TUESDAY
APRIL 16, 2019

5:30 P.M.

Note: Early Start Time

2131 Pear Street, Pinole, California

Peter Murray, Mayor
Roy Swearingen, Mayor Pro Tem
Norma Martinez-Rubin, Council Member
Vincent Salimi, Council Member
Anthony Tave, Council Member

Public Comment: The public is encouraged to address the City Council on any matter listed on the agenda or on any other matter within its jurisdiction subject to the rules of decorum described in Council Resolution 2019-03. If you wish to address the City Council, please complete the gold card that is provided at the rear entrance to the Council Chambers and hand the card to the City Clerk. City Council will hear public comment on items listed on the agenda during discussion of the matter and prior to a vote. City Council will hear public comment on matters **not** listed on the agenda during Citizens to be Heard, Agenda Item 5.

Americans With Disabilities Act: In compliance with the Americans With Disabilities Act of 1990, if you need special assistance to participate in a City Meeting or you need a copy of the agenda, or the agenda packet in an appropriate alternative format, please contact the City Clerk's Office at (510) 724-8928. Notification at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service. Assisted listening devices are available at this meeting. Ask the City Clerk if you desire to use this device.

Note: Staff reports are available for inspection at the Office of the City Clerk, City Hall, 2131 Pear Street during regular business hours, 8:00 a.m. to 4:30 p.m. Monday – Thursday, and on the City Website at www.ci.pinole.ca.us. You may also contact the City Clerk via e-mail at cityclrk@ci.pinole.ca.us

COUNCIL MEETINGS ARE TELEVISED LIVE ON CHANNEL 26. They are retelecast the following Thursday at 6:00 p.m. The Community TV Channel 26 schedule is published on the city's website at www.ci.pinole.ca.us. City Council meetings are video-streamed live on the City's website, and remain archived on the site for five (5) years.

Ralph M. Brown Act. Gov. Code § 54950. *In enacting this chapter, the Legislature finds and declares that the public commissions, boards and councils and the other public agencies in this State exist to aid in the conduct of the people's business. It is the intent of the law that their actions be taken openly and that their deliberations be conducted openly. The people of this State do not yield their sovereignty to the agencies, which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments they have created.*

1. CALL TO ORDER & PLEDGE OF ALLEGIANCE IN HONOR OF THE US MILITARY TROOPS

2. ROLL CALL, CITY CLERK'S REPORT & STATEMENT OF CONFLICT

An official who has a conflict must, prior to consideration of the decision: (1) publicly identify in detail the financial interest that causes the conflict; (2) recuse himself /herself from discussing and voting on the matter; and (3) leave the room until after the decision has been made, Cal. Gov't Code § 87105.

3. CONVENE TO A CLOSED SESSION

Citizens may address the Council regarding a Closed Session *item prior to the Council adjourning into the Closed Session, by first providing a speaker card to the City Clerk.*

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Pursuant to Gov. Code § 54956.9(d)(2).
One Matter

B. CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to Gov. Code § 54957.6
Negotiating Parties: City Manager Michelle Fitzer, Hector De La Rosa, Asst. City Manager & Bruce Heid
Employee Organizations: All Groups

4. RECONVENE IN OPEN SESSION TO ANNOUNCE RESULTS OF CLOSED SESSION

5. CITIZENS TO BE HEARD (Public Comments)

Citizens may speak under any item not listed on the Agenda. The time limit is 3 minutes, and is subject to modification by the Mayor. Pursuant to provisions of the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The City Council may direct staff to investigate and/or schedule certain matters for consideration at a future Council meeting.

6. RECOGNITIONS / PRESENTATIONS / COMMUNITY EVENTS

A. Proclamations

1. Recognizing April as Sexual Assault Awareness Month

B. Presentations / Recognitions

1. Fire Department Update by Fire Chief Scott Kouns

7. CONSENT CALENDAR

All matters under the Consent Calendar are considered to be routine and noncontroversial. These items will be enacted by one motion and without discussion. If, however, any interested party or Council member(s) wishes to comment on an item, they may do so before action is taken on the Consent Calendar. Following comments, if a Council member wishes to discuss an item, it will be removed from the Consent Calendar and taken up in order after adoption of the Consent Calendar.

A. Approve the Minutes of the Meeting of April 2, 2019

B. Receive the March 30, 2019 – April 12, 2019 List of Warrants in the Amount of $397,958.16 and the April 5, 2019 Payroll in the Amount of $453,323.61

C. Approve a Letter of Support for the Tri-Valley Cities Legislative Positions Letter on Priority Housing Legislation and Authorize the Mayor to Sign the Letter **[Action: Review Letter and Authorize the Mayor to Sign (Fitzer)]**

8. PUBLIC HEARINGS

Citizens wishing to speak regarding a Public Hearing item should fill out a speaker card prior to the completion of the presentation, by first providing a speaker card to the City Clerk. An official who engaged in an ex parte communication that is the subject of a Public Hearing must disclose the communication on the record prior to the start of the Public Hearing.

A. Conduct Second Reading Small Cell Wireless Design Guidelines **[Action: Adopt Ordinance on 2nd Reading (Casher)]**

9. OLD BUSINESS

A. Approve a Professional Services Agreement with Management Partners in an Amount Not to Exceed $70,000 to Facilitate Council Team Building and Community Strategic Planning Processes [**[Action: Approve Resolution Per Staff Recommendation (Fitzer)]**

B**.** Discussion Regarding Timing of Fire Service Delivery Study, Charter City Potential Ballot Measure, and the Strategic Planning Process **[Action: Discuss & Provide Direction (Fitzer)]**

C. East Bay Ophthalmology Center (Gateway Medical Center) Project Update **[Action: Discuss & Provide Direction (Hortert)]**

10. NEW BUSINESS

A. Receive City of Pinole's Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018 **[No Action Required: Informational Item Only (Miller)]**

B. Discussion Regarding the Potential For Fireworks On July 4th 2019 **[Action: Discuss & Provide Direction (Fitzer)]**

11. REPORTS & COMMUNICATIONS

A. Mayor Report
  1. Announcements

B. Mayoral & Council Appointments
  1. Planning Commission

C. City Council Committee Reports & Communications

D. Council Requests For Future Agenda Items

E. City Manager Report / Department Staff

F. City Attorney Report

12. **ADJOURNMENT** to the Regular City Council Meeting of May 7, 2019 In Remembrance of Amber Swartz.

I hereby certify under the laws of the State of California that the foregoing Agenda was posted on the bulletin board at the main entrance of Pinole City Hall, 2131 Pear Street Pinole, CA, and on the City's website, not less than 72 hours prior to the meeting date set forth on this agenda.

POSTED: April 11, 2019 at 4:00 P.M.

Heather Iopu, CMC
City Clerk

Pinole Fire Department Update: April 16th, 2019

SAFETY

7 Focus Areas of Pinole Fire Department

1. FIRE PREVENTION
2. PERSONNEL
3. OPERATIONS
4. TRAINING
5. FACILITIES
6. BATTALION 7 AGREEMENT
7. TECHNOLOGY

FIRE PREVENTION

FIRE PREVENTION

- **FIRE PREVENTION**:
  - **Inspections**:
    - Phase 2 complete and now working on phase 3 (top 40)
    - Our Fire Prevention bureau is working hard to make our City a safer place to live and own a business.

FIRE PREVENTION

- **FIRE HAZARD REDUCTION PROGRAM**
  - This program is developed to inform and enforce our current Weed "Hazard" Abatement program by encouraging our residents and property owners to remove weeds/brush and trim trees on their property. Signage around Pinole starts May 1st with May 31st as the Deadline for all property owners/residents to remove weeds & brush and trim trees on their property. (See Fire Department Website for more information)

FIRE PREVENTION

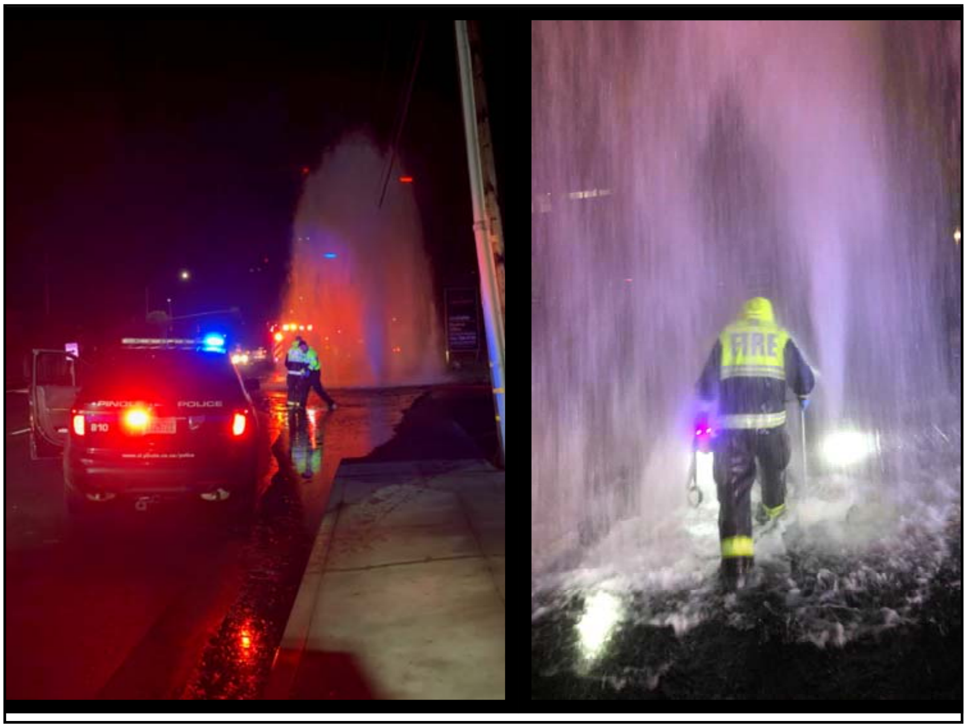
- On the Second Saturday in May, May 11th, 2019, from 9:00 am – 3:00pm We will have **Fire Department Hazard Abatement Day**: **FREE** Green Waste Free Disposal. **Pinole Valley Park**
- We are encouraging all residents to trim their trees, bushes, and remove weeds and dump their green waste.

PERSONNEL

- New Management Analyst to start April 29th, 2019.
- Hiring 2 new Paramedic Firefighters
- State Accredited Fire Academy: 18-20 Weeks
- In-House 4 Week Advanced Training

TRAINING

- Whether it's a fire in a structure, in the wildland or a car or a medical call, or rescue or hazardous materials response, we are there to help you. Our training never stops because we respond to so many different types of calls we have to be ready for anything.
- In the near future, we are looking to provide advanced Incident Command training as well as State Fire Marshall classes to our Department.

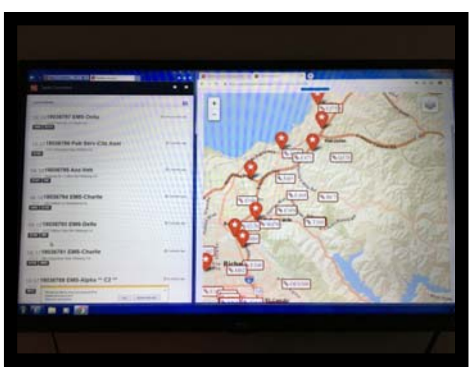

POLICE
FIRE


MOD PIZZA
SUPER FAST
KOMAN
BLUME

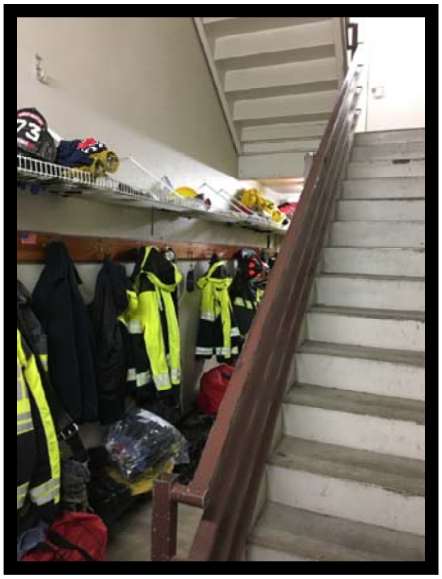
FACILITIES

- We are in the first stages of updating/upgrading fire station 73 and 74.
- SCBA Compressor is now in place and in good working order.
- Tablet Command monitor is in place for situational awareness within the County.
- Station alert system update: in place and working well. Additional Lighting / speaker notification install work continue.

FACILITIES



FACILITIES



FACILITIES

BATTALION 7 AGREEMENT

- This updated agreement was written with all three agencies who make up Battalion 7, Con Fire, Rodeo-Hercules, and Pinole. Working together with our surrounding agencies for a mutual beneficial agreement update has been viewed by all the local agencies partners and with some modification and a final blessing from L1230, it will be signed soon.

TECHNOLOGY

- To help us complete and track State mandated training and reports, we continue to use software to help us.
  – Target Solutions for training,
  – FireRMS and Zoll ePCR for Fire and EMS reports.
  – Tablet Command for communications dispatch and GPS tracking. (installation will be in a few days for Pinole).
  – We are always looking to improve through technology

Questions??

CITY COUNCIL MEETING
MINUTES
APRIL 2, 2019

1. CALL TO ORDER & PLEDGE OF ALLEGIANCE IN HONOR OF THE US MILITARY TROOPS

The City Council Meeting was held in the Pinole Council Chambers, 2131 Pear Street, Pinole, California. Mayor Murray called the Regular Meeting of the City Council to order at 5:30 p.m. and led the Pledge of Allegiance.

