



**REGULAR MEETING**

**SAND CITY COUNCIL**

**AND**

**SUCCESSOR AGENCY OF THE FORMER  
REDEVELOPMENT AGENCY**

**AGENDA  
SAND CITY COUNCIL CHAMBERS**

**TUESDAY, JUNE 16, 2020**

**5:30 P.M.**

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

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Regular Meeting – June 16, 2020  
5:30 P.M.

As allowed per the State of California Governor's Executive Order N-29-20, this meeting will be conducted by telephone. Members of the public may call in to:

**Dial-in number:** (425) 436-6361

**Access code:** 549824

**How to Submit Public Comments:**

Written: All comments received before 8:00 am the day of the meeting will be posted on the City's website as "Correspondence" under the relevant agenda item and provided to the City Council members at the meeting. Please email your comments to [aaron@sandcityca.org](mailto:aaron@sandcityca.org).

Read Aloud During the Meeting: Email your comments to [aaron@sandcityca.org](mailto:aaron@sandcityca.org) when the Mayor opens the public comment period for the relevant agenda item; please indicate the agenda item and title in your email subject line. If you want your comment read aloud, prominently write "Read Aloud at Meeting" at the top of the email and your comments will be read into the record (not to exceed three minutes at staff's cadence).

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- 1. ROLL CALL**
- 2. ANNOUNCEMENTS BY MAYOR, CITY ATTORNEY, AND CITY STAFF**
- 3. PUBLIC COMMENT**

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.

If you need assistance, please advise the City Clerk in advance as to which item you would like to comment on and the City will assist you with arrangements.

- 4. CONSENT CALENDAR**
  - A. Approval of June 2, 2020 Sand City Council SPECIAL Meeting Minutes
  - B. Approval of June 2, 2020 Sand City Council Regular Meeting Minutes
  - C. Approval of City RESOLUTION Authorizing Renewal of a Maintenance Services Agreement with HOPE Rehabilitation Services for Fiscal 2020-2021

- D. Approval of City RESOLUTION Approving a One (1) year Agreement with the Monterey County Weekly for continued Participation of Co-Op Advertisements during the 2020-2021 Fiscal Year
- E. Approval of City Donation/Contribution
  - 1) California Central Coast Veterans Cemetery - \$250 (in memory of Edith Johnsen)
- F. Approval of City RESOLUTION Authorizing a Service Agreement for Auditor Services by Hayashi & Wayland for Fiscal Year 2019-2020 at a cost not to exceed \$53,000
- G. Approval of City RESOLUTION Authorizing the City Manager to Execute an Amendment to the Contract with Meyers, Nave, Riback, Silver & Wilson, PLC in an amount not to exceed Twenty Thousand Dollars (\$20,000)

**5. CONSIDERATION OF ITEMS PULLED FROM THE CONSENT CALENDAR**

**6. PRESENTATION**

- A. Presentation by Lina Williams, Manager of Account Services of Monterey Bay Community Power (MBCP) regarding Annual Member Agency Update (10 minutes)
- B. Presentation and Update on Status of the 2020 West End Celebration (WEC) by Stephen Vagnini, WEC Coordinator (10 minutes)

**7. PUBLIC HEARING**

- A. Consideration of City RESOLUTION to Approve Conditional Use Permit 640 for Sand City Floor Inc., to Establish and Operate Showrooms within an Existing Mixed-Use Building at 679 Redwood Avenue

**8. OLD BUSINESS**

- A. Update on Proposition 1 Grant Application and Design for Contra Costa Street

**9. NEW BUSINESS**

- A. Consideration of Proposed City Budget for Fiscal Year 2020-2021 and Appropriations Limit for FY 2020-2021
  - 1) Approval of City RESOLUTION Adopting the Proposed City Budget for Fiscal Year 2020-2021
  - 2) Approval of City RESOLUTION Establishing Appropriations Limit for Fiscal Year 2020-2021 pursuant to Article XIII B of the California Constitution

- B. Consideration of City RESOLUTION to Maintain Current Maximum Service Rates Charged by Greenwaste Recovery for Collection of Franchised Solid Waste, Recycling, and Organics for Fiscal Year 2020-2021 and that Revenue Surpluses be Used Against Rate Increases in Future Years
- C. Comments by Council Members on Meetings and Items of interest to Sand City
- D. Upcoming Meetings/Events

**10. ADJOURNMENT**

<p>Next Scheduled Council Meeting: Tuesday, July 7, 2020 5:30 P.M. Telephonic meeting: Dial-in number: (425) 436-6361 Access code: 549824</p>
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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](http://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 222, or give your written request to the City Clerk at One Pendergrass Way, Sand City, CA 93955 at least 12 hours prior to the scheduled meeting to allow the City Clerk time to arrange for the requested modification or accommodation

## **AGENDA ITEM**

**2**

# MEMO



**To:** Honorable Mayor and City Council Members

**From:** Aaron Blair, City Manager

**Date:** June 11, 2020

**Re:** City Manager Update

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All staff has returned to normal work hours, and we have implemented all suggested COVID-19 workplace safety protocol changes to City Hall. As we continue to move through the stages of reopening in Monterey County, we are prepared to meet all the requirements to keep staff and the public safe.

## Public Works/Engineering

- Storm water interceptor maintenance contract: RFP (3<sup>rd</sup> quarter)
- CIP-Calabrese Park Improvements A (2<sup>nd</sup> & 3<sup>rd</sup> quarter)
- CIP-Pavement Management Program (3<sup>rd</sup> quarter)
- CIP-Edgewater Habitat Restoration (3<sup>rd</sup> & 4<sup>th</sup> quarter)
- CIP-West Bay Street Repair Project (2<sup>nd</sup> quarter)
  - Extension Granted till 7/1/2020
- CIP-West End SW Improvement Projects (TBD)
  - Contra Costa St. (Grant Funding requested)
  - Catalina St. (Grant Funding requested)
- Sand City Water Supply Project (SCWSP) Phase 1 New Wells (2020)
- CIP-City Hall Electrical Service Updates (2<sup>nd</sup> & 3<sup>rd</sup> quarter)

## Community Development/Planning

- CIP-Parking Strategy Plan (Implementation Phase)
- Sustainable Transportation Plan (Implementation Phase)
- Accessory Dwelling Units Code Amendment (3<sup>rd</sup> quarter)
- Short-term rental ordinance workshop (3<sup>rd</sup> quarter)
- Fee schedule Update: Fee Study (3<sup>rd</sup> quarter)
- CIP-Façade Program (3<sup>rd</sup> quarter)
- CIP-Public Art Program (2<sup>nd</sup> & 3<sup>rd</sup> quarter)
- CIP- iWorQ: (Implementation Phase)

## Finance/Clerk/HR

- Sales tax initiative: November 2020 Ballot (2<sup>nd</sup> & 3<sup>rd</sup> quarter)
- November Municipal Election
- 2020/21 Budget & CIP Process (2<sup>nd</sup> quarter)
- Personnel Manual Revision (3<sup>rd</sup> quarter)

## Economic Development

- Carroll Property reuse (2020)
- Ocean View Ave at Fell St. SFD (Under Construction)
- 756 California Avenue (Under Construction)
- 460 Elder Expansion (Permit Review)
- Monterey Bay Shores (Under Construction: On Hold)
- 534 Shasta Commercial Building Expansion (Permit Issued)
- Monterey Bay Collection (Permit Review Coastal Commission)
- Target Remodel (Permit Issued)
- Catalina Lofts (Under Construction)
- Telsa Charging Stations (Edgewater – Permit Review)
- Ashley Home Furniture (Former Orchard Supply- DELAYED)
- South of Tioga
  - Development Agreement
  - ~~Quimby Act~~
  - ~~Lincoln and Beech ROW Abandonment~~
  - Community Finance District
  - Sliver properties (Pending)
  - Lot line Adjustment (Pending)
  - Final Map

## Other

- Code Enforcement (2<sup>nd</sup> & 3<sup>rd</sup> quarter)
- we. public art festival (Aug 17-22)
- West End Celebration (Aug 21-23)

**AGENDA ITEM**

**4A**



**SPECIAL MEETING MINUTES  
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY  
OF THE REDEVELOPMENT AGENCY**

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**Special Meeting – June 2, 2020  
5:00 P.M.**

As allowed per the State of California Governor's Executive Order N-29-20, this meeting was conducted by telephone.

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Mayor Carbone opened the meeting at 5:03 P.M.

**AGENDA ITEM 1, PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Mayor Carbone.

**AGENDA ITEM 2, ROLL CALL**

The following members of the Council and Staff attended the meeting via Zoom teleconference.

Present: Mayor Mary Ann Carbone  
Vice Mayor Blackwelder {excused absence}  
Council Member Hawthorne  
Council Member Sofer  
Council Member Cruz

Staff: Aaron Blair, City Manager  
Vibeke Norgaard, City Attorney  
Connie Horca, Acting City Clerk  
Charles Pooler, City Planner

**AGENDA ITEM 3, COMMUNICATIONS**

5:08 P.M. Floor opened for Public Comment.

There were no comments from the Public in person, via writing or through telecommunications regarding items not appearing on the agenda.

5:08 P.M. Floor closed for Public Comment.

**AGENDA ITEM 4, NEW BUSINESS**

There was Council discussion regarding the Mayor's inquiry of whether Council Member Hawthorne rented and received funds for the home located on Elder Avenue. It was deemed that a possible conflict of interest may exist.

*{Council Member Hawthorne recused from the online meeting due to a possible conflict of interest as a property owner}*

**A. Approval of City RESOLUTION Extending the Time of the Amended Version of the Order of the Director of Emergency Services of the City of Sand City Imposing Substantive Limits on Evictions**

City Attorney Norgaard reported that on April 21, 2020, the Council ratified the existing moratorium. She provided the history in relation to the State of California's governors order N-28-20 that waives state preemptions allowing cities to pass protections for residential tenants. A subsequent order issued on March 27<sup>th</sup> allowed for the extension of deadlines to 60 days for tenants to respond to eviction notices. On Friday May 29, 2020, the Governor extended his order to July 28, 2020. City Attorney Norgaard also explained the Judicial Council of California's rules regarding the issuance of a summons to defendants and default judgements. The Council will need to discuss and decide whether to extend the eviction moratorium, and should the Council decide not to extend it, the only protection provided to residential tenants would be the judicial council rules.

There was Council discussion regarding any liabilities to the City by extending the moratorium, the policy decision involved, judicial council rules, lawful detainer action, and whether extending the moratorium is necessary.

5:19 P.M. Floor opened for Public Comment.

There were no comments from the Public in person, via writing or through telecommunications.

5:19 P.M. Floor closed for Public Comment.

Motion to approve the City **Resolution** extending the Time of the Amended Version of the Order of the Director of Emergency Services of the City of Sand City Imposing Substantive Limits on Evictions was made by Council Member Sofer. There was no second to the motion. The motion failed and approval of the resolution did not pass.

**AGENDA ITEM 5, ADJOURNMENT**

There was consensus of the City Council to adjourn the Special meeting at 5:20 p.m. to the next regularly scheduled City Council meeting on Tuesday, June 2, 2020 at 5:30 p.m.

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Connie Horca, Acting City Clerk

**AGENDA ITEM**

**4B**

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

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Regular Meeting – June 2, 2020  
5:30 P.M.

As allowed per the State of California Governor’s Executive Order N-29-20, this meeting was conducted by teleconference.

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Mayor Carbone opened the meeting at 5:33 P.M.

The following members of the Council and Staff attended the meeting via Zoom teleconference.

Present: Mayor Mary Ann Carbone  
Vice Mayor Blackwelder  
Council Member Hawthorne  
Council Member Sofer  
Council Member Cruz

Staff: Aaron Blair, City Manager  
Vibeke Norgaard, City Attorney  
Connie Horca, Acting City Clerk  
Charles Pooler, City Planner  
Brian Ferrante, Chief of Police

**AGENDA ITEM 2, ANNOUNCEMENTS BY MAYOR, CITY ATTORNEY, AND CITY STAFF**

The Mayor announced that the County is in Stage 2 of re-opening. She reported on the civil unrest occurring in different communities due to the death of George Floyd, and that Sand City’s Target store was closed in order to take precautions due to the protests.

City Manager Blair reported on the progress of the Calabrese Park and West Bay Street projects, scheduled meetings regarding the Parking Study/Sustainable Transportation, proposed ballot measure for the November 2020 elections, and that Ashley Furniture is moving forward despite a delay in opening. He added that the proposed fiscal year 2020-21 budget is scheduled for the next City Council meeting.

City Planner Pooler clarified that Ashley has a signed lease, intends to open either late this year or early next year, and have tentative improvement plans submitted

with the City of Monterey.

City Manager Blair added that the City's administrative staff will be resuming regular hours beginning June 8, 2020 and reported on the general checklist of safety procedures and protocols to ensure a safe working environment. Public Works staff installed sneeze guards at the front desk, and hand sanitizing stations for the public will be installed. He also reported on the progress of code enforcement and letters mailed out to property owners. Mr. Blair provided an update on the progress of the desalination plant regarding the memorandum of understanding, construction permit, and plans to continue moving forward.

### **AGENDA ITEM 3, PUBLIC COMMENT**

5:46 P.M. Floor opened for Public Comment.

City Planner Pooler commented that Staff has been very happy working with City Manager Blair. He is exceptional, easy to work with, and that Staff morale has improved these past few months.

5:47 P.M. Floor closed for Public Comment.

### **AGENDA ITEM 4, CONSENT CALENDAR**

Mayor Carbone commented that Agenda Item 4I, the resolution approving City Engineering Services will be pulled from the Consent Calendar to be considered under Agenda Item 5.

- A. There was no discussion of the May 19, 2020 Sand City Council Meeting Minutes.
- B. There was no discussion of the City/Successor Agency Monthly Financial Report, April 2020.
- C. There was no discussion of the City **Resolution** authorizing the Monterey County Health Department to Apply for State Block Grant Funding on Behalf of Sand City towards the Countywide Used Oil Recycling Program.
- D. There was no discussion of the City **Resolution** authorizing Application For, And Receipt Of, Local Government Planning Support Grant Program Funds.
- E. There was no discussion of the City **Resolution** amending the Citywide Fee Schedule and Adopting a Citywide Service Fee for Credit Card Payments.
- F. There was no discussion of the City **Resolution** approving the Increase of Fire Protection Services between The Cities of Monterey and Sand City for Fiscal Year 2020-21.

- G. There was no discussion of the City Donation/Contribution to the Village Project Inc. for \$200.
- H. There was no discussion of the City **Resolution** authorizing a City Surveying Services Agreement with Polaris Consulting not to exceed \$10,000.
- I. Approval of the City **Resolution** authorizing the City Manager to renew a Professional Service Agreement with Harris & Associates in the amount of \$215,000 to provide City Engineering Services to the City of Sand City for Fiscal Year 2020-2021 was pulled from the Consent Calendar and considered under Agenda Item 5.

Motion to approve the Consent Calendar items 4A-H was made by Council Member Blackwelder, seconded by Council Member Hawthorne. Roll Call Vote AYES: Council Members Blackwelder, Carbone, Cruz, Hawthorne, Sofer. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

## **AGENDA ITEM 5, CONSIDERATION OF ITEMS PULLED FROM THE CONSENT CALENDAR**

Agenda Item 4I – City Manager Blair indicated that Staff was able to negotiate the dollar amount of the contract from \$215,000 to \$200,000 for city engineering services for fiscal year 2020-21, and that the attached resolution be revised to reflect the correct dollar amount.

Motion to approve the City **Resolution** as amended, authorizing the City Manager to renew a Professional Service Agreement with Harris & Associates in the amount of \$200,000 to provide City Engineering Services to the City of Sand City for fiscal year 2020-2021 was made by Council Member Blackwelder, seconded by Council Member Sofer. Roll Call Vote AYES: Council Members Blackwelder, Carbone, Cruz, Hawthorne, Sofer. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

## **AGENDA ITEM 6, NEW BUSINESS**

### **A. Consideration of City RESOLUTION Adopting Amendment #3 to the Fiscal Year 2019-2020 Budget**

City Manager Blair reported that Amendment #3 to the budget is based on a recessionary impact as a result of the Coronavirus pandemic, delayed sales and use tax payments for some businesses, and the shelter in place not being removed until July. The highlighted items in the budget indicate changes to the dollar amounts related to the police officer negotiations and approved memorandum of understanding (MOU). It is expected that there will be a drop of 4-5% in anticipated revenue for next fiscal year. He explained the reduction in administrative/finance salaries due to the retirement of staff, and that the increase in one-time cash outs for the public safety department was a result of the MOU. There were some minor savings

in the HOPE contract due to Shelter in Place and Staff diligently working on minimizing internal expenses. The budget amendment depicts a \$200,000 cushion going into next fiscal year. Staff recommends approval of the attached resolution approving Amendment #3 to the fiscal year 2019-2020 budget.

6:01 p.m. Floor opened for Public Comment.

There were no comments from the Public in person, via writing or through telecommunications.

6:01 p.m. Floor closed for Public Comment.

Motion to approve the City **Resolution** adopting Amendment #3 to the Fiscal Year 2019-2020 Budget was made by Council Member Hawthorne, seconded by Council Member Blackwelder. Roll Call Vote AYES: Council Members Blackwelder, Carbone, Cruz, Hawthorne, Sofer. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

**B. Consideration and Approval of City RESOLUTIONS Making Contribution Changes to the California Public Employees Retirement System (CalPERS)**

- 1) Approval of City RESOLUTION to Tax Defer Member Paid Contributions – IRC 414(H)(2)**
- 2) Approval of City RESOLUTION for Employer Paid Member Contributions**

City Manager Blair reported that the attached resolutions are required by the California Public Employees Retirement System (CalPERS) in order to implement the changes in the recently adopted memorandum of understanding with the Police Officers Association, and outlines what will be paid for the Employer Paid Member Contributions (EMPC).

City Attorney Norgaard added that the resolution for the EPMC would begin July 1, 2020 in which the POA would contribute 3% and the City would contribute 6%. The MOU states that the following year, the POA would pay 100% towards their contribution.

There was Council discussion regarding the performance of the City's CalPERS investments and where funds were being invested. City Manager Blair indicated that he would research the information and email the report to the Council.

6:07 p.m. Floor opened for Public Comment.

There were no comments from the Public in person, via writing or through telecommunications.

6:07 p.m. Floor closed for Public Comment.

- 1) Motion to approve the City **Resolution** to Tax Defer Member Paid Contributions – IRC 414(H)(2) was made by Council Member Blackwelder, seconded by Council Member Hawthorne. Roll Call Vote AYES: Council Members Blackwelder, Carbone, Cruz, Hawthorne, Sofer. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.
- 2) Motion to approve the City **Resolution** for Employer Paid Member Contributions was made by Council Member Sofer, seconded by Council Member Hawthorne. Roll Call Vote AYES: Council Members Blackwelder, Carbone, Cruz, Hawthorne, Sofer. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

**C. Discussion regarding Fiscal Year 2020/2021 Capital Improvement Plan (CIP) priorities for Sand City**

City Manager Blair presented the results of the ranking of Capital Improvement Plan (CIP) priorities for Sand City and indicated that the highest ranked priorities were the Westend Stormwater improvement projects for Contra Costa and Catalina Streets as they were tied to grant funding. The third ranked capital improvement was the pavement improvement program to match the Measure X funding established by the Transportation Agency of Monterey County. He reported that the Council's ratings were fairly identical on the remainder of the capital improvement projects. The items removed from the plan were the community center, and the parking plan. The parking plan is currently underway and is part of the 2020/21 General Fund Budget. Based on the possibility of the sale and purchase of the street sweeper, this was ranked as number 4 per Staff's recommendation.

The Council discussed the Carroll Property repurpose and cost of a steel building. It was suggested that the Council schedule a walking tour of the streets to determine what improvements need to occur.

There was consensus of the Council approving the priority ranking and identified projects for the 2020/2021 Capital Improvement Plan (CIP).

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

Council Member Sofer commented on the upcoming TAMC Bike meeting to be held via Zoom.

Council Member Cruz reported on her attendance at the TAMC Rail meeting that included an update of the rail and bus line right-of-way.

Mayor Carbone conveyed that her attendance at the Monterey 1 Water



meeting involved derogatory comments regarding Sand City's desalination plant as other agencies expressed their opposition regarding desalination.

**E. Upcoming Meetings/Events**

The Mayor announced that at the June 16, 2020 Council meeting the Council will discuss whether to hold the West End Celebration, and the possibility of cancelling the July 7, 2020 Council meeting due to the July 4<sup>th</sup> Holiday.

There were no further announcements of upcoming meetings/events.

**AGENDA ITEM 7, CLOSED SESSION**

6:29 p.m.

**A. The City Council/Successor Agency Board adjourned to Closed Session regarding:**

- 1) Public Employee Performance Evaluation (Government Code Section 54957)  
Position: City Manager**

7:21 p.m.

**B. Re-adjourned to Open Session to report any action taken at the conclusion of Closed Session in accordance with Cal. Gov Code section 54957.1.**

The Council discussed the performance evaluation results for the City Manager. No action was taken.

**AGENDA ITEM 8, ADJOURNMENT**

There was consensus of the City Council to adjourn the meeting at 7:22 p.m. to the next regularly scheduled City Council meeting on Tuesday, June 16, 2020 at 5:30 p.m.

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Connie Horca, Acting City Clerk

**AGENDA ITEM**

**4C**



# City of Sand City

Agenda  
Item  
4C

## Staff Report

**TO:** Honorable Mayor and City Council Members  
**FROM:** Aaron Blair, City Manager  
**DATE:** June 8, 2020  
**SUBJECT:** HOPE Rehabilitation Services

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**Discussion:**

Sand City has previously entered into an agreement with HOPE Rehabilitation Services Gateway Industries beginning with (Resolution SC 98-56) to develop a partnership between the City and this non-profit organization for general maintenance services within the City limits. The City and HOPE Rehabilitation Services have been pleased with the arrangements, and have agreed to renew this unique and mutually beneficial relationship for FY 2020-2021 as indicated by Attachment A. HOPE Rehabilitation Services will continue to provide State Compensation Insurance for the crew and supervisor while garbage bags, safety vests, and trash pickup devices would be provided or reimbursed by Sand City.

**CEQA:** This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

**Fiscal Impact:**

The cost for services from July through December 2020 will remain at \$17.38 per hour, per worker and one supervisor at \$1,412.15 per week, with semi-annual cost of \$36,715.90 for 26 weeks. The cost for services from January through June 2021 will increase to \$18.71 per hour, per worker and one supervisor for a subtotal of \$1,520.21 per work week, with a semi-annual cost of \$39,525.57 for 26 weeks. The total annual cost of the contract will be \$76,300 for FY 2020-2021 (Public Works Account 5845-11).

**Recommendation:**

Staff recommends approval of the attached scope of work and services to be provided by HOPE Rehabilitation Services.

**CITY OF SAND CITY  
RESOLUTION SC \_\_\_\_, 2020**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAND CITY AUTHORIZING  
RENEWAL OF A MAINTENANCE SERVICES AGREEMENT WITH HOPE REHABILITATION  
SERVICES FOR FY 2020-2021**

**WHEREAS**, Sand City has previously entered into an agreement with HOPE Rehabilitation Services Gateway Industries beginning with (Resolution SC 98-56) to develop a partnership between the City and this non-profit organization for general maintenance services within the City limits; and

**WHEREAS**, the City and HOPE Rehabilitation Services have been pleased with the arrangements and have agreed to renew this unique, mutually beneficial relationship for FY 2020-2021 as indicated by Attachment A; and

**WHEREAS**, other functions could include weeding, planting, and other light maintenance jobs on an as-needed basis and other special events, as specified by the Sand City Public Works Supervisor; and

**WHEREAS**, the cost for services from July through December 2020 will remain at \$17.38 per hour, per worker and one supervisor for a \$1,412.15 per week, with semi-annual cost of \$36,715.90 for 26 weeks; and

**WHEREAS**, the cost for services from January through June 2021 will increase to \$18.71 per hour, per worker and one supervisor for a subtotal of \$1,520.21 per work week, with a semi-annual cost of \$39,525.57 for 26 weeks; and

**WHEREAS**, HOPE Rehabilitation Services will continue to provide State Compensation Insurance for the crew and supervisor while garbage bags, safety vests, and trash pickup devices would be provided or reimbursed by Sand City.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Sand City does hereby approve the following:

1. The attached Agreement is hereby accepted and renewed for an annual cost not to exceed \$76,300 for FY 2020-2021.
2. The City Administrator is directed and authorized to execute the attached agreement and contract renewal for this program with HOPE Rehabilitation Services for one year, expiring June 30, 2021.

**PASSED AND ADOPTED**, at a regular meeting of the City Council of the City of Sand City, this \_\_\_\_, day of June, 2020 by the following votes:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

APPROVED:

ATTEST:

\_\_\_\_\_  
Mary Ann Carbone, Mayor

\_\_\_\_\_  
Connie Horca, Acting City Clerk



### Contingent Staffing Service Agreement

#### Hope Contacts

Accounts Receivable: Dixie Lim, [dlim@hopeservices.org](mailto:dlim@hopeservices.org)

30 Las Colinas Lane, San José, CA 95119

#### Hope Primary Contact for Project

Name: Greg Dinsmor  
Phone: 831-758-0973  
Cell: 831-901-4103  
E-Mail: [gdinsmore@hopeservices.org](mailto:gdinsmore@hopeservices.org)

#### Program Manger

Name: Greg Dinsmore  
Phone: 831-758-0973  
Cell: 831-901-4103  
E-Mail: [gdinsmore@hopeservices.org](mailto:gdinsmore@hopeservices.org)

#### Part 1 - Company Identification

Company: City of Sand City- Public Works

Address: 1 Pendergrass Way

#### Primary Contact:

City: Sand City

Name: Aaron Blair, City Manager  
Phone:  
Cell:  
E-Mail:

Zip: 93955

#### Part 2 - Work Dates, Hours and Billing Rate

This agreement is for (check one):  One or more individuals  Group with Hope Supervisor

The work is (check one):  Temporary  Long term as agreed

Start Date: 7/01/2020

Contract Review Date: 6/30/2021 (or per change in local minimum wage.)

Work Hours: 8:45am – 12:00pm

Work Days: Monday thru Friday

# of Workers: 4 client workers accompanied by 1 Hope Supervisor

Billing Rate: **07/01/2020 – 12/31/2020**

**\$86.90 per hour (\$17.38/hour per worker)** Any hours over 8 in a day or 40 in a week will be billed at 1 ½ times

**01/01/2022 – 06/30/2021**

**\$93.55 per hour (\$18.71/hour per worker)** Any hours over 8 in a day or 40 in a week will be billed at 1 ½ times

Holidays: The following days are holidays that Hope observes and shall not be obligated to perform services.

Independence Day	7/3/20	Christmas Holiday	12/25/20
Labor Day	9/7/20	New Year's Day	1/1/21
Thanksgiving Day	11/26/20	Martin Luther King Day	1/18/21
Day after Thanksgiving	11/27/20	Presidents' Day	2/15/21
Christmas Eve	12/24/20	Memorial Day	5/31/21

#### Part 3 - Specific Job Duties

General maintenance services within the City limits to be agreed upon by City liaison and Hope manager. Duties can include:

- Trash removal
- Weeding
- Planting
- Light maintenance

Other, similar tasks as agreed upon by management, the worker and/or the Hope Supervisor

#### Part 4 - To Be Provided By

Hope and the Company will provide supplies and services as follows:

**Hope Staffing Agreement**

Company	Hope
<i>Materials needed for duties upon approval of purchase by Public Works Maintenance Supervisor.</i>	Training support
	Payroll burden incl. benefits, insurance, payroll administration
	Other disability related training and consulting
	Qualified workers, Uniforms
	Hope Supervisor who will remain with work crew at all times.
	Proof of Workers Compensation Insurance and list the City of Sand City as an additionally insured entity on Hope's general liability policy.

**Part 5 - Additional Supplies/Costs (if any) Will be Paid For or Provided By: City of Sand City**

Hope will prepare a list of needed supplies/materials and present to the Public Works Maintenance Supervisor. Upon approval the City will purchase and provide, or reimburse Hope for expenses.

**Part 6 - Payroll and Billing**

Hope pay periods are the 1<sup>st</sup> – 15<sup>th</sup> and 16<sup>th</sup> to the last day of each month. The worker(s) is responsible for reporting hours worked to Hope by fax or e-mail using the form provided by Hope and will submit hours to Hope weekly and/or by the 15<sup>th</sup> and last day of each month. In accordance with Department of Labor standards, overtime will be calculated at one and one half times the regular rate for any hours over 8 in one day and also for any hours worked over 40 in one week.

Hope will bill Company on the 15<sup>th</sup> and the last day of each month. Invoices are due and payable on receipt. Payment in full for invoices shall be made to Hope within thirty (30) days from invoice date. Invoices that are more than seven (7) days past due are subject to a late charge of one percent (1 %) per month on the amount of the past due balance. Late charges shall be calculated using the U.S. Method, therefore interest will not be compounded on the past due balance. If the Client's account is past due and Hope has notified Client verbally or in writing of the past due balance, Hope may, upon 30 days' notice, immediately cease providing any and all further Services without any liability to Client for interruption of pending work.

Implementation of this agreement is contingent on signing of this agreement by both the Company and Hope representatives.

**Part 7 - Confidentiality**

By signing this contract, you agree in accordance with California Welfare and Institutions Code Sections 5328 through 5330, to regard as confidential all information received directly or indirectly concerning any Hope client employed by you. Confidentiality extends to photos and you agree to request a written photo release for any photos displayed showing any Hope client.

Hope agrees that Hope staff will not disclose confidential business information to any party regarding the Company's practices, products or procedures.

**Part 8 - Labor Law and Accommodations**

All State and Federal Labor laws apply to all employees covered by this contract. On request, Hope will provide consultation relating to disability-related issues, application of labor law to employees with disabilities, and on accommodating persons with disabilities in the workplace.

**Part 9 - Liability and Worker's Compensation Coverage**

## Hope Staffing Agreement

Hope assumes liability for clients and staff and is insured by the Cyprus Insurance Company Policy # **HOWC012759**. Certificates of insurance are available upon request. In the event of an emergency or life threatening injury, please call the local emergency services to provide care for any staff provided by Hope. Follow up by informing your Hope representatives as soon as possible. In the case of non-life threatening injury or illness, please contact your Hope representatives as soon as you become aware of the incident.

### **Part 10 - Approval** *(required for implementation)*

---

When signed, this agreement will be held valid for a minimum of 90 days (unless temporary as noted in Part 2 above); either party may request renegotiation of the agreement with a 30-day notice.

---

Company or Representative

---

Date

---

Hope CE Manager

---

Date

**AGENDA ITEM**

**4D**





# City of Sand City

Agenda Item  <u>4D</u>
---------------------------------

## Staff Report

**TO:** Honorable Mayor and City Council Members  
**FROM:** Aaron Blair, City Manager  
**DATE:** June 8, 2020  
**SUBJECT:** Monterey County Weekly CO-OP Advertisement

---

**Discussion:**

Since 2005, the City of Sand City has co-sponsored advertisements in Monterey County Weekly supporting Sand City businesses to promote commerce activity within our business community. The final advertisement covered in the 2019/2020 agreement will run the week of June 30, 2020, whereby continued advertisements will require approval of a new annual contract. City businesses who have participated in this co-op promotion effort feel that it is a beneficial effort on behalf of the City, and encourages its continuation so that businesses may purchase spots within those advertisements.

**CEQA:**

This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

**Fiscal Impact:**

The cost of the advertising rate is \$538 per ad; for up to 26 full-page color ads running every other week, and includes a \$150 decrease from the previous year's price which is significantly lower than the cost of the best rate offered. The annual cost is \$14,000. (Community Outreach 5920-18)

**Recommendation:**

Staff recommends the continued participation of the co-op advertisements.

**CITY OF SAND CITY  
RESOLUTION SC \_\_\_\_\_, 2020**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAND CITY APPROVING A  
ONE (1) YEAR AGREEMENT WITH THE MONTEREY COUNTY WEEKLY FOR  
CONTINUED PARTICIPATION OF CO-OP ADVERTISEMENTS  
DURING THE 2020/2021 FISCAL YEAR**

**WHEREAS**, since 2005, the City of Sand City has co-sponsored advertisements in Monterey County Weekly supporting Sand City businesses to promote commerce activity within our business community; and

**WHEREAS**, the final advertisement covered in the 2019/2020 agreement will run the week of June 30, 2020, whereby continued advertisements will require approval of a new annual contract; and

**WHEREAS**, City businesses who have participated in this co-op promotion effort feel that it is a beneficial effort on behalf of the City, and encourages its continuation so that businesses may purchase spots within those advertisements; and

**WHEREAS**, the cost of the advertising rate is \$538 per ad; for up to 26 full-page color ads running every other week, and includes a \$150 decrease from the previous year's price which is significantly lower than the cost of the best rate offered; and

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Sand City to hereby direct the City Manager to enter into the Agreement for continued participation of co-op advertisements during the fiscal year 2020-2021.

**PASSED AND ADOPTED**, at a regular meeting of the City Council of the City of Sand City, this \_\_\_\_\_, day of June, 2020 by the following votes:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

APPROVED:

\_\_\_\_\_  
Mary Ann Carbone, Mayor

ATTEST:

\_\_\_\_\_  
Connie Horca, Acting City Clerk

# ADVERTISING INSERTION AGREEMENT

ADDRESS BILLING CORRESPONDENCE TO:  
668 Williams Ave. Seaside, CA 93955 • 831-394-5656 • FAX 831-394-2909

ADVERTISER: City of Sand City

BUSINESS TYPE:  SOLE PROPRIETORSHIP  PARTNERSHIP  CORPORATION  POLITICAL  NON-PROFIT

CONTACT NAME: Aaron Blair TITLE: City Administrator

BILLING ADDRESS: 1 Pendergrass Way

CITY: Sand City STATE: CA ZIP: 93955

PHONE: (831) 394-3054 FAX: (831) 394-2472 CELL PHONE: \_\_\_\_\_

EMAIL: Aaron@sandcityca.org

HOME ADDRESS: \_\_\_\_\_ CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

### MONTEREY COUNTY WEEKLY

- DISPLAY AD
- CLASSIFIED AD
- FREE STANDING INSERTS
- BRANDED CONTENT

### MAGAZINE DIVISION

- BEST OF MONTEREY BAY® VISITOR'S GUIDE
- BEST OF MONTEREY BAY® FOOD & DRINK GUIDE
- BEST OF MONTEREY BAY® WEDDING GUIDE
- BEST OF MONTEREY BAY® SENIOR GUIDE

### DIGITAL SERVICES

- WEB BANNERS
- e-NEWSLETTER
- MOBILE ADS
- SPONSORED CONTENT
- SEO PROGRAM
- PROGRAMATIC AD SERVICES

### SPECIAL INSTRUCTIONS:

The City of Sand City agrees to run:  
Twentysix (26) Full page color coop ads  
These will be placed in alternating weeks  
The rate for these ads to the city is \$538/ad  
Each of the nine (9) spaces are available at:  
\$75 - Per Space  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Advertiser purchases from Monterey County Weekly/  
Milestone Communications, Inc. not less than  
 Full  3/4  2/3  1/3  1/2  1/4  1/6  
 1/8  1/12  1/16  inserts  
during the period set out below, subject to the Terms  
and Conditions set forth on the following page.

