City of Greenfield

599 El Camino Real
Greenfield, CA 93927

City Council Meeting Agenda
February 24, 2015
6:00 P.M.

Mayor John Huerta, Jr.

Mayor Pro-Tem, Raul Rodriguez

Councilmembers

Lance Walker

Avelina Torres

Leah Santibanez

Your courtesy is requested to help our meeting run smoothly.

Please follow the following rules of conduct for public participation in City Council meetings:

- Refraining from public displays or outbursts such as unsolicited applause, comments or cheering.
- Any disruptive activities that substantially interfere with the ability of the City Council to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.

Please turn off cell phones and pagers.

A. CALL TO ORDER

B. ROLL CALL – CITY COUNCIL
Mayor Huerta, Mayor Pro-tem Rodriguez, Councilmembers Walker, Torres and Santibanez

C. INVOCATION BY PASTOR JOSH CLEMENTS

D. PLEDGE OF ALLEGIANCE

E. AGENDA REVIEW

F. PUBLIC COMMENTS FROM THE AUDIENCE REGARDING ITEMS NOT ON THE AGENDA

This portion of the Agenda allows an individual the opportunity to address the Council on any items not on closed session, consent calendar, public hearings, and city council business. Under state regulation, **no action can be taken on non-agenda items, including issues raised under this agenda item.** Members of the public should be aware of this when addressing the Council regarding items not specifically referenced on the Agenda. **PLEASE NOTE:** For record keeping purposes and in the event that staff may need to contact you, we request that all speakers step up to the lectern and use the microphone, stating your name and address, which is strictly voluntary. This will then be public information. A three-minute time limit may be imposed on all speakers other than staff members.

G. CONSENT CALENDAR

All matters listed under the Consent Calendar are considered routine and may be approved by one action of the City Council, unless a request for removal for discussion or explanation is received prior to the time Council votes on the motion to adopt.

G-1. **APPROVE** Warrants #296040 through #296078 and Bank Drafts #1058 through #1076 in the amount of $140,870.54 – ***Page 1***

G-2. **APPROVE** Minutes of the February 10, 2015 City Council Meeting and Minutes of the February 10, 2015 Special Workshop – ***Page 12***

H. MAYOR'S PRESENTATIONS, PROCLAMATIONS, COMMUNICATIONS, RESOLUTIONS

I. CITY COUNCIL BUSINESS

I-1. **ADOPTION** of a Resolution of the City Council of the City of Greenfield Establishing the Time and Place for Regular City Council Meetings – ***Page 17***
- **a.** Staff Report
- **b.** Public Comments
- **c.** City Council Comments / Review / Action

Staff Recommended Action/Adopt Resolution #2015-03

I-2. **REVIEW** of the Oversight Board of Successor Agency of the Former City of Greenfield Redevelopment Agency Recognized Obligation Payment Schedule – July 1, 2015 through December 31, 2015, Identified as ROPS 15-16A – ***Page 20***
- **a.** Staff Report
- **b.** Public Comments
- **c.** City Council Comments / Review

Staff Recommended Action / This item is informational only

I-3. **<u>ACCEPT</u>** the Revenue Option Study and Schedule a City Council Review – ***Page 27***
a. Staff Report
b. Public Comments
c. City Council Comments / Review / Action
Staff Recommended Action / Accept Study and Schedule Review

I-4. **<u>APPROVE</u>** the FY 2015-2017 Strategic Goals and Objectives – ***Page 119***
a. Staff Report
b. Public Comments
c. City Council Comments / Review / Action
Staff Recommended Action / Approve Goals and Objectives

I-5. **<u>ADOPTION</u>** of a Resolution of the City Council of the City of Greenfield, County of Monterey, State of California, Approving the Amended Joint Powers Agreement, Monterey Bay Area Self Insurance Authority – ***Page 123***
a. Staff Report
b. Public Comments
c. City Council Comments / Review / Action
Staff Recommended Action/Adopt Resolution #2015-04

J. <u>CLOSED SESSION</u>

J-1. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION – Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9: (1 Potential Case)

K. <u>RECONVENE TO OPEN SESSION</u>

L. <u>BRIEF REPORTS ON CONFERENCES, SEMINARS, AND MEETINGS ATTENDED BY MAYOR AND CITY COUNCIL</u>

a. League of California Cities Monterey Bay Division
b. Association of Monterey Bay Area Governments
c. Transportation Agency for Monterey County
c-1 – TAC Report
d. Salinas Valley Solid Waste Authority
e. Mayor Selection Committee
f. Monterey Salinas Transit
g. Budget and Finance Committee
h. Code Enforcement Board
i. Planning Commission
j. Recreation and Special Events Committee
k. Parks Committee

M. COMMENTS FROM CITY COUNCIL

N. CITY MANAGER REPORT

O. ADJOURNMENT

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This agenda is dually posted outside City Hall and on the City of Greenfield web site www.ci.greenfield.ca.us

Check Report

Greenfield, CA

By Check Number

Date Range: 02/01/2015 - 02/19/2015

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-APBNK						
03892	ATLANTIC TACTICAL	02/06/2015	Regular	0.00	3,053.00	296040
03921	CALIFORNIA PEACE OFFICERS ASSOCIATION	02/06/2015	Regular	0.00	625.00	296041
00715	CITY OF GONZALES	02/06/2015	Regular	0.00	2,274.19	296042
01323	COUNTY OF MONTEREY - EMERGENCY	02/06/2015	Regular	0.00	6,512.35	296043
03106	L+G, LLP Attorneys at Law	02/06/2015	Regular	0.00	10,531.50	296044
01348	MONTEREY COUNTY INFORMATION TECHNOLOG	02/06/2015	Regular	0.00	363.00	296045
01600	PNC EQUIPMENT FINANCE	02/06/2015	Regular	0.00	14,542.95	296046
01998	STANDARD INSURANCE COM	02/06/2015	Regular	0.00	794.62	296047
02071	TELCO AUTOMATION, INC.	02/06/2015	Regular	0.00	1,623.00	296048
00180	ALL SAFE INTEGRATED SYSTEMS	02/10/2015	Regular	0.00	393.00	296049
00156	AMERICAN SUPPLY COMPANY	02/10/2015	Regular	0.00	167.63	296050
03892	ATLANTIC TACTICAL	02/10/2015	Regular	0.00	308.17	296051
00379	BOARD OF EQUALIZATION	02/10/2015	Regular	0.00	45.00	296052
00305	CHEVRON, U.S.A.	02/10/2015	Regular	0.00	88.64	296053
00321	FRANCISCO CEJA	02/10/2015	Regular	0.00	24.00	296054
00886	HUB INTERNATIONAL	02/10/2015	Regular	0.00	214.80	296055
01263	LARA'S PHOTO SHOP	02/10/2015	Regular	0.00	27.06	296056
01236	LEAGUE OF CA CITIES	02/10/2015	Regular	0.00	150.00	296057
01840	MARIA RAMIREZ	02/10/2015	Regular	0.00	8.00	296058
13023	MARLIN LEASING	02/10/2015	Regular	0.00	641.65	296059
01850	MICHAEL RICE	02/10/2015	Regular	0.00	40.00	296060
13006	MONTEREY BAY AREA SELF INSURANCE AUTHORI	02/10/2015	Regular	0.00	35,340.84	296061
03925	MONTEREY COUNTY OFFICE OF THE COUNTY CLE	02/10/2015	Regular	0.00	50.00	296062
01601	PACIFIC GAS & ELECTRIC	02/10/2015	Regular	0.00	10,945.81	296063
01629	PARTS & SERVICE CENTER	02/10/2015	Regular	0.00	398.94	296064
03098	REY MEDELES	02/10/2015	Regular	0.00	40.00	296065
19020	SAN BENITO SUPPLY	02/10/2015	Regular	0.00	267.25	296066
03101	SILVIA CAMACHO	02/10/2015	Regular	0.00	275.00	296067
03920	STERICYCLE, INC.	02/10/2015	Regular	0.00	125.27	296068
03099	THOMSON REUTERS-WEST	02/10/2015	Regular	0.00	238.72	296069
03895	TONY ACOSTA	02/10/2015	Regular	0.00	375.00	296070
00634	TYLER TECHNOLOGIES	02/10/2015	Regular	0.00	75.00	296071
02210	VERIZON WIRELESS	02/10/2015	Regular	0.00	637.66	296072
01900	YSELA SERRANO	02/10/2015	Regular	0.00	158.00	296073
00752	CITY OF GREENFIELD	02/13/2015	Regular	0.00	65.00	296074
00507	EMPLOYER ELECT	02/13/2015	Regular	0.00	11,532.38	296075
00713	G P O A	02/13/2015	Regular	0.00	550.00	296076
00795	GREENFIELD POLICE SUPERVISORS	02/13/2015	Regular	0.00	200.00	296077
01911	SEIU 521	02/13/2015	Regular	0.00	312.06	296078
00384	STATE OF CALIFORNIA EDD	02/06/2015	Bank Draft	0.00	25.00	DFT0001058
03103	Internal Revenue Service	02/06/2015	Bank Draft	0.00	72.50	DFT0001059
03103	Internal Revenue Service	02/06/2015	Bank Draft	0.00	310.00	DFT0001060
00384	STATE OF CALIFORNIA EDD	02/06/2015	Bank Draft	0.00	68.15	DFT0001061
03103	Internal Revenue Service	02/06/2015	Bank Draft	0.00	289.90	DFT0001062
01916	STATE STREET BANK & TRUST CO.	02/13/2015	Bank Draft	0.00	400.00	DFT0001065
01916	STATE STREET BANK & TRUST CO.	02/13/2015	Bank Draft	0.00	500.00	DFT0001066
01916	STATE STREET BANK & TRUST CO.	02/13/2015	Bank Draft	0.00	800.00	DFT0001067
01916	STATE STREET BANK & TRUST CO.	02/13/2015	Bank Draft	0.00	50.00	DFT0001068
01916	STATE STREET BANK & TRUST CO.	02/13/2015	Bank Draft	0.00	450.00	DFT0001069
00431	DEPT OF CHILD SUPPORT SERVICES	02/13/2015	Bank Draft	0.00	1,146.67	DFT0001070
00384	STATE OF CALIFORNIA EDD	02/13/2015	Bank Draft	0.00	983.55	DFT0001071
03103	Internal Revenue Service	02/13/2015	Bank Draft	0.00	2,878.10	DFT0001072
03103	Internal Revenue Service	02/13/2015	Bank Draft	0.00	12,306.16	DFT0001073
00384	STATE OF CALIFORNIA EDD	02/13/2015	Bank Draft	0.00	3,615.14	DFT0001074

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
03103	Internal Revenue Service	02/13/2015	Bank Draft	0.00	11,540.65	DFT0001075
00107	AMERICAN FAMILY LIFE	02/12/2015	Bank Draft	0.00	1,420.23	DFT0001076

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	69	39	0.00	104,014.49
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	17	17	0.00	36,856.05
EFT's	0	0	0.00	0.00
	86	**56**	**0.00**	**140,870.54**

Fund Summary

Fund	Name	Period	Amount
999	CASH CONTROL	2/2015	140,870.54
			140,870.54

Greenfield, CA

Expense Approval Report
By Fund

Payment Dates 2/1/2015 - 2/19/2015

Vendor Name	Payment Number	Payment Date	Description (Item)	Account Number	Amount
Fund: 100 - GENERAL FUND					
PACIFIC GAS & ELECTRIC	296063	02/10/2015	CIVIC CENTER	100-111-64100.000	2,036.37
PACIFIC GAS & ELECTRIC	296063	02/10/2015	CIVIC CENTER	100-111-64200.000	931.10
MARLIN LEASING	296059	02/10/2015	PD COPIER	100-215-61200.000	389.33
VERIZON WIRELESS	296072	02/10/2015	PD SERVICES	100-201-64600.000	134.08
VERIZON WIRELESS	296072	02/10/2015	PD SERVICES	100-215-64600.000	503.58
MARLIN LEASING	296059	02/10/2015	PW-COPIER LEASE	100-310-61200.000	252.32
LARA'S PHOTO SHOP	296056	02/10/2015	COMMANDER PEREZ PROMOTI…	100-201-63900.000	27.06
MONTEREY COUNTY INFORMA…	296045	02/06/2015	MOBILE DATA COMMUNICATI…	100-215-64500.000	363.00
TELCO AUTOMATION, INC.	296048	02/06/2015	January 2015 Bill	100-111-64500.000	1,623.00
COUNTY OF MONTEREY - EME…	296043	02/06/2015	EMERGENCY COMMUNICATIO…	100-201-63400.000	6,512.35
STANDARD INSURANCE COM	296047	02/06/2015	Jan. 2015	100-22340	794.62
SAN BENITO SUPPLY	296066	02/10/2015	FOR YARD BY GAS PUMP	100-550-65900.000	53.45
REY MEDELES	296065	02/10/2015	PER DIEM - DETECTIVE REY ME…	100-215-67200.000	40.00
SILVIA CAMACHO	296067	02/10/2015	JANUARY 2015 NEWSLETTER	100-110-63100.000	275.00
AMERICAN SUPPLY COMPANY	296050	02/10/2015	CUPS & ROLL TOWEL	100-201-65600.000	167.63
TONY ACOSTA	296070	02/10/2015	INTERPRETATION SERVICES - JA…	100-101-63100.000	375.00
L+G, LLP Attorneys at Law	296044	02/06/2015	Jan. 2015- L&G Attorney Services	100-150-63100.000	5,000.00
L+G, LLP Attorneys at Law	296044	02/06/2015	Additional Srv. Fee - Jan. 2015	100-150-63100.000	5,531.50
EMPLOYER ELECT	296075	02/13/2015	JANUARY 2015 REIMBURSEME…	100-110-52510.000	1,287.00
EMPLOYER ELECT	296075	02/13/2015	JANUARY 2015 REIMBURSEME…	100-190-52510.000	28.01
EMPLOYER ELECT	296075	02/13/2015	JANUARY 2015 REIMBURSEME…	100-201-52510.000	2,085.92
EMPLOYER ELECT	296075	02/13/2015	JANUARY 2015 REIMBURSEME…	100-215-52510.000	2,109.81
EMPLOYER ELECT	296075	02/13/2015	JANUARY 2015 REIMBURSEME…	100-310-52510.000	3,830.76
EMPLOYER ELECT	296075	02/13/2015	JANUARY 2015 REIMBURSEME…	100-601-52510.000	373.44
MARIA RAMIREZ	296058	02/10/2015	PER DIEM - MARIA RAMIREZ	100-201-67100.000	8.00
YSELA SERRANO	296073	02/10/2015	PER DIEM - YSELA SERRANO	100-201-67100.000	150.00
FRANCISCO CEJA	296054	02/10/2015	PER DIEM - FRANCISCO CEJA	100-215-67200.000	24.00
YSELA SERRANO	296073	02/10/2015	PER DIEM - YSELA SERRANO	100-201-67100.000	8.00
THOMSON REUTERS-WEST	296069	02/10/2015	CA PENAL CODE 2015 PAMPHL…	100-215-67600.000	238.72
LEAGUE OF CA CITIES	296057	02/10/2015	2015 MEMBERSHIP DUES	100-101-68300.000	150.00
ATLANTIC TACTICAL	296051	02/10/2015	CADET LONG	100-215-68100.000	253.22
PARTS & SERVICE CENTER	296064	02/10/2015	7318 - PREVENT MAINT	100-215-66200.000	102.17
CITY OF GONZALES	296042	02/06/2015	City's share for evaluation & ana…	100-191-63900.000	2,274.19
PARTS & SERVICE CENTER	296064	02/10/2015	7318 SPARKPLAGS	100-215-66200.000	40.71
PARTS & SERVICE CENTER	296064	02/10/2015	7319 - VEHICLE REPAIR	100-215-66200.000	11.23
PARTS & SERVICE CENTER	296064	02/10/2015	FLEET SCREW DRIVER	100-311-65700.000	42.30
PARTS & SERVICE CENTER	296064	02/10/2015	ANTIFREEZE	100-311-66200.000	23.20
ATLANTIC TACTICAL	296051	02/10/2015	CADET LONG	100-215-68100.000	54.95
ALL SAFE INTEGRATED SYSTEMS	296049	02/10/2015	DAYCARE FIRE ALARM	100-590-63900.000	120.00
STERICYCLE, INC.	296068	02/10/2015	PD STERI-SAFE OSHA COMPLIA…	100-215-63400.000	125.27
ALL SAFE INTEGRATED SYSTEMS	296049	02/10/2015	CM HOUSE	100-110-63900.000	81.00
AMERICAN FAMILY LIFE	DFT0001076	02/12/2015	SUPPLEMENTAL BENEFITS	100-22440	1,361.88
SEIU 521	296078	02/13/2015	Union Dues	100-22420	118.32
STATE STREET BANK & TRUST C…	DFT0001065	02/13/2015	Defer Comp-GPOA	100-22430	250.00
STATE STREET BANK & TRUST C…	DFT0001066	02/13/2015	Defer Comp-GPSA	100-22430	500.00
STATE STREET BANK & TRUST C…	DFT0001067	02/13/2015	Defer Comp-Management	100-22430	575.28
STATE STREET BANK & TRUST C…	DFT0001068	02/13/2015	Defer Comp-Mid Management	100-22430	50.00
STATE STREET BANK & TRUST C…	DFT0001069	02/13/2015	Defer Comp-Misc Employees	100-22430	101.50
DEPT OF CHILD SUPPORT SERVI…	DFT0001070	02/13/2015	Misc Withholding	100-22450	1,109.86
G P O A	296076	02/13/2015	GPOA DUES	100-22410	350.00
CITY OF GREENFIELD	296074	02/13/2015	Misc Withholding	100-22490	65.00
GREENFIELD POLICE SUPERVIS…	296077	02/13/2015	GPSA DUES	100-22415	200.00
STATE OF CALIFORNIA EDD	DFT0001071	02/13/2015	SDI	100-22225	644.95

Vendor Name	Payment Number	Payment Date	Description (Item)	Account Number	Amount
Internal Revenue Service	DFT0001072	02/13/2015	Medicare	100-22215	1,896.22
Internal Revenue Service	DFT0001073	02/13/2015	Social Security	100-22215	8,107.62
STATE OF CALIFORNIA EDD	DFT0001074	02/13/2015	State Withholding	100-22220	2,839.20
Internal Revenue Service	DFT0001075	02/13/2015	Federal Tax Withholding	100-22210	8,424.72
MICHAEL RICE	296060	02/10/2015	PER DIEM - MICHAEL RICE	100-215-67200.000	40.00
MONTEREY BAY AREA SELF INS…	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	100-110-52300.000	2,378.48
MONTEREY BAY AREA SELF INS…	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	100-111-52300.000	127.63
MONTEREY BAY AREA SELF INS…	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	100-170-52300.000	696.14
MONTEREY BAY AREA SELF INS…	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	100-190-52300.000	1,171.84
MONTEREY BAY AREA SELF INS…	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	100-201-52300.000	3,503.92
MONTEREY BAY AREA SELF INS…	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	100-215-52300.000	9,258.69
MONTEREY BAY AREA SELF INS…	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	100-310-52300.000	81.22
MONTEREY BAY AREA SELF INS…	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	100-311-52300.000	904.99
MONTEREY BAY AREA SELF INS…	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	100-550-52300.000	638.13
MONTEREY BAY AREA SELF INS…	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	100-601-52300.000	916.59
HUB INTERNATIONAL	296055	02/10/2015	PAYMENT FOR EVENT INSURAN…	100-551-62100.000	214.80
CHEVRON, U.S.A.	296053	02/10/2015	GAS - PD & COUNCIL MEMBER	100-101-66100.000	47.47
CHEVRON, U.S.A.	296053	02/10/2015	GAS - PD & COUNCIL MEMBER	100-215-66100.000	41.17
STATE OF CALIFORNIA EDD	DFT0001058	02/06/2015	SDI	100-22225	25.00
Internal Revenue Service	DFT0001059	02/06/2015	Medicare	100-22215	72.50
Internal Revenue Service	DFT0001060	02/06/2015	Social Security	100-22215	310.00
STATE OF CALIFORNIA EDD	DFT0001061	02/06/2015	State Withholding	100-22220	68.15
Internal Revenue Service	DFT0001062	02/06/2015	Federal Tax Withholding	100-22210	289.90
CALIFORNIA PEACE OFFICERS A…	296041	02/06/2015	CPOA ANNUAL MEMBERSHIP 2…	100-201-68300.000	312.50
CALIFORNIA PEACE OFFICERS A…	296041	02/06/2015	CPOA ANNUAL MEMBERSHIP 2…	100-215-68300.000	312.50
ATLANTIC TACTICAL	296040	02/06/2015	WINCHESTER RANGER - AMMU…	100-215-65400.000	3,053.00
				Fund 100 - GENERAL FUND Total:	**89,490.46**
Fund: 200 - SUPPLEMENTAL LAW ENFORCEMENT					
PNC EQUIPMENT FINANCE	296046	02/06/2015	PNC - SEMI ANNUAL RADIO PA…	200-205-64700.321	14,542.95
				Fund 200 - SUPPLEMENTAL LAW ENFORCEMENT Total:	**14,542.95**
Fund: 213 - PARKS					
STATE STREET BANK & TRUST C…	DFT0001067	02/13/2015	Defer Comp-Management	213-22430	48.13
STATE OF CALIFORNIA EDD	DFT0001071	02/13/2015	SDI	213-22225	4.82
Internal Revenue Service	DFT0001072	02/13/2015	Medicare	213-22215	13.96
Internal Revenue Service	DFT0001073	02/13/2015	Social Security	213-22215	59.72
STATE OF CALIFORNIA EDD	DFT0001074	02/13/2015	State Withholding	213-22220	25.29
Internal Revenue Service	DFT0001075	02/13/2015	Federal Tax Withholding	213-22210	73.45
				Fund 213 - PARKS Total:	**225.37**
Fund: 220 - Measure X Supplemental Sales & Use Tax Fund					
EMPLOYER ELECT	296075	02/13/2015	JANUARY 2015 REIMBURSEME…	220-605-52510.000	114.62
ALL SAFE INTEGRATED SYSTEMS	296049	02/10/2015	COMMUNITY CENTER FIRE ALA…	220-551-63900.000	120.00
STATE STREET BANK & TRUST C…	DFT0001065	02/13/2015	Defer Comp-GPOA	220-22430	150.00
G P O A	296076	02/13/2015	GPOA DUES	220-22410	200.00
STATE OF CALIFORNIA EDD	DFT0001071	02/13/2015	SDI	220-22225	108.33
Internal Revenue Service	DFT0001072	02/13/2015	Medicare	220-22215	314.14
Internal Revenue Service	DFT0001073	02/13/2015	Social Security	220-22215	1,343.24
STATE OF CALIFORNIA EDD	DFT0001074	02/13/2015	State Withholding	220-22220	327.24
Internal Revenue Service	DFT0001075	02/13/2015	Federal Tax Withholding	220-22210	1,150.42
MONTEREY BAY AREA SELF INS…	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	220-215-52300.000	4,606.13
MONTEREY BAY AREA SELF INS…	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	220-605-52300.000	220.45
				Fund 220 - Measure X Supplemental Sales & Use Tax Fund Total:	**8,654.57**
Fund: 230 - GAS TAX FUND					
PACIFIC GAS & ELECTRIC	296063	02/10/2015	TRAFFIC LIGHTS ECR/ELM	230-320-64100.000	47.64
PACIFIC GAS & ELECTRIC	296063	02/10/2015	ECR/TYLER	230-320-64100.000	45.42
PACIFIC GAS & ELECTRIC	296063	02/10/2015	HIGH SCHOOL	230-320-64100.000	345.50
SAN BENITO SUPPLY	296066	02/10/2015	FOR YARD BY GAS PUMP	230-320-65900.000	53.45
PARTS & SERVICE CENTER	296064	02/10/2015	7804- VEHICLE REPAIR	230-320-66200.000	56.16
PARTS & SERVICE CENTER	296064	02/10/2015	7804 - SENDING UNIT	230-320-66200.000	23.74
PARTS & SERVICE CENTER	296064	02/10/2015	7805 - HEADLIGHT	230-320-66200.000	19.51

Vendor Name	Payment Number	Payment Date	Description (Item)	Account Number	Amount
PARTS & SERVICE CENTER	296064	02/10/2015	7805 - PUMP	230-320-66200.000	71.49
PACIFIC GAS & ELECTRIC	296063	02/10/2015	TRAFFIC LIGHTS WALNUT/3RD	230-320-64100.000	158.10
PACIFIC GAS & ELECTRIC	296063	02/10/2015	TRAFFIC LIGHTS ECR/OAK	230-320-64100.000	46.93
SEIU 521	296078	02/13/2015	Union Dues	230-22420	50.77
STATE STREET BANK & TRUST C...	DFT0001067	02/13/2015	Defer Comp-Management	230-22430	58.87
STATE STREET BANK & TRUST C...	DFT0001069	02/13/2015	Defer Comp-Misc Employees	230-22430	127.50
DEPT OF CHILD SUPPORT SERVI...	DFT0001070	02/13/2015	Misc Withholding	230-22450	8.47
STATE OF CALIFORNIA EDD	DFT0001071	02/13/2015	SDI	230-22225	55.19
Internal Revenue Service	DFT0001072	02/13/2015	Medicare	230-22215	160.08
Internal Revenue Service	DFT0001073	02/13/2015	Social Security	230-22215	684.36
STATE OF CALIFORNIA EDD	DFT0001074	02/13/2015	State Withholding	230-22220	101.14
Internal Revenue Service	DFT0001075	02/13/2015	Federal Tax Withholding	230-22210	472.85
MONTEREY BAY AREA SELF INS...	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	230-320-52300.000	2,807.77
				Fund 230 - GAS TAX FUND Total:	**5,394.94**
Fund: 263 - LLM #1 - LEXINGTON					
PACIFIC GAS & ELECTRIC	296063	02/10/2015	VINEYARD GREEN SUBDIVISION	263-360-64100.000	136.57
PACIFIC GAS & ELECTRIC	296063	02/10/2015	MARIPOSA SUBDISION	263-360-64100.000	80.15
PACIFIC GAS & ELECTRIC	296063	02/10/2015	LLMD LEXINGTON	263-360-64100.000	130.04
SEIU 521	296078	02/13/2015	Union Dues	263-22420	0.25
DEPT OF CHILD SUPPORT SERVI...	DFT0001070	02/13/2015	Misc Withholding	263-22450	0.47
STATE OF CALIFORNIA EDD	DFT0001071	02/13/2015	SDI	263-22225	0.88
Internal Revenue Service	DFT0001072	02/13/2015	Medicare	263-22215	2.50
Internal Revenue Service	DFT0001073	02/13/2015	Social Security	263-22215	10.78
STATE OF CALIFORNIA EDD	DFT0001074	02/13/2015	State Withholding	263-22220	0.51
Internal Revenue Service	DFT0001075	02/13/2015	Federal Tax Withholding	263-22210	2.96
MONTEREY BAY AREA SELF INS...	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	263-360-52300.000	313.26
				Fund 263 - LLM #1 - LEXINGTON Total:	**678.37**
Fund: 264 - LLM #2 - TERRA VERDE, ETC					
PACIFIC GAS & ELECTRIC	296063	02/10/2015	ST CHARLES	264-360-64100.000	368.62
PACIFIC GAS & ELECTRIC	296063	02/10/2015	LLMD LAS MANZANITAS	264-360-64100.000	45.87
PACIFIC GAS & ELECTRIC	296063	02/10/2015	ST CHARLES PLACE	264-360-64100.000	55.70
PACIFIC GAS & ELECTRIC	296063	02/10/2015	ST CHARLES	264-360-64100.000	178.42
SEIU 521	296078	02/13/2015	Union Dues	264-22420	0.25
DEPT OF CHILD SUPPORT SERVI...	DFT0001070	02/13/2015	Misc Withholding	264-22450	0.47
STATE OF CALIFORNIA EDD	DFT0001071	02/13/2015	SDI	264-22225	1.83
Internal Revenue Service	DFT0001072	02/13/2015	Medicare	264-22215	5.32
Internal Revenue Service	DFT0001073	02/13/2015	Social Security	264-22215	22.74
STATE OF CALIFORNIA EDD	DFT0001074	02/13/2015	State Withholding	264-22220	1.06
Internal Revenue Service	DFT0001075	02/13/2015	Federal Tax Withholding	264-22210	5.75
MONTEREY BAY AREA SELF INS...	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	264-360-52300.000	777.36
				Fund 264 - LLM #2 - TERRA VERDE, ETC Total:	**1,463.39**
Fund: 265 - SMD #1					
SEIU 521	296078	02/13/2015	Union Dues	265-22420	2.59
STATE STREET BANK & TRUST C...	DFT0001069	02/13/2015	Defer Comp-Misc Employees	265-22430	8.01
DEPT OF CHILD SUPPORT SERVI...	DFT0001070	02/13/2015	Misc Withholding	265-22450	0.08
STATE OF CALIFORNIA EDD	DFT0001071	02/13/2015	SDI	265-22225	2.31
Internal Revenue Service	DFT0001072	02/13/2015	Medicare	265-22215	6.60
Internal Revenue Service	DFT0001073	02/13/2015	Social Security	265-22215	28.28
STATE OF CALIFORNIA EDD	DFT0001074	02/13/2015	State Withholding	265-22220	3.93
Internal Revenue Service	DFT0001075	02/13/2015	Federal Tax Withholding	265-22210	19.89
MONTEREY BAY AREA SELF INS...	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	265-360-52300.000	174.04
				Fund 265 - SMD #1 Total:	**245.73**
Fund: 266 - SMD #2					
SEIU 521	296078	02/13/2015	Union Dues	266-22420	2.52
STATE STREET BANK & TRUST C...	DFT0001069	02/13/2015	Defer Comp-Misc Employees	266-22430	7.99
STATE OF CALIFORNIA EDD	DFT0001071	02/13/2015	SDI	266-22225	2.19
Internal Revenue Service	DFT0001072	02/13/2015	Medicare	266-22215	6.48
Internal Revenue Service	DFT0001073	02/13/2015	Social Security	266-22215	27.94
STATE OF CALIFORNIA EDD	DFT0001074	02/13/2015	State Withholding	266-22220	4.00

Vendor Name	Payment Number	Payment Date	Description (Item)	Account Number	Amount
Internal Revenue Service	DFT0001075	02/13/2015	Federal Tax Withholding	266-22210	19.75
MONTEREY BAY AREA SELF INS…	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	266-360-52300.000	174.04
				Fund 266 - SMD #2 Total:	**244.91**
Fund: 297 - GREENFIELD SCIENCE WORKSHOP					
ALL SAFE INTEGRATED SYSTEMS	296049	02/10/2015	SCIENCE BLD	297-597-63900.000	72.00
STATE OF CALIFORNIA EDD	DFT0001071	02/13/2015	SDI	297-22225	28.75
Internal Revenue Service	DFT0001072	02/13/2015	Medicare	297-22215	83.38
Internal Revenue Service	DFT0001073	02/13/2015	Social Security	297-22215	356.48
STATE OF CALIFORNIA EDD	DFT0001074	02/13/2015	State Withholding	297-22220	45.58
Internal Revenue Service	DFT0001075	02/13/2015	Federal Tax Withholding	297-22210	204.94
MONTEREY BAY AREA SELF INS…	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	297-597-52300.290	742.55
				Fund 297 - GREENFIELD SCIENCE WORKSHOP Total:	**1,533.68**
Fund: 503 - SEWER FUND					
SAN BENITO SUPPLY	296066	02/10/2015	FOR YARD BY GAS PUMP	503-333-65900.000	53.45
SAN BENITO SUPPLY	296066	02/10/2015	FOR YARD BY GAS PUMP	503-335-65900.000	53.45
BOARD OF EQUALIZATION	296052	02/10/2015	PAPA MEMBERSHIP - ALEJAND…	503-333-68300.000	15.00
BOARD OF EQUALIZATION	296052	02/10/2015	PAPA MEMBERSHIP - ALEJAND…	503-335-68300.000	15.00
EMPLOYER ELECT	296075	02/13/2015	JANUARY 2015 REIMBURSEME…	503-191-52510.000	851.41
PARTS & SERVICE CENTER	296064	02/10/2015	COMPRESSOR OIL	503-335-66400.000	8.43
TYLER TECHNOLOGIES	296071	02/10/2015	UTILITY BILLING ONLINE COMP…	503-191-63300.000	37.50
AMERICAN FAMILY LIFE	DFT0001076	02/12/2015	SUPPLEMENTAL BENEFITS	503-22440	29.18
SEIU 521	296078	02/13/2015	Union Dues	503-22420	83.30
STATE STREET BANK & TRUST C…	DFT0001067	02/13/2015	Defer Comp-Management	503-22430	78.49
STATE STREET BANK & TRUST C…	DFT0001069	02/13/2015	Defer Comp-Misc Employees	503-22430	138.05
DEPT OF CHILD SUPPORT SERVI…	DFT0001070	02/13/2015	Misc Withholding	503-22450	13.24
STATE OF CALIFORNIA EDD	DFT0001071	02/13/2015	SDI	503-22225	84.24
Internal Revenue Service	DFT0001072	02/13/2015	Medicare	503-22215	244.28
Internal Revenue Service	DFT0001073	02/13/2015	Social Security	503-22215	1,044.42
STATE OF CALIFORNIA EDD	DFT0001074	02/13/2015	State Withholding	503-22220	187.83
Internal Revenue Service	DFT0001075	02/13/2015	Federal Tax Withholding	503-22210	769.74
MONTEREY BAY AREA SELF INS…	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	503-191-52300.000	290.06
MONTEREY BAY AREA SELF INS…	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	503-330-52300.000	626.53
MONTEREY BAY AREA SELF INS…	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	503-333-52300.000	1,635.94
MONTEREY BAY AREA SELF INS…	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	503-335-52300.000	1,148.64
				Fund 503 - SEWER FUND Total:	**7,408.18**
Fund: 504 - WATER FUND					
PACIFIC GAS & ELECTRIC	296063	02/10/2015	10TH ST WELL	504-345-64100.000	4,543.74
PACIFIC GAS & ELECTRIC	296063	02/10/2015	13TH/OAK WELL	504-345-64100.000	1,786.98
PACIFIC GAS & ELECTRIC	296063	02/10/2015	13TH/OAK WELL	504-345-64200.000	8.66
MONTEREY COUNTY OFFICE OF…	296062	02/10/2015	NOTICE OF EXEMPTION - CLER'S…	504-340-61300.000	50.00
SAN BENITO SUPPLY	296066	02/10/2015	FOR YARD BY GAS PUMP	504-345-65900.000	53.45
BOARD OF EQUALIZATION	296052	02/10/2015	PAPA MEMBERSHIP - ALEJAND…	504-345-68300.000	15.00
EMPLOYER ELECT	296075	02/13/2015	JANUARY 2015 REIMBURSEME…	504-191-52510.000	851.41
TYLER TECHNOLOGIES	296071	02/10/2015	UTILITY BILLING ONLINE COMP…	504-191-63300.000	37.50
AMERICAN FAMILY LIFE	DFT0001076	02/12/2015	SUPPLEMENTAL BENEFITS	504-22440	29.17
SEIU 521	296078	02/13/2015	Union Dues	504-22420	54.06
STATE STREET BANK & TRUST C…	DFT0001067	02/13/2015	Defer Comp-Management	504-22430	39.23
STATE STREET BANK & TRUST C…	DFT0001069	02/13/2015	Defer Comp-Misc Employees	504-22430	66.95
DEPT OF CHILD SUPPORT SERVI…	DFT0001070	02/13/2015	Misc Withholding	504-22450	14.08
STATE OF CALIFORNIA EDD	DFT0001071	02/13/2015	SDI	504-22225	50.06
Internal Revenue Service	DFT0001072	02/13/2015	Medicare	504-22215	145.14
Internal Revenue Service	DFT0001073	02/13/2015	Social Security	504-22215	620.58
STATE OF CALIFORNIA EDD	DFT0001074	02/13/2015	State Withholding	504-22220	79.36
Internal Revenue Service	DFT0001075	02/13/2015	Federal Tax Withholding	504-22210	396.18
MONTEREY BAY AREA SELF INS…	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	504-191-52300.000	290.06
MONTEREY BAY AREA SELF INS…	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	504-340-52300.000	510.50
MONTEREY BAY AREA SELF INS…	296061	02/10/2015	DEBT SERVICE - JAN. - JULY 2014	504-345-52300.000	1,345.88
				Fund 504 - WATER FUND Total:	**10,987.99**
				Grand Total:	**140,870.54**