2. ROLL CALL, CITY CLERK'S REPORT & STATEMENT OF CONFLICT

A. COUNCILMEMBERS PRESENT

Peter Murray, Mayor
Roy Swearingen, Mayor Pro Tem
Norma Martinez-Rubin, Councilmember
Vincent Salimi, Councilmember
Anthony Tave, Councilmember

B. STAFF PRESENT

Hector De La Rosa, Assistant City Manager
Heather Iopu, City Clerk
Eric Casher, City Attorney
Alex Mog, Assistant City Attorney
Tamara Miller, Development Services Director/City Engineer
Daniel Hortert, Planning Manger
Gene Alameda, Police Lieutenant

City Clerk Iopu announced the agenda was posted on March 28, 2019 at 4:00 p.m. All legally required notice was provided.

City Clerk Iopu announced that additional items pertaining to Agenda Items 8A, 9A and 10A on the agenda were provided at the dais for the Council and copies were placed at the rear of the Chamber for the public.

Following an inquiry to the Council, the Council reported there were no conflicts with any items on the agenda.

3. CONVENE TO A CLOSED SESSION

A. CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to Gov. Code § 54957.6
Hector De La Rosa, Asst. City Manager & Bruce Heid and Greg Ramirez, IEDA
Employee Organizations: All Groups

B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Gov. Code §54956.8

Properties: Bank 401-162-003; Corner Lot 401-162-001; Pinole Shores 402-230-015, 016, 017, 018, 020, 022; Gateway (Henry) 401-211-033; Blackies 401-142-010; Collins House 401-142-011
Negotiator: City Manager, Michelle Fitzer and Assistant City Manager, Hector De La Rosa
Under Negotiation: General Terms

The following members of the public addressed the City Council:

Jack Meehan, resident of Pinole, made comment regarding the properties listed for Closed Session Item 3B and asked for clarification from staff.

Staff responded.

4. RECONVENE IN OPEN SESSION TO ANNOUNCE RESULTS OF CLOSED SESSION

Mayor Murray reported action on Closed Session Item B. Staff was directed to retain a commercial broker for the disposition of the parcels listed.

5. CITIZENS TO BE HEARD (Public Comments)

At 7:00 pm, the Mayor inquired if there were any Public Comments. The following speakers addressed the City Council:

Jack Meehan, resident of Pinole, expressed gratitude to the Fire service for saving his life twenty years ago.

Bob Kopp, resident of Pinole, announced car show on June 23rd at Fernandez Park. Stated that they are looking for sponsors for the event. Stated that he supports internal promotion of maintenance staff into supervisory vacancies.

Rafael Menis, resident of Pinole, expressed gratitude to City staff for repairing a pothole.

Sherry McCoy, Director of Constituent Services for CA Senator Nancy Skinner, introduced herself and provided a summary of services provided by her office.

Tammy Campbell, resident of Pinole, expressed gratitude to firefighters of Pinole, asked whether or not the Pinole School Board had reached out to the City; spoke regarding school district budget deficit, and Voices Charter School. Spoke regarding the TV station and its importance to the community.

Irma Rupert, resident of Pinole, asked for the upcoming budget and Finance Sub-committee meeting schedule. Spoke regarding the importance of a forensic audit of City finances and asked staff for details regarding past audits.

Council and staff responded to questions.

6. RECOGNITIONS / PRESENTATIONS / COMMUNITY EVENTS

A. Proclamations

B. Presentations / Recognitions

a. Introduction of Daniel Hortert, new Planning Manager

Daniel Hortert introduced himself to the Council and public.

7. CONSENT CALENDAR

A. Approve the Minutes of the Meetings of March 5 and 19, 2019

B. Receive the March 16, 2019 – March 29, 2019 List of Warrants in the Amount of $219,555.68 and the March 22, 2019 Payroll in the Amount of $382,932.78

E. Resolution Approving Lease Agreement for Room at 800 Tennent Avenue [**Action: Adopt Resolution Approving Lease Per Staff Recommendation (Casher)]**

F. Adopt a Resolution Approving a One Hundred and Twenty (120) Day Exclusive Negotiating Agreement with General Realty CE, LLC for the Purchase of Properties Located At 830-850 San Pablo Avenue and a Reimbursement Agreement for Reimbursement to the City for Negotiation of the ENA and Other Development Documents **[Action: Adopt Resolution Per Staff Recommendation (De La Rosa)]**

ACTION: <u>Motion by Councilmembers Swearingen/Salimi to approve Consent Calendar Items 7A, 7B, 7E & 7F.</u>

Vote:	**Passed**	**5-0**
	Ayes:	**Murray, Swearingen, Tave, Martinez-Rubin, Salimi**
	Noes:	**None**
	Abstain:	**None**
	Absent:	**None**

Councilmember Martinez-Rubin pulled items 7C & 7D for further discussion.

C. Authorizing One Time Expenditures From Asset Forfeiture Funds In An Amount Not To Exceed $25,000 For Public Safety Employee Wellness App **[Adopt Resolution Per Staff Recommendation (Gang)]**

Staff presented an overview of the item and outlined the action. Council made comments and asked questions of staff. Staff responded to questions.

ACTION: <u>Motion by Councilmembers Swearingen/Salimi to approve Consent Calendar Item 7C</u>

Vote:	**Passed**	**5-0**
	Ayes:	**Murray, Swearingen, Tave, Martinez-Rubin, Salimi**
	Noes:	**None**
	Abstain:	**None**
	Absent:	**None**

D. Approve a Facility Use Agreement and an Operations Agreement with the Pinole Seals for Two Years to Use And Operate the Pinole Swim Center for the 2019 and 2020 Seasons and Authorize the City Manager to Execute the Agreements with the Seals **[Action: Adopt Resolution Per Staff Recommendation (De La Rosa)]**

Councilmember Martinez-Rubin asked questions of Pinole Seal representative, Phil Malgren answered questions. Assistant City Manager De La Rosa commented.

Discussion by Council regarding the budget and agreement.

The following speakers addressed the City Council:

Maureen Toms, resident of Pinole and Pinole Seal parent, acknowledged the work of the Pinole Seals and expressed interest in having the pool open year-round in the future.

Rafael Menis, resident of Pinole, asked questions regarding the details of the staff report.

Staff responded to questions.

Tammy Campbell, resident of Pinole, spoke in support of the Pinole Seals.

ACTION: Motion by Councilmembers Swearingen/Martinez-Rubin to approve Consent Calendar Item 7D

Vote:	**Passed**	**5-0**
	Ayes:	**Murray, Swearingen, Tave, Martinez-Rubin, Salimi**
	Noes:	**None**
	Abstain:	**None**
	Absent:	**None**

8. PUBLIC HEARING

A. Introduction and First Reading of the Small Cell Wireless Design Guidelines **[Action: Conduct Public Hearing & Introduce on First Reading (Casher)]**

Assistant City Attorney Mog presented report and outlined the action.

Councilmembers asked questions. Staff responded.

At 10:09 pm, Mayor Murray opened the Public Hearing.

The following speakers addressed the City Council:

David Rupert, resident of Pinole, recognized City staff for making a great presentation. Stated that 5G is new technology and commented on unknown factors that will affect the City and processes.

Jack Meehan, resident of Pinole, spoke regarding the details of the staff report. Made comments regarding pole type, metering and electricity usage.

At 10:14 pm, Mayor Murray closed the Public Hearing.

Councilmembers asked questions and made comments.

9. OLD BUSINESS

A. Discussion of West Contra Costa County Subregional Transportation Mitigation Program (STMP) Fee Update and Possible Adoption of Ordinance **[Action: Adopt Ordinance (Mog)]**

Tamara Miller introduced the item and outlined the recommended action. West Contra Costa Transportation Advisory Committee (WCCTAC) representative, John Nemeth, Francisco Martin of Fehr and Peers, and Bob Spencer of Urban Economics presented report.

Councilmembers asked questions and made comments. Discussion regarding the proposed fee structure.

Staff and representatives addressed questions.

The following speakers addressed the City Council:

Irma Rupert, resident of Pinole, asked questions of the WCCTAC representatives.

Questions addressed by WCCTAC representatives and City staff.

Rafael Menis, resident of Pinole, spoke in support of approval of the item and highlighted the benefits to Pinole from the STMP program.

Maureen Toms: resident of Pinole, expressed concern regarding possible effect on projects if Council does not approve the proposed rate. Asked regarding timeline of approval and implementation of new fee structure.

Question addressed by Leah Greenblat, WCCTAC project manager.

Council asked questions and made comments. Staff addressed questions.

ACTION: Motion by Councilmembers Swearingen/Martinez-Rubin to approve Old Business Item 9A.

Vote:	**Passed**	**5-0**
	Ayes:	**Murray, Swearingen, Tave, Martinez-Rubin, Salimi**
	Noes:	**None**
	Abstain:	**None**
	Absent:	**None**

10. NEW BUSINESS

A. Adopt a Resolution to Adopt a List of Projects for Fiscal Year 2019/20 Funded by Sb 1: The Road Repair and Accountability Act of 2017 **[Adopt Resolution Per Staff Recommendation (T. Miller)]**

Tamara Miller, Development Services Director/City Engineer, presented report.

ACTION: **<u>Motion by Councilmembers Tave/Swearingen to approve New Business Item 10A.</u>**

Vote:	**Passed**	**5-0**
	Ayes:	**Murray, Swearingen, Tave, Martinez-Rubin, Salimi**
	Noes:	**None**
	Abstain:	**None**
	Absent:	**None**

11. REPORTS & COMMUNICATIONS

A. <u>Mayor Report</u>

1. Announcements

Mayor Murray reported on recent events and meetings he attended: West Contra Costa Mayors meeting and the AD15 Transportation Town Hall both held on March 28, 2019. Also attended benefit Cabaret put on by the Pinole Senior Center

B. Mayoral & Council Appointments

None.

C. City Council Committee Reports & Communications

Mayor Pro Tem Swearingen gave update regarding details of WCCTAC project affecting San Pablo Avenue.

Councilmember Martinez-Rubin announced April 1st through 5th is National Public Health Week and spoke regarding importance of vaccines.

Councilmember Salimi recognized and thanked staff for their hard work.

D. Council Requests For Future Agenda Items

Councilmember Tave requested update on Charter City discussion agenda item and asked for future agenda item regarding project labor agreement policy.

Councilmember Salimi requested a future item in recognition of Mayor Murray and Mayor Pro-Tem Swearingen for their many years of service on the City Council.

E. City Manager Report / Department Staff

None.

F. City Attorney Report

None.

12. ADJOURNMENT to the Council Meeting of April 16, 2019 and in Remembrance of the Amber Swartz.

At 10:46 p.m., Mayor Murray adjourned to the City Council meeting of April 16, 2019 in Remembrance of Amber Swartz**.**

Submitted by:

____
Heather Iopu, CMC
City Clerk

Approved by City Council:

WARRANT LISTING
By Vendor Name

City of Pinole, CA

Payment Dates 03/30/2019 - 04/12/2019

Payable Number	Payment Number	Payment Date	Account Number	Description (Payable)	Amount
Vendor: 4LE00 - 4LEAF, INC.					
J1909A10	90638	04/05/2019	212-462-42101	On-Call Building Dept Services	22,928.20
J3681D	90638	04/05/2019	100-231-42101	Pinole Fire Project	14,280.00
				Vendor 4LE00 - 4LEAF, INC. Total:	**37,208.20**
Vendor: 1071 - ADRIANA VALDIVIA					
072917	90691	04/12/2019	209-20308	RETURN OF DEPOSIT FOR 7/29/17 RENTAL MINUS FEES	500.00
072917	90691	04/12/2019	209-552-38112	RETURN OF DEPOSIT FOR 7/29/17 RENTAL MINUS FEES	-134.90
				Vendor 1071 - ADRIANA VALDIVIA Total:	**365.10**
Vendor: TUC03 - ANITA L. TUCCI-SMITH, LLC					
PC07PINOLE- FY18/19	90692	04/12/2019	212-461-42514	MINUTES FOR PLANNING COMMISION REGULAR MEETING	487.50
				Vendor TUC03 - ANITA L. TUCCI-SMITH, LLC Total:	**487.50**
Vendor: ROD01 - ANNETTE RODRIGUEZ					
40219	90639	04/05/2019	209-552-43802	EXERCISE 19 CLASSES	855.00
				Vendor ROD01 - ANNETTE RODRIGUEZ Total:	**855.00**
Vendor: PEL02 - APEX REFRIGERATION CORP.					
08204	90640	04/05/2019	209-552-42107	WALK-IN GLASS DOOR COOLER	247.50
				Vendor PEL02 - APEX REFRIGERATION CORP. Total:	**247.50**
Vendor: ARA01 - ARAMARK UNIFORM SERVICES					
704201621	90693	04/12/2019	100-222-44410	WHITNERY SHIRTS- PD	7.79
704213872	90693	04/12/2019	100-222-44410	WHITNERY SHIRTS- PD	7.79
704223827	90693	04/12/2019	100-222-44410	WHITNEY SHIRTS	7.79
704233898	90693	04/12/2019	100-222-44410	WHITNEY SHIRTS	7.79
704264244	90693	04/12/2019	100-222-44410	WHITNEY SHIRTS	7.79
704274356	90693	04/12/2019	100-222-44410	WHITNEY SHIRTS	7.79
704284532	90693	04/12/2019	100-222-44410	WHITNEY SHIRTS	7.79
704300343	90693	04/12/2019	100-222-44410	WHITNEY SHIRTS	15.58
704304701	90693	04/12/2019	100-222-44410	WHITNEY SHIRTS- PD	15.58
704311904	90693	04/12/2019	209-552-43804	KITCHEN SUPPLIES SENIOR CENTER	210.04
704315900	90693	04/12/2019	209-552-43804	KITCHEN SUPPLIES SENIOR CENTER	179.24
MARCH 31 19-3900	90693	04/12/2019	100-231-44410	MONTHLY STATEMENT- FIRE	118.91
MARCH 31 19-4714	90693	04/12/2019	100-342-44410	MONTHLY STATEMENT-VEHICLE MAINTENANCE	268.00
MARCH 31 19-4715	90693	04/12/2019	207-344-44410	MONTHLY STATEMENT-NPDES STORM WATER	116.48
MARCH 31 19-4717	90693	04/12/2019	500-642-44410	MONTHLY STATEMENT-SEWER COLLECTION	189.06
MARCH 31 19-4718	90693	04/12/2019	100-343-44410	MONTHLY STATEMENT- GENERAL MAINTENANCE	192.16
MARCH 31 19-4719	90693	04/12/2019	500-641-44410	MONTHLY STATEMENT- WPCP	1,193.21
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Vendor: ATT01 - AT&T					
000012791587	90642	04/05/2019	525-118-43101	9350BAN CABLE SERVICES- IT	1,895.65
287274105793X03282019	90641	04/05/2019	215-341-43101	I-80 MOBILITY PROJECT	77.22
287277095767X03282019	90641	04/05/2019	215-341-43101	I-80 MOBILITY PROJECT	77.22
MARCH 19-143146276	90695	04/12/2019	100-231-43101	INTERNET FIRE DEPT	76.22
MARCH 19-148195000	90695	04/12/2019	525-118-43101	DSL INTERNET FOR CITY HALL	95.00
				Vendor ATT01 - AT&T Total:	**2,221.31**

