A G E N D A

CITY OF SEASIDE
CITY COUNCIL

REGULAR MEETING
Council Chamber
440 Harcourt Avenue
Thursday, March 2, 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 Alexander	Council Member
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 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. 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. APPROVAL OF MINUTES FROM FEBRUARY 16, 2017 MEETING

PURPOSE: To review and approve the minutes.

RECOMMENDATION: That the minutes be reviewed and approved.

B. 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 February 4, 2017 through February 17, 2017. In addition, approval of the payroll and benefits checks, direct deposits and wired payments related to the period of February 16, 2017 is requested. Total Accounts Payable and Payroll for the above referenced period is $1,021,718.68.

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

C. CONSIDERATION OF A MAYOR'S YOUTH FUND CONTRIBUTION REQUEST FROM SEASIDE BARCELONA SOCCER TEAM

PURPOSE: This item is being presented to give the City Council an opportunity to consider a contribution request of Two Thousand Two Hundred Dollars ($2,200.00) to pay for costs associated with their rental of M.P.U.S.D. fields for practices.

RECOMMENDATION: It is recommended that the City Council approve this request.

D. RESOLUTION APPROVING AGREEMENTS WITH THE SEASIDE CITY EMPLOYEES' ASSOCIATION, CONFIDENTIAL EMPLOYEES AND CONFIDENTIAL MANAGERS, AND EXECUTIVE MANAGEMENT EMPLOYEES

PURPOSE: The purpose of this item is to request City Council approval of a resolution adopting the Memorandum of Understanding with the Seaside City Employees Association, and approving amendments to the Comprehensive Listing of Benefits for the Non-Represented Confidential Employees and Managers, and the Executive Managers.

RECOMMENDATION: It is recommended that the City Council approve the resolution adopting the Memorandum of Understanding with the Seaside City Employees Association and approving the Listing of Benefits for the Non-Represented Confidential Employees and Confidential Managers, and the Executive Managers Compensation Plan.

9. PUBLIC HEARING

A. APPROVE A SECOND READING 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

PURPOSE: It is proposed that the City Council approve the second reading of the ordinance approving an amendment to the City's contract with the California Public Employees' Association to provide Government Code Section 20516 (Employees Sharing Additional Cost) consistent with the agreement reached with the Seaside Public Safety Managers' Association (SPSMA).

RECOMMENDATION: It is recommended that the Council approve the second reading of the 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.

B. FIRST READING OF AN ORDINANCE AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE ENERGY PROGRAM IN THE CITY OF SEASIDE (FIRST READING)

PURPOSE: The purpose of this item is conduct a public hearing and to provide the City Council the opportunity to consider the first reading of an ordinance authorizing the implementation of a Community Choice Energy Program in the City of Seaside.

RECOMMENDATION: It is recommended that the City Council approve the first reading of the ordinance authorizing the implementation of a Community Choice Energy Program in the City of Seaside.

C. CONDUCT A PUBLIC HEARING UNDER THE TAX AND EQUITY FISCAL RESPONSIBILITY ACT (TEFRA) AND CONSIDER ADOPTING A RESOLUTION IN CONNECTION WITH THE PROPOSED ISSUANCE OF REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR THE MONTEREY BAY CHARTER SCHOOL

PURPOSE: The purpose of this item is for the City Council to conduct a public hearing under the Tax and Equity Fiscal Responsibility Act ("TEFRA") in connection with the proposed issuance of revenue bonds by the California Municipal Finance Authority ("CMFA"), in an amount not to exceed $18,000,000, to finance or refinance the costs of certain Monterey Bay Charter School facilities ("the Project") located in the City of Seaside, to adopt a resolution to become a member of the CMFA and to approve the financing of the Project by the CMFA.

RECOMMENDATION: It is recommended that the City Council:
1) Conduct a public hearing under the requirements of TEFRA and the Internal Revenue Code of 1986, as amended; and
2) Adopt a resolution approving the issuance of the Bonds by the CMFA for the benefit of Monterey Bay Charter School, to provide financing of the Project. The City of Seaside will have no liability for the payments on the bonds. The adoption of the resolution is solely for the purposes of satisfying the requirements of TEFRA, the IRS Code and the California Government Code Section 6500. The resolution will also authorize the Mayor or designee to execute the Joint Exercise of Powers Agreement with the CMFA.

10. BUSINESS ITEMS

A. RESOLUTION AWARDING A CONSTRUCTION CONTRACT FOR THE WEST BROADWAY URBAN VILLAGE INFRASTRUCTURE IMPROVEMENTS PROJECT TO MONTEREY PENINSULA ENGINEERING FOR AN AMOUNT NOT TO EXCEED FIVE MILLION NINE HUNDRED NINETY NINE THOUSAND EIGHT HUNDRED NINETY FIVE DOLLARS ($5,999,895)

PURPOSE: The purpose of this item is for the City Council to consider awarding a construction contract to Monterey Peninsula Engineering for an amount not to exceed Five Million Nine Hundred Ninety Nine Thousand Eight Hundred Ninety Five Dollars ($5,999,895) paid for with grants from the Transportation Agency for Monterey County and from the California Transportation Commission.

RECOMMENDATION:
It is recommended to adopt a resolution awarding a construction contract to Monterey Peninsula Engineering for an amount not to exceed Five Million Nine Hundred Ninety Nine Thousand Eight Hundred Ninety Five Dollars ($5,999,895); authorize the City Manager to execute the contract; and authorize the City Manager to execute potential written change orders in an amount not to exceed ten percent of the contract value.

B. CONSIDERATION OF BALLOT MEASURES TO AUTHORIZE NEW GENERAL FUND REVENUES

PURPOSE: The purpose of this report is to provide the City Council an opportunity to consider placing on the ballot for the June 6, 2017 election two general purpose measures to maintain and improve vital city services with locally-controlled funding that cannot be taken by the state to address community priorities such as public safety, recreation, parks, streets, water quality impacts from stormwater, traffic, other general City services, and future service demands in the City of Seaside.

RECOMMENDATION:
It is recommended that the City Council:

1. Receive a presentation from FM3 on the results of their recent independent public opinion research.
2. Adopt a Resolution Declaring the Existence of a Fiscal Emergency Due to the Loss of Grant Revenue, Recent Damage Due to Heavy Winter Storms and Potential Fiscal Impacts of Recent Elections, Including the Loss of Federal and State Funding, Future Capital Project Needs and the Cost of the Recent Passage of California Proposition 64 (Adult Use of Marijuana Act)Adopt a Resolution Declaring the Existence of a Fiscal Emergency due to loss of two significant grants which will exacerbate a structural operating budget imbalance, tens of millions of unfunded infrastructure needs made worse by recent damage caused by heavy winter storms, the continued escalation of unfunded Federal and State mandates, the impacts to funding from the recent national election, including the potential loss of Federal and State funding, and the implementation costs from the legalization of adult use of marijuana (California State Proposition 64).
3. Adopt a Resolution Calling a Special Municipal Election on June 6, 2017, for the Purpose of Submitting a proposal to adopt an Ordinance Amending Chapter 5.04 and Section 17.52.150 of the Seaside Municipal Code to Authorize the City to Apply a Business Operations Tax of Up to 10% on the Gross Receipts of Non-Medical Marijuana Businesses in the City of Seaside for General Purpose Revenues, Approving the Ballot Language as Reviewed by the City Attorney, Directing the City Attorney to Prepare an Impartial Analysis, and Providing Direction Regarding the Submission of Ballot arguments for or Against the Measure. Adopt a Resolution Calling a Municipal Election on June 6, 2017, for the Purpose of Submitting a Proposal to the voters to adopt an ordinance adding Chapter 3.40 to the Municipal Code to authorize the City to apply a Business Tax up to 10% on the Gross Receipts on the Sales of Marijuana from Licensed Businesses in the City of Seaside for General Purpose Revenues, approve the ballot language as reviewed by the City Attorney, permit the filing of rebuttal arguments, direct the City Attorney to provide an impartial analysis, and provide direction regarding ballot arguments in support of the measure.
4. Adopt a Resolution Submitting a Proposal to Adopt an Ordinance at the June 6, 2017, Special Municipal Election to Amend Chapter 3.21 of the Seaside Municipal Code to Increase the Transactions and Use Tax by 0.5% for General Purpose Revenues, Approving the ballot language as Reviewed by the City Attorney, Directing the City Attorney to Prepare an Impartial Analysis, and Providing Direction Regarding the Submission of Ballot Arguments For or Against the Measure. Adopt a Resolution Calling a Municipal Election on June 6, 2017, for the Purpose of Submitting a Proposal to the voters to adopt an ordinance to amend Chapter 3.21 of the Municipal Code to increase the Transactions and Use Tax by

11. 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.

12. ADJOURNMENT

Next Regularly Scheduled Meeting:
March 16, 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 16, 2017
7:00 PM

---

1. **CALL TO ORDER**

Mayor Rubio called the meeting to order at 7:10 PM.

2. **ROLL CALL – ESTABLISHMENT OF QUORUM**

3. **INVOCATION AND PLEDGE OF ALLEGIANCE**

Pastor Elder Sims provided the invocation.

4. **REVIEW OF AGENDA**

Council Member Campbell questioned the process for Council Member Requests, noting that Item 11 C , his request is on the agenda, therefore he ask that it be removed. He questioned if the public will have the chance to speak on those item. Mayor Rubio explained that Council Member requests are carried over from the previous meeting and are on the agenda, as agreed by the Council during Strategic Planning Session to allow a discussion only to add the items to the workload on future agendas. There are no staff reports, there is no discussion of the merits. If members of the public want to comment on these items, they can do it during the regular Public Comment. Council Member Campbell spoke to the resolution and disagreed with Mayor Rubio's interpretation and they agreed to discuss their differences separately.

5. **PUBLIC COMMENT**

6. **PUBLIC AGENCY COMMUNICATIONS**

No public agencies were present.

7. **PRESENTATIONS**

8. **CONSENT CALENDAR**

Items D, E and F were pulled for consideration.

On motion by Mayor Pro Tem Alexander, seconded by Council Member Pacheco and passed by the following vote, the City Council approved the Consent Calendar with the exception of Items D, E and F.

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

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

Action: Approved

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

Action: Approved

C. APPROVE AND FILE CITY CHECKS

Action: Approved

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.

Council member Pacheco questioned who the responsible entity would be for sign removal between the City or FORA. City Engineer Riedl indicated that Seaside is responsible for the roadway and structures but FORA may reimburse for emergency items, which this is considered. On question, he indicated it is not Cal Trans responsibility either. A letter has been submitted to FORA requesting reimbursement and a formal determination is expected by the March 10 Board meeting.

Mayor Rubio invited comments from the public.

- Felix Bachofner indicated that the sign removal was an approved item in 2014, fully funded by FORA and questioned why it had not been done previously, why it is not fully funded today and why the cost now is only half of the actual costs of removal proposed in 2014. He believes the sign, being made of the highly valuable steel should actually be a revenue generator for the contractor but does not see that incorporated into the contract. He suggested it be repurposed as a way finding sign instead of removing.

On motion by Council Member Pacheco and seconded by Mayor Pro Tem Alexander and passed by the following vote the City Council approved a resolution awarding the contract to Randazzo Enterprises to remove the overhead road sign at Lightfighter Drive.

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

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

Mayor Rubio invited comments from the public.

- Felix Bachofner spoke to items E and F together, regarding the polling of citizens. He questioned if it was a push poll, and r who is involved in the generation of the poll. He requested a citizens advisory group to assist with poll development.

City Manager Malin indicated that it is not a push poll, but an instrument crafted by professionals in the field, and with the short time frame to garner feedback on the idea of taxation of cannabis businesses and the upcoming timeline for Council approval to put the measure on the June ballot, his request would be counterproductive.

On motion by Council Member Pacheco and seconded by Council Member Campbell and passed by the following vote the City Council Approved items E and F as presented.

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

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

Action: Approved

9. BUSINESS ITEMS

A. 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

Deputy City Manager Hodgson indicated that the annual audit for 2015-16 has been completed, with positive news in the general fund ending with a surplus. There were two accounting issues reflected in the governance letter and single audit report, to which she indicated the procedures have been corrected and will not reoccur. Mr. Richard Gonzales, principal with Clifton, Larson, Allen (formerly Galina) presented four reports, including the Comprehensive Annual Financial Report (CAFR). It is the financial report for the City, with statistics, and budget schedule. He noted that this is the first time Seaside issued a CAFR and was impressed the quality product. He noted that the opinion letter was an unmodified (clean) opinion, and if there is any section to read is the MDNA, which summarizes what happened during the year and any changes. Mr. Gonzales answered questions from the Council.

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

On motion by Mayor Pro Tem Alexander, seconded by Council Member Pacheco and passed by the following vote the City Council accepted and filed the June 30,2016 Comprehensive Annual Fiscal Report, Single Audit Report, Governance Letter and Gann limit report as presented.

RESULT:	**Passed**
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

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

Deputy City Manager Hodgson reported on the mid-year budget status detailing the revenues increase and changes to the expenses so far this fiscal year and spoke to why she believed the changes were impacted. She indicated that the most substantial impacts were due to the wild land fire expenditures and reimbursements, sales tax revenues increases, litigation settlement payments. Expenditure increased from the general fund were looked at by classification. The resulting net impact was adding $102,000 to the reserves. Mrs. Hodgson answered questions from the Council.

Council Member Pacheco spoke to the increase of expenditures that may be ongoing and questioned if we can cover those ongoing increases to which Ms. Hodgson indicated that the 2017-18 budget review is coming up, however the revenue increase should be ongoing therefore she believes they can be sustained.

The City Council discussed overtime costs at the fire department, wild land fire expenses and revenues, the Sand City lawsuit reimbursement, police department reserve costs, impacts and details for the branding program, fort Ord monument signs, water system expenditures and CIP funds as well as discussed the details of the proposed child care at City Council meetings. City Manager Malin indicated that the new expenditures are those items added to the work plan during the strategic planning session to ensure that these projects can start or come to fruition. He also indicated that there are not many expenditures that carry over that are annually more than $100,000 in that most of the expenditures are one time expenditures to advance the City. He did clarify that even with increased revenues we still have a structural challenge with our finances and expenses, but does not think that anything tonight will add to that challenge.

Mayor Pro Tem Alexander reminded the Council that there is a non-profit organization that can help with park improvements if there are extra funds.
Mayor Rubio requested clarification for the transition fiscal analysis to which Mr. Malin explained that with FORA's current sunset date of 2020 there is a discussion from the transition task force committee, that is looking at the impacts if FORA Sunsets versus if FORA is granted an extension. Both Seaside and Marina have significant land to be redeveloped and have been asked by FORA staff to have an independent assessment of liabilities and potential revenue streams. He recommended that The City Council authorize an addition into the budget of $40,000 to hire and independent financial analysis. The Council agreed.

Mayor Rubio invited public comment on the item.

- A resident acknowledged the people in the audience, who came late in support of agenda item 11A
- Gertrude Smith is thankful that there is a Council Member that would encourage child care to be put in the budget.

On motion by Mayor Pro Tem Alexander and Seconded by Council Member Campbell and passed by the following vote the City Council approved Resolution approving the proposed 2016-17 Mid-Year Budget adjustments as presented and also authorized an additional $40,000 to be added to the budget for an independent analysis for the FORA sunset impact.

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

C. **<u>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</u>**

Deputy City Manager Hodgson spoke to the item reporting this is the third time this item has come before the Council and this time the recommendation is to join the JPA, accept the agreement and appoint a representative and an alternate to represent the City going forward. If approved the City Council will then adopt an ordinance, to complete the process. Representative Jeanie Johnson presented a brief report reminding the Council of the purpose of the program and that it is the number one initiative that can lower greenhouse gases for our local jurisdictions. She reminded the Council of the successful technical feasibility study, 29 public meetings and experts and consultants that report that the program has the ability to double our renewable rate parity with PG &E, create surplus revenues in our region, and become self-sufficient in our region within a few years with regards to energy production. We will have control over local rates and present a choice in our power for local residents. On question, Ms. Johnson indicated that 12 cities and four counties are in process of adopting this agreement. Ms. Johnson answered questions from the Council.

The Council questioned Monterey County's recent discussion about the item, the necessary approval deadlines the actual generation of power, who will pay the transport costs and what types of jobs could be generated through this program. Tim Flannigan for the Monterey Regional Waste Management District spoke to his expertise as part of the Technical Advisory Committee and responded to the utility rate and how to sell it, speaking to the MRWMD's ability to sell power back to the grid that is generated but is currently only allowed to be sold on a spot market yet MCCP would allow them to sell the excess power back to the grid. Mr. Flanagan reiterated the program goals; to increase the amount of renewable power, reduce the amount of greenhouse gas produced (decreased by 30%) and to make sure we are at or below the rates currently paid by PG&E. This program secures a long term energy market to sell into, so that regionally we can create stability projects. Mayor Rubio questioned what happens if PG&E can reduce rates two which Ms. Johnson indicated she hopes so, as it would create competition, and hopes that procuring on an open market place would create a similar market conditions and can be flexible and effectively compete in the market. Mayor Rubio questioned the exit fee and she indicated that yes, there is an exit fee for those that will be pulling out, as is allowed by the CPUC. The CCES that currently exist absorb their fees.

Ms. Hodgson indicated that the initial startup cost for the CCE will be funded by a bank loan, $2.5 - 3 million dollars. The share of that is dependent upon the agencies that join and the resolution, if approved as presented, caps the City of Seaside's liability cap at $175,000. The initial tables look like it will be a total of $137,000 of potential liability. Mayor Rubio asked about those that have signed the letter of intent as well as the actual JPA agreement to which Ms. Johnson felt confident that out of 21, 12 have dedicated interest and intent to move forward. Mayor Rubio expressed interest to wait until more cities have joined and requested consideration to wait until the March 2, 2017 meeting.

Mayor Rubio invited comments from the public.

- A Citizen indicated he was opposed to the project because they are taking the PG& E client base and that there is cap and trade but more people will be hurt by higher prices. He believes that government likes to take over businesses.
  Ron Cheshire, Monterey Santa Crus Building Construction trade council believes that it is a good concept and is still looking at it. It is good for the environment but there are other issues presented by other cities and encouraged taking time to consider all the impacts of the action.
- Dan Nelson, the Romero Institute, partnership with the Catholic Diocese of Monterey

relayed the strong support of the Catholic Dioceses in support of this item. Labor has been given every opportunity to participate and MCCP agrees with the interest of labor. We do need to move forward as it is a fragile coalition. If Monterey County gets their way, Seaside's voice and strength is reduced as this is written to protect the voice of the smaller cities. To slow it would be counterproductive.

- George Riley spoke in support of the previous speaker and indicated we have learned many lessons since FORA was formed. This provides leadership on local jobs, local control and local revenues. Local, not regulated by the PUC. Please do not pass the opportunity up to bring the power back locally.
- Catherine Rivera supported Seaside being a leader in this effort and not a follower. She believes that environment is important, take an interest as the JPA is formed.
- Mary Shakore spoke to being a volunteer with the measure Z campaign. She believes that there is a change happening here in Monterey County. Your citizens want to see the region become an environmental leader and spoke in support of joining MCCP.
- Kay Cline is proud of Seaside for the things we are starting to do including improving parks, improving Broadway, a great dog park, and that we want to be a sustainable community. PG&E already offers a choice but this provides more control over cost and power choice. Be a leader. She spoke in support of capping our investment at $175,000.
- Monterey County Supervisor Jane Parker spoke to her perspective; she serves on the alternative energy committee and has been receiving reports on this process. She serves on the WMD board and helped task MRWMD Staff to get to this moment. Spoke to the new supervisor who pushed to have extra votes on the JPA. That topic has been explored and the governance structure was discussed. The JPA is going forward that is being presented and she urged supporting the item and that it is important to be at the table as a founding member.
- Alexander Burk spoke in support of the item and was glad that this action is proactive and positive and not reactive. She believes that 62% of Seaside voting yes on measure Z shows the community is in support.
- Juan Martines, Policy Coordinator with the Romero Institute spoke to the ability to work with people with different languages and cultures who typically focus on the pursuit of money and opportunity and sometimes the environment takes a back seat. This is going to bring money and support the environment.
- Alicia Ragland spoke to being a third generation peninsula resident and as a community we are resilient and adapt to changes and this is a positive change for the Community. She spoke in support of maintaining the Care program from PG&E and are considering vulnerable members of the community.
- Audra Walton spoke in support of the item and encouraged the Council to adopt. As a renter, she cannot make the capital investments and she believes that the opportunities with renewable energies are expanding.
- Brennen Jensen co-chair of the Monterey Bay Regional Climate Action Compact, spoke representing the 21 jurisdictions that have come together for meaningful action against climate change. There have been 28 public meetings and are all available online, 90 public outreach events over the last 3 years, and the results of the process are tremendous. This is the single most important thing that can be done to reduce emissions and it is exciting that this can turn an ongoing expense into a revenue source. This CCA will be able to offer non profits, schools and businesses the ability to develop renewable energy. Encouraged being the first on the peninsula.
- Wes White spoke to the CCA and the charter update in June to be able to contract with the CCA. If you are worried that The County or Salinas are not interested, don't be. They want to be an apart to fit, they just want the power structure changed. Solidify it and thwart the imbalance.
- Karen Arajo was excited for this item, and encouraged support. Seaside can be the leader it is setting out to be. She loves Seaside. She thanked the Council for considering.
- Felix Bachofner questioned if residents could purchase power from the CCA if the City does

not elect to join he questioned the likely impact of the utility user tax and requested further explanation of the who would pay the exit costs.

Ms. Johnson indicated that only customers within the jurisdictions will be eligible to purchase power from the JPA. They will all be offered the same products and services and same choices throughout the approved jurisdictions. Speaking to the Utility tax, she indicated that PG&E will still do the billing, the utility tax will still be included on the bill and there are no exit costs from MCCP.

Mayor Rubio questioned if we don't act tonight we would be in a lessor status, to which she said no Seaside would still be a founding member. She noted that the City and all members have the ability to back out if the RFP does not come back as predicted by the analysis. She also explained that Job creation was actually the jobs to be created if there were alternative energy projects generated from this CCA. Council Member Pacheco questioned why staff recommends this action to which Mr. Malin said it provides the opportunity for consumer choice, helps comply with state mandates for greenhouse gas emission reduction and provides the opportunity for Seaside to be a founding member and be allowed to have a voice in how it goes forward, while limiting the total credit liability.

Mayor Rubio expressed that he is not interested in voting tonight. Council Member Campbell spoke to the projected city hall solar panels which could then generate more revenue for the city and did not believe there was any harm adopting the resolution today, as it takes the ordinance to obligate. Council Member Jones spoke to competition being healthy for the market and spoke in support of Seaside leading.

On motion by Council Member Pacheco and seconded by Council Member Campbell and passed by the following vote, the City Council approved Resolution approving membership into the Monterey Bay Community Power Joint Powers Authority as a Founding Member and directed staff to prepare an ordinance for approval at the March 2, 2017 meeting.

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

Speaking on the second Council Member Campbell spoke to the benefits of joining the program and the importance of the timing for joining. Basic premise: clean energy at the cheapest price, for everyone. Not terribly concerned about the governorship. The small investment for huge impacts.

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

Council Member Pacheco requested to be agendized is a study session for the Sanctuary City to include the goals, possible impacts, federal and local impacts. He spoke in support of the new mobile skate park at the Youth Resource Center. Council Member Jones requested to k now when 11a will be agendized. City Manager Malin responded that if the Council wants to agendize the topic of Sanctuary Cities with the understanding that staff only will have three days to assemble the staff report by March 2nd. Otherwise it can be placed on the March 19th agenda. Ms. Jones requested the March 2, 2017 meeting for the Study Session. Council Member Campbell spoke to the impact to our city for the "Day without an Immigrant" and spoke with encouragement that it was very supported in our community. He expressed concern regarding Resolution 17-110 regarding agendizing items. He request that we have a study session regarding Sanctuary city and requested that we agendize it for action. Mayor Pro Tem Alexander reported on attending the AMBAG meeting on Wednesday and reported that the Public Safety Academy at Seaside High is progressing and will provide such an outstanding feeder program into the law enforcement field. Mayor Rubio spoke to the meetings attended representing the City including a trip to Washington DC to lobby with the BRAC office negotiation and to discuss the scope of work for what still needs to be done with the ESCA clean up. The scope of work was accepted, and now dollar amounts will be attached. He then reported that MCWD application for the pipeline as part of the PWM project was denied by the State, impacting the schedule. As a result the State will increase the grant amount and add additional grant moneys to cover the work, but since MCWD has 90% of drawings completed, MRWPCA will have to buy that work product and rights of way and easements. Still outstanding is the question of ownership.

11. COUNCIL MEMBER REQUESTS

Mayor Rubio explained how this section will be handled to decide, and not discuss items for placement on future City Council Agendas. City Attorney Freeman disagreed with the policy. The City Council and City Manager and City Attorney discussed the importance that the City Manager keeps the Council informed of the work plan for the city. City Manager Malin agreed that going forward he will make reports under Council Comments of the staff work plan for future agenda items.

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

On motion the meeting was adjourned at 11:05 PM.

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

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

12. ADJOURNMENT

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: March 2, 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 February 4, 2017 through February 17, 2017. In addition, approval of the payroll and benefits checks, direct deposits and wired payments related to the period of February 16, 2017 is requested. Total Accounts Payable and Payroll for the above referenced period is $1,021,718.68.

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:

$621,125.83 for payroll and benefits;
$22,347.12 to Monterey County Sheriff for quarterly Criminal Justice Information System;
$11,055.00 to Monterey Regional Waste Management District for Program Assistance;

$10,380.25 to CSG Consultants for Building Services;
$35,542.23 to PNC Equipment Finance for lease vehicle payment;
$10,350.12 to Gemma Systems for IT Consulting Services;
$12,261.41 to Martin Feeney for Watermaster Consluting Services;
$15,836.04 to Monterey County Convention and Visitor Bureau for December Tourist Improvement District receipts;
$14,100.00 to Harvard for training;
$51,437.94 to PG&E for Utilities;
$41,531.96 to Monterey Peninsula Water Management District for Watermaster Services.

The remaining checks, totaling $175,750.78 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: Nancy Towne, Recreation Services Director
Dan Meewis, Recreation Supervisor

DATE: March 2, 2017

SUBJECT: **CONSIDERATION OF A MAYOR'S YOUTH FUND CONTRIBUTION REQUEST FROM SEASIDE BARCELONA SOCCER TEAM**

PURPOSE

This item is being presented to give the City Council an opportunity to consider a contribution request of Two Thousand Two Hundred Dollars ($2,200.00) to pay for costs associated with their rental of M.P.U.S.D. fields for practices.

RECOMMENDATION

It is recommended that the City Council approve this request.

BACKGROUND

Seaside Barcelona Soccer Team is requesting a donation of Two Thousand Two Hundred Dollars ($2,200.00) to pay for costs associated with their rental of M.P.U.S.D. fields for team practices (22 practices x $100 per use). This youth soccer team consists of 35 elementary school children, all of whom reside in Seaside. The goal for this team is to get youth outside and exercising while being social and learning the basics of soccer.

Seaside Barcelona operates through Salinas Soccer League, neither of which are a 501 (c)3. Staff has reviewed their application and recommends that funds be directed to M.P.U.S.D. to cover the field rental fees.

This is the first Mayor's Youth Fund Request from Seaside Barcelona.

FISCAL IMPACT

This request would be funded by a donation from GreenWaste Recovery to the Mayor's Youth Fund.

ATTACHMENTS

1. Mayor's Youth Fund Application & Policy from Seaside Barcelona

---

Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

received 1/4/17

City of Seaside Mayor's Youth Fund Contribution Policy

Purpose: The Mayor's Youth Fund was created to provide supplemental financial assistance to students and non-profit groups that provide services to improve the lives of young people living in the City of Seaside. A policy has been developed to standardize the evaluation of contribution requests and ensure that the funds are used appropriately to serve the City's youth.

Eligible Applicants: Contributions will only be made to, or on behalf of, students or organized groups, such as schools and non-profit organizations based in Seaside and/or serving Seaside residents that are 18 years old or younger or enrolled in high school. Faith based organizations may apply for contributions from the Mayor's Youth fund if the funding is not used to support religious activities such as worship, Sunday School, or religious instruction. In addition, activities funded by the Mayor's Youth Fund must be open to all persons without regard to their religious affiliation.

Submittal of Contribution Requests: In order to request a contribution, the following information must be provided in writing:

- Name of the organization, person(s) benefiting, proposed use of the funds, total amount needed or fundraising goal.
- Description of other methods being used to raise funds and/or other contributors.
- An explanation of how the group, activity, or event will benefit Seaside youth.
- Written description of how the use of the funds will be specifically used for youth group activities/events and/or has a nexus to the goals related to recycle, cleanup, and "green" sustainability to ensure a healthy environment.
- How this request will provide a municipal benefit (ie., benefit the community).
- Proof of non-profit organization status (not a taxpayer's I.D. number) and a current W9 form.

Evaluation Process and Criteria: Contributions can only be made if approved by the City Council. Funding requests will be evaluated based on their consistency with this policy, including the following criteria.

- Scholastic, athletic, music, environmental and art activities will be considered for funding based on the quality of the proposed activity.
- Evidence of activities/events related to "reduce, reuse and recycle" to ensure a healthy environment.
- Contributions requests will be accepted from individuals and can be made to an organization on behalf of an individual member or student.
- Contributions are only paid to organizations, such as non-profit groups and schools.
- Contributions are intended to fund actual costs related to an event or activity. (Please see "Payment Process" information provided below.)
- Contributions from the Mayor's Youth Fund are not intended to be the sole source of funds for an organization or program and will only be made to supplement other fundraising activities.
- How this request will provide a municipal benefit (ie., benefit the community).

Contribution Limits: In order to equitably distribute funds available in the Mayor's Youth Fund, the following contribution guidelines have been developed, although all contributions are subject to the discretion of the City Council.

Individuals*	25% of total cost of activity (not to exceed $1,000.00)
Groups up to 20	up to $1,500.00
Groups 21+	up to $3,000.00

*Individual contributions must include an itemized list of all costs associated with the request including total cost of the activity.

In addition, funding will be limited to one contribution per year (every 12 months).

###

Mayor's Youth Fund Contribution Request

Prior to completing this request please review the attached contribution policy. All requests will be considered before the City Council and you will be notified of the specific date your item is placed on the agenda. Please return this completed form with necessary attachments to N. Towne, Recreation Services, City of Seaside, 440 Harcourt Avenue, Seaside, CA 93955.

Name of Organization: Seaside Barcelona. Soccer Team.

Name of Individual Submitting Request: Vicente Martinez ; alberto Medina

% Residents or Students of Seaside: 19

#of Participants 19

Ages of Participants: 7-8 year olds category 2008-2009

Mailing Address: 1670 Darwin St apt B

Phone Number: Home ______ Work ______

Cell (831) 718-7211

E-mail Address: ______

Description of Event (Attach Additional Information as Necessary)

youth soccer team

Description of how the use of the funds will be specifically used for youth groups activities/events and/or has a nexus to the goals of recycling, cleanup and/or "green" sustainability to insure a healthy environment. Attach additional information as necessary.

Funds will be used for necessary training equipment, for example goals, nets, balls ect. Funds will also provide uniforms. The school we are currently practicing on gave us a bathroom but we have to pay for it.

Description of how your participation in this event or activity benefits the City of Seaside. See Mayor's Youth Fund Contribution Policy.

Our goal for this team is for kids to get out more, excersize, be social, stay fit and healthy.