Report Summary

Fund Summary

Fund	Payment Amount
100 - GENERAL FUND	89,490.46
200 - SUPPLEMENTAL LAW ENFORCEMENT	14,542.95
213 - PARKS	225.37
220 - Measure X Supplemental Sales & Use Tax Fund	8,654.57
230 - GAS TAX FUND	5,394.94
263 - LLM #1 - LEXINGTON	678.37
264 - LLM #2 - TERRA VERDE, ETC	1,463.39
265 - SMD #1	245.73
266 - SMD #2	244.91
297 - GREENFIELD SCIENCE WORKSHOP	1,533.68
503 - SEWER FUND	7,408.18
504 - WATER FUND	10,987.99
Grand Total:	**140,870.54**

Account Summary

Account Number	Account Name	Payment Amount
100-101-63100.000	Administration Services	375.00
100-101-66100.000	Gasoline & Oil	47.47
100-101-68300.000	Memberships	150.00
100-110-52300.000	Workers' Compensation	2,378.48
100-110-52510.000	Health Insurance	1,287.00
100-110-63100.000	Administration Services	275.00
100-110-63900.000	General Services	81.00
100-111-52300.000	Workers' Compensation	127.63
100-111-64100.000	Electricity	2,036.37
100-111-64200.000	Gas Utility	931.10
100-111-64500.000	Phone Charges	1,623.00
100-150-63100.000	Administration Services	10,531.50
100-170-52300.000	Workers' Compensation	696.14
100-190-52300.000	Workers' Compensation	1,171.84
100-190-52510.000	Health Insurance	28.01
100-191-63900.000	General Services	2,274.19
100-201-52300.000	Workers' Compensation	3,503.92
100-201-52510.000	Health Insurance	2,085.92
100-201-63400.000	Police Services	6,512.35
100-201-63900.000	General Services	27.06
100-201-64600.000	Cell Phone Charges	134.08
100-201-65600.000	Janitorial Supplies	167.63
100-201-67100.000	Meetings & Conferences	166.00
100-201-68300.000	Memberships	312.50
100-215-52300.000	Workers' Compensation	9,258.69
100-215-52510.000	Health Insurance	2,109.81
100-215-61200.000	Printing & Copying	389.33
100-215-63400.000	Police Services	125.27
100-215-64500.000	Phone Charges	363.00
100-215-64600.000	Cell Phone Charges	503.58
100-215-65400.000	Police Supplies	3,053.00
100-215-66100.000	Gasoline & Oil	41.17
100-215-66200.000	Vehicle Maintenance	154.11
100-215-67200.000	Other Training	104.00
100-215-67600.000	Publications	238.72
100-215-68100.000	Recruitment	308.17
100-215-68300.000	Memberships	312.50
100-22210	Federal Withholding Tax ...	8,714.62
100-22215	FICA Payable	10,386.34
100-22220	State Withholding Tax Pa...	2,907.35
100-22225	S.D.I. Payable	669.95

Account Summary

Account Number	Account Name	Payment Amount
100-22340	Long-Term Disability Paya…	794.62
100-22410	G.P.O.A. Union Dues Paya…	350.00
100-22415	G.P.S.A. Union Dues Payab..	200.00
100-22420	S.E.I.U. Union Dues Payab…	118.32
100-22430	Deferred Comp Payable	1,476.78
100-22440	AFLAC Insurance Payable	1,361.88
100-22450	Wage Garnishments Paya…	1,109.86
100-22490	Miscellaneous Withholding	65.00
100-310-52300.000	Workers' Compensation	81.22
100-310-52510.000	Health Insurance	3,830.76
100-310-61200.000	Printing and Copying	252.32
100-311-52300.000	Workers' Compensation	904.99
100-311-65700.000	Public Works Supplies	42.30
100-311-66200.000	Vehicle Maintenance	23.20
100-550-52300.000	Workers' Compensation	638.13
100-550-65900.000	Building Maintenance Su…	53.45
100-551-62100.000	Special Event Insurance	214.80
100-590-63900.000	General Services	120.00
100-601-52300.000	Workers' Compensation	916.59
100-601-52510.000	Health Insurance	373.44
200-205-64700.321	Radios - SLESF	14,542.95
213-22210	Federal Withholding Tax …	73.45
213-22215	FICA Payable	73.68
213-22220	State Withholding Tax Pa…	25.29
213-22225	S.D.I. Payable	4.82
213-22430	Deferred Comp Payable	48.13
220-215-52300.000	Workers' Compensation	4,606.13
220-22210	Federal Withholding Tax …	1,150.42
220-22215	FICA Payable	1,657.38
220-22220	State Withholding Tax Pa…	327.24
220-22225	S.D.I. Payable	108.33
220-22410	G.P.O.A. Union Dues Paya…	200.00
220-22430	Deferred Comp Payable	150.00
220-551-63900.000	General Services	120.00
220-605-52300.000	Workers' Compensation	220.45
220-605-52510.000	Health Insurance	114.62
230-22210	Federal Withholding Tax …	472.85
230-22215	FICA Payable	844.44
230-22220	State Withholding Tax Pa…	101.14
230-22225	S.D.I. Payable	55.19
230-22420	S.E.I.U. Union Dues Payab…	50.77
230-22430	Deferred Comp Payable	186.37
230-22450	Wage Garnishments Paya…	8.47
230-320-52300.000	Workers' Compensation	2,807.77
230-320-64100.000	Electricity	643.59
230-320-65900.000	Building Maintenance Su…	53.45
230-320-66200.000	Vehicle Maintenance	170.90
263-22210	Federal Withholding Tax …	2.96
263-22215	FICA Payable	13.28
263-22220	State Withholding Tax Pa…	0.51
263-22225	S.D.I. Payable	0.88
263-22420	S.E.I.U. Union Dues Payab…	0.25
263-22450	Wage Garnishments Paya…	0.47
263-360-52300.000	Workers' Compensation	313.26
263-360-64100.000	Electricity	346.76
264-22210	Federal Withholding Tax …	5.75
264-22215	FICA Payable	28.06
264-22220	State Withholding Tax Pa…	1.06

Account Summary

Account Number	Account Name	Payment Amount
264-22225	S.D.I. Payable	1.83
264-22420	S.E.I.U. Union Dues Payab…	0.25
264-22450	Wage Garnishments Paya…	0.47
264-360-52300.000	Workers' Compensation	777.36
264-360-64100.000	Electricity	648.61
265-22210	Federal Withholding Tax …	19.89
265-22215	FICA Payable	34.88
265-22220	State Withholding Tax Pa…	3.93
265-22225	S.D.I. Payable	2.31
265-22420	S.E.I.U. Union Dues Payab…	2.59
265-22430	Deferred Comp Payable	8.01
265-22450	Wage Garnishments Paya…	0.08
265-360-52300.000	Workers' Compensation	174.04
266-22210	Federal Withholding Tax …	19.75
266-22215	FICA Payable	34.42
266-22220	State Withholding Tax Pa…	4.00
266-22225	S.D.I. Payable	2.19
266-22420	S.E.I.U. Union Dues Payab…	2.52
266-22430	Deferred Comp Payable	7.99
266-360-52300.000	Workers' Compensation	174.04
297-22210	Federal Withholding Tax …	204.94
297-22215	FICA Payable	439.86
297-22220	State Withholding Tax Pa…	45.58
297-22225	S.D.I. Payable	28.75
297-597-52300.290	Workers' Compensation	742.55
297-597-63900.000	General Services	72.00
503-191-52300.000	Workers' Compensation	290.06
503-191-52510.000	Health Insurance	851.41
503-191-63300.000	Utility Billing Financial Ser…	37.50
503-22210	Federal Withholding Tax …	769.74
503-22215	FICA Payable	1,288.70
503-22220	State Withholding Tax Pa…	187.83
503-22225	S.D.I. Payable	84.24
503-22420	S.E.I.U. Union Dues Payab…	83.30
503-22430	Deferred Comp Payable	216.54
503-22440	AFLAC Insurance Payable	29.18
503-22450	Wage Garnishments Paya…	13.24
503-330-52300.000	Workers' Compensation	626.53
503-333-52300.000	Workers' Compensation	1,635.94
503-333-65900.000	Building Maintenance Su…	53.45
503-333-68300.000	Memberships	15.00
503-335-52300.000	Workers' Compensation	1,148.64
503-335-65900.000	Building Maintenance Su…	53.45
503-335-66400.000	Sewer Operations Eqt Ma…	8.43
503-335-68300.000	Memberships	15.00
504-191-52300.000	Workers' Compensation	290.06
504-191-52510.000	Health Insurance	851.41
504-191-63300.000	Utility Billing Financial Ser…	37.50
504-22210	Federal Withholding Tax …	396.18
504-22215	FICA Payable	765.72
504-22220	State Withholding Tax Pa…	79.36
504-22225	S.D.I. Payable	50.06
504-22420	S.E.I.U. Union Dues Payab…	54.06
504-22430	Deferred Comp Payable	106.18
504-22440	AFLAC Insurance Payable	29.17
504-22450	Wage Garnishments Paya…	14.08
504-340-52300.000	Workers' Compensation	510.50
504-340-61300.000	Advertising	50.00

Account Summary

Account Number	Account Name	Payment Amount
504-345-52300.000	Workers' Compensaton	1,345.88
504-345-64100.000	Electricity	6,330.72
504-345-64200.000	Gas Utility	8.66
504-345-65900.000	Building Maintenance Su…	53.45
504-345-68300.000	Memberships	15.00
	Grand Total:	**140,870.54**

Project Account Summary

Project Account Key		Payment Amount
None		140,870.54
	Grand Total:	**140,870.54**

CITY COUNCIL
MINUTES

SPECIAL CITY COUNCIL MEETING OF FEBRUARY 10, 2015

CALL TO ORDER

Mayor Huerta called the meeting to order at 5:35 p.m.

ROLL CALL

PRESENT:	Mayor Huerta, Mayor Pro-tem Rodriguez, Councilmembers Walker, Torres and Santibañez
ABSENT:	None
STAFF:	City Manager Stanton, City Attorney Sullivan, Community Services Director Steinmann, Chief Fresé, Administrative Services Director Corgill, City Clerk Rathbun
GUESTS:	Ray Diaz, Beatriz Diaz, Pastor Clements

INVOCATION

Invocation by Pastor Earl Clements.

PLEDGE OF ALLEGIANCE

All recited the Pledge of Allegiance.

AGENDA REVIEW

No changes were made.

PUBLIC COMMENTS FROM THE AUDIENCE REGARDING ITEMS NOT ON THE AGENDA

No comments were made.

CONSENT CALENDAR

A MOTION by Councilmember Walker, seconded Mayor Pro-tem Rodriguez to approve the Warrants #295781 through #295909 and Bank Drafts #1013 through #978 in the amount of $739,932.01, Approve Minutes of the January 27, 2015 City Council Meeting and Minutes of the January 27, 2015 Special Workshop. All in favor. Motion carried.

MAYOR'S PRESENTATIONS, PROCLAMATIONS, COMMUNICATIONS, RESOLUTIONS

Mayor Huerta thanked everyone in attendance and welcomed the family members of the police officers.

CITY COUNCIL BUSINESS

PRESENTATION OF GREENFIELD POLICE DEPARTMENT AWARDS

Staff report was given by Chief of Police Fresé.

Chief Fresé presented a commendation to Sergeant Michael Rice for outstanding service to his community.

Chief Fresé presented the Officer of the Quarter Award, 4^{th} Quarter 2014, to Officer Jesus Alvarez.

Chief Fresé presented the Police Department Employee of the 2014 Year to Ysela Serrano.

SWEARING IN OF POLICE OFFICER DANIEL SOTELLO

Chief Fresé administered the oath of office to Officer Daniel Sotello along with the entire Greenfield Police Department employees.

Officer Sotello's police badge was pinned by Chief of Police Fresé.

City Council and City Manager Stanton welcomed Officer Sotello to the City of Greenfield.

RECESS

City Council recessed at 6:00 p.m.

City Council reconvened at 6:40 p.m.

ADOPTION OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GREENFIELD APPROVING CHANGE ORDERS NO. 1, NO. 2 AND NO. 3 TO THE MODESTO EXECUTIVE ELECTRIC CONTRACT FOR THE PATRIOT PARK LITTLE LEAGUE FIELD PROJECT AND FOR THE CONSTRUCTION OF FENCING AROUND THE LITTLE LEAGUE T-BALL FIELD AT PATRIOT PARK
RESOLUTION #2015-02

Staff report was given by Community Development Director Steinmann.

Mayor Huerta suggested that the lights at the parking lot should be left on all night. Community Development Director Steinmann stated that the lights on the field and parking lot were going to be paid by the little league; however, if the Council wanted to have the lights on all night this would be the time to let the contractor know.

Beatriz Diaz stated that it was good to have the lights; however, hoped that the restrooms were remodeled. She also stated that she had grandkids that were playing softball and they had to pay $20 more to play in Greenfield because they had to pay to use the field.

Mayor Huerta stated that he believed that the cost for the lights at the parking lot would be approximately $5,000 per year and that would be worth the cost for safety issues. Community Development Director Steinmann stated that he would speak with the City Engineer regarding having a separate switch for the parking lot lights.

A MOTION by Mayor Pro-tem Rodriguez, seconded by Councilmember Torres to adopt **Resolution #2015-02, "A Resolution of the City Council of the City of Greenfield Approving Change Orders No. 1, No. 2 and No. 3 to the Modesto Executive Electric Contract for the Patriot Park Little League Field Project and for the Construction of Fencing Around the Little League T-Ball Field at Patriot Park"**. All in favor. Motion carried.

CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION – SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO PARAGRAPH (2) OF SUBDIVISION (D) OF SECTION 54956.9: (1 POTENTIAL CASE)

Meeting adjourned to closed session at 7:03 p.m.

RECONVENUE TO OPEN SESSION

Meeting reconvened to open session at 7:58 p.m.

City Attorney Sullivan stated that there was no reportable action.

BRIEF REPORTS ON CONFERENCES, SEMINARS, AND MEETINGS ATTENDED BY MAYOR AND CITY COUNCIL

Mayor Huerta stated that the highlights and minutes of the AMBAG meeting were emailed to all members of the Council. He also stated that at the TAMC meeting the topic of discussion was the sales tax initiative. He stated that at the Monterey County Mayors' Meeting discussion was transportation and water.

Councilmember Santibanez stated that she, as well as someone from King City and Gonzales, were sworn in at the MST meeting. She stated that they discussed expanding bus routes and expanding the office building.

COMMENTS FROM CITY COUNCIL

Councilmember Walker stated that he wanted to give Chief Fresé and the Greenfield Police Department a shout-out because they were being very visible and that was good to see.

CITY MANAGER REPORT

City Manager Stanton asked about the Council's pictures. It was the consensus of the City Council to re-take their pictures at the photo studio with the flag and City seal.

ADJOURNMENT

Meeting adjourned at 8:09 p.m.

Mayor of the City of Greenfield

City Clerk of the City of Greenfield

CITY COUNCIL WORKSHOP
MINUTES

CITY COUNCIL WORKSHOP OF FEBRUARY 10, 2015

CALL TO ORDER

Mayor Huerta called the meeting to order at 8:11 p.m.

ROLL CALL

PRESENT:	Mayor Huerta, Mayor Pro-tem Rodriguez, Councilmembers Walker, Torres and Santibañez
ABSENT:	None
STAFF:	City Manager Stanton, City Attorney Sullivan, Community Services Director Steinmann, Chief Fresé, Administrative Services Director Corgill, City Clerk Rathbun
GUESTS:	Ray Diaz

AGENDA REVIEW

No changes were made.

PUBLIC COMMENTS FROM THE AUDIENCE REGARDING ITEMS ONLY ON THE AGENDA

No comments were received.

CITY COUNCIL WORKSHOP - FY 2015-2017 STRTEGIC GOALS AND OBJECTIVES

There was discussion among the City Council and staff regarding the FY 2015-2017 Strategic Goals and Objectives.

ADJOURNMENT

Meeting adjourned at 9:40 p.m.

Mayor of the City of Greenfield

City Clerk of the City of Greenfield

City Council Memorandum

599 El Camino Real Greenfield CA 93937 831-674-5591
www.ci.greenfield.ca.us

MEMORANDUM: **February 20, 2015**

AGENDA DATE: **February 24, 2015**

TO: Mayor and City Council

FROM: Susan A. Stanton, ICMA-CM
City Manager

TITLE: **ESTABLISHING MONTHLY CITY COUNCIL MEETING**

BACKGROUND:

City ordinances specifies that the date and time of regular meetings of the city council shall be established from time to time by City Council resolution, and the place shall be city hall or such other public facility within the corporate limits of the city deemed by the City Council by resolution to be appropriate and convenient for the conducting of such meetings. During the past year, it has been suggested that the City Council consider meeting once per month instead of holding two regular Council meeting on the second and fourth Tuesday each month. Many other small California cities have reduced the number of regular City Council meeting in order to reduce cost and allow for additional City Council work sessions.

During the discussion of the FY 2015-17 Strategic Goals, there was a consensus for the City Council to hold a formal City Council meeting on the second week of each per month and to begin scheduling regular City Council work sessions to allow a more detailed review of issues and greater interactive dialogue among City Council members.

BUDGET AND FINANCIAL IMPACT:

Reducing the number of times the City Council formally meets will reduce the cost of legal services, translation expense and staff resources dedicated to preparing bi-monthly agendas. The direct saving is estimated to be appropriately $10,000 to $15,000 assuming each meeting last about three hours.

REVIEWED AND RECOMMENDED:

As discussed, the City Council is free to meet more frequently than once per month if required to do so in order to take action on any time sensitive issue or contract. However, given the short of agendas of most City Council meeting and the ability to properly plan the flow of most important city actions, staff feels monthly meetings will provide sufficient time to conduct most city business or schedule required public hearings.

POTENTIAL MOTION:

I MOVE TO APPROVE/DENY RESOLUTION NO. 2015-03 ESTABLISHING MONTHLY CITY COUNCIL MEETINGS.

RESOLUTION NO. 2015-03

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GREENFIELD ESTABLISHING THE TIME AND PLACE FOR REGULAR CITY COUNCIL MEETINGS AS 6:00 P.M. ON THE SECOND TUESDAY OF EACH MONTH

WHEREAS, Section 54954 of the California Government Code requires that the City Council of general law cities such as the City of Greenfield shall provide, by Ordinance, Resolution, bylaws or by whatever other rule is required for conduct of business by the body, time and place for holding regular meetings; and

WHEREAS, effective March 1, 2015, Ordinance 471 amends Section 2.08.010 of the Greenfield Municipal Code to provide that the date and time of each monthly regular meeting shall be established from time to time by the City Council by resolution; and

WHEREAS, the City Council wishes to provide a meeting scheduled that is both convenient for members of the public and allows for full civic participation;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Greenfield resolves as follows:

1. The regular meeting day for the City Council of the City of the City of Greenfield shall be once a month on the second Tuesday of the month, provided that if a regular meeting date is an official holiday, the meeting will be held on the following Tuesday.

2. The regular meeting time shall be 6:00 p.m.

3. The regular meeting place of the City Council of the City of Greenfield shall be at the Greenfield Civic Center, 599 El Camino Real, Greenfield, California.

4. This resolution shall take effect March 1, 2015.

PASSED AND ADOPTED by the City Council of the City of Greenfield at a regular meeting duly held on the 24th day of February, 2014, by the following vote:

AYES, in favor thereof, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

____
Mayor of the City of Greenfield

Attest:

____
City Clerk of the City of Greenfield

Report to the Oversight Board

599 El Camino Real Greenfield CA 93937 831-674-5591
www.ci.greenfield.ca.us

MEMORANDUM: February 19, 2015

AGENDA DATE: February 24, 2015

TO: Mayor and City Council

FROM: Jeri Corgill, Director of Administrative Services
Susan Stanton, City Manager ICMA-CM

TITLE: **RECOGNIZED OBLIGATION PAYMENT SCHEDULE – JULY 1, 2015 THROUGH DECEMBER 31, 2015, IDENTIFIED AS ROPS 15-16A**

BACKGROUND:

While the City Council is not directly involved with approving the payment of recognized obligations of the City's former Redevelopment Agency, it is important that the City Council have a working understanding of the dissolution process and payment schedule that is being submitted for approval to the City's Oversight Board. The purpose of this memorandum is to provide an update concerning the payments of recognized obligations of the former Greenfield Redevelopment Agency.

AB 26 requires the Successor Agency to prepare and present to the Oversight Board, for their approval, a ***Recognized Obligation Payment Schedule (ROPS)*** for each successive six month period. Accordingly, staff of the Greenfield Successor Agency has prepared the attached payment schedule for the Oversight Board's consideration and approval on February 27, 2015. The recognized obligations are similar in most respects to the payment schedule that the Oversight Board approved for the period ending June 30, 2015.

DISCUSSION:

As amended by the Oversight Board during discussion and approval of the payment schedule for the period January 1, 2015 through June 30, 2015, the Local Education Agency pass-through obligations listed below were included on the payment schedule that was submitted to, and subsequently approved by, the Department of Finance. The Local Education Agency included obligations are as follows:

- Greenfield Union School District $134,822

• Monterey County Office of Education	9,744
• Hartnell Community College District	28,772
• South Monterey County Joint Union High School District	40,970

In addition to these Local Education Agency pass-through obligations, the January 1, 2015 through June 30, 2015 payment schedule also included the $650,000 obligation for repayment to the California Housing Finance Agency of the low income housing loan, (due on April 10, 2015). After the Oversight Board and Department of Finance approved January 1, 2015 through June 30, 2015 payment schedule, the County Auditor-Controller determined that the projected available funds in the Redevelopment Property Tax Trust Fund were insufficient to fund the entire amount of recognized obligations as approved by the Department of Finance. Due to this projected revenue shortfall, staff worked with the County Auditor-Controller to submit an Insufficiency Claim to the State Controller's Office. The Insufficiency Claim was submitted to the State Controller's Office on November 26, 2014 and was approved December 4, 2014. The result of this concurrence by the State Controller's Office was a full funding of the recognized obligations scheduled for payment during the period January 1, 2015 to June 30, 2015.

Although the full funding of the January 1, 2015 through June 30, 2015 payment schedule included the Local Education Agency obligations and the California Housing Finance Agency loan, state law and the bond covenants prioritize the payment of the outstanding RDA bond before any other obligation. Given the historically low Redevelopment Property Tax Trust Fund distribution to the Successor Agency, it is possible that the Redevelopment Property Tax Trust Fund distributed for the July 1, 2015 through December 31, 2015 payment schedule period will be insufficient to fund the entire amount on the July 1, 2015 through December 31, 2015 payment schedule. If there is a short fall of funds, staff will again seek assistance from the County Auditor-Controller to have an Insufficiency Claim submitted to the State Controller's Office by the May 11 due date.

Until the July 1, 2015 through December 31, 2015 payment schedule is approved by the Department of Finance and the County Auditor-Controller makes a determination regarding available Redevelopment Property Tax Trust Fund revenues for distribution to the Successor Agency, staff cannot be certain when all July 1, 2015 through December 31, 2015 payment schedule obligations will be paid. If an Insufficiency Claim concurrence for the July 1, 2015 through December 31, 2015 payment schedule is not received from the State Controller's Office, staff will proceed by taking all necessary steps to pay California Housing Finance Agency loan obligation before paying the Local Education Agency obligations.

With the improved local economy, staff is hopeful that all obligations contained in July 1, 2015 through December 31, 2015 payment schedule will receive full funding in June 2015. If there are insufficient funds to fully pay all obligations, staff will continue to comply with state law, bond covenants, and the Department of Finance regulations concerning each lawfully recognized obligation.

ATTACHMENTS:

ROPS 15-16A

Recognized Obligation Payment Schedule (ROPS 15-16A) - Summary
Filed for the July 1, 2015 through December 31, 2015 Period

Name of Successor Agency: **Greenfield**
Name of County: Monterey

	Current Period Requested Funding for Outstanding Debt or Obligation	Six-Month Total
A	**Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):**	**$ 1,755,000**
B	Bond Proceeds Funding (ROPS Detail)	1,755,000
C	Reserve Balance Funding (ROPS Detail)	-
D	Other Funding (ROPS Detail)	-
E	**Enforceable Obligations Funded with RPTTF Funding (F+G):**	**$ 929,554**
F	Non-Administrative Costs (ROPS Detail)	879,304
G	Administrative Costs (ROPS Detail)	50,250
H	**Current Period Enforceable Obligations (A+E):**	**$ 2,684,554**

	Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
I	Enforceable Obligations funded with RPTTF (E):	929,554
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	-
K	**Adjusted Current Period RPTTF Requested Funding (I-J)**	**$ 929,554**

	County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
L	Enforceable Obligations funded with RPTTF (E):	929,554
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N	**Adjusted Current Period RPTTF Requested Funding (L-M)**	**929,554**

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (m) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named agency.

Richard Brown	Vice Chairman
Name	Title
/s/	
Signature	Date

Recognized Obligation Payment Schedule (ROPS 15-16A) - ROPS Detail
July 1, 2015 through December 31, 2015
(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
										Funding Source					
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
								$ 37,444,163		$ 1,755,000	$ -	$ -	$ 879,304	$ 50,250	$ 2,684,554
1	2002 A&B Bonds	Bonds Issued On or Before 12/31/10	4/1/2004	2/1/2032	Union Bank	Bond Debt Service		2,201,070	N				59,309		$ 59,309
2	2006 TABS	Bonds Issued On or Before 12/31/10	12/1/2006	2/1/2037	Union Bank	Bond Debt Service		32,221,883	N				819,995		$ 819,995
3	CalHUD	Third-Party Loans	4/10/2005	4/10/2015	St. of California	Low Income Housing Loan 1/		-	N						$ -
4	CalHUD	Third-Party Loans	3/2/2007	3/2/2017	St. of California	Low Income Housing Loan 1/		675,000	N						$ -
5	2006 TABS	Fees	3/27/2007	2/1/2037	BLX Group	Arbitrage Calculations		7,500	N						$ -
6	2006 TABS	Fees	12/1/2006	2/1/2037	Urban Futures	Continuing Disclosure Services		88,000	N						$ -
7	2002 & 2006 TABS	Fees	12/1/2006	2/1/2037	Union Bank	Bond Trustee Services		88,210	N						$ -
10	Contract	Admin Costs	1/1/2009	2/1/2037	Lozano Smith	Legal Services		7,500	N					250	$ 250
12	Agency Tax Sharing	Miscellaneous	1/1/2014	6/30/2014	County of Monterey	Property Tax Collection Fees			N						$ -
13	Contract	Professional Services	7/23/2010	12/31/2015	De La Rosa & Co.	Bond Redemption Services			N						$ -
14	Staff & Oversight Board Costs	Admin Costs	1/1/2011	2/1/2037	Successor Agency	Staff and Oversight Board Costs		400,000	N					50,000	$ 50,000
21	Contract - Agency CIP Costs	Professional Services	4/1/2011	6/30/2014	MNS Engineers	Prepare El Camino Streetscape Plan		-	N						$ -
23	Contract - Agency CIP Costs	Professional Services	3/23/2010	6/30/2014	Terra Engineering	Walnut Ave Interchange Study		-	N						$ -
24	Contract - Bond Redemption	Miscellaneous	7/23/2010	12/31/2015	Union Bank	Bond Redemption Services		1,755,000	N	1,755,000					$ 1,755,000
34	Unfunded Prior Year Pass-Through Payment Obligation	Miscellaneous	11/27/2012	2/1/2037	Greenfield Union School District	Unfunded Prior Year Pass-Through Payment Obligation		-	N						$ -
35	Unfunded Prior Year Pass-Through Payment Obligation	Miscellaneous	11/27/2012	2/1/2037	Monterey County Office of Education	Unfunded Prior Year Pass-Through Payment Obligation		-	N						$ -
36	Unfunded Prior Year Pass-Through Payment Obligation	Miscellaneous	11/27/2012	2/1/2037	Hartnell Community College District	Unfunded Prior Year Pass-Through Payment Obligation		-	N						$ -
37	Unfunded Prior Year Pass-Through Payment Obligation	Miscellaneous	11/27/2012	2/1/2037	County Monterey County Joint Union High School District	Unfunded Prior Year Pass-Through Payment Obligation		-	N						$ -
38									N						$ -
39									N						$ -
40									N						$ -
41									N						$ -
42									N						$ -
43									N						$ -
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Recognized Obligation Payment Schedule (ROPS 15-16A) - Report of Cash Balances

(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see https://rad.dof.ca.gov/rad-sa/pdf/Cash_Balance_Agency_Tips_Sheet.pdf.

A	B	C	D	E	F	G	H	I
		Fund Sources						
		Bond Proceeds		Reserve Balance		Other	RPTTF	
	Cash Balance Information by ROPS Period	Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.	Non-Admin and Admin	Comments
ROPS 14-15A Actuals (07/01/14 - 12/31/14)								
1	**Beginning Available Cash Balance (Actual 07/01/14)**	5,771,817				324,470	827,521	
2	**Revenue/Income (Actual 12/31/14)** RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014	326					729,214	
3	**Expenditures for ROPS 14-15A Enforceable Obligations (Actual 12/31/14)** RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q						502,250	
4	**Retention of Available Cash Balance (Actual 12/31/14)** RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	2,097,600				319,600	227,223	C - Bond Reserve Account balances, as required by bond indenture, at 12/13/14. G - Trust held for CalHUD loan payment due 4/2015. H - Retained for next ROPS period debt service.
5	**ROPS 14-15A RPTTF Prior Period Adjustment** RPTTF amount should tie to the self-reported ROPS 14-15A PPA in the Report of PPA, Column S	No entry required					-	
6	**Ending Actual Available Cash Balance** **C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)**	$ 3,674,543	$ -	$ -	$ -	$ 4,870	$ 827,262	
ROPS 14-15B Estimate (01/01/15 - 06/30/15)								
7	**Beginning Available Cash Balance (Actual 01/01/15)** **(C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)**	$ 5,772,143	$ -	$ -	$ 227,223	$ 324,470	$ 827,262	
8	**Revenue/Income (Estimate 06/30/15)** RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015	4,870					1,352,108	C - Adjustment of $4870 from G to C
9	**Expenditures for ROPS 14-15B Enforceable Obligations (Estimate 06/30/15)**					324,470	1,737,275	G - Use of Retention for CalHFA loan payment + adjustment of $4870 from G to C
10	**Retention of Available Cash Balance (Estimate 06/30/15)** RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	2,097,600					161,735	C - Bond Reserve Account balances, as required by bond indenture, at 12/13/14. H - Amount of 14-15A RPTTF debt service shortage, less 14-15B RPTTF debt service projected overage.
11	**Ending Estimated Available Cash Balance (7 + 8 - 9 -10)**	$ 3,679,413	$ -	$ -	$ 227,223	$ -	$ 280,360	

Recognized Obligation Payment Schedule (ROPS 15-16A) - Report of Prior Period Adjustments
Reported for the ROPS 14-15A (July 1, 2014 through December 31, 2014) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)
(Report Amounts in Whole Dollars)

ROPS 14-15A Successor Agency (SA) Self-reported Prior Period Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 14-15A (July through December 2014) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 15-16A (July through December 2015) period will be offset by the SA's self-reported ROPS 14-15A prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
		Non-RPTTF Expenditures						RPTTF Expenditures											
		Bond Proceeds		Reserve Balance		Other Funds		Non-Admin					Admin					Net SA Non-Admin and Admin PPA (Amount Used to Offset ROPS 15-16A Requested RPTTF)	
Item #	Project Name / Debt Obligation	Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Available RPTTF (ROPS 14-15A distributed + all other available as of 07/1/14)	Net Lesser of Authorized / Available	Actual	Difference (If K is less than L, the difference is zero)	Authorized	Available RPTTF (ROPS 14-15A distributed + all other available as of 07/1/14)	Net Lesser of Authorized / Available	Actual	Difference (If total actual exceeds total authorized, the total difference is zero)	Net Difference (M+R)	SA Comments
		$ 1,755,000	$ -	$ -	$ -	$ -	$ -	$ 891,091	$ 729,214	$ 729,214	$ 891,091	$ -	$ 60,000	$ -	$ -	$ 259	$ -	$ -	
1	2002 A&B Bonds	-		-		-		60,384	60,384	$ 60,384	60,384	$ -						$ -	
2	2006 TABS	-		-		-		820,307	668,830	$ 668,830	820,307	$ -						$ -	
3	CalHUD	-		-		-		-		$ -		$ -						$ -	
4	CalHUD	-		-		-		-		$ -		$ -						$ -	
5	2006 TABS	-		-		-		-		$ -		$ -						$ -	
6	2006 TABS	-		-		-		8,000	-	$ -	8,000	$ -						$ -	
7	2002 & 2006 TABS	-		-		-		2,400	-	$ -	2,400	$ -						$ -	
8	Contract	-		-		-		-		$ -		$ -						$ -	
9	Contract	-		-		-		-		$ -		$ -						$ -	
10	Contract	-		-		-		-		$ -		$ -						$ -	
11	Contract	-		-		-		-		$ -		$ -						$ -	
12	Agency Tax Sharing	-		-		-		-		$ -		$ -						$ -	
13	Contract	-		-		-		-		$ -		$ -						$ -	
14	Staff & Oversight Board Costs	-		-		-		-		$ -		$ -						$ -	
15	Contract	-		-		-		-		$ -		$ -						$ -	
16	Due Diligence Review	-		-		-		-		$ -		$ -						$ -	
17	Demand Letter dated 1/25/2012	-		-		-		-		$ -		$ -						$ -	
18	Demand Letter dated 1/24/2012	-		-		-		-		$ -		$ -						$ -	
19	Demand Letter dated 1/30/2012	-		-		-		-		$ -		$ -						$ -	
20	Demand Letter dated 1/25/2012	-		-		-		-		$ -		$ -						$ -	
21	Contract - Agency CIP Costs	-		-		-		-		$ -		$ -						$ -	
22	Contract - Agency CIP Costs	-		-		-		-		$ -		$ -						$ -	
23	Contract - Agency CIP Costs	-		-		-		-		$ -		$ -						$ -	
24	Contract - Bond Redemption	1,755,000		-		-		-		$ -		$ -						$ -	
25	Debt Service Carry-Over	-		-		-		-		$ -		$ -						$ -	
29	Demand Letter dated 1/25/2012	-		-		-		-		$ -		$ -						$ -	
30	Demand Letter dated 1/24/2012	-		-		-		-		$ -		$ -						$ -	
31	Demand Letter dated 1/30/2012	-		-		-		-		$ -		$ -						$ -	
32	Demand Letter dated 1/25/2012	-		-		-		-		$ -		$ -						$ -	
33	Settlement Agreement	-		-		-		-		$ -		$ -						$ -	
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ROPS 14-15A CAC PPA: To be completed by the CAC upon submittal of the ROPS 15-16A by the SA to Finance and the CAC. Note that CACs will need to enter their own formulas at the line item level pursuant to the manner in which they calculate the PPA. Also note that the Admin amounts do not need to be listed at the line item level and may be entered as a lump sum.