FREQUENCY RATE:  Open  6x  13x  26x  
 39x  52x  Insert

ROTATING SIZES: FP + \_\_\_\_\_

PRINT AD RATE (per ad): \$ 538

COLOR CHARGES: \$ inc

DIGITAL RATE: \$ \_\_\_\_\_

e-NEWSLETTER RATE: \$ \_\_\_\_\_

MOBILE RATE: \$ \_\_\_\_\_

BEGINNING DATE: 6/18/2020 MONTH/DAY/YEAR

ENDING DATE: 6/17/2021 MONTH/DAY/YEAR

IN AGREEMENT WITH THE TERMS AND CONDITIONS AND  
IN WITNESS WHEREOF, PUBLISHER AND ADVERTISER SET  
THEIR HANDS AND SEALS ON:

06/03/2020 MONTH/DAY/YEAR

ADVERTISER: City of Sand City BUSINESS NAME

ADVERTISER'S SIGNATURE  AUTHORIZED PERSON AND GUARANTOR

PRINT NAME OF SIGNATOR: \_\_\_\_\_

## TERMS AND CONDITIONS

1. For each of the advertisements published, Advertiser shall pay to Publisher a fee in accordance with the Insertion & Rate Schedule (hereinafter referred to as the Insertion Schedule). Advertiser understands that under this Agreement the Advertiser is obligated to insert an advertisement (of at least the minimum size) in Monterey County Weekly (and/or other publication specified in the Insertion Schedule) for each of the issues specified in the Insertion Schedule. Accordingly, the insertion of an advertisement of greater than the minimum size in any issue will not affect the obligation of Advertiser to insert an advertisement of the minimum size in each subsequent issue. If Advertiser fails to comply with its obligation to insert an advertisement in any issue, or if Advertiser in any other way fails to comply with its obligations under this Agreement, the Publisher may terminate this Agreement. Following such termination, Advertiser shall compensate Publisher for all damages directly or indirectly resulting as a consequence of Advertiser's default and, in that connection, in addition to the payment of all unpaid amounts for advertisements inserted theretofore, Advertiser shall pay to Publisher, as liquidated damages, within 10 days after the date of termination, an amount equal to 75% of the fee that would have been payable at the Contracted Rate for the advertisements which would have been inserted after the date of termination if the Advertiser had complied fully with its obligations hereunder. Advertiser's obligation under paragraph 4, below, shall continue in full force and effect following termination of this Agreement.

2. Notwithstanding the provisions of paragraph 2A above, Publisher may, at any time or from time to time, determine that it does not wish to extend credit, or to continue to extend credit, to Advertiser and, in such event, Publisher may require Advertiser to pay in advance of publication or to comply with other credit terms specified by Publisher.

3. In the case of advertisements to be inserted in any special supplements to Publisher's weekly publications, Advertiser shall submit such advertisements to Publisher on a timely basis in accordance with the scheduling information, which has been furnished to Advertiser. Advertiser shall submit all other advertisements to Publisher (or account Executive) by no later than Friday before the issue day of any issue in which such advertisement is to appear. If Advertiser fails to submit acceptable advertisements by any such time, Publisher may republish Advertiser's most recently published advertisement and, in such event, Advertiser shall pay Publisher the same amount which would have been payable if Advertiser had submitted such advertisement for republication.

4. Advertiser represents to Publisher that Advertiser and its agents, if any, have the full legal right to publish, in their entirety, all advertisements and artwork submitted for publication hereunder, and that by publishing any of such advertisements Publisher will not violate the rights of any person or any federal, state or local statutes or rules or regulations of any applicable federal, state or local authority, and Advertiser agrees to indemnify Publisher, and hold it harmless from and defend it against, any losses, expenses, suits or claims which Publisher may incur and which arise out of the publication by it of any of such advertisements, including, without limitation of the foregoing, any claims of libel, violation of rights of privacy, plagiarism, unfair competition or trade practices, or copyright and/or trademark infringement.

5. Publisher reserves the right to refuse to publish advertising which in its opinion does not conform to the reasonable standards of its publications or which may subject Publisher to claims of liability to third persons.

6. Publisher's obligation to publish is subject to labor disputes, accidents, fires, earthquakes, acts of God or other contingencies beyond its control, and if such event shall occur, the "ending issue" specified in the Insertion Schedule shall be changed to such later date as shall reflect the duration of the event. If Publisher, with or without good cause, fails to publish any advertisement of Advertiser, Publisher's sole liability, if any, shall be limited to the obligation to publish another advertisement at a later date.

7. Publisher shall have no liability of any kind to advertiser on account of errors or omissions made by Publisher including, but not limited to, content or quality in any advertisement and, notwithstanding such errors or omissions. Advertiser shall pay Publisher in accordance with the terms of this Agreement. However, Publisher may, at its discretion, afford to Advertiser, without charge, advertising space in addition to that specified in the Insertion Schedule in an amount to be determined by Publisher. In any event, Advertiser shall give written notice to Publisher (attention of the Sales Manager) within 7 days after publication of any advertisement containing any errors or omissions made by Publisher.

8. This Agreement constitutes the entire agreement between Publisher and Advertiser and may not be cancelled, modified, amended or supplemented except pursuant to a duly written instrument executed by both parties.

9. Each person signing this Agreement as a Guarantor, and any advertising agency executing this Agreement in the name of and on behalf of Advertiser, hereby jointly and severally unconditionally guarantees to Publisher the full and prompt performance by Advertiser of its obligations hereunder.

### OFFICE USE ONLY

PREPAYMENT OF FIRST FOUR ADS RECEIVED

ACCOUNT EXECUTIVE

Keith Bruecker

CREDIT APPROVED

APPROVED AND ACCEPTED BY

Publisher of Milestone Communications Inc.

**AGENDA ITEM**

**4E**



# City of Sand City

Agenda  
Item

4E

## Staff Memo

**TO:** City Council  
**FROM:** Aaron Blair, City Manager  
**DATE:** June 8, 2020  
**SUBJECT:** Review of City Contribution/Donation

---

Attached is requests for support and contribution for Fiscal Year 2019-2020. After reviewing this request, the following donation is recommended:

- California Central Coast Veterans Cemetery - \$250  
(In memory of Edith Johnsen)

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".*

# Edith Johnsen

1936 - 2020



[Send Flowers](#)

[Share](#)

**Edith Johnsen**

November 15, 1936 - April 28, 2020

**Marina**

Edith Johnsen, 83, long-time Marina resident (48 years) and civic leader passed away quietly in her home of natural causes on April 28, 2020 after slowly declining health for the last 18 months.

Edith Johnsen was involved in the incorporation of the city of Marina in 1975, was the mayor of Marina 1990 - 1993, and also served as a member of the Monterey County Board of Supervisors from 1993 to 2005. She served on numerous boards and committees in Marina and Monterey County and was instrumental in the creation and implementation of the

California Central Coast Veterans Cemetery, the Marina Library, and the Fort Ord Reuse Authority.

In 2020, she received the 'Marina Foundation Lifetime of Service Award' for outstanding Service and Dedication to the Marina Community.

She was born in Elizabeth, New Jersey on November 15, 1936, and was the daughter of Andrew J. Vallo and Rose Heruska. Prompted by scholarships she received; she began her life-long commitment to community service as her way to pay it forward. She holds a Bachelor's in English/Spanish and received her Master's degree from East Tennessee State University. She came to Marina in 1972 with her husband, US Army Major, Frederick Johnsen (married 48 years until his passing in 2006), and their sons, Christopher and Kenneth. She started teaching as an English teacher at Monterey Peninsula Jr. College (MPC), which is when her political career also began in her decade long fight for unionization and health insurance for part-time teachers. Her career blossomed as she took on the concerns and needs of the Central Coast Communities to heart and action.

She is survived by her son Christopher Johnsen, daughter-in-law Doinita Nicollsen from Portland, Oregon; son Kenneth Johnsen and daughter-in-law, Christina Johnsen, from Salinas; brother-in-law's, Howard Stanley from Tampa, FL, and Robert Johnsen from Union, New Jersey; as well as niece Joyce Stanley, nephew Wayne Stanley from Tampa, Florida, and granddaughter Christi Johnson from Fargo, North Dakota.

Due to social distancing and the Covid-19 virus, a date for a memorial service to be held at the Veteran's Cemetery (CCCVC) will be announced when it is safe to congregate.

In lieu of flowers please send donations to the VNA Hospice, P.O. Box 2480, Monterey, CA 93942 or the California Central Coast Veterans Cemetery (CCCVC Endowment Fund), 2900 Parker Flats Road, Seaside, CA 93955.

[View the online memorial for Edith Johnsen](#)



**AGENDA ITEM**

**4F**



# City of Sand City

Agenda Item  4F
--------------------------

## Staff Report

**TO:** Honorable Mayor and City Council Members  
**FROM:** Aaron Blair, City Manager  
**DATE:** June 8, 2020  
**SUBJECT:** Auditor Services Hayashi & Wayland

---

**Discussion:**

The City of Sand City is required to obtain the services of an independent qualified auditor to perform annual audits of City/Successor Agency accounts. Hayashi & Wayland has performed an audit on behalf of the City and the Successor Agency (formerly the Redevelopment Agency), every fiscal year since 1995-96 through fiscal year 2018-2019 and has submitted a letter dated May 26, 2020 that proposes a scope of services for performing the audit for FY 2019-2020. The Administrative staff for the City of Sand City has reviewed the scope of services attached hereto as Exhibit A and found that the services to be provided are satisfactory and necessary to perform the required audits for fiscal year 2019-20 and to prepare the required State reports.

**CEQA:** This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

**Fiscal Impact:**

The total cost of the contract will be not to exceed \$53,000 (Finance Account 5410-03). Any additional work that may be required or requested of Hayashi & Wayland will be billed at the standard hourly rates as listed in the proposal to include costs associated with proper accounting and audit procedures under the Governmental Accounting Standards Board

**Recommendation:**

Staff has been satisfied with the expertise, accuracy, and completeness of the work performed by Hayashi & Wayland. Therefore, staff recommends the approval of the scope of services attached hereto as Exhibit A allowing Hayashi & Wayland to perform an audit on behalf of the City and the Successor Agency.

**CITY OF SAND CITY  
RESOLUTION SC \_\_\_\_, 2020**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAND CITY  
AUTHORIZING A SERVICE AGREEMENT FOR AUDITOR SERVICES  
BY HAYASHI & WAYLAND FOR FISCAL YEAR 2019-2020  
AT A COST NOT TO EXCEED \$53,000**

**WHEREAS**, the City of Sand City is required to obtain the services of an independent qualified auditor to perform annual audits of City/Successor Agency accounts; and

**WHEREAS**, Hayashi & Wayland has performed an audit on behalf of the City and the Successor Agency (formerly the Redevelopment Agency), every fiscal year since 1995-96 through fiscal year 2018-2019 and has submitted a letter dated May 26, 2020 that proposes a scope of services for performing the audit for FY 2019-2020; and

**WHEREAS**, the City Council has been satisfied with the expertise, accuracy, and completeness of the work performed by Hayashi & Wayland; and

**WHEREAS**, the Administrative staff for the City of Sand City has reviewed the scope of services attached hereto as Exhibit A and found that the services to be provided are satisfactory and necessary to perform the required audits for fiscal year 2019-20 and to prepare the required State reports.

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

1. The attached service agreement as proposed by Hayashi & Wayland is hereby accepted;
2. Said authorization is conditioned upon the contractor performing the service at a cost not to exceed \$53,000 to include examinations of the Transportation Agency for Monterey County's (TAMC) Measure X Programs Funding Agreement and procedures to the Appropriations Limit Worksheet as specified in the attached May 26, 2020 letters;
3. Any additional work that may be required or requested of Hayashi & Wayland will be billed at the standard hourly rates as listed in the proposal to include costs associated with proper accounting and audit procedures under the Governmental Accounting Standards Board;
4. The City Manager is authorized and directed to enter into the attached Service Agreement with Hayashi & Wayland, Certified Public Accountants, to perform the scope of services outlined in Exhibit A for the City of Sand City;
5. Hayashi & Wayland will maintain a current Sand City Business License.

**Sand City Resolution SC \_\_\_\_, 2020**

**PASSED AND ADOPTED** by the Sand City Council this \_\_\_\_, day of June 2020, by the following vote:

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

APPROVED:

ATTEST:

\_\_\_\_\_  
Mary Ann Carbone, Mayor

\_\_\_\_\_  
Connie Horca, Acting City Clerk



CLIENT'S COPY

## HAYASHI | WAYLAND

May 26, 2020

City Council City of Sand City  
1 Sylvan Park  
Sand City, California 93955

Attention: Aaron Blair, City Manager

RECEIVED

MAY 28 2020

CITY OF SAND CITY

### **The Objective and Scope of the Audit of the Financial Statements**

You have requested that we audit the financial statements of the City of Sand City's (the City), governmental activities, each major fund and aggregate remaining fund information as of and for the year-ended June 30, 2020 which collectively comprise the basic financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's 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. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited.

Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

### **The Responsibilities of the Auditor**

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); and "Government Auditing Standards" issued by the Comptroller General of the United States (GAS). Those standards, regulations, supplements, or guides 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. 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.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS. Also, an audit is not designed to detect errors or fraud that are immaterial to the financial statements.

In making our risk assessments, we consider internal control relevant to the City'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. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. We will also communicate to the City Council (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

The funds that you have told us are maintained by the City and that are to be included as part of our audit are listed here:

- General fund
- Special revenue funds
- Fiduciary funds

Our reports on internal control will include any significant deficiencies and material weaknesses in controls of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with requirements of the standards identified above. Our report on compliance matters will address material errors, fraud, abuse, violations of compliance obligations, and other responsibilities imposed by state and federal statutes and regulations or assumed by contracts, and any state or federal grant, entitlement or loan program questioned costs of which we become aware, consistent with requirements of the standards identified above.

#### **The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework**

Our audit will be conducted on the basis that management and when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. To evaluate subsequent events through the date the financial statements are issued or available to be issued, and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that it will not evaluate subsequent events earlier than the date of the management representation letter referred to below;
3. For 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; and

4. For establishing and maintaining effective internal control over financial reporting and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls of which it has knowledge;
5. For report distribution; and
6. To provide us with:
  - (a) Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
  - (b) Additional information that we may request from management for the purpose of the audit; and
  - (c) Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit including among other items:

- a. That management has fulfilled its responsibilities as set out in the terms of this letter; and
- b. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for identifying and ensuring that the City complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud or abuse, and for informing us about all known or suspected fraud or abuse affecting the City involving management, employees who have significant roles in internal control, and others where the fraud or abuse could have a material effect on the financial statements or compliance. Management is also responsible for informing us of its knowledge of any allegations of fraud or abuse or suspected fraud or abuse affecting the City received in communications from employees, former employees, analysts, regulators, or others.

Management is responsible for the preparation of the required supplementary information (RSI) and supplementary information presented in relation to the financial statements as a whole in accordance with accounting principles generally accepted in the United States of America. Management agrees to include the auditor's report on the RSI or supplementary information in any document that contains the supplementary information and indicates that the auditor has reported on such RSI or supplementary information. Management also agrees to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

The City Council is responsible for informing us of its views about the risks of fraud or abuse within the City, and its knowledge of any fraud or abuse or suspected fraud or abuse affecting the City.

Because Hayashi Wayland will rely on City of Sand City and its management and City Council to discharge the forgoing responsibilities, the City of Sand City holds harmless and releases Hayashi Wayland, its partners, and employees from all claims, liabilities, losses, and costs arising in circumstances where there has been a knowing misrepresentation by a member of City of Sand City's management which has caused, in any respect, Hayashi Wayland breach of contract or negligence. This provision shall survive the termination of this arrangement for services.

### **Records and Assistance**

If circumstances arise relating to the conditions of the City's records, the availability of appropriate audit evidence, or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting, misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawal from the engagement.

During the course of our engagement, we may accumulate records containing data which should be reflected in the City's books and records. The City will determine that all such data, if necessary, will be so reflected. Accordingly, the City will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by City personnel, including the preparation of schedules and analyses of accounts will be discussed and coordinated with Aaron Blair, City Manager. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

In connection with our audit, you have requested us to perform certain non-audit services necessary for the preparation of the financial statements, including making journal entries to the trial balance, drafting the financial statements and footnotes, in addition to preparation of the Annual Report of Financial Transactions and the Annual Street Report to be submitted to the State Controller's office. The GAS independence standards require that the auditor maintain independence so that opinions, findings, conclusions, judgments, and recommendations will be impartial and viewed as impartial by reasonable and informed third parties. Before we agree to provide the aforementioned non-audit services to the City of Sand City, we determine whether providing such a service would create a significant threat to our independence for GAS audit purposes, either by itself or in aggregate with other non-audit services provided. A critical component of our determination is consideration of management's ability to effectively oversee the non-audit service to be performed. The City has agreed that Aaron Blair, City Manager, possesses suitable skill, knowledge, or experience and that he understands adjustments to the trial balance and financial statement drafting services to be performed and the reports to be submitted to the State Controller's office sufficiently to oversee them. Accordingly, the management of the City of Sand City agrees to the following:

1. The City of Sand City has designated Aaron Blair, City Manager, a senior member of management, who possesses suitable skill, knowledge, and experience to oversee these services;
2. Aaron Blair, City Manager will assume all management responsibilities for subject matter and scope of the adjustments to the trial balance and compilation services;
3. The City of Sand City will evaluate the adequacy and results of the services performed; and
4. The City of Sand City accepts responsibility for the results and ultimate use of the services.



GAS further requires we establish an understanding with the management of the City of Sand City of the objectives of the non-audit service, the services to be performed, the entity's acceptance of its responsibilities, the auditor's responsibilities, and any limitations of the non-audit service. We believe this letter documents that understanding.

#### **Other Relevant Information**

Hayashi Wayland may mention the City name and provide a general description of the engagement in Hayashi Wayland's client lists and marketing materials.

In accordance with GAS, a copy of our most recent peer review report is enclosed for your information.

#### **Parties' Understandings Concerning Situation Around COVID-19**

Hayashi Wayland and the City of Sand City acknowledge that, at the time of the execution of this arrangement letter, federal, state and local governments, both domestic and foreign, have restricted travel and/or the movement of their citizens due to the ongoing and evolving situation around COVID-19. In addition, like many organizations and companies in the United States and around the globe, Hayashi Wayland has restricted its employees from travel and onsite work, whether at a client facility or Hayashi Wayland facility, to protect the health of both Hayashi Wayland's and its clients' employees. Accordingly, to the extent that any of the services described in this arrangement letter requires or relies on Hayashi Wayland or the City of Sand City personnel to travel and/or perform work onsite, either at the City of Sand City's or Hayashi Wayland's facilities, including, but not limited to, maintaining business operations and/or IT infrastructure, Hayashi Wayland and the City of Sand City acknowledge and agree that the performance of such work may be delayed, significantly or indefinitely, and thus certain services described herein may need to be rescheduled and/or suspended at either Hayashi Wayland's or the City of Sand City's sole discretion. Hayashi Wayland and the City of Sand City agree to provide the other with prompt written notice (email will be sufficient) in the event any of the services described herein will need to be rescheduled and/or suspended. Hayashi Wayland and the City of Sand City also acknowledge and agree that any delays or workarounds due to the situation surrounding COVID-19 may increase the cost of the services described herein. Hayashi Wayland will obtain the City of Sand City's prior written approval (email will be sufficient) for any increase in the cost of Hayashi Wayland services that may result from the situation surrounding COVID-19.

#### **Fees, Costs, and Access to Workpapers**

Our fees for the audit and accounting services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement, plus direct expenses. Our fee estimate and completion of our work is based upon the following criteria:

1. Anticipated cooperation from City personnel.
2. Timely responses to our inquiries.
3. Timely completion and delivery of client assistance requests.
4. Timely communication of all significant accounting and financial reporting matters.
5. The assumption that unexpected circumstances will not be encountered during the engagement.

If any of the aforementioned criteria are not met, then fees may increase. Our fee for the services described in this letter will not exceed \$51,000 unless the scope of the engagement is changed or any of the aforementioned criteria are not met, in which case we will discuss the situation with you before proceeding. Accounts not paid within 30 days from the date of the invoice are subject to a .833% monthly finance charge. Accounts remaining unpaid will also be liable for reasonable collection costs.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, the City agrees it will compensate Hayashi Wayland for any additional costs incurred as a result of the City's employment of a partner or professional employee of Hayashi Wayland.

The City agrees not to make any offers of employment to Hayashi Wayland employees. If for any reason our employees should obtain employment with your organization during the period of this engagement, you agree to pay our firm an Employment Firm Placement Fee of 35% of the first year's annual compensation of the respective Hayashi Wayland employee.

In the event we are requested or authorized by the City of Sand City or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for the City, City of Sand City will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

#### **Claim Resolution**

Any claims arising out of services rendered pursuant to this agreement shall be resolved in accordance with the laws of California. It is agreed by the City of Sand City and Hayashi Wayland or any successors in interest that no claim arising out of services rendered pursuant to this agreement by or on behalf of the City of Sand City shall be asserted more than two years after the date of the last audit report issued by Hayashi Wayland.

#### **Information Security - Miscellaneous Terms**

Hayashi Wayland is committed to the safe and confidential treatment of the City of Sand City proprietary information. Hayashi Wayland is required to maintain the confidential treatment of client information in accordance with relevant industry professional standards which govern the provision of services described herein. City of Sand City agrees that it will not provide Hayashi Wayland with any unencrypted electronic confidential or proprietary information, and the parties agree to utilize commercially reasonable measures to maintain the confidentiality of the City of Sand City information, including the use of collaboration sites to ensure the safe transfer of data between the parties.

Hayashi Wayland may terminate this relationship immediately in its sole discretion if Hayashi Wayland determines that continued performance would result in a violation of law, regulatory requirements, applicable professional standards or Hayashi Wayland client acceptance or retention standards, or if City of Sand City is placed on a verified sanctioned entity list or if any director or executive of, or other person closely associated with, City of Sand City or its affiliates is placed on a verified sanctioned person list, in each case, including but not limited to lists promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the United Nations Security Council, the European Union or any other relevant sanctioning authority.

If any term or provision of this arrangement letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken and all other terms and provisions will remain in full force and effect.

### **Reporting**

We will issue a written report upon completion of our audit of the City of Sand City's financial statements. Our report will be addressed to the Honorable Mayor and City Council. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In addition to our reports on the City of Sand City's financial statements, we will also issue the following reports or types of reports:

- A report on internal control related to the financial statements. This report will describe the scope of testing of internal control and the results of our tests of internal controls.
- A report on compliance with laws, regulations, and the provisions of contracts or grant agreements. We will report on any noncompliance that could have a material effect on the financial statements
- The "Annual Report of Financial Transactions" and the "Annual Street Report" for submission to the State Controller's Office. The responsibility we are to take for the material included in these reports will be the same as that we assume for other supplementary information accompanying the financial statements. You acknowledge that you have the final responsibility for these reports and, therefore, you should review them carefully before you sign and file them.

This letter constitutes the complete and exclusive statement of the agreement between Hayashi Wayland and City of Sand City, superseding all proposals, oral or written, and all other communications, with respect to the terms of the engagement between the parties.

### **Electronic Signatures and Counterparts**

Each party hereto agrees that any electronic signature of a party to this agreement or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, (i) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (ii) an electronic copy of a traditional signature affixed to a document, (iii) a signature incorporated into a document utilizing touchscreen capabilities or (iv) a digital signature. This agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or "printouts," of such documents if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements of our audit of the financial statements including our respective responsibilities.

Sincerely,



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

Enclosure: Peer Review Report

51880/ml

Confirmed on behalf of the City of Sand City:

Signature \_\_\_\_\_

Date \_\_\_\_\_

**CITY OF SAND CITY**

**Cost Proposal  
June 30, 2020**

Hayashi Wayland professional fees are based upon the time spent on an engagement at hourly rates related to the levels of experience of the individuals assigned. We believe that our rates are comparable to those of other accounting firms. However, we believe that our audit approaches and techniques provide a unique capability to achieve audit cost savings while maintaining the highest quality standards.

We propose the following fees for the fiscal year ended June 30, 2020:

City of Sand City, including the Sand City Successor Agency	\$ 44,000
Annual Report of Financial Transactions	4,500
Annual Street Report	<u>2,500</u>
	<u>\$ 51,000</u>

These fees assume that all the records needed for the audit are available in reasonable condition and that your staff will be available to answer questions, copy documents, and pull selected invoices, canceled checks and other files necessary for the audit.

If, during the course of the engagement, any special or additional work is required we will discuss it with you before we incur additional costs. This work will be billed as an additional charge according to our standard hourly rates as follows:

Partner Services	\$ 350/Hr.
Manager/Supervisor Services	\$ 275/Hr.
Senior Services	\$ 150/Hr.
Junior Staff and Clerical Services	\$ 120/Hr.

We will strive to keep our costs to a minimum so the City will receive the maximum benefit from our services. We look forward to a continuing professional relationship.

## REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

To the Partners of Hayashi & Wayland Accounting & Consulting LLP  
and the CalCPA Peer Review Program

We have reviewed the system of quality control for the accounting and auditing practice of Hayashi & Wayland Accounting & Consulting LLP (the firm) in effect for the year ended May 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards* (including compliance audit under the Single Audit Act) and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

**Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Hayashi & Wayland Accounting & Consulting LLP in effect for the year ended May 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Hayashi & Wayland Accounting & Consulting LLP has received a peer review rating of *pass*.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Bellevue Washington  
November 9, 2017



CLIENT'S COPY

## HAYASHI | WAYLAND

May 26, 2020

RECEIVED

MAY 28 2020

City Council City of Sand City  
1 Pendergrass Way  
Sand City, California 93955

CITY OF SAND CITY

Attention: Aaron Blair, City Manager

We are pleased to confirm our understanding of the services we are to provide for the City of Sand City.

We will examine the City of Sand City's compliance with the requirements included in Transportation Agency for Monterey County's (TAMC) Ordinance No. 2016-01 Transportation Safety and Investment Plan (the Ordinance) and in the Measure X Master Programs Funding Agreement (the Agreement) between TAMC and the City of Sand City as and for the year ended June 30, 2020. The objectives of our examination are to (1) obtain reasonable assurance about whether the City of Sand City is in compliance with the Ordinance and the Agreement; and (2) to express an opinion as to whether the City of Sand City is in compliance with the Ordinance and the Agreement.

Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Accordingly, it will include examining, on a test basis, your records and other procedures to obtain evidence necessary to enable us to express our opinion. We will issue a written report upon completion of our examination. Our report will be addressed to the City Council of Sand City. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or may withdraw from this engagement.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with the attestation standards.

We understand that you will provide us with the information required for our examination and that you are responsible for the accuracy and completeness of that information. We may advise you about appropriate criteria, but the responsibility for the subject matter remains with you.

You are responsible for, and agree to provide us with, a written assertion regarding this engagement. Failure to provide such an assertion will result in our withdrawal from the engagement. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the measurement, evaluation, or disclosure of the subject matter; (2) additional information that we may request for the purpose of the examination; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence. At the conclusion of the engagement, you agree to provide us with certain written representations in the form of a representation letter.



City Council City of Sand City  
May 26, 2020  
Page 2 of 2

Our fees for this service will be at time and expenses, not to exceed \$1,000. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,



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

Confirmed on behalf of the City of Sand City:

Signature \_\_\_\_\_

Date \_\_\_\_\_



CLIENT'S COPY

## HAYASHI | WAYLAND

May 26, 2020

City Council City of Sand City  
1 Pendergrass Way  
Sand City, California 93955

RECEIVED

MAY 28 2020

CITY OF SAND CITY

Attention: Aaron Blair, City Manager

We are pleased to confirm our understanding of the services we are to provide for the City of Sand City.

We will perform procedures to the Appropriations Limit Worksheet of the City of Sand City as of and for the year ended June 30, 2020 as prescribed in the League of California Cities and presented in their *Article XIII B Appropriations Limitation Uniform Guidelines*. The objectives of our examination are to (1) obtain reasonable assurance about whether the City of Sand City is in compliance with the requirements of Article XIII-B of the California Constitution and (2) to express an opinion as to whether the City of Sand City met the requirements.

Our examination will be conducted in accordance with attestation standards established by the American institute of Certified Public Accountants. Accordingly, it will include examining, on a test basis, your records and other procedures to obtain evidence necessary to enable us to express our opinion. We will issue a written report upon completion of our examination. Our report will be addressed to the City Council of Sand City. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or may withdraw from this engagement.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with the attestation standards.

We understand that you will provide us with the information required for our examination and that you are responsible for the accuracy and completeness of that information. We may advise you about appropriate criteria, but the responsibility for the subject matter remains with you.

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City Council City of Sand City  
May 26, 202  
Page 2 of 2

Our fees for this service will be at time and expenses, not to exceed \$1,000. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,



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

Confirmed on behalf of the City of Sand City:

Signature \_\_\_\_\_

Date \_\_\_\_\_

**AGENDA ITEM**

**4G**



# City of Sand City

Agenda  
Item  
4G

## Staff Report

**TO:** Honorable Mayor and City Council Members  
**FROM:** Aaron Blair, City Manager & Vibeke Norgaard, City Attorney  
**DATE:** June 8, 2020  
**SUBJECT:** Meyers, Nave, Riback, Silver & Wilson, PLC (Meyers Nave) Contract Services.

---

### Discussion:

On March 19, 2019 the City Council approved a contract with the law firm Meyers, Nave, Riback, Silver & Wilson, PLC (Meyers Nave) in an amount not to exceed twenty-five thousand dollars (\$25,000) for legal work related to the South of Tioga Project (the Project). The City Council of Sand City amended the FY 2019-2020 contract on November 5, 2019 to add an additional not-to-exceed amount of nineteen thousand dollars (\$19,000) to cover the cost of Meyers Nave's services due to additional legal issues which were uncovered during the course of the negotiations with the developer of the South of Tioga project.

The City Attorney has worked closely with Meyers Nave for the past year and the City has benefited from advice obtained from its attorneys on various specialized aspects of land use law related to the Project, such as eminent domain law and the negotiations and drafting of the Development Agreement.

While there are a couple outstanding legal issues remain to be addressed by the South of Tioga developer, DBO Development No. 30, prior to the recordation of its final map, those will mainly be handled by the City Attorney. However, the City Attorney expects that additional legal issues may arise during the 2020-2021 fiscal year for both the South of Tioga project as well as other developments currently contemplated for which the City could benefit from Meyers Nave's specialized knowledge.

### Fiscal Impact:

This contract is an "as needed" contract with a not-to-exceed amount of twenty thousand dollars (\$20,000). The City expects that there will be little fiscal impact as the bulk of the funds expended on the contract with Meyers Nave will be reimbursed by DBO Development No. 30. (Attorney 5521-04 Outside Counsel)

**Recommendation:**

Staff recommends authorizing the City Manager to enter into a contract not to exceed \$20,000 for services to be provided by Meyers, Nave, Riback, Silver & Wilson, PLC (Meyers Nave) in the event Meyers Nave's services are needed for some of the larger developments contemplated in the City over the upcoming fiscal year.

**CITY OF SAND CITY  
RESOLUTION SC \_\_\_\_, 2020**

**RESOLUTION OF THE CITY COUNCIL OF SAND CITY AUTHORIZING THE CITY  
MANAGER TO EXECUTE AN AMENDMENT TO THE CONTRACT WITH MEYERS, NAVE,  
RIBACK, SILVER & WILSON, PLC IN AN AMOUNT NOT TO EXCEED TWENTY THOUSAND  
DOLLARS (\$20,000)**

**WHEREAS**, on March 19, 2019 the City Council approved a contract with the law firm Meyers, Nave, Riback, Silver & Wilson, PLC (Meyers Nave) in an amount not to exceed twenty-five thousand dollars (\$25,000) for legal work related to the South of Tioga Project (the Project); and

**WHEREAS**, on November 5, 2019 the City Council approved an additional not-to-exceed amount of nineteen thousand dollars (\$19,000) to cover the cost of Meyers Nave's services due to additional legal issues which were uncovered during the course of the negotiations with the developer of the South of Tioga project; and

**WHEREAS**, the City has benefited from advice obtained from Meyers Nave's attorneys on various specialized aspects of land use and eminent domain law related to the Project, including the negotiations and drafting of the Development Agreement; and

**WHEREAS**, additional legal questions may arise in connection with the South of Tioga project, as well as other larger developments being contemplated in Sand City during the current 2020-2021 fiscal year for which the City could benefit from Meyers Nave's specialized knowledge; and

**WHEREAS**, the City expects that the bulk of funds expended on the contract with Meyers Nave will continue to be reimbursed by DBO Development No. 30.

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

- 1) The City Manager is authorized to execute an amendment to the contract attached as exhibit A for FY 20-21 in an amount not to exceed twenty thousand dollars (\$20,000);
- 2) Meyers Nave will maintain a current business license.

**PASSED AND ADOPTED** by the City Council of Sand City on this 16th day of June, 2020 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

APPROVED:

\_\_\_\_\_  
Mary Ann Carbone, Mayor

ATTEST:

\_\_\_\_\_  
Connie Horca, Acting City Clerk



555 Capitol Mall, Suite 1200  
Sacramento, California 95814  
tel (916) 556-1531  
fax (916) 556-1516  
www.meyersnave.com

Adam U. Lindgren  
Attorney at Law  
alindgren@meyersnave.com

## EXHIBIT A

October 28, 2019

### **PERSONAL & CONFIDENTIAL**

Vibeke Norgaard  
City Attorney of Sand City  
P.O.Box 183  
Carmel, CA 93921

### **Re: First Amended Engagement of Legal Services**

Dear Ms. Vibeke:

Thank you for retaining Meyers, Nave, Riback, Silver & Wilson (“Meyers Nave”) to perform legal services in connection with Sand City (“Client”) of which you are City Attorney. We appreciate the opportunity to serve as your lawyers and look forward to working with you.

This letter sets forth our agreement concerning the legal services we will provide and our fee arrangements for those services. Please read this entire agreement before signing and returning it to us.

**1. Scope of Engagement.** We will provide the legal services reasonably required to represent and advise you in connection with land use advice and drafting regarding compliance with and possible amendments to an existing vesting tentative map for a mixed-use development, including the possibility of a development agreement. Our work is limited to such services.

The Client previously engaged Meyers Nave for these same services for \$25,000 and now desires to increase that amount by \$19,000; the total cost for the services we will provide under this agreement will not exceed \$44,000. Meyers Nave will work with the City Attorney to manage our services and attempt to complete the desired work on the above scope within the amount of this agreement. All our services will be billed on an hourly basis at the rates set forth in Attachment 1. Meyers Nave does not guarantee that all the legal services the City may desire relating to the scope of work will be completed within the \$44,000 limit of this agreement.

We will also provide legal services for additional matters that you request of us, provided we agree to perform that additional work. A letter confirming such additional work shall bring such work within the scope of this agreement.



**2. Fees and Personnel.** As compensation for our services, our fees will be based on our current standard billing rate for the personnel performing services under this agreement at the time such services are rendered. Our standard billing rates for attorneys and paralegals are attached as Attachment 1.

I will be the principal in charge of representing your interests. If other attorneys and/or paralegals are assigned to work on your matter, the then current hourly rates of those individuals will be utilized. This agreement retains the legal services of our law firm and not of a particular attorney. Hourly rates are subject to reasonable change, usually at the beginning of each year.

**3. Retainer.** As discussed, the Firm will not require a retainer to commence services related to this matter. However, the Firm reserves the right to require a retainer in the future if it determines that circumstances warrant.

**4. Disbursements and Expenses.** In addition to hourly fees, we may incur out-of-pocket expenses related to your representation. Our Statement of Fee and Billing Information, which sets forth the details of our disbursement and expense policy, is attached as Attachment 2.

**5. Billing and Payment Responsibilities.** We will send monthly statements which are due within 30 days of receipt. If you have any questions about an invoice, please promptly telephone or write me so that we may discuss these matters. Our Statement of Fee and Billing Information sets forth the details of our fee and billing policy.