*Total Amount Requested: (See Contribution limits) anything helps

Individual Requests: Please attach an itemized list of all expenses. Amount of donation may not exceed 25% of the total cost of the activity and not exceed $1,000.00. Applications that are incomplete will be returned.

CITY OF SEASIDE
STAFF REPORT

Item No.: 8.D.

TO: City Council

FROM: Craig Malin, City Manager

BY: Roberta Greathouse, Human Resources Director

DATE: March 2, 2017

SUBJECT: **RESOLUTION APPROVING AGREEMENTS WITH THE SEASIDE CITY EMPLOYEES' ASSOCIATION, CONFIDENTIAL EMPLOYEES AND CONFIDENTIAL MANAGERS, AND EXECUTIVE MANAGEMENT EMPLOYEES**

PURPOSE

The purpose of this item is to request City Council approval of a resolution adopting the Memorandum of Understanding with the Seaside City Employees Association, and approving amendments to the Comprehensive Listing of Benefits for the Non-Represented Confidential Employees and Managers, and the Executive Managers.

RECOMMENDATION

It is recommended that the City Council approve the resolution adopting the Memorandum of Understanding with the Seaside City Employees Association and approving the Listing of Benefits for the Non-Represented Confidential Employees and Confidential Managers, and the Executive Managers Compensation Plan.

BACKGROUND

Seaside City Employees Association
Representatives from the Seaside City Employees' Association (represented by LIUNA) and representatives of the City Council began meeting in October of 2016, to discuss a successor Memoranda of Understanding. The two teams discussed a number of items of importance including the classification and compensation study, contributions to health insurance and other benefits, and special pays (on-call, educational incentive pay, etc.) The meetings were very productive as the two sides worked collaboratively to find a creative way to meet the needs of both parties.

One of the significant discussion points revolved around the classification and compensation study the City conducted in the fall of 2016. This study showed that a majority of the members of the association are being paid at a rate that is significantly behind the median of market. Bringing salaries to the median of the market, in an affordable way, was a priority for the teams during these negotiations.

Terms:

1. Term: Contract expires June 30, 2019

2. Salary adjustments:
   a. 2% salary increase for all bargaining unit members in the first pay period after January 1st in 2017.
   b. 2% salary increase for all bargaining unit members in the first pay period after January 1st in 2019.

3. Equity adjustments:
   a. Effective the first payperiod in July 2017, each position that is behind market will receve an equity adjustment equal to 1/2 of the distance the position is behind market per the market study conducted in September 2016 (see attached chart).
   b. Effective the first payperiod in July 2018, each position that is behind market will receive an equity adjustment equal to the remaining percentage the position is behind market per the market study conducted in September 2016.

4. Two floating holidays (no cash value; use or lose).

5. On-call time for Maintenance & Utilities employees will be increased from 13 hours per week to 14 hours.

6. The City's matching contribution to employee's deferred compensation accounts will be increased from $30 per month to $50 per month.

7. The sick leave conversion program that allows members to convert sick leave to personal leave will be eliminated for new employees hired after March 3, 2017. Existing employees will be required to maintain a minimum of 120 hours of sick leave in order to participate.

8. All other terms and conditions contained in the current MOU shall remain unchanged.

Unrepresented Employees
Several of of the unrepresented employees are also behind market based on the salary study. The proposed amendments to the listing of benefits for the the Confidential and Executive Managers would phase in the equity adjustments over a three year period for classifications behind the median of the market based on the compensation study conducted last fall.

Terms:

1. Term: Contract expires June 30, 2020

2. Salary adjustments:
   a. 2% in the first pay period in January 2017 for all non-sworn classifications.
   b. The Fire Chief shall receive a 4% salary increase in the first pay period in January 2017.
   c. The Police Chief shall receive a 4% salary adjustment in the first pay period in July 2017.
   d. All classifications will receive a 2% salary adjustment in the first pay period in January of 2018, and 2019.

3. Equity adjustments:
   a. Effective the first pay period in July 2017, 2018, and 2019, each position behind market will receive an equity adjustment that brings the classification 1/3 of the way to market.

4. The City Manager's authority to grant performance pay to managers and directors who exceed expectations in the achievement of established performance goals and objectives will be increased from 5% to 7.5%.

5. Personal leave is eliminated.

There are no other changes to salary, paid leave, or benefits.

FISCAL IMPACT

Seaside City Employees Association:

The total cost of this contract over the 2 1/2 year term is approximately $235,000. The January 2017 2% salary increases were incorporated into the Adopted 2016/2017 City Budget.

Unrepresented Employees:

The total cost of this package over the 3 1/2 year term is approximately $230,000. The January 2017 salary increases were incorporated into the Adopted 2016/2017 City Budget.

ATTACHMENTS

1. Resolution
2. Equity Adjustments LIUNA
3. Equity Adjustments Unrepresented
4. SCEA MOU
5. Executive Manager Compensation Plan
6. Confidential Exempt Listing of Benefits
7. Confidential Non-Exempt Listing of Benefits

Meeting Date: March 2, 2017

Reviewed for Submission to the
City Council by:

____

Craig Malin, City Manager

RESOLUTION NO.

A RESOLUTION ADOPTING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SEASIDE AND THE SEASIDE CITY EMPLOYEES' ASSOCIATION AND APPROVING AMENDMENTS TO THE COMPREHENSIVE LISTING OF PERSONNEL BENEFITS FOR NON-REPRESENTED CONFIDENTIAL EMPLOYEES, CONFIDENTIAL MANAGERS, AND EXECUTIVE MANAGERS

WHEREAS, pursuant to the provisions of the Meyers-Milias-Brown Act (Section 3500 et. seq., Government Code), representatives of the City Manager of the City of Seaside and the Seaside City Employees' Association, have met and conferred in good faith regarding wages, and other terms and conditions of employment; in an attempt to reach a Memorandum of Understanding (MOU); and

WHEREAS, the Seaside City Employees' Association, and the representatives of the City Manager of the City of Seaside have reached agreement with respect to matters herewith jointly set forth, and have developed a written understanding of such matters for the purpose of presenting it to the City Council of the City of Seaside for its determination; and

WHEREAS, the Resolution No. 01-28, the City of Seaside's Employee-Employer Relations Procedure designates certain classifications as Confidential and those employees as well as the Executive Managers are unrepresented; and

WHEREAS, the City Manager has recommended the unrepresented employees receive similar pay and benefits as other employees.

NOW, THEREFORE, BE IT RESOLVED, that the attached Memorandum of Understanding with the Seaside City Employees' Association, the Comprehensive Listing of Personnel Benefits for Non-represented Confidential Employees and Confidential Managers, and the Executive Managers Compensation Plan shall be effective as stated therein; and

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Seaside duly held on the 2nd day of March 2017.

AYES: COUNCIL MEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

____
Ralph Rubio, Mayor
City of Seaside

ATTEST:

____
Lesley Milton, City Clerk

Seaside City Employees' Association Equity Adjustments

	Distance Behind Market	July 1, 2017 Equity (1/2)	July 1, 2018 Equity (1/2)
ACCOUNTING TECHNICIAN	0.00%	0.00%	0.00%
ASSISTANT ENGINEER	-7.60%	3.80%	3.80%
CODE ENFORCEMENT OFFICER	-5.00%	2.50%	2.50%
CUSTODIAN	0.00%	0.00%	0.00%
ELECTRICIAN	-7.00%	3.50%	3.50%
EQUIPMENT MECHANIC	-3.40%	1.70%	1.70%
PARKS CREW CHIEF	-5.60%	2.80%	2.80%
PARKS IRRIGATION SPECIALIST	-6.00%	3.00%	3.00%
MAINTENANCE WORKER	-9.25%	4.60%	4.60%
MAINTENANCE WORKER II	-7.50%	3.75%	3.75%
SPECIALIST (PW, BLDG)	-4.40%	2.20%	2.20%
SR ADMIN ASSISTANT	0.00%	0.00%	0.00%
SWEEPER OPERATOR	0.00%	0.00%	0.00%
WATER MAINTENANCE WORKER	-7.80%	3.90%	3.90%
WATER SPECIALIST	-8.32%	4.20%	4.20%
YOUTH CENTER COORDINATOR	-8.20%	4.10%	4.10%
YOUTH VIOLENCE COORDINATOR	-8.20%	4.10%	4.10%

Unrepresented Employees

	Distance Behind Market	July 1, 2017 Equity (1/3)	July 1, 2018 Equity (1/3)	July 1, 2019 Equity (1/3)
HUMAN RESOURCES TECHNICIAN	-2.80%	0.90%	0.90%	0.90%
SR. ACCOUNTING TECH (PAYROLL SPECIALIST)	0.00%	0.00%	0.00%	0.00%
SR. ADMIN ASST TO CITY MANAGER & COUNCIL	0.00%	0.00%	0.00%	0.00%
FINANCIAL SERVICES MANAGER (ASST FINANCE DIRECTOR)	-4.00%	1.30%	1.30%	1.30%
INFORMATION SERVICES COORDINATOR	-15.00%	5.00%	5.00%	5.00%

Executive Managers

	Distance Behind Market	July 1, 2017 Equity (1/3)	July 1, 2018 Equity (1/3)	July 1, 2019 Equity (1/3)
DEPUTY CITY MANAGER - ADMIN SERVICES	-3.30%	1.10%	1.10%	1.10%
FIRE CHIEF	-1.70%	0.60%	0.60%	0.60%
HUMAN RESOURCES DIRECTOR	-9.40%	3.10%	3.10%	3.10%
POLICE CHIEF	0.00%	0.00%	0.00%	0.00%
RECREATION DIRECTOR	-15.50%	5.20%	5.20%	5.20%

Memorandum of Understanding

Between the City of Seaside

And

The Seaside City Employees' Association

January 1, 2017 – June 30, 2019

MEMORANDUM OF UNDERSTANDING BETWEEN THE
CITY OF SEASIDE AND THE
SEASIDE CITY EMPLOYEES' ASSOCIATION
January 1, 2017 – June 30, 2019

MEMORANDUM OF UNDERSTANDING BETWEEN THE
CITY MANAGER OF THE CITY OF SEASIDE AND THE SEASIDE CITY EMPLOYEES ASSOCIATION
January 1, 2017 – June 30, 2019

We, the undersigned, duly appointed representatives of the City of Seaside and of the Seaside City Employees Association, a recognized employee organization, hereinafter referred to as "City" and "Union" represented by Laborers International Union of North America, Local 270, AFL-CIO, having met and conferred in good faith in accordance with the Meyers-Milias-Brown Act, (government Code Section 3500 et. seq.) do hereby jointly prepare and execute the following written Memorandum of Understanding. It is understood that the provisions herein set forth supersede previous Memoranda of Understanding between the City and Union, and apply to the City of Seaside non-management miscellaneous employees designated to be represented by the Union.

SECTION 1: TERM

The provisions of the Memorandum of Understanding shall become effective January 1, 2017, and shall remain in effect for a period, terminating on June 30, 2019.

SECTION 2: SALARY AND ADMINISTRATION OF PAY PLAN

Class and Comp Study and Certificate Pay: The City and the Association agree to finalize the impacts and effects negotiations for the classification and compensation study and certificate pay through a labor/management committee no later than April 15, 2017.

A. Direct Pay for Services:

1. Salary Adjustments:

a. Effective January 14, 2017, all bargaining unit members will receive a 2% base salary increase.

b. Effective July 1, 2017, bargaining unit members in the following classifications will receive equity adjustments:

- Assistant Engineer 3.80%
- Code Enforcement Officer 2.50%
- Electrician 3.50%
- Equipment Mechanic 1.70%
- Parks Crew Chief 2.80%
- Parks Irrigation Specialist 3.00%
- Maintenance Worker 4.60%
- Maintenance Worker II 3.75%
- Specialist (Public Works, Building) 2.20%
- Water Maintenance Worker 3.90%
- Water Specialist 4.20%

- Youth Center Supervisor 4.10%
- Youth Resource Center Coordinator 4.10%

c. Effective the first pay period following July 1, 2018, bargaining unit members in the following classifications will receive equity adjustments:

- Assistant Engineer 3.80%
- Code Enforcement Officer 2.50%
- Electrician 3.50%
- Equipment Mechanic 1.70%
- Parks Crew Chief 2.80%
- Parks Irrigation Specialist 3.00%
- Maintenance Worker 4.60%
- Maintenance Worker II 3.75%
- Specialist (Public Works, Building) 2.20%
- Water Maintenance Worker 3.90%
- Water Specialist 4.20%
- Youth Center Supervisor 4.10%
- Youth Resource Center Coordinator 4.10%.

d. Effective the first pay period following January 1, 2019, all bargaining unit members will receive a 2% base salary adjustment.

2. Longevity Pay:

Bargaining unit members with ten or more years of service shall receive longevity pay in the amount of 2.5% of the member's base salary rate.

B. Overtime

1. Pre-Approval:

Requests for overtime that can be scheduled should be pre-approved by the Department Head or designee. Overtime not possible to schedule in advance and necessary for public safety and welfare shall be worked at Department Head discretion, subject to City Manager review.

2. Minimum Overtime Guarantee:

When an employee is called back to work on an emergency basis, the actual time worked, with a minimum of two (2) hours, shall be earned.

3. FLSA Calculation:

Overtime shall be paid at time-and-a-half for hours worked in excess of 40 hours per work week. All employee overtime shall be earned in increments of one-quarter (1/4) hour and will be compensated in cash at the rate of time and one-half (1 ½) the employee's regular rate of pay.

4. ***Maximum Compensatory Leave Balance:***

Compensatory time off may be granted instead of overtime pay only where requested by the employee and approved by the Department Head. Personnel represented by SCEA may accrue up to a maximum of 100 hours of compensatory time in lieu of overtime. An employee may utilize compensatory time off if the employee's request is made reasonably in advance of the date(s) requested and approved by the Department Head or designee unless the requested time off would unduly disrupt the operations of the Department.

5. ***Holiday Calculation:***

For the purpose of overtime calculations during the workweek in which holidays **other than** Martin Luther King and Fourth of July fall, <u>holiday time</u> shall count as time worked.

6. ***Martin Luther King & July 4th Calculation:***

For the purpose of overtime calculations during the workweek in which the Martin Luther King and Fourth of July Holidays fall, <u>all time in paid status</u> shall count towards time worked.

7. ***Festival of Patriots Parade:***

Bargaining unit employees required to work the day of the Festival of Patriots Parade shall receive premium pay at the rate of time and one half the employee's regular rate of pay. This premium is limited to time worked on this particular event and does not apply to any other regularly scheduled workdays.

C. Special Pay

1. ***Certification/License Incentive Pay:***

   a. Employees who obtain and maintain one of the following licenses or certificates, or others approved in writing by the City Manager, which enhances the employee's ability to do his or her job, shall receive premium pay in the amount of 5% of the employee's base salary. The premium pay is not stackable and shall not exceed 5% of the employee's base salary regardless of the number of certifications or licenses held.

      i. Class B Drivers' License
      ii. Collections System Certification
      iii. Backflow Testers Certification
      iv. Water Treatment Certification
      v. Water Distribution Certificate
      vi. Qualified Pesticide Applicator's Certification

vii. State Certified Electrician

b. An employee is eligible for the certification/license pay only where the license or certification is issued by a State agency or approved accrediting organization following a program of instruction or training undertaken by the employee as determined and approved by the Department Head.

c. Employees are ineligible for certification/license pay for any certificate or license which the employee is required to maintain as a minimum job requirement as outlined in the job description for the classification.

2. Spanish Bilingual Pay Program

a. A 2 ½% premium above base pay will be granted to an employee who speaks the Spanish language in the course and scope of his or her job duties after successful completion of City provided testing and approval of the City Manager.

b. Upon recommendation of the department director, and approval of the City Manager, an employee required to read and write in Spanish in the course and scope of his or her job duties will be provided a 2 ½% premium above base pay after successful completion of City provided testing.

c. This program is subject to administrative direction and to City established procedures and formal testing. The City will use Language Testing International (LTI) or another suitable and appropriately certified testing organization.

d. Granting and removal of this premium is within the sole discretion of the City. Removal of this premium shall not be considered disciplinary action.

e. Unless recommended by the employee’s department director, and approved by the City Manager, bilingual pay will be for Spanish only.

f. No employee shall be eligible for bilingual pay in excess of 5% above base pay.

3. Temporary Upgrade Pay:

a. Employees who are assigned to perform a majority of the duties of a position within a higher classification from that in which they are regularly employed shall receive the compensation specified for that position to which assigned, if performing the duties thereof for a period of fourteen (14) calendar days.

b. Said increased compensation should be at the lowest step of the higher classification which will accord such employee an increase of at least five (5) percent over his/her current regular compensation.

c. The assignment shall be confirmed in writing by the Manager.

d. Acceptance of an interim assignment to a higher position of thirty (30) or more days shall require mutual written assent of the City and employee.

4. On-Call/Standby Pay:

All employees assigned to be on call shall be paid 14 hours of straight time per week. If an employee is unable to complete their full week of on-call, the time shall be prorated on a daily basis.

D. Administration of Pay Plan:

1. Anniversary Date

a. The anniversary date for each employee is the date he/she is hired, reclassified, or promoted.

b. The anniversary date of any employee shall be adjusted, or changed, in the case of a leave of absence, by moving said anniversary date forward a time equal to the length of such leave of absence, except family care or medical leave, according to the Family Medical Leave Act or California Family Rights Act and military leaves of absence in accordance with the California Military and Veterans Code and Title 38, chapter 43, U.S. Code. Whenever any employee is absent from work without pay for any period exceeding thirty (30) continuous days, the anniversary date of said employee shall be adjusted by moving said anniversary date forward a time equal to the length of absence from work.

c. The anniversary date of any employee shall be adjusted by moving said date forward a time equal to any delay in movement through the steps of the salary range put forth below.

2. Salary Ranges

The five (5) steps of each salary range shall be interpreted and applied as follows:

a. The first step is the minimum rate and shall normally be the hiring rate for the class. In cases where it is difficult to secure qualified personnel, or if a person of unusual qualifications is engaged, the City Manager may hire at a higher step.

b. The second step is the rate at which a fully qualified, experienced, and conscientious employee may expect to advance to following the completion of six (6) months satisfactory service in the first step and upon written recommendation of the Department Head and approval by the City Manager.

c. The third step is the rate at which a fully qualified, experienced, and conscientious employee may expect to advance to following the completion of twelve (12) months satisfactory service in the second step and upon written recommendation of the Department Head and approval by the City Manager.

d. The fourth step is the rate at which a fully qualified, experienced, and conscientious employee may expect to advance to following the completion of twelve (12) months satisfactory service in the third step and upon written recommendation of the Department Head and approval by the City Manager.

e. The fifth step is the rate at which a fully qualified, experienced, and conscientious employee may expect to advance to following the completion of twelve (12) months satisfactory service in the fourth step and upon the written recommendation of the Department Head and approval of the City Manager.

f. Notwithstanding the foregoing provisions of this Section, an employee who is promoted or reclassified from one classification to a higher classification, or from a flat salary to classification having a higher overlapping salary range, shall be adjusted:

   i. To the step in their new range, which shall provide an increase in his/her salary, except that they shall not retain credit for the time served in his/her former step. If the step in the new range is the first step, the employee shall remain in that step for six (6) months before becoming eligible for advancement to the second step.

   ii. If from a flat salary to a range, to the lowest step in his/her new range or classification that exceeds his flat salary.

g. General adjustments in salary ranges made by general increases or decreases shall be made by adjusting all classes upward or downward to the appropriate salary range herein provided. Where the salary range for a given class or for several classes is revised upward or downward the employees shall have their existing salary adjusted to the same step in the new range.

h. In any case where, by reason of unusual circumstances, rigid adherence to the forgoing principles related to salary adjustments would cause a manifest injustice, the City Manager may make such order relating thereto as in his/her discretion is proper.

i. Rates of compensation provided for by resolution are fixed on the basis of full-time service in full-time positions for the schedule of hours indicated. If any position provided for in the budget is by appropriate language specified or indicated as being for less than full-time services, the rate of compensation provided for such positions shall be adjusted accordingly, except those employees indicated in this resolution as working part-time or on a retainer, in which case they shall draw the full salary indicated. If the present adjustments shall be made in the rates, the step plan shall apply to part-time salaried as well as full-time salaried employees.

j. Changes in pay rates shall be made on the first day on the pay period next following the date of eligibility and authorization.

SECTION 3: BENEFITS

A. Retirement:

1. CalPERS Classic Plan

a. Employees hired prior to January 1, 2013 will receive the CalPERS 2% @ 55 Miscellaneous Members retirement plan. The 2% @ 55 plan will also be provided to City employees hired on or after January 1, 2013 who are considered to be "classic" members under the California Public Employees' Pension Reform Act (PEPRA) as determined by CalPERS.

b. Employee Contribution: Employees enrolled in the 2% @ 55 plan shall pay the full employee member contribution required by CalPERS.

2. CalPERS PEPRA Plan

a. New employees hired on or after January 1, 2013 who are "new members" under the PEPRA as determined by CalPERS will be enrolled in the 2% @ 62 Miscellaneous Members retirement plan.

b. As required by PEPRA, employees enrolled in the PEPRA plan shall pay 50% of the "normal cost" of the retirement plan as determined annually by CalPERS.

3. CalPERS Survivor Benefits

a. The City provides for 1959 Survivors Benefit Level Four. The employee cost is $2 per month.

2. *Laborer's International Union of North America National (Industrial) Pension Fund for Unit Employees hired on or before December 31, 2012*

a. <u>All Bargaining Unit Employees hired on or before December 31, 2012:</u>

i. The City will continue to contribute to the Pension Fund on behalf of bargaining unit employees who were hired on or before December 31, 2012 as outlined herein. The City will not offer or contribute to the Pension Fund for any bargaining unit employee hired on or after January 1, 2013.

ii. The Pension Fund's Preferred Rehabilitation Schedule for contributions has been adopted by the City and SCEA. Such adoption was concurrently memorialized in writing between the City, SCEA and the Pension Fund.

iii. If the amount of employer contribution required by the Pension Fund increases after April 1, 2011, such increase shall be paid by the City *in lieu of* salary or wages of the bargaining unit employee and shall be encompassed within the authorized gross wage/salary reductions set forth in subparagraphs a.iii. and b.ii. below.

b. **Employees hired prior to July 1, 2010:**

i. For all bargaining unit employees hired by the City prior to July 1, 2010, the City will pay, in addition to the employees' wages, the sum of $1.00 per credited hour per employee with a cap of $40.00 per work week. The contribution per credited hour means every hour an employee is credited with service under the Pension Fund up to 40 hours per work week.

ii. The City will also pay, on behalf of bargaining unit employees hired prior to July 1, 2010, the sum of $.65 per credited hour per employee with a cap of $26.00 per work week *in lieu of* salary or wages of the employee effective April 1, 2011.

iii. Bargaining unit employees hired prior to July 1, 2010 will be subject to a gross wage/salary reduction of $.65 per credited hour, up to $26.00 per work week, in order that the additional contribution of $.65 per credited hour in lieu of salary or wages will be recognized. Such reduction is expressly authorized herein pursuant to Labor Code section 224.

c. **Employees hired between July 1, 2010 and December 31, 2012:**

i. For all bargaining unit employees hired by the City on or after July 1, 2010 and before January 1, 2013, the City will contribute the minimum employer contribution amount required by the Pension Fund per credited hour per employee up to 40 hours per work week *in lieu of* salary or wages of equal amount. As of April 1, 2011, such amount is $1.65 per credited hour, per employee up to $66.00 per work week *in lieu of* salary or wages. The contribution per credited hour means every hour an employee is credited with service under the Pension Fund up to 40 hours per work week.

ii. Bargaining unit employees hired on or after July 1, 2010 and before January 1, 2013, will be subject to a gross wage/salary reduction of the minimum employer contribution required under the Pension Fund ($1.65 per credited hour, per employee up to $66.00 per work week as of April 1, 2011), in order that the contributions in lieu of salary or wages will be recognized. Such reduction is expressly authorized herein pursuant to Labor Code section 224.

4. Deferred Compensation:

The City will pay up to fifty dollars ($50) per month to the ICMA deferred compensation program for each employee who makes a matching contribution.

B. Medical, Dental, and Vision Insurance:

Eligible bargaining unit employees will be provided with medical, dental, and vision insurance as specified in this section. Benefits to eligible family members will be made available under the health insurance plan.

1. Contributions

The City's contributions for medical, dental, and vision coverage shall be as follows:

a. MCSIG PPO $40 (70/30 Plan).

The City will pay 100% of the employee only premium and 90% of the dependent premium. This will be the base contribution amount for all plans except the Grandfathered PACE Plan.

b. MCISG PPO $25 (80/20 Plan).

SCEA Members electing to participate in the MCSIG PPO $25 (80/20 Plan) will pay the difference between the City's contribution for the PPO $40 Plan and the PPO $25 Plan premium.

c. PACE Plan (90/10 Plan) – Employees hired after October 15, 2015.

New employees enrolling in the PACE 90/10 Plan will pay the difference between the City's contribution for the PPO $40 plan and the PACE Plan premium.

d. PACE Plan (90/10 Plan) – Grandfathered Tier – open to employees hired before October 15, 2015.

The City will pay 81% of the employee only premium; 70% of the employee + 1 premium; and 73% of the family premium.

e. The City will split the cost of any increase or decrease in dental and vision premiums with the employee on a 50/50 basis.

2. Retiree Medical:

a. Eligibility: Only bargaining unit members hired on or before June 30, 2010 are eligible for City-paid retiree medical insurance.

b. Notwithstanding the requirements of the City's Health and Welfare Plan to be eligible for retiree medical coverage, and subject to available coverage under the City's plan, the City shall pay the employee's (not dependents) cost of medical insurance in an amount not to exceed the monthly premium for the City's insurance plan for retirees who retire on regular service or disability retirement for employees represented by SCEA until age 65.

c. Employee may cover spouse by paying the monthly premium.

d. In the event that coverage is not available under the City's plan, and where an eligible employee elects to continue health coverage under COBRA, the City shall contribute to that COBRA payment an amount not to exceed the monthly premium for the City's health insurance plan for the period of time of COBRA eligibility or up to age 65, whichever is less.

e. Employees must have ten years of continuous service with the City, have been hired on or before June 30, 2010, and be at least 50 years of age to receive this benefit.

f. The City complies with all Federal and State guidelines regarding medical and dental insurance. This compliance includes continuation of benefits under COBRA.

C. Life Insurance:

The City will provide term life insurance for all bargaining unit employees in the amount of $50,000.

D. Long-Term Disability:

The City and the employee shall share equally the cost of a long-term disability program.

E. IRS Section 125 Plan:

The City shall provide an Internal Revenue Code Section 125 Plan for medical care and dependent care expense reimbursement. The annual maximum is set by the IRS.

F. Uniform Allowance:

a. Code Enforcement Officers required to wear uniforms will receive a uniform allowance of $63 per month. The City will not provide uniform replacement and/or maintenance.
b. The City will provide uniforms for all bargaining unit employees assigned to the Maintenance and Utilities Division who are required to wear a uniform. Effective July 1, 2015, the parties agree that the value of the uniforms provided shall be considered to be $50.00 per month.

G. Safety Boot Allowance:

The City will pay up to a maximum of $250 per employee per fiscal year for safety shoes or resoling of existing safety shoes for all members required to wear safety toe shoes. This allowance shall only be used to purchase new safety shoes or resole existing shoes. Bargaining unit members can purchase boots using the City's account at Redwing Shoes in Monterey, or they can purchase boots at any vendor they choose and submit a receipt to their supervisor for reimbursement.

H. Mileage Reimbursement:

With the approval of the Department Head, the City shall reimburse employees required to use their personal vehicles for the purpose of conducting City business at a rate based upon IRS mileage rates.

I. Wellness Program:

1. Health Club Membership:

The City will pay up to $45 per month towards an employee membership at a health club upon submission of receipt of contract to the Finance Division. Dues will be processed by payroll deduction if administratively feasible.

2. City Swimming Pool:

Association employees and their families will have use of City swimming pool at no cost to the employee. Employees may have resident's fee and early-bird sign up for swim classes.

3. No Smoking Agreement:

In the spirit of employee health and wellness, the parties agree to a no smoking policy. The City of Seaside will strive to hire non-smokers and vigorously encourage current employees who smoke to quit.

SECTION 4: LEAVE PROVISIONS

A. Vacations

1. Accrual:

All regular employees shall earn vacation as follows:

a. During the first, second, third, and fourth years of employment, vacation will be earned at the rate of six and two thirds (6 2/3) hours per month of ten (10) days per year.

b. During the fifth, sixth, seventh, eighth, and ninth years of employment, vacation will be earned at the rate of ten (10) hours per month or fifteen (15) days per year.

c. During the tenth, eleventh, twelfth, thirteenth, and fourteenth years of employment, vacation will be earned at the rate of eleven and one third (11 1/3) hours per month or seventeen (17) days per year.

d. During the fifteenth, sixteenth, seventeenth, eighteenth, and nineteenth years of employment, vacation will be earned at the rate of thirteen and one third (13 1/3) hours per month or twenty (20) days per year.

e. During the twentieth, twenty-first, twenty-second, twenty-third, and twenty-fourth years of employment, vacation will be earned at the rate of fourteen (14) hours per month or twenty-one (21) days per year. During the twenty-fifth year and thereafter vacation will be earned at the rate of 14.667 hours per month or twenty-two (22) days per year.

2. ***Vacation During Initial Probation:***

   Use of vacation time by an employee shall be conditional upon the completion of six (6) months continuous service with the City, but if for any reason prior to the completion of six months service with the City, such employee's employment is terminated, he/she shall be credited with and paid for vacation time.

3. ***Minimum Leave Event:***

   Vacation shall not be used in increments of less than one-quarter (1/4) hour.

4. ***Vacation and Holidays:***

   For regular employees, if a holiday falls within a scheduled vacation period, on a day that the employee would normally work, that day shall not be counted a vacation day.

5. ***Vacation Upon Termination:***

   Any employee, upon termination of City employment for any reason, who is entitled to vacation time and who has not had the same, shall be paid at his/her current salary rate for such vacation time on the effective date of such termination. If such person works over one-half (1/2) of the month, they shall be entitled to accumulate vacation for that month.

   a. Calculation of Hourly Pay for Payout: For employees working a five (5) day or modified schedule, the method for computing hourly pay for accumulated vacation time shall be as follows:
      i. Hourly rate equals monthly salary multiplied by twelve (12) months divided by 52 weeks multiplied by 40 hours

6. ***Maximum Accumulation:***

   Employees represented by SCEA, will be allowed to have no more than two years earned vacation accumulated as of the end of the 2nd pay period of January of any year. Payout for leave in excess of maximum will occur on the 1st pay period of March. It shall be management's right and responsibility to see that the employee does not exceed the maximum.

7. ***Vacation Cash-Out:***

   The City will allow bargaining unit members to cash out 40 hours of accumulated vacation time before the end of the calendar year. Bargaining unit members wishing to utilize this option must notify the City no later than September 15 of the calendar year in which the cash out is being utilized. The cash out payment will be made in the first paycheck of November of the calendar year following the notice of election of the cash out. This cash out provision is voluntary on the part of each bargaining unit member, and does not change the practice of maintaining a maximum of two years of vacation accumulation at the end of any calendar year.

8. ***Compensation in Lieu of Time Off:***

The City Manager may, in instances where the needs of the City require, authorize compensation in lieu of time off for accrued vacation.

9. ***Accumulation during OJI Leave:***

An employee being paid because of an injury on-the-job will accumulate vacation time and sick leave.

10. ***No Interruption of Accumulation:***

No interruption in the accumulation of vacation time shall result when an employee takes sick leave, vacation, temporary military leave, or paid leave because of an on-the-job incurred illness or injury.

