A G E N D A

CITY OF SEASIDE
CITY COUNCIL

REGULAR MEETING
Council Chamber
440 Harcourt Avenue
Thursday, February 16, 2017
7:00 PM

PLEASE TURN OFF YOUR CELL PHONES UPON ENTERING THE MEETING

1. CALL TO ORDER

2. ROLL CALL – ESTABLISHMENT OF QUORUM

Ralph Rubio	Mayor
Dennis J. Alexander	Mayor Pro Tem
Jason Campbell	Council Member
David R. Pacheco	Council Member
Kayla Jones	Council Member

3. INVOCATION AND PLEDGE OF ALLEGIANCE

4. REVIEW OF AGENDA

If there are any items that arose after the 72-hour posting deadline, this is the point in the meeting where a vote may be taken to add the item to the agenda. (A 2/3-majority vote is required).

5. PUBLIC COMMENT

Members of the public wishing to address the City Council or Agency Board on matters within the jurisdiction of the City of Seaside, but not on this agenda, may do so during the Public Comment period for up to three minutes. Public Comments on specific agenda items are heard under that item. Public Comment on presentation items should be made now. For the public record, please state your name.

6. PUBLIC AGENCY COMMUNICATIONS

This is a time specifically set aside for representatives of public agencies to make brief comments of general interest to the City Council and the community.

7. PRESENTATIONS

8. CONSENT CALENDAR

The Consent Calendar includes routine items that can be approved with a single motion and vote. A member of the City Council or a member of the public may request that any time be pulled from the Consent Calendar for separate consideration.

A. APPROVE THE MINUTES FROM THE FEBRUARY 2, 2017 MEETING

PURPOSE: To review and approve the minutes.

RECOMMENDATION: Approval.

B. APPROVE AND FILE CITY CHECKS - CONTINUED FROM FEBRUARY 2, 2017 MEETING

PURPOSE: This item has been continued from the February 2, 2017 City Council meeting. It is requested that the City Council approve and file the accounts payable and wired payments made during the period of December 24, 2016 through January 24, 2017. In addition, approval of the payroll and benefits checks, direct deposits and wired payments related to the periods of January 5 and 19, 2017 is requested. Total Accounts Payable and Payroll for the above referenced period is $2,443,694.70.

RECOMMENDATION: It is recommended that the City Council approve and file the attached checks.

C. APPROVE AND FILE CITY CHECKS

PURPOSE: It is requested that the City Council approve and file the accounts payable and wired payments made during the period of January 25, 2017 through February 3, 2017. In addition, approval of the payroll and benefits checks, direct deposits and wired payments related to the periods of February 2, 2017 is requested. Total Accounts Payable and Payroll for the above referenced period is $1,165,400.99.

RECOMMENDATION: It is recommended that the City Council approve and file the attached checks.

D. APPROVE RESOLUTION AWARDING A CONSTRUCTION CONTRACT TO RANDAZZO ENTERPRISES, INC. IN THE AMOUNT OF $87,000 FOR THE EMERGENCY REMOVAL OF THE OVERHEAD ROAD SIGN AT LIGHTFIGHTER DRIVE.

PURPOSE: The purpose of this items is for the City Council to consider awarding a construction contract to Randazzo Enterprises Inc., in the amount of Eight Seven Thousand Dollars ($87,000) to remove the overhead road sign on Lightfighter Drive.

RECOMMENDATION: It is recommended that the City Council adopt a resolution awarding a construction contract to Randazzo Enterprises Inc. in the amount of Eighty Seven Thousand Dollars ($87,000) to perform the emergency removal of the overhead road sign on Lightfighter Drive, authorize the City Manager to execute the contract, and direct the Finance Director to implement these changes into the Fiscal Year 2016/2017 budget.

E. <u>ADOPT A RESOLUTION APPROVING CONTRACT FOR $24,950 WITH THE LEW EDWARDS GROUP</u>

PURPOSE: The purpose of this item is give the City Council an opportunity to consider adoption of a resolution approving a contract for $24,950 with The Lew Edwards Group to provide project management in preparing for a potential June 2017 measure.

RECOMMENDATION: It is recommended that the City Council adopt the attached resolution approving a contract for $24,950 with The Lew Edwards Group to provide project management in preparing for a potential June 2017 measure.

F. <u>ADOPT A RESOLUTION APPROVING CONTRACT FOR $26,399 WITH FAIRBANK, MASLIN, MAULLIN, METZ & ASSOCIATES</u>

PURPOSE: The purpose of this item is give the City Council an opportunity to consider adoption of a resolution approving a contract for $26,399 with Fairbank, Maslin, Maullin, Metz & Associates to provide public opinion research in preparing for a potential June 2017 measure.

RECOMMENDATION: It is recommended that the City Council adopt the attached resolution approving a contract for $26,399 with Fairbank, Maslin, Maullin, Metz & Associates to provide public opinion research in preparing for a potential June 2017 measure.

9. <u>BUSINESS ITEMS</u>

A. <u>RECEIVE PRESENTATION OF THE JUNE 30, 2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT, THE SINGLE AUDIT REPORT, THE GOVERNANCE LETTER AND THE GANN LIMIT REPORT AND ACCEPT AND FILE THE REPORTS</u>

PURPOSE: The purpose if this item is to give the City Council the opportunity to receive, review, discuss and consider acceptance of the June 30, 2016 Comprehensive Annual Financial Report, the related Single Audit Report, the Governance Letter and the Gann Limit Report for the City of Seaside.

RECOMMENDATION: It is recommended that the City Council receive, review, discuss and accept and file the June 30, 2016 Comprehensive Annual Financial Report of the City of Seaside, the related Single Audit Report, the Governance Letter and the Gann Limit Report.

B. RECEIVE THE 2016-2017 MID-YEAR BUDGET REPORT, ACCEPT AND FILE THE REPORT, PROVIDE DIRECTION TO STAFF AND CONSDER ADOPTION OF A RESOLUTION APPROVING THE PROPOSED 2016-2017 MID-YEAR BUDGET ADJUSTMENTS

PURPOSE: The purpose of this item is to provide the City Council the opportunity to receive the report on the 2016-2017 Mid-Year Budget, accept and file the Report, provide direction to staff as desired and consider adoption of a resolution approving the proposed 2016-2017 Mid-Year Budget adjustments totaling a net increase in General Fund revenues of $102,105.

RECOMMENDATION: It is recommended that the City Council accept and file the 2016-2017 Mid-Year Budget Report, provide direction to staff as desired and adopt the attached resolution approving the proposed 2016-2017 budget adjustments totaling a net increase in General Fund revenues of $102,105.

C. ADOPT A RESOLUTION APPROVING MEMBERSHIP IN THE MONTEREY BAY COMMUNITY POWER JOINT POWERS AUTHORITY AS A FOUNDING MEMBER AND APPOINT A REPRESENTATIVE AND AN ALTERNATE TO THE MONTEREY BAY COMMUNITY POWER AUTHORITY BOARD OF DIRECTORS

PURPOSE: The purpose of this item is to provide the City Council the opportunity to consider a resolution approving membership in the Monterey Bay Community Power Joint Powers Authority as a founding member, to appoint a representative and an alternate to the Monterey Bay Community Power Authority Board of Directors, and direct staff to proceed with discussions and participation in the credit share guarantee program.

RECOMMENDATION: It is recommended that the City Council adopt the resolution approving membership in the Monterey Bay Community Power Joint Powers Authority as a founding member, appoint a representative and an alternate to the Monterey Bay Community Power Authority Board of Directors, and direct staff to proceed with discussions and participation in the credit share guarantee program.

10. MAYOR, CITY COUNCIL, CITY MANAGER AND CITY ATTORNEY COMMENTS AND REPORTS ON COMMITTEE ASSIGNMENTS

This is a time specifically set aside for members of the City Council, the City Manager and City Attorney to make brief comments of general interest to the community, make requests that items be added to future City Council meeting agendas as necessary and report on committee assignments.

11. COUNCIL MEMBER REQUESTS

A. DISCUSS AND PROVIDE DIRECTION ON REQUEST TO AGENDIZE HOW SEASIDE CAN BECOME A SANCTUARY CITY - (COUNCIL MEMBER JONES)

B. DISCUSS AND PROVIDE DIRECTION ON REQUEST TO AGENDIZE BECOMING A PROGRAM PARTNER WITH SHARED HOPE INTERNATIONAL (COUNCIL MEMBER ALEXANDER)

C. **<u>DISCUSS AND PROVIDE DIRECTION ON REQUEST TO AGENDIZE JOINING THE MONTEREY BAY COMMUNITY CHOICE AGGREGATE POWER PROGRAM (COUNCIL MEMBER CAMPBELL)</u>**

12. ADJOURNMENT

Next Regularly Scheduled Meeting:
March 2, 2017
7:00 PM

The City of Seaside is committed to providing accessible facilities and accommodating people with disabilities in all of its services programs and activities. If special considerations are needed by any person to fully participate in this meeting, they are asked to contact the City Clerk at 899-6707 no fewer than two business days prior to the meeting to allow reasonable arrangements. The City Council chamber is equipped with a portable microphone and assisted listening devices are available at all meetings.

City Council Meetings that are held in the City Council Chambers are broadcast live to all Seaside residents on Comcast Channel 25 and U-verse Channel 99. Meetings are also available through live streaming at:
http://cvp.telvue.com/player?id=T01629&video=52314&noplaylistskin=1&width=400&height=300
Videos of past meetings are available on demand through the City's website: http://www.ci.seaside.ca.us

Agenda-related writings or documents provided during public meetings are available for public inspection during the meeting or from the office of the City Clerk. This agenda is posted in compliance with California Government Code Section 54954.2(a) or Section 54956.

DRAFT MINUTES

CITY OF SEASIDE
CITY COUNCIL

REGULAR MEETING
COUNCIL CHAMBER
Thursday, February 2, 2017
7:00 PM

1. **CALL TO ORDER**
Mayor Rubio called the meeting to order at 7:25 PM.

2. **ROLL CALL – ESTABLISHMENT OF QUORUM**
PRESENT: Alexander, Campbell, Jones, Pacheco, Rubio
ABSENT: None

3. **INVOCATION AND PLEDGE OF ALLEGIANCE**
Abdel Seck, President of the Islamic Center of Monterey Peninsula provided the invocation.

4. **REVIEW OF AGENDA**
No changes were requested.

5. **PUBLIC COMMENT**
Mayor Rubio invited comments from the public.

- Kenneth Murray Pastor of Ocean View Baptist Church invited the Council on February 17th to Ocean View Baptist where they will feed the I-Help men. He then spoke to the recent shooting and expressed concern that there needs to be more citizen involvement in violence prevention and intervention.
- Earl Rowland expressed frustration that Seaside had not developed more in his absence and he encouraged the Council to accept and move forward with the researching opportunity to add marijuana to our community, and the impacts that have been seen in Colorado.

Mayor Rubio welcomed Mr. Rowland back to the community.

6. **PUBLIC AGENCY COMMUNICATIONS**
No comments.

7. **PRESENTATIONS**

A. **PRESENTATION OF THE 2016 BUSINESS OF THE FOURTH QUARTER AWARD**

Mayor Rubio and Vice Chair of The Neighborhood Improvement Program Commission Natalia Molina presented the awards for the house of the month, the house of the year and the business of the quarter. They celebrated and thanked each winner for their contributions to beautifying and taking pride in our city.

B. **PRESENTATION OF THE JANUARY 2017 HOUSE OF THE MONTH AWARD**
Action: Presented

C. **PRESENTATION OF THE 2016 HOUSE OF THE YEAR AWARD**

Action: Presented

8. **CONSENT CALENDAR**

Member of the public requested to pull item B.

On motion by Mayor Pro Tem Alexander and seconded by Council Member Pacheco and passed by the following vote the City Council approved the consent calendar with the exception of Item B.

RESULT:	**Approved**
MOVER:	Mayor Pro Tem Dennis Alexander
SECONDER:	Council Member Dave Pacheco
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES:	None
ABSENT:	No

A. APPROVE THE MINUTES FROM THE JANUARY 19, 2017 MEETING

Action: Approved

B. APPROVE AND FILE CITY CHECKS

Mayor Rubio invited comments from the public. Felix Bachofner indicated that they packet does not include the detail of the checks report and is done by reference, but the website has not been updated with the report.

On motion by Council Member Campbell and seconded by Council Member Pacheco and passed by the following vote the City Council continued the item to the February 16, 2017 meeting.

RESULT:	**Approved**
MOVER:	Council Member Jason Campbell
SECONDER:	Council Member Dave Pacheco
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES:	None
ABSENT:	None

C. ACCEPT AND FILE THE CASH AND INVESTMENT REPORT FOR THE QUARTER ENDED DECEMBER 31, 2016

Action: Accepted

D. REVIEW AND CONSIDER APPROVAL OF A MAYOR'S YOUTH FUND CONTRIBUTION REQUEST FROM ORCHESTRA IN THE SCHOOLS

Action: Approved

E. APPROVE A FEE WAIVER REQUEST FROM NARCOTICS ANONYMOUS FOR THE USE OF LAGUNA GRANDE HALL FOR ANNUAL TALENT SHOW EVENT

Action: Considered & Approved

F. ADOPT A RESOLUTION EXTENDING THE CONSULTING AGREEMENT WITH PUBLIC SAFETY CONSULTING, INC TO COMPLETE A POLICE DEPARTMENT ADMINISTRATIVE INVESTIGATION

Action: Approved and passed Resolution 17-08

G. APPROVE A FEE WAIVER REQUEST OF $740 TO TAM COMMUNICATIONS DOING

BUSINESS ON BEHALF OF MONTEREY SALINAS TRANSIT FOR A FILM PERMIT TO PRODUCE A PUBLIC EDUCATION VIDEO IN THE CITY OF SEASIDE

Action: Approved

9. PUBLIC HEARING

A. CONSIDER A RESOLUTION OF INTENTION AND INTRODUCTION OF AN ORDINANCE AUTHORIZING AN AMENDMENT TO THE CONTRACT WITH THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO PROVIDE SECTION 20516 (EMPLOYEES SHARING ADDITIONAL COST) FOR SEASIDE PUBLIC SAFETY MANAGERS' ASSOCIATION MEMBERS

Human Resources Director Greathouse spoke to the impacts of the ordinance and the requirement to do this as part of the Memorandum of understanding previously approved by the Council for the Public Safety Managers Association. She spoke to the implementation schedule and the costs impacts of the action and reported that the final contract amendment would become effective on April 8, 2017. She recommended adopting the resolution of intention and approval to pass to print the draft ordinance amending the contract.