Payable Number	Payment Number	Payment Date	Account Number	Description (Payable)	Amount
Vendor: BAY34 - BAY AREA NEWS GROUP					
0001186087	90696	04/12/2019	100-112-42514	MONTLHY STMT CLASSIFIED ADVERTISING	555.30
0001186087	90696	04/12/2019	212-461-42514	MONTLHY STMT CLASSIFIED ADVERTISING	104.40
				Vendor BAY34 - BAY AREA NEWS GROUP Total:	**659.70**
Vendor: BIR05 - BIRITE FOODSERVICE DISTRIBUTORS					
5615729	90697	04/12/2019	209-552-43804	FOOD PROGRAM- SC	31.99
5690522	90643	04/05/2019	209-552-43804	FOOD PROGRAM SENIOR CENTER	629.04
5693273	90697	04/12/2019	209-552-43804	FOOD PROGRAM- SC	46.24
5695280	90697	04/12/2019	209-552-43804	FOOD PROGRAM- SC	812.96
				Vendor BIR05 - BIRITE FOODSERVICE DISTRIBUTORS Total:	**1,520.23**
Vendor: BLU01 - BLUE SKY SPORTS					
AAJ007614	90644	04/05/2019	209-556-42502	SUPPLIES SCHOOL OF PERFORMING ARTS	776.22
				Vendor BLU01 - BLUE SKY SPORTS Total:	**776.22**
Vendor: UME00 - BRIAN UMEKI					
40219	90645	04/05/2019	209-552-43802	TAI CHI CLASSES	379.40
APR 2018	90645	04/05/2019	209-552-43802	TAI CHI CLASSES FOR APRIL 2018 - SENIOR CENTER	381.50
				Vendor UME00 - BRIAN UMEKI Total:	**760.90**
Vendor: CAL20 - CALIFORNIA ASSOCIATION OF PROFESSIONAL FIREFIGHTERS					
APRIL 2019	90646	04/05/2019	100-231-41008	Long Term Disability Plan	245.00
				Vendor CAL20 - CALIFORNIA ASSOCIATION OF PROFESSIONAL FIREFIGHTERS Total:	**245.00**
Vendor: CAL97 - CALIFORNIA BUILDING STANDARDS COMMISION					
40819	90698	04/12/2019	212-462-34211	Special Revolving Fund from Jan 1 to March 31, 19	188.10
				Vendor CAL97 - CALIFORNIA BUILDING STANDARDS COMMISION Total:	**188.10**
Vendor: CAL29 - CALPELRA					
40519	90699	04/12/2019	100-116-42301	ANNUAL CALPERLA CONFERENCE REGISTRATION	2,130.00
				Vendor CAL29 - CALPELRA Total:	**2,130.00**
Vendor: CCP03 - CCP INDUSTRIES					
IN02275607	90647	04/05/2019	500-641-44305	SAFETY CLOHTING- TP	123.33
				Vendor CCP03 - CCP INDUSTRIES Total:	**123.33**
Vendor: CHR01 - CHRIST THE LORD EPISCOPAL CHURCH					
100489	90648	04/05/2019	100-117-42513	Parking Lot Usage	900.00
				Vendor CHR01 - CHRIST THE LORD EPISCOPAL CHURCH Total:	**900.00**
Vendor: CON16 - CITY OF CONCORD					
75415	90649	04/05/2019	209-552-43809	MARCH 2019 PINOLE SENIOR NEWSLETTER	266.53
75427	90649	04/05/2019	100-117-42201	BUSINESS CARDS- Heather Lopu	31.97
				Vendor CON16 - CITY OF CONCORD Total:	**298.50**
Vendor: COM20 - COMCAST					
MAR 01 2019-3450	90650	04/05/2019	215-341-43101	I-80 MOBILITY PROJECT FROM 3/5-4/4/19	240.98
				Vendor COM20 - COMCAST Total:	**240.98**
Vendor: CON56 - CONCENTRA MEDICAL CENTERS					
63957599	90651	04/05/2019	100-221-42101	Non Regulated USD PrePlacement- HR	75.00
64007811	90700	04/12/2019	100-116-42101	DOT Phys PrePl	79.50
				Vendor CON56 - CONCENTRA MEDICAL CENTERS Total:	**154.50**
Vendor: CON93 - CONCORD UNIFORMS LLC					
15137	90652	04/05/2019	100-221-44410	SAFETY CLOTHING- PD	31.48

Payable Number	Payment Number	Payment Date	Account Number	Description (Payable)	Amount
15160	90701	04/12/2019	100-221-44410	SAFETY CLOTHING- PD	340.01
				Vendor CON93 - CONCORD UNIFORMS LLC Total:	371.49
Vendor: CCC13 - CONTRA COSTA COUNTY PUBLIC WORKS DEPARTMENT					
702312	90653	04/05/2019	100-343-42101	Traffic signla maintenance charges for Feb 2019	2,185.58
702312	90653	04/05/2019	310-347-42101	Traffic signla maintenance charges for Feb 2019	88.70
702312	90653	04/05/2019	310-348-42101	Traffic signla maintenance charges for Feb 2019	267.04
				Vendor CCC13 - CONTRA COSTA COUNTY PUBLIC WORKS DEPARTMENT Total:	2,541.32
Vendor: CON95 - CONTRA COSTA COUNTY TREASURER					
ASD M6106	90654	04/05/2019	100-117-42101	FOURTH Q INSTALLMENT FOR 4/1-6/30/19	28,984.31
				Vendor CON95 - CONTRA COSTA COUNTY TREASURER Total:	28,984.31
Vendor: COR12 - CORELOGIC SOLUTIONS LLC					
81954090	90702	04/12/2019	525-118-42510	REALQUEST FOR MARCH 2019	650.41
				Vendor COR12 - CORELOGIC SOLUTIONS LLC Total:	650.41
Vendor: CRI07 - CRIME SCENE CLEANERS INC.					
71270	90703	04/12/2019	100-221-42107	CLEAN/DESIFECT CAR #810	80.00
				Vendor CRI07 - CRIME SCENE CLEANERS INC. Total:	80.00
Vendor: CRO06 - CROCKETTS PREMIER AUTOBODY					
39803	90704	04/12/2019	100-221-42107	VEHICLE MAINTENANCE	10,935.07
				Vendor CRO06 - CROCKETTS PREMIER AUTOBODY Total:	10,935.07
Vendor: CSA03 - CSAC EXCESS INSURANCE					
19401461	90705	04/12/2019	100-110-41005	EMPLOYEE ASSISTANCE PROGRAM	57.00
19401461	90705	04/12/2019	100-111-41005	EMPLOYEE ASSISTANCE PROGRAM	11.40
19401461	90705	04/12/2019	100-111-41005	EMPLOYEE ASSISTANCE PROGRAM	11.40
19401461	90705	04/12/2019	100-115-41005	EMPLOYEE ASSISTANCE PROGRAM	22.80
19401461	90705	04/12/2019	100-116-41005	EMPLOYEE ASSISTANCE PROGRAM	22.80
19401461	90705	04/12/2019	100-117-41005	EMPLOYEE ASSISTANCE PROGRAM	11.40
19401461	90705	04/12/2019	100-221-41005	EMPLOYEE ASSISTANCE PROGRAM	250.80
19401461	90705	04/12/2019	100-222-41005	EMPLOYEE ASSISTANCE PROGRAM	22.80
19401461	90705	04/12/2019	100-223-41005	EMPLOYEE ASSISTANCE PROGRAM	125.40
19401461	90705	04/12/2019	100-231-41005	EMPLOYEE ASSISTANCE PROGRAM	114.00
19401461	90705	04/12/2019	100-341-41005	EMPLOYEE ASSISTANCE PROGRAM	34.20
19401461	90705	04/12/2019	100-343-41005	EMPLOYEE ASSISTANCE PROGRAM	79.80
19401461	90705	04/12/2019	105-221-41005	EMPLOYEE ASSISTANCE PROGRAM	34.20
19401461	90705	04/12/2019	105-231-41005	EMPLOYEE ASSISTANCE PROGRAM	11.40
19401461	90705	04/12/2019	106-231-41005	EMPLOYEE ASSISTANCE PROGRAM	11.40
19401461	90705	04/12/2019	204-227-41005	EMPLOYEE ASSISTANCE PROGRAM	22.80
19401461	90705	04/12/2019	209-551-41005	EMPLOYEE ASSISTANCE PROGRAM	11.40
19401461	90705	04/12/2019	209-552-41005	EMPLOYEE ASSISTANCE PROGRAM	11.40

Payable Number	Payment Number	Payment Date	Account Number	Description (Payable)	Amount
19401461	90705	04/12/2019	209-552-41007	EMPLOYEE ASSISTANCE PROGRAM	11.40
19401461	90705	04/12/2019	209-553-41005	EMPLOYEE ASSISTANCE PROGRAM	11.40
19401461	90705	04/12/2019	209-554-41005	EMPLOYEE ASSISTANCE PROGRAM	11.40
19401461	90705	04/12/2019	212-461-41005	EMPLOYEE ASSISTANCE PROGRAM	11.40
19401461	90705	04/12/2019	212-462-41005	EMPLOYEE ASSISTANCE PROGRAM	11.40
19401461	90705	04/12/2019	500-641-41005	EMPLOYEE ASSISTANCE PROGRAM	114.00
19401461	90705	04/12/2019	500-642-41005	EMPLOYEE ASSISTANCE PROGRAM	34.20
19401461	90705	04/12/2019	505-119-41005	EMPLOYEE ASSISTANCE PROGRAM	22.80
				Vendor CSA03 - CSAC EXCESS INSURANCE Total:	**1,094.40**
Vendor: CSG01 - CSG CONSULTANTS INC.					
B181492	90706	04/12/2019	212-462-42101	Builidng Plan Review Services	90.00
				Vendor CSG01 - CSG CONSULTANTS INC. Total:	**90.00**
Vendor: DEP02 - DEPARTMENT OF CONSERVATION ACCOUNTING OFFICE					
40819	90707	04/12/2019	212-462-33215	Motion Instrumental/Seismic Hazard Fee 1/1-3/31/19	406.22
				Vendor DEP02 - DEPARTMENT OF CONSERVATION ACCOUNTING OFFICE Total:	**406.22**
Vendor: DEP01 - DEPARTMENT OF JUSTICE/ACCOUNTING OFFICE					
359331	90655	04/05/2019	100-116-42110	FINGERPRINT SERVICES	64.00
359331	90655	04/05/2019	100-221-42110	FINGERPRINT SERVICES	292.00
				Vendor DEP01 - DEPARTMENT OF JUSTICE/ACCOUNTING OFFICE Total:	**356.00**
Vendor: 1443 - DIESEL DIRECT WEST, INC.					
83074823	90708	04/12/2019	100-10601	GASOLINE FOR CORP YARD	1,786.92
				Vendor 1443 - DIESEL DIRECT WEST, INC. Total:	**1,786.92**
Vendor: DIV01 - DIVERSIFIED RISK/HUB INTERNATIONAL					
MARCH 2019	90656	04/05/2019	209-552-38112	SPECIAL EVENTS INSURANCE FOR MARCH 2019	416.18
MARCH 2019	90656	04/05/2019	209-552-38112	SPECIAL EVENTS INSURANCE FOR MARCH 2019	553.44
				Vendor DIV01 - DIVERSIFIED RISK/HUB INTERNATIONAL Total:	**969.62**
Vendor: DIV06 - DIVISION OF THE STATE ARCHITECT					
41119	90709	04/12/2019	226-000-34223	JAN-MARCH 2019 DISABILITY ACCESS/ED FEE (AB1379)	311.60
41119-02	90709	04/12/2019	212-462-31510	JAN-MARCH 2019 DISABILITY ACCESS/ED FEE (SB1186)	0.90
				Vendor DIV06 - DIVISION OF THE STATE ARCHITECT Total:	**312.50**
Vendor: DOL01 - DOLAN'S LUMBER					
CM0000364	90710	04/12/2019	100-343-42108	OVERPAYMENT OF FEBRUARY STATEMENT	-0.55
MARCH 31 19	90710	04/12/2019	100-343-42108	MARCH STATEMENT FULL PAYMENT	90.69
MARCH 31 19	90710	04/12/2019	500-641-42107	MARCH STATEMENT FULL PAYMENT	38.39
MARCH 31 19	90710	04/12/2019	500-642-42514	MARCH STATEMENT FULL PAYMENT	20.53
				Vendor DOL01 - DOLAN'S LUMBER Total:	**149.06**
Vendor: DIT03 - DONNA DITO					
40219	90657	04/05/2019	209-20015	Unclaimed property ck#81913-SC Gift Shop	17.50
				Vendor DIT03 - DONNA DITO Total:	**17.50**

