090	PACIFIC GAS & ELECTRIC	SEPTEMBER 2016 UTILITY BILLS	10/18/16	2387.86
030091	PITNEY BOWES IN	E-Z SEAL FOR POSTAGE MACHINE	10/18/16	44.31
030092	DAVID W. JANSEN	CITY ADMIN SYSTEM MALWARE ISSUE	10/18/16	147.00
030093	SUNDIAL EDITIONS	2017 PLANNERS FOR LINDA & CONNIE	10/18/16	75.87
030094	VERIZON WIRELESS	SEPTEMBER 2016 CELL PHONE BILLS	10/18/16	1088.63
030095	ROBIN WARD	REIMBURSE 2016 JURIED ART SHOW EXPENSES	10/18/16	186.04
030096	A.T. & T.	SEPTEMBER 2016 POLICE OUTSIDE PHONE LINE	10/25/16	140.21
030097	COMCAST	OCTOBER 2016 CITY INTERNET/COUNCIL TV	10/25/16	87.10
030098	CA REVENUE OFFICERS ASSN.	FY 16-17 MEMBERSHIP DUES - LINDA	10/25/16	100.00
030099	CONNIE HORCA	REIMBURSE CMRTA CONFERENCE EXPENSES	10/25/16	308.57
030100	LIEBERT CASSIDY WHITMORE	SEPTEMBER 2016 PERSONNEL CONSULTING SERVICES	10/25/16	35.00
030100	LIEBERT CASSIDY WHITMORE	SEPTEMBER 2016 PERSONNEL CONSULTING SERVICES	10/25/16	245.00
030101	CITY OF MONTEREY	SEPTEMBER 2016 VEHICLE MAINTENANCE COSTS	10/25/16	1028.89
030102	PETTY CASH - TO BE CASHED BY	REPLENISH PETTY CASH	10/25/16	93.75
030103	SHRED IT- SAN JOSE	OCTOBER 12, 2016 SHREDDING SERVICE	10/25/16	65.03
030104	STURDY OIL COMPANY	10/1/16 TO 10/15/16 FUEL COSTS	10/25/16	792.46
030105	TRACNET	POLICE BAR CODE INTEGRATION SOFTWARE/RMS SYSTEM	10/25/16	5000.00
030106	CALPERS 457 PLAN	OCTOBER 2016 PERS 457 CONTRIBUTIONS	10/26/16	12000.00

Grn-Total:
 Ttl-Count: 121

216973.58

Successor Agency

REPORT.: 11/15/16
 RUN....: 11/15/16
 Run By.: LINDA

SUCCESSOR AGENCY
 Balance Sheet Report
 ALL FUND(S)

PAGE: 001
 ID #: GLBS
 CTL.: SUC

Ending Calendar Date.: October 31, 2016 Fiscal (04-17)

Assets			Acct ID

Debt Service Tax Increment Account	146,400.40	40	1005
Debt Service 2008 TAX EXEMPT CD #6998114883	525,735.82	40	1025
Debt Service 2008 TAX EXEMPT CD # 535671579	531,062.59	40	1026
Debt Service 2008A RESERVE ACCOUNT	4,083.57	40	1060
Debt Service Bank of Baroda- CD	200,000.00	40	1065
Debt Service Comenity Capital Bank- CD	245,000.00	40	1066
Debt Service Goldman Sachs-USA New York- CD	245,000.00	40	1067
Debt Service 2008B RESERVE ACCOUNT	4,468.49	40	1070
Debt Service GE-Capital Retail Bank-CD	120,000.00	40	1075
Debt Service Land	2,525,709.76	40	1291
Debt Service FURNITURE AND FIXTURES	40,218.25	40	1293
Debt Service SIGNS AND LANDSCAPING	182,630.99	40	1297
Debt Service ACCUMULATED DEPRECIATION	-214,453.10	40	1300

Total of Assets ---->	4,555,856.77		4,555,856.77
			=====

Liabilities			Acct ID

Debt Service REFUNDABLE FEES	1,455,000.00	40	2045
Debt Service GENERAL LT- ADVANCE COSTCO/SEA	4,650,000.00	40	2330
Debt Service LOAN PAYABLE-HOUSING	663,632.37	40	2452
Debt Service LT ADVANCES FOR OPERAT EXPENSE	3,626,057.91	40	2455
Debt Service ADVANCES COP REIMBURSEMENTS	1,454,766.42	40	2460
Debt Service SERIES A BONDS	5,265,000.00	40	2480
Debt Service SERIES B BONDS	1,260,000.00	40	2485

Total of Liabilities ---->	18,374,456.70		

FUND Balances			Acct ID

Debt Service Unappropriated Fund Balance	-14,054,047.29	40	3400
CURRENT EARNINGS	235,447.36		

Total of FUND Balances ---->	-13,818,599.93		4,555,856.77
			=====

REPORT.: Nov 15 16 Tuesday
 RUN....: 11/15/16 Time: 14:23
 Run By.: Linda Scholink

SUCCESSOR AGENCY
 Month End Cash Register Activity Report
 For Period: 10-16

PAGE: 001
 ID #: CH-AC
 CTL.: SUC

Reg	Period	Date	Receipt	T	Opr	ID No	Description	G/L Posting	Amt Paid
000	10-16	10/31/16	00252	C	Mis	PRP01	PROPERTY TAX INCREMENT OCTOBER 2016 INTEREST Receipt Date: 10/31/16 RABOBANK	Db: 40 1005 Cr: 40 4450 00	118.67
			00253	C	Mis	BND04	Issued..: TO (DEVON) Oct 31 2016 02:04 pm Devon 3 MONTH TAX EXEMPT BOND INTEREST OCTOBER 2016 INTEREST Receipt Date: 10/31/16 Paid by: RABOBANK	Lazzarino Db: 40 1025 Cr: 40 4435 00	21.91
			00254	C	Mis	BND05	Issued..: TO (DEVON) Oct 31 2016 02:09 pm Devon 6 MONTH TAX EXEMPT BOND INTEREST OCTOBER 2016 INTEREST Receipt Date: 10/31/16 Paid by: RABOBANK	Lazzarino Db: 40 1026 Cr: 40 4435 00	22.13
							Issued..: TO (DEVON) Oct 31 2016 02:11 pm Devon	Lazzarino	
							Day-10/31/16 Total ---->		162.71
							Period 10-16 Total ---->		162.71
							Register 000 Total ---->		162.71
							Total of All Registers ---->		162.71

REPORT.: Nov 15 16 Tuesday
 RUN...: Nov 15 16 Time: 14:20
 Run By.: Linda Scholink

SUCCESSOR AGENCY
 Month End Cash Disbursements Report
 Report for 10-16 BANK ACCOUNT 1005

PAGE: 001
 ID #: PY-CD
 CTL.: SUC

Period	Check Number	Check Date	Vendor # (Name)	Disc. Terms	Gross Amount	Disc Amount	Net Amount	Check Description
10-16	002100	10/17/16	CAL01 (CAL AM WATER)		99.40	.00	99.40	SEPT 2016 WATER BILLS - D
	002101	10/17/16	MCT01 (MONTEREY COUNTY TREASURER-)		128.30	.00	128.30	2016-2017 MOSQUITO ABATEM
	002102	10/17/16	MRW01 (MONTEREY REGIONAL WATER POLL		15.80	.00	15.80	9/1/16 TO 10/31/16 SEWER
	002103	10/24/16	USB01 (U.S. BANK)		386,660.30	.00	386,660.30	NOVEMBER 2016 2008A BOND
	002104	10/24/16	USB01 (U.S. BANK)		183,955.03	.00	183,955.03	NOVEMBER 2016 2008B BOND
Total for Bank Account 1005 ----->					570,858.83	.00	570,858.83	
Grand Total of all Bank Accounts ----->					570,858.83	.00	570,858.83	

AGENDA ITEM

6D

MEMO

To: Honorable Mayor and City Council
From: Todd Bodem, City Administrator
Date: November 29, 2016
Subject: Resolution Authorizing Health Care Benefit Changes for the 2017 Contract Year

Overview

Every year the City adjusts the health premium structure to accommodate the change in the cost of health premiums without changing the total health benefit. Health premiums increased for 2017. To adjust for the health benefit increase, the health benefit incentive was decreased as illustrated below:

Plan	CalPERS CARE Health Benefit	Health Care Incentive Bonus	Total Health Care Benefit
Proposed 2017 Single Party, Optional Member:	\$921.24	\$133.86	\$1,055.10
<i>Current 2016</i>	<i>\$886.15</i>	<i>\$168.95</i>	<i>\$1,055.10</i>
Proposed 2017 Employee plus Half dependent:	\$1,381.86	\$200.79	\$1,582.65
<i>Current 2016</i>	<i>\$1,329.23</i>	<i>\$253.42</i>	<i>\$1,582.65</i>

Recommendation

Approve a resolution authorizing health care benefit changes for the 2017 contract year.

CITY OF SAND CITY

RESOLUTION SC ____, 2016

RESOLUTION OF THE CITY COUNCIL OF SAND CITY AUTHORIZING HEALTH CARE BENEFIT CHANGES FOR THE 2017 CONTRACT YEAR

WHEREAS, the City of Sand City, a charter city, provides a health care benefit to its, employees and its optional members (the City Council and City Attorney); and

WHEREAS, upon providing the City with proof of group insurance coverage, current employees, and optional members are entitled to receive a health care benefit from the City in the form of cash in an amount equal to what the City would contribute as the PERS Health Insurance Benefit for such employee or optional member (the "Cash In-Lieu Health Benefit"); and

WHEREAS, the City's PERS annuitants are entitled to the same PERS Health Insurance Benefit as the City's employees and optional Members, as the case may be; and

WHEREAS, the City PERS annuitants are not entitled to the Cash-In-Lieu Health Benefit; and

WHEREAS, CalPERS has approved new rates for the 2017 contract year for this Group Health Insurance Policies as shown in Attachment 1, attached hereto and incorporated herein by this reference; and

WHEREAS, the City of Sand City further finds that the health care benefit offered its employees and optional members should also include an incentive to encourage employees, and optional members to engage in preventive health care services related to all health wellness programs, and out-of-pocket expenses related to all health care services (Health Incentive Bonus); and

WHEREAS, the City desires to continue to offer its current employees and optional employees an amount equal to the current PERS Health Insurance Benefit (based on the PERSCare Premium) plus the Health Incentive Bonus equal to \$1,055.10 for Single Party, Optional Member and \$1,582.65 for Employee plus half dependent; and

WHEREAS, the City's health care benefit as of January 1, 2017 will be a contribution of the full amount necessary to pay for enrollment of its employees and their family members and its optional members in the Public Employees' Medical and Hospital Care Act up to a maximum of:

- a) 100% Single Party Rate for PERSCare for each employee, plus 50% of such Single Party Rate for one dependent of such employee:
- b) 100% of Single Party Rate for PERSCare for each optional member; hereinafter referred to as the "PERS Health Insurance Benefit".

WHEREAS, health premiums increased for 2017, and every year the City adjusts the health premium structure to accommodate the change in the cost of health premiums without changing the total health benefit, and to accommodate the increase in the health premium, the health care incentive bonus was decreased.

Sand City Resolution SC ___, 2016

NOW, THEREFORE, BE IT RESOLVED by the City Council of Sand City that the following health care benefits are authorized for current eligible Sand City employees and optional members during the calendar year 2017.

Monthly Health Care Benefit Effective January 1, 2017:

	CalPERS Care	Health Care Incentive Bonus	Total Health Care Benefit
Proposed 2017 Single Party, Optional Member:	\$ 921.24	\$ 133.86	\$1,055.10
<i>Current 2016</i>	<i>\$886.15</i>	<i>\$168.95</i>	<i>\$1,055.10</i>
Proposed 2017 Employee plus Half dependent:	\$1381.86	\$ 200.79	\$1,582.65
<i>Current 2016</i>	<i>\$1,329.23</i>	<i>\$253.42</i>	<i>\$1,582.65</i>

PASSED AND ADOPTED by the City Council of Sand City on this ___, day of December, 2016 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

David K. Pendergrass, Mayor

ATTEST:

Linda K. Scholink, City Clerk

8/17/2016

RECEIVED

**Monthly Premiums for Contracting Agencies
Other Northern California Region**

JUL 19 2016

Apline, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Plumas, San Benito, Shasta, Sierra, Siskiyou, Stanislaus, Tehama, Trinity, Tuolumne

CITY OF SAND CITY

Actives and Annuitants
Effective Date: 1/1/2017 - 12/31/2017

Basic Monthly Rate (B)

PLAN	Employee Only	Plan Code	Party Rate	Employee & 1 Dependent	Plan Code	Party Rate	Employee & 2+ Dependents	Plan Code	Party Rate
Anthem EPO Del Norte	\$820.38	174 1	1	\$1,640.76	174 2	2	\$2,132.99	174 3	3
Anthem EPO Monterey	820.38	484 1	1	1,640.76	484 2	2	2,132.99	484 3	3
Anthem HMO Select	892.13	470 1	1	1,784.26	470 2	2	2,319.54	470 3	3
Anthem HMO Traditional	1,169.87	466 1	1	2,339.74	466 2	2	3,041.66	466 3	3
BSC Access+	954.51	303 1	1	1,909.02	303 2	2	2,481.73	303 3	3
BSC EPO	954.51	482 1	1	1,909.02	482 2	2	2,481.73	482 3	3
Kaiser Permanente	733.99	307 1	1	1,467.98	307 2	2	1,908.37	307 3	3
PERS Choice	820.38	322 1	1	1,640.76	322 2	2	2,132.99	322 3	3
PERS Select	727.45	053 1	1	1,454.90	053 2	2	1,891.37	053 3	3
PERSCare	921.24	327 1	1	1,842.48	327 2	2	2,395.22	327 3	3
PORAC	699.00	207 1	1	1,467.00	207 2	2	1,876.00	207 3	3
UnitedHealthcare	882.35	430 1	1	1,764.70	430 2	2	2,294.11	430 3	3

Supplement/Managed Medicare Monthly Rate (M)

PLAN	Employee Only	Plan Code	Party Rate	Employee & 1 Dependent	Plan Code	Party Rate	Employee & 2+ Dependents	Plan Code	Party Rate
Kaiser Senior Adv	\$300.48	317 1	4	\$600.96	317 2	5	\$901.44	317 3	6
Kaiser Senior Adv/Dental ¹	300.48	491 1	4	600.96	491 2	5	901.44	491 3	6
PERS Choice Med Supp	353.63	332 1	4	707.26	332 2	5	1,060.89	332 3	6
PERS Select Med Supp	353.63	054 1	4	707.26	054 2	5	1,060.89	054 3	6
PERSCare Med Supp	389.76	337 1	4	779.52	337 2	5	1,169.28	337 3	6
PORAC Med Supp	464.00	208 1	4	924.00	208 2	5	1,477.00	208 3	6
UnitedHealthcare Group Med Adv/PPO Health Only	324.21	384 1	4	648.42	384 2	5	972.63	384 3	6
UnitedHealthcare ² Group Med Adv/PPO Health/Dental/Vision	324.21	385 1	4	648.42	385 2	5	972.63	385 3	6

Combination Monthly Rate

PLAN	Employee in M 1 Dependent in B	Plan Code	Party Rate	Employee in M 2+ Dependents in B	Plan Code	Party Rate	Employee in M & 1 Dependent in M 1+ Dependents in B	Plan Code	Party Rate
Anthem Del Norte EPO/Med Supp	\$1,174.01	377 4	7	\$1,666.24	377 5	8	\$1,199.49	377 6	9
Anthem Monterey EPO/Med Supp	1,174.01	362 4	7	1,666.24	362 5	8	1,199.49	362 6	9
Kaiser/Senior Adv	1,034.47	344 4	7	1,474.86	344 5	8	1,041.35	344 6	9
Kaiser Senior Adv/Dental ¹	1,034.47	501 4	7	1,474.86	501 5	8	1,041.35	501 6	9
PERS Choice/Med Supp	1,174.01	349 4	7	1,666.24	349 5	8	1,199.49	349 6	9
PERS Select/Med Supp	1,081.08	355 4	7	1,517.55	355 5	8	1,143.73	355 6	9
PERSCare/Med Supp	1,311.00	360 4	7	1,863.74	360 5	8	1,332.26	360 6	9
PORAC/Med Supp	1,232.00	158 4	7	1,641.00	158 5	8	1,333.00	158 6	9
UnitedHealthcare Group Med Adv/PPO Health Only	1,206.56	371 4	7	1,735.97	371 5	8	1,177.83	371 6	9
UnitedHealthcare ² Group Med Adv/PPO Health/Dental/Vision	1,206.56	372 4	7	1,735.97	372 5	8	1,177.83	372 6	9

¹Dental benefit is an additional \$14.33 per member per month premium. You will be billed directly for this amount.

²Dental and Vision coverage is an additional \$27.47 per member per month premium. You will be billed directly for this amount.

AGENDA ITEM

6E

CITY OF SAND CITY

RESOLUTION SC ____, 2016

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAND CITY
RE-APPOINTING DAVID PENDERGRASS
TO THE MONTEREY REGIONAL WASTE MANAGEMENT
BOARD OF DIRECTORS**

WHEREAS, the Monterey Regional Waste Management District provides the highest quality, cost-efficient integrated waste management services to the greater Monterey Peninsula while preserving the environment and protecting public health through the reduction, reuse, recycling and safe disposal of waste stream; and

WHEREAS, since July 1999, David Pendergrass has served as Sand City's representative to the Monterey Regional Waste Management District Board of Directors; and

WHEREAS, the current term as Board Representative to the Monterey Regional Waste Management District will expire on December 31, 2016; and

WHEREAS, the Monterey Regional Waste Management District Board meetings are held on the third Friday of each month.

NOW, THEREFORE, BE IT RESOLVED by the Sand City Council that David Pendergrass is hereby re-appointed to the Monterey Regional Waste Management District Board of Directors for a four (4) year term to December 31, 2020.

PASSED AND ADOPTED by the Sand City Council this 6th, day of December 2016, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

ATTEST:

David K. Pendergrass, Mayor

Linda K. Scholink, City Clerk

MEMO

To: Honorable Mayor and City Council
From: Todd Bodem, City Administrator
Date: November 22, 2016
Subject: Resolution Re-Appointing David Pendergrass to the Monterey Regional Waste Management Board of Directors

Overview

On December 31, 2016, Mayor David Pendergrass term as representative to the Monterey Regional Waste Management District/Authority Board of Directors will expire.

Mayor Pendergrass has served on this Board since July 1999. Upon approval, his term will end on December 31, 2020.

Recommendation

Approve a Resolution re-appointing David Pendergrass to the Monterey Regional Waste Management Board of Directors

BOARD OF DIRECTORS
DENNIS ALLION
CHAIR
IAN OGLESBY
VICE CHAIR
BALES
PENDERGRASS
LEO LASKA
LIBBY DOWNEY
JANE PARKER
BRUCE DELGADO
CARRIE THEIS



TIMOTHY S. FLANAGAN
GENERAL MANAGER
GUY PETRABORG, P.E., G.E.
DISTRICT ENGINEER
ROBERT WELLINGTON
COUNSEL

MONTEREY REGIONAL
WASTE MANAGEMENT DISTRICT
Home of the Last Chance Mercantile

November 15, 2016

Mayor David Pendergrass
City of Sand City
1 Sylvan Place
Sand City, CA 93955

Dear Mayor Pendergrass:

On December 31, 2016, your term as representative from your city to the Monterey Regional Waste Management District/Authority Board of Directors will expire.

You have served on this Board since July 1999. If reappointed, your term will end on December 31, 2020. You may not be replaced prior to that date, except for cause.

As you know, District Board meetings are normally held at the District office, 14201 Del Monte Blvd, north of Marina at 9:30 a.m. on the third Friday of each month, unless otherwise noted.

Please advise the District in writing as soon as your action has been taken.

Sincerely,

Timothy S. Flanagan
General Manager

cc: Todd Bodem, City Administrator

RECEIVED

NOV 16 2016

CITY OF SAND CITY

AGENDA ITEM

6F (1)

**CITY OF SAND CITY
RESOLUTION SC _____, 2016**

**RESOLUTION OF THE CITY OF SAND CITY HONORING
OFFICER DAVID DUCOEUR
IN RECOGNITION OF HIS LIFE SAVING ACTIONS WHILE ASSISTING A VICTIM OF
ASSAULT ON THE STATE PARKS BEACH AREA**

WHEREAS, on July 15 2010, Police Officer David Ducoeur began his career in Law Enforcement with the Sand City Police Department and

WHEREAS, on a daily basis, public safety officers report for duty with the knowledge of unexpected dangers they may face, and work tirelessly to serve and protect citizens and individuals within their communities, and

WHEREAS, on the night of July 22nd, 2016 Police Officer David Ducoeur along with Police Officer Brandon Segovia heard a radio call of a person possibly stabbed and severely injured on the beach near Marina; and

WHEREAS, upon hearing that Marina PD had been unable to locate the victim due to darkness and the inaccessibility of the region, Officers Ducoeur and Segovia took it upon themselves to take the City utility terrain vehicle to search the area, and

WHEREAS, during the search the officers located the victim with multiple stab wounds in the California State Parks beach area north of Sand City, and

WHEREAS, recognizing that she was incoherent and suffering severe blood loss, they provided immediate life-saving first aid and called in emergency medical assistance to the area, and

WHEREAS, after providing first aid they transported the victim out of the beach area to a waiting air ambulance which undoubtedly saved her life, and

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Sand City recognizes Police Officer David Ducoeur in honor of his life-saving actions and invaluable contribution to serve, protect, and keep the peace and welfare of the City of Sand City's residents and citizens of the surrounding community.

PASSED AND ADOPTED by the City Council of the City of Sand City this 6th, day of December, 2016 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

ATTEST:

David K. Pendergrass, Mayor

Linda K. Scholink, City Clerk

AGENDA ITEM

6F (2)

**CITY OF SAND CITY
RESOLUTION SC _____, 2016**

**RESOLUTION OF THE CITY OF SAND CITY HONORING
OFFICER BRANDON SEGOVIA
IN RECOGNITION OF HIS LIFE SAVING ACTIONS WHILE ASSISTING A VICTIM OF
ASSAULT ON THE STATE PARKS BEACH AREA**

WHEREAS, in July 2008, Police Officer Brandon Segovia began his career in Law Enforcement with the Seaside Police Department and

WHEREAS, on November 20th 2015, after seven years of exemplary law enforcement service on the Monterey Peninsula, Brandon began his tenure with the Sand City Police Department

WHEREAS, on a daily basis, public safety officers report for duty with the knowledge of unexpected dangers they may face, and work tirelessly to serve and protect citizens and individuals within their communities, and

WHEREAS, on the night of July 22nd, 2016 Police Officer Brandon Segovia along with Police Officer David Ducoeur heard a radio call of a person possibly stabbed and severely injured on the beach near Marina; and

WHEREAS, upon hearing that Marina PD had been unable to locate the victim due to darkness and the inaccessibility of the region, the officers took it upon themselves to take the City utility terrain vehicle to search the area, and

WHEREAS, during the search they located the victim with multiple stab wounds in the California State Parks beach area north of Sand City, and

WHEREAS, recognizing that she was incoherent and suffering severe blood loss, they provided immediate life-saving first aid and called in emergency medical assistance to the area, and

WHEREAS, after providing first aid they transported the victim out of the beach area to a waiting air ambulance which undoubtedly saved her life, and

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Sand City recognizes Police Officer Brandon Segovia in honor of his life-saving actions and invaluable contribution to serve, protect, and keep the peace and welfare of the City of Sand City's residents and citizens of the surrounding community.

PASSED AND ADOPTED by the City Council of the City of Sand City this 6th, day of December, 2016 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

David K. Pendergrass, Mayor

ATTEST:

Linda K. Scholink, City Clerk

AGENDA ITEM

6G

Memo

To: City Council
From: Todd Bodem, City Administrator
Date: November 22, 2016
Subject: Review of City Contribution/Donation

Attached is a request from one organization for support and contribution for Fiscal Year 2016-17. After reviewing this request, the following donation is recommended:

- Salvation Army Christmas - \$300

If any Council member wants to discuss this request or to propose a different contribution, then this item should be pulled from the consent calendar for discussion with the full Council.

The following finding is specified in the annual City/Successor Agency Budget: *"The Sand City Council finds that it is a valid public purpose and in the best interest of this small city to support and participate in various community programs and activities of the larger Monterey Peninsula area. This support includes not only the City's financial contributions outlined in the attached pages but also the active involvement/participation by council members, city staff, Sand City businesses and citizens. This is Sand City's pledge and commitment of support for the larger regional community in which it is an active and dedicated member".*



GIVE WARMTH. GIVE LOVE. GIVE HOPE.

When you give to The Salvation Army, you aren't just giving money. You're giving a hungry child a warm meal. You're giving a disadvantaged boy or girl some much-needed hope. You're giving a struggling family an opportunity to turn things around.



RECEIVED
NOV 28 2015

So many families in Monterey are struggling this Christmas. Please give them hope — please make a donation today.

CITY OF SAND CITY

DOING THE MOST GOOD



SA-16005

Yes, I want to give hope to those who are struggling this Christmas.

Enclosed is my gift of \$ _____.

Please make your check payable to The Salvation Army.

- Please check to donate by credit card, and complete the back of this form.
- Tell me how a gift can bring lifetime income and tax benefits.
- Please let me know how I can include The Salvation Army in my will.

To give online or make a monthly gift, visit SalArmy-GState.org

P2-0008896

City of Sand City
City Hall
1 Sylvan Way
Sand City, CA 93955-3039

The Salvation Army
P.O. Box 1884
Monterey, CA 93942-1884



991003585826517CFBK1800B3M0N0000B3M0N8

Dear Friends,

Could you open your heart
and share your blessings this Christmas?

With your donation, we can help
our struggling neighbors with food,
clothing, gifts for their children –
and offer much-needed hope at
Christmas, and all year long.

A gift in any amount is very
much appreciated!!

Thank you and God bless.



May you have ***

The Spirit of Christmas which is peace.

The Gladness of Christmas which is hope.

The Heart of Christmas which is love.

Have a truly blessed Christmas!

Your Friends at The Salvation Army

AGENDA ITEM

8A

MEMO

To: Honorable Mayor and City Council
From: Todd Bodem, City Administrator
Date: November 22, 2016
Subject: Resolution Accepting The Audited Financial Statements for The Year Ended June 30, 2016 and Independent Auditors Report

Overview

Hayashi Wayland has performed Sand City's audit for the year ended June 30, 2016. Included in this transmittal is the preliminary draft audit with supporting documentation for review and discussion. Hayashi Wayland representatives Therese Courtney and Mike Nolan will be present to provide an overview along with the financial city-wide highlights.

On October 21, 2016, Hayashi Wayland representatives provided a detailed overview of the Audit to the Budget and Personnel Committee. Below are some of the highlights:

- The assets of the City of Sand City exceeded its liabilities at the close of the year ended June 30, 2016 by \$23 million. However, \$12 million is a net investment in capital assets and \$10 million is a noncurrent receivable due from the Successor Agency
- A prior adjustment in the amount of \$107,000 was made to reduce beginning net position due the implementation of GASB 82
- At the close of the year ended June 30, 2016, the City of Sand City's governmental funds reported combined ending fund balances of \$18 million, \$10 million of which is a noncurrent receivable. The net change in fund balances was an increase of \$1.4 million
- The net position at the end of fiscal year 2016 of \$22,964,000 is higher than the fiscal year 2015 of \$22,265,000, an increased net position of \$699,000
- The City's sales revenue increased by 4.75% from April through June the same time last year
- The City's property tax value increased 2.66% over the same time last year.

It is the Auditor's opinion that the enclosed financial statements demonstrates that the City is in a good financial position.

Recommendation

The Budget Committee reviewed with City staff the attached financial statements for fiscal year ending June 30, 2016, and the Budget Committee is recommending acceptance of the documents to the City Council.

CITY OF SAND CITY
RESOLUTION SC _____, 2016

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAND CITY
ACCEPTING THE AUDITED FINANCIAL STATEMENTS FOR THE
YEAR ENDED JUNE 30, 2016 AND INDEPENDENT AUDITORS' REPORT**

WHEREAS, the City of Sand City has completed financial transactions for the fiscal year ending June 30, 2016; and

WHEREAS, prudent financial management, along with State and Federal regulations, dictate that an independent financial audit be conducted on the City's yearly financial transactions; and

WHEREAS, the City of Sand City has contracted with the accounting firm of Hayashi & Wayland for accounting/audit services; and

WHEREAS, Hayashi & Wayland have the necessary qualifications and have full access to all City/Successor Agency financial records to conduct an audit of the City's finances for this year; and

WHEREAS, Hayashi & Wayland have worked with City staff in auditing the financial records of the City for the fiscal year ended June 30, 2016; and

WHEREAS, in the Auditor's opinion, the enclosed financial statements do present fairly, in all material respects a clean opinion of the financial position of the City of Sand City as of June 30, 2016, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America; and

WHEREAS, it is noted in these Statements that the City of Sand City has been following the provisions of Governmental Accounting Standards Board (GASB) Statements that pertains to local governments, and these audited financial statements were prepared in compliance with these new accounting standards; and

WHEREAS, on October 21, 2016, the Auditors and Budget Committee reviewed with City staff the attached financial statements for the fiscal year ending June 30, 2016, and the Budget Committee is recommending acceptance of the documents by the full City Council.

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

1. That the attached financial statements are hereby accepted.
2. That City staff are authorized to use this final audit as the City's financial record for the fiscal year ended June 30, 2016.

PASSED AND ADOPTED by the Sand City Council on this 6th, day of December, 2016, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

ATTEST:

David K. Pendergrass, Mayor

Linda K. Scholink, City Clerk



HAYASHI | WAYLAND

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DEC 01 2016

Independent Accountants' Report on
Agreed-Upon Procedures Applied
to Appropriations Limit Worksheet

CITY OF SAND CITY

The Honorable Mayor and City Council
City of Sand City
Sand City, California

We have performed the procedures enumerated below to the accompanying Appropriations Limit Worksheet of the City of Sand City, California for the year ended June 30, 2016. These procedures, which were agreed to by the City of Sand City, California and the League of California Cities (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*), were performed solely to assist the City of Sand City, California in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution.

The City of Sand City's management is responsible for the Appropriations Limit Worksheet. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the computations of the appropriation limit and compared the limit and annual adjustment factors included in the computation to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned computation to those that were selected by a recorded vote of the City Council.

Finding: The City incorrectly used the County's population growth figure in the calculation for the inflation ratio.

2. For the accompanying Appropriations Limit Worksheet, we added line A, last year's limit, to line E, total adjustments, and compared the resulting amount to line F, this year's limit.

Finding: No exceptions were noted as a result of our procedures.

3. We compared the current year information presented in the accompanying Appropriations Limit Worksheet to the adjustment factors provided by the County.

Finding: As noted above, the incorrect figure was used for the inflation ratio.



4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Worksheet to the prior year appropriations limit adopted by the City Council for the prior year.

Finding: No exceptions were noted as a result of our procedures.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit Worksheet. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by Article XIII B of the California Constitution.

This report is intended solely for the information and use of the City Council and management of the City of Sand City, California and is not intended to be and should not be used by anyone other than these specified parties.

November 28, 2016

Hayashi Wayland, LLP

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DEC 01 2016

CITY OF SAND CITY

**CITY OF SAND CITY
 APPROPRIATIONS LIMIT
 FISCAL YEAR 2014 – 2015**

A.	LAST YEAR'S LIMIT		\$ 10,235,048
B.	ADJUSTMENT FACTORS		
	1. Population ratio	1.0118	
	2. Inflationary ratio	<u>1.9977</u>	
	Total adjustment ratio	<u>1.0095</u>	
C.	ANNUAL ADJUSTMENT	\$ 97,233	
D.	OTHER ADJUSTMENTS:		
	Lost responsibility (-)	-	
	Transfer to private (-)	-	
	Transfer to fees (-)	-	
	Assumed responsibility (+)	-	
	Subtotal other adjustments	\$ <u>-</u>	
E.	TOTAL ADJUSTMENTS		<u>97,233</u>
F.	THIS YEAR'S LIMIT		<u>\$ 10,332,281</u>



HAYASHI | WAYLAND

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DEC 01 2016

November 28, 2016

CITY OF SAND CITY

The Honorable Mayor and City Council
City of Sand City
Sand City, California

We are pleased to present this report related to our audit of the basic financial statements and compliance of the City of Sand City (the City) for the year ended June 30, 2016. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the City of Sand City's financial and compliance reporting process.