**6. Termination of Services.** You may terminate our services at any time by written notice. After receiving such notice, we will cease providing services. We will cooperate with you in the orderly transfer of all related files and records to your new counsel.

We may terminate our services at any time with your consent or for good cause. Good cause exists if (a) any statement is not paid within 60 days of its date; (b) you fail to meet any other obligation under this agreement and continue in that failure for 15 days after we send written notice to you; (c) you have misrepresented or failed to disclose material facts to us, refused to cooperate with us, refused to follow our advice on a material matter, or otherwise made our representation unreasonably difficult; or (d) any other circumstance exists in which ethical rules of the legal profession mandate or permit termination, including situations where a conflict of interest arises. If we terminate our services, you agree to execute a substitution of attorneys promptly and otherwise cooperate in effecting that termination.

Termination of our services, whether by you or by us, will not relieve the obligation to pay for services rendered and costs incurred before our services formally ceased.

**7. Insurance.** During the term of this engagement, this law firm shall take out and maintain general liability and property damage insurance in amounts not less than \$1,000,000; professional errors and omissions insurance, in amounts not less than \$2,000,000

per occurrence; and \$4, 000,000 aggregate, which insurance may not be canceled or reduced in required limits of liability unless at least ten days advance written notice be given to you.

**8. No Guarantee of Outcome.** Any comments made by us about the potential outcome of this matter are expressions of opinion only and are not guarantees or promises about any outcome or results.

**9. Dispute Resolution.** In the event you become dissatisfied with any aspect of our relationship, we encourage you to bring such concerns to our attention immediately. If we are unable to resolve any dispute, either arising out of or in connection with this Agreement or relating to the services performed by our firm or any of its attorneys, to our mutual satisfaction, our firm will first comply with any mandatory dispute resolution procedures that may apply to any such dispute.

If we are unable to resolve any dispute, and after mandatory dispute resolution procedures have been waived or exhausted, the parties shall submit such dispute to final and binding arbitration in San Francisco County, California before the American Arbitration Association, pursuant to its then prevailing rules, unless the parties agree in writing to a different arbitration method or forum.

By signing this agreement, you acknowledge and agree that you have read and understand this arbitration provision. You understand that by agreeing to arbitration we each give up the right to present our claims or defenses for trial by a judge or jury, and we also give up the right to an appeal. The initial resort to the courts by either party shall not be considered a waiver of that party's right to compel binding arbitration under this provision. This agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws.

**10. Document Retention.** In the course of the Firm's representation of Sand City, you may provide us with and we may obtain documents that are relevant to the representation. Some of those documents may be important to you and so that there is no confusion we find that it is useful at the inception of the representation for us to communicate our Document Retention Policy. Meyers Nave is committed to using less paper and eliminating unnecessary copies of documents. This helps us manage information, helps the environment and helps us control costs. The materials pertaining to this matter belong to you and you may access them or have duplicates provided to you at any time during your representation with the exception of certain Meyers Nave Firm and accounting information. At the conclusion of this matter, no further representation will be provided and we recommend that you make arrangements to retrieve all original documents.

It is the Firm's general policy that we maintain records for a period often (10) years after conclusion of the matter, although due to certain practical considerations that is not always possible. Additionally, while we take steps to ensure that all records are held in strict

confidence and maintained in a secure location , we cannot guarantee that something beyond our control will not occur resulting in damage to client records.

Thus, if in the course of our representation you provide us with original documents that you consider important or desire to keep, we recommend that, first, you inform us in writing that the documents are important. And second, we ask that you take immediate possession of such documents upon the conclusion of our representation. If we do not hear from you, we will generally retain only the documents and materials pertaining to this matter which we designate as vital for a period of ten years. After which such documents will be destroyed unless, before that time, you notify us in writing that you wish to take possession of them.

**11. Entire Agreement; Full Understanding; Modifications in Writing.** This letter contains our entire agreement about our representation. Any modifications or additions to this letter agreement must be made in writing.

**12. Joint Representation.** Our firm maintains of counsel agreements with certain legal specialists. Because these individuals are deemed independent contractors under the applicable provisions of the tax laws and not employees of our firm, it is necessary that you consent to dual representation by our firm and the specialist in the event the matter which you have engaged us to handle requires the use of that specialist. This arrangement has no effect whatsoever on the cost of your legal services, rather it is an ethical requirement that we disclose this fact and that you consent. You are consenting by signing this letter.

**13. Conflicts.** Our firm represents many public agencies in California, Nevada and Arizona. Since 1986, we have represented over seven hundred public clients, including numerous cities, r development agencies, special districts, counties and other public entities, and we are accepting new engagements all the time. It is virtually inevitable that we will work on projects from other clients having different governmental or political objectives, beliefs or views from Sand City.

In view of the fact that Sand City is a City, this letter confirms that the services which we are rendering to you are limited in scope and for the benefit of Sand City only. Meyers Nave performs a variety of professional services for its clients and it is possible that we will represent public agency clients which are adverse to you on other matters. To avoid potential problems, you agree that you expressly waive any actual or potential conflicts that might arise from such representation, that you will not attempt to disqualify Meyers Nave on such matters, and that our firm is free to represent its clients on such matters.

By signing this letter and returning it to us, you acknowledge that we have discussed these matters and you confirm that Sand City does not object to our representation of clients on matters where their legal, governmental or political objectives and/or positions may be different from or adverse to those of Sand City, and that Sand City waives any conflict of interests with respect to our representation of such clients with differing legal, governmental or political interests. You further confirm that Sand City will not assert any conflict of

Vibeke Norgaard  
October 28, 2019  
Page 5

interest concerning such representation or attempt to disqualify this firm from representing such clients notwithstanding such adversity. While you would certainly be free to terminate our relationship, you agree that this firm nonetheless would be free to represent such clients even on those matters which you consider adverse, and that you waive any conflict of interest in connection therewith.

Needless to say, these acknowledgments do not permit our firm to represent another client in opposing the specific project for which you engage us without your specific written consent.

You may wish, and we encourage you, to consult legal counsel regarding the effect of this conflict waiver.

We would request that you review this letter carefully and, if it is consistent with your understanding of our respective responsibilities, please so indicate by returning a signed copy of this letter to me at your earliest convenience. Enclosed is an additional copy of this letter which you should retain for your records. Again, we thank you for allowing us the opportunity to serve as your lawyers.

Very truly yours,



Adam U. Lindgren Attorney at Law


AUL:SD

Enclosures

c: Conflicts Department Billing Department

These terms are accepted and agreed to as of the date of this letter.

Sand City

By:   
\_\_\_\_\_  
Vibeke Norgaard  
City Attorney

**AGENDA ITEM**

**6A**

# MBCP Annual Member Agency Update

(soon to be Central Coast Community Energy)

City of Sand City

June 16, 2020



 Monterey Bay  
Community Power

# WHO WE ARE



Santa Cruz County

San Benito County

Monterey County

San Luis Obispo County

Santa Barbara County



Santa Barbara County



# MBCP ACCOMPLISHMENTS

- MBchoice - carbon free offering
- MBprime - 100% renewable offering
- 94% enrollment

## Local Choice



- \$12 million - Energy programs
- \$17.2 million - Customer savings
- \$25 million - Resiliency Fund

## Economic Vitality



- Contracts with Local Vendors Over \$800,000
- 28 full time employees
- 2 offices - Monterey & San Luis Obispo

## Local Support



- Over \$120 Million in Reserves
- Service and Loans Paid Off
- Pursuing Credit Rating

## Financial Stability



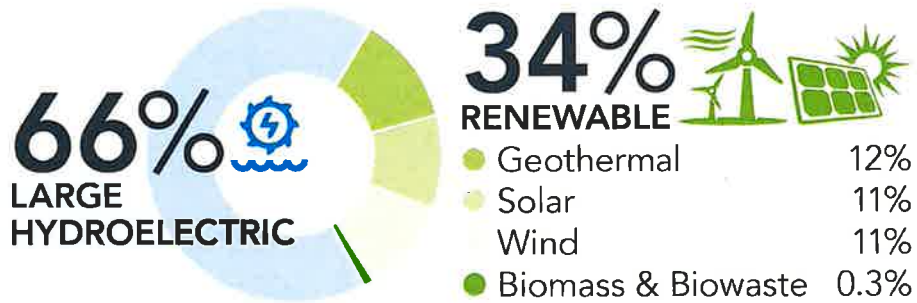
- 221 MWs of New Renewables including 75 MWs of geothermal
- Est. 560,000 metric tons of GHG Emissions offset

## Clean Energy

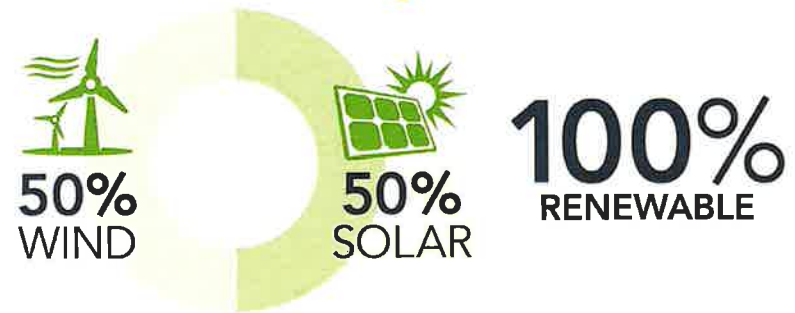




# SERVICE OFFERINGS



PRIMARY OFFERING AT A SAVINGS



Values based on 2018 actual deliveries and will vary year to year.

\$0.008/kWh MORE THAN MBchoice



# UPDATE ON ENERGY PROCUREMENT

## 128MW Solar, 40MW Storage

- Rosamond, Kern County - California
- Online: 2021
- Term: 20 years

## 150MW Solar, 45MW Storage

- Lemoore, Kings County - California
- Online: 2021
- Term: 15 years

## 60MW Solar, 12MW Storage

- Kern County - California
- Online: 2022
- Term: 15 years



# UPDATE ON ENERGY PROCUREMENT

## 75MW Solar, 39MW Storage

- Clark County - Nevada
- Online: 2022
- Term: 20 years

## 60MW Storage

- Monterey County - California
- Online: 2022
- Term: 10 years

## 75 MW Geothermal

- Mammoth & Inyo Counties - California
- 2 PPAs:
- Online: 2021
- Term: 15 years

**By 2025, MBCP estimates 40% of our energy demand will be met by new renewable energy projects**





# SAND CITY BY THE NUMBERS

- 10,462 enrolled accounts
- 93.62% enrollment

## City Accounts Savings

- 2019 - \$359.00

## Community Savings

- 2020 - \$30,394



# MBCP RESPONSE TO COVID-19

- Unanimous support from boards
- All customers benefit
- No action needed

- 50% of MBCP Electric Generation Charges deferred in May and June 2020
- Cumulative bill reduction estimated \$22.4 Million
  - \$6.45 million for residential customers
  - \$10.95 million for commercial customer
  - \$5.03 million for agriculture customers

**MBCP Responds to COVID-19 with an Estimated \$22m in Deferred Customer Electricity Costs**

JAN 1 – APR 30, 2020	MAY 1 – JUN 30, 2020	JUL 1 – DEC 31, 2020
<p><b>7% Savings</b></p> <p>MBCP customers receive a monthly discount compared to PG&amp;E rates</p>	<p><b>50% Off</b></p> <p>All MBCP Electric Generation Charges</p>	<p><b>2% Savings</b></p> <p>MBCP customers will continue to save, monthly, compared to PG&amp;E rates</p>

MBCP customers can expect a 50% rate reduction on their May and June electric bills as a response to provide financial relief to all customers.

[mbcp.org/covid-response](http://mbcp.org/covid-response)



## Overview:

- 4% of gross revenue set aside per year to focus on electrification, fuel-switching and resiliency

## Programs from FY 19/20



CALeVIP EV infrastructure program



Affordable Housing/MUD Electrification Grants



School Bus Electrification



Agriculture Electrification



Residential Electrification



Residential Resiliency



GHG inventories for member agencies



Reach code incentive for member agencies

# UNINTERRUPTIBLE POWER SUPPLY (UPS) FUND PROGRAM

## \$25 Million Total Investment

### Public Sector (\$20 million) - Available now

- Low cost financial support
- Open to public customers i.e member agencies, schools, hospitals, water district etc.
- Project funding, ownership, and asset management will be determined on a case-by-case basis

### Private Sector (\$5 million in loan guarantee) - Launch TBD

- Low-interest financing
- First-come, first-serve basis
- Funding loan at discretion of selected bank



\$25MM UNINTERRUPTIBLE POWER SUPPLY FUND PROGRAM

#### Are Your Operations Impacted by Power Outages?

Monterey Bay Community Power (MBCP) created the \$25MM Uninterruptible Power Supply (UPS) Fund Program to accelerate the adoption of reliable backup power for eligible public and private entities.

#### Responding to Community Needs

MBCP wants to help its customers maintain critical operations during prolonged power outages, such as those caused by PG&E Public Safety Power Shutoff events or other natural disasters.



The UPS Fund Program Provides Low-Cost Opportunities to Ensure Energy Resiliency for Public and Private Sectors.





# A UNIFIED CENTRAL COAST CCA

## Key Updates:

- Establishment of Annual Meeting ON Sept 2 & 3, 2020
- Name Change to "Central Coast Community Energy" effective Sept. 4, 2020
- Opened Satellite Office in San Luis Obispo - April 2020
- Launch of new cost-plus rate structure in January 2021





# STAY CONNECTED WITH MBCP

 [www.mbcommunitypower.org](http://www.mbcommunitypower.org)

 [info@mbcp.org](mailto:info@mbcp.org)

 1.888.909.MBCP

 [montereybaycommunitypower](https://www.facebook.com/montereybaycommunitypower)

 [mbcommunitypwr](https://www.instagram.com/mbcommunitypwr)

 [mbcommunitypower](https://www.facebook.com/mbcommunitypower)

Follow us online, join our newsletter and board agenda notification list, and check our extensive FAQ section on the website.



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**AGENDA ITEM**

**7A**

## CITY OF SAND CITY

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### STAFF REPORT

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**MAY 28, 2020**  
**(For City Council Review on June 16, 2020)**

**TO: Mayor and City Council**

**FROM: Charles Pooler, City Planner**

**SUBJECT: Conditional Use Permit for Frank Barrita and Sand City Floors at 679 Redwood Avenue**

#### **BACKGROUND**

An application was submitted by Frank Barrita of Sand City Floors, Inc. (the "Applicant") for conditional use permit approval to establish showrooms for his flooring business within two ground floor units of an existing mixed-use building at 679 Redwood Avenue, Units A and C (APN 011-194-007 & 008) in Sand City (the "Subject Property"). Unit A is intended to be a gallery space for live edge wood slab tables, coffee tables, floating shelves, etc. and Unit C will be for a flooring product showroom and accessory office (the "Applicant's Use")(see Exhibit E). The Subject Property has a General Plan land use and Zoning Map designation of "Planned Mixed-Use" (MU-P), which requires discretionary conditional use permit approval. The Applicant's Use qualifies as a Categorical Exemption under CEQA (California Environmental Quality Act) Guideline, Section 15301.

#### **Site Description:**

The Subject Property is 100-feet wide and 75-feet deep (7,500 sq.ft.) at the northwest corner intersection of Holly Street and Redwood Avenue. The building is set back 20-feet from Redwood Avenue and 10-feet from Holly Street with a footprint of 4,950 square feet. The Subject Property's Redwood Avenue frontage is 100-feet wide, with a 20-foot front setback and a 90-foot wide driveway apron that can accommodate up to ten (10) on-site code compliant parking spaces; of which a couple of these spaces are compact (8.5'x16') due to the building's exterior stairwell that encroaches into the parking area. There is curb, gutter, and sidewalk along the Holly Street frontage of the Subject Property, but not along the Redwood Avenue frontage that has an asphalt parking area and an asphalt drive apron up to street pavement. This asphalt pavement along the Subject Property's frontage is currently in good condition. The building is a 2-story structure, with approximately 3,850 square feet of cumulative commercial space and an approximate 1,000 square foot existing legal residential dwelling on the upper level. The second residential unit on the upper level is currently vacant because it is an illegal non-permitted conversion. The lower level is divided into three commercial units; two units at approximately 1,925 square feet each, and the third unit (Unit A) at 1,000 square feet with a side fenced yard along Holly Street. The center warehouse unit (Unit B) on the lower level is currently occupied by Detail Associates (a model train hobbyist wholesaler).

## DISCUSSION

### Project Description:

The Applicant intends to establish showrooms for his flooring business within two ground floor units of an existing mixed-use building; Unit A, which is approximately 1,000 square feet (formerly occupied by Green Gopher Gardening Supply wholesaler), and Unit C, which is 1,925 square feet currently used by the Applicant for storage. Unit A is intended to be a gallery space for live edge wood slab tables, coffee tables, floating shelves, etc. and Unit C will be for a flooring product showroom and accessory office (see Exhibit E). Intended hours of operation will be from 7:00 a.m. to 6:00 p.m. There is only one (1) employee and one (1) company pick-up truck. Product shipments are typically twice per week. Patron visitation will be by appointment only. The Applicant also wishes to install a corrugated shed roof along the building's easterly side facing Holly street, over the existing fenced side yard; which will be subject to building department plan check review and building permit issuance prior to installation. This project will not impact the existing and legal residential unit on the upper level east side (over Unit A) provided appropriate mitigation is incorporated into the permit.

Land Use: The Subject Property has a General Plan land use and Zoning Map designation of "Mixed-Use", and is not within a coastal zone overlay. Wholesale showroom sales and storage operations are not specifically listed under the Mixed-Use zoning; however, Section 18.13.040.P specifies that the Council can discretionarily approve "*Any other use the City Council finds to be consistent with the goals and policies of the Sand City General Plan...*". The "showroom" activity of the Applicant's Use would be consistent with the General Plan in that it promotes a customer service rather than dead-space storage. Therefore, the Applicant's Use is discretionarily allowable per the City's zoning code pending City Council approval of a Conditional Use Permit.

Operational Hours: The Applicant's intended hours of operation will be from 7:00 a.m. to 6:00 p.m. Monday through Saturday. Staff recommends the permit limit hours of activity for the Applicant's Use and for shipments/deliveries to occur only between the hours of 7:00 a.m. to 6:00 p.m. Monday through Friday, and 10:00 a.m. to 5:00 p.m. on Saturdays. Staff discussed this with the Applicant and he was agreeable. The reduced hours on Saturday is to mitigate potential negative impact to the residential unit within the building and in the surrounding neighborhood, and is consistent with use permit conditions applied to other similar uses. Office activity, provided the unit is only accessible to employees, should be allowed to occur beyond these hours as office activity is not anticipated to have a detrimental impact.

Parking: The Subject Property Redwood Avenue frontage is 100-foot wide, with a 20-foot front setback and a 90-foot wide driveway apron that can accommodate up to ten (10) on-site code compliant parking spaces. The submitted site plan does not illustrate these ten spaces; however the site dimensions do support ten parking stalls. At least a couple of these spaces are compact (8.5'x16') due to the building's exterior stairwell that encroaches into the parking area. This stairwell provides access to the upper level. Up to 50% of on-site parking can be compact per zoning code Section 18.64.040. The Subject Property's frontage could potentially provide

an additional parking space if the existing driveway apron were extended to the eastern property line, which is not proposed by the Applicant or staff.

Unit A (eastern lower level unit) is approximately 1,000 square feet that requires one (1) parking space based on a 1/1000 parking ratio for the Applicant's wholesale showroom use. The Detail Associates business within Unit B (center lower unit) is a wholesale, storage, and distribution operation, requiring two (2) parking spaces based upon a 1/1000 parking ratio for its 1,925 square foot floor area. A wholesale use with showroom in Unit C (west end lower unit) would require two (2) spaces based upon a 1/1000 ratio for the 1,925 square feet unit. The upper level legal residential unit has historically been required to provide only one (1) uncovered off-street parking space, which is considered an existing non-conforming (vested right) situation that predates current zoning regulations. The upper level is currently unoccupied except for the existing legal residential unit above Unit A. Future use of the upper level could be limited due to the available number of off-street parking spaces on the Subject Property. The illegal residential unit above Unit C is vacant. Staff is working with the property owner on future use and legalization of the non-permitted construction, but those are not part of this application. Based on this, there is sufficient on-site parking to accommodate the Applicant and existing building tenants.

Loading/Unloading: Shipments and deliveries are anticipated, on average, twice per week. Most deliveries will be via flatbed trucks but semi-truck trailers (18-wheelers) may also make shipments to the site, approximately once per month. According to the Applicant, semi-trailer truck deliveries take approximately 15 minutes. Redwood Avenue along the building frontage is not a primary traffic route; and truck loading/unloading activities within this right-of-way is acceptable provided at least one travel lane is open during such activities. Furthermore, Chapter 10.08 has specific limitations on truck parking on streets, and allows such truck parking for a limited time if conducting loading/unloading activities.

Storage: The Applicant's inventory storage will be accommodated by both units A and C with showrooms in both. Therefore, staff recommends the permit include the standard language that prohibits outside storage of materials, equipment, and items associated with the Applicant's use. The permit should also prohibit the placement of storage containers/pods in the parking area/driveway. If the Applicant needs to place a storage container in the parking area to accommodate his activities/storage, then that would indicate that his operation has grown beyond the site's ability to accommodate his use. Storage within the side yard would be acceptable only if the yard has appropriate visual screening.

Trash: The Subject Property does not provide an enclosure for trash receptacles and/or dumpsters. There is a side fenced yard that has potential to provide space for an enclosure, which the Applicant will have access to. There is unfenced area at the side roll-up door that provides space for trash/recycle bins and one dumpster. The permit should contain the standard language that prohibits the storage of trash dumpster(s) bin(s) along the building's Redwood Avenue frontage as this is area should be maintained for parking.

Impacts: Wholesale material showroom and inventory storage are relatively benign activities provided that all inventory storage is maintained inside the building and/or otherwise screened appropriately from public view. Excessive levels of noise, dust, fumes, or other detrimental impacts are not anticipated from the Applicant's Use. Considering this is a mixed-use building with a residential unit, limitation of operational hours is deemed necessary to mitigate impacts to that residential unit during typical non-business hours. Truck deliveries by smaller trucks can be accommodated on-site and large semi-trailer truck shipments are only anticipated once per month. There will be no manufacturing, painting, or other production activities on-site. The Applicant's Use is not anticipated to pose a nuisance to the general public or neighboring properties, as conditioned.

Signs: The Applicant does intend to establish a business sign on the Subject Property; however, no information has yet been provided regarding this sign. Commercial signs are subject to City Design Review Committee (DRC) review and approval in the issuance of a sign permit prior to installation. This should be a condition of permit approval.

**Building Modification:**

The Applicant proposes minor renovations to his two units consisting of interior painting and new flooring, which does not require planning or building department permit approval. The Applicant also wishes to construct a corrugated metal roof over the side fenced yard. This proposal will require building department plan check review and a building permit.

Building Architecture: The overall building lacks architectural visual interest. Window and doors are well aligned both vertically and horizontally. Utility meters/panels with conduit are simply attached to the building's exterior wall below the stairwell without any screening or architectural incorporation that is not visually appealing. Additionally, the chain-link fencing for the side yard is also visually undesirable. The addition of awnings over the roll-up doors and storefronts, screening of the utility meters/panels, and decorative fencing for the side yard would add substantial visual interest and pedestrian scale to the building. There is a roll-up door for the warehouse space on the upper level, and if that roll-up door was replaced with windows, it would further enhance the visual quality of the building. The Applicant does not propose any such modifications, nor is staff recommending any such exterior architectural modifications as part of this application/permit. Rather, staff is only identifying that this building could use additional architectural facade treatment in the future.

**Water:**

The proposed wholesale showroom, accessory office, and inventory storage activities qualify as a Group I category low water use in accordance with the Monterey Peninsula Water Management District (MPWMD). The Applicant's Use does not have any special water needs. The Subject Property and Applicant's unit have credit based upon a Group I use; therefore, no additional water allocation is required. The permit should contain standard language stating that approval of the permit does not grant the Applicant and/or Subject Property's owner any right or privilege to any allocation of water from the City or other Agency.

**Stormwater Control:**

The Applicant's project and Applicant's Use are of an existing building on a developed site, and the Applicant does not intend any construction or pavement improvements to the Subject Property. Therefore, stormwater control regulations do not apply to this application or the Applicant's project.

**Advisory Agencies:**

Information on the Applicant's project was circulated to the City's advisory agencies. The Seaside County Sanitation District had no concern, but commented that the Applicant must contact Monterey One Water to arrange sewer service. No other comments were received at the time of preparing this report.

**STAFF RECOMMENDATION**

Staff recommends **APPROVAL** of the Conditional Use Permit for the Applicant, with the conditions/restrictions proposed by staff and as discussed in this report.

**Findings:**

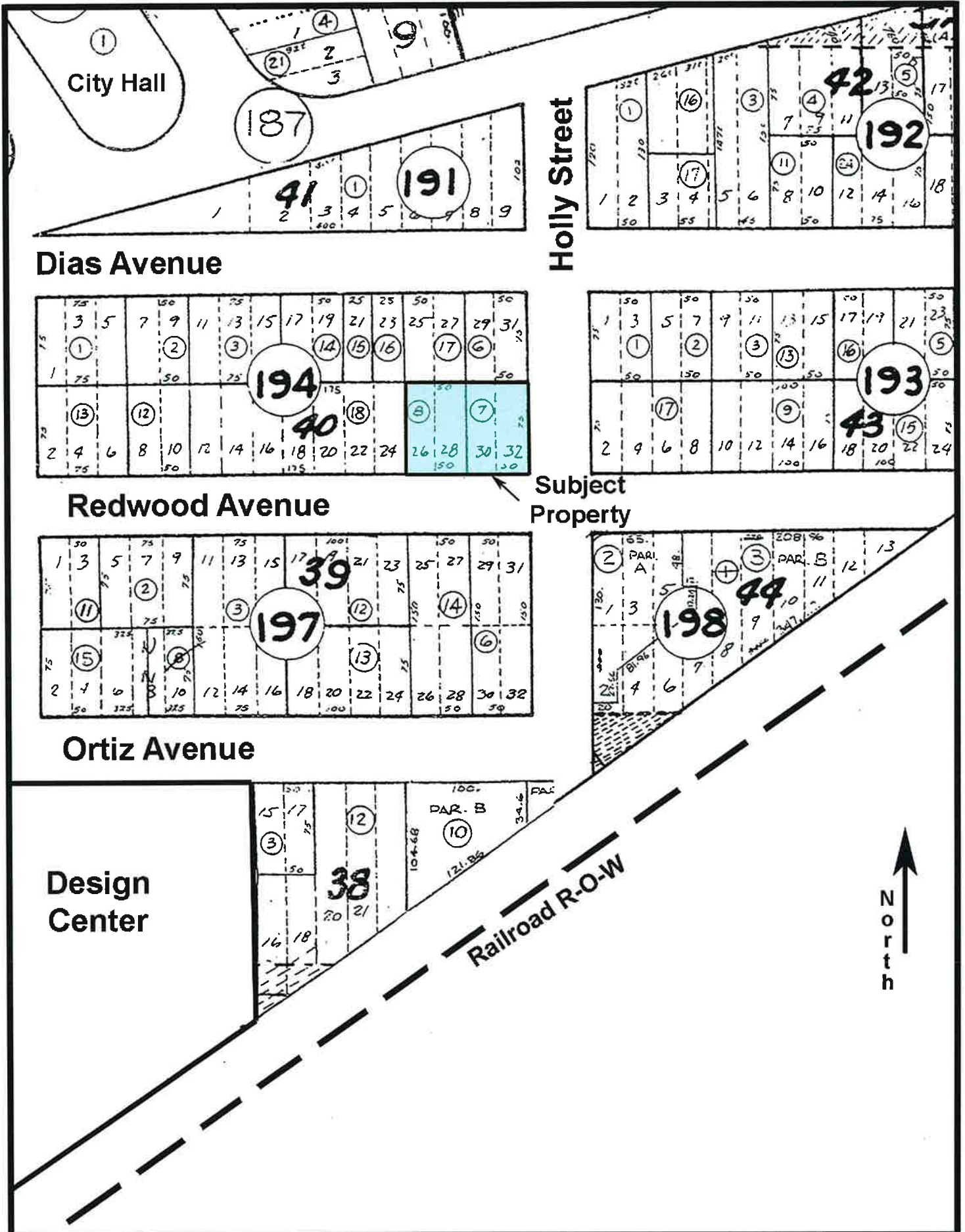
1. The Applicant's Use is of a type, scope, and scale that is compatible with the non-coastal "Planned Mixed-Use" zoning designation of the Subject Property and surrounding neighborhood.
2. The Subject Property provides sufficient on-site parking to meet Zoning Code parking requirements for the Applicant's Use and other tenants of the building.
3. The Subject Property has water credit based on a Monterey Peninsula Water Management District (MPWMD) 'Group I' classification, which is the same group classification for the Applicant's wholesale showroom operation; and therefore, no further allocation of water is deemed necessary for the Applicant's Use at the Subject Property.
4. Utilities (electricity, gas, water, sewer, etc.) are sufficiently available to facilitate the Applicant's Use at the Subject Property.
5. Loading/unloading activities by the Applicant's Use are not anticipated to pose an impediment of traffic flow and/or driver visibility along Redwood Avenue due to the scope/scale of operation described by the Applicant and as mitigated with staff's recommended permit conditions.
6. The Project qualifies for a categorical exemption, under State CEQA Guidelines, Section 15301.

**Exhibits:**

- A. Location Map
- B. Aerial Map
- C. Site Plan
- D. Floor Plans (upper and lower)
- E. Applicant's intended showroom layout for Unit C
- F. Applicant's proposed corrugated metal roof on east elevation
- G. Hazardous Material Questionnaire (Mont. Cnty. Health Dept.)

**Attachment:**

- Draft Resolution to approve a Conditional Use Permit (CUP)