Mayor Rubio Invited comments from the Council and the public and had no requests so speak.

On motion by Mayor Pro Tem Alexander and seconded by Council Member Pacheco and passed by the following Roll-Call vote ,the City Council passed Resolution 17-09 a resolution of intention and passed to print the draft ordinance amending the Contract with the Board of Administration of the California Public Employees Retirement System.

RESULT:	**Approved**
MOVER:	Mayor Pro Tem Dennis Alexander
SECONDER:	Council Member Dave Pacheco
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES:	None
ABSENT:	None

10. BUSINESS ITEMS

A. CONSIDER A RESOLUTION APPROVING THE MASTER AGREEMENT AND PROGRAM SUPPLEMENT FOR THE WEST BROADWAY URBAN VILLAGE INFRASTRUCTURE IMPROVEMENT PROJECT GRANT FUNDS AND APPROVING A 2016-2017 BUDGET ADJUSTMENT FOR $3.692 MILLION GRANT FUNDING

City Engineer Riedl spoke to the West Broadway Urban Village specific plan and the City's intent is to do infrastructure improvements in order to initiate private development in the downtown area. He reported that staff submitted a grant application to fund improvements along the corridor and on Lower Broadway in October, which was awarded to the City and this item, is accepting the grant. Mr. Riedl spoke to the project specifications and schedule with construction starting March 2017 and project close out anticipated to be Spring of 2018. He spoke to the $4.7 million dollar TAMC ATP Grant that was awarded and has been used to fund the design work and now this grant funding will fund the construction. Staff recommended approving the item which includes accepting the master agreement and program supplement agreement in order to receive the funds. Mr. Riedl answered questions from the Council.

Council Member Pacheco questioned the construction schedule and if there will be penalties for last completion, to which Mr. Rield indicated that there are project performance measures built into the contract. On question, Mr. Riedl explained that traffic closures will be done in stages to minimize the impacts. Traffic will shift as the project progresses during different phases. Signal timing will also be adjusted to address traffic impacts. Proper signage will also be used to notify drivers. Mayor Rubio questioned what kind of outreach are we doing to the business and the community and Gloria Stearns Economic Development Manager spoke to her branding efforts for construction outreach including working with the businesses directly for notifications as well as helping them with other business related services. Mayor Rubio spoke to the recent flooding and questioned if the storm water collection system will be expanded to which Mr. Riedl indicated more drains are being installed at every intersection.

Mayor Rubio invited comments from the public.

- Sue Hawthorne questioned if this project is eliminating a main thoroughfare and what the alternate traffic option will be. She also expressed concern there will be difficulty for patrons of businesses once the construction begins, she also questioned if there would be citizen input into the landscaping options. She closed by saying she hopes that this surfacing will be more durable than previous resurfacing efforts.
- Earl Rowland expressed concern about the time lines of the project as this project was supposed to be done 5 years ago He encouraged offering contract incentives and penalties to ensure we can stay on the contract schedule.

Mayor Rubio did indicate that our contract has a lateness liquidity penalty. Being that is a road contract, it's well monitored. Council Member Campbell did question how staff is planning to handle the traffic changes and traffic patterns. Mr. Riedl indicated that the traffic will be slowed to make it more pedestrian friendly. The four ways stop will be signalized, and even though you will be traveling at a lower speed, you will be moving more efficiently.

On motion by Council Member Campbell and seconded by Mayor Pro Tem Alexander and passed by the following vote the City Council approved Resolution 17-10 approving the master agreement and program supplement for the West Broadway Urban Village infrastructure improvement project grant funds, authorized a budget adjustment to incorporate the accepted grant funds and authorized the City Manager to execute the agreement.

RESULT:	**Approved**
MOVER:	Council Member Jason Campbell
SECONDER:	Mayor Pro Tem Dennis Alexander
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES:	None
ABSENT:	None

11. MAYOR, CITY COUNCIL, CITY MANAGER AND CITY ATTORNEY COMMENTS AND REPORTS ON COMMITTEE ASSIGNMENTS

Council Member Pacheco thanked Public Works for their responsiveness for filling potholes after the Storm. Council Member Jones spoke to the Mosquito Abatement Committee and that the mosquito season is coming and encouraged residents to reduce standing water. Council Member Campbell spoke in support of the promotion of Nick Borges to Police Commander and he shared a letter that was sent to the City Council for the efforts of the Seaside PD. He reported that the Waste Management District will be retrofitting the Material Recovery facility which will cause a temporary backlog and increased rates for some haulers, but when the MRF is compete; it will be much more efficient. He requested that we agenize in a timely manner joining the Monterey Bay Community

Power Program. Council Member Alexander congratulated Commander Borges as well. He spoke to receiving a presentation from Shared hope International and requested that the City consider becoming a partner be agendized for a future meeting. Council Member Jones also requested that we agendize discussion of how Seaside can become a Sanctuary City. Mayor Rubio reported that the MRWPCA approved 25 elements of contracts for the Pure Water Monterey project, which will be important to this City. He didn't request to agendize but requested that staff look into the reuse of the tennis courts at Metz park and wants to look into the ability to do an indoor soccer filed at that location. He has a gentleman that would like to facilitate a public private partnership.

12. COUNCIL MEMBER REQUESTS

13. ADJOURNMENT

On motion, the meeting was adjourned at 8:23 PM.

Respectfully submitted,

Lesley Milton-Rerig, City Clerk	**Ralph Rubio, Mayor**

CITY OF SEASIDE
STAFF REPORT

Item No.: 8.B.

TO:	City Council
FROM:	Craig Malin, City Manager
BY:	Daphne Hodgson, Deputy City Manager Administrative Services
DATE:	February 16, 2017
SUBJECT:	**APPROVE AND FILE CITY CHECKS - CONTINUED FROM FEBRUARY 2, 2017 MEETING**

PURPOSE

This item has been continued from the February 2, 2017 City Council meeting. It is requested that the City Council approve and file the accounts payable and wired payments made during the period of December 24, 2016 through January 24, 2017. In addition, approval of the payroll and benefits checks, direct deposits and wired payments related to the periods of January 5 and 19, 2017 is requested. Total Accounts Payable and Payroll for the above referenced period is $2,443,694.70.

RECOMMENDATION

It is recommended that the City Council approve and file the attached checks.

BACKGROUND

In accordance with Government Code Section 37208, at each City Council meeting the Council is provided a listing of the payroll and general checks issued since the last report so that is can inspect and confirm these checks. Each purchase has been reviewed and approved by the department making the purchase at the time of procurement. The invoice has been reviewed by the Finance Department prior to payment to ensure that it conforms to the approved budget.

Therefore, in accordance with Government Code Section 37208, the above referenced, and linked list of checks conforms to the approved budget and has been paid. These checks are submitted to the City Council for inspection and confirmation.

A description of the checks and wires exceeding $10,000 are as follows:

$1,974,263.68 for payroll and benefits

$33,275.59 to Peninsula Chevrolet for a Chevrolet Volt
$35,700.00 to Restorative Justice for program training
$11,700.03 to CSG Consultants for building services
$29,601.76 to U.S. Bank CalCard for purchases made with purchasing cards
$12,650.00 to Freshpark Industires for equipment
$20,013.28 to MCCVB for 3rd quarter services
$15,957.19 to Enterprise for a van purchase
$14,100.00 to Harvard for training
$37,537.76 to PG&E for utilities
$16,060.77 to MCCVB for November TID collections
$20,269.89 to Richards Watson & Gershon for legal services

The remaining checks, totaling $222,564.75 include payments to vendors for operating expenditures.

The Checks report is available on the City's website here:
http://www.ci.seaside.ca.us/194/Check-Draft-Register

FISCAL IMPACT

The listed checks have been budgeted and paid from the various funds, as appropriate.

ATTACHMENTS

Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

CITY OF SEASIDE
STAFF REPORT

Item No.: 8.C.

TO: City Council

FROM: Craig Malin, City Manager

BY: Daphne Hodgson, Deputy City Manager Administrative Services

DATE: February 16, 2017

SUBJECT: **APPROVE AND FILE CITY CHECKS**

PURPOSE

It is requested that the City Council approve and file the accounts payable and wired payments made during the period of January 25, 2017 through February 3, 2017. In addition, approval of the payroll and benefits checks, direct deposits and wired payments related to the periods of February 2, 2017 is requested. Total Accounts Payable and Payroll for the above referenced period is $1,165,400.99.

RECOMMENDATION

It is recommended that the City Council approve and file the attached checks.

BACKGROUND

In accordance with Government Code Section 37208, at each City Council meeting the Council is provided a listing of the payroll and general checks issued since the last report so that is can inspect and confirm these checks. Each purchase has been reviewed and approved by the department making the purchase at the time of procurement. The invoice has been reviewed by the Finance Department prior to payment to ensure that it conforms to the approved budget.

Therefore, in accordance with Government Code Section 37208, the above referenced, and linked list of checks conforms to the approved budget and has been paid. These checks are submitted to the City Council for inspection and confirmation.

A description of the checks and wires exceeding $10,000 are as follows:

$891,354.45 for payroll and benefits;
$16,649.89 to Allen Huggins for professional service;
$12,720.00 tp Burke, Williams & Sorensen, LLC for legal services;

$22,750.00 to Disability Access Consultants for the ADA Transition Plan;
$17,639.28 to Ellis Buehler Makus LLP for professional services;
$12,210.00 to the League of California Cities for annual dues;
$10,449.00 to Monterey County District Attorney for asset forfeiture funds;
$10,533.73 to Public Safety Consulting Inc. for consluting services;
$30,678.82 tp Miracle Playsystems, Inc. for play structure.

The remaining checks, totaling $140,415.32 include payments to vendors for operating expenditures.

The Checks report is available on the City's website here:
http://www.ci.seaside.ca.us/194/Check-Draft-Register

FISCAL IMPACT

The listed checks have been budgeted and paid from the various funds, as appropriate.

ATTACHMENTS

Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

CITY OF SEASIDE
STAFF REPORT

Item No.: 8.D.

TO: City Council

FROM: Craig Malin, City Manager

BY: Rick Riedl, City Engineer
Leslie Llantero, Assistant Engineer
Tim O'Halloran, City Engineer/Public Works Services Manager

DATE: February 16, 2017

SUBJECT: **APPROVE RESOLUTION AWARDING A CONSTRUCTION CONTRACT TO RANDAZZO ENTERPRISES, INC. IN THE AMOUNT OF $87,000 FOR THE EMERGENCY REMOVAL OF THE OVERHEAD ROAD SIGN AT LIGHTFIGHTER DRIVE.**

PURPOSE

The purpose of this items is for the City Council to consider awarding a construction contract to Randazzo Enterprises Inc., in the amount of Eight Seven Thousand Dollars ($87,000) to remove the overhead road sign on Lightfighter Drive.

RECOMMENDATION

It is recommended that the City Council adopt a resolution awarding a construction contract to Randazzo Enterprises Inc. in the amount of Eighty Seven Thousand Dollars ($87,000) to perform the emergency removal of the overhead road sign on Lightfighter Drive, authorize the City Manager to execute the contract, and direct the Finance Director to implement these changes into the Fiscal Year 2016/2017 budget.

BACKGROUND

Fort Ord Army Base was closed in 1993. Fort Ord Reuse Authority (FORA) is responsible for the oversight of Monterey Bay area economic recovery from the closure of and reuse planning of the former Fort Ord military base. One of the responsibilities of FORA involved transferring properties to area jurisdictions. Lightfighter Drive is located in Seaside City limits identified as Corps of Engineers (COE) Parcel E15.1 which was transferred in 2005. The overhead road sign on Lightfighter Drive has deteriorated over time and needs to be removed.

On December 22, 2016 the City issued a Notice to Bidders and advertised the project for 4 weeks. On January 19, 2017, the City received the following two bids:

Bidder	**Bid Amount**
Randazzo Enterprises Inc. 13550 Blackie Road Castroville, CA 95012	$87,000
Statewide Traffic Safety & Signs 1101 N. 5th Street San Jose, CA 95112	$178,289

Randazzo Enterprises Inc. is the low responsive responsible bidder. Randazzo Enterprises has performed similar demolition and abatement work for Hartnell Community College District, Trustees of the California State Universities, and the US Army. Removal of the sign is expected to take no longer than 5 working days.

The City has received authorization from FORA for reimbursement for up to $27,000 to remove the overhead sign on Lighfighter from Fort Ord Reuse Authority (FORA). The City submitted an application to FORA on January 31, 2017 for emergency funding to be reimbursed for the remainder of the removal cost, or $60,000, plus additional expenses of up to $19,735. It is recommended to award a construction contract to Randazzo Enterprises Inc., in the amount of Eighty Seven Thousand Dollars ($87,000) for the removal of overhead road sign with a contingency budget of 10%, or $8,700. It is recommended that the City Council adopt a resolution authorizing the City Manager to execute the contract with Randazo for $87,000 with the authorization to execute written change orders to the contract in an amount up to $8,700 to cover potential unknown contingencies.

FISCAL IMPACT

The City received $27,000 from FORA for reimbursement on this project. The City submitted an application to FORA on January 31, 2017 for emergency funding to be reimbursed for the remainder of the cost. In the event that FORA approves the emergency funding, there would be no impact to the general fund. In the event that the City is denied reimbursement from FORA, the City would carry the balance of the cost of up to $68,700 including the $8,700 contingency.

ATTACHMENTS

1. Resolution
2. Contract with Randazzo Enterprises Inc.

Reviewed for Submission to the
City Council by:

Meeting Date: February 16, 2017

Craig Malin, City Manager

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE

AWARDING A CONSTRUCTION CONTRACT TO RANDAZZO ENTERPRISES, INC. IN THE AMOUNT OF $87,000 FOR THE EMERGENCY REMOVAL OF THE OVERHEAD ROAD SIGN AT LIGHTFIGHTER DRIVE AND AUTHORIZE CITY MANAGER TO EXECUTE THE CONTRACT

WHEREAS, the Fort Ord Army Base was closed in 1993 and Fort Ord Reuse Authority has cleared parcel for transfer to area jurisdictions; and

WHEREAS, Lightfighter Drive identified through the Corps of Engineers (COE) Parcel 15.1 was transferred in 2005; and

WHEREAS, the overhead road sign on Lightfighter Drive has severely deteriorated and is in urgent need of removal; and

WHEREAS, the project to remove the overhead road sign was put out to bid on December 22, 2016 and on January 19, 2017 the City received two bids; and

WHEREAS, Randazzo Enterprises Inc., was the lowest responsible responsive bid; and

WHEREAS, Randazzo Enterprises Inc., has worked on demolition and abatement for several jurisdictions with favorable responses.