B. Sick Leave with Pay for Non-Job Related Illness, Injury or Disability

1. ***Accrual:***

Each full-time employee in SCEA, shall earn eight (8) hours sick leave with pay for each calendar month or major fraction thereof served.

2. ***Use of Leave:***

Sick leave with pay will be granted only upon the approval of the Department Head in case of bonafide illness of an employee, including the diagnosis, care, or treatment of an existing health condition of, or preventive care. If the need for paid sick leave is foreseeable, the employee shall provide reasonable advance notification. If the need for paid sick leave is unforeseeable, the employee shall provide notice of the need for the leave as soon as practicable. Evidence may be required in the form of a physician's certificate or otherwise to verify an employee's absence during the time for which sick leave is requested.

Sick leave may also be used by an employee who is a victim of domestic violence, sexual assault, or stalking, to obtain any relief or services related to being a victim of domestic violence, sexual assault, or stalking with appropriate certification of the need for such services.

Any employee taking leave that qualifies under the City's Family Care and Medical Leave/California Family Rights Act Policy will complete and submit all required forms.

3. ***Sick Leave Upon Rehire***

If an employee separates from City employment and is re-hired by the City within one year of the date of separation, previously accrued and unused paid sick leave hours shall be reinstated to the extent required by law.

4. ***Minimum Leave Event:***

Sick leave shall not be used in increments of less than one-quarter (1/4) hour.

5. Illness/Injury During Vacation:

When an illness or injury requiring doctors treatment, and/or hospitalization occurs during an employee's vacation or approved leave of absence with pay, and the injury or illness is a nature that would prohibit the employee from performing his/her duties, the employee shall submit a memorandum giving full and complete information as well as a doctor's verification to their respective department head for a determination that such time off will be charged to sick time rather than to vacation time.

6. Family Sick Leave:

Sick leave may be used for the illness or injury of an employee's family member. A family member shall be defined as parent (including biological, adoptive, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child), child (including a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis), spouse or domestic partner, grandparent, grandchild, and sibling.

7. Bereavement Leave:

Bereavement leave, to a maximum of three (3) working days, will be permitted, without charging such leave against sick leave, upon the death of a member of the employee's immediate family. Immediate family is defined as a parent, child, spouse or domestic partner, brother, sister, grandparents, father-in-law, and mother-in-law of the employee. Employees may use an additional 16 hours of sick leave to extend said leave.

8. Personal Leave:

During the month of November each year, bargaining unit members hired before March 3, 2017, shall have the option to transfer a maximum of forty-eight (48) hours of accumulated sick time to personal leave. A minimum sick leave balance of 120 hours must be maintained in order to be eligible to convert sick leave to personal leave. For example, an employee who has 150 hours of sick leave on the books at the time of the election will be eligible to convert up to 30 hours of sick leave to personal leave. Accumulated personal leave shall not be greater than forty-eight (48) hours at the end of any calendar year. Sick leave converted to personal leave under this section has no cash value. Any leave accumulated beyond 48 hours must be used within the calendar year that the conversion occurred or it will be forfeited. Bargaining unit members hired on or after March 3, 2017, are not eligible for Personal Leave.

C. On-The-Job Injury Leave:

1. Leave of Absence:

Whenever an employee who is represented by Seaside City Employees Association is disabled by injury or illness arising out of and in the course of his/her duties, he/she shall become entitled to a leave of absence without loss of salary for a period not to exceed three (3) months in any five (5) year period.

2. ***Leave Accrual:***

An employee on leave of absence under this Section will continue to accumulate sick leave and vacation leave.

3. ***Temporary Disability Benefits:***

The employee shall draw full salary under OJI leave, and the City will take credit for any temporary disability payments. Once OJI leave is exhausted, an employee on leave without pay would be entitled to temporary disability in accordance with State Worker's Compensation law.

4. ***Use of Accumulated Leaves:***

Once OJI leave has been exhausted, accumulated leaves may be used to supplement temporary disability payments.

D. Holidays

1. ***Regular Holidays:***

All employees shall be entitled to the following holidays:

- First day of January (New Year's Day)
- Third Monday in January (Martin Luther King Observance)
- Third Monday in February (President's Day)
- Thirty-first day of March (Cesar Chavez Day)
- Last Monday in May (Memorial Day)
- Fourth day of July (Independence Day)
- First Monday in September (Labor Day)
- Eleventh day of November (Veteran's Day)
- Fourth Thursday of November (Thanksgiving Day)
- Day following Thanksgiving Day
- Working day immediately preceding Christmas Day (Christmas Eve)
- Twenty-fifth day of December (Christmas Day)

2. ***Holiday Calculation:***

Holidays shall be calculated on an eight (8) hour workday.

3. ***Memorials:***

Upon Council approval, every day appointed by the Governor of the State, the President of the United States, or the City Council as a memorial, public fast, thanksgiving, or holiday.

4. ***Holidays on Sunday***

When a holiday falls on a Sunday, the following Monday shall be recognized as that holiday.

5. ***Holidays on Saturday:***

When a holiday falls on a Saturday, the preceding Friday shall be recognized as that holiday.

6. ***Floating Holidays:***

Each calendar year, bargaining unit members shall receive two floating holidays (16 hours). Floating holiday time has no cash value and must be used before December 31st each year or it is forfeited. .

E. Jury and Election Duty:

1. ***Jury Duty:***

The City will grant an employee leave with pay for jury duty. Any checks received from the courts must be submitted to Finance. Travel pay which is included in the check, will be returned to the employee. This rule is also applicable to those employees serving on the Grand Jury.

2. ***Election Duty:***

The City will provide election duty leave for sworn election workers providing the supervisor authorizes the leave request and the employee remits any election duty pay

SECTION 5: WORKING CONDITIONS

A. Continuing Education and Professional Growth:

All association members shall be eligible for the City's Educational Incentive Programs.

1. ***Tuition Reimbursement:***

a. Employees wishing to receive reimbursement for tuition and book expenses must request prior approval from their Department Head. Classes will be approved for reimbursement so long as they are determined to be job related, or required as a part of a degree program. Disputes regarding course approval will be submitted to the Human Resources Director.

b. The City will encourage enrollment through a tuition and book reimbursement with a maximum of $400 per fiscal year for Certificate Program and AA plan and $600 per fiscal year for BA and MA plan.

c. After completing the course with a grade of "C" or better ("Pass" or certificate of achievement for classes that are not graded), proof of completion of course work requirements shall be submitted to the employee's department head indicating the specific courses and credits completed, together with transcripts or other documentation as may be required by the Human Resources Director. This information shall be submitted on forms provided by the Human Resources Office.

2. Educational Incentive Pay:

a. Completion of an accredited educational certificate program, other than those certificate or license programs set forth in Section 2.C. above (Special Pay), or 30 units toward an approved degree program – 1.5% above base pay.

b. Completion of AA/AS degree – 3% above base pay.

c. Completion of BA/BS degree – 4.5% above base pay.

d. Completion of MA/MS degree – 6% above base pay.

e. Educational incentive pays are not cumulative (stackable). The maximum salary increment attainable under this program is 6%.

f. All employees enrolled in an Educational Incentive Program Plan as of the date of this agreement shall be able to continue under the terms of the approved program.

g. Education acquired prior to appointment as an employee of the City of Seaside does not qualify under this program unless the employee submits verification that the college or university has accepted prior education as part of the Educational Incentive Pay Plan for a Certificate Program or degree requirements.

h. An employee who wishes to enroll in a school, college, or university for the purpose of fulfilling the educational requirement shall do so on his/her own time.

3. Requalification

Requalification of two units over a four-year period will be established to maintain the policy of "Continuing Education and Professional Growth."

B. Service Awards:

A committee, made up of members of the various bargaining units, shall be formed to select a new service award program. At a minimum, the program shall include service awards presented to employees after every 5 years of full-time service with the City. Recipients of service awards will be recognized by the City Council.

C. Employee Incentive Pay:

a. All employees shall be eligible for Employee Incentive Pay for cost saving suggestions. Employees wishing to apply for incentive pay will submit their suggestion to the Employee Task Force for review. The

Task Force will coordinate with the appropriate City departments/divisions to determine the acceptability of the cost-saving suggestion and establish remuneration.

b. A cost saving suggestion resulting in a one time saving would be evaluated for a one-time bonus. This bonus may range from $5.00, up to and not to exceed $25.00. A cost saving suggestion resulting in an annual saving of a substantial amount of money would be evaluated for an annual bonus of $100.00.

D. Work Schedule:

Bargaining unit members shall work a 40 hour work week. The work schedule shall be defined by the Department Head. Consistent with City past practice Department Heads shall consider alternative work schedule requests and approve where such alternative schedules meet the best interests of the City. Alternative work schedules can include 4/10 work schedules or 9/80 work schedules. The Department Head has the sole discretion to decide whether to approve or deny such alternative schedules.

E. Notice of Layoff:

The City and the SCEA agree to provide 60 days notice of “Intent to Layoff” to the employee and SCEA.

F. SCEA Meetings:

Members of the SCEA who attend the association meetings will be given a one-hour lunch break.

G. Unit Modification:

The positions of Senior Administrative Assistant to the City Manager and City Council, Senior Administrative Assistant (in the City Manager’s Office), and Senior Administrative Assistant (in the Personnel Office) shall be designated Confidential Classification. The positions of Police Records Technician, Police Records Supervisor, Police Services Assistant, Vehicle Abatement Officer, Animal Control Officer and Police Department Senior Administrative Assistant will be represented by the POA.

H. Agency Shop:

Effective with the payroll period including October 1, 2001, the parties agree that all employees covered by this agreement shall either become or remain a member of the association as a condition of employment for the term of this agreement or pay an Agency Shop fee in lieu of membership. The City agrees to deduct the amount of money from the employee’s pay and remit same to the association in accordance to the instructions and authorization by the employee. The association agrees to hold the City harmless and to defend the City against any action brought against the City as a result of the adoption of or administration of this provision. The procedures for implementing this provision shall be developed and agreed to by Local 270 and the City subsequent to the adoption of this agreement.

I. Probationary Period:

Probation shall be 1 year for all new employees. Employees who are promoted to a classification within the LIUNA bargaining unit shall serve a 6-month probationary period. If an employee on probation because of a promotion fails probation, the Department Head will offer the employee the opportunity to return to their former position if 1) the position is vacant; and 2) the reason for probationary failure is related to inability to perform the duties of position promoted into. Nothing in this section changes the Department Head's right to overfill positions or create a vacancy by terminating a probationary employee.

J. Notice to Union of Personal Action:

The City will notify the Union directly on all issues impacting the Association. The Association President will be copied. If an employee consents to the Union being notified about a disciplinary action, the Union will be sent copies of all notices. All disciplinary notices will state that the employee is entitled to be represented by a representative of his/her choice.

SECTION 6: GRIEVANCE PROCEDURE

A grievance shall be any matter for which appeal is not otherwise provided or prohibited, concerning:

1. A dispute about the interpretation or application of this Memorandum of Understanding and Personnel Rules;

A. Informal Grievance Procedure:

An employee who has a problem or complaint should first try to get it settled through discussion with his immediate supervisor without undue delay – within one or two workdays of the event grieved. If, after this discussion, he/she does not believe the problem has been satisfactorily resolved, he/she shall have the right to promptly discuss it with the supervisor's immediate superior, if any, in the administrative service. Every effort should be made without delay to find an acceptable solution by informal means at the lowest possible level of supervision. If the employee, or the Union, is not in agreement with the decision reached by discussion, he/she shall then have the right to file a formal grievance in writing within ten (10) calendar days after receiving the informal decision of his/her supervisor or supervisor's immediate superior on matters within the statutory scope of representations.

B. Formal Grievance Procedure:

1. First Level of Review: A grievance shall be presented in writing to the employee's immediate supervisor within ten (10) calendar days of the informal process decision or of the event giving rise to the grievance, whichever is later. The supervisor shall render his/her decision and comments in writing and return them to the

employee within ten (10) calendar days after receiving the grievance. In the event that the supervisor does not render a decision within the 10 days or within a mutually agreed upon extension of the timeline, the employee has the right to move the grievance up to the next level of review.

2. Further Level or Levels of Review as Appropriate: The supervisor's immediate superior receiving the grievance shall review it, render his/her decision and comments in writing, and return them to the employee within ten (10) calendar days after receiving the appeal. In the event that the supervisor does not render a decision within the 10 days or within a mutually agreed upon extension of the timeline, the employee has the right to move the grievance up to the next level of review.

3. Department Review: The Department Head receiving the grievance, or his/her designated representative, should discuss the grievance with the employee, his representative, if any, and with other appropriate persons. The Department Head shall render his/her decision and comments in writing, and return them to the employee within ten (10) calendar days after receiving the appeal. If the employee, or the union, does not agree with the decision reached, or if no answer has been received within ten (10) calendar days, he may present the appeal in writing to the City Manager. Failure of the employee to take further action within twenty (20) days after receipt of the decision, or within a total of twenty (20) days if no decision is rendered, will constitute withdrawal of the grievance.

4. City Manager: The City Manager or his/her designated representative should discuss the grievance with the employee, his/her representative, if any, and with other appropriate persons. The City Manager may designate a "fact-finding committee," or an officer not in the normal line of supervision, to advise him/her concerning the grievance. The appointing power shall render a decision in writing to the employee within twenty (20) days after receiving the grievance.

C. Grievance Arbitration:

1. Within ten (10) working days of the receipt of the City Manager's final decision, the Union may request arbitration by filing a written request. The request for arbitration shall be in writing to the Department Head with a copy sent to the Personnel Services Manager.

2. If either the City or the Union so requests, the arbitrator shall hear the merits of any issue raised regarding the arbitrability of a grievance first. No hearing on the merits of the grievance shall be conducted until the issue of arbitrability has been decided.

3. The parties shall request a list of five (5) arbitrators, within ten (10) working days after receipt of the employee's request for arbitration, from the California State Mediation and Conciliation Service.

4. Within five (5) working days of receipt of the list, the parties shall mutually agree upon the person on the list who shall be the Arbitrator. If one person is not mutually agreed upon, the parties shall within five (5) days after receipt of the list of names alternately strike names from such list with the last remaining name to be the person serving as Arbitrator. The party having first choice to strike a name from the list shall be determined by lot.

5. The City and the Union shall share the fees and expenses of the arbitrator and the certified court reporter equally. The services of the certified court reporter are optional. Both parties must agree if a certified court reporter is to be employed and that the cost shall be equally shared. Financial responsibility shall be established before the selection of an arbitrator. All other expenses shall be borne by the party incurring them, and neither party shall be responsible for the expense of witnesses called by the other. However, if either party declines the use of a court reporter, the party requesting the court reporter shall pay the entire cost of employing the court reporter.

6. The arbitrator's review is limited to the interpretation of this Memorandum of Understanding and/or the City's Personnel Rules and Regulations.

7. Decision: The decision of the arbitrator shall be made in writing within thirty (30) working days of the close of the hearing or the submission of written briefs. The decision of the arbitrator shall be advisory only.

8. City Manager reserves the right to accept, reject, or modify the recommendation of the arbitrator. The decision of the City Manager regarding resolution of the grievance shall be final and binding upon both parties.

D. Conduct of Grievance Procedure:

1. The time limits specified above may be extended to a definite date by mutual agreement of the employee and the reviewer concerned. If an employee receives no response at a particular level, he/she may proceed to the next appropriate level of review.

2. The employee may request the assistance of another person of his/her own choosing in preparing and presenting his grievance at any level of review.

3. The employee and his representative may be privileged to use a reasonable amount of work time as determined by the appropriate Department Head in conferring about and presenting the grievance.

4. Employees shall be assured freedom from reprisal for using the grievance procedure.

SECTION 7: MISCELLANEOUS

A. City's Right To Discovery:

All discoveries, inventions, improvements, formulas, ideas, devices, writings or other intellectual property, whether or not subject to patent or copyright laws, which employees shall conceive solely or jointly with others, in the course or scope of his/her employment, or with the City's materials or facilities, shall be the sole and exclusive property of the City without further compensation.

B. Savings Clause:

It is mutually agreed by the parties to this agreement that the above represents the full and complete understanding, which has been reached after numerous discussions held in conformance with the Meyers-Milias-Brown Act. All other proposals, counteroffers, or other matters discussed during the meet and confer process are deemed to be rejected by both parties. Should circumstances call for a change the City shall give notice of such proposed change to the Association and the items shall be subject to meet and confer process if so required by law.

If any section or subsection of the Memorandum of Understanding should be found invalid, unlawful or unenforceable by reason of any existing or subsequent enacted legislation or by judicial authority, all other sections and subsections of this memorandum shall remain in full force and effect for the duration of this memorandum.

________________________ __________________________

Craig Malin, City Manager

Leslie Llantero, Seaside City Employees' SCEA/LIUNA

________________________ __________________________

Date

Date

Ryan Heron, Lead Negotiator –
LIUNA/UPEC Local 792

Date

Mark Ogden, Seaside City Employees'
SCEA/LIUNA

Date

Christopher D. Darker, Business Manager–
United Public Employees of California
Local 792

Date

Adam Vick, Seaside City Employees'
SCEA/LIUNA

Date

Stephanie Penamante, Seaside City
Employees' SCEA/LIUNA

Date

City of Seaside
Executive Managers Compensation Plan
Effective January 1, 2017

A. **APPLICATION:** This Compensation Plan applies to the City's at-will Department Director classifications.

B. **ANNUAL SALARY:**

a. Deputy City Manager – Admin Services:	$158,070
b. Finance Director:	$150,000
c. Fire Chief:	$160,530
d. Human Resources Director:	$135,196
e. Police Chief:	$169,661
f. Recreation Director:	$121,955

C. **UNIFORM ALLOWANCE:** The Police Chief will receive a uniform allowance of $81 per month and the Fire Chief will receive uniform allowance of $75 per month.

D. **SALARY ADJUSTMENTS:**

a. Longevity Pay: Employees with ten or more years of service shall receive 2.5% longevity pay.
b. Performance Pay: The City Manager is authorized to grant up to a 7.5% increase to Directors who exceed expectations in the achievement of established performance goals and objectives. This gives the City Manager flexibility in setting salaries consistent with performance. (Special Compensation CCR 571(a) Incentive Pay.)
c. General Adjustments:
    i. Effective January 1, 2017: The Fire Chief will receive a 4% general adjustment and the Deputy City Manager – AS, Human Resources Director, Finance Director, and Recreation Director will receive a 2% general adjustment.
    ii. Effective July 1, 2017: The Police Chief will receive a 4% general adjustment.
    iii. Effective first full pay period following January 1, 2018, and January 1, 2019: all classifications will receive a 2% general adjustment.
d. Equity Adjustments: Effective the first full pay period following July 1, 2017, July 1, 2018, and July 1, 2019, equity adjustments will be applied as follows:
    i. Deputy City Manager – Administrative Services: 1.1%
    ii. Fire Chief: 0.6%
    iii. Human Resources Director: 3.1%
    iv. Recreation Director: 5.2%

E. **RETIREMENT:**

a. Miscellaneous Classifications:

i. Tier 1 - CalPERS 2% @ 55
   1. Eligibility: Employees determined by CalPERS to be "classic members."
   2. Employee Contribution: Directors will pay the 7.0% employee contribution to PERS.

ii. Tier 2 - CalPERS 2% @ 62 Plan
   1. Eligibility: Employees determined by CalPERS to be "new members."
   2. Employee Contribution: Directors will pay 50% of the normal cost as determined annually by CalPERS.

iii. PARS Supplemental Retirement Plan:
   1. Eligibility: Miscellaneous directors hired by the City on or before June 30, 2010.
   2. Plan: The City will provide the PARS .5% at 55 supplemental retirement plan with credit for prior CalPERS and City service.
   3. Contribution: The City pays the entire contribution.

b. Fire Chief:

i. Tier 1 - CalPERS 2% @ 50
   1. Eligibility: Fire employees determined by CalPERS to be "classic members."
   2. Employee Contribution: The Chief will pay the 9.0% employee contribution to PERS.

ii. Tier 2 - CalPERS 2.7% @ 57 Plan
   1. Eligibility: Employees determined by CalPERS to be "new members."
   2. Employee Contribution: The employee will pay 50% of the normal cost as determined annually by CalPERS.

c. Police Chief:

i. Tier 1 - CalPERS 2% @ 55
   1. Eligibility: Police employees determined by CalPERS to be "classic members."
   2. Employee Contribution: The Chief will pay the 9.0% employee contribution to PERS.

ii. Tier 2 - CalPERS 2.7% @ 57 Plan
   1. Eligibility: Employees determined by CalPERS to be "new members."
   2. Employee Contribution: The employee will pay 50% of the normal cost as determined annually by CalPERS.

d. The City provides the PERS 1959 Survivors Benefit Level Four. The employee cost is $2 per month.

e. Deferred Compensation: The City will pay up to $166.67 per month ($2,000 annually) to the ICMA deferred compensation program for each Director who makes a matching contribution.

F. MEDICAL, DENTAL, VISION INSURANCE

a. Medical Contributions:

i. MCSIG PPO $40 (70/30 Plan).
The City will pay 100% of the employee only premium and 90% of the dependent premium. This will be the base contribution amount for all plans except the Grandfathered PACE Plan.

ii. MCISG PPO $25 (80/20 Plan).
Directors electing to participate in the MCSIG PPO $25 (80/20 Plan) will pay the difference between the City's contribution for the PPO $40 Plan and the PPO $25 Plan premium.

iii. PACE Plan (90/10 Plan) – Employees hired after October 15, 2015.
New employees enrolling in the PACE 90/10 Plan will pay the difference between the City's contribution for the PPO $40 plan and the PACE Plan premium.

iv. PACE Plan (90/10 Plan) – Grandfathered Tier – open to employees hired before October 15, 2015.
The City will pay 81% of the employee only premium; 70% of the employee + 1 premium; and 73% of the family premium.

b. Dental and Vision Contributions: The City will contribute towards the cost of Director's dental and vision insurance as follows:

<u>Dental</u>

Employee Only:	$44.80
Employee + Spouse:	$92.90
Employee + Children:	$102.74
Employee + Family:	$150.85

<u>Vision</u>

Employee Only:	$5.35
Employee + 1:	$5.78
Employee + Family:	$13.12

i. Annual Premium Adjustments: The City and the Director will split the cost of any increase or decrease to the premium on a 50/50 basis.

c. Retiree Medical:

i. Eligibility: Only employees hired by the City on or before June 30, 2010, are eligible for City-paid retiree medical insurance.

ii. Notwithstanding the requirements of the City's Health and Welfare Plan to be eligible for retiree medical coverage, and subject to available coverage under the City's plan, the City shall pay the employee's (not dependents) cost of medical insurance in an amount not to exceed the monthly premium for the City's insurance plan for retirees who retire on regular service or disability retirement until age 65 or until the retiree becomes eligible for Medicare, whichever comes first.

iii. Employee may cover dependents by paying the additional monthly premium.

iv. In the event that coverage is not available under the City's plan, and where an eligible employee elects to continue health coverage under COBRA, the City shall contribute to that COBRA payment an amount not to exceed the monthly premium for the City's health insurance plan for the period of time of COBRA eligibility or up to age 65, whichever is less.

v. Employees must have ten years of continuous service with the City, have been hired by the City on or before June 30, 2010, and be at least 50 years of age to receive this benefit.

vi. The City complies with all Federal and State guidelines regarding medical and dental insurance. This compliance includes continuation of benefits under COBRA.

d. Life Insurance: The City will provide term life insurance for all Directors in the amount of two times the Director's annual salary.

e. Long-Term Disability: The City shall pay the cost of a long-term disability program.

f. IRS Section 125 Plan: The City shall make available an Internal Revenue Service Code Section 125 Plan for unreimbursed medical and dependent care expenses. The annual maximum is set by the IRS.

g. Wellness Program:

i. Health Club Membership: The City will pay up to $45 per month towards an employee membership at a health club upon submission of receipt of contract to the Finance Division. The City will process dues by payroll deduction if administratively feasible.

ii. City Recreation Facilities: Directors and their families will have use of City Recreation facilities at no cost.

G. LEAVE BENEFITS:

a. Vacation

i. Accrual Rates: The regular accrual rate shall be:

Years of Service	Accrual Rate per year
Up to 4	10 days
5 – 9	15 days
10 – 14	17 days
15 – 19	20 days
20 – 24	21 days
25 +	25 days

ii. Vacation Upon Termination: Any employee, upon termination of City employment for any reason, who is entitled to vacation time and who has not had the same, shall be paid at his/her current salary rate for such vacation time on the effective date of such termination. If such person works over one-half (1/2) of the month, they shall be entitled to accumulate vacation for that month.

iii. Maximum Accumulation: Employees will be allowed to have no more than two years earned vacation accumulated as of the end of the 2nd pay period of January of any year. Payout for leave in excess of maximum will occur on the 1st pay period of March.

iv. The City will allow Directors to cash out 40 hours of accumulated vacation time before the end of the calendar year. Employees wishing to utilize this option must notify the City no later than September 15 of the calendar year in which the cash out is being utilized. The cash out payment will be made in the first paycheck of November.

v. Accumulation during OJI Leave: An employee being paid because of an injury on-the-job will accumulate vacation time and sick leave.

vi. No Interruption of Accumulation: No interruption in the accumulation of vacation time shall result when an employee takes sick leave, vacation, temporary military leave, or paid leave because of an on-the-job incurred illness or injury.

b. Sick Leave with Pay for Non-Job Related Illness, Injury or Disability

i. Accrual: Each Director shall earn eight (8) hours sick leave with pay for each calendar month or major fraction thereof served.

ii. Sick Leave Use: Sick leave may be used for the illness/injury of family members and all other permissible uses under state law.

iii. Bereavement Leave: Bereavement leave, to a maximum of three (3) working days, will be permitted, without charging such leave against sick leave, upon the death of a member of the employee's immediate family. Immediate family is defined as a parent, child, spouse or domestic partner, brother, sister, grandparents, father-in-law, and mother-in-law of the employee. Employee may use an additional 16 hours of sick leave to extend said leave.

c. On-The-Job Injury (OJI) Leave:

i. Police and Fire Chiefs: The Chiefs shall be entitled to on-the-job injury leave in accordance with Section 4850 of the California Labor Code.

ii. Miscellaneous Directors: Whenever a non-safety Director is disabled by injury or illness arising out of and in the course of his/her duties, he/she shall become entitled to a leave of absence without loss of salary for a period not to exceed three (3) months in any five (5) year period.

iii. Temporary Disability Benefits: The Director shall draw full salary under OJI leave, and the City will take credit for any temporary disability payments. Once OJI leave is exhausted, an employee on leave without pay would be entitled to temporary disability in accordance with State Worker's Compensation law.

iv. Use of Accumulated Leaves: Once OJI and/or LC 4850 leave have been exhausted, accumulated leaves may be used to supplement temporary disability payments.

v. Leave Accrual: A Director on leave of absence under this section will continue to accumulate sick leave and vacation leave.

d. Management Leave

i. Annual Accrual: Directors shall earn 40 hours of management leave per calendar year.

ii. Additional Leave: The City Manager shall have the authority to grant sixteen (16) hours of management time leave to Directors at his/her discretion.

iii. Management Leave Payoff: Directors shall be permitted to sell back their unused annual management leave (up to five days) as of December 1st of each year.

e. Administrative Leave

i. Directors shall earn forty (40) hours, non-cumulative, non-reimbursable administrative leave per calendar year.

f. Holidays: All employees shall be entitled to the following holidays:

- First day of January (New Year's Day)
- Third Monday in January (Martin Luther King Observance)
- Third Monday in February (President's Day)
- Thirty-first day of March (Cesar Chavez Day)
- Last Monday in May (Memorial Day)
- Fourth day of July (Independence Day)
- First Monday in September (Labor Day)
- Eleventh day of November (Veteran's Day)
- Fourth Thursday of November (Thanksgiving Day)
- Day following Thanksgiving Day
- Working day immediately preceding Christmas Day (Christmas Eve)
- Twenty-fifth day of December (Christmas Day)

g. Jury Duty:

i. Jury Duty: The City will grant an employee leave with pay for jury duty. Any checks received from the courts must be submitted to Finance. Travel pay which is included in the check, will be returned to the employee. This rule also applicable to those employees serving on the Grand Jury.

H. SEVERANCE PAY*:

a. If a Director is terminated by the City Manager while still willing and able to perform the duties of their position, the City will pay the Director a cash payment equal to four (4) months of salary and will pay the Director's medical, dental, and vision premiums during this four-month period.

b. In the event the Department Director is terminated for cause, the City shall have no obligation to pay severance as set forth in Paragraph F(a) above.

* This section applies to the Deputy City Manager – Administrative Services after July 1, 2017. Until that time, the terms of the Executive Employment Agreement shall apply.

Comprehensive Listing of Personnel Benefits

Confidential Exempt Employees

January 1, 2017 – June 30, 2020

COMPREHENSIVE LISTING OF PERSONNEL BENEFITS –
CONFIDENTIAL EXEMPT EMPLOYEES
January 1, 2017 – June 30, 2020

COMPREHENSIVE LISTING OF PERSONEL BENEFITS –
CONFIDENTIAL EXEMPT EMPLOYEES
January 1, 2017 – June 30, 2020

SECTION 1: TERM

The provisions of the listing of personnel benefits for confidential exempt employees shall become effective January 1, 2017, and shall remain in effect for a period terminating on June 30, 2020.

SECTION 2: SALARY AND ADMINISTRATION OF PAY PLAN

A. Direct Pay for Services:

1. Salary Adjustments:

a. A 2% base salary adjustment shall occur the first pay period in January 2017
b. A 2% base salary adjustment shall occur the first pay period in January 2018.
c. A 2% base salary adjustment shall occur the first pay period in January 2019.

2. Equity Adjustments:

a. Effective the first pay period in July 2017, the Information Services Coordinator shall receive a 5% equity adjustment and the Financial Services Manager (Assistant Finance Director) shall receive a 1.3% equity adjustment;
b. Effective the first pay period in July 2018, the Information Services Coordinator shall receive a 5% equity adjustment and the Financial Services Manager (Assistant Finance Director) shall receive a 1.3% equity adjustment; and
c. Effective the first pay period in July 2019, the Information Services Coordinator shall receive a 5% equity adjustment and the Financial Services Manager (Assistant Finance Director) shall receive a 1.3% equity adjustment.

3. Longevity Pay:

Employees with ten or more years of service shall receive 2.5% longevity.

B. Special Pay

1. Spanish Bilingual Pay:

a. 2 ½% pay adjustment will be made to employee's base pay for a bilingual skill as tested by the City in conjunction with the Defense Language Institute standards;

b. Employee must pass either the listening and reading comprehension tests or the speaking test to be eligible for bilingual pay.

c. This program is subject to administrative direction and to City established procedures and annual testing. The City intends to use the Defense Language Institute.

2. Additional Pay for Additional Duties

When a non-represented exempt confidential employee assumes duties and responsibilities beyond existing job classification, City Manager may institute performance pay equivalent to 2.5% or 5%.

3. Additional Pay for Temporarily Assuming Supervisor's Position

a. A pay increase not to exceed one step may be paid to an employee temporarily filling a supervisor's position while the supervisor's position is vacant. The determination of vacancy will be based upon recommendation by the Department Head to the City Manager.

b. The increased pay will not be paid in any case unless a supervisor vacancy is the result of sickness, resignation, or termination.

c. The increased pay will not be paid when the supervisor is on vacation.

d. The increased pay will not be paid for the first thirty calendar days of the vacancy as determined above.

e. "Supervisor" is defined narrowly and means only the person to whom the employee is responsible on a continuing basis.