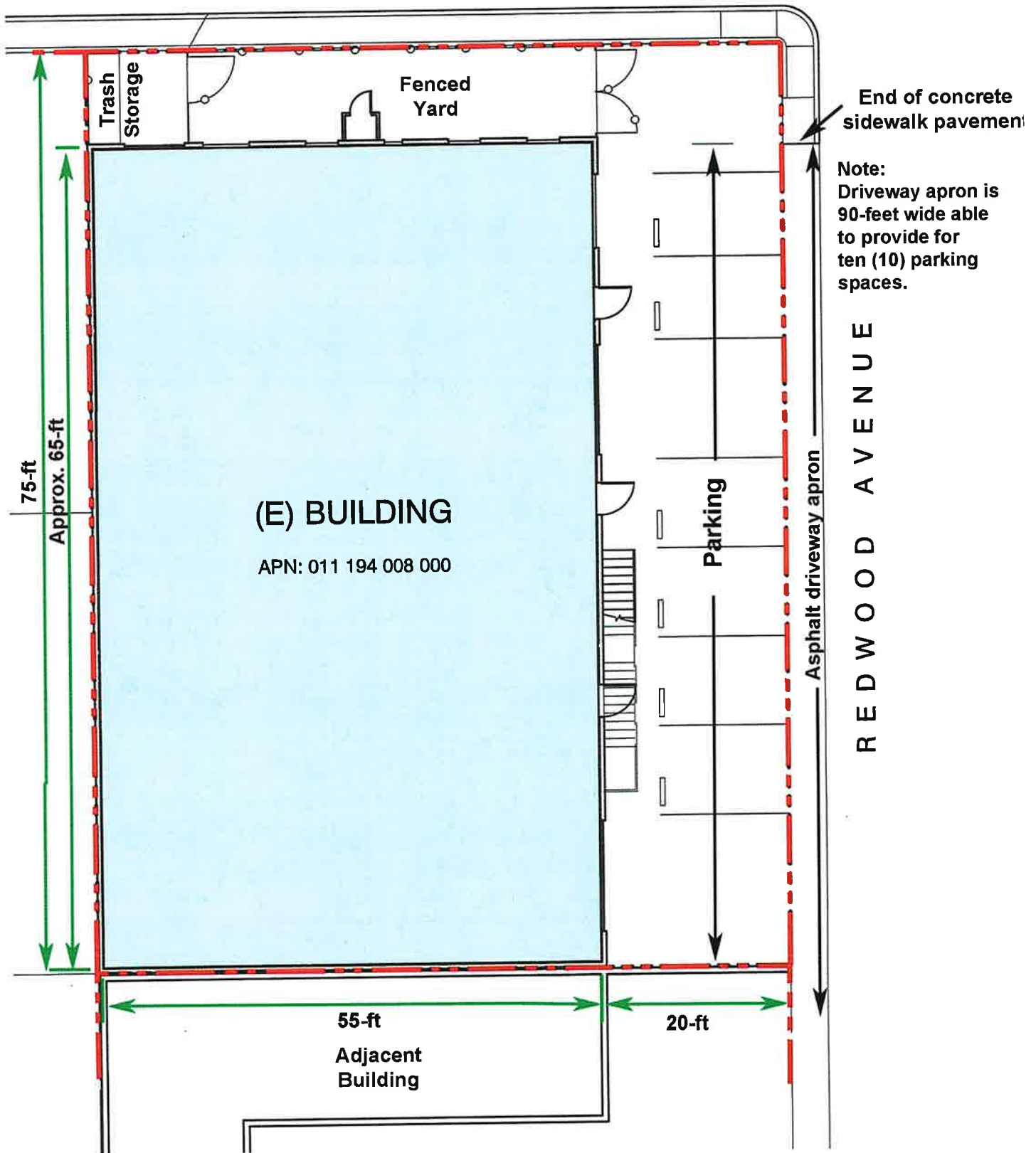
Location Map



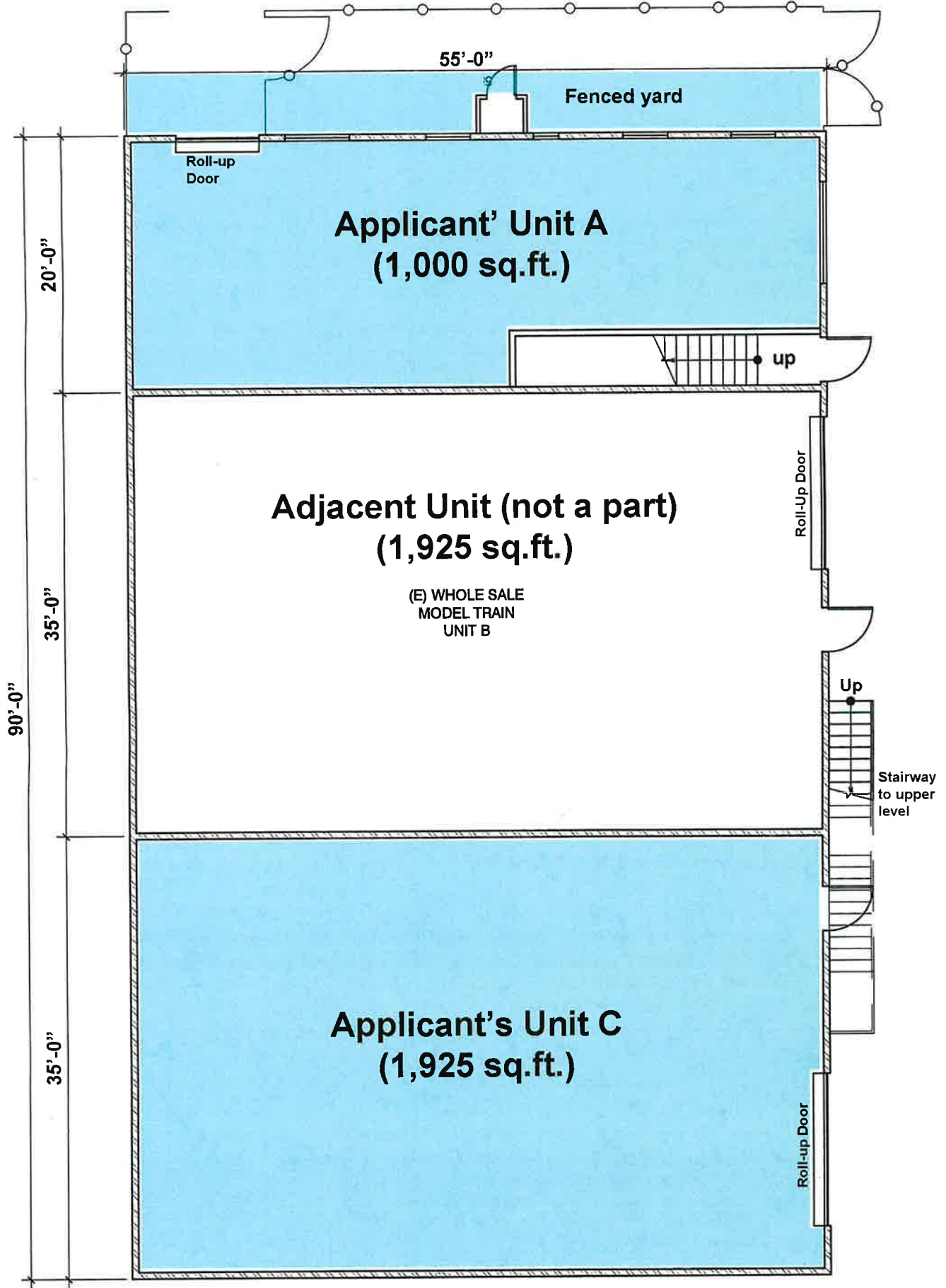


**Aerial Map**

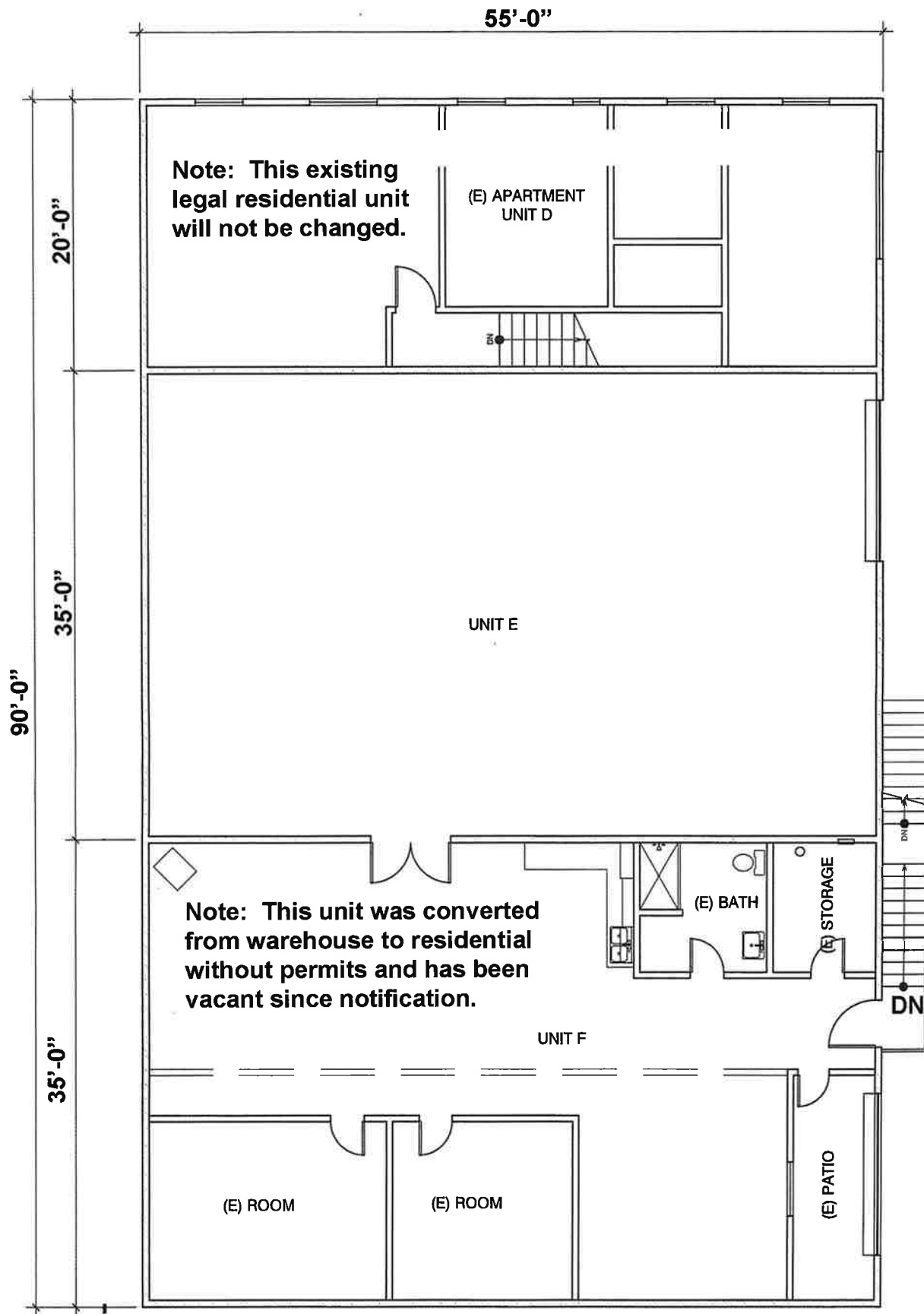
HOLLY STREET



Site Plan

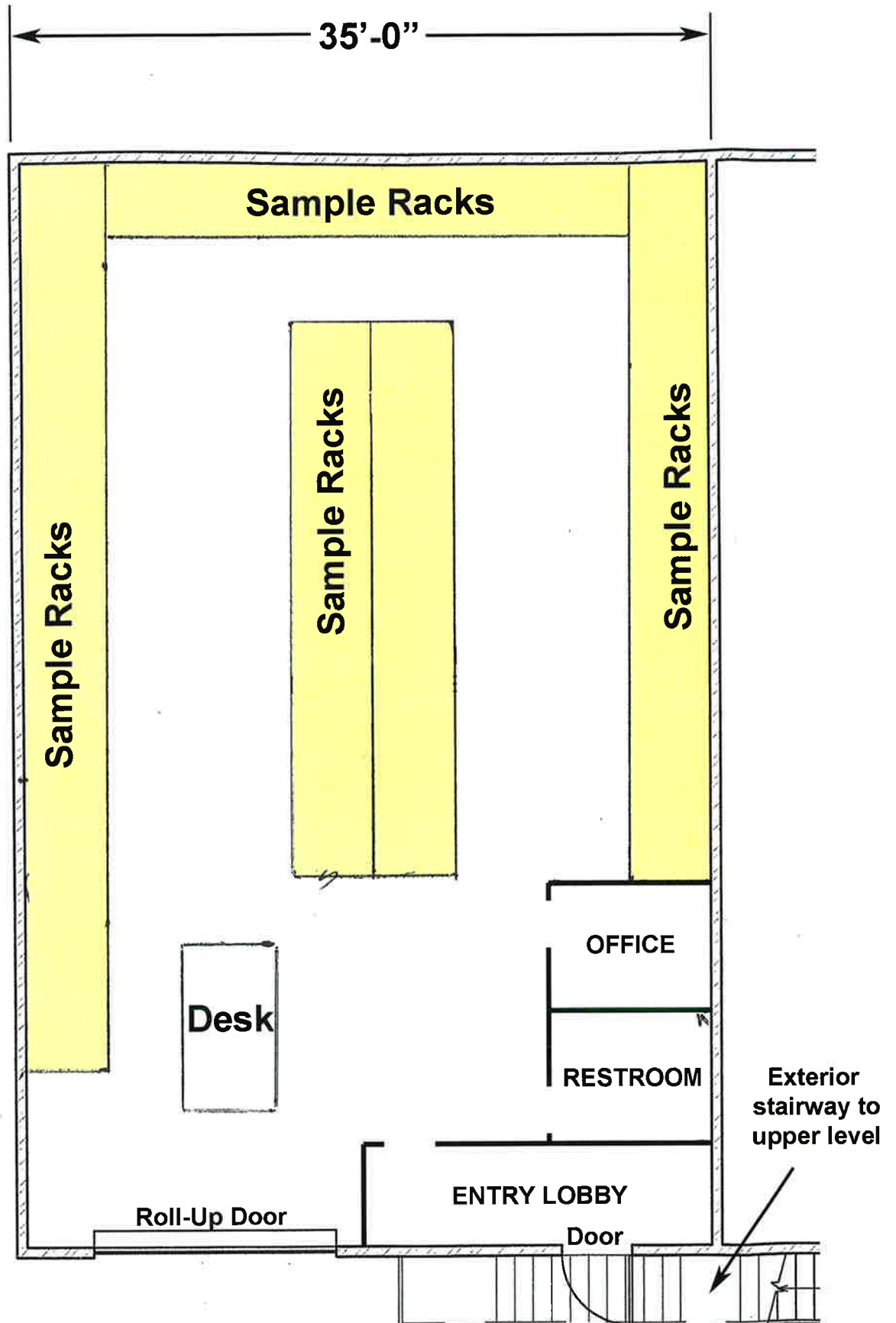


**Existing Floor Plan (lower level)**



**NOTE: Applicant's use is not on the upper level. The upper level floor plan is provided as reference only.**

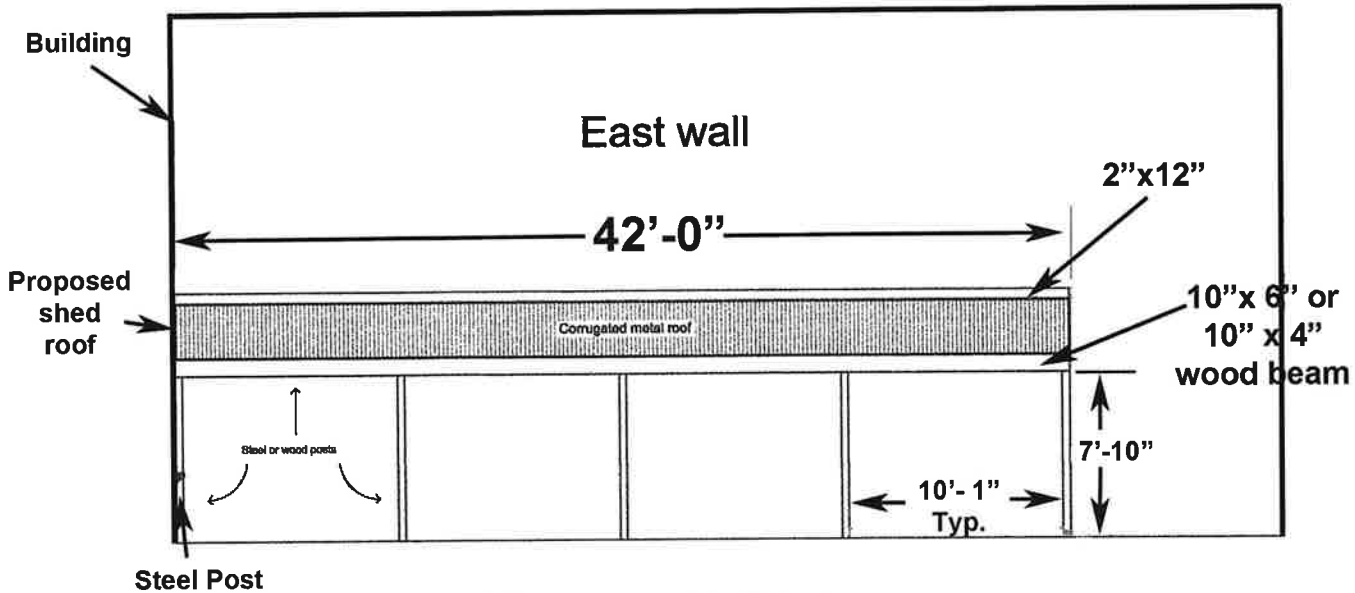
**Existing Floor Plan (upper level)**



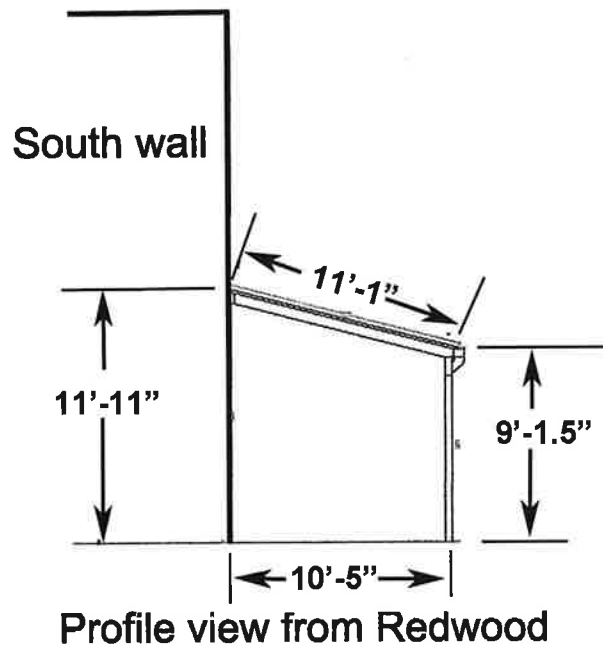
**Floor Plan - Unit C** (proposed layout)

# 679 Redwood Ave unit A side yard covering

(Built to Monterey County code)



View from Holly st.



Monterey County Health Department  
1270 Natividad Road, Room B301  
Salinas, CA 93906  
(831) 755-4511  
Fax (831) 755-8954

Jurisdiction Name Sand City  
Use Permit # CUP 640  
Or  
Building Permit # \_\_\_\_\_  
Contact Name \_\_\_\_\_  
Phone # \_\_\_\_\_

### HAZARDOUS MATERIAL QUESTIONNAIRE

Business Name Sand City Floors Inc Type of Business Retail  
Site Location 679 Redwood Ave #c City Sand City APN: 011-194-007 9008  
Mailing Address 750 Redwood Ave Sand City, Ca.  
Business Contact Frank Berrita (408) 759-1846  
Property Owner Toni Bellici (415) 613-2421  
Name Phone Number

- Will your business/proposed project be using any hazardous materials such as oil, fuels, solvents, compressed gases, acids, corrosives, pesticides, fertilizers, paints or other chemicals?  
 Yes  No
- Will your business/proposed project be using hazardous materials in quantities of 55 gallons and above for liquids, 500 lbs. and above for solids and/or 200 cubic feet and above for compressed gases?  
 Yes  No
- Will your business/proposed project be using any quantities of acutely hazardous materials such as ammonia, chlorine, sulfuric acid, formaldehyde, hydrogen peroxide, methyl bromide or other restricted pesticides?  
 Yes  No
- Will your business/proposed project be using underground storage tanks to store hazardous materials?  
 Yes  No
- Will your business/proposed project be generating any quantities of hazardous waste such as waste oil, waste solvents, etc?  
 Yes  No
- Will your business/proposed project be emitting any hazardous air emissions?  
 Yes  No

**CERTIFICATION:**

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct to the best of my knowledge and belief.

**ANY QUESTIONS REGARDING THIS FORM CAN BE DIRECTED TO:**

Monterey County Health Department  
Division of Environmental Health  
1270 Natividad Road, Room B301  
Salinas, CA 93906  
(831) 755-4511

Executed AT:

\_\_\_\_\_  
City, State  
Print Name of Owner/Operator: Frank Berrita  
Signature of Owner/Operator: \_\_\_\_\_

**For Local Jurisdiction Use Only:**

- Is there a known or proposed school, hospital, day care, or long term care facility within 1,000 feet of this site location?  
 Yes  No
- Is there a known or proposed school, hospital, day care, or long term care facility ¼ mile of this site location?  
 Yes  No

Health Department Clearance

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Print Name and Title: \_\_\_\_\_

Air Pollution District Clearance

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Print Name and Title: \_\_\_\_\_

**EXHIBIT G**

CITY OF SAND CITY

RESOLUTION SC \_\_\_\_\_, 2020

**RESOLUTION OF THE CITY COUNCIL OF SAND CITY TO APPROVE  
CONDITIONAL USE PERMIT 640 FOR SAND CITY FLOORS INC. TO  
ESTABLISH AND OPERATE SHOWROOMS WITHIN AN EXISTING  
MIXED-USE BUILDING AT 679 REDWOOD AVENUE**

**WHEREAS**, Frank Barrita of Sand City Floors, Inc. (the "Applicant") submitted an application to the City of Sand City (the "City") for conditional use permit approval to establish and operate showrooms for his flooring business within two ground floor units of an existing mixed-use building with accessory office and inventory storage (the "Applicant's Use") at 679 Redwood Avenue, Units A and C (APN 011-194-007 & 008) in Sand City (the "Subject Property"); and

**WHEREAS**, the Applicant's Use at the Subject Property, at the scale and intensity described in the application and with the appropriate mitigation required, is considered marginally consistent with the non-coastal "Planned Mixed-Use" (MU-P) zoning designation of the Subject Property and compatible with neighboring mixed-use and manufacturing zoned properties; and

**WHEREAS**, the Subject Property provides sufficient on-site parking to satisfy both Zoning Code parking requirements (section 18.64.050.K) and anticipated parking demand for the Applicant's Use while maintaining parking for other tenants of the building; and

**WHEREAS**, the Subject Property and Applicant's Unit have a water credit based upon a Monterey Peninsula Water Management District (MPWMD) Group I classification, which is the same as the Applicant's Use; and therefore, no further water allocation for the Applicant's Use of the Subject Property is deemed necessary; and

**WHEREAS**, the Applicant's Use within an existing building qualifies for a Categorical Exemption under CEQA (California Environmental Quality Act) Guidelines, Section 15301; and

**WHEREAS**, the City Council of the City of Sand City, on \_\_\_\_\_, 2020, has found and determined that the Applicant's Use of the Subject Property, as conditioned, will not adversely impact the character of the surrounding neighborhood, nor be injurious or detrimental to adjoining properties or the rights of the owners therein, and thus Conditional Use Permit 640, (hereinafter referred to as "CUP 640") shall be granted upon the conditions hereinafter set forth; and

**WHEREAS**, the City Council of the City of Sand City has accepted the findings for approving Conditional Use Permit (CUP) 640, as outlined in the City staff report, dated May 28, 2020.



**NOW THEREFORE, BE IT RESOLVED** by the City Council of the City of Sand City to hereby grant and issue CUP 632 upon the following terms and conditions:

1. Execution & Acceptance: CUP 640 is not valid, and the Applicant's Use of the Subject Property shall not commence unless and until two copies of this Resolution/Permit, signed by the Applicant and owner of the Subject Property, acknowledging receipt of CUP 640 and acceptance of the terms and conditions therein, is returned to the City's Planning Department. Failure to return said signed/executed CUP 640 may be sufficient grounds for City termination of CUP 640.
2. Purpose: CUP 640 is for the express purpose of authorizing a floor company showroom, office, and inventory storage, at the scope and scale described in the Applicant's application, within the ground-floor units A and C of the mixed-use building at 679 Redwood Avenue (011-194-007 & 008); subject to the terms and conditions specified in CUP 640. The Applicant may also park/store one company pick-up truck on-site within the building and/or the Subject Property's parking area during non-business hours (see Condition No. 3 "Hours of Operation"). Residential occupancy of the Applicant's units on the Subject Property is prohibited. There shall be no expansion to the scope or intensity of the Applicant's Use beyond that as authorized by CUP 640 without either an amendment of said Permit or the issuance of a new land use entitlement permit.
3. Hours of Operation: Hours of operation for the Applicant's Use at the Subject Property shall only occur between the hours of 7:00 a.m. to 6:00 p.m. Monday through Friday and 10:00 a.m. to 5:00 p.m. on Saturdays. All activities associated with the Applicant's Use, including loading/unloading activities, at the Subject Property shall only occur within these aforementioned permitted hours of operation, and such activities are prohibited on Sundays. Office and/or janitorial activities on-site by the Applicant may extend beyond the aforementioned hours/days provided that the Applicant's unit is not open to the public and such activities do not pose a public disturbance/nuisance.
4. On-Site Parking: A minimum of ten (10) on-site parking spaces shall be maintained on the Subject Property to be shared between all tenants of the commercial building on the Subject Property, with a minimum of one (1) space reserved by the owner of the Subject Property for the existing upper level legal residential unit over Unit A. Up to fifty percent (50%) of on-site parking may be compact spaces in accordance with Sand City Municipal Code (the "SCMC") section 18.64.040. The Subject Property's owner and/or property manager shall be responsible for managing parking and addressing and resolving tenant disputes regarding on-site parking, provided City zoning and permit requirements are met to the satisfaction of the City. On-site parking spaces shall not be used for any purpose that impedes vehicle parking, with exception of on-site loading/unloading activities. Failure to maintain these spaces for vehicle parking shall be sufficient reason for the City to terminate CUP 640. The Applicant is prohibited from parking any non-operational vehicles on the Subject Property. Any vehicle parking by the Applicant shall not double park as to encroach into the public right-of-way, including the public sidewalk. The Applicant shall not park and/or store

any hitch or other type of trailer outside the building on the Subject Property or within any City public right-of-way unless actively involved with loading/unloading activities.

5. Truck & Trailer Street Parking: In accordance with Sand City Municipal Code (the "SCMC") Chapter 10.08, the Applicant shall not park or store trucks, trailers, or other large vehicles, as listed in SCMC Chapter 10.08, within any City street at any time unless actively involved with loading/unloading or otherwise has a valid City issued annual parking permit. Violation of this condition may result in the issuance of citations in accordance with SCMC Chapter 10.08.
6. Loading/Unloading: All loading/unloading of items associated with the Applicant's use at the Subject Property shall only occur during Permit specified hours of workshop activity (see Permit Condition No. 3). Any large flat bed and/or trailer trucks (i.e. 18-wheeler, semi-trucks, etc.) that might make deliveries to the Subject Property for the Applicant's use shall only utilize the 600 block of the Redwood Avenue right-of-way in front of the Applicant's building for loading/unloading activities, for a period not to exceed one (1) hour, provided that one travel lane of Redwood Avenue remains open during that entire time and does not impede access to neighboring units or properties.
7. Storage: All materials, parts, tools, equipment, packaging, pallets, and/or any other item associated with and/or manufactured by the Applicant's use stored on the Subject Property, shall only be stored within the building, and are prohibited from being stored beyond the confines of the building. Such storage may occur within the fenced side yard only if said yard is visually screened from public view to the satisfaction of the City's Planning Department. Any materials stored/used on-site, that may pose a hazard, shall comply with all requirements of the Monterey County Health Department and the City's Fire Department. The placement of a self-contained portable storage unit/pod on-site, beyond the confines of the building, is hereby prohibited; and the need of the Applicant to do so shall be considered by the City as justification that the Applicant's Use has expanded beyond the Subject Property's ability to sufficiently accommodate the Applicant's Use; and thus be sufficient reason for the City to amend or terminate CUP 640.
8. Property Maintenance: The Subject Property shall be maintained in a clean, orderly, weed-free, and litter-free condition. There shall be no storage of waste material or debris on-site, except as otherwise allowed by CUP 640. The Applicant and/or the Subject Property's owner shall be responsible for maintenance and upkeep of the Applicant's leased area of the Subject Property.
9. General Waste: Trash, litter, boxes, crates, pallets, debris, or other used and/or discarded materials generated/used by the Applicant's Use shall be stored in an appropriate waste collection bin or dumpster. Except on a designated trash collection day, said bin(s) or dumpster(s) shall be stored/maintained within the building, within the east side fenced yard, along the east side of the Subject Property, or within a City approved enclosure; however, bin(s) or dumpster(s) shall not occupy or impede on-site parking or be kept within any public right-of-way. An enclosure may be

established on the Subject Property only after approval by the City's Planning Department. The Applicant shall work and coordinate with the City's franchised waste hauler to implement material recycling and recovery as part of the Applicant's use to the maximum degree feasible.

10. Construction: The Applicant's proposed/intended corrugated metal roof along the building's east elevation of the Subject Property shall be subject to review and approval by the City's Planning and Building Departments prior to issuance of a building permit. Any debris/material resulting from construction/demolition activities on the Subject Property by the Applicant shall be stored and contained away from general public access, and hauled away and disposed of in a timely and legal manner. The Applicant's contractor shall implement material recovery and recycling when feasible. Hauling of Construction/Demolition debris shall either be by the Applicant's general contractor to the Monterey Regional Waste Management District facility in the City of Marina or the Applicant shall utilize the City's franchised waste hauler Greenwaste Recovery Inc. for hauling services. No other outside hauler is permitted. In no instance shall debris from construction activities be permitted to enter or discharge to the City's storm drain system. Best Management Practices (BMPs) for proper control of debris and to prevent stormwater pollution are required by the City's NPDES (National Pollutant Discharge Elimination System) stormwater permit and City Code Section 13.05 regarding Stormwater Management to the satisfaction of the City Engineer.
11. Hazardous Waste: Any and all hazardous materials and/or waste used/generated by the Applicant's Use shall be legally stored and disposed of in accordance with the regulations of the City, the County of Monterey, and the State of California. The Applicant shall concede to any direction of the City's Fire Department, City Code Enforcement Officer, and/or the Monterey County Health Department regarding the storage and/or handling of hazardous materials on the Subject Property. Any illegal material storage, dumping, and/or disposal shall be sufficient grounds for City termination of CUP 640.
12. Signs: Any commercial sign on the exterior of the building or anywhere on the Subject Property, identifying and/or serving the Applicant's Use, shall be reviewed and approved by the Sand City Design Review Committee (DRC) in the issuance of a sign permit prior to the establishment of any sign such as at the Subject Property. Signs attached to the building shall also obtain a City building permit prior to installation of said sign. The Applicant shall not place any free-standing sign anywhere within City limits without City Planning Department approval.
13. Water Runoff: The Applicant's Use shall not create water run-off within the City in accordance with SMC Chapter 13.05 regarding Storm Water Management. There shall be no washing of vehicles on the Subject Property.
14. Water: Issuance of CUP 640 does not grant the Applicant and/or Subject Property's owner any right or privilege to any allocation of water from the City of Sand City or

other entity. The Applicant's Use shall be limited to that water credit currently available to the Subject Property, in accordance with the regulations of the Monterey Peninsula Water Management District (MPWMD).

15. Local/Regional Compliance: All requirements of the City's contracted Building and Fire Departments, the City Engineer, the San Diego City Code Enforcement officer(s), the Seaside County Sanitation District, Monterey One Water (formerly 'Monterey Regional Water Pollution Control Agency'), and Monterey County Health Department, shall be implemented to the satisfaction of each department and inspector thereof. Police Department requirements pertaining to security, street parking, code enforcement, and law enforcement shall be implemented to the satisfaction of the City's Police Chief.
16. Air District: The Applicant shall be responsible for complying with applicable rules and regulations of the Monterey Bay Air Resources District. Failure to comply shall be sufficient grounds for City termination of CUP 640.
17. Fire Department: The Applicant's use of the Subject Property, as authorized by CUP 640, must conform to storage and operational requirements specified in the California Fire Code and to the satisfaction of the City's Fire Department inspector. The Subject Property shall be available and open for Fire Department and/or City code enforcement inspections. Failure to comply with Fire Inspector and/or code enforcement requirements may be sufficient grounds for City issuance of a 'Cease and Desist' order for closure of the Applicant's use and City amendment or termination of CUP 640.
18. Nuisance: The Applicant's use of the Subject Property shall be conducted as to not constitute a nuisance to abutting units, surrounding properties, and/or the occupants thereof. The Applicant shall be considered responsible for the impacts created by the Applicant's use and activities. The Applicant shall implement all mitigation necessary to inhibit any noise, vibration, dust, fumes, odors, overflow parking, and/or other negative impacts that the Applicant's use may or will generate. If the City Council finds at any time that the Applicant's use and any activity associated thereof on the Subject Property constitutes a nuisance, or is otherwise detrimental to the neighborhood or to the community, such use shall be discontinued or modified as may be required by the City. Failure to effectively implement mitigation required by this Permit, or other direction/notification by the City deemed necessary to abate negative impacts generated by the Applicant's Use, may be adequate grounds for the City to amend or terminate CUP 640. Failure to comply with such City direction may result in the amendment or revocation of CUP 640.
19. Violation/Termination: If the City determines that any term or condition of CUP 640 has been violated, and/or the Applicant's use of the Subject Property constitutes a nuisance or is otherwise detrimental to neighboring units, properties, and/or community, written notice shall be issued to the Applicant, that if such violation is not corrected or removed within a specified time, a public hearing may then be scheduled where the City Council may consider amending or revoking CUP 640, and may then

order said Permit amended or revoked. The Applicant and the Subject Property's owner/manager shall be notified of any such public hearing, and provided an opportunity to address the City Council prior to any action by the City Council to amend or terminate CUP 640.

20. Interpretation: Any questions of intent or interpretation regarding any condition of CUP 640 shall be subject to, and resolved by, the Sand City Planning Department.
21. The issuance of CUP 640 shall not supersede or override any applicable requirements of any other City, County, State, or Federal agency.
22. Indemnity: To the extent permitted by law, the Applicant shall indemnify and hold harmless the City, its City Council, its officers, employees, contractors, and agents (the "indemnified parties") from and against any claim, action, or proceeding brought by a third party against the indemnified parties and the Applicant to attack, set aside, or void, any permit or approval authorized hereby for the Project, including (without limitation) reimbursing the City for its actual attorney's fees and costs incurred in defense of the litigation. The City may, in its sole discretion, elect to defend any such action with attorneys of its own choice.
23. Business License: The Applicant shall acquire, maintain, and annually renew a Sand City business licence for the duration of the Applicant's use at the Subject Property. Failure to maintain a current Sand City business licence may be sufficient grounds for termination of CUP 640.

**PASSED AND ADOPTED**, CUP 640, inclusive of all specified conditions/requirements for the Applicant's use of the Subject Property, is hereby approved by the City Council of Sand City, this \_\_\_\_ day of June, 2020, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

ATTEST:

APPROVED:

\_\_\_\_\_  
Connie Horca, Acting City Clerk

\_\_\_\_\_  
Mary Ann Carbone, Mayor

\_\_\_\_\_  
This is to certify that Conditional Use Permit 640 contains the conditions specified by the City Council in approving said Permit.

\_\_\_\_\_  
Charles Pooler, City Planner

\_\_\_\_\_  
**Signatures continued on following page...**

Signatures continued from previous page.

**APPLICANT ACCEPTANCE (CUP 640)**

Conditional Use Permit 640 are hereby accepted upon the express terms and conditions hereof, and the undersigned agrees to strictly conform to and comply with each and all of the said terms and conditions.

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
**Applicant**

**CONSENT OF OWNER (CUP 640)**

Consent is hereby granted to the permittee to proceed with the City approved use, in accordance with the terms and conditions of Conditional Use Permit 640.

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
**Property Owner**

**AGENDA ITEM**

**8A**

CITY OF SAND CITY

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STAFF REPORT

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JUNE 8, 2020  
(For Council Meeting on June 16, 2020)

**TO: Mayor and City Council**

**FROM: Charles Pooler, City Planner  
Leon Gomez, City Engineer**

**SUBJECT: Update on Proposition 1 Grant Application and Design for Contra Costa Street**

The City's technical assistance and design team, on behalf of the City, is preparing to submit the Phase II grant application for the West End Storm Water Improvement Project on Contra Costa Street (the "Project"). This application will be submitted to the State Water Resources Control Board for funding under the Proposition 1 Storm Water Implementation Grant Program as a multi-benefit storm-water management project. The deadline for this application submission is July 2, 2020.

**PROJECT SUMMARY**

The Project, which constructs LID (Low Impact Development) storm-water control measures, will provide multiple direct environmental, economic, and social benefits. The Project aims to lower storm water runoff pollutant loads and volumes into the Monterey Bay National Marine Sanctuary, augment groundwater supply through ground infiltration, and decrease localized surface street flooding. Infiltrating more storm-water into the ground will aid in recharging the aquifer(s) that is anticipated to help abate salt-water intrusion and improve salinity issues experienced by the City's desalination facility.

This Project will retrofit Contra Costa Street to install 1) bio-retention facilities, 2) permeable pavement in parking/sidewalk areas, 3) new catch basins, 4) horizontal infiltration chambers, and 5) new storm drain routing for the abandonment of existing storm drains at specific locations. The Project is calculated to treat water from approximately 5 acres within the West End neighborhood. The primary focus of this design is the capture and treatment of small, more frequent storm events; however, the combination of gray and green infrastructure will also be able to handle small and moderate storm events.

The Project also provides for aesthetic and pedestrian circulation improvements along Contra Costa Street to include new and improved landscaping, pervious pavement for sidewalks (for both storm-water infiltration and aesthetics), completing missing links of pedestrian walkways, installing decorative pervious paver crosswalks at all Contra Costa Street intersections from Orange Avenue to Redwood Avenue, provide visually enhanced



public curbside parking, and provide or upgrade ADA compliant pedestrian ramps at Project intersections. In a recent meeting with TAMC, (Transportation Agency of Monterey County) staff, TAMC did not want any bio-retention facilities to be constructed within their railroad right-of-way at the Contra Costa Street overlap as such infrastructure could impede future TAMC plans for this railroad right-of-way. Therefore, the TAMC right-of-way was mostly excluded from the Project parameters; but still includes a pedestrian sidewalk with pervious pavers to Olympia Avenue on the West side of that intersection. Removal of the proposed bio-retention facilities from the TAMC right-of-way enabled the Project to shift north to include the entire intersection at Redwood Avenue in maintaining visual consistency and appropriate pedestrian linkage while increasing the overall pervious surface area within the Project.

Over the past several years, the design of the Project was the result of a combined effort of the City's technical assistance design team that includes: Cannon Corporation, Urban Rain/Design, the Council for Watershed Health, Darla Elswick Consulting, and the Sand City Engineer and City Planner. Field visits were conducted by professional and licenced engineers who have concluded that the design is appropriate for the area. The technical assistance design team was critical in determining the types and locations of the proposed storm-water management measures and LID features in order to maximize effective infiltration and treatment. Darla Elswick and the Council for Watershed Health were vital in getting the City designated a DAC (Disadvantaged Community) status that reduces City required matching funds, thus getting more "bang for the buck" in terms of storm-water management and aesthetic improvements. Furthermore, Darla Elswick has been key in putting together the entire grant application for the City.

The final concept design and scope for the Project and application is illustrated in Exhibit A, that identifies the entire technical advisory team's design for storm-water infrastructure with Planning Department design for aesthetic and pedestrian amenities. Actual Project construction plans are at 30% completion, a requirement of this pending application. If the City is awarded the grant, those plans would then be completed to be 'construction ready'. The design elements of this Project, to include pervious pavers for sidewalks, crosswalks, and intersection pavement in addition to the LID bio-retention features, is to maximize the storm-water infiltration capacity of the Project and get the best water management benefit-to-cost ratio for Project. Some level of impervious surface area (i.e. asphalt, concrete, etc.) will be necessary to reduce overall project costs, but minimizing non-storm-water management elements within the Project is also important in keeping the application highly competitive for funding.

### **ESTIMATED TIME LINE**

The deadline for application submission is July 2, 2020. Notification of grant awards are estimated to be around September-October of 2020. Supplemental documents will be due sixty (60) days after awarding of a grant. Such documents would include a detailed budget and a performance assessment and evaluation plan. The City would also, if awarded, have to approve a grant agreement resolution. As of now, presuming everything stays on schedule, construction completion is tentatively estimated for November of 2023 with final report and completion of grant administrative work in January-February of 2024. It must be emphasized that these benchmark dates are subject to change due to unforeseen or

uncontrollable circumstances. Grant funding is not provided as a lump sum at time of grant award; rather funding is provided as reimbursement for expenses that are incurred by the City during project implementation.