Payable Number	Payment Number	Payment Date	Account Number	Description (Payable)	Amount
Vendor: 1070 - DUNBAR SECURITY PRODUCTS, INC.					
4393754	90711	04/12/2019	100-115-42101	MONTHLY SERVICES	189.32
				Vendor 1070 - DUNBAR SECURITY PRODUCTS, INC. Total:	**189.32**
Vendor: EBM01 - EBMUD					
20575-0419	90658	04/05/2019	100-345-43102	2690 BOX CANYON RD-IRRIGATION USE ONLY	137.30
31773-0419	90658	04/05/2019	100-343-43102	2887 SIMAS AVE-IRRIGATION USE ONLY	137.30
32841-0319	90712	04/12/2019	100-345-43102	3790 PINOLE VALLEY RD-IRRIGATION USE ONLY	249.75
56324-0419	90658	04/05/2019	100-345-43102	3790 PINOLE VALLEY RD-IRRIGATION USE ONLY	218.01
				Vendor EBM01 - EBMUD Total:	**742.36**
Vendor: VAL06 - ERIKS NORTH AMERICA, INC & Advanced Sealing Information					
FA021670	90713	04/12/2019	500-641-42107	PARTS- TP	272.04
				Vendor VAL06 - ERIKS NORTH AMERICA, INC & Advanced Sealing Information Total:	**272.04**
Vendor: FAR01 - FARMER BROS. COFFEE					
68974900	90714	04/12/2019	209-552-43804	COFFEE SENIOR CENTER	574.68
				Vendor FAR01 - FARMER BROS. COFFEE Total:	**574.68**
Vendor: FAS02 - FASTENAL					
CAS1715596	90715	04/12/2019	500-641-42107	PARTS- TP	632.00
				Vendor FAS02 - FASTENAL Total:	**632.00**
Vendor: FIS01 - FISHER SCIENTIFIC					
6742792	90716	04/12/2019	500-641-44303	LAB SUPPLIES- TP	61.50
6742803	90716	04/12/2019	500-641-44305	LAB SUPPLIES- TP	138.24
7891206	90716	04/12/2019	500-641-44305	SUPPLIES- TP	171.90
				Vendor FIS01 - FISHER SCIENTIFIC Total:	**371.64**
Vendor: FOS01 - FOSTER FLOW CONTROL					
19-3129	90717	04/12/2019	500-641-42107	INDUSTRIAL BUTTERLY VALVE-TP	161.69
				Vendor FOS01 - FOSTER FLOW CONTROL Total:	**161.69**
Vendor: MAN02 - GEORGIA MANESSIS					
082218	90718	04/12/2019	209-552-43804	FOOD SUPPLIES - SENIOR CENTER	43.21
40919	90718	04/12/2019	209-552-43804	Unclaimed Propt CK 83897/88816- Reimbursement SC	69.33
				Vendor MAN02 - GEORGIA MANESSIS Total:	**112.54**
Vendor: GLO08 - GLOBALSTAR					
1000000010152965	90659	04/05/2019	525-118-43101	MONTHLY CHARGES	115.02
				Vendor GLO08 - GLOBALSTAR Total:	**115.02**
Vendor: 1533 - Gloria Sudduth					
32819	90660	04/05/2019	209-20309	Facility Deposit For PYC Main Hall Rental 3/23/19	250.00
				Vendor 1533 - Gloria Sudduth Total:	**250.00**
Vendor: GRA13 - GRAFIX SHOPPE					
126526	90719	04/12/2019	100-221-42107	GRAPHICS-PD	130.00
				Vendor GRA13 - GRAFIX SHOPPE Total:	**130.00**
Vendor: GRA03 - GRAINGER					
9120394185	90720	04/12/2019	500-641-42107	SUPPLIES- TP	117.61
				Vendor GRA03 - GRAINGER Total:	**117.61**
Vendor: 1083 - GREGORY ALLAN KLEIN					
080317S	90721	04/12/2019	209-556-42101	ASSISTANT DIRECTOR STIPEND-SCHOOL OF PERF ARTS	300.00
				Vendor 1083 - GREGORY ALLAN KLEIN Total:	**300.00**

Payable Number	Payment Number	Payment Date	Account Number	Description (Payable)	Amount
Vendor: VER02 - GTE MOBILNET OF CALIFORNIA LIMITED PARTNERSHIP					
9826232411	90661	04/05/2019	525-118-43101	PHONES PD/FD	4,198.64
			Vendor VER02 - GTE MOBILNET OF CALIFORNIA LIMITED PARTNERSHIP Total:		**4,198.64**
Vendor: HAC01 - HACH COMPANY					
11327254	90662	04/05/2019	500-641-44305	SUPPLIES- TP	721.17
11337956	90662	04/05/2019	500-641-44305	SUPPLIES- TP	77.76
11394745	90722	04/12/2019	500-641-44303	SUPPLIES- TP	80.85
11401515	90722	04/12/2019	500-641-44305	SUPPLIES- TP	75.68
				Vendor HAC01 - HACH COMPANY Total:	**955.46**
Vendor: HAR01 - HARRINGTON IND.PLASTICS					
APRIL 02 19	90723	04/12/2019	500-641-42107	STATEMENT FULL PAYMENT	72.58
				Vendor HAR01 - HARRINGTON IND.PLASTICS Total:	**72.58**
Vendor: HAR25 - HARRIS & ASSOCIATES, INC.					
38665	90724	04/12/2019	310-347-42101	Professional Services From 7/21-8/25/18	562.50
38665	90724	04/12/2019	310-348-42101	Professional Services From 7/21-8/25/18	562.50
				Vendor HAR25 - HARRIS & ASSOCIATES, INC. Total:	**1,125.00**
Vendor: 1098 - HILLYARD, INC					
603386447	90725	04/12/2019	209-552-42108	SANITARY SUPPLIES- SC	142.49
				Vendor 1098 - HILLYARD, INC Total:	**142.49**
Vendor: HOM01 - HOME DEPOT CREDIT SERVICE					
MARCH 21 19	90663	04/05/2019	100-222-42108	MARCH 19 STATEMENT FULL PAYMENT	256.48
MARCH 21 19	90663	04/05/2019	100-231-42108	MARCH 19 STATEMENT FULL PAYMENT	69.14
MARCH 21 19	90663	04/05/2019	100-343-42108	MARCH 19 STATEMENT FULL PAYMENT	139.73
MARCH 21 19	90663	04/05/2019	100-343-42514	MARCH 19 STATEMENT FULL PAYMENT	650.60
MARCH 21 19	90663	04/05/2019	100-345-42108	MARCH 19 STATEMENT FULL PAYMENT	55.86
MARCH 21 19	90663	04/05/2019	209-552-42108	MARCH 19 STATEMENT FULL PAYMENT	103.33
MARCH 21 19	90663	04/05/2019	500-641-42107	MARCH 19 STATEMENT FULL PAYMENT	274.13
				Vendor HOM01 - HOME DEPOT CREDIT SERVICE Total:	**1,549.27**
Vendor: IED02 - IEDA					
22571	90726	04/12/2019	100-116-42101	LABOR RELATIONS CONSULTING FROM 4/01- 4/30/19	2,123.00
				Vendor IED02 - IEDA Total:	**2,123.00**
Vendor: CUL03 - ISING'S CULLIGAN-LIVERMORE					
37407	90727	04/12/2019	500-641-44305	SERVICS- TP	429.90
379X01238307	90727	04/12/2019	500-641-44305	SERVICES- TP	417.50
				Vendor CUL03 - ISING'S CULLIGAN-LIVERMORE Total:	**847.40**
Vendor: MOO14 - ISSAC MOORE					
40219	90664	04/05/2019	209-552-43802	EXERCISE CLASS	45.00
				Vendor MOO14 - ISSAC MOORE Total:	**45.00**
Vendor: 1285 - JACKSON LEWIS P.C.					
7294745	90665	04/05/2019	100-116-46126	GENERAL ADVICE AND COUNSEL ENDING FEB 28, 19	3,147.00
				Vendor 1285 - JACKSON LEWIS P.C. Total:	**3,147.00**
Vendor: COR15 - JACQUELINE L CORL-SEIDEL					
40219	90666	04/05/2019	209-552-43802	BALANCE CLASSES	448.35
40319	90666	04/05/2019	209-552-43802	Unclaime Property CK#88076-Balance Classes- SC	524.30
				Vendor COR15 - JACQUELINE L CORL-SEIDEL Total:	**972.65**

Payable Number	Payment Number	Payment Date	Account Number	Description (Payable)	Amount
Vendor: JAN92 - JAN-PRO OF THE GREATER BAY AREA					
90433	90667	04/05/2019	209-552-42108	APRIL MONTHLY JANITORIAL SERVICES-635 TENNENT	449.00
90434	90667	04/05/2019	209-552-42108	APRIL MONTHLY JANITORIAL SERVICES- SC	415.00
90435	90728	04/12/2019	209-553-42108	APRIL JANITORIAL SVCS- TINY TOTS	370.00
				Vendor JAN92 - JAN-PRO OF THE GREATER BAY AREA Total:	**1,234.00**
Vendor: MAG09 - JOANNE MAGDA					
40219	90668	04/05/2019	209-552-43802	EXERCISE CLASSES	270.00
				Vendor MAG09 - JOANNE MAGDA Total:	**270.00**
Vendor: KEL09 - KELLER CANYON LANDFILL					
4212-000027962	90729	04/12/2019	500-641-44302	SLUDGE TO LANDFILL	4,686.18
				Vendor KEL09 - KELLER CANYON LANDFILL Total:	**4,686.18**
Vendor: KNO03 - KNORR SYSTEMS,INC.					
S1210647	90730	04/12/2019	209-557-42108	CHEMICALS- SWIM CENTER	1,295.63
				Vendor KNO03 - KNORR SYSTEMS,INC. Total:	**1,295.63**
Vendor: KUB00 - KUBWATER RESOURCES, INC.					
08500	90731	04/12/2019	500-641-44303	ZETAG TOTES- TP	7,865.33
				Vendor KUB00 - KUBWATER RESOURCES, INC. Total:	**7,865.33**
Vendor: 1530 - Lamassu Utility Services, Inc					
2019-31-1	90669	04/05/2019	500-642-42101	6 inch Pipe CCTV & Lateral Reinstatement	3,000.00
				Vendor 1530 - Lamassu Utility Services, Inc Total:	**3,000.00**
Vendor: LAR04 - LARRY WALKER ASSOCIATES					
00243.10-21	90732	04/12/2019	500-641-42101	SERVICES RENDERED THROUGH 2/28/19	264.50
				Vendor LAR04 - LARRY WALKER ASSOCIATES Total:	**264.50**
Vendor: MAL02 - MALTBY ELEC.SUPPLY CO,INC					
s1856206.001	90670	04/05/2019	100-222-42108	MAINTENANCE SUPPLIES- TP	290.82
				Vendor MAL02 - MALTBY ELEC.SUPPLY CO,INC Total:	**290.82**
Vendor: IRV03 - MARGARET M IRVIN					
40219	90671	04/05/2019	209-552-43802	WRITING	37.10
				Vendor IRV03 - MARGARET M IRVIN Total:	**37.10**
Vendor: MCM05 - MCMASTER-CARR SUPPLY CO.					
90154613	90733	04/12/2019	500-641-42107	SUPPLIES/PARTS- TP	734.34
				Vendor MCM05 - MCMASTER-CARR SUPPLY CO. Total:	**734.34**
Vendor: MEY01 - MEYERS,NAVE,RIBACK,SILVER					
2018120261	90672	04/05/2019	750-463-46126	GENERAL SERVICES-COMMUNITY DEVELOPMENT	464.00
2018120270	90672	04/05/2019	212-461-46126	PINOLE SQARE SHOPPPING CENTER-CR	5,336.00
2018120271	90672	04/05/2019	100-343-46126	PINOLE CITY OF V. HENNER TANK LINES, INC. ACTION C	814.00
2019010238CR	90672	04/05/2019	100-114-42102	PUBLIC WORKS-NON-ROUTINE PROJECTS	-3.00
				Vendor MEY01 - MEYERS,NAVE,RIBACK,SILVER Total:	**6,611.00**
Vendor: 1311 - M-GROUP					
10000968	90734	04/12/2019	212-461-42101	Professional Services Through 2/28/19	7,360.00
1000997	90734	04/12/2019	212-461-42101	Professional Services through 3/31/19	7,360.00
				Vendor 1311 - M-GROUP Total:	**14,720.00**
Vendor: MOO12 - MOORE K-9 SERVICES, INC.					
3-2019	90735	04/12/2019	100-221-42514	Police Service Dog Maintenance Training	800.00
				Vendor MOO12 - MOORE K-9 SERVICES, INC. Total:	**800.00**