U	V	W	X	Y	Z	AA	AB
RPTTF Expenditures							
Non-Admin CAC			Admin CAC			Net CAC Non-Admin and Admin PPA (Amount Used to Offset ROPS 15-16A Requested RPTTF)	
Net Lesser of Authorized / Available	Actual	Difference	Net Lesser of Authorized / Available	Actual	Difference	Net Difference	CAC Comments
		$ -			$ -	$ -	

Recognized Obligation Payment Schedule (ROPS 15-16A) - Notes

July 1, 2015 through December 30, 2015

Item #	Notes/Comments
1	Obligation amount includes total 2015-16 debt service, which is $118,617.52; requesting half.
2	Obligation amount includes total 2015-16 debt service, which is $1,639,990; requesting half.
5	Obligation is $1,500 every 5 years of bond debt service obligation. Last arbitrage report dated December 2011.
6	Obligation is $4,000 per year remaining on bond debt service.
7	2002 Bond: obligation is $1,730 per year remaining on bond debt service. 2006 Bond: obligation is $2,400 per year remaining on bond debt service.
24	Obligation is $8MM redemption target, less total bonds redeemed to date. Bond redemptions could come in at any time, and amount for ROPS period is an estimate.

City Council Memorandum
599 El Camino Real Greenfield CA 93937 831-674-5591
www.ci.greenfield.ca.us

MEMORANDUM: **February 20, 2015**

AGENDA DATE: **February 24, 2015**

TO: Mayor and City Council

FROM: Jeri Corgill, Administrative Service Director

TITLE: **ACCEPTING REVENUE OPTION STUDY AND SCHEDULE CITY COUNCIL REVIEW**

BACKGROUND:

Four months ago, the City Council approved the commission of a Revenue Study to explore options and alternatives for revising current user charges and fees, and the potential adoption of new fees, taxes or assessments for paying for additional police protection and recreational services. The City was able to secure the assistance of Mr. William Statler to conduct this analysis. Mr. Statler comes to Greenfield with an excellent endorsement from the California League of Cities, and he is considered a subject matter expert regarding California municipal finance. The attached study identifies revenue options available to the City to pay for current and future city services, the necessary steps for successfully communicating the needs for additional revenue to the general public, and a general discussion on the importance of revenue diversity and stability.

BUDGET AND FINANCIAL IMPACT:

As outlined in the Executive Summary and further discussed in the report, the four major revenue options for generating sufficient funds to enhance the City's ability to pay for law enforcement services include:

- ***Public Safety: Parcel Taxes.*** As reflected above, modest parcel taxes of $100 per "equivalent dwelling unit" (EDU), where a single family residence is one EDU, would raise about $400,000 annually; and $150 per EDU would raise about $600,000 annually. This would be a broad-based revenue source that would diversify the City's revenue base. It accommodates the ability to earmark its proceeds for public safety, since it requires two-thirds voter approval whether it is for general or special purposes. Follow-up steps include further analysis of the parcels in the City and refined allocation of taxes among different parcel types. This measure could be submitted to voters at any time.

- ***Local Option Sales Tax.*** Cities are allowed to set their own "local option" sales taxes. As approved via Measure X, the City already has an added local option rate of 1.0%. Under State guidelines, the City has the flexibility of adding an additional rate of up to 0.875%. An added ½% would generate about $425,000 annually; and an added rate of ¾% would generate about 634,000.

- ***Property Transfer Tax.*** Statewide, there is a property transfer tax of $1.10 per $1,000 of value when property is sold (or $220 on a property worth $200,000). For sales in a city, the proceeds are evenly divided between the city and the county, for an effective city rate of $0.55 per $1,000 of value. (For sales in unincorporated areas, the county retains all of the tax.) In order to be able to increase the amount of property transfer tax collected by the City, Greenfield would first be required to become a charter city.

- ***Business License Tax.*** Anyone doing business in the City is required to pay a business license tax. The current amount is generally based on a flat fee of $40 per year, per business category. However, this fee has not been changed in forty years, when it was last adjusted in 1975. While the City should consider modernizing its business license tax ordinance, simply adjusting the rate to account for the passage of time – in essence, setting it the at the same economic level as when it was adopted – would generate an additional $81,000 annually.

- ***Utility Users Tax.*** Half of the State's residents and a majority of businesses in California pay utility users taxes at rates ranging from 1% to 11%. It is a tax on the consumption of utility services (such as natural gas, electricity, water, sewer, telephone and cable), similar in concept to the retail sales tax on commodities. For this reason, most cities set their rates based on the sales tax rate in effect at the time they adopted their utility users tax ordinance, which accounts for some of the variability in rates. Statewide, for those 154 cities that levy an utility users tax, the average rate is 5.5%. The City's rate is 3.0%. At 5%, utility users tax revenues would increase by about $176,000 annually.

The study also identified the amount of funds that could be generated with the future passage of a storm water fee or special assessment:

- ***Storm Water: Fee or Special Assessment.*** While parcel taxes could also be used to fund storm water service, adopting either a property-related fee or special assessment for this purpose is the most common approach used by cities throughout the State for this purpose. An EDU of $75 would generate about $300,000 per year; and an EDU of $150 would generate about $600,000. Conceptually, the process for developing and gaining approval of property-related fees and assessments is very similar. The proceeds can be used to fund operations, improvements or both. Follow-up steps include a detailed apportionment of costs among properties based on benefit prepared by a firm specializing in this type of analysis. Subsequent public hearings based on this analysis are then required. This measure could be submitted for approval by property owners at any time, subject to notice and hearing requirements.

CONSEQUENT ACTION:

Proposition 218, adopted in November 1996, fundamentally changed the ground rules for municipal finance. In short, any major, broad-based revenue program will require voter approval. In the case of tax revenues, majority voter approval is required for general-purpose taxes; and two-thirds voter approval for special taxes. Assessments are still possible for selected services; however, they are limited in the kinds of services that can be funded through them (these typically fall into more traditional services such as streets, sidewalks and sewers where costs and benefits can be closely linked); and there are rigorous "assessment ballot" procedures.

As Mr. Statler states in Chapter 3 of his report, communities in California have been successful in generating broad-based voter support for new revenues when:

- There has been a major community-wide focus on desired programs. In these cases, revenue increases have followed these "visioning" efforts, not driven them.
- There are serious fiscal or service problems of crisis proportions.

Although they were driven by very different factors – hopes versus fears – all of these successful efforts share one thing in common: they were the result of extensive community-based efforts, which included a combination of outreach tools, and professional assistance to use them effectively such as:

- Focus groups.
- Professionally conducted, scientific surveys.
- Town hall meetings.
- Direct mailings and/or newspaper inserts – "community budget-building" exercises.
- Strong follow-on advocacy group for ballot measure support.

Based on the experience of many cities and other local government agencies throughout the State, if the need is compelling and is effectively communicated, this effort is likely to be successful. However, it requires commitment, resources (more on this later), time, and most importantly, a strong community-based advocacy group that will aggressively raise funds and campaign for the issue once it is on the ballot.

POTENTIAL MOTION:

I **MOVE TO ACCEPT THE REVENUE OPTIONS STUDY AND SCHEDULE A CITY COUNCIL DISCUSSION ON ____________, 2015.**

REVENUE OPTIONS STUDY

City of Greenfield

February 2015

William C. Statler

Fiscal Policy ■ Financial Planning ■ Analysis ■ Training ■ Organizational Review

REVENUE OPTIONS STUDY

TABLE OF CONTENTS

City of Greenfield

1. EXECUTIVE SUMMARY

OVERVIEW

The purpose of this study is two-fold:

- Identify and analyze potential new revenues for the City of Greenfield in funding General Fund (non-enterprise) operations such as public safety and storm drainage. (This study does not address funding enterprise operations such as water and sewer.)

  The Short Story: There is a broad range of reasonable revenue options available to the City, which together total about $2.3 million annually. However, almost all these new revenue measures would require either majority or two-thirds voter approval. The results of this analysis are further summarized below and presented in detail in Chapter 2.

- Discuss what would be required to successfully implement the new revenue sources under Proposition 218.

  The Short Story: Based on the experience of many cities in California, it is possible to successfully pass a revenue measure. However, doing so requires effective preparation by the City before placing the measure on the ballot; and an effective community-based group that will campaign for its passage afterwards. These results are also further summarized below and discussed in detail in Chapter 3.

  The City faces a unique challenge in considering voter-approved revenues, in light of the sun-setting of Measure X in 2017. As a general purpose measure, if the City chooses to ask voters to approve its continuance, this would most likely be considered with Council elections in November 2016. Unless a fiscal emergency is declared unanimously by the Council, the soonest that any other general purpose measure could be presented for voter consideration is also November 2016.

BACKGROUND

Factors Driving the Preparation of this Study

This proposal is in response to the City of Greenfield's interest in assessing available revenue options in funding improved public safety services for the community. Even with recovery from the Great Recession and the passage of Measure X in June 2012, which adopted a general purpose, one-percent City sales (transactions and use) tax with a five-year sunset, the City is concerned that police operations are seriously understaffed, and that other important community services are underfunded as well. The 2014-15 Budget Message notes:

> *"… the City will need to adopt a more permanent revenue enhancement to provide for basic needs in the community. Existing, and projected, revenues from property tax, user fees and other sources are simply not adequate to pay for the critical law enforcement, public works, and recreational needs of this community."*

An initial concept in meeting public safety needs is to add four to six patrol officers. This would cost $400,000 to $600,000 annually. This would use 8% to 12% of existing General Fund revenues, which is simply beyond the General Fund's current ability to do.

1. EXECUTIVE SUMMARY

The 2014-15 Budget Message also notes that the need for added resources in funding critical services may be at variance with community expectations that the City would have additional funds for new spending and programs with the passage of Measure X, which is estimated to generate an $846,000 in 2014-15 (about 16% of General Fund revenues).

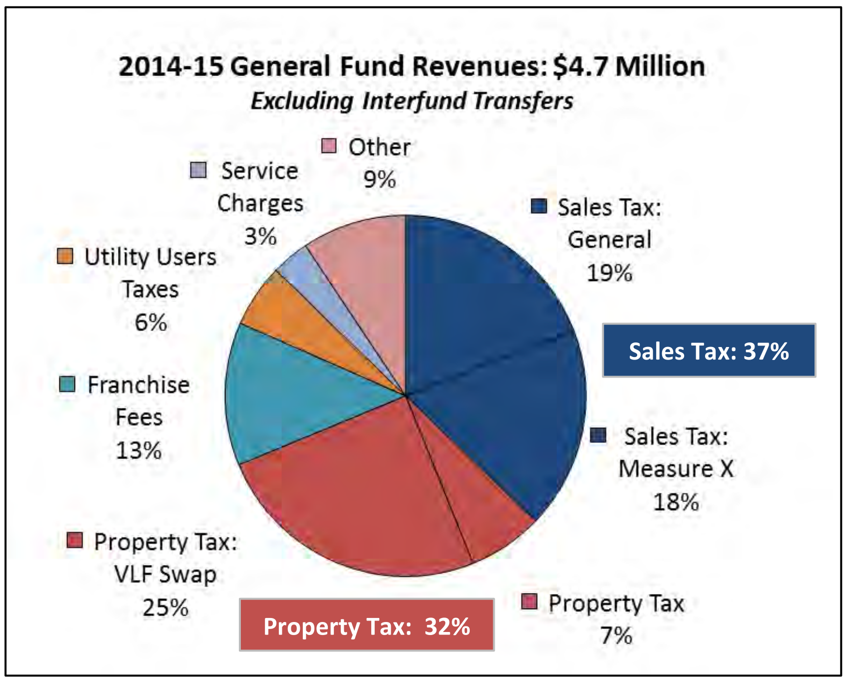
Along with funding public safety and other City services overall, the City is also interested in exploring ways of funding storm water operations and improvements. Preliminary estimates are that $300,000 to $600,000 would be needed annually for this purpose.

In addressing funding options and meeting these needs, the Council contracted with William C. Statler on December 9, 2014 to prepare this revenue options study (a summary of consultant qualifications is provided in the Appendix).

Revenue Diversity and Stability

As reflected in the chart below, the City relies heavily on sales and property tax related revenues, which together account for almost 70% of General Fund revenues (excluding interfund transfers).

Accordingly, in diversifying and stabilizing its revenue base, the City may want to consider other options to avoid "putting all of its revenue eggs in one basket."



For this reason, this study takes a broad look at a wide range of reasonable revenue options available to the City that would also generate significant new revenues while diversifying and stabilizing the City's revenue base.

Provided in Chapter 4 is a "White Paper" prepared for the Institute for Local Government (affiliated with the League of California Cities), which more fully explores this topic.

RESULTS OF REVENUE OPTIONS ANALYSIS

The following summarizes the results of this analysis, which are detailed in Chapter 2:

1. EXECUTIVE SUMMARY

Summary of Revenue Options Analysis

	Revenue Source		Required Approval			Annual Revenues
	Increase in Existing	New	Council	Voter: Majority	Voter: Two-Thirds	
Local Option Sales Tax: • Additional ½% • Additional ¾%	x			If general purpose	If special purpose	$423,000 $634,000
Transient Occupancy Tax: Increase rate from 8% to 10%	x			If general purpose	If special purpose	$6,700
Property Transfer Tax	x			If general purpose	If special purpose	Not allowed for General Law cities
Business License Tax: Adjust for passage of time since flat rates set in 1975	x			If general purpose	If special purpose	$81,000
General Obligation Bond (For capital improvements only)		x			x	Varies
Parcel Tax: Per year "Equivalent Dwelling Unit" (EDU) • $100 per EDU • $150 per EDU		x			x	$422,000 $633,000
Utility Users Tax: Increase from 3% to 5%	x			If general purpose	If special purpose	$177,000
Admissions Tax		x		If general purpose	If special purpose	Not viable
Parking Tax		x		If general purpose	If special purpose	Not viable
Maintenance Assessments		x		x		Varies
Mello-Roos: Existing Development		x			x	Varies
Mello-Roos: New Development			*			Varies
Higher Cost Recovery, Property Related User Fees: Storm Water • $75 per EDU • $150 per EDU		x		x (Property owners)	x (Voters)	$316,000 $633,000
Higher Cost Recovery: Non-Property Related Fees	x		x			$100,000
Franchise Fees	x		x			Unlikely

** With developer concurrence*

As reflected in this summary chart, only three of these revenue options can be implemented by the Council:

- For Mello-Roos special taxes for new development, the revenues would only be available in new development areas: they could not be used to fund citywide improvements (such as public safety or storm drainage); and developer concurrence would also be required.

- And the revenue potential from the other two revenues that can be set independently by the Council (higher cost recovery for non-property related service charges and some franchise fees) is relatively small compared with the other options.

This underscores the findings of this study that any new significant revenues will require voter approval.

Focused Look

As set forth in the workscope approved by the Council, this study does not take a detailed look at "General Fund" service charges; and it does not address development impact fees or enterprise fund revenues like water and sewer at all. These would be major projects on their own. However, this study does provide an "order of magnitude" assessment of user fee potential. The study also addresses at a "reconnaissance" level whether enterprise funds are appropriately reimbursing the General Fund for support services like accounting, human resources, information technology and building maintenance.

User Fees Are Important

However, while the revenue potential may be modest, the importance of setting user fees at appropriate levels should not be understated. As discussed below, this is one of the few remaining areas where elected officials can still exercise local judgment. And the fact is that if there are areas where user fees should appropriately fund service costs – but they aren't – this means that general-purpose revenues are being used instead. This reduces the resources available for critical services where significant fee options simply don't exist, and must rely upon general-purpose revenues. This includes services such as police and streets, which are among the most important (and most costly) services that cities deliver.

Simply stated, if a city chooses to subsidize services with general-purpose revenues that could reasonably be funded with fees, the result will be reduced capacity to achieve other high-priority goals that can only be funded through general-purpose revenues. This is a straightforward trade-off with straightforward policy impacts. For example, if planning application fees do not fully cover development review costs, then public safety, recreation and street maintenance are likely to suffer as a result. For any number of reasons, this may be an appropriate policy outcome – but it is one that should be made consciously, and not by default.

Strong Candidates for Further Consideration

In meeting revenue requirements and diversity goals for public safety, storm water and other General Fund services, the following are strong candidates for consideration:

- ***Public Safety: Parcel Taxes.*** As reflected above, modest parcel taxes of $100 per "equivalent dwelling unit" (EDU), where a single family residence is one EDU, would raise about $400,000 annually; and $150 per EDU would raise about $600,000 annually. This would be a broad-based revenue source that would diversify the City's revenue base. It accommodates the ability to earmark its proceeds for public safety, since it requires two-thirds voter approval whether it is for general or special purposes. Follow-up steps include further analysis of the parcels in the City and refined allocation of taxes among different parcel types. This measure could be submitted to voters at any time.

- ***Storm Water: Fee or Special Assessment.*** While parcel taxes could also be used to fund storm water service, adopting either a property-related fee or special assessment for this purpose is the most common approach used by cities throughout the State for this purpose. An EDU of $75 would generate about $300,000 per year; and an EDU of $150 would generate about $600,000. Conceptually, the process for developing and gaining approval of property-related fees and assessments is very similar. The proceeds can be used to fund operations, improvements or both. Follow-up steps include a detailed apportionment of costs among properties based on benefit prepared by a firm specializing in this type of analysis. Subsequent public hearings based on this analysis are then required. This measure could be submitted for approval by property owners at any time, subject to notice and hearing requirements.

- ***Other General Fund Services.*** The City might consider a package of modest revenues, including transient occupancy taxes, business license taxes, utility user taxes and improved cost recovery.

SUCCESSFUL REVENUE MEASURES

Background: Voter Approval Required for Most New or Increased Revenues

Under Proposition 218, a State constitutional amendment approved by the voters in November 1996, most new revenue measures will require voter approval at some level:

Taxes. New and increased taxes require voter approval as follows:

- **General purpose.** If the revenues will be used for general purposes, majority voter approval is required. This must occur at the same time as regular Council elections, unless the Council declares an emergency by unanimous vote (in this case, the election may be held at any time).

- **Special purpose.** If the revenues will be "earmarked" for a specific purpose, two-thirds voter approval is required. This election can be held at any time.

Special Assessments. Whether for capital improvements or ongoing maintenance services, special assessments require majority approval by those being assessed (who are property owners), with each property owner's vote "weighted" by the amount of their assessment. For example, an owner with a property with an assessment of $1,000 would have ten votes for that parcel compared with one vote for an owner with a parcel assessment of $100. Additionally, Proposition 218 sets specific rules for how the benefit of special assessments must be apportioned.

Property-Related Fees. For fees that are levied as "an incidence of property ownership" (just because you own property), majority approval by those who will have to pay the fee is required; or at the agency's option, by a two-thirds vote of the electorate residing in the affected area. There are several specific exemptions under Proposition 218, including development review and impact fees under "AB 1600" (Section 65000 of the Government). Additionally, there is general consensus that many fees charged by cities – such as recreation fees and police reports – are not subject to Proposition 218, since they are usually based on use, not property ownership. Lastly, based on the State Supreme Court "Bighorn" ruling in 2006, while water, sewer and trash services are not subject to voter or property owner approval, they are subject to the procedural and protest provisions of Proposition 218.

This means that service charges unrelated to property ownership or enterprise operations (like water and sewer) are one of the few funding sources subject to Council decision-making: virtually all others require some form of voter or property owner approval.

Preparing for Successful Revenue Measures

As discussed in further detail in Chapter 3, one of the major "mega-trends" affecting governance today at all levels is a fundamental change in the way decisions are made. Over the past forty years, there has been a significant shift in voter preference from "representative democracy" to "direct democracy," especially in local government finance.

Proposition 13 did not start this trend, but it certainly resulted from it. Since its passage almost forty years ago in 1978, there have been an increasing number of citizen-approved limits on the ability of elected officials at the local level to make resource decisions on behalf of the community since then.

While there a number of possible explanations for this change, the fact remains that there is a decided shift to direct citizen decision-making in a broad range of issues previously thought to be too "technical" for this. While this has occurred in a number of areas such as insurance and campaign financing, it is especially prevalent in "ballot box budgeting." Citizens are no longer willing to give their proxy on financial issues to elected officials or to their interest group representatives on "blue ribbon" committees. City finance is an issue they want to decide directly for themselves.

How does this shift affect the City's long-term fiscal health? Cities now need broad-based community support—in evidence on Election Day—to implement new revenue sources. In this new model of direct democracy, creating support among elected officials and community leaders—even if it broadly crosses a number of interest groups—is no longer enough. With these profound changes in voter approval requirements, cities must communicate a compelling vision for new revenues at a grass roots level among likely voters.

While this may seem a high-hurdle, many local agencies throughout the State have been successful in gaining voter approval for revenue measures, even at the two-thirds level.

As shown in the chart below, since 2001 (when school districts were first allowed to pass general obligation bond issues with 55% voter approval, versus the prior two-thirds requirement), almost

1. EXECUTIVE SUMMARY

1,500 local revenue measures – 65% of those presented to voters – have been passed through March 2014.

For cities, over 400 general-purpose, majority approval measures have passed statewide: 70% of those presented to voters for consideration. (The City of Greenfield is among those with successful revenue measures: the City received 65% voter approval for its general purpose, 1% local option sales tax – Measure X – in June 2012.)

And over 130 two-thirds voter approval measures have passed in cities, although with a much lower success rate: only 47% of those measures were approved. In short, while two-thirds measures can be successful, the track record shows that they are more difficult to pass than general purpose measures.

Local Revenue Measures Since 2001
Through March 31, 2014

	Total	Pass	Passing%
City Majority Vote	578	407	70%
County Majority Vote	56	30	54%
SpecialDistr Fee MajVote	3	2	67%
City 2/3 Vote	276	131	47%
County 2/3 Vote	92	42	46%
Special District (2/3)	312	143	46%
School ParcelTax2/3	274	168	61%
SchoolBond 2/3Vote	28	10	36%
School Bond 55%	654	534	82%
Total	2273	1467	65%

Source: California Local Government Finance Almanac

In summary, if the need is compelling—either to maintain current services or to improve them—and it is effectively communicated, the experience throughout the State shows that voter-approved revenue measures can be successful.

However, this experience also shows that doing so requires a significant commitment of time and resources in preparing for the measure. More importantly, as discussed in greater detail in Chapter 3, it typically requires a strong community-based advocacy group that will aggressively raise funds and campaign for the measure once it is on the ballot.

This last issue cannot be stressed enough. Under State law, cities have broad discretion in using their funds for staff and professional assistance in analyzing issues, researching public opinion, conducting public education programs and developing voter support strategies. However, once an issue becomes a formal ballot measure, cities cannot participate as an advocate in any way. For this reason, unless there is a strong community-based group that is willing to aggressively raise funds and campaign for the measure, it is not likely to pass, no matter how much preparation was undertaken by the City before placing the measure on the ballot.

The first pre-condition—effective preparation—is within the control of the City; the second one—an effective community-based group—is not.

In summary, new revenues require community support—in evidence on Election Day. Gaining this support requires more than a compelling need: it also requires communicating this need in a compelling way. And this requires effective preparation by the City before placing the measure on the ballot; and an effective community-based group that will campaign for its passage afterwards.

2. REVENUE OPTIONS

OVERVIEW

This Chapter takes a detailed look at all of the possible new revenues for the City of Greenfield. In the "Fact Sheets" beginning on page 15, the following information is provided for each of the thirteen possible new revenues identified in this study:

- General description of the revenue source.
- Is it in place in Greenfield at this time? (Would this be a new source? Or an increase in an existing one?)
- Who pays it?
- Who else has it? How does this compare with ten "benchmark" cities?
- How much new revenue would it generate?
- What is required to implement it?
- How can these revenues be used?
- Why is this an appropriate funding source?
- How would these revenues be collected?
- How would this added revenue affect the diversity and stability of the City's revenue base?
- When could the new revenue be effective?
- What approval steps are required under Proposition 218 and other State requirements, such as development review and impact fees under AB 1600 (Section 66000 of the State Government Code)?
- Are there any other special implementation issues?

SUMMARY OF STUDY FINDINGS

The following is a brief overview of the findings of this study, organized by whether voter or Council approval is required to implement it.

Requires Voter Approval

Two-Thirds Voter Approval

- **Parcel Taxes.** With two-thirds voter approval, parcel taxes are allowed in any amount as long as they are not based on property value. They may set based on either a flat rate per parcel or a variable rate depending on the size, use or number of units on the parcel. As a "special" tax, they must be levied for a specific service—such as police, fire, emergency medical service, libraries or storm drainage. The City does not have any parcel taxes in place today.

For projection purposes, a rate of $100 per "equivalent dwelling unit" (EDU), where a single family residence is one EDU, will generate about $400,000 annually; and $150 per EDU will generate about $600,000.

- **Mello-Roos Special Taxes: Operating or Capital.** Mello-Roos "Community Facilities Districts" (CFD's) are typically formed to provide services or capital improvements to new developments (when there is usually just one "voter"—the developer/land owner), but they can be formed on a citywide basis in already developed areas as well. Depending how they are structured when approved, Mello-Roos special taxes can pay for operations and maintenance as well as capital improvements. If there are twelve or more registered voters in the district, approval by two-thirds of the registered voters is required. However, if there are fewer than twelve registered voters, the district vote is by the property owners in the district. In this case, property owners have one vote for each acre of land they own in the District. For this reason, Mello-Roos CFD's are typically used in financing improvements and services for new development. It is rarely used for developed areas: given the similar two-thirds voter approval requirements, most cities use the more straightforward parcel tax approach instead.

- **Property Tax Increase as Part of General Obligation Debt.** Adopted almost forty years ago in 1978, Proposition 13 does not allow an increase in general purpose property taxes above the "1% of market value" limit under any circumstances. However, subsequent amendments to this constitutional limit allow for increases in property taxes for voter-approved bonded indebtedness. General Law cities may incur general obligation debt up to 3.75% of assessed value, which for the City would be about $21 million. Under current market circumstances, this translates into an annual revenue-raising capacity to meet annual debt service requirements of about $1.7 million. The proceeds are restricted to specified capital improvements.

Majority (General Purpose) or Two-Thirds (Special Purpose) Voter Approval

The following revenue sources can be adopted by either majority or two-thirds voter approval, depending on their purpose. Revenue measures where the proceeds may be used for "general purposes" only require majority voter approval. However, revenue measures where the proceeds are "earmarked" and designated for specific purposes require two-thirds voter approval. In both cases, depending on how the revenue measure is structured, the proceeds could be used for operations or capital improvements (including debt service payments on capital projects financed by bonds).

- **Local Option Sales Tax.** Cities are allowed to set their own "local option" sales taxes. As approved via Measure X, the City already has an added local option rate of 1.0%. Under State guidelines, the City has the flexibility of adding an additional rate of up to 0.875%. An added ½% would generate about $425,000 annually; and an added rate of ¾% would generate about 634,000.

- **Transient Occupancy Tax (TOT).** The City's TOT is 8%, which is projected to raise about $26,800 in 2014-15. On one hand, the rate is below the state average of 10%. On the other hand, TOT revenues represent a minor portion of General Fund revenues (less than 1%). Each "one percent" increase in the TOT rate would raise about $3,350 annually.

- **Property Transfer Tax.** Statewide, there is a property transfer tax of $1.10 per $1,000 of value when property is sold (or $220 on a property worth $200,000). For sales in a city, the proceeds are evenly divided between the city and the county, for an effective city rate of $0.55 per $1,000 of value. (For sales in unincorporated areas, the county retains all of the tax.)

  Prior to the adoption of Proposition 62 by State voters in 1986, all cities were allowed to set their own rate, but they had to give up their share of the $1.10 rate to do so. With the passage of Proposition 62, *general law* cities lost the ability to do this, since among its many revenue-raising limitations (many of which were subsequently superceded by Proposition 218), is a prohibition on real estate transfer taxes.

  However, because Proposition 62 was a "statutory initiative" (as compared with a Constitutional amendment), its provisions only apply to General Law cities. As such, Charter cities are allowed to adopt this revenue source. Moreover, from 1986 until 1995, a number of appellate court rulings declared the provisions of Proposition 62 to be unconstitutional. For this reason, during this interim period, many General Law cities—along with Charter cities—implemented their own property transfer tax at rates ranging from $1.10 to $15.00 per $1,000 of value. The most common rate is $4.40 per $1,000. At this level, the City's own property transfer tax (which has averaged about $20,000 annually over the last five years) would raise about $158,000 annually, for a "net" increase of $138,000. However, in order to adopt this tax, the City would first have to become a Charter city. For this reason, while an option, it is not as viable as many of the other new revenue sources analyzed in this study.

- **Business License Tax.** Anyone doing business in the City is required to pay a business license tax. The amount is generally based on a flat fee of $40 per year. However, this fee has not been changed in forty years, when it was last adjusted in 1975. While the City should consider modernizing its business license tax ordinance, simply adjusting the rate to account for the passage of time – in essence, setting it the at the same level when it was adopted, would generate an additional $81,000 annually.

- **Utility Users Tax.** Half of the State's residents and a majority of businesses in California pay utility users taxes (UUT) at rates ranging from 1% to 11%. It is a tax on the consumption of utility services (such as natural gas, electricity, water, sewer, telephone and cable), similar in concept to the retail sales tax on commodities. For this reason, most cities set their rates based on the sales tax rate in effect at the time they adopted their UUT ordinance, which accounts for some of the variability in rates. Statewide, for those 154 cities that levy UUT, the average rate is 5.5%. The City's rate is 3.0%. At 5%, UUT revenues would increase by about $176,000 annually.

- **Admissions Tax.** This tax is levied on the consumer for the privilege of attending theaters, concerts, movies, sporting events, museums and other performances. The tax can be a flat rate, a percentage of the ticket value or a sliding rate depending on the cost of the ticket.

Although generally determined to be lawful, courts have struck down admissions taxes that are borne solely or primarily by activities protected by the First Amendment. These cases suggest that to implement this tax, a city must have substantial businesses or events that would be subject to it, which do not involve First Amendment rights and would bear a significant portion of the tax burden. For this reason, most cities that have this tax have professional sports teams, amusement parks or similar major event venues in their cities. As such, no revenues have been projected from this source: given the lack of any major venues in the City similar to those where this tax has been successfully implemented, it is unlikely that it would be legal to do so.

- **Parking Tax.** This tax is imposed on occupants of off-street parking spaces for the privilege of renting the space within the City. It is typically levied when there are a large number of privately-owned and operated parking lots and garages, and there is a high demand for these spaces. Since this is not the case in Greenfield, no revenues have been projected from this source.

Majority Property Owner Approval

Under Proposition 218, the approval process for property-related fees and special assessments is very similar: they both require:

- A clear relationship between the costs and benefits per parcel.
- Mailed notice and public hearings.
- Majority approval by those responsible for paying the fee or special assessments, weighted by each property owner’s fee or assessment benefit obligation.

Accordingly, either approach would be a candidate for funding storm water services: further analysis would be required to determine which would be the best option for the City.

- **Property related fees: operating or capital**. Under Proposition 218, property-related fees are allowed with majority property owner approval, with votes weighted by the proportionate amount that each property owner would pay (or at the agency’s option, by a two-thirds vote of the electorate residing in the affected area). Additionally, there must be a “nexus” between costs and benefits. Lastly, property related fees for services generally provided to the public, such as police, fire, ambulance or library services, where the service is available to the public at large in substantially the same manner as it is to property owners, are not allowed.