NOW, THEREFORE BE IT RESOLVED, that the City of Seaside City Council award a construction contract to Randazzo Enterprises, Inc. for the removal of overhead road sign at Lightfighter Drive for an amount not to exceed Eighty Seven Thousand Dollars ($87,000), authorize the City Manager to execute the contract, and direct the Finance Director to implement these changes into the Fiscal Year 2016/2017 budget; and

NOW, THEREFORE BE IT FURTHER RESOLVED, that the City of Seaside City Council authorize the City Manager to execute written amendments to the Randazzo Enterprises contract such that the full value of the contract may not exceed $95,700.

PASSED AND ADOPTED at a regular meeting of the City of Seaside City Council duly held on the 16th day of February, 2017 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

____
Ralph Rubio, Mayor

ATTEST:

____
Lesley Milton, City Clerk

CITY OF SEASIDE

REMOVE OVERHEAD SIGN AT LIGHFIGHTER DRIVE
CONTRACT AGREEMENT

This Agreement, made and concluded in duplicate this 16 day of February, 2017, between the CITY OF SEASIDE, herein referred to as "City", and Randazzo Enterprises Inc., herein referred to as "Contractor".

WITNESSETH:

Article I. For and in consideration of the payments and agreements hereinafter mentioned to be made and performed by said City and hereunto annexed, the said Contractor agrees with the said City, at his own proper cost and expense, to do all the work and furnish all the materials, except such as are mentioned in the specifications to be furnished by said City, necessary to construct and complete in a good workmanlike and substantial manner and to the satisfaction of said City, in accordance with the provisions hereto annexed and also in accordance with the latest applicable General prevailing Wage Rates.

The work to be done is specified in these special provisions and plans dated December 2016 approved by the City Engineer, which said special provisions and plans are made part of this contract.

Article II. The said City hereby promises and agrees with the said Contractor to employ, and does hereby employ, the said Contractor to provide the materials and do the work according to the terms and conditions herein contained and referred to, for the price hereinafter set forth, and hereby contracts to pay the same at the time, in the manner, and upon the conditions herein set forth; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.

Article III. The statement of prevailing wages appearing in the General Prevailing Wage Rates is hereby specifically referred to and by this reference made a part of this contract. It is further expressly agreed by and between the parties hereto that should there be any conflict between the terms of this instrument and the bid or proposal of said Contractor, then this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

Article IV. By my signature hereunder, as Contractor, I certify that I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

Article V. And the said Contractor agrees to receive and accept the following prices as full compensation for furnishing all materials and for doing all the work contemplated and embraced in this agreement; also for all loss or damage arising out of the nature of the work aforesaid, or from the action of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by the said City and for all risks of every description connected with the work; also for all expenses incurred by or in consequence of the suspension or discontinuance of work and for well and faithfully completing the work, and the whole thereof, in the manner and according to the plans and specifications, and the requirements of the Engineer under them, to wit:

ITEM	ITEM DESCRIPTION	QTY	UNIT	UNIT COST	TOTAL COST
1	Temporary Traffic Control Plan and Implementation	1	LS	$ 17,000	$ 17,000
2	Overhead Road Sign Demolition	1	LS	$ 59,000	$ 59,000
3	Overhead Road Sign Disposal	1	LS	$ 11,000	$ 11,000
				Base Bid Amount	$ 87,000

Article VI. - Assignment. The Contractor shall not assign any of his duties, responsibilities or obligations without prior written consent from the City.

Article VII. Indemnity. To the fullest extent permitted by law, the Contractor agrees to indemnify, defend and hold harmless, City and any and all of City's boards, officers, employees, agents, assigns, and successors in interest through legal counsel reasonably acceptable to the City, from and against any and all claims losses, demand and expenses, including, but not limited to, attorney's fees and cost of litigation, on account of bodily injury, including death, or property damage arising out of or in any way connected to the work performed by Contractor under this agreement. Without affecting the rights of City under any provision of this agreement, Contractor shall not be required to indemnify and hold harmless City for liability attributable to the active negligence of City, provided such active negligence is determined by agreement between the parties or by the findings of a court of competent jurisdiction. In instances where City is shown to have been actively negligent and where City's active negligence accounts for only a percentage of the liability involved, the obligation of Contractor will be for that entire portion or percentage of liability not attributable to the active negligence of City.

Article VIII. Insurance. Prior to the beginning of and throughout the duration of the work, Contractor will maintain insurance in conformance with the requirements set forth below. Contractor will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, it will be amended to do so. Contractor acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to City in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to City.

Contractor shall provide the following types and amounts of insurance:

1. Commercial General Liability Insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits shall be no less than $2,000,000 per occurrence for all covered losses and no less than $4,000,000 general aggregate.

   Contractor's policy shall contain no endorsements limiting coverage beyond the basic policy coverage grant for any of the following:
   - Explosion, collapse or underground hazard (XCU)
   - Products and completed operations
   - Pollution liability
   - Contractual liability

   Coverage shall be applicable to City for injury to employees of contractors, subcontractors or others involved in the project. Policy shall be endorsed to provide a separate limit applicable to this project.

2. Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than $1,000,000 per accident for all covered losses.

3. Business Auto Coverage on ISO Business Auto Coverage form CA 00 01 06 92 including symbol 1 (Any Auto) or the exact equivalent. Limits shall be no less than $1,000,000 per accident, combined single limit. If Contractor owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Contractor or Contractor's employees will use personal autos in any way on this project, Contractor shall provide evidence of personal auto liability coverage for each such person.

4. Excess or Umbrella Liability Insurance (Over Primary) if used to meet limit requirements, shall provide coverage at least as broad as specified for the underlying coverages. Any such coverage provided under an umbrella liability policy shall include a drop down provision providing primary coverage above a maximum $25,000 self-insured retention for liability not covered by primary but covered by the umbrella. Coverage shall be provided on a "pay on behalf" basis, with defense costs payable in addition to policy limits. There shall be no cross liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to City for injury to employees of Contractor, subcontractors or others involved in the Work. The scope of coverage provided is subject to approval of City following receipt of proof of insurance as required herein. Limits are subject to review but in no event less than $4,000,000 per occurrence and aggregate.

Article IX. - Legal Action. Should either party to this agreement bring legal action against the other, the case shall be handled in Monterey County, California, and the party prevailing in such action shall be entitled to a reasonable attorney's fee which shall be fixed by the judge hearing the case and such fee shall be included in the judgment, together with all costs.

Article X. - Notices. All notices herein provided to be given, or which may be given by either party to the other, shall be deemed to have been fully given and fully received when made in writing and deposited in the United States mail, certified and postage prepaid, and addressed to the respective parties as follows:

CITY OF SEASIDE
Rick Riedl, City Engineer
440 Harcourt Avenue
Seaside, CA 93955

Randazzo Enterprises Inc.
13550 Blackie Road
Castroville, CA 95012

IN WITNESS WHEREOF, the parties to these presents have hereunto set their hands the year and date first above written.

CITY OF SEASIDE

by: ______________________

Craig Malin, City Manager

____

Date

Approved:

____

Rick Riedl, City Engineer

CONTRACTOR

by: Mark Randazzo

Mark Randazzo, Vice President

2.3.17

Date

Licensed in accordance with an act providing for the registration of Contractors. License No. 471936

CITY OF SEASIDE
STAFF REPORT

Item No.: 8.E.

TO: City Council

FROM: Craig Malin, City Manager

BY: Daphne Hodgson, Deputy City Manager Administrative Services

DATE: February 16, 2017

SUBJECT: **ADOPT A RESOLUTION APPROVING CONTRACT FOR $24,950 WITH THE LEW EDWARDS GROUP**

PURPOSE

The purpose of this item is give the City Council an opportunity to consider adoption of a resolution approving a contract for $24,950 with The Lew Edwards Group to provide project management in preparing for a potential June 2017 measure.

RECOMMENDATION

It is recommended that the City Council adopt the attached resolution approving a contract for $24,950 with The Lew Edwards Group to provide project management in preparing for a potential June 2017 measure.

BACKGROUND

The City is considering the viability of potential ballot measures for the June 2017 election. The Lew Edwards Group has provided assistance to the City with Project Manangement for this type of work in the past. Because of our past working relationship, their knowledge of the City, and The Lew Edwards Group's willingness to do this work on very short notice, staff sole sourced this contract. The Agreement for Professional Services is attached to this staff report.

FISCAL IMPACT

The cost of the Agreement for services has been added to the City budget in the proposed Mid Year adjustments to be considered by the City Council later on this agenda.

ATTACHMENTS

1. Resolution approving Contract with The Lew Edwards Group
2. Agreement for Professional Services with The Lew Edwards Group

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Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE APPROVING A CONTRACT WITH THE LEW EDWARDS GROUP AND AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT

WHEREAS, the City Council of the City of Seaside has considered the need to hire a consultant to provide Project Management for the City of Seaside's potential Measure(s); and

WHEREAS, the City Council has considered the previous working relationship with The Lew Edwards Group and their knowledge of the City of Seaside; and

WHEREAS, the City Council finds that it is in the best interest of the City of Seaside to contract with The Lew Edwards Group for consulting services.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Seaside approves the contract with The Lew Edwards Group for consulting services and authorizes the City Manager to sign all necessary documents.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Seaside duly held on the 16th day of February 2017 by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

____
Ralph Rubio, Mayor
City of Seaside

ATTEST:

____
Lesley Milton-Rerig, City Clerk
City of Seaside

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into as of the 31st day of January 2017 by and between the **CITY OF SEASIDE,** a municipal corporation ("City") and The Lew Edwards Group, a California corporation ("Consultant").

RECITALS

A. Consultant is experienced and competent to perform the special services that will be required by this Agreement.

B. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

C. City desires to retain Consultant to render professional consulting services as set forth in this Agreement.

AGREEMENT

1. Scope of Services. Consultant shall furnish the following services in a professional manner:

> ***"Consultant shall perform services as described in Exhibit A, attached hereto and incorporated herein by reference as Exhibit A. Consultant shall provide its services at the time, place, and in the manner specified in Exhibit A, subject to the direction of the City through its staff that it may provide from time to time."***

2. Time of Performance. The services of Consultant will commence effective January 31, 2017 and be completed on June 9, 2017.

3. Consulting Fees. Consulting fees shall be paid in accordance with the Schedule of Charges set forth in Exhibit B, which is attached hereto and incorporated herein by reference.

4. Method of Payment. Consultant shall submit invoices to City for professional fees. City shall pay Consultant no later than 30 days after invoice.

5. Extra Work or Extension of Services. At any time during the term of this Agreement, City may request that Consultants perform Extra Work. As used herein, "Extra Work" means any work that is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from City.

6. Termination. This Agreement may be terminated by the City immediately for good cause, or by either party without cause upon two weeks written notice of termination. For the

purposes of this Agreement, "good cause" shall be deemed a failure of Consultant to perform its ~~duties as specified in their Scope of Work as described in Exhibit A, or a breach by Consultant of~~ any other terms in Agreement. Upon termination, Consultant shall be entitled to compensation for services performed up to the effective date of termination.

7. Ownership of Documents. All plans, studies, documents and other writings prepared by and for Consultant, their officers, employees and agents and subcontractors during this Agreement (except working notes, draft work product, or internal documents), shall become the property of the City upon payment to Consultant for such work, and the City shall have the sole right to use any materials paid for, in its discretion. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents and other writings to City upon written request, if these products are paid for by the City.

8. Independent Contractors. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as agents or employees of the City. Consultant shall obtain no rights to retirement benefits or other benefits that accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights.

9. Professional Ability of Consultants. City has relied upon the professional experience and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by Consultant under this Agreement shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise. The parties expressly acknowledge that legal services are not within Consultant's scope of work.

10. Compliance with Laws. Consultant shall use the standard of care in its profession to comply with all applicable federal, state and local laws, codes, ordinances and regulations.

11. Indemnity. The parties agree to defend and hold harmless one another, their respective officers, officials, agents, employees and volunteers from and against any and all claims, demands, actions, losses, damages, injuries, and liability directly or indirectly (including any and all costs and expenses in connection therein), arising out of the performance of this Agreement, except for any such claim arising out of the sole negligence or willful misconduct of either party, or their respective officers, agents, employees or volunteers.

12. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City: City of Seaside
440 Harcourt Drive
Seaside, CA 93955
Attention: City Manager Craig Malin

If to Consultant: Mr. Lloyd A. Edwards
Secretary-Treasurer
The Lew Edwards Group
PO Box 21215
Oakland, CA 94620

13. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between the City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

14. Amendments. This Agreement may be modified or amended only by a written document executed by Consultant and City.

15. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

16. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

17. Litigation Expenses and Attorneys' Fees. If Consultant or City commences any legal action against the other out of this Agreement, the prevailing party shall be entitled to recover its reasonable litigation expenses, including court costs, expert witness fees, discovery expenses, and attorneys' fees.

18. Mediation. The parties agree to make a good faith attempt to resolve any disputes arising out of this Agreement through mediation prior to commencing litigation. The parties shall mutually agree upon the mediator and shall divide the costs of mediation equally. If the dispute remains unresolved after mediation, either party may commence litigation.

19. Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business, and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

IN WITNESS HEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF SEASIDE:

By: ____________________________
CRAIG MALIN, City Manager
City of Seaside
440 Harcourt Avenue
Seaside, CA 93955

THE LEW EDWARDS GROUP

By: ____________________________
LLOYD A. EDWARDS,
Secretary-Treasurer
The Lew Edwards Group
PO Box 21215, Oakland, CA 94620

EXHIBIT A -- SCOPE OF SERVICES

- Assist the City with Project Management in preparing for potential June 2017 measure/s.
- Facilitate the development of public opinion research conducted by City's designated research professional.
- Independently analyze research findings and make recommendations on viability and election timing/s.
- Recommend and update preparation and project action plan/s and timeline/s.
- Develop text copy for informational materials.
- Recommend strategies to disseminate information, consistent with the City's practices and advise on additional communications avenues to disseminate its information, such as use of its website and other Internet and traditional approaches as appropriate.
- Provide press releases or other text copy for the Internet, traditional Earned Media and/or Social Media.
- Work with the City to provide clarifying or correct information to the public on a rapid response basis as needed. (Consultant does not function as a spokesperson for the City)
- Provide ongoing advice as needed, including added value to the development of staff reports, city resolutions, and ballot materials.

Legal services/advice are not within Consultant's scope of work. Consultant's services will conclude on June 9, 2017.

EXHIBIT B – SCHEDULE OF CHARGES

The contract amount of Twenty-Four Thousand, Nine Hundred and Fifty Dollars ($24,950) for professional services shall be payable as follows:

- Six Thousand, Two Hundred and thirty-seven Dollars and fifty cents ($6,237.50) due and payable on February 28th, March 31st, April 30th, and May 31st 2017.

Consultant's professional fees do not include hard project costs such as opinion research, graphics, printing, postage or other direct mail costs which must be budgeted by the City separately if desired.

CITY OF SEASIDE
STAFF REPORT

Item No.: 8.F.

TO: City Council

FROM: Craig Malin, City Manager

BY: Daphne Hodgson, Deputy City Manager Administrative Services

DATE: February 16, 2017

SUBJECT: **ADOPT A RESOLUTION APPROVING CONTRACT FOR $26,399 WITH FAIRBANK, MASLIN, MAULLIN, METZ & ASSOCIATES**

PURPOSE

The purpose of this item is give the City Council an opportunity to consider adoption of a resolution approving a contract for $26,399 with Fairbank, Maslin, Maullin, Metz & Associates to provide public opinion research in preparing for a potential June 2017 measure.

RECOMMENDATION

It is recommended that the City Council adopt the attached resolution approving a contract for $26,399 with Fairbank, Maslin, Maullin, Metz & Associates to provide public opinion research in preparing for a potential June 2017 measure.

BACKGROUND

The City is considering the viability of potential ballot measures for the June 2017 election. Fairbank, Maslin, Maullin, Metz & Associates have provided assistance to the City with Public Opinion Research for this type of work in the past. Because of our past working relationship, their knowledge of the City, and Fairbank, Maslin, Maullin, Metz & Associates' willingness to do this work on very short notice, staff sole sourced this contract. The Letter of Agreement for Professional Services is attached to this staff report.

FISCAL IMPACT

The cost of the Agreement for services has been added to the City budget in the proposed Mid Year adjustments to be considered by the City Council later on this agenda.

ATTACHMENTS

1. Resolution Approving Letter of Agreement for Public Opinion Research with Fairbank, Maslin, Maullin, Metz & Associates The Lew Edwards Group
2. Letter of Agreement with Fairbank, Maslin, Maullin, Metz & Associates

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Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE APPROVING A CONTRACT WITH FAIRBANK, MASLIN, MAULLIN, METZ & ASSOCIATES AND AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT

WHEREAS, the City Council of the City of Seaside has considered the need to hire a consultant to provide Public Opinion Research for the City of Seaside's potential Measure(s); and

WHEREAS, the City Council has considered the previous working relationship with Fairbank, Maslin, Maullin, Metz & Associates and their knowledge of the City of Seaside; and

WHEREAS, the City Council finds that it is in the best interest of the City of Seaside to contract with Fairbank, Maslin, Maullin, Metz& Associates for Public Opinion Research.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Seaside approves the contract with Fairbank, Maslin, Maullin, Metz & Associates for Public Opinion Research and authorizes the City Manager to sign all necessary documents.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Seaside duly held on the 16th day of February 2017 by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

____
Ralph Rubio, Mayor
City of Seaside

ATTEST:

____
Lesley Milton-Rerig, City Clerk
City of Seaside

Fairbank,
Maslin,
Maullin,
Metz &
Associates
FM3
Public Opinion Research & Strategy

LETTER OF AGREEMENT
CITY OF SEASIDE FINANCE MEASURE SURVEY
PROJECT 220-4750
February 3, 2017

1. It is agreed that Fairbank, Maslin, Maullin, Metz & Associates, Inc. (FM3) will provide public opinion research services (Services) for the City of Seaside (Client) for a total cost not to exceed $26,399.00.

2. These Services include: all professional and staff time, questionnaire design, sample preparation, pre-test of interview, telephone interviewing, data analysis and cross-tabulation, and presentation of survey results as necessary to complete a voter sample list telephone survey, averaging 15-20 minutes per interview, of up to 300 City of Seaside likely June 2017 voters, as outlined in our proposal dated January 31, 2017.

3. Both parties will reach a mutual agreement on the contents of the questionnaire instrument. Client agrees that, when its approval is called for hereunder, it will promptly review and approve all such matters in good faith and in consultation with FM3, and that its approval will not be unreasonably withheld or delayed.

4. As compensation for Services under this Agreement, Client agrees to pay FM3 a minimum fee of $22,500.00 upon the signing of this agreement under the authorization of the City Manager. The remaining balance of the final cost agreed upon by both parties in writing, will be due and payable 30 days after completion of survey, under the authorization of the City Council. Client shall pay FM3's

12100 Wilshire Blvd. Suite 350 Los Angeles, CA 90025 Phone: (310) 828-1183 Fax: (310) 453-6562

1999 Harrison Street Suite 2020 Oakland, CA 94612 Phone: (510) 451-9521 Fax: (510) 451-0384

invoices for Services rendered within fifteen (15) days after each invoice's date. In the event that any invoice remains unpaid on the sixtieth (60) day after the date on the invoice, interest of 1.5 percent per month shall be payable on the unpaid balance.

5. When FM3's Services conclude, all unpaid charges owed shall become immediately due and payable, according to the terms in the preceding paragraph.

6. This Letter of Agreement will take effect when Client returns a signed copy of this Letter of Agreement.

7. The prevailing party in any action or proceeding to interpret or to enforce any provision of this Letter of Agreement will be awarded reasonable attorney's fees and costs incurred in that action or proceeding or in any efforts to negotiate the matter. Each party to pay their own attorney fees.

8. This Letter of Agreement shall be binding upon and inure to the benefit of the successors and assigns of each of the parties hereto. This Letter of Agreement cannot be assignable without prior written approval by Client.

9. This Letter of Agreement is deemed to have been entered into in the County of Los Angeles, State of California, and shall be governed by the laws of the State of California. Any action or proceeding with respect to this Letter of Agreement or any matter arising therefrom shall be maintained exclusively in the Superior Court in the County of Los Angeles, California, as the jurisdiction and venue of which each party hereby specifically consents.

10. This Letter of Agreement contains the entire agreement and understanding concerning the subject matter hereof between the parties, and supersedes and replaces all prior negotiations, proposed agreements, written or oral.

11. This Letter of Agreement may be signed in one or more counterparts, each of which shall be deemed an original and shall be effective when the other parties have executed a counterpart.

12. The individuals executing this Letter of Agreement on behalf of each of the parties hereby represent and warrant that each is duly authorized to do so.

13. It is understood and agreed that Client is and shall be solely responsible for the use of the public opinion research provided by FM3 under this Letter of Agreement. It is understood and agreed that FM3 is solely responsible for the results of the public opinion research provided pursuant to this Letter of Agreement. FM3 shall at all times comply with state and federal law, and any statute, rule, regulation or order from any governmental or regulatory agency. In the event that any state and/or federal, regulatory agency or any other person

and/or entity shall make a claim against Client or its' agents, employees, or affiliates which is in any manner related to this Letter of Agreement, the services of FM3, or the results of any public opinion research provided by FM3, FM3 shall indemnify and hold harmless included but not limited to costs and attorney fees incurred by Client in defense of such matter.

14. All notices, demands, requests or approvals to be given under this Agreement, shall be given in writing and conclusively shall be deemed served when delivered personally or on the third business day after deposit in the United States mail, postage prepaid, registered or certified, addressed as follows:

    A. All notices, demands, requests or approvals from FM3 to Client shall be addressed to:

        Craig Malin
        440 Harcourt Avenue
        Seaside, CA 93955
        Telephone: 831-899-6701
        E-mail: cmalin@ci.seaside.ca.us

B. All notices, demands, requests or approvals from Client to FM3 shall be addressed to:

Dave Metz
Fairbank, Maslin, Maullin, Metz & Associates, Inc.
1999 Harrison Street, Suite 2020
Oakland, CA 94612
Telephone: 510-451-9521
E-mail:

2/5/17

Craig Malin
City of Seaside

Date

Date

Fairbank, Maslin, Maullin, Metz & Associates, Inc.

Fairbank, Maslin, Maullin, Metz & Associates
FM3

CITY OF SEASIDE
STAFF REPORT

Item No.: 9.A.

TO: City Council

FROM: Craig Malin, City Manager

BY: Daphne Hodgson, Deputy City Manager Administrative Services

DATE: February 16, 2017

SUBJECT: **RECEIVE PRESENTATION OF THE JUNE 30, 2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT, THE SINGLE AUDIT REPORT, THE GOVERNANCE LETTER AND THE GANN LIMIT REPORT AND ACCEPT AND FILE THE REPORTS**

PURPOSE

The purpose if this item is to give the City Council the opportunity to receive, review, discuss and consider acceptance of the June 30, 2016 Comprehensive Annual Financial Report, the related Single Audit Report, the Governance Letter and the Gann Limit Report for the City of Seaside.

RECOMMENDATION

It is recommended that the City Council receive, review, discuss and accept and file the June 30, 2016 Comprehensive Annual Financial Report of the City of Seaside, the related Single Audit Report, the Governance Letter and the Gann Limit Report.

BACKGROUND

The City of Seaside's Comprehensive Annual Financial Report for the year-ended June 30, 2016 is complete and audited. The auditors have given us a clean opinion on the financial statements. This is the first year the City has completed a Comprehensive Annual Financial Report. A copy of the City's Report is linked to this staff report. Also linked are the related Single Audit Report, the Governance Letter and the Gann Limit Report.

The firm of Gallina LLP, from Roseville, California performed the City's audit for the year ending June 30, 2016, and for the three previous years. They will make a presentation at the February 16th meeting and will be available to answer questions.

The Comprehensive Annual Financial Report, the Single Audit Report, the Governance

Letter and the Gann Limit Report are available on the City's website here:
http://www.ci.seaside.ca.us/192/Financial-Statements

FISCAL IMPACT

The cost of the annual audit is included in the annual budget.

ATTACHMENTS

Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

CITY OF SEASIDE
STAFF REPORT

Item No.: 9.B.

TO: City Council

FROM: Craig Malin, City Manager

BY: Daphne Hodgson, Deputy City Manager Administrative Services

DATE: February 16, 2017

SUBJECT: **RECEIVE THE 2016-2017 MID-YEAR BUDGET REPORT, ACCEPT AND FILE THE REPORT, PROVIDE DIRECTION TO STAFF AND CONSDER ADOPTION OF A RESOLUTION APPROVING THE PROPOSED 2016-2017 MID-YEAR BUDGET ADJUSTMENTS**

PURPOSE

The purpose of this item is to provide the City Council the opportunity to receive the report on the 2016-2017 Mid-Year Budget, accept and file the Report, provide direction to staff as desired and consider adoption of a resolution approving the proposed 2016-2017 Mid-Year Budget adjustments totaling a net increase in General Fund revenues of $102,105.

RECOMMENDATION

It is recommended that the City Council accept and file the 2016-2017 Mid-Year Budget Report, provide direction to staff as desired and adopt the attached resolution approving the proposed 2016-2017 budget adjustments totaling a net increase in General Fund revenues of $102,105.

BACKGROUND

Each year the City staff prepares a preliminary budget; in May the Preliminary Budget is presented to the City Council. After consideration, the City Council approves the City budget no later than the second meeting in June.

The City of Seaside's 2016-2017 Budget was adopted by the City Council on June 2, 2016. The 2016-2017 Budget is based on the City Council's direction to focus the City's resources on the service delivery and invest resources in areas that will advance long-term economic development.

MID-YEAR ANALYSIS

To best ensure that the City is on track with the currently adopted 2016-2017 budget, and to review the City's current revenue situation, the City Council conducts a mid-year budget review. The purpose of the mid-year budget review is to present the latest information that we have to enable the Council to make budget adjustments indicated by changed circumstances and in the best interests of the community.

GENERAL FUND OVERVIEW

The General Fund Budget for Fiscal Year 2016-2017 was balanced at adoption, with a surplus of $4,192. The Audited Financial Statement for the year ended June30, 2016 show an operating surplus of $1,553,719. In January 2017, the City Council approved 2015-2016 budget carryovers of $710,808 to finance unfinished projects that were budgeted in 2015-2016.

The 2016-2017 proposed mid-year adjustments are:

Revenue Estimates up by	$874,522
Projected Expenditures up by	$772,417
Net Revenue Increase	$102,105

With the adoption of these proposed adjustments, the increase in surplus would be $949,208 from July 1, 2016 through December 31, 2017. See attachment 1 for more detail.

For a complete list of proposed mid-year adjustment see Attachment 2.

OTHER FUNDS

There are a few minor adjustments in other funds. See Attachement 2.

FISCAL IMPACT

There is no direct fiscal impact related to this action. If adopted, the adjustments would become part of the budget and funds would be spent within the budget appropriations.