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are, significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities with regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States have been described to you in our arrangement letter dated May 10, 2016.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the City. Following is a description of significant accounting policies or their application that were either initially selected or changed during the year.



In June 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement provides guidance for determining a fair value measurement, applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement will enhance fair value application guidance, comparability of financial statements among governments, and related disclosures by providing information on valuation techniques and the impact of fair value measurements on a government's financial position. The City implemented this statement in fiscal year 2016. There was no significant effect on the financial statements due to the implementation.

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement supersedes Statement No. 55, related to GAAP hierarchy. The requirements in this Statement will allow governments to apply financial reporting guidance with less variation, which will improve the usefulness and comparability of financial statement information for making decisions and assessing accountability. The City implemented this statement in fiscal year 2016. There was no significant effect on the financial statements due to the implementation.

In March 2016, GASB issued Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The City implemented this statement in fiscal year 2016. As a result of the implementation, the City reported a prior period adjustment to net position in the amount of \$107,058.

Recently Issued Accounting Standards

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces Statements No. 43 and No. 57 related to postemployment benefits other than pensions, as well as includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, No. 43, and No. 50. Statement No. 74 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The requirements of this Statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet the specified criteria. The provisions in this Statement are effective for fiscal years beginning after June 15, 2016.

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statements No. 45 and No. 57 related to postemployment benefits other than pensions. Statement No. 75 establishes new accounting and financial reporting requirements for OPEB plans. The requirements of this Statement will improve the decision-usefulness of information

in employer and governmental non-employer contributing entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. The provisions in this Statement are effective for fiscal years beginning after June 15, 2017.

Significant or Unusual Transactions

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to compute and record these accounting estimates. The significant accounting estimates reflected in the City of Sand City's June 30, 2016 financial statements include useful lives of depreciable assets, the cost of other post employment benefits and the pension cost and liability.

Audit Adjustments

Audit adjustments proposed by us and recorded by the City of Sand City are shown on the attached "Adjusting Journal Entries," "Reclassification Journal Entries," and "Prepared by Client Journal Entries."

Uncorrected Misstatements

There were no uncorrected misstatements.

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

No significant issues arising from the audit were discussed with or were the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.

Letter Communicating Significant Deficiencies and Material Weaknesses in Internal Control over Financial Reporting

When significant deficiencies and material weaknesses are identified during our audit of the financial statements, we are required to communicate them to you in writing. For the year ended June 30, 2016 a letter was not required.

Other Audit Findings or Issues

Fixed Assets

The fixed assets schedule provided for the current year did not reconcile to the general ledger making it necessary for the auditors to make corrections and adjustments.

We recommend that the fixed assets schedule be reconciled to the general ledger on a regular basis.

Accrued PTO

It was discovered during the audit process that the accrued PTO was not calculated properly, the Public Works department had not been included on the schedule.

We recommend that the schedule be reviewed to ensure that it is complete and accurate.

Certain Written Communications between Management and Our Firm

We have requested certain representations from management that are included in the management representation letter dated November 28, 2016.

This report is intended solely for the information and use of the City Council and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the City of Sand City.

Sincerely,



Michael B. Nolan, CPA, CFE, CGMA
Partner
Hayashi Wayland

City of Sand City
 Year End: June 30, 2016
 Adjusting Journal Entries
 Date: 7/1/2015 To 6/30/2016
 Account No: AJE-01 To AJE-99

AJE

Number	Date	Name	Account No	Debit	Credit	Net Income (Loss)	Amount Chg		
Net Income (Loss) Before Adjustments						1,047,503.00			
AJE-01	6/30/2016	Compensated Absences	70-2020-000 G34G		12,691.00				
AJE-01	6/30/2016	PAID TIME OFF	70-5042-008 G34G		2,364.00				
AJE-01	6/30/2016	PAID TIME OFF	70-5042-011 G34G	15,055.00					
To adjust accrued PTO to actual change.				15,055.00	15,055.00	1,034,812.00	(12,691.00)		
AJE-02	6/30/2016	Capital Outlay	10-5010-008 CO		255.00				
AJE-02	6/30/2016	Equipment	10-5745-008 08	255.00					
AJE-02	6/30/2016	FIXED ASSETS EQUIPMENT	60-1297-000 G34G		255.00				
AJE-02	6/30/2016	CITY HALL	60-1298-000 G34G	67,578.00					
AJE-02	6/30/2016	INFRASTRUCTURE- streets	60-1299-000 G34G		67,578.00				
AJE-02	6/30/2016	ACCUMULATED DEPRECIATION	60-1300-000 G34G	26.00					
AJE-02	6/30/2016	Investment in Fixed Assets	60-3600-000 G34G	255.00					
AJE-02	6/30/2016	DEPRECIATION EX	60-7000-000 G34G		26.00				
To reclassify fixed assets.				68,114.00	68,114.00	1,034,838.00	26.00		
AJE-03	6/30/2016	Sales Tax Receivable	10-1115-000 GF01		94,833.00				
AJE-03	6/30/2016	TRANSACTION TAX RECEIVABLE	10-1116-000 GF01	21,435.00					
AJE-03	6/30/2016	DEFERRED REVENUE	10-2050-000 GF01		21,435.00				
AJE-03	6/30/2016	DEFERRED REVENUE	10-2050-000 GF01		61,561.00				
AJE-03	6/30/2016	Sales/Use Tax	10-4030-000 GF01		1,398.00				
AJE-03	6/30/2016	STATE COMPENSAT	10-4031-000 GF01	156,394.00					
AJE-03	6/30/2016	Transaction tax	10-4032-000 GF01	1,207.00					
AJE-03	6/30/2016	SALE/TRANS TAX	10-5023-003 01		1,207.00				
AJE-03	6/30/2016	SALE/TRANS TAX	10-5023-003 01	1,398.00					
To adjust sales tax and transaction tax for the final payment received for June 30, 2016.				180,434.00	180,434.00	878,444.00	(156,394.00)		
AJE-04	6/30/2016	DEFERRED REVENUE	10-2050-000 GF01		18,289.00				
AJE-04	6/30/2016	AB 1484 Distribution	10-4006-000 GF01	18,289.00					
To adjust deferred revenue and AB 1484 revenue to actual.				18,289.00	18,289.00	860,155.00	(18,289.00)		
						281,892.00	281,892.00	860,155.00	(187,348.00)

City of Sand City
 Year End: June 30, 2016
 Reclassification Journal Entries
 Date: 7/1/2015 To 6/30/2016
 Account No: RJE-01 To RJE-04

RJE

Number	Date	Name	Account No	Debit	Credit	Net Income (Loss)	Amount Chg
Net Income (Loss) Before Adjustments						860,155.00	
RJE-01	6/30/2016	PROPERTY TAX RECEIVABLE	10-1103-000 GF01		309,985.00		
RJE-01	6/30/2016	Sales Tax Receivable	10-1115-000 GF01	309,985.00			
		To reclass sales tax true-up.					
				309,985.00	309,985.00	860,155.00	0.00
RJE-02	6/30/2016	PERS Retiree EE	10-5073-008 08	3,339.00			
RJE-02	6/30/2016	PERS	10-5075-008 08		3,339.00		
		To reclass additional PERS payment for employee to the new EE account.					
				3,339.00	3,339.00	860,155.00	0.00
RJE-03	6/30/2016	Vehicles	60-1292-000 G34G		38,713.00		
RJE-03	6/30/2016	Buildings	60-1295-000 G34G	60,878.00			
RJE-03	6/30/2016	CITY HALL	60-1298-000 G34G		60,878.00		
RJE-03	6/30/2016	ACCUMULATED DEPRECIATION	60-1300-000 G34G	38,713.00			
		To adjust fixed assets accounts to actual balances.					
				99,591.00	99,591.00	860,155.00	0.00
RJE-04	6/30/2016	Unappropriated Fund Balance	60-3400-000 G34G		655,598.00		
RJE-04	6/30/2016	Investment in Fixed Assets	60-3600-000 G34G	748,834.00			
RJE-04	6/30/2016	CAPITAL LEASE	60-3601-000 G34G		93,236.00		
		To close out Unappropriated and capital lease to investment in fixed assets.					
				748,834.00	748,834.00	860,155.00	0.00
				1,161,749.00	1,161,749.00	860,155.00	0.00

City of Sand City
 Year End: June 30, 2016
 Prepared by Client Journal Entries
 Date: 7/1/2015 To 6/30/2016
 Account No: PBC-01 To PBC-99

PBC

Number	Date	Name	Account No	Debit	Credit	Net Income (Loss)	Amount Chg
Net Income (Loss) Before Adjustments						910,757.00	
PBC-01	6/30/2016	Deferred outflows - PERS Contributic	70-1400-000 G34G		837,542.00		
PBC-01	6/30/2016	Deferred outflows - PERS Contributic	70-1400-000 G34G	167,508.00			
PBC-01	6/30/2016	Deferred outflows - PERS Contributic	70-1400-000 G34G	33,530.00			
PBC-01	6/30/2016	Deferred outflows - Actuarial	70-1405-000 G34G	837,542.00			
PBC-01	6/30/2016	Deferred outflows - Actuarial	70-1405-000 G34G		167,508.00		
PBC-01	6/30/2016	Deferred outflows - Actuarial	70-1405-000 G34G		33,530.00		
Reclass Deferred Actuary into proper account.				1,038,580.00	1,038,580.00	910,757.00	0.00
PBC-02	6/30/2016	Deferred outflows - Actuarial	70-1405-000 G34G	20,925.00			
PBC-02	6/30/2016	Deferred inflows-Actuarial	70-2500-000 G34G		52,699.00		
PBC-02	6/30/2016	Pension expense - CASB 68	70-5081-000 G34G	31,774.00			
To adjust pension amounts due to the correction in allocation factor.				52,699.00	52,699.00	878,983.00	(31,774.00)
PBC-03	6/30/2016	Orosco - South of Tioga	10-2059-000 GF01		20,000.00		
PBC-03	6/30/2016	Orosco - South of Tioga	10-2059-000 GF01	1,172.00			
PBC-03	6/30/2016	REIMB. AGREEMENT	10-4182-000 GF01	20,000.00			
PBC-03	6/30/2016	Contract Svcs.	10-5020-005 05		1,172.00		
To reclass Orosco reimbursement deposit from revenue to a liability account.				21,172.00	21,172.00	860,155.00	(18,828.00)
PBC-04	6/30/2016	Current Year OPEB Cost	70-5050-001 G34G	110,605.00			
PBC-04	6/30/2016	Current Year OPEB Cost	70-5050-002 G34G		15,801.00		
PBC-04	6/30/2016	Current Year OPEB Cost	70-5050-003 G34G		10,534.00		
PBC-04	6/30/2016	Current Year OPEB Cost	70-5050-004 G34G	21,068.00			
PBC-04	6/30/2016	Current Year OPEB Cost	70-5050-005 G34G		10,534.00		
PBC-04	6/30/2016	Current Year OPEB Cost	70-5050-008 G34G		73,737.00		
PBC-04	6/30/2016	Current Year OPEB Costs	70-5050-011 G34G		21,067.00		
To reallocate a portion of the OPEB cost to City Council and City Attorney.				131,673.00	131,673.00	860,155.00	0.00
PBC-05	6/30/2016	PERS	10-5075-001 01	2,732.00			
PBC-05	6/30/2016	PERS	10-5075-002 01	38,494.00			
PBC-05	6/30/2016	PERS	10-5075-003 01	31,889.00			
PBC-05	6/30/2016	PERS	10-5075-004 01	22,648.00			
PBC-05	6/30/2016	PERS	10-5075-005 05	24,693.00			
PBC-05	6/30/2016	PERS	10-5075-008 08	69,950.00			
PBC-05	6/30/2016	PERS	10-5075-011 11	37,970.00			
PBC-05	6/30/2016	GASB68 Liability	10-5137-000 00		228,376.00		
To reclass the extra PERS payment made to departments out of non-departmental.				228,376.00	228,376.00	860,155.00	0.00

City of Sand City

Year End: June 30, 2016

Prepared by Client Journal Entries

Date: 7/1/2015 To 6/30/2016

Account No: PBC-01 To PBC-99

PBC-1

Number	Date	Name	Account No	Debit	Credit	Net Income (Loss)	Amount Chg
PBC-06	6/30/2016	Cash Balance	10-1099-000 GF01	15,274.00			
PBC-06	6/30/2016	TRANSFER IN	10-4990-000 GF01		15,274.00		
PBC-06	6/30/2016	Cash Balance	31-1099-000 SRF01		13,328.00		
PBC-06	6/30/2016	gas tax maint	31-5305-011 SRF01	13,328.00			
PBC-06	6/30/2016	Cash Balance	35-1099-000 SRF01		1,946.00		
PBC-06	6/30/2016	St. Lighting	35-5855-008 SRF01	1,946.00			
Reclass Gas Tax and Traffic Safety cash balances to-the General Fund for funds used for street purposes.				30,548.00	30,548.00	860,155.00	0.00
				1,503,048.00	1,503,048.00	860,155.00	(50,602.00)

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CITY OF SAND CITY

CITY OF SAND CITY

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2016**

AND INDEPENDENT AUDITORS' REPORT

CITY OF SAND CITY

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CITY OF SAND CITY

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CITY OF SAND CITY

June 30, 2016

Members of the City Council

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
David K. Pendergrass	Mayor	November, 2016
Mary Ann Kline-Carbone	Vice Mayor	November, 2016
Jerry Blackwelder	Council Member	November, 2018
Craig Hubler	Council Member	November, 2018
Todd Kruper	Council Member	November, 2016

City Staff

<u>Name</u>	<u>Office</u>
Todd Bodem	City Administrator
Brian Ferrante	Chief of Police
Linda Scholink	Administrative Services Director
James Heisinger	City Attorney
Leon Gomez	Public Works Director



HAYASHI | WAYLAND

INDEPENDENT AUDITORS' REPORT

**The Honorable Mayor and City Council
City of Sand City
Sand City, California**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the *City of Sand City*, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the *City of Sand City* as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 10, the Budgetary Comparison Schedule on pages 43 through 44, the Schedule of Funding Progress of Other Post Employee Benefits on page 45, the Schedule of Proportionate Share of the Net Pension Liability on page 46 and the Schedule of Contributions on page 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2016 on our consideration of the *City of Sand City's* internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the *City of Sand City's* internal control over financial reporting and compliance.

November 28, 2016

Hayashi Wayland, LLP

CITY OF SAND CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2016

The discussion and analysis of the City of Sand City's financial performance provides an overview and analysis of the City's financial activities for the year ended June 30, 2016. It should be read in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the City of Sand City exceeded its liabilities at the close of the year ended June 30, 2016 by \$23 million. However, \$12 million is a net investment in capital assets and \$10 million is a noncurrent receivable due from the Successor Agency.
- A prior period adjustment in the amount of \$107,000 was made to reduce beginning net position due to the implementation of GASB 82.
- The City of Sand City's total net position increased by \$700,000.
- At the close of the year ended June 30, 2016, the City of Sand City's governmental funds reported combined ending fund balances of \$18 million, \$10 million of which is a noncurrent receivable. The net change in fund balances was an increase of \$1.4 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis serves as an introduction to the City's financial statements. The City's financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The Statement of Net Position combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. Other nonfinancial factors should also be taken into consideration, such as changes in the City's property tax base, and the condition of the City's infrastructure (i.e. roads, drainage improvements, storm and sewer lines, etc.) to assess the overall health or financial condition of the City.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-wide Financial Statements (Continued)

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

The government-wide financial statements include all the governmental activities of the City. The governmental activities of the City include public safety, streets, parks, planning, community development and general administration. The City does not operate any business-type activities.

The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the City can be divided into two categories, governmental funds and fiduciary funds:

Governmental Funds – The focus of governmental funds is narrower than that of government-wide financial statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Fiduciary Funds – These funds are used to account for resources held for the benefit of parties outside the government. It is in these funds that the City accounts for the former assets and liabilities of the Redevelopment Agency that were transferred to a Successor Agency. Fiduciary funds are not included in the government-wide statements because the resources of those funds are not available to support the City's own programs. The accounting for fiduciary funds is much like that used for proprietary funds.

The City maintains two individual governmental funds. Information is presented separately in the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, which is considered to be a major fund. Data from the other governmental fund is presented as other governmental funds.

The fund financial statements can be found on pages 13 to 18 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 through 42 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. The City's net position increased by \$700,000 in fiscal year 2015–2016 from fiscal year 2014–2015. The City's net investment in assets of \$12 million is used to provide services to citizens; consequently, these assets are not available for future spending. Another \$10 million is a noncurrent receivable leaving approximately \$1 million available for operations.

GASB 82 was implemented in fiscal year 2016. Prior year amounts were restated to reflect the implementation.

Summary of Net Position (Rounded to the nearest \$1,000) For the Year Ended June 30

	<u>2016</u>	<u>2015</u>	<u>Change</u>
Current and other assets	\$ 19,024,000	\$ 17,609,000	\$ 1,415,000
Capital assets	<u>11,674,000</u>	<u>12,070,000</u>	<u>(396,000)</u>
Total assets	<u>30,698,000</u>	<u>29,679,000</u>	<u>1,019,000</u>
Deferred outflows of resources	<u>1,232,000</u>	<u>536,000</u>	<u>696,000</u>
Current and other liabilities	215,000	331,000	(116,000)
Long-term liabilities	<u>7,551,000</u>	<u>6,750,000</u>	<u>801,000</u>
Total liabilities	<u>7,766,000</u>	<u>7,081,000</u>	<u>685,000</u>
Deferred inflows of resources	<u>1,200,000</u>	<u>869,000</u>	<u>331,000</u>
Net Investment in capital assets	11,567,000	12,031,000	(464,000)
Restricted for –			
Streets/roads	1,000	2,000	(1,000)
Unrestricted	<u>11,396,000</u>	<u>10,232,000</u>	<u>1,164,000</u>
Total net position	<u>\$ 22,964,000</u>	<u>\$ 22,265,000</u>	<u>\$ 699,000</u>

Current assets increased due to an increase in cash and investments as cash receipts exceeded cash disbursements.

Capital assets and net investment in capital assets decreased due to depreciation of \$670,000 offset by capital additions of \$274,000.

Deferred outflow of resources and deferred inflow of resources increased due to GASB 68.

Current and other liabilities decreased due to a decrease in deposits from a developer.

Long-term liabilities increased due to an increase in the OPEB obligation and the net pension liability.

Unrestricted net position increased due to the change in net position, which is described on the following page.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

**Change in Net Position (Rounded to the nearest \$1,000)
For the Year Ended June 30**

GASB 82 was implemented in fiscal year 2016. Prior year amounts were restated to reflect the implementation.

	<u>2016</u>	<u>2015</u>	<u>Change</u>
Revenues:			
Program revenues:			
Charges for services	\$ 1,639,000	\$ 1,713,000	\$ (74,000)
Operating grants and contributions	132,000	115,000	17,000
General revenues:			
Property taxes	232,000	167,000	65,000
Sales and transaction taxes	4,829,000	3,890,000	939,000
Other taxes	263,000	241,000	22,000
Investment earnings	25,000	12,000	13,000
Other	16,000	-	16,000
Total revenues	<u>7,136,000</u>	<u>6,138,000</u>	<u>998,000</u>
Expenses:			
General government	1,938,000	1,740,000	198,000
Public safety	2,709,000	2,629,000	80,000
Public works	1,339,000	1,403,000	(64,000)
Community development	429,000	376,000	53,000
Parks	18,000	9,000	9,000
Interest on long-term debt	4,000	2,000	2,000
Total expenses	<u>6,437,000</u>	<u>6,159,000</u>	<u>278,000</u>
Change in net position	699,000	(21,000)	720,000
Net position, beginning of year, as restated	<u>22,265,000</u>	<u>22,286,000</u>	<u>(21,000)</u>
Net position, end of year	<u>\$ 22,964,000</u>	<u>\$ 22,265,000</u>	<u>\$ 699,000</u>

The decrease in charges for services is mainly due to a decrease in Successor Agency admin fees and plan check fees.

The increase in property taxes is due to the recovery of the real estate market.

The increase in sales and transaction taxes is due to a full year of the ½ cent increase in the add-on tax and an increase in sales at retailers.

The increase in general government expenses is due to an increase in legal costs, contingencies and additional contributions to PERS.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The increase in public safety expenses is due to an increase in cash payouts of PTO.

The decrease in public works expenses is due to a decrease in street sweeping expense and worker's comp.

The increase in community development expenses is due to an increase in contract services.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – At June 30, 2016, the City's net investment in capital assets amounted to \$12 million, (net of accumulated depreciation) a net decrease of \$396,000 over the prior year due to depreciation offset by the purchase of equipment, vehicles and construction in progress. Capital assets included land, land improvements, infrastructure, buildings, equipment, vehicles, furniture and fixtures and construction in progress.

Debt Administration – At June 30, 2014, the City had \$7 million in long-term debt. Net change to debt during the year was an increase of \$645,207.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

At the end of the current fiscal year, the City's governmental funds reported a total fund balance of \$18 million. This fund balance includes a noncurrent receivable of \$10 million. The General Fund has an unassigned fund balance of \$4 million.

During the current fiscal year, the fund balance of the City's General Fund increased \$1 million.

FUND BUDGETARY HIGHLIGHTS

General Fund – The original budgeted revenues were decreased by \$146,000 due to a decrease of the developer fees offset by an increase in most other categories. The actual revenues were under budget by \$162,000 due to sales and transaction taxes, being less than budget.

The original budgeted expenditures were decreased by \$1 million mainly due to reductions in street improvement projects. The actual expenditures were under budget by \$200,000 mainly due to all categories being under budget.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Revenues for fiscal year 2016/2017 are conservatively projected to stay relatively flat over those of the past fiscal year. In 2016, receipts for Sand City's April through June adjusted sales were 4.8% higher than the same quarter one year ago. Taxable sales for all of Monterey County increased 4.7% over the comparable time period. Reliable data from The HdL Companies suggests that the increase in internet sales may inversely affect sales tax revenue for the City of Sand City. To counter some future potential loss in revenue, the Sand City electorate approved an additional half-cent transaction tax in November of 2014 that will be a sustaining source of revenue into the future.

The City of Sand City experienced a net property tax value increase of 2.66% for the 2016/17 tax roll, which was slightly less than the increase experienced countywide at 4.56%. The assessed value increase between 2015/16 and 2016/17 were approximately \$6.75 million.

This is a third year of growth in value within the City compared to a trend over the past several years. Of the \$6.75 million in value gains, a majority of the increase was among commercial properties. Next year, Sand City will see higher gains in residential properties.

The City of Sand City has seen positive developments moving forward, to include the "Bungalows at East Dunes," a residential development. One (1) single-family home has been constructed with building permits issued for 2 more providing a boost to property tax revenue. "The Independent" mixed use development renovation was recently completed. The City has approved 1 mixed use, 1 live-work and 1 commercial development project(s) in 2016 with hopeful commercial construction in 2017.

The Monterey Bay Shores Resort recently received Coastal Commission approval. This City of Sand City beachfront hotel-resort is touted as the model of environmental sensitivity by a developer who has now spent 23 years pursuing this project.

The proposed Monterey Bay Shores Resort — a 341-unit "eco-resort" on 39 acres once used for sand-mining. Although this project has not yet commenced construction, rough grading is expected to start in late 2016/early 2017. The City of Sand City is hopeful for construction to be completed within the next few years, to produce much needed Transient Occupancy Tax (TOT). The advent of this project will set the stage for a more economically viable community.

California American Water (CAW) Company continues to operate the Sand City desalination facility, eliminating operational expenses that would otherwise accrue to the City of Sand City. Annual lease payments of \$850,000 from CAW to the City of Sand City will continue into the future, providing additional revenue for the general fund.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Sand City, 1 Sylvan Park, Sand City, California 93955.

BASIC FINANCIAL STATEMENTS

**CITY OF SAND CITY
STATEMENT OF NET POSITION
JUNE 30, 2016**

ASSETS

Cash and cash equivalents	\$ 2,164,325
Investments	5,189,619
Receivables	53,717
Receivables from other governments	1,200,379
Loans due from Successor Agency	10,415,876
Capital assets, net:	
Nondepreciable	1,246,316
Depreciable	<u>10,427,822</u>
Total assets	<u>30,698,054</u>

DEFERRED OUTFLOWS OF RESOURCES

PERS contributions	485,795
Deferred pension adjustments	<u>746,842</u>
Total deferred outflows of resources	<u>1,232,637</u>

LIABILITIES

Accounts payable	160,865
Accrued liabilities	20,090
Developer fees received in advance	34,528
Noncurrent liabilities:	
Due within one year	189,782
Due in more than one year	<u>7,360,923</u>
Total liabilities	<u>7,766,188</u>

DEFERRED INFLOWS OF RESOURCES

Deferred pension adjustments	<u>1,200,368</u>
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NET POSITION

Net investment in capital assets	11,567,398
Restricted for streets and roads	1,287
Unrestricted	<u>11,395,450</u>
Total net position	<u>\$ 22,964,135</u>

See Notes to the Basic Financial Statements.

CITY OF SAND CITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets
<u>FUNCTIONS/PROGRAMS</u>				
Governmental activities:				
General government	\$ 1,938,176	\$ 1,519,616	\$ 13,834	\$ (404,726)
Public safety	2,708,357	18,071	118,399	(2,571,887)
Public works	1,339,037	7,665	—	(1,331,372)
Community development	428,967	93,491	—	(335,476)
Parks	18,345	—	—	(18,345)
Interest on long-term debt	3,953	—	—	(3,953)
Total governmental activities	<u>\$ 6,436,835</u>	<u>\$ 1,638,843</u>	<u>\$ 132,233</u>	<u>(4,665,759)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				231,720
Sales tax				2,600,042
Transaction tax				2,228,908
Utility user's tax				150,796
Franchise taxes				99,100
Gas taxes				13,202
Investment earnings				25,085
State interest reimbursement under Code 1756				12,669
Reimbursement from CalPERS				3,300
Total general revenues				<u>5,364,822</u>
CHANGE IN NET POSITION				699,063
NET POSITION, BEGINNING OF YEAR, AS RESTATED				<u>22,265,072</u>
NET POSITION, END OF YEAR				<u>\$ 22,964,135</u>

See Notes to the Basic Financial Statements.

CITY OF SAND CITY
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2016

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 2,164,325	\$ –	\$ 2,164,325
Investments	5,189,619	–	5,189,619
Receivables	53,717	–	53,717
Receivables from other governments	1,199,092	1,287	1,200,379
Loans due from Successor Agency	<u>10,415,876</u>	<u>–</u>	<u>10,415,876</u>
Total assets	<u>19,022,629</u>	<u>1,287</u>	<u>19,023,916</u>
<u>LIABILITIES</u>			
Accounts payable	160,865	–	160,865
Accrued liabilities	20,090	–	20,090
Developers fees paid in advance	<u>34,528</u>	<u>–</u>	<u>34,528</u>
Total liabilities	<u>215,483</u>	<u>–</u>	<u>215,483</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred tax revenue	187,341	–	187,341
Deferred interest on Successor Agency loans	<u>774,766</u>	<u>–</u>	<u>774,766</u>
Total deferred inflows of resources	<u>962,107</u>	<u>–</u>	<u>962,107</u>
<u>FUND BALANCES</u>			
Nonspendable – Noncurrent receivable	10,415,876	–	10,415,876
Restricted – Street and roads	–	1,287	1,287
Committed: Tioga beach	120,000	–	120,000
OPEB Funding	2,141,846	–	2,141,846
Contracts	627,996	–	627,996
Unassigned	<u>4,539,321</u>	<u>–</u>	<u>4,539,321</u>
Total fund balances	<u>17,845,039</u>	<u>1,287</u>	<u>17,846,326</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 19,022,629</u>	<u>\$ 1,287</u>	<u>\$ 19,023,916</u>

See Notes to the Basic Financial Statements.

CITY OF SAND CITY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016

FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ 17,846,326

Amounts reported in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds 11,674,138

Some of the Cities' revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds. 962,107

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. 32,269

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds (7,550,705)

NET POSITION \$ 22,964,135

See Notes to the Basic Financial Statements.

CITY OF SAND CITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total</u>
REVENUES:			
Property taxes	\$ 231,720	\$ —	\$ 231,720
Sales tax	2,538,481	—	2,538,481
Transaction tax	2,207,473	—	2,207,473
Utility user's tax	150,796	—	150,796
Franchise taxes	99,100	—	99,100
Business licenses	468,209	—	468,209
Licenses and permits	40,651	—	40,651
Fines, forfeits and penalties	2,551	1,736	4,287
Charges for current services	186,704	—	186,704
Revenue from other agencies	120,759	13,202	133,961
Developer fees	7,079	—	7,079
Investment earnings	25,085	—	25,085
Rental income	864,956	—	864,956
Other revenue	94,400	—	94,400
Total revenues	<u>7,037,964</u>	<u>14,938</u>	<u>7,052,902</u>
EXPENDITURES:			
Current:			
General government	1,760,063	—	1,760,063
Public safety	2,482,477	—	2,482,477
Public works	728,210	—	728,210
Community development	407,342	—	407,342
Parks	17,530	—	17,530
Debt service:			
Principal	28,536	—	28,236
Interest and other charges	3,953	—	3,953
Capital outlay	274,419	—	274,419
Total expenditures	<u>5,702,530</u>	<u>—</u>	<u>5,702,530</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,335,434</u>	<u>14,938</u>	<u>1,350,372</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	15,274	—	15,274
Transfers out	—	(15,274)	(15,274)
Proceeds from financing	96,561	—	96,561
Total other financing sources (uses)	<u>111,835</u>	<u>(15,274)</u>	<u>96,561</u>
NET CHANGE IN FUND BALANCES	1,447,269	(336)	1,446,933
FUND BALANCES, BEGINNING OF YEAR	<u>16,397,770</u>	<u>1,623</u>	<u>16,399,393</u>
FUND BALANCES, END OF YEAR	<u>\$ 17,845,039</u>	<u>\$ 1,287</u>	<u>\$ 17,846,326</u>

See Notes to the Basic Financial Statements.

CITY OF SAND CITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

NET CHANGE IN FUND BALANCES	\$ 1,446,933
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Amounts reported in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period these amounts are:

Capital outlay	274,419
Current year depreciation	(670,129)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.

82,996

Proceeds from financing provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position

(96,561)

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, it has no effect on net assets. In the current period the amount is:

Principal payments on long-term debt	28,536
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Compensated absences	(9,686)
OPEB costs	(526,697)
Current year pension cost difference	<u>169,252</u>

CHANGE IN NET POSITION	<u>\$ 699,063</u>
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See Notes to the Basic Financial Statements.

CITY OF SAND CITY
STATEMENT OF FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016

ASSETS:

Cash and cash equivalents	\$ 920,735
Investments	1,875,736
Capital assets, net:	
Nondepreciable	2,525,710
Depreciable	<u>9,805</u>
Total assets	<u>5,331,986</u>

LIABILITIES:

Developer fees received in advance	1,455,000
Noncurrent liabilities:	
Due within one year	420,000
Due in more than one year	<u>16,940,876</u>
Total liabilities	<u>18,815,876</u>

DEFERRED INFLOWS OF RESOURCES –

Deferred ROPS revenue	<u>570,156</u>
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NET POSITION –

Enforceable obligations	<u>(14,054,046)</u>
Total net position	<u>\$ (14,054,046)</u>

See Notes to the Basic Financial Statements.

CITY OF SAND CITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016

ADDITIONS:

Property taxes	\$ 946,900
Interest income	<u>13,476</u>
Total additions	<u>960,376</u>

DEDUCTIONS:

Administrative expenses	73,038
Legal expenses	86,096
Contract services	22,500
Interest expense	322,625
Depreciation	<u>5,635</u>
Total deductions	<u>509,894</u>

NET INCREASE	450,482
NET POSITION, BEGINNING OF THE YEAR	<u>(14,504,528)</u>
NET POSITION, END OF THE YEAR	<u>\$ (14,054,046)</u>

See Notes to the Basic Financial Statements.