### **CONCLUSION**

This report is merely to provide Council with an update on this Project as the various components of the application are coming together. Therefore, this report and attached illustration are provided only as informational; and no action by Council is required.

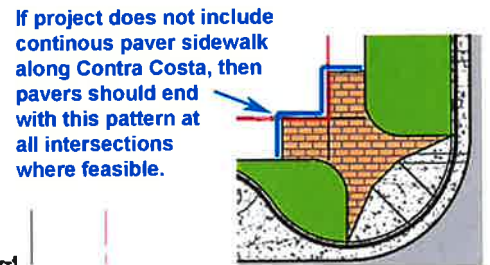
### **EXHIBIT:**

A. Project General Design and Scope of Work

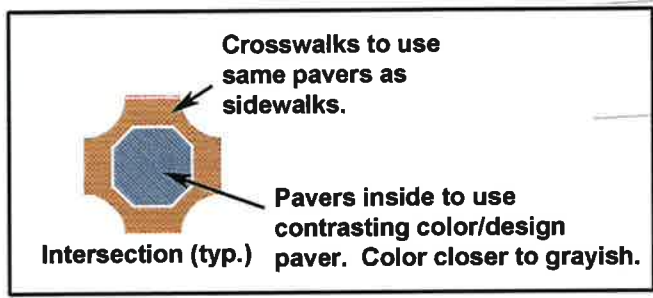
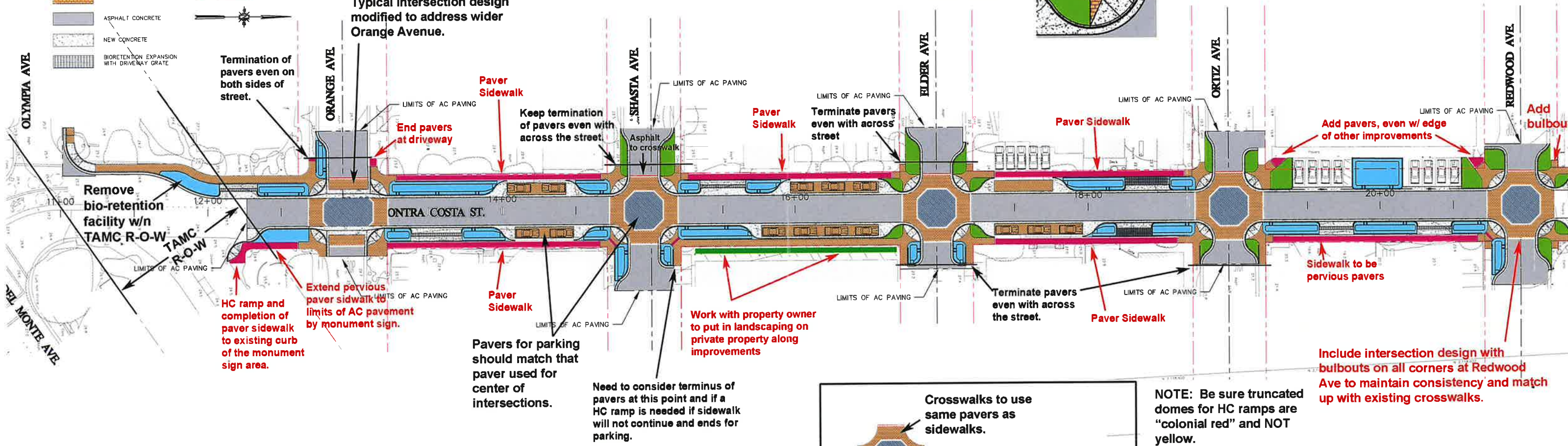
**LEGEND**

	BIORETENTION FACILITY		TAMC RIGHT OF WAY BOUNDARY
	DROUGHT TOLERANT LANDSCAPE AREA		CITY RIGHT OF WAY BOUNDARY
	PERVIOUS PAVER		DRAINAGE CONNECTION
	ASPHALT CONCRETE		
	NEW CONCRETE		
	BIORETENTION EXPANSION WITH DRIVEWAY GRATE		

**Add pervious paver sidewalks**



Typical intersection design modified to address wider Orange Avenue.



NOTE: Be sure truncated domes for HC ramps are "colonial red" and NOT yellow.

# Project General Design & Scope of Work

# EXHIBIT A

**AGENDA ITEM**

**9A (1)**



# City of Sand City

Agenda  
Item  
**9A(1)**

## Staff Report

**TO:** Honorable Mayor and City Council Members  
**FROM:** Aaron Blair, City Manager  
**DATE:** June 8, 2020  
**SUBJECT:** Proposed Fiscal Year 2020-2021 budget

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**Discussion:**

Staff and I are pleased to present the Proposed FY 2020-2021 Budget. The Budget and Personnel Committee has reviewed the Proposed Fiscal Year 2020-2021 budget, and has considered the operational and capital improvement needs of the City for the upcoming fiscal year. The Budget Committee, working with City staff, has continued to scrub the operating budget estimated revenues and expenditures based on COVID-19 impacts.

The FY 2020-2021 Budget development assumes a recessionary impact from COVID-19. HdL's (our sales tax consultant) Consensus Forecast model sales tax impacts based on the analysis of previous recessions plus a review of industry, economist and news reports. The Forecast assumes the 'shelter in place' will continue until the end of July and consumers will be cautious about spending and travel for the rest of the year. Potentially we may see a negative impact to our sales and use tax revenue for at least the remainder of 2020 due to the Governors executive order on delayed sales and use tax payments for some businesses.

As a result of COVID-19, the FY 2019-2020 revenues and expenses have been reduced through Amendment #3 as forecasted below;

	Revenue	Expenses
FY 19-20 Adopted Budget	\$8,493,749	\$7,944,096
FY 19-20 Amendment #3	\$7,693,725	\$7,490,600
<b>Total</b>	<b>-\$800,024</b>	<b>-\$453,496</b>

As a result of COVID-19, the FY 2020-2021 revenues are forecasted to have a slight recovery, but still below the FY 2019-20 Adopted Budget as seen below;

	Revenue	Expenses
FY 19-20 Adopted Budget	\$8,493,749	\$7,944,096
FY 20-21 Proposed Budget	\$8,246,020	\$7,976,900
<b>Total</b>	<b>-\$247,729</b>	<b>\$32,804</b>

The approach to this year's budget development has been different than the past years. The recent budgets were developed primarily by the Administrative staff by applying inflation factors to the previous year's budget. This year we zeroed out the budget, reconsidered every line item based on past year's actuals, requested department generated budgets from the operating departments, and focused on making the budget as transparent as we can. The purpose of this approach was to build ownership of the budget by the individuals who will be implementing it, and allow each department input on expenditure cuts due to COVID-19 revenue impacts.

In light of the economic reality imposed by COVID-19, staff will continue to look for opportunities to reduce expenses without impacting the level of service provided. We will continue to look for opportunities to increase revenues including a voter dependent increase in the sales tax, the successful development of the South of Tioga project, and the continued investment into the West End and various infill projects. You will see that the anticipated revenues and the anticipated expenditures are such that we will have an operating reserve around \$269,120. This reserve is available for operating contingencies driven by continued COVID-19 impacts, capital improvements, or services changes.

#### *Capital Improvement Plan (CIP) FY 2020-2021*

In FY 2019-2020 several important steps were taken to modernize and digitize our organizational infrastructure like our website, records management, asset management, digital payment system, remote meeting access, and digital agenda packets. We continue to look for opportunities to improve not only our organization infrastructure, but our overall infrastructure for the City.

On May 8, 2020 and May 21, 2020, the Budget/Personnel Committee meeting met with City staff to review the first draft of the 2020/2021 CIP. The committee asked staff to forward the 2020/2021 project list from the 5-year CIP to the Council for individual rankings. Each Council member ranked and discussed the projects at their June 2, 2020 Council Meeting, and stressed that projects tied to grant funding are a top priority. Obviously with limited funding we cannot approve everything on the CIP wish list. Below is the list of items from the 5-year CIP for the fiscal year 2020-2021 that the Council recommended if and when funding is available;

1. West End Stormwater Improvement Project - Contra Costa St. \$240,000 (Tied to Grants)
2. West End Stormwater Improvement Project - Catalina St. \$110,000 (Tied to Grants)
3. Pavement Management Program (PMP) \$TBD (Match Measure X funds \$35,000)
4. Street Sweeper \$40,000
5. Habitat Preserves at Commercial Shopping Center \$15,000
6. Carroll Property Repurpose \$50,000
7. Public Works Building \$80,000
8. Public Art Program \$50,000
9. Facade Program \$50,000
10. Patrol Vehicles \$50,000

11. Dump Truck \$75,000

Total 2020/21 CIP: \$795,000

**CEQA:** This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

**Fiscal Impact:**

FY 2020-2021 proposed budget takes into consideration projected impacts from COVID-19. Some continued steps that are being proposed included standing firm to our hiring freeze (not filling any positions), cutting all overtime unless it is an emergency situation or at the request of the City Manager, and maintaining our cut in expenses throughout each department from FY 2019-20 Amendment #3. The FY 20-21 Proposed Budget has \$8,246,020 in revenues and \$7,926,900 in expenses. At this time no funds are being set aside for FY 2020-2021 CIP expenditures. These items will be look at if and when funding is available, or if we must pay our local match for approved grants.

**Recommendation:**

Despite volatile revenue projections due to the ongoing closure of the local economy, Staff has proposed a balanced and fiscally responsible budget for Fiscal year 2020-2021 that takes into account all information available in this uncertain time. We will continue to monitor the impacts of COVID-19 on revenues and expenditures, and any additional modifications that may need to be made based on new available information. I believe that the proposed FY 2020-2021 budget and CIP does the following;

- Remains fiscally responsible during challenging times
- Maintains a safe and healthy community
- Enhances economic vitality
- Delivers exceptional City services
- Invests in well-planned infrastructure and growth

I am confident by working together with our community, Council, and committed staff, we will capitalize on opportunities and mitigate challenges, positioning Sand City to effectively deal with the changes that come in the years ahead. Therefore, Staff recommends the adoption of the proposed FY 2020-2021 budget so that we can continue to provide visionary policy and leadership that assures a safe, healthy and economically vibrant community.

Staff also recommends approving the priority rankings and identified projects for the 2020-2021 CIP.

1. West End Stormwater Improvement Project - Contra Costa St. \$240,000 (Tied to Grants)
2. West End Stormwater Improvement Project - Catalina St. \$110,000 (Tied to Grants)
3. Pavement Management Program (PMP) \$TBD (Match Measure X funds \$35,000)
4. Street Sweeper \$40,000
5. Habitat Preserves at Commercial Shopping Center \$15,000

- 6. Carroll Property Repurpose \$50,000
- 7. Public Works Building \$80,000
- 8. Public Art Program \$50,000
- 9. Facade Program \$50,000
- 10. Patrol Vehicles \$50,000
- 11. Dump Truck \$75,000
- Total 2020/21 CIP: \$795,000



**CITY OF SAND CITY  
RESOLUTION SC \_\_\_\_, 2020**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAND CITY  
ADOPTING THE PROPOSED CITY BUDGET FOR FISCAL YEAR 2020-2021**

**WHEREAS**, the Budget Committee of the City Council has reviewed the Proposed Fiscal Year 2020-2021 budget and has considered the operational and capital improvement needs of the City for the upcoming fiscal year; and

**WHEREAS**, the Budget Committee, working with City staff, is recommending the proposed budget, attached as Exhibit A, to the City; and

**WHEREAS**, the City Council recognizes that the proposed budget is subject to further review and adjustment at appropriate times as the fiscal year progresses, and

**WHEREAS**, certain general COVID-19 economic conditions and actions resulting from the California state budget process may impact the City which may require changes to the City Budget over time; and

**WHEREAS**, the City Council of Sand City finds the Fiscal Year 2020-2021 Proposed Budget satisfactory to commence the operations and capital programs of the City for the upcoming fiscal year.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Sand City that:

1. The attached Exhibit A is hereby adopted as the Proposed City Budget for FY 2020-2021.
2. The FY 2020-2021 Proposed Budget will be periodically reviewed and adjusted by the City Council as necessary.
3. The City staff is authorized to continue City operations as generally prescribed in the FY 2020-2021 Proposed Budget and is directed to follow the general financial guidelines outlined therein.

**PASSED AND ADOPTED** by the City Council of the City of Sand City on this 16th, day of June, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

\_\_\_\_\_  
Mary Ann Carbone, Mayor

ATTEST:

\_\_\_\_\_  
Connie Horca, Acting City Clerk

REVENUE ACCOUNT #	Description	Actual Revenues FY 18-19	Actual Revenues thru 5/31/20 FY 19-20	Adopted Amend #3 Budget FY 19-20	Proposed Budget FY 20-21
<b>Dept 00-General</b>					
4005-00	Property Tax	90,662.71	88,735.35	92,000.00	90,000.00
4006-00	ROPS Residual	132,529.56	131,809.12	132,000.00	100,000.00
4008-00	SA Admin Fees Reimbursement	73,283.33	103,416.96	126,105.00	160,000.00
4010-00	Prior Year Tax	1,342.81	803.28	1,500.00	1,500.00
4012-00	Property Tax VLF	35,490.00	36,709.00	36,800.00	37,000.00
4015-00	Property Tax - SB 813	13,220.58	9,146.72	12,000.00	12,000.00
4020-00	Prop Tax Transfer	11,535.99	5,953.75	12,000.00	12,000.00
4025-00	Users Tax	148,068.11	122,977.94	150,000.00	150,000.00
4030-00	Sales/Use Tax	2,849,989.62	1,967,962.32	2,507,800.00	2,498,750.00
4032-00	Transaction/ Use Tax	2,513,208.71	1,711,206.95	2,189,000.00	2,240,000.00
4033-00	Business License CASP Fee 90%	1,501.90	1,483.20	1,500.00	1,500.00
4035-00	Cable Franchise	6,981.59	5,243.76	7,000.00	7,000.00
4040-00	Refuse Franchise	56,742.69	41,534.74	57,000.00	57,000.00
4045-00	PG & E Gas Franchise	2,450.38	2,855.97	2,900.00	2,900.00
4050-00	PG & E Electric Franchise	28,811.49	28,415.43	28,500.00	28,500.00
4055-00	Business License	484,023.35	496,755.69	498,000.00	498,000.00
4060-00	Bus Lic Late Fee	3,278.85	2,684.87	2,700.00	3,000.00
4340-00	Property Tax - HOPTR	430.14	205.13	500.00	500.00
4350-00	Sanitation District Impact Fees	7,618.98	8,854.55	8,900.00	9,000.00
4410-00	Interest City Checking/CD/Property Tax	935.81	798.82	1,000.00	1,000.00
4411-00	Interest - OPEB	190.25	65.09	100.00	100.00
4413-00	Interest - City Housing	106.44	1,577.02	2,000.00	2,000.00
4420-00	Interest - LAIF	140,031.31	117,511.29	150,000.00	150,000.00
4450-00	Interest - TVI CDs	20,521.94	20,921.27	25,000.00	25,000.00
4500-00	West End Revenue	51,292.50	53,234.16	54,000.00	20,000.00
4550-00	Publications -Copies	8.00	74.20	100.00	100.00
4710-00	Mitigation	2,603.59	1,321.35	1,300.00	1,300.00
4730-00	Misc. Revenue	21,411.36	4,198.50	5,000.00	5,000.00
4732-00	Reimbursements	2,840.17	3,632.68	4,000.00	3,000.00
4736-00	US Bank Cal Card Rebate				800.00
4740-00	Rental/Lease	17,109.36	15,683.58	17,200.00	17,200.00
	<b>SUB TOTAL</b>	<b>6,718,221.52</b>	<b>4,985,772.69</b>	<b>6,125,905.00</b>	<b>6,134,150.00</b>

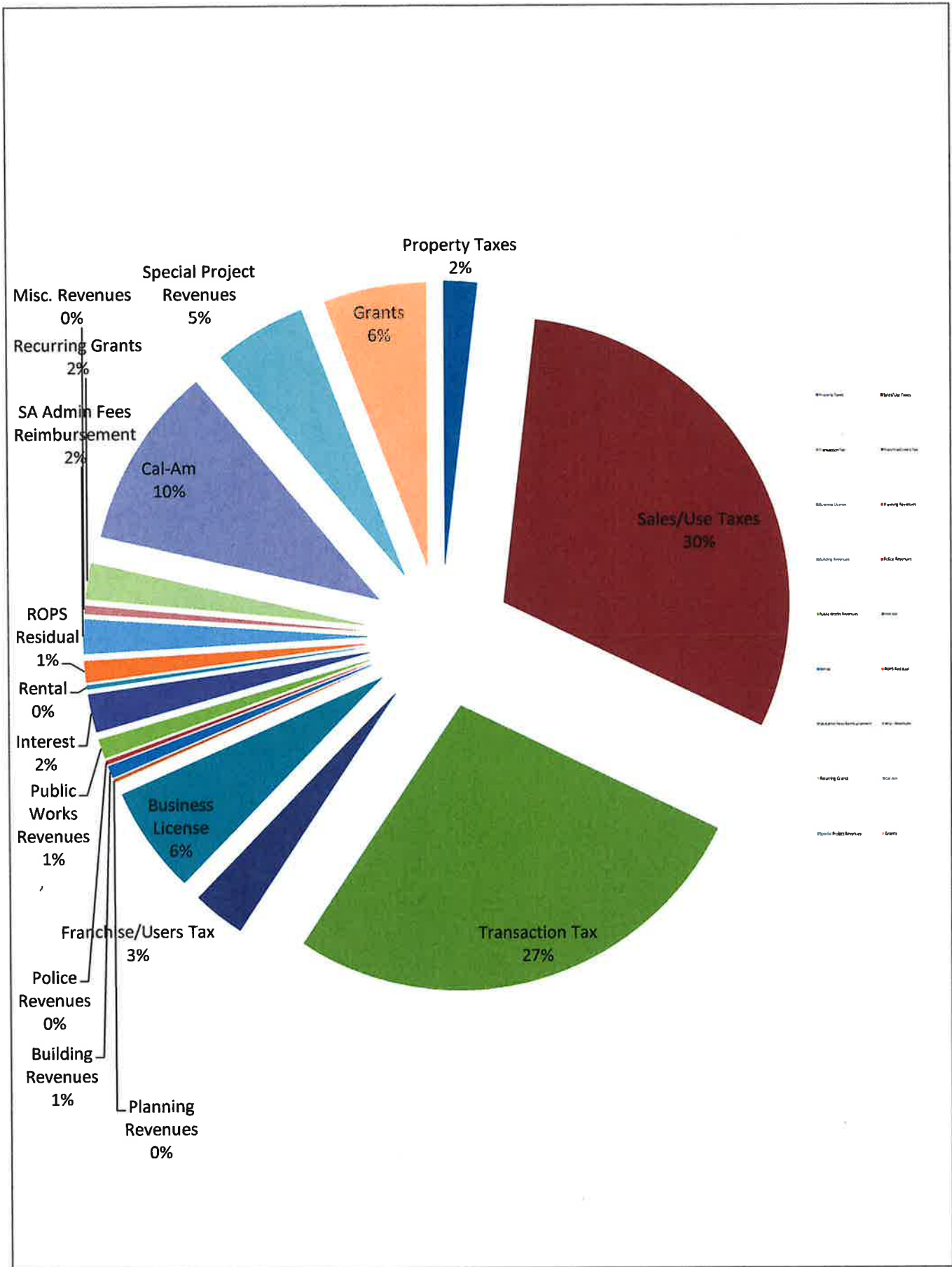
Proposed City FY 20-21  
Revenues

REVENUE ACCOUNT #	Description	Actual Revenues FY 18-19	Actual Revenues thru 5/31/20 FY 19-20	Adopted Amend #3 Budget FY 19-20	Proposed Budget FY 20-21
<b>Dept 05-Planning</b>					
4120-05	Coastal Development Permit	2,000.00	500.00	1,000.00	1,000.00
4125-05	Conditional Use Permit	2,000.00	4,000.00	4,000.00	3,000.00
4126-05	Temporary Use Permit	0.00	200.00	200.00	100.00
4145-05	Site Plan Permit	1,500.00	100.00	500.00	1,000.00
4154-05	Misc. Planning Fees	3,938.75	1,277.00	1,500.00	1,000.00
4155-05	Design Permit - DRC	500.00	300.00	400.00	200.00
4156-05	Sign Permit - Master Sign Program				350.00
4157-05	Tentative Maps				1,000.00
4158-05	Final Map - Parcel Map				500.00
4159-05	CEQA Fees				1,000.00
4160-05	Reimbursement of Planning Fees				5,000.00
4219-05	Parking Permit	400.00	400.00	400.00	400.00
	<b>SUB TOTAL</b>	<b>10,338.75</b>	<b>6,777.00</b>	<b>8,000.00</b>	<b>14,550.00</b>
<b>Dept 06-Building</b>					
4115-06	Building Permit Fee	2,589.36	39,422.16	45,000.00	21,500.00
4165-05	Plan Check Fee	1,548.74	26,336.80	30,000.00	34,500.00
	<b>SUB TOTAL</b>	<b>4,138.10</b>	<b>65,758.96</b>	<b>75,000.00</b>	<b>56,000.00</b>
<b>Dept 08-Police</b>					
4210-08	Traffic Fines - County	3,811.75	3,652.10	3,500.00	3,000.00
4221-08	Parking Violations	10,418.00	12,600.00	15,000.00	12,000.00
4325-08	Vehicle License Fees	189.32	314.18	500.00	400.00
4330-08	Prop 172 - County	373.83	283.65	400.00	400.00
4335-08	Post Training Reimbursement	2,644.40	1,087.66	2,500.00	1,000.00
4515-08	Dog Licensing	20.00	5.00	20.00	20.00
4524-08	Asset Forfeiture	240.22		100.00	100.00
4525-08	Unclaimed Property	0.00	20.00	100.00	100.00
4560-08	Police Reports	220.00	290.00	400.00	400.00
	<b>SUB TOTAL</b>	<b>17,917.52</b>	<b>18,252.59</b>	<b>22,520.00</b>	<b>17,420.00</b>
<b>Dept 11-Public Works</b>					
10-4150-11	Building Development Fee	0.00	2,206.50	2,500.00	2,500.00
10-4160-11	Reimbursement of Engineer Fees	18,870.50	47,931.40	50,000.00	35,000.00
38-4302-11	Measure X/TAMC Sales Tax - PMP	29,540.37	24,014.59	30,000.00	30,000.00
31-4305-11	Gas Tax-2105	2,161.74	1,781.53	2,200.00	2,300.00
31-4305-11	Gas Tax-2106	5,744.46	4,749.63	5,800.00	5,800.00
31-4305-11	Gas Tax-2107	2,718.61	2,214.90	2,800.00	2,800.00
31-4305-11	Gas Tax-2107.5	1,000.00	1,000.00	1,000.00	1,000.00
31-4305-11	Gas Tax-2103	1,316.26	2,567.63	3,000.00	3,500.00
37-4306-11	SB1 - RMRA - Road Maintenance & Rehab	7,093.08	5,592.93	7,300.00	7,300.00
31-4307-11	Traffic Congestion Relief - Prop 42	444.32	446.32	500.00	500.00
35-4205-11	Ca Code Fines - County	1,020.10	763.66	1,100.00	1,100.00
	<b>SUB TOTAL</b>	<b>69,909.44</b>	<b>93,269.09</b>	<b>106,200.00</b>	<b>91,800.00</b>

Proposed City FY 20-21  
Revenues

REVENUE ACCOUNT #	Description	Actual Revenues FY 18-19	Actual Revenues thru 5/31/20 FY 19-20	Adopted Amend #3 Budget FY 19-20	Proposed Budget FY 20-21
	<b>Lease Revenue</b>				
4833-00	Cal-Am Lease	850,000.00		850,000.00	850,000.00
	<b>SUB TOTAL</b>	<b>850,000.00</b>	<b>0.00</b>	<b>850,000.00</b>	<b>850,000.00</b>
	<b>Grants</b>				
4069-08	COPS Grant - County	148,746.54	130,947.63	156,000.00	156,000.00
4068-08	In Car Computing Grant		12,190.00	12,200.00	0.00
4647-08	Bulletproof Vest Grant	1,591.23	530.41	1,000.00	1,100.00
4733-00	Recycling Grant	5,000.00	5,000.00	5,000.00	5,000.00
4836-08	CSA 74 EMS Grant - County	2,500.00	2,500.00	2,500.00	2,500.00
4729-00	MBASIA Fitness/Safety Grant	7,500.00	7,500.00	7,500.00	7,500.00
	<b>SUB TOTAL</b>	<b>165,337.77</b>	<b>158,668.04</b>	<b>184,200.00</b>	<b>172,100.00</b>
	<b>SUB TOTAL RECURRING REVENUES</b>	<b>7,835,863.10</b>	<b>5,328,498.37</b>	<b>7,371,825.00</b>	<b>7,336,020.00</b>
	<b>Special Project Revenues</b>				
4522-11	Street Sweeper Sale	0.00		0.00	50,000.00
4523-12	TAMC Right of Way Clean Up Reimb			13,200.00	
4530-00	South of Tioga Reimbursements	0.00	146,424.43	200,000.00	125,000.00
4531-00	South of Tioga Plan Check Fees				109,000.00
4532-00	South of Tioga Building Permit Fees				146,800.00
	<b>SUB TOTAL</b>	<b>0.00</b>	<b>146,424.43</b>	<b>213,200.00</b>	<b>430,800.00</b>
	<b>Grants</b>				
4681-12	Calabrese Park CDBG Grant	0.00		60,000.00	30,000.00
4682-00	Prop 1 IRWM - Catalina				110,000.00
4683-00	Prop 1 SW - Contra Costa				240,000.00
4757-00	CalTrans Sustainable Grant	0.00	876.54	48,700.00	99,200.00
	<b>SUB TOTAL</b>	<b>0.00</b>	<b>876.54</b>	<b>108,700.00</b>	<b>479,200.00</b>
	<b>Sub Total Special Project/Grant Revenues</b>	<b>0.00</b>	<b>147,300.97</b>	<b>321,900.00</b>	<b>910,000.00</b>
	<b>Grand Total Revenues</b>	<b>7,835,863.10</b>	<b>5,475,799.34</b>	<b>7,693,725.00</b>	<b>8,246,020.00</b>

# FY 2020-2021 Proposed Revenues



**Budget Summary  
City Revenues**

Description	Actuals FY 18-19	FY 19-20 Actuals thru 5/31/20	Adopted Amend #3 Budget FY 19-20	Proposed Budget FY 20-21
<b>RECURRING REVENUES</b>				
Property Taxes	152,682.23	141,553.23	154,800.00	153,000.00
Sales/Use Taxes	2,849,989.62	1,967,962.32	2,507,800.00	2,498,750.00
Transaction Tax	2,513,208.71	1,711,206.95	2,189,000.00	2,240,000.00
Franchise/Users Tax	243,054.26	201,027.84	245,400.00	245,400.00
Business License	487,302.20	499,440.56	500,700.00	501,000.00
Planning Revenues	10,338.75	6,777.00	8,000.00	14,550.00
Building Revenues	4,138.10	65,758.96	75,000.00	56,000.00
Police Revenues	17,917.52	18,252.59	22,520.00	17,420.00
Public Works Revenues	69,909.44	93,269.09	106,200.00	91,800.00
Interest	161,785.75	140,873.49	178,100.00	178,100.00
Rental	17,109.36	15,683.58	17,200.00	17,200.00
ROPS Residual	132,529.56	131,809.12	132,000.00	100,000.00
SA Admin Fees Reimbursement	73,283.33	103,416.96	126,105.00	160,000.00
Misc. Revenues	87,276.50	72,798.64	74,800.00	40,700.00
Recurring Grants	165,337.77	158,668.04	184,200.00	172,100.00
Cal-Am	850,000.00	0.00	850,000.00	850,000.00
<b>Subtotal Recurring Revenues</b>	<b>7,835,863.10</b>	<b>5,328,498.37</b>	<b>7,371,825.00</b>	<b>7,336,020.00</b>
<b>OTHER FINANCING SOURCES</b>				
Special Project Revenues	0.00	146,424.43	213,200.00	430,800.00
Grants	0.00	876.54	108,700.00	479,200.00
<b>Subtotal Other Revenue</b>	<b>0.00</b>	<b>147,300.97</b>	<b>321,900.00</b>	<b>910,000.00</b>
<b>Total Revenue</b>	<b>7,835,863.10</b>	<b>5,475,799.34</b>	<b>7,693,725.00</b>	<b>8,246,020.00</b>

Proposed City FY 20-21  
Expenditures

ACCOUNT NUMBER	Description	Actual Expenses FY 18-19	Actual Expenses thru 5/31/20 FY 19-20	Adopted Amend #3 Budget FY 19-20	Proposed Budget FY 20-21
<b>NON DEPARTMENT</b>					
5000-00	Municipal Code Updates	2,132.80	3,257.25	3,300.00	3,000.00
5001-00	Public Agency Memberships	24,939.81	30,186.24	33,000.00	16,000.00
5002-00	Voluntary Memberships	10,351.00	12,551.00	13,000.00	15,000.00
5005-00	Arts Committee	59.88	1,142.64	15,000.00	15,000.00
5006-00	COVID-19 Expense		8,948.68	15,000.00	15,000.00
5025-00	Dues and Subscriptions	1,437.00	180.00	200.00	500.00
5070-00	Health Benefit Surcharges	620.70	656.23	800.00	800.00
5202-00	Concern EAP Program Premium	923.40	941.64	950.00	1,000.00
5425-00	IT Support	4,347.00	3,927.00	5,000.00	5,000.00
5720-00	Auto Maintenance - City Vehicles				5,000.00
5910-00	Donations/Contributions	12,836.10	5,860.39	6,000.00	10,000.00
5920-00	Advertising	2,563.77		0.00	0.00
5930-00	Miscellaneous Expense	1,208.32	5,500.10	6,500.00	2,000.00
5935-00	Office Equipment Maintenance	8,647.04	6,133.48	8,500.00	8,500.00
5940-00	Office Supplies	31,761.90	21,228.36	30,000.00	25,000.00
5945-00	Telephone	1,030.55	840.45	1,100.00	1,100.00
5950-00	Physical Exams	120.00		0.00	200.00
5955-00	Public Official Bond Premium	1,000.00	1,050.00	1,050.00	1,100.00
5960-00	Utilities	19,409.25	16,726.75	20,000.00	20,000.00
5970-00	Equipment Purchase	657.24	2,428.25	2,500.00	5,000.00
5980-00	Bank Charges	390.00	175.00	400.00	400.00
5998-00	Internet	2,153.89	1,816.84	2,000.00	2,000.00
<b>SUB TOTAL NON DEPARTMENT</b>		<b>126,589.65</b>	<b>123,550.30</b>	<b>164,300.00</b>	<b>151,600.00</b>
<b>CITY COUNCIL</b>					
5025-01	Dues/Subscriptions	947.00	150.00	500.00	500.00
5030-01	Auto Allowance	2,400.00	2,200.00	2,500.00	2,400.00
5065-01	Dental	5,108.08	3,899.83	4,300.00	4,300.00
5066-01	Vision	917.68	732.16	800.00	800.00
5070-01	Health Benefits	58,030.50	58,030.50	63,300.00	63,300.00
5073-01	Pers Retirement EE	777.58	518.40	700.00	700.00
5075-01	Pers Retirement	1,306.25	932.95	1,200.00	1,200.00
5078-01	PERS Survivor Benefits	237.60		70.00	120.00
5079-01	Deferred Comp	2,800.00	4,400.00	4,800.00	4,800.00
5080-01	FICA/ Medicare	3,323.87	3,899.47	4,400.00	4,500.00
5085-01	SUI	345.46	362.21	400.00	400.00
5095-01	Training & Conferences	18,083.23	7,686.26	9,000.00	10,000.00
5110-01	Council Meetings	17,700.00	16,500.00	18,000.00	18,000.00
5120-01	Elections	805.87		0.00	2,500.00
5130-01	Contingency Funds	8,899.98		0.00	0.00
5131-01	Website Design	0.00	2,700.00	6,750.00	4,000.00
5137-01	GASB 68 - Unfunded Liability	4,325.78	2,367.27	2,400.00	2,700.00
5925-01	Liability Premium	12,453.12	9,258.43	9,300.00	9,500.00
5945-01	Council Phones	3,985.16	3,274.05	4,000.00	4,000.00
5965-01	Workers Comp Premium	17,422.85	1,151.16	1,200.00	1,500.00
5970-01	Equipment Purchase	6,133.99	2,556.27	2,600.00	2,500.00
5985-01	Exercise Program	1,080.00	990.00	1,100.00	1,100.00
<b>SUB TOTAL CITY COUNCIL</b>		<b>167,084.00</b>	<b>121,608.96</b>	<b>137,320.00</b>	<b>138,820.00</b>

Proposed City FY 20-21  
Expenditures

ACCOUNT NUMBER	Description	Actual Expenses FY 18-19	Actual Expenses thru 5/31/20 FY 19-20	Adopted Amend #3 Budget FY 19-20	Proposed Budget FY 20-21
<b>ADMINISTRATION</b>					
5020-02	Contract Services - Personnel	46,625.00	538.13	600.00	0.00
5020-02	Contract Services - Misc	3,100.00	11,600.00	12,000.00	0.00
5020-02	Contract Services - Admin Recruitment	17,253.04	8,144.73	8,200.00	0.00
5025-02	Dues/Subscriptions	774.00	2,076.00	2,100.00	2,000.00
5030-02	Auto Allowance	2,250.00	3,641.54	3,900.00	3,600.00
5035-02	Granicus - Agenda Management Fee	0.00	3,300.00	3,300.00	3,630.00
5040-02	Salaries	314,555.84	312,212.64	338,800.00	327,500.00
5042-02	Cash Outs - PTO Accruals	21,232.00	44,047.53	44,000.00	0.00
5055-02	Overtime Paid	0.00	0.00	0.00	1,000.00
5060-02	Long Term Disability	2,541.96	2,427.32	2,800.00	2,200.00
5065-02	Dental	2,108.00	2,376.85	2,700.00	3,600.00
5066-02	Vision	385.44	425.56	500.00	650.00
5067-02	Life Insurance	524.40	534.70	600.00	600.00
5070-02	Health Benefits	43,522.96	44,314.20	49,100.00	50,700.00
5072-02	Health Benefits - Admin Retirees	13,988.34	12,878.64	14,100.00	18,500.00
5073-02	Pers Retirement EE	15,422.68	13,223.75	15,000.00	8,600.00
5075-02	Pers Retirement	30,729.09	32,986.05	41,000.00	34,200.00
5078-02	PERS Survivor Benefits	283.25	110.00	110.00	170.00
5079-02	Deferred Comp	2,550.00	1,500.00	2,600.00	2,400.00
5080-02	FICA/Medicare	5,139.26	5,420.14	5,700.00	5,100.00
5085-02	CA SUI	617.32	595.00	700.00	700.00
5095-02	Training & Conferences	12,728.28	11,299.72	11,300.00	7,500.00
5130-02	Contingency Funds	5,212.50	0.00	0.00	0.00
5137-02	GASB 68 - Unfunded Liability	63,981.48	69,738.83	69,800.00	76,000.00
5140-02	Records Retention - Gladwell				2,400.00
5210-02	Payroll Processing/Shred Services	4,875.27	4,504.77	5,000.00	5,000.00
5220-02	Appraisals	0.00	6,500.00	6,500.00	0.00
5425-02	IT Support	4,977.00	4,158.00	5,000.00	5,000.00
5925-02	Liability Premium	7,471.86	9,834.83	9,850.00	10,000.00
5945-02	Admin Phones	3,730.12	3,037.40	3,500.00	3,500.00
5965-02	Workers Comp Premium	21,430.10	26,860.33	26,900.00	28,000.00
5970-02	Equipment Purchase	5,181.62	3,682.32	3,700.00	2,500.00
5985-02	Exercise Program	1,350.00	1,384.16	1,800.00	1,800.00
<b>SUB TOTAL ADMINISTRATION</b>		<b>654,540.81</b>	<b>643,243.14</b>	<b>691,160.00</b>	<b>606,850.00</b>