ATTACHMENTS

1. General Fund Activity July 1, 2016 through December 31, 2017
2. Proposed Mid-Year Adjustments
3. 2016-2017 Mid-Year Budget Resolution
4. Resolution - Exhibit A - Revenue Adjustments
5. Resolution - Exhibit B - Expenditure Adjsutments

Reviewed for Submission to the
City Council by:

Meeting Date: February 16, 2017

Craig Malin, City Manager

CITY OF SEASIDE
GENERAL FUND
ACTIVITY

2016-2017 Budget as adopted:		
Revenue estimates	$ 26,910,973	
Projected Expenditures	$ 26,906,781	
OPERATING SURPLUS		$ 4,192
2015-2016 budget carryovers:		
Revenues	$ 1,889,531	
Expenditures	$ 2,600,339	
NET CARRYOVERS		$ (710,808)
6/30/2016 Audited numbers:		
Revenues	$ 27,471,164	
Expenditures	$ 25,917,445	
OPERATING SURPLUS		$ 1,553,719
12/31/16 Mid Year Budget adjustments:		
Revenues	$ 874,522	
Expenditures	$ 772,417	
NET ADJUSTMENTS		$ 102,105
TOTAL NET SURPLUS AFTER PROPOSED MID YEAR ADJUSTMENTS		**$ 949,208**

2017-2018 Budget Preview as of June 2, 2016, when the 2016-2017 Budget was adopted:		
Revenues	$ 27,308,048	
Expenditures	$ 28,331,722	
OPERATING DEFICIT		$ (1,023,674)

PROPOSED EXPENDITURE ADJUSTMENTS

Decision Already Made, Expenditure Savings, Mision or Vision Critical, Referenced During Strategic Planning, Revenue Neutral and Potentially Positive, Miscellaneous

	Increases	Decreases
General Fund Operations:		
Decision Already Made:		
Police Administration - Retirement Incentive Costs from Salary savings	$ 50,000.00	$ 50,000.00
Police Patrol - Retirement Incentive Costs from Salary savings	$ 37,000.00	$ 37,000.00
Police Patrol - Vacation & Comp Payoffs	$ 50,000.00	
Community Development Administration - Retirement Costs from Salary savings	$ 72,000.00	$ 72,000.00
Public Works - Transfers Street Fund (reduction in Gas Tax Funding)	$ 32,317.00	
Expenditure Savings:		
City Council - Consultant savings		$ 5,000.00
City Manager - Consultant savings		$ 2,000.00
Police Administration - Part time savings		$ 11,000.00
Fire Administration - County Communications savings		$ 10,000.00
Community Development Building - Salary savings		$ 17,500.00
Community Development Building - Subcontract savings		$ 18,500.00
Mission or Vision Critical:		
Police Patrol - Overtime	$ 40,000.00	
Fire Operations - Overtime (due to minimum staffing needs)	$ 97,500.00	
Fire Operations - Division Chief Op Comp	$ 20,000.00	
Fire Hazmat - Vehicle Storage, engineering and site preparation	$ 35,000.00	
Police Reserve - Part time	$ 39,000.00	
Police Administration - Consultant, Speakwrite	$ 13,000.00	
Police Administration - Overtime	$ 5,500.00	
Police Patrol - Department Equipment	$ 6,500.00	
Human Resources - Personnel Recruitment	$ 24,000.00	
Referenced during Strategic Planning:		
Public Works - Transfer to Street Fund for Pavement Management	$ 40,000.00	
City Manager - Polling & Ballot Initiative Consulting	$ 60,000.00	
City Clerk - Election Cost for possible June 2017 Election	$ 50,000.00	
Police Administration - CALEA Program costs (first year)	$ 19,100.00	
City Manager - Sustainable Cities Project with CSUMB offset with consultant savings	$ 21,000.00	
Fort Ord Monument Signs	$ 25,000.00	
Community Development - Branding Initiative	$ 12,000.00	
Revenue Neutral or Potentially Positive:		
Fire Strike Team - Overtime, funded from increased reimbursements	$ 126,000.00	
CRIA/EFID Analysis	$ 60,000.00	
FORA Transition Fiscal Analysis	$ 40,000.00	
Miscellaneous:		
Community Development - Farmers' Market	$ 18,000.00	
City Council meetings child care	$ 2,500.00	
Other - no cost items; expendiutures moved from one account to another:		

City Council - Air Resources District Membership from Engineering budget (budgeted in wrong account)	$ 12,000.00	$ 12,000.00
City Attorney - Legal Services to Personnel Legal Services	$ 50,000.00	$ 50,000.00
Police Administration - Investigations from City Attorney legal services	$ 12,000.00	$ 12,000.00
Police Administration - Automated Criminal Justice transfer from County Communications savings	$ 20,000.00	$ 20,000.00
Public Works Community Projects - payroll costs transferred from Parks, Parks Facilities, Irrigation, Trees	$ 50,000.00	$ 50,000.00
OPERATIONS TOTALS	$ 1,139,417.00	$ 367,000.00
GRAND TOTAL GENERAL FUND OPERATING EXPENDITURE INCREASES	**$ 772,417.00**	
Community Development Block Grant Fund:		
Administration - Payroll costs from consultant savings	$ 15,000.00	$ 15,000.00
Asset Forfeiture Fund:		
Police Equipment	$ 30,000.00	
Streets Fund:		
Capital Projects:		
Pavement Management Program and Implementation - this requires an additional transfer from the General Fund	$ 40,000.00	
TOTAL STREET FUND EXPENDITURE INCREASE FOR CAPITAL	$ 40,000.00	$ -
Water Fund:		
Operating:		
Payroll Costs from Legal Costs	$ 20,000.00	$ 20,000.00
Legal Cost savings		$ 100,000.00
Rate Study (budgeted twice in error)		$ 145,113.00
OPERATIONS TOTALS	$ 20,000.00	$ 265,113.00
NET EXPENDITURE DECREASE FOR OPERATIONS		$ (245,113.00)
Capital Projects:		
Laguna Grande Well Refurbishment increased costs	$ 30,000.00	
GRAND TOTAL WATER FUND EXPENDITURE DECREASES		$ (215,113.00)
Internal Service - Insurance Fund:		
Operating:		
Performance Improvement Plan Projects	$ 65,000.00	
Internal Service - Management Information Services Fund:		
Operating:		
Computer upgrade support	$ 45,000.00	

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE ADOPTING THE ANNUAL 2016-2017 MID-YEAR BUDGET REPORT AND PROPOSED CHANGES TO THE BUDGET OF THE CITY OF SEASIDE FOR THE FISCAL YEAR 2016-2017

WHEREAS, the City Council of the City of Seaside reviewed and adopted the 2016-2017 Annual Operating Budget on June 2, 2016; and

WHEREAS, the City Council conducts an annual mid-year review of the Operating Budget; and

WHEREAS, the City Council of the City of Seaside has considered the Mid-Year Review and the Proposed changes to 2016-2017 Annual Budget; and

WHEREAS, the City Council is required to approve changes to the 2016-2017 Operating Budget by resolution.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Seaside adopts the proposed modifications to the 2016-2017 Operating Budget, as detailed in Exhibit A, attached, as may be modified and incorporated by staff, as authorized.

PASSED AND ADOPTED at a meeting of the City Council of the City of Seaside duly held on the 16th day of February, 2017 by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

____
Ralph Rubio, Mayor
City of Seaside

ATTEST:

____
Lesley Milton
City Clerk - City of Seaside

REVENUES

Total General Fund Revenues Received as of 12/31/2016 $10,703,224

	Increases	Decreases
General Fund:		
Vehicle License Fee In-Lieu	$ 85,000.00	
Supplemental Property Tax	$ 40,000.00	
Unsecured		$ 20,000.00
Residual Disolution payment	$ 50,000.00	
Transaction Tax		$ 12,000.00
Successor Agency Pass-through	$ 150,000.00	
Sand City Settlement payment	$ 364,522.00	
Sales Tax	$ 150,000.00	
Franchise Television		$ 10,000.00
UUT Gas & Electric	$ 110,000.00	
UUT Cable		$ 20,000.00
Plan Check Fees		$ 35,000.00
Building Permits	$ 20,000.00	
Electrical Permits		$ 20,000.00
Plumbing Permits		$ 5,000.00
Sign Permits		$ 6,000.00
Use Permits		$ 7,000.00
Revenue Recovery		$ 5,000.00
Other Court fines		$ 10,000.00
Mandated Cost Reimbursements		$ 50,000.00
Traffic Safety Fines		$ 20,000.00
Fireworks Fee	$ 5,000.00	
Plan Check - Fire Sprinklers		$ 5,000.00
Planning Application Review	$ 7,000.00	
Other Community Classes	$ 15,000.00	
Recreation Day Camp	$ 15,000.00	
Reimbursements - Police		$ 50,000.00
Reimbursements - Fire	$ 135,000.00	
Reimbursements - Public Works		$ 20,000.00
Reimbursements - Other	$ 10,000.00	
Reimbursements - Planning & Comm Dvlp	$ 10,000.00	
Reimbursements - City Clerk	$ 3,000.00	
TOTALS	$ 1,169,522.00	$ 295,000.00
NET GENERAL FUND REVENUE INCREASES	$ 874,522.00	
Streets Fund:		
Code Section 2105		$ 12,161.00

Code Section 2103	$ 1,926.00	
Code Section 2106	$ 17,014.00	
Code Section 2107		$ 39,096.00
Transfer in from General Fund	$ 32,317.00	
TOTALS	$ 51,257.00	$ 51,257.00
NET REVENUE DECREASE		$ -

Asset Forfeiture Fund:

Asset Seizure	$ 90,000.00

PRVNT Fund:

Asset Seizure	$ 10,000.00

Internal Service - Insurance Fund:

Workers' Comp Recovery	$ 100,000.00

PROPOSED EXPENDITURE ADJUSTMENTS

Total General Fund Expenditures as of 12/31/2016 $12,266,521

	Increases	Decreases
General Fund:		
Operations:		
City Council - Air Resources District Membership from Engineering budget (budgeted in wrong account)	$ 12,000.00	$ 12,000.00
City Council - Consultant savings		$ 5,000.00
City Council meetings child care	$ 2,500.00	
City Manager - Sustainable Cities Project with CSUMB offset with consultant savings	$ 21,000.00	
City Manager - Consultant savings		$ 2,000.00
City Manager - Polling & Ballot Initiative Consulting	$ 60,000.00	
City Manager - FORA Transition Fiscal Analysis	$ 40,000.00	
City Clerk - Election Cost for possible June 2017 Election	$ 50,000.00	
Human Resources - Personnel Recruitment	$ 24,000.00	
City Attorney - Legal Services to Personnel Legal Services	$ 50,000.00	$ 50,000.00
Police:		
Administration - Overtime	$ 5,500.00	
Administration - Part time savings		$ 11,000.00
Administration - Retirement Incentive Costs from Salaries savings	$ 50,000.00	$ 50,000.00
Administration - Consultant, Speakwrite	$ 13,000.00	
Administration - Investigations from City Attorney legal services	$ 12,000.00	$ 12,000.00
Administration - CALEA Program costs (first year)	$ 19,100.00	
Administration - Automated Criminal Justice transfer from County Communications savings	$ 20,000.00	$ 20,000.00
Patrol - Overtime	$ 40,000.00	
Patrol - Vacation & Comp Payoffs	$ 50,000.00	
Patrol - Retirement Incentive Costs from Salaries savings	$ 37,000.00	$ 37,000.00
Patrol - Department Equipment	$ 6,500.00	
Reserve - Part time	$ 39,000.00	
Fire:		
Administration - County Communications savings		$ 10,000.00
Operations - Overtime (due to minimum staffing needs)	$ 97,500.00	
Operations - Division Chief Op Comp	$ 20,000.00	
Strike Team - Overtime (funded by increased reimbursements)	$ 126,000.00	
Fire Hazmat - Vehicle Storage, engineering and site preparation	$ 35,000.00	
Community Development:		
Administration - Retirement Costs from salary savings	$ 72,000.00	$ 15,000.00
Administration - Medical insurance savings		$ 13,000.00
Administrative - Part time		$ 10,000.00
Branding Initiative	$ 12,000.00	
Building - Salary savings		$ 50,000.00
Building - Subcontract savings		$ 20,000.00
Fort Ord Monument Signs	$ 25,000.00	
CRIA/EFID Analysis	$ 60,000.00	
Farmers' Market	$ 18,000.00	
Public Works:		
Transfers Street Fund	$ 32,317.00	
Transfer to Street Fund for Pavement Management	$ 40,000.00	
Community Projects - payroll costs transferred from	$ 50,000.00	$ 50,000.00

Parks, Parks Facilities, Irrigation, Trees		
OPERATIONS TOTALS	$ 1,139,417.00	$ 367,000.00
GRAND TOTAL GENERAL FUND EXPENDITURE INCREASES	**$ 772,417.00**	
Community Development Block Grant Fund:		
Administration - Payroll costs from consultant savings	$ 15,000.00	$ 15,000.00
Asset Forfeiture Fund:		
Police Equipment	$ 30,000.00	
Streets Fund:		
Capital Projects:		
Pavement Management Program and Implementation - this requires an additional transfer from the General Fund	$ 40,000.00	
TOTAL STREET FUND EXPENDITURE INCREASE FOR CAPITAL	$ 40,000.00	$ -
Water Fund:		
Operating:		
Payroll Costs from Legal Costs	$ 20,000.00	$ 20,000.00
Legal Cost savings		$ 100,000.00
Rate Study (budgeted twice in error)		$ 145,113.00
OPERATIONS TOTALS	$ 20,000.00	$ 265,113.00
NET EXPENDITURE DECREASE FOR OPERATIONS		$ (245,113.00)
Capital Projects:		
Laguna Grande Well Refurbishment increased costs	$ 30,000.00	
GRAND TOTAL WATER FUND EXPENDITURE DECREASES		$ (215,113.00)
Internal Service - Insurance Fund:		
Operating:		
Performance Improvement Plan Projects	$ 65,000.00	
Internal Service - Management Information Services Fund:		
Operating:		
Computer upgrade support	$ 45,000.00	

CITY OF SEASIDE
STAFF REPORT

Item No.: 9.C.

TO: City Council

FROM: Craig Malin, City Manager

BY: Daphne Hodgson, Deputy City Manager Administrative Services

DATE: February 16, 2017

SUBJECT: **ADOPT A RESOLUTION APPROVING MEMBERSHIP IN THE MONTEREY BAY COMMUNITY POWER JOINT POWERS AUTHORITY AS A FOUNDING MEMBER AND APPOINT A REPRESENTATIVE AND AN ALTERNATE TO THE MONTEREY BAY COMMUNITY POWER AUTHORITY BOARD OF DIRECTORS**

PURPOSE

The purpose of this item is to provide the City Council the opportunity to consider a resolution approving membership in the Monterey Bay Community Power Joint Powers Authority as a founding member, to appoint a representative and an alternate to the Monterey Bay Community Power Authority Board of Directors, and direct staff to proceed with discussions and participation in the credit share guarantee program.