4. Annual Performance Pay

The City Manager is authorized to grant annual step increases to confidential exempt employees who exceed expectations in the achievement of established performance goals and objectives. The authorized increase ranges from zero to a 7.5% increase, depending upon the performance of the employee under consideration for salary increase. This gives the City Manager flexibility in setting salaries consistent with performance. (Special Compensation CCR 571(a) Incentive Pay.)

C. Administration of Pay Plan:

1. Anniversary Date

a. The anniversary date for each employee is the date he/she is hired, reclassified, or promoted.

b. The anniversary date of any employee shall be adjusted, or changed, in the case of a leave of absence, by moving said anniversary date forward a time equal to the length of such leave of absence, except family care or medical leave, according to the California Family Rights Act and military leaves of absence in accordance with the California Military and Veterans Code and Title 38, chapter 43, U.S. Code. Whenever any employee is absent from work without pay for any period of exceeding thirty (30) continuous days, the anniversary date of said employee shall be adjusted by moving said anniversary date forward a time equal to the length of absence from work.

c. The anniversary date of any employee shall be adjusted by moving said date forward a time equal to any delay in movement through the steps of the salary range put forth below.

2. *Salary Ranges*

The five (5) steps of each salary range shall be interpreted and applied as follows:

a. The first step is the minimum rate and shall normally be the hiring rate for the class. In cases where it is difficult to secure qualified personnel, or if a person of unusual qualifications is engaged, the City Manager may hire at a higher step.

b. The second step is the rate at which a fully qualified, experienced, and conscientious employee may expect to advance to following the completion of six (6) months satisfactory service in the first step and upon written recommendation of the Department Head and approval by the City Manager.

c. The third step is the rate at which a fully qualified, experienced, and conscientious employee may expect to advance to following the completion of twelve (12) months satisfactory service in the second step and upon written recommendation of the Department Head and approval by the City Manager.

d. The fourth step is the rate at which a fully qualified, experienced, and conscientious employee may expect to advance to following the completion of twelve (12) months satisfactory service in the third step and upon written recommendation of the Department Head and approval by the City Manager.

e. The fifth step is the rate at which a fully qualified, experienced, and conscientious employee may expect to advance to following the completion of twelve (12) months satisfactory service in the fourth step and upon the written recommendation of the Department Head and approval of the City Manager.

f. Notwithstanding the foregoing provisions of this Section, an employee who is promoted or reclassified from one classification to a higher classification, or from a flat salary to classification having a higher overlapping salary range, shall be adjusted:

i. To the step in their new range, which shall provide an increase in his/her salary, except that they shall not retain credit for the time served in his/her former step. If the step in the new range is the first step, the employee shall remain in that step for six (6) months before becoming eligible for advancement to the second step.

ii. If from a flat salary to a range, to the lowest step in his/her new range or classification that exceeds his flat salary.

g. General adjustments in salary ranges made by general increases or decreases shall be made by adjusting all classes upward or downward to the appropriate salary range herein provided. Where the salary range for a given class or for several classes is revised upward or downward the employees shall have their existing salary adjusted to the same step in the new range.

h. In any case where, by reason of unusual circumstances, rigid adherence to the forgoing principles related to salary adjustments would cause a manifest injustice, the City Manager may make such order relating thereto as in his/her discretion is proper.

i. Rates of compensation provided for by resolution are fixed on the basis of full-time service in full-time positions for the schedule of hours indicated. If any position provided for in the budget is by appropriate language specified or indicated as being for less than full-time services, the rate of compensation provided for such positions shall be adjusted accordingly, except those employees indicated in this resolution as working part-time or on a retainer, in which case they shall draw the full salary indicated. If the present adjustments shall be made in the rates, the step plan shall apply to part-time salaried as well as full-time salaried employees.

j. Changes in pay rates shall be made on the first day on the pay period next following the date of eligibility and authorization.

SECTION 3: BENEFITS

A. Retirement:

1. CalPERS

a. Plan: CalPERS 2% @ 55

b. Employee Contribution: Represented employees will pay the 7.0% employee contribution to PERS.

c. The City provides the PERS 1959 Survivors Benefit Level Four. The employee cost will be $2 per month.

2. PARS Supplemental Retirement Plan:

a. Plan: The City will provide the PARS .5% at 55 supplemental retirement plan with credit for prior CalPERS and City service for all bargaining unit members hired on or before June 30, 2010.

b. Eligibility: Employees must have three years of City service and have been hired on or before June 30, 2010 to be eligible. The plan will be effective July 1, 2002.

c. Contribution: The City will make the employee's contribution.

3. Deferred Compensation:

The City will pay up to one hundred dollars ($100) per month to the ICMA deferred compensation program for each employee who makes a matching contribution.

B. Medical, Dental, and Vision Insurance:

Eligible employees will be provided with medical, dental, and vision insurance as specified in this section. Benefits to eligible family members will be made available under the health insurance plan.

1. Contributions

a. MCSIG PPO $40 (70/30 Plan).
The City will pay 100% of the employee only premium and 90% of the dependent premium. This will be the base contribution amount for all plans except the Grandfathered PACE Plan.

b. MCISG PPO $25 (80/20 Plan).
SCEA Members electing to participate in the MCSIG PPO $25 (80/20 Plan) will pay the difference between the City's contribution for the PPO $40 Plan and the PPO $25 Plan premium.

c. PACE Plan (90/10 Plan) – Employees hired after October 15, 2015.
New employees enrolling in the PACE 90/10 Plan will pay the difference between the City's contribution for the PPO $40 plan and the PACE Plan premium.

d. PACE Plan (90/10 Plan) – Grandfathered Tier – open to employees hired before October 15, 2015.
The City will pay 81% of the employee only premium; 70% of the employee + 1 premium; and 73% of the family premium.

e. The City will split the cost of any increase or decrease in dental and vision premiums with the employee on a 50/50 basis.

2. Retiree Medical:

a. Eligibility: Only bargaining unit members hired on or before June 30, 2010 are eligible for City-paid retiree medical insurance.

b. Notwithstanding the requirements of the City's Health and Welfare Plan to be eligible for retiree medical coverage, and subject to available coverage under the City's plan, the City shall pay the employees (not dependents) cost of medical insurance in an amount not to exceed the monthly premium for the City's insurance plan for retirees who retire on regular service or disability retirement until age

65 or until the retiree becomes eligible for Medicare, which ever comes first.

c. Employee may cover dependents by paying the additional monthly premium.

d. In the event that coverage is not available under the City's plan, and where an eligible employee elects to continue health coverage under COBRA, the City shall contribute to that COBRA payment an amount not to exceed the monthly premium for the City's health insurance plan for the period of time of COBRA eligibility or up to age 65, whichever is less.

e. Employees must have ten years of continuous service with the City, have been hired on or before June 30, 2010, and be at least 50 years of age to receive this benefit.

f. The City complies with all Federal and State guidelines regarding medical and dental insurance. This compliance includes continuation of benefits under COBRA.

C. Life Insurance:

The City will provide term life insurance for all confidential exempt employees in the amount of two times the employee's annual salary (minimum of $150,000.)

D. Long-Term Disability:

The City shall pay the cost of a long-term disability program.

E. IRS Section 125 Plan:

The City shall provide an Internal Revenue Code Section 125 Plan for unreimbursed medical expenses and dependent care expenses. The annual maximum is set by the IRS.

F. Mileage Reimbursement:

With the approval of the Department Head, the City shall reimburse employees required to use their personal vehicles for the purpose of conducting City business at a rate based upon actual cost.

G. Wellness Program:

1. Health Club Membership:

The City will pay up to $45 per month towards an employee membership at a health club upon submission of receipt of contract to the Finance Division. The City will process dues by payroll deduction if administratively feasible.

2. City Recreation Facilities:

Association employees and their families will have use of City recreation facilities at no cost to the employee. Employees may have resident's fee and early-bird sign up for swim classes.

SECTION 4: LEAVE PROVISIONS

A. Vacations

1. Accrual:

All regular employees, shall earn vacation as follows:

a. During the first, second, third, and fourth years of employment, vacation will be earned at the rate of six and two thirds (6 2/3) hours per month of ten (10) days per year.

b. During the fifth, sixth, seventh, eighth, and ninth years of employment, vacation will be earned at the rate of ten (10) hours per month or fifteen (15) days per year.

c. During the tenth, eleventh, twelfth, thirteenth, and fourteenth years of employment, vacation will be earned at the rate of eleven and one third (11 1/3) hours per month or seventeen (17) days per year.

d. During the fifteenth, sixteenth, seventeenth, eighteenth, and nineteenth years of employment, vacation will be earned at the rate of thirteen and one third (13 1/3) hours per month or twenty (20) days per year.

e. During the twentieth, twenty-first, twenty-second, twenty-third, and twenty-fourth years of employment, vacation will be earned at the rate of fourteen (14) hours per month or twenty-one (21) days per year.

f. During the twenty-fifth year and thereafter vacation will be earned at the rate of 16 2/3 hours per month or twenty-five (25) days per year.

2. Vacation and Holidays:

For regular employees, if a holiday falls within a scheduled vacation period, on a day that the employee would normally work, that day shall not be counted a vacation day.

3. Vacation Upon Termination:

Any employee, upon termination of City employment for any reason, who is entitled to vacation time and who has not had the same, shall be paid at his/her current salary rate for such vacation time on the effective date of such termination. If such person works over one-half (1/2) of the month, they shall be entitled to accumulate vacation for that month.

a. Calculation of Hourly Pay for Payout: For employees working a five (5) day or modified schedule, the method for computing hourly pay for accumulated vacation time shall be as follows:
   i. Hourly rate equals monthly salary multiplied by twelve (12) months divided by 52 weeks multiplied by 40 hours

4. ***Maximum Accumulation:***

   Employees will be allowed to have no more than two years earned vacation accumulated as of the end of the 2nd pay period of January of any year. Payout for leave in excess of maximum will occur on the 1st pay period of March. It shall be management's right and responsibility to see that the employee does not exceed the maximum.

5. ***Vacation Cash-Out:***

   The City will allow confidential exempt employees to cash out 40 hours of accumulated vacation time before the end of the calendar year. Employees wishing to utilize this option must notify the City no later than September 15 of the calendar year in which the cash out is being utilized. The cash out payment will be made in the first paycheck of November of the calendar year following the notice of election of the cash out. This cash out provision is voluntary on the part of each bargaining employee, and does not change the practice of maintaining a maximum of two years of vacation accumulation at the end of any calendar year.

6. ***Compensation in Lieu of Time Off:***

   The City Manager may, in instances where the needs of the City require, authorize compensation in lieu of time off for accrued vacation.

7. ***Accumulation during OJI Leave:***

   An employee being paid because of an injury on-the-job will accumulate vacation time and sick leave.

8. ***No Interruption of Accumulation:***

   No interruption in the accumulation of vacation time shall result when an employee takes sick leave, vacation, temporary military leave, or paid leave because of an on-the-job incurred illness or injury.

9. ***Vacation during Probation:***

   Newly hired management employees may use vacation leave.

B. Sick Leave with Pay for Non-Job Related Illness, Injury or Disability

1. ***Accrual:***

   Each confidential exempt employee shall earn eight (8) hours sick leave with pay for each calendar month or major fraction thereof served.

2. ***Use of Leave:***

   Sick leave with pay will be granted only upon the approval of the Department Head in case of bonafide illness of an employee, including the diagnosis, care, or treatment of an existing health condition of, or preventive care. If the need for paid sick leave is foreseeable, the employee shall provide reasonable advance notification. If the need for paid sick leave is unforeseeable, the employee shall provide notice of the need for the leave as soon as practicable. Evidence may be required in the form of a physician's certificate or otherwise to verify an employee's absence during the time for which sick leave is requested.

Sick leave may also be used by an employee who is a victim of domestic violence, sexual assault, or stalking, to obtain any relief or services related to being a victim of domestic violence, sexual assault, or stalking with appropriate certification of the need for such services.

Any employee taking leave that qualifies under the City's Family Care and Medical Leave/California Family Rights Act Policy will complete and submit all required forms.

3. Sick Leave Upon Rehire

If an employee separates from City employment and is re-hired by the City within one year of the date of separation, previously accrued and unused paid sick leave hours shall be reinstated to the extent required by law.

4. Illness/Injury During Vacation:

When an illness or injury requiring doctors treatment, and/or hospitalization occurs during an employee's vacation or approved leave of absence with pay, and the injury or illness is a nature that would prohibit the employee from performing his/her duties, the employee shall submit a memorandum giving full and complete information as well as a doctor's verification to their respective department head for a determination that such time off will be charged to sick time rather than to vacation time.

5. Family Sick Leave:

Sick leave may be used for the illness or injury of an employee's family member. A family member shall be defined as parent (including biological, adoptive, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child), child (including a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis), spouse or domestic partner, grandparent, grandchild, and sibling.

6. Bereavement Leave:

Bereavement leave, to a maximum of three (3) working days, will be permitted, without charging such leave against sick leave, upon the death of a member of the employee's immediate family. Immediate family is defined as a parent, child, spouse or domestic partner, brother, sister, grandparents, father-in-law, and mother-in-law of the employee. Employee may use an additional 16 hours of sick leave to extend said leave.

C. On-The-Job Injury Leave:

1. Leave of Absence:

Whenever an employee is disabled by injury or illness arising out of and in the course of his/her duties, he/she shall become entitled to a leave of absence without loss of salary for a period not to exceed three (3) months in any five (5) year period.

2. Leave Accrual:

An employee on leave of absence under this section will continue to accumulate sick leave and vacation leave.

3. Temporary Disability Benefits:

The employee shall draw full salary under OJI leave, and the City will take credit for any temporary disability payments. Once OJI leave is exhausted, an employee on leave without pay would be entitled to temporary disability in accordance with State Worker's Compensation law.

4. Use of Accumulated Leaves:

Once OJI leave has been exhausted, accumulated leaves may be used to supplement temporary disability payments.

D. **Management Leave**

1. Annual Accrual:

Management employees shall earn 40 hours of management leave per calendar year.

2. Initial Accrual:

For newly hired employees (or employees promoted into the Association), the initial management leave bank shall be prorated according to the following schedule:

Hired January 1 – March 31:	40 Hours
Hired April 1 – June 30:	30 Hours
Hired July 1 – September 30	20 Hours
Hired October 1 – November 30	10 Hours
Hired December 1 – December 31	0 Hours

3. Additional Leave:

The City Manager shall have the authority to grant sixteen (16) hours of management time leave to non-represented exempt confidential employees who work an excessive amount of hours based upon the recommendation of their department head. It must be used within one year from the date it is granted and no management employees shall receive more than two days per fiscal year. Time worked may be considered excessive if it is beyond regularly assigned duties and exceeds 20 hours in one month.

4. Management Leave Payoff

All non-represented exempt confidential employees shall be permitted to sell back their unused annual management leave (up to five days) as of December 1st of each year.

E. Administrative Leave

Exempt employees shall earn forty (40) hours, non-cumulative, non-reimbursable administrative leave per calendar year.

1. Initial Accrual

For newly hired employees (or employees promoted into the Association), the initial administrative leave bank shall be prorated according to the following schedule:

Hired January 1 – March 31:	40 Hours
Hired April 1 – June 30:	30 Hours
Hired July 1 – September 30	20 Hours
Hired October 1 – November 30	10 Hours
Hired December 1 – December 31	0 Hours

F. Holidays

1. Regular Holidays:

All and employees shall be entitled to the following holidays:

- First day of January (New Year’s Day)*
- Third Monday in January (Martin Luther King Observance)
- Third Monday in February (President’s Day)
- Thirty-first day of March (Cesar Chavez Day)*
- Last Monday in May (Memorial Day)
- Fourth day of July (Independence Day)
- First Monday in September (Labor Day)
- Eleventh day of November (Veteran’s Day)
- Fourth Thursday of November (Thanksgiving Day)
- Day following Thanksgiving Day*
- Working day immediately preceding Christmas Day (Christmas Eve)*
- Twenty-fifth day of December (Christmas Day)*

It is the intent of this resolution that all regular City employees shall observe the holidays set forth above.

2. Memorials:

Upon Council approval, every day appointed by the Governor of the State, the President of the United States, or the City Council as a memorial, public fast, thanksgiving, or holiday.

3. Holidays on Sunday

When a holiday falls on a Sunday, the following Monday shall be recognized as that holiday.

4. Holidays on Saturday:

When a holiday falls on a Saturday, the preceding Friday shall be recognized as that holiday.

5. Holiday Hours:

Regardless of the employee's work schedule, 8 hours of holiday time will be paid for each holiday.

G. Jury Duty:

1. Jury Duty:

The City will grant an employee leave with pay for jury duty. Any checks received from the courts must be submitted to Finance. Travel pay which is included in the check, will be returned to the employee. This rule also applicable to those employees serving on the Grand Jury.

SECTION 5: WORKING CONDITIONS

A. Continuing Education and Professional Growth:

All association members shall be eligible for the City's Educational Incentive Programs.

1. Tuition Reimbursement:

a. Employees wishing to receive reimbursement for tuition and book expenses must request prior approval from their Department Head. Classes will be approved for reimbursement so long as they are determined to be job related or professional development.

b. The City will encourage enrollment through a tuition and book reimbursement with a maximum of $2000 per fiscal year.

c. After completing the course with a grade of "C" or better ("Pass" or certificate of achievement for classes that are not graded), proof of completion of course work requirements shall be submitted to the employee's department head indicating the specific courses and credits completed, together with transcripts or other documentation as may be required by the Human Resources Director. This information shall be submitted on forms provided by the Human Resources Office.

d. An employee who wishes to enroll in a school, college, or university for the purpose of fulfilling the educational requirement shall do so on his/her own time.

B. Service Awards:

A committee, made up of members of the various employee groups, shall be formed to select a new service award program. At a minimum, the program shall include service awards presented to employees after every 5 years of full-time service with the City. Recipients of service awards will be recognized by the City Council.

C. Probationary Period:

Probation shall be 1 year for all new employees.

D. Flexible Work Schedule

The work schedule shall be defined by the Department Head. Consistent with City past practice Department Heads shall consider alternative work schedule requests, including a four day work week, and approve where such alternative schedules meet the best interest of the City. The Department Head has the sole discretion to decide whether to approve or deny such alternative schedules.

SECTION 5: MISCELLANEOUS

All discoveries, inventions, improvements, formulas, ideas, devices, writings or other intellectual property, whether or not subject to patent or copyright laws, which employees shall conceive solely or jointly with others, in the course or scope of his/her employment, or with the City's materials or facilities, shall be the sole and exclusive property of the City without further compensation.

____

Craig Malin, City Manager

____

Date

Comprehensive Listing of Personnel Benefits for Non-Represented Confidential Employees

January 1, 2017 – June 30, 2020

Comprehensive Listing of Personnel Benefits for
Non-Represented Confidential Employees
January 1, 2017 – June 30, 2020

Comprehensive Listing of Salaries and Benefits for
Non-Represented Confidential Employees

SECTION 1: TERM

The provisions of this resolution shall become effective January 1, 2017, and shall remain in effect for a period, terminating on June 30, 2020.

SECTION 2: SALARY AND ADMINISTRATION OF PAY PLAN

A. Direct Pay for Services:

1. Salary Adjustments:

a. A 2% base salary adjustment shall occur the first pay period in January 2017
b. A 2% base salary adjustment shall occur the first pay period in January 2018.
c. A 2% base salary adjustment shall occur the first pay period in January 2019.

2. Equity Adjustments:

a. Effective the first pay period in July 2017, the Human Resources Technician shall receive a 0.9% equity adjustment;
b. Effective the first pay period in July 2018, the Human Resources Technician shall receive a 0.9% equity adjustment; and
c. Effective the first pay period in July 2019, the Human Resources Technician shall receive a 0.9% equity adjustment.

3. Longevity Pay:

Employees with ten or more years of service shall receive 2.5% longevity.

B. Overtime

1. Pre-Approval:

Requests for overtime that can be scheduled should be pre-approved by the Department Head or designee. Overtime not possible to schedule in advance and necessary for public safety and welfare shall be worked at Department Head discretion, subject to City Manager review.

2. Minimum Overtime Guarantee:

When an employee is called back to work on an emergency basis, the actual time worked, with a minimum of two (2) hours, shall be earned.

3. FLSA Calculation:

Overtime shall be paid at time-and-a-half for hours worked in excess of 40 hours per week. All employee overtime shall be earned in increments of one-half (1/2) hour and will be compensated for at the rate of time and one-half (1 ½) in cash at the employee's established rate of pay.

4. ***Maximum Compensatory Leave Balance:***

Compensatory time may be granted instead of overtime pay only where requested by the employee and approved by the Department Head. Personnel may accrue up to a maximum of 100 hours of compensatory time in lieu of overtime.

5. ***Holiday Calculation:***

For the purpose of overtime calculations during the workweek in which holidays **other than** Martin Luther King and Fourth of July fall, <u>holiday time</u> shall count as time worked.

6. ***Martin Luther King & July 4th Calculation:***

For the purpose of overtime calculations during the workweek in which the Martin Luther King and Fourth of July Holidays fall, <u>all time in paid status</u> shall count towards time worked.

C. Special Pay

1. ***Spanish Bilingual Pay:***

a. 2 ½% pay adjustment will be made to employee's base pay for a bilingual skill as tested by the City in conjunction with the Defense Language Institute standards;

b. Employee must pass either the listening and reading comprehension tests or the speaking test to be eligible for bilingual pay.

c. This program is subject to administrative direction and to City established procedures and annual testing. The City intends to use the Language Testing International.

2. ***Temporary Upgrade Pay:***

a. Employees who are assigned to perform a majority of the duties of a position within a higher classification from that in which they are regularly employed shall receive the compensation specified for that position to which assigned, if performing the duties thereof for a period of fourteen (14) calendar days.

b. Said increased compensation should be at the lowest step of the higher classification which will accord such employee an increase of at least five (5) percent over his/her current regular compensation.

c. The assignment shall be confirmed in writing by the Manager.

d. Acceptance of an interim assignment to higher position, thirty (30) or more days, shall require mutual assent of employer and employee.

D. Administration of Pay Plan:

1. Anniversary Date

a. The anniversary date for each employee is the date he/she is hired, reclassified, or promoted.

b. The anniversary date of any employee shall be adjusted, or changed, in the case of a leave of absence, by moving said anniversary date forward a time equal to the length of such leave of absence, except family care or medical leave, according to the California Family Rights Act and military leaves of absence in accordance with the California Military and Veterans Code and Title 38, chapter 43, U.S. Code. Whenever any employee is absent from work without pay for any period of exceeding thirty (30) continuous days, the anniversary date of said employee shall be adjusted by moving said anniversary date forward a time equal to the length of absence from work.

c. The anniversary date of any employee shall be adjusted by moving said date forward a time equal to any delay in movement through the steps of the salary range put forth below.

2. Salary Ranges

The five (5) steps of each salary range shall be interpreted and applied as follows:

a. The first step is the minimum rate and shall normally be the hiring rate for the class. In cases where it is difficult to secure qualified personnel, or if a person of unusual qualifications is engaged, the City Manager may hire at a higher step.

b. The second step is the rate at which a fully qualified, experienced, and conscientious employee may expect to advance to following the completion of six (6) months satisfactory service in the first step and upon written recommendation of the Department Head and approval by the City Manager.

c. The third step is the rate at which a fully qualified, experienced, and conscientious employee may expect to advance to following the completion of twelve (12) months satisfactory service in the second step and upon written recommendation of the Department Head and approval by the City Manager.

d. The fourth step is the rate at which a fully qualified, experienced, and conscientious employee may expect to advance to following the completion of twelve (12) months satisfactory service in the third step and upon written recommendation of the Department Head and approval by the City Manager.

e. The fifth step is the rate at which a fully qualified, experienced, and conscientious employee may expect to advance to following the completion of twelve (12) months satisfactory service in the fourth step and upon the written recommendation of the Department Head and approval of the City Manager.

f. Notwithstanding the foregoing provisions of this Section, an employee who is promoted or reclassified from one classification to a higher classification, or from a flat salary to classification having a higher overlapping salary range, shall be adjusted:

    i. To the step in their new range, which shall provide an increase in his/her salary, except that they shall not retain credit for the time served in his/her former step. If the step in the new range is the first step, the employee shall remain in that step for six (6) months before becoming eligible for advancement to the second step.

    ii. If from a flat salary to a range, to the lowest step in his/her new range or classification that exceeds his flat salary.

g. General adjustments in salary ranges made by general increases or decreases shall be made by adjusting all classes upward or downward to the appropriate salary range herein provided. Where the salary range for a given class or for several classes is revised upward or downward the employees shall have their existing salary adjusted to the same step in the new range.

h. In any case where, by reason of unusual circumstances, rigid adherence to the forgoing principles related to salary adjustments would cause a manifest injustice, the City Manager may make such order relating thereto as in his/her discretion is proper.

i. Rates of compensation provided for by resolution are fixed on the basis of full-time service in full-time positions for the schedule of hours indicated. If any position provided for in the budget is by appropriate language specified or indicated as being for less than full-time services, the rate of compensation provided for such positions shall be adjusted accordingly, except those employees indicated in this resolution as working part-time or on a retainer, in which case they shall draw the full salary indicated. If the present adjustments shall be made in the rates, the step plan shall apply to part-time salaried as well as full-time salaried employees.

j. Changes in pay rates shall be made on the first day on the pay period next following the date of eligibility and authorization.

SECTION 3: BENEFITS

A. Retirement:

1. CalPERS Classic Plan

a. Employees hired prior to January 1, 2013 will receive the CalPERS 2% @ 55 Miscellaneous Members retirement plan. The 2% @ 55 plan will also be provided to City employees hired on or after January 1, 2013 who are considered to be “classic” members under the California Public Employees’ Pension Reform Act (PEPRA) as determined by CalPERS.

b. Employee Contribution: Employees enrolled in the 2% @ 55 plan shall pay the full employee member contribution required by CalPERS.

2. CalPERS PEPRA Plan

a. New employees hired on or after January 1, 2013 who are “new members” under the PEPRA as determined by CalPERS will be enrolled in the 2% @ 62 Miscellaneous Members retirement plan.

b. As required by PEPRA, employees enrolled in the PEPRA plan shall pay 50% of the “normal cost” of the retirement plan as determined annually by CalPERS.

3. CalPERS Survivor Benefits

a. The City provides for 1959 Survivors Benefit Level Four. The employee cost is $2 per month.

4. PARS Supplemental Retirement Plan:

a. Plan: The City will provide the PARS .5% at 55 supplemental retirement plan with credit for prior CalPERS and City service for employees hired on or before June 30, 2010.

b. Contribution: The City will make the employee’s contribution.

c. Eligibility: Employees must have three years of City service and have been hired on or before June 30, 2010 to be eligible. The plan will be effective July 1, 2002.

5. Deferred Compensation:

The City will pay up to thirty dollars ($30) per month to the ICMA deferred compensation program for each employee who makes a matching contribution.

B. Life, Medical, and Dental Insurance:

Eligible bargaining unit employees will be provided with medical, dental, and vision insurance as specified in this section. Benefits to eligible family members will be made available under the health insurance plan.

1. Contributions

The City's contributions for medical, dental, and vision coverage shall be as follows:

a. MCSIG PPO $40 (70/30 Plan).
The City will pay 100% of the employee only premium and 90% of the dependent premium. This will be the base contribution amount for all plans except the Grandfathered PACE Plan.

b. MCISG PPO $25 (80/20 Plan).
SCEA Members electing to participate in the MCSIG PPO $25 (80/20 Plan) will pay the difference between the City's contribution for the PPO $40 Plan and the PPO $25 Plan premium.

c. PACE Plan (90/10 Plan) – Employees hired after October 15, 2015.
New employees enrolling in the PACE 90/10 Plan will pay the difference between the City's contribution for the PPO $40 plan and the PACE Plan premium.

d. PACE Plan (90/10 Plan) – Grandfathered Tier – open to employees hired before October 15, 2015.
The City will pay 81% of the employee only premium; 70% of the employee + 1 premium; and 73% of the family premium.

e. The City will split the cost of any increase or decrease in dental and vision premiums with the employee on a 50/50 basis.

2. Retiree Medical:

a. Eligibility: Only bargaining unit members hired on or before June 30, 2010 are eligible for City-paid retiree medical insurance

b. Notwithstanding the requirements of the City's Health and Welfare Plan to be eligible for retiree medical coverage, and subject to available coverage under the City's plan, the City shall pay the employees (not dependents) cost of medical insurance in an amount not to exceed the month premium for the City's insurance plan for retirees who retire on regular service or disability retirement until age 65.

c. Employee may cover dependents by paying the additional monthly premium.

d. In the event that coverage is not available under the City's plan, and where an eligible employee elects to continue health coverage under

COBRA, the City shall contribute to that COBRA payment an amount not to exceed the monthly premium for the City's health insurance plan for the period of time of COBRA eligibility or up to age 65, whichever is less.

e. Employees must have ten years of continuous service with the City, have been hired on or before June 30, 2010, and be at least 50 years of age to receive this benefit.

f. The City complies with all Federal and State guidelines regarding medical and dental insurance. This compliance includes continuation of benefits under COBRA.

C. Life Insurance:

The City will provide term life insurance for confidential employees in the amount of $50,000.

D. Long-Term Disability:

The City and the employee shall share equally the cost of a long-term disability program.

E. IRS Section 125 Plan:

The City shall provide an Internal Revenue Code Section 125 Plan for medical care and dependent care expense reimbursement. The annual maximum is set by the IRS.

F. Mileage Reimbursement:

With the approval of the Department Head, the City shall reimburse employees required to use their personal vehicles for the purpose of conducting City business at a rate based upon the IRS mileage rates.

G. Wellness Program:

1. Health Club Membership:

The City will pay up to $45 per month towards an employee membership at a health club upon submission of receipt of contract to the Finance Division. Dues will be processed by payroll deduction if administratively feasible.

2. City Swimming Pool:

Confidential employees and their families will have use of City swimming pool at no cost to the employee. Employees may have resident's fee and early-bird sign up for swim classes.

3. No Smoking Agreement:

In the spirit of employee health and wellness, the parties agree to a no smoking policy. The City of Seaside will strive to hire non-smokers and vigorously encourage current employees who smoke to quit.

SECTION 4: LEAVE PROVISIONS

A. Vacations

1. Accrual:

All regular employees, shall earn vacation as follows:

a. During the first, second, third, and fourth years of employment, vacation will be earned at the rate of six and two thirds (6 2/3) hours per month of ten (10) days per year.

b. During the fifth, sixth, seventh, eighth, and ninth years of employment, vacation will be earned at the rate of ten (10) hours per month or fifteen (15) days per year.

c. During the tenth, eleventh, twelfth, thirteenth, and fourteenth years of employment, vacation will be earned at the rate of eleven and one third (11 1/3) hours per month or seventeen (17) days per year.

d. During the fifteenth, sixteenth, seventeenth, eighteenth, and nineteenth years of employment, vacation will be earned at the rate of thirteen and one third (13 1/3) hours per month or twenty (20) days per year.

e. During the twentieth, twenty-first, twenty-second, twenty-third, and twenty-fourth years of employment, vacation will be earned at the rate of fourteen (14) hours per month or twenty-one (21) days per year. During the twenty-fifth year and thereafter vacation will be earned at the rate of 14.667 hours per month or twenty-two (22) days per year.

2. Vacation During Initial Probation:

Use of vacation time by an employee shall be conditional upon the completion of six (6) months continuous service with the City, but if for any reason prior to the completion of six months service reason prior to the completion of six months service with the City, such employee's employment is terminated, he/she shall be credited with and paid for vacation time.