CITY OF SAND CITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – The City of Sand City (the City), California, was incorporated as a general law city on May 31, 1960. On November 2, 1992, the citizens passed a measure to establish Sand City as a Charter City. The City operates under a city council – administrator form of government and provides a wide range of municipal services. The City is not financially accountable for any other organization.

Basis of Presentation and Accounting – The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund based financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The City has no proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The nonmajor funds are combined in a column in the fund financial statements.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

Measurement Focus and Basis of Accounting – The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Ad valorem, franchise and sales tax revenues are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, contributions, and miscellaneous revenues are recorded as revenues when received in cash as the resulting receivable is immaterial. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to the purpose of expenditure and are usually revocable only for failure to comply with the prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The City reports the following major governmental fund –

General Fund, accounts for the City's primary services (Public Safety, Public Works, Parks, etc.) and is the primary operating unit of the City.

Additionally, the City reports the following fund type –

Fiduciary Funds include the Successor Agency. This fund was established as a result of the dissolution of the Redevelopment Agency and is used to account for assets held by the City in a trustee capacity.

Fair Value – The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the City's investments are level one.

Cash, Cash Equivalents and Investments – The City follows the practice of pooling cash and investments of all funds. Investments of the pooled cash consist of deposits with the Local Agency Investment Fund and are accounted for at fair market value. Interest earned as a result of pooling is distributed to the appropriate funds utilizing a formula based on the average daily balance of cash of each fund. The City considers highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables and Deferred Inflows of Resources – Receivables are amounts due representing revenues earned or accrued in the current period. Receivables which have not been remitted within 60 days subsequent to year end are offset by deferred inflows of resources, and accordingly have not been recorded as revenue in the governmental fund. When the revenue becomes available, the revenue is recognized in the governmental fund. Deferred inflows are detailed on the Balance Sheet.

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. The allowance is based on an assessment of the current status of individual accounts. At June 30, 2016, the allowance was estimated to be zero.

Capital Assets – Property, facilities, equipment and infrastructure purchased or acquired is carried at historical cost or estimated historical cost. Contributed fixed assets are recorded at estimated fair market value at the time received. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 for equipment; \$25,000 for facilities and improvements, \$150,000 for infrastructure and all land, and an estimated useful life in excess of one year.

Property, facilities, equipment and infrastructure is depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 Years
Improvements	5–20 Years
Equipment	5–10 Years
Vehicles	8 Years
Furniture and Fixtures	10 Years
Infrastructure	20–50 Years

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Compensated Absences – Unused paid time off (PTO) which includes vacation, sick, and comp time may be accumulated up to 800 hours and is paid at the time of termination from City employment. Hours accumulated over the 800 hours are paid out as compensation at the end of each calendar year. PTO is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Interfund Activity – During the course of operations, transactions occur between individual funds that result in amounts owed between funds, which are classified as “due to/from other funds.” Eliminations have been made on the government-wide statements for amounts due to/from within the governmental funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligations – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized in the current period.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financial sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions – For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position – The Statement of Net Position presents the City's assets and liabilities, with the difference reported as net position. Net position is reported in three categories.

- *Net investment in capital assets* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* results when constraints placed on net positions use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* consist of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

Fund Balances – Fund balance classifications are based primarily on the extent to which the City is bound to honor constraints on the use of the resources reported in each governmental fund.

The City reports the following classifications:

- *Nonspendable* – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form, such as long term receivables or (b) legally or contractually required to be maintained intact, such as a trust that must be retained in perpetuity.
- *Restricted* – Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- *Committed* – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by the City Council. Committed amounts cannot be used for any other purpose unless the City Council removes those constraints by taking some type of action (passage of a resolution). Amounts in the committed fund balance classification may be used for other purposes with appropriate due process by the City Council. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions or enabling legislation.
- *Assigned* – Assigned fund balances are amounts that are constrained by the City’s intent to be used for specific purpose, but are neither restricted nor committed. Intent is expressed by (a) the City Manager or (b) the City Council. The City Council has the authority to remove or change the assignment of the funds with a simple majority vote.
- *Unassigned* – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When restricted and other fund balance resources are available for use, it is the City’s policy to use restricted resources first, followed by committed, assigned and unassigned amounts, respectively.

Property Tax Levy, Collection and Maximum Rates – State of California (State) Constitution Article 13 provides for a maximum general property tax rate statewide of \$1 per \$100 of assessed value. Assessed value is calculated at 100% of market value as defined by the above referenced Article 13. The State Legislature has determined the method of distribution of receipts from \$1 tax levy among counties, cities, schools and other districts. Counties, cities and school districts may levy such additional tax rates as necessary to provide for voter approved debt service.

The County of Monterey assesses properties, bills for and collects property taxes, as follows:

	<u>Secured</u>	<u>Unsecured</u>
Valuation dates	January 1	January 1
Lien/levy dates	July 1	July 1
Due dates	50% on November 1 50% on February 1	July 1
Delinquent as of	December 10 (for November) April 10 (for February)	August 31

The term “Unsecured” refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed.

Property tax revenues are recorded in governmental funds as receivables and deferred revenues at the time the tax levy is billed. Current year revenues are those collected within the current period or soon enough thereafter to pay current liabilities, generally within sixty days of year-end. No allowance is provided for delinquent taxes as the lien is considered an enforceable legal obligation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events – Subsequent events have been evaluated through November 28, 2016, which is the date the financial statements were available to be issued.

Effects of New Pronouncements – In June 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement provides guidance for determining a fair value measurement, applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement will enhance fair value application guidance, comparability of financial statements among governments, and related disclosures by providing information on valuation techniques and the impact of fair value measurements on a government's financial position. The City implemented this statement in fiscal year 2016. There was no significant effect on the financial statements due to the implementation.

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement supersedes Statement No. 55, related to GAAP hierarchy. The requirements in this Statement will allow governments to apply financial reporting guidance with less variation, which will improve the usefulness and comparability of financial statement information for making decisions and assessing accountability. The City implemented this statement in fiscal year 2016. There was no significant effect on the financial statements due to the implementation.

In March 2016, GASB issued Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The City implemented this statement in fiscal year 2016. As a result of the implementation, the City reported a prior period adjustment to net position in the amount of \$107,058.

NOTE 2. DEPOSITS AND INVESTMENTS

Custodial Credit Risk-Deposits – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a deposit policy that complies with California Government Code Section commencing at 53630 (Public Deposits). As of June 30, 2016, \$2,154,301 of the City's bank balances of \$2,404,301 was exposed to custodial credit risk as uninsured but are collateralized by the pledging bank's trust department not in the City's name.

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

Investments – The City’s investments consist of the State Treasurer’s Local Agency Investment Fund and certificates of deposit held with a local financial institution. All investments are recorded at fair market value. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal 110% of the total amount deposited by the public agencies. The investment of state pooled funds is governed by State law, by policies adopted by the Pooled Money Investment Board (PMIB) and by accepted norms for prudent fiduciary management of investments. PMIB funds may be invested in a wide range of interest bearing securities, such as Treasury notes, prime commercial paper, certain California municipal and agency obligations, highly rated corporate bonds, obligations of such agencies as Fannie Mae, and negotiable certificates of deposit. Also allowed are time deposits in California banks, savings and loans, and credit unions that have not less than a “satisfactory” CRA rating. The value of each participating dollar equals the fair value divided by the amortized cost. The City’s fair value of the position in the pool is the same as the value of the pool shares. Investments at June 30, 2016 consisted of the following:

Local Agency Investment Fund	\$ 4,024,032
Certificates of Deposit	<u>1,165,587</u>
Total	<u>\$ 5,189,619</u>

NOTE 3. RECEIVABLES

Receivables at June 30, 2016 for the City’s individual major funds and nonmajor fund in the aggregate, are as follows:

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receivables:			
Accounts	\$ 49,171	\$ –	\$ 49,171
Interest	<u>4,546</u>	<u>–</u>	<u>4,546</u>
Total	<u>\$ 53,717</u>	<u>\$ –</u>	<u>\$ 53,717</u>
Other Governments:			
Property taxes	\$ 3,468	\$ –	\$ 3,468
Sales tax	783,877	–	783,877
Transaction tax	395,080	–	395,080
Gas tax	–	1,287	1,287
Grants	<u>16,667</u>	<u>–</u>	<u>16,667</u>
Total	<u>\$ 1,199,092</u>	<u>\$ 1,287</u>	<u>\$ 1,200,379</u>

NOTE 4. LOANS DUE FROM SUCCESSOR AGENCY

The Redevelopment Agency (the Agency) received loans from the City to pay its share of administrative expenses, to make payments on non-tax incremental borrowings and to reimburse the City for payments made on Certificates of Participation. Upon dissolution of the Agency, these loans became the obligation of the Successor Agency. In addition, the City elected to be the Housing Successor Agency of the former Agency and in doing so, they will receive the funds borrowed by the Agency's Debt Service Fund from the Housing Fund to make the SERAF payments. Balances as of June 30, 2016 are as follows:

Operating Expenses	\$ 3,626,058
Costco/Seaside Agreements	4,650,000
COP Reimbursement	1,454,766
SERAF Receivable	<u>685,052</u>
Total	<u>\$ 10,415,876</u>

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Balance 6/30/15</u>	<u>Additions and Transfers</u>	<u>Deletions and Transfers</u>	<u>Balance 6/30/16</u>
Capital assets not being depreciated:				
Land	\$ 1,005,872	\$ -	\$ -	\$ 1,005,872
Construction in progress	<u>172,866</u>	<u>67,578</u>	<u>-</u>	<u>240,444</u>
Total capital assets not being depreciated	<u>1,178,738</u>	<u>67,578</u>	<u>-</u>	<u>1,246,316</u>
Capital assets being depreciated:				
Infrastructure	4,518,557	-	-	4,518,557
Land improvements	441,563	-	-	441,563
Equipment	2,370,595	13,303	-	2,383,898
Vehicles	440,629	132,660	38,713	534,576
Buildings	8,477,897	60,878	-	8,538,775
Furniture and fixtures	<u>114,514</u>	<u>-</u>	<u>-</u>	<u>114,514</u>
Total capital assets being depreciated	<u>16,363,755</u>	<u>206,841</u>	<u>38,713</u>	<u>16,531,883</u>
Less accumulated depreciation for:				
Infrastructure	2,064,845	150,758	-	2,215,603
Land improvements	291,934	25,110	-	317,044
Equipment	1,449,625	222,295	-	1,671,920
Vehicles	260,109	60,143	38,713	281,839
Buildings	1,294,196	209,888	-	1,504,084
Furniture and fixtures	<u>111,936</u>	<u>1,935</u>	<u>-</u>	<u>113,871</u>
Total accumulated depreciation	<u>5,472,645</u>	<u>670,129</u>	<u>38,713</u>	<u>6,104,061</u>
Total capital assets being depreciated - net	<u>10,891,110</u>	<u>(463,288)</u>	<u>-</u>	<u>10,427,822</u>
Capital assets - net	<u>\$ 12,069,848</u>	<u>\$ (395,710)</u>	<u>\$ -</u>	<u>\$ 11,674,138</u>

NOTE 5. CAPITAL ASSETS (Continued)

Depreciation expense for the year ending June 30, 2016 was charged to functions/programs of the primary government as follows:

General government	\$ 35,384
Public safety	72,499
Public works	561,431
Parks	<u>815</u>
Total depreciation expense	<u>\$ 670,129</u>

NOTE 6. LONG-TERM LIABILITIES

Capital Leases – The City has noncancelable capital lease agreements with financial institutions to finance the acquisition of several assets. The leases meet the criteria of a capital lease since they transfer benefits and risks of ownership to the lessee at the end of the lease term and therefore have been recorded at the present value of future minimum lease payments at the date of the inception of the lease as follows:

Radio Equipment – The asset under the lease totals \$93,236 with accumulated depreciation of \$65,265 at June 30, 2016. Principal and interest payments of \$10,156 with interest at 1.936% are to be made bi-annually beginning September 1, 2012 and continuing until March 1, 2017.

Street Sweeper – The asset under the lease totals \$96,561 with accumulated depreciation of \$9,656 at June 30, 2016. Principal and interest payments of \$1,522 with interest at 4.26% are to be made monthly beginning October 6, 2015 and continuing until October 6, 2021.

General long-term liability balances and transactions for the fiscal year ended June 30, 2016 are as follows:

	Balance 6/30/15	Prior Period Adjustment*	Additions	Reductions	Balance 6/30/16	Due Within One Year
Capital Lease:						
Radio equipment	\$ 38,715	\$ –	\$ –	\$ 18,983	\$ 19,732	\$ 19,732
Street sweeper	<u>–</u>	<u>–</u>	<u>96,561</u>	<u>9,553</u>	<u>87,008</u>	<u>14,847</u>
Subtotal capital leases	38,715	–	96,561	28,536	106,740	34,579
Other liabilities:						
Compensated absences	531,390	–	9,686	–	541,076	155,203
Other Post Employee Benefits	2,934,044	–	526,697	–	3,460,741	–
Net pension liability	<u>3,401,349</u>	<u>(154,687)</u>	<u>1,398,974</u>	<u>1,203,488</u>	<u>3,442,148</u>	<u>–</u>
Total	<u>\$6,905,498</u>	<u>\$ (154,687)</u>	<u>\$2,031,918</u>	<u>\$1,232,024</u>	<u>\$7,550,705</u>	<u>\$ 189,782</u>

In prior years, the General Fund has been used to liquidate compensated absences.

*A prior period adjustment was made to net pension liability to comply with GASB No. 82.

NOTE 6. LONG-TERM LIABILITIES (Continued)

Annual debt service requirements to maturity are as follows:

<u>Fiscal Year Ended June 30</u>	<u>Capital Lease</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 34,579	\$ 3,999	\$ 38,578
2018	15,497	2,774	18,271
2019	16,166	2,101	18,267
2020	16,868	1,399	18,267
2021	17,600	666	18,266
2022	6,030	53	6,083
Total	<u>\$ 106,740</u>	<u>\$ 10,992</u>	<u>\$ 117,732</u>

NOTE 7. INTERFUND ACTIVITY

Transfers between funds during the year were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 15,274	\$ -
Special revenue fund	-	15,274
Total	<u>\$ 15,274</u>	<u>\$ 15,274</u>

Transfers were made for expenditures covered by Gas Tax and Traffic Safety monies.

NOTE 8. PENSION PLAN

General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police) and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

NOTE 8. PENSION PLAN (Continued)

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

<u>Hire date</u>	<u>Miscellaneous</u>	
	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Benefit formula	2% @ 55 and 3% @60	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8%	6.25%
Required employer contribution rates	11.718%	6.237%

<u>Hire date</u>	<u>Safety</u>	
	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Benefit formula	2% @ 50 and 3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	3.0%	2.0% to 2.7%
Required employee contribution rates	9%	11.5%
Required employer contribution rates	16.523%, 2nd Tier 14.644%	11.153%

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2016, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Contributions	\$ 232,159	\$ 214,913

NOTE 8. PENSION PLAN (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2016, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 2,112,302
Safety	<u>1,329,846</u>
Total Net Pension Liability	<u>\$ 3,442,148</u>

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2015, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2014 and 2015 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2015	0.03077%	0.01937%
Proportion - June 30, 2014	0.03280%	0.02186%
Change - Increase (Decrease)	(0.00203)%	(0.00249)%

For the year ended June 30, 2016, the City recognized pension expense of \$316,543. Pension expense is allocated to the functions based on full time equivalents. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 485,795	\$ -
Change in assumption	-	265,150
Difference in proportion	-	330,936
Difference in experience	-	13,518
Difference in employer's contributions and the employer's proportionate share of contributions	76,808	-
Net differences between projected and actual earnings on plan investments	<u>670,034</u>	<u>590,764</u>
Total	<u>\$ 1,232,637</u>	<u>\$ 1,200,368</u>

NOTE 8. PENSION PLAN (Continued)

Deferred outflows of resources in the amount of \$485,795 were reported as related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>		
2017	\$	(216,491)
2018	\$	(221,865)
2019	\$	(182,678)
2020	\$	167,508

Actuarial Assumptions – The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous/Safety</u>
Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by entry age and service
Mortality Rate Table	Derived using CalPERS' membership data for all funds (1)
Post Retirement Benefit Increase	Contract Cola up to 2.75% Until Purchasing Power Protection Allowance Floor On Purchasing Power applies 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using society of Actuaries Scale BB.

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study can be found on the CalPERS website.

Change of Assumption – GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense, but without reduction for pension plan administrative expense. The discount rate was changed from 7.50% (net of administrative expense in 2014) to 7.65% as of the June 30, 2015 measurement date to correct the adjustment which previously reduced the discount rate for administrative expense.

NOTE 8. PENSION PLAN (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employer will make their required contributions on time and as scheduled in all future years. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	<u>100%</u>		

- (a) An expected inflation of 2.5% used for this period.
- (b) An expected inflation of 3.0% used for this period.

NOTE 8. PENSION PLAN (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease Net Pension Liability	6.65% \$ 3,542,478	6.65% \$ 2,132,200
Current Discount Rate Net Pension Liability	7.65% \$ 2,112,302	7.65% \$ 1,329,846
1% Increase Net Pension Liability	8.65% \$ 931,526	8.65% \$ 671,931

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 9. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457, through the California Public Employee’s Retirement System (CalPERS) 457 Deferred Compensation Program. All employees of the City are eligible for the plan. Participation in the plan is optional. The funds of the plan are invested by the City, through CalPERS, as directed by and on behalf of the employees in various investment options.

NOTE 10. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description – The City of Sand City has contracted with the Public Employees Retirement System (PERS) under the PERS Care Health Plan to provide benefits of the Meyers-Geddes State Employees’ Medical and Hospital Care Act per Government Code Section 22850. The Plan provides for continuation of medical insurance benefits for certain retirees or annuitants and their dependents. The Plan can be amended by action of the City Council on passing a resolution. The Plan does not issue a stand alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

NOTE 10. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Funding Policy – The obligations of the Plan members and the City are established by action of the City Council pursuant to the passing of a resolution. The City’s contribution for each employee or annuitant shall be the amount necessary to pay the cost of his/her enrollment at 100% and the partial cost of his/her benefit for family members (50% of one dependent), in a health benefit plan, plus administrative fees and Contingency Reserve Fund Assessments. The City currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. As of June 30, 2016, 2015 and 2014, the cost of funding the Plan for the year was \$44,303, \$36,323 and \$25,521, respectively.

Annual OPEB Cost and Net OPEB Obligation – The City’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City’s net OPEB obligation.

Annual required contribution (ARC)	\$ 592,000
Interest on net OPEB obligation	117,000
Adjustment to ARC	<u>(138,000)</u>
Annual OPEB cost (expense)	571,000
Contributions made	<u>44,303</u>
Increase in net OPEB obligation	526,697
Net OPEB obligation, beginning of year	<u>2,934,044</u>
Net OPEB obligation, end of year	<u>\$ 3,460,741</u>

Trend Information – The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation were as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution Made</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2014	\$ 529,000	\$ 25,521	4%	\$ 2,407,367
2015	\$ 563,000	\$ 36,323	6%	\$ 2,934,044
2016	\$ 571,000	\$ 44,303	8%	\$ 3,460,741

Funding Status and Funding Progress – As of June 30, 2015, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$4,182,000, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) for the year ended June 30, 2016 was \$1,969,604 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 212%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples

NOTE 10. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2015 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions include a 4.0% investment rate of return (discount rate) and an annual health care cost trend rate of actual premiums initially, reduced by decrements to an ultimate rate of 5% beginning in 2021. The unfunded actuarial liability is being amortized over a closed thirty year period using a level percentage of payroll on an open basis. The remaining amortization period at June 30, 2016, was twenty-four years.

NOTE 11. JOINTLY GOVERNED ORGANIZATIONS

The City participates on the Boards of Community Human Services, a joint powers agency, Monterey Regional Waste Management District, the Monterey Peninsula Water Management District, Monterey Regional Water Pollution Control Agency, Monterey Peninsula Regional Water Authority, Association of Monterey Bay Area Governments, Transportation Agency for Monterey County, Fort Ord Reuse Authority, Seaside/Sand City Chamber of Commerce, the Monterey Peninsula Chamber of Commerce, League of California Cities, Monterey County Convention and Visitor's Bureau, Monterey County Business Council, Monterey County Mayor's Association, and Monterey Bay Area Self Insurance Authority. The Boards of these entities are comprised of representatives from local municipalities, districts, and unincorporated areas. The City made various disbursements to the organizations in the amount of \$236,375 for the fiscal year ended June 30, 2016.

NOTE 12. RISK FINANCING

The City is exposed to various risks of loss related to torts, thefts, damage to, or destruction of assets; errors and omissions; injuries to workers; and natural disasters. These risks are covered by a combination of commercial insurance purchased from independent third parties and participation in the Monterey Bay Area Self Insurance Authority (MBASIA), which is a public entity risk pool. There have not been any significant reductions in insurance coverage as compared to the previous year. Settled claims from these risks have not exceeded commercial coverage for the past three fiscal years.

NOTE 12. RISK FINANCING (Continued)

MBASIA was formed under a joint powers agreement (JPA) pursuant to California Government Code Section 6500 et seq. effective July 1, 1982. MBASIA is administered by a Board of Directors consisting of thirteen members appointed by the cities participating. The Board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by member cities beyond their representation on the Board. Each member city pays a premium commensurate with the amount of predicted losses and shares surpluses and deficits proportionate to their participation in the JPA.

NOTE 13. OPERATING LEASES

On October 30, 2009, the City and California-American Water Company (CAW) entered into an Amended and Restated Lease Agreement whereby CAW leases and operates the desalination facility plant. CAW will hold the leased property for a term of thirty (30) years. At June 30, 2016, leased property carried at cost is as follows:

Building	\$ 8,065,207
Equipment	<u>1,835,430</u>
	9,900,637
Less: Accumulated depreciation	<u>2,500,122</u>
Net property under operating lease	<u>\$ 7,400,515</u>

The depreciation expense relating to the facility was \$385,173 for the year ended June 30, 2016.

On May 15, 2007, the City and T-Mobile entered into a Site Lease Agreement for certain premises of the property located at 1 Sylvan Way, Sand City, California. The term of the lease started on the first day of December 2007 and continued for 60 months, expiring on November 30, 2012 with the right to renew the lease for up to 5 additional 60 month periods. The current renewal period is until November 30, 2017. On January 25, 2013, the City was notified that T-Mobile entered into an agreement with an affiliate of Crown Castle International Corp. to control and operate the site.

The minimum future rentals under these leases as of June 30, 2016 are as follows:

<u>June 30</u>	<u>CAW</u>	<u>Crown Castle</u>	<u>Total</u>
2017	\$ 850,000	\$ 14,952	\$ 864,952
2018	850,000	4,981	854,981
2019	850,000	—	850,000
2020	850,000	—	850,000
2021	850,000	—	850,000
Thereafter	<u>955,000</u>	<u>—</u>	<u>955,000</u>
Total	<u>\$ 5,205,000</u>	<u>\$ 19,933</u>	<u>\$ 5,224,933</u>

Rental revenue recognized for the year ended June 30, 2016 was \$864,956.

NOTE 14. COMMITMENTS AND CONTINGENCIES

In the fiscal year ending June 30, 2016, the City has various service and project contracts totaling \$682,176, of which \$627,996 on contract commitments still remained as of June 30, 2016.

NOTE 15. PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made to Net Position as follows:

Net Position at June 30, 2015	\$ 22,372,129
Implementation of GASB 82	<u>(107,057)</u>
Restated Net Position at June 30, 2015	<u>\$ 22,265,072</u>

NOTE 16. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Sand City that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the "Successor Agency" to hold the assets until they are distributed to other units of state and local government. On October 18, 2011, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number SC-11-104. Accordingly the City established the Successor Agency Trust fund, a private-purpose trust fund, which is a fiduciary type fund.

Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution. In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the Successor Agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

NOTE 16. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (Continued)

Following are disclosures specific to the Successor Agency Trust Funds:

NOTE A. DEPOSITS AND INVESTMENTS

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a deposit policy that complies with California Government Code Section commencing with 53630 (Public Deposits). As of June 30, 2016, \$670,735 of the Fiduciary Fund's bank balance of \$920,735 was exposed to custodial credit risk as uninsured but was collateralized by the pledging bank's trust department not in the City's name. All cash held by the Fiduciary Fund must be used to repay enforceable obligations.

Investments – The Fiduciary Fund investments consist of money market funds and certificates of deposit held with various financial institutions. All investments are recorded at fair market value. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal 110% of the total amount deposited by the public agencies. Investments at June 30, 2016 consisted of the following:

Money Market Funds	\$ 9,116
Certificates of Deposit	<u>1,866,620</u>
	<u>\$ 1,875,736</u>

NOTE B. CAPITAL ASSETS

	Balance 6/30/15	Additions	Deletions	Balance 6/30/16
Capital assets not being Depreciated – Land	\$ 2,525,710	\$ –	\$ –	\$ 2,525,710
Total capital asset not being depreciated	<u>2,525,710</u>	<u>–</u>	<u>–</u>	<u>2,525,710</u>
Capital assets being Depreciated:				
Land improvements	182,631	–	–	182,631
Sculpture	<u>40,218</u>	<u>–</u>	<u>–</u>	<u>40,218</u>
Total capital assets being depreciated	<u>222,849</u>	<u>–</u>	<u>–</u>	<u>222,849</u>
Less accumulated depreciation for:				
Land improvements	175,235	1,614	–	176,849
Sculpture	<u>32,174</u>	<u>4,021</u>	<u>–</u>	<u>36,195</u>
Total accumulated depreciation	<u>207,409</u>	<u>5,635</u>	<u>–</u>	<u>213,044</u>
Total capital assets being depreciated - net	<u>15,440</u>	<u>(5,635)</u>	<u>–</u>	<u>9,805</u>
Capital assets-net	<u>\$ 2,541,150</u>	<u>\$ (5,635)</u>	<u>\$ –</u>	<u>\$ 2,535,515</u>

NOTE 16. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (Continued)

NOTE C. DEVELOPER FEES RECEIVED IN ADVANCE

The former Redevelopment Agency entered into a Disposition and Development Agreement (DDA) with a developer that required the developer to pay certain negotiation fees. In the event that the DDA is terminated by either party, the DDA requires a portion of the fees in the amount of \$1,455,000 be refunded to the developer. The fees subject to refund will not be earned until the property connected with the DDA is conveyed to the developer, at which time the fees will be recognized as revenue.

NOTE D. LONG-TERM DEBT

Tax Allocation Bonds, 2008 Series A – Tax Allocation Bonds, 2008 Series A in the amount of \$7,015,000 were issued January 30, 2008, at a premium of \$22,667, to refinance the Tax Allocation bonds, Series 1996 and to help finance redevelopment activities within and for the benefit of the Sand City Redevelopment Project. The Bonds consist of Serial Bonds in the amount of \$3,315,000 with interest rates ranging from 4.0% to 4.5%, payable semi-annually on each May 1 and November 1, commencing May 1, 2008. Principal on the Serial Bonds is due annually on November 1st beginning in 2010 and ending in 2021. The Serial Bonds maturing on or before November 1, 2018 are not subject to optional redemption prior to maturity. The Bonds maturing on or after November 1, 2019 are subject to Redemption at the option of the former Redevelopment Agency on any date on or after November 1, 2018, as a whole or in part, from any available source of funds, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption without premium. The remaining \$3,700,000 is Term Bonds due November 1, 2027 with an interest rate of 4.2%, also with interest payable semi-annually on each May 1 and November 1, commencing May 1, 2008. The Term Bonds are subject to mandatory redemption, in part by lot, from sinking account payments scheduled to begin November 1, 2022 until November 1, 2027, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption. The Bonds are payable solely from tax increment revenue, which has been pledged for repayment of the Bonds.

Taxable Tax Allocation Bonds, 2008 Series B – Taxable Tax Allocation Bonds, 2008 Series B in the amount of \$2,135,000 were issued January 30, 2008 at a discount of \$50,916, to help finance redevelopment activities within and for the benefit of the Sand City Redevelopment Project. The Bonds consist of Term Bonds as follows: \$465,000 at a 4.75% interest rate, due November 1, 2013, \$720,000 at a 5.50% interest rate, due November 1, 2018 and \$950,000 at a 5.75% interest rate, due November 1, 2023. Interest on the Bonds is payable semi-annually on each May 1 and November 1, commencing May 1, 2008. All Bonds are subject to mandatory redemption, in part by lot, from sinking account payments scheduled to begin November 1, 2010 and ending November 1, 2023 at a redemption price equal to the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption. The Bonds are payable solely from tax increment revenue, which has been pledged for repayment of the Bonds.

NOTE 16. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (Continued)

NOTE D. LONG TERM DEBT (Continued)

Loans from the City – The former Redevelopment Agency received loans from the City to pay its share of administrative expenses and make payments on non-tax increment borrowings. The City accrued interest at a rate of 7% on these advances. There is no formal repayment schedule in place at this time. In the year ending June 30, 2013, interest on these loans was recalculated based on the average Local Agency Investment Fund rate of return for the period in which the loans existed as required by Assembly Bill 1484, in the amount of \$3,626,058 for Operating Expenditures and \$4,650,000 for Costco/Seaside.

Reimbursements Payable – The City issued Certificates of Participation (Certificates) to refinance certain real property legally owned by the former Redevelopment Agency. Under a Reimbursement Agreement with the City, the former Redevelopment Agency agreed to reimburse the City for all the Base Rental Payments made by the City to the Trustee of Certificates. The Reimbursements were to be made from available monies of the former Redevelopment Agency; therefore no formal repayment schedule is in place at this time.

SERAF – The California State Legislature enacted ABx4 26 requiring redevelopment agencies to make certain payments to its County Supplemental Education Revenue Augmentation Fund (SERAF). The Agencies were allowed to borrow the amount required from the Housing Set-aside Fund. The Debt Service Fund borrowed the amount from the Housing Set-aside Fund to make the required payments. The City elected to assume the housing function of the former Redevelopment Agency; as such they will receive the payback of the funds. There is no formal repayment schedule in place at this time.

Long-term debt balances and transactions for the fiscal year ended June 30, 2016 are as follows:

	<u>Balance 6/30/15</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/16</u>	<u>Due Within One Year</u>
Bonds, loans and reimbursements:					
Tax Allocation Bonds, 2008 Series A	\$ 5,805,000	\$ -	\$ 265,000	\$ 5,540,000	\$ 275,000
Tax Allocation Bonds, 2008 Series B	<u>1,540,000</u>	<u>-</u>	<u>135,000</u>	<u>1,405,000</u>	<u>145,000</u>
Subtotal	<u>7,345,000</u>	<u>-</u>	<u>400,000</u>	<u>6,945,000</u>	<u>420,000</u>
Loans from the City:					
Operating Expenditures	3,626,058	-	-	3,626,058	-
Costco/Seaside	4,650,000	-	-	4,650,000	-
SERAF	<u>685,052</u>	<u>-</u>	<u>-</u>	<u>685,052</u>	<u>-</u>
Subtotal	<u>8,961,110</u>	<u>-</u>	<u>-</u>	<u>8,961,110</u>	<u>-</u>
Reimbursement due to City LEAs Settlement	1,454,766	-	-	1,454,766	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total bonds, loans and reimbursement	<u>\$ 17,760,876</u>	<u>\$ -</u>	<u>\$ 400,000</u>	<u>\$ 17,360,876</u>	<u>\$ 420,000</u>

NOTE 16. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (Continued)

Annual debt service requirements to maturity are as follows:

Fiscal Year Ended June 30	Series A Bonds		Series B Bonds	
	Principal	Interest	Principal	Interest
2017	\$ 275,000	\$ 227,112	\$ 145,000	\$ 75,662
2018	285,000	214,512	150,000	67,550
2019	300,000	201,350	160,000	59,025
2020	315,000	188,300	170,000	49,737
2021	325,000	175,500	180,000	39,675
2022-2026	2,520,000	629,660	600,000	52,899
2027-2029	1,520,000	64,050	—	—
	<u>\$ 5,540,000</u>	<u>\$ 1,700,484</u>	<u>\$ 1,405,000</u>	<u>\$ 344,548</u>

NOTE E. DEFERRED ROPS REVENUE

The deferred ROPS revenue represents Real Property Tax Transfer Funds (RPTTF) received in advance for future obligation payments. The revenue will be recognized in the period in which the obligation payments are made. At June 30, 2016 this amount was \$570,156.