RECOMMENDATION

It is recommended that the City Council adopt the resolution approving membership in the Monterey Bay Community Power Joint Powers Authority as a founding member, appoint a representative and an alternate to the Monterey Bay Community Power Authority Board of Directors, and direct staff to proceed with discussions and participation in the credit share guarantee program.

BACKGROUND

On April 18, 2013, the City Council adopted Resolution NO. 2013-32 approving participation in a multi-agency effort to investigate the feasibility of a Monterey Bay Area Community Choice Aggregation (CCA) program.

Enabled by California legislation (AB117), Community Choice Aggregation (CCA) allows local governments to pool their residential and municipal electricity loads and to purchase and/or generate power on behalf of its residents and businesses. Energy transmission, distribution, repair and customer service functions remain the responsibility of the Investor Owned Utility (IOU) operating throughout northern California, namely PG&E.

There are numerous economic and environmental benefits to pursuing a CCA in the Monterey Bay area region. Implementation of a regional CCA may allow for more localized energy production and utilization, help increase the proportion of green renewable energy sources and serve as an important tool in achieving both local climate action goals for greenhouse gas reductions, as well as significant local economic investment for job creation in our community. Moreover CCA provides the local region with increased local control of our energy supply, pricing and investment, while maintaining seamless transmission, distribution, repair and customer service for energy delivery from the existing IOU to the customer.

An in-depth feasibility analysis was completed and the Report has been issued. The link to the full report is:
http://montereybaycca.org/meetingsresources under the heading Full Report. In summary, the study found that "Monterey Bay Ccommunity Power JPA (MBCP) would be operationally viable under a relatively broad range of resource planning scenarios, demonstrating the potential for customer savings as well as reduced electric sector Green House Gas emissions throughout the region."

At the November 3, 2016 City Council meeting, the City Council received a presentation regarding the feasibility of Monterey Bay Community Power and on November 17, 2016 the City Council adopted a resolution affirming the City's intent to participate in the governance and financing discussions for the proposed Joint Powers Authority.

Proposed Governance Structure of MBCP

The Monterey Bay Community Power JPA will be composed of jurisdictions within the Monterey, Santa Cruz and San Benito counties who have passed a JPA resolution and the required Community Choice Energy (CCE) ordinance. The JPA will be formed in April 2017 and will begin providing electrical service to customers in Spring 2018. The governing board structure will include a Policy Board composed of elected officials who will provide guidance/approval in the areas of strategic planning and goal setting, passage of Agency budget and customer rates, and large capital expenditures outside the typical power procurement required to provide electrical service. It will also include a separate Operations Board composed of senior executive staff who will provide oversight and support to the Chief Executive Officer on matters pertaining to the provision of electrical service to customers in the region, focusing on the routine, day-to-day operations of the Agency.

The JPA governing Board will consist of 11 seats, allocated by population size as outlined below. Shared board seats will be determined through the Mayors and Councilmembers' city selection process in their respective counties, with a term of two years. Directors may be reappointed and serve multiple terms.
Five jurisdictions with 50,000+ population will have a permanent seat on the Board. Pending passage of the JPA resolution and CCE ordinance, these are: 1) Santa Cruz County, 2) Monterey County, and the cities of 3) Salinas, 4) Watsonville and 5) Santa Cruz. Additionally, the County

of San Benito will have a permanent seat on the Board in recognition of the large geographical area it represents. The remaining five shared/rotating seats will be allocated as follows:
1 seat for Santa Cruz County small cities (Scotts Valley and Capitola)
3 seats for Monterey County small cities, shared within each region:
Peninsula Cities (Monterey, Carmel, Pacific Grove);
Coastal Cities (Marina, Sand City, Del Rey Oaks, Seaside);
Salinas Valley Cities (Gonzales, Greenfield, King City, Soledad);
1 seat for San Benito County small cities (San Juan Bautista and Hollister)

Agency Financing
In order to move forward with Agency and program implementation, MBCP will need between $2M-$3M to pay for start up costs and an additional $10M-$15M to cover power supply contracting and early operational/working capital needs. In December, Santa Cruz County, on behalf of MBCP issued a banking and credit services RFP seeking a third party lender(s) for both the start up capital and line of credit that will be needed later. The bid deadline for those services was February 1, 2016 and MBCP hopes to have its financing in place by April or May, 2017.

Financial participation for MBCP members is proposed to be a credit guarantee to support the pre-revenue start up loan of up to $3 million. The credit guarantee obligation will be distributed on a per-seat basis and will take the form of a letter of credit, cash collateral or interagency agreement.In the example of an 11-member Board, each seat on the board would be allocated 1/11 (9.1%) of the credit guarantee burden.Shared seat members would divide the credit guarantee among the cities in their respective groupings in order to arrive at the level of credit support that will be required by a third-party lender. The final amount of this loan (and credit guarantee requirement) will be confirmed once ordinances are passed and loan offers have been received. The estimated credit guarantee for the City of Seaside is estimated to be $139,500. This figure depends on the number of Agencies who decide to participate in the JPA and the terms of the loan. Staff is suggesting that the City Council consider setting a maximum amount of shared credit guarantee at $175,000.

Next Steps
To move forward, the City needs to pass the attached resolution for JPA membership, direct staff to work with the Santa Cruz County planning team on the credit guarantee requirements, and appoint a representative and an alternate to the Policy Board of Directors. Municipalities passing resolutions and ordinances will be invited to attend MBCP's inaugural Board meeting in late April, 2017.

The first reading of the CCE ordinance will be considered at the meeting of March 2, 2016.

FISCAL IMPACT

The potential fiscal impact relates to the credit guarantee for the JPA's loan of approximately $3 million to fund start-up costs. If the JPA was to default on the loan, the lender would seek payment from each member of the JPA up to the credit guarantee they had agreed to. At this time, until it is known what agencies will be participating in the JPA, the amount of credit guarantee the City of Seaside would be required to commit is unknown. Therefore staff is recommending that the City limit its committment to $175,000.

ATTACHMENTS

1. Resolution Approving the JPA Agreement for Monterey Bay Community Power Authority
2. Monterey Bay Community Power Joint Powers Authority Agreement

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Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

CITY OF SEASIDE

Resolution No. ____

RESOLUTION APPROVING THE JOINT POWERS AGREEMENT ESTABLISHING THE MONTEREY BAY COMMUNITY POWER (MBCP) AUTHORITY, AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY OF SEASIDE, AND ADOPTING CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) EXEMPTION FINDINGS

WHEREAS, AB 117, adopted as California state law in 2002, permits cities, counties, or city and county Joint Power Authorities to aggregate residential, commercial, industrial, municipal and institutional electric loads through Community Choice Aggregation (CCA); and

WHEREAS, there are currently five CCA programs operating in California - MCE Clean Energy, CleanPowerSF, Sonoma Clean Power, Peninsula Clean Energy and Lancaster Choice Energy – with dozens more in formation; and

WHEREAS, the City of Seaside passed a resolution November 2016 to explore the creation of a CCA program for the Monterey Bay region and participated, in cooperation with the County of Santa Cruz and other local governments, in a technical study that analyzed the potential for a CCA program in the Monterey Bay region; and

WHEREAS, the technical study shows that there are numerous potential benefits for cities and counties that aggregate their electrical load including: 1) an expectation of stable and competitively priced electric generation rates for residents, businesses and municipal operations compared to the electrical rates of Pacific Gas & Electric Company (PG&E), 2) greater use of renewable energy resources than is planned by PG&E, 3) significant greenhouse gas reductions as a result of a cleaner power supply than is offered by PG&E; and 4) economic development benefits and local jobs resulting in the creation of MBCP, lower electric rates, and the development of local power resources.

WHEREAS, the City wishes to be a community choice aggregator;

WHEREAS, the City Council has considered the proposed Joint Exercise of Powers Agreement, a draft of which is attached hereto as Exhibit A, under which the City of Seaside and other municipalities in the Monterey Bay tri-county region - consisting of Santa Cruz, Monterey and San Benito Counties and the cities within those counties - will become the initial members of Monterey Bay Community Power Authority; and

WHEREAS, Once the California Public Utilities Commission approves the implementation plan created by MBCP, it will provide service to customers within the cities and counties that choose to join MBCP and to participate in the CCA program; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of the CCE program and continue to receive service from the incumbent utility. Customers who wish to continue to receive service from the incumbent utility will be able to do so at any time.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Seaside hereby:

Section 1. Approves the Joint Exercise of Powers Agreement to form the Monterey Bay Community Power Authority limiting its line of credit participation to $175,000; and

Section 2. This resolution and the establishment of the Monterey Bay Community Power Authority is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, as it is not a "project" since this action involves organizational and administrative activities of government that will not result in direct or indirect physical changes in the environment. (14 Cal. Code Regs. § 15378(b)(5)). Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant negative effect on the environment. (14 Cal. Code Regs.§ 15061(b)(3)). A Notice of Exemption shall be filed as authorized by CEQA and the State CEQA guidelines.

BE IT FURTHER RESOLVED that the Mayor and/or City Manager is hereby authorized and directed to execute the Joint Exercise of Powers Agreement on behalf of the City of Seaside, which will establish MBCP with the City as a founding member.

PASSED AND ADOPTED by the City of Seaside City Council, State of California, this 16th day of February, 2017 by the following vote:

AYES:

NOES:

ABSENT/ABSTAIN:

____

Ralph Rubio, Mayor

ATTEST: __________________________

Lesley Milton-Rerig
City Clerk

JOINT EXERCISE OF POWERS AGREEMENT RELATING TO AND CREATING THE

Monterey Bay Community Power Authority

OF

Monterey, Santa Cruz, and San Benito Counties

This Joint Exercise of Powers Agreement, effective on the date determined by Section 2.1, is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Sections 6500 et seq.) of the California Government Code relating to the joint exercise of powers among the Parties set forth in Exhibit B, establishes the Monterey Bay Community Power Authority ("Authority"), and is by and among the Counties of Monterey, Santa Cruz, and San Benito who become signatories to this Agreement ("Counties") and those cities and towns within the Counties of Monterey, Santa Cruz, and San Benito who become signatories to this Agreement, and relates to the joint exercise of powers among the signatories hereto.

RECITALS

A. The Parties share various powers under California law, including but not limited to the power to purchase, supply, and aggregate electricity for themselves and customers within their jurisdictions.

B. In 2006, the State Legislature adopted AB 32, the Global Warming Solutions Act, which mandates a reduction in greenhouse gas emissions in 2020 to 1990 levels. The California Air Resources Board is promulgating regulations to implement AB 32 which will require local governments to develop programs to reduce greenhouse gas emissions.

C. The purposes for entering into this Agreement include:

   a. Reducing greenhouse gas emissions related to the use of power in Monterey, Santa Cruz, and San Benito Counties and neighboring regions;

b. Providing electric power and other forms of energy to customers at affordable rates that are competitive with the incumbent utility;

c. Carrying out programs to reduce energy consumption;

d. Stimulating and sustaining the local economy by lowering electric rates and creating local jobs as a result of MBCP's CCE program.

e. Promoting long-term electric rate stability and energy security and reliability for residents through local control of electric generation resources.

D. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to solar, wind, and geothermal energy production. The purchase of renewable power and greenhouse gas-free energy sources will be the desired approach to decrease regional greenhouse gas emissions and accelerate the State's transition to clean power resources to the extent feasible.

a. It is further desired to establish a short term and long-term energy portfolio that prioritizes the use and development of State, local and regional renewable resources and carbon free resources.

b. In compliance with State law and in alignment with the Authority's desire to stimulate the development of local renewable power, the Authority shall draft an Integrated Resource Plan that includes a range of local renewable development potential in the Monterey Bay Region and plans to incorporate local power into its energy portfolio as quickly as is possible and economically feasible.

E. The Parties desire to establish a separate public Authority, known as the Monterey Bay Community Power Authority, under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) ("Act") in order to collectively study, promote, develop, conduct, operate, and manage energy programs.

F. The Parties anticipate adopting an ordinance electing to implement through the Authority a common Community Choice Aggregation (CCA) program, an electric service enterprise available to cities and counties pursuant to California Public Utilities Code Sections 331.1(c) and 366.2. The first priority of the Authority will be the consideration of those actions necessary to implement the CCA Program.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Parties as follows:

ARTICLE 1: DEFINITIONS AND EXHIBITS

1.1 Definitions. Capitalized terms used in the Agreement shall have the meanings specified in Exhibit A, unless the context requires otherwise.

1.2 Documents Included. This Agreement consists of this document and the following exhibits, all of which are hereby incorporated into this Agreement.

Exhibit A: Definitions
Exhibit B: List of the Parties
Exhibit C: Regional Allocations

ARTICLE 2: FORMATION OF MONTEREY BAY COMMUNITY POWER AUTHORITY

2.1 Effective Date and Term. This Agreement shall become effective and "Monterey Bay Community Power Authority" shall exist as a separate public Authority on the date that this Agreement is executed by at least three Initial Participants from the Counties of Monterey, Santa Cruz, and San Benito and the municipalities within those counties, after the adoption of the ordinances required by Public Utilities Code Section 366.2(c)(12). The Authority shall provide notice to the Parties of the Effective Date. The Authority shall continue to exist, and this Agreement shall be effective, until this Agreement is terminated in accordance with Section 6.4, subject to the rights of the Parties to withdraw from the Authority.

2.2 Formation. There is formed as of the Effective Date a public Authority named the Monterey Bay Community Power Authority. Pursuant to Sections 6506 and 6507 of the

Act, the Authority is a public Authority separate from the Parties. Pursuant to Sections 6508.1 of the Act, the debts, liabilities or obligations of the Authority shall not be debts, liabilities or obligations of the individual Parties unless the governing board of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Party who has not agreed to assume an Authority debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties agree to assume the debt, liability or obligation of the Authority. Notwithstanding Section 7.4 of this Agreement, this Section 2.2 may not be amended unless such amendment is approved by the governing board of each Party.

2.3 Purpose. The purpose of this Agreement is to establish an independent public Authority in order to exercise powers common to each Party to study, promote, develop, conduct, operate, and manage energy, energy efficiency and conservation, and other energy-related programs, and to exercise all other powers necessary and incidental to accomplishing this purpose. Without limiting the generality of the foregoing, the Parties intend for this Agreement to be used as a contractual mechanism by which the Parties are authorized to participate in the CCA Program, as further described in Section 4.1. The Parties intend that other agreements shall define the terms and conditions associated with the implementation of the CCA Program and any other energy programs approved by the Authority.