3. Minimum Leave Event:

Vacation shall not be used in increments of less than one-half (1/2) hour.

4. Vacation and Holidays:

For regular employees, if a holiday falls within a scheduled vacation period, on a day that the employee would normally work, that day shall not be counted a vacation day.

5. Vacation Upon Termination:

Any employee, upon termination of City employment for any reason, who is entitled to vacation time and who has not had the same, shall be paid at his/her current salary rate for such vacation time on the effective date of such termination. If such person works over one-half (1/2) of the month, they shall be entitled to accumulate vacation for that month.

a. Calculation of Hourly Pay for Payout: For employees working a five (5) day or modified schedule, the method for computing hourly pay for accumulated vacation time shall be as follows:
   i. Hourly rate equals monthly salary multiplied by twelve (12) months divided by 52 weeks multiplied by 40 hours

6. Maximum Accumulation:

Confidential employees will be allowed to have no more than two years earned vacation accumulated as of the end of the 2nd pay period of January of any year. Payout for leave in excess of maximum will occur on the 1st pay period of March. It shall be management's right and responsibility to see that the employee does not exceed the maximum.

7. Vacation Cash-Out:

The City will allow employees to cash out 40 hours of accumulated vacation time before the end of the calendar year. Employees wishing to utilize this option must notify the City no later than September 15 of the calendar year in which the cash out is being utilized. The cash out payment will be made in the first paycheck of November of the calendar year following the notice of election of the cash out. This cash out provision is voluntary on the part of each bargaining unit member, and does not change the practice of maintaining a maximum of two years of vacation accumulation at the end of any calendar year.

8. Compensation in Lieu of Time Off:

The City Manager may, in instances where the needs of the City require, authorize compensation in lieu of time off for accrued vacation.

9. Accumulation during OJI Leave:

An employee being paid because of an injury on-the-job will accumulate vacation time and sick leave.

10. No Interruption of Accumulation:

No interruption in the accumulation of vacation time shall result when an employee takes sick leave, vacation, temporary military leave, or paid leave because of an on-the-job incurred illness or injury.

B. Sick Leave with Pay for Non-Job Related Illness, Injury or Disability

1. Accrual:

Each full-time employee shall earn eight (8) hours sick leave with pay for each calendar month or major fraction thereof served.

2. ***Use of Leave:***

Sick leave with pay will be granted only upon the approval of the Department Head in case of bonafide illness of an employee, including the diagnosis, care, or treatment of an existing health condition of, or preventive care. If the need for paid sick leave is foreseeable, the employee shall provide reasonable advance notification. If the need for paid sick leave is unforeseeable, the employee shall provide notice of the need for the leave as soon as practicable. Evidence may be required in the form of a physician's certificate or otherwise to verify an employee's absence during the time for which sick leave is requested.

Sick leave may also be used by an employee who is a victim of domestic violence, sexual assault, or stalking, to obtain any relief or services related to being a victim of domestic violence, sexual assault, or stalking with appropriate certification of the need for such services.

Any employee taking leave that qualifies under the City's Family Care and Medical Leave/California Family Rights Act Policy will complete and submit all required forms.

3. ***Sick Leave Upon Rehire***

If an employee separates from City employment and is re-hired by the City within one year of the date of separation, previously accrued and unused paid sick leave hours shall be reinstated to the extent required by law.

4. ***Minimum Leave Event:***

Sick leave shall be charged on an hour-for-hour basis.

5. ***Illness/Injury During Vacation:***

When an illness or injury requiring doctors treatment, and/or hospitalization occurs during an employee's vacation or approved leave of absence with pay, and the injury or illness is a nature that would prohibit the employee from performing his/her duties, the employee shall submit a memorandum giving full and complete information as well as a doctor's verification to their respective department head for a determination that such time off will be charged to sick time rather than to vacation time.

6. ***Family Sick Leave:***

Sick leave may be used for the illness or injury of an employee's family member. A family member shall be defined as parent (including biological, adoptive, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child), child (including a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis), spouse or domestic partner, grandparent, grandchild, and sibling.

7. ***Bereavement Leave:***

Bereavement leave, to a maximum of three (3) working days, will be permitted, without charging such leave against sick leave, upon the death of a member of the employee's immediate family. Immediate family is defined as a parent, child, spouse or domestic partner, brother, sister, grandparents, father-in-law, and mother-in-law of the employee. Employee may use an additional 16 hours of sick leave to extend said leave.

8. ***Personal Leave:***

The sick leave to personal leave conversion program is eliminated effective December 31, 2017. Any personal leave on the books at that time will be returned to the employee's sick leave bank.

C. On-The-Job Injury Leave:

1. ***Leave of Absence:***

Whenever a confidential employee is disabled by injury or illness arising out of and in the course of his/her duties, he/she shall become entitled to a leave of absence without loss of salary for a period not to exceed three (3) months in any five (5) year period.

2. ***Leave Accrual:***

An employee on leave of absence under this section will continue to accumulate sick leave and vacation leave.

3. ***Temporary Disability Benefits:***

The employee shall draw full salary under OJI leave, and the City will take credit for any temporary disability payments. Once OJI leave is exhausted, an employee on leave without pay would be entitled to temporary disability in accordance with State Worker's Compensation law.

4. ***Use of Accumulated Leaves:***

Once OJI leave has been exhausted, accumulated leaves may be used to supplement temporary disability payments.

D. Holidays

1. ***Regular Holidays:***

All and employees shall be entitled to the following holidays:

- First day of January (New Year's Day)
- Third Monday in January (Martin Luther King Observance)
- Third Monday in February (President's Day)
- Thirty-first day of March (Cesar Chavez Day)
- Last Monday in May (Memorial Day)
- Fourth day of July (Independence Day)
- First Monday in September (Labor Day)
- Eleventh day of November (Veteran's Day)
- Fourth Thursday of November (Thanksgiving Day)

- Day following Thanksgiving Day
- Working day immediately preceding Christmas Day (Christmas Eve)
- Twenty-fifth day of December (Christmas Day)

2. *Holiday Calculation:*

Holidays shall be calculated as 8 hours.

3. *Memorials:*

Upon Council approval, every day appointed by the Governor of the State, the President of the United States, or the City Council as a memorial, public fast, Thanksgiving, or holiday.

4. *Holidays on Sunday:*

When a holiday falls on a Sunday, the following Monday shall be recognized as that holiday.

5. *Holidays on Saturday:*

When a holiday falls on a Saturday, the preceding Friday shall be recognized as that holiday.

E. Jury and Election Duty:

1. *Jury Duty:*

The City will grant an employee leave with pay for jury duty. Any checks received from the courts must be submitted to Finance. Travel pay which is included in the check, will be returned to the employee. This rule also applicable to those employees serving on the Grand Jury.

2. *Election Duty:*

The City will provide election duty leave for sworn election workers providing the supervisor authorizes the leave request and the employee remits any election duty pay

SECTION 5: WORKING CONDITIONS

A. Continuing Education and Professional Growth:

All confidential employees shall be eligible for the City's Educational Incentive Programs.

1. *Tuition Reimbursement:*

a. Employees wishing to receive reimbursement for tuition and book expenses must request prior approval from their Department Head. Classes will be approved for reimbursement so long as they are determined to be job related, or required as a part of a degree program. Disputes regarding course approval will be submitted to the Human Resources Director.

b. The City will encourage enrollment through a tuition and book reimbursement with a maximum of $400 per fiscal year for Certificate Program and AA plan and $600 per fiscal year for BA and MA plan.

c. After completing the course with a grade of "C" or better ("Pass" or certificate of achievement for classes that are not graded), proof of completion of course work requirements shall be submitted to the employee's department head indicating the specific courses and credits completed, together with transcripts or other documentation as may be required by the Human Resources Director. This information shall be submitted on forms provided by the Human Resources Office.

2. Educational Incentive Pay:

a. Completion of an accredited educational certificate program or 30 units toward an approved degree program – 1.5%

b. Completion of AA/AS degree – 3%

c. Completion of BA/BS degree – 4.5%

d. Completion of MA/MS degree – 6%

e. Educational incentive pays are not cumulative (stackable). The maximum salary increment attainable under this program is 6%.

f. All employees enrolled in an Educational Incentive Program Plan as of the date of this agreement shall be able to continue under the terms of the approved program.

g. Education acquired prior to appointment as an employee of the City of Seaside does not qualify under this program unless the employee submits verification that the college or university has accepted prior education as part of the Educational Incentive Pay Plan for a Certificate Program or degree requirements.

h. An employee who wishes to enroll in a school, college, or university for the purpose of fulfilling the educational requirement shall do so on his/her own time.

3. Requalification

Requalification of two units over a four-year period will be established to maintain the policy of "Continuing Education and Professional Growth."

B. Service Awards:

A committee, made up of members of the various bargaining units, shall be formed to select a new service award program. At a minimum, the program shall include service awards presented to employees after every 5 years of full-time service with the City. Recipients of service awards will be recognized by the City Council.

C. Employee Incentive Pay:

a. All employees shall be eligible for Employee Incentive Pay for cost saving suggestions. Employees wishing to apply for incentive pay will submit their suggestion to the Employee Task Force for review. The Task Force will coordinate with the appropriate City departments/divisions to determine the acceptability of the cost-saving suggestion and establish remuneration.

b. A cost saving suggestion resulting in a one time saving would be evaluated for a one-time bonus. This bonus may range from $5.00, up to and not to exceed $25.00. A cost saving suggestion resulting in an annual saving of a substantial amount of money would be evaluated for an annual bonus of $100.00.

D. Work Schedule:

Confidential employees will work a 40 hour work week. The work schedule shall be defined by the Department Head. Consistent with City past practice Department Heads shall consider alternative work schedule requests and approve where such alternative schedules meet the best interest of the City. Alternative work schedules can include 4/10 work schedules or 9/80 work schedules. The Department Head has the sole discretion to decide whether to approve or deny such alternative schedules.

E. Notice of Layoff:

The City will to provide 30 days notice of "Intent to Layoff" to the employee.

F. Probationary Period:

Probation shall be 1 year for all new employees.

____________________________ ____________________________

Craig Malin, City Manager Date

CITY OF SEASIDE
STAFF REPORT

Item No.: 9.A.

TO: City Council

FROM: Craig Malin, City Manager

BY: Roberta Greathouse, Human Resources Director

DATE: March 2, 2017

SUBJECT: **APPROVE A SECOND READING 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**

PURPOSE

It is proposed that the City Council approve the second reading of the ordinance approving an amendment to the City's contract with the California Public Employees' Association to provide Government Code Section 20516 (Employees Sharing Additional Cost) consistent with the agreement reached with the Seaside Public Safety Managers' Association (SPSMA).

RECOMMENDATION

It is recommended that the Council approve the second reading of the 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.

BACKGROUND

On October 20, 2016, the City Council approved the adoption of a new Memorandum of Understanding (MOU) with the Seaside Public Safety Managers' Association (SPSMA). In that MOU, the Association agreed to implement cost sharing for all members of the association. In order to implement the cost sharing provision of the MOU, the City is required to amend the contract with CalPERS.

Starting April 8, 2017, all members of SPSMA will pay 3% of the City's contribution to

CalPERS in addition to paying the employee contribution.

After the cost sharing provision becomes effective, the effective employee and City contributions to CalPERS (not including unfunded liability payments) will be as follows:

Plan	Number of Participants	City Contribution	Employee Contribution
Police Safety Tier 1 3% @ 50	3	16.536%	12%
Fire Safety Tier 1 3% @ 50	3	12.742%	12%

The amendment of the contract with CalPERS requires several steps, including a secret ballot election by all affected employees. This election must be held following the adoption of the Resolution of Intention, and prior to the adoption of the Ordinance to amend the CalPERS contract.

IMPLEMENTATION SCHEDULE

CalPERS has provided the City the appropriate documents in order to implement the contract amendment in accordance with the following schedule:

February 2, 2017:
Council adopted the Resolution of Intent and Introduced the Ordinance Amending PERS contract

February 6-10, 2017:
Secret Ballot Election Period

March 2, 2017:
Council adopts the Ordinance Amending the PERS Contract

April 1, 2017:
Ordinance Becomes Effective

April 8, 2017::
Contract Amendment Becomes Effective

FISCAL IMPACT

The cost of this PERS contract amendment is approximately $2,000 for Fiscal Year 2016/2017 and approximately $8,000 annually thereafter.

ATTACHMENTS

1. Ordinance
2. PERS Contract Amendment

Reviewed for Submission to the
City Council by:

____
Craig Malin, City Manager

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SEASIDE AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY COUNCIL OF THE CITY OF SEASIDE AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

The City Council of the City of Seaside does ordain as follows:

Section 1.

That an amendment to the contract between the City Council of the City of Seaside and the Board of Administration of the California Public Employees' Retirement System is hereby authorized, a copy of said amendment being attached hereto, marked Exhibit, and by such reference made a part hereof as though herein set out in full.

Section 2.

The Mayor of the City Council is hereby authorized, empowered, and directed to execute said amendment for and on behalf of said Agency.

Section 3.

This Ordinance shall take effect 30 days after the date of its adoption and prior to the expiration of 15 days from the passage thereof shall be published at least twice in the Monterey County Weekly, a newspaper of general circulation, published and circulated in the County of Monterey and thenceforth and thereafter the same shall be in full force and effect.

ADOPTED AND APPROVED at a regular meeting of the City Council of the City of Seaside duly held on the 2nd day of March, 2017 by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS

____
Ralph Rubio, Mayor
City of Seaside

ATTEST:

____
Lesley E. Milton, City Clerk
City of Seaside

CalPERS

EXHIBIT

California
Public Employees' Retirement System

AMENDMENT TO CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
City Council
City of Seaside

The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective January 1, 1957, and witnessed December 14, 1956, and as amended effective February 22, 1975, March 18, 1978, May 1, 1982, June 18, 1993, April 22, 1995, June 17, 2001, January 12, 2008, April 5, 2009, January 8, 2011, February 28, 2015, July 4, 2015 and January 14, 2017 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

A. Paragraphs 1 through 19 are hereby stricken from said contract as executed effective January 14, 2017, and hereby replaced by the following paragraphs numbered 1 through 19 inclusive:

1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for classic local miscellaneous members and age 62 for new local miscellaneous members; age 50 for classic local fire members and for those classic local police members entering membership in the police classification on or prior to January 8, 2011, age 55 for classic local police members entering membership for the first time in the police classification after January 8, 2011 and age 57 for new local safety members.

2. Public Agency shall participate in the Public Employees' Retirement System from and after January 1, 1957 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.

3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorney fees that may arise as a result of any of the following:

   (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.

   (b) Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas.

   (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.

4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:

   a. Local Fire Fighters (herein referred to as local safety members);

   b. Local Police Officers (herein referred to as local safety members);

   c. Employees other than local safety members (herein referred to as local miscellaneous members).

5. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:

NO ADDITIONAL EXCLUSIONS

6. Public Agency and the Seaside Fire District have agreed to a merger of their contracts, and this contract shall be a continuation of the benefits of the contract of the Seaside Fire District, pursuant to Section 20567.5 of the Government Code. Such merger is effective as of March 1, 1960. Legislation repealed said Section effective January 1, 1988.

7. Public Agency and the Seaside Redevelopment Agency have agreed to a merger of their contracts, and this contract shall be a continuation of the benefits of the contract of the Seaside Redevelopment Agency, pursuant to Section 20567.6 of the Government Code. Such merger is effective as of April 11, 1976. Public Agency, by this contract, assumes the assets and liabilities accumulated under the former contract of the Seaside Redevelopment Agency. Legislation repealed said Section effective January 1, 1988.

   a. Service performed for the former agency prior to the effective date of this merger shall be subject to the terms and conditions of the former agency's contract as it was effect at that time. Service performed after the effective date of this merger shall be subject to the terms and conditions of this contract. For purposes of computing retirement allowances, separate calculations shall be made for service performed under each contract.

8. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous member shall be determined in accordance with Section 21354 of said Retirement Law (2% at age 55 Full).

9. The percentage of final compensation to be provided for each year of credited prior and current service as a new local miscellaneous member shall be determined in accordance with Section 7522.20 of said Retirement Law (2% at age 62 Full).

10. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local safety member entering membership in the safety classification on or prior to January 8, 2011 shall be determined in accordance with Section 21362.2 of said Retirement Law (3% at age 50 Full).

11. The percentage of final compensation to be provided for each year of credited current service as a classic local fire member entering membership for the first time in the fire classification after January 8, 2011 shall be determined in accordance with Section 21362 of said Retirement Law (2% at age 50 Full).

12. The percentage of final compensation to be provided for each year of credited current service as a classic local police member entering membership for the first time in the police classification after January 8, 2011 shall be determined in accordance with Section 21363.1 of said Retirement Law (3% at age 55 Full).

13. The percentage of final compensation to be provided for each year of credited prior and current service as a new local safety member shall be determined in accordance with Section 7522.25(d) of said Retirement Law (2.7% at age 57 Full).

14. Public Agency elected and elects to be subject to the following optional provisions:

    a. Section 20042 (One-Year Final Compensation) for classic members only.

    b. Section 20965 (Credit for Unused Sick Leave).

    c. Section 21574 (Fourth Level of 1959 Survivor Benefits).

    d. Section 20903 (Two Years Additional Service Credit).

    e. Section 20475 (Different Level of Benefits). Section 21362 (2% @ 50 Full formula) is applicable to classic local fire members entering membership for the first time in the fire classification after January 8, 2011.

       Section 21363.1 (3% @ Full formula) is applicable to classic local police members entering membership for the first time in the police classification after January 8, 2011.

    f. Section 20516 (Employees Sharing Additional Cost):

       From and after February 28, 2015 and until July 4, 2015, 2% for local miscellaneous members and local police members in the Seaside Police Officers' Association.

       From and after July 4, 2015, 3% for local miscellaneous members and local police members in the Seaside Police Officers' Association.

       From and after January 14, 2017, 3% for local fire members in the Seaside Firefighters Association.

       From and after the effective date of this amendment to contract, 3% for local safety members in the Seaside Public Safety Managers Association.

The portion of the employer's contribution that the member agrees to contribute from his or her compensation, over and above the member's normal contribution ("Cost Sharing Percentage"), shall not exceed the Employer Normal Cost Rate, as that rate is defined in the CalPERS Actuarial Valuation for the relevant fiscal year. If the Cost Sharing Percentage will exceed the relevant Employer Normal Cost Rate, the Cost Sharing Percentage shall automatically be reduced to an amount equal to, and not to exceed, the Employer Normal Cost Rate for the relevant fiscal year.

15. Public Agency, in accordance with Government Code Section 20790, ceased to be an "employer" for purposes of Section 20834 effective on February 22, 1975. Accumulated contributions of Public Agency shall be fixed and determined as provided in Government Code Section 20834, and accumulated contributions thereafter shall be held by the Board as provided in Government Code Section 20834.

16. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.

17. Public Agency shall also contribute to said Retirement System as follows:

    a. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21574 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local miscellaneous members and local safety members.

    b. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.

    c. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.

18. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.

PLEASE DO NOT SIGN "EXHIBIT ONLY"

19. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the _____ day of _______________, ______.

BOARD OF ADMINISTRATION PUBLIC EMPLOYEES' RETIREMENT SYSTEM	CITY COUNCIL CITY OF SEASIDE
BY______________________________ ARNITA PAIGE, CHIEF PENSION CONTRACTS AND PREFUNDING PROGRAMS DIVISION PUBLIC EMPLOYEES' RETIREMENT SYSTEM	BY______________________________ PRESIDING OFFICER
	______________________________ Witness Date
	Attest: ______________________________ Clerk

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: March 2, 2017

SUBJECT: **FIRST READING OF AN ORDINANCE AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE ENERGY PROGRAM IN THE CITY OF SEASIDE (FIRST READING)**

PURPOSE

The purpose of this item is conduct a public hearing and to provide the City Council the opportunity to consider the first reading of an ordinance authorizing the implementation of a Community Choice Energy Program in the City of Seaside.

RECOMMENDATION

It is recommended that the City Council approve the first reading of the ordinance authorizing the implementation of a Community Choice Energy Program in the City of Seaside.

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.

On February 16, 2017, the City Council adopted a resolution approving JPA membership and directed staff to work with the Santa Cruz County planning team on the credit guarantee requirements.

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.

The JPA also includes 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 cities, 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, 2017 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 \$139,500. This figure depends on the number of Agencies who decide to participate in the JPA and the terms of the loan. The City Council set a maximum amount of shared credit guarantee at \$175,000.

Next Steps
The City Council needs to conduct a public hearing and consider a first reading of the attached ordinance authorizing the implementation of a Community Choice Energy Program in the City of Seaside. In addition, the Mayor and the City Council need to appoint a representative and an alternate to the Policy Board of Directors.

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. In the JPA membership resolution adopted on February 16, 2017, the City limited its committment to \$175,000.

ATTACHMENTS

1. Ordinance Authorizing the Implementation of a Community Choice Energy Program in the City of Seaside
2. Monterey Bay Community Power Joint Powers Authority Agreement

---

Reviewed for Submission to the
City Council by:

____
Craig Malin, City Manager

ORDINANCE NO. ______

* * * * *

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SEASIDE AUTHORIZING IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM

The City Council of the City of Seaside does ordain as follows:

SECTION 1. FINDINGS. The City Council finds as follows:

WHEREAS, Monterey Bay Community Power has investigated options to provide electric services to customers within the tri-county region of Monterey, Santa Cruz and San Benito Counties (Tri-County Region), including incorporated and unincorporated areas, with the intent of achieving greater local control and involvement over the provision of electric services, competitive electric rates, the development of clean, local, renewable energy projects, reduced greenhouse gas emissions, and the wider implementation of energy conservation and efficiency projects and programs; and

WHEREAS, Monterey Bay Community Power prepared a Feasibility Study for a community choice aggregation ("CCA") program in the Tri-County Region with the cooperation of the cities and counties under the provisions of the Public Utilities Code section 366.2. The Feasibility Study shows that implementing a community choice aggregation program would provide multiple benefits, including:

- Providing customers a choice of power providers;
- Increasing local control and involvement in and collaboration on energy rates and other energy-related matters;
- Providing more stable long-term electric rates that are competitive with those provided by the incumbent utility;
- Reducing greenhouse gas emissions arising from electricity use within the Tri-County Region;
- Increasing local renewable generation capacity;
- Increasing energy conservation and efficiency projects and programs;
- Increasing regional energy self-sufficiency;

- Improving the local economy resulting from the implementation of local renewable and energy conservation and efficiency projects; and

WHEREAS, the Joint Powers Agreement creating the Monterey Bay Community Power Authority ("Authority") will govern and operate the CCA program on behalf of its member jurisdictions. Under the Joint Powers Agreements, cities within the Tri-County Region may participate in the Monterey Bay Community Power CCA program by adopting the resolution and ordinance required by Public Utilities Code section 366.2. Cities choosing to participate in the CCA program will have membership on the Board of Directors of the Authority as provided in the Joint Powers Agreements; and

WHEREAS, the Authority will enter into Agreements with electric power suppliers and other service providers, and based upon those Agreements the Authority will be able to provide power to residents and businesses at rates that are competitive with those of the incumbent utility ("PG&E"). Once the California Public Utilities Commission approves the implementation plan created by the Authority, the Authority will provide service to customers within the unincorporated areas of the tri-county region of Monterey, Santa Cruz and San Benito Counties and within the jurisdiction of those cities therein who have chosen to participate in the CCA program; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of a CCA 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; and

WHEREAS, on March 2, 2016 the City Council held a public hearing at which time interested persons had an opportunity to testify either in support or opposition to implementation of the Monterey Bay Community Power CCA program in the City of Seaside; and

NOW, THEREFORE, the City Council of the City of Seaside does ordain as follows:

Section 1. The above recitations are true and correct and material to this Ordinance.

Section 2. **AUTHORIZATION TO IMPLEMENT A COMMUNITY CHOICE AGGREGATION PROGRAM.** Based upon the forgoing, and in order to provide businesses and residents within the City of Seaside with a choice of power providers and with the benefits described above, the City Council of the City of Seaside ordains that it shall implement a community choice aggregation program within its jurisdiction by participating as a group with the other counties and cities as described above in the Community Choice Aggregation program of the Monterey Bay Community Power Authority, as generally described in the Joint Powers Agreement approved through Resolution No. 17-15.

Section 3. **SEVERABILITY.** In the event any section, clause or provision of this ordinance shall be determined invalid or unconstitutional, such section, clause or provision shall be deemed severable and all other sections or portions hereof shall remain in full force and effect. It is the intent of the City Council that it would have adopted all other portions of this ordinance irrespective of any such portion declared to be invalid or unconstitutional.

Section 4. **ENVIRONMENTAL DETERMINATION**. This ordinance is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to the CEQA Guidelines, as it is not a "project" as it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment because energy will be transported through existing infrastructure (14 Cal. Code Regs. § 15378(a)). Further, this ordinance is exempt from CEQA as there is no possibility that this ordinance or its implementation would have a significant effect on the environment (14 Cal. Code Regs. § 15061(b)(3)). This ordinance is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance, restoration, enhancement or protection of the environment (14 Cal. Code Regs. § 15308). The City Manager's Office shall cause a Notice of Exemption to be filed as authorized by CEQA and the CEQA guidelines.

Section 5. **PUBLICATION**. This ordinance shall be in full force and effective 30 days after its adoption, and shall be published and posted as required by law.

Section 6. **EFFECTIVE DATE**. This ordinance was introduced on March 2, 2017, and adopted on _______________, and shall be effective thirty days after its date of adoption.

CITY OF SEASIDE

By: _________________________Ralph Rubio, Mayor

AYES:

NOES:

ABSENT :

ABSTAIN:

APPROVED AS TO FORM

By: ________________________Don Freeman, City Attorney

ATTEST

By: _______________________ 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

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: March 2, 2017

SUBJECT: **CONDUCT A PUBLIC HEARING UNDER THE TAX AND EQUITY FISCAL RESPONSIBILITY ACT (TEFRA) AND CONSIDER ADOPTING A RESOLUTION IN CONNECTION WITH THE PROPOSED ISSUANCE OF REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR THE MONTEREY BAY CHARTER SCHOOL**

PURPOSE

The purpose of this item is for the City Council to conduct a public hearing under the Tax and Equity Fiscal Responsibility Act ("TEFRA") in connection with the proposed issuance of revenue bonds by the California Municipal Finance Authority ("CMFA"), in an amount not to exceed $18,000,000, to finance or refinance the costs of certain Monterey Bay Charter School facilities ("the Project") located in the City of Seaside, to adopt a resolution to become a member of the CMFA and to approve the financing of the Project by the CMFA.

RECOMMENDATION

It is recommended that the City Council:
1) Conduct a public hearing under the requirements of TEFRA and the Internal Revenue Code of 1986, as amended; and
2) Adopt a resolution approving the issuance of the Bonds by the CMFA for the benefit of Monterey Bay Charter School, to provide financing of the Project. The City of Seaside will have no liability for the payments on the bonds. The adoption of the resolution is solely for the purposes of satisfying the requirements of TEFRA, the IRS Code and the California Government Code Section 6500. The resolution will also authorize the Mayor or designee to execute the Joint Exercise of Powers Agreement with the CMFA.

BACKGROUND

Monterey Bay Charter School, a California nonprofit public benefit corporation (the "Lessee"), operates Monterey Bay Charter School (the "School"); has requested that the CMFA serve as the municipal issuer of the Bonds in an aggregate principal amount not to exceed $18,000,000 of tax-exempt revenue bonds. The proceeds of the Bonds will be used to finance or refinance the costs of (a) the acquisition, construction, improvement, renovation and equipping of certain public charter school facilities located on an 18 acre block on the CSU Monterey Bay campus, bordered by Colonel Durham Road, 7th Avenue, Butler Street, and 6th Avenue in the City of Seaside, California 93955 (the "Facilities"), for operation by the Lessee of the School; (b) funding a debt service reserve fund for the Bonds; (c) paying capitalized interest on the Bonds; and (d) paying certain Bond issuance expenses.

In order for all or a portion of the Bonds to qualify as tax-exempt bonds, the City of Seaside must conduct a public hearing (the "TEFRA Hearing") providing for the members of the community an opportunity to speak in favor of or against the use of tax-exempt bonds for the financing of the Project. Prior to such TEFRA Hearing, reasonable notice must be provided to the members of the community. Following the close of the TEFRA Hearing, an "applicable elected representative" of the governmental unit hosting the Project must provide its approval of the issuance of the Bonds for the financing of the Project.

CALIFORNIA MUNICIPAL FINANCE AUTHORITY:

The CMFA was created on January 1, 2004 pursuant to a joint exercise of powers agreement to promote economic, cultural and community development, through the financing of economic development and charitable activities throughout California. To date, over 250 municipalities have become members of CMFA.

The CMFA was formed to assist local governments, non-profit organizations and businesses with the issuance of taxable and tax-exempt bonds aimed at improving the standard of living in California. The CMFA's representatives and its Board of Directors have considerable experience in bond financings.

EXECUTION OF THE JOINT EXERCISE OF POWERS AGREEMENT:

In order for the CMFA to have the authority to serve as the issuer of the bonds for the Project, it is necessary for the City of Seaside to become a member of the CMFA. Attached to this report is a copy of the Joint Exercise of Powers Agreement to be executed by a designated signatory of the City.

The Joint Exercise of Powers Agreement provides that the CMFA is a public entity, separate and apart from each member executing such agreement. The debts, liabilities and obligations of the CMFA do not constitute debts, liabilities or obligations of the members executing such agreement.

The Bonds to be issued by the CMFA for the Project will be the sole responsibility of the Borrower, and the City will have no financial, legal, moral obligation, liability or responsibility for the Project or the repayment of the Bonds for the financing of the Project. All financing documents with respect to the issuance of the Bonds will contain clear disclaimers that the

Bonds are not obligations of the City or the State of California, but are to be paid for solely from funds provided by the Borrower.

There are no costs associated with membership in the CMFA and the City will in no way become exposed to any financial liability by reason of its membership in the CMFA. In addition, participation by the City in the CMFA will not impact the City's appropriations limits and will not constitute any type of indebtedness by the City. Outside of holding the TEFRA hearing, adopting the required resolution and executing the Joint Exercise of Powers Agreement of the CMFA, no other participation or activity of the City or the City Council with respect to the issuance of the Bonds will be required.

The Joint Exercise of Powers Agreement expressly provides that any member may withdraw from such agreement upon written notice to the Board of Directors of the CMFA. In the case of the proposed bond financing for the Borrower, the City following its execution of the Joint Exercise of Powers Agreement, could, at any time following the issuance of the Bonds, withdraw from the CMFA by providing written notice to the Board of Directors of the CMFA.

FISCAL IMPACT

The Board of Directors of the California Foundation for Stronger Communities, a California non-profit public benefit corporation (the "Foundation"), acts as the Board of Directors for the CMFA. Through its conduit issuance activities, the CMFA shares a portion of the issuance fees it receives with its member communities and donates a portion of these issuance fees to the Foundation for the support of local charities. With respect to the City of Seaside, it is expected that that a portion of the issuance fee attributable to the City will be granted by the CMFA to the general fund of the City. Such grant may be used for any lawful purpose of the City. The Borrower will be the beneficiary of the CMFA's charitable donation through a 25% reduction in issuance fees.