NOTE F. SEASIDE SETTLEMENT AGREEMENT

On December 17, 2015, the Successor Agency reached a settlement agreement with the City of Seaside, whereby the Successor Agency shall list an enforceable obligation of \$364,521 per year on its Recognized Obligation Payment Schedule (ROPS), beginning with the ROPS period from July 1, 2016 to December 31, 2016 and ending with the ROPS period from July 1, 2027 through December 31, 2027. In the event that there are insufficient funds allocated to the Successor Agency from the Redevelopment Agency Property Tax Trust Fund (RPTTF) to pay the entirety of the requested annual payment of \$364,521 for a particular ROPS period, the deficit will not be carried over to subsequent years. Only property taxes allocated to the Successor Agency from the RPTTF shall be obligated to pay Seaside the annual payment amount.

NOTE 17. AUTHORITATIVE PRONOUNCEMENT ISSUED BUT NOT YET ADOPTED

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces Statements No. 43 and No. 57 related to postemployment benefits other than pensions, as well as includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, No. 43, and No. 50. Statement No. 74 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The requirements of this Statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet the specified criteria. The provisions in this Statement are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged. The City has no plan for early implementation of this Statement. At this time the City is not certain of the effect the adoption of Statement No. 74 will have on the accompanying financial statements.

NOTE 17. AUTHORITATIVE PRONOUNCEMENT ISSUED BUT NOT YET ADOPTED (Continued)

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statements No. 45 and No. 57 related to postemployment benefits other than pensions. Statement No. 75 establishes new accounting and financial reporting requirements for OPEB plans. The requirements of this Statement will improve the decision-usefulness of information in employer and governmental non-employer contributing entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. The provisions in this Statement are effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged. The City has no plan for early implementation of this Statement. At this time the City is not certain of the effect the adoption of Statement No. 75 will have on the accompanying financial statements.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF SAND CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL – GENERAL
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property taxes	\$ 193,500	\$ 249,600	\$ 231,720	\$ (17,880)
Sales tax	2,500,000	2,685,000	2,538,481	(146,519)
Transaction tax	2,250,000	2,250,000	2,207,473	(42,527)
Utility user's tax	120,000	120,000	150,796	30,796
Franchise taxes	79,700	102,300	99,100	(3,200)
Business licenses	462,000	470,500	468,209	(2,291)
Licenses and permits	41,820	42,230	40,651	(1,579)
Fines, forfeits and penalties	2,100	2,150	2,551	401
Charges for current services	167,700	193,600	186,704	(6,896)
Revenue from other agencies	112,910	106,120	120,759	14,639
Developer fees	470,000	8,000	7,079	(921)
Investment earnings	10,425	13,000	25,085	12,085
Rental income	865,000	865,000	864,956	(44)
Other revenue	71,100	92,400	94,400	2,000
Total revenues	<u>7,346,255</u>	<u>7,199,900</u>	<u>7,037,964</u>	<u>(161,936)</u>
EXPENDITURES:				
Current:				
General government	1,929,790	1,846,255	1,760,063	86,192
Public safety	2,568,840	2,600,790	2,482,477	118,313
Public works	852,640	726,570	728,210	(1,640)
Community development	900,215	446,865	407,342	39,523
Parks	47,000	27,000	17,530	9,470
Debt Service:				
Principal	19,000	29,000	28,536	464
Interest and other charges	1,350	4,050	3,953	97
Capital outlay	620,000	227,000	274,419	(47,419)
Total expenditures	<u>6,938,835</u>	<u>5,907,530</u>	<u>5,702,530</u>	<u>205,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>407,420</u>	<u>1,292,370</u>	<u>1,335,434</u>	<u>43,064</u>
OTHER FINANCING SOURCES (USES):				
Transfer in	-	-	15,274	15,274
Proceeds from financing	-	-	96,561	96,561
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>111,835</u>	<u>111,835</u>
NET CHANGE IN FUND BALANCE	<u>\$ 407,420</u>	<u>\$ 1,292,370</u>	<u>\$ 1,447,269</u>	<u>\$ 154,899</u>

See Accompanying Notes to Required Supplementary Information.

CITY OF SAND CITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1. BUDGETARY DATA

The City legally adopts an annual budget for the General Fund. The City adopts the budget before June 30 for each ensuing fiscal year.

Budgets submitted to the Council include both proposed appropriations and the means of financing them. A mid-year budget review is performed and the budget is amended by passage of a resolution. Additional appropriations or interfund transfers not included in the amended budget resolution must be approved by the City Council.

All budgets have been prepared on a basis consistent with generally accepted accounting principles, which is the same basis of accounting as used to reflect actual revenues and expenditures.

Appropriations lapse at each fiscal year end and then are rebudgeted for the coming fiscal year. Encumbrance accounting is not used.

CITY OF SAND CITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS OF OTHER POST EMPLOYMENT BENEFITS
FOR THE YEAR ENDED JUNE 30, 2016

<u>Fiscal Year</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
2014	6/30/2012	\$ —	\$ 2,869,000	\$ 2,869,000	0%	\$ 1,830,396	156.7%
2015	6/30/2012	\$ —	\$ 2,869,000	\$ 2,869,000	0%	\$ 1,887,920	152.0%
2016	6/30/2015	\$ —	\$ 4,182,000	\$ 4,182,000	0%	\$ 1,969,604	212.3%

CITY OF SAND CITY
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Last 10 Years*
FOR THE YEAR ENDED JUNE 30, 2016

<u>Fiscal Year</u>	<u>Proportion of the net pension liability</u>	<u>Proportionate share of the net pension liability</u>	<u>Covered employee payroll</u>	<u>Proportionate share of the net pension liability as percentage of covered employee payroll</u>	<u>Plan's fiduciary net position</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
<u>2015</u>						
Miscellaneous Plan	0.03280%	\$ 2,041,105	\$ 979,700	208.34%	\$ 6,029,465	74.71%
Safety Plan	0.02186%	\$ 1,360,244	\$ 1,018,285	133.58%	\$ 5,420,795	79.94%
<u>2016</u>						
Miscellaneous Plan	0.03077%	\$ 2,112,302	\$ 957,621	220.58%	\$ 6,420,707	75.25%
Safety Plan	0.01937%	\$ 1,329,846	\$ 1,095,485	121.39%	\$ 5,777,967	81.29%

Notes to Schedule:

Benefit changes.

In 2015, benefit terms were modified to base public safety employee pensions on a final three-year average salary instead of a final five-year average salary.

For 2016, the figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions.

In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

In 2016, the discount rate was changed from 7.50 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

* Fiscal year 2015 was the 1st year of implementation, therefore, only two years are shown.

CITY OF SAND CITY
SCHEDULE OF CONTRIBUTIONS
Last 10 Years*
FOR THE YEAR ENDED JUNE 30, 2016

<u>Fiscal Year</u>	<u>Contractually required contribution (actuarially determined)</u>	<u>Contributions in relation to the actuarially determined contributions</u>	<u>Contribution deficiency (excess)</u>	<u>Covered employee payroll</u>	<u>Contributions as a percentage of covered employee payroll</u>
2015					
Miscellaneous Plan	\$ 232,159	\$ 232,159	\$ —	\$ 957,621	24.24%
Safety Plan	\$ 214,913	\$ 214,913	\$ —	\$ 1,095,485	19.62%
2016					
Miscellaneous Plan	\$ 272,359	\$ 272,359	\$ —	\$ 973,812	27.97%
Safety Plan	\$ 213,436	\$ 213,436	\$ —	\$ 1,179,383	18.10%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2014–15 were derived from the June 30, 2012 funding valuation report, those used for Fiscal Year 2015–16 were derived from the June 30, 2013 funding valuation report.

Actuarial cost method	Entry age normal
Amortization method/period	Level percentage of payroll
Asset valuation method	Market value
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.50%, net of pension plan investment and administrative expenses; includes inflation
Retirement age	<u>The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.</u>
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

* Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS



HAYASHI | WAYLAND

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and City Council
City of Sand City
Sand City, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the *City of Sand City*, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the *City of Sand City's* basic financial statements, and have issued our report thereon dated November 28, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the *City of Sand City's* internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the *City of Sand City's* internal control. Accordingly, we do not express an opinion on the effectiveness of the *City of Sand City's* internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the *City of Sand City's* financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 28, 2016

Hayashi Wayland, LLP

AGENDA ITEM

8B

CITY OF SAND CITY

STAFF REPORT

**NOVEMBER 16, 2016
(For City Council Review on December 6, 2016)**

TO: Mayor and City Council

FROM: Charles Pooler, Associate Planner

SUBJECT: 2nd Reading - Ordinance Updating Title 15 of the City's Municipal Code Adopting 2016 Editions of the California Building Codes and Local Amendments

BACKGROUND

At the November 15, 2016 Council meeting, the City Council adopted for first reading an ordinance to update Title 15 of the City's Municipal Code with the latest versions of the California Building, Fire, and other related construction codes. No concerns were identified or discussed at the November 15th public hearing, nor was there any public comment received. The ordinance requires Council adoption for second reading before the ordinance is incorporated into the City's Municipal Code. The ordinance goes into effect January 1, 2017.

RECOMMENDATION

Staff recommends adoption (for second reading) of the attached draft ordinance, as modified, to incorporate the 2016 edition of the California Building Codes, appendixes, and amendments into Title 15 of the Sand City Municipal Code.

Attached:

1. Staff Report, dated October 27, 2016
2. Draft Ordinance (as adopted for 1st reading on November 15, 2016)

ATTACHMENT 1

October 27, 2016 Staff Report

CITY OF SAND CITY

STAFF REPORT

OCTOBER 27, 2016
(For City Council Consideration on November 15, 2016)

TO: Mayor and City Council

FROM: Charles Pooler, Associate Planner

SUBJECT: Formal Adoption of Updated Building and Related Codes

BACKGROUND

The State of California adopted updated editions of the California Building Codes that become effective on January 1, 2017. These codes must be implemented by county and municipal governments throughout California as of that date. Every few years, following the State's adoption of updated codes, the City Council adopts an ordinance to amend and update Title 15 of the City's Municipal Code to be consistent with California Code. Inclusive of these adoptions are more restrictive code amendments that are consistent with code requirements adopted by the City of Monterey. Adoption of these amendments satisfies terms of the service agreement contract between Sand City and the City of Monterey for consistency in plan review, site inspection, and code enforcement. The following is a list of the updated codes to be adopted:

- California Building Code & Appendix Chapters H, I, J; 2016 ed.
- California Historic Building Code, 2016 ed.;
- California Existing Building Code, 2016 ed.;
- California Residential Code, 2016 ed.;
- California Plumbing Code, 2016 ed.;
- California Electrical Code, 2016 ed.;
- California Mechanical Code, 2016 ed.;
- California Green Building Standards Code & Appendix Chapters G & I, 2016 ed.;
- California Fire Code; 2016 ed.;
- International Property Maintenance Codes (except Section 111), 2015 ed.;

DISCUSSION

The attached draft ordinance is to amend Title 15 of the Sand City Municipal Code to incorporate these updated California Codes, including the more restrictive amendments and additions also adopted by the City of Monterey. Most of the language of the code amendments are similar to the previous amendment adopted in 2013, with only minor changes throughout.

Fire Code & Board of Appeals:

The most significant amendment to the City's Municipal Code will be altering Section 15.08.030 'Permit Refusal and Appeal' regarding the appeal process of Fire Chief decisions. The 2016 California Fire Code, Section 108, establishes the procedures, qualifications, and authority limitations for a 'Board of Appeals' regarding Fire Official (Fire Chief) decisions. Current language of Municipal Code Section 15.08.030 establishes the City Council as the governing body to consider such appeals; however, this is in conflict with the Fire Code. Therefore, SCMC Section 15.08.030, in its current language, must be updated. A board of appeals must consist of members that are qualified by experience and training on matters of fire hazards, explosions, fire protection systems and the like, and cannot be employees of the City. The Monterey Board of Appeals can function as Sand City's Board of Appeals on matters of the Fire Code unless the City Council wishes to establish its own board. The establishment of a Board of Appeals should be a discussion and task of the Public Safety Committee, eventual consideration and adoption by the City Council.

CEQA:

Adoption of an ordinance to update the City's Municipal Code regarding building codes, is 'Categorically Exempt' from CEQA (California Environmental Quality Act), in accordance with Section 15061(b)(3) of the CEQA Guidelines.

RECOMMENDATION

Staff recommends **adoption** (for first reading) the attached draft ordinance, to update and amend related sections of Title 15 of the Sand City Municipal Code for consistency and compliance with the State of California, with amendments that are specific to Sand City's local climate, geology, and topographical conditions as allowed by California Health and Safety Code Sections 17958, 17958.5, and 17958.7.

Attachments:

1. California Fire Code Section 108 - Board of Appeals
2. Draft Ordinance (for first reading) to Amend Title 15 of the City's Municipal Code

ATTACHMENT 1

DIVISION II ADMINISTRATION

same fails to comply with this code. Any portions that do not comply shall be corrected, and such portion shall not be covered or concealed until authorized by the fire code official.

[A] **106.3 Concealed work.** It shall be the duty of the permit applicant to cause the work to remain accessible and exposed for inspection purposes. Whenever any installation subject to inspection prior to use is covered or concealed without having first been inspected, the fire code official shall have the authority to require that such work be exposed for inspection. Neither the fire code official nor the jurisdiction shall be liable for expense entailed in the removal or replacement of any material required to allow inspection.

[A] **106.4 Approvals.** Approval as the result of an inspection shall not be construed to be an approval of a violation of the provisions of this code or of other ordinances of the jurisdiction. Inspections presuming to give authority to violate or cancel provisions of this code or of other ordinances of the jurisdiction shall not be valid.

SECTION 107 MAINTENANCE

[A] **107.1 Maintenance of safeguards.** Whenever or wherever any device, equipment, system, condition, arrangement, level of protection, or any other feature is required for compliance with the provisions of this code, or otherwise installed, such device, equipment, system, condition, arrangement, level of protection, or other feature shall thereafter be continuously maintained in accordance with this code and applicable referenced standards.

[A] **107.2 Testing and operation.** Equipment requiring periodic testing or operation to ensure maintenance shall be tested or operated as specified in this code.

[A] **107.2.1 Test and inspection records.** Required test and inspection records shall be available to the fire code official at all times or such records as the fire code official designates shall be filed with the fire code official.

[A] **107.2.2 Reinspection and testing.** Where any work or installation does not pass an initial test or inspection, the necessary corrections shall be made so as to achieve compliance with this code. The work or installation shall then be resubmitted to the fire code official for inspection and testing.

[A] **107.3 Supervision.** Maintenance and testing shall be under the supervision of a responsible person who shall ensure that such maintenance and testing are conducted at specified intervals in accordance with this code.

[A] **107.4 Rendering equipment inoperable.** Portable or fixed fire-extinguishing systems or devices, and fire-warning systems, shall not be rendered inoperative or inaccessible, except as necessary during emergencies, maintenance, repairs, alterations, drills or prescribed testing.

* [A] **107.5 Overcrowding.** Overcrowding or admittance of any person beyond the approved capacity of a building or a portion thereof shall not be allowed. The fire code official, upon finding any overcrowding conditions or obstructions in

aisles, passageways or other means of egress, or upon finding any condition which constitutes a life safety hazard, shall be authorized to cause the event to be stopped until such condition or obstruction is corrected.

SECTION 108 BOARD OF APPEALS

[A] **108.1 Board of appeals established.** In order to hear and decide appeals of orders, decisions or determinations made by the fire code official relative to the application and interpretation of this code, there shall be and is hereby created a board of appeals. The board of appeals shall be appointed by the governing body and shall hold office at its pleasure. The fire code official shall be an ex officio member of said board but shall have no vote on any matter before the board. The board shall adopt rules of procedure for conducting its business, and shall render all decisions and findings in writing to the appellant with a duplicate copy to the fire code official.

[A] **108.2 Limitations on authority.** An application for appeal shall be based on a claim that the intent of this code or the rules legally adopted hereunder have been incorrectly interpreted, the provisions of this code do not fully apply, or an equivalent method of protection or safety is proposed. The board shall have no authority to waive requirements of this code.

[A] **108.3 Qualifications.** The board of appeals shall consist of members who are qualified by experience and training to pass on matters pertaining to hazards of fire, explosions, hazardous conditions or fire protection systems, and are not employees of the jurisdiction.

SECTION 109 VIOLATIONS

[A] **109.1 Unlawful acts.** It shall be unlawful for a person, firm or corporation to erect, construct, alter, repair, remove, demolish or utilize a building, occupancy, premises or system regulated by this code, or cause same to be done, in conflict with or in violation of any of the provisions of this code. **

[A] **109.2 Owner/occupant responsibility.** Correction and abatement of violations of this code shall be the responsibility of the owner. If an occupant creates, or allows to be created, hazardous conditions in violation of this code, the occupant shall be held responsible for the abatement of such hazardous conditions.

[A] **109.3 Notice of violation.** When the fire code official finds a building, premises, vehicle, storage facility or outdoor area that is in violation of this code, the fire code official is authorized to prepare a written notice of violation describing the conditions deemed unsafe and, when compliance is not immediate, specifying a time for reinspection.

[A] **109.3.1 Service.** A notice of violation issued pursuant to this code shall be served upon the owner, operator, occupant or other person responsible for the condition or violation, either by personal service, mail or by delivering the same to, and leaving it with, some person of responsibility upon the premises. For unattended or abandoned

ATTACHMENT 2

Ordinance for Council Action 2nd Reading

CITY OF SAND CITY

ORDINANCE NO. _____, 2016

ORDINANCE AMENDING TITLE 15 OF THE SAND CITY MUNICIPAL CODE TO ADOPT THE 2016 CALIFORNIA BUILDING CODE AND APPENDICES H, I, J; THE 2016 CALIFORNIA HISTORICAL BUILDING CODE; THE 2016 CALIFORNIA EXISTING BUILDING CODE; THE 2016 CALIFORNIA RESIDENTIAL CODE; THE 2016 CALIFORNIA PLUMBING CODE; THE 2016 CALIFORNIA ELECTRICAL CODE; THE 2016 MECHANICAL CODE; THE 2016 CALIFORNIA GREEN BUILDING STANDARDS CODE INCLUDING APPENDIX G AND I; THE 2016 CALIFORNIA FIRE CODE; AND THE 2015 INTERNATIONAL PROPERTY MAINTENANCE CODE EXCEPT SECTION 111

WHEREAS, the City Council of the City of Sand City finds that the continued efficient operation of city government and public services for public health, safety, and welfare requires adoption of the latest California Building Codes; and

WHEREAS, the City of Sand City has certain contractual obligations to fulfill, as noted in Section 3 of the "Public Safety Service Agreement" between the City of Sand City and the City of Monterey who serves as Sand City's Building and Fire Departments; and

WHEREAS, the City Council has been advised by City staff that said code updates and revision amendments contained in the ordinance are in the best interest of the City in order to protect the public health, safety, and welfare; and

WHEREAS, this Ordinance is found to be 'Categorically Exempt' from environmental review, per the provisions of Section 15061(b)(3) of the California Environmental Quality Act (CEQA); and

WHEREAS, Specific amendments have been established by the City of Sand City which are more restrictive in nature than those sections adopted by the State of California (State Building Standards Code & State Housing & Community Development Code) commonly referred to as Title 24 and Title 25 of the California Administrative Code, where these "Findings of Fact" are submitted and made a part of this Ordinance pursuant to Sections 17958.5 and 17958.7 of the California Health and Safety Code, and the amendments to the 2016 California Building Code, 2016 California Residential Code, 2016 California Plumbing Code, and 2016 California Fire Code, have been recognized by the City of Sand City to address problems, concerns, and future direction by which this City can establish and maintain an environment that will afford a level of Fire and Life Safety to its citizens and guests, and under the provisions of Section 17958.7 of the California Health and Safety Code, local amendments shall be based upon climatic, geographical, or topographical conditions, that these Findings of Fact contained herein shall address each of these situations and shall present the local situation that either singularly, or in combination, causes the established amendments to be adopted; and

WHEREAS, Sand City was incorporated in 1960, encompassing approximately 0.75 square miles, and with construction of Highway One in the late 1960s, the City was effectively bisected from north to south, and further having the Union Pacific Railroad right-of-way, also traveling north to south, acts as the City's eastern boundary. Future development plans for Sand City include low and medium density residential dwellings, mixed-use development, visitor serving commercial resorts, a revitalization of the City's "West End" and "South of Tioga" Districts and continued efforts towards habitat management; and

WHEREAS, the weather patterns within the City of Sand City are considered to be moderately affected year-round by the water bodies of the Monterey Bay and the Pacific Ocean, extending the year round growing season of vegetation, and the normal year's annual rainfall is approximately twelve to fourteen (12-14) inches, while summer conditions are impacted by the prevalent Pacific High Cell creating the mid-day fog that is normally associated with the Monterey Peninsula, and this climatic morning fog promotes growth of the natural vegetation, is subjected to sea breezes and wind in a north-westerly direction daily throughout the year, and Sand City has experienced water rationing in conjunction with the Peninsula cities, and water allocation for new developments has reduced over the past couple of years due to an excessive demand upon existing water resources; and

WHEREAS, these Findings of Fact that identify the various "physical" and "climatic" elements of the City are considered reasonable to necessitate the modifications to the requirements established pursuant to Health and Safety Code, Section 17922, based upon the local conditions, and while it is clearly understood that the adoption of such regulations may not prevent an incident of fire, it is further noted that with the implementation of these various regulations and/or requirements, it may serve to reduce the severity and potential loss of life and property.

NOW THEREFORE, be it resolved by the City Council of the City of Sand City does hereby ordain as follows:

SECTION 1: **Section 15.04.010 of the Sand City Municipal Code is hereby deleted and replaced in its entirety to read as follows:**

"Adopted. The following codes as amended or supplemented as provided herein, are adopted and incorporated into this Chapter by reference.

- A. The 2016 California Building Code and Appendices H, I, J
- B. The 2016 California Historical Building Code;
- C. The 2016 California Existing Building Code;
- D. The 2016 California Residential Code;
- E. The 2016 California Plumbing Code;
- F. The 2016 California Electrical Code;
- G. The 2016 California Mechanical Code;
- H. The 2016 California Green Building Standards Code & Appendix G

- and I;
I. The 2016 California Fire Code;
J. The 2015 International Property Maintenance Code, except Section 111.”

SECTION 2: Section 15.04.015 of the Sand City Municipal Code is hereby amended by deleting said Section in its entirety and replacing it to read as follows:

“15.04.015 Exemption for Pending Applications. The provisions of the 2016 Edition of the California Building Code and Appendices H, I, J, the 2016 California Historical Building Code, the 2016 California Existing Building Code, the 2016 California Residential Code, the 2016 California Plumbing Code, the 2016 California Electrical Code, the 2016 California Mechanical Code, the 2016 California Green Building Standards Code, the 2016 California Fire Code, and the 2015 International Property Maintenance Code, as adopted and amended herein, shall not apply to any building or structure for which an application for a building permit was made prior to January 1, 2017. Such buildings or structures shall be erected, constructed, enlarged, altered, or repaired in accordance with the provisions of this Chapter in effect at the date of said application.”

SECTION 3: Chapter 15.06 of the Sand City Municipal Code is hereby amended by deleting said Chapter in its entirety and replacing it to read as follows:

“15.06.010 Adoption. For the purposes of prescribing regulations governing to the development of better building construction and greater safety to the public by uniformity in building laws, that certain code known as the 2016 California Building Code and Appendix Chapters H, I, and J promulgated by the State of California, being particular to the 2016 Edition thereof and the whole thereof, save and except those such portions as they are deleted, modified, or amended in the Ordinance codified in this Chapter, a copy of which is on file in the Office of the City Clerk, and the same are adopted and incorporated as fully as if set out at length in this Chapter, and from the date on which the Ordinance codified in this Chapter shall take effect, the provisions thereof shall be controlling within the limits of the City.

15.06.020 Application of Amendments. The amendments set forth in the following sections in this Chapter 15.06 are amendments to the California Building Code. Whenever the amendments to the Building Code referred to in Section 15.06.010, which are set forth in the remaining sections of this Chapter 15.06, shall control.

15.06.030 Section 105.3.2 - Amended. Section 105.3.2 of the

California Building Code is hereby amended to read as follows:

105.3.2 Time Limitation of Applications. Applications for which no permit is issued within one-hundred eighty (180) days following the date of the application shall expire, and plans and other data submitted for review may thereafter be returned to the applicant or destroyed by the City's Building Official. The Building Official may extend the time for action by the applicant for a period not exceeding one-hundred eighty (180) days on written request by the applicant showing that circumstances beyond control of the applicant prevented action from being taken and the extension has been submitted in writing prior to the expiration date.

If a permit has not been obtained after the first extension, additional extensions of ninety (90) days may be granted provided the applicant submits this request in writing and pays a fee equal to \$500 for each requested ninety (90) day extension and the project has not changed in scope.

Exception:

If a project has been approved by the City on condition where a pending approval from an outside agency exists at the time of expiration, written extensions will not be required.

15.06.040 Section 105.5 - Amended. Section 105.5 of the California Building Code is hereby amended to read as follows:

105.5 Expiration of Permits. Every permit issued by the City Building Official under the provisions of the technical codes shall expire and become null and void, if the project authorized by such permit has not achieved an approval for one of the required inspections identified in Section 110.3 of the 2016 California Building Code within one (1) year of such permit.

The Building Official may grant a one-time permit extension of one-hundred eighty (180) days provided the applicant submits a request in writing prior to the permit expiration and the project has not changed in scope. Additional extension requests of ninety (90) days may be granted by the Building Official if the request is made in writing, the project has not changed in scope, the project has obtained at least one inspection approval, and the applicant pays a fee of \$1,000 for each ninety (90) day extension.

Before work can commence or recommence under an expired permit, a new permit application must be submitted and permit obtained along with all applicable fees applied for this new project.

All existing projects are subject to this section and will be subject to the conditions listed above.

15.06.050 Section 1505.1.1 - Amended. Section 1501.1.1 of the California building Code is hereby amended to read as follows:

1505.1.1 Real Coverings Within All Fire Hazard Severity Zones. Any new roof on a new or existing structure and any re-roofing of an existing structure of fifty percent (50%) or more of the total roof area within a one (1) year period shall be of a fire retardant roof or Class A roof."

SECTION 4: Chapter 15.08 of the Sand City Municipal Code is hereby amended by deleting said Chapter in its entirety and replacing it to read as follows:

15.08.010 Adoption. For the purpose of prescribing regulations governing the conditions hazardous to life and property from fire or explosion, that certain code known as the 2016 California Fire Code, published by the State of California, being particularly the 2016 edition thereof and the whole thereof, save and except such portions as are deleted, modified, or amended in this Chapter 15.08, a copy of which Fire Code is on file in the office of the City Clerk, and the same are adopted and incorporated as fully as if set out at length in this Chapter, and from the date on which the ordinance codified in this Chapter shall take effect, the provisions thereof shall be controlling within the limits of the City.

15.08.020 Definitions. Whenever the following words or phrases are used within the Fire Code, they shall have the following meanings:

- A. "Corporation Council" means the City Attorney of the City of Sand City.
- B. "Fire Chief" means the Fire Chief of the Fire Department contracted with the City of Sand City for Fire Protection Services.
- C. "Fire Department" means the Fire Department contracted with the City of Sand City for Fire Protection Services.
- D. "Municipality" means the City of Sand City.
- E. "Fire Code" means the Fire Code referred to in Section 15.08.010.

15.08.030 Permit Refusal and Appeal. Whenever the Fire Chief has disapproved an application or refused to grant a permit applied for, or when it is claimed that the provisions of the code do not apply or that the true intent and meaning of the code has been misconstrued or wrongly interpreting, the applicant may appeal in writing in accordance with California Fire Code Section 108 pertaining to 'Board of Appeals'.

15.08.040 Application of Amendments. The amendments set forth in the following sections in this Chapter 15.08 are amendments to the

California Fire Code. Whenever the amendments to the Fire Code referred to in Section 15.08.010, which are set forth in the remaining sections of this Chapter 15.08, shall control.

15.08.050 Section (A) 101.1 - Amended. Section (A) 101.1 of the California Fire Code is amended to read as follows:

(A) 101.1 Title. These regulations shall be known as the Fire Code of the City of Sand City hereinafter referred to as "this code".

15.08.060 Section(A)105.1.2 - Amended. Section (A)105.1.2 of the California Fire Code is amended to read as follows:

Section (A) 105.1.2 Types of Permits. There are two types of permits as follows:

1. Operational Permit. Any and all conditions of an operational permit will be established through a separate Resolution approved by the City Council.
2. Construction Permit. A construction permit allows the application to install or modify systems and equipment for which a permit is required by Section (A)105.1.1.

15.08.070 Section (A) 109.3 - Amended. Section (A) 109.3 of the California Fire Code is amended to read as follows:

109.3 Violation Penalties. Persons who shall violate any provisions of this code or shall fail to comply with any of the requirements thereof or shall erect, install, alter, repair, or do work in violation of the approved construction documents or directive of the fire code official, or of a permit or certificate used under provisions of this code, shall be guilty of an infraction, punishable by a fine not more than five hundred dollars (\$500.00). Each day that a violation continues after due notice has been served shall be deemed a separate offense.

15.08.080 Section 202 - Amended. Section 202 of the California Fire Code is amended to add the following definition:

ALL WEATHER SURFACE. A road surface constructed to the minimum standards adopted by the jurisdiction.

15.08.090 Section 304 - Amended. Section 304 of the California Fire Code is amended to read as follows:

Storage and Accumulation of Rubbish and Vegetation.

304 Rubbish within Dumpsters. In all rooms or above outside areas, adjacent to building or underneath roof overhangs or when located nearer than ten (10) feet to adjacent property line, used for storage of combustible waste materials in other than Group R, Division 3 occupancies shall be protected by automatic sprinkler protection. Such sprinklers may be connected to the domestic water supply, provided sufficient coverage of the area is provided and an approved accessible shutoff valve is provided for each room or area.

Exception: Trash areas adjacent to solid brick or concrete walls with no openings or eaves are not required to be protected by an automatic sprinkler system(s).

15.08.100 Section 307 - Amended. Section 307 of the California Fire Code is amended to read as follows:

Section 307 – Incinerators, Open Burning and Commercial Barbecue Pits
Open Burning

307. General. Open burning shall be prohibited including outdoor rubbish fires and bonfires, unless 1) the fire is confined to an approved container as defined by the Mechanical Code and authorized by the Monterey Bay Air Pollution Control District, 2) the open fire is for the explicit purpose of preparation of food, such as in the case of a luau, barbecue, and the like, or 3) a special condition or circumstance exists and written authorization is granted by the Fire Chief.

15.08.110 Section 503 - Added. Section 503 is added to the California Fire Code as follows:

Section 503 – Fire Apparatus Access

15.08.120 Section 503.2.1 - Added. Section 503.2.1 is added to the California Fire Code as follows:

503.2.1 Dimensions. Fire apparatus access roads shall have an unobstructed width of not less than twenty (20) feet (6096 mm), exclusive of shoulders, except for approved security gates in accordance with Section 503.6, and an unobstructed vertical clearance of not less than thirteen (13) feet and six (6) inches (4115 mm).

BRIDGE. A structure to carry a roadway over a depression or obstacle.

15.08.130 Section 503.2.6.1 - Added. Section 503.2.6.1 is added to the California Fire Code to read as follows:

503.2.6.1 Private Bridge Engineering. Every private bridge hereafter

constructed shall meet the following engineering requirements:

- a. The weight shall be designed for a minimum of HS-20 loading as prescribed by AASHTO.
- b. The unobstructed vertical clearance shall be not less than fifteen (15) feet clear.
- c. The width shall be a minimum of twenty (20) feet clear. The fire code official may require additional width when the traffic flow may be restricted or reduce the width to a minimum of twelve (12) feet for Occupancy Group U or R-3 occupancies.
- d. The maximum grade change of the approach to and from any private bridge shall not exceed eight percent (8%) for a minimum distance of ten (10) feet.