2.4 Powers. The Authority shall have all powers common to the Parties and such additional powers accorded to it by law. The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to, each of the following powers, subject to the voting requirements set forth in Section 3.7 through 3.7.1:

. 2.4.1 to make and enter into contracts;

. 2.4.2 to employ agents and employees, including but not limited to a Chief Executive Officer;

. 2.4.3 to acquire, contract, manage, maintain, and operate any buildings, infrastructure, works, or improvements;

. 2.4.4 to acquire property by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property; however, the Authority shall not exercise the power of eminent domain within the jurisdiction of a Party without approval of the affected Party's governing board;

. 2.4.5 to lease any property;

. 2.4.6 to sue and be sued in its own name;

. 2.4.7 to incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers such as Government Code Sections 53850 et seq. and authority under the Act;

. 2.4.8 to form subsidiary or independent corporations or entities if necessary, to carry out energy supply and energy conservation programs at the lowest possible cost or to take advantage of legislative or regulatory changes;

. 2.4.9 to issue revenue bonds and other forms of indebtedness;

. 2.4.10 to apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;

. 2.4.11 to submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;

. 2.4.12 to adopt Operating Rules and Regulations;

. 2.4.13 to make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer the CCA Program and other energy programs, including the acquisition of electric power supply and the provision of retail and regulatory support services; and

. 2.4.14 to permit additional Parties to enter into this Agreement after the Effective Date and to permit another entity authorized to be a community choice aggregator to designate the Authority to act as the community choice aggregator on its behalf.

2.5 Limitation on Powers. As required by Government Code Section 6509, the power of the Authority is subject to the restrictions upon the manner of exercising power possessed by the City of Santa Cruz and any other restrictions on exercising the powers of the authority that may be adopted by the board.

2.6 Compliance with Local Zoning and Building Laws and CEQA. Unless state or federal law provides otherwise, any facilities, buildings or structures located, constructed, or caused to be constructed by the Authority within the territory of the Authority shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed and comply with the California Environmental Quality Act ("CEQA").

ARTICLE 3: GOVERNANCE AND INTERNAL ORGANIZATION

3.1 Boards of Directors. The governing bodies of the Authority shall consist of a Policy Board of Directors ("Policy Board") and an Operations Board of Directors ("Operations Board").

. 3.1.1 Both Boards shall consist of Directors representing any of the three Counties of Monterey, Santa Cruz, or San Benito that become a signatory to the Agreement and Directors representing any of the Cities or Towns within those counties that becomes a signatory to the Agreement ("Directors"). Each Director shall serve at the pleasure of the governing board of the Party who appointed such Director, and may be removed as Director by such governing board at any time. If at any time a vacancy occurs on the Board, a replacement shall be appointed to fill the position of the previous Director within 90 days of the date that such position becomes vacant.

. 3.1.2 Policy Board Directors must be elected members of the Board of Supervisors or elected members of the City or Town Council of the municipality that is the signatory to this Agreement. Jurisdictions may appoint an alternate to serve in the absence of its Director on the Policy Board. Alternates for the Policy Board must be members of the Board of Supervisors or members of the governing board of the municipality that is the signatory to this Agreement.

. 3.1.3 Operations Board Directors must be the senior executive/CountyAdministrative Officer of any County that is the signatory to this Agreement, or senior executive/City Manager from any municipality that is the signatory to this Agreement. Jurisdictions may appoint an alternate to serve in the absence of its Director on the Operations Board. Alternates for the Operations

Board must be administrative managers of the County or administrative managers of the governing board of the municipality that is the signatory to this Agreement.

. 3.1.4 Board seats will be allocated under the following formulas. Policy and Operations Board seats for founding JPA members (i.e. those jurisdictions that pass a CCA ordinance by February 28, 2017) will be allocated on a one jurisdiction, one seat basis until such time as the number of member jurisdictions exceeds eleven. Once the JPA reaches more than eleven member agencies, the Policy and Operations Boards' composition shall shift to a regional allocation based on population size. This allocation shall be one seat for each jurisdiction with a population of 50,000 and above, and shared seats for jurisdictions with populations below 50,000 allocated on a sub-regional basis, as set forth in Exhibit C. Notwithstanding the above, the County of San Benito shall be allotted one seat.

. 3.1.5 Shared board seats will be determined through the Mayors and Councilmembers' city selection process in their respective counties, with a term of two years. Directors may be reappointed, following the Mayors and Councilmembers' city selection process in their respective counties, and serve multiple terms. In the event of an established board seat transitioning to a shared seat due to the addition of a new party, the sitting Director will automatically be the first representative for that shared seat to ensure continuity and maintain experience.

3.2 Quorum. A majority of the appointed Directors shall constitute a quorum, except that less than a quorum may adjourn in accordance with law.

3.3 Powers and Functions of the Boards. The Boards shall exercise general governance and oversight over the business and activities of the Authority, consistent with this Agreement and applicable law. The Boards shall provide general policy guidance to the CCA Program.

. 3.3.1 The Policy Board will provide guidance/approval in the areas of strategic planning and goal setting, passage of Authority budget and customer rates, and large capital expenditures outside the typical power procurement required to provide electrical service.

. 3.3.2 The Operations Board will provide oversight and support to the Chief Executive Officer on matters pertaining to the provision of electrical service to customers in the region, focusing on the routine, day-to-day operations of the Authority.

. 3.3.3 Policy Board approval shall be required for any of the following actions, including but not limited to:

(a) The issuance of bonds, major capital expenditures, or any other financing even if program revenues are expected to pay for such financing;

(b) The appointment or removal of officers described in Section 3.9, subject to Section 3.9.3;

(c) The appointment and termination of the Chief Executive Officer;

(d) The adoption of the Annual Budget;

(e) The adoption of an ordinance;

(f) The setting of rates for power sold by the Authority and the setting of charges for any other category of service provided by the Authority;

(g) The adoption of the Implementation Plan;

(h) The selection of General Counsel, Treasurer and Auditor;

(i) The amending of this Joint Exercise of Powers Agreement; and

(j) Termination of the CCA Program.

. 3.3.4 Operations Board approval shall be required for the following actions, including but not limited to:

(a) The approval of Authority contracts and agreements, except as provided by Section 3.4.

(b) Approval of Authority operating policies and other matters necessary to ensure successful program operations.

3.3.5 Joint approval of the Policy and Operations Boards shall be required for the initiation or resolution of claims and litigation where the Authority will be the defendant, plaintiff, petitioner, respondent, cross complainant or cross petitioner, or intervenor; provided, however, that the Chief Executive Officer or General Counsel, on behalf of the Authority, may intervene in, become a party to, or file comments with respect to any proceeding pending at the California Public Utilities Commission, the Federal Energy Regulatory Commission, or any other administrative authority, without approval of the Boards as long as such action is consistent with any adopted Board policies.

3.4 Chief Executive Officer. The Authority shall have a Chief Executive Officer ("CEO"). The Operations Board shall present nomination(s) of qualified candidates to the Policy Board. The Policy Board shall make the selection and appointment of the CEO who will be an employee of the Authority and serve at will and at the pleasure of the Policy Board.

The CEO shall be responsible for the day-to-day operation and management of the Authority and the CCA Program. The CEO may exercise all powers of the Authority, including the power to hire, discipline and terminate employees as well as the power to approve any agreement if the total amount payable under the agreement falls within the Authority's fiscal policies to be set by the Policy Board, except the powers specifically set forth in Section 3.3 or those powers which by law must be exercised by the Board(s) of Directors. The CEO shall report to the Policy Board on matters related to strategic planning and goal setting, passage of Authority budget and customer rates, and large capital expenditures outside the typical power procurement required to provide electrical service. The CEO shall report to the Operations Board on matters related to Authority policy and the provision of electrical service to customers in the region, focusing on the routine, day-to-day operations of the Authority. It shall be the responsibility of the CEO to keep both Board(s) appropriately informed and engaged in the discussions and actions of each to ensure cooperation and unity within the Authority.

3.5 Commissions, Boards, and Committees. The Boards may establish any advisory committees they deem appropriate to assist in carrying out the CCA Program, other energy programs, and the provisions of this Agreement which shall comply with the requirements of the Ralph M. Brown Act. The Boards may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees if the Board(s) deem it appropriate to appoint such commissions, boards or committees, and shall determine whether members shall be compensated or entitled to reimbursement for expenses.

3.6 Director Compensation. Directors shall serve without compensation from the Authority. However, Directors may be compensated by their respective appointing authorities. The Boards, however, may adopt by resolution a policy relating to the reimbursement by the Authority of expenses incurred by their respective Directors.

3.7 Voting. Except as provided in Section 3.7.1 below, actions of the Boards shall require the affirmative vote of a majority of Directors present at the meeting.

3.7.1. Special Voting Requirements for Certain Matters.

(a) Two-Thirds Voting Approval Requirements Relating to Sections 6.2 and 7.4. Action of the Board on the matters set forth in Section 6.2 (involuntary termination of a Party), or Section 7.4 (amendment of this Agreement) shall require the affirmative vote of at least two-thirds of Directors present.

(b) Seventy Five Percent Special Voting Requirements for Eminent Domain and Contributions or Pledge of Assets.

(i) A decision to exercise the power of eminent domain on behalf of the Authority to acquire any property interest other than an easement, right-of-way, or temporary construction easement shall require a vote of at least 75% of all Directors present.

(ii) The imposition on any Party of any obligation to make contributions or pledge assets as a condition of continued participation in the CCA Program shall require a vote of at least 75% of all Directors and the approval of the governing boards of the Parties who are being asked to make such contribution or pledge.

(iii) For purposes of this section, "imposition on any Party of any obligation to make contributions or pledge assets as a condition of continued participation in the CCA Program" does not include any obligations of a withdrawing or terminated party imposed under Section 6.3.

3.8 Meetings and Special Meetings of the Board. The Policy Board shall hold up to three regular meetings per year, with the option for additional or special meetings as determined by the Chief Executive Officer or Chair of the Policy Board after consultation with the Chief Executive Officer. The Operations Board shall hold at least eight meetings per year, with the option for additional or special meetings. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board. Regular meetings may be adjourned to another meeting time. Special and Emergency Meetings of the Boards may be called in accordance with the provisions of California Government Code Sections 54956 and 54956.5. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law. All meetings shall be conducted in accordance with the provisions of the Ralph M. Brown Act (California Government Code Sections 54950 et seq.).

3.9 Selection of Board Officers.

. 3.9.1 Policy Board Chair and Vice Chair. The Policy Board shall select, from among themselves, a Chair, who shall be the presiding officer of all Policy Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The Policy Board Chair and Vice Chair shall act as the overall Chair and Vice Chair for Monterey Bay Community Power Authority. The term of office of the Chair and Vice Chair shall continue for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if:

(a) the person serving dies, resigns, is no longer holding a qualifying public office, or the Party that the person represents removes the person as its representative on the Board or;

(b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement

. 3.9.2 Operations Board Chair and Vice Chair. The Operations Board shall select, from among themselves, a Chair, who shall be the presiding officer of all Operations Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The term of office of the Chair and Vice Chair shall continue for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if:

(a) the person serving dies, resigns, or is no longer the senior executive of the Party that the person represents or;

(b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement.

. 3.9.3 Secretary. Each Board shall appoint a Secretary, who need not be a member of the Board, who shall be responsible for keeping the minutes of all meetings of each Board and all other official records of the Authority. If the Secretary appointed is an employee of the Authority, that employee may serve as Secretary to both Boards.

. 3.9.4 The Policy Board shall appoint a qualified person to act as the Treasurer and a qualified person to act as the Auditor, neither of whom needs to be be a member of the Board. If the Board so designates, and in accordance with the provisions of applicable law, a qualified person may hold both the office of Treasurer and the office of Auditor of the Authority. Unless otherwise exempted from such requirement, the Authority shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act. The Treasurer shall report directly to the Policy Board and shall comply with the requirements of treasurers of incorporated municipalities. The Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time. The duties and obligations of the Treasurer are further specified in Article 5.

3.10 Administrative Services Provider. The Board(s) may appoint one or more administrative services providers to serve as the Authority's agent for planning, implementing, operating and administering the CCA Program, and any other program approved by the Board, in accordance with the provisions of an Administrative Services Agreement. The appointed administrative services provider may be one of the Parties. An Administrative Services Agreement shall set forth the terms and conditions by which the appointed administrative services provider shall perform or cause to be performed all tasks necessary for planning, implementing, operating and administering the CCA Program and other approved programs. The Administrative Services Agreement shall set forth the term of the Agreement and the circumstances under which the Administrative Services Agreement may be terminated by the Authority. This section shall not in any way be construed to limit the discretion of the Authority to hire its own employees to administer the CCA Program or any other program. The Administrative Services Provider shall be either an employee or a contractor of the Authority unless a member agency is providing the service.

ARTICLE 4: IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS

4.1 Preliminary Implementation of the CCA Program.

. 4.1.1 Enabling Ordinance. To be eligible to participate in the CCA Program, each Party must adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(12) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in the Authority.

. 4.1.2 Implementation Plan. The Policy Board shall cause to be prepared an Implementation Plan meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations as soon after the Effective Date as reasonably practicable. The Implementation Plan shall not be filed with the Public Utilities Commission until it is approved by the Policy Board in the manner provided by Section 3.7.

. 4.1.3 Termination of CCA Program. Nothing contained in this Article or this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA Program at any time in accordance with any applicable requirements of state law.

4.2 Authority Documents. The Parties acknowledge and agree that the affairs of the Authority will be implemented through various documents duly adopted by the Board(s) through resolution, including but not limited to the MBCP Implementation Plan and Operating Policies. The Parties agree to abide by and comply with the terms and conditions of all such documents that may be adopted by the Board(s), subject to the Parties' right to withdraw from the Authority as described in Article 6.

ARTICLE 5: FINANCIAL PROVISIONS

5.1 Fiscal Year. The Authority's fiscal year shall be 12 months commencing April 1 or the date selected by the Authority. The fiscal year may be changed by Policy Board resolution.

5.2 Depository.

. 5.2.1 All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Party or any other person or entity.