Proposed City FY 20-21  
Expenditures

ACCOUNT NUMBER	Description	Actual Expenses FY 18-19	Actual Expenses thru 5/31/20 FY 19-20	Adopted Amend #3 Budget FY 19-20	Proposed Budget FY 20-21
<b>FINANCE</b>					
5020-03	Contract Services - General	2,500.00		0.00	0.00
5020-03	Contract Services - Bartel	12,500.00	2,500.00	23,500.00	0.00
5023-03	Sales Tax/Trans Tax Admin Fees	42,659.93	21,473.75	45,000.00	45,000.00
5025-03	Dues/Subscriptions	554.00	95.00	100.00	100.00
5030-03	Auto Allowance	1,800.00	1,541.54	1,600.00	0.00
5040-03	Salaries	186,759.69	169,759.32	178,200.00	103,900.00
5042-03	Cash Outs - PTO Accruals	13,007.11	44,046.66	44,000.00	0.00
5060-03	Long Term Disability	2,295.48	2,104.19	2,300.00	1,100.00
5065-03	Dental	886.91	731.28	800.00	550.00
5066-03	Vision	160.15	137.28	200.00	100.00
5067-03	Life Insurance	362.16	331.98	400.00	200.00
5070-03	Health Benefits	19,519.30	17,409.15	19,000.00	12,700.00
5073-03	Pers Retirement EE	16,136.01	13,876.90	16,700.00	9,000.00
5075-03	Pers Retirement	27,106.50	24,974.90	30,000.00	17,400.00
5078-03	PERS Survivor Benefits	178.20		55.00	60.00
5079-03	Deferred Comp	1,800.00	1,500.00	1,800.00	1,200.00
5080-03	FICA/Medicare	2,941.16	3,130.03	3,000.00	1,600.00
5085-03	SUI	119.00	119.00	150.00	150.00
5095-03	Training/Conferences	1,893.26	2,270.92	2,300.00	1,000.00
5137-03	GASB 68 - Unfunded Liability	58,398.03	71,018.10	71,100.00	79,900.00
5405-03	Property Tax Fees	987.00	938.00	1,000.00	1,000.00
5410-03	Audit	43,650.00	49,500.00	49,500.00	53,000.00
5415-03	Financial Management Support	3,244.25	7,548.25	10,000.00	8,000.00
5425-03	IT Support	7,693.20	4,540.14	5,000.00	4,000.00
5440-03	BL/ Prop/Sales Tax Agreements (HDL)	18,093.12	16,442.78	20,000.00	20,000.00
5925-03	Liability Premium	3,735.96	4,719.28	4,750.00	5,000.00
5965-03	Workers Comp Premium	5,226.86	9,209.26	9,200.00	9,500.00
5970-03	Equipment Purchase	1,648.53	65.00	100.00	1,000.00
5985-03	Exercise	180.00	154.15	200.00	0.00
	<b>SUB TOTAL FINANCE</b>	<b>476,035.81</b>	<b>470,136.86</b>	<b>539,955.00</b>	<b>375,460.00</b>
<b>ATTORNEY</b>					
5072-04	Health Benefits - Retirees	3,200.37	3,919.41	4,300.00	4,300.00
5095-04	Conferences & Meetings	5,442.42	1,213.69	1,500.00	5,000.00
5137-04	GASB 68 - Unfunded Liability	0.00	2,367.27	2,400.00	0.00
5511-04	Attorney - Contract	143,114.34	191,418.60	223,000.00	221,400.00
5520-04	Special Projects	185.00		0.00	0.00
5521-04	Outside Counsel	243.88		0.00	0.00
5522-04	Attorneys Costs	169.94	361.69	500.00	4,800.00
5540-04	Legal Contingencies	27,825.00	2,712.50	5,000.00	5,000.00
5545-04	Outside Counsel/HR	0.00	47,270.50	55,000.00	25,000.00
	Muni Code Update	0.00		0.00	0.00
	<b>SUB TOTAL ATTORNEY</b>	<b>180,180.95</b>	<b>249,263.66</b>	<b>291,700.00</b>	<b>265,500.00</b>

Proposed City FY 20-21  
Expenditures

ACCOUNT NUMBER	Description	Actual Expenses FY 18-19	Actual Expenses thru 5/31/20 FY 19-20	Adopted Amend #3 Budget FY 19-20	Proposed Budget FY 20-21
<b>PLANNING</b>					
5020-05	Contract Services - General	0.00		0.00	0.00
5020-05	Contract Services - EMC Planning	32,196.80	9,836.42	30,000.00	25,000.00
5020-05	Consult/Economic Analyst	0.00		0.00	0.00
5025-05	Dues/Subscriptions	1,483.00	507.00	500.00	500.00
5030-05	Mileage	450.00		0.00	0.00
5040-05	Salaries	189,658.70	97,592.55	106,500.00	109,200.00
5042-05	Cash Outs - PTO Accruals	13,880.90	3,813.86	3,850.00	10,000.00
5055-05	Overtime Paid	3,013.56	1,554.77	2,000.00	3,000.00
5060-05	Long Term Disability	1,211.80	895.40	1,000.00	1,000.00
5065-05	Dental	867.16	487.52	600.00	550.00
5066-05	Vision	152.44	91.52	100.00	100.00
5067-05	Life Insurance	379.44	323.07	400.00	400.00
5070-05	Health Benefits	18,200.46	11,606.10	12,700.00	12,700.00
5072-05	Health Benefits - Planning Retirees	9,200.33	8,671.20	8,800.00	9,400.00
5073-05	Pers Retirement EE	9,089.07	7,665.50	9,200.00	9,500.00
5075-05	PERS Retirement	16,656.84	13,795.90	16,600.00	18,200.00
5079-05	Deferred Comp	1,350.00	1,100.00	1,200.00	1,200.00
5080-05	FICA/Medicare	3,065.96	1,516.36	2,000.00	2,000.00
5085-05	SUI	130.94	119.00	150.00	150.00
5095-05	Training/Conferences	239.30	43.32	100.00	500.00
5137-05	GASB 68 - Unfunded Liability	40,189.68	40,243.59	40,300.00	47,900.00
5370-05	Planning - Misc.	1,573.89	441.50	1,000.00	1,000.00
5423-05	Iworq	0.00	4,800.00	4,800.00	2,800.00
5425-05	IT Support	399.00	231.00	500.00	500.00
5920-05	Legal Advertising	4,095.73	4,375.77	6,000.00	4,000.00
5925-05	Liability Premium	3,735.96	3,818.65	3,850.00	4,000.00
5945-05	Planning Phones	496.47	406.84	500.00	500.00
5965-05	Workers Comp Premium	5,226.86	9,209.26	9,200.00	9,400.00
5970-05	Equipment Purchase	0.00	65.00	100.00	1,000.00
	<b>SUB TOTAL PLANNING</b>	<b>356,944.29</b>	<b>223,211.10</b>	<b>261,950.00</b>	<b>274,500.00</b>
<b>BUILDING</b>					
5319-06	Building Inspection Fees	0.00			181,250.00
5320-06	Plan Check Fees	4,796.73	22,405.54	35,000.00	16,200.00
	<b>SUB TOTAL BUILDING</b>	<b>4,796.73</b>	<b>22,405.54</b>	<b>35,000.00</b>	<b>197,450.00</b>

Proposed City FY 20-21  
Expenditures

ACCOUNT NUMBER	Description	Actual Expenses FY 18-19	Actual Expenses thru 5/31/20 FY 19-20	Adopted Amend #3 Budget FY 19-20	Proposed Budget FY 20-21
<b>PUBLIC SAFETY</b>					
5020-08	Regional Crime Analyst - PRVNT	3,000.00		3,000.00	3,000.00
5020-08	Contract Services - Code Enforcement	9,360.00		0.00	0.00
5025-08	Dues and Subscriptions	1,043.00	1,678.00	1,700.00	2,000.00
5030-08	Auto Allowance	100.75	137.89	300.00	0.00
5040-08	Salaries	1,286,708.35	1,198,799.49	1,359,500.00	1,452,700.00
5041-08	Workers Comp Wages 4850	0.00	21,062.29	0.00	0.00
5042-08	Cash Outs - PTO Accruals	216,981.71	176,099.64	266,000.00	190,000.00
5043-08	Holiday Paid	7,027.24	3,721.91	10,000.00	10,000.00
5055-08	Overtime Paid	7,057.31	5,886.43	10,000.00	10,000.00
5060-08	Long Term Disability	3,342.00	2,922.47	3,200.00	3,300.00
5065-08	Dental	18,664.27	16,375.23	18,100.00	18,100.00
5066-08	Vision	2,933.71	2,564.47	2,900.00	2,900.00
5067-08	Life Insurance	2,130.84	1,926.27	2,100.00	2,500.00
5070-08	Health Benefits	202,579.20	185,697.60	205,800.00	221,600.00
5072-08	Health Benefits - Police Retirees	40,423.18	38,872.71	42,900.00	42,700.00
5073-08	Pers Retirement EE	114,872.80	99,039.15	100,000.00	47,400.00
5075-08	Pers Retirement	245,267.71	229,168.79	325,000.00	414,000.00
5077-08	Pers Replacement Benefit - Klein	8,714.85	8,591.91	9,000.00	7,000.00
5078-08	PERS Survivor Benefits	1,335.00		420.00	700.00
5079-08	Deferred Comp	15,050.00	12,878.45	15,600.00	13,800.00
5080-08	FICA/Medicare	26,305.09	22,945.14	28,000.00	28,000.00
5085-08	SUI	1,887.27	1,665.99	2,000.00	2,000.00
5095-08	Training/Conferences	6,797.00	6,096.81	6,100.00	5,000.00
5096-08	Post Training - Reimbursable	0.00		0.00	1,000.00
5130-08	Contingency Funds	0.00		0.00	0.00
5137-08	GASB 68 - Unfunded Liability	123,542.00	123,476.50	123,500.00	154,000.00
5425-08	IT Support	0.00	46,941.00	45,000.00	40,000.00
5710-08	Animal Regulation Services	2,480.00	2,720.00	3,500.00	3,000.00
5715-08	Auto Fuel	30,524.99	26,246.18	30,000.00	30,000.00
5720-08	Auto Maintenance - Police Vehicles	32,908.55	28,038.96	30,000.00	25,000.00
5721-08	Auto Detailing - Car Washes	2,150.99	2,801.00	3,000.00	2,500.00
5725-08	Criminal Justice & CLETS Systems	44,906.84	26,699.19	27,000.00	35,000.00
5727-08	911 Center - Dispatch Services	38,461.00		45,600.00	43,800.00
5740-08	Employment Screening	6,563.00		0.00	0.00
5745-08	Equipment Purchase	12,402.34	907.14	7,500.00	15,000.00
5746-08	Range Fees & Supplies	5,152.96	5,803.08	5,900.00	5,000.00
5747-08	SRU Annual Contribution	5,000.00	5,000.00	5,000.00	5,000.00
5760-08	Booking Fees	1,238.37		2,000.00	2,000.00
5765-08	Reserve Salaries	49,346.53	62,365.12	75,000.00	75,000.00
5770-08	Computer Equipment/Software	144.25	10,441.89	11,000.00	10,000.00
5785-08	Police Supplies	11,027.28	5,688.00	10,000.00	5,000.00
5794-08	Special Skills	1,200.00	1,100.00	1,200.00	1,200.00
5795-08	Uniform Allowance/Purchase	15,215.48	10,880.39	13,000.00	13,000.00
5796-08	Education Benefit	44,726.19	47,151.46	55,800.00	70,400.00
5797-08	Arrest/Investigations/Live Scan Fees	2,511.34	3,148.87	5,000.00	4,000.00
5798-08	Tracnet/IBM Server Maintenance	28,926.34	11,878.26	17,000.00	13,000.00
5884-08	Security - Locker Room	482.04	482.04	600.00	600.00
5908-08	Liability Claims	15,464.80	7,087.89	10,000.00	0.00
5925-08	Liability Premium	32,378.20	65,313.31	65,350.00	70,000.00
5929-08	Locker Room Rental Payments	2,518.80	2,912.25	3,200.00	3,200.00
5930-08	Miscellaneous Expense	3,637.47	5,800.00	5,500.00	0.00
5934-08	NGEN Radio System Maintenance	8,998.64	9,267.72	9,000.00	9,500.00
5935-08	NGEN Radio System Infrastructure	6,164.00		7,000.00	7,000.00
5945-08	Police Phones	11,731.65	10,984.46	13,000.00	13,000.00
5965-08	Worker's Comp Premium	150,672.71	223,708.17	223,800.00	225,000.00
5985-08	Exercise Program	3,240.00	3,240.00	3,600.00	3,600.00
5997-08	Nighthawk In Car Wifi				3,500.00
5998-08	Police Internet	3,221.90	4,064.58	4,500.00	3,500.00
6120-08	Disaster Supplies - EOC	611.64		1,000.00	1,000.00
6123-08	EOC Expenses - CSUMB	5,000.00		5,000.00	5,000.00
6618-08	Motorola Radio Lease - Principal	0.00	26,605.42	26,700.00	28,050.00
6619-08	Motorola Radio Lease - Interest	0.00	7,914.93	8,000.00	6,500.00
<b>SUB TOTAL PUBLIC SAFETY</b>		<b>2,924,131.58</b>	<b>2,824,798.45</b>	<b>3,313,870.00</b>	<b>3,409,050.00</b>

Proposed City FY 20-21  
Expenditures

ACCOUNT NUMBER	Description	Actual Expenses FY 18-19	Actual Expenses thru 5/31/20 FY 19-20	Adopted Amend #3 Budget FY 19-20	Proposed Budget FY 20-21
<b>FIRE DEPARTMENT</b>					
5750-09	Fire Contract	288,880.00	298,990.00	299,000.00	308,000.00
<b>SUB TOTAL FIRE DEPARTMENT</b>		<b>288,880.00</b>	<b>298,990.00</b>	<b>299,000.00</b>	<b>308,000.00</b>
<b>PUBLIC WORKS</b>					
5020-11	Contract Services - Polaris	2,060.00	507.50	13,000.00	13,000.00
5020-11	Harris - Storm Water	55,063.50	12,590.00	45,000.00	20,000.00
5020-11	Harris - Engineering	0.00	89,663.50	170,000.00	195,000.00
5020-11	Pavement Management (Meas X)				30,000.00
5025-11	Dues and Publications	342.00	570.00	600.00	600.00
5027-11	Permits & Licenses	3,871.50	2,847.00	4,000.00	4,000.00
5028-11	Pest Control	730.00	780.00	800.00	800.00
5040-11	Salaries	215,953.53	203,011.27	221,500.00	229,900.00
5042-11	Cash Outs - PTO Accruals	3,240.37		2,000.00	4,000.00
5055-11	Overtime Paid	1,081.36	1,191.72	2,000.00	1,000.00
5060-11	Long Term Disability	1,780.68	1,632.29	1,800.00	1,800.00
5065-11	Dental	5,477.04	4,713.50	5,500.00	4,600.00
5066-11	Vision	838.68	732.99	900.00	800.00
5067-11	Life Insurance	486.00	445.50	500.00	600.00
5070-11	Health Benefits	56,875.40	49,589.70	57,000.00	50,700.00
5073-11	Pers Retirement EE	17,801.35	15,243.17	16,400.00	16,500.00
5075-11	Pers Retirement	27,901.52	25,658.27	32,400.00	36,800.00
5078-11	PERS Survivor Benefits	340.80		105.00	170.00
5079-11	Deferred Comp	2,400.00	2,350.00	2,400.00	2,400.00
5080-11	FICA/Medicare	3,769.61	3,546.39	4,000.00	4,000.00
5085-11	CA SUI	356.99	357.00	400.00	400.00
5095-11	Training/Conferences	524.92	511.03	1,000.00	1,000.00
5137-11	GASB 68 - Unfunded Liability	53,167.03	52,443.44	52,500.00	61,700.00
5423-11	Iworq	0.00	6,800.00	6,800.00	6,800.00
5425-11	IT Support	840.00	798.00	1,000.00	1,000.00
5720-11	Auto Maintenance - P/W Vehicles	10,858.76	1,337.59	7,000.00	7,500.00
5795-11	PW Uniform Maintenance/Purchase	2,440.53	1,396.63	2,500.00	2,500.00
5820-11	Interceptor Vault Maintenance	8,800.00	4,400.00	4,400.00	8,800.00
5845-11	Hope Program	60,030.68	45,681.93	45,700.00	76,300.00
5855-11	Street Lighting	10,703.83	7,668.27	10,000.00	10,000.00
5860-11	Street Work/Sidewalk Maintenance	4,813.51	1,648.20	7,000.00	7,500.00
5860-11	3-Year Sediment Removal				37,000.00
5861-11	Adopt A Highway	3,540.00	2,655.00	3,600.00	3,600.00
5865-11	Flags/Banners	6,730.22	907.80	6,500.00	6,500.00
5884-11	PW Trailer Security	1,019.40	796.97	1,300.00	1,300.00
5885-11	PW Supplies	3,473.13	4,535.32	5,000.00	5,000.00
5888-11	Equipment Rental	1,288.00	807.60	3,500.00	1,500.00
5889-11	Mtry 1 Water - Stormwater/Trash Amenc	19,061.95	23,015.81	23,500.00	23,500.00
5898-11	Street Signs	3,994.92	1,111.84	3,500.00	2,500.00
5925-11	Liability Premium	7,471.90	7,925.50	7,950.00	8,000.00
5935-11	Equipment Maintenance	792.93	95.28	1,500.00	1,000.00
5936-11	Storage/Engineer Files	0.00	1,826.69	2,000.00	2,700.00
5945-11	P/W Phones	4,147.32	2,825.82	3,500.00	3,500.00
5961-11	Refuse Fees	7,090.14	5,277.64	8,000.00	7,000.00
5963-11	Irrigation/Landscaping	139.83	1,439.68	2,500.00	2,000.00
5965-11	Worker's Comp Premium	113,631.62	113,580.82	113,600.00	115,000.00
5970-11	Equipment Purchase	5,706.63	2,681.51	6,000.00	5,000.00
5985-11	Exercise	1,180.00	1,320.00	1,500.00	1,500.00
5998-11	Internet	1,051.30	1,230.41	1,300.00	1,300.00
6620-11	Street Sweeper Lease - Principal	16,165.31	40,503.08	40,500.00	0.00
6621-11	Street Sweeper Lease - Interest	2,100.85	3,366.07	3,400.00	0.00
<b>SUB TOTAL PUBLIC WORKS</b>		<b>751,135.04</b>	<b>754,017.73</b>	<b>956,855.00</b>	<b>1,028,070.00</b>

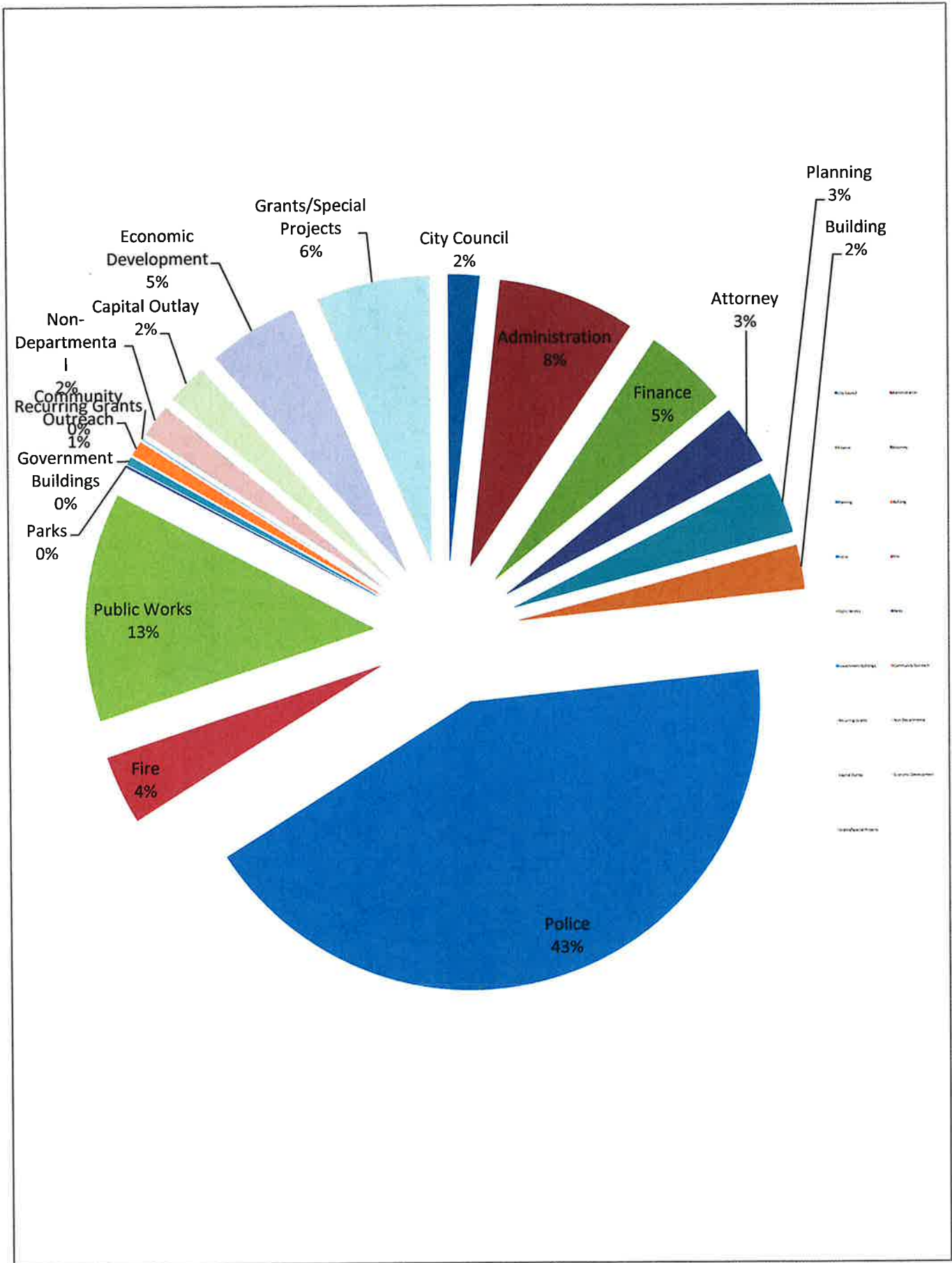
Proposed City FY 20-21  
Expenditures

ACCOUNT NUMBER	Description	Actual Expenses FY 18-19	Actual Expenses thru 5/31/20 FY 19-20	Adopted Amend #3 Budget FY 19-20	Proposed Budget FY 20-21
<b>PARKS</b>					
5020-12	Contract Services	2,700.00	11,629.04	11,700.00	0.00
5122-12	Beach Clean Up	561.08	303.23	300.00	500.00
5630-12	Parks Maintenance	0.00		1,500.00	0.00
5881-12	Parks Supplies	8,024.70	2,158.61	4,000.00	5,000.00
5935-12	Parks Equip. Maintenance	0.00	417.31	1,000.00	1,000.00
5970-12	Parks Equip. Purchase	264.25	126.64	3,000.00	2,500.00
	<b>SUB TOTAL PARKS</b>	<b>11,550.03</b>	<b>14,634.83</b>	<b>21,500.00</b>	<b>9,000.00</b>
<b>GOVERNMENT BUILDINGS &amp; FACILITIES</b>					
5884-15	Security	1,938.52	1,983.79	2,200.00	2,200.00
5915-15	Fire/Bldg/Auto Insurance	17,259.00	18,442.62	18,500.00	20,000.00
5940-15	Government Building Supplies	99.15	1,308.79	2,000.00	0.00
6020-15	Maintenance & Repair	12,082.88	10,430.90	15,000.00	12,000.00
	<b>SUB TOTAL GOVERNMENT BUILDINGS</b>	<b>31,379.55</b>	<b>32,166.10</b>	<b>37,700.00</b>	<b>34,200.00</b>
<b>COMMUNITY OUTREACH</b>					
5004-18	West End Celebration	94,608.72	91,160.33	90,000.00	25,000.00
5873-18	Bike Trail Electric	3,299.20	2,871.04	3,500.00	3,500.00
5905-18	City Events	35,783.30	17,813.96	20,000.00	20,000.00
5920-18	Advertising -" Coop "-Newspaper	13,988.00	11,836.00	14,000.00	14,000.00
6020-18	Maint - Bike Trails/Community Garden	23,756.65	4,274.31	7,000.00	5,000.00
	<b>SUB TOTAL COMM. OUTREACH</b>	<b>171,435.87</b>	<b>127,955.64</b>	<b>134,500.00</b>	<b>67,500.00</b>
<b>GRANTS</b>					
5733-00	Recycling Grant	5,000.00	5,000.00	5,000.00	5,000.00
5736-08	Bulletproof Vest Grant	2,657.56	559.88	1,000.00	2,200.00
6362-00	CSA 74 EMS Grant	7,390.41	1,777.15	2,500.00	2,500.00
	<b>SUB TOTAL</b>	<b>15,047.97</b>	<b>7,337.03</b>	<b>8,500.00</b>	<b>9,700.00</b>
	<b>SUB TOTAL FOR RECURRING</b>	<b>6,159,732.28</b>	<b>5,913,319.34</b>	<b>6,893,310.00</b>	<b>6,875,700.00</b>

Proposed City FY 20-21  
Expenditures

ACCOUNT NUMBER	Description	Actual Expenses FY 18-19	Actual Expenses thru 5/31/20 FY 19-20	Adopted Amend #3 Budget FY 19-20	Proposed Budget FY 20-21
<b>ECONOMIC DEVELOPMENT</b>					
6394-18	Public Art Program (held over 19-20)			50,000.00	50,000.00
6420-00	S of Tioga Reimbursable Expense		194,407.17	200,000.00	125,000.00
6421-00	S of Tioga Plan Check Fees				81,800.00
6422-00	S of Tioga Building Inspections				146,800.00
<b>SUB TOTAL ECONOMIC DEVELOPMENT</b>		<b>0.00</b>	<b>194,407.17</b>	<b>250,000.00</b>	<b>403,600.00</b>
<b>SPECIAL PROJECTS</b>					
5020-05	EMC - Parking Study		15,692.31	18,500.00	18,500.00
5020-12	TAMC Right of Way Tree Service			12,000.00	0.00
<b>SUB TOTAL SPECIAL PROJECTS</b>		<b>0.00</b>	<b>15,692.31</b>	<b>30,500.00</b>	<b>18,500.00</b>
<b>GRANTS</b>					
5010-12	Calabrese Park CDBG Grant	6,778.00	7,362.50	60,000.00	30,000.00
5010-12	Prop 68 Calbrese Park	6,210.00		0.00	0.00
5010-20	West End/Contra Costa Prop 1 SW		400.00	20,000.00	240,000.00
5010-20	West End/Catalina IRWM		16,311.50	20,000.00	110,000.00
6393-00	CalTrans Sustainable Grant/Matching		6,552.77	6,300.00	12,900.00
6393-00	CalTrans Sustainable Grant/Reimb		25,883.86	48,690.00	99,200.00
5732-00	FEMA Grant/Bay Street	10,986.00	4,087.50	125,000.00	0.00
<b>SUBTOTAL GRANTS</b>		<b>23,974.00</b>	<b>60,598.13</b>	<b>279,990.00</b>	<b>492,100.00</b>
<b>TOTAL SPECIAL PROJECTS/GRANTS</b>		<b>23,974.00</b>	<b>270,697.61</b>	<b>560,490.00</b>	<b>914,200.00</b>
<b>GRAND TOTAL OPERATING EXPENSES</b>		<b>6,183,706.28</b>	<b>6,184,016.95</b>	<b>7,453,800.00</b>	<b>7,789,900.00</b>
<b>CAPITAL OUTLAY</b>					
5010-02	ECS Imaging - Laserfiche Software			0.00	0.00
5010-00	Exchange Server/Installation			0.00	17,000.00
5010-11	Street Sweeper			0.00	50,000.00
5010-00	City Hall Electrical (19-20 CIP)			0.00	100,000.00
5010-20	Desal Wells CIP		18,502.50	20,000.00	20,000.00
5010-00	Firewall - City Hall		8,372.05	8,400.00	0.00
5010-08	Firewall - Police		8,372.05	8,400.00	0.00
<b>SUBTOTAL CAPITAL OUTLAY</b>		<b>0.00</b>	<b>35,246.60</b>	<b>36,800.00</b>	<b>187,000.00</b>
<b>GRAND TOTAL EXPENSES</b>		<b>6,183,706.28</b>	<b>6,219,263.55</b>	<b>7,490,600.00</b>	<b>7,976,900.00</b>

# FY 2020-2021 Proposed Expenses



## Budget Summary City Expenditures

Description	Actuals FY 18-19	FY 19-20 Actuals thru 5/31/20	Adopted Amend #3 Budget FY 19-20	Proposed Budget FY 20-21
<b>RECURRING EXPENSES</b>				
City Council	167,084.00	121,608.96	137,320.00	138,820.00
Administration	654,540.81	643,243.14	691,160.00	606,850.00
Finance	476,035.81	470,136.86	539,955.00	375,460.00
Attorney	180,180.95	249,263.66	291,700.00	265,500.00
Planning	356,944.29	223,211.10	261,950.00	274,500.00
Building	4,796.73	22,405.54	35,000.00	197,450.00
Police	2,924,131.58	2,824,798.45	3,313,870.00	3,409,050.00
Fire	288,880.00	298,990.00	299,000.00	308,000.00
Public Works	751,135.04	754,017.73	956,855.00	1,028,070.00
Parks	11,550.03	14,634.83	21,500.00	9,000.00
Government Buildings	31,379.55	32,166.10	37,700.00	34,200.00
Community Outreach	171,435.87	127,955.64	134,500.00	67,500.00
Recurring Grants	15,047.97	7,337.03	8,500.00	9,700.00
Non-Departmental	126,589.65	123,550.30	164,300.00	151,600.00
<b>SUBTOTAL FOR RECURRING EXPENSES</b>	<b>6,159,732.28</b>	<b>5,913,319.34</b>	<b>6,893,310.00</b>	<b>6,875,700.00</b>
<b>OTHER EXPENSES</b>				
Capital Outlay	0.00	35,246.60	36,800.00	187,000.00
Economic Development	0.00	194,407.17	250,000.00	403,600.00
Grants/Special Projects	23,974.00	76,290.44	310,490.00	510,600.00
<b>SUBTOTAL OTHER EXPENSES</b>	<b>23,974.00</b>	<b>305,944.21</b>	<b>597,290.00</b>	<b>1,101,200.00</b>
<b>TOTAL EXPENSES</b>	<b>6,183,706.28</b>	<b>6,219,263.55</b>	<b>7,490,600.00</b>	<b>7,976,900.00</b>



**CITY SUMMARY**

Description	Actuals FY 18-19	FY 19-20 Actuals thru 5/31/20	Adopted Amend #3 Budget FY 19-20	Proposed Budget FY 20-21
<b>Total City Revenues</b>	<b>7,835,863.10</b>	<b>5,475,799.34</b>	<b>7,693,725.00</b>	<b>8,246,020.00</b>
<b>Total City Expenditures</b>	<b>6,183,706.28</b>	<b>6,219,263.55</b>	<b>7,490,600.00</b>	<b>7,976,900.00</b>
<b>DIFFERENCE</b>	<b>1,652,156.82</b>	<b>-743,464.21</b>	<b>203,125.00</b>	<b>269,120.00</b>
Revenues for Recurring Operations	7,835,863.10	5,328,498.37	7,371,825.00	7,336,020.00
Expenditures for Recurring Oper	6,159,732.28	5,913,319.34	6,893,310.00	6,875,700.00
<b>SUB TOTAL</b>	<b>1,676,130.82</b>	<b>-584,820.97</b>	<b>478,515.00</b>	<b>460,320.00</b>
Special Project Revenues	0.00	147,300.97	321,900.00	910,000.00
Special Expenditures	23,974.00	305,944.21	597,290.00	1,101,200.00
<b>SUB TOTAL</b>	<b>-23,974.00</b>	<b>-158,643.24</b>	<b>-275,390.00</b>	<b>-191,200.00</b>

**AGENDA ITEM**

**9A (2)**



# City of Sand City

Agenda Item  9A(2)
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## Staff Report

**TO:** Honorable Mayor and City Council Members  
**FROM:** Aaron Blair, City Manager  
**DATE:** June 8, 2020  
**SUBJECT:** Establishing an Appropriations Limit for Fiscal Year 2020-2021

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### Discussion:

Article XIII B of the California Constitution provides that the total annual appropriations subject to limitations of each governmental entity, including this City, shall not exceed the appropriations limit of such entity of government for the prior year adjusted for changes in population and inflation mandated by Proposition 4 (1979) and Proposition 111 (1990), except as otherwise provided in said Article XIII B and implementing state statutes. Pursuant to Article XIII B of the California Constitution, and Section 7900 et seq. of the California Government Code, the City is required to calculate and set its appropriations limit for each fiscal year.

Based on such calculations the City had determined said appropriations limit and pursuant to Section 7910 of the California Government Code has made available to the public the documentation used in the determination of the appropriations limit. An appropriations limit of \$13,933,653 was calculated and established for Fiscal Year 2019-2020, and a new appropriations limit for Fiscal Year 2020-2021 has been calculated as \$14,527,226 illustrated on Exhibit A, attached hereto and incorporated herein by this reference, using the inflation factor and population increase factor allowed by state law.

**CEQA:** This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

### Fiscal Impact:

There is no direct fiscal impact that would result from adopting the proposed annual Appropriations Limit.

### Recommendation:

Staff recommends the adoption of the proposed appropriations limit for Fiscal Year 2020-2021 shall be and is hereby established in the amount of \$14,527,226.

**CITY OF SAND CITY**

**RESOLUTION SC \_\_\_\_\_, 2020**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAND CITY  
ESTABLISHING AN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2020-2021  
PURSUANT TO ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION**

**WHEREAS**, Article XIII B of the California Constitution provides that the total annual appropriations subject to limitations of each governmental entity, including this City, shall not exceed the appropriations limit of such entity of government for the prior year adjusted for changes in population and inflation mandated by Proposition 4 (1979) and Proposition 111 (1990), except as otherwise provided in said Article XIII B and implementing state statutes; and

**WHEREAS**, pursuant to Article XIII B of the California Constitution, and Section 7900 et seq. of the California Government Code, the City is required to calculate and set its appropriations limit for each fiscal year; and

**WHEREAS**, based on such calculations the City had determined said appropriations limit and pursuant to Section 7910 of the California Government Code has made available to the public the documentation used in the determination of the appropriations limit; and

**WHEREAS**, an appropriations limit of \$13,933,653 was calculated and established for Fiscal Year 2019-2020, and a new appropriations limit for Fiscal Year 2020-2021 has been calculated as \$14,527,226 illustrated on Exhibit A, attached hereto and incorporated herein by this reference, using the inflation factor and population increase factor allowed by state law.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of Sand City that the appropriations limit for Fiscal Year 2020-2021 shall be and is hereby established in the amount of \$14,527,226.