- **Special assessments: operating or capital.** Special assessments for either one-time improvements or ongoing maintenance are also allowed under Proposition 218; however, majority approval by those responsible for paying the special assessments, weighted by each property owner’s benefit obligation, is required. Detailed assessment reports prepared by a registered civil engineer justifying the apportionments among properties are required. Under similar ground rules, special assessment districts can be formed for one-time capital improvements.

2. REVENUE OPTIONS

In funding storm water services, whether through a property related fee or special assessment, an EDU of $75 would raise about $300,000; and an EDU of $150 would raise about $600,000.

Could Be Approved by the Council

The following revenue sources could be set or increased by the Council.

- **Mello-Roos Districts for New Development.** Many cities require that new development pay not only for the facilities needed to service them, but for day-to-day services as well. This could include park and landscape maintenance, street lighting, street sweeping, libraries and fire protection. While this sets up two classes of city residents—those who receive what may be perceived as general city services based on the general purpose tax revenues they pay, and those who must pay an additional premium for those same services—many cities have moved to this out of fiscal necessity. The revenue impact of this is difficult to assess, since it would depend on what services were subject to the special Mello-Roos tax. However, as discussed above, this would require the concurrence of the property owner in establishing this special tax district (assuming there are less than twelve registered voters in the District) before the start of construction.

- **Development Impact Fees.** The City can set impact fees at any level that will fully offset (but not exceed) the cost of constructing capital improvements needed to service new development. This can cover a broad range of public facilities, including water, sewer, transportation, parks, cultural facilities, community centers, civic center improvements and public safety facilities. Detailed procedures for developing and collecting impact fees are set forth in Government Code Section 66000 (commonly referred to as "AB 1600"). The City has already adopted a wide range of development impact fees. Because of their narrow focus in funding facilities required for new development (as opposed to citywide services and improvements), they are not covered in this report.

- **Higher Cost Recovery for Non-Property Related Services.** This is one of the few remaining areas where the Council has discretion in balancing the cost services between general purpose revenues and fees. Performing a comprehensive cost of services is a major undertaking on its own and is beyond the scope of this study. However, based on a high-level assessment of the City's current cost recovery, there is a conservative potential for about $100,000 annually from improved cost recovery. This strongly supports allocating the resources needed to prepare a comprehensive cost of services study.

- **Franchise Fees.** These fees are charged to public utilities – such as natural gas, electricity, refuse collection, water, sewer and cable television – for the use of City's right-of-way and their adverse impact on City streets in conducting their operations. However, the State prohibits franchise fees on telecommunications; and sets franchise fees for natural gas and electricity. Similarly, the Federal government limits franchise fees on cable television. While some discretion exists for water, sewer and refuse, given existing rates, there is very limited potential for added revenues from this source.

2. REVENUE OPTIONS

Reimbursements for Support Services Provided to Enterprise Funds

The workscope does not include the preparation of a formal cost allocation plan, which is the best way of determining appropriate reimbursement for the support services provided to the enterprise and other special funds for services like accounting, human resources, insurance, building maintenance, legal services and information technology. (Cost allocation plans are also key analytical tools in preparing effective user fee studies,) However, provided in Appendix B is a high level assessment of direct and indirect costs, and a resulting indirect cost rate of 21.2%.

While a "best practice" is to allocate indirect costs based on individual basis of allocations (such as number of employees for payroll costs), a citywide indirect cost rate can provide an "order of magnitude" basis for allocating indirect costs. In this case, with the ratio of total direct costs to total indirect costs of 21.2%, the "total" cost of a direct cost program can be determined by applying this rate to it. This approach was used in preparing the high-level assessment of the potential for higher cost recovery.

The 2014-15 Budget shows $83,100 in support cost reimbursements to the General Fund from the Sewer Fund; and $80,800 from the Water Fund. Based on an indirect cost of 21.2%, these reimbursement amounts are certainly supportable; and there is a strong likelihood that a more formal cost allocation plan would identify greater reimbursement opportunities.

COMPARISON CITIES

For each new revenue source, the "Fact Sheets" generally describe the revenue situation for cities throughout the State. In addition to this, where applicable, they also summarize revenue information for the following ten comparison cities:

Recommended Comparison Cities		
City	County	Population
Chowchilla *	Madera	18,971
Dinuba	Tulare	23,666
Escalon	San Joaquin	7,323
Galt	Sacramento	24,289
Gonzales	Monterey	8,383
King City	Monterey	13,211
Ripon	San Joaquin	14,855
Sanger	Fresno	24,908
Soledad **	Monterey	24,997
Winters	Yolo	6,979
Greenfield	Monterey	16,919

* *Estimated Community Population: 12,000*
** *Estimated Community Population: 16,000*

About Chowchilla and Soledad. *The population estimates for these ten cities are provided by the State of California's Demographic Research Unit as of January 1, 2014 (the most recent date for which this information is available). For Chowchilla and Soledad, these estimates include prison populations that are within the city limits: about 6,900 in Chowchilla and 8,800 in Soledad.*

This results in comparable community populations of 12,000 in Chowchilla and 16,000 in Soledad.

These cities generally share six key characteristics with the City:

- Population between 5,000 and 25,000
- Rural location

2. REVENUE OPTIONS

- Tourism minor part of City revenues
- Full service city providing similar scope of services as Greenfield
- Not the "central city" for its area (such as a county seat)
- Management/governance reputation

A detailed discussion of the process used to select these ten cities is provided in the Appendix A.

LOCAL OPTION SALES TAX

What is a local option sales tax?

Under the Bradley-Burns Uniform Sales and Use Tax Law, cities statewide levy an effective 1% sales tax rate (after adjusting for "triple flip" reimbursements). In addition to this, under Revenue and Taxation Code Sections 7251.1 and 7285.9 to 7285.92, cities in California are allowed to adopt a "local option" sales tax (transactions and use tax district) with voter approval. (Counties and special districts are also allowed to adopt "transactions and use district" tax rates with voter approval.)

There is no direct limit on the additional rate that cities can levy; however, the combined district use and transactions tax rates cannot exceed 2.0% (for a current maximum countywide rate of 9.5%). There are exceptions for Alameda, Contra Costa and Los Angeles Counties and the Cities of La Mirada, Pico Rivera and South Gate where the maximum rate is 10%.

While very similar, there are some differences in the tax base between the statewide and local option sales tax:

- The statewide "Bradley-Burns" sales tax is "situs" based: revenues are determined based on where the sale takes place.

- Local option sales taxes are based on where the purchase will be used.

For most retail purchases, there are no practical differences between these two tax bases. However, they result in significant revenue differences for large purchases where there is location information for the buyer via registration with the State, such as automobiles, boats and planes.

For example, where new car sales are a large component of a city's total retail tax base due to sales to non-residents, local option revenues will likely be less than those from the statewide rate (even if the rates are the same), since the local option sales tax will only be collected from city residents: no local option tax revenues will be collected from out-of-town buyers. (However, out-of-town buyers will pay the "statewide" rate to the city, since it is based on where the sale takes place). Conversely, where new car sales are not a significant part of the city's retail base, local option revenues are likely to be about the same or higher.

Why is this an appropriate City funding source?

Consumers benefit from a variety of City services while shopping in Greenfield: public safety, streets and sidewalks. It is appropriate that consumers share in the cost of maintaining these service levels. Additionally, sales tax is broad-based, and generally reflects the ability of consumer to pay the tax. Because sales taxes do not apply to food, prescription medicines, housing or services, impacts to low income consumers are partially mitigated. Lastly, since it is already in place, there are no significant added costs or administrative effort required. Given its revenue potential, this is one of the most cost-effective revenue options available to the City.

Is this tax in place today?

Yes. The City has both the Bradley-Burns 1% sales tax rate (including the "triple flip" portion), which generates about $890,000 annually; and a local option sales tax rate of 1%, which generates about $846,000. The City's local option sales tax was adopted by voters in June 2012 via 65% voter approval of Measure X. It is a general purpose measure with a five-year sunset in 2017. As discussed above, the revenue difference between the statewide and local option revenues, although minor, is due to the different tax bases.

Who pays this tax?

It is paid by consumers and collected by retail outlets.

Who currently receives the revenue?

The revenue from both sales tax sources goes directly into the City's General Fund and is used for general municipal purposes.

Can cities increase their tax rate?

Yes, with voter approval.

How much revenue would this tax generate?

Based on revenues from the current local option sales at 1% of $846,000, an additional ½ percent local option rate would raise about $423,000 annually; and an additional ¾% rate would raise about $634,000 annually. Because effective April 1, 2015 the Monterey-Salinas Transit District will have a local option sales tax rate of 0.125% that covers the City, the maximum local option sales tax rate that the City can levy in total is 1.875%.

How does this compare with other cities?

There are 230 agencies throughout the State that have adopted local option sales taxes, ranging from 0.125% to 1.0%. Of these, 180 are cities – almost 40% of all cities in the State. The following shows local option sales tax rates (if any) for the ten benchmark cities:

Local Option Rates: Comparison Cities	
Chowchilla	None
Dinuba	0.75%
Escalon	None
Galt	0.5%
Gonzales*	1.0%
King City*	1.0%
Ripon	None
Sanger	0.75%
Soledad	1.0%
Winters	None
Greenfield	1.0%

**Adopted by voters in November 2014; will become effective April 1, 2015*

LOCAL OPTION SALES TAX

What authority is required to implement this tax?

- **General Purpose.** If the revenues will be used for general purposes, majority voter approval is required. This must occur at the same time as regular Council elections, unless the Council declares an emergency by unanimous vote (in this case, the election may be held at any time).

- ***Special Purpose.*** If the revenues will be "earmarked" for a specific purpose, two-thirds voter approval is required. This election can be held at any time.

How can these revenues be used?

With majority voter approval, they can be used for any legitimate government purpose, such as parks, street maintenance, recreation or police; or with two-thirds voter approval, they must be used for specifically dedicated purposes that are set forth in the ballot measure.

How would these revenues be collected?

The State Board of Equalization is responsible for collecting and distributing this tax.

How would this added revenue affect the diversity and stability of the City's revenue base?

Sales tax is the City's "Number One" General Fund revenue source, accounting for almost 40% of total General Fund sources. Increasing the rate would further increase the City's reliance on this revenue source.

When could the increase be effective?

About six months would be required after its passage to coordinate its collection from local businesses by the State Board of Equalization, beginning with the start of a quarter. For example, if approved by voters in November 2016, the soonest it could be implemented is April 1, 2017. Given collection cycles and phase-in, new revenues are unlikely to be available for use until 2017-18.

TRANSIENT OCCUPANCY TAX

What is the Transient Occupancy Tax?

This is a tax on the occupant who resides temporarily in a dwelling (typically a hotel or motel) for 30 days or less based on the price of the rental.

Why is this an appropriate City funding source?

Placing this tax on visitors to the City appropriately recognizes that they receive municipal services during their stay, and as such, they should share in the cost of providing them.

Is this tax in place at this time?

Yes. The transient occupancy tax (TOT) rate is currently 8% and provides the City with approximately $26,800 annually.

Who pays this tax?

It is paid by visitors to Greenfield; it is not paid by local residents or businesses.

Who currently receives the revenue?

The revenue goes into the City's General Fund and is used for general municipal purposes.

Can cities increase their tax rate?

Yes. With voter approval, cities can set the TOT rate at any level. There is no regulation of this revenue source by the State or Federal government.

How much revenue would an increase generate?

For each one percent increase, General Fund revenues will increase by about $3,350. The following summarizes additional revenues that would be generated from rates ranging from 9% to 15% (which is the highest rate in the State).

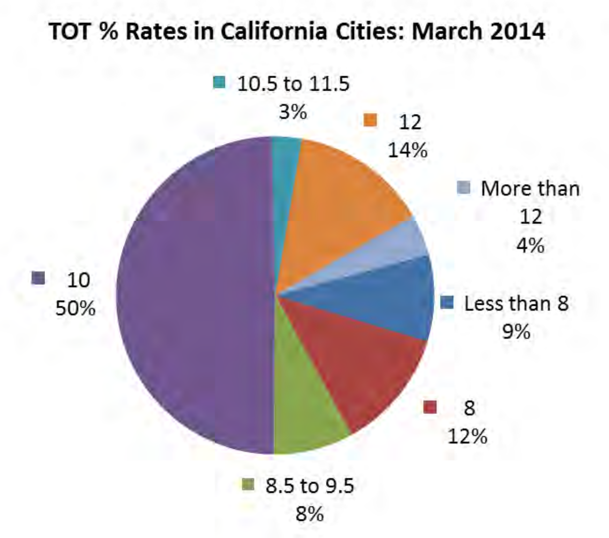
TOT Rates: New Revenues	
9%	$3,350
10%	6,700
11%	10,050
12%	13,400
13%	16,750
14%	20,100
15%	23,450

How does the City's transient occupancy tax rate compare with other cities?

As of March 2014, there are 430 cities in California that have adopted TOT revenues, with rates ranging from 3.5% to 15%. The most common rate is 10%, which is levied by 213 cities. The following summarizes TOT rates in California.

TRANSIENT OCCUPANCY TAX

TOT Rates in California Cities: March 2014		
TOT Rate	No.	Percent
14% to 15%	9	2%
12.1% to 13.5%	9	2%
12.0%	60	14%
10.5% to 11.5%	13	3%
10.0%	213	50%
8.5% to 9.5%	35	8%
8.0%	53	12%
7.0% to 7.5%	13	3%
6.0% to 6.5%	15	3%
3.5% to 5.0%	10	2%
Total	430	100%



As reflected in this chart, about 80% of all cities with TOT revenues levy a rate greater than 8%. The following summarizes TOT rates currently in place for the ten comparisons cities:

TOT Rates: Comparison Cities	
Chowchilla	10%
Dinuba	10%
Escalon	10%
Galt	10%
Gonzales	8%
King City	10%
Ripon	10%
Sanger	4%
Soledad	6%
Winters	10%
Greenfield	8.0%

What authority is required to increase this tax?

- **General Purpose.** If the revenues will be used for general purposes, majority voter approval is required. This must occur at the same time as regular Council elections, unless the Council declares an emergency by unanimous vote (in this case, the election may be held at any time).

- **Special Purpose.** If the revenues will be "earmarked" for a specific purpose, two-thirds voter approval is required. This election can be held at any time.

How can these revenues be used?

With majority voter approval, they can be used for any legitimate government purpose, such as parks, street maintenance, recreation or police; or with two-thirds voter approval, they must be used for specifically dedicated purposes set forth in the ballot measure.

TRANSIENT OCCUPANCY TAX

How are these revenues collected?

Operators of “transient lodgings” (typically hotels and motels) are responsible for collecting TOT from the occupants and remitting it to the City. As such, since this revenue source is already in place and no changes in collection method are required if the rate is increased, collection of added revenue from a rate increase can be easily implemented.

How would this added revenue affect the diversity and stability of the City’s revenue base?

TOT revenues are a relatively small component of General Fund revenues, accounting for less than 1% of total revenues. Bringing this rate to the statewide average of 10% would modestly improve the diversity and stability of the City’s revenue base.

When could an increase be effective?

Theoretically, an increase could be implemented immediately upon voter approval. However, an effective date that is 90 to 120 days from the date of adoption is recommended in order to ensure a smooth transition for the hotels and motels.

PROPERTY TRANSFER TAX

What is a property transfer tax?

This is a tax resulting from the transfer of real property ownership based on the value of the property.

Background. Prior to the adoption of Proposition 62 by State voters in 1986, all cities were allowed to set their own rate, but they had to give up their share of the $1.10 rate to do so. With the passage of Proposition 62, *General Law* cities lost the ability to do this, since among its many revenue-raising limitations (many of which were subsequently superseded by Proposition 218) is a prohibition on real estate transfer taxes.

However, because Proposition 62 was a "statutory initiative" (as compared with a Constitutional amendment), its provisions only apply to General Law cities. As such, Charter cities are allowed to adopt this revenue source. Moreover, from 1986 until 1995, a number of appellate court rulings declared the provisions of Proposition 62 to be unconstitutional. For this reason, during this interim period, many General Law cities—along with Charter cities—implemented their own property transfer tax at rates ranging from $1.10 to $15.00 per $1,000 of value. The most common rate is $4.40 per $1,000. At this level, the City's own property transfer tax (which has averaged about $20,000 annually over the last five years) would raise about $158,000 annually, for a "net" increase of $138,000. <u>However, in order to adopt this tax, the City would first have to become a Charter city</u>. For this reason, while an option, it is not as viable as many of the other new revenue sources analyzed in this study.

Why is this an appropriate City funding source?

The City's real property transfer tax would be paid by the buyers of Greenfield properties. As such, it is an appropriate way for new residents to pay their fair share of the amenities that have already been provided by existing residents. For properties changing hands through local buyers, the transfer tax reflects the enhancement of property values by the facilities and programs that the City provides.

Is this tax in place at this time?

Yes. Section 11901 of the Revenue and Taxation Code establishes a statewide property transfer tax at the rate of $1.10 per $1,000 of value (or $220 on a property with a transfer value of $200,000).

Who pays this tax?

Both the buyer and the seller are jointly liable for payment of the tax. However, it is customary for this tax to be paid by the buyer.

Who currently receives the revenue?

For sales in a city, the proceeds are evenly divided between the city and the county, for an effective city rate of $0.55 per $1,000 of value. For sales in unincorporated areas, the County retains all of the transfer tax revenues at the $1.10 per $1,000 rate.

PROPERTY TRANSFER TAX

Can cities increase their tax rate?

Yes, with voter approval. However, as discussed above, only Charter cities are allowed to set their own rate separately from the provisions of Section 11901 of the Revenue and Taxation Code at this time. In this case, however, the County would retain the entire proceeds from the $1.10 rate specified in this section.

Have any other cities adopted their own property transfer taxes?

Yes. 26 cities in 12 counties throughout the State have adopted their own property transfer tax rates. Rates range from $1.10 per $1,000 of value in Riverside and Woodland to $15.00 per $1,000 in value in Berkeley and Oakland. City population ranges from one of California's smallest cities (Cotati, with a population of 7,300) to its largest one (Los Angeles, with a population of 3,866,000).

City	Rate Per $1,000 Value	City	Rate Per $1,000 Value
Berkeley	$15.00	Vallejo	$3.30
Oakland	15.00	Santa Monica	$3.00
Piedmont	13.00	Mountain View	$3.30
Alameda	12.00	Palo Alto	$3.30
Albany	11.50	Sacramento	2.75
Richmond	7.00	Redondo Beach	2.20
San Leandro	6.00	Pomona	2.20
San Francisco*	5.00	San Rosa	2.00
San Mateo	5.00	San Rafael	2.00
Hayward	4.50	Petaluma	2.00
Los Angeles	4.50	Cotati	1.90
Culver City	4.50	Riverside	1.10
San Jose	3.30	Woodland	1.10

** Values in excess of $250,000 are charged at higher rates.*

How does this compare with similar cities?

None of the ten comparison cities have their own property transfer tax.

How much revenue would an increase generate?

This depends on two key factors:

- The value of property transferred annually.
- The tax rate established by the City.

For comparison purposes, the following is a summary of property transfer tax revenues received by the City over the past five years at the current rate of $0.55 per $1,000, and the amount that would have been received at rates ranging from $1.10 per $1,000 to $10.00 per $1,000:

PROPERTY TRANSFER TAX

Fiscal Year	Actual Revenues	Projected Revenue @ $1.10	@ $2.20	@ $3.30	@ $4.40	@ $5.00	@ $10.00
2013-14	18,730	37,460	74,920	112,380	149,840	170,256	340,512
2012-13	12,021	24,042	48,084	72,126	96,168	109,271	218,542
2011-12	17,782	35,564	71,128	106,692	142,256	161,638	323,276
2010-11	25,421	50,842	101,684	152,526	203,368	231,077	462,154
2009-10	25,175	50,350	100,700	151,050	201,400	228,841	457,682
5 Yr Avg	**19,826**	**39,652**	**79,303**	**118,955**	**158,606**	**180,217**	**360,433**
Net Added Revenue		**$19,826**	**$59,477**	**$99,129**	**$138,781**	**$160,391**	**$340,607**

Based on average annual revenues from this source over the last five years, net new revenues range from $19,800 at a rate of $1.10 per $1,000 of value, to $340,000 at $10.00 per $1,000 of value. At the "mid-range" of the rate set by other cities with this revenue source ($4.40), net annual revenues would be about $138,800.

What authority is required to increase this tax?

- **General Purpose.** If the revenues will be used for general purposes, majority voter approval is required. This must occur at the same time as regular Council elections, unless the Council declares an emergency by unanimous vote (in this case, the election may be held at any time).

- **Special Purpose.** If the revenues will be "earmarked" for a specific purpose, two-thirds voter approval is required. This election can be held at any time.

How can these revenues be used?

With majority voter approval, they can be used for any legitimate government purpose, such as parks, street maintenance, recreation, police or fire; or with two-thirds voter approval, they must be used for specifically dedicated purposes.as set forth in the ballot measure.

How would these revenues be collected?

The County could continue to collect these revenues for the City. While this would require a formal agreement with the County, other cities have been successful in doing so. But again, as noted above, implementing this tax would first require Greenfield becoming a charter city.

How would this added revenue affect the diversity and stability of the City's revenue base?

Property transfer taxes currently account for less than 1% of General Fund revenues. As such, increasing revenues from this source would help diversify the City's revenue base. On the other hand, this revenue source is subject to fluctuations based on real estate market conditions.

When could an increase be effective?

Theoretically, an increase could be implemented immediately upon voter approval. However, an effective date that is 120 to 180 days from the date of adoption is recommended in order to ensure a smooth transition for the County, businesses directly involved in processing property transfers such as escrow, title and lending companies; and any individuals or companies with properties currently in escrow.

PROPERTY TRANSFER TAX

Are there any other implementation issues?

Yes. As noted above, under Proposition 62 this revenue source is only available to Charter cities. For this reason, while an option, it is not as viable as many of the other new revenue sources analyzed in this study.

BUSINESS LICENSE TAX

What is a business license tax?

Anyone doing business in the City is required to pay a business license tax. While the term "license" is used for this tax, the City's municipal code (Section 5.04) is very clear that its purpose is "solely to raise revenue for municipal purposes and is not intended for regulation." The tax is set on a "flat rate" basis, with most businesses paying $40 per year.

Background. The flat rates have not been changed since the ordinance was last modified forty years ago in 1975. This underscores a systemic problem with the City's business tax ordinance: it is unresponsive to economic changes (either up or down). For this reason, most progressive business tax ordinances are based on gross receipts and are simpler, easier to administer by setting rates on few (and in many cases, just one) business categories. And where cities have set flat rates, many ordinances provide for ongoing cost of living adjustments (such as changes in the consumer price index). For example, in the City's case, simply adjusting for the passage of time and bringing 1975 costs to today's value would result in flat fees of $169 per year.

Why is this an appropriate City funding source?

Placing this tax on the City's businesses appropriately recognizes that they receive municipal services, and as such, they should share in the cost of providing them.

Is this tax in place at this time?

Yes. The amount paid is based on flat rates. While there are 66 different business types set forth in the municipal code, the overwhelming majority pay the same flat rate of $40 per year. In those cases where the business operates in multiple business categories, it is the City's practice to assess the flat fee for each category. Accordingly, some businesses pay more than $40 per year in total.

Who pays this tax?

Any person or company conducting business in the City is required to pay a business license tax.

Who currently receives the revenue?

The revenue goes into the City's General Fund and is used for general municipal purposes

Can the City increase the tax rate?

Yes. With voter approval, cities can set the business license tax rate at any level, as long as they are not discriminatory or confiscatory, and they are not based on net income.

How much revenue would a rate increase generate?

This depends on the amount of increase and changes to the rate structure, if any. The City's business license tax currently generates about $25,000 per year. Even if the flat rate structure was retained, simply adjusting the rate to account for the passage of time would generate $106,000 annually, an increase of $81,000.

BUSINESS LICENSE TAX

How does the City's business tax rate compare with other cities?

Virtually every city in California assesses business license taxes for revenue purposes. Comparing business license rates is very difficult due to the variety of different tax "measures" used by cities (such as gross receipts, flat fees, square footage, vehicles and employees), tax rates and tax rate structures.

For the ten comparison cities, the following summarizes the type of tax system they have in general (gross receipts or flat rates), the amount of revenue that business license taxes generate annually and revenue per capita.

City	Primary Tax Basis	Business License Tax Revenues	% of General Fund Revenues	Revenues Per Capita
Chowchilla *	Gross Receipts	$98,000	1.4%	$8.17
Dinuba	Gross Receipts	230,000	2.2%	9.72
Escalon	Gross Receipts	38,000	1.4%	5.19
Galt	Employees	101,000	1.2%	4.16
Gonzales	Gross Receipts	50,000	1.2%	5.96
King City	Employees	78,000	1.6%	5.90
Ripon	Employees	125,000	1.5%	8.41
Sanger	Gross Receipts	115,000	1.2%	4.62
Soledad *	Gross Receipts	57,000	0.9%	3.56
Winters	Flat Fee	26,000	0.6%	3.73
Greenfield	Flat Rate	25,000	0.5%	1.48

** Revenues per capita based on community population*

On average, business license tax revenues for the comparison cities are:

- 1.4% of General Fund revenues, compared with 0.5% for the City –about one-third of the average.

- $6.05 per capita compared with $1.48 for the City – about 25% of the average.

Adjusting rates to account for the passage of time since they were last revised forty years ago would bring revenues into the mainstream of the comparison cities.

What authority is required to increase this tax?

- **General Purpose.** If the revenues will be used for general purposes, majority voter approval is required. This must occur at the same time as regular Council elections, unless the Council declares an emergency by unanimous vote (in this case, the election may be held at any time).

- **Special Purpose.** If the revenues will be "earmarked" for a specific purpose, two-thirds voter approval is required. This election can be held at any time.

How can these revenues be used?

With majority voter approval, they can be used for any legitimate government purpose, such as parks, street maintenance, recreation or police; or with two-thirds voter approval, they must be used for specifically dedicated purposes as set forth in the ballot measure.

How are these revenues collected?

The City is responsible for collecting this tax: first time applications are typically "over-the-counter" with annual renewals thereafter on a calendar year basis. Unless there were significant changes in the structure, implementing an across-the-board increase in rates would be fairly simple to accommodate with minimal costs, since the collection system is already in place.

How would this added revenue affect the diversity and stability of the City's revenue base?

Business license taxes currently account for less than 1% of General Fund revenues. As such, increasing revenues from this source would help diversify the City's revenue base.

When could an increase be effective?

Theoretically, an increase could be implemented immediately upon voter approval. However, an effective date that is 120 to 180 days from the date of adoption is recommended in order to ensure a smooth transition for the City for required internal administrative and computer changes, and to communicate the changes to the business community. Additionally, any change should be carefully coordinated with to avoid any conflicts with the City's annual renewal cycle.

GENERAL OBLIGATION BOND PROPERTY TAX

What is a general obligation bond property tax?

This is an increase in the property tax rate, levied against the assessed value of properties, in excess of the "1% of market value" limit under Proposition 13, in order fund the repayment of general obligation bonds for capital improvements.

Background. Adopted almost 40 years ago in 1978, Proposition 13 does not allow an increase in general purpose property taxes above the "1% of market value" limit under any circumstances. However, subsequent amendments to this constitutional limit allow for increases in property taxes for voter-approved bonded indebtedness. The proceeds are restricted to specified capital improvements, and as such, cannot be used to fund operating costs.

Why is this an appropriate City funding source?

Along with a number of other intangible factors, property values reflect the kinds and level of service provided by the City: good public safety services and well-maintained streets and parks enhance property values. Additionally, many of the improvements typically funded by general obligation bonds are directly tied to property-related services, and as such, sharing the cost based on value is a reasonable approach. Lastly, this is a very broad-based tax that spreads the tax burden over local businesses and residents as well as out-of-town property owners.

Is this tax in place at this time?

No: the City does not have any voter-approved general obligation debt funded by property taxes.

Who pays this tax?

Property owners within the City limits would pay this tax.

Who receives the revenue?

Proceeds from the bond issue would be accounted for separately by the City in a capital projects fund and used solely to pay for approved projects identified in the bond issue; and the annual revenue from the "add-on" property tax rate would be accounted for separately in a debt service fund and used solely to pay annual principal and interest on the bonds.

Can cities increase their tax rate?

Yes, with two-thirds voter approval. General Law cities may incur general obligation debt up to 3.75% of assessed value. Based on the City's 2014-15 assessed value of $563,513,467, this would be about $21 million for the City. Under current market circumstances, this translates into an annual revenue-raising capacity to meet annual debt service requirements of about $1.7 million. This would mean an increase an increase of about 0.3% in the general purpose 1% tax rate.

How much revenue would an increase generate?

This depends entirely on the amount of general obligation bonded debt that the City incurs. As noted above, the maximum amount of bonded indebtedness that the City could have outstanding at any one time is about $21 million. However, it is highly unlikely that the City would (or should) consider approaching this maximum.

GENERAL OBLIGATION BOND PROPERTY TAX

Do other cities have general obligation bond property tax rates?

Many cities throughout the State of have passed general obligation bonds approved with two-thirds voter approval.

None of ten comparison cities have general obligation debt commitments.

What authority is required to implement this tax?

General obligation bond property taxes require two-thirds voter approval. This election can be held at any time.

How can these revenues be used?

The proceeds from a general obligation bond are restricted to capital improvements as set forth in the ballot measure; and annual property tax revenues can only be used to pay for debt service on the bond issue.

How are these revenues collected?

- Proceeds from the bond issue would be placed with a trustee and disbursed as needed to pay for approved capital projects.
- Annual property tax revenues to pay debt service would be collected by the County along with other taxes and assessments on the property tax roll, and distributed to the City on the same remittance schedule.

How would this added revenue affect the diversity and stability of the City's revenue base?

Property taxes revenues are typically a very stable revenue source; and while general obligation bond property taxes do not directly affect the revenue base or its diversity, shifting the burden for capital improvements to a stable revenue source has the affect of improving diversity.

When could an increase be effective?

An increase in property tax rates could be effective for the next tax year following voter approval and issuance of the bonds.

PARCEL TAXES

What is a parcel tax?

With two-thirds voter approval, parcel taxes are allowed in any amount as long as they are not based on property value. They may be set based on either a flat rate per parcel or a variable rate depending on the size, use or number of units on the parcel. They can be used for general or special purposes.

Why is this an appropriate City funding source?

Many of the City's services are directly related to property. Additionally, at modest levels parcel taxes are usually very straightforward and easy to communicate to the public. On the other hand, at high levels, a flat rate may appear unfair, since it is not based on the value of the parcel (like a property tax) or ability to pay (like sales or income taxes).

Is this tax in place at this time?

No. While the City levies maintenance assessments based on benefit, it does not levy parcel taxes.

Who pays this tax?

Property owners within the City limits pay this tax.

Who currently receives the revenue?

This revenue source is not in place at this time. If adopted, the best approach of accounting for any new parcel taxes depends on its purpose, and whether it is fully or partially covering the cost. For example, if the parcel tax were to pay for only part of a specific service provided through the General Fund, then accounting for it in the General Fund would be appropriate. However, if it was intended to fully cover the cost of a specific service, then a separate fund may be warranted depending on the circumstances.

Can cities increase their parcel tax rate?

Yes. As long as the tax is not based on property value, there are no State or Federal limits on this revenue source, assuming that it is adopted with two-thirds voter approval.

How much revenue would an increase generate?

This depends on the rate and basis of the parcel tax. While proportionality is required in setting the rate, the "nexus" standard is not as exacting as it is for assessments and property related fees. Typically, cities differentiate between developed and undeveloped parcels; and for developed parcels, they typically differentiate between single family residential (SFR), multi-family residential (MFR) and non-residential parcels.

If the City pursues this option, an important first step would be to develop the appropriate proportionality of various parcel types. This is typically achieved by creating "equivalent dwelling units" (EDU's), with developed single family residential parcels equal to one EDU.

For revenue projection purposes only, the following are sample EDU's (as noted above, this would require more detailed analysis if the City pursues this option).

PARCEL TAXES

Sample Parcel EDU's and Annual Revenues						
			Projected Annual Revenues @			
		Units/	$50	$100	$150	$200
Type	EDU	Parcels	Per EDU	Per EDU	Per EDU	Per EDU
Undeveloped/Agricultural	0.25	273	3,413	6,825	10,238	13,650
Developed					-	-
SFR	1.00	3,089	154,450	308,900	463,350	617,800
MFR	0.75	663	24,863	49,725	74,588	99,450
Other Non-Residential	2.50	228	28,500	57,000	85,500	114,000
Total		4,253	$211,225	$422,450	$633,675	$844,900

Do other cities have parcel taxes?

Over fifty cities in California have adopted special parcel taxes for a broad range of services, including libraries, police service, fire service, paramedic services, storm water projects, cultural services and street maintenance.

None of the ten comparison cities have parcel taxes.

What authority is required to implement this tax?

Parcel taxes, whether for general or special purposes, require two-thirds voter approval. This election can be held at any time.

How can these revenues be used?

Parcel taxes can be used for any legitimate government purpose, such as parks, street maintenance, recreation or police. They can be used for operating capital or debt service costs; and they can be for general or special purposes.

How are these revenues collected?

They would be collected by the County along with other taxes and assessments on the property tax roll, and distributed to the City on the same remittance schedule.

How would this added revenue affect the diversity and stability of the City's revenue base?

Parcel taxes are a very stable revenue source. By expanding the City's revenue base and decreasing its reliance on sales and property taxes, parcel taxes would improve the diversity of the City's revenue base.

When could this new tax be effective?

A parcel tax could be effective for the next tax year following voter approval.

UTILITY USERS TAX

What is a utility users tax?

This is a tax on the consumption of utility services (such as natural gas, electricity, water, sewer, telephone and cable), similar to the retail sales tax on commodities.

Why is this an appropriate City funding source?

Utility user taxes are an established means of generating General Fund revenues. Half of the State's residents and a majority of businesses pay a utility user tax. Additionally, it is very stable revenue source and helps diversify the City's revenue base.

Is this tax in place at this time?

Yes. The City has a utility users tax (UUT) of 3% on most utilities (excludes water and some telecommunications), generating about $265,000 annually.

Who pays this tax?