ATTACHMENTS

1. Resolution
2. California Municipal Finance Authority Joint Powers Agreement

---

Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

RESOLUTION NO. ________

RESOLUTION APPROVING, AUTHORIZING AND DIRECTING EXECUTION OF A JOINT EXERCISE OF POWERS AGREEMENT RELATING TO THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY AND APPROVING THE ISSUANCE OF REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR THE PURPOSE OF FINANCING OR REFINANCING THE ACQUISITION, REHABILITATION AND IMPROVEMENT OF CERTAIN FACILITIES FOR THE BENEFIT OF MONTEREY BAY CHARTER SCHOOL OR AN AFFILIATE THEREOF

WHEREAS, pursuant Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), certain public agencies (the "Members") have entered into a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004 (the "Agreement") in order to form the California Municipal Finance Authority (the "Authority"), for the purpose of promoting economic, cultural and community development, and in order to exercise any powers common to the Members, including the issuance of bonds, notes or other evidences of indebtedness; and

WHEREAS, the City of Seaside, California (the "City"), has determined that it is in the public interest and for the public benefit that the City become a Member of the Authority in order to facilitate the promotion of economic, cultural and community development activities in the City, including the financing of projects therefor by the Authority; and

WHEREAS, there is now before this City Council (the "City Council") the form of the Agreement; and

WHEREAS, the Agreement has been filed with the City, and the members of the City Council, with the assistance of its staff, have reviewed said document; and

WHEREAS, the Authority is authorized to issue and sell revenue bonds for the purpose, among others, of financing or refinancing the construction of capital projects; and

WHEREAS, Monterey Bay Charter School, a California nonprofit public benefit corporation (the "Lessee"), operates Monterey Bay Charter School (the "School"); and

WHEREAS, the Lessee has requested that the Authority issue and sell revenue bonds in the maximum principal amount of $18,000,000 (the "Bonds") in one or more series for the purpose of making a loan to MBCS Properties, LLC, a California limited liability company (the "Borrower"), the sole member of which will be either (i) the Coalition for Education or (ii) the Lessee, each a California nonprofit public benefit corporation and an entity described in Section 501(c)(3) of the Internal Revenue Code, to finance or refinance the costs of (a) the acquisition, construction, improvement, renovation and equipping of certain public charter school facilities located on an 18 acre block on the CSU Monterey Bay campus, bordered by Colonel Durham Road, 7th Avenue, Butler Street, and 6th Avenue in the City of Seaside, California 93955 (the "Facilities"), for operation by the Lessee of the School; (b) funding a debt service reserve fund for the Bonds; (c) paying capitalized interest on the Bonds; and (d) paying certain Bond issuance expenses (collectively, the "Project"); and

WHEREAS, the Borrower will lease the Facilities to the Lessee pursuant to a Lease Agreement dated as of March 1, 2017 (or such other date as approved by the Authority) (the "Lease"); and

WHEREAS, Section 4 of the Agreement provides that the Authority shall not issue bonds with respect to any project located in the jurisdiction of one or more member agencies unless the governing body of any such member, or its duly authorized representative, shall approve, conditionally or unconditionally, the project, including the issuance of bonds therefor; and

WHEREAS, the Authority has requested that the City Council approve the issuance of the Bonds by the Authority in order to satisfy the requirements of Section 4 of the Agreement; and

WHEREAS, it is in the public interest and for the public benefit that the City Council approve the issuance of the Bonds by the Authority for the aforesaid purposes;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL, AS FOLLOWS;

Section 1. The foregoing recitals are true and correct.

Section 2. The Agreement is hereby approved and the Mayor, the City Manager or a designee of either is hereby authorized and directed to execute said document, and the City Clerk or a designee thereof is hereby authorized and directed to attest thereto.

Section 3. The City Council hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the City Council that this resolution constitute approval of the issuance of the Bonds (a) by the "applicable elected representative" of the governmental unit having jurisdiction over the area in which the Project is located in accordance with Section 147(f) of the Code and; (b) by the City Council in accordance with Section 4 of the Agreement.

Section 4. The issuance of the Bonds shall be subject to the approval of the Authority of all financing documents relating thereto to which the Authority is a party. The City shall have no responsibility or liability whatsoever with respect to the Bonds.

Section 5. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire, rehabilitate or improve the Project or any refinancing of the Project; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, rehabilitation or operation of the Project; (iii) make any contribution or advance any funds whatsoever to the Authority; or (iv) take any further action with respect to the Authority or its membership therein.

Section 6. The authorized signatories, the City Clerk and all other proper officers and officials of the City are hereby authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

<u>Section 7.</u> The Clerk shall forward a certified copy of this Resolution and an originally executed Agreement to the Authority in care of its counsel:

Ronald E. Lee, Esq.
Jones Hall
650 California Street, 18th Floor
San Francisco, CA 94108

<u>Section 8</u>. This resolution shall take effect immediately upon its passage.

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

AYES:
NOES:
ABSTAIN:
ABSENT:

____
Mayor

ATTEST:

____
City Clerk

[SIGNATURE PAGE FOR JPA AGREEMENT]

IN WITNESS WHEREOF, the CITY OF SEASIDE has caused this Agreement to be executed and attested by its duly authorized representatives as of the 16th day of February, 2017.

Member:

CITY OF SEASIDE

By ____
Name: ______________________________________
Title: _______________________________________

ATTEST:

____
City Clerk

JOINT EXERCISE OF POWERS AGREEMENT
RELATING TO THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY

THIS AGREEMENT, dated as of January 1, 2004, among the parties executing this Agreement (all such parties, except those which have withdrawn as provided herein, are referred to as the "Members" and those parties initially executing this Agreement are referred to as the "Initial Members"):

WITNESSETH

WHEREAS, pursuant to Title 1, Division 7, Chapter 5 of the California Government Code (in effect as of the date hereof and as the same may from time to time be amended or supplemented, the "Joint Exercise of Powers Act"), two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, each of the Members is a "public agency" as that term is defined in Section 6500 of the Joint Exercise of Powers Act; and

WHEREAS, each of the Members is empowered by law to promote economic, cultural and community development, including, without limitation, the promotion of opportunities for the creation or retention of employment, the stimulation of economic activity, the increase of the tax base, and the promotion of opportunities for education, cultural improvement and public health, safety and general welfare; and

WHEREAS, each of the Members may accomplish the purposes and objectives described in the preceding preamble by various means, including through making grants, loans or providing other financial assistance to governmental and nonprofit organizations; and

WHEREAS, each Member is also empowered by law to acquire and dispose of real property for a public purpose; and

WHEREAS, the Joint Exercise of Powers Act authorizes the Members to create a joint exercise of powers entity with the authority to exercise any powers common to the Members, as specified in this Agreement and to exercise the additional powers granted to it in the Joint Exercise of Powers Act and any other applicable provisions of the laws of the State of California; and

WHEREAS, a public entity established pursuant to the Joint Exercise of Powers Act is empowered to issue or execute bonds, notes, commercial paper or any other evidences of indebtedness, including leases or installment sale agreements or certificates of participation therein (herein "Bonds"), and to otherwise undertake financing programs under the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California to accomplish its public purposes; and

WHEREAS, the Members have determined to specifically authorize a public entity authorized pursuant to the Joint Exercise of Powers Act to issue Bonds pursuant to the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California; and

WHEREAS, it is the desire of the Members to use a public entity established pursuant to the Joint Exercise of Powers Act to undertake the financing and/or refinancing of projects of any nature, including, but not limited to, capital or working capital projects, insurance, liability or retirement programs or facilitating Members use of existing or new financial instruments and mechanisms; and

WHEREAS, it is further the intention of the Members that the projects undertaken will result in significant public benefits to the inhabitants of the jurisdictions of the Members; and

WHEREAS, by this Agreement, each Member desires to create and establish the "California Municipal Finance Authority" for the purposes set forth herein and to exercise the powers provided herein;

NOW, THEREFORE, the Members, for and in consideration of the mutual promises and agreements herein contained, do agree as follows:

Section 1. Purpose.

This Agreement is made pursuant to the provisions of the Joint Exercise of Powers Act. The purpose of this Agreement is to establish a public entity for the joint exercise of powers common to the Members and for the exercise of additional powers given to a joint powers entity under the Joint Powers Act or any other applicable law, including, but not limited to, the issuance of Bonds for any purpose or activity permitted under the Joint Exercise of Powers Act or any other applicable law. Such purpose will be accomplished and said power exercised in the manner hereinafter set forth.

Section 2. Term.

This Agreement shall become effective in accordance with Section 17 as of the date hereof and shall continue in full force and effect until such time as it is terminated in writing by all the Members; provided, however, that this Agreement shall not terminate or be terminated until all Bonds issued or caused to be issued by the Authority (defined below) shall no longer be outstanding under the terms of the indenture, trust agreement or other instrument pursuant to which such Bonds are issued, or unless a successor to the Authority assumes all of the Authority's debts, liabilities and obligastions.

Section 3. Authority.

A. CREATION AND POWERS OF AUTHORITY.

Pursuant to the Joint Exercise of Powers Act, there is hereby created a public entity to be known as the "California Municipal Finance Authority" (the "Authority"), and said Authority shall be a public entity separate and apart from the Members. Its debts, liabilities and obligations do not constitute debts, liabilities or obligations of any Members.

B. BOARD.

The Authority shall be administered by the Board of Directors (the "Board," or the "Directors" and each a "Director") of the California Foundation for Stronger Communities, a nonprofit public benefit corporation organized under the laws of the State of California (the "Foundation"), with each such Director serving in his or her individual capacity as a Director of the Board. The Board shall be the administering agency of this Agreement and, as such, shall be vested with the powers set forth herein, and shall administer this Agreement in accordance with the purposes and functions provided herein. The number of Directors, the appointment of Directors, alternates and successors, their respective terms of office, and all other provisions relating to the qualification and office of the Directors shall be as provided in the Articles and Bylaws of the Foundation, or by resolution of the Board adopted in accordance with the Bylaws of the Foundation.

All references in this Agreement to any Director shall be deemed to refer to and include the applicable alternate Director, if any, when so acting in place of a regularly appointed Director.

Directors may receive reasonable compensation for serving as such, and shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a Director, if the Board shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

The Foundation may be removed as administering agent hereunder and replaced at any time by amendment of this Agreement approved as provided in Section 16; provided that a successor administering agent of this Agreement has been appointed and accepted its duties and responsibilities under this Agreement.

C. OFFICERS; DUTIES; OFFICIAL BONDS.

The officers of the Authority shall be the Chair, Vice-Chair, Secretary and Treasurer (defined below). The Board, in its capacity as administering agent of this Agreement, shall elect a Chair, a Vice-Chair, and a Secretary of the Authority from among Directors to serve until such officer is re-elected or a successor to such office is elected by the Board. The Board shall appoint one or more of its officers or employees to serve as treasurer, auditor, and controller of the Authority (the "Treasurer") pursuant to Section 6505.6 of the Joint Exercise of Powers Act to serve until such officer is re-elected or a successor to such office is elected by the Board.

Subject to the applicable provisions of any resolution, indenture, trust agreement or other instrument or proceeding authorizing or securing Bonds (each such resolution, indenture, trust agreement, instrument and proceeding being herein referred to as an "Indenture") providing for a trustee or other fiscal agent, and except as may otherwise be specified by resolution of the Board, the Treasurer is designated as the depositary of the Authority to have custody of all money of the Authority, from whatever source derived and shall have the powers, duties and responsibilities specified in Sections 6505, 6505.5 and 6509.5 of the Joint Exercise of Powers Act.

The Treasurer of the Authority is designated as the public officer or person who has charge of, handles, or has access to any property of the Authority, and such officer shall file an official bond with the Secretary of the Authority in the amount specified by resolution of the Board but in no event less than $1,000.

The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

The Board shall have the power, by resolution, to the extent permitted by the Joint Exercise of Power Act or any other applicable law, to delegate any of its functions to one or more of the Directors or officers, employees or agents of the Authority and to cause any of said Directors, officers, employees or agents to take any actions and execute any documents or instruments for and in the name and on behalf of the Board or the Authority.

D. MEETINGS OF THE BOARD.

(1) Ralph M. Brown Act.

All meetings of the Board, including, without limitation, regular, adjourned regular, special, and adjourned special meetings shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code of the State of California), or any successor legislation hereinafter enacted (the "Brown Act").

(2) Regular Meetings.

The Board shall provide for its regular meetings; provided, however, it shall hold at least one regular meeting each year. The date, hour and place of the holding of the regular meetings shall be fixed by resolution of the Board. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(3) Special Meetings.

Special meetings of the Board may be called in accordance with the provisions of Section 54956 of the Government Code of the State of California. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(4) Minutes.

The Secretary of the Authority shall cause to be kept minutes of the regular, adjourned regular, special, and adjourned special meetings of the Board and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director.

(5) Quorum.

A majority of the Board shall constitute a quorum for the transaction of business. No action may be taken by the Board except upon the affirmative vote of a majority of the Directors constituting a quorum, except that less than a quorum may adjourn a meeting to another time and place.

E. RULES AND REGULATIONS.

The Authority may adopt, from time to time, by resolution of the Board such rules and regulations for the conduct of its meetings and affairs as may be required.

Section 4. Powers.

The Authority shall have the power, in its own name, to exercise the common powers of the Members and to exercise all additional powers given to a joint powers entity under any of the laws of the State of California, including, but not limited to, the Joint Exercise of Powers Act, for any purpose authorized under this Agreement. Such powers shall include the common powers specified in this Agreement and may be exercised in the manner and according to the method provided in this Agreement. The Authority is hereby authorized to do all acts necessary for the exercise of such power, including, but not limited to, any of all of the following: to make and enter into contracts; to employ agents and employees; to acquire, construct, provide for maintenance and operation of, or maintain and operate, any buildings, works or improvements; to acquire, hold or dispose of property wherever located; to incur debts, liabilities or obligations; to receive gifts, contributions and donations of property, funds, services, and other forms of assistance from person, firms, corporations and any governmental entity; to sue and be sued in its own name; to make grants, loans or provide other financial assistance to governmental and nonprofit organizations (e.g., the Members or the Foundation) to accomplish any of its purposes; and generally to do any and all things necessary or convenient to accomplish its purposes.

Without limiting the generality of the foregoing, the Authority may issue or cause to be issued Bonds, and pledge any property or revenues as security to the extent permitted under the Joint Exercise of Powers Act, or any other applicable provision of law; provided, however, the Authority shall not issue Bonds with respect to any project located in the jurisdiction of one or more Members unless the governing body of any such Member, or its duly authorized representative, shall approve, conditionally or unconditionally, the project, including the issuance of Bonds therefor. Such approval may be evidenced by resolution, certificate, order, report or such other means of written approval of such project as may be selected by the Member (or its authorized representative) whose approval is required. No such approval shall be required in connection with Bonds that refund Bonds previously issued by the Authority and approved by the governing board of a Member.

The manner in which the Authority shall exercise its powers and perform its duties is and shall be subject to the restrictions upon the manner in which a California general law city could exercise such powers and perform such duties. The manner in which the Authority shall exercise its powers and perform its duties shall not be subject to any restrictions applicable to the manner in which any other public agency could exercise such powers or perform such duties, whether such agency is a party to this Agreement or not.

Section 5. Fiscal Year.

For the purposes of this Agreement, the term "Fiscal Year" shall mean the fiscal year as established from time to time by resolution of the Board, being, at the date of this Agreement, the period from July 1 to and including the following June 30, except for the first Fiscal Year which shall be the period from the date of this Agreement to June 30, 2004.

Section 6. Disposition of Assets.

At the end of the term hereof or upon the earlier termination of this Agreement as set forth in Section 2, after payment of all expenses and liabilities of the Authority, all property of the Authority both real and personal shall automatically vest in the Members in the manner and amount determined by the Board in its sole discretion and shall thereafter remain the sole property of the Members; provided, however, that any surplus money on hand shall be returned in proportion to the contributions made by the Members.

Section 7. Bonds.

From time to time the Authority shall issue Bonds, in one or more series, for the purpose of exercising its powers and raising the funds necessary to carry out its purposes under this Agreement.

The services of bond counsel, financing consultants and other consultants and advisors working on the projects and/or their financing shall be used by the Authority. The expenses of the Board shall be paid from the proceeds of the Bonds or any other unencumbered funds of the Authority available for such purpose.

Section 8. Bonds Only Limited and Special Obligations of Authority.

The Bonds, together with the interest and premium, if any, thereon, shall not be deemed to constitute a debt of any Member or pledge of the faith and credit of the Members or the Authority. The Bonds shall be only special obligations of the Authority, and the Authority shall under no circumstances be obligated to pay the Bonds except from revenues and other funds pledged therefor. Neither the Members nor the Authority shall be obligated to pay the principal of, premium, if any, or interest on the Bonds, or other costs incidental thereto, except from the revenues and funds pledged therefor, and neither the faith and credit nor the taxing power of the Members nor the faith and credit of the Authority shall be pledged to the payment of the principal of, premium, if any, or interest on the Bonds nor shall the Members or the Authority in any manner be obligated to make any appropriation for such payment.

No covenant or agreement contained in any Bond or related document shall be deemed to be a covenant or agreement of any Director, or any officer, employee or agent of the Authority in his or her individual capacity and neither the Board of the Authority nor any Director or officer thereof executing the Bonds shall be liable personally on any Bond or be subject to any personal liability or accountability by reason of the issuance of any Bonds.

Section 9. Accounts and Reports.

All funds of the Authority shall be strictly accounted for. The Authority shall establish and maintain such funds and accounts as may be required by good accounting practice and by any provision of any Indenture (to the extent such duties are not assigned to a trustee of Bonds). The books and records of the Authority shall be open to inspection at all reasonable times by each Member.

The Treasurer of the Authority shall cause an independent audit to be made of the books of accounts and financial records of the Authority by a certified public accountant or public accountant in compliance with the provisions of Section 6505 of the Joint Exercise of Powers Act. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a certified public accountant or public accountant, a report thereof shall be filed as a public record with each Member and also with the county auditor of each county in which a Member is located; provided, however, that to the extent permitted by law, the Authority may, instead of filing such report with each Member and such county auditor, elect to post such report as a public record electronically on a website designated by the Authority. Such report if made shall be filed within 12 months of the end of the Fiscal Year or Years under examination.

The Treasurer is hereby directed to report in writing on the first day of July, October, January, and April of each year to the Board and the Members which report shall describe the amount of money held by the Treasurer for the Authority, the amount of receipts since the last such report, and the amount paid out since the last such report (which may exclude amounts held by a trustee or other fiduciary in connection with any Bonds to the extent that such trustee or other fiduciary provided regular reports covering such amounts.)

Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section, shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for that purpose.

In any Fiscal Year the Board may, by resolution adopted by unanimous vote, replace the annual special audit with an audit covering a two-year period.

Section 10. Funds.

Subject to the applicable provisions of any Indenture, which may provide for a trustee or other fiduciary to receive, have custody of and disburse Authority funds, the Treasurer of the Authority shall receive, have the custody of and disburse Authority funds pursuant to the accounting procedures developed under Sections 3.C and 9, and shall make the disbursements required by this Agreement or otherwise necessary to carry out any of the provisions of purposes of this Agreement.

Section 11. Notices.

Notices and other communications hereunder to the Members shall be sufficient if delivered to the clerk of the governing body of each Member; provided, however, that to the extent permitted by law, the Authority may, provide notices and other communications and postings electronically (including, without limitation, through email or by posting to a website).

Section 12. Additional Members/Withdrawal of Members.

Qualifying public agencies may be added as parties to this Agreement and become Members upon: (1) the filing by such public agency with the Authority of an executed counterpart of this Agreement, together with a copy of the resolution of the governing body of such public agency approving this Agreement and the execution and delivery hereof; and (2) adoption of a resolution of the Board approving the addition of such public agency as a Member. Upon satisfaction of such conditions, the Board shall file such executed counterpart of this Agreement as an amendment hereto, effective upon such filing.

A Member may withdraw from this Agreement upon written notice to the Board; provided, however, that no such withdrawal shall result in the dissolution of the Authority so long as any Bonds remain outstanding. Any such withdrawal shall be effective only upon receipt of the notice of withdrawal by the Board which shall acknowledge receipt of such notice of withdrawal in writing and shall file such notice as an amendment to this Agreement effective upon such filing.

Section 13. Indemnification.

To the full extent permitted by law, the Board may authorize indemnification by the Authority of any person who is or was a Director or an officer, employee of other agent of the Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a Director or an officer, employee or other agent of the Authority, against expenses, including attorneys fees, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith in a manner such person reasonably believed to be in the best interests of the Authority and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful and, in the case of an action by or in the right of the Authority, acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

Section 14. Contributions and Advances.

Contributions or advances of public funds and of the use of personnel, equipment or property may be made to the Authority by the Members for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution or advance. Any such advance may be made subject to repayment, and in such case shall be repaid, in the manner agreed upon by the Authority and the Member making such advance at the time of such advance. It is mutually understood and agreed to that no Member has any obligation to make advances or contributions to the Authority to provide for the costs and expenses of administration of the Authority, even though any Member may do so. The Members understand and agree that a portion of the funds of the Authority that otherwise may be allocated or distributed to the Members may instead be used to make grants, loans or provide other financial assistance to governmental units and nonprofit organizations (e.g., the Foundation) to accomplish any of the governmental unit's or nonprofit organization's purposes.

Section 15. Immunities.

All of the privileges and immunities from liabilities, exemptions from laws, ordinances and rules, and other benefits which apply to the activity of officers, agents or employees of Members when performing their respective functions within the territorial limits of their respective public agencies, shall apply to the same degree and extent to the Directors, officers, employees, agents or other representatives of the Authority while engaged in the performance of any of their functions or duties under the provisions of this Agreement.

Section 16. Amendments.

Except as provided in Section 12 above, this Agreement shall not be amended, modified, or altered, unless the negative consent of each of the Members is obtained. To obtain the negative consent of each of the Members, the following negative consent procedure shall be followed: (a) the Authority shall provide each Member with a notice at least sixty (60) days prior to the date such proposed amendment is to become effective explaining the nature of such proposed amendment and this negative consent procedure; (b) the Authority shall provide each Member who did not respond a reminder notice with a notice at least thirty (30) days prior to the date such proposed amendment is to become effective; and (c) if no Member objects to the proposed amendment in writing within sixty (60) days after the initial notice, the proposed amendment shall become effective with respect to all Members.

Section 17. Effectiveness.

This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of each of the Members on the date that the Board shall have received from two of the Initial Members an executed counterpart of this Agreement, together with a certified copy of a resolution of the governing body of each such Initial Member approving this Agreement and the execution and delivery hereof.

Section 18. **Partial Invalidity.**

If any one or more of the terms, provisions, promises, covenants or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Agreement shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

Section 19. **Successors.**

This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, no Member may assign any right or obligation hereunder without the consent of the other Members.

Section 20. **Miscellaneous.**

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

Wherever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

This Agreement shall be governed under the laws of the State of California.

This Agreement is the complete and exclusive statement of the agreement among the Members, which supercedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between and among the Members relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the City of Seaside has caused this Agreement to be executed and attested by its duly authorized representatives as of the ___ day of _____________, 2017.

Member:

CITY OF SEASIDE

By ____________________________
Name:
Title:

ATTEST:

By ____________________________
Name:
Title:

CITY OF SEASIDE
STAFF REPORT

Item No.: 10.A.

TO: City Council

FROM: Craig Malin, City Manager

BY: Rick Riedl, City Engineer
Leslie Llantero, Assistant Engineer

DATE: March 2, 2017

SUBJECT: **RESOLUTION AWARDING A CONSTRUCTION CONTRACT FOR THE WEST BROADWAY URBAN VILLAGE INFRASTRUCTURE IMPROVEMENTS PROJECT TO MONTEREY PENINSULA ENGINEERING FOR AN AMOUNT NOT TO EXCEED FIVE MILLION NINE HUNDRED NINETY NINE THOUSAND EIGHT HUNDRED NINETY FIVE DOLLARS ($5,999,895)**

PURPOSE

The purpose of this item is for the City Council to consider awarding a construction contract to Monterey Peninsula Engineering for an amount not to exceed Five Million Nine Hundred Ninety Nine Thousand Eight Hundred Ninety Five Dollars ($5,999,895) paid for with grants from the Transportation Agency for Monterey County and from the California Transportation Commission.

RECOMMENDATION

It is recommended to adopt a resolution awarding a construction contract to Monterey Peninsula Engineering for an amount not to exceed Five Million Nine Hundred Ninety Nine Thousand Eight Hundred Ninety Five Dollars ($5,999,895); authorize the City Manager to execute the contract; and authorize the City Manager to execute potential written change orders in an amount not to exceed ten percent of the contract value.

BACKGROUND

The goal of the West Broadway Urban Village (WBUV) Specific Plan was to create a revitalized commercial core that would provide economic growth and stability. The proposed streetscape and utility infrastructure improvements are essential to begin defining the West Broadway Urban Village and are necessary to create a stimulus for future growth. The West Broadway Urban

Village Infrastructure Improvements project proposes to implement a "road diet" that would reduce the width of the roadway and allow the installation of pedestrian, bicycle and streetscape improvements. The proposed roadway and streetscape improvements include but are not limited to:

- Reduce West Broadway from a four-lane roadway (two lanes in each direction) to two-lanes (one lane in each direction) from west of the Hillsdale Street intersection to east of the Calaveras Street intersection.
- Construct 15-foot wide sidewalks with adjacent street parking and construct wider sidewalks at mid-block areas and bulb outs at the intersection.
- Reconstruct the pavement section to accommodate the wider sidewalks.
- Enhance the pedestrian crosswalks at intersections of Hillsdale Street, Alhambra Street and Calaveras Street.
- Construct traffic signals at the Broadway and Alhambra intersection.
- Construct rain gardens and tree wells within the sidewalk.
- Update street lighting to accommodate these improvements.
- Install underground storm drain infiltration and treatment system to collect and treat storm water runoff along West Broadway from Hillsdale Street to Alhambra Street.
- Install a conduit for potential future use as fiber optic conduit.
- Create Class II or modified Class IV “Green-Colored” bike lanes on each side along West Broadway Avenue from Del Monte Boulevard to Fremont Boulevard.
- Create Class II or modified Class IV “Green-Colored” bike lanes along both sides of Del Monte Boulevard from Canyon Del Rey to Broadway.
- Extend the Class III bike lanes (sharrow) along West Broadway from Fremont Street to General Jim Moore Blvd.

The design for the improvements has been completed and construction funding secured. On August 27, 2014, the Transportation Agency of Monterey County (TAMC) approved the requested RSTP and TDA 2% grants funding of $4.05 million. On June 24, 2015, the City Council approved the Agreement with TAMC to obtain reimbursements from these grants.

On November 30, 2016, the California Transportation Commission approved the requested Active Transportation Program (ATP) grant funding of $3.692 million. On February 2, 2017 the City Council approved the Master Agreement and Program Supplement Agreement with Caltrans to obtain reimbursements from the ATP grant.

On December 22, 2016, the West Broadway Urban Village Infrastructure Improvements project was placed out to bid and again on January 5, 2017. A pre bid meeting was held on January 19, 2017 in which several contractors were in attendance. A public bid opening was held on January 31, 2016 at 3:00 pm. The following bids were received:

Contractors	Bids
Monterey Peninsula Engineering	$5,999,895

Anderson Pacific	$6,883,726
Teichert Construction	$6,896,585
Granite Rock	$6,524,305
Granite Construction	$7,279,816

Due to the requirements of the federal grant for construction, the City established a goal of 7% Disadvantage Business Enterprise (DBE) participation. The three low bidders were required to submit their DBE Commitment and Good Faith Efforts as identified below:

Contractor	Bid Amount	DBE Participation %	$
1. Monterey Peninsula Engineering	$5,999,895	4.4%	$263,576.70
2. GraniteRock	$6,524,305	8.3%	$544,003.76
3. Anderson Pacific	$6,883,726	0.43%	$29,275

When the low bidder does not meet the Disadvantaged Business Enterprise (DBE) goal, further documentation is necessary to demonstrate the contractor's good faith effort to retain DBEs. Monterey Peninsula Engineering provided documentation that demonstrated their Good Faith Effort in pursuing the DBE goal. Based upon an evaluation of bid documents received, staff recommends awarding a construction contract to Monterey Peninsula Engineering. Monterey Peninsula Engineering is the lowest responsive responsible bidder. Monterey Peninsula Engineering has completed a number of similar projects for the City including Del Monte Boulevard Rehabilitation, 2014 Pavement Rehabilitation Project (Echo, Virginia, & Terrace), and Broadway Avenue Street Rehabilitation.

It is recommended that the City Council adopt a resolution awarding a construction contract to Monterey Peninsula Engineering for an amount not to exceed $5,999,895 for the West Broadway Urban Village Infrastructure Improvements project and authorize the City Manager to execute the contract.

FISCAL IMPACT

The funding for the construction of the West Broadway Urban Village Infrastructure Improvements project is from grants received from the Regional Surface Transportation Program administered by the Transportation Agency for Monterey County in the amount of $4.05 million and the Active Transportation Program administered by Caltrans Local Assistance in the amount of $3.92 million. The construction contract is for $5,999,895 It is customary for a project of this size and complexity to budget for a 10% contingency for a total construction contract in the amount of $6,599,885.

ATTACHMENTS

1. Resolution
2. MPE Construction Contract Agreement
3. Good Faith Evaluation

Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

RESOLUTION NO. 17-

A RESOLUTION OF THE CITY OF SEASIDE CITY COUNCIL

AWARDING A CONSTRUCTION CONTRACT TO MONTEREY PENINSULA ENGINEERING FOR AN AMOUNT NOT TO EXCEED FIVE MILLION NINE HUNDRED NINETY NINE THOUSAND EIGHT HUNDRED NINETY FIVE DOLLARS ($5,999,895) FOR THE WEST BROADWAY URBAN VILLAGE INFRASTRUCTURE IMPROVEMENTS PROJECT AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE CONTRACT

WHEREAS, the City Council adopted the West Broadway Urban Village (WBUV) Specific Plan with a goal to create a revitalized commercial core that would provide economic growth and stability; and

WHEREAS, the proposed streetscape and utility infrastructure improvements are essential to begin defining the West Broadway Urban Village and are necessary to create a stimulus for future growth; and

WHEREAS, the plans and specifications are complete and grant funding in the amount of $7,742,000 has been secured; and

WHEREAS, on December 22, 2016 the project was put out to for competitive bidding; and

WHEREAS, five bids were received and based upon the review of the bid documents, Monterey Peninsula Engineering was the lowest responsive responsible bidder.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Seaside awards a construction contract to Monterey Peninsula Engineers for the construction of West Broadway Urban Village Infrastructure Improvements project for an amount not to exceed Five Million Nine Hundred Ninety Nine Thousand Eight Hundred Ninety Five Dollars ($5,999,895) and authorize the City Manager to execute the contract; and

NOW, THEREFORE BE IT FURTHER RESOLVED, that the City of Seaside City Council authorizes the City Manager to execute potential written amendments to the contract in an amount up to Six Hundred Thousand Dollars (600,000.00) equating to a 10% contingency to the Monterey Peninsula Engineering contract such that the full value of the contract may not exceed Six Million Five Hundred Ninety-Nine Thousand Eight Hundred Ninety-Five Dollars ($6,599,895).

PASSED AND ADOPTED at a regular City Council meeting duly held on the 2nd day of March, 2017 by the following vote:

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

____
Ralph Rubio, Mayor
City of Seaside

ATTEST:___________________________
Leslie Milton-Rerig, City Clerk

CITY OF SEASIDE

West Broadway Urban Village Infrastructure Improvements Project

Contract Agreement

This Agreement, made and concluded in duplicate this 2nd day of March 2017, between the CITY OF SEASIDE, herein referred to as "City," and Monterey Peninsula Engineering, 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 wage rates hereto annexed and referenced.