**PASSED AND ADOPTED**, at a regular meeting of the City Council of the City of Sand City, this 16<sup>th</sup>, day of June, 2020 by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

\_\_\_\_\_  
Mary Ann Carbone, Mayor

ATTEST:

\_\_\_\_\_  
Connie Horca, Acting City Clerk

**EXHIBIT A**  
**CITY OF SAND CITY**  
**APPROPRIATIONS LIMIT CALCULATION**  
**FISCAL YEAR 2020-2021**

A. LAST YEAR'S LIMIT		\$13,933,653
B. ADJUSTMENT FACTORS		
1. Sand City Population Growth Ratio =	$\frac{.52 + 100}{100}$	= 1.0052
2. Inflation Ratio (Per Capita Income) =	$\frac{3.73 + 100}{100}$	= 1.0373
C. Annual Ratio (increase) =	1.0052 x 1.0373	= 1.0426
D. THIS YEAR'S LIMIT (FY 2020-2021)		
(\$13,933,653 X 1.0426 =		\$14,527,226)



May 2020

Dear Fiscal Officer:

**Subject: Price Factor and Population Information**

**Appropriations Limit**

California Revenue and Taxation Code section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2020, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2020-21. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2020-21 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

**Population Percent Change for Special Districts**

Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The code section and the California Constitution can be accessed at the following website: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

**Population Certification**

The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2020.**

**Please Note:** The prior year's city population estimates may be revised. The per capita personal income change is based on historical data. Given the stay-at-home orders due to COVID-19, growth in the coming years may be substantially lower than recent trends.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

/s/ Keely Martin Bosler

KEELY MARTIN BOSLER  
Director

Attachment

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2020-21 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2020-21	3.73

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2020-21 appropriation limit.

**2020-21:**

Per Capita Cost of Living Change = 3.73 percent  
 Population Change = 0.22 percent

Per Capita Cost of Living converted to a ratio:  $\frac{3.73 + 100}{100} = 1.0373$

Population converted to a ratio:  $\frac{0.22 + 100}{100} = 1.0022$

Calculation of factor for FY 2020-21:  $1.0373 \times 1.0022 = 1.0396$

Fiscal Year 2020-21

**Attachment B**  
**Annual Percent Change in Population Minus Exclusions\***  
**January 1, 2019 to January 1, 2020 and Total Population, January 1, 2019**

<b>County City</b>	<b>Percent Change 2019-2020</b>	<b>--- Population Minus Exclusions ---</b>		<b>Total</b>
		<b>1-1-19</b>	<b>1-1-20</b>	<b>Population 1-1-2020</b>
Monterey				
Carmel-By-The-Sea	0.25	3,939	3,949	3,949
Del Rey Oaks	-0.72	1,674	1,662	1,662
Gonzales	-0.70	8,566	8,506	8,506
Greenfield	0.97	18,109	18,284	18,284
King City	1.77	14,540	14,797	14,797
Marina	-1.62	22,688	22,321	22,321
Monterey	-1.45	24,554	24,199	28,170
Pacific Grove	-0.62	15,360	15,265	15,265
Salinas	-0.08	162,353	162,222	162,222
Sand City	0.52	383	385	385
Seaside	-2.10	29,964	29,335	33,537
Soledad	0.36	17,128	17,190	25,301
Unincorporated	-0.15	106,396	106,234	106,744
County Total	-0.31	425,654	424,349	441,143

\*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.



**AGENDA ITEM**

**9B**

**CITY OF SAND CITY**

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**STAFF REPORT**

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**MAY 26, 2020**  
**(For City Council Review on June 16 , 2020)**

**TO: Mayor and City Council**

**FROM: Charles Pooler, City Planner**

**SUBJECT: Greenwaste Recovery Franchise Rate Review**

**BACKGROUND**

HF&H Consultants, LLC (“HF&H”) has performed a review of Greenwaste Recovery’s (“GWR”) service rates on behalf of the Peninsula cities, including Sand City. As a service through the Monterey Regional Waste Management District (“MPWMD”), for which the City agreed to participate, HF&F Consultants performs annual performance reviews of GWR and of GWR’s rate change requests. The rate review was initially initiated by a couple of Peninsula cities, which eventually lead to a request by GWR to do a comprehensive Cost Base Rate Adjustment (CRBA) for all their Peninsula service cities. GWR and member cities are entitled to request such a review as a term of their franchise agreement.

**DISCUSSION**

**Rate Adjustments:**

The review analysis of GWR’s rates and revenues (see Exhibit A) suggest that revenues have exceeded service expenses for Sand City in an amount of \$145,467 for FY 2019-20 (Period 5) and are estimated (under the current rates) to exceed operational service costs to Sand City by \$109,047 for FY 2020-21 (Period 6). To offset these excess revenue, the rates would have to be lowered by 28.70% for Period 5 and 21.51% for Period 6 (again, this is based on the current rate schedule and operation expenses). In 2016, there was an 11.8% increase evenly distributed between residential, commercial, and commercial roll-off rates to compensate for inflationary factors and increased waste volumes. In 2017, there was a 0.6% increase to compensate for inflation and the District’s tipping fee increase. There were no rate increases authorized by the City or implemented by GWR for 2018 or 2019.

In April, the City Planner and City Manager met with HF&H and GWR representatives to discuss the analysis, options, and a potential course of action. City staff expressed their preference to hold rates as they are and use the excess revenue to offset future rate increase as operational costs are only anticipated to only increase over time. HF&H’s review conclusion concurs with this position. It should be noted that other Peninsula communities will be looking at either substantial rate increases due to revenue shortfalls or to reduce/cut specific services for their communities in offsetting operational expenses.

With ever increasing directives from the State to meet diversion rate mandates and greenhouse gas reduction goals, there is only going to be an increased need of additional waste collection services to meet those mandates. Organic collection is already a requirement for certain commercial operations; and there are discussions for required residential food waste collection in the future. Therefore, using the excess revenue to offset future expenses and subsidize future operational expense increases is logical in minimizing long-term financial impact to the residential and commercial communities. Furthermore, to lower rates now and then to only increase them again in the near future will confuse and probably agitate the general public. As that revenue surplus is eventually reduced over time, the City Council may want to consider smaller rate increases in future years that minimize rate hikes and extends the life of the surplus subsidy.

The Monterey Regional Waste Management District - MRWMD (the "District") is currently considering budget cuts and rate increases at the Marina landfill facility. Going before the District board will be a proposal to increase the disposal fee by 5% and increase the MRF (material recovery facility) processing fee by \$5.00 per ton on single stream recycling. The purpose of those increases is to 1) catch up on 2-years of inflation costs, 2) keep pace with on-going regulatory mandates, 3) reflect actual expenses for running the MRF, and 4) help offset anticipated revenue shortfalls due to the Covid-19 situation. These increases are estimated to impact the seven jurisdictions franchised with GWR by 4.4%. The monthly billing impact to Sand City is estimated to be a \$0.65 increase for residential service, \$3.05 increase to commercial 1-cubic yard per week service, and a \$0.52 increase for commercial organic 65 gallon container service. District fees account for about 19% of the overall solid waste system costs, with city/agency fees accounting for 14% and the remaining 67% cost for collection services. Despite these proposed increases, the average rate for the District remains lower than most other northern California communities (source: MRWMD TAC meeting PowerPoint presentation). These District fee increases will have an impact upon GWR rates in Sand City, which justifies maintaining rates as they are to compensate for upcoming and future rate increases.

#### Agreement Amendment:

An amendment of the franchise agreement will be necessary to address new state laws in regard to Senate Bill (SB) 1383 and organic recycling. These amendments are still being reviewed and negotiated between GWR and HF&H Consultants (representing the 7 Peninsula cities and District); however, compliance with those requirements will increase operational costs to GWR. Therefore, utilizing the revenue surplus will enable the City to maintain the current rates for some time while compensating for those additional operational expenses. The franchise agreement amendments will be presented to the City Council at a future time for discussion and action.

#### Meeting Diversion Goals/Mandates:

An important component of operational expense and customer rates is GWR's effort in getting the City's waste diversion rate to meet and exceed state mandated levels. Sand City, along with other Peninsula cities, are having difficulties of late in maintaining or increasing diversion rates. A large factor of this is due to contamination of material loads collected by GWR and taken to the District's facility in Marina. Though Sand City has been doing an exceptional job in getting multi-family recycling and organic/food waste collection

programs implemented in compliance with state regulations, the City and GWR need to further work with residents and businesses to do a better job to reduce contamination and increase recycling participation. If a high enough content of non-recyclable materials are in the recycle bin when collected by GWR, even if at just a few pick-up points along a collection route, then the entire truck load could end up being considered 'contaminated' and rejected and directed straight to the landfill. Once contamination of a truck load exceeds a certain level, that load is no longer considered diverted, but as landfill waste negatively impacting the City's overall diversion rate. .

Addressing the issues of contamination and greater recycling participation by the public will require increased public outreach and education, and increased labor to deduce source/location of contamination and implement necessary communication, education, and potential enforcement; which will increase operational expenses. It should be noted that Sand City's municipal facilities (City Hall and Public Works) have been achieving good to high diversion percentages (as measured by GWR collection data); ranging from 57% to 73% over the past twelve months (Source: HF&H's analysis of GWR's 2019 2<sup>nd</sup> quarter report).

It must be understood that the diversion percentages stated in GWR's Quarterly and Annual Reports are not the City's overall diversion rate reported to Cal-Recycle; but only reflects those diversion tonnages/percentages captured by GWR. Diversion captured and recorded at the District's facility from other sources (i.e. self-hauling residents, businesses, contractors, etc.) are added to GWR's numbers to determine the City's overall diversion rate that is reported to Cal-Recycle annually. Furthermore, it should be noted that Cal-Recycle is far more satisfied with GWR's reporting and data availability than compared to the City's previous hauler Waste Management.

#### CEQA:

Action by the City Council to establish, modify, and/or approve garbage collection rates is Statutorily exempt from CEQA (California Environmental Quality Act) per CEQA Guideline section 15237(a), nor does such action qualify as a Project per CEQA Guideline section 15378; and therefore, such action is not subject to CEQA.

#### Fiscal Impact:

In accordance with Article 7 of the franchise agreement between the City and GWR, the City receives ten percent (10%) of gross receipts on a quarterly basis for all services performed per the franchise agreement. This fee is to cover the City's franchise agreement administrative expenses. Franchise fee revenues each quarter will continue to vary depending upon customer demand for services, but will not be effected by maintaining the current rates.

### **CONCLUSION**

Due to state mandates for additional waste collection services and reporting in meeting law requirements on waste diversion and greenhouse gas reduction, in addition to the typical annual cost price index (CPI) increases (for both equipment and labor) and increasing maintenance expenses on vehicles/equipment as those age, operational expenses will only increase and trickle down to the customer rates. Therefore, it is both conservative and

logical to use those existing revenue surpluses to subsidize inevitable expense increases for as long as possible to stabilize rates and minimize potential future financial impact to Sand City residents and businesses. As that revenue surplus is eventually reduced over time, the City Council may want to consider smaller rate increases in future years that minimize rate hikes and extend the life of the surplus subsidy.

### **RECOMMENDATION**

Staff recommends the City Council approve the Resolution to maintain the current maximum service rates and implement no rate changes until the revenue surplus credit from FY 2019-20 thereafter are expended.

### **EXHIBITS:**

- A. HF&H Consultants Correspondence (dated 05/26/20) with fiscal analysis of City rates and GWR operational expenses.
- B. Franchise Agreement Exhibit E, E.1 and E.2 regarding rate adjustment methodology (referenced in HF&H correspondence).

### **ATTACHMENT:**

- 1. Draft resolution to maintain current maximum service rates for collection of franchised solid waste, recycling, and organics for fiscal Year 2020-2021 and that revenue surpluses be used against rate increases in future years.

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Walnut Creek, California 94596  
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Robert D. Hilton, Emeritus  
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Laith B. Ezzet, CMC  
Richard J. Simonson, CMC  
Marva M. Sheehan, CPA  
Robert C. Hilton, CMC

May 28, 2020

Mr. Charles Pooler  
City Planner  
City of Sand City

*Sent via E-mail*

**Subject: Review of GreenWaste Recovery's 2020/21 Rate Request**

*Reference Number: S5051*

Dear Mr. Pooler:

HF&H Consultants, LLC (HF&H) was retained by the City to assist with a review of a Cost Based Rate Adjustment (CBRA) of GreenWaste Recovery (GWR) intended to result in an adjustment to customer rates, effective July 1, 2019 (Rate Period 5). Due to delays in the submittal of the CBRA, the findings of the CBRA were to be included with the index based rate adjustment (which the Monterey Regional Waste Management District (District) has retained HF&H to perform annually) for the City of Sand City (City) with rates to be adjusted July 1, 2020 (Rate Period 6). This report presents our findings and recommendations.

## **EXECUTIVE SUMMARY**

HF&H's review of GWR's Rate Period 5 and 6 rate requests to the City and subsequent negotiations with GWR related to those rate requests result in the following outcomes:

1. A -28.70% adjustment (the result of a \$145,467 surplus in revenues) to rates as calculated in the CBRA for Rate Period 5. City staff has indicated a preliminary preference to freeze rates and use the rate reduction as an offset against future rate adjustments, until such time as that credit has been exhausted. Due to GWR's late triggering and submittal of the CBRA for Rate Period 5, HF&H recommends that the City not apply any rate adjustment to Rate Period 5 and instead make the CBRA effective with Rate Period 6 (July 1, 2020) in combination with the index based adjustment.
2. A proposed amendment to the franchise agreement. This amendment memorializes the negotiated revisions to costs and services resulting from the CBRA. The most significant elements of the amendment relate to: 1) adding staffing with GWR to support the City's compliance with AB 341, AB 1826, and SB 1383 reporting; and, 2) revising the index based rate adjustment methodology to formally correct mechanical issues in Exhibit E1.
3. A -21.51% adjustment (the result of a \$109,047 surplus in revenues) to rates for Rate Period 6 as calculated in the amended Exhibit E1 and incorporating the anticipated recycling and disposal rate adjustments at the District.

Mr. Charles Pooler

May 26, 2020

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4. A cumulative -44.04% adjustment to rates when accumulating and compounding the effects of #1 and #3 above. Or no adjustment to rates and a remaining credit of \$254,514 to be used against future rate adjustments. The table below illustrates an example of a common current rate (established for Rate Period 4) and the adjustment of that rate through Rate Periods 5 and 6.

**Figure 1 – Example Rate Impact of Adjustment**

Sand City Rate Adjustments				
	Current Rates (RP 4)	RP5	RP6	Total Change
<b>Adjustment</b>	N/A	-28.70%	-21.51%	-44.04%
<b>Residential 62-gallon rate</b>	\$ 14.68	\$ 10.47	\$ 8.22	\$ (6.47)

## BACKGROUND

In 2012, the City, participating with other members of the District, issued a competitive request for proposals for collection services and entered into the new agreement with GWR effective July 1, 2015. The agreement provides for the following, related to the adjustment of rates:

- Rates are to be adjusted annually throughout the term of the agreement, using various inflationary indices, actual tonnage, and changes in the tipping fees at the District, unless either the City or GWR request a CBRA.
- The City and GWR may mutually agree upon alternative approaches to structuring rates without amendment to the agreement (Section 8.2.D).
- On March 8, 2019 a CBRA was triggered by GWR. By this date CBRA's had been triggered for all of the District's Peninsula Cities served by GWR.
- Delays in the submittal of the cost based rate adjustment and required supporting documentation caused a delay in setting rates for FY 2019/2020 (RP5), resulting in the combining of CBRA and the scheduled index based rate adjustment effective July 1, 2020.
- The CBRA resulted in a -28.70% adjustment, details of which can be seen as Attachment A.
- During the CBRA review, a number of issues surrounding the process for setting rates and the resulting rate relationships amongst sectors and materials was identified. As such the City and GWR have negotiated an amendment to the prescribed methodology for the CBRA and index adjustments so as to not alter rate relationships between service sectors and material types.
- Through negotiations of the amendment, as a result of the desire to maintain current rate relationships between sectors and service levels, the City and GWR have prescribed a uniform rate adjustment to be applied to all sectors.

Mr. Charles Pooler

May 26, 2020

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- The results of the CBRA indicate a required -28.70% adjustment needed to adequately compensate GWR for the services provided to the City which serves as the basis on which RP6 compensation is calculated.

## **RATE CALCULATION REVIEW**

### **HF&H Scope of Work**

HF&H performed this review of the rate request in accordance with Exhibit E1 (for the index based rate adjustment). These procedures included:

1. A review of the rate request for completeness and compliance with the procedures contained in Exhibit E1 of the Agreement based on the results of the CBRA.
2. A review for mathematical accuracy and logical consistency to determine that the rate request is mathematically correct, that the rows and columns of numbers add down and across as intended, and that the stated assumptions were, in fact, used. Also, to determine that the rate request is internally consistent and that any summary schedules agree to the supporting schedules and worksheets.
3. Verification of the inclusion of the franchise fee calculation in the adjustment.
4. Verifying contract compliance with regard to:
  - A) The indices used in the adjustment;
  - B) The tip fees reported for the disposal/processing components of the rates;
  - C) The use of quarterly-reported tonnage data and allocations among agencies. A detailed audit of tonnage and allocations of tonnage reported by GWR was not a part of this scope of work. HF&H discussed GWR's allocation methodology with them and the methodology appears reasonable and consistent with standard practices within the industry.
  - D) Any changes in governmental fees on the fee component of the rates; and, the accurate application of the resultant percentage changes in the various rate components to the rate schedules approved by each agency through the franchise agreements.

### **Review of Rate Request**

#### **Rate Period 6 Application**

As part of the negotiations of revised Amendment 1, HF&H prepared the rate application for RP6 after the results of RP5 were determined. These were reviewed by GWR's controller and CFO, and were approved as being in alignment with Amendment 1. The results of the CBRA can be seen in RP5 and the resulting calculation of RP6 per methodology of Exhibit E1 of the amendment can be seen in the table below.



Mr. Charles Pooler  
 May 26, 2020  
 Page 4 of 6

**Figure 2 - Application of Index Based Adjustments to RP5**

	Rate Period Five	Adjustment Factor	Rate Period Six
<b>Annual Cost of Operations</b>			
Labor-Related Costs	\$ 49,708	1.02669	\$ 51,034
Vehicle-Related Costs	\$ 20,109	1.03155	\$ 20,743
Fuel Costs	\$ 7,425	1	\$ 7,425
Other Costs	\$ 74,448	1.03155	\$ 76,796
Direct Depreciation	\$ 22,034	N.A.	\$ 22,034
Total Allocated Costs - Labor, Vehicle, Fuel & Other	\$ 34,140	1.03155	\$ 35,217
Total Allocated Costs - Depreciation & Start-Up	\$ 4,856	N.A.	\$ 4,856
<b>Total Annual Cost of Operations</b>	\$ 212,719	N.A.	\$ 218,106
<b>Profit</b>	\$ 25,488	OR=89.30	\$ 26,134
<b>Pass-Through Costs</b>			
Disposal Costs	\$ 63,082	Tons*Tip Fee	\$ 78,070
Curbside Supplemental	\$ (1,885)	1.00	\$ (1,885)
Recycling Processing Costs	\$ -	Tons*Tip Fee	\$ 16,663
Residue Processing Costs	\$ -	Tons*Tip Fee	\$ 287
Yard Trimmings Processing Costs	\$ 390	Tons*Tip Fee	\$ 784
Food Waste Processing Costs	\$ 9,419	Tons*Tip Fee	\$ 5,959
C&D Processing Costs	\$ -	Tons*Tip Fee	\$ -
Interest Expense	\$ 6,934	N.A.	\$ 6,934
Total Allocated Costs - Lease	\$ 4,102	N.A.	\$ 4,102
<b>Total Pass-Through Costs</b>	\$ 82,042	N.A.	\$ 110,915
<b>Total Costs before Agency Fees</b>	\$ 320,249	N.A.	\$ 355,155
<b>Agency Fees/Payments</b>			
Franchise Fee	\$ 36,139	10.00%	\$ 39,781
Rate Application Review Costs	\$ 5,000	Actual	\$ 2,500
<b>Other Adjustments (as needed from time to time)</b>			
Residue Processing Costs (Back Pay for 2019-2020)	\$ -	N.A.	\$ 174
Mailer	\$ -	N.A.	\$ 199
<b>Total Calculated Costs</b>	\$ 361,388		\$ 397,809
<b>Prior Year Revenue</b>	\$ 506,856		\$ 506,856
<b>Surplus/(Shortfall)</b>	\$ 145,467		\$ 109,047
<b>Increase/Decrease</b>	<b>-28.70%</b>		<b>-21.51%</b>

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**Review of GWR Costs**

There are three major components to GWR's rate application: 1) calculation and application of the inflationary indexes as prescribed in the Agreement; 2) the disposal and/or processing component; and, 3) the Agency Fee.

There are three indexes used in the index adjustment; CPI, the fuel index, and the labor index. The annual percent change in each of the indices is used to calculate the coming years projected cost for the line items to which these indexes are applied.

HF&H has reviewed and GWR has confirmed the accuracy of each of these indexes, and notes that the fuel index remains unchanged, as reported by management staff at the District.

**Review of Disposal/Processing Component**

Calendar year 2018 collected tons were used for the Rate Period 5 review, and calendar year 2019 collected tons were used for the Rate Period 6 review in accordance with the amendment. The disposal and processing components also consider the tipping fees charged by the District in order to project anticipated disposal and processing costs at the District. At the time of this writing, District staff has presented proposed tip fee increases, which have been recommended by the District's Finance Committee and will be considered by the Board of Directors in May or June. The following table describes the changes in the City's disposal and processing costs for each material type based on the proposed tip fees at the District which have been incorporated into our RP6 review.

**Figure 3 - Impact of District Tip Fee Changes**

	2018 Tons	Current Per Ton Tip Fee	Rate Period 5 Costs	2019 Tons	Projected Per Ton Tip Fee	Rate Period 6
	A	B	A x B	C	D	C x D
Solid Waste	1,017	\$ 62.00	\$ 63,082	1,199	\$ 65.10	\$ 78,070
Recycling	417	\$ -	\$ -	417	\$ 40.00	\$ 16,663
Yard Trimmings	10	\$ 40.00	\$ 390	19	\$ 42.00	\$ 784
Food Waste	174	\$ 54.00	\$ 9,419	105	\$ 56.70	\$ 5,959
C&D*	-	\$ 54.88	\$ -	-	\$ 57.63	\$ -

\*The C&D per ton tip fee reflects an average weighted cost for multiple types of C&D materials.

**Review of Fee Component**

The final step of the rate adjustment process is to ensure that the fee component of each rate matches the contractual percentage of 10% for franchise fees remitted to the City by GWR.

**No Adjustment to Rates**

Upon completion of the review of the CBRA and index based rate adjustment HF&H has identified a surplus of \$145,467 in RP5 and a surplus of \$109,047 in RP6. As such HF&H recommends no increase to

Mr. Charles Pooler  
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current service rates, and that the total surplus of \$254,514 be held by GWR as a reserve to be used against rate increases that may be necessary in future rate years.

\* \* \* \* \*

We would like to express our appreciation to GWR staff for their assistance and cooperation in this process. Should you have any questions, please call me at 925/977-6959 or [rchilton@hfh-consultants.com](mailto:rchilton@hfh-consultants.com).

Very truly yours,  
HF&H CONSULTANTS, LLC

Rob Hilton  
President

## Attachment A

<b>Sand City RP 5 Adjusted Compensation</b>	
<b>2017-2018 Costs per Trial Balance</b>	<b>\$ 394,552</b>
<b>Labor Adjustments</b>	
CPI Adjustment	4,082
G&A Allocation	(19,541)
Vehicle Maintenance Allocation	(1,740)
Direct Labor Allocation	(6,251)
<b>Vehicle-Related Adjustments</b>	
CPI Adjustment	1,912
G&A Allocation	(129)
Vehicle Maintenance Allocation	(1,195)
Direct Cost Allocation	(1,279)
<b>Fuel Adjustments</b>	
G&A Allocation	(617)
Vehicle Maintenance Allocation	(1)
Adjustment to TB - Direct	1,095
Adjustment to TB - G&A	(33)
Adjustment to TB - Vehicle Maintenance	8
<b>Other Adjustments</b>	
CPI Adjustment	6,100
Damages/Penalties	(19)
Damages/Penalties	(65)
Donations	(39)
SCC Professional Services	(19)
G&A Allocation	(5,612)
Vehicle Maintenance Allocation	(72)
<b>Depreciation Adjustments</b>	
Direct	(14,619)
Allocated	3,992
<b>Profit Adjustments</b>	
Inclusion of Profit (before Adjustments)	29,567
Profit due to Adjustments above	(4,079)
<b>Pass-through Cost Adjustments</b>	
Disposal	(23,629)
Processing	9,809
Recycling Revenues	4,955
Interest Expense	6,934
Allocated Lease Costs	(1,120)
<b>Agency Fee Adjustments</b>	
Franchise Fee	(26,559)
Rate Application Review Costs	5,000
<b>RP 5 Forecasted Costs</b>	<b>\$ 361,388</b>
<b>Current Revenue</b>	<b>506,856</b>
<b>Surplus/(Shortfall)</b>	<b>\$ 145,467</b>
<b>Required Percentage Increase</b>	<b>-28.70%</b>

## **EXHIBIT E RATE ADJUSTMENT METHODOLOGY**

### **General**

Subject to the terms herein, the Contractor shall be entitled to an annual adjustment of all Rates. Each Rate, excluding special charges, includes an "Operating Component", "Disposal Component", "Processing Component", and "Fee Component", which are annually adjusted.

Contractor shall submit its application for a Rate adjustment to the Agency Contract Manager on or before April 1 of each Rate Period where Rates will be adjusted using the index-based methodology. Contractor shall submit its application on or before February 1 for any Rate Period where Rates will be adjusted using the cost-based methodology. Contractor's Rate application shall document all calculations and include all supporting schedules, documentation of Disposal or Processing Facility tipping fee changes, documentation of changes in Governmental Fees, and any other documentation or evidence determined by the Agency Contract Manager to be reasonably necessary to ensure that the calculation of Rate adjustments has been performed in strict conformance to the requirements of this Exhibit E.

The Agency's City Council shall make a good faith effort to approve Rates by June 1 of each year, and such Rates shall be effective on each subsequent July 1. If Rates are not effective by July 1 due to a delay caused solely by Agency, Agency shall allow Contractor to retroactively bill Customers for the amount of the Rate increase for any period of said delay that is solely caused by Agency. If Rates are not effective by July 1 as a result of Contractor's delay in submitting the Rate application in a complete and accurate form, then prior Rates remain in effect until such adjustment is made. In the case of a delayed Rate adjustment, the Contractor may bill the Customer during the next billing cycle to recoup the deferred Rate increase.

### **Definitions**

Certain terms which are specific to this Exhibit (including Exhibits E1, E2, and E3) are defined below:

1. **Agency Fees** shall mean those fees described in Article 7 of this Agreement.
2. **Annual Percentage Change** means the average value of an index for the 12-month period ending December of the then-current Rate Period minus the average index value for the 12-month period ending December of the most-recently completed Rate Period, divided by the average index value for the 12-month period ending December of the most-recently completed Rate Period. The Annual Percentage Change shall be rounded to the nearest thousandth (1,000th).

For example, if the Contractor is preparing its Rate application for Rates to be effective for Rate Period 2, the Annual Percentage Change in CPI shall be calculated as follows:  $[(\text{Average CPI for January 2015 through December 2015}) - (\text{Average CPI for January 2014 through December 2014})] / (\text{Average CPI for January 2014 through December 2014})$ .

3. **Bureau of Labor Statistics (BLS)** shall mean the U.S. Department of Labor, Bureau of Labor Statistics

## EXHIBIT E RATE ADJUSTMENT METHODOLOGY

or its successor agency.

4. **Consumer Price Index (CPI)** shall mean the All Urban Consumers Index (CPI-U) compiled and published by the BLS, using the following parameters:
  - Area – San Francisco-Oakland-San Jose Metropolitan Area
  - Item – All Items
  - Base Period – Current 1982-84=100
  - Not seasonally adjusted
  - Periodicity – Bi-Monthly
  - Series Identification Number – CUURA422SA0
5. **Employment Cost Index (ECI)** shall mean the index, compiled and published by the BLS with the following parameters:
  - Compensation – Total Compensation
  - Ownership – Private Industry
  - Periodicity – Index Number
  - Group – 210 - Service-Providing Industries
  - Seasonally Adjusted
  - Series Identification Number – CIS2010000000000Q
6. **Fuel Index** shall mean the Producer Price Index-Commodities for #2 Diesel Fuel compiled and published by the BLS, using the following parameters:
  - Not Seasonally Adjusted
  - Group – Fuels and Related Products and Power
  - Item – #2 Diesel Fuel
  - Base Date – 8200
  - Series Identification Number – WPU057303
7. **Governmental Fee** shall mean any fee or surcharge imposed by a governmental entity other than the Agency or MRWMD including without limitation the State, County, or Local Enforcement Agency. Governmental Fees are a component of the Tipping Fee.
8. **Pass-Through Cost** shall mean those Agency Fees, Tipping Fees, Governmental Fees, and other costs, as specifically identified below, that Contractor may include in the determination of Contractor's Compensation but which are not included in the calculation of Contractor's allowable profit.
9. **Rate Adjustment Factor** shall mean the amount, expressed as a percentage, by which each of the operating, disposal, processing, and fee components of each Rate are adjusted. The Rate Adjustment Factor for each component shall be calculated separately.
10. **Tipping Fee** shall mean the Rate or tipping fee charged or paid for each ton or unit of material delivered to an Approved Facility. The Parties acknowledge that the timing of changes to the Tipping Fees at Approved Facilities that are not owned or operated by Contractor or their

## **EXHIBIT E**

### **RATE ADJUSTMENT METHODOLOGY**

subcontractor may not align with the review and adjustment of Rates under this Agreement. In the event that the Contractor begins to pay a new Tipping Fee at an Approved Facility or is directed to an alternative Approved Facility, other than one owned and operated by Contractor or their Subcontractor, prior to the adjustment of Rates under this Agreement, the adjustment to the Rate Adjustment Factor shall consider that period. Alternatively, the Agency reserves the right to adjust Rates at any time during the year in order to address changes in Tipping Fees alone without adjusting any other component of Rates. The "Current Approved" Tipping Fee for any Approved Facility shall be the Tipping Fee in place on January 1 immediately preceding the submission of the Rate Application. The "Interim Tipping Fee Increment" for any Approved Facility shall be the difference between the prior Tipping Fee and the Current Approved Tipping Fee.

- 11. Total Contractor's Compensation** shall mean the total amount to be used as a basis for determining the Rate Adjustment Factor. The Total Contractor's Compensation does not reflect or in any way guarantee the Gross Receipts that are to be generated by Rates or retained by the Contractor.

## **EXHIBIT E1**

### **MULTI-INDEX RATE ADJUSTMENT METHODOLOGY**

#### **General**

The multi-index Rate adjustment methodology involves inflating: (1) the operating component of Rates for the current Rate Period by the CPI, ECI, and Fuel Index; and, (2) the disposal, processing, and fee components of the Rates by the actual changes to those components, to determine the Rates for the coming Rate Period. The intent of performing the multi-index-based adjustment is to allow Contractor's Compensation to be adjusted throughout the Term of this Agreement (giving consideration to those specific cost categories of "fuel" and "labor" that may be more volatile than the CPI) using simple, readily available indicators of changes in Contractor's costs for providing service.

If the ECI, CPI, or Fuel Index is discontinued or revised during the Term by the BLS, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if said index had not been discontinued or revised.

#### **Calculation**

Contractor shall calculate the adjustment to their Rates using the following methodology:

**Step 1:** Calculate the "Operating Component Factor" or "OCF".

**Step 1a:** Calculate the Labor-Related Factor of the OCF by calculating the Annual Percentage Change in the ECI. The factor shall be rounded to the nearest tenth (10th) percent.

**Step 1b:** Calculate the Fuel Factor of the OCF by calculating the Annual Percentage Change in the Fuel Index. The factor shall be rounded to the nearest tenth (10th) percent. If Contractor purchases CNG from the MRWMD, either Agency or Contractor may require that the percentage change in the Fuel Index be replaced by the percentage change in the annual average per unit price of fuel. The annual average per unit price of fuel shall be calculated based on the total fuel expense in the most recently completed calendar year divided by the number of units purchased in that same period. The percentage change shall consider the average unit price in the most recently completed calendar year compared to the calendar year immediately preceding. For the purposes of the first such adjustment, Contractor's Proposal assumed a Diesel Gallon Equivalent price of \$1.696.

**Step 1c:** Calculate the Other Factor of the OCF by calculating the Annual Percentage Change in the CPI. The factor shall be rounded to the nearest tenth (10th) percent.