Residents or businesses using the utility pay the tax at the time the utility bill is paid.

Can cities set and increase their tax rate?

Yes. With voter approval, cities can set the UUT rate at any level. There is no regulation of this revenue source by the State or Federal government.

What is the UUT rate in similar cities?

154 cities have adopted a utility users tax, with rates ranging from 1% to 11%. Although a majority of cities do not have a utility users tax, about half of the State's residents and a majority of businesses are covered by the tax.

The following summarizes UUT rates for the ten comparison cities.

Utility User Tax Rates: Comparison Cities

City	UUT Rate*
Chowchilla	-
Dinuba	7.0%
Escalon	-
Galt	-
Gonzales	4.0%
King City	2.0%
Ripon	-
Sanger	5.0%
Soledad	5.0%
Winters	5.0%
Greenfield	3.0%

On most utilities: several cities levy a lower rate on some utilties and not at all on others.

UTILITY USERS TAX

How much revenue would a rate increase generate?

This depends on three key factors:

- What utility services are subject to the tax? The broader the base, the greater the revenue. Most cities include the following utilities: gas, electric, telephone, cable television and water.

- What is the tax rate? There are 154 cities in that have adopted UUT rates ranging from 1.0% to 11.0%.

- Which users are subject to the tax? In some cities, only non-residential users are subject to the UUT; and in others, the rates are different depending on the utility. Additionally, some cities exclude other governmental agencies or provide reduced (or waived) levels for senior citizens/and or low-income customers.

The following presents added revenues at alternative rates charged by the comparison cities, based on retaining the current rate base of utilities subject to UUT:

Utility User Tax Revenue Estimates	
Current Revenues: 3% Rate	$265,000
Added Revenues at:	
4% Rate	88,300
5% Rate	176,700
6% Rate	265,000
7% Rate	353,300

What authority is required to increase this tax?

- **General Purpose.** If the revenues will be used for general purposes, majority voter approval is required. This must occur at the same time as regular Council elections, unless the Council declares an emergency by unanimous vote (in this case, the election may be held at any time).

- **Special Purpose.** If the revenues will be "earmarked" for a specific purpose, two-thirds voter approval is required. This election can be held at any time.

How can these revenues be used?

With majority voter approval, they can be used for any legitimate government purpose, such as parks, street maintenance, recreation or police; or with two-thirds voter approval, they must be used for specifically dedicated purposes as set forth in the ballot measure.

How are these revenues collected?

Utility companies are responsible for collecting this tax—at no cost to the City—and remitting it monthly to the City.

How would this added revenue affect the diversity and stability of the City's revenue base?

UUT revenues account for about 6% of General Fund revenues (excluding interfund transfers). Modestly expanding the base and/or increasing its rate would decrease the City's reliance on sales and property taxes, improving the diversity of the City's revenue base. Additionally, UUT revenues are traditionally very stable.

When could this added revenue be effective?

Theoretically, this new revenue could be implemented immediately upon voter approval. However, an effective date that is a least 90 days after adoption is recommended in order to allow enough lead time for notification to all utility companies and to allow them time to make the computer programming and billing changes required.

ADMISSIONS TAX

What is an admissions tax?

This tax is levied on the consumer for the privilege of attending theaters, concerts, movies, sporting events, museums and other performances. The tax can be a flat rate, a percentage of the ticket value or a sliding rate depending on the cost of the ticket. Although generally determined to be lawful, courts have struck down admissions taxes that are borne solely or primarily by activities protected by the First Amendment, such as movie theaters. These cases suggest that to implement this tax, a city must have substantial businesses or events that would be subject to it, which do not involve First Amendment rights and would bear a significant portion of the tax burden. For this reason, most cities that have this tax have professional sports teams, amusement parks or similar major event venues in their cities.

Given these constraints, no revenues have been projected from this source given the lack of any major venues in the City similar to those where this tax has been successfully implemented.

Why is this an appropriate City funding source?

Placing this tax on those who attend major attractions appropriately recognizes that they receive City services during their attendance at major concerts, museums, sporting events, amusement parks or similar venues, and as such, they should share in the cost of providing them.

However, given the lack of major venues in Greenfield similar to those in communities where this tax is in place, this is not a good “fit” for the City.

Is this tax currently in place in the City?

No.

Who pays this tax?

The patrons of events held at theaters, auditoriums, sporting arenas, amusement parks or similar attractions and venues.

Can cities set and increase their tax rate?

Yes, with voter approval. However, as noted above, there are First Amendment limitations on this tax, and for this reason, it is in place in very few cities.

Have other cities adopted this tax?

Yes: Eleven other cities in the State have adopted an admissions tax, most typically in cities with large stadiums, sports arenas, auditoriums, amusements parks or museums.

None of the ten comparison cities have this tax.

How much revenue would this tax generate?

No revenues have been projected from this source given the lack of any major venues in the City similar to those where this tax has been successfully implemented.

ADMISSIONS TAX

What authority is required to implement this tax?

- **General Purpose.** If the revenues will be used for general purposes, majority voter approval is required. This must occur at the same time as regular Council elections, unless the Council declares an emergency by unanimous vote (in this case, the election may be held at any time).

- **Special Purpose.** If the revenues will be "earmarked" for a specific purpose, two-thirds voter approval is required. This election can be held at any time.

How can these revenues be used?

With majority voter approval, these revenues can be used for any legitimate government purpose, such as parks, street maintenance, recreation or police; or with two-thirds voter approval, they can be used for specific dedicated purposes as set forth in the ballot measure.

How are these revenues collected?

Operators of the attractions are responsible for collecting the Admissions Tax from its patrons and (most commonly) remitting it to the city on a monthly or quarterly basis.

How would this added revenue affect the diversity and stability of the City's revenue base?

Since this is not a viable revenue source for the City at this time, there is no impact.

When could this new tax be effective?

Until Greenfield has a variety of major entertainment or event facilities on which to impose an admissions tax, it is not a viable revenue source.

PARKING TAX

What is a parking tax?

This tax is imposed on occupants of off-street parking spaces for the privilege of renting the space within the City. It is typically levied when there are a large number of privately-owned and operated parking lots and garages, and there is a high demand for these spaces. Since this is not the case in Greenfield, no revenues have been projected from this source.

Why is this an appropriate City funding source?

Placing this tax on visitors to a city appropriately recognizes that they receive municipal services during their stay, and as such, they should share in the cost of providing them. Paying for this through parking taxes is one way for visitors to pay their fair share.

However, due to the lack of any large, high-demand privately-owned and operated parking lots and garages in Greenfield, this revenue is not a "good fit" for the City.

Is this tax in place at this time?

No.

Who pays this tax?

Those visiting areas with for-fee parking lots and garages.

Can cities increase their tax rate?

Yes, with voter approval. There are no regulations on this source by the State or Federal government.

How much revenue would an increase generate?

Due to the lack of a number of large, high-demand privately-owned and operated parking lots and garages in the City, no revenues have been projected from this source.

Do other cities have this revenue source?

24 cities in California have parking taxes, at rates ranging from 8% to 25%.

None of the ten comparison cities currently have this tax.

What authority is required to increase this tax?

- **General Purpose.** If the revenues will be used for general purposes, majority voter approval is required. This must occur at the same time as regular Council elections, unless the Council declares an emergency by unanimous vote (in this case, the election may be held at any time).

- **Special Purpose.** If the revenues will be "earmarked" for a specific purpose, two-thirds voter approval is required. This election can be held at any time.

PARKING TAX

How can these revenues be used?

With majority voter approval, they can be used for any legitimate government purpose, such as parks, street maintenance, recreation, police or fire; or with two-thirds voter approval, they must be used for specifically dedicated purposes as set forth in the ballot measure.

How are these revenues collected?

They are collected by the parking facility operator, and typically remitted to the City on a monthly basis.

How would this added revenue affect the diversity and stability of the City's revenue base?

Since this is not a viable revenue source for the City at this time, there is no impact.

When could this new tax be effective?

Until there are a number of large, high-demand, privately-owned and operated parking lots and garages in Greenfield, this is not a viable revenue source.

MAINTENANCE ASSESSMENT DISTRICTS

What are maintenance assessments?

They are charges levied on property owners on a "benefit" basis for maintenance services, potentially for a broad range of activities such as fire suppression, public safety, tree trimming, street landscaping, streetlights, storm water, traffic signals, and parks and recreation facilities in the community.

Prior to Proposition 218, maintenance assessment districts were widely used throughout California for a broad range of services. However, forming maintenance assessment districts today that meet the rigorous "proportionate special benefit derived by each identified parcel" criteria is much more difficult.

Why is this an appropriate City funding source?

The services funded by these assessments are a large part of what makes the City an attractive place to live and conduct business. Many also fall into the category of "community enrichment" improvements, such as a higher level of street lighting or special parkway or median landscaping, which may be more appropriately financed from sources outside of the City's basic general fund tax revenues. In many cases, maintenance assessments can help cities be more business-like and market-driven, by offering augmented services on an optional basis to only those who want them (and are willing to pay for them).

Does the City levy these types of assessments now?

Yes. The City has established two lighting and landscape assessment districts and two street and storm drainage maintenance districts. Combined, these generate about $462,700 annually: $356,200 in lighting and landscape assessments and $106,500 in street and storm drainage assessments.

Who would pay these assessments?

The owners of property within established assessment districts.

Who would receive the revenue?

The City has established separate funds to account for the revenues and expenditures in each District.

Who would administer these assessments?

The City would establish assessment districts and the formulas for apportioning assessments. Given the cost of conducting annual ballots, standard annual adjustment factors (such as changes in the Consumer Price Index) are typically approved when the district is formed. Assessments would be included on the County secured property tax roll and collected by the County on the City's behalf.

Can cities determine the assessment methods and amounts?

Yes. Within the procedural requirements of Proposition 218, cities have a wide range of discretion in determining the apportionment methods and the amount to be raised. The only requirement is that the total amount generated cannot exceed the costs reasonably incurred in providing covered services; and the apportionment method must relate to the specific benefit received by each parcel. This assessment report needs to be prepared by a registered engineer.

How much could the City realize from these assessments?

This depends on the nature and scope of services that would be funded from assessments. Within the property owner approval framework of Proposition 218 and its other procedural requirements, there are a wide range of property related services that could be funded through assessments.

As discussed in Chapter 1, along with funding public safety, the City is also interested in exploring ways of funding storm water operations and improvements. Preliminary estimates are that $300,000 to $600,000 would be needed annually for this purpose.

Storm Water Fees versus Assessments. As discussed in Chapter 1, the process for setting storm water assessments and property related fees is very similar. Accordingly, a comprehensive discussion of the revenue potential from either storm water assessments or fees is provided in the "Higher Cost Recovery" section of this report.

What other cities have this kind of assessment?

Many cities throughout the State use maintenance assessment districts. All of the ten comparison cities have formed maintenance assessment districts, summarized as follows:

Comparison Cities Use of Maintenance Assessment Districts

City	Lighting & Landscape	Streets & Storm Water
Chowchilla	x	x
Dinuba	x	x
Escalon	x	x
Galt	x	x
Gonzales	x	
King City	x	
Ripon	x	
Sanger	x	
Soledad	x	*
Winters	x	
Greenfield **	x	x

** Soledad is considering a Citywide storm water fee/assessment of $1 month per "equivalent dwelling unit."*

*** Greenfield's storm water assessment district is not citywide.*

What is the legal authority for these assessments?

There are at least 18 separate "Acts" governing assessment districts dating back to 1909 (such as the Landscaping and Lighting Maintenance District Act of 1972, Fire Suppression Act and

Pedestrian Mall Law of 1960) and Park and Playground Act of 1909); however, the provisions of Proposition 218 override all these.

To start the assessment proceedings, the City must prepare an engineering report by a registered professional engineer, which includes a description of the work to be accomplished in the following fiscal year, an estimate of the costs for this work, a diagram of the assessment district and the method apportioning costs among specific parcels within the district based on benefit. The Council then must adopt a resolution of intention to establish the assessment district and levy assessments and to announce a public hearing.

An assessment ballot is then conducted, and majority approval by those responsible for paying the special assessments, weighted by each property owner's benefit obligation, is required (based on those voting). In this case, the vote is not by "secret ballot," since the weight (and right to vote to begin with) must be determined publicly.

These elections can be held at any time.

What services can maintenance assessments fund?

If carefully structured to comply with the requirements of Proposition 218, maintenance assessment districts can cover a broad range of costs, including maintaining trees, landscaping, fire suppressions services, storm water, traffic signals, parks, recreation improvements and open space.

How are these revenues collected?

As noted above, they are collected by the County on the secured property roll based on information provided to them by the City.

How would this added revenue affect the diversity and stability of the City's revenue base?

Assessments are a very stable revenue source. By expanding the City's revenue base and decreasing its reliance on sales and property taxes, maintenance assessments would improve the diversity of the City's revenue base.

When could these assessments take effect?

Initially establishing a district is time-consuming; and if approved, collection of assessments must be scheduled to start with a new fiscal year.

MELLO-ROOS SPECIAL TAX DISTRICTS

What are Mello-Roos special taxes?

They are special taxes set through “Community Facilities Districts” (CFD’s). While they are typically formed to provide services or capital improvements to new developments (when there is usually just one “voter”—the developer/land owner), they can be formed on a citywide basis in already developed areas as well. Depending how they are structured when approved, Mello-Roos special taxes can pay for operations and maintenance as well as capital improvements.

Background. If there are twelve or more registered voters in the district, approval by two-thirds of the registered voters is required. However, if there are fewer than twelve registered voters, the district vote is by the property owners in the district. In this case, property owners have one vote for each acre of land they own in the District. For this reason, Mello-Roos CFD’s are typically used in financing improvements and services for new development.

Why is this an appropriate funding source for the City?

Forming Mello-Roos districts to cover the cost of facilities and services for new development is a strategy used by many cities to ensure that new development “pays its own way.” In newly developed areas, the cost of all additional police, recreation and flood control operating services could be covered through Mello-Roos taxes. Likewise, all additional facilities needed, like parks, fire stations and flood control projects, could be financed by these levies.

However, this potentially sets up two classes of City residents—those who receive what may be perceived as general city services based on the general-purpose tax revenues they pay, and those who must pay an additional premium for those same services. Nonetheless, many cities have moved to this out of fiscal necessity. The revenue impact of this is difficult to assess, since it would depend on what services were subject to the special Mello-Roos tax. However, as discussed above, this would require the concurrence of the property owner in establishing this special tax district (assuming there are less than twelve registered voters in the District) before the start of construction.

For existing development, parcel taxes (or other special) taxes may be a simpler approach in achieving the same goal (with the same two-thirds voter approval requirement) than forming a Mello-Roos District. Accordingly, the discussion of parcel taxes conceptually covers the use of Mello-Roos Districts for existing development.

Is this tax in place at this time?

No.

Who would pay this tax?

The owners of property within established CFDs.

Who would administer this tax?

The City would have to initially establish the CFDs and the structure of the tax. The tax could be collected on County tax bills in the same way ordinary ad valorem property taxes are collected.

How much additional revenue could the City realize from these taxes?

The revenue impact of this is difficult to assess, since it would depend on what services were subject to the special Mello-Roos tax. However, the "conventional wisdom" is that special taxes (and any other special assessments or tax rates) should not result in a total tax liability that is greater than 2% of assessed value (or 1% more than the 1% general-purpose tax limit under Proposition 13).

What other cities impose Mello-Roos special taxes?

Many cities throughout the State have formed Mello-Roos Districts, almost exclusively to finance infrastructure, facilities and services related to new development. Two of the comparison cities have formed Mello-Roos Districts: Galt and Sanger.

What authority is required to implement this tax?

Although Proposition 13 severely limited ad valorem property taxes in 1978, it included provisions allowing local governments to impose other special property taxes with a two-thirds vote of qualified electors affected. The Mello-Roos Community Facilities Act set up the mechanisms for local governments to levy these special taxes.

Establishing a CFD can start by legislative action or by petition of registered voters or property owners. Once a CFD is proposed, the Council must adopt a resolution of intention, hold a public hearing, adopt a resolution of formation and then put the issue to an election of qualified voters within the CFD. The proposition may be included on a general or special election ballot, or the election may be conducted by mailed ballot.

- If there are twelve or more registered voters, the tax must be approved by two-thirds of the votes cast.

- If there are fewer than twelve registered voters, the district vote is by the property owners in the district. In this case, property owners have one vote for each acre of land they own in the District.

If approved under either scenario, the Council must then adopt an ordinance in order to levy the tax.

Although legislation allows wide flexibility in apportioning Mello-Roos taxes, they may not be assessed in proportion to the value of real property within the CFD, because Proposition 13 specifically precludes additional ad valorem taxation except for voter-approved general obligation bonds. Most Mello-Roos taxes have been assessed on the basis of development density, "equivalent dwelling units," per parcel, square footage or acreage.

How can these revenues be used?

They can pay for either services or capital facilities. Allowable services are narrowly defined: only additional services beyond those already provided are eligible and these services can only be in the following areas: police protection, fire protection, recreation and flood control. Capital facilities may be special benefit facilities such as streets, water, sewer and drainage facilities or general benefit facilities like parks, police stations or administration buildings.

How are these revenues collected?

This tax could be collected by the County on the secured property tax roll.

How would this added revenue affect the diversity and stability of the City's revenue base?

Special taxes like Mello-Roos collected on the property tax role are a very stable revenue source. By expanding the City's revenue base and decreasing its reliance on sales and property taxes, Mello-Roos special taxes would improve the diversity of the City's revenue base.

When could Mello-Roos taxes take effect?

At the earliest, the District could become effective 150 days after adoption of a resolution of intention.

HIGHER COST RECOVERY

What is higher cost recovery?

Within general State guidelines, the City has broad discretion in determining the balance in funding services between general purpose revenues (taxes) and fees based on benefit and "service drivers" (those who may not directly benefit from the service but drive the need for it; most regulatory fees fall in this category).

Under Proposition 218, user fees fall into two general categories: property related fees and non-property related fees. As discussed below, the main difference between the two is approval requirements: property related fees require some form of voter approval, whereas non-property related fees can be approved by the Council. This means that service charges unrelated to property ownership are one of the few funding sources subject to Council decision-making.

Why is this an appropriate City funding source?

Setting user fees for non-property related purposes such development review and recreation services is one of the few remaining areas where elected officials can still exercise local judgment. If there are areas where user fees should appropriately fund service costs – but they aren't – then this means that general-purpose revenues are being used instead. This reduces the resources available for critical services where significant fee options simply don't exist, and must rely upon general-purpose revenues. This includes services such as police and streets, which are among the most important (and most costly) services that cities deliver.

Simply stated, if a city chooses to subsidize services with general-purpose revenues that could reasonably be funded with fees, the result will be reduced capacity to achieve other high-priority goals that can only be funded through general-purpose revenues. This is a straightforward trade-off with straightforward policy impacts. For example, if planning permit fees do not fully cover development review costs, then street maintenance is likely to suffer as a result. For any number of reasons, this may be an appropriate policy outcome – but it is one that should be made consciously, and not by default.

Is this revenue in place at this time?

Yes. The City already collects user fees for a broad range of services. However, except for water and sewer charges (which are treated differently under Proposition 218), the City does not assess any property-related fees.

Who pays these fees?

The users of the service are responsible for paying these fees.

Who currently receives the revenue?

The revenue is accounted for in the General Fund and is used to offset the cost of providing these services.

Can cities increase user fees?

Yes. However, the requirements are substantially different for property versus non-property related revenues.

Property-Related Fees. For fees that are levied as "an incidence of property ownership" (just because you own property), majority approval by those who will have to pay the fee is required; or at the agency's option, by a two-thirds vote of the electorate residing in the affected area. Additionally, there must be a "nexus" between costs and benefits. Lastly, property related fees for services generally provided to the public, such as police, fire, ambulance or library services, where the service is available to the public at large in substantially the same manner as it is to property owners, are not allowed.

Based on the California Supreme Court "Bighorn" ruling in 2006, water, sewer and trash services are also considered property related fees. However, they are not subject to voter or property owner approval. On the other hand, they are subject to the substantial procedural and protest provisions of Proposition 218.

Non-Property Fees. Proposition 218 exempted development review and impact fees under "AB 1600" (Section 65000 of the Government) from its provisions. Additionally, there is general consensus that many fees charged by cities – such as recreation fees and police reports – are not subject to Proposition 218 voter approval or other procedural requirement since they are typically based on voluntary use, not property ownership.

How much revenue would an increase generate?

Setting fees – whether for property or non-property related fees – needs to take into consideration three key factors:

- The cost of providing the service, including direct and indirect costs such as accounting, human resources, insurance, building maintenance, legal services, information technology and facilities.

- Current cost recovery.

- And cost recovery goals: not all services can or should fully recover their cost; and of course, fees cannot exceed the reasonable cost of providing the service.

As noted in Chapter 1, performing this type of cost of services study is a major undertaking on its own, typically performed by a firm specializing in this type of work, and beyond the scope of this study. Nonetheless, it is possible to assess at a high level the potential for improved cost recovery. Based on this, the City can determine whether it is worth pursuing further.

This study assesses the potential for improved cost recovery from two perspectives:

- Overall cost recovery in the comparison cities with Greenfield's as a percent of total General Fund revenues and service charges per capita.

- High-level assessment of current cost recovery for community development and recreation programs.

HIGHER COST RECOVERY

The following summarizes cost recovery ratios in the ten comparison cities with Greenfield:

City	Service Charges	% of General Fund Revenues	Revenues Per Capita
Chowchilla	$175,000	2.5%	$14.58
Dinuba	500,000	4.8%	21.13
Escalon	162,000	5.9%	22.12
Galt	907,000	10.5%	37.34
Gonzales	578,000	13.5%	68.95
King City	280,500	5.7%	21.23
Ripon	381,500	4.6%	25.68
Sanger	384,000	4.1%	15.42
Soledad *	308,000	4.8%	19.25
Winters	673,000	16.2%	96.43
Greenfield	150,900	2.8%	8.92

** Revenues per capita based on community population*

As reflected below, Greenfield's ratio of service charges to total General Fund revenues and service charges per capita are far below those of the comparison cities.

- 2.8% of General Fund revenues compared with the comparison city average of 6.6% (58% lower than the average).

- Per capita revenues of $8.92 compared the comparison city average of $28.68 (69% lower than the average).

It is important to note that there are data collection and methodological issues associated with these ratios that can skew the results. For example, not all cities account for service charges in the same way and there are differences in the scope of services that each city provides. Nonetheless, given the care taken in analyzing budgets and the fact that these cities were selected based on their similarities, the variances are notable.

The second perspective is to review community developments and recreation costs at a high level compared with related revenues:

Cost Recovery Potential	
Program Costs	
Community Development	263,400
Parks & Recreation	220,300
Total	483,700
Indirect Costs at 21.2% *	102,500
Total Cost	586,200
Less Service Charges	(150,900)
Potential Subsidy	435,300
Revenue Potential at 25% Recovery	$108,800

**** Indirect Costs.** As noted above, cost recovery should include direct as well as indirect costs. Appendix B provides a very high-level assessment of direct and indirect costs, and resulting organization-wide indirect cost rate of 21.2%.*

As reflected above, service charge revenues are far less than related program costs. And this is a conservative assessment, since the cost base excludes possible cost recovery for public safety services like police reports. On the other hand, full recovery is unlikely for a number of practical and policy reasons. However, if even 25% of the potential cost recovery can be captured, then there is the potential for $108,800 in higher cost recovery.

This potential is reinforced by the experience of the comparison cites: if the City achieved the average cost recovery of these agencies, added revenues would be about $200,000 annually.

Both of these assessments indicate that the City should pursue a more detailed cost analysis.

Property Related Fees: Focused Look at Citywide Storm Water Fees. Within the property owner approval (or two-thirds voter approval) framework of Proposition 218 and its other procedural requirements, there are a wide range of property related services that could be funded through fees. In accordance with Proposition 218 requirements, many cities throughout the State have formed storm water utilities and established enterprise funds financed by fees, much like water and sewer.

Along with funding public safety, the City is also interested in exploring ways of funding storm water operations and improvements. Preliminary estimates are that $300,000 to $600,000 would be needed annually for this purpose.

***Storm Water Fees Versus Assessments.** As discussed in the "Maintenance Assessments" section, the process for setting storm water assessments versus fees is very similar. Accordingly, this discussion applies to storm water assessments as well.*

As discussed above, setting such a fee requires a detailed assessment of costs and benefits in assuring that there is a clear "nexus" between the benefits that each property owner would receive and the amount that she or he would pay. However, using the "equivalent dwelling unit" (EDU) basis presented in the "Parcel Taxes" section as an example, the following presents possible storm water fees that would generate $300,000 to $600,000 annually.

HIGHER COST RECOVERY

Sample Storm Water EDU's and Annual Revenues					
			Projected Annual Revenues @		
		Units/	$75	$100	$150
Type	EDU	Parcels	Per EDU	Per EDU	Per EDU
Undeveloped/Agricultural	0.25	273	5,119	6,825	10,238
Developed					
SFR	1.00	3,089	231,675	308,900	463,350
MFR	0.75	663	37,294	49,725	74,588
Other Non-Residential	2.50	228	42,750	57,000	85,500
Total		4,253	$316,838	$422,450	$633,675

As reflected above, a storm water EDU of $75 per year could potentially raise about $300,000; and an EDU of $150 would raise about $600,000 annually.

What authority is required to increase these fees?

- Setting or increasing property related fees requires majority owner approval or two-thirds voter approval.

- The Council is authorized to set user fees for non-property related services. As discussed above, this is one the few areas where the Council has revenue-raising discretion.

How can these revenues be used?

They can only be used to offset the costs of providing the service, including both direct and indirect costs.

How are these revenues collected?

- Property related fees can be billed to users (typically “piggybacked” onto water and sewer bills) or collected on the property tax roll.

- Non-property related user fees are typically collected by the operating department before providing services.

How would this added revenue affect the diversity and stability of the City’s revenue base?

By expanding the City’s revenue base and decreasing its reliance on sales and property taxes, higher cost recovery would improve the diversity and stability of the City’s revenue base.

When could an increase be effective?

For property related fees, this is typically a six to eighteen month process in preparing the analysis, presenting it to stakeholders and then proceeding with the public hearing and voting process. Implementation afterwards will depend on the collection approach: if billed with water and sewer, implementation can follow shortly after approval. If collected with the property tax roll, it will need to be coordinated with the County’s procedures for fiscal year following adoption.

HIGHER COST RECOVERY

For non-property related fees, an effective date that is 60 to 90 days from the date of adoption is recommended in order to ensure a smooth transition and meet "AB 1600" noticing requirements for development review fees.

FRANCHISE FEES

What are franchise fees?

These fees are charged to public utilities – such as natural gas, electricity, refuse collection, water, sewer and cable television – for the use of City right-of-way and their adverse impact on City streets in conducting their operations.

Why is this an appropriate City funding source?

Franchise fees help provide reasonable compensation for use of the City's right-of-way and impact of trenching and heavy vehicle use on the City's streets.

Does the City collect franchise fees now?

Yes. The City collects various franchise taxes on all privately-owned utilities operating within the City, such gas, electricity, refuse and cable television, as well as City water and sewer services. Under State law, telecommunication companies are exempt from local franchise fees. As summarized below, the City is very limited by the state and federal regulations in its revenue raising ability on natural gas, electricity and cable television.

- **Natural Gas and Electricity.** For these two utilities, the State regulates the amount of the fee cities can assess on a statewide basis: 2% of gross receipts arising from their use of the franchise (with an alternative minimum calculation based on sale receipts if it results in a higher franchise fee). The City receives about $50,000 annually from these two franchises.

- **Cable Television.** The Federal government extensively regulates cable television and has established a maximum franchise fee of 5%. The City receives about $7,000 annually from this franchise.

Remaining areas where the City has discretion in setting franchise fee rates are refuse, water and sewer services:

- **Refuse Collection.** In conjunction with other cities in Monterey County, the City has set the franchise fee for refuse collection at 20%, which generates about $400,000 annually. The City also bills for refuse and recycling services for the local trash company (Tri-City Disposal) and receives compensation for this service of about $150,000 per year.

- **Water and Sewer**. The City assesses a franchise fee of 1.25% on water and 6.25% on sewer. Together these are projected to generate $266,000 annually in 2014-15.

Who pays these fees?

These fees are paid by the franchise holder. While they may be passed on by the company (like any other operating expense), payment is the responsibility of the operator, not customers.

What other cities have these fees and what rates do they charge?

All cities in California collect franchise fees for electric and gas utilities under the statewide program; virtually all collect cable television franchise fees at the 5% level; and many assess franchise fees on refuse collection at a broad range of rates. Several cities throughout the State assess franchise fees on their enterprise fund operations.

FRANCHISE FEES

What authority is required to increase these fees?

As noted above, the City is pre-empted by the State in setting franchise fees for natural gas, electricity and telecommunications; and by the Federal government for cable television.

However, the Council has the authority to establish franchise fees and determine rates for water, sewer and refuse, although as fees, the amount charged should bare a relationship to the intensity of use of City right-of-way and impact on street wear and tear. For this reason, the franchise fee on refuse is typically greater than on water or sewer.

How much revenue would an increase generate?

The City has no ability to levy franchise fees for telecommunications or to raise rates for natural gas, electricity or cable television. While some discretion exists for water, sewer and refuse, given existing rates, there is very limited potential for added revenues from this source.

How can these fees be used?

Franchise fees can be used for any legitimate government purpose.

How are these fees collected?

They are remitted to the City by the franchise holder. Gas and electric franchise fees are paid annually in April; other franchise fees are typically paid on a monthly or quarterly basis, depending on the terms of the franchise agreement.

How would added revenue affect the diversity and stability of the City's revenue base?

By expanding the City's revenue base and decreasing its reliance on the sales and property tax, franchise fees help with diversity and stability of the City's revenue base.

What action is necessary to increase these taxes?

As discussed above, no action is available for telecommunications, natural gas, electricity or cable television. Raising franchise fees on refuse service would require amending the City's agreement with the franchise holder, which has been done in conjunction with other Monterey County cities. Establishing franchise fees for water and sewer service can be approved by the Council as part of the budget process.

3. PREPARING FOR A SUCCESSFUL REVENUE MEASURE

OVERVIEW

For the past forty years, California has been on the path to a new era of governance, with fundamental changes in the way that decisions are made. While this is occurring at all levels, it is perhaps most pronounced for local agencies, since they are the level of government closest to the people, and the one most susceptible to these changes. The following is a brief overview of this change and it how directly affects the City of Greenfield's ability to preserve its fiscal health while at the same time deliver current service levels, adequately maintain existing facilities and infrastructure, and achieve important community goals and capital improvements.

REPRESENTATIVE VERSUS DIRECT DEMOCRACY

One of major "mega-trends" affecting governance is a fundamental change in the way that decisions are made. Over the last forty years, there has been a decided shift from "representative democracy" to "direct democracy," especially in local government finance.

Proposition 13 did not start this trend, but it certainly resulted from it. Since its passage almost forty years ago in 1978, there have been an increasing number of citizen-approved limits on the ability of elected officials at the local level to make resource decisions on behalf of the community, including Proposition 4, 218 and 62 as part of a long line of expenditure and revenue limitation ballot measures.

There are a number of possible explanations for this change:

- Lack of leadership (or at least the perception) by elected and appointed officials on important issues to the nation, state and community.
- Increasing distrust of government in general.
- Loss of community identity (and support) as places of work and home have become increasingly separated.
- Increasing frustration with the inability to affect government at the state and federal level, and an over-compensation at the one level – local government – where voters feel they can make a difference.
- Improved information about public issues, resulting in less reliance on others to make decisions on our behalf.
- Increased influence of highly-organized and well-financed special interest groups through the initiative process.

Whatever the reason, the reality is that there has been a major shift to direct citizen decision-making in a broad range of issues previously thought to be too "technical" for this. While this has occurred in a number of areas such as insurance and campaign financing, it is especially prevalent in "ballot box budgeting." Citizens are no longer willing to give their proxy on financial issues to elected officials, or to their interest group representatives on "blue ribbon" committees. City finance is an issue they want to decide directly for themselves.

3. PREPARING FOR A SUCCESSFUL REVENUE MEASURE

How does this shift affect the City's long-term fiscal health? Stated simply, the City will need broad-based community support – in evidence on Election Day – to implement new revenue sources. In this new model of direct democracy, creating support among elected officials and community leaders – even if it broadly crosses a number of interest groups – is no longer enough.

And based on the experience of other cities, achieving this support at the *ballot box* (the only place it matters) requires two key ingredients: a compelling vision of how the new revenues would be used; and an effective way of communicating this vision to likely voters.

PROSPECTS IN THE POST PROPOSITION 218 ENVIRONMENT

Under Proposition 218 adopted in November 1996, the ground rules for municipal finance were fundamentally changed. In short, any major, broad-based revenue program will require voter approval. In the case of tax revenues, majority voter approval is required for general-purpose taxes; and two-thirds voter approval for special taxes. Assessments are still possible for selected services; however, they are limited in the kinds of services that can be funded through them (these typically fall into more traditional services such as streets, sidewalks and sewers where costs and benefits can be closely linked); and there are rigorous "assessment ballot" procedures. Any form of citywide assessment district with simple apportionment factors is virtually prohibited.

Limited Opportunities for the Council to Increase Revenues

As discussed in Chapters 1 and 2, there are a limited number of areas where revenues can be raised by the Council without voter approval, such as user fees. Along with these, grant revenues and enhanced economic development efforts can also play a role in augmenting the City's fiscal capacity. However, grant programs are few and far between; and those that remain are more competitive than ever. Moreover, they are focused (appropriately) on the goals and priorities of the granting agency, which may not be the same as the City's. For this reason, while they can be important in enhancing City projects and in providing funding for "pilot" programs, grant revenues cannot be relied upon as a long-term financing source for high-priority programs and projects.

The same is true for even the most successful economic development programs: these are long-term programs, which can typically take five to twenty years before a community sees the benefits; and the results can never be guaranteed: while the City can be a partner in local economic development efforts, ultimately a healthy economy depends on successful private sector market decisions, which the City does not control.

Paramount Need for Broad-Based Community Support

Other than these limited resource options, the City will need strong community support – in evidence on election day – for anything else it does in implementing any significant new or increased revenue sources.