15.08.140 Section 503.2.6.2 - Added. Section 503.2.6.2 is added to the California Fire Code to read as follows:

503.2.6.2 Private Bridge Certification. Every private bridge hereafter constructed shall be engineered by a licensed professional engineering knowledgeable and experienced in the engineering and design of bridges. Certification that the bridge complies with the design standards required by this code and the identified standards, and that the bridge was constructed to those standards, shall be provided by the licensed engineer, in writing, to the fire code official. Every private bridge, including existing and those constructed under this code, shall be certified as to its maximum load limits every ten (10) years or whenever deemed necessary by the fire code official. Such re-certification shall be by a licensed professional engineer knowledgeable and experienced in the engineering and design of bridges. All fees charged for the purpose of certification or re-certification of private bridges shall be at the owner's expense.

15.08.150 Section 503.2.7 - Amended. Section 503.2.7 of the California Fire Code is amended to read as follows:

503.2.7 Grade. The grade of fire apparatus access roads shall be no greater than fifteen percent (15%) unless specifically approved by the fire code official.

15.08.160 Section 503.2.7.1 - Added. Section 503.2.7.1 is added to the California Fire Code to read as follows:

503.2.7.1 Paving. All fire apparatus roads over eight percent (8%) shall be paved with a minimum 0.17 feet of asphaltic concrete on 0.34 feet of aggregate base. All fire apparatus access roads over fifteen percent (15%), where approved, shall be paved with perpendicularly grooved

concrete.

15.08.170 Section 505 - Added. Section 505 is added to the California Fire Code to read as follows:

Section 505 – Premises Identification.

Section 505.1 Address Identification. New buildings shall have approved address numbers, building numbers, or approved building identification placed in a position that is plainly legible and visible from the street or road fronting the property. These numbers shall be Arabic numbers or alphabetical letters. Numbers shall be a minimum of four (4) inches (101.6 mm) high with a minimum stroke width of one-half (½) inch (12.7 mm). Where access is by means of a private road, and the building cannot be viewed from the public right-of-way, a monument, pole, or other sign or means shall be used to identify the structure. Large complexes or multiple buildings shall have their addresses posted so that it is visible from the street.

15.08.180 Section 506.1 - Amended. Section 506.1 of the California Fire Code is amended to read as follows:

506.1 Where Required. Where access to or within a structure or an area is restricted because of secured openings or where immediate access is necessary for life-saving or fire-fighting purposes, the fire code official is authorized to require a key box or other approved emergency access device to be installed in an approved location. The key box or other approved emergency access device shall be of an approved type and shall contain keys or other information to gain necessary access as required by the fire code official.

15.08.190 Section 507.5.2 - Amended. Section 507.5.2 of the California Fire Code is amended to read as follows:

507.5.2 Inspection, Testing, and Maintenance. Fire hydrant systems shall be subject to periodic tests as required by the fire code official. Fire hydrant systems shall be maintained in an operative condition at all times and shall be repaired where defective. Additions, repairs, alterations, and servicing shall comply with approved standards. When required by the fire code official, hydrants shall be painted in accordance with the most current edition of NFPA 291.

15.08.200 Section 603.6.6 - Added. Section 603.6.6 is added to the California Fire Code to read as follows:

603.6.6 Spark Arresters. An approved spark arrester shall be installed on all chimneys, incinerators, smokestacks, or similar devices for

conveying smoke or hot gases to the outer air.

15.08.210 Section 901.1.1 - Added. Section 901.1.1 is added to the California Fire Code to read as follows:

901.1.1 Responsibility. The owner of the protected premises shall be responsible for all fire protection systems within the protected premises, whether existing or installed under this code.

15.08.220 Section 901.4 - Amended. Section 901.4 of the California Fire Code is amended to read as follows:

901.4 Systems Out of Service. Where a required fire protection system is out of service, the fire department and the fire code official shall be notified immediately and, where required by the fire code official, the building shall either be evacuated or an approved fire watch shall be provided for all occupants left unprotected by the shutdown until the fire protection system has been returned to service.

15.08.230 Section 903 - Amended. Section 903 is amended to read as follows:

Section 903 – Fire Sprinklers

15.08.240 Section 903.2 - Amended. Section 903.2 of the California Fire Code is amended to read as follows:

903.2 Where Required. Approved automatic sprinkler systems shall be provided in all new buildings and structures constructed, moved into, or relocated within the jurisdiction.

Exceptions:

1. Structures not classified as Group R occupancies and not more than 1,000 square feet in total floor area.
2. Detached Group U occupancies (private garages, carports, sheds, and agricultural buildings).

15.08.250 Section 903.2 - Amended. The following sections of the California Fire Code are amended by changing the requirements to five-hundred (500) square feet for fire sprinkler installation, as follows (the complete text of the code section is not provided):

- 903.2.1.1 Group A-1. Change 12,000 square feet to 500 square feet.
- 903.2.1.2 Group A-2. Change 5,000 square feet to 500 square feet.
- 903.2.1.3 Group A-3. Change 12,000 square feet to 500 square feet.

903.2.1.4 Group A-4. Change 12,000 square feet to 500 square feet.
903.2.1.5 Group A-5. Change 1,000 square feet to 500 square feet.
903.2.3 Group E. Change 12,000 square feet to 500 square feet.
903.2.4 Group F-1. Change 12,000 square feet to 500 square feet.
Change 2,500 square feet for woodworking operations to 500 square feet.
903.2.7-1 Group M. Change 12,000 square feet to 500 square feet.
903.2.7-3 Group M. Change 24,000 square feet to 500 square feet.
903.2.9 Group S-1. Change 12,000 square feet to 500 square feet.
903.2.9.1 Repair Garages. Change 10,000 square feet (2-story buildings) and 12,000 square feet (1-story buildings) to 500 square feet.
903.2.9.2 Bulk Storage of Tires. Change 20,000 cubic feet to 500 square feet.

15.08.260 Section 903.2.8 - Amended. Section 903.2.8 of the California Fire Code is amended to read as follows:

903.2.8 Group R. An automatic sprinkler system installed in accordance with Section 903.3 shall be provided in all buildings with a Group R fire area, including, but not limited to one- and two-family dwellings, town homes, and manufactured homes and mobile homes located outside of licensed mobile home parks hereafter constructed, moved into, or relocated within the jurisdiction, including all additions to buildings already equipped with automatic fire sprinkler systems.

15.08.270 Section 903.2.20 - Added. Section 903.2.20 shall be added to the California Fire Code to read as follows:

903.2.20 Change of Use. Automatic fire sprinklers shall be installed when the occupancy changes from a single occupancy to a mixed-use occupancy that would require the installation of an occupancy separation, or when the occupancy changes from any type of occupancy to an Assembly use occupancy.

15.08.280 Section 903.3.1.1.2 - Added. Section 903.3.1.1.2 is added to the California Fire Code to read as follows:

903.3.1.1.2 Elevators. Automatic fire sprinklers shall not be installed at the top of passenger elevator hoist ways or in the associated passenger elevator mechanical rooms.

903.3.1.1.2.1 Where automatic fire sprinklers are not installed at the top of passenger elevator hoist ways, heat detectors for the shunt trip mechanism shall not be installed, nor shall smoke detectors for elevator recall be installed.

903.3.1.1.2.2 Where automatic fire sprinklers are not installed in

associated elevator mechanical rooms, heat detectors for the shunt trip mechanism shall not be installed. A smoke detector shall be installed for elevator recall.

15.08.290 Section 903.3.1.3 - Amended. Section 903.3.1.3 of the California Fire Code is amended to read as follows:

903.3.1.3 NFPA 13-D Sprinkler Systems. Where allowed, automatic sprinkler systems installed in one- or two-family dwellings shall be installed throughout in accordance with NFPA 13D.

903.3.1.3.1 All fire sprinkler systems installed in one- and two-family dwellings shall be tested for leakage by undergoing an hydrostatic test made at two-hundred (200) psi for a two (2) hour duration.

903.3.1.3.2 Each water system supplying both domestic and fire protection systems shall have a single indicating-type control valve, arranged to shut off both the domestic and sprinkler systems. A separate shut-off valve for the domestic system shall only be permitted to be installed. The location of the control valve shall be approved by the fire code official.

903.3.1.3.6 Local water flow alarms shall be provided on all sprinkler systems. All water flow alarms shall be powered from the main kitchen refrigerator circuit. The local water flow alarm shall be clearly audible from within the master bedroom at an audibility level of not less than seventy-five decibels (75 dBa). Where no kitchen exists in the building, the water flow alarm shall be powered from the bathroom lighting circuit.

15.08.300 Section 903.4.1 - Amended. Section 903.4.1 of the California Fire Code is amended to read as follows:

903.4.1 Monitoring. Alarm, supervisory and trouble signals shall be distinctly different and shall be automatically transmitted to an approved central station, remote supervising station or proprietary supervising station as defined in NFPA 72-2010, or, when approved by the fire code official, shall sound an audible signal at a constantly attended location.

(Exceptions remain unchanged)

15.08.310 Section 903.4.2 - Amended. Section 903.4.2 of the California Fire Code is amended to read as follows:

903.4.2 Alarms. One exterior approved audible device shall be connected to every automatic sprinkler system in an approved location. Such sprinkler water flow alarm devices shall be activated by water flow equivalent to the flow of a single sprinkler of the smallest orifice size

installed in the system. Where a building fire alarm system is installed, actuation of the automatic sprinkler system shall actuate the building fire alarm system.

15.08.320 Section 903.4.3 - Amended. Section 903.4.3 of the California Fire Code is amended to read as follows:

903.4.3 Floor Control Valves. Approved indicating control valves and water flow switches shall be provided at the point of connection to the riser on each floor in all buildings over one story in height, and shall be individually annunciated as approved by the fire code official.

15.08.330 Section 903.6 - Amended. Section 903.6 of the California Fire Code is amended to read as follows:

903.6 Repairs, Alterations, and Additions. In all buildings, except where otherwise provided herein this Section, where the total floor area exceeds five-thousand (5,000) square feet, or which are forty (40) feet or more in height, or which are three (3) or more stories in height, they shall be made to comply with the provisions of this Section.

In all buildings where the total floor area exceeds five-thousand (5,000) square feet, or which are forty (40) feet or more in height, or which are three (3) or more stories in height, if the repairs or alterations are made exceeding twenty-five percent (25%) of the current market rate value of the building and property as shown in the records of the County Assessor within any three hundred sixty (360) day period shall be made to comply with the provisions of this Section.

Definitions.

Repair – It is the reconstruction or renewal of any part of an existing building or structure for the purpose of its maintenance.

Alteration – It is any change, addition, or modification in construction or occupancy.

Exception.

Projects where the sole purpose is for seismic upgrade.

Existing Group R, Division 3 buildings to which additions, alterations, or repairs are made that involve the removal or replacement to fifty percent (50%) or greater of the linear length of walls of the building (exterior plus interior) within a one (1) year period, shall meet the requirements of new construction or this code.

15.08.340 Section 904.11 - Added. Section 904.11 is added to the California Fire Code to read as follows:

904.11 Non-Conforming Restaurant Cooking Appliances and Fire Extinguishing Systems. All non-conforming restaurant cooking appliances, hood and duct systems, and fire extinguishing systems found to exist as of the effective date of this Ordinance shall be made to conform to the requirements of this Section within ninety (90) days of notification. It shall thereafter be unlawful for any person to maintain or suffer to be maintained any non-conforming restaurant cooking appliance, hood and duct system, or fire extinguishing system on any property owned or controlled by said person within the City of Sand City.

15.08.350 Section 907.7.4 - Added. Section 907.7.4 is added to the California Fire Code to read as follows:

907.7.4 Zone Transmittal. Where required by the fire code official, fire alarm signals shall be transmitted by zone to the supervising station and re-transmitted by zone to the public fire service communications center.

15.08.360 Section 907.8.2 - Amended. Section 907.8.2 of the California Fire Code is amended to read as follows:

907.8.2 Completion of Documents. The following documentation shall be provided at the time of acceptance testing for all fire alarm system installations:

1. A record of completion in accordance with NFPA 72
2. A contractor's statement verifying that the system has been installed in accordance with the approved plans and specifications, and has been one-hundred percent (100%) tested in accordance with NFPA 72.
3. A contractor's affidavit of personnel qualifications, indicating that all personnel involved with the installation of the fire alarm system meet the qualification requirements of the fire code official.

15.08.370 Section 907.13 - Amended. Section 907.13 of the California Fire Code is amended to read as follows:

907.13 Access. Access shall be provided to each fire alarm system component for periodic inspection, maintenance, and testing.

15.08.380 Section 5704.2.9.6.1 - Added. Section 5704.2.9.6.1 is added to the California Fire Code to read as follows:

Section 5704.2.9.6.1 Outdoor Storage of Containers and Portable Tanks. Storage of Class I and Class II liquids in above-ground tanks outside of buildings is prohibited within the limits established by law as the limits of districts in which such storage is prohibited except as permitted by the Zoning Ordinance.

Exceptions:

1. For marine fueling operations, a maximum of two-thousand (2,000) gallons of diesel fuel may be stored and dispensed from an above ground tank as approved by the Fire Chief.
2. Storage tanks of five-hundred (500) gallon maximum capacity may be used only in conjunction with emergency generators as approved by the Fire Chief.

15.08.390 Section 4907.1.1 - Added. Section 4907.1.1 is added to the California Fire Code to read as follows:

4907.1.1 Standard Defensible Space Requirements. (FIRE 019) Remove combustible vegetation from within a minimum of one-hundred (100) feet or to the property line from structures, whichever is closer. Vegetation shall be no taller than four (4) inches high. Tree limbs shall be six (6) feet up from ground. Remove limbs within ten (10) feet of chimneys. Additional or alternate fire protection approved by the fire code official may be required to provide reasonable fire safety. Environmentally sensitive areas may require alternative fire protection, to be determined by the fire code official and other jurisdictional authorities.”

SECTION 5: Chapter 15.10 of the Sand City Municipal Code is hereby amended by deleting said Chapter in its entirety and replacing it to read as follows:

“15.10.010 Adoption. For the purposes of prescribing regulations governing to the development of better building construction and greater safety to the public by uniformity in building laws, that certain code known as the 2016 California Residential Code promulgated by the State of California, being particular to the 2016 Edition thereof and the whole thereof, save and except those such portions as they are deleted, modified, or amended in the Ordinance codified in this Chapter, a copy of which is on file in the Office of the City Clerk, and the same are adopted and incorporated as fully as if set out at length in this Chapter, and from the date on which the Ordinance codified in this Chapter shall take effect, the provisions thereof shall be controlling within the limits of the City.

15.10.020 Application of Amendments. The amendments set forth in

the following sections in this Chapter 15.10 are amendments to the California Residential Code. Whenever the amendments to the Residential Code referred to in Section 15.10.010, which are set forth in the remaining sections of this Chapter 15.10, shall control.

15.10.030 Section R105.5 - Amended. Section R105.5 of the California Residential Code is hereby amended to read as follows:

R105.5 Expiration of Plan Review. Applications for which no permit is issued within one-hundred eighty (180) days following the date of the application shall expire, and plans and other data submitted for review may thereafter be returned to the applicant or destroyed by the Sand City Building Official. This Building Official may extend the time for action by the applicant for a period not exceeding one-hundred eighty (180) days on written request by the applicant showing the circumstances beyond the control of the applicant have prevented action from being taken and the extension has been submitted in printing prior to the expiration date.

If a permit has not been obtained after the first extension, additional extensions of ninety (90) days may be granted provided the applicant submits this request in writing and pays a fee equal to \$500 for each requested ninety (90) day extension and the project has not changed in scope.

Exception:

If a project has been approved by the City on a condition where a pending approval from an outside agency exists at time of expiration, written extensions will not be required.

15.10.040 Section R105.5 - Amended. Section R105.5 of the California Residential Code is hereby amended to read as follows:

Section R105.5 Expiration of Permits. Every permit issued by the Sand City Building Department, under the provisions of the technical codes, shall expire and become null and void, if the project authorized by such permit has not achieved approval for one of the required inspections identified in Section 110.3 of the 2016 California Building Code within one (1) year of such permit.

The Sand City Building Official may grant a one (1) time permit extension of one-hundred eighty (180) days provided the applicant submits a request in writing prior to the permit expiration and the project has not changed in scope. Additional extension requests of ninety (90) days may be granted by the Building Official if the request is made in writing, the project has not changed in scope, the project has obtained at least one inspection approval, and the applicant pays a fee of \$1,000 for each

ninety (90) day extension.

Before work can commence or recommence under an expired permit, a new permit application must be submitted and permit obtained along with all applicable fees applied for the new project.

All existing projects are subject to this section and will be subject to the conditions listed above.

15.10.050 Section R313.2 - Amended. Section R313.2 of the California Residential Code is hereby amended to read as follows:

R313.2 One- and Two-Family Dwellings Automatic Fire Systems. An automatic residential fire sprinkler system shall be installed in new one- and two-family dwellings, or to which additions, alterations, or repairs are made that involve the removal or replacement to fifty percent (50%) or greater of the linear length of walls of the building (exterior plus interior) within a one (1) year period shall meet the requirements of new construction or this code.

15.10.060 Section R403.1.3 - Amended. Section R403.1.3 of the California Residential Code is hereby amended to read as follows:

R403.1.3 Seismic Reinforcing. Concrete footings located in Seismic Design Categories D0, D1, and D2, as established in Table R301.2 (1), shall have minimum reinforcement of at least two continuous longitudinal reinforcing bars not smaller than No. 4 bars. Bottom reinforcement shall be located a minimum of three (3) inches (76 mm) clear from the bottom of the footing.

In Seismic Design Categories D0, D1, and D2, where a construction joint is crated between a concrete footing and a stem wall, a minimum of one (1) No. 4 bar shall be installed at not more than four (4) feet (1219 mm) on center. The vertical bar shall extend to three (3) inches (76 mm) clear of the bottom of the footing, have a standard hook, and extend a minimum of fourteen (14) inches (357 mm) into the stem wall.

In Seismic Design Categories D0, D1, and D2 where a grouted masonry stem wall is supported on a concrete footing and stem wall, a minimum of one (1) No. 4 bar shall be installed at not more than four (4) feet (1219 mm) on center. The vertical bar shall extend to three (3) inches (76 mm) clear of the bottom of one footing and have a standard hook.

In Seismic Design Categories D0, D1, and D2 masonry stem walls without solid grout and vertical reinforcing are not permitted.

Exception:

In detached one- and two-family dwellings, which are three stories or less in height and constructed with stud bearing walls, isolated plain concrete footings supporting the columns or pedestals are permitted.

15.10.070 Section R902.1.1 - Amended. Section R 902.1.1. of the California Residential Code is hereby amended to read as follows:

R902.1.1 Real Coverings Within All Fire Hazard Severity Zones. Any new roof on a new or existing structure and any re-roofing of an existing structure of fifty percent (50%) or more of the total roof area within a one (1) year period shall be of a fire retardant roof or class A roof.”

SECTION 6: Chapter 15.11 of the Sand City Municipal Code is hereby amended by deleting said Chapter in its entirety and replacing it to read as follows:

“15.11.010 Adoption. For the purposes of prescribing regulations governing to the development of better building construction and greater safety to the public by uniformity in building laws, that certain code known as the 2016 California Plumbing Code promulgated by the State of California, being particular to the 2016 Edition thereof and the whole thereof, save and except those such portions as they are deleted, modified, or amended in the Ordinance codified in this Chapter, a copy of which is on file in the Office of the City Clerk, and the same are adopted and incorporated as fully as if set out at length in this Chapter, and from the date on which the Ordinance codified in this Chapter shall take effect, the provisions thereof shall be controlling within the limits of the City.

15.11.020 Application of Amendments. The amendments set forth in the following sections in this Chapter 15.11 are amendments to the California Plumbing Code. Whenever the amendments to the Plumbing Code referred to in Section 15.11.010, which are set forth in the remaining sections of this Chapter 15.11, shall control.

15.11.030 Section 710.1 - Amended. Section 710.1 of the California Plumbing Code is hereby amended to read as follows:

Section 710.1. In every case where the outlet of a trap for a plumbing fixture is installed or located at an elevation that is less than two feet (2') above the rim of the nearest manhole uphill from the point of connection of the building sewer to the public sewer in any new or existing drainage system, approved types of backwater valve, relief vent and clean-out approved shall be installed in the building sewer at the point of lowest elevation of the ground surface fo the building site outside of the building or at such other location as is permitted by the Building Inspector, providing that at any such location, the elevation of the ground surface is

not less than two feet (2') below the lowest trap outlet served by the building sewer.

The installation shall consist of an approved fresh air inlet and a Y-branch or combination fitting installed in sequence in the line of flow from the building. The vent from this fresh air inlet shall be piped to the ground surface and capped with a vent cap. Provision shall be made by elevation above the ground or by other means for preventing the obstruction of the vent opening or the flow of water therein. The clean-out shall be placed as close to the valve as is practical and shall be piped to within one foot (1') of the ground surface and closed with an approved clean-out plug. Every existing installation that includes a plumbing fixture trap outlet that is less than two feet (2') above the rim of the nearest manhole uphill from the point of connection of the building sewer to the public sewer is hereby declared to be dangerous, unsanitary and a menace to life, health and property. Whenever it shall come to the attention of the Building Inspector that such an installation exists, he or she is hereby empowered to order and require that such plumbing outlet be immediately plugged or capped, or that the equipment described in the preceding paragraph of this section be installed immediately."

SECTION 7: Conflict.

All ordinances and parts of ordinances in conflict herewith are hereby repealed.

SECTION 8: Effective Date

This Ordinance shall become effective and in full-force on January 1, 2017.

PASSED AND ADOPTED, by the City Council of Sand City, this ___ day of _____, 2016 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

APPROVED:

ATTEST:

Linda K. Scholink, City Clerk

David K. Pendergrass, Mayor

AGENDA ITEM

8C

CITY OF SAND CITY

STAFF REPORT

NOVEMBER 1, 2016
(For City Council consideration on December 6, 2016)

TO: Mayor & City Council

FROM: Charles Pooler, Associate Planner
Richard James, EMC Planning Group

SUBJECT: Zoning Ordinance Amendments in meeting State Department of Housing and Community Development (HCD) Requirements and Housing Element Update.

BACKGROUND

EMC Planning Group completed the City's Housing Element update, which was certified as complete this year by the State Department of Housing and Community Development (HCD). The Housing Element meets the statutory requirements of State housing element law (Gov. Code Article 10.6); however, this certification was conditioned upon the City taking specific action to address the un-accommodated housing needs from the prior 4th cycle (2009-2014 Housing Element Edition) planning period and ensure the availability of appropriate sites for emergency shelters. Pursuant to Government Code Section 65584.09, any jurisdiction that failed to identify or make available adequate sites to accommodate all of the previous cycle's housing needs (Cycle 4 - 2009-2014 Housing Element) must zone or re-zone adequate sites to accommodate all of the previous cycle's unmet housing needs within the first year of the following housing element's cycle (Cycle 5 - 2015-2023 Housing Element). Therefore, in order for the City's updated 2015-2023 Housing Element to remain in compliance after December of 2016, the City must make specific amendments to the zoning ordinance and map. The zoning amendment actions proposed by staff are intended to implement compliance with HCD and maintain certification of the City's Housing Element.

SUMMARY AND DISCUSSION

The following discussion summarizes those Housing Element programs in need of implementation, most prior to the end of this year, to maintain HCD certification of the current (5th Cycle) 2015-2023 Housing Element.

- 1) Program 4.1.1.A - Develop the "South of Tioga" area with a mixed-use project.
This Program identifies the South of Tioga area to be developed as a mixed-use project with a large housing component, and that the City will re-zone at least three (3) acres to R-3 "Multi-Family Residential" that allows a density of up to 43 dwelling units per acre (1 unit per 1,000 sq.ft. of land) and multi-family use without discretionary permit

approval. This Program was originally incorporated into the Housing Element's 4th Cycle (2009-2014 Edition), but that re-zoning was never implemented; primarily due to delays of the South of Tioga project. The General Plan's land use map specifies a dual designation of C-4 "Regional Commercial" and MU-D "Mixed-Use Development" for the South of Tioga area. Re-zoning the South of Tioga area to Mixed-Use would be of greater consistency with the General Plan's Land Use Element and Map; otherwise a general plan amendment would be necessary to proceed with re-zoning the South of Tioga area to R-3. The Mixed-Use Zoning Code (Section 18.13.040.O) classifies "multi-family residential" as a conditional use at a density no greater than one dwelling unit per 1,875 square feet.

To comply with Gov. Code Section 65584.09 and the direction of HCD, the City will need to re-zone a sufficient area within the South of Tioga area that provides at least 129 dwelling units, the equivalent of 43 units per acre on 3 acres. Re-zoning approximately 7 to 8 acres of the South of Tioga area to Mixed-Use, which allows a density of 23 dwelling units per acre, would provide and exceed the target number of units and residential density HCD is looking for in Housing Element Program compliance. Staff therefore recommends the non-coastal zone segment of the South of Tioga area be re-zoned to mixed-use (see Exhibit H), consistent with the General Plan Land Use Element, accommodating both residential and commercial development and meet HCD housing densities. The most recent concept for developing the South of Tioga is primarily for high density residential that would meet with HCD's requirements.

2) Program 4.1.1.C - Re-zone acreage in the East Dunes area.

This Program states that the City will work with a master developer in processing the re-zoning of 15-acres of the East Dunes to reflect residential development as discussed within the General Plan. This Program also calls for a re-zoning of the East Dunes to accommodate housing and habitat preservation. Re-zoning was anticipated to be part of a Planned Unit Development that would accommodate at least twenty (20) units per acre with a minimum of sixteen (16) units for affordable housing. Previous thinking was to postpone re-zoning the East Dunes until a developer approached the City for development of the entire East Dunes; however, due to HCD's direction to comply with the previous 4th Cycle's programs, immediate re-zoning is warranted.

That area of the East Dunes, in proximity to Tioga Avenue and the South of Tioga project are currently classified as C-3 "Neighborhood Commercial" and C-2 "Heavy Commercial, encompassing approximately 2.4 acres. A re-zoning of this 2.4 acres to an R-3 designation would allow up to 1du/1000 square feet or a maximum of 104 dwelling units within that area. This would satisfy the density HCD is looking for in meeting this Program's requirements. Therefore, staff recommends amending the zoning map to re-zone specific parcels in the East Dunes that currently have commercial zoning to an R-3 zoning (see Exhibit I).

3) Program 4.1.3.C Small Sites and Mixed Use Program.

This program addresses the creation of additional multi-family development by facilitating lot consolidations to combine small residential lots into larger lots that accommodate the development of affordable housing units. The City has historically

required the combining of abutting properties of single ownership into larger sites as conditions of discretionary land use entitlements; however, the City does not yet have an official program within the zoning code to that end.

To further this endeavor and meet developer needs for both Phase II of the Independent and development of the South of Tioga Area, staff is evaluating various formulas for residential dwelling unit density bonuses related to lot consolidation that will encourage the combining of abutting properties into larger development sites. This will be presented to Council for discussion under a separate report at a later date.

4) Program 4.1.3.D - Consistency with the Employee Housing Act.

The City needs to update the zoning code to be consistent with the Employee Housing Act (Health and Safety Code Section 17021), which requires employee housing to be permitted by-right, without discretionary permit approval, in single-family zones for six or fewer persons.

To meet this requirement, staff proposes amending Municipal Code (Zoning) Chapters 18.13 (Mixed Use), 18.08 (Single Family Residential), 18.10 (One Family & Two Family Residential), and 18.12 (Multi-Family Residential) to allow employee housing of six or less persons as a "permitted use" where residential is allowed (see Exhibits B, C, D, & E). For the mixed-use district, where residential uses require a conditional use permit, the proposed code amendment would automatically allow employee housing where residential uses have, or will be, approved via a use permit. Staff also recommends adding a definition of "employee housing" to the zoning code as having the same meaning as California Health and Safety Code Section 17008 (see Exhibit A).

5) Program 4.4.1.G - Amend the Zoning to comply with statutory requirements for transitional and supportive housing.

Pursuant to Senate Bill (SB) 2, the City must allow both supportive and transitional housing types where residential housing is allowed. For Sand City, this would include the R-1, R-2, R-3, and the Mixed-Use zoning districts. Both transitional and supportive housing must be allowed as 'permitted uses' and only subject to the same restrictions that apply to other residential uses in similar structures of those zoning districts. Furthermore, the City must adopt definitions for "Transitional Housing" and "Supportive Housing", as defined by State Health and Safety Code Sections 50675.2 and 50675.14, respectively.

To meet these requirements, staff proposes amending Chapters 18.13 (Mixed Use), 18.08 (Single Family Residential), 18.10 (One Family & Two Family Residential), and 18.12 (Multi-Family Residential) to include "Transitional Housing" and "Supportive Housing" as permitted uses (see Exhibits B, C, D, & E). For the mixed-use district, where residential uses require a conditional use permit, the proposed code amendment would automatically allow employee, transitional, and supportive housing where ever residential uses have, or will be, approved via a use permit. Staff also proposes amending Chapter 18.04 to add the required definitions of 'Transitional Housing' and 'Supportive Housing', with language taken directly from California Health and Safety Code Sections 50675.2(h) and 50675.14. (see Exhibit A).

6) Program 4.4.1.H - Amend the Zoning to comply with statutory requirements for single-room occupancy residences.

To comply with State requirements that allow flexibility in the development of single-room occupancy units (SROs), the City must amend the Zoning Code to allow SROs by conditional use permit near public services and mass transit. The Housing Element refers to establishing an overlay district for SROs within the West End District in proximity to the railroad right-of-way where TAMC may someday implement mass transit (bus express lane, commuter rail, etc.); however, staff recommends that SROs be allowed throughout the Mixed-Use zoning districts for simplicity, especially considering that most of the West End and South of Tioga Districts are within walking distance to the railroad right-of-way and existing MST bus stops along Del Monte Boulevard. The City still has conditional use permit discretion, with appropriate findings, to decide whether a specific location is appropriate or not for an SRO.

To meet this requirement, staff proposes adding SROs to the list of "Conditionally Permitted Uses" of Zoning Code Section 18.13.040 for the Mixed-Use Zoning District (see Exhibit E).

7) Program 4.4.1.J - Amend Zoning to accommodate State requirements regarding homeless shelters and supportive housing needs.

In 2010, the City amended the Zoning Code to allow 2-bed emergency shelters on properties with a "Public Facility" (PF) zoning designation that provides supportive services for homeless persons. In certifying the 2015-2023 Housing Element Update, HCD requires the 2-bed limit be removed to accommodate additional persons in emergency shelters. The City must also adopt a definition of "supportive housing" into the zoning code to be allowed without discretionary action.

Staff proposes amending Municipal Code Section 18.04.279 to delete the "...two bed..." references and limitations therein(see Exhibit A). Second, staff recommends a definition of "Supportive Housing" be added to Chapter 18.04 of the Municipal Code, using that language stated within California Health and Safety Code Section 50675.14 (see Exhibit A).

8) Program 4.4.1.K - Amend Zoning to Increase City's Density Bonus Incentive.

In 2003, the City adopted Ordinance 03-02 implementing the requirements of Assembly Bill 1866 (2002) for cities and counties to provide density bonuses and incentives when "affordable housing" is provided as part of residential developments in accordance with the meaning and standards of that legislation. In 2014, the State amended the bonus density law to increase the bonus/incentive from twenty-five percent (25%) to thirty-five percent (35%).

Due to this State amendment, the City must update Municipal Code Chapter 18.59 to increase the density bonus to 35% in compliance with state code. Staff also recommends adding a reference to Assembly Bill 2222 (2014) into this Chapter (See Exhibit G).

Though no amendments are warranted of Chapter 18.21 (Public Facilities PF) for Housing Element HCD certification compliance, staff is proposing minor amendments to better clarify the existing code language (see Exhibit F).

There are additional Housing Element Programs the City must follow through on, but are not part of HCD's list of amendments required prior to January 1st, and are therefore not part of staff's recommended zoning code and/or map amendments. These additional items are summarized below for your information.

1) Program 4.4.1.I - Develop a reasonable accommodation process for persons with disabilities.

This program specifies that the City will develop and formalize a general process and specific guidelines for reasonable accommodation of persons with physical and developmental disabilities. The City would then provide this information to such individuals regarding reasonable accommodation policies, practices, and procedures based on guidelines from the California Dept. Of Housing and Community Development (HCD). This information would then be available via postings and pamphlets at the City's Planning Department counter and on the City's website. City staff and EMC will work together to complete this task in 2017.

2) Program 4.4.1.F - Ensure the availability of appropriate sites for emergency shelters per Senate Bill 2.