Payable Number	Payment Number	Payment Date	Account Number	Description (Payable)	Amount
Vendor: MEJ04 - NORMA D. MEJIA					
40219	90673	04/05/2019	209-552-43802	ZUMBA CLASSES	735.35
				Vendor MEJ04 - NORMA D. MEJIA Total:	**735.35**
Vendor: OFF09 - OFFICE OF THE SHERIFF CCC					
PINPD-1902	90736	04/12/2019	100-222-42101	LAB SERVICES- PD	4,415.50
				Vendor OFF09 - OFFICE OF THE SHERIFF CCC Total:	**4,415.50**
Vendor: O'R01 - O'REILLY AUTOMOTIVE, INC					
MARCH 28 19	90737	04/12/2019	100-221-42107	MARCH STATEMENT FULL PAYMENT	284.06
MARCH 28 19	90737	04/12/2019	100-343-42107	MARCH STATEMENT FULL PAYMENT	83.03
MARCH 28 19	90737	04/12/2019	209-554-42107	MARCH STATEMENT FULL PAYMENT	168.09
MARCH 28 19	90737	04/12/2019	500-641-42107	MARCH STATEMENT FULL PAYMENT	43.68
				Vendor O'R01 - O'REILLY AUTOMOTIVE, INC Total:	**578.86**
Vendor: OTI01 - OTIS ELEVATOR COMPANY					
SK05793N419	90674	04/05/2019	209-554-42108	MAINTENANCE PINOLE YOUTH CENTER	185.66
SK65465N419	90674	04/05/2019	100-343-42108	MAINTENANCE CITY HALL	109.55
SK65542N419	90674	04/05/2019	100-343-42108	MAINTENANCE CITY OF PINOLE	109.50
				Vendor OTI01 - OTIS ELEVATOR COMPANY Total:	**404.71**
Vendor: PGE01 - P.G.& E.					
APRIL 19-0887	90738	04/12/2019	200-341-43103	PINON AVE & SAN PABLO AVE TRAFFIC SIGNAL	59.44
APRIL 19-1093	90738	04/12/2019	500-642-43103	W END/HAZEL AVE SEWAGE PLANT	473.30
APRIL 19-2182	90738	04/12/2019	200-341-43103	OAKRIDGE/SAN PABLO AVE TRAFFIC SIGNAL	55.36
MARCH 19-2222	90738	04/12/2019	100-345-43103	STREET AND HIGHWAY LIGHTING	996.34
MARCH 19-2222	90738	04/12/2019	200-341-43103	STREET AND HIGHWAY LIGHTING	0.21
MARCH 19-2222	90738	04/12/2019	310-347-43103	STREET AND HIGHWAY LIGHTING	5,648.41
MARCH 19-2222	90738	04/12/2019	310-348-43103	STREET AND HIGHWAY LIGHTING	8,069.16
MARCH 19-4256	90738	04/12/2019	500-641-43103	11 TENNANT AVE	50,306.89
MARCH 19-4430	90675	04/05/2019	100-345-43103	S/O MARLESTA 1ST POLE-SPRINKLER CONTROLLER	10.12
MARCH 19-6521	90675	04/05/2019	200-341-43103	IFO 971 SAN PABLO AVE-TRAFFIC SIGNAL CONTROL	84.90
MARCH 19-6747	90675	04/05/2019	200-341-43103	RAMONA & PINOLE VALLEY-TRAFFIC SIGNAL & ST LIGHT	49.63
MARCH 19-7547	90738	04/12/2019	100-222-43103	880 Tennent Ave-Public Safety Facility	2,048.64
MARCH 19-7547	90738	04/12/2019	100-223-43103	880 Tennent Ave-Public Safety Facility	409.73
MARCH 19-7547	90738	04/12/2019	100-231-43103	880 Tennent Ave-Public Safety Facility	1,638.90
MARCH 19-8511	90675	04/05/2019	100-345-43103	W/S PINOLE SHORES DR-SPRINKLER CONTROLLER	10.90
MARCH 19-9929	90675	04/05/2019	201-343-43103	790 PINOLE SHORES DR-NEW METAL BUILDING	25.66
MARCH 19-9961	90675	04/05/2019	209-552-43103	2500 CHARLES ST-SENIOR CENTER	2,168.33
MRCH 19-6897	90675	04/05/2019	200-341-43103	PINOLE VALLEY RD & ESTATES AVE-TRAFFIC LIGHT CTRL	49.28
				Vendor PGE01 - P.G.& E. Total:	**72,105.20**
Vendor: PAC55 - PACIFIC SITE MANAGEMENT					
52585	90676	04/05/2019	100-222-42108	MONTHLY LANDSCAPE MAINTENANCE	122.50

Payable Number	Payment Number	Payment Date	Account Number	Description (Payable)	Amount
52585	90676	04/05/2019	100-231-42108	MONTHLY LANDSCAPE MAINTENANCE	327.50
52585	90676	04/05/2019	100-343-42108	MONTHLY LANDSCAPE MAINTENANCE	174.40
52585	90676	04/05/2019	100-345-42108	MONTHLY LANDSCAPE MAINTENANCE	5,619.33
52585	90676	04/05/2019	200-341-42108	MONTHLY LANDSCAPE MAINTENANCE	326.00
52585	90676	04/05/2019	201-343-42108	MONTHLY LANDSCAPE MAINTENANCE	532.60
52585	90676	04/05/2019	209-552-42108	MONTHLY LANDSCAPE MAINTENANCE	198.00
52585	90676	04/05/2019	209-553-42108	MONTHLY LANDSCAPE MAINTENANCE	206.00
52585	90676	04/05/2019	209-557-42108	MONTHLY LANDSCAPE MAINTENANCE	206.00
52585	90676	04/05/2019	310-347-42108	MONTHLY LANDSCAPE MAINTENANCE	60.00
52585	90676	04/05/2019	310-348-42108	MONTHLY LANDSCAPE MAINTENANCE	65.00
				Vendor PAC55 - PACIFIC SITE MANAGEMENT Total:	**7,837.33**
Vendor: CLA02 - PATRICIA A. CLARK					
40919	90739	04/12/2019	209-556-42101	MARCH 2019 STIPEND FOR COORDINATOR	750.00
				Vendor CLA02 - PATRICIA A. CLARK Total:	**750.00**
Vendor: LON02 - PATRICIA LONG					
40219	90677	04/05/2019	209-552-43802	CWLD CLASS	366.80
				Vendor LON02 - PATRICIA LONG Total:	**366.80**
Vendor: 1529 - PETER DEFABIO					
40219	90678	04/05/2019	209-552-42101	SENIOR INFO: HEALTH FAIRE	25.00
				Vendor 1529 - PETER DEFABIO Total:	**25.00**
Vendor: JAR01 - PINOLE GOODYEAR					
MARCH 25 19-1328	90740	04/12/2019	100-221-42107	MARCH STMT FULL PAYMENT	222.67
MARCH 25 19-1328	90740	04/12/2019	100-222-42107	MARCH STMT FULL PAYMENT	38.19
MARCH 25 19-1328	90740	04/12/2019	100-343-42107	MARCH STMT FULL PAYMENT	1,561.77
				Vendor JAR01 - PINOLE GOODYEAR Total:	**1,822.63**
Vendor: 1528 - PIPPI JONES					
40219	90679	04/05/2019	209-20308	PSC MAIN HALL RENTAL DEPOSIT REFUND	500.00
				Vendor 1528 - PIPPI JONES Total:	**500.00**
Vendor: PON07 - PONDER ENVIRONMENTAL SERVICES, INC.					
24195	90680	04/05/2019	500-642-42514	19-9027PW Vac Support-Move Water Onsite	33,177.28
				Vendor PON07 - PONDER ENVIRONMENTAL SERVICES, INC. Total:	**33,177.28**
Vendor: 1009 - PRECISION IT CONSULTING					
9595	90681	04/05/2019	525-118-42101	New Virtual Server for COP City Hall	6,330.00
9609	90681	04/05/2019	525-118-47102	CABLING SUPPLIES- IT	48.56
9625	90741	04/12/2019	525-118-42101	Atreement Precision 360 Gold May	13,721.76
				Vendor 1009 - PRECISION IT CONSULTING Total:	**20,100.32**
Vendor: PRO18 - PROTECTION ONE ALARM,INC.					
APRIL 19-0999	90742	04/12/2019	209-553-42108	TINY TOTS MONITORING SERVICES AUTO PAY	73.32
				Vendor PRO18 - PROTECTION ONE ALARM,INC. Total:	**73.32**
Vendor: QUI10 - QUINN'S UNIFORMS					
189108	90743	04/12/2019	100-221-44410	SAFETY CLOTHING- PD	152.40
				Vendor QUI10 - QUINN'S UNIFORMS Total:	**152.40**

Payable Number	Payment Number	Payment Date	Account Number	Description (Payable)	Amount
Vendor: 1532 - Rachel Manansala					
40219	90682	04/05/2019	209-20309	Facility Deposit For PYC Main Hall Rental 3/30/19	250.00
				Vendor 1532 - Rachel Manansala Total:	**250.00**
Vendor: 1536 - RAIN FOR RENT					
1325223	90744	04/12/2019	500-642-42108	SERVICES/LABOR	9,886.14
				Vendor 1536 - RAIN FOR RENT Total:	**9,886.14**
Vendor: REG06 - REGIONAL MONITORING PROG.					
3019171	90745	04/12/2019	500-641-42101	Annual Participant Fee for the RMP 2019 Budget Mun	21,281.00
				Vendor REG06 - REGIONAL MONITORING PROG. Total:	**21,281.00**
Vendor: J&O01 - RUBBER DUST INC.					
120354	90746	04/12/2019	500-641-42107	VEHICLE MAINTENANCE- PW	517.01
				Vendor J&O01 - RUBBER DUST INC. Total:	**517.01**
Vendor: SPA04 - S.P. AUTOMOTIVE					
MARCH 31 19	90747	04/12/2019	207-344-42107	MONTHLY STMT FULL PAYMENT	303.42
				Vendor SPA04 - S.P. AUTOMOTIVE Total:	**303.42**
Vendor: WEB10 - SHEILA WEBB					
40219	90683	04/05/2019	209-552-43802	WATER COLOR CLASS	51.10
				Vendor WEB10 - SHEILA WEBB Total:	**51.10**
Vendor: SQU00 - SQUARE DEAL GARAGE					
27382	90748	04/12/2019	100-221-42107	VEHICLE MAINTENACE- PD	121.86
				Vendor SQU00 - SQUARE DEAL GARAGE Total:	**121.86**
Vendor: STA42 - STAPLES BUSINESS CREDIT					
MARCH 25 19	90749	04/12/2019	100-110-42514	MONTHLY STATEMENT FULL PAYMENT	35.49
MARCH 25 19	90749	04/12/2019	100-112-42201	MONTHLY STATEMENT FULL PAYMENT	123.02
MARCH 25 19	90749	04/12/2019	100-117-42201	MONTHLY STATEMENT FULL PAYMENT	12.00
MARCH 25 19	90749	04/12/2019	100-223-42201	MONTHLY STATEMENT FULL PAYMENT	1,243.90
MARCH 25 19	90749	04/12/2019	100-231-42201	MONTHLY STATEMENT FULL PAYMENT	481.15
MARCH 25 19	90749	04/12/2019	212-461-42201	MONTHLY STATEMENT FULL PAYMENT	10.19
				Vendor STA42 - STAPLES BUSINESS CREDIT Total:	**1,905.75**
Vendor: STE20 - STERICYCLE, INC.					
3004632906	90750	04/12/2019	100-222-42101	PROFESSIONAL SERVICES- PD	53.12
				Vendor STE20 - STERICYCLE, INC. Total:	**53.12**
Vendor: 1531 - Techsplosion, Inc.					
40219	90684	04/05/2019	100-000-31510	Refund Business License due to Cancelled Program	145.00
40219	90684	04/05/2019	226-000-34223	Refund Business License due to Cancelled Program	4.00
				Vendor 1531 - Techsplosion, Inc. Total:	**149.00**
Vendor: TOD01 - TED TODD					
19-003	90685	04/05/2019	100-221-42101	Pre-Employment Plygraph Examination	300.00
				Vendor TOD01 - TED TODD Total:	**300.00**
Vendor: OFF11 - THE OFFICE CITY					
MARCH 29 19	90686	04/05/2019	500-641-42201	MARCH 19 STATEMENT FULL PAYEMENT	46.82
				Vendor OFF11 - THE OFFICE CITY Total:	**46.82**
Vendor: SHA02 - TRANSENE COMPANY INC.					
167611	90751	04/12/2019	500-641-44303	LAB SUPPLIES/CHEMICALS- TP	930.20
				Vendor SHA02 - TRANSENE COMPANY INC. Total:	**930.20**