3. PREPARING FOR A SUCCESSFUL REVENUE MEASURE

Intensive, Community-Based Program Required for Success. Communities in California have been successful in generating broad-based voter support for new revenues when:

- There has been a major community-wide focus on desired programs. In these cases, revenue increases have followed these "visioning" efforts, not driven them.

- There are serious fiscal or service problems of crisis proportions.

Although they were driven by very different factors – hopes versus fears – all of these successful efforts share one thing in common: they were the result of extensive community-based efforts, which included a combination of outreach tools, and professional assistance to use them effectively such as:

- Focus groups.
- Professionally conducted, scientific surveys.
- Town hall meetings.
- Direct mailings and/or newspaper inserts – "community budget-building" exercises.
- Strong follow-on advocacy group for ballot measure support.

Based on the experience of many cities and other local government agencies throughout the State, if the need is compelling and is effectively communicated, this effort is likely to be successful. However, it requires commitment, resources (more on this later), time, and most importantly, a strong community-based advocacy group that will aggressively raise funds and campaign for the issue once it is on the ballot.

This last issue cannot be stressed enough. Under State law, cities have broad discretion in using their funds for professional assistance in researching issues, conducting surveys, and developing voter support strategies. However, once an issue becomes a formal ballot measure, cities cannot participate as an advocate in any way. In short, unless there is a strong community-based group who is willing to aggressively raise funds and campaign for the measure, it is not likely to pass.

ELEMENTS OF A SUCCESSFUL REVENUE MEASURE

Three are three major steps that have been used successfully by local agencies throughout the State in preparing for a successful revenue measure:

- ***Feasibility Assessment.*** Conduct public opinion research and assess the likelihood of a successful revenue measure.

- ***Education Program.*** If the public opinion research is favorable, develop and implement an educational campaign on why new revenues are needed.

- ***Ballot Measure.*** Place the measure on the ballot *if* there is a community-based group that will aggressively campaign for its passage.

The following further summarizes the components of each of these steps. It is important to stress that while the City can take the lead on these three tasks in preparing for the measure, once it is placed on the ballot it can no longer be an active participant in the process or commit resources to its passage in any way. For this reason, even though the results of the first two steps may have been very positive, placing the measure on the ballot should only occur if there is a community-based group has emerged that will campaign for its passage.

Lastly, in Greenfield's case, not all of these actions might be necessary if the City chooses to move forward with a revenue ballot measure. However, the following provides the City with an overview of the actions that other local agencies have taken in successfully preparing for a revenue ballot measure.

Feasibility Assessment

The first step many agencies have taken in assessing the feasibility is to hire a qualified team of a public opinion research firm and a revenue measure advisor. The results of the public opinion research are invaluable in assessing at the very beginning if there is adequate voter support for a new revenue measure. While support can subsequently be built (or maintained) through an education program, if there is very low support initially, an education campaign is unlikely to be successful in gaining voter support on Election Day.

The public opinion survey will typically surface three key issues:

- ***How does the community feel about the City and the services it delivers today?*** The experience from revenue measures in other communities show that it is very difficult to gain voter support for new revenues where there isn't already a high level of satisfaction with City services and trust in its government. In short, if voters do not feel that current revenues are being used wisely, they are not likely to approve more.

- ***What programs are most likely to attract voter support?*** What do voters see as the biggest problems in the community, and would be likely to approve additional funding for: Public safety? Street maintenance? Parks and recreation? What messages would be most effective in community the need for additional resources? On the other hand, which service areas are least likely to attract voter support? And what are the reasons why voters would not support a revenue measure?

- ***What revenues would voters most likely support?*** As discussed in detail in Chapter 2, there is a wide range of new revenue options available to the City. Which of these is most likely to attract to attract the most voter support? And how does support change based on the rate and level of revenue generated? In the final analysis, each of these revenue options has underlying philosophical reasons that might make them desirable, such as added revenue diversity, stability or shifting the tax burden to non-residents. However, the best candidate for a successful measure is probably the one that voters are the most supportive of at the outset.

3. PREPARING FOR A SUCCESSFUL REVENUE MEASURE

From the results of this research, the local agencies can evaluate the feasibility of a revenue measure; and if it is, determine the elements of an effective education program (which is the next step).

This step will take 60 to 90 days. Scientific public opinion research like this typically costs about $20,000.

Public Information Program

Before placing a measure on the ballot, this next step is essential in communicating the need for additional revenues to likely voters. Possible elements include:

- Refining the new revenue purposes and uses.
- Selecting the financing mechanism.
- Developing and implementing a public education program.
- Conducting additional survey research (tracking poll) to assess shifts in support.

Refining the Measure

Based on the result of the public opinion survey, local agencies need to decide which items to fund in the measure. This includes making a key strategic decision: should this be a majority or two-thirds voter approval measure? As discussed more fully in Chapters 1 and 2, general-purpose tax measures only require majority voter approval, while special taxes (general obligation bond measures), where the proceeds are restricted as to their use, require two-thirds voter approval.

On its surface, passage of a majority voter approval measure would appear "numerically" easier; however, since its proceeds cannot be earmarked for a specific purpose, it can be difficult to communicate the need for the measure, when in essence it calls for raising taxes for no particular reason. On the other hand, while it is obviously a greater challenge to gain two-thirds than majority voter approval, it has the advantage of communicating a more focused (and compelling) reason for added revenues.

However, regardless of whether it is a majority or two-thirds measure, a local agency needs to communicate a compelling reason for why it needs added revenues.

Developing Key Messages

Once the agency has determined the basic strategy (majority or two-thirds voter approval) and refined the funding items, assigned costs and select a funding mechanism, key messages are developed that:

- Address the need for such a measure, and why now—make the case that this is a necessary, responsible fiscal plan.

- If a two-thirds measure, include specifics of the items to be funded.

- Establish protections for ensuring money will be spent responsibly, such as outside audits, sunset provisions or citizen's oversight committee.

Building Community Support

Opinion Leaders. Depending on the funding mechanism and uses identified for the measure, building community consensus is essential. Early in this process, key constituents, stakeholders, business leaders and other public officials should be contacted and their support, questions or opposition evaluated. This also begins to identify possible members of the community-based group that will be essential later in advocating for passage of the measure.

Public Information Program. An effective public information program often includes the following communications components:

- Personal meetings with external "Opinion Leaders" to educate them on the funding needs contained in a possible measure and obtain input.
- A series of non-partisan, information-only mailings to Opinion Leaders, again about the agency's funding needs.
- A series of non-partisan, information-only mailings to constituents determined by the public opinion survey as needing more information about the agency's funding needs.
- A "free media" plan that includes (but is not limited to): non-partisan guest columns, "op-eds" and stories in neighborhood newsletters or other local outlets about the agency's funding needs.
- Where appropriate, "fixed site visibility" activities where constituents and/or agency representatives table or otherwise distribute non-partisan information about a potential revenue measure.
- A speaker's bureau primarily led by constituents to make presentations to key community organizations as needed.

As part of an agency's media/communications plan, information-only fact sheets, brochures, letters, newsletters and guest columns are developed for mailing and distribution. Where time permits, these communications seek citizen input in an "interactive" manner.

Ideally, before placing a revenue measure on the ballot, the agency's public information program has:

- Shifted public opinion further towards support of a possible revenue measure.
- Yielded letters and cards providing it with guidance on how to further refine the measure.
- Answered questions about its funding needs.
- Generated greater community awareness before taking action to place a revenue measure on the ballot.

3. PREPARING FOR A SUCCESSFUL REVENUE MEASURE

Additional Public Opinion Research

Following the public information program, the agency might consider conducting another scientific public opinion survey—an abbreviated version also known as a "tracking poll"—just before placing the measure on the ballot. The purpose of this tracking poll is a final "litmus test" in ensuring that there is substantial voter approval at this point and to confirm financial thresholds: that the agency is not asking for too little or too much money for the measure.

Conducting a tracking poll close to the time that the agency makes a final decision in going forward with a ballot measure is the final opportunity to evaluate where the electorate is, and to make adjustments in the measure as necessary—including not going forward at all.

Timing and Implications of Other Ballot Measures and Issues

If the measure is for general-purpose revenues (majority voter approval), then it must be held in conjunction with Council elections (unless the Council unanimously declares an emergency). The next opportunity for this is November 2016. A two-thirds voter approval election can be held at any time.

Cost and Timing

An effective public information program will take 90 to 180 days. Cost will depend on the scale of the outreach effort, such as direct mailings, tracking poll and professional assistance in preparing the public information program.

Placing the Measure on the Ballot

The agency's final action is to place the item on the ballot. As noted above, local agencies cannot commit any resources in advocating for its passage. Because of this, even if all the other factors to-date have been favorable, the agency should seriously consider not placing the measure on the ballot if by this time an effective community-based group has not emerged that will be campaign aggressively for its passage.

TIMING

The following summarizes the general timing in preparing for a successful revenue measure:

Task	Time
Select research/advisor team	30 to 90 days
Conduct public opinion research and evaluate results; make "go/no-go" decision in proceeding further.	60 to 90 days
If "go:" Develop and implement public information campaign.	90 to 270 days
Evaluate results and make decision on placing measure on the ballot.	30 days
If "yes:" Vote on measure.	90 to 120 days
TOTAL	10 to 20 Months

3. PREPARING FOR A SUCCESSFUL REVENUE MEASURE

As reflected above, from the time a decision is made to seriously *consider* a revenue measure, 12 to 20 months are required to effectively prepare for one.

SUMMARY

Preparing for a successful revenue measure in this era of “direct democracy” requires an approach that engages voters in the decision-making process. Gaining this support—in evidence on Election Day—requires more than a compelling need: it also requires communicating this need in a compelling way. And this requires effective preparation by the local agency—doing its homework, and allocating adequate time and resources to this endeavor—before placing revenue measure on the ballot (which is within the control of the agency); and an effective community-based group that will campaign for its passage afterwards (which is not).

The following "White Paper" was prepared for the Institute of Local Self Government and first presented at the League of California Cities Annual Conference as part of the "Symposium on the Future of Local Government Finance" on October 4, 2002.

LOCAL GOVERNMENT REVENUE DIVERSIFICATION, FISCAL BALANCE/FISCAL SHARE AND SUSTAINABILITY

by

Charles M. (Mike) Dennis, CPFO
Director of Finance, City of Santa Monica

and

Bill Statler
Director of Finance, City of San Luis Obispo

INTRODUCTION

This white paper examines the concepts of revenue diversity and sustainability, and argues that these concepts should be expanded to include achieving and maintaining an appropriate "fiscal share" of financial resources generated by a jurisdiction's local economy. It further argues that rather than only rail against the state for damaging local government finances, our energies should also be directed to using revenue diversity as a strategic tool for creating increased fiscal independence. Increased fiscal independence is essential to ensure the continued and uninterrupted financing of local government services in California.

THE CONCEPTS OF REVENUE DIVERSITY AND SUSTAINABILITY

Background

A review of the literature concerning revenue diversification and fiscal balance indicates that "revenue diversification" is generally understood to mean the process of creating multiple sources of revenue flows to finance local government operations. It is also generally understood to be a tool for achieving "fiscal balance": an appropriate mix of revenue sources and an appropriate mix of revenue bases by revenue source. For example, concerning revenue bases, a Business License Tax that applied various tax rates to all types of businesses in a community would be more diverse that a Business License Tax that only applied to selected types of businesses (i.e. who pays), and/or that overly relied upon a small set of relatively higher tax rates applied to some businesses for most of the Business License tax revenue (i.e. how much individual payers paid).

4. REVENUE DIVERSITY AND STABILITY

When an appropriate "fiscal balance" has been achieved through revenue diversification, it is generally argued that certain benefits accrue to the jurisdiction:

- A greater probability that the level of overall spending would be lower because less service disruptions and other operating inefficiencies associated with over reliance on more limited or uncertain revenue sources would have to be financed;
- A greater probability that sufficient revenues would be generated to sustain current services and service levels;
- Economic equity and efficiency would be improved by spreading the "burden" of financing local government among a broader base of revenue generators (i.e. taxpayers and fee payers) and the use of the lowest possible tax or fee rates;
- There would be a greater ability to avoid fiscal crisis due to fluctuations in the normal economic cycle, legal challenges, and political action because different revenue sources respond in different ways and over different time periods to such fiscal crises; and
- There would be an increased ability to generate more revenue to finance increased spending that may be necessary due to imposed judicial or legislative demands, natural disasters, or changes in public demands/service priorities.

While empirical studies to date have failed to either confirm or refute that such benefits result from revenue diversification, public finance professionals believe that revenue diversification is, nevertheless, desirable. For example, the Government Finance Officers Association has adopted the following best practice policy guidance 4.6 for governments:

"***Practice:*** *A government should adopt a policy that encourages a diversity of revenue sources.*

*"**Rationale**: All revenue sources have particular characteristics in terms of stability, growth, sensitivity to inflation, or business cycle effects, and impact on tax and rate payers. A diversity of revenue sources can improve a government's ability to handle fluctuations in revenues and potentially help to better distribute the cost of providing services."*

Over the last 30 years, empirical studies of local government revenue diversification generally conclude that revenues have become more diverse primarily as a reactive result of the need to replace lost revenue flows due to legislative and/or voter actions (e.g. the shift to a greater use of fee and other tax revenue sources following the lost of property tax revenue due to Proposition 13), rather than as the result of a revenue diversification strategy designed to achieve directly some of the benefits described above.

Relatively little has been written concerning the relationship between the concept of "sustainability" and local finance. Probably the best work to date appeared as an article, "Portland, Oregon: A Case Study in Sustainability" in the February 2002 issue of

Government Finance Review (pages 8 –12). In that article, sustainability was defined as:

> *"Simply put, sustainability is the notion that the current economic and consumption patterns should not reduce opportunities for future generations by depleting or impairing resources. Put another way, sustainability is the process of creating balance among the environment, the economy and social equity. The concept is derived from recognition that the earth's natural capital is limited and that pollution and wastefulness are a drain on the economy."*

The remainder of the article develops the argument that finance officers need to be more involved in local government policies that affect the balance among the environment, the economy and social equity because environmentally unsustainable policies simply cost more, and often a lot more, than sustainable policies.

Expanding on the Concepts of Revenue Diversity and Sustainability

The development, to date, of the concepts of revenue diversification and sustainability have focused primarily on increased fiscal performance assumed to result from revenue diversity/fiscal balance, and reduced local government costs from the adoption of environmentally sustainable policies. The authors of this white paper suggest, however, that these concepts may be more useful if they are expanded to include the goal of increasing local government fiscal independence.

For the many reasons explored in the next section of this white paper, local governments in California need to increase their fiscal independence. An expansion of the concepts of revenue diversity and sustainability can help local governments achieve this goal.

The authors suggest that "revenue diversity" needs to be viewed as a conscious strategy to implement and structure multiple revenue sources in such a manner as to ensure that a local jurisdiction's annual revenue flow represents a constant percentage or proportion of the gross local jurisdiction's economic product (i.e. the annual value of all goods and services produced/provided within the boundaries of the jurisdiction). In short, revenue diversification needs to be seen as a tool to achieve an appropriate "fiscal share" of financial resources generated by the local economy, rather than as a tool to achieve "fiscal balance."

This new way of understanding "revenue diversity" assumes that: a) the ability of a local economy to produce goods and services is, to a substantial degree, dependent on the range and quality of governmental services provided to the community by the local government; b) the kinds of governmental services and the quality of services provided by the jurisdiction are determined by the governing body of the jurisdiction; c) the minimum percentage or proportion of the jurisdiction's annual gross economic product to be "diverted" to the local government in order to finance governmental services is determined by the governing body of the jurisdiction through the design and implementation of the local revenue structure; and d) the provision of governmental services should not have to be varied simply as a result of fluctuations in the local economy and its ability to generate local revenue, or due to adverse legal or State political action.

Assumption “d)” is central to re-focusing “revenue diversity” to be a tool for achieving “fiscal share.” It means that if the local economy should decline, the local governmental revenue structure would be designed to automatically adjust so as to ensure a sufficient amount of local government revenue continues to flow to maintain local services and service level. Alternatively, it could also mean that the revenue flow would only be reduced to a pre-defined level that would be sufficient to finance a minimally acceptable set of services/service levels as set by the local governing body. Further, it means that it is in the public interest that local government services be maintained at no less than some pre-defined level as determined by the jurisdiction’s governing body.

For example, existing tax and/or other revenue sources could be redesigned so that if certain pre-defined changes happened in the local economy, tax rates or fee levels would automatically be adjusted (within appropriate limits) to provide some degree of offsetting revenue generation. Another possibility would be that if certain pre-defined changes happened, reserve fund balances (i.e. “rainy day” funds) would also automatically come into play on their own or in conjunction with other automatic adjustments in tax and/or fee rates. The point is that some flexibility would already be built into the local jurisdiction’s revenue structure that is not only reliant on just the mix of revenue sources.

Establishing such revenue structures may require new voter approvals or possibly additional legal authority for local jurisdictions so that they could craft revenue diversification strategies and technical implementing mechanisms specific to the particulars of a jurisdiction’s local economy and service/service level mix.

Similarly, the concept of sustainability, as used in the context of local government finances, needs to be expanded to also include the maintenance over time of an appropriate fiscal share of the financial resources generated by the local economy in order to continue to finance local services/service levels. For example, the redesign of revenue structures discussed above might include the provision that implementation of the automatic features would extend over the following fiscal year, unless specifically halted by the local jurisdiction governing body.

THE NEED FOR GREATER FISCAL INDEPENDENCE

We’re all well aware of the lousy hand that cities have been dealt over the last twenty-five years in our ability to manage our fiscal affairs. These include the:

4. REVENUE DIVERSITY AND STABILITY

- Loss of control over what had traditionally been the mainstay of city finances—local property taxes—with the passage of Proposition 13 in 1978.

- Requirements to reach agreement on tax sharing in annexations with counties.

- State budget grabs like ERAF in the mid-1990's, further devaluing the importance of property taxes, our most stable revenue source.

- Increased State mandates. (Forget about reimbursing us for them: how about just not taking funds away at the same time?)

- Changing nature of our economy from goods to services, and the inability of most of our local revenue bases to effectively capture this change; and in terms of the smaller market for goods that remains, increasing competition from catalog and Internet sales.

- And the most recent pair of deuces in a game where it takes at least two-pair just to break even: Propositions 62 and 218, which further limited the discretionary ability of local elected officials to balance services and revenues.

For the most part, our institutional response to these has been to rail against the lousy hand we've been dealt, and try to get the "house" (the State) to play more fairly, and stop stacking the deck against us. Given the poor treatment we've received and the continued "dealing from the bottom of the deck," our view of ourselves as innocent victims is not unreasonable – because we are. This makes our desire for redress and restitution—and our collective efforts through the League to get them – also reasonable and understandable. And in this case, collective effort is essential for any chance of success: no one city can make these changes happen alone. Moreover, as we've seen, even cities together cannot be successful: this requires forging coalitions with other local agencies and "stakeholders."

But let's be realistic: the outcome from these efforts is uncertain at best. Should the State restore ERAF? Of course it should. Did the Governor run four years ago and promise to restore ERAF? Yeah. To paraphrase John Lennon, is life what happens while you're busy making other plans? Well, yeah again. And really, did anyone who ever stole something fair and square ever give it back?

(Just think: Native Americans. On the other hand, not to overstress this card game metaphor, but they did ultimately get legal gaming, so may be there is something to just persevering long enough . . . . . And okay: let's give the devil his due: the State promised not steal any more away from us, and it has honored this commitment . . . . so far.)

The point is this: as individual cities, there is little we can do on our own to get dealt a better hand. (And as the saying goes: we can't we win; we can't fold; we can't even quit the game!)

However, we believe there are opportunities to better play the hand we already have, and this is where we should focus on efforts: on the things we can control.

In short, we need to re-up on our efforts for fiscal independence, using the tools we already have. To try a different metaphor, we can't control the weather—but we can put on an overcoat and galoshes when it rains. (And this means we thought about the rainy season before it came, and went out and got ourselves an overcoat and galoshes before the winter storms arrived.)

So, what are the "galoshes" available to us?

There are several, most of which involve clear fiscal policies that set the financial foundation for decision-making. These should be our "global positioning systems" and radar in stormy weather, and include clear policies on the appropriate use of debt financing, avoidance of long-term commitments and use of one-time revenues for one-time costs. They should also include:

- User fee cost recovery policies and plans to minimize the use of limited general-purpose revenues for services where fees are possible, in order to free them up for other purposes.

- Minimum fund balance policies to provide greater flexibility and stability in dealing with revenue swings, unexpected expenditures and other contingencies.

- And revenue diversity: doing all you reasonably can to keep from putting all your eggs in one revenue basket.

Other "white papers" in this series deal with the first two topics; revenue diversity is the focus of this one.

STRATEGIC IMPORTANCE OF DIVERSITY

The authors are strong champions of the strategic importance of diversity as a key success factor in achieving fiscal independence.

First, because it just makes intuitive sense: the more you can spread the risk of any one revenue among many diverse sources, the more you can limit the impact of losses in any one area and better mitigate against downturns. In short, avoiding over-reliance on any one sector of the economy minimizes the adverse impacts when some (but not all) things inevitably go south. This is a fundamental principle of investment portfolio management, and it applies regardless of the size of your investments. And it is equally applicable to your revenues, whether you are a large city or a small one.

But secondly, transcending the theoretical stuff: because we've seen the powerful (and positive) impacts that it has had in our own cities. Not that either of our cities are Camelot and bulletproofed against recession – because we aren't. Our cities have seen tough times, too; and we'll see them again. However, because of our underlying policies and diversification of our revenues, we have perhaps been able to navigate rough seas better than many other cities.

Some examples from San Luis Obispo:

Yes, we are heavily reliant on sales tax revenues just like the rest of you. (It accounts for about 30% of our General Fund sources). But we are relatively diverse within this source: in many cities, the top 5 sales tax generators account for 50% of total sales tax revenues. In San Luis Obispo, we have to go to our 50th generator to reach 50%. Transient occupancy tax (TOT) is a big part of our revenue picture, too. (It's our "Number 3" General Fund revenue source.) But again, we are relatively diverse in where our TOT revenues come from by property. The same is also true for our property taxes.

And we are also fortunate to have a pretty diverse revenue base within our "Top Five" revenues: sales tax, property tax, TOT, utility users tax and vehicle license in-lieu (VLF). Each of these draws on something different that's happening in our local economy. For example, within sales tax, our revenues from general consumer goods have been down for the last two quarters, but strong new car sales have offset this. (It takes a lot of sweaters to equal a car!) At the same time – while utility user taxes have been lukewarm and TOT has been down – property taxes and VLF are doing well. Overall, while not spectacular, we have been able to achieve modest growth in the past year in our General Fund revenues, but only because of their diversity.

We saw this in the mid-1990's recession, too, where modest growth in utility user taxes and TOT (which are now headed in the opposite direction) helped get us through severe downturns in sales tax and stalled property tax revenues.

Lastly, there is San Luis Obispo's "poster child" for diversity: our business tax ordinance. Before 1991, when we broadened the base and taxed all businesses on gross receipts at the same rate previously applied to retail ($50 per $100,000 of gross receipts), business tax revenues were about $400,000 annually. Today, they are $1.4 million making this by far our best performing revenue source over the past ten years (250% growth). ***Why?*** Because it has a broad and diverse base, and we're able to capture growth in all areas of our local economy: services, professions, construction, manufacturing, retail and tourism. (Just about everything except for telecommunications and financial services – and only because the State has pre-empted us there.)

Where to from Here?

First, take some time to assess the diversity of your revenue base, both by type (sales tax versus property tax versus VLF) as well as by key generators within each the type: who are your principal property tax payers? Who are your principal sales tax producers? What happens if they hit a slow-down? Or, worse leave altogether?

4. REVENUE DIVERSITY AND STABILITY

Secondly, if you find you are highly dependent on just a few key sources, adopt as a core fiscal health strategy the goal of diversifying them. This can take several forms, and some approaches will be more difficult than others. (For example, with the strong involvement and support from our business community, we were able to make the "structural" changes to our business tax ordinance back in 1991 with Council approval; today, under Proposition 218, this would require voter approval.) So, voter approval may be required to do some of these things. But that's still local control, and many communities throughout the State have been successful in attracting voter approval when they have had a compelling vision to offer.

In order to build community support, one strategy for gaining acceptance for the importance of diversification on its own merits is to propose changes that would initially be revenue neutral, such as reducing rates in one area while broadening the base in others. While this may not have immediate benefits, it will better position you for the future. And that's a critical factor for success in playing your hand as well as you can: making hay while the sun shines; closing the barn door before all the horses get out; repairing the roof before it rains. In short, through the use of solid fiscal policies: planning ahead.

SUMMARY

While we should certainly hope (and work together) for a better hand to play, the fact is that we do not control the dealer, nor – even if the dealer is an honest one – the inherent randomness of the draw. But we do control how we play the hand we have.

This doesn't mean forever accepting a rigged game, and giving-up on working hard to make it fairer. (Here comes another game analogy.) But it does mean making the best use of the arrows that we do have in our quiver—that if shot well (with an overall game plan) can make a powerful difference when they hit their mark. We believe that our quiver strategy should be fiscal independence, and that a conscious strategy of revenue diversity is one the most powerful arrows in that quiver.

124 Cerro Romauldo Avenue
San Luis Obispo, CA 93405
805.544.5838 ■ Cell: 805.459.6326
bstatler@pacbell.net
www.bstatler.com

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MEMORANDUM

February 6, 2015

TO: Susan A. Stanton, City Manager
Jeri Corgill, Finance Director

FROM: Bill Statler

SUBJECT: REVENUE OPTIONS STUDY: COMPARISON CITIES

The Revenue Options Study workscope includes comparisons with six to eight similar cities. The purpose of this report is to outline the methodology used in selecting the recommended ten comparison cities (two more than called for in the workscope):

Recommended Comparison Cities

City	County	Population
Winters	Yolo	6,979
Escalon	San Joaquin	7,323
Gonzales	Monterey	8,383
King City	Monterey	13,211
Ripon	San Joaquin	14,855
Chowchilla *	Madera	18,971
Dinuba	Tulare	23,666
Galt	Sacramento	24,289
Sanger	Fresno	24,908
Soledad **	Monterey	24,997
Greenfield	Monterey	16,919

* *Estimated Community Population: 12,000*
** *Estimated Community Population: 16,000*

About Chowchilla and Soledad. *The population estimates for these ten cities are provided by the State of California's Demographic Research Unit as of January 1, 2014 (the most recent date for which this information is available). For Chowchilla and Soledad, these estimates include prison populations that are within the city limits: about 6,900 in Chowchilla and 8,800 in Soledad.*

This results in comparable community populations of 12,000 in Chowchilla and 16,000 in Soledad.

SELECTIONS FACTORS

The goal is to select comparison cities in California that best match the following criteria (recognizing that finding up to ten cities that meet all of these criteria is unlikely):

- Population between 5,000 and 25,000
- Rural location
- Tourism minor part of City revenues
- Full service city providing similar scope of services as Greenfield
- Not the "central city" for its area (such as a county seat)
- Management/governance reputation

As outlined below, there are four steps in selecting recommended comparison cities:

- Identify California cities between 5,000 and 25,000 population and screen for rural location
- Screen for comparable transient occupancy tax (TOT) revenues
- Select "candidate cities" based on scope of services and financial management practices
- Identify finalists and recommend comparison cities

➊ Population Between 5,000 and 25,000 (Table 1)

Of the 482 cities in California as of January 1, 2014 (the most recent date that this information is available from the State), Table 1 presents all of those with populations between 5,000 and 25,000. Of these 161 cities, 93 are located in rural counties.

➋ TOT Revenues (Table 2)

Unlike Greenfield, many of these smaller communities have very strong tourist economies. This includes cities like St. Helena, Pacific Grove, South Lake Tahoe, Sonoma, Crescent City, Fort Bragg, Morro Bay, Mammoth Lakes, Pismo Beach, Solvang and Calistoga, where TOT revenues represent 20% to 50% of total general purpose revenues. Based on the State Controller's report on City finances for 2011-12 (the most recent year that this information is available), Table 2 identifies 39 cities (including Greenfield) with TOT revenues that are greater than zero but less than 4% of total general purpose revenues.

Interestingly, while not an explicit factor, most of these cities are similar to Greenfield in lying next to a major federal highway (Highway 101, Highway 99 or Interstate 5), but are not destination or major overnight stops.

➌ Candidate Comparison Cities (Table 3)

Table 3 provides a matrix of the key services provided by each of these 39 cities based on the State Controller's report (police, fire, parks & recreation, water and sewer). This table also includes King City: while its TOT revenues are close to 7% of total general purpose revenues, it is a candidate for inclusion given its close proximity and other similarities to Greenfield.

As reflected in Table 3, virtually all of the cities are "full service" cities that provide services similar to those provided by Greenfield. In fact, only one city (Lathrop) contracts for police services. This table also shows that like Greenfield, most have significant Latino residents.

Lastly, in providing a high level assessment of governance and financial management practices, this table identifies whether the city's recent audit (current as of at least as of June 30, 2013) and current budget (2014-15) are provided on its web site; and if so, if the city has received an award for excellence for its audit or budget from the GFOA or CSMFO.

❹ Finalists (Table 4)

Table 4 shows 18 "finalist" cities. Except for Lathrop (which is not a full service city) and Auburn, Colusa, and Placerville (which are county seats), it includes all of the cities from Table 3 that provide both their audits and budget on-line. Additionally, given its similar population and demographics, Table 4 also includes King City, even though it does not provide its audit and budget on-line and has experienced a number of financial and management problems in recent years.

The ten recommended comparison cities reflect:

- Geographic proximity: Gonzales, King City and Soledad
- Cities that earned GFOA awards for excellence: Dinuba, Galt, Sanger and Winters
- "Best fit" considering size, geography and demographics: Chowchilla, Escalon and Ripon

As reflected in the side chart, five of these cities are smaller in population than Greenfield and five are larger, with an average size of 16,800 (very close to Greenfield's 16,900).

Recommended Comparison Cities

City	County	Population
Chowchilla *	Madera	18,971
Dinuba	Tulare	23,666
Escalon	San Joaquin	7,323
Galt	Sacramento	24,289
Gonzales	Monterey	8,383
King City	Monterey	13,211
Ripon	San Joaquin	14,855
Sanger	Fresno	24,908
Soledad **	Monterey	24,997
Winters	Yolo	6,979
Greenfield	Monterey	16,919

** Estimated Community Population: 12,000*
*** Estimated Community Population: 16,000*

ALTERNATIVES

As noted above, King City does not meet the same TOT or "governance" criteria as the other finalist cities. Accordingly, a case could be made to exclude this city and include one of the other strong candidates instead. However, including it makes sense from a geographic and demographic perspective. As such, based on follow-up discussions with City staff, it is recommended as one of the ten comparison cities.