The City is required to provide sufficient space for a 15-bed facility. The previous edition of the Housing Element classified that Public Facility (PF) zoning districts allow shelters, but with a limit of no more than 2-beds. This limitation must be removed to meet HCD's Housing Element certification, as previously discussed in this report under Program 4.4.1.J.

The City currently has sufficient land area zoned as Public Facilities that can theoretically accommodate the required emergency shelters of 15-beds. Therefore no action is necessary at this time; however, if the City moves forward with a Local Coastal Program amendment sometime in the future, then PF zones with a coastal zone overlay could be amended to include such housing.

Finally, in conjunction with zoning amendments to address Housing Element Programs, staff is developing development standards for substandard 25-foot wide lots in the East Dunes in response to City Council direction in 2015. However, due to the time crunch in getting the Housing Element Programs implemented prior to the end of the year in compliance with HCD, this endeavor will be finalized and presented to Council for discussion under a separate report at a later date; potentially in early 2017.

CEQA EXEMPTION

The zoning amendments discussed and proposed in this report are consistent with the programs stated in the 2015-2023 Housing Element for which an environmental initial study was prepared and a mitigated negative declaration was adopted by the City Council in early 2016. Furthermore, Section 15060(c)(2) of the CEQA (California Environmental Quality Act) Guidelines states that an activity is not subject to CEQA if..."*The activity will*

not result in a direct or reasonably foreseeable indirect physical change in the environment...” The recommended amendments to the zoning code and map will have no direct physical change upon the environment. Those areas effected by the proposed zoning map and code amendments are already slated for urban development. Furthermore, any projects allowed by these amendments will themselves be subject to individual CEQA review and compliance. Therefore, the actions proposed by staff in this report are exempt from any further CEQA review, and no environmental action is necessary.

RECOMMENDATION

Staff recommends the City Council approve the draft Ordinance (for 1st reading) to implement the following:

- 1) Amend and update specific Chapters and Sections of Title 18 of the Sand City Municipal Code (Zoning Ordinance) as discussed in this report and include grammatical corrections.
- 2) Re-zone specific properties in the East Dunes to R-3 “Multi-Family Residential” and the non coastal areas of the South of Tioga Project area to MU-P “Planned Mixed-Use.

EXHIBITS:

The following Exhibits illustrate how the proposed amendments will alter the existing zoning code; with deletions signified with ~~strikeouts~~ and additions as *italic highlights*:

- Exhibit A Draft Revised of Section 18.04.279 - Homeless Shelter Definition
Draft Additions of Section 18.04.232 Employee Housing Definition
Section 18.04.517 Supportive Housing Definition
Section 18.04.527 Transitional Housing Definition
- Exhibit B Draft Revised Chapter 18.08 - R1 Single Family Residence District
- Exhibit C Draft Revised Chapter 18.10 - R2 1-Family & 2-Family Residence District
- Exhibit D Draft Revised Chapter 18.12 - R3 Multi-Family Residence District
- Exhibit E Draft Revised Chapter 18.13 - MU-P Planned Mixed Use District
- Exhibit F Draft Revised Chapter 18.21 - Public Facilities
- Exhibit G Draft Revised Chapter 18.59 - Density Bonuses / Incentives
- Exhibit H Recommended Zoning Map Amendment - South of Tioga
- Exhibit I Recommended Zoning Map Amendment - East Dunes

ATTACHMENT:

Draft Ordinance to Amend Sand City Municipal Code (SCMC) Title 18 (Zoning Ordinance)

ZONING CODE AMENDMENTS REGARDING 'DEFINITIONS'

Edit Chapter 18.04 as follows, with deletions signified with ~~strikeouts~~ and additions as *italic highlights*:

AMEND Section 18.04.279:

18.04.279 Homeless Shelter Use. "Homeless Shelter Use" means ~~an a two-bed emergency shelter or an emergency shelter~~ with a capacity as determined by the Sand City Housing Element, as may be amended from time to time, consistent with the provisions of Section 50801(c) of the California Health and Safety Code. The use provides housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay. ~~For the purposes of the City of Sand City Housing Element 2009-2014, it has been determined that a shelter with the capacity of two beds provides the fair share homeless housing need for Sand City.~~ (Ord. 10-05 §2, 2010) (HE Program 4.4.1.J)

ADD Sections 18.04.232, 18.04.517, & 18.04.527:

18.04.232 Employee Housing. "Employee Housing" shall have the same meaning as defined by California Health and Safety Code Section 17008. (HE Program 4.1.3.D)

18.04.517 Supportive Housing. "Supportive Housing" means housing with no limit on length of stay, that is occupied by the target population, that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community; consistent with Health and Safety Code 50675.14. (HE Program 4.4.1.G and 4.4.4.J)

18.04.527 Transitional Housing. "Transitional Housing" and "Transitional Housing Development" means buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to other eligible program recipient at some predetermined future point in time, which shall be no less than six (6) months. (HE Program 4.4.1.G)



HEALTH AND SAFETY CODE - HSC

DIVISION 13. HOUSING [17000 - 19997] (*Division 13 enacted by Stats. 1939, Ch. 80.*)

PART 1. EMPLOYEE HOUSING ACT [17000 - 17062.5] (*Part 1 added by Stats. 1979, Ch. 62.*)

CHAPTER 1. General Provisions and Definitions [17000 - 1701 1] (*Chapter 1 added by Stats. 1979, Ch. 62.*)

17008. (a) "Employee housing," as used in this part, means any portion of any housing accommodation, or property upon which a housing accommodation is located, if all of the following factors exist:

(1) The accommodations consist of any living quarters, dwelling, boardinghouse, tent, bunkhouse, maintenance-of-way car, mobilehome, manufactured home, recreational vehicle, travel trailer, or other housing accommodations, maintained in one or more buildings or one or more sites, and the premises upon which they are situated or the area set aside and provided for parking of mobilehomes or camping of five or more employees by the employer.

(2) The accommodations are maintained in connection with any work or place where work is being performed, whether or not rent is involved.

(b) (1) "Employee housing," as used in this part, also includes any portion of any housing accommodation or property upon which housing accommodations are located, if all of the following factors exist:

(A) The housing accommodations or property are located in any rural area, as defined by Section 50101.

(B) The housing accommodations or property are not maintained in connection with any work or workplace.

(C) The housing accommodations or property are provided by someone other than an agricultural employer, as defined in Section 1140.4 of the Labor Code.

(D) The housing accommodations or property are used by five or more agricultural employees of any agricultural employer or employers for any of the following:

(i) Temporary or seasonal residency.

(ii) Permanent residency, if the housing accommodation is a mobilehome, manufactured home, travel trailer, or recreational vehicle.

(iii) Permanent residency, if the housing accommodation is subject to the State Housing Law and is more than 30 years old and at least 51 percent of the structures in the housing accommodation, or 51 percent of the accommodation if not separated into units, are occupied by agricultural employees.

(E) "Employee housing" does not include a hotel, motel, inn, tourist hotel, multifamily dwelling, or single-family house if all of the following factors exist:

(i) The housing is offered and rented to nonagricultural employees on the same terms that it is offered and rented to agricultural employees.

(ii) None of the occupants of the housing are employed by the owner or property manager of the housing or any party with an interest in the housing.

(iii) None of the occupants of the housing have rent deducted from their wages.

(iv) The owner or property manager of the housing is not an agricultural employer as defined in Section 1140.4 of the Labor Code, or an agent, as it relates to the housing in question, of an agricultural employer.

(v) Negotiation of the terms of occupancy of the housing is conducted between each occupant and the owner of the housing or between each occupant and a manager of the property who is employed by the owner of the housing.

(vi) The occupants are not required to live in the housing as a condition of employment or of securing employment and the occupants are not referred to live in the housing by the employer of the occupants, the agent of the employer of the occupants, or an agricultural employer as defined in Section 1140.4 of the Labor Code.

(vii) The housing accommodation was not at any time prior to January 1, 1984, employee housing as defined in subdivision (a).

(2) "Employee housing," as defined by this subdivision, does not include a hotel, motel, inn, tourist hotel, or permanent housing as defined by subdivision (d) of Section 17010, which has not been maintained, prior to January 1, 1984, or is not maintained on or after that date, as employee housing, as defined in subdivision (a).

(3) If at any time prior to January 1, 1984, a housing accommodation was employee housing, as defined in subdivision (a), and on or after January 1, 1984, was employee housing, as defined in this subdivision, the owner and operator shall comply with all requirements of this part. The owner and operator of any other housing

accommodation which is employee housing pursuant to this subdivision shall be subject to the licensing and inspection provisions of this part and shall comply with all other provisions of this part, except that if any portion of the housing accommodation is held out for rent or lease to the general public, the construction and physical maintenance standards of the housing accommodation shall be consistent with the applicable provisions of the State Housing Law, Part 1.5 (commencing with Section 17910), the Mobilehome-Manufactured Homes Act, Part 2 (commencing with Section 18000); or the Mobilehome Parks Act, Part 2.1 (commencing with Section 18200). The owner or operator of the employee housing shall designate all units or spaces which are employee housing, as defined in this subdivision, for the purpose of inspection and licensing by the enforcement agency, subject to confirmation by the enforcement agency, based on all relevant evidence.

(c) "Employee housing" does not include employee community housing, as defined by Section 17005.5, which has been granted an exemption pursuant to Section 17031.3; housing, and the premises upon which it is situated, owned by a public entity; or privately owned housing, including ownership by a nonprofit entity, and the premises upon which it is situated, financed with public funds equaling 50 percent or more of the original development or purchase cost.

(d) "Employee housing" means the same as "labor camp," as that term may be used in this or other codes and, notwithstanding any local ordinance to the contrary in a general law or charter city, county, or city and county, shall be deemed a residential use if it exists in structures that are single-family houses or apartment houses as those terms are used in the State Housing Law (Part 1.5 (commencing with Section 17910)).

(Amended by Stats. 1995, Ch. 561, Sec. 1. Effective January 1, 1996.)

ZONING CODE AMENDMENTS REGARDING 'R-1 Single-Family District'

Edit Chapter 18.08 as follows, with deletions signified with **strikeouts** and additions as *italic highlights*:

Chapter 18.08

R-1 SINGLE-FAMILY RESIDENCE DISTRICT

Sections:

- 18.08.010 Purpose.
- 18.08.020 Principal permitted uses.
- 18.08.030 Accessory uses.
- 18.08.040 Conditional uses.
- 18.08.050 Height regulations.
- 18.08.060 Minimum requirements.
- 18.08.070 Other required conditions.

18.08.010 Purpose. The purpose of the R-1 district is to stabilize and protect the residential characteristics of the district and to promote and encourage a suitable environment for family life. The R-1 district is intended for single-family homes and the community services appurtenant thereto.

18.08.020 Principal permitted uses. Principal permitted uses in the R-1 district are as follows:

- A. Single-family dwellings;
- B. Rooming and boarding of *no more than* ~~not over~~ two persons;
- C. Signs not exceeding in the aggregate, six square feet in area, for each building site, may be displayed for the purpose of advertising the sale or lease of property upon which is displayed;
- D. ~~Mobile or m~~ Manufactured homes.
- E. *Employee Housing for six (6) or fewer persons. (HE Program 4.1.3.D)*
- F. *Supportive Housing, as defined in Chapter 18.04 of this Title. (HE Program 4.4.1.G)*
- G. *Transitional Housing, as defined in Chapter 18.04 of this Title (HE Program 4.4.1.G)*

18.08.030 Accessory uses. Accessory uses permitted in the R-1 district are as follows:

- A. Living quarters for persons regularly employed on the premises, but not rented or otherwise conducted as a business; provided, that no kitchen facilities are provided;
- B. Home occupations, *with the issuance of a Home Occupation Permit*;
- C. ~~Private swimming pools;~~
- D. ~~Temporary tract offices;~~
- E. ~~Other accessory uses, and accessory buildings customarily appurtenant to a permitted use.~~

18.08.040 Conditional uses. Conditional uses permitted in the R-1 district are as follows:

- A. Public and quasi-public buildings and uses of a recreational, educational, religious, cultural or public service type; not including corporation yards, storage or repair yards and warehouses;
- B. Licensed foster homes;
- C. ~~Commercial parking lots;~~
- D. Public utility substations and public utility communication equipment buildings;
- E. ~~Group Dwellings Dwelling groups.~~ (Ord. 84-1 §5-4, 1984)
- E. ~~Single Room Occupancy (SRO) units.~~ (HE Program 4.4.1.H)

18.08.050 Height regulations. Height regulations permitted in the R-1 district are as follows: no principal building shall exceed thirty feet (30') in height and no detached accessory building shall exceed fifteen feet (15') in height. (Ord. 84-1 §5-5, 1984)

18.08.060 Minimum requirements. The following minimum requirements shall be observed in the R-1 district, except where increased for conditional uses or modified herein:

- A. Minimum building site area required, three thousand seven hundred fifty (3,750) square feet;*
- B. Minimum building site width required, fifty feet;
- C. Percentage of building site coverage permitted, sixty percent;
- D. Minimum front yard setback required, five feet;
- E. Minimum side yard setback required, five feet;*
- F. Minimum rear yard setback required, ten feet;
- G. Parking spaces required, two per dwelling unit (one covered);

* Those holding single twenty-five-foot lots, with separate owners on each side of them at the time the ordinance codified in this title is adopted, can develop them as they exist with design review. A minimum zero side yard setback will be allowed.

Applicants for development on a twenty-five-foot lot will be required to show proof of ownership by producing a recorded deed or notarized contract of sale dated prior to ordinance adoption. Change of ownership will not affect the status of a twenty-five-foot lot if, in fact, it was a twenty-five-foot lot prior to ordinance adoption. However, proof of such will still be necessary as described above.

- H. Maximum driveway width, twelve and one-half feet (to allow curb room for off-site parking).

18.08.070 Other required conditions. Other required conditions in the R-1 district are as follows:

- A. Site plan approval required of all conditional uses set out in Section 18.08.040;
- B. Off-street parking required for all uses as set out in this Chapter, two spaces per unit to be within a two-car, enclosed garage;

C. Design control regulations apply within the R-1 district. (Ord. 84-1 §5-7, 1984)

ZONING CODE AMENDMENTS REGARDING 'R-2 DISTRICT'

Edit Chapter 18.10 as follows, with deletions signified with strikeouts and additions as *italic highlights*:

Chapter 18.10

R-2 ONE-FAMILY AND TWO-FAMILY RESIDENCE DISTRICT

Sections:

- 18.10.010 Purpose.
- 18.10.020 Principal permitted uses.
- 18.10.030 Accessory uses.
- 18.10.040 Conditional uses.
- 18.10.050 Height regulations.
- 18.10.060 Area, lot width and yard requirements.
- 18.10.070 Other required conditions.

18.10.010 Purpose. The purpose of the R-2 district is to stabilize and protect the residential characteristics of the district and to promote and encourage a suitable environment for family life. The R-2 district is intended for one-family and two-family residences and the community services appurtenant thereto.

18.10.020 Principal permitted uses. Principal permitted uses in the R-2 district are as follows:

- A. Single-family dwellings;
- B. Duplex or two-family dwellings.
- C. Residential Care Facility for six (6) or fewer persons.
- D. *Employee Housing for six (6) or fewer persons. (HE Program 4.1.3.D)*
- E. *Supportive Housing, as defined in Chapter 18.04 of this Title. (HE Program 4.4.1.G)*
- F. *Transitional Housing, as defined in Chapter 18.04 of this Title (HE Program 4.4.1.G)*

18.10.030 Accessory uses.

Accessory uses permitted in the R-2 district are as follows:

- A. Room and boarding of not more than one person per unit;
- B. Home occupations, *with the issuance of a Home Occupation Permit;*
- C. Private swimming pools;
- D. Temporary tract offices and building yards;
- E. Other accessory uses and accessory buildings customarily appurtenant to a permitted use.

18.10.040 Conditional uses. Conditional uses permitted in the R-2 district are as follows:

- A. Public and quasi-public buildings and uses of a recreational, educational, religious, cultural or public service type; not including corporation yards, storage or repair yards and warehouses;
- B. Multiple family dwellings units;
- C. Nursery schools, licensed foster homes, homes for ambulatory aged persons, and nursing or convalescent homes;
- D. Commercial parking lots;
- E. Public utility substations and public utility communication equipment buildings;
- F. Dwelling groups *Group Dwellings*;
- G. Mobile homes (renewable annually).
- ~~F~~ *Single Room Occupancy (SRO) units.* (HE Program 4.4.1.H)

18.10.050 Height regulations. Height regulations in the R-2 district are as follows: no principal building shall exceed thirty feet (30') in height; no detached accessory buildings shall exceed fifteen feet (15') in height.

18.10.060 Area, lot width and yard requirements. The following minimum requirements shall be observed in the R-2 district, except where increased for conditional uses. The minimum requirements shall be those of the following that correspond with the district classification designated on the zoning map.

- A. Single-family dwellings; same as in R-1 district regulations; and
- B. Two-family dwellings, designated as follows:
 1. Minimum lot area, three thousand seven hundred fifty (3,750) square feet,
 2. Mean lot width, fifty feet (interior lot),
 3. Mean lot depth, fifty feet (corner lot),
 4. Percentage of building site coverage permitted, sixty percent (60%),
 5. Parking spaces per dwelling unit, two (one and one-half covered),
 6. Side yard setbacks, five,*
 7. Exterior yards:
 - a. Front yard setback, five feet,
 - b. Rear yard setback, ten feet,
 8. Driveway width, twelve and one-half feet to seventeen feet (to allow off-street parking).

*Setbacks can be applied to either side yard (total of ten feet minimum), with a zero side yard on the opposite side.

18.10.070 Other required conditions. Other required conditions in the R-2 district are as follows:

- A. Site plan approval by the eCity eCouncil required of all conditional uses;
- B. Off-street parking required for all uses, as above;
- C. On any corner lot, each exterior yard which abuts the front yard of an adjacent lot shall be not less than twenty feet in depth. Any other exterior yard on a corner lot may be reduced to fifteen feet;
- D. Applicable fence height limitations and other regulations relating to fences and hedges;
- E. Design control district regulations apply.

ZONING CODE AMENDMENTS REGARDING 'R-3 DISTRICT'

Edit Chapter 18.12 as follows, with deletions signified with **strikeouts** and additions as *italic highlights*:

Chapter 18.12

R-3 MULTI-FAMILY RESIDENCE DISTRICT

Sections:

- 18.12.010 Purpose.
- 18.12.020 Principal permitted uses.
- 18.12.030 Accessory uses.
- 18.12.040 Conditional-uses.
- 18.12.050 Area, height, lot width and yard requirements.
- 18.12.060 Other require conditions.

18.12.010 Purpose. The purpose of the R-3 district is to stabilize and protect the residential characteristics of the district and to promote, insofar as is compatible with the intensity of land use, a suitable environment for family life. (Ord. 84-1 §7-1, 1984)

18.12.020 Principal permitted uses. Principal permitted uses in the R-3 district are as follows:

- A. Multiple dwellings;
- B. Single-family dwellings and duplexes, subject to all restrictions and requirements of the R-1 district; and
- C. Licensed homes for ambulatory aged persons over sixty-five years of age. (Ord. 84-1 §7-2, 1984)
- D. Residential Care Facility for six (6) or fewer persons. (Ord. 07-04, 2007)
- E. *Employee Housing for six (6) or fewer persons. (HE Program 4.1.3.D)*
- F. *Supportive Housing, as defined in Chapter 18.04 of this Title. (HE Program 4.4.1.G)*
- G. *Transitional Housing, as defined in Chapter 18.04 of this Title (HE Program 4.4.1.G)*

18.12.030 Accessory uses. Accessory uses permitted in the R-3 district are as follows:

- A. Rooming and boarding of not more than two persons;
- B. Temporary tract offices and building yards; and
- C. Other accessory uses and accessory buildings customarily appurtenant to a permitted use. (Ord. 84-1 §7-3, 1984)

18.12.040 Conditional uses. Conditional uses permitted in the R-3 district are as follows:

- A. Rooming houses and boarding houses and foster homes for any number of guests;
- B. Mobile homes, renewable annually;
- C. Incidental services, such as: restaurants and retail sales to serve residents only; provided, that there is not exterior display or advertising and such activities are conducted in spaces which are integral parts of a main building;
- D. Social halls, lodges, fraternal organizations and clubs, except those operated for a profit;
- E. Nursery schools, licensed foster homes and homes for ambulatory aged persons;
- F. Public and quasi-public buildings and uses of a recreational, educational, religious, cultural or public service type, but not including corporation yards, storage or repair yards and warehouses;
- G. Commercial parking lots; and
- H. Public utility substations and public utility communication equipment buildings. (Ord. 84-1 §7-4, 1984)
- I. **Single Room Occupancy (SRO) units** (HE Program 4.4.1.H)

18.12.050 Area, height, lot width and yard requirements. The following minimum requirements shall be observed in the R-3 district, except where increased for conditional uses. The minimum requirements shall be those of the following that correspond with the district classification designated on the zoning map.

Single Story:

Minimum site	3,750 sq. ft.
Dwelling units per 1,875 square feet lot (25x75)	1 or more
Maximum building height	16 feet
Percentage of building site coverage permitted	
1 and no bedroom unit	70%
2 bedroom unit	70%
3 or more bedroom unit	70%
Mean lot width	75 feet
Side yard setback 2.0 stories or less	5 feet

2.5 stories or more	N/A
Distance between structures	10 feet
Front yard setback	5 feet
Rear yard setback	15 feet
Driveway width (in feet measured to sidewalk)	17 feet
Parking spaces per dwelling unit with 2 or fewer bedrooms (covered)	1.5 spaces
Parking spaces per dwelling unit with 3 or more bedrooms (covered)	2 spaces
Land area per dwelling unit	1,000 sq. feet
Multi-story:	
Minimum site	3,750 sq. ft.
Dwelling units per lot (25x75)	1 or more
Maximum building height	36 feet
Percentage of building site Coverage permitted	
1 and no bedroom unit	65%
2 bedroom unit	65%
3 or more bedroom unit	65%
Mean lot width	75 feet

Side yard setback 2.0 stories or less	5 feet
2.5 stories or more	10+2 feet for each story over 2.5
Distance between structures	Two times other- wise required minimum interior yard
Front yard setback	5 feet
Rear yard setback	15 feet
Driveway width (in feet measured to sidewalk)	17 feet
Parking spaces per dwelling unit with 2 or fewer bedrooms (covered)	1.5 spaces
Parking spaces per dwelling unit with 3 or more bedrooms (covered)	2 spaces
Land area per dwelling unit	1,000 sq. feet

When more than six units are proposed, a PUD permit will be required. (Ord. 84-1 §7-5, 1984)

18.12.060 Other required conditions. Other required conditions in the R-3 district are as follows:

- A. Site plan approval by the city council is required for all construction or physical alterations in the R-3 district;
- B. All existing buildings and structures located on the property shall be brought into complete conformity with all building and other sections of the city building code or shall be removed prior to issuance of certificate of occupancy for new construction;
- C. All structures in the R-3 district shall be constructed under requirements for condominiums as set forth in the Uniform Building Code as adopted by the city;
- D. Design control district regulations apply. (Ord. 84-1 §7-6, 1984)

ZONING CODE AMENDMENTS REGARDING 'MU-P DISTRICT'

Edit Chapter 18.13 as follows, with deletions signified with ~~strikeouts~~ and additions as *italics* highlights:

Chapter 18.13

MU-P PLANNED MIXED USE DISTRICT

18.13.010 Purpose. The purpose of the MU-P district is to: (a) implement the Sand City General Plan land use policies relating to the mixed use classification illustrated on the General Plan Diagram; (b) encourage development and redevelopment of mixed residential, commercial, and light-industrial uses that ensure land use compatibility; (c) encourage the creation of living wage jobs; (d) provide for the continued availability of light manufacturing and commercial businesses; (e) provide opportunities for office development where it will not unduly interfere with light manufacturing and commercial uses; (f) allow on-site ancillary retail uses to maintain and enhance the economic viability for manufacturers, artists and artisans in the district; (g) allow buildings and site areas where living and working environments can be combined in an effort to reduce work commutes and provide for a more lively area of town; and (h) establish a conditional use permit procedure for all new and proposed commercial, light industrial and residential uses within the district to insure land use compatibility and real estate marketability.

18.13.020 Principal Permitted Uses. Principle permitted uses in the MU-P district are:

- A. All legal businesses and uses existing within the MU-P district at the time of the adoption of this ordinance shall be considered permitted uses, but only on the sites they currently occupy. All businesses and uses within existing conditional use permits at the time of the adoption of this ordinance shall be allowed to continue as a use permitted by conditional use permit, and only on the site they currently occupy. Expansion of any of these uses beyond their current locations will require conditional use permit approval by the City Council and will be subject to the MU-P development standards and land use compatibility requirements.
- B. Expansion of existing commercial and industrial uses on-site or substantial remodeling or renovation resulting in more than a twenty-five percent (25%) increase in floor area or building coverage shall require the issuance of a conditional use permit and will subject the entire commercial or industrial use to the current site development standards of the MU-P district.
- C. *Employee Housing, Transitional Housing, and Supportive Housing shall be considered permitted uses, but only where residential uses have been approved by discretionary use permit. Employee, Transitional, and Supportive Housing shall all mean as defined in Chapter 18.04 of this Title. (HE Programs 4.4.1.G & 4.1.3.D)*

18.13.030 Accessory Uses. Accessory uses in the MU-P district are uses and building that are customarily appurtenant to a permitted or conditional use.

18.13.040 Conditional Uses. Conditional uses, subject to the issuance of a conditional use permit from the City Council are:

- A. Public or quasi-public uses;
- B. Commercial Recreation
- C. Light-manufacturing
- D. Live/Work units at a density no greater than 1 unit/1875 square feet of lot area;
- E. Art/Craft Studios;
- F. Laboratories, motion picture studios, photo processing/printing;
- G. Open Air Markets
- H. Brew Pubs;
- I. Retail Establishments;
- J. Restaurants;
- K. Bakeries;
- L. Service Commercial;
- M. Hotels, motels, inns;
- N. Medical and professional offices;
- O. Single-Family and multi-family development at a density no greater than 1 unit/1875 square feet of lot area.
- P. Any other use the City Council finds to be consistent with the goals and policies of the Sand City General Plan and the purposes of this district.
- Q. Single Room Occupancy (SRO) units. (HE Program 4.4.1.H)

18.13.050 Area and Setback Requirements. Area and setback requirements in the MU-P district are *as follows*:

- A. No parcel or lot created after January 17, 1984 shall have an area of less than 3,750 square feet; provided, however, that the minimum land area of a parcel or lot in the MU-P district created after *on or before* January 17, 1984 and improved with a single-family residence shall be 1,875 square feet.
- B. Minimum front yard setback: As approved by site plan review of the City Council.
- C. Minimum side and rear yard setbacks: As approved by site plan review of the City Council.

18.13.060 Other Required Conditions.

- A. Applicable fence height limits and other regulations as contained in Sections 18.62.050 and 18.62.060;
- B. Site plan approval by the City Council is required for all construction and physical *site* alterations in the MU-P district.

- C. On-site parking and loading facilities required for all uses, as provided in Chapter 18.64. *Dwelling unit density may be restricted beyond that allowed by this Chapter if insufficient off-street parking is not provided to meet Chapter 18.64;*
- D. Height Limitations: Maximum sixty feet (60') , *including roof equipment, but subject to discretionary limitation of less than sixty feet (60') in the approval of land entitlement permits;*
- E. Design Review Regulations apply;
- F. A coastal development permit shall be required for all construction and physical *site* alterations in the MU-P district where said district also falls within the coastal zone boundaries of the City. In such cases, these areas shall be shown on the zoning map as CZ-MU-P, and uses within this area shall be subject to the same limitations as referenced herein;
- G. In order to determine if proposed new businesses and residential uses within the MU-P district are compatible with ambient conditions, the following additional *submittals submissions* may be required as part of the conditional use permit, coastal development permit, or site plan review process; (1) material safety data sheets; (2) fire department approval and agreement to annual inspections if hazardous materials are involved with the proposed use; and (3) an acoustical analysis by a licensed acoustical engineer. Above-standard sound proofing may be required to insure compatibility with nearby or planned residential uses.

ZONING CODE AMENDMENTS REGARDING 'PF DISTRICT'

Edit Chapter 18.21 as follows, with deletions signified with strikeouts and additions as *italic highlights*:

Chapter 18.21

PF Public Facilities District

Sections:

18.21.010 Purpose.

18.21.020 Permitted uses.

18.21.030 Conditional Uses.

18.21.040 Height Regulations.

18.21.050 Minimum Requirements.

**18.21.060 Other Required
Conditions.**

18.21.010 Purpose. The PF, public facilities, district is intended to accommodate governmental public utility, educational and community service or recreational facilities. The PF district is to be applied to existing public facilities as identified by the general plan and other areas where deemed appropriate.

18.21.020 Permitted uses. Permitted uses in the PF district are as follows:

A. All facilities owned or leased and operated or used by the *eCity of Sand City*, the *eCounty of Monterey*, the *sState of California*, the government of the United States, *and/or* the Monterey Peninsula Unified School District.

B. Homeless Shelters as defined in Section 18.04.279. (Ord. 10-05, §3, 2010)

18.21.030 Conditional Uses. The following uses may be conditionally allowed in the PF district, subject to issuance of a conditional use permit in accordance with Chapter 18.74 of this Title:

A. Facilities of all public utilities, as defined in the Public Utilities Code of the state, and corporations or other organizations whose activities are under the jurisdiction of the Federal Communications Commission or the Interstate Commerce Commission;

B. Private educational facilities;

C. Day Care Centers;

D. Business or trade schools;

E. Outdoor recreation services;

F. Churches, lodges and assembly halls;

G. Any other use which the City Council finds to be of a similar nature to permitted or conditional uses specified in this chapter for the PF zoning district.

18.21.040 Minimum Requirements.

The following site development regulations shall apply in the PF district:

A. Minimum lot area: 3,750 square feet.

B. Maximum building coverage: 60 percent.

C. Minimum setbacks: as determined by site plan review and approval by the City Council or the Design Review Committee for lots within the East Dunes Planning Area.

D. Maximum height: three stories of thirty-five feet.

E. Parking requirements: As specified in Chapter 18.64 of this title;

F. Areas used for outdoor storage shall meet the minimum design standards applicable to off-street parking facilities with respect to paving, grading, drainage, access to public streets, safety and protective features, lighting, landscaping and screening.

G. Signs shall be regulated as specified in Chapter 18.66 of this title.

18.21.050 Other required conditions.

A. A Design permit *and site plan review* shall be required for all new construction and significant remodeling of existing structures within the PF zoning district. (Ord. 05-03, 2005)

ZONING CODE AMENDMENTS REGARDING 'DENSITY BONUSES / INCENTIVES'

Edit Chapter 18.59 as follows, with deletions signified with **strikeouts** and additions as **italic highlights**:

Chapter 18.59

DENSITY BONUSES / INCENTIVES

Sections:

18.59.010 Purpose.

18.59.020 Projects Qualifying for Density Bonus/ Incentive.

18.59.030 Incentives/Concessions.

18.59.040 Density Bonus Calculation.

18.59.010 Purpose. The purpose of this Chapter is to implement the requirements of Assembly Bill 1866 (2002) *and Assembly Bill 2222 (2014)* requiring cities and counties to provide zoning density bonuses, and/or incentives when "affordable housing" is provided as part of residential developments within the meaning and standards of that legislation.

18.59.020. Projects Qualifying for Density Bonus/Incentive. When a housing developer of five or more dwelling units agrees to construct at least one of the following development types, a ~~25~~ *thirty-five* percent *(35%)* density bonus and one additional incentive/concession shall be granted by the City *and/or* Redevelopment Agency, except as further provided in subsection E, below. *(HE Program 4.4.1.K)*

Twenty percent (20%) of the total residential units proposed for the housing development are to be provided to lower income households, as defined in Section 50079.5 of the Health and Safety Code. This generally means that the units must be affordable to persons earning eighty percent (80%) or less of the area median income, adjusted for family size.

A. Ten percent (10%) of the total units of a housing development are to be provided to very low income households, as defined in Section 50105 of the Health and Safety Code. This generally means that the units must be affordable to persons earning fifty percent (50%) or less of the area median income, adjusted for family size.

B. Fifty percent (50%) of the total dwelling units of a housing development are to be provided to qualifying residents as defined in Section 51.3 of the Civil Code. This generally means that the units must be provided to persons 62 years of age or older, or 55 years of age or older in a senior citizen housing development.