**Step 1d:** Calculate the OCF, rounded to the nearest tenth (10th) percent, as follows:

$$\text{OCF} = (17.4\% \times \text{Labor-Related Factor calculated in Step 1a above}) + (3.2\% \times \text{Fuel Factor calculated in Step 1b above}) + (79.4\% \times \text{Other Factor calculated in Step 1c above})$$

For example, assuming:

1. Proposed labor-related costs are 17.4% of proposed total annual operating costs.



## EXHIBIT E1 MULTI-INDEX RATE ADJUSTMENT METHODOLOGY

2. Proposed fuel costs are 3.2% of proposed total annual operating costs.
3. Proposed other costs are 79.4% of proposed total annual operating costs.
4. Labor-Related Factor = 3% (calculated in Step 1a)
5. Fuel Factor = 17% (calculated in Step 1b)
6. Other Factor = 1% (calculated in Step 1c)
7.  $OCF = (17.4\% \times 3\%) + (3.2\% \times 17\%) + (79.4\% \times 1\%) = 0.0186 = 1.9\%$

**Step 2:** Calculate the adjusted Operating Component, rounded to the nearest cent, for each Rate as follows:

$$\text{Adjusted Operating Component} = \text{Then-current Operating Component} \times (1 + OCF)$$

For example, assuming:

1. Then-current Operating Component = \$50.00
  2. OCF = 1.9%
- Adjusted Operating Component =  $\$50.00 \times (1 + 0.019) = \$50.95$

**Step 3:** Calculate the adjusted Disposal Component, rounded to the nearest cent, for each Rate to reflect any percentage change in the total cost of Disposal at the Approved Disposal Facility. This "step 3" shall only be applied to Solid Waste Rates. The adjustment shall be calculated as follows:

$$\text{Adjusted Disposal Component} = \text{Then-current Disposal Component} \times \left[ \frac{(\text{Current Approved Disposal Facility Tipping Fee} \times \text{Most Recent 12-month Tonnage} + \text{Interim Tipping Fee Increment} \times \text{Actual Tonnage at Interim Tipping Fee})}{(\text{Prior Approved Disposal Facility Tipping Fee} \times \text{Prior 12-month Tonnage})} \right]$$

For example, assuming:

1. Then-current Disposal Component = \$20.00
  2. Current Approved Disposal Facility Tipping Fee = \$50.00 per Ton
  3. Most Recent 12-month Tonnage = 1,050
  4. Interim Tipping Fee Increment = \$3.75
  5. Actual Tonnage at Interim Tipping Fee = 525
  6. Prior Approved Disposal Facility Tipping Fee = \$46.25 per Ton
  7. Prior 12-month Tonnage = 1,000
- Adjusted Disposal Component =  $\$20.00 \times \left[ \frac{(\$50.00 \times 1,050 + \$3.75 \times 525)}{(\$46.25 \times 1,000)} \right] = \$23.55$

**Step 4:** Calculate the adjusted Processing Component, rounded to the nearest cent, for each Rate to reflect any percentage change in the total cost of or rebate from Processing at an Approved Processing Facility. This "step 4" shall not be applied to Solid Waste Rates, unless the Solid Waste Rates includes the cost and/or revenue associated with processing Recyclable and/or Organic Materials. The processing component Rate Adjustment Factor shall not exceed the Annual Percentage Change in CPI for any facility owned and operated by Contractor or their Subcontractor. The adjustment shall be calculated as follows:

## EXHIBIT E1 MULTI-INDEX RATE ADJUSTMENT METHODOLOGY

Adjusted Processing Component = Then-current Processing Component x [(Current Approved Processing Facility Tipping Fee x Most Recent 12-month Tonnage + Interim Tipping Fee Increment x Actual Tonnage at Interim Tipping Fee) / (Prior Approved Processing Facility Tipping Fee x Prior 12-month Tonnage)]

For example, assuming:

1. Then-current Processing Component = \$2.00
  2. Current Approved Processing Facility Tipping Fee = \$16.00 per Ton
  3. Most Recent 12-month Tonnage = 900
  4. Interim Tipping Fee Increment = \$1.00
  5. Actual Tonnage at Interim Tipping Fee = 500
  6. Prior Approved Processing Facility Tipping Fee = \$15.00 per Ton
  7. Prior 12-month Tonnage = 1,000
- Adjusted Processing Component = \$2.00 x [(\$16.00 x 900 + \$1.00 x 500) / (\$15.00 x 1,000)] = \$1.99

**Step 5:** Calculate the adjusted Fee Component, rounded to the nearest cent, for each Rate. The adjusted Fee Component of each Rate shall be calculated as follows:

Adjusted Fee Component = Then-current Fee Component x (1+OCF)

For example, assuming:

1. Then-current Fee Component = \$5.00
  2. OCF = 1.9%
- Adjusted Fee Component = \$5.00 x (1 + 0.019) = \$5.10

**Step 6:** Calculate the adjusted value for each Rate charged under this Agreement. Adjusted Rates shall be calculated as follows:

Adjusted Rate = Adjusted Operating Component + (Adjusted Disposal Component OR Adjusted Processing Component) + Adjusted Fee Component

For example, assuming:

1. The Rate being adjusted is a Solid Waste Collection Rate
  2. Adjusted Operating Component = \$50.95 (as calculated in Step 2)
  3. Adjusted Disposal Component = \$22.70 (as calculated in Step 3)
  4. Adjusted Fee Component = \$5.20 (as calculated in Step 5)
- Adjusted Rate = \$50.95 + \$23.55 + \$5.10 = \$79.60



## **EXHIBIT E2 COST-BASED RATE ADJUSTMENT METHODOLOGY**

### **General**

The cost-based adjustment involves review of the Contractor's actual cost of operations and operational statistics (staffing levels, routes, route hours, Customers and their service levels, etc.) to determine the Total Contractor's Compensation for the current Rate Period and to forecast the Total Contractor's Compensation for the coming Rate Period. The difference (measured as a percentage) between the Total Contractor's Compensation for the coming Rate Period and the Gross Receipts most-recently reported calendar year is the "Rate Adjustment Factor". The Rate Adjustment Factor is applied to the then-current Rates to determine the Rates for the coming Rate Period.

The intent of performing the cost-based adjustment is to examine the actual impact of changes in inflation, the number of Customers, and the Service Level of Customers.

The Agency may incur costs, including consulting and legal fees, when determining adjustments to the Rates in accordance with this Exhibit and may require the Contractor to pay for such costs within sixty (60) calendar days of receipt of the Agency's invoice for such costs. The Contractor may recover such costs through the Rates by treating the costs as an allowable Pass-Through Cost. Regardless of Contractor's payment of costs associated with said review, Agency shall retain full and unimpeded discretion in selection of its agents to ensure, at a minimum, that no conflict of interest arises in the review of Contractor's request. Agency retains the right to select its agents on the basis of their qualifications and experience and without regard to cost.

### **Forecasting Total Contractor's Compensation**

The Total Contractor's Compensation for the coming Rate Period shall be forecasted in the manner described in this Section.

#### **A. Forecasting Total Annual Cost of Operations**

**1. Determine Actual Total Annual Cost of Operations.** Contractor's financial statement, books, and records shall be reviewed to determine Contractor's "Actual Total Annual Cost of Operations" for the most-recently completed Rate Period to perform all the services in the manner required by this Agreement for each of the following cost categories:

- a. Labor-related costs
- b. Vehicle-related costs (excluding fuel)
- c. Fuel costs
- d. Other costs
- e. Depreciation costs

**2. Calculate Allowable Costs.** Contractor shall calculate "Allowable Total Annual Cost of Operations" for the most-recently completed Rate Period by adjusting "Actual Total Annual Cost of Operations" for the most-recently completed Rate Period (determined in accordance with A.1



## **EXHIBIT E2**

### **COST-BASED RATE ADJUSTMENT METHODOLOGY**

above) to deduct non-allowable costs. The Allowable Total Annual Cost of Operations shall be reported in the cost categories identified in A.1 above. Non-allowable costs that shall be deducted from actual costs include the following:

- a. Labor and equipment costs for personnel and vehicles that are not specified in the proposal forms contained in Exhibit G.
- b. Payments to directors and/or owners of Contractor unless the amount paid is reasonable compensation for services actually rendered. Reasonableness shall be determined based on available market pricing for similar services and shall be in the sole discretion of the Agency.
- c. Travel expenses and entertainment (above five thousand dollars (\$5,000) annually in total) expenses, unless authorized in advance by the City.
- d. Payments to repair damage to public or private property for which Contractor is legally liable.
- e. Fines or penalties of any nature.
- f. Liquidated Damages assessed under this Agreement.
- g. Federal or State income taxes.
- h. Charitable or political donations unless such donation is to a youth, civic, or charitable organization and has been previously approved in writing as an allowable expense by the Agency Contract Manager.
- i. Depreciation or interest expense for Collection vehicles, Containers, other equipment, offices and other facilities if such items are leased as specified in Exhibit G.
- j. Attorney's fees and other expenses incurred by Contractor in any court proceeding in which the Agency and Contractor are adverse Parties.
- k. Attorney's fees and other expenses incurred by Contractor arising from any act or omission in violation of this Agreement.
- l. Attorneys' fees and other expenses incurred by Contractor in any court proceeding in which Contractor's own negligence, violation of law or regulation, or wrong doing are in issue and occasion, in whole or in part, the attorneys' fees and expenses claimed; and attorneys' fees and expenses incurred by Contractor in a court proceeding in which the legal theory or statute providing a basis of liability against Contractor also provides for separate potential liability for the Agency derived from the action of its citizens or Rate payers (such as in a CERCLA lawsuit) unless the Contractor is found not liable in such claims and such claims arise from acts or occurrences within the Term of the Agreement.

## EXHIBIT E2

### COST-BASED RATE ADJUSTMENT METHODOLOGY

- m. Payments to Related-Party Entities for products or services, in excess of the cost to the Related-Party Entities for those products or services.
- n. Goodwill.
- o. Unreasonable profit sharing distributions.
- p. Replacement costs for Containers that need to be replaced because the useful life of such Container was less than the Term.
- q. Administrative costs greater than the administrative costs presented in Contractor's Proposal (Exhibit G) adjusted annually by the Annual Percentage Change in the CPI.
- r. Bad debt write-offs in excess of two percent (2%) of annual Rate revenues.

**3. Forecast Total Annual Cost of Operations.** Forecasted Total Annual Cost of Operations for the coming Rate Period shall be calculated based on Allowed Total Cost of Operations for the most-recently completed Rate Period determined in accordance with A.2 above. The forecasts shall be performed in the following manner:

- a. **Forecasted labor-related costs** shall be calculated for the coming Rate Period by multiplying the allowed labor-related costs, both direct and allocated, for the most-recently completed Rate Period by one (1) plus the Annual Percentage Change in the ECI. The result of this calculation shall be multiplied once more by one (1) plus the Annual Percentage Change in the ECI.
- b. **Forecasted vehicle-related costs** (excluding fuel and depreciation costs) shall be calculated for the coming Rate Period by multiplying the allowed vehicle-related costs, both direct and allocated, for the most-recently completed Rate Period by one (1) plus the Annual Percentage Change in the CPI. The result of this calculation shall be multiplied once more by one (1) plus the Annual Percentage Change in the CPI.
- c. **Forecasted fuel costs** shall be calculated for the coming Rate Period by multiplying the allowed fuel costs, both direct and allocated, for the most-recently completed Rate Period by one (1) plus the Annual Percentage Change in the Fuel Index. The result of this calculation shall be multiplied once more by one (1) plus the Annual Percentage Change in the Fuel Index.
- d. **Forecasted other costs** shall be calculated for the coming Rate Period by multiplying the allowed other-related costs, both direct and allocated, for most-recently completed Rate Period by one (1) plus the Annual Percentage Change in CPI. The result of this calculation shall be multiplied once more by one (1) plus the Annual Percentage Change in the CPI.
- e. **Forecasted direct depreciation expense** shall be the amount specified in Exhibit

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## EXHIBIT E2 COST-BASED RATE ADJUSTMENT METHODOLOGY

G2 for vehicles, Containers, and facilities. Direct depreciation expense is a fixed cost and is not subject to inflation.

- f. **Forecasted allocated depreciation expense** shall be the amount specified in Exhibit G2 for vehicles, Containers, and facilities. Allocated depreciation expense is a fixed cost and not subject to inflation.
- g. **Forecasted Total Annual Cost of Operations** for the coming Rate Period shall equal the sum of the following costs, which shall have been calculated in accordance with the procedures in this Exhibit E3:
  - (1) Forecasted labor-related costs
  - (2) Forecasted vehicle-related costs (excluding fuel costs)
  - (3) Forecasted fuel costs
  - (4) Forecasted other costs
  - (5) Forecasted direct depreciation expense
  - (6) Forecasted allocated costs (depreciation)

### B. Forecast Profit

Contractor shall be entitled to Profit on Forecasted Total Annual Cost of Operations. Profit shall be calculated using an operating ratio of eighty nine and three tenths percent (89.3%) as proposed by Contractor and described in Exhibit G-2. Profit shall be calculated using the following formula:

Profit = (Forecasted Total Annual Cost of Operations/Operating Ratio)-Forecasted Total Annual Cost of Operations

For Example:

- 1. Assuming an operating ratio of 92%
- 2. Assuming a Forecasted Total Annual Cost of Operations of \$1,000,000
- 3. Profit = (1,000,000/.92)-1,000,000=86,956.52

### C. Forecast Pass-Through Costs.

Pass-Through Costs for the coming Rate Period shall be forecasted in the following manner:

- 1. **Forecasted Disposal Cost.** Annual Forecasted Disposal Cost = (Tipping Fee at Approved Disposal Facility) x (total Tons of Solid Waste Collected for the most-recently completed calendar year).
- 2. **Forecasted Recyclable Materials Processing Cost.** Annual Forecasted Recyclable Materials Processing Cost = (Tipping Fee at Approved Recyclable Materials Processing Facility) x (total Tons of Recyclable Materials Collected for the most-recently completed calendar year)
- 3. **Forecasted Organic Materials Processing Cost.** Annual Forecasted Organic Materials

## EXHIBIT E2

### COST-BASED RATE ADJUSTMENT METHODOLOGY

Processing Cost = (Tipping Fee at Approved Organic Materials Processing Facility) x (total Tons of Organic Materials Collected for the most-recently completed calendar year)

4. **Forecasted Interest Expense.** Interest Expense is six thousand nine hundred thirty four dollars (\$6,934) per year and shall not be adjusted over the Term of the Agreement.
5. **Forecasted Direct Lease Costs.** Direct Lease Costs are zero dollars (\$0) per year and shall not be adjusted over the Term of the Agreement.
6. **Forecasted Allocated Lease Costs.** Allocated Lease Costs are four thousand one hundred two dollars (\$4,102) per year and shall not be adjusted over the Term of the Agreement.

#### D. Forecast Agency Fees

1. **Forecasted Franchise Fee.** Forecasted Franchise Fees, which shall equal ten percent (10%) of the Forecasted Total Contractor's Compensation.
2. **Forecasted Administrative Fee.** The Forecasted Administrative Fee shall be in an amount prescribed by the Agency. If no revised Administrative Fee is provided by the Agency, the Administrative Fee paid to the Agency during the prior Rate Period shall remain in effect.
3. **Forecasted AB939 Fee.** The Forecasted AB939 Fee shall be in an amount prescribed by the Agency. If no revised AB939 Fee is provided by the Agency, the AB939 Fee paid to the Agency during the prior Rate Period shall remain in effect.
4. **Forecasted HHW Fee.** The Forecasted HHW Fee shall be in an amount prescribed by the Agency. If no revised HHW Fee is provided by the Agency, the HHW Fee paid to the Agency during the prior Rate Period shall remain in effect.
5. **Forecasted Vehicle Impact Fee.** The Forecasted Vehicle Impact Fee shall be in an amount prescribed by the Agency. If no revised Vehicle Impact Fee is provided by the Agency, the Vehicle Impact Fee paid to the Agency during the prior Rate Period shall remain in effect.
6. **Forecasted Litter Abatement Fee.** The Forecasted Litter Abatement Fee shall be in an amount prescribed by the Agency. If no revised Litter Abatement Fee is provided by the Agency, the Litter Abatement Fee paid to the Agency during the prior Rate Period shall remain in effect.
7. **Rate Application Review Costs.** An amount determined by the Agency to reimburse the Contractor for payment of the City's costs, including consulting and legal fees associated with determination of Rates under this Exhibit.
8. **Forecasted Total Agency Fees.** Forecasted Total Agency Fees shall equal the sum of the Forecasted Franchise Fee, Forecasted Administrative Fee, Forecasted AB939 Fee,

## **EXHIBIT E2**

### **COST-BASED RATE ADJUSTMENT METHODOLOGY**

Forecasted HHW Fee, Forecasted Vehicle Impact Fee, Forecasted Litter Abatement Fee,  
and Rate Application Review Costs.

#### **RATE ADJUSTMENT FACTORS**

**A. Operating Component Rate Adjustment Factor.** The "Operating Component Rate Adjustment Factor" shall be determined by dividing the sum of the Forecasted Total Annual Cost of Operations, Forecasted Profit, Forecasted Interest Expense, Forecasted Direct Lease Costs, and Forecasted Allocated Lease Costs by the sum of the Actual Total Annual Cost of Operations, Profit, Interest Expense, Direct Lease Costs, and Allocated Lease Costs, rounded to the nearest thousandth.

**B. Disposal Component Rate Adjustment Factor.** The "Disposal Component Rate Adjustment Factor" shall be determined by dividing the Forecasted Disposal Cost by the Disposal Component portion of Rate Revenues received over the most recent twelve (12) months, rounded to the nearest thousandth (1000th). The Disposal Component shall only be applied to Solid Waste Collection Rates and shall not be included in the calculation of Recyclable Materials Collection Rates, Organic Materials Collection Rates, or Special Charges.

**C. Processing Component Rate Adjustment Factor.** The "Processing Component Rate Adjustment Factor" shall be determined by dividing the Forecasted Processing Cost by the Processing Component portion of Rate Revenues received over the most recent twelve (12) months, rounded to the nearest thousandth (1000th). This calculation shall be performed for the Forecasted Recyclable Materials Processing Cost for determination of Recyclable Materials Collection Rates. The calculation shall be performed separately for the Forecasted Organic Materials Processing Cost for determination of Organic Materials Collection Rates. The Processing Component Rate Adjustment Factor shall not be applied to Solid Waste Collection Rates or Special Charges.

**D. Fee Component Rate Adjustment Factor.** The "Fee Component Rate Adjustment Factor" shall be determined by dividing the Forecasted Total City Fees by the sum of all Agency Fees, as described in Article 7 of the Agreement, paid to the City by Contractor over the most recent twelve (12) months, rounded to the nearest thousandth (1000th).

#### **ADJUSTMENT OF RATES**

Each then-current Rate component shall be multiplied by the associated component Rate Adjustment Factor to calculate the effective Rate for the coming Rate Period. All Special Charges shall be adjusted using the Operating Component Rate Adjustment Factor.



## CITY OF SAND CITY

### RESOLUTION SC \_\_\_\_\_, 2020

#### **RESOLUTION OF THE CITY COUNCIL OF SAND CITY TO MAINTAIN CURRENT MAXIMUM SERVICE RATES CHARGED BY GREENWASTE RECOVERY FOR COLLECTION OF FRANCHISED SOLID WASTE, RECYCLING, AND ORGANICS FOR FISCAL YEAR 2020-2021 AND THAT REVENUE SURPLUSES BE USED AGAINST RATE INCREASES IN FUTURE YEARS**

**WHEREAS**, the City of Sand City (the "City") entered into a franchise agreement (the "Agreement") with Greenwaste Recovery ("GWR") in April of 2015 for solid waste, recycling, and organic collection services for a period starting April 1, 2015 through the end of March of 2030; and

**WHEREAS**, in accordance with the Agreement, GWR initiated a 'Cost Based Rate Adjustment' (the "CBRA") in 2019 for all seven of their Monterey Peninsula service cities to review GWR's actual costs of operation and operational statistics (staffing levels, routes, route hours, customers, service levels, etc.) to determine the total compensation for the 2019-2020 and 2020-2021 fiscal years; and

**WHEREAS**, the City Council is authorized to approve, by resolution, the charge for collection and disposal of waste in the City in accordance with Sand City Municipal Code section 13.04.240; and

**WHEREAS**, HF&H Consultants, LLC (hereinafter "HF&H") has performed a review of Greenwaste Recovery's ("GWR") service rates on behalf of seven Peninsula cities, including Sand City; and

**WHEREAS**, the resulting analysis of HF&H has determined that there was a surplus revenue of \$145,467 during the 2019-2020 fiscal year and an anticipated surplus of \$109,047 for fiscal year 2020-2021 for Sand City; unlike other Peninsula cities that have revenue deficits determined from their individual analyses and are facing either potentially steep rate hikes or service/program cuts; and

**WHEREAS**, though it is understood that current waste collection rates for Sand City have generated a GWR revenue surplus in Fiscal Year 2019-2020 and are anticipated, under current rates, to generate a further surplus for Fiscal Year 2020-2021, it is also known that operational expenses will only increase in order to accommodate and meet current and future state diversion mandates and waste reduction/diversion goals; and

**WHEREAS**, the Monterey Regional Waste Management District (the "District") will soon be considering budget adjustments resulting in reduced staffing and services at the Marina landfill and increasing the disposal fee and the Material Recovery Facility's (MRF's) processing fee for single stream recycling that will result in additional GWR operational expenses; and

**WHEREAS**, continued and additional effort on the part of the City, GWR, and the District is required to work with the public, both residential and commercial populations, to increase participation in recycling/waste diversion programs, reduce recycle and organic material contamination, and improve food and organic waste collection; all of which will require additional staff and resources by GWR, and possibly also the District, to increase public outreach and education and monitor waste collection in identifying and correcting contamination issues that will improve the City's overall waste diversion numbers in meeting and exceeding state mandates; and

**WHEREAS**, with known future increases to operational expenses, it is hereby deemed prudent and fiscally responsible to hold current rates constant and utilize those surpluses to subsidize and stabilize franchise service rates into the foreseeable future.

**WHEREAS**, action by the City Council to establish, modify, maintain, and/or approve garbage collection/franchise rates is Statutorily exempt from CEQA (California Environmental Quality Act) per CEQA Guideline section 15237(a), nor does such action qualify as a Project per CEQA Guideline section 15378; and therefore, such action is not subject to CEQA.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of Sand City to maintain maximum service rates in Sand City for FY 2020-2021 and that revenue surpluses be used against rate increases in future years.

**PASSED AND ADOPTED**, by the City Council of Sand City, California, this \_\_\_\_ day of June, 2020, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

ATTEST:

APPROVED:

\_\_\_\_\_  
Connie Horca, Acting City Clerk

\_\_\_\_\_  
Mary Ann Carbone, Mayor

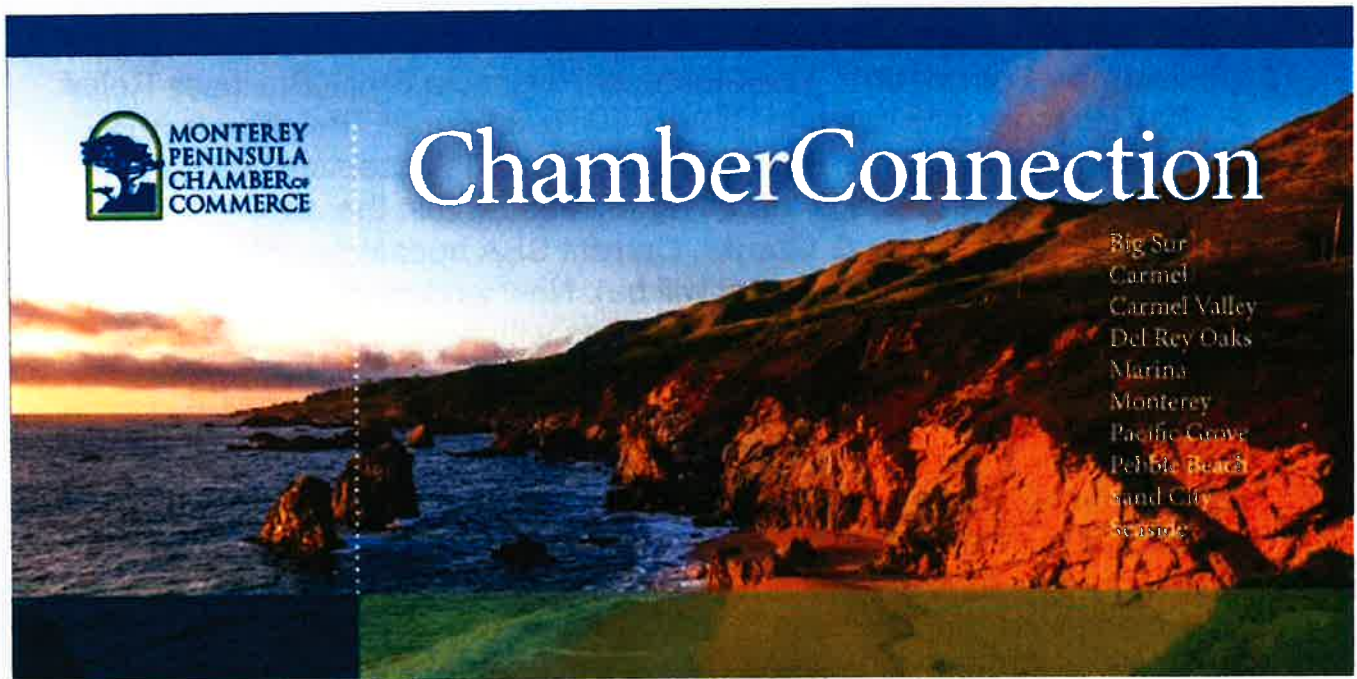
**AGENDA ITEM**

**9D**

**Connie Horca**

---

**From:** Monterey Peninsula Chamber of Commerce  
<communications@montereychamber.com>  
**Sent:** Tuesday, June 9, 2020 2:31 PM  
**To:** connie@sandcityca.org  
**Subject:** Chamber Connection - June 9, 2020



**Business Roundtable – 6/9/2020 – 10:00am**

**MISSION:** Success in two stages during the Covid-19:  
1) Response to the immediate threat  
2) Economic recovery when the threat diminishes.

**Recap**

**Response to immediate threat**

1. **City of Monterey.** n/a
2. **Hospitality & Tourism.** Hotels, bars and wineries are set to open on Friday 6/12/2020.
3. **State of California.** Sacramento report. Legislature to reconvene on 6/15 with focus on budget. Big push from cities and counties to receive financial help. Most needs rest with homelessness & healthcare.
4. **Health Care.** Positive cases in County went up (751) due to increased testing and spread. CHOMP had seen 27 cases but no hospitalization. Tips for residents coming out of SIP are being distributed.
5. **Community Foundation.** The Monterey Peninsula Small Business Relief Fund. Few more gifts came to COVID-19 Relief Fund. The effort is now turning to recovery. Small Business Relief Fund is accepting donations. Grants to small businesses are being released within the week.
6. **Financial, SBA, Loans & Grants.** Current SBA updates are centered around forgiveness criteria (most will be). New lending program from Federal Reserve is addressing businesses with 5-year loans less than \$10M and no interest due for the first 2 years ("Main Street Program")
7. **Retail.** Cannery Row. Monterey Business Associations. Shops and restaurants are re-opening. Gift certificates are redeemed. A few tenants remain closed. Farmer's Market may be returning to downtown in July, updates to be given in the next weeks.
8. **Cosmetology.** Industry has not yet been allowed to re-open yet. Expected at the end of Phase 3.
9. **Exercise & Fitness.** Gyms and fitness centers are allowed to re-open with strict guidelines. Swimming and tennis OK with reservations. Fitness: shared equipment is greatly reduced. Locker rooms are closed. Pent-up demand from public coming out of SIP.
10. **Non-Profit sector.** Major focus still on food, shelter, re-opening guidelines, testing information, "Great Plates" delivery program. United Way's 2-1-1 call center has seen call volume double during pandemic.
11. **Education.** CSUMB campus is closed, with minimum exceptions. Summer session is entirely online. Enrollment is still very close to projections. Vision 2020 Capital campaign has a goal of \$100M.
12. **Legal.** No update.
13. **Human Resources.** Emphasis on employee travel and need for a written plan. Spread of virus at business destination? Transportation method? Guidelines for returning? CDC has posters that can be downloaded at no charge. Department of Labor has Employee Rights poster, and Monterey County has Special Distancing protocols poster. All links attached in document.

Sunset Cultural Center Inc. (SCC) is excited to announce our newest offering, **Sunset Presents: The Fresh Air Film Series**, featuring exclusive outdoor, drive-in movie events filled with light-hearted, performance-themed films. Patrons will remain safe and cozy in the comfort of their vehicle, while we entertain them in a nostalgic setting with state-of-the-art technology. Films will be presented in the Sunset Center's main parking lot on the north side of our building, on 8th Avenue between San Carlos and Mission Streets.

Movies are limited to just 50 vehicles per show, so **Hurry! Spaces are Selling Quickly!** All films are on sale now at [www.sunsetcenter.org](http://www.sunsetcenter.org).

- Thursday, June 11, 2020 at 7:30PM - **Best In Show (2000)** Rated PG-13 / runtime 88 minutes
- Friday, June 12, 2020 at 7:30PM - **Almost Famous (2000)** Rated R / runtime 122 minutes
- Saturday, June 13, 2020 at 3PM - **The Muppets (2011)** Rated PG / runtime 109 minutes
- Saturday, June 13, 2020 at 7:30PM - **La La Land (2016)** Rated PG-13 / runtime 128 minutes
- Thursday, June 18, 2020 at 7:30PM - **Begin Again (2013)** Rated R / runtime 104 minutes
- Friday, June 19, 2020 at 7:30PM - **Hairspray (2007)** Rated PG / runtime 117 minutes
- Saturday, June 20, 2020 at 3PM - **Sing (2016)** Rated PG / runtime 108 minutes
- Saturday, June 20, 2020 at 7:30PM - **Ray (2004)** Rated PG-13 / runtime 152 minutes

Please forward this e-blast to your colleagues, customers, clients, friends, family and fellow community members!



Monterey Peninsula Chamber of Commerce | 353 Camino El Estero, Monterey, CA 93940

[Unsubscribe connie@sandcityca.org](mailto:connie@sandcityca.org)

[Update Profile](#) | [About Constant Contact](#)

Sent by [communications@montereychamber.com](mailto:communications@montereychamber.com) in collaboration with

**Constant Contact** 

Try email marketing for free today!

# SUNSET CENTER PRESS RELEASE



For Immediate Release,  
June 9, 2020

Media Contact:  
**Gina Delli-Gatti** 831.620.2042  
cell 831.241.1813  
gina@sunsetcenter.org



## ***Sunset Presents: The Fresh Air Film Series***

Carmel-by-the-Sea, CA –Sunset Cultural Center Inc. (SCC) announces our newest series featuring exclusive outdoor, drive-in movie events filled with light-hearted, performance-themed films. Patrons will remain safe and cozy in the comfort of their vehicle, while we entertain them in a nostalgic setting with state-of-the-art technology, including large LED video wall and outdoor sound system. Films will be presented in the Sunset Center's main parking lot on the north side of our building, on 8th Avenue between San Carlos and Mission Streets. Limited to just 50 vehicles per show.

**Hurry! Spaces Selling Quickly!** All films are on sale now at [www.sunsetcenter.org](http://www.sunsetcenter.org).

### **THE FULL LINEUP OF FILMS:**



**Thursday, June 11, 2020 at 7:30PM**

**Best in Show (2000)**

**Rated PG-13 / runtime 88 minutes**

[Click for Trailer](#)

Hilarious mockumentary following the owners (and handlers) of five show dogs heading for the Mayflower Kennel Club Dog Show. Christopher Guest, Eugene Levy, and Catherine O'Hara lead an all-star cast.



**Friday, June 12, 2020 at 7:30PM**

**Almost Famous (2000)**

**Rated R / runtime 122 minutes**

[Click for Trailer](#)

A high-school boy is given the chance to write a story for Rolling Stone Magazine about an up-and-coming rock band as he accompanies them on an epic tour. Academy Award Winner for Best Writing, Screenplay.



# CHILDREN'S BOOK DRIVE



for Monterey County elementary students

**DROP OFF BOOKS TO THE  
MONTEREY PENINSULA  
CHAMBER OF COMMERCE**

**353 CAMINO EL ESTERO, MONTEREY**

We are accepting children books new and gently used  
and cash donations.

\* Collecting until Tuesday, June 16th \*

**Help us reach our goals!**

**1,500 books**

**\$1,000 in donations**



For more info please e-mail [monterey.pyp@gmail.com](mailto:monterey.pyp@gmail.com)





# CENTRAL COAST BLOOD DRIVE

## ALL are welcome!



### Did you know?

Giving blood is the best way to create new healthy blood for your body.

### Did you know?

A decision to donate your blood can save a life, or even several if your blood is separated into its components — red cells, platelets and plasma — which can be used individually for patients with specific conditions. One donation could save up to three lives!

### Did you know?

Blood donors are 88 percent less likely than others to suffer a heart attack!

## PLEASE consider donating blood for your community.

### It is a small gesture that gives BIG results.

We've got it all set up for you - all you have to do is go and have a seat!

#### SALINAS

Salinas Recreation Center  
320 Lincoln Ave.  
June 22 • 1-5  
June 23 • 11-3

Moose Lodge  
555 Canyon Del Rey Blvd.  
July 8 • 11-3

#### DEL REY OAKS

#### MONTEREY

Hartnell  
Professional Center  
576 Hartnell St.  
July 2 • 11-3  
July 3 • 11-3

Salinas Valley Fair Grounds  
The Orradre Room  
625 Division St.  
July 9 • 11-3

#### KING CITY

### All blood donations to go to local area hospitals!

By appointment only. Contact Mona 805-542-8529 to make an appointment  
No children please. Please adhere to social distancing. Snacks and drinks will be provided.

Rotary is a global network of 1.2 million neighbors, friends, leaders, and problem-solvers who see a world where people unite and take action to create lasting change - across the globe, in our communities, and in ourselves.

The organizers of Whalefest Monterey and Fisherman's Wharf Association invite students entering grades 6-12 in Monterey, Santa Cruz and San Benito Counties, to participate in the **Whalefest Monterey Ocean-Themed 2020 Student Summer Essay Contest**.

According to Mary Alice Cerrito Fettis, Chair of Whalefest Monterey, "We are asking our youth to write a thoughtful essay about how a topic presented at the Whalefest Monterey 2020 Symposium directly impacts or could impact their life in the future. We are very excited about this essay contest that helps to educate, inspire and empower our next generations to explore and protect the biodiversity of the Monterey Bay National Marine Sanctuary.

- Submissions are due no later than 12:00 Noon on Monday, July 20, 2020
  - Three \$100 prizes will be awarded for students entering grades 6 to 8 for a 300-500 word essay, one per grade
  - Four \$100 prizes will be awarded for students entering grades 9 to 12 for a 500-1000 word essay, one per grade
  - Winners will be notified by September 14, 2020
  - Submit entries to: [info@montereywharf.com](mailto:info@montereywharf.com):
  - More details on the Whalefest Monterey page on the website, [www.montereywharf.com](http://www.montereywharf.com)
-

# WHALEFEST Monterey 2021

January 30 and 31, 2021

Inspire | Educate | Explore | Empower

## Summer 2020 Essay Contest

Whalefest Monterey invites all students in Monterey, Santa Cruz, and San Benito counties to participate by writing a thoughtful essay about how a topic presented at *Whalefest Monterey 2020* directly impacts or could impact your life in the future!



Go to the Whalefest Monterey page at [www.montereywharf.com](http://www.montereywharf.com) to pick a topic and watch a presentation from the YouTube videos listed for 2020.

- ◆ Contest opens June 8, 2020
- ◆ Submissions are due no later than 12:00 Noon Monday, July 20, 2020
- ◆ Essays will be judged on originality of thought and clarity of prose.
- ◆ To submit essay or for questions, go to:  
[info@montereywharf.com](mailto:info@montereywharf.com)  
or call 831-238-0777
- ◆ Winners will be notified September 14, 2020

A \$100 prize will be awarded to a student from each grade

Students in each grade 6 to 8 should submit a 300-500 word essay.

Students in each grade 9-12 should submit a 500-1000 word essay

Please share this information with other students and their families!

Visit [www.montereywharf.com](http://www.montereywharf.com) for Rules and Symposium topics.



Whalefest Monterey 2021 is an event under our fiscal sponsor Marine Life Studies, a nonprofit 501(c)3 organization.

Let's encourage our youth to "amp up" their ocean literacy by viewing fascinating video presentations from the January, 2020 Whalefest Monterey's 2-Day Symposium and enable them to possibly win a cash prize.

## Economic Recovery

1. **Recovery Plans.**
2. **Training at Conference Center.** *If allowed by County, training of employees and employers can happen starting next week. Program is free.*
3. **Photoshoot.** Full page ads in The Herald (Last Saturday and today) courtesy of Chris Shake.

Next teleconference will be held **Tuesday 6/16/2020 at 10:00am**

## BUSINESS INTERESTS



### TPO Updates - Recap (June 9, 2020)

View the latest recap from TPO. For questions or additional information please contact [michaelles@tpohr.com](mailto:michaelles@tpohr.com).



### Monterey-Salinas Transit (MST) Survey

Please provide your feedback to MST using the survey link provided below.



### Monterey County Hospitality Association

Find helpful information from the Monterey County Hospitality Association including webinars and videos.

## Upcoming Webinars



FOR THE LIFE OF YOUR BUSINESS

# Central Coast

## Cash Flow Management During a Crisis: How to Use Federal COVID-19 Programs

Thursday, June 18, 2020 from 1:00 PM to 2:30 PM PDT

[Add to Calendar](#)

Are you looking for federal financial resources for your small business, but don't know where to start? Have you already received aid, but are unsure how to manage it and track it? In this free webinar, you will learn about the PPP as well as tax credits and deferrals available for you, your employees and your business. Our presenter will review how to use your basic financial statements and provide cash flow management tips. There will be time for a 15 minute Q+A after the presentation.

### Topics Include:

- \*Basic Financial Statements
- \*Cash Flow Management Tips
- \*Payroll Protection Program (PPP)
- \*Employer Payroll Retention Credit
  - \*Paid Sick Leave Credit
  - \*Paid Family Leave Credit
- \*Net Operating Loss Changes
- \*Payroll Tax Payment Deferral
- \*Income Tax Return & Estimated Tax Date Changes

### Register Now!

**REGISTER**

## Member Features