Payable Number	Payment Number	Payment Date	Account Number	Description (Payable)	Amount
Vendor: TRA20 - TRANSUNION RISK AND ALTERNATIVE DATA					
MARCH 19-263397	90752	04/12/2019	525-118-42510	TLO SUBSCRIPTION PERIOD 3/01- 3/31/19	63.40
			Vendor TRA20 - TRANSUNION RISK AND ALTERNATIVE DATA Total:		**63.40**
Vendor: USP01 - U.S. POSTMASTER					
40419	90753	04/12/2019	209-551-42514	ANNUAL BULK PERMIT FEE	235.00
				Vendor USP01 - U.S. POSTMASTER Total:	**235.00**
Vendor: UNI38 - UNIVAR USA INC					
SJ923475	90687	04/05/2019	500-641-44303	CHEMICALS- TP	3,444.65
SJ932103	90687	04/05/2019	500-641-44303	CHEMICALS- TP	3,458.43
SJ932427	90687	04/05/2019	500-641-44303	CHEMICALS- TP	3,453.84
SJ932480	90687	04/05/2019	500-641-44303	CHEMICALS- TP	3,109.65
SJ932938	90754	04/12/2019	500-641-44303	CHEMICALS- TP	3,109.65
SJ933737	90754	04/12/2019	500-641-44303	CHEMICALS- TP	3,449.24
SJ934170	90754	04/12/2019	500-641-44303	CHEMICALS- TP	3,446.95
SJ934416	90754	04/12/2019	500-641-44303	CHEMICALS- TP	3,091.98
				Vendor UNI38 - UNIVAR USA INC Total:	**26,564.39**
Vendor: UNI07 - UNIVERSAL BUILDING SVCS.					
460907	90755	04/12/2019	100-343-42108	MARCH 19 JANITORIAL SERVICES CITY HALL	1,039.00
460908	90755	04/12/2019	100-221-42108	MARCH JANITORIAL SERVICES POLICE/PUBLIC BLDG	2,283.00
				Vendor UNI07 - UNIVERSAL BUILDING SVCS. Total:	**3,322.00**
Vendor: USB06 - US BANK CORPORATE PMN'T.SYSTEM					
MARCH 22 2019	90688	04/05/2019	100-20018	MONTHLY STMT FULL PAYMENT	9,688.15
			Vendor USB06 - US BANK CORPORATE PMN'T.SYSTEM Total:		**9,688.15**
Vendor: USH00 - US HEALTHWORKS					
3485355-CA	90689	04/05/2019	100-221-42101	EXAMS- HR	270.50
				Vendor USH00 - US HEALTHWORKS Total:	**270.50**
Vendor: LUK00 - VIVIENNE F. KEARSLEY-LUKE					
40219	90690	04/05/2019	209-552-43802	YOGA CLASSES	199.50
				Vendor LUK00 - VIVIENNE F. KEARSLEY-LUKE Total:	**199.50**
Vendor: VWR01 - VWR INTERNATIONAL, LLC.					
8085700924	90756	04/12/2019	500-641-44305	SUPPLIES- TP	367.40
8085708607	90756	04/12/2019	500-641-44305	LAB SUPPLIES- TP	180.51
8085722320	90756	04/12/2019	500-641-44305	SUPPLIES- TP	45.27
				Vendor VWR01 - VWR INTERNATIONAL, LLC. Total:	**593.18**
Vendor: 1534 - WALKUP INVESTIGATIONS					
2019-22	90757	04/12/2019	100-221-42101	Police Officer Background Investigation	1,300.00
				Vendor 1534 - WALKUP INVESTIGATIONS Total:	**1,300.00**
Vendor: WCC01 - WCCTAC					
40819	90758	04/12/2019	212-462-34210	STMP Fees Collected for Jan 1 to March 31, 2019	5,190.00
				Vendor WCC01 - WCCTAC Total:	**5,190.00**
Vendor: 1131 - WEST INTERACTIVE SERVICES CORPORTATION					
103907	90759	04/12/2019	525-118-42105	Support and Maintenance Renewal 2019/20	5,880.00
			Vendor 1131 - WEST INTERACTIVE SERVICES CORPORTATION Total:		**5,880.00**
Vendor: XER01 - XEROX CORPORATION					
096235432	90760	04/12/2019	525-118-42107	EQUIPMENT/MAINTENANCE/SUPPLY- CITY HALL	1,604.19
096235433	90760	04/12/2019	525-118-42107	EQUIPMENT/MAINTENANCE/SUPPLY- POLICE	444.64
096235434	90760	04/12/2019	525-118-42107	EQUIPMENT/MAINTENANCE/SUPPLY- FIRE DEPT	77.72

Payable Number	Payment Number	Payment Date	Account Number	Description (Payable)	Amount
096235435	90760	04/12/2019	525-118-42107	EQUPMENT/MAINTENANCE/SUPPLY- CORP YARD	233.38
096235438	90760	04/12/2019	525-118-42107	EQUIPMENT/MAINTENANCE/SUPPLY- WPCP	238.34
096235439	90760	04/12/2019	525-118-42107	EQUIPMENT/MAINTENANCE/SUPPLY-880 TENNENT AVE	543.24
096539568	90760	04/12/2019	525-118-42107	EQUIPMENT/MAINTENANCE/SUPPLY- CITY HALL 1ST FL	408.78
096539569	90760	04/12/2019	525-118-42107	EQUIPMENT/MAINTENANCE/SUPPLY-SENIOR CENTER	408.69
096539572	90760	04/12/2019	525-118-42107	EQUIPMENT/MAINTENANCE/SUPPLY- YOUTH CENTER	216.97
				Vendor XER01 - XEROX CORPORATION Total:	**4,175.95**
				Grand Total:	**397,958.16**

Report Summary

Fund Summary

Fund	Payment Amount
100 - General Fund	109,427.59
105 - Measure S -2006	45.60
106 - MEASURE S-2014	11.40
200 - Gas Tax Fund	624.82
201 - Restricted Real Estate Maintenance Fund	558.26
204 - Police Grants	22.80
207 - NPDES Storm Water Fund	419.90
209 - Recreation Fund	17,880.45
212 - Building & Planning	49,484.31
215 - Measure C and J Fund	395.42
226 - CASp Certification and Training Fund	315.60
310 - Lighting & Landscape Districts	15,323.31
500 - Sewer Enterprise Fund	165,787.51
505 - Cable Access TV	22.80
525 - Information Systems	37,174.39
750 - Recognized Obligation Retirement Fund	464.00
Grand Total:	**397,958.16**

Account Summary

Account Number	Account Name	Payment Amount
100-000-31510	Other Tax/Business License	145.00
100-10601	Gas Tanks/Corp Yard	1,786.92
100-110-41005	Emp Benefits/Employee A...	57.00
100-110-42514	Admin Exp/Special Depart	35.49
100-111-41005	Emp Benefits/Employee A...	22.80
100-112-42201	Office Expense	123.02
100-112-42514	Admin Exp/Special Depart	555.30
100-114-42102	Prof Svcs/Attorney Servic...	-3.00
100-115-41005	Emp Benefits/Employee A...	22.80
100-115-42101	Prof Svcs/Professional Ser...	189.32
100-116-41005	Emp Benefits/Employee A...	22.80
100-116-42101	Prof Svcs/Professional Ser...	2,202.50
100-116-42110	Prof Svcs/Fingerprinting	64.00
100-116-42301	Travel & Training/Conf-Re...	2,130.00
100-116-46126	Legal Charges	3,147.00
100-117-41005	Emp Benefits/Employee A...	11.40
100-117-42101	Prof Svcs/Professional Ser...	28,984.31
100-117-42201	Office Expense	43.97
100-117-42513	Admin Exp/Rent	900.00
100-20018	Accounts Payable/CalCard	9,688.15
100-221-41005	Emp Benefits/Employee A...	250.80
100-221-42101	Prof Svcs/Professional Ser...	1,945.50
100-221-42107	Prof Svcs/Equipment Mai...	11,773.66
100-221-42108	Prof Svcs/Building-Structu...	2,283.00
100-221-42110	Prof Svcs/Fingerprinting	292.00
100-221-42514	Admin Exp/Special Depart	800.00
100-221-44410	Safety Clothing	523.89
100-222-41005	Emp Benefits/Employee A...	22.80
100-222-42101	Prof Svcs/Professional Ser...	4,468.62
100-222-42107	Prof Svcs/Equipment Mai...	38.19
100-222-42108	Prof Svcs/Building-Structu...	669.80
100-222-43103	Utilities/Electricity & Pow...	2,048.64
100-222-44410	Safety Clothing	85.69
100-223-41005	Emp Benefits/Employee A...	125.40
100-223-42201	Office Expense	1,243.90
100-223-43103	Utilities/Electricity & Pow...	409.73
100-231-41005	Emp Benefits/Employee A...	114.00

Account Summary

Account Number	Account Name	Payment Amount
100-231-41008	Emp Benefits/Long Term ...	245.00
100-231-42101	Prof Svcs/Professional Ser...	14,280.00
100-231-42108	Prof Svcs/Building-Structu...	396.64
100-231-42201	Office Expense	481.15
100-231-43101	Utilities/Telephone	76.22
100-231-43103	Utilities/Electricity & Pow...	1,638.90
100-231-44410	Safety Clothing	118.91
100-341-41005	Emp Benefits/Employee A...	34.20
100-342-44410	Safety Clothing	268.00
100-343-41005	Emp Benefits/Employee A...	79.80
100-343-42101	Prof Svcs/Professional Ser...	2,185.58
100-343-42107	Prof Svcs/Equipment Mai...	1,644.80
100-343-42108	Prof Svcs/Building-Structu...	1,662.32
100-343-42514	Admin Exp/Special Depart	650.60
100-343-43102	Utilities/Water	137.30
100-343-44410	Safety Clothing	192.16
100-343-46126	Legal Charges	814.00
100-345-42108	Prof Svcs/Building-Structu...	5,675.19
100-345-43102	Utilities/Water	605.06
100-345-43103	Utilities/Electricity & Pow...	1,017.36
105-221-41005	Emp Benefits/Employee A...	34.20
105-231-41005	Emp Benefits/Employee A...	11.40
106-231-41005	Emp Benefits/Employee A...	11.40
200-341-42108	Prof Svcs/Building-Structu...	326.00
200-341-43103	Utilities/Electricity & Pow...	298.82
201-343-42108	Prof Svcs/Building-Structu...	532.60
201-343-43103	Utilities/Electricity & Pow...	25.66
204-227-41005	Emp Benefits/Employee A...	22.80
207-344-42107	Prof Svcs/Equipment Mai...	303.42
207-344-44410	Safety Clothing	116.48
209-20015	Accounts Payable/Vendor...	17.50
209-20308	Deposits Payable/Recreat...	1,000.00
209-20309	Deposits Payable/Recreat...	500.00
209-551-41005	Emp Benefits/Employee A...	11.40
209-551-42514	Admin Exp/Special Depart	235.00
209-552-38112	Rental Income/Facility Re...	834.72
209-552-41005	Emp Benefits/Employee A...	11.40
209-552-41007	Emp Benefits/Life-ADD	11.40
209-552-42101	Prof Svcs/Professional Ser...	25.00
209-552-42107	Prof Svcs/Equipment Mai...	247.50
209-552-42108	Prof Svcs/Building-Structu...	1,307.82
209-552-43103	Utilities/Electricity & Pow...	2,168.33
209-552-43802	Program Cost/Class Fees	4,293.40
209-552-43804	Program Cost/Food Progr...	2,596.73
209-552-43809	Program Cost/Newsletter	266.53
209-553-41005	Emp Benefits/Employee A...	11.40
209-553-42108	Prof Svcs/Building-Structu...	649.32
209-554-41005	Emp Benefits/Employee A...	11.40
209-554-42107	Prof Svcs/Equipment Mai...	168.09
209-554-42108	Prof Svcs/Building-Structu...	185.66
209-556-42101	Prof Svcs/Professional Ser...	1,050.00
209-556-42502	Admin Exp/Cash Over-Sho...	776.22
209-557-42108	Prof Svcs/Building-Structu...	1,501.63
212-461-41005	Emp Benefits/Employee A...	11.40
212-461-42101	Prof Svcs/Professional Ser...	14,720.00
212-461-42201	Office Expense	10.19
212-461-42514	Admin Exp/Special Depart	591.90
212-461-46126	Legal Charges	5,336.00

Account Summary

Account Number	Account Name	Payment Amount
212-462-31510	Other Tax/Business License	0.90
212-462-33215	Permit/Seismic (Strong M...	406.22
212-462-34210	Fees/STMP Fee	5,190.00
212-462-34211	Fees/CA State Building Fee	188.10
212-462-41005	Emp Benefits/Employee A...	11.40
212-462-42101	Prof Svcs/Professional Ser...	23,018.20
215-341-43101	Utilities/Telephone	395.42
226-000-34223	Fees/CASp Fee	315.60
310-347-42101	Prof Svcs/Professional Ser...	651.20
310-347-42108	Prof Svcs/Building-Structu...	60.00
310-347-43103	Utilities/Electricity & Pow...	5,648.41
310-348-42101	Prof Svcs/Professional Ser...	829.54
310-348-42108	Prof Svcs/Building-Structu...	65.00
310-348-43103	Utilities/Electricity & Pow...	8,069.16
500-641-41005	Emp Benefits/Employee A...	114.00
500-641-42101	Prof Svcs/Professional Ser...	21,545.50
500-641-42107	Prof Svcs/Equipment Mai...	2,863.47
500-641-42201	Office Expense	46.82
500-641-43103	Utilities/Electricity & Pow...	50,306.89
500-641-44302	Other Materials Supp/Slu...	4,686.18
500-641-44303	Other Materials Supp/Ch...	35,502.27
500-641-44305	Other Materials Supp/Lab...	2,748.66
500-641-44410	Safety Clothing	1,193.21
500-642-41005	Emp Benefits/Employee A...	34.20
500-642-42101	Prof Svcs/Professional Ser...	3,000.00
500-642-42108	Prof Svcs/Building-Structu...	9,886.14
500-642-42514	Admin Exp/Special Depart	33,197.81
500-642-43103	Utilities/Electricity & Pow...	473.30
500-642-44410	Safety Clothing	189.06
505-119-41005	Emp Benefits/Employee A...	22.80
525-118-42101	Prof Svcs/Professional Ser...	20,051.76
525-118-42105	Prof Svcs/Network Maint...	5,880.00
525-118-42107	Prof Svcs/Equipment Mai...	4,175.95
525-118-42510	Admin Exp/Software Purch	713.81
525-118-43101	Utilities/Telephone	6,304.31
525-118-47102	FF&E/Computer Equipme...	48.56
750-463-46126	Legal Charges	464.00
	Grand Total:	**397,958.16**

Project Account Summary

Project Account Key		Payment Amount
None		397,958.16
	Grand Total:	**397,958.16**

Approved By: ______________ Date: 4/11/19

DATE: APRIL 16, 2019

TO: MAYOR AND COUNCIL MEMBERS

FROM: MICHELLE FITZER, CITY MANAGER

SUBJECT: APPROVE A LETTER OF SUPPORT FOR THE TRI-CITIES LEGISLATIVE POSITIONS LETTER ON PRIORITY HOUSING LEGISLATION AND AUTHORIZE THE MAYOR TO SIGN THE LETTER

RECOMMENDATION

It is recommended that the City Council approve a letter of support for the Tri-Cities legislative positions letter on priority housing legislation and authorize the Mayor to sign the letter.