The work to be done is specified in these special provisions and plans, 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 State general prevailing wage rates determined by the Director of Industrial Relations are hereby referenced and 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:

BASE BID						
ITEM NO.	**BID ITEMS**	**PAY. REF.**	**UNIT**	**TOTAL QNTY**	**UNIT PRICE**	**TOTAL COST**
1	Mobilization, Bonds & Insurance	Vol 1	LS	1	$375,000.00	$375,000.00
2	Project Funding Sign	12	LS	1	$2,000.00	$2,000.00
3	Job Site Management	13	LS	1	$5,000.00	$5,000.00
4	Prepare Storm Water Pollution Prevention Plan	13	LS	1	$1,000.00	$1,000.00
5	Lead Compliance Plan (Stripe Removal)	7	LS	1	$1,650.00	$1,650.00
6	Temporary Fence (Type CL-6)	16	LF	5,990	$5.00	$29,950.00

BASE BID						
ITEM NO.	**BID ITEMS**	**PAY. REF.**	**UNIT**	**TOTAL QNTY**	**UNIT PRICE**	**TOTAL COST**
7	Construction Area Signs	12	LS	1	$20,000.00	$20,000.00
8	Traffic Control System	12	LS	1	$50,000.00	$50,000.00
9	Temporary Traffic Stripe (Paint)	12	LF	13,400	$0.35	$4,690.00
10	Temporary Pavement Marking (Paint)	12	SF	1,820	$2.50	$4,550.00
11	Temporary Pavement Marker	12	EA	730	$4.40	$3,212.00
12	Type III Barricade	12	EA	23	$200.00	$4,600.00
13	Channelizer (Surface Mounted)	12	EA	430	$30.00	$12,900.00
14	Portable Changeable Message Sign (EA)	12	EA	2	$1,800.00	$3,600.00
15	Temporary Railing (Type K)	12	LF	1,960	$40.00	$78,400.00
16	Temporary Crash Cushion Module	12	EA	30	$600.00	$18,000.00
17	Temporary Drainage Inlet Protection	13	EA	28	$150.00	$4,200.00
18	Temporary Construction Entrance	13	LS	1	$2,000.00	$2,000.00
19	Temporary Concrete Washout (Portable)	13	LS	1	$3,000.00	$3,000.00
20	Remove Tree	20	EA	42	$275.00	$11,550.00
21	Remove Tree Well	20	EA	7	$350.00	$2,450.00
22	Remove Yellow Thermoplastic Traffic Stripe (Hazardous Waste)	14	LF	480	$3.00	$1,440.00
23	Remove Traffic Stripe (Paint)	84	LF	910	$1.00	$910.00
24	Remove Painted Pavement Marking	84	SF	240	$5.00	$1,200.00
25	Remove Pavement Marker	81	EA	1,380	$1.50	$2,070.00
26	Remove Inlet	71	EA	3	$450.00	$1,350.00
27	Remove Roadside Sign	82	EA	46	$75.00	$3,450.00
28	Remove Sign Panel	82	EA	1	$40.00	$40.00
29	Remove Bollard	20	EA	2	$100.00	$200.00
30	Remove Trash Receptacle	20	EA	7	$250.00	$1,750.00
31	Remove Bench	20	EA	2	$100.00	$200.00
32	Remove Concrete Curb and Gutter	73	LF	2,920	$14.00	$40,880.00
33	Remove Concrete (Valley Gutter)	73	LF	130	$8.00	$1,040.00
34	Remove Concrete Sidewalk	73	SQYD	3,230	$25.00	$80,750.00
35	Remove Culvert	71	LF	240	$50.00	$12,000.00
36	Abandon Culvert	71	LF	51	$40.00	$2,040.00
37	Clearing and Grubbing	17	LS	1	$25,000.00	$25,000.00
38	Cap Storm Drain Manhole	71	EA	1	$2,500.00	$2,500.00
39	Relocate Roadside Sign	82	EA	4	$140.00	$560.00

BASE BID						
ITEM NO.	BID ITEMS	PAY. REF.	UNIT	TOTAL QNTY	UNIT PRICE	TOTAL COST
40	Slurry Seal	37	TON	60	$800.00	$48,000.00
41	Roadway Excavation	19	CY	3,900	$40.00	$156,000.00
42	Finishing Roadway	22	LS	1	$60,000.00	$60,000.00
43	Class 2 Aggregate Base	26	CY	810	$50.00	$40,500.00
44	Hot Mix Asphalt (Type A)	39	TON	3,500	$125.00	$437,500.00
45	Furnish Single Sheet Aluminum Sign (0.063"-Unframed)	82	SF	500	$25.00	$12,500.00
46	Roadside Sign (One Post)	82	EA	70	$260.00	$18,200.00
47	Install Sign (Strap and Saddle Bracket Method)	82	EA	100	$85.00	$8,500.00
48	Bench	20	EA	40	$3,000.00	$120,000.00
49	Litter/Recycling Receptacle	20	EA	40	$2,300.00	$92,000.00
50	Bike Rack	20	EA	118	$250.00	$29,500.00
51	Fence (2' Height)	20	LF	390	$232.00	$90,480.00
52	Concrete Backfill (Pipe Trench)	61	CY	100	$325.00	$32,500.00
53	4" Polyvinyl Chloride Pipe	64	LF	580	$40.00	$23,200.00
54	6" Polyvinyl Chloride Pipe (Overflow)	64	EA	7	$1,000.00	$7,000.00
55	12" High Density Polyethylene Pipe	64	LF	1,090	$125.00	$136,250.00
56	Type G0 Inlet	51	EA	18	$4,000.00	$72,000.00
57	Type G3 (Mod) Inlet	51	EA	3	$5,000.00	$15,000.00
58	Expanded Type G4 Inlet	51	EA	1	$5,500.00	$5,500.00
59	Storm Drain Manhole	51	EA	13	$5,000.00	$65,000.00
60	Hydrodynamic Separator	62	EA	4	$20,000.00	$80,000.00
61	Storm Drain Water Retention Structure	62	LS	1	$158,000.00	$158,000.00
62	Concrete Gutter Depression (Integrally Colored)	73	SF	330	$60.00	$19,800.00
63	15" Polyvinyl Chloride Pipe (SDR 26)	77	LF	1,080	$100.00	$108,000.00
64	Sanitary Sewer Manhole	77	EA	5	$7,400.00	$37,000.00
65	Concrete Curb Ramps (Integrally Colored)	73	EA	29	$5,000.00	$145,000.00
66	Driveway Apron	73	SF	190	$20.00	$3,800.00
67	Curb (Type A Mod, Integrally Colored)	73	LF	1,180	$70.00	$82,600.00
68	Curb (Type A1 Mod, Integrally Colored)	73	LF	270	$86.00	$23,220.00
69	Curb (Type B Mod, Integrally Colored)	73	LF	1,130	$70.00	$79,100.00
70	Valley Gutter	73	LF	1,100	$100.00	$110,000.00
71	Concrete Paving (4" Thick)	73	SF	35,660	$17.50	$624,050.00
72	Concrete Paving (6" Thick)	73	SF	440	$20.00	$8,800.00

BASE BID						
ITEM NO.	BID ITEMS	PAY. REF.	UNIT	TOTAL QNTY	UNIT PRICE	TOTAL COST
73	Concrete Pavement (10" Thick)	40	SF	4,370	$24.00	$104,880.00
74	4" Thermoplastic Traffic Stripe	84	LF	910	$0.50	$455.00
75	6" Thermoplastic Traffic Stripe	84	LF	5,630	$0.60	$3,378.00
76	6" Thermoplastic Traffic Stripe (Broken 8'-4')	84	LF	1,190	$1.00	$1,190.00
77	Paint Pavement Marking (2-Coat)	84	SF	3,660	$3.30	$12,078.00
78	Thermoplastic Pavement Marking	84	SF	1,140	$5.50	$6,270.00
79	Bike Lane (Green) Thermoplastic Pavement Marking	84	SF	5,260	$10.50	$55,230.00
80	Paint Curb (2-Coat)	78	LF	1,200	$2.50	$3,000.00
81	Pavement Marker (Retroreflective)	81	EA	430	$4.40	$1,892.00
82	Pavement Marker (Non-reflective)	81	EA	2,110	$4.00	$8,440.00
83	Object Marker	82	EA	6	$85.00	$510.00
84	Survey Monument	78	EA	5	$1,100.00	$5,500.00
85	Import Topsoil	20	CY	350	$105.00	$36,750.00
86	Washed Sand at Palms	20	CY	200	$100.00	$20,000.00
87	Bioretention Media	20	CY	150	$165.00	$24,750.00
88	Soil Amendments	20	LS	1	$3,200.00	$3,200.00
89	Trees (48" Box)	20	EA	81	$3,000.00	$243,000.00
90	Palm Trees, 25' Tall	20	EA	27	$6,700.00	$180,900.00
91	1 Gallon Plant	20	EA	2,680	$15.00	$40,200.00
92	5 Gallon Plant	20	EA	770	$32.00	$24,640.00
93	Decomposed Granite Mulch, 3"	20	SF	3,200	$3.00	$9,600.00
94	Compost Mulch, 3"	20	SF	2,000	$1.50	$3,000.00
95	Plant Establishment Work (365Days)	20	LS	1	$10,000.00	$10,000.00
96	Landscape Irrigation System	20	LS	1	$245,000.00	$245,000.00
97	Check and Test Existing Irrigation	20	LS	1	$3,000.00	$3,000.00
98	Central Control Controller	20	EA	1	$16,000.00	$16,000.00
99	Remove Ornamental Street Light	87	EA	35	$840.00	$29,400.00
100	Pedestrian Lighting	20	EA	65	$8,500.00	$552,500.00
101	LED Tree-Mounted Palm Accent Light Assembly	20	EA	27	$3,000.00	$81,000.00
102	Modify Signal and Lighting (Location 1: Del Monte/Broadway)	87	LS	1	$55,000.00	$55,000.00
103	Signal and Lighting (Location 2: Broadway/Alhambra)	87	LS	1	$225,000.00	$225,000.00
104	Modify Signal and Lighting (Location 3: Broadway/Fremont)	87	LS	1	$120,000.00	$120,000.00
105	Modify Signal and Lighting (Broadway Avenue Signal	87	LS	1	$65,000.00	$65,000.00

BASE BID						
ITEM NO.	BID ITEMS	PAY. REF.	UNIT	TOTAL QNTY	UNIT PRICE	TOTAL COST
	Interconnect Plan)					
106	Temporary Signal System	87	LS	1	$40,000.00	$40,000.00
107	Engineer's Field Office	10	LS	1	$5,000.00	$5,000.00
					Total	$5,999,895.00

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 and its subcontractors shall 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 herein, Contractor agrees to amend, supplement or endorse the existing coverage 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 Contractor or its subcontractors in excess of the limits and coverage identified in this Agreement and which is applicable to a given loss, claim or demand, will be equally 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 Insurance: Contractor shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least $1,000,000) for Contractors employees in accordance with the laws of the State of California, Section 3700 of the Labor Code. In addition, Contractor shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California, Section 3700 for all of the subcontractor's employees. 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 $1,000,000 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 judgement, 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

Contractor's Name and Mailing Address:

Monterey Peninsula Engineering
192 Healy Avenue
Marina, CA 93933

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

CONTRACTOR

by: ______________________________
Peter J. Taormina, Manager

____
Date

Licensed in accordance with an act providing for the registration of Contractors. License No. 972425

Approved:

____
Rick Riedl/City Engineer

FEDERAL MINIMUM WAGE RATES

<Applicable minimum wage rates to be physically inserted in signed contract>

EXHIBIT 9-E EVALUATION OF GOOD FAITH EFFORTS

Memorandum

To: **PROJECT FILE** **Date:** February 17,2017

Project Number: 2016-76/FED ATPL-5316(007)
Bid Opening Date: January 24, 2017
Bidder: Monterey Peninsul Engineering Inc. (MPE)
Type of Work: Roadway and Sidewalk reconstruction
Bid Amount: $ 5,999,895.00

From: **City of Seaside**

Subject: Evaluation of Good Faith Efforts

The City of Seaside established a Disadvantaged Business Enterprise (DBE) goal of 7 percent for this project. The bidder achieved 4.4 percent DBE participation.

The City of Seaside's evaluation of the apparent low bidder's Good Faith Efforts is based on the *"Guidance Concerning Good Faith Efforts"* contained in *49 CFR Part 26, Appendix A*. The efforts of the bidder were reviewed by the Public Works Department from the information provided in Exhibit 15-H "DBE Information – Good Faith Efforts" signed and submitted by MPE.

The City of Seaside determined that the Low Bidder did demonstrate Good Faith Efforts to meet the DBE participation goal of this project for the reasons cited in this evaluation report.

EVALUATION

A. Items of work the bidder made available to DBE firms

Trucking, Electrical,Landscaping,Concrete, Striping. Monterey Peninsula Engineering identified 47% of the work as potenially available for DBE participation. This work was made available for bid through contrator publications and by attemps to solicit bids by phone.

B. Solicitation effort documentation

MPE initially contacted 20 DBE Firms by phone for bid requests, 9 messages were left and 11 calls were answered. The 11 that answered responded "no" in regards to bidding this work.

MPE advertised on Contrators Estimate.com and Builders Exchange requesting bids from DBE contractors, the bidders were directed to Central Coast Builders and the MPE office for Plans and Specifications

MPE attended the Pre Bid Meeting and contacted the sub-contractors listed on the plan holder list.
MPE Provided this information with their Good Faith Effort Documentation.

61 firms were identified by MPE to perfom the work listed in section A

Use the California Unified Certification Program (CUCP) online database at:
http://www.dot.ca.gov/hq/bep/find_certified.htm]

C. Rejected DBE documentation

Three DBE bids were acceped and three bids were rejected. The bids that were rejected would have significantly increased the contractors bid price.

D. Publication effort made to advertise the projects to include DBE participation

Builders Exchange and Contractors Estimate Inc. MPE provided copies of Contractors Estimate publication. Both publications were contacted 1/10/17, advertisements ran through the bid date of the project, 1/31/17.

E. Agencies, organizations, or groups contacted to provide assistance in contacting, recruiting and using DBEs

MPE contacted Builders Exchange and Contractors Estimate Inc. on 1/10/17.

F. Efforts to provide information about the plans, specifications, and contract requirements

MPE provided contact information on its advertisments for the Plans and Specifications.

G. Assistance with bonding, lines of credit, insurance, equipment, supplies, materials, and/or services

MPE noted that they make an offer of assistance when they contact the a DBE firm.

H. Additional data to support a demonstration of Good Faith Effort

The low bidder did not meet the goal of 7% DBE participation, only achieving 4.4%, but they demonstrated with their Good Faith Effort documentation that they attemped to meet the goal. The second bidder exceeded the goal with 8.3% DBE participation. The third bidder only acheived .43% DBE participation.

FINDING OF THE __City of Seaside__

The __City of Seaside__ finds that the Low Bidder __did__ demonstrate Good Faith Efforts to meet the DBE participation for this contract, for the reasons cited in the evaluation report. Consider the quantity, quality and intensity of the efforts of the Low Bidder to meet the DBE goal. Are these efforts of a bidder who is actively and aggressively trying to meet the goal?

Submitted by:	Approved by:
Aaron Hilton	Rick Riedl
Project Manger	City Engineer

*Must be approved by someone other than the reviewer.

CITY OF SEASIDE
STAFF REPORT

Item No.: 10.B.

ITEM CONTINUED TO 7.30 SPECIAL MEETING

TO: City Council

FROM: Craig Malin, City Manager

BY: Daphne Hodgson, Deputy City Manager Administrative Services

DATE: March 2, 2017

SUBJECT: **CONSIDERATION OF BALLOT MEASURES TO AUTHORIZE NEW GENERAL FUND REVENUES**

PURPOSE

The purpose of this report is to provide the City Council an opportunity to consider placing on the ballot for the June 6, 2017 election two general purpose measures to maintain and improve vital city services with locally-controlled funding that cannot be taken by the state to address community priorities such as public safety, recreation, parks, streets, water quality impacts from stormwater, traffic, other general City services, and future service demands in the City of Seaside.

RECOMMENDATION

It is recommended that the City Council:

1. Receive a presentation from FM3 on the results of their recent independent public opinion research.
2. Adopt a Resolution Declaring the Existence of a Fiscal Emergency Due to the Loss of Grant Revenue, Recent Damage Due to Heavy Winter Storms and Potential Fiscal Impacts of Recent Elections, Including the Loss of Federal and State Funding, Future Capital Project Needs and the Cost of the Recent Passage of California Proposition 64 (Adult Use of Marijuana Act)Adopt a Resolution Declaring the Existence of a Fiscal Emergency due to loss of two significant grants which will exacerbate a structural operating budget imbalance, tens of millions of unfunded infrastructure needs made worse by recent damage caused by heavy winter storms, the continued escalation of unfunded Federal and State mandates, the impacts to funding from the recent national election, including the potential loss of Federal and State funding, and the implementation costs from the legalization of adult use of marijuana (California State Proposition 64).
3. Adopt a Resolution Calling a Special Municipal Election on June 6, 2017, for the Purpose of Submitting a proposal to adopt an Ordinance Amending Chapter 5.04 and Section 17.52.150 of the Seaside Municipal Code to Authorize the City to Apply a Business

Operations Tax of Up to 10% on the Gross Receipts of Non-Medical Marijuana Businesses in the City of Seaside for General Purpose Revenues, Approving the Ballot Language as Reviewed by the City Attorney, Directing the City Attorney to Prepare an Impartial Analysis, and Providing Direction Regarding the Submission of Ballot arguments for or Against the Measure. Adopt a Resolution Calling a Municipal Election on June 6, 2017, for the Purpose of Submitting a Proposal to the voters to adopt an ordinance adding Chapter 3.40 to the Municipal Code to authorize the City to apply a Business Tax up to 10% on the Gross Receipts on the Sales of Marijuana from Licensed Businesses in the City of Seaside for General Purpose Revenues, approve the ballot language as reviewed by the City Attorney, permit the filing of rebuttal arguments, direct the City Attorney to provide an impartial analysis, and provide direction regarding ballot arguments in support of the measure.

4. Adopt a Resolution Submitting a Proposal to Adopt an Ordinance at the June 6, 2017, Special Municipal Election to Amend Chapter 3.21 of the Seaside Municipal Code to Increase the Transactions and Use Tax by 0.5% for General Purpose Revenues, Approving the ballot language as Reviewed by the City Attorney, Directing the City Attorney to Prepare an Impartial Analysis, and Providing Direction Regarding the Submission of Ballot Arguments For or Against the Measure. Adopt a Resolution Calling a Municipal Election on June 6, 2017, for the Purpose of Submitting a Proposal to the voters to adopt an ordinance to amend Chapter 3.21 of the Municipal Code to increase the Transactions and Use Tax by up to ½% for General Purpose Revenues, approve the ballot language as reviewed by the City Attorney, permit the filing of rebuttal arguments, direct the City Attorney to provide an impartial analysis, and provide direction regarding ballot arguments in support of the measure.

ITEM CONTINUED TO 7:30 SPECIAL MEETING

BACKGROUND

The City of Seaside's fiscal position is challenged by a number of factors. The City has a comparatively low property tax base per capita within the region and is burdened with extraordinary infrastructure legacy costs related to the closure of the former Fort Ord. The myriad complications related to implementing the Base Reuse Plan, combined with cyclical economic forces, have lengthened the process of economically rebounding from the loss of the economic activity the base provided while in operation. Consequently, community infrastructure investment and staffing needs have been held in abeyance for years.

As recently as June 2, 2016, when the 2016-2017 Budget was adopted, there was $194 million of identified capital needs (report attached). These needs are increasing and will only continue to increase with deferred maintenance and climate-change driven increases in storm intensity. Operationally, the City is providing services with 58% of the average of General Fund per capita revenues of Marina, Pacific Grove and Monterey. Service and staffing levels reflect this limitation of resources and create operating tempos for staff that are fundamentally unsustainable over any span of years. The reliance on grants to fund essential services is similarly unsustainable. Essential services in the current fiscal year including fire-protection and youth violence reduction are being underwritten with a combined $900,000 of Federal and State grants, and both of these grants are to expire in the next fiscal year. Meanwhile, Federal and State mandates governing storm-water management add $650,000 to the current year's budget. With no dedicated funding source for these mandated operations, other General Fund operations including police and fire are starved for resources.

At the City's Strategic Planning meeting on January 11, 2017, the City Council and staff discussed the need to diversify revenues. Subsequent to this discussion, the future loss of the State grant funding the youth violence prevention program became known and damage caused by heavy winter storms also added to the City's fiscal challenges. Impacts to funding from the recent national election, including potential of reductions of Federal and State funding, future capital project needs and the implementation costs from the legalization of adult use of marijuana also challenge future budgets.

On November 8, 2016, 57% of the voters in California approved Proposition 64, the legalization of the Adult Use of Marijuana. Sixty-eight (68%) of Seaside voters approved Proposition 64. Proposition 64 brings businesses that support adult recreational cannabis use into a regulated market and allows the City of Seaside to enact local regulations, including taxation on sales, on such businesses in addition to the State regulations that will be imposed.

A marijuana business tax, not a tax on consumers, was talked about as a means of diversifying and increasing revenues, while ensuring that Seaside doesn't lose tax dollars to nearby communities that have already acted to tax and regulate marijuana businesses and that this emerging industry reasonably and fairly contribute to paying for the costs associated with allowing this emerging industry to operate in Seaside while allowing the City to continue to maintain stable funding for vital city services and continued quality of life.

On February 2, 2017, the City Council held a Study Session to further consider a tax on marijuana sales. The City Council approved staff moving forward with independent public opinion research to study the priorities and opinions of the Seaside community for locally-controlled funding.

On February 16, 2017, the City Council approved hiring The Lew Edwards Group and Fairbank, Maslin, Maullin, Metz & Associates (FM3) to facilitate independent public opinion research. Public opinion research results indicate strong community support (76%) for a Marijuana Business Tax of up to 10% gross receipts and up to 71% are interested in a half-cent sales tax measure that would maintain and enhance local services with locally-controlled funding that cannot be taken by the state such as:

1. Improving street maintenance and paving
2. Maintaining youth violence prevention programs
3. Complying with state and federal clean water laws to mitigate water pollution that harms marine wildlife
4. Improving other general City services
5. Maintaining Seaside's financial stability and vital city services

ITEM CONTINUED TO 7:30 SPECIAL MEETING

Should these measures be approved by voters, a projected range of $200,000 to $400,000 in marijuana tax revenue may be achieved, and an estimated $1,900,000 in additional annual sales tax would be added to General Fund revenue. As a general tax source within the General Fund, City Councils could allocate revenue to the full range of essential City services including public safety, capital projects including streets and community improvements, parks and recreation, and environmental protection programming.

Next Steps

In order to place these Ballot Measures on the ballot to give our electorate an opportunity to vote on the measures, three resolutions need to be approved by the City Council prior to March 10, 2017.

1. The first resolution, Attachment 1, makes findings and declares the existence of a fiscal emergency. The declaration of a fiscal emergency requires a unanimous vote of the City Council members who are in attendance. Without this declaration, the City would have to wait until November 2018 to bring a general purpose measure requiring a simple majority to the voters. Alternatively, a measure in June 2017 would require a 2/3's approval vote.
2. The second resolution, Attachment 2, calls for the adoption an ordinance adding amending Chapter 5.043.40 to the Seaside Municipal Code to authorize the City to apply a Business Tax up to 10% on the Gross Receipts on the Sales of Marijuana from fLicensed non-medical marijuana Bbusinesses in the City of Seaside for General Purpose Revenues, calls for a special election on June 6, 2017, approves the ballot language as reviewed by the City Attorney, permits the filing of rebuttal arguments, directs the City Attorney to provide an impartial analysis, and provides direction regarding ballot arguments in support of te measure or against of the measure.
3. The third resolution, Attachment 3, calls for the adoption of an ordinance to amend Chapter 3.21 of the Municipal Code to increase the Transactions and Use Tax by up to ½% for a General Purpose Revenue, calls for a special election on June 6, 2017, approves the ballot language as reviewed by the City Attorney, permits the filing of rebuttal arguments, directs the City Attorney to provide an impartial analysis, and provides direction regarding the submission of ballot arguments in support of the measure or against the measure.

FISCAL IMPACT

The City of Seaside Revenue Measures will be on June 6, 2017 election. The cost of the election will be approximately $100,000 - $300,000.

ATTACHMENTS

1. Resolution Declaring the Existence of a Fiscal Emergency
2. Resolution Calling a Special Election for a Business Operations Tax on Non-Medical Marijuana
3. Attachment to Resolution for Marijuana Tax - Marijuana Business Tax Ordinance
4. Resolution Amending Transaction and Use Tax
5. Attachment to Resolution for Transaction Tax - Ordinance to Amend Transaction and Use Tax

ITEM CONTINUED TO 7:30 SPECIAL MEETING

6. Capital Projects Schedule as Adopted June 2, 2016

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 DECLARING THE EXISTENCE OF A FISCAL EMERGENCY DUE TO THE LOSS OF GRANT REVENUE, RECENT DAMAGE DUE TO HEAVY WINTER STORMS AND POTENTIAL FISCAL IMPACTS OF RECENT ELECTIONS, INCLUDING THE LOSS OF FEDERAL AND STATE FUNDING, FUTURE CAPITAL PROJECT NEEDS AND THE COSTS OF THE RECENT PASSAGE OF CALIFORNIA PROPOSITION 64 (ADULT USE OF MARIJUANA ACT)

WHEREAS, the City of Seaside holds the authority to adopt taxes pursuant to Article XI, Section 7 of the California Constitution; and

WHEREAS, the imposition of a general tax requires, among other things, a two-thirds vote of the City Council (Government Code Section 53724) and a majority vote on the tax (Article XIIIC of the California Constitution); and

WHEREAS, any tax measure submitted to voters must be consolidated with a regularly scheduled general election for members of City Council except in cases of emergency as determined by a unanimous vote of the Council pursuant to Article XIIIC of the California Constitution; and

WHEREAS, the City Council unanimously finds and declares that the financial circumstances of the City requires immediate and urgent enactment of locally-controlled funding that cannot be taken by the state due to the loss of two significant grants, the recent damage caused by heavy winter storms and the potential impacts on funding from the November 8, 2016 national election, including a potential loss of Federal and State funding, future capital project needs and the implementation costs from the legalization of adult use of marijuana.

WHEREAS, the City of Seaside needs locally-controlled funding to maintain financial stability and vital city services such as street maintenance and paving, emergency response services, public parks and waterfronts, and youth violence prevention, senior programs and other general City services.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEASIDE:

Section 1. The foregoing recitations are found and determined to be true and correct, and are adopted as findings in support of this Resolution.

Section 2. A special municipal election of the City of Seaside is required to be held on June 6, 2017, for the purpose of authorizing two general tax measures, with the call for the election set forth in a separate Resolution.

Section 3. Pursuant to California Constitution, Article XIIIC, Section 2(b), the City Council, by unanimous vote, hereby declares the existence of an emergency in that there are imminent financial risks and dangers, as described above, to the public welfare and the City's financial ability to provide necessary municipal services without disruption, so that a special election is necessary to address such risks and dangers.

Section 4. The City Clerk shall certify to the passage and adoption of this resolution.

Section 5. The City Clerk shall publish a copy of this resolution in a newspaper of general circulation once within fifteen (15) days after its adoption.

PASSED AND ADOPTED at a regular meeting of the City of Seaside City Council duly held on the 2nd day of March 2017 by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

APPROVED:

____
Ralph Rubio, Mayor

ATTEST:

____
Lesley Milton-Rerig,
City Clerk

RESOLUTION NO. ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE CALLING A SPECIAL MUNICIPAL ELECTION ON JUNE 6, 2017, FOR THE PURPOSE OF SUBMITTING A PROPOSAL TO ADOPT AN ORDINANCE AMENDING CHAPTER 5.04 AND SECTION 17.52.150 OF THE SEASIDE MUNICIPAL CODE TO AUTHORIZE THE CITY TO APPLY A BUSINESS OPERATIONS TAX OF UP TO 10% ON THE GROSS RECEIPTS OF NON-MEDICAL MARIJUANA BUSINESSES IN THE CITY OF SEASIDE FOR GENERAL PURPOSE REVENUES, APPROVING THE BALLOT LANGUAGE AS REVIEWED BY THE CITY ATTORNEY, DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS, AND PROVIDING DIRECTION REGARDING THE SUBMISSION OF BALLOT ARGUMENTS FOR OR AGAINST THE MEASURE

WHEREAS, the City of Seaside (the "City"), despite its diligent efforts of fiscal prudence and responsibility, is operating with limited funds due to the loss of two significant grants, the recent damage caused by heavy winter storms and the potential impact on funding from the November 8, 2016 national election, including a potential loss of Federal and State funding, future capital project needs and the implementation costs from the legalization of adult use of marijuana; and

WHEREAS, the community relies on the City's services and requires improved local services; and

WHEREAS, the City's infrastructure has deteriorated due to deferred maintenance and insufficient funding to maintain and rebuild the infrastructure; and

WHEREAS, the City Council has found and declared the existence of an emergency that requires an immediate increase in locally-controlled funding that cannot be taken by the state; and

WHEREAS, the City Council has identified a marijuana business tax measure of up to 10% on gross receipts from marijuana sales that will provide some of the locally controlled funding to maintain city services, such as street maintenance and paving, emergency response service, public parks and waterfronts, youth violence prevention, senior programs, other general city services, fiscal stability and our quality of life; and

WHEREAS, nearly 50 other California jurisdictions – typically in collaboration with marijuana businesses – have enacted local measures to impose a general tax on marijuana businesses for the privilege of operating within the local jurisdiction; and

WHEREAS, such business taxes are imposed on marijuana businesses, and not directly on marijuana users or consumers; and

WHEREAS, the City desires to remain competitive with nearby communities that have already acted to tax and regulate marijuana businesses; and

WHEREAS, adopting a local non-medical marijuana business tax measure will benefit City residents by ensuring that non-medical marijuana businesses contribute reasonably and fairly towards the costs associated with allowing this emerging industry to operate within the City of Seaside while allowing the City to maintain stable funding for essential City services and continued quality of life; and

WHEREAS, any tax measure submitted to voters must be consolidated with a regularly scheduled general election for members of City Council except in cases of emergency as determined by a unanimous vote of the Council pursuant to Article XIIIC of the California Constitution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEASIDE:

Section 1. Pursuant to California Elections Code Sections 9222 and 10201, the City Council hereby orders that a special municipal election shall be held in the City of Seaside on June 6, 2017 for the purpose of approving an annual business operations tax on non-medical marijuana businesses at a rate of up to 10% of gross receipts in addition to a proposed measure to increase the transactions and use tax measure by 0.5% for general purpose revenues, as provided in Resolution 17-[__], and to submit such other measures to the voters as the City Council deems appropriate. The full text of Ordinance No. [__], attached to this Resolution as Exhibit A shall be printed in the voter pamphlet. The measure to be submitted to the voters shall appear and be printed on the ballot as follows:

City of Seaside Measure __	
MARIJUANA BUSINESS TAX. To generate an estimated $300,000 annually until ended by voters to maintain essential City services such as 9-1-1 emergency response; anti-drug/anti-gang programs; repairing streets, potholes, storm drains; earthquake, flood preparedness; improving parks, youth/senior programs; other general services; with required independent audits and all funds staying in Seaside, shall the ordinance levying an ongoing tax of up to 10% of gross receipts of non-medical marijuana businesses be adopted?	YES NO

Section 2. The City Council hereby approves proposed Ordinance No. [_], in the form attached to this Resolution as Exhibit A, to be submitted to the voters. The proposed measure is a general tax as defined in Article XIIIC of the California Constitution and shall not take effect unless and until approved by a vote of at least a majority of the voters voting on the question in the election.