C. Twenty percent (20%) of the total dwelling units in a condominium project are to be provided to persons and families of moderate income as defined in Section 50093 of the

Health and Safety Code. This generally means that the units must be affordable to persons earning between 81 percent and 120 percent of the area median income, adjusted for family size. If this type of development is proposed, a ten percent (10%) density bonus shall be granted unless a lesser percentage is elected by the applicant, over the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the general plan as of the date of the application.

D. If an applicant agrees to construct both twenty percent of the total units for lower income households and ten percent of the total units for very low income households, the developer is entitled to only one density bonus and one additional concession or incentive as identified in Section 18.59.030.

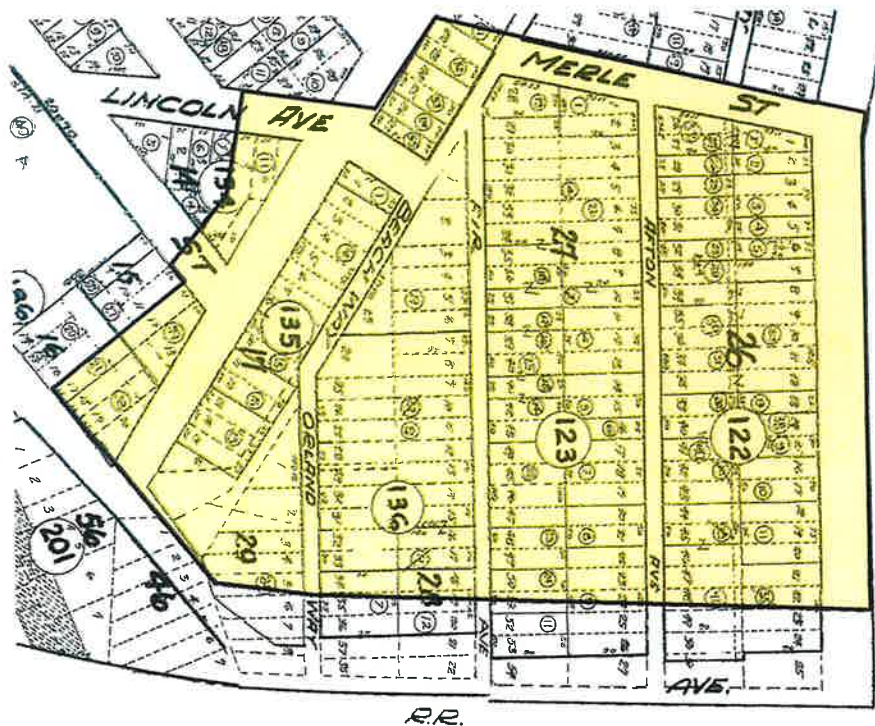
18.59.030 Incentives/Concessions. For the purposes of this Chapter, concession or incentive means any of the following:

1. A reduction in site development standards or a modification of zoning code requirements or architectural design requirements that exceed minimum building standards. These include, but are not limited to, a reduction in setback, building coverage or parking requirements that would otherwise be required.
2. Approval of mixed use zoning in conjunction with the housing project if commercial, office, industrial, or other land uses will reduce the cost of the housing development and if the commercial, office, industrial, or other land uses are compatible with the housing project and the existing or planned development in the area where the proposed housing project will be located.
3. Other regulatory incentives or concessions proposed by the developer or the eCity that result in identifiable and actual cost reductions.

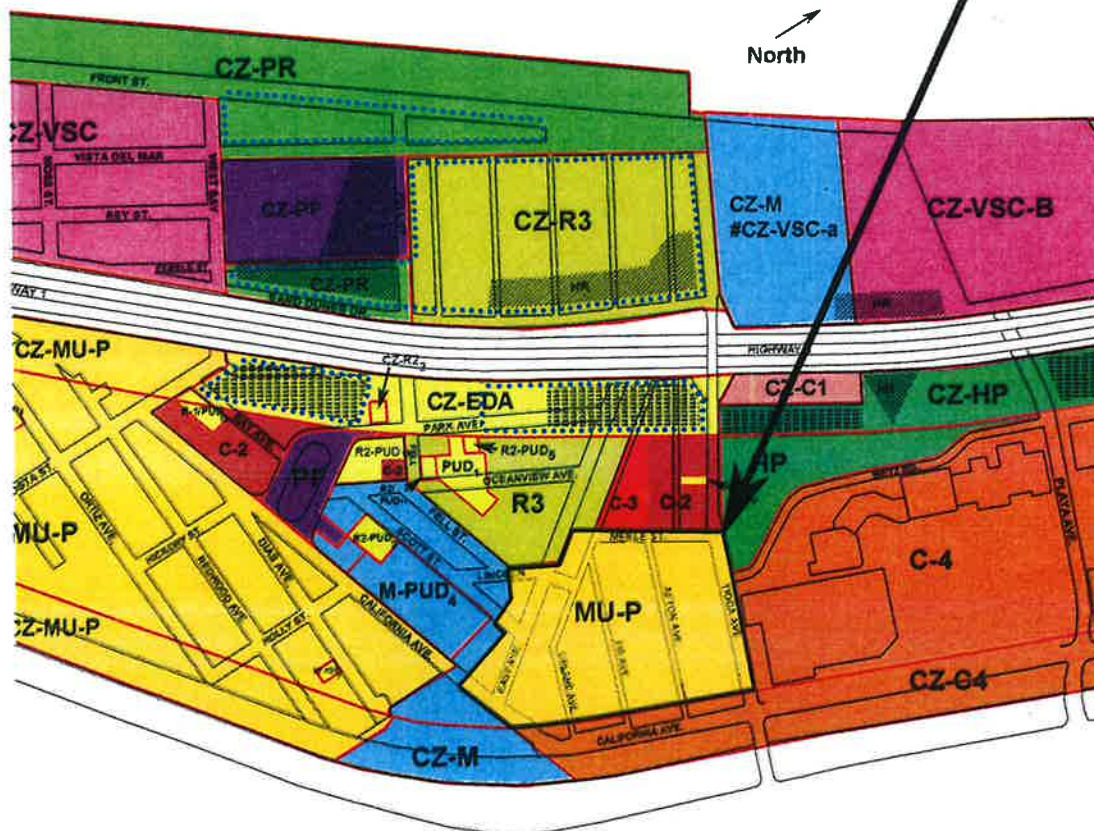
18.59.040 Density Bonus Calculation. For the purposes of this Chapter, density bonus means a density increase of at least 25 ~~thirty-five~~ percent (35%), unless a lesser percentage is elected by the applicant, over the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the general plan as of the date of residential development application to the eCity. All density calculations resulting in fractional units shall be rounded up to the next whole number. The granting of a density bonus shall not be interpreted, in and of itself, to require a general plan amendment, local coastal plan amendment, zoning change, or other discretionary approval. The density bonus shall not be included when determining the number of housing units which is equal 10, 20, or 50 percent of the total. The density bonus shall apply to housing developments consisting of five (5) or more dwelling units. (Ord. 03-02, 2003)

(HE Program 4.4.1.K)

Proposed Rezoning from Manufacturing (M) and Regional Commercial (C4) to Planned Mixed-Use (MU-P)

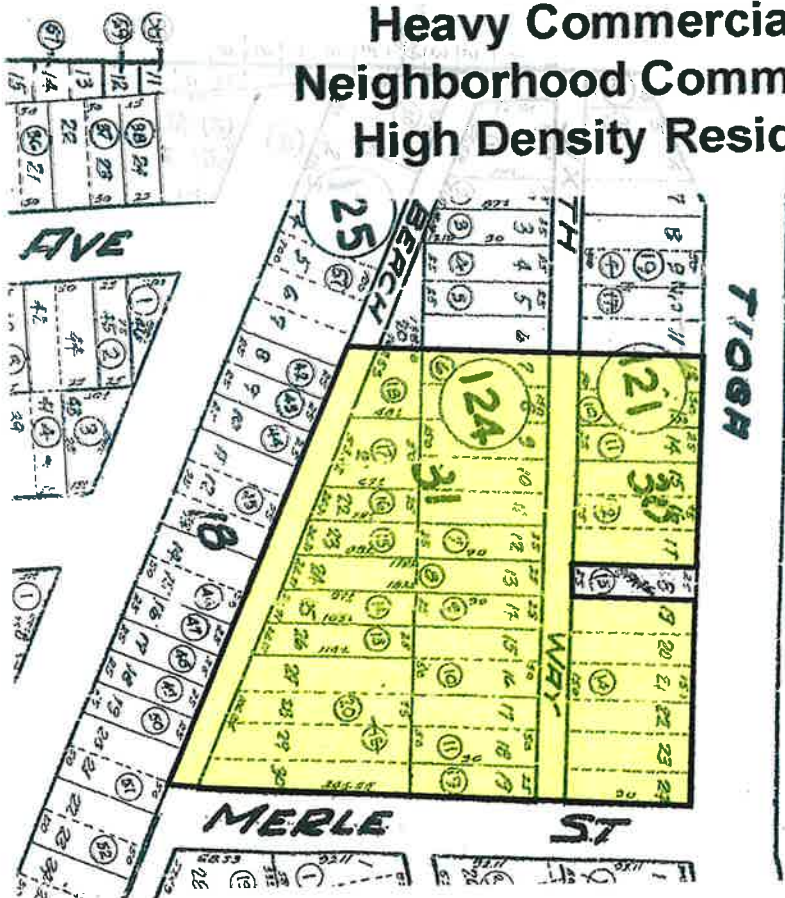


Zoning Map to be updated, as illustrated below, to show the new MU-P (Mixed-Use) zoning for the subject properties

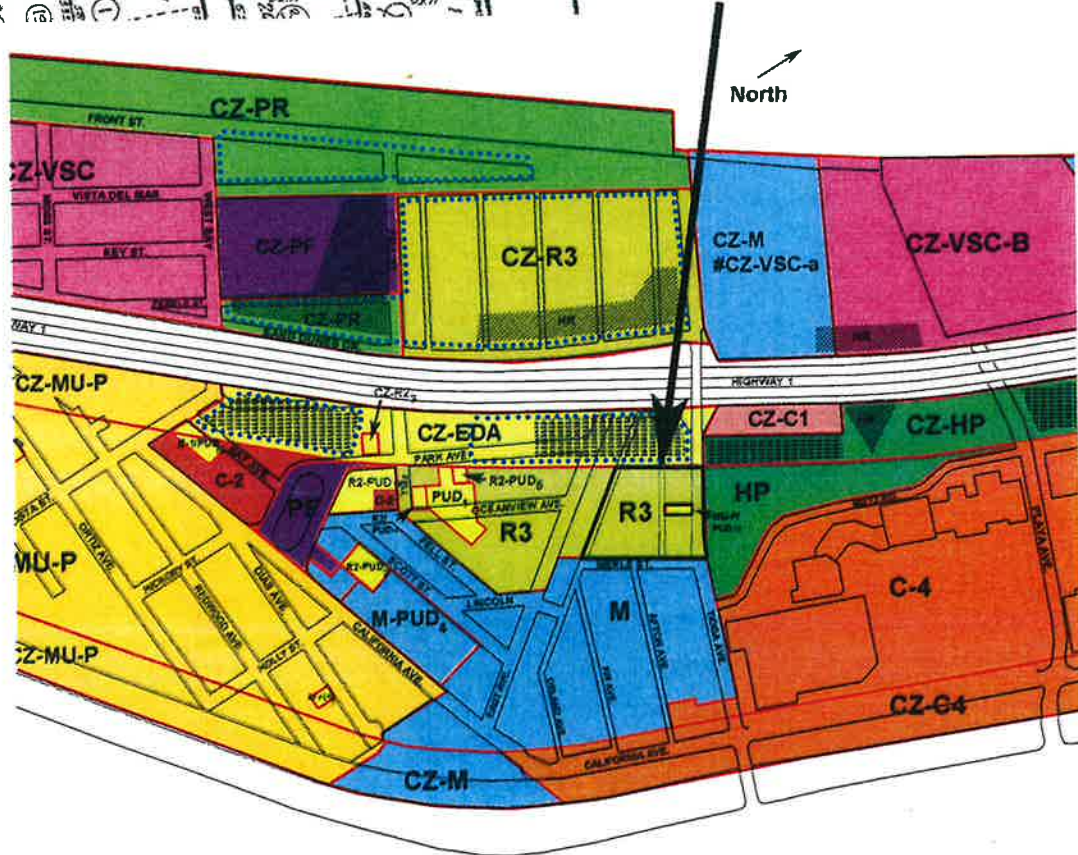


Rezoning for compliance with Housing Element Program 4.1.1.A

Proposed Rezoning from Heavy Commercial (C-2) and Neighborhood Commercial (C-3) to High Density Residential (R-3)



Zoning Map to be updated, as illustrated below, to show the new R3 zoning for the subject properties



Rezoning for compliance with Housing Element Program 4.1.1.C

EXHIBIT I

CITY OF SAND CITY

ORDINANCE NO. _____, 2016

**ORDINANCE OF THE CITY OF SAND CITY AMENDING
CHAPTERS 18.04, 18.06, 18.08, 18.10, 18.12, 18.13, 18.21, AND 18.59 OF THE
SAND CITY MUNICIPAL CODE TITLE 18 (ZONING ORDINANCE) AND THE
OFFICIAL CITY ZONING MAP TO IMPLEMENT POLICIES OF THE 2015-2023
(5TH CYCLE) HOUSING ELEMENT AS CONDITIONALLY CERTIFIED BY
THE STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

WHEREAS, in 2016, the City of Sand City (the "City") received conditional certification from the State Department of Housing and Community Development (the "HCD") regarding the 2015-2023 (5th Cycle) Housing Element update, which includes certain programs mandated by State statutory requirements; and

WHEREAS, the 2015-2023 (5th Cycle) Housing Element meets the statutory requirements of State housing element law (Gov. Code Article 10.6); however, certification of this 5th Cycle document by the HCD was conditioned upon the City taking specific action to address the un-accommodated housing needs from the prior 4th cycle (2009-2014 Housing Element Edition) planning period and to ensure the availability of appropriate sites for emergency shelters; and

WHEREAS, pursuant to Government Code Section 65584.09, any jurisdiction that failed to identify or make available adequate sites to accommodate all of the previous cycle's housing needs (Cycle 4 - 2009-2014 Housing Element) must zone or re-zone adequate sites to accommodate all of the Housing Element's previous cycle's unmet housing needs within the first year of the following housing element's cycle (Cycle 5 - 2015-2023 Housing Element); and

WHEREAS, pursuant to Senate Bill 2, the City must allow both supportive and transitional housing types where residential housing is allowed as "permitted uses", subject to the same restrictions that apply to other residential uses of those applicable zoning districts; and

WHEREAS, the addition of specific definitions into the zoning code for "Employee Housing", "Supportive Housing", and "Transitional Housing", consistent with California Health and Safety Codes, is necessary for both statutory and HCD compliance; and

WHEREAS, Assembly Bill 2222 (2014) requires the City to increase the dwelling unit density bonus, as specified in Municipal Code Chapter 18.59, from twenty-five percent (25%) to thirty-five percent (35%); and

WHEREAS, the amendments to the City's official Zoning Map, as specified by this Ordinance and illustrated on Ordinance Exhibits A and B, attached hereto and incorporated herein by this reference, are necessary for implementing Program 4.1.1.A and Program 4.1.1.C of the 2015-2023 Sand City Housing Element (5th Cycle) in compliance with the conditional HCD certification of the 2015-2023 Housing Element; and

WHEREAS, other minor amendments to the zoning code are necessitated and being enacted along with these other Housing Element mandated amendments for clarification and grammatical corrections; and

WHEREAS, the zoning amendments of this Ordinance are consistent with the programs stated in the 2015-2023 Housing Element for which an environmental initial study was prepared and a mitigated negative declaration was adopted by the City Council in early 2016, and are also found to be exempt from CEQA (California Environmental Quality Act) per CEQA Guidelines, Section 15060(c)(2) as these amendments shall have no direct or foreseeable indirect physical change to the environment, wherefore no further CEQA review and/or environmental action is necessary; and

WHEREAS, a notice of public hearing regarding the proposed amendments to Title 18 of the Sand City Municipal Code (the "SCMC") and Zoning Map was published in the Monterey Herald, a newspaper publication of general circulation within the local agency ten days prior to public hearing, posted for public viewing at Sand City's three designated posting locations specified by SCMC Chapter 1.12, and mailed to all property owners within a 300 foot radius of the proposed re-zoning areas.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Sand City to amend specific chapters and sections of the Sand City Municipal Code Title 18 (Zoning Ordinance) and the official City zoning map as follows:

SECTION 1: Section 18.04.279 of the Sand City Municipal Code is hereby deleted and replaced in its entirety to read as follows:

"18.04.279 Homeless Shelter Use. "Homeless Shelter Use" means an emergency shelter with a capacity as determined by the Sand City Housing Element, as may be amended from time to time, consistent with the provisions of Section 50801(c) of the California Health and Safety Code. The use provides housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay."

SECTION 2: Chapter 18.04 of the Sand City Municipal Code is hereby amended to add Section 18.04.232 to read as follows:

"18.04.232 Employee Housing. "Employee Housing" shall have the same meaning as defined by California Health and Safety Code Section 17008."

SECTION 3: Chapter 18.04 of the Sand City Municipal Code is hereby further amended to add Section 18.04.517 to read as follows:

"18.04.517 Supportive Housing. "Supportive Housing" means housing with no limit on length of stay, that is occupied by the target population,

that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community; consistent with Health and Safety Code 50675.14.”

SECTION 4: Chapter 18.04 of the Sand City Municipal Code is hereby further amended to add Section 18.04.527 to read as follows:

“18.04.527 Transitional Housing. “Transitional Housing” and “Transitional Housing Development” means buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to other eligible program recipient at some predetermined future point in time, which shall be no less than six (6) months.”

SECTION 5: Chapter 18.08 of the Sand City Municipal Code is hereby deleted and replaced in its entirety to read as follows:

“18.08.010 Purpose. The purpose of the R-1 district is to stabilize and protect the residential characteristics of the district and to promote and encourage a suitable environment for family life. The R-1 district is intended for single-family homes and the community services appurtenant thereto.

18.08.020 Principal permitted uses. Principal permitted uses in the R-1 district are as follows:

- A. Single-family dwellings;
- B. Rooming and boarding of no more than two persons;
- C. Signs not exceeding in the aggregate, six square feet in area, for each building site, may be displayed for the purpose of advertising the sale or lease of property upon which is displayed;
- D. Manufactured homes.
- E. Employee Housing for six (6) or fewer persons.
- F. Supportive Housing, as defined in Chapter 18.04 of this Title
- G. Transitional Housing, as defined in Chapter 18.04 of this Title

18.08.030 Accessory uses. Accessory uses permitted in the R-1 district are as follows:

- A. Living quarters for persons regularly employed on the premises, but not rented or otherwise conducted as a business; provided, that no kitchen facilities are provided;
- B. Home occupations, with the issuance of a Home Occupation Permit;
- C. Other accessory uses, and accessory buildings customarily appurtenant to a permitted use.

18.08.040 Conditional uses. Conditional uses permitted in the R-1

district are as follows:

- A. Public and quasi-public buildings and uses of a recreational, educational, religious, cultural or public service type; not including corporation yards, storage or repair yards and warehouses;
- B. Licensed foster homes;
- C. Public utility substations and public utility communication equipment buildings;
- D. Group Dwellings.
- E. Single Room Occupancy (SRO) units.

18.08.050 Height regulations. Height regulations permitted in the R-1 district are as follows: no principal building shall exceed thirty feet (30') in height and no detached accessory building shall exceed fifteen feet (15') in height.

18.08.060 Minimum requirements. The following minimum requirements shall be observed in the R-1 district, except where increased for conditional uses or modified herein:

- A. Minimum building site area required, three thousand seven hundred fifty (3,750) square feet;*
- B. Minimum building site width required, fifty feet;
- C. Percentage of building site coverage permitted, sixty percent;
- D. Minimum front yard setback required, five feet;
- E. Minimum side yard setback required, five feet;*
- F. Minimum rear yard setback required, ten feet;
- G. Parking spaces required, two per dwelling unit (one covered);

* Those holding single twenty-five-foot lots, with separate owners on each side of them at the time the ordinance codified in this title is adopted, can develop them as they exist with design review. A minimum zero side yard setback will be allowed.

Applicants for development on a twenty-five-foot lot will be required to show proof of ownership by producing a recorded deed or notarized contract of sale dated prior to ordinance adoption. Change of ownership will not affect the status of a twenty-five-foot lot if, in fact, it was a twenty-five-foot lot prior to ordinance adoption. However, proof of such will still be necessary as described above.

H. Maximum driveway width, twelve and one-half feet (to allow curb room for off-site parking).

18.08.070 Other required conditions. Other required conditions in the R-1 district are as follows:

- A. Site plan approval required of all conditional uses set out in Section 18.08.040;

- B. Off-street parking required for all uses as set out in this Chapter, two spaces per unit to be within a two-car, enclosed garage;
- C. Design control regulations apply within the R-1 district.”

SECTION 6: Chapter 18.10 of the Sand City Municipal Code is hereby deleted and replaced in its entirety to read as follows:

“18.10.010 Purpose. The purpose of the R-2 district is to stabilize and protect the residential characteristics of the district and to promote and encourage a suitable environment for family life. The R-2 district is intended for one-family and two-family residences and community services appurtenant thereto.

18.10.020 Principal permitted uses. Principal permitted uses in the R-2 district are as follows:

- A. Single-family dwellings;
- B. Duplex or two-family dwellings.
- C. Residential Care Facility for six (6) or fewer persons.
- D. Employee Housing for six (6) or fewer persons.
- E. Supportive Housing, as defined in Chapter 18.04 of this Title.
- F. Transitional Housing, as defined in Chapter 18.04 of this Title.

18.10.030 Accessory uses. Accessory uses permitted in the R-2 district are as follows:

- A. Room and boarding of not more than one person per unit;
- B. Home occupations, with the issuance of a Home Occupation Permit;
- C. Private swimming pools;
- D. Temporary tract offices and building yards;
- E. Other accessory uses and accessory buildings customarily appurtenant to a permitted use.

18.10.040 Conditional uses. Conditional uses permitted in the R-2 district are as follows:

- A. Public and quasi-public buildings and uses of a recreational, educational, religious, cultural or public service type; not including corporation yards, storage or repair yards and warehouses;
- B. Multi-family dwellings;
- C. Nursery schools, licensed foster homes, homes for ambulatory aged persons, and nursing or convalescent homes;
- D. Commercial parking lots;
- E. Public utility substations and public utility communication equipment buildings;
- F. Group Dwellings;
- G. Mobile homes (renewable annually).
- F. Single Room Occupancy (SRO) units.

18.10.050 Height regulations. Height regulations in the R-2 district are

as follows: no principal building shall exceed thirty feet (30') in height; no detached accessory buildings shall exceed fifteen feet (15') in height.

18.10.060 Area, lot width and yard requirements. The following minimum requirements shall be observed in the R-2 district, except where increased for conditional uses. The minimum requirements shall be those of the following that correspond with the district classification designated on the zoning map.

- A. Single-family dwellings; same as in R-1 district regulations; and
- B. Two-family dwellings, designated as follows:
 - 1. Minimum lot area, three thousand seven hundred fifty (3,750) square feet,
 - 2. Mean lot width, fifty feet (interior lot),
 - 3. Mean lot depth, fifty feet (corner lot),
 - 4. Percentage of building site coverage permitted, sixty percent (60%),
 - 5. Parking spaces per dwelling unit, two (one and one-half covered),
 - 6. Side yard setbacks, five,*
 - 7. Exterior yards:
 - a. Front yard setback, five feet,
 - b. Rear yard setback, ten feet,
 - 8. Driveway width, twelve and one-half feet to seventeen feet (to allow off-street parking).

*Setbacks can be applied to either side yard (total of ten feet minimum), with a zero side yard on the opposite side.

18.10.070 Other required conditions. Other required conditions in the R-2 district are as follows:

- A. Site plan approval by the City Council required of all conditional uses;
- B. Off-street parking required for all uses, as above;
- C. On any corner lot, each exterior yard which abuts the front yard of an adjacent lot shall be not less than twenty feet in depth. Any other exterior yard on a corner lot may be reduced to fifteen feet;
- D. Applicable fence height limitations and other regulations relating to fences and hedges;
- E. Design control district regulations apply."

SECTION 7: Section 18.12.020 of the Sand City Municipal Code is hereby deleted and replaced in its entirety to read as follows:

"18.12.020 Principal permitted uses. Principal permitted uses in the R-3 district are as follows:

- A. Multiple dwellings;
- B. Single-family dwellings and duplexes, subject to all restrictions and requirements of the R-1 district; and
- C. Licensed homes for ambulatory aged persons over sixty-five years of age.

- D. Residential Care Facility for six (6) or fewer persons.
- E. Employee Housing for six (6) or fewer persons.
- F. Supportive Housing, as defined in Chapter 18.04 of this Title.
- G. Transitional Housing, as defined in Chapter 18.04 of this Title.”

SECTION 8

Section 18.12.040 of the Sand City Municipal Code is hereby deleted and replaced in its entirety to read as follows:

“18.12.040 Conditional uses. Conditional uses permitted in the R-3 district are as follows:

- A. Rooming houses and boarding houses and foster homes for any number of guests;
- B. Mobile homes, renewable annually;
- C. Incidental services, such as: restaurants and retail sales to serve residents only; provided, that there is not exterior display or advertising and such activities are conducted in spaces which are integral parts of a main building;
- D. Social halls, lodges, fraternal organizations and clubs, except those operated for a profit;
- E. Nursery schools, licensed foster homes and homes for ambulatory aged persons;
- F. Public and quasi-public buildings and uses of a recreational, educational, religious, cultural or public service type, but not including corporation yards, storage or repair yards and warehouses;
- G. Commercial parking lots; and
- H. Public utility substations and public utility communication equipment buildings.
- I. Single Room Occupancy (SRO) units.”

SECTION 9:

Chapter 18.13 of the Sand City Municipal Code is hereby deleted and replaced in its entirety to read as follows:

“18.13.010 Purpose. The purpose of the MU-P district is to: (a) implement the Sand City General Plan land use policies relating to the mixed use classification illustrated on the General Plan Diagram; (b) encourage development and redevelopment of mixed residential, commercial, and light-industrial uses that ensure land use compatibility; (c) encourage the creation of living wage jobs; (d) provide for the continued availability of light manufacturing and commercial businesses; (e) provide opportunities for office development where it will not unduly interfere with light manufacturing and commercial uses; (f) allow on-site ancillary retail uses to maintain and enhance the economic viability for manufacturers, artists and artisans in the district; (g) allow buildings and site areas where living and working environments can be combined in an effort to reduce work commutes and provide for a more lively area of town; and (h) establish a conditional use permit procedure for all new and proposed commercial, light industrial and residential uses within the

district to insure land use compatibility and real estate marketability.

18.13.020 Principal Permitted Uses. Principle permitted uses in the MU-P district are:

A. All legal businesses and uses existing within the MU-P district at the time of the adoption of this ordinance shall be considered permitted uses, but only on the sites they currently occupy. All businesses and uses within existing conditional use permits at the time of the adoption of this ordinance shall be allowed to continue as a use permitted by conditional use permit, and only on the site they currently occupy. Expansion of any of these uses beyond their current locations will require conditional use permit approval by the City and will be subject to the MU-P development standards and land use compatibility requirements.

B. Expansion of existing commercial and industrial uses on-site or substantial remodeling or renovation resulting in more than a twenty-five percent (25%) increase in floor area or building coverage shall require the issuance of a conditional use permit and will subject the entire commercial or industrial use to the current site development standards of the MU-P district.

C. Employee Housing, Transitional Housing, and Supportive Housing shall be considered permitted uses, but only where residential uses have been approved by discretionary use permit. Employee, Transitional, and Supportive Housing shall all mean as defined in Chapter 18.04 of this Title.

18.13.030 Accessory Uses. Accessory uses in the MU-P district are uses and building that are customarily appurtenant to a permitted or conditional use.

18.13.040 Conditional Uses. Conditional uses, subject to the issuance of a conditional use permit from the City Council are:

- A. Public or quasi-public uses;
- B. Commercial Recreation
- C. Light-manufacturing
- D. Live/Work units at a density no greater than 1 unit/1875 square feet of lot area;
- E. Art/Craft Studios;
- F. Laboratories, motion picture studios, photo processing/printing;
- G. Open Air Markets
- H. Brew Pubs;
- I. Retail Establishments;
- J. Restaurants;
- K. Bakeries;
- L. Service Commercial;

- M. Hotels, motels, inns;
- N. Medical and professional offices;
- O. Single-Family and multi-family development at a density no greater than 1 unit/1875 square feet of lot area.
- P. Any other use the City Council finds to be consistent with the goals and policies of the Sand City General Plan and the purposes of this district.
- Q. Single Room Occupancy (SRO) units.

18.13.050 Area and Setback Requirements. Area and setback requirements in the MU-P district are as follows:

- A. No parcel or lot created after January 17, 1984 shall have an area of less than 3,750 square feet; provided, however, that the minimum land area of a parcel or lot in the MU-P district created on or before January 17, 1984 and improved with a single-family residence shall be 1,875 square feet.
- B. Minimum front yard setback: As approved by site plan review of the City Council.
- C. Minimum side and rear yard setbacks: As approved by site plan review of the City Council.

18.13.060 Other Required Conditions.

- A. Applicable fence height limits and other regulations as contained in Sections 18.62.050 and 18.62.060;
- B. Site plan approval by the City Council is required for all construction and physical site alterations in the MU-P district.
- C. On-site parking and loading facilities required for all uses, as provided in Chapter 18.64. Dwelling unit density may be restricted beyond that allowed by this Chapter if insufficient off-street parking is not provided to meet Chapter 18.64;
- D. Height Limitations: Maximum sixty feet (60') , including roof equipment, but subject to discretionary limitation of less than sixty feet (60') in the approval of land entitlement permits;
- E. Design Review Regulations apply;
- F. A coastal development permit shall be required for all construction and physical site alterations in the MU-P district where said district also falls within the coastal zone boundaries of the City. In such cases, these areas shall be shown on the zoning map as CZ-MU-P, and uses within

this area shall be subject to the same limitations as referenced herein;

G. In order to determine if proposed new businesses and residential uses within the MU-P district are compatible with ambient conditions, the following additional submissions may be required as part of the conditional use permit, coastal development permit, or site plan review process; (1) material safety data sheets; (2) fire department approval and agreement to annual inspections if hazardous materials are involved with the proposed use; and (3) an acoustical analysis by a licensed acoustical engineer. Above-standard sound proofing may be required to insure compatibility with nearby or planned residential uses.”

SECTION 10: Section 18.21.020 of the Sand City Municipal Code is hereby deleted and replaced in its entirety to read as follows:

“18.21.020 Permitted uses. Permitted uses in the PF district are as follows:

A. All facilities owned or leased and operated or used by the City of Sand City, the County of Monterey, the State of California, the government of the United States, and/or the Monterey Peninsula Unified School District.

B. Homeless Shelters as defined in Section 18.04.279.”

SECTION 11: Section 18.21.050 of the Sand City Municipal Code is hereby deleted and replaced in its entirety to read as follows:

“18.21.050 Other required conditions.

A. A design permit and site plan review shall be required for all new construction and significant remodeling of existing structures within the PF zoning district. “

SECTION 12: Chapter 18.59 of the Sand City Municipal Code is hereby deleted and replaced in its entirety to read as follows:

“18.59.010 Purpose. The purpose of this Chapter is to implement the requirements of Assembly Bill 1866 (2002) and Assembly Bill 2222 (2014) requiring cities and counties to provide zoning density bonuses, and/or incentives when “affordable housing” is provided as part of residential developments within the meaning and standards of that legislation.

18.59.020. Projects Qualifying for Density Bonus/Incentive. When a housing developer of five or more dwelling units agrees to construct at least one of the following development types, a thirty-five percent (35%) density bonus and one additional incentive/concession shall be granted

by the City, except as further provided in subsection E, below.

Twenty percent (20%) of the total residential units proposed for the housing development are to be provided to lower income households, as defined in Section 50079.5 of the Health and Safety Code. This generally means that the units must be affordable to persons earning eighty percent (80%) or less of the area median income, adjusted for family size.