BACKGROUND

There has been much talk recently about the CASA Compact Report regarding affordable housing in the Bay Area. Now comes a slew of proposed housing legislation in response.

REVIEW & ANALYSIS

This topic has been discussed at the Contra Costa Mayors Conference, the League of California Cities East Bay Division, and various other meetings throughout the Bay Area.

The cities of Danville, Dublin, Livermore, Pleasanton, and San Ramon (as the Tri-Valley Cities) have analyzed the CASA Compact and now the proposed legislation. They have prepared and submitted the attached letter to their legislators. At the Mayors Conference of April 4th the Mayor of Danville shared the letter. The Mayors collectively decided to submit letters of support for the Tri-Valley Cities letter to each of our respective State legislators. Therefore, at the request of Mayor Pro Tem Swearingen, who attended the Mayors Conference on our behalf, the attached letter of support was prepared and is being submitted for Council's review and approval.

The Contra Costa City Managers Association also discussed this topic at our March meeting. Several cities, representing all areas of the County, volunteered their Planning Managers/Directors to work off of the Tri-Cities evaluations and determine a recommended Contra Costa Cities response. The presentation to the City Managers will be held on April 11th, which is the day the agenda for this meeting is published. Therefore, the details are not available for this staff report. In the event that further Council action is recommended, another agenda item will be prepared and presented.

FISCAL IMPACT

None.

ATTACHMENTS

A: Letter of Support and Tri-Valley Cities Legislative Position Letter re: Priority Housing Legislation

CITY OF PINOLE

2131 Pear Street
Pinole, CA 94564

Phone: (510) 724-9010
FAX: (510) 724-9826
www.ci.pinole.ca.us

April 17, 2019

Honorable Nancy Skinner
California State Senate
State Capitol Building, Room 5094
Sacramento, CA 95814
via fax: (916) 651-4909

Honorable Buffy Wicks
California State Assembly
State Capitol Building, Room 5160
Sacramento, CA 95814
via fax: (916) 319-2115

Re: Priority Housing Legislation

Dear Senator Skinner and Assembly Member Wicks:

As you know, there has been much discussion recently regarding the CASA Compact and now the resultant proposed legislation. We appreciate the work that the Legislature is undertaking to address the affordable housing crisis in the Bay Area. We are, however, concerned about ensuring that any legislation does not result in unintended consequences. To that end, it is important that the cities, who are ultimately held responsible for ensuring affordable housing is at least planned for, are involved in the discussion moving forward.

We also appreciate the work of our colleagues in the cities of Danville, Dublin, Livermore, Pleasanton, and San Ramon, as the Tri-Valley cities, to analyze both the CASA Compact and the legislation. In that regard, they have shared the April 4th letter submitted to their legislators. They have provided an outstanding analysis of the legislation and positions on each bill. Also included are recommended amendments to some of the bills.

The City of Pinole submits this letter to your attention in support of the positions outlined in the Tri-Valley Cities April 4th letter, a copy of which is attached for your reference. We look forward to working with you on this very important matter. Should you need anything further from Pinole, please contact our City Manager Michelle Fitzer at mfitzer@ci.pinole.ca.us or by phone at (510) 724-8933.

Sincerely,

Peter Murray
Mayor

Attachments:

April 4, 2019 Tri-Valley Cities Letter Re: Priority Housing Legislation

cc: Sam Caygill, East Bay Division, League of California Cities, scaygill@cacities.org

April 4, 2019

The Honorable Steve Glazer
California State Senate
State Capitol, Room 5108
Sacramento, CA 95814

The Honorable Rebecca Bauer-Kahan
California State Assembly
State Capitol, Room 2154
Sacramento, CA 95814

RE: Legislative positions from the Tri-Valley Cities pertaining to priority housing legislation

Dear Senator Glazer and Assembly Member Bauer-Kahan:

On behalf of the Tri Valley Cities which includes Danville, Dublin, Livermore, Pleasanton and San Ramon, we applaud the State Legislature for proposing a legislative package to address the housing emergency in the San Francisco Bay Area and throughout California.

There is a recognized need to address housing and we want to be part of the conversation and solution. As cities in the Bay Area and beyond are experiencing rising housing prices, severe housing instability for its most vulnerable populations, displacement of existing residents of all incomes, and increasing homelessness, we agree that a concerted regional approach is necessary to successfully address many of these challenges.

Consistent with some of the main aspects of the various legislative proposals, some or all of the Tri Valley Cities have already taken or are taking many of these actions, including:

- A range of higher density housing projects already completed projects and adopting development standards for higher density development around its Bay Area Rapid Transit (BART) and Altamont Corridor Express (ACE) stations. Planning for higher density around the proposed Valley Link regional rail system from the San Joaquin Valley;
- Inclusionary housing ordinances that requires low and moderate income housing units to be built on site;
- Accessory dwelling unit ordinance consistent with most recent State laws;
- Plans and transactions for the disposition of significant public lands for affordable housing; and
- 100% affordable projects under construction for low or very-low income households using City Housing Trust fund money.

As a region, we support the following themes:

Balanced Solutions – Housing, Jobs, and Transportation

- Regional solutions need to take a balanced approach that considers housing, transportation/transit, and jobs together. Building housing without adequate transportation infrastructure may exacerbate, not alleviate, the affordable housing crisis.
- Regional transit agencies and MTC must support improved transit services to existing and new neighborhoods and address accompanying funding needs.

Provide, Promote, and Protect Affordability

- Protect existing affordable housing stock, including rental apartments, deed restricted units, and mobile homes, and promote affordable housing that includes long-term affordability agreements.

- Ensure that all new state mandated incentives, fee reductions, and density bonus program are directly linked to the level and percentage of affordable units provided for each project.

Context-Sensitive Housing

- Avoid "one-size-fits-all" standards for regional housing by ensuring that policies and laws allow for sensitivity to local context. For example, historic districts should be exempt from higher density housing requirements if they are not compatible with the historic context of the area.

- Advocate and facilitate production of ADUs (examples: reduce all fees including those from special districts and utility companies) and encourage development of "missing-middle" housing that is compatible with suburban community character (examples: duplex, triplex and four-plexes, small scale apartment complexes).
- Enable cities to develop locally-appropriate plans that meet State objectives in a manner that is compatible with existing community character. For example, some cities use density-based (rather than height-based) development standards and realistic parking requirements given their distance from reliable and frequent public transit.

Infrastructure and Services

- Mandates for new housing production need to be accompanied by funding that can support expanded transportation, transit, and infrastructure, including planning, and capital improvement programs and funding to support new school facilities.

Funding and Resources

- There should be no net loss of local funding.
- New funding measures should not unduly impact local taxation capacity or divert financial resources from essential local public services and infrastructure programs.
- Any new housing mandates should include funding to offset administrative costs associated with supporting the new program and new reporting requirements. Funding to offset administrative costs could include concepts similar to the surcharge on building permit applications for the Certified Access Specialist (CASP) program.

As it relates to the major housing legislation that has recently been introduced, below are our regional positions:

1. Legislative topics regarding "Just Cause Eviction Standards" and the adoption of Bay Area wide requirements.
   Legislation includes Assembly Bill 36 (Bloom), Assembly Bill 1481 (Bonta), and Assembly Bill 724 (Wicks) and possibly more.
   TVC Position: Monitor.

2. Legislative topics regarding a rent cap within the Bay Area and limits annual rent increases to a "reasonable" amount.
   Legislation includes Assembly Bill 1482 (Chiu) and possibly others.
   TVC Position: Monitor.

3. Legislative topics regarding rent assistance and free legal counsel.
   Legislation includes Senate Bill 18 (Skinner) and possibly others.
   TVC Position: Support

4. Legislative topics regarding the removal of regulatory barriers to Accessory Dwelling Units. Legislation includes Assembly Bill 68 (Ting), Assembly Bill 69 (Ting), and Senate Bill 13 (Wieckowski).
   TVC Position: Support.

   If there are any opportunities for amendments, we would be supportive of the following:
   - Extending the fee limitation/reduction to all passthrough fees (including utility connection fees and school district fees), provided that the fees remain proportionate to impacts generated.
   - Developing standardized ADU permit plans in a range of sizes, pre-approved at the State level, allowing for minimal local plan check requirements (reduced plan check time offsets fee limitations).
   - Allowing cities to count, by right, ADUs that are "affordable by design" in the RHNA process (examples: count ≤ 550 SF ADU as "Low" and 551- 1,000 SF ADU as "Moderate" income units).
   - Advocate for standardized Building Codes for ADUs.
   - Ensure existing structures are brought up to Code for legitimate Health and Safety reasons.

5. Legislative topics regarding minimum zoning near transit for housing.
   Legislation includes Senate Bill 50 (Wiener).
   TVC Position: Oppose unless amended.
   Suggested amendments would include:
   - Allow all cities (not just Sensitive Communities) to develop context sensitive community plans that achieves the overall goal of providing affordable housing around transit and a balanced land use framework.
   - Focus requirement on density not on height (as the latter does not necessarily result in more units) and allow cities to retain design quality control to facilitate local acceptance.
   - Establish realistic frequency thresholds to be considered for rail stations, specifically ACE or Amtrak train lines, which have very limited infrequent service.
   - Apply density increase as a percentage of adjacent land uses (example: 50% increase in density or height) in acknowledgement that not all communities take the same form near transit lines
   - Establish increases contingent upon funding a transit agency's ability to maintain headways for a specified number of years.
   - Allow a time period for cities to incorporate these requirements into their General Plans and obtain local feedback.
   - Exempt historic districts/downtowns where high-density housing is not compatible with the historic context of the area.

6. Legislative topics regarding "Good Government" reforms to the housing approval process. Legislation includes Assembly Bills 1483 and 1484 (Grayson) and Senate Bill 330 (Skinner). **TVC Position: Oppose unless amended.**
   Suggested amendments would include:
   - Require an "expiration date" for all fees and regulations locked at application completeness to ensure they are applicable to viable projects.
   - Eliminates abuse by developers who might "lock" a future application to avoid addressing future federal, state or local requirements that may surface.
   - Require a "reset" should substantive project changes be introduced during the course of the development review process to avoid potential abuse of the system.
   - Maintain clear and objective standards and controls, and support fee deferral programs that ensure context sensitivity.

- Allow all cities (not just Sensitive Communities) to develop context sensitive community plans that achieves the overall goal of providing affordable housing around transit.

7. Legislative topics regarding expedited approvals and permit streamlining to accelerate zoning-compliant projects. Legislation includes Assembly Bill 1485 (Wicks) and Assembly Bill 1706 (Quirk). **TVC Position: Oppose unless amended.**
   Suggested amendments would include:
   - There should be no net loss of local funding.
   - Require outside agencies to cap/reduce fees to stimulate affordable housing.
   - Require an "expiration date" for all fees and regulations locked at application completeness to ensure they are applicable to viable projects.
   - Eliminates abuse by developers who might "lock" a future application to avoid addressing future federal, state or local requirements that may surface.
   - Require a "reset" should substantive project changes be introduced during the course of the development review process to avoid potential abuse of the system.
   - Implement and maintain clear and objective standards and controls to ensure context sensitivity.
   - Allow all cities (not just Sensitive Communities) to develop context sensitive community plans that achieves the overall goal of providing affordable housing around transit.
   - Consider middle income household definition of 80-120% of area median income, consistent with local standards (instead of 80-150% of AMI), which makes units more affordable.
   - 50% parking reduction from local standards should initially be applied only in transit rich areas where residents actually have to option to use frequent and high-quality public transit.
   - Projects should be required to agree to a 30-50-year inclusionary requirement to receive the streamlining and financial incentives listed.

8. Legislative topics regarding the use of "surplus" and "underutilized" public lands for affordable housing. Legislation includes Assembly Bill 1486 (Ting).
   TVC Position: Support with amendments

   - Allow all cities (not just Sensitive Communities) to develop context sensitive community plans that achieves the overall goal of providing affordable housing around transit.
   - Provide clear and objective standards for the definition of "surplus land."
   - Should prioritize land around existing or approved transit stops
   - Require projects to be consistent with locally adopted land use plans that are already in place (e.g. specific plans) and consistent with objective local standards.