Table 1. California Cities: Population 5,000 to 25,000		
City	County	Population
Soledad	Monterey	24,997
Sanger	Fresno	24,908
Lafayette	Contra Costa	24,659
Seal Beach	Orange	24,591
Hercules	Contra Costa	24,572
Galt	Sacramento	24,289
San Fernando	Los Angeles	24,222
Cudahy	Los Angeles	24,142
El Cerrito	Contra Costa	24,087
Selma	Fresno	23,977
Calabasas	Los Angeles	23,943
Dinuba	Tulare	23,666
Loma Linda	San Bernardino	23,614
Coronado	San Diego	23,419
Barstow	San Bernardino	23,292
Riverbank	Stanislaus	23,243
Laguna Beach	Orange	23,225
Millbrae	San Mateo	22,605
Corcoran	Kings	22,515
Port Hueneme	Ventura	22,399
Duarte	Los Angeles	21,668
Oakdale	Stanislaus	21,442
South Lake Tahoe	El Dorado	21,409
Yucca Valley	San Bernardino	21,053
Patterson	Stanislaus	20,922
Lomita	Los Angeles	20,630
Agoura Hills	Los Angeles	20,625
La Canada Flintridge	Los Angeles	20,535
South El Monte	Los Angeles	20,426
Marina	Monterey	20,268
Arvin	Kern	20,226
American Canyon	Napa	20,001
Lathrop	San Joaquin	19,831
Hermosa Beach	Los Angeles	19,750
Dixon	Solano	19,005
Blythe	Riverside	18,992
Chowchilla	Madera	18,971
Pinole	Contra Costa	18,794
Albany	Alameda	18,472
Orinda	Contra Costa	18,089
Rancho Mirage	Riverside	17,745
Arcata	Humboldt	17,734
Shafter	Kern	17,461
Santa Fe Springs	Los Angeles	17,349
Arroyo Grande	San Luis Obispo	17,334
Greenfield	Monterey	16,919

California Department of Finance
Demographic Research Unit
Phone: 916-323-4086

Table 1. California Cities: Population 5,000 to 25,000		
City	County	Population
El Segundo	Los Angeles	16,897
Artesia	Los Angeles	16,776
Imperial	Imperial	16,708
Laguna Woods	Orange	16,581
Coalinga	Fresno	16,467
Moraga	Contra Costa	16,348
Ukiah	Mendocino	16,185
Truckee	Nevada	15,981
Oroville	Butte	15,980
La Palma	Orange	15,896
Susanville	Lassen	15,832
Pacific Grove	Monterey	15,431
Fillmore	Ventura	15,339
Clearlake	Lake	15,194
Parlier	Fresno	15,019
Ripon	San Joaquin	14,855
Hawaiian Gardens	Los Angeles	14,456
Kerman	Fresno	14,339
Mill Valley	Marin	14,257
Red Bluff	Tehama	14,131
Auburn	Placer	13,804
Livingston	Merced	13,793
McFarland	Kern	13,745
Palos Verdes Estates	Los Angeles	13,665
Carpinteria	Santa Barbara	13,442
Tehachapi	Kern	13,346
San Marino	Los Angeles	13,341
California City	Kern	13,276
Avenal	Kings	13,239
King City	Monterey	13,211
Grover Beach	San Luis Obispo	13,153
Solana Beach	San Diego	13,099
Commerce	Los Angeles	13,003
Malibu	Los Angeles	12,865
Grass Valley	Nevada	12,668
Lindsay	Tulare	12,650
San Anselmo	Marin	12,514
Grand Terrace	San Bernardino	12,285
Marysville	Yuba	12,266
Larkspur	Marin	12,102
Scotts Valley	Santa Cruz	11,954
Fortuna	Humboldt	11,902
Los Alamitos	Orange	11,729
Half Moon Bay	San Mateo	11,721
Kingsburg	Fresno	11,685
Healdsburg	Sonoma	11,541

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Table 1. California Cities: Population 5,000 to 25,000		
City	County	Population
Signal Hill	Los Angeles	11,411
Hillsborough	San Mateo	11,260
Mendota	Fresno	11,225
Clayton	Contra Costa	11,200
Sierra Madre	Los Angeles	11,094
Piedmont	Alameda	11,023
Farmersville	Tulare	10,932
Canyon Lake	Riverside	10,826
Sonoma	Sonoma	10,801
Newman	Stanislaus	10,668
Exeter	Tulare	10,539
Placerville	El Dorado	10,527
Emeryville	Alameda	10,491
Anderson	Shasta	10,361
Morro Bay	San Luis Obispo	10,276
Capitola	Santa Cruz	10,136
Shasta Lake	Shasta	10,128
Orange Cove	Fresno	9,410
Corte Madera	Marin	9,381
Tiburon	Marin	9,090
Taft	Kern	8,942
Cloverdale	Sonoma	8,641
Waterford	Stanislaus	8,619
Live Oak	Sutter	8,481
Westlake Village	Los Angeles	8,386
Gonzales	Monterey	8,383
Los Altos Hills	Santa Clara	8,354
Calimesa	Riverside	8,231
Rolling Hills Estates	Los Angeles	8,184
Mammoth Lakes	Mono	8,098
Rio Vista	Solano	7,934
Yreka	Siskiyou	7,840
Firebaugh	Fresno	7,809
Woodlake	Tulare	7,711
Pismo Beach	San Luis Obispo	7,705
Orland	Glenn	7,683
Corning	Tehama	7,598
Ojai	Ventura	7,594
Fairfax	Marin	7,541
Calipatria	Imperial	7,517
Sebastopol	Sonoma	7,440
Fort Bragg	Mendocino	7,350
Escalon	San Joaquin	7,323
Cotati	Sonoma	7,288
Sausalito	Marin	7,175
Guadalupe	Santa Barbara	7,144

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Table 1. California Cities: Population 5,000 to 25,000		
City	County	Population
Hughson	Stanislaus	7,118
Winters	Yolo	6,979
Crescent City	Del Norte	6,935
Atherton	San Mateo	6,917
Huron	Fresno	6,843
Ione	Amador	6,759
Gridley	Butte	6,739
Loomis	Placer	6,608
Colusa	Colusa	6,171
Holtville	Imperial	6,154
Willows	Glenn	6,154
St Helena	Napa	5,943
Villa Park	Orange	5,935
Fowler	Fresno	5,883
Gustine	Merced	5,648
Woodside	San Mateo	5,496
La Habra Heights	Los Angeles	5,420
Solvang	Santa Barbara	5,363
Williams	Colusa	5,363
Calistoga	Napa	5,224
Indian Wells	Riverside	5,137
Big Bear Lake	San Bernardino	5,121
Dos Palos	Merced	5,050

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Table 2. California Cities: Population 5,000 to 25,000
Rural Counties: Ratio of TOT Revenues to General Purpose Revenues

City	County	Population	TOT % of Gen Revenue	Revenues (In Thousands) Gen Revenue	TOT
Kerman	Fresno	14,339	0.00%	3,310	-
Mendota	Fresno	11,225	0.00%	2,545	-
Orange Cove	Fresno	9,410	0.00%	1,835	-
Parlier	Fresno	15,019	0.00%	2,027	-
Arvin	Kern	20,226	0.00%	3,103	-
McFarland	Kern	13,745	0.00%	2,175	-
Shafter	Kern	17,461	0.00%	13,102	-
Dos Palos	Merced	5,050	0.00%	1,021	-
Gustine	Merced	5,648	0.00%	1,288	-
Guadalupe	Santa Barbara	7,144	0.00%	1,405	-
Hughson	Stanislaus	7,118	0.00%	1,362	-
Newman	Stanislaus	10,668	0.00%	2,002	-
Riverbank	Stanislaus	23,243	0.00%	5,775	-
Waterford	Stanislaus	8,619	0.00%	1,843	-
Live Oak	Sutter	8,481	0.00%	1,806	-
Farmersville	Tulare	10,932	0.00%	1,835	-
Woodlake	Tulare	7,711	0.00%	1,477	-
Cotati	Sonoma	7,288	0.02%	4,454	1
Gonzales	Monterey	8,383	0.05%	2,151	1
Holtville	Imperial	6,154	0.05%	2,026	1
Ione	Amador	6,759	0.07%	1,524	1
Livingston	Merced	13,793	0.10%	4,104	4
Avenal	Kings	13,239	0.12%	4,136	5
Sanger	Fresno	24,908	0.13%	7,009	9
Winters	Yolo	6,979	0.15%	3,329	5
Firebaugh	Fresno	7,809	0.19%	2,130	4
Shasta Lake	Shasta	10,128	0.21%	2,351	5
Huron	Fresno	6,843	0.23%	1,315	3
Escalon	San Joaquin	7,323	0.24%	2,548	6
Imperial	Imperial	16,708	0.37%	4,922	18
Greenfield	Monterey	16,919	0.39%	2,800	11
California City	Kern	13,276	0.60%	2,500	15
Gridley	Butte	6,739	0.77%	2,604	20
Colusa	Colusa	6,171	0.88%	2,738	24
Dinuba	Tulare	23,666	0.92%	14,447	133
Coalinga	Fresno	16,467	0.93%	3,557	33
Loomis	Placer	6,608	1.05%	2,765	29
Soledad	Monterey	24,997	1.08%	4,441	48
Corcoran	Kings	22,515	1.16%	4,133	48
Exeter	Tulare	10,539	1.26%	2,852	36
Lindsay	Tulare	12,650	1.27%	3,950	50
Taft	Kern	8,942	1.28%	4,381	56
Marysville	Yuba	12,266	1.49%	5,514	82
Patterson	Stanislaus	20,922	1.51%	5,362	81
Calipatria	Imperial	7,517	1.59%	1,764	28
Ripon	San Joaquin	14,855	1.59%	6,211	99
Orland	Glenn	7,683	1.77%	2,543	45
Placerville	El Dorado	10,527	2.06%	6,371	131
Galt	Sacramento	24,289	2.13%	6,520	139
Selma	Fresno	23,977	2.37%	7,378	175
Auburn	Placer	13,804	2.73%	7,736	211
Fowler	Fresno	5,883	2.74%	3,540	97
Lathrop	San Joaquin	19,831	3.08%	7,525	232
Oakdale	Stanislaus	21,442	3.29%	7,075	233

Table 2. California Cities: Population 5,000 to 25,000
Rural Counties: Ratio of TOT Revenues to General Purpose Revenues

City	County	Population	TOT % of Gen Revenue	Revenues (In Thousands) Gen Revenue	TOT
Clearlake	Lake	15,194	3.33%	4,739	158
Chowchilla	Madera	18,971	3.87%	3,692	143
Grover Beach	San Luis Obispo	13,153	4.02%	6,465	260
Oroville	Butte	15,980	4.19%	8,659	363
Kingsburg	Fresno	11,685	5.19%	3,388	176
Sebastopol	Sonoma	7,440	5.24%	5,722	300
Arroyo Grande	San Luis Obispo	17,334	5.46%	11,533	630
Cloverdale	Sonoma	8,641	5.49%	2,750	151
Healdsburg	Sonoma	11,541	5.90%	6,307	372
Corning	Tehama	7,598	6.09%	4,269	260
Anderson	Shasta	10,361	6.41%	4,340	278
King City	Monterey	13,211	6.62%	4,292	284
Ukiah	Mendocino	16,185	7.26%	10,680	775
Grass Valley	Nevada	12,668	7.49%	8,773	657
Susanville	Lassen	15,832	7.78%	5,027	391
Truckee	Nevada	15,981	7.82%	17,258	1,350
American Canyon	Napa	20,001	8.11%	11,516	934
Capitola	Santa Cruz	10,136	9.91%	9,201	912
Arcata	Humboldt	17,734	9.97%	10,397	1,037
Scotts Valley	Santa Cruz	11,954	9.97%	7,138	712
Williams	Colusa	5,363	10.02%	3,423	343
Tehachapi	Kern	13,346	11.08%	5,116	567
Red Bluff	Tehama	14,131	11.57%	5,135	594
Fortuna	Humboldt	11,902	12.43%	4,152	516
Yreka	Siskiyou	7,840	13.05%	4,798	626
Willows	Glenn	6,154	13.46%	2,971	400
Marina	Monterey	20,268	15.50%	12,103	1,876
St Helena	Napa	5,943	19.68%	7,728	1,521
Carpinteria	Santa Barbara	13,442	20.90%	6,799	1,421
Pacific Grove	Monterey	15,431	22.44%	13,996	3,141
South Lake Tahoe	El Dorado	21,409	23.73%	32,596	7,736
Sonoma	Sonoma	10,801	27.03%	8,724	2,358
Crescent City	Del Norte	6,935	27.79%	3,095	860
Fort Bragg	Mendocino	7,350	28.99%	4,874	1,413
Morro Bay	San Luis Obispo	10,276	31.52%	8,829	2,783
Mammoth Lakes	Mono	8,098	44.43%	22,334	9,924
Pismo Beach	San Luis Obispo	7,705	46.47%	14,914	6,931
Solvang	Santa Barbara	5,363	53.09%	5,054	2,683
Calistoga	Napa	5,224	56.24%	6,700	3,768

Table 3. Candidate Cities

City	County	Population	% Latino	Services Directly Provided By City					On-Line		GFOA/CSMFO Awards	
				Police	Fire	Parks/Rec	Water	Sewer	Audit	Budget	Audit	Budget
Auburn	Placer	13,804	10.0%	x	x			x	x	x	x	
Avenal	Kings	13,239	71.8%	x		x	x	x				
California City	Kern	13,276	38.8%	x	x	x	x	x		x		
Calipatria	Imperial	7,517	64.4%	x	x	x		x				
Chowchilla	Madera	18,971	37.8%	x	x	x	x	x	x	x		
Clearlake	Lake	15,194	21.3%	x		x			x	x		
Coalinga	Fresno	16,467	53.5%	x	x		x	x				
Colusa	Colusa	6,171	52.4%	x	x	x	x	x	x	x		
Corcoran	Kings	22,515	62.6%	x	x	x	x	x				
Cotati	Sonoma	7,288	17.3%	x		x	x	x	x	x		
Dinuba	Tulare	23,666	84.4%	x	x	x	x	x	x	x	x	x
Escalon	San Joaquin	7,323	27.0%	x		x	x	x	x	x		
Exeter	Tulare	10,539	45.4%	x		x	x	x		x		
Firebaugh	Fresno	7,809	91.2%	x	x	x	x	x				
Fowler	Fresno	5,883	66.2%	x	x	x	x		x	x		
Galt	Sacramento	24,289	42.8%	x		x	x		x	x	x	
Gonzales	Monterey	8,383	88.9%	x	x	x	x	x	x	x		
Gridley	Butte	6,739	45.6%	x	x	x	x	x	x			
Holtville	Imperial	6,154	81.8%	x	x	x	x	x				
Huron	Fresno	6,843	96.6%	x		x	x	x				
King City	Monterey	13,211	87.5%	x	x	x		x				
Imperial	Imperial	16,708	74.8%	x	x	x	x	x				
Ione	Amador	6,759	25.1%	x	x	x		x				
Lathrop	San Joaquin	19,831	42.6%			x	x	x	x	x	x	
Lindsay	Tulare	12,650	85.5%	x	x	x	x	x				
Livingston	Merced	13,793	73.1%	x		x	x	x				
Loomis	Placer	6,608	8.8%	x		x			x			
Marysville	Yuba	12,266	24.2%	x	x	x		x				
Oakdale	Stanislaus	21,442	26.1%	x	x	x	x	x	x	x		
Orland	Glenn	7,683	44.8%	x	x	x	x	x	x	x		
Patterson	Stanislaus	20,922	58.6%	x	x	x	x	x	x	x		
Placerville	El Dorado	10,527	17.9%	x	x	x	x	x	x	x		
Ripon	San Joaquin	14,855	22.2%	x		x	x		x	x		
Sanger	Fresno	24,908	80.5%	x	x	x	x	x	x	x	x	
Selma	Fresno	23,977	77.6%	x	x	x			x	x		
Shasta Lake	Shasta	10,128	8.5%	x		x	x	x	x	x		
Soledad	Monterey	24,997	71.1%	x	x	x	x	x	x	x		
Taft	Kern	8,942	35.9%	x		x		x	x			
Winters	Yolo	6,979	52.4%	x	x	x	x	x	x	x	x	x
Greenfield	Monterey	16,919	91.3%	x		x	x	x	x	x		

Table 4. Finalists

City	County	Population	% Latino	Services Directly Provided By City					On-Line		GFOA/CSMFO Awards	
				Police	Fire	Parks/Rec	Water	Sewer	Audit	Budget	Audit	Budget
Clearlake	Lake	15,194	21.3%	x		x			x	x		
Chowchilla	Madera	18,971	37.8%	x	x	x	x	x	x	x		
Cotati	Sonoma	7,288	17.3%	x		x	x	x	x	x		
Dinuba	Tulare	23,666	84.4%	x	x	x	x	x	x	x	x	x
Escalon	San Joaquin	7,323	27.0%	x		x	x	x	x	x		
Fowler	Fresno	5,883	66.2%	x	x	x	x		x	x		
Galt	Sacramento	24,289	42.8%	x		x	x		x	x	x	
Gonzales	Monterey	8,383	88.9%	x	x	x	x	x	x	x		
King City	Monterey	13,211	87.5%	x	x	x		x				
Oakdale	Stanislaus	21,442	26.1%	x	x	x	x	x	x	x		
Orland	Glenn	7,683	44.8%	x	x	x	x	x	x	x		
Patterson	Stanislaus	20,922	58.6%	x	x	x	x	x	x	x		
Ripon	San Joaquin	14,855	22.2%	x		x	x		x	x		
Sanger	Fresno	24,908	80.5%	x	x	x	x	x	x	x	x	
Selma	Fresno	23,977	77.6%	x	x	x			x	x		
Shasta Lake	Shasta	10,128	8.5%	x		x	x	x	x	x		
Soledad	Monterey	24,997	71.1%	x	x	x	x	x	x	x		
Winters	Yolo	6,979	52.4%	x	x	x	x	x	x	x	x	x
Greenfield	Monterey	16,919	91.3%	x		x	x	x	x	x		

Citywide Indirect Cost Rate			
Direct Costs		**Indirect Costs**	
General Fund		City Council	73,500
Parks & Recreation	220,300	City Manager	412,000
Community Development	263,400	City Attorney	75,000
Police	3,091,000	City Clerk	132,000
Special Revenue Funds		Finance	326,100
Gas Tax	698,400	Public Works Administration	44,500
Local Transportation	478,200	Fleet Maintenance	89,100
Lighting/Landscape Districts	525,800	Non-Departmental	599,600
Streets/Storm Drain Districts	141,000		
Other Special Revenue Funds	234,100		
Enterprise Funds			
Sewer	1,235,900		
Water	1,378,100		
Total Direct Costs	$8,266,200	Total Indirect Costs	$1,751,800

Citywide Indirect Cost Rate	21.2%

Reconciliation to Budget

Excluded: Capital & Debt Service Funds	
Impact Fee Funds	405,000
CDBG	2,000,000
Proposition 84	2,705,000
Debt Service Funds	268,000
Total Excluded	5,378,000
Total Direct	8,266,200
Total Indirect	1,751,800
TOTAL	$15,396,000

SOURCES

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California Department of Finance, Demographic Research Unit, *Census 2010*: http://www.dof.ca.gov/research/demographic/index.php

California Local Government Finance Almanac: http://www.californiacityfinance.com

California State Board of Equalization, *California City & County Sales & Use Tax Rates*: http://www.boe.ca.gov/sutax/pam71.htm

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Coleman, Michael. *California Municipal Revenue Sources Handbook*, League of California Cities, 2014.

HdL Companies, *Local Government Guide to Sales, Use and Transaction Taxes*, 2015: http://www.hdlcompanies.com

Comparison City Web Sites

Chowchilla: http://www.ci.chowchilla.ca.us

Dinuba: http://www.dinuba.org

Escalon: http://cityofescalon.org

Galt: http://www.ci.galt.ca.us

Gonzales: http://www.ci.gonzales.ca.us

King City: http://www.kingcity.com

Ripon: http://cityofripon.org

Sanger: http://www.ci.sanger.ca.us

Soledad: http://www.ci.soledad.ca.us

Winters: http://www.cityofwinters.org

124 Cerro Romauldo Avenue
San Luis Obispo, CA 93405
805.544.5838 ■ Cell: 805.459.6326
bstatler@pacbell.net
www.bstatler.com

William C. Statler

Fiscal Policy ■ Financial Planning ■ Analysis ■ Training ■ Organizational Review

QUALIFICATIONS SUMMARY

Senior Management Experience

Bill Statler has over 30 years of senior municipal financial management experience, which included serving as the Director of Finance & Information Technology/City Treasurer for the City of San Luis Obispo for 22 years and as Finance Officer for the City of Simi Valley for 10 years before that.

Under his leadership, the City of San Luis Obispo received national recognition for its financial planning and reporting systems, including:

- Award for Distinguished Budget Presentation from the Government Finance Officers Association of the United States and Canada (GFOA), with special recognition as an outstanding policy document, financial plan and communications device. ***San Luis Obispo is one of only a handful of cities in the nation to receive this special recognition.***
- Awards for excellence in budgeting from the California Society of Municipal Finance Officers (CSMFO) in all four of its award budget categories: innovation, public communications, operating budgeting and capital budgeting. Again, ***San Luis Obispo is among a handful of cities in the State to earn recognition in all four of these categories.***
- Awards for excellence in financial reporting from both the GFOA and CSMFO for the City's comprehensive annual financial reports.
- Recognition of the City's financial management policies as "best practices" by the National Advisory Council on State and Local Budgeting.

The financial strategies, policies and programs he developed and implemented resulted in strengthened community services and an aggressive program of infrastructure and facility improvements, while at the same time preserving the City's long-term fiscal health.

Consultant Services

Strategic Plans, Fiscal Forecasts and Long-Term Financial Plans

- Strategic Planning: City of Monrovia (in collaboration with HSM Team)
- Council Goal-Setting: City of Willits (in collaboration with the HSM Team)
- Council Goal-Setting and Long-Term Financial Plan: City of Bell
- Long-Term Financial Plan: City of Salinas
- Long-Term Financial Plan: City of Camarillo

- Long-Term Financial Plan: City of Pismo Beach
- Long-Term Financial Plan: Bear Valley Community Services District

Organizational Analysis and Policy Advice

- Pro Bono Financial Management Transition Team and Policy Advice: City of Bell
- Preparation for Possible Revenue Ballot Measure: City of Monterey
- Financial Assessment: City of Guadalupe
- Organizational Review: City of Willits (in collaboration with the HSM Team)
- General Fund Reserve Policy: City of Lompoc
- Benchmark Analysis: City of Capitola
- Financial Management Improvements: City of Capitola
- Finance Division Organizational Review: Sacramento Metropolitan Fire District
- Finance Department Organizational Review: City of Ceres (in collaboration with Management Partners)

Interim Finance Director

- City of Monterey
- San Diego County Water Authority
- City of Capitola

Other Financial Management Services

- Water and Sewer Rate Review: Avila Beach Community Services District
- Revenue Options Study: City of Pismo Beach
- Cost Allocation Plan: City of Guadalupe
- Cost Allocation Plan: City of Port Hueneme
- Cost Allocation Plan: City of Grover Beach
- Water and Sewer Rate Review: City of Grover Beach
- Financial Condition Assessment: City of Grover Beach
- Joint Solid Waste Rate Review of Proposed Rates from South County Sanitary Company: Cities of Arroyo Grande, Grover Beach, Pismo Beach and Oceano Community Services District

Professional Leadership

- Member, Board of Directors, League of California Cities (League): 2008 to 2010
- Member, California Committee on Municipal Accounting: 2007 to 2010
- Budget and Fiscal Policy Committee Member, Government Finance Officers Association of the United States and Canada (GFOA): 2005 to 2009
- President, League Fiscal Officers Department: 2002 and 2003
- President, California Society of Municipal Finance Officers (CSMFO): 2001-02
- Member, Board of Directors, CSMFO: 1997 to 2001
- Chair, CSMFO Task Force on "GASB 34" Implementation
- Fiscal Officers Representative on League Policy Committees: Community Services, Administrative Services and Environmental Quality: 1992 to 1998

- Chair, Vice-Chair and Senior Advisor for CSMFO Committees: Technology, Treasury and Debt Management, Career Development, Professional and Technical Standards and Annual Seminar Committees: 1995 to 2010
- Member, League Proposition 218 Implementation Guide Task Force
- Chair, CSMFO Central Coast Chapter Chair: 1994 to 1996

Trainer

- League of California Cities
- Institute for Local Government
- California Debt and Investment Advisory Commission
- Government Finance Officers Association of the United States and Canada
- California Society of Municipal Finance Officers
- Municipal Management Assistants of Southern California and Northern California
- National Federation of Municipal Analysts
- Probation Business Manager's Association
- Humboldt County
- California Association of Local Agency Formation Commissions

Topics included:

- Long-Term Financial Planning
- The Power of Fiscal Policies
- Financial Analysis and Reporting
- Fiscal Health Contingency Planning
- Effective Project Management
- Providing Great Customer Service in Internal Service Organizations: The Strategic Edge
- Strategies for Downsizing Finance Departments in Tough Fiscal Times
- Telling Your Fiscal Story: Tips on Making Effective Presentations
- What Happened in the City of Bell and What We Can Learn from It
- The Power of Effective Meetings in Achieving Your Organization's Goals: Smart Uses of Electronic Scheduling
- Debt Management
- Transparency in Financial Management: Meaningful Community Engagement in the Budget Process
- Financial Management for Non-Financial Managers
- Preparing for Successful Revenue Ballot Measures
- Integrating Goal-Setting and the Budget Process
- Multi-Year Budgeting
- Financial Management for Elected Officials
- 12-Step Program for Recovery from Fiscal Distress
- Strategies for Strengthening Organizational Effectiveness

Publications

- *Planning for Fiscal Recovery*, Government Finance Review, February 2014
- *Guide to Local Government Finance in California*, Solano Press, July 2012 (Co-Author)
- *Managing Debt Capacity: Taking a Policy-Based Approach to Protecting Long-Term Fiscal Health*, Government Finance Review, August 2011
- *Fees in a Post-Proposition 218 World*, League of California Cites, City Attorney's Department Spring Conference, May 2010
- *Municipal Fiscal Health Contingency Planning*, Western City Magazine, November 2009
- *Understanding the Basics of County and City Revenue*, Institute for Local Government, 2008 (Contributor)
- *The California Municipal Revenue Sources Handbook*, League of California Cities, 2014 (Contributor: Chapter 8, "Cost Recovery")
- *Financial Management for Elected Officials*, Institute for Local Government, 2007 (Contributor)
- *Getting the Most Out of Your City's Current Revenues: Sound Fiscal Policies Ensure Higher Cost Recovery for Cities*, Western City Magazine, November 2003
- *Local Government Revenue Diversification, Fiscal Balance/Fiscal Share and Sustainability*, Institute for Local Government, November 2002
- *Why Is GASB 34 Such a Big Deal?*, Western City Magazine, November 2000
- *Understanding Sales Tax Issues*, Western Cities Magazine, June 1997
- *Proposition 218 Implementation Guide*, League of California Cities, 1997 (Contributor)

Honors and Awards

- Cal-ICMA Ethical Hero Award (for service to the City of Bell)
- CSMFO Distinguished Service Award for Dedicated Service and Outstanding Contribution to the Municipal Finance Profession
- National Advisory Council on State and Local Government Budgeting: Recommended Best Practice (Fiscal Polices: User Fee Cost Recovery)
- GFOA Award for Distinguished Budget Presentation: Special Recognition as an Outstanding Policy Document, Financial Plan and Communications Device
- CSMFO Awards for Excellence in Operating Budget, Capital Improvement Plan, Budget Communication and Innovation in Budgeting
- GFOA Award of Achievement for Excellence in Financial Reporting
- CSMFO Certificate of Award for Outstanding Financial Reporting

- National Management Association Silver Knight Award for Leadership and Management Excellence
- American Institute of Planners Award for Innovation in Planning
- Graduated with Honors, University of California at Santa Barbara

Visit my web site for additional information at www.bstatler.com

City Council Memorandum

599 El Camino Real Greenfield CA 93937 831-674-5591
www.ci.greenfield.ca.us

MEMORANDUM: **February 20, 2015**

AGENDA DATE: **February 24, 2015**

TO: Mayor and City Council

FROM: Susan A. Stanton, ICMA-CM
City Manager

TITLE: **APPROVAL OF THE FY 2015-17 STRATEGIC GOALS AND OBJECTIVES**

At the Special City Council work session on February 10, 2015 the City Council continued its discussions regarding the FY 2015-17 Strategic Goals and Objectives. Based on the feedback provided by the City Council, the following *six* Strategic Goals and *thirty-three* Objectives were recommended for approval for Fiscal Years 2015-16 and 2016-17:

<u>Law Enforcement and Public Safety</u>

Goal: Make Greenfield a safe place where families, individuals, and businesses thrive

Priority Objectives for FY 2015-16 and FY 2016-17

1. Identify optimal staffing levels in the Police Department
2. Fund four additional police officers in the department during the next two years
3. Take appropriate steps to ensure police officers are paid a competitive market-based salary
4. Enhance departmental staffing by partnering with the community and promoting volunteer opportunities
5. Conduct a community survey to assess the community perception of public safety
6. Identify, address and successfully prosecute individuals engaged in gang activity in the community
7. Develop baseline performance objectives to measure the community's sense of public safety

<u>Government Finance and Fiscal Health</u>

Goal: Provide excellent services and outstanding stewardship of financial resources to ensure fiscal solvency and sustainability

Priority Objectives for FY 2015-16 and FY 2016-17

8. Develop a plan to obtain community support for the extension of Measure X sales and use tax
9. Review the results of the Revenue Enhancement Study and develop an action plan for implementing enhancement measures where appropriate
10. Negotiate fair and equitable labor agreements with City employees
11. Establish and fund appropriate reserves for all City operating and utility funds
12. Adopt new utility user charges that encourage conservation and fully recover operating costs

<u>Economic Development and Prosperity</u>

Goal: Attract, create, and retain businesses that contribute to the economic development and prosperity of all its residents

Priority Objectives for FY 2015-16 and FY 2016-17

13. Adopt a sustainable bi-annual budget for FY 2015-16 and FY 2016-17
14. Recruit a high volume national retail anchor to the Walnut Avenue Commercial Center which offers a variety of products to Greenfield and the South County residents
15. Support the annexation and development of the Pinnacles Plaza (South End Annexation) and Yanks Development Project
16. Explore and review new prospects for creating jobs and economic opportunities for residents
17. Finalize, design and construct a Streetscape Plan that will revitalize the entire ECR commercial corridor based on available funding

<u>Community Development and Pride</u>

Goal: Create livable high quality neighborhoods by improving current and future home construction

Priority Objectives for FY 2015-16 and FY 2016-17

18. Establish programs that will improve the quality of housing and promote home ownership in Greenfield
19. Improve the quality of life in the community ensuring that commercial and residential buildings and structures comply with all applicable laws and ordinances

20. Eliminate slum and blight conditions in the community by effectively using code enforcement staff, an empowered Code Enforcement Board, and Building Inspection services
21. Update the Housing Element of the City's General Plan
22. Identify ways to better promote and market the community
23. Support the unification of the City elementary, middle, and high school systems

<u>Infrastructure and Streets</u>

Goals: Improve the quality of life in the community by rehabilitating City infrastructure

Priority Objectives for FY 2015-16 and FY 2016-17

24. Improve pedestrian safety and walkability
25. Implement and fund the recommendations of the Wastewater and Water Master Plans
26. When applicable, obtain CDBG Grant funding to implement necessary system improvements to the Wastewater Treatment Plant
27. Identify needed improvements in the City's stormwater collection system
28. Implement identified improvement in the City's Lighting and Landscaping Districts
29. Develop a Street Improvement Master Plan

<u>Recreation and Special Events</u>

Goal: Make Greenfield a fun and interesting place to live and play for all of its residents

Priority Objectives for FY 2015-16 and FY 2016-17

30. Complete the construction of the Prop 84 Greenfield Community Park
31. Study the feasibility of financing and constructing a Community Recreation Facility
32. Organize a group of interested Citizens to assess the viability of re-establishing the Broccoli Festival
33. Establish a Citizen Recognition Program to acknowledge the civic and community contribution of our residents

<u>BUDGET AND FINANCIAL IMPACT</u>:

Strategic planning, when used correctly, is a disciplined effort that produces fundamental decisions and actions that shape and guide what an organization is, who it serves, what it does, and why it does it, with a focus on the future. Effective strategic planning articulates not only where an organization is going but the actions needed to be obtained in order to achieve the desired goals. By adopting strategic goals, the City will be able to better plan and coordinate the use of its limited human and financial resources.

REVIEWED AND RECOMMENDED:

Once the City Council formally adopts Goals and Priority Objectives, the City staff will begin to establish specific departmental activities to accomplish each of the City Council's priority Goals. These departmental activities will be **very** **S**pecific, **M**easurable, **A**ttainable, **R**ealistic and **T**imely to ensure accountability. Attainment of these goals will assist the City Council evaluate the performance of the City Manager. Conversely, they will also assist the City Manager in evaluating the performance of department directors and managers.

POTENTIAL MOTION:

I MOVE TO APPROVE/DENY THE FY 2015-17 STRATEGIC GOALS AND OBJECTIVES

City Council Memorandum
599 El Camino Real Greenfield CA 93937 831-674-5591
www.ci.greenfield.ca.us

MEMORANDUM: **February 20, 2015**

AGENDA DATE: **February 24, 2015**

TO: Mayor and City Council

FROM: Susan A. Stanton, ICMA-CM
City Manager

TITLE: **AMENDING THE MONTEREY BAY AREA SELF INSURANCE AUTHORITY JOINT POWERS AGREEMENT**

BACKGROUND:

The California Government Code provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus line broker, or any combination of these. The Code also provides that two or more local entities may, by joint powers agreement, provide insurance for any purpose by anyone or more of the methods. In accordance with the California Government Code, the Monterey Bay Area Self Insurance Authority (MBASIA) is a Joint Powers Insurance Authority that provides insurance coverage to its member cities for liability and workers' compensation. The cities of Capitola, Del Rey Oaks, Gonzales, Hollister, King City, Marina, Sand City, Scott Valley, Soledad and Greenfield collectively compose the Insurance Authority and each member's city manager sits on the Board of Directors.

Each member of the Authority must:

- Designate a person to be responsible for the risk management function within that Member and to serve as a liaison between the Member and the Authority as to risk management.
- Maintain an active safety officer and/or committee, and shall consider all recommendations of the Authority concerning unsafe practices and/or hazard mitigation.
- Maintain its own set of records, including a loss log, in all categories of risk covered by each Program in which it participates to insure accuracy of the Authority's loss reporting system, unless it is no longer deemed necessary by the Board of Directors.

- Pay its Contribution, and any adjustments thereto, and any Assessments within the specified period set forth in the invoice, or as otherwise may be set forth herein or in the Bylaws. After withdrawal or termination, each Former Member or its successor shall pay promptly to the Authority its share of any additional contribution, adjustments or assessments, if any, as required of it by the Board of Directors under Article 22 or 23 of this Agreement or the Bylaws.
- Provide the Authority with such, other information or assistance as may be necessary for the Authority to carry out the Programs under this Agreement in which the Member or Former Member participates or has participated.
- Cooperate with and assist the Authority and any insurer of the Authority, in all matters relating to this Agreement and covered claims.
- Comply with all Bylaws, rules and regulations adopted by the Board of Directors.

Some of the most important duties of the Board, set forth in the Joint Powers Agreement, include the power to:

- Determine details of and select the Program or Programs to be offered, from time to time, by the Authority;
- Determine and select all insurance, including Excess or Re-Insurance, necessary to carry out the programs of the Authority;
- Direct, subject to the terms and conditions of the Coverage Documents, the payment, adjustment, and defense of all claims involving a Member during their period of membership in and coverage under a Program;
- Fix and collect from time to time Contributions and Assessments for participation in the Programs;
- Purchase excess insurance, liability insurance, stop loss insurance, officers and directors liability insurance, and such other insurance as the Authority may deem necessary or proper to protect the Program, employees of the Authority and employees of the Members;
- Defend, pay, compromise, adjust and settle all claims as provided for in the Coverage Documents;
- Provide financial administration, claims management services, legal representation, safety engineering, annual audits, actuarial services, and other services necessary or proper to carry out the purposes of the Authority either through its own employees or contracts with one or more third parties;

MBASIA recently conducted a Long Range Planning meeting in which the Board of Directors took action to create an Ad Hoc Committee to review the Joint Powers Agreement. This Ad Hoc Committee reviewed the JPA Agreement with MBASIA's Attorney and sent a draft amendment to each Member's representative on December 30, 2014 for review. After many months of discussion, MBASIA's Board of Directors voted to approve the proposed changes on February 2, 2015.

In order to approve the changes to the JPA Agreement, the Agreement requires approval by City Council. As soon as the amendment is authorized by two-thirds of the member agencies, the amendment will be binding for all members. The following is a description of material changes to the JPA Agreement:

1. Remove references to Seaside, they are no longer a Member.
2. Remove references to CEO, MBASIA is now a contract Program Administration Pool. Before the CEO was employed by MBASIA.
3. Clarify "insurance" to include re-insurance and excess insurance.
4. Define Program Administrator as the contract service firm appointed by the Board of Directors to administer the Authority.
5. Clarify Article 14. Coverage Programs. Add clarity on insurance limits and the responsibility of Members compared to the Authority.
6. Clarify Article 21. Involuntary Termination. Add the following language:

   The Authority may expel any Member Agency, with or without cause, as a participant in any program or as a member of the Authority by a two-thirds vote of the Board and 90 day notice.