. 5.2.2 All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection by the Parties at all reasonable times. The Board(s) shall contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Authority, which shall be conducted in accordance with the requirements of Section 6505 of the Act.

. 5.2.3 All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board(s) in accordance with its Operating Rules and Regulations. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board(s).

5.3 Budget and Recovery of Costs.

. 5.3.1 Budget. The initial budget shall be approved by the Policy Board. The Board may revise the budget from time to time as may be reasonably necessary to address contingencies and unexpected expenses. All subsequent budgets of the Authority shall be approved by the Policy Board in accordance with the Operating Rules and Regulations.

. 5.3.2 Funding of Initial Costs. The County of Santa Cruz has funded certain activities necessary to implement the CCA Program. If the CCA Program becomes operational, these Initial Costs paid by the County of Santa Cruz shall be included in the customer charges for electric services as provided by Section 5.3.3 to the extent permitted by law, and the County of Santa Cruz shall be reimbursed from the payment of such charges by customers of the Authority. Prior to such reimbursement, the County of Santa Cruz shall provide such documentation of costs paid as the Board may request. The Authority may establish a reasonable time period over which such costs are recovered. In the event that the CCA Program does not become operational, the County of Santa Cruz shall not be entitled to any reimbursement of the Initial Costs it has paid from the Authority or any Party.

. 5.3.3 CCA Program Costs. The Parties desire that all costs incurred by the Authority that are directly or indirectly attributable to the provision of electric, conservation, efficiency, incentives, financing, or other services provided under the CCA Program, including but not limited to the establishment and maintenance of various reserves and performance funds and administrative, accounting, legal, consulting, and other similar costs, shall be recovered through charges to CCA customers receiving such electric services, or from revenues from grants or other third-party sources.

. 5.3.4 Credit Guarantee Requirement. The Parties acknowledge that there will be a shared responsibility to provide some level of credit support (in the form of a letter of credit, cash collateral or interagency agreement) for Authority start-up and initial working capital as may be required by a third party lender. Guarantee requirements shall be released after program launch and as soon as possible under the terms of the third-party credit agreement(s). The credit guarantee will be distributed on a per-seat basis. Shared seat members will divide the credit guarantee among the cities sharing those seats. The term of the credit guarantee shall be the same term as specified in the banking agreement. Once a Party has made a credit guarantee, that guarantee shall remain in place until released, even if that Party withdraws from the Authority.

. 5.3.5 The County of Santa Cruz has agreed to provide initial administrative support on a cost reimbursement basis to the JPA once formed. This includes, but is not limited to, personnel, payroll, legal, risk management.

6.1 Withdrawal.

. 6.1.1 Right to Withdraw. A Party may withdraw its participation in the CCA Program, effective as of the beginning of the Authority's fiscal year, by giving no less than 6 months advance written notice of its election to do so, which notice shall be given to the Authority and each Party. Withdrawal of a Party shall require an affirmative vote of the Party's governing board.

. 6.1.2 Right to Withdraw After Amendment. Notwithstanding Section 6.1.1, a Party may withdraw its membership in the Authority following an amendment to this Agreement adopted by the Policy Board which the Party's Director voted against provided such notice is given in writing within thirty (30) days following the date of the vote. Withdrawal of a Party shall require an affirmative vote of the Party's governing board and shall not be subject to the six month advance notice provided in Section 6.1.1. In the event of such withdrawal, the Party shall be subject to the provisions of Section 6.3.

. 6.1.3 The Right to Withdraw Prior to Program Launch. After receiving bids from power suppliers, the Authority must provide to the Parties the report from the electrical utility consultant retained by the Authority that compares the total estimated electrical rates that the Authority will be charging to customers as well as the estimated greenhouse gas emissions rate and the amount of estimated renewable energy used with that of the incumbent utility. If the report provides that the Authority is unable to provide total electrical rates, as part of its baseline offering, to the customers that are equal to or lower than the incumbent utility or to provide power in a manner that has a lower greenhouse gas emissions rate or uses more renewable energy than the incumbent utility, a Party may, immediately after an affirmative vote of the Party's governing board, withdraw its membership in the Authority without any financial obligation, except those financial obligations incurred through the Party's share of the credit guarantee described in 5.3.4, as long as the Party provides written notice of its intent to withdraw to the Authority Board no more than fifteen business days after receiving the report. Costs incurred prior to withdrawal will be calculated as a pro-rata share of start-up costs expended to the date of the Party's withdrawal, and it shall be the responsibility of the withdrawing Party to pay its share of said costs if they have a material/adverse impact on remaining Authority members or ratepayers.

. 6.1.4 Continuing Financial Obligation; Further Assurances. Except as provided by Section 6.1.3, a Party that withdraws its participation in the CCA Program may be subject to certain continuing financial obligations, as described in Section 6.3. Each withdrawing Party and the Authority shall execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Party from participation in the CCA Program.

6.2 Involuntary Termination of a Party. Participation of a Party in the CCA program may be terminated for material non-compliance with provisions of this Agreement or any other agreement relating to the Party's participation in the CCA Program upon a vote of the Policy Board as provided in Section 3.7.1. Prior to any vote to terminate participation with respect to a Party, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Party whose termination is proposed at least 30 days prior to the regular Board meeting at which such matter shall first be discussed as an agenda item. The written notice of proposed termination shall specify the particular provisions of this Agreement or other agreement that the Party has allegedly violated. The Party subject to possible termination shall have the opportunity at the next regular Board meeting to respond to any reasons and allegations that may be cited as a basis for termination prior to a vote regarding termination. A Party that has had its participation in the CCA Program terminated may be subject to certain continuing liabilities, as described in Section 6.3.

6.3 Continuing Financial Obligations; Refund. Except as provided by Section 6.1.3, upon a withdrawal or involuntary termination of a Party, the Party shall remain responsible for any claims, demands, damages, or other financial obligations arising from the Party membership or participation in the CCA Program through the date of its withdrawal or involuntary termination, it being agreed that the Party shall not be responsible for any financial obligations arising after the date of the Party's withdrawal or involuntary termination. Claims, demands, damages, or other financial obligations for which a withdrawing or terminated Party may remain liable include, but are not limited to, losses from the resale of power contracted for by the Authority to serve the Party's load. With respect to such financial obligations, upon notice by a Party that it wishes to withdraw from the CCA Program, the Authority shall notify the Party of the minimum waiting period under which the Party would have no costs for withdrawal if the Party agrees to stay in the CCA Program for such period. The waiting period will be set to the minimum duration such that there are no costs transferred to remaining ratepayers. If the Party elects to withdraw before the end of the minimum waiting period, the charge for exiting shall be set at a dollar amount that would offset actual costs to the remaining ratepayers, and may not include punitive charges that exceed actual costs. In addition, such Party shall also be responsible for any costs or obligations associated with the Party's participation in any program in accordance with the provisions of any agreements relating to such program provided such costs or obligations were incurred prior to the withdrawal of the Party. The Authority may withhold funds otherwise owing to the Party or may require the Party to deposit sufficient funds with the Authority, as reasonably determined by the Authority and approved by a vote of the Policy Board, to cover the Party's financial obligations for the costs described above. Any amount of the Party's funds held on deposit with the Authority above that which is required to pay any financial obligations shall be returned to the Party. The liability of any Party under this section 6.3 is subject and subordinate to the provisions of Section 2.2, and nothing in this section 6.3 shall reduce, impair, or eliminate any immunity from liability provided by Section 2.2.

6.4 Mutual Termination. This Agreement may be terminated by mutual agreement of all the Parties; provided, however, the foregoing shall not be construed as limiting the rights of a Party to withdraw its participation in the CCA Program, as described in Section 6.1.

6.5 Disposition of Property upon Termination of Authority. Upon termination of this Agreement, any surplus money or assets in possession of the Authority for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred under this Agreement and under any program documents, shall be returned to the then-existing Parties in proportion to the contributions made by each.

ARTICLE 7: MISCELLANEOUS PROVISIONS

7.1 Dispute Resolution. The Parties and the Authority shall make reasonable efforts to informally settle all disputes arising out of or in connection with this Agreement. Should such informal efforts to settle a dispute, after reasonable efforts, fail, the dispute shall be mediated in accordance with policies and procedures established by the Authority. The costs of any such mediation shall be shared equally among the Parties participating in the mediation.

7.2 Liability of Directors, Officers, and Employees. The Directors, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. The Authority shall defend, indemnify and hold harmless the individual current and former Directors, officers, and employees for any acts or omissions in the scope of their employment or duties in the manner provided by Government Code Sections 995 et seq. Nothing in this section shall be construed to limit the defenses available under the law, to the Parties, the Authority, or its Directors, officers, or employees.

7.3 Indemnification of Parties. The Authority shall acquire such insurance coverage as is necessary to protect the interests of the Authority and the Parties. The Authority shall defend, indemnify, and hold harmless the Parties and each of their respective Boards of Supervisors or City Councils, officers, agents and employees, from any and all claims, losses, damages, costs, injuries, and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Authority under this Agreement.

7.4 Amendment of this Agreement. This Agreement may not be amended except by a written amendment approved by a vote of Policy Board members as provided in Section 3.7.1. The Authority shall provide written notice to all Parties of proposed amendments to this Agreement, including the effective date of such amendments, at least 30 days prior to the date upon which the Board votes on such amendments.

7.5 Assignment. Except as otherwise expressly provided in this Agreement, the rights and duties of the Parties may not be assigned or delegated without the advance written consent of all of the other Parties, and any attempt to assign or delegate such rights or duties in contravention of this Section 7.5 shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties. This Section 7.5 does not prohibit a Party from entering into an independent agreement with another agency, person, or entity regarding the financing of that Party's contributions to the Authority, or the disposition of proceeds which that Party receives under this Agreement, so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the Parties under this Agreement.

7.6 Severability. If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties, that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provision shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

7.7 Further Assurances. Each Party agrees to execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, to effectuate the purposes and intent of this Agreement.

7.8 Execution by Counterparts. This Agreement may be executed in any number of counterparts, and upon execution by all Parties, each executed counterpart shall have the same force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

7.9 Parties to be Served Notice. Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given 48 hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices shall be addressed to the office of the clerk or secretary of the Authority or Party, as the case may be, or such other person designated in writing by the Authority or Party. Notices given to one Party shall be copied to all other Parties. Notices given to the Authority shall be copied to all Parties.

Exhibit A

Definitions

“Act” means the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.)

“Administrative Services Agreement” means an agreement or agreements entered into after the Effective Date by the Authority with an entity that will perform tasks necessary for planning, implementing, operating and administering the CCA Program or any other energy programs adopted by the Authority.

“Agreement” means this Joint Powers Agreement.

“Annual Energy Use” has the meaning given in Section 3.7.1.

“Authority” means the Monterey Bay Community Power Authority.

“Authority Document(s)” means document(s) duly adopted by one or both Boards by resolution or motion implementing the powers, functions, and activities of the Authority, including but not limited to the Operating Rules and Regulations, the annual budget, and plans and policies.

“Board” means the Policy Board of Directors of the Authority and/or the Operations Board of Directors of the Authority unless one or the other is specified in this Agreement.

“CCA” or “Community Choice Aggregation” means an electric service option available to cities and counties pursuant to Public Utilities Code Section 366.2.

“CCA Program” means the Authority’s program relating to CCA that is principally described in this Agreement.

“Director” means a member of the Policy Board of Directors or Operations Board of Directors representing a Party.

“Effective Date” means the date that this Agreement is executed by at least three Initial Participants from the Counties of Monterey, Santa Cruz, and San Benito and the municipalities within those counties, as further described in Section 2.1.

"Implementation Plan" means the plan generally described in Section 4.1.2 of this Agreement that is required under Public Utilities Code Section 366.2 to be filed with the California Public Utilities Commission for the purpose of describing a proposed CCA Program.

"Initial Costs" means all costs incurred by the County of Santa Cruz and/or Authority relating to the establishment and initial operation of the Authority, such as the hiring of a Chief Executive Officer and any administrative staff, and any required accounting, administrative, technical, or legal services in support of the Authority's initial activities or in support of the negotiation, preparation, and approval of one or more Administrative Services Agreements.

"Initial Participants" means those initial founding JPA members whose jurisdictions pass a CCA ordinance, whose Board seats will be allocated on a one jurisdiction, one seat basis (in addition to one seat for San Benito County) until such time as the number of member jurisdictions exceeds eleven, as described in Section 3.1.4.

"Operating Rules and Regulations" means the rules, regulations, policies, bylaws and procedures governing the operation of the Authority.

"Operations Board" means the board composed of City Managers and CAOs representing their respective jurisdictions as provided in section 3.1.4 who will provide oversight and support to the Chief Executive Officer on matters pertaining to the provision of electrical service to customers in the region, focusing on the routine, day-to-day operations of the Authority, as further set forth in section 3.3..

"Parties" means, collectively, the signatories to this Agreement that have satisfied the conditions in Sections 2.1 or 4.1.1 such that it is considered a member of the Authority.

"Party" means singularly, a signatory to this Agreement that has satisfied the conditions in Sections 2.1 or 4.1.1 such that it is considered a member of the Authority.

"Policy Board" means the board composed of elected officials representing their respective jurisdictions as provided in section 3.1.4 who will provide guidance/approval in the areas of strategic planning and goal setting, passage of Authority budget and customer rates, large capital expenditures outside the typical power procurement required to provide electrical service, and such other functions as set forth in section 3.3.

Exhibit B

List of Parties

Exhibit C

Regional Allocation

Board seats in the Monterey Bay Community Power Authority will be allocated as follows:

i. One seat for Santa Cruz County

ii. One seat for Monterey County

iii. One seat for San Benito County

iv. One seat for the City of Santa Cruz

v. One seat for the City of Salinas

vi. One seat for the City of Watsonville

vii. One shared seat for remaining Santa Cruz cities including Capitola and Scotts Valley selected by the City Selection Committee

viii. One shared seat for Monterey Peninsula cities including Monterey, Pacific Grove, and Carmel selected by the City Selection Committee

ix. One shared seat for Monterey Coastal cities including Marina, Seaside, Del Rey Oaks, and Sand City selected by the City Selection Committee

x. One shared seat for Salinas Valley cities including King City, Greenfield, Soledad, Gonzales selected by the City Selection Committee

xi. One shared seat for San Benito County cities selected by the City Selection Committee