A. Ten percent (10%) of the total units of a housing development are to be provided to very low income households, as defined in Section 50105 of the Health and Safety Code. This generally means that the units must be affordable to persons earning fifty percent (50%) or less of the area median income, adjusted for family size.

B. Fifty percent (50%) of the total dwelling units of a housing development are to be provided to qualifying residents as defined in Section 51.3 of the Civil Code. This generally means that the units must be provided to persons 62 years of age or older, or 55 years of age or older in a senior citizen housing development.

C. Twenty percent (20%) of the total dwelling units in a condominium project are to be provided to persons and families of moderate income as defined in Section 50093 of the Health and Safety Code. This generally means that the units must be affordable to persons earning between 81 percent and 120 percent of the area median income, adjusted for family size. If this type of development is proposed, a ten percent (10%) density bonus shall be granted unless a lesser percentage is elected by the applicant, over the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the general plan as of the date of the application.

D. If an applicant agrees to construct both twenty percent of the total units for lower income households and ten percent of the total units for very low income households, the developer is entitled to only one density bonus and one additional concession or incentive as identified in Section 18.59.030.

18.59.030 Incentives/Concessions. For the purposes of this Chapter, concession or incentive means any of the following:

1. A reduction in site development standards or a modification of zoning code requirements or architectural design requirements that exceed minimum building standards. These include, but are not limited to, a reduction in setback, building coverage or parking requirements that would otherwise be required.

2. Approval of mixed use zoning in conjunction with the housing project if commercial, office, industrial, or other land uses will reduce the cost of the housing development and if the commercial, office, industrial, or other land uses are compatible with the housing project and the existing or planned development in the area where the proposed housing project will be located.

3. Other regulatory incentives or concessions proposed by the developer or the City that result in identifiable and actual cost reductions.

18.59.040 Density Bonus Calculation. For the purposes of this Chapter, density bonus means a density increase of at least thirty-five percent (35%), unless a lesser percentage is elected by the applicant, over the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the general plan as of the date of residential development application to the City. All density calculations resulting in fractional units shall be rounded up to the next whole number. The granting of a density bonus shall not be interpreted, in and of itself, to require a general plan amendment, local coastal plan amendment, zoning change, or other discretionary approval. The density bonus shall not be included when determining the number of housing units which is equal 10, 20, or 50 percent of the total. The density bonus shall apply to housing developments consisting of five (5) or more dwelling units.”

SECTION 13: The official Sand City Zoning Map, as referenced in Sand City Municipal Code Section 18.06.060, shall be amended as follows:

A. Those properties, as identified below by their Monterey County Assessor Parcel numbers and as illustrated on Ordinance Exhibit A, attached hereto and incorporated herein by this reference, within that area identified by the General Plan as the “East Dunes” area, shall be re-zoned to R-3 - Multi-family residential.

011-121-010, 011-121-011, 011-121-012, 011-121-014, 011-124-007, 011-124-008, 011-124-009, 011-124-010, 011-124-011, 011-124-013, 011-124-014, 011-124-015, 011-124-016, 011-124-017, 011-124-019, 011-124-020, and that portion of assessor parcels 011-124-006 and 011-124-018 that are not within the coastal zone overlay.

B. Those properties, as identified below by their Monterey County Assessor Parcel numbers and as illustrated on Ordinance Exhibit B, attached hereto and incorporated herein by this reference, within that area identified by the General Plan as the ‘South of Tioga’ area, shall be re-zoned to MU-P - Planned Mixed-Use.

011-122-002, 011-122-003, 011-122-004, 011-122-005, 011-122-010,

011-122-011, 011-122-023, 011-122-024, 011-122-025, 011-122-026, 011-122-032, 011-122-038, 011-122-039, 011-122-040, 011-123-001, 011-123-004, 011-123-005, 011-123-006, 011-123-007, 011-123-008, 011-123-019, 011-123-022, 011-123-023, 011-123-024, 011-123-025, 011-123-025, 011-123-026, 011-125-052, 011-125-053, 011-125-054, 011-125-055, 011-134-011, 011-135-001, 011-135-014, 011-135-015, 011-135-016, 011-135-023, 011-135-024, 011-136-019, 011-136-023, 011-186-021, 011-186-038, 011-186-039, and that portion of assessor parcels 011-122-041, 011-123-009, 011-136-007, and 011-136-012 that are not within the coastal zone overlay.

SECTION 14: Severance.

All ordinances and parts of ordinances in conflict herewith are hereby repealed.

SECTION 15: Effective Date

This Ordinance shall become effective thirty (30) days following the second reading of this Ordinance.

PASSED AND ADOPTED BY THE CITY COUNCIL OF SAND CITY, this ___ day of _____, 2016 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

APPROVED:

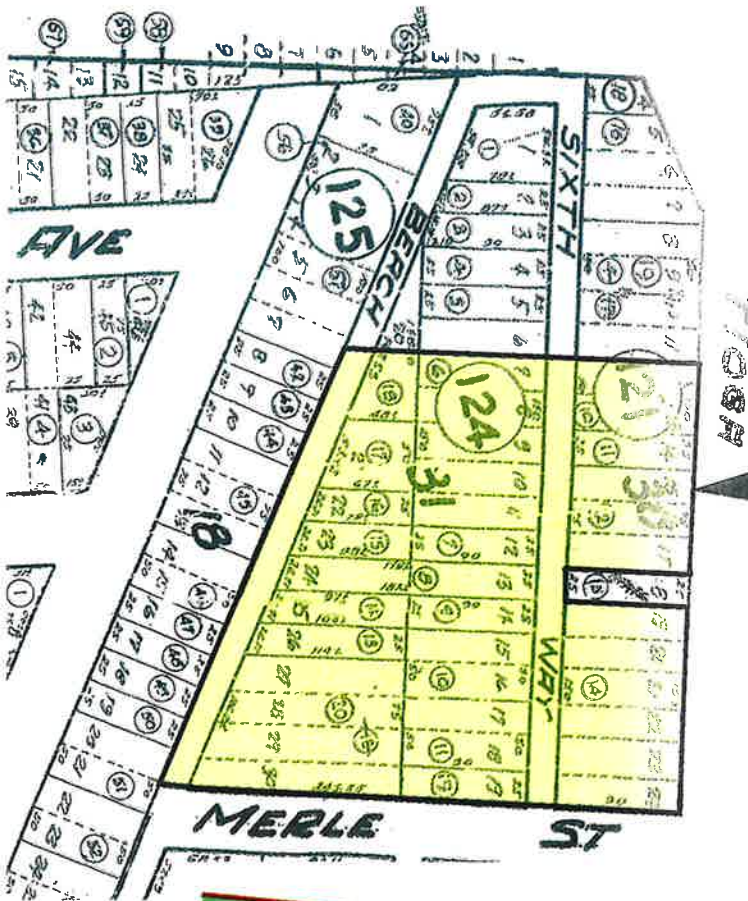
Linda K. Scholink, City Clerk

David K. Pendergrass, Mayor

ORDINANCE EXHIBIT A

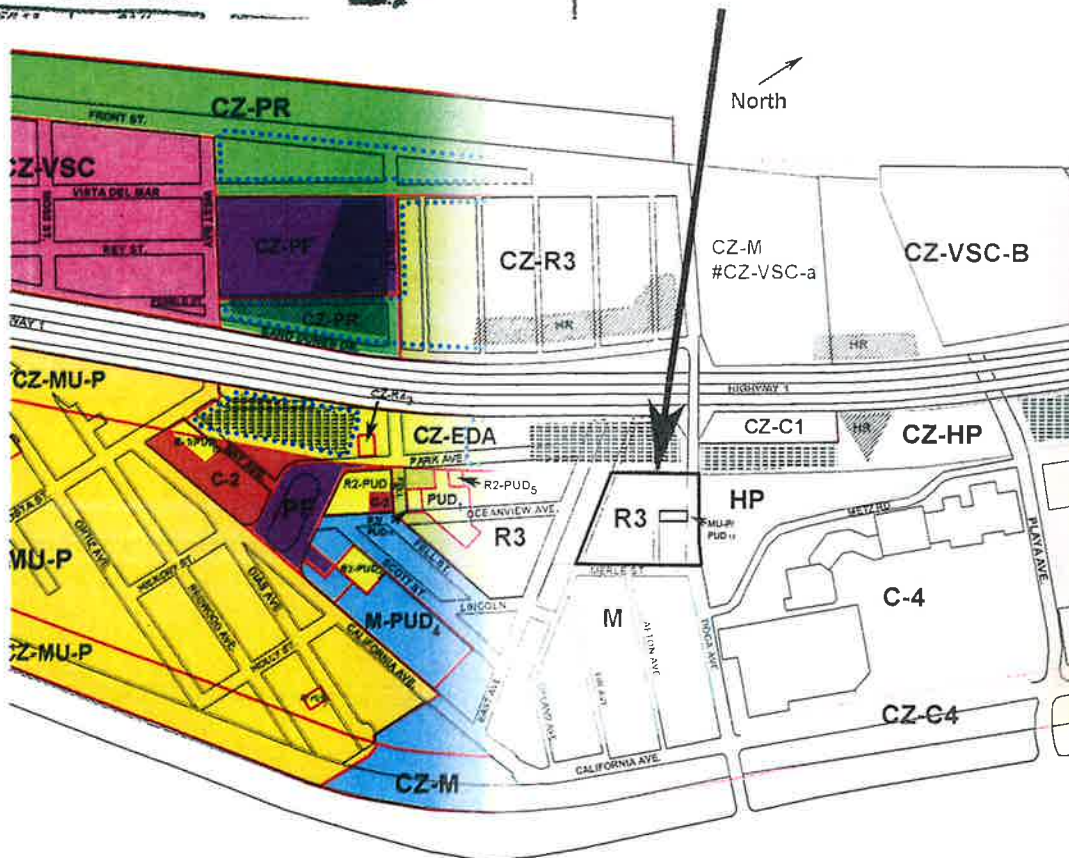
Sand City Ordinance 16-___

Rezoning to R-3 Multi-Family Residential



← R-3 (Medium Density Residential)

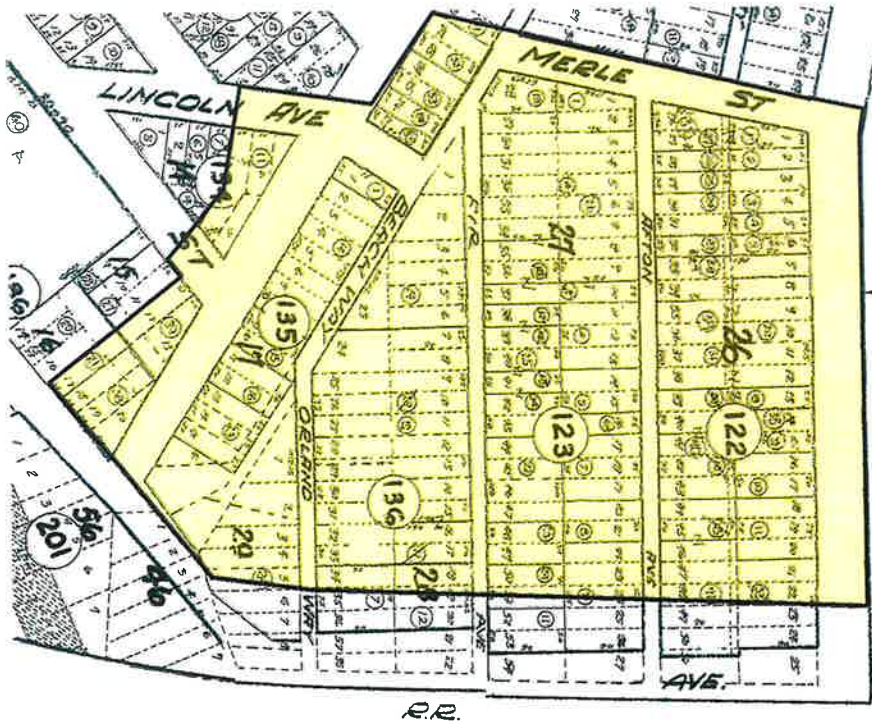
Zoning Map to be updated, as illustrated below, to show the new R3 zoning for the subject properties



ORDINANCE EXHIBIT B

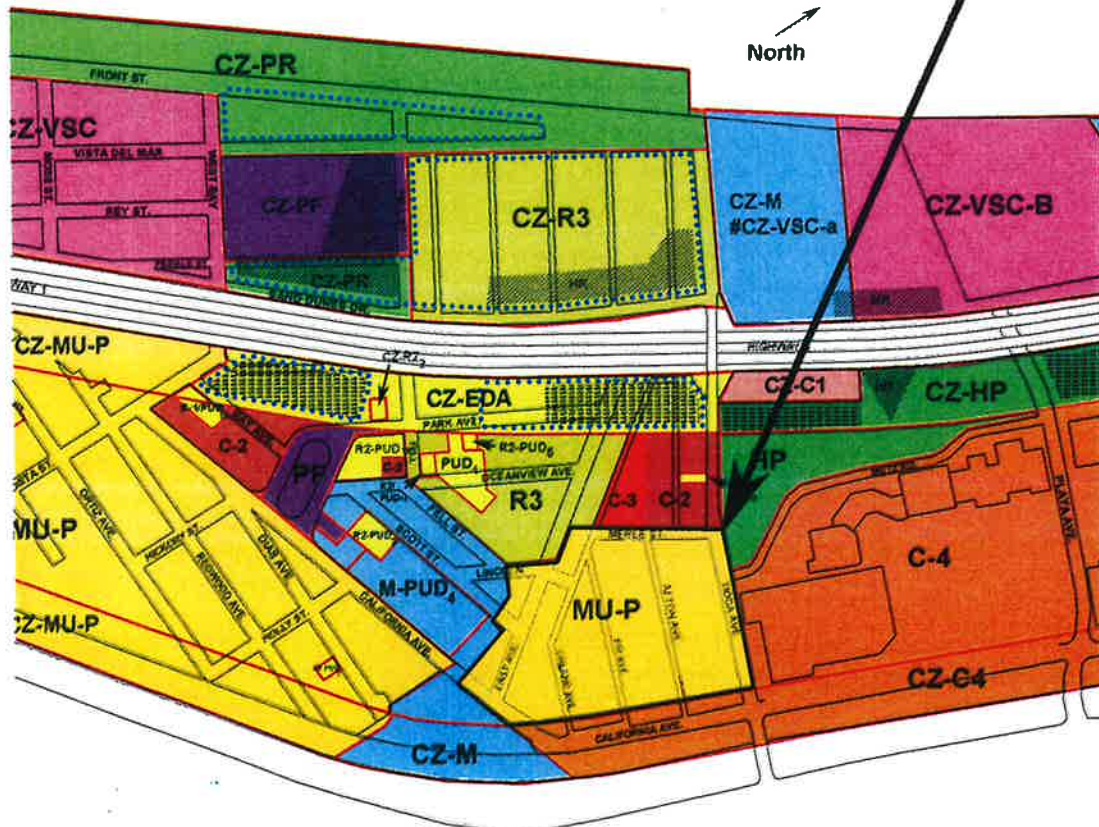
Sand City Ordinance 16-___

Rezoning to MU-P Planned Mixed-Use



← MU-P (Planned Mixed-Use)

Zoning Map to be updated, as illustrated below, to show the new MU-P (Mixed-Use) zoning for the subject properties



AGENDA ITEM

8D

MEMO

To: Honorable Mayor and City Council
From: Todd Bodem, City Administrator
Date: November 17, 2016
Subject: Introduce Ordinance for First Reading to Increase the Transient Occupancy Tax (TOT) Rate from 8% to 12%

Overview

Sand City is developing revenue strategies intended to support the City's priorities, core services, and goals. Our City has repeatedly highlighted the need to make infrastructure improvements, maintenance, enhance community/economic development; which are among the City's highest priorities moving forward.

Sand City has not witnessed the development of a hotel since its inception, and has therefore not received any Transient Occupancy Tax (TOT). Now that the Monterey Bay Shores (MBS) resort development project received approval from the California Coastal Commission, this proposed large scale resort development is making the dream come closer to reality; and will help make Sand City a tourist destination. The MBS project will be located on the northwestern corner of the City fronting the ocean. This development would be a significant revenue source through TOT; a general tax levied upon hotel guests. California law allows cities and counties to levy a TOT on visitors occupying rooms at hotels, motels, inns, and other lodging facilities for occupancies of less than 30 days.

Measure F (increase of Transient Occupancy Tax to a maximum of 14%)

On July 18, 2000, the Sand City Council approved a ballot proposition for the November 7, 2000 election to increase the tax rate on hotel occupancies. Measure F was approved by an ordinance by the people of the City of Sand City Council from time to time and at any time to increase the rate of tax charged for occupancy in any hotel in Sand City to not exceed more than 14%, or to decrease the rate of that tax to not less than 8%. This resulted in a majority vote with 41 in favor and 29 against. The City passed a Resolution on December 5, 2000 approving the canvassing of the votes in the November 7, 2000 General Election. That vote was necessary to raise the tax under Proposition 218.

The Measure, now codified under Chapter 3.24, currently sets the tax rate at 8%; however, the City Council can now, under the approved ballot measure, take action to increase the TOT anywhere within the 8 to 14 percent range.

It has been the City's practice to maintain tax rates similar to those in surrounding jurisdictions in order to be competitive to the other City's businesses in the region's economy.

Effective TOT Rates of those jurisdictions on the Monterey Peninsula are as follows:

<u>City</u>	<u>Rate</u>
Marina	12%
Seaside	12%
Carmel	10%
Del Rey Oaks	10%
*Monterey	10%
Pacific Grove	10%
Salinas	10%

Source: Coleman Advisory Services computation using State Controller Reports

**Note: The City of Monterey TOT rate is 10%. However, all hotels pay an additional rate to cover the financing of the remodel of the conference center. Depending on location and level of service, hotels will pay additional 4.15%, 1.5% or 0.8% for the next 20 years.*

Conclusion

Sand City's TOT rate of 8% is clearly lower than the average of the State of California and those Monterey Peninsula jurisdictions averaging above 11%. By setting the transient occupancy tax amount that is commensurate to the surrounding jurisdictions is fair and equitable to hotel owners and the City.

Public Meeting

A public meeting was properly noticed and held, in accordance with Governmental Code Section 54954.6, where public comment was received on November 1, 2016:

- Developer Ed Ghandour said that an increase to the TOT would adversely affect the competitive advantage of the City because it would result in a lower occupancy rate; therefore, less revenue received. He recommended that the City maintain an 8% TOT for five years until the resort stabilizes before considering an increase.
- Mayor Pendergrass stated that raising the TOT to 10% would almost meet the average of surrounding cities, but the Budget and Personnel Committee recommends 12%.

Recommendation

That the City Council would consider an Ordinance increasing the rate of the Transient Occupancy Tax from 8 to 12 percent.

**CITY OF SAND CITY
ORDINANCE NO ____, 2016**

**AN ORDINANCE OF THE CITY COUNCIL OF SAND CITY TO INCREASE THE RATE
OF TRANSIENT OCCUPANCY TAX IMPOSED IN SAND CITY FROM EIGHT
PERCENT TO TWELVE PERCENT**

WHEREAS, Chapter 24 of Title 3 of the Sand City Municipal Code imposes a transient occupancy tax (TOT) for general municipal purposes; and,

WHEREAS, at a general election held on November 7, 2000, a majority of the electors in Sand City approved ballot measure F which *“allows the City Council to act by ordinance from time to time and at any time to increase the rate of tax charged for occupancy in any hotel in Sand City to not more than 14% or to decrease the rate of that tax to not less the 8%....”*; and

WHEREAS, following approval by the electors of Sand City, the authority granted to the City Council to increase and decrease the rate of transient occupancy tax in a range between eight percent (8%) and fourteen percent (14%) was codified at Section .030 and Section .050 of Chapter 24 of Title 3 of the Sand City Municipal Code; and

WHEREAS, the rate of transient occupancy tax currently imposed for general municipal purposes in Sand City is eight percent (8%); and

WHEREAS, a recent survey shows neighboring Monterey Peninsula cities impose a transient occupancy tax ranging from ten percent (10%) to twelve percent (12%); and

WHEREAS, the Budget and Personnel Committee at their September 7, 2016 meeting, recommended that the rate of transient occupancy tax imposed in Sand City should be increased from eight percent (8%) to twelve percent (12%) in order to assist in the funding of general municipal expenses; and

WHEREAS, the City Council finds that the rate of transient occupancy tax imposed in Sand City should be increased to assist in the funding of general municipal expenses; and

WHEREAS, a public meeting was properly noticed and held, in accordance with Governmental Code Section 54954.6, where public comment was received on November 1, 2016.

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

SECTION 1: Pursuant to the authority granted to the City Council by the electors of Sand City, from and after the effective date of this ordinance, the rate of tax imposed by Sections .030 and .050 of Chapter 24 of Title 3 of the City Municipal Code shall be twelve percent (12%).

SECTION 2: The City Clerk is hereby authorized and directed to codify the provisions of Section 1 of this ordinance in the Sand City Municipal Code.

SECTION 3: Pursuant to the authority granted to the City Council by the electors of Sand City, the City Council hereby reserves the right to increase or decrease the rate of transient occupancy tax charged imposed in Sand City to not more than fourteen percent (14%) and not less than eight percent (8%).

SECTION 4: The City Council finds that the adoption of this ordinance is categorically exempt from the California Environmental Quality Act (CEQA) under CEQA Guideline 15273.

SECTION 5: Effective Date

This Ordinance shall become effective thirty (30) days from and after its final passage and adoption.

PASSED AND ADOTPED, by the City Council of Sand City, this ____ day of December, 2016 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

ATTEST:

David K. Pendergrass, Mayor

Linda K. Scholink, City Clerk

Transient Occupancy (Hotel) Taxes

There were 16 measures to increase general purpose Transient Occupancy (Hotel) Taxes. Twelve passed. Companion advisory measures as to use of funds in Palm Desert and Blythe apparently did not help enough.

Transient Occupancy Tax Tax Measures: Majority Vote General Use

Agency Name		Rate	YES%	NO%	
Los Gatos	Measure T	by 2% to 12%	81.8%	18.2%	PASS
Laguna Beach	Measure LL	by 2% to 12%	79.0%	21.0%	PASS
Watsonville	Measure J	by 1% to 11%	74.6%	25.5%	PASS
Palm Desert	Measure T	by 2% to 11%	73.9%	26.1%	PASS
Moreno Valley	Measure L	by 5% to 13%	71.4%	28.6%	PASS
County of Sonoma - unincorp	Measure L	by 3% to 12%	68.3%	31.7%	PASS
San Leandro	Measure PP	by 4% to 14%	68.0%	32.1%	PASS
Point Arena	Measure AC	by 2% to 12%	66.3%	33.7%	PASS
Soledad	Measure F	by 4% to 12%	62.3%	37.7%	PASS
Fort Bragg	Measure AA	by 2% to 12%	58.2%	41.8%	PASS
County of Santa Barbara - unincorp	Measure B	by 2% to 12%	51.9%	48.1%	PASS
San Clemente	Measure OO	by 3% to 13%	50.5%	49.5%	PASS
San Jacinto	Measure BB	by 4% to 12%	48.3%	51.7%	FAIL
El Centro	Measure Q	by 3% to 13%	41.5%	58.5%	FAIL
Auburn	Measure J	by 2% to 10%	41.1%	58.9%	FAIL
California City	Measure T	by 4% to 10%	38.3%	61.7%	FAIL

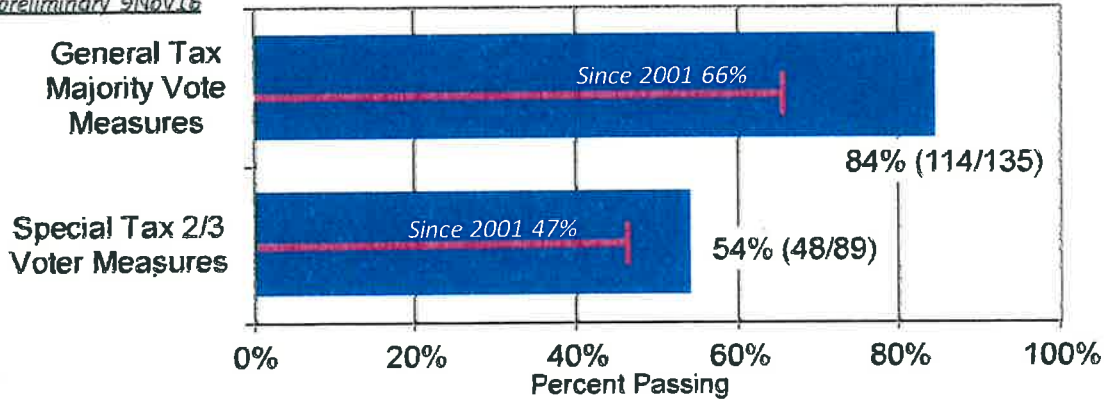
Five other TOT measures in four other cities were earmarked measure for specific purpose, making it a special tax, fairly unusual for a TOT, most of which are general purpose. Only Healdsburg approved it's 2 percent increase for affordable housing. The others were defeated decisively including the football stadium and tourism measures in San Diego.

Transient Occupancy Tax Tax Measures: Two-thirds Vote Special Purpose

City	Measure	Rate	Use	YES%	NO%		
Healdsburg	Measure S	by 2% to 14%	affordable housing	68.1%	31.9%	PASS	increase
Indian Wells	Measure GG	by 1% to 12.25%	golf resort	59.6%	40.4%	FAIL	increase
Colton	Measure T	by 2.5% to 12.5%	recreation facilities	43.6%	56.4%	FAIL	increase
San Diego	Proposition C	by 6% to 16.5%	football stadium	43.0%	57.0%	FAIL	increase
San Diego	Proposition D	by 5% to 15.5%	tourism/marketing	40.4%	59.6%	FAIL	increase

City / County / Special District Tax & Bond Measures November 2016 -

preliminary 9Nov16

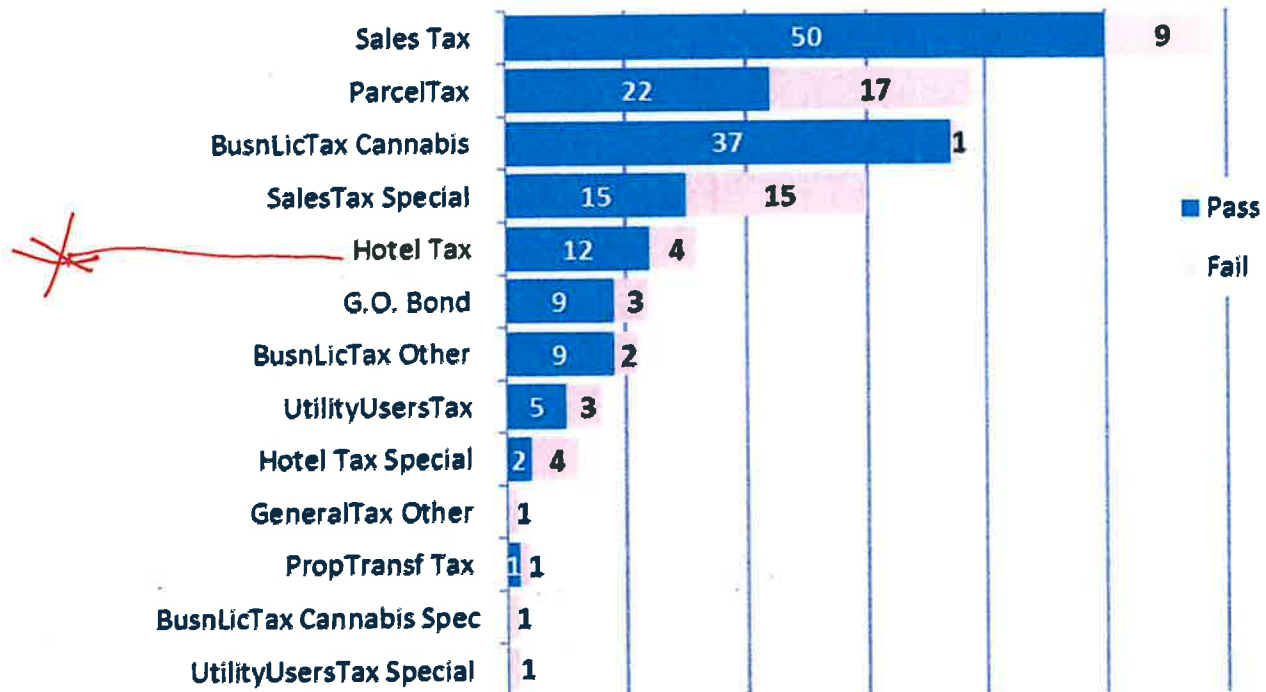


Measure Outcome by Category

Among non-school local measures, the most common type of measure was a majority vote add-on sales tax (transactions and use tax). Fifty of the 59 passed. By contrast, just half of the 30 special sales tax measures appear to have passed.

Passing and Failing City / County / Special District Measures by Type November 2016

Preliminary pending final counts



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AGENDA ITEM

10B

December 2016

December 2016

January 2017

Su	Mo	Tu	We	Th	Fr	Sa
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Nov 27		28	29	30	Dec 1	2	3
4		5	6	7	8	9	10
11		12	13	14	15	16	17
18		19	20	21	22	23	24
						Closed in Observance	
25		26	27	28	29	30	31
							To Jan 2, 17

Nov 27 - Dec 3

Dec 4 - 10

Dec 11 - 17

Dec 18 - 24

Dec 25 - 31

January 2017

February 2017

January 2017

Su	Mo	Tu	We	Th	Fr	Sa
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Jan 1, 17	2	3	4	5	6	7	
8	9	10	11	12	13	14	
15	16	17	18	19	20	21	
22	23	24	25	26	27	28	
29	30	31	Feb 1	2	3	4	

5:00pm 5:30pm Council Meeting?
5:30pm 6:00pm

CITY HALL CLOSED

Jan 1 - 7

Jan 8 - 14

Jan 15 - 21

Jan 22 - 28

Jan 29 - Feb 4

AGENDA ITEM

10C

WARMING COMMUNITIES...ONE COAT AT A TIME

Girl Scouts have made donating a coat simple. Just bring your clean, gently used coats and jackets to Del Monte Center from 11am-3pm on Saturdays starting November 26th through December 17th and again on December 31st. Then the Girl Scouts will take care of the rest. All donated coats will be given to the Boys & Girls Club in Seaside and to Dorothys Kitchen in Salinas for distribution to local people in need. And

a special thank you to Del Monte Center and Country Club Cleaners for their continued support for this wonderful cause. [READ MORE](#)



SAVE THE DATE

L+G, LLP ATTORNEYS AT LAW INVITES YOU TO WEAR RED

Celebrate National Wear Red Day with Go Red For Women on Friday, Feb. 3, 2017 to help fight women's No. 1 killer: heart disease.

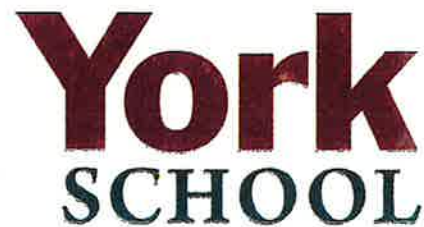
The legal team at L+G, LLP Attorneys at Law will be wearing red all day! The law offices will also be hosting a National

Red Day Benefit at Zeph's One Stop located at 1366 South Main Street in Salinas on Friday, February 3, 2017 from 5-6:30pm. [READ MORE](#)



YORK SCHOOL STUDENT NAMED OUTSTANDING YOUNG PHILANTHROPIST FOR THE CENTRAL COAST

After raising over \$5,000 to fund a week-long therapeutic horse riding camp free of charge for children in Kinship Center's "Family Ties Program," York student Devin Eastman '17 has been named Outstanding Youth Philanthropist for the Central Coast. [READ MORE](#)



NEW IRS LAW SETS JAN. 31 W-2 FILING DEADLINE; SOME REFUNDS DELAYED UNTIL FEB. 15

A new federal law moves up the W-2 filing deadline for employers and small businesses to Jan. 31. The new law makes it easier for the IRS to find and stop refund fraud. It also delays some taxpayer refunds. Those taxpayers claiming the Earned Income Tax Credit or the Additional Child Tax Credit won't see refunds until Feb. 15, at the earliest. [READ MORE](#)