7. Clarify Article 22. Effect of Withdrawal or Involuntary Termination. Restate that if a program has a negative net position, a Member cannot take assets from a program with a positive net position. Both programs must be solvent to withdraw and receive a distribution of assets.

BUDGET AND FINANCIAL IMPACT:

Approving the proposed changes will have no direct financial impact on any member city. Clarifying the Board's authority to terminate a member when doing so is in the best interest of the Authority will ensure all members are responsive and responsible for managing their municipal risk program. A reasonable time shall be afforded, in the discretion of the Board of Directors, to place coverage elsewhere if termination does occur and any such involuntary termination shall not relieve the Member or Former Member of its responsibilities as provided for in the agreement.

REVIEWED AND RECOMMENDED:

The Board of Directors extensively discussed the proposed changes and recommended approval and adoption. As City Manager for Greenfield, I supported these proposed changes and now recommend approval by the City of Greenfield. To date, the City of Gonzales and Scotts Valley have approved the agreement. The cities of Marina, Soledad and King City will consider the agreement the first week in March.

POTENTIAL MOTION:

I MOVE TO APPROVE/DENY RESOLUTION NO. 2015-04, A RESOLUTION AMENDING THE MONTEREY BAY AREAS SELF INSURANCE AUTHORITY JOINT PARTICIPATION AGREEMENT

RESOLUTION NO. 2015-04

A RESOLUTION OF THE COUNCIL OF THE CITY OF GREENFIELD, COUNTY OF MONTEREY, STATE OF CALIFORNIA, APPROVING THE AMENDED JOINT POWERS AGREEMENT, MONTEREY BAY AREA SELF INSURANCE AUTHORITY

WHEREAS, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus line broker, or any combination of these; and

WHEREAS, California Government Code Section 990.8 provides that two or more local entities may, by joint powers agreement, provide insurance for any purpose by anyone or more of the methods specified in Government Code Section 990.4; and

WHEREAS, the City of Greenfield is currently a member of a Joint Powers Agreement through Monterey Bay Area Self Insurance Authority (MBASIA); and

WHEREAS, MBASIA is restructuring its governing documents; and

WHEREAS, for the purpose of continuing liability and workers compensation insurance coverage in MBASIA's insurance pool, and as a result of this amendment to the governing documents, the City of Greenfield will execute the amended Joint Powers Agreement.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GREENFIELD RESOLVES THAT:

SECTION 1. The City Council does hereby approve the Joint Powers Agreement, as amended February 2, 2015, approving MBASIA's amended Joint Powers Agreement, the terms and conditions contained therein, a copy of said agreement being attached hereto as "Exhibit A" and by this reference made a part hereof; and

SECTION 2. The City Manager may execute said Joint Powers Agreement on behalf of the City of Greenfield.

SECTION 3. This Resolution is effective upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Greenfield at a regular meeting duly held on the 24th day of February, 2015 by the following vote:

AYES:

NOES

ABSENT:

____
John Huerta, Jr., Mayor
City of Greenfield

ATTEST:

____
Ann F. Rathbun
City Clerk, City of Greenfield

EXHIBIT "A"

AMENDED AND RESTATED JOINT POWERS AGREEMENT
RELATING TO THE
MONTEREY BAY AREA SELF-INSURANCE AUTHORITY

THIS AMENDED AND RESTATED JOINT POWERS AGREEMENT (the 'Agreement) is made and entered into by and among the public agencies (the "Members") organized and existing under the laws of the State of California, which are signatories to this Agreement.

RECITALS

WHEREAS, California Government Code Section 6500 *et seq.* (the "Act") provides that two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, purchase insurance through a surplus line broker, or any combination of these; and

WHEREAS, California Government Code Section 990.8 provides that two or more local entities may, by a joint powers agreement, provide insurance for any purpose by anyone or more of the methods specified in Government Code Section 990.4; and

WHEREAS, the parties to this Agreement desire to join together for the purposes set forth in Article 2 hereof, including establishing pools for self-insured losses and purchasing Excess or Re-Insurance and administrative services in connection with joint protection programs (the "Programs") for Members of the Monterey Bay Area Self-Insurance Authority, formerly known as the Monterey Bay Area Self-Insurance Fund ("Authority'); and

WHEREAS, the Members have previously executed that certain Joint Powers Agreement establishing the Monterey Bay Area Self-Insurance Fund, which the Members desire to amend and restate by this Agreement; provided that such amendment and restatement shall not affect the existence of the Authority; and

~~**WHEREAS**, the City of Seaside, one of the member public entities of the Joint Powers Agreement establishing the Monterey Bay Area Self-Insurance Fund has complied with all previous terms and provisions of the then existing agreement and has withdrawn its membership in that Joint Powers Agreement;~~

NOW, THEREFORE, the cities of Capitola, Gonzales, Greenfield, Hollister, King City, Marina, Scotts Valley, Soledad, Sand City, and Del Rey Oaks, each of them in consideration of the mutual promises and agreements hereinafter stated and the performance thereof, do hereby agree as follows:

Article 1, Definitions, The following definitions shall apply to the provisions of this agreement:

"Act" means Articles 1 through 4 (commencing with Section 6500) of Chapter 5 Division 7, Title 1 of the California Government Code, as amended or supplemented.

"Assessment" means an amount in addition to the Member's or Former Member's Contribution which the Board of Directors determines in accordance herewith and/or that a Member of Former Member owes on account of its participation in, or the financing of, a program for a given Program year.

"Authority" shall mean the Monterey Bay Area Self-insurance Authority initially created by the original Joint Powers Agreement Relating to the Monterey Bay area Self-Insurance Fund.

"Board of Directors" or "Board" shall mean the governing body of the Authority.

"Bonds" shall mean bonds, notes or other obligations issued or incurred by the Authority in order to finance or refinance any program of Claims.

"Bylaws" means the Bylaws of the Authority adopted by the Board of Directors, as they may be amended from time to time.

~~"Chief Executive Officer" shall mean that employee or officer of the Authority or of a Member who is so appointed by the Board of Directors.~~

"Claim" shall mean a demand made by or against a Member or Former Member which is or may be covered by one of the Programs approved by the Board of Directors.

"Contribution" means the mount determined by the Board of Directors to be the appropriate sum which a Member should pay at the commencement of or during the program year in exchange for the benefits provided by the Program, including all amounts necessary to pay claims, debt service on Bonds and all other costs or expenses of a Program.

"Director" shall mean the city manager or ~~chief executive officer~~appointee of a member, or an alternate appointed by a city manager~~ or chief executive officer~~.

"Duly Constituted Board Meeting" shall mean any Board of Directors meeting noticed and held in the required manner and at which a quorum was determined in accordance with the Bylaws to be present at the beginning of the meeting.

"Estimated Contribution" means the amount which the Board of Directors estimates will be the appropriate contribution for a Member's participation in a Program or a Program Year.

~~"Excess Insurance or Re-Insurance" shall mean that insurance which may be purchased on behalf of the Authority and/or the Members to protect the funds of the Members or Former Members against catastrophic losses or an unusual frequency of losses during a single year in excess of the self-Insurance retention maintained by the Authority.~~

"Fiscal Year" shall mean that period of twelve months which is established as the fiscal year of the Authority.

"Former Member" shall mean a city or other public entity which was a signatory to the Agreement but which has withdrawn from or been involuntarily terminated from participating in the Authority.

"Insurance" shall mean that, primary, excess or reinsurance which may be purchased on behalf of the Authority and/or the Members to protect the funds of the

Members or Former Members against catastrophic losses or an unusual frequency of losses during a single year in excess of the self-Insurance retention maintained by the Authority.

"Joint Protection Program" means a ~~P~~program offered by the Authority, separate and distinct from other Programs, wherein Members will jointly pool their losses and claims, jointly purchase Excess or Re-Insurance and administrative and other services, including claims adjusting, data processing, risk management consulting, loss prevention, legal and related services.

"Member" shall mean a signatory to this Agreement, which is qualified as a Member under the provisions of this Agreement and the Bylaws.

"Program" or "Programs" means the specific type of protection plan as set forth in the terms, conditions and exclusions of the Coverage Documents for self-insured losses, and the purchasing of Excess or Re-Insurance and administrative services.

"Program Administrator" shall mean the employee or contract service firm appointed by the Board of Directors of the Authority to administer the Authority.

"Retained Earnings", as used herein, shall mean an equity account reflecting the accumulated earnings of a Joint Protection Program.

Article 2. Purposes. This Agreement is entered into by the Members pursuant to the provisions of California Government Code Section 990, 990A, 990.8 and 6500 *et seq*. in order to provide, subject to the provisions of the Coverage Documents, economical public liability and workers' compensation coverage, or coverage for other risks which the Board of Directors may determine.

Additional purposes are to reduce the amount and frequency of losses, and to decrease the cost incurred by Members in the handling and litigation of claims. These purposes shall be accomplished through the exercise of the powers of such Members jointly in the creation of a separate entity, namely the Monterey Bay Area Self-Insurance Authority (the "Authority"), to establish and administer Programs as set forth herein and in the Bylaws.

It is also the purpose of this Agreement to provide; to the extent permitted by law; for the inclusion at a subsequent date, and subject to approval by the Board of Directors, of such additional Members organized and existing under the laws of the State of California as may desire to become parties to the Agreement and Members of the Authority.

Article 3. Parties to Agreement. Each party to this Agreement certifies that it intends to, and does contract with all other parties who are signatories to this Agreement and, in addition, with such other parties as may later be added as parties to and signatories of this Agreement pursuant to Article 18. Each party to this Agreement also certifies that the withdrawal from or cancellation of membership by any Member, pursuant to Articles 19, 20 and 21, or otherwise, shall not affect this Agreement nor such party's intent, as described above, to contract with the other remaining parties to the Agreement.

Article 4. Term of Agreement. This Agreement shall become effective as to existing Members of the Authority as set forth in Article 34 hereof. This Agreement shall continue thereafter until terminated as hereinafter provided. This Agreement shall become effective as to each new Member upon: (i) approval of its membership by the Board of Directors, (ii) the execution of this Agreement by the Member, and (iii) upon payment by the Member of its initial Contribution for a Program. Any subsequent amendments to the Agreement shall be in accordance with Article 28 of this Agreement.

Article 5. Creation of Authority. Pursuant to the Act, there is hereby created a public entity separate and apart from the parties hereto, to be known as the Monterey Bay Area Self-Insurance Authority. Pursuant to Section 6508.1 of the Act, the debts, liabilities and obligations of the Authority, including but not limited to, debts, liabilities and obligations of any of the Programs shall not constitute debts, liabilities or obligations of any party to this Agreement or to any Member or Former Member.

The Authority is not an insurer, and the coverage programs offered by the Authority do not provide insurance, but instead provide for pooled joint protection programs among the members of the Authority. The Joint Protection Programs offered by the Authority constitute negotiated agreements among the Members which are to be interpreted according to the principles of contract law, giving full effect to the intent of the Members, acting through the Board of Directors in establishing the Programs.

Article 6. Powers of Authority.

(a) The Authority shall have all of the powers common to Members and is hereby authorized to do all acts necessary for the exercise of said common powers, including but not limited to, any or all of the following:

(1) to make and enter into contracts, including the power to accept the assignment of contracts or other obligations which relate to the purposes of the Authority, or which were entered into by a Member or Former Member prior to joining the Authority, and to make claims, acquire assets and incur liabilities;

(2) to incur debts, liabilities, or other obligations, including those which are not debts, liabilities or obligations of the Members or Former Members, or any of them;

(3) to charge and collect Contributions and Assessments from Members or Former Members for participation in Programs;

(4) to receive grants and donations of properly, funds, services and other forms of assistance from persons, firms, corporations and governmental entities;

(5) to acquire, hold, lease or dispose of property, contributions and donations of property and other forms of assistance from persons, firms, corporations and governmental entities;

(6) to acquire, hold or dispose of funds, services, donations and other forms of assistance from persons, firms, corporations and governmental entities;

(7) to employ agents and employees, and/or to contract for such services;

(8) to incur long term debt, including the issuance of Bonds, notes and liabilities or other obligations to finance the Programs if seventy-five percent (75%) of the Members voting agree, and enter into agreements with respect thereto and to exercise any other powers available to the Authority under Article 2 or Article 4 of the Act;

(9) to enter into agreements .for the creation of separate public entities and agencies pursuant to the Act;

(10) to sue and be sued in its own name;

(11) to exercise all powers and perform all acts as otherwise provided for in the Bylaws.

(b) Said powers shall be exercised pursuant to the terms hereof, in the manner provided by law and in accordance with Section 6509 of the Act. The foregoing powers shall be subject to the restrictions upon the manner of exercising such powers pertaining to the Member or Former Member designated in the Bylaws.

Article 7. Board of Directors. Subject to the limitations of this Agreement and the laws of the State of California, the powers of this Authority shall be vested in and exercised by, and its property controlled and its affairs conducted by, the Board of the Authority, which is hereby established and designated as the agency to administer this Agreement pursuant to Section 6506 of the Act. The powers of the Authority shall be exercised through the Board of Directors, who may, from time to time, adopt and modify Bylaws and other rules and regulations for that purpose and for the conduct of its meetings as it may deem proper. The officers of the Board shall be set forth in the Bylaws.

The Board of Directors shall be composed of a Director from each Member that has executed the Agreement and is participating in a Joint Protection Program. Each director on the Board shall have one vote. Each director on the Board shall serve as set forth in the Bylaws.

Article 8. Compliance with the Brown Act. All meetings of the Board, including, without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act, California Government Code Section 54950 *et seq*.

Article 9. Powers of the Board of Directors. The Board of Directors Shall have such powers and functions as provided for pursuant to this Agreement and the Bylaws and such additional powers as necessary or appropriate to fulfill the purposes of this Agreement an the Bylaws, including, but not limited to, the following:

(a) to exercise all powers to conduct all business of the Authority;

(b) to determine details of and select the Program or Programs to be offered, from time to time, by the Authority;

(c) to determine and select all insurance, including Excess or Re-Insurance, necessary to carry out the programs of the Authority;

(d) to contract for, develop or provide through its own employees various services for the Authority;

(e) to prepare or cause to be prepared the operating budget of the Authority for each fiscal year;

(f) to receive and act upon reports of committees and from the Chief Executive Officer;

(g) to appoint staff, including a ~~Chief Executive Officer~~Program Administrator, and employ such persons as the Board of Directors deems necessary for the administration of this Authority;

(h) to direct, subject to the terms and conditions of the Coverage Documents, the payment, adjustment, and defense of all claims Involving a Member during their period of membership in and coverage under a Program;

(i) to fix and collect from time to time Contributions and Assessments for participation in the Programs;

(j) to expend funds of the Authority for the purpose of carrying out the provisions of the Agreement and the Bylaws as they now exist or may be hereafter amended;

(k) to purchase excess insurance, liability insurance, stop loss insurance, officers and directors liability insurance, and such other insurance as the Authority may deem necessary or proper to protect the Program, employees of the Authority and employees of the Members;

(l) to defend, pay, compromise, adjust and settle all claims as provided for in the Coverage Documents;

(m) to obtain a fidelity bond in such amount as the Board of Directors may determine for any person or persons who have charge of or the authority to expend funds for the Authority;

(n) to establish policies and procedures for the operation of the Authority and the Programs;

(o) to engage, retain, and discharge agents, representatives, firms, or other organizations as the Board of Directors deems necessary for the administration of the Authority;

(p) to enter into any and all contracts or agreements necessary or appropriate to carry out the purposes and actions of the Authority;

(q) to acquire, hold, lease, manage and dispose of, as provided by law, any and all property necessary or appropriate to carry out the purposes and functions of the Authority;

(r) to transact any other business which is within the powers of the Board of Directors;

(s) to invest funds on hand in a manner authorized by law, the Agreement and the Bylaws;

(t) to incur indebtedness for the Authority or provide for the issuance of Bonds, and to establish the terms and conditions of such indebtedness;

(u) to provide financial administration, claims management services, legal representations, safety engineering, annual audits, actuarial services, and other services necessary or proper to carry out the purposes of the Authority either through its own employees or contracts with one or more third parties;

(v) to exercise general supervisory and policy control over the ~~Chief Executive Officer~~Program Administrator;

(w) to· establish committees and sub-committees as it deems necessary to best serve the interests of the Authority;

(x) to take such actions as may be necessary to enforce this Agreement against any Member; and

(y) to have such other powers and functions as are provided for pursuant to the Act, this Agreement or necessary or appropriate to fulfill the purpose of this Agreement and the Bylaws.

Article 10. Committees of the Board. Committees established by the Board shall be standing or special. Each committee shall exercise such power and carry out such functions as are designated by this Agreement or the Bylaws or as delegated to it by the Board or an Executive Committee. Except as otherwise provided by the Board, or these Bylaws, such committees shall be advisory only and subject to the control of the Board or an Executive Committee, Whichever appoints them. Except as may otherwise be provided by the Board, or by these Bylaws, any expenditure of funds by a committee shall require prior approval by the Board.

Article 11. Officers of the Authority. The officers of the Authority shall be as set forth in the Bylaws. The Board may elect or authorize the appointment of such other officers than those described in the Bylaws as the business of the Authority may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in this Agreement, or as the Board, from time to time, may authorize or determine.

Any officer may be removed, either with or without cause, by a majority of the Directors of the Board at any regular or special meeting of the Board. Should a vacancy occur in any office as a result of death, resignation, removal, disqualification or any other case, the Board may delegate the powers and duties of such office to any officers or to any Members of the Board until such time as a successor for said office has been appointed.

Article 12. Extension of Agreement. The provisions of this agreement may be extended to incorporate "pooling" of other forms of insurance, including fire insurance and liability insurance, under such conditions as are stated in an appropriate addendum to this agreement, provided each agency participating herein consents in writing to such increased or additional purpose and power.

Article 13. Provision for Bylaws. The Board shall promulgate Bylaws to govern the day-to-day operations of the Authority. The Board may amend the Bylaws from time to time as it deems necessary, and as provided in the Bylaws. Each Member shall receive a copy of any Bylaws and agrees to be bound by and to comply with all of the terms and conditions of the Bylaws as they exist or as they may be modified. The Bylaws shall be consistent with the terms of this agreement. In the event any provision of the Bylaws conflicts with a provision of this Agreement, the provision contained in this Agreement shall control.

Article 14. Coverage Programs.

(a) The Authority shall maintain such types and levels of coverage for Programs as determined by the Board of Directors, Such coverage may provide for binding arbitration before an independent arbitration panel of any disputes concerning coverage between the Authority and a Member.

(b) The coverage afforded under one or more Programs may include protection for general liability, auto liability, property, boiler and machinery, public officials errors and omissions, employment practices, employee benefits liability coverage, employee dishonesty coverage, ~~public officials personal liability coverage~~ and workers' compensation, as well as coverage for other risks which the Board of Directors may determine to be advisable. More than one type of coverage may be afforded under a single Program.

(c) The Board of Directors may arrange for group policies to be issued for Members, their board members and employees interested in obtaining additional coverage, at an appropriate additional cost to those participating Members.

(d) The Board of Directors may arrange for the purchase of ~~Excess or Re -~~ Insurance. The Authority Shall not be liable to any Member or to any other person or organization if such excess or re-insurance policies are terminated, canceled or non-renewed without prior notice to one or more Members, or if there is a reduction in the type of coverage afforded under a program by reason of any change in coverage in a succeeding excess or reinsurance policy, even if such reduction occurs without prior notice to one or more Members. If insurance limits purchased are insufficient for the settlement of a claim or a judgment, the amount in excess of the ~~recoverable amount~~ covered amount is the responsibility of the member.

Article 15, Accounts and Records,

(a) **Annual Budget**. The Authority shall, pursuant to the Bylaws, annually adopt an operating budget, including budgets for each Joint Protection Program.

(b) **Funds and Accounts**. The Authority shall establish and maintain such funds and accounts as determined by the Board of Directors to be necessary or advisable and as may be required by generally accepted accounting principles, including separate funds and accounts for each Program, including Joint Protection Programs. Books and records of the Authority shall be open to any inspection at all reasonable times by authorized representatives of Members, or as otherwise required by law.

(c) **Investments**. Subject to the applicable provisions of any indenture, trust agreement, or resolution relating to the issuance of Bonds and providing for the investment of monies held thereunder, the Authority shall have the power to invest any money in the treasury that is not required for the immediate necessities of the Authority, as the Board determines is advisable, in the same manner as local agencies pursuant to California Government Code Sections 53601 *at seq*. (as such provisions may be amended or supplemented).

(d) **No Commingling**. The various funds, reserves and accounts of each Program shall not be commingled and shall be accounted for separately; provided, however, that administration and overhead expenses of the Authority not related to a specific Program or Programs may be fairly and equitably allocated among Programs as determined by the Board of Directors. Investments and cash accounts may be combined for administrative convenience, but a separate accounting shall be made for balances of individual funds and Program revenues and expenses.

(e) **Annual Audit**. The Board shall provide for a certified, annual audit of the accounts and records of the Authority.

Article 16. Services Provided by the Authority. The Authority may provide, at the sole discretion of the Board of Directors, the following services in connection with this Agreement:

(a) to provide or procure coverage, including but not limited to self-insurance funds and commercial insurance, as well as excess coverage, re-insurance and umbrella insurance, by negotiation or bid, and purchase;

(b) to assist Members in obtaining insurance coverage for risks not included within the coverage of the Authority;

(c) to assist risk managers with the implementation of risk management functions as it relates to risks covered by the Programs in which the Member participates;

(d) to provide loss prevention and safety consulting services to Members;

(e) to provide claims adjusting and subrogation services for Claims covered by the Programs;

(f) to provide loss analysis and control by the use of statistical analysis, data process, and record and file keeping services, in order to identify high exposure operations and to evaluate proper levels of self-retention and deductibles;

(g) to review Member contracts to determine sufficiency of indemnity and insurance provisions when requested;

(h) to conduct risk management audits relating to the participation of Members in the Programs; and

(i) to provide such other services as deemed appropriate by the Board of Directors

Article 17. Duties and Responsibilities of Members. Members or Former Members shall have the following duties and responsibilities, w~~W~~hich shall survive the withdrawal from, or involuntary termination of participation in, this Agreement:

(a) Each Member shall designate a person to be responsible for the risk management function within that Member and to serve as a liaison between the Member and the Authority as to risk management.

(b) Each Member shall maintain an active safety officer and/or committee, and shall consider all recommendations of the Authority concerning unsafe practices and/or hazard mitigation.

(c) Each Member shall maintain its own set of records, including a loss log, in all categories of risk covered by each Program in which it participates to insure accuracy of the Authority's loss reporting system, unless it is no longer deemed necessary by the Board of Directors,

(d) Each Member shall pay its Contribution, and any adjustments thereto, and any Assessments within the specified period set forth in the invoice, or as otherwise may be set forth herein or in the Bylaws. After withdrawal or termination, each Former Member or its successor shall pay promptly to the Authority its share of any additional Contribution, adjustments or Assessments, if any, as required of it by the Board of Directors under Article 22 or 23 of this Agreement or the Bylaws.

(e) Each Member or Former Member shall provide the Authority with such, other information or assistance as may be necessary for the Authority to carry out the Programs under this Agreement in which the Member or Former Member participates or has participated.

(f) Each Member or Former Member shall in any and all ways cooperate with and assist the Authority and any insurer of the Authority, in all matters relating to this Agreement and covered claims.

(g) Each Member or Former Member will comply with all Bylaws, rules and regulations adopted by the Board of Directors.

Article 18. New Members. The Authority shall allow entry into its Programs of new Members only upon approval of the Board, with any conditions or limitations as the Board, deems appropriate.

Article 19. Voluntary Withdrawal of a Member.

Subject to Article 20, any member may voluntarily withdraw from the Authority if that Member has participated in the Authority for a minimum of three full Program years, and the Member's governing board gives notice to the Board of Directors of the Authority no later than March 1st of the preceding fiscal year of the Member's intent to withdraw from the Authority,

If withdrawal is permitted as set forth above, the Member's participation in the Authority shall terminate at the end of the fiscal year in which notice was given, provided, however, that any Member desiring to leave the Authority shall remain liable for all expenses in excess of Contribution until Claims of the withdrawing Member are settled and obligations to claimants met, the Member formally withdraws from the Authority, and the Member acknowledges that it has no interest in any of the assets of the Authority.

If additional funds are required to settle Claims or obligations of the terminating Member the Board may declare and collect the Assessments or Contributions necessary from the Member. After all Claims and obligations of the terminating Member are met the Board shall determine if any refund of Assessment or Contribution is due and refund such amount.

Article 20. Worker's Compensation Program Financing Requirements

Each Member acknowledges that the Authority intends to issue, during calendar year 2004, Bonds in order to fund reserves that the Authority has determined are currently inadequate for the Claims to be paid by the Authority with respect to its worker's compensation program incurred prior to June 30, 2003, and that the debt service on such Bonds will be payable primarily from a portion of the annual worker's compensation Contributions paid by each Member for the Claims incurred prior to June 30, 2003, Accordingly, each Member agrees and acknowledges that, so long as any such Bonds are outstanding or any other amounts remain owing with respect thereto, (i) that it will not withdraw from the Authority (and any attempted withdrawal will be null and void), (ii) that it will obtain its worker's compensation insurance coverage solely through the Authority or in connection with the Authority (except for any self-funded retention and any excess worker's compensation coverage), (iii) that a portion of the worker's compensation Assessments and Contributions charged to the Member will be used to pay debt service on such Bonds, or to provide for costs, expenses, reserves or debt service coverage with respect to such Bonds in an amount as may be required by the documents pursuant which such Bonds are issued, (iv) that the amount of Assessments and Contributions which may be due include all amounts necessary to pay debt service and related costs with respect to any Bonds, as set forth in clause (iii) above, including additional amounts which may become due from time to time as the result of a default by another Member of Former Member, (v) that it will pay, as required by the bond or note documentation, all of the Assessments and Contributions due to the Authority, (vi) that the Assessments and Contributions will be payable from any source of available funds of the Member, including amounts on deposit in the general fund of the Member, and (vii) that each Member will take such action as may be necessary to include all Assessments and Contributions due in each of its approved budgets, and to amend such budget if necessary to include any Assessment and Contribution amount not included in its original budget, for so long as it remains, a Member of the Authority and to make the necessary appropriations for all such Assessments and Contributions. Notwithstanding the foregoing, if the documentation relating to the Bonds allows for the early retirement of the Bonds, a Member may withdraw from the Authority and have no liability with respect to any future Assessments or Contributions if it prepays its obligations with respect to such Bonds, as such obligations are set forth in the applicable Bond documentation.

Article 21. Involuntary Termination

(a) Notwithstanding the provisions of Article 20 and 21, the Authority Shall have the right to involuntarily terminate any Member's participation in any Program, or terminate membership in the Authority if a Member breaches any duty or responsibility pursuant to Article 17 imposed on Members to this Agreement.

~~(a)~~(b) The Authority may expel any Member Agency, with or without cause, as a participant in any program or as a member of the Authority by a two-thirds vote of the Board and 90 days notice.

~~(b)~~(c) Notwithstanding any other provisions of this Agreement, the participation of any Member of the Authority, including participation in any of the Authority's Programs, may be involuntarily terminated at the discretion of the Board of Directors whenever such Member is dissolved, consolidated, merged or annexed. A reasonable time shall be afforded, in the discretion of the Board of Directors, to place coverage elsewhere. Any such involuntary termination shall not relieve the Member or Former Member of its responsibilities as provided for in Articles 19, 20 and 23.

~~(c)~~(d) Any involuntary termination occurring during any period that Bonds, are outstanding shall be subject to the requirement that the obligations of the Member being terminated with respect to such Bonds, are prepaid, either by such Member or by the Authority.

Article 22. Effect of Withdrawal or Involuntary Termination. The withdrawal from or involuntary termination of any Member from this Agreement shall not terminate this Agreement, and such Member, by withdrawing or being involuntarily terminated, shall not be entitled to payment, return or refund of any Contribution, prior Assessment, prior consideration, or other property paid, or donated by the Member to the Authority, or to any return of any loss reserve contribution, or to any distribution of assets (except payment of any Retained Earnings, as set forth in the following paragraph). If a Member or Former Member withdraws or is involuntary terminated from a program with a negative Net Position, the Member or Former Member will not receive any distribution of assets.

The withdrawal from or involuntary termination of any Member after the effective date of any Program shall not terminate its responsibility to pay its unpaid Contribution adjustments, or Assessments to such Program. The Board of Directors shall determine the final amount due from the Member or Former Member or credits to the Member or Former Member for the period of its participation. Such determination shall not be made until all Claims, or other unpaid liabilities, have been finally resolved. In connection with this determination, the Board of Directors may exercise similar powers to those provided for in Article 23(b) of this Agreement. Upon such withdrawal from or cancellation of participation in any Program by any Member, said Member shall be entitled to receive its pro rata share of any Retained Earnings applicable to the time of its participation even though such Retained Earnings are declared by the Board of Directors after the date of said Member withdraws or is involuntarily terminated.

Article 23. Termination and Distribution; Assignment.

(a) if no Bonds remain outstanding, this Agreement may be terminated any time with the written consent of two-thirds of the voting Members; provided, however, that this Agreement and the Authority shall continue to exist for the purpose of disposing of all Claims, distribution of net assets and all other functions necessary to wind up the affairs of the Authority.

(b) The Board of Directors is vested with all powers of the Authority for the purpose of winding up and dissolving the business affairs of the Authority. These powers shall include the power to require Members or Former Members, including those which were signatory hereto at the time the subject Claims arose or was/were incurred, to pay any Assessment or Contribution in accordance with loss allocation formulas for final disposition of all Claims and losses covered by this Agreement or the Bylaws. A Member or Former Member's Assessment or Contribution shall be determined as set forth by the Board or the applicable Coverage Documents.

(c) Upon termination of a Program, all net assets of such Program shall be distributed only among the Members that are participating in such Program at the time of termination, in accordance with the proportionate to their cash payments (including Contributions, adjustments, Assessments and other property at market value when received) made during the term of this Agreement for such Program. The Board of Directors shall determine such distribution within six (6) months after disposal of the last pending Claim or loss covered by such Program.

(d) Upon termination of this Agreement all net assets of the Authority shall be distributed only among the Members in good standing at the time of such termination in accordance with and proportionate to their cash contributions and property at market value when received. The Board of Directors shall determine such distribution within six (6) months after disposal of the last pending Claim or loss covered by this Agreement.

(e) In lieu of terminating this Agreement, the Board, With the written consent of two-thirds of the voting Members, may elect to assign and transfer all of the Authority's rights, assets, liabilities and obligations to a successor joint powers authority created under the Act.

Article 24. Enforcement. The Authority is hereby granted authority to enforce this Agreement. In the event action is instituted to enforce the terms of this Agreement, the Bylaws and/or any policies and/or procedures of the Board of Directors and the non-defaulting party(s) should employ attorneys or incur other expenses for the collection of monies or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party(s) herein contained, the defaulting party agrees that it will on demand therefore pay to the non-defaulting party(s) the reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting party(s).

Article 25. Non-liability of Directors. Officers and Employees. The Board of Directors, and the officers and employees of the Authority, including former directors, officers and employees, shall not be liable to the Authority, to any Member or Former Member, or to any other person, for actual or alleged breach of duty, mistake of judgment, neglect, error, misstatement, misleading statement, or any other act or omission in the performance of their duties hereunder; for any action taken or omitted by any employee or independent contractor; for loss incurred through the investment or failure to invest funds; or for loss attributable to any failure or omission to procure or maintain insurance; except in the event of fraud, gross negligence, or intentional misconduct of such director, officer or employee. No director, officer or employee, including former directors, officers and employees, shall be liable for any action taken or omitted by any other director, officer or employee. The Authority shall defend and shall indemnify and hold harmless its directors, officers and employees, from any and all claims, demands, causes of action, and damages arising out of their performance of their duties as such directors, officers or employees of the Authority except in the event of fraud, gross negligence, corruption, malice or intentional misconduct, and the funds of the Authority shall be used for such purpose. The Authority may purchase conventional insurance to protect the Authority, and its participating Members or Former Members, against any such acts or omissions by its directors, officers and employees. including former directors, officers and employees.

Article 26. Indemnification and Release. Each Member shall and hereby agrees to indemnify and save the Authority and all other Members harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of any breach or default on the part of such Member in the performance of any of its obligations under this Agreement, or any act or negligence of such Member or any of its agents, contractors, servants, employees or licensees with respect to the coverage provided such Member. No indemnification is made under this section or elsewhere in this Agreement by the Authority or its officers, agents, employee successors or assigns.

Article 27. Notices. Notices to Members or Former Members hereunder shall be sufficient if delivered to the principal office of the respective Member or Former Member.

Article 28. Amendment. This Agreement may be amended at any time by a two-thirds vote of the Members. The Bylaws may be amended as provided therein. Upon the effective date of any validly approved amendment to this Agreement, such amendment shall be binding on all Members.

Article 29. Prohibition Against Assignment. No person or organization shall be entitled to assert the rights, either direct or derivative, of any Member or Former Member under any coverage agreement or memorandum. No Member or Former Member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any Member or Former Member shall have any right, claim or title or any part, share, interest, fund, contribution or asset of the Authority.

Article 30. Agreement Complete. The foregoing constitutes the full and executed Agreement of the parties. There are no oral understandings or agreements not set forth in writing herein. This Agreement supersedes and replaces all previous agreements..

Article 31. Counterparts. This Agreement may be executed in one or more counterparts and shall be as fully effective as fully effective as though executed in one document.

Article 32. California law. This Agreement shall be governed by the laws of the State of California.

Article 33. Severability. Should any part, term or provision of this Agreement be determined by any court of competent jurisdiction to be illegal or in conflict with any law of the State of California or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected thereby.

Article 34. Effective Date. This Agreement shall become effective as to existing Members of the Authority on the date on which at least two-thirds of such Members have executed this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by authorized officials on the date indicated below:

Acknowledgment:

______________________ Date:____________

Name, Chair – Board of Directors
MONTERY BAY AREA SELF-INSURANCE AUTHORITY

I hereby certify this amended and Restated Joint Powers Agreement has also received the required approval of not less than two-thirds of the Member entities then parties to the Joint Powers Agreement.

______________________ Date:____________

Name, ~~Chief Executive Officer~~Program Administrator
MONTEREY BAY AREA SELF-INSURANCE AUTHORITY