Section 3. The City Clerk is authorized to print such forms, publish such notices, set deadlines, and provide such information and contract for such services as may be necessary or convenient to assure the orderly holding of the election, and the City Clerk shall do all other things necessary to facilitate the holding of the election in a manner harmonious and consistent with law.

Section 4. The City Attorney is directed to submit an impartial analysis of the measure pursuant to Elections Code Section 9280 on or before ________________.

Section 5. The last day to submit arguments for or against the measure shall be

______________________________. Submittals must be delivered to the City Clerk on or before 5:00 p.m.

Section 6. The City Clerk shall publish a copy of this resolution in a newspaper of general circulation within the City once within fifteen (15) days after the adoption of this resolution.

Section 7. The City Council shall meet to declare the results of the election called for by this Resolution at their first regular meeting following certification of the election results.

Section 8. The City Clerk shall certify to the passage and adoption of this resolution.

PASSED AND ADOPTED at a regular meeting of the City of Seaside City Council duly held on the 2nd day of March 2017 by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

APPROVED:

____
Ralph Rubio, Mayor

ATTEST:

____
Lesley Milton-Rerig, City Clerk

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF SEASIDE AMENDING CHAPTER 5.04 AND SECTION 17.52.150 OF THE SEASIDE MUNICIPAL CODE RELATING TO THE REGULATION AND TAXATION OF NON-MEDICAL MARIJUANA BUSINESSES

THE PEOPLE OF THE CITY OF SEASIDE DO HEREBY ORDAIN AS FOLLOWS:

Section 1. Section 5.04.010 of the Seaside Municipal Code is amended to read in full as follows:

5.04.010 Definitions.

As used in this chapter the words set out in this section shall be defined as follows:

A. "Business" means professions, trades and occupations, and all and every kind of calling carried on for profit or livelihood.

B. "Gross receipts" means the total amount of the sale price of all sales and the total amount charged or received for the performance of any act, service or employment of whatever nature it may be for which a charge is made or credit allowed, whether or not such act, service or employment is done as a part of or in connection with the sale of materials, goods, wares, or merchandise. Included in gross receipts shall be all receipts, cash, credits and property of any kind or nature, and any amount for which credit is allowed by the seller to the purchaser without any deduction therefrom an account of the cost of the property sold, the cost of the materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever. Excluded from gross receipts shall be cash discounts allowed and taken on sales, any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser, and such part of the sale price of the property returned by purchasers upon recision of the contract of sale as is refunded either in cash or by credit.

C. "Marijuana" means all parts of the plant Cannabis sativa L., whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, oil, salt, derivative, mixture, or preparation of the plant, its seeds or resin.

D. "Non-medical marijuana business" means any business which entails the distribution, delivery, dispensing, exchanging, bartering or sale of non-medical marijuana, including but not limited to, transporting, manufacturing, cultivating, compounding, converting, processing, preparing, storing, packaging, wholesale, or retail sales of marijuana and any ancillary products. A business that solely involves medical marijuana activities authorized under Health and Safety Code section 11362.765, as it may be amended from time to time, is not a non-medical marijuana business.

E. “Person” means all domestic and foreign corporations, associations, syndicates, joint stock corporations, partnerships of every kind, clubs, Massachusetts, business or common law trusts, societies, and individuals transacting and carrying on any business in the city.

Section 2. Sections 5.04.320 through 5.04.520 of the Seaside Municipal Code are hereby renumbered as Sections 5.04.330 through 5.04.530, respectively.

Section 3. A new Section 5.04.320 is added to the Seaside Municipal Code to read in full as follows:

5.04.320 Tax-non-medical marijuana businesses.

A. Every person carrying on a non-medical marijuana business shall pay an annual business operations tax at a rate of up to ten percent of gross receipts.

B. Notwithstanding Elections Code Section 9217 or the maximum tax rate of ten percent of gross receipts imposed under subsection A of this section, the city council may, in its discretion, at any time by ordinance, implement a lower tax rate for all non-medical marijuana businesses or establish differing tax rates for different categories of non-medical marijuana businesses, as defined in such ordinance, subject to the maximum rate of ten percent of gross receipts. The city council may, by ordinance, also increase any such tax rate from time to time, not to exceed the maximum tax rate of ten percent of gross receipts established under subsection A of this section. The city council may make other minor technical changes to the ordinance to respond to changes in applicable state law.

Section 4. Section 17.52.150 of the Seaside Municipal Code is amended to read in full as follows:

17.52.150 Medical Marijuana.

A. Purpose.

1. To comply with federal law regulating the production and distribution of marijuana, including but not limited to the Controlled Substances Act; and

2. To prevent and abate land use incompatibilities, public nuisances, and threats to the general welfare generated by land uses not in compliance with federal law regarding the production, storage, and/or distribution of a Schedule I drug under the federal Controlled Substances Act.

B. Definitions.

1. Medical marijuana. Marijuana authorized in strict compliance with and as set forth in California Health and Safety Code Section 11362.5 et seq.

2. Medical marijuana dispensary. Any facility or location, whether fixed or mobile, where medical marijuana is made available to, distributed by, or distributed to one or

more of the following: a qualified patient, a person with an identification card, or a primary caregiver. All three of these terms are identified in strict accord with California Health and Safety Code Section 11362.5 et seq.

3. Person with an identification card. Shall have the meaning given that term by Health and Safety Code Section 11362.5 et seq.

4. Primary caregiver. Shall have the meaning given that term by Health and Safety Code Section 11362.7.

5. Qualified patient. Shall have the meaning given that term by Health and Safety Code Section 11362.7.

C. Dispensaries prohibited. No medical marijuana or cannabis dispensary or distribution facility as defined in Subsection B of this section or in Business and Professions Code Section 19300.5(n), as the same may be amended from time to time, shall be permitted in any zone within the City of Seaside. For purposes of this section, "dispensary" shall also include a cooperative or a mobile distribution facility.

D. Deliveries of medical marijuana prohibited. All deliveries of medical cannabis as defined under Business and Professions Code Section 19300.5, as the same may be amended from time to time, are expressly prohibited within the City of Seaside, including the use by a dispensary of any technology platform owned and controlled by the dispensary, or independently licensed, that enables qualified patients or primary caregivers to arrange for or facilitate the commercial transfer by a licensed dispensary of medical cannabis or medical cannabis products. No person shall conduct any deliveries that either originate or terminate within the City.

E. Intent. This chapter is meant to prohibit all medical marijuana for commercial cannabis activities, including but not limited to those for which a state license is required. Accordingly, the City shall not issue any permit, license or other entitlement for any activity for which a state license is required under the Medical Marijuana Regulation and Safety Act.

F. Unlawful uses. Uses that are unlawful under federal or state law shall not be treated as permitted uses, and shall not be determined to be similar to any uses permitted pursuant to this title.

Section 5. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

Section 6. This ordinance shall be considered as adopted upon the date the vote is declared by the legislative body, and shall go into effect ten days after that date.

Section 7. The City Clerk shall certify to the passage and adoption of this ordinance and shall cause this ordinance to be published in accordance with the law.

Section 8. The Mayor shall sign and the City Clerk shall attest to the adoption of this ordinance.

PASSED AND ADOPTED by the People of the City of Seaside, State of California, on June, 6, 2017.

____
Ralph Rubio, Mayor

ATTEST:

____
Lesley E. Milton-Rerig, City Clerk

RESOLUTION NO. ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE SUBMITTING A PROPOSAL TO ADOPT AN ORDINANCE AT THE JUNE 6, 2017, SPECIAL MUNICIPAL ELECTION TO AMEND CHAPTER 3.21 OF THE SEASIDE MUNICIPAL CODE TO INCREASE THE TRANSACTIONS AND USE TAX BY 0.5% FOR GENERAL PURPOSE REVENUES, APPROVING THE BALLOT LANGUAGE AS REVIEWED BY THE CITY ATTORNEY, DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS, AND PROVIDING DIRECTION REGARDING THE SUBMISSION OF BALLOT ARGUMENTS FOR OR AGAINST THE MEASURE

WHEREAS, the City of Seaside (the "City"), despite its diligent efforts of fiscal prudence and responsibility, is operating with limited funds due to losing two significant grants, the recent damage caused by heavy winter storms and the potential impact on funding from the November 8, 2016 national election, including a potential loss of Federal and State funding, future capital project needs and the implementation costs from the legalization of adult use of marijuana; and

WHEREAS, the community relies on the City's services and requires improved local services; and

WHEREAS, the City's infrastructure has deteriorated due to deferred maintenance and insufficient funding to maintain and rebuild the infrastructure; and

WHEREAS, the City Council has found and declared the existence of an emergency that requires an immediate increase in locally-controlled funding that cannot be taken by the state; and

WHEREAS, the City Council has identified an increase in the Transaction and Use Tax of up to 0.5% that will provide some of the locally-controlled funding to maintain vital city services, fiscal stability and our quality of life; and

WHEREAS, people live in Seaside because of its quality of life, beautiful natural surroundings, and small-town feel; and

WHEREAS, the City of Seaside needs locally-controlled funding to maintain financial stability and vital city services such as street maintenance and paving, emergency response services, public parks and waterfronts, and youth violence prevention, senior programs, and general City services; and

WHEREAS, the City of Seaside is dedicated to maintaining and improving public safety; and

WHEREAS, drug trafficking and gang-related crimes are seen by residents as being serious problems in Seaside; and

WHEREAS, locally-controlled funding will help fight these problems by expanding drug and gang prevention efforts, as well as after-school programs that help keep youth off the streets and out of trouble; and

WHEREAS, the region's marine life in Monterey Bay is currently suffering from urban runoff and water pollution; and

WHEREAS, the City of Seaside must comply with state and federal clean water laws; and

WHEREAS, locally-controlled funding will help update storm drains to prevent toxic chemicals from entering our gutters and drains to be dumped into coastal waters where it is affecting marine life; and

WHEREAS, the City needs a reliable, stable source of local funding that keeps taxpayer dollars local and cannot be taken by the State; and

WHEREAS, California Revenue and Taxation Code section 7285.9 authorizes the City to levy a transactions and use tax by ordinance following approval by two-thirds of the City Council and a majority vote of the qualified electors of the City voting in an election on the issue; and

WHEREAS, any funds generated by a locally-enacted revenue measure will be subject to annual audits by an independent auditor for public review; and

WHEREAS, the transactions and use tax would be levied in addition to the current sales tax and would be collected at the same time and in the same manner as the existing sales tax; and

WHEREAS, the levying of the transactions and use tax of 0.5% would not cause the overall transactions and use tax in the City to exceed 2% in accordance with California Revenue and Taxation Code section 7251.1; and

WHEREAS, a transactions and use tax is not a property tax on homeowners, and visitors to the Seaside community will pay their fair share of the costs to use our parks, roads, and police; and

WHEREAS, a transactions and use tax is not applied to food purchased as groceries or prescription medication; and

WHEREAS, any tax measure submitted to voters must be consolidated with a regularly scheduled general election for members of City Council except in cases of emergency as determined by a unanimous vote of the Council pursuant to Article XIIIC of the Constitution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEASIDE:

Section 1. The City Council, pursuant to its right, power and authority, has called a special municipal election to be held on June 6, 2017 for the purpose of submitting a question or questions to the voters. At the special municipal election, the City Council hereby directs that the following ordinance also be submitted to the voters:

City of Seaside Measure __	
SEASIDE VITAL CITY SERVICES MEASURE. To generate an estimated $1,900,000 annually until ended by voters to maintain essential City services such as police, fire, 9-1-1 emergency response; hiring police officers/firefighters; youth violence prevention programs; improving street maintenance, water cleanliness, earthquake, flood preparedness, parks, beaches, youth/senior programs, and other general services; with required independent audits and all funds staying in Seaside; shall the ordinance increasing the City's sales tax by ½ cent be adopted?	YES
	NO

<u>Section 2.</u> The City Council hereby approves proposed Ordinance No. [_], attached to this Resolution as Exhibit A, to be submitted to the voters. The proposed measure is a general tax as defined in Article XIIIC of the California Constitution, to be collected as a sales and use tax as provided by applicable law and shall not take effect unless and until approved by a vote of at least a majority of the voters voting on the question in the election.

<u>Section 3.</u> The City Clerk is authorized to print such forms, publish such notices, establish deadlines and provide such information and contract for services as may be necessary or convenient to assure the orderly holding of the election, and the City Clerk shall do all other things necessary to facilitate the holding of the election in a manner harmonious and consistent with law.

<u>Section 4.</u> The City Attorney is directed to submit an impartial analysis of the measure pursuant to Elections Code Section 9280 on or before _________________.

<u>Section 5.</u> The last day to submit arguments for or against the measure shall be _________________________. Submittals must be delivered to the City Clerk on or before 5:00 p.m.

<u>Section 6.</u> The City Clerk shall publish a copy of this resolution in a newspaper of general circulation within the City once within fifteen (15) days after the adoption of this resolution.

<u>Section 7.</u> The City Council shall meet to declare the results of the election called for by this Resolution at their first regular meeting following certification of the election results.

<u>Section 8.</u> The City Clerk shall certify to the passage and adoption of this resolution.

PASSED AND ADOPTED at a regular meeting of the City of Seaside City Council duly held on the 2nd day of March 2017 by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

APPROVED:

____
Ralph Rubio, Mayor

ATTEST:

____
Lesley Milton-Rerig,
City Clerk

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF SEASIDE INCREASING THE TRANSACTIONS AND USE TAX ADMINISTERED BY THE STATE BOARD OF EQUALIZATION

THE PEOPLE OF THE CITY OF SEASIDE DO HEREBY ORDAIN AS FOLLOWS:

Section 1. Chapter 3.21 of the Seaside Municipal Code is amended to read in full as follows:

CHAPTER 3.21 TRANSACTIONS AND USE TAX

3.14.010 Title.

This chapter shall be known as the Seaside Transactions and Use Tax Ordinance. The City of Seaside hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

3.14.020 Operative Date.

"Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being as set forth below.

3.14.030 Purpose.

This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

3.14.040 Contract with State.

Prior to the operative date, the City shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

3.14.050 Transactions Tax Rate.

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of 1.5% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

3.14.060 Place of Sale.

For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

3.14.070 Use Tax Rate.

An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of 1.5% of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

3.14.080 Adoption of Provisions of State Law.

Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

3.14.090 Limitations on Adoption of State Law and Collection of Use Taxes.

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:

1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Equalization, State Treasury, or the Constitution of the State of California;

2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Ordinance.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

3.14.100 Permit Not Required.

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

3.14.110. Exemptions and Exclusions.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as

common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

3.14.120 Amendments.

All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

3.14.130 Enjoining Collection Forbidden.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

3.14.140 Severability.

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

3.14.150. Independent Financial Audit.

By no later than December 31 of each year, the City's independent auditors shall complete a Transactions and Use Tax Ordinance Compliance and Internal Control Audit Report. Such report shall review whether the tax revenues collected pursuant to this ordinance are collected, managed and expended in accordance with the requirements of this ordinance."

Section 2. This ordinance relates to the levying and collecting of the City transactions and use taxes and shall take effect immediately.

Section 3. The City Clerk shall certify the passage of this ordinance and forward a copy of the adopted ordinance to the Board of Equalization.

PASSED AND ADOPTED by the People of the City of Seaside, State of California, on June, 6, 2017.

____
Ralph Rubio, Mayor

ATTEST:

____
Lesley E. Milton-Rerig, City Clerk

DRAFT

Capital Improvement Program
FY 2016/2017 - 2021/2022

			Fiscal Years								
	Project	**Funding Sources**	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/2020**	**2020/2021**	**2021/2022**	**Out Years**	**Project Total**
	GOVERNMENT FACILITIES										
1	Library ADA Improvements	CDBG	$ 81,481	$ 77,722							$ 159,203
2	Library Roof Drain Replacement	General Fund	$ 50,000								$ 50,000
3	Library HVAC	General Fund, Lease/Purchase Financing	$ 274,225								$ 274,225
4	New Library Feasibility Study	General Fund	$ 22,765								$ 22,765
5	Library Re-Roof	General Fund, Lease/Purchase Financing	$ 240,784								$ 240,784
6	Oldemeyer Rain Gutter Replacement / Re-Roof	General Fund				$ 220,000					$ 220,000
7	Oldemeyer Auditorium Floor Replacement	General Fund						$ 75,000			$ 75,000
8	Oldemeyer Automatic Door Replacements	General Fund						$ 100,000			$ 100,000
9	Oldemeyer Center Furniture Replacement	General Fund							$ 25,000		$ 25,000
10	Oldemeyer Center Wireless Local Area Network (WiFi)	General Fund					$ 55,000				$ 55,000
11	Oldemeyer HVAC System	General Fund						$ 70,000	$ 580,000		$ 650,000
12	Oldemeyer Interior & Exterior Painting	General Fund						$ 35,000			$ 35,000
13	Oldemeyer Parking Lot Reseal & Stripe	General Fund					$ 20,000				$ 20,000
14	Oldemeyer Room Divider Partitions	General Fund						$ 150,000			$ 150,000
15	Pattullo Swim Center HVAC Repair	General Fund						$ 70,000			$ 70,000
16	Pattullo Swim Center Parking Lot Reseal & Stripe	General Fund					$ 20,000				$ 20,000
17	Pattullo Swim Center Pool Cover	General Fund					$ 5,000				$ 5,000
18	City Hall Council Chambers Upgrades	General Fund	$ 12,500								$ 12,500
19	City Hall HVAC Upgrade	Lease/Purchase Financing	$ 460,000								$ 460,000
20	City Hall Interior Security Upgrades	General Fund			$ 180,000						$ 180,000
21	City Hall Entry Plaza	General Fund					$ 240,000				$ 240,000
22	City Hall Generator	General Fund					$ 150,000				$ 150,000
23	City Hall Interior & Exterior Painting	General Fund						$ 40,000			$ 40,000
24	City Hall Offices Recarpeting	General Fund							$ 55,000		$ 55,000
25	City Hall Reroof	General Fund			$ 60,000						$ 60,000
26	City Hall Window Replacement	Lease/Purchase Financing	$ 95,000			$ 80,000					$ 175,000
27	City Hall/Library Parking Reseal & Stripe	General Fund				$ 20,000					$ 20,000
28	City Hall Expansion	General Fund								$ 42,000,000	$ 42,000,000
29	Corporation Yard Re-Roof	General Fund			$ 100,000						$ 100,000
30	Vehicle Maintenance Reroof	General Fund			$ 100,000						$ 100,000
31	Corporation Yard Interior & Exterior Painting	General Fund						$ 15,000			$ 15,000
32	Corporation Yard Relocation	Developer							$ 3,140,000	$ 3,140,000	$ 6,280,000
33	Demolition of Surplus II Buildings	FORA, Developer					$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 3,550,000	$ 9,550,000
34	Vehicle Maintenance Lighting Upgrades	General Fund, PG&E OBF						$ 27,000			$ 27,000
35	Fire Station #1 Re-Roof	General Fund					$ 77,000				$ 77,000
36	Fire Station #1 Addition & Exterior Improvements	General Fund, CDBG							$ 79,000	$ 490,000	$ 569,000
37	Fire Station #1 Generator Replacement	General Fund	$ 100,000					$ 100,000			$ 200,000
38	Fire Station #1 Interior & Exterior Painting	General Fund						$ 70,000			$ 70,000
39	Fire Station #1 Parking Lot Reseal & Stripe	General Fund					$ 20,000				$ 20,000
40	Fire Station #1 Remodel & Interior Improvements	CDBG						$ 1,189,000	$ 118,000	$ 189,000	$ 1,496,000
41	Fire Station #1 HVAC Upgrades	Lease/Purchase Financing	$ 50,000								$ 50,000
42	Police Department Ceiling Tiles Replacements	General Fund							$ 16,000		$ 16,000
43	Police Department Parking Lot Expansion	General Fund					$ 150,000				$ 150,000
44	Police Department Parking Lot Security Upgrades	General Fund					$ 40,000		$ 150,000		$ 190,000
45	Police Department Office Space Improvements	General Fund	$ 21,000								$ 21,000

Capital Improvement Program
FY 2016/2017 - 2021/2022

DRAFT

			Fiscal Years								
	Project	**Funding Sources**	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/2020**	**2020/2021**	**2021/2022**	**Out Years**	**Project Total**
46	Police Department Interview Room Relocation	General Fund				$ 50,000					$ 50,000
47	Police Department Records Sub Floor	General Fund							$ 22,000		$ 22,000
48	Youth Violence Prevention Program Site Renovations	General Fund	$ 80,000								$ 80,000
49	Police Department Electric Police Motorcycle	General Fund/Grant			$ 40,000						$ 40,000
50	Body Worn Cameras	General Fund			$ 200,000						$ 200,000
51	Police Department Fleet Vehicle Replacement	General Fund				$ 200,000	$ 84,000	$ 200,000			$ 484,000
52	Audio Video Equipment Replacement	General Fund			$ 100,000						$ 100,000
53	Electrical Weapon Replacement	General Fund					$ 50,000				$ 50,000
54	Firearms Replacement	General Fund					$ 50,000				$ 50,000
55	Police Department Telephone System Upgrade	General Fund				$ 75,000					$ 75,000
56	YEC Re-Roof	General Fund			$ 41,000						$ 41,000
57	YEC Upgrades (HVAC)	General Fund, CDBG			$ 55,000						$ 55,000
58	Soper Community Building Carpet Replacement	General Fund								$ 62,000	$ 62,000
59	Soper Community Building Generator	General Fund							$ 150,000		$ 150,000
60	Soper Community Building Interior & Exterior Painting	General Fund						$ 25,000			$ 25,000
61	YEC Exterior Painting	General Fund						$ 10,000			$ 10,000
62	YEC Golf Course Replacement	General Fund				$ 55,000					$ 55,000
63	YEC Parking Lot Reseal & Stripe	General Fund				$ 20,000					$ 20,000
	Subtotals - Government Facilities Projects		**$ 1,487,755**	**$ 77,722**	**$ 876,000**	**$ 720,000**	**$ 2,961,000**	**$ 4,176,000**	**$ 6,335,000**	**$ 49,431,000**	**$ 66,064,477**
	PARKS										
64	Laguna Grande / Roberts Lake Park Improvements	Grants					$ 40,000	$ 500,000	$ 2,000,000	$ 4,900,000	$ 7,440,000
65	ADA Park Improvements	CDBG, General Fund					$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 100,000
66	Dog Park	General Fund					$ 15,000	$ 5,000			$ 20,000
67	National Monument Access Signs	General Fund					$ 25,000				$ 25,000
68	Pedestrian Path Improvements at Seaside Beach	General Fund						$ 130,000			$ 130,000
69	Recreation Facilities east of General Jim Moore	Development Fees						$ 145,000	$ 155,000		$ 300,000
70	Skate Board Park	General Fund							$ 390,000		$ 390,000
71	Wheeler St.Tennis Courts Restroom and Parking Facilities	General Fund					$ 150,000				$ 150,000
72	Cutino Park Renovation	General Fund			$ 80,000	$ 40,000					$ 120,000
73	Laguna Grande Playground Equipment Replacement & ADA upgrades	General Fund/Grant			$ 120,000						$ 120,000
74	Laguna Grande Lake Site Furnishings	General Fund				$ 45,000					$ 45,000
	Subtotals - Parks Projects		**$ -**	**$ -**	**$ 200,000**	**$ 85,000**	**$ 255,000**	**$ 805,000**	**$ 2,570,000**	**$ 4,925,000**	**$ 8,840,000**
	SPECIAL PROJECTS										
75	Decorative Streetlight Retrofits	PG&E OBF	$ 250,000								$ 250,000
76	Sign Removal at Main Gate	FORA	$ 140,000								$ 140,000
77	ADA Transition Plan Study	General Fund/CDBG				$ 150,000	$ 100,000	$ 100,000	$ 100,000		$ 450,000
78	Auto Center Towers Maintenance	General Fund						$ 80,000			$ 80,000
79	Alternative Energy Source Study	General Fund, PG&E OBF					$ 250,000				$ 250,000
80	City Fence Removal on GJM & Coe Avenue	FORA/General Fund					$ 95,000				$ 95,000
81	Fuel Tank Key Pad System Upgrades	General Fund						$ 30,000			$ 30,000
82	Fuel Tank Relocation Study	General Fund					$ 30,000				$ 30,000
83	Geographical Information System Needs Assessment &	General Funds			$ 50,000			$ 100,000	$ 100,000	$ 100,000	$ 350,000
84	Laguna Grande Well Refurbishment	Cal Am/MPWMD				$ 30,000	$ 90,500	$ 130,000			$ 250,500
85	Streetlight Assessment District	General Fund							$ 100,000	$ 100,000	$ 200,000
86	Infrastructure Improvement Program	General Fund				$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 200,000	$ 600,000
87	Solar Panels over City Hall Parking Lot	Lease/Purchase Financing	$ 500,000								$ 500,000
	Subtotals - Special Projects		**$ 890,000**	**$ -**	**$ 50,000**	**$ 280,000**	**$ 665,500**	**$ 540,000**	**$ 400,000**	**$ 400,000**	**$ 3,225,500**

Capital Improvement Program
FY 2016/2017 - 2021/2022

DRAFT

	Project	Funding Sources	Fiscal Years								Project Total
			2015/16	**2016/17**	**2017/18**	**2018/19**	**2019/2020**	**2020/2021**	**2021/2022**	**Out Years**	
	STORMWATER										
88	Stormwater Grate Upgrades	Risk Management	$ 60,000		$ 60,000						$ 120,000
89	Kimball Avenue Storm Drain Improvements	Stormwater (Fund 271)								$ 600,000	$ 600,000
90	Stormwater Fee Implementation-Public Education/Ballot Measure	General Fund - reserve	$ 254,397								$ 254,397
91	90 Inch Bay Avenue Outfall (Phase 1)	Stormwater (Fund 271)					$ 2,200,000	$ 2,388,000	$ 482,000		$ 5,070,000
92	90 Inch Bay Avenue Outfall (Phase 2-Alternatitive)	Stormwater (Fund 271)					$ 650,000	$ 588,000	$ 588,000	$ 37,987,000	$ 39,813,000
93	90-inch Storm Drain Outfall Repair (Phase 3)	Stormwater (Fund 271)					$ 45,000				$ 45,000
94	Broadway Ave. at Fremont Blvd. Capacity Improvements	Stormwater (Fund 271)								$ 325,000	$ 325,000
95	Canyon Del Rey at Hamilton Avenue Capacity Improvements.	Stormwater (Fund 271)								$ 229,000	$ 229,000
96	Del Monte Blvd. at Auto Center Parkway Capacity Improvements.	Stormwater (Fund 271)							$ 64,000	$ 351,000	$ 415,000
97	Dredge Laguna Grande and Roberts Lake	IRWMP/JPA					$ 221,000	$ 2,569,000	$ 4,750,000	$ 300,000	$ 7,840,000
98	Hamilton Avenue at Fremont Blvd. Capacity Improvements	Stormwater (Fund 271)								$ 2,535,000	$ 2,535,000
99	Hilby Avenue Storm drain Infrastructure Improvements	Stormwater (Fund 271)								$ 5,623,000	$ 5,623,000
100	John Street at Redwood Avenue Capacity Improvements	Stormwater (Fund 271)					$ 100,000				$ 100,000
101	Military Avenue at Mendocino Capacity Improvements	Stormwater (Fund 271)							$ 4,000	$ 27,000	$ 31,000
102	Olympia Ave. at Catalina Street Storm drain Improvements.	Stormwater (Fund 271)					$ 355,000				$ 355,000
103	Roberts Lake Outfall Improvements	Stormwater (Fund 271)							$ 85,000	$ 19,181,000	$ 19,266,000
104	Roberts Lake Outfall Study	Stormwater (Fund 271)					$ 110,000				$ 110,000
105	Storm Drain Water Quality Project	Stormwater (Fund 271)				$ 50,000	$ 435,000	$ 2,100,000	$ 2,200,000	$ 275,000	$ 5,060,000
106	Del Monte Blvd Storm Drain Dry Weather Diversion	Grant				$ 1,127,000					$ 1,127,000
107	Stormwater Master Plan Update	Stormwater (Fund 271)						$ 300,000			$ 300,000
108	Hwy 1 Stormdrain Abandonment	Stormwater (Fund 271)				$ 50,000	$ 250,000				$ 300,000
109	Circle Avenue Stormdrain Repair	Stormwater (Fund 271)				$ 50,000	$ 250,000				$ 300,000
	Subtotals - Stormwater Projects		**$ 254,397**	**$ -**	**$ -**	**$ 1,277,000**	**$ 4,616,000**	**$ 7,945,000**	**$ 8,173,000**	**$ 67,433,000**	**$ 89,698,397**
	TRANSPORTATION										
110	West Broadway Infrastructure Improvements	RSTP/SCSD/ATP/Bond	$ 4,140,681								$ 4,140,681
111	Del Monte Blvd Pavement Rehabilitation	Bond	$ 395,113								$ 395,113
112	Parking Authority Seal Coat, Striping & ADA	Parking Authority (103)				$ 140,000	$ 140,000				$ 280,000
113	Sign Retro Reflectivity Upgrades	General Fund				$ 50,000	$ 10,000				$ 60,000
114	Tweed Well Abandon	General Fund				$ 200,000					$ 200,000
115	General Jim Moore / Lightfighter Drive Intersection Improvements	FORA, Developer					$ 1,035,000	$ 189,000			$ 1,224,000
116	General Jim Moore Blvd / Coe Ave Traffic Signals	FORA, Developer								$ 446,000	$ 446,000
117	General Jim Moore Blvd / McClure Way Traffic Signals	Developer						$ 396,000			$ 396,000
118	Hilby Avenue Storm Drain and Street Reconstruction/Rehabilitation	Grant Funds						$ 1,000,000	$ 6,410,000	$ 760,302	$ 8,170,302
119	Kimball Avenue Reconstruction/Rehabilitation	Grant Funds					$ 850,000	$ 2,000,000			$ 2,850,000
120	Lightfighter Drive Improvements	FORA, Developer					$ 2,850,000	$ 690,000	$ 950,000		$ 4,490,000
121	Military/Del Monte/Fremont Improvements- Update PSR	TAMC/Caltrans					$ 220,000				$ 220,000
122	Pavement Management System Implementation	General Fund				$ 100,000	$ 500,000	$ 500,000	$ 500,000	$ 1,000,000	$ 2,600,000
123	Playa Avenue Rehabilitation	General Fund				$ 300,000					$ 300,000
124	San Pablo Bridge Assessment	RSTP						$ 44,000			$ 44,000
125	Speed Survey	RSTP			$ 50,000						$ 50,000
126	Street Name Signs	General Fund					$ 40,000	$ 40,000	$ 40,000	$ 120,000	$ 240,000
127	Broadway/Del Monte/Fremont Time Limited Parking	General Fund			$ 50,000	$ 25,000	$ 25,000				$ 100,000
	Subtotals - Transportation Projects		**$ 4,535,794**	**$ -**	**$ 100,000**	**$ 815,000**	**$ 5,670,000**	**$ 4,859,000**	**$ 7,900,000**	**$ 2,326,302**	**$ 26,206,096**
	Totals		**$ 7,167,946**	**$ 77,722**	**$ 1,226,000**	**$ 3,177,000**	**$ 14,167,500**	**$ 18,325,000**	**$ 25,378,000**	**$ 124,515,302**	**$ 194,034,470**

[1] Included in the West Broadway Infrastructure Improvements project