9. Creating new revenue streams to help fund future housing projects. Legislation includes ACA 1 (Curry) and AB 1487 (Chiu). In order to collect some of these new revenue streams, there would be the creation of a new regional entity. That legislation includes AB 1487 (Chiu).
   TVC Position: Oppose unless amended.
   Suggested amendments would include:
   No reduction in currently property tax funding
   - Define return-to-source funding formula at a city level.
   - Regional "fair share" housing assignment (RHNA process) is correlated to level of funding received (i.e., the less regional funding a city receives, the lower the regional housing assignment) (e.g., we do not want to be donor cities).

- Creating an entity that is not comprised of elected officials does not allow it to be accountable to the voters or local needs, and appears to be structured to exclude local government input.
- Creating a regional entity introduces another bureaucracy with its own unique set of requirements takes staff time away from facilitating housing production and committing it to report production (in addition to the ones filed with State HCD and Department of Finance).
- Consider existing agencies that could do the same functions, with additional funding, instead of a new public agency.

In closing, the Tri Valley Cities are grateful for the State Legislature's leadership on these important and difficult issues. We look forward to working with you and other State lawmakers in implementing aggressive regional policy initiatives to address the housing crisis in a way that is compatible and supports the diversity of local realities.

Sincerely,

David G. Haubert

City of Dublin
Mayor David Haubert

John Marchand

City of Livermore
Mayor John Marchand

Jerry T. Thorne

City of Pleasanton
Mayor Jerry T. Thorne

City of Danville
Mayor Robert Storer

City of San Ramon
Mayor Bill Clarkson

DATE: APRIL 16, 2019

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: ERIC S. CASHER, CITY ATTORNEY

COPY: MICHELLE FITZER, CITY MANAGER

SUBJECT: ORDINANCE ADDING CHAPTER 17.77 TO THE ZONING CODE TO REGULATE SMALL CELL WIRELESS FACILITIES AND TO MAKE OTHER MINOR AMENDMENTS TO TITLE 17; RESOLUTION ADOPTING DESIGN REQUIREMENTS FOR SMALL CELL WIRELESS FACILITIES AND RELATED APPLICATION FEE

RECOMMENDATION

Staff recommends that the City Council adopt:

1. An ordinance to add Chapter 17.77 to the Zoning Code to regulate small cell wireless facilities, and make other minor amendments to Title 17; and
2. A resolution adopting design requirement for small cell wireless facilities and a related application fee.

BACKGROUND

The Federal Communications Commission ("FCC") issued a Declaratory Ruling and Third Report and Order ("FCC Order") on September 26, 2018. The Order interprets the "effective prohibition" provisions under the Act and sets forth the various restrictions on the exercise of local aesthetic, zoning, public works, and fee restrictions when local governments review and regulate small cell wireless telecommunications facilities deployment applications. In general, the FCC Order limits the City's ability to impose subjective design requirements.

The Planning Commission held a duly noticed public hearing on March 25th to consider the proposed amendments to the zoning code and the proposed design requirements. The Planning Commission unanimously recommended that the City Council consider the proposed amendments and design guidelines, with three commissioners recommending approval and one commissioner recommending denial. On April 2, 2019 the City Council held a duly noticed public hearing to consider the proposed ordinance and design requirements. After conclusion of the hearing, the Council voted 5-0 to introduce and waive the first reading of the proposed ordinance.

DISCUSSION

To ensure public participation and input regarding the proposed ordinance and design requirements, this item is agendized for a second public hearing. Based on feedback from the City Council, the proposed ordinance and design requirements have been amended to correct typographic errors and make certain other minor changes to the ordinance. Specifically, the following changes have been incorporated:

1. *Design Requirements*. Previously the design requirements were referred to as the "design guidelines". The term "design requirements" is now used to ensure that applicants understand the design requirements are mandatory.

2. *Permitted Locations*. Proposed Section 17.77.030(C) establishes a hierarchy for the preferred location of small cell wireless facilities. The proposed ordinance now includes the following language as the lowest ranked priority:

> "(7) On Nonresidential structures in Residential districts and located less than 200 feet from a residential structure or school. A Small Cell Wireless Facility may only be located within 200 feet of a residential structure if no other location is feasible. "

There have been no other changes to the ordinance or resolution. It is recommended that the City Council adopt both the ordinance and resolution after the conclusion of the public hearing.

FISCAL IMPACT

There is no direct fiscal impact. Costs for staff review and permitting of future small cell wireless facilities will be recovered from application fees.

ATTACHMENTS

A – Ordinance (including text amendments to Municipal Code)
B – Resolution Adopting Design Requirements and Application Fee (including design requirements as an exhibit)

3211698.1

ORDINANCE NO. 2019-____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PINOLE ADDING CHAPTER 17.77 TO THE ZONING CODE TO REGULATE SMALL CELL WIRELESS FACILITIES AND TO MAKE OTHER MINOR AMENDMENTS TO TITLE 17

WHEREAS, technological developments and expanded usage in mobile telecommunication services have prompted wireless service providers to deploy "small cell" facilities in place of traditional macro towers and antennas; and

WHEREAS, Wireless carriers are using small cell technology to deploy their "5G" and "4G" service; and

WHEREAS, California Public Utilities Code section 7901 authorizes wireless telecommunication service providers to construct facilities in the public right-of-way, subject to regulation by municipalities; and

WHEREAS, the Telecommunications Act of 1996 provides that local governments cannot enact regulations that would prohibit or effectively prohibit telecommunication services; and

WHEREAS, the Federal Communications Commission recently issued a Declaratory Ruling and Third Report and Order ("FCC Order") on September 26, 2018; and

WHEREAS, the Order interprets the "effective prohibition" provisions under the Act and sets forth the various restrictions on the exercise of local aesthetic, zoning, public works, and fee restrictions when local governments review and regulate wireless telecommunications facilities deployment applications, including on City-owned poles in the public right of way; and

WHEREAS, the FCC Order requires that aesthetic requirements be (1) reasonable; (2) no more burdensome than those applied to other types of infrastructure deployments, and (3) objective and published in advance; and

WHEREAS, the City desires to amend the Municipal Code to adopt regulations regarding small cell wireless facilities in order to establish comprehensive requirements and standards for the development, siting, installation and operation of small cell wireless facilities in a way that protects and promotes public safety, community welfare and aesthetic quality; and

WHEREAS, the City desires to adopt design requirements that further govern the aesthetics of small cell wireless facilities; and

WHEREAS, the Planning Commission held a duly noticed public hearing to consider the proposed amendments to the Zoning Code on March 25, 2019, at which time all interested person had the opportunity to be heard; and

WHEREAS, after close of the public hearing, the Planning Commission recommended approval of the proposed amendments to the Zoning Code; and

WHEREAS, the City Council held a duly noticed public hearing to consider the proposed amendments to the Zoning Code on April 2, 2019, at which time all interested person had the opportunity to be heard; and

WHEREAS, after the close of the public hearing, the City Council considered all public comments received both before and during the public hearing, the presentation by city staff, the staff report, and all other pertinent documents regarding the proposed zoning code amendment; and

WHEREAS, the City Council finds that the proposed amendments to the Zoning Code are consistent with and support the Pinole General Plan by helping to ensure the aesthetic quality of small cell wireless facilities in a manner consistent with Federal law and regulations; and

WHEREAS, the City Council finds that the proposed Zoning Code amendment is intended to establish comprehensive requirements and standards for the development, siting, installation and operation of small cell wireless facilities in a way that protects and promotes public safety, community welfare and aesthetic quality.

WHEREAS, the City Council desires to adopt the proposed changes to the Zoning Code.

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

Section 1. <u>Recitals</u>.

The above recitals are true and correct and made a part of this Ordinance.

Section 2. <u>Municipal Code Amendment – Chapter 17.10</u>.

Table 17.10.060-1 is hereby amended to include small cell attachment permits as a type of permit or decision. The following underlined language shall be added to bottom of Table 17.10.060-1:

Type of Permit or Decision	**Designated Approving Authority “R” Symbolizes the “Recommending Body” “F” Symbolizes the “Final Decision-Making Body”**		
	Community Development Director	**Planning Commission**	**City Council**
<u>Small Cell Attachment Permit (2)</u>	<u>ZA/F</u>		

<u>(2) As specified in Chapter 17.77, the Zoning Administrator is the final decision maker for these permit application.</u>

Section 3. <u>Municipal Code Amendment – Chapter 17.12</u>.

Section 17.12.210 is hereby added to the Municipal Code to read as follows:

“17.12.210 Small Cell Attachment Permit

A small cell attachment permit is required prior to the development, siting, installation and operation of a small cell wireless facility. Small cell attachment permits are governed by Chapter 17.77, and the requirements contained therein.”

Section 4. **Municipal Code Amendment – Chapter 17.10.**

Table 17.20.030-1 is hereby amended to include small cell attachment wireless facilities as a type of use. The following underlined language shall be added to Table 17.20.030-1, after the “Parking Facility” use and before the “Wireless Communication Facility, Freestanding Towner” Use (additions underlined):

TABLE 17.20.030-1:
ALLOWED USES AND REQUIRED ENTITLEMENTS FOR CITY OF PINOLE BASE ZONING DISTRICTS

Land Use \ Zoning District	LDR	R-1	R-2	R-3	R-4	R	RC	RMU	CMU	OPMU	OIMU	OS	PR	PQI	SPBCA
Utility, Transportation, and Communication Uses															
Small Cell Wireless Facilities (14)	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C	N	P/C	P/C	N

(14) Facilities meeting all specified requirements in Chapter 17.77 are permitted as noted above except in the Open Space (OS) and San Pablo Bay Conservation Area (SPBCA) District, otherwise a conditional use permit is required. See additional regulations for small cell wireless facilities in Chapter 17.77

Section 5. **Municipal Code Amendment – Chapter 17.12.**

Section 17.76.090 is hereby added to the Municipal Code to read as follows:

“17.76.090 Small Cell Wireless Communication Facilities
The development, siting, installation, and operation of small cell wireless communications facilities and ancillary support infrastructure, as those terms are defined in Section 17.77.020, shall be governed by Chapter 17.77.”

Section 6. **Municipal Code Amendment – Chapter 17.98.**

Section 17.98.020, “General Definitions”, shall be amended to include the following definition of “small cell wireless facility” in the appropriate location based on alphabetical order:

“Small Cell Wireless Facility A wireless telecommunications facility that meet each of the following conditions:

(1) The structure on which antenna facilities are mounted:

(a) Is 50 feet or less in height, or

(b) Is no more than 10 percent taller than other adjacent structures, or

(c) Is not extended to a height of more than 10 percent above its preexisting height as a result of the collocation of new antenna facilities; and

(2) Each antenna (excluding associated antenna equipment as defined by 47 C.F.R. §1.1320(d)) is no more than three cubic feet in volume; and

(3) All other wireless equipment associated with the facility are cumulatively no more than 28 cubic feet in volume; and

(4) The facility does not require antenna structure registration under 47 C.F.R. Chapter 1, Subchapter A, Part 17.

(5) The facility is not located on Tribal lands, as defined under 36 C.F.R. § 800.16(x); and

(6) The facility does not result in human exposure to radiofrequency radiation in excess of the applicable safety standards specified in 47 C.F.R. §1.1307(b)."

Section 7. Municipal Code Amendment – Chapter 17.77.

Chapter 17.77, "Small Cell Wireless Communications Facilities", is hereby added to Title 17, Zoning, of the Pinole Municipal Code to read as set forth in Exhibit A, attached hereto and incorporated herein by this reference.

Section 8. Severability.

If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of this Ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council of the City of Pinole hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid, or unenforceable.

Section 9. California Environmental Quality Act ("CEQA").

The proposed amendments are exempt from CEQA based on the rule set forth in CEQA Guidelines Section 5061(b)(3) that CEQA applies only to projects which have the potential for causing a significant effect on the environment. As a series of text amendments and additions, it can be seen with certainty that there is no possibility that the proposed amendments to the Zoning Code will have a significant effect on the environment. Furthermore the proposed amendments are exempt from CEQA based on the rule set forth in CEQA Guidelines Sections 15305 and 15303, which respectively exempt minor encroachment permits and the installation of small equipment and facilities on small structures.

Section 10. Effective Date.

In accordance with California Government Code Section 36937, this Ordinance shall take effect and be in force on the thirty-first day after adoption.

Section 11. Publication.

Within fifteen days after the passage of this Ordinance the City Clerk shall cause this Ordinance or a summary thereof to be published or to be posted in at least three public places in the City of Pinole in accordance with the requirements of California Government Code Section 36933.

PASSED AND ADOPTED on this ___ day of ____________, 2019, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Peter Murray, Mayor

ATTEST:

____
Heather Iopu, City Clerk

APPROVED AS TO FORM:

____
Eric S. Casher, City Attorney

3207339.3

SMALL CELL WIRELESS DESIGN REQUIREMENTS
CITY OF PINOLE

Licensee's plans and specifications submitted with each Small Cell Wireless Attachment permit application, and any Small Cell Wireless Attachment permit application approved by the City, shall comply with the following minimum requirements, a copy of which is on file with the Development Services Department.

A. **General Requirements**. The design and development standards set forth in this section apply to all small cell wireless facilities no matter where they are located.

1. **General requirements.** Small cell wireless facilities shall be located and designed and whenever possible screened to blend with the existing natural or built surroundings. Small Cell Wireless Facilities shall utilize the smallest footprint possible, and shall be designed to minimize the overall height, mass, and size. Improvements which will be primarily viewed against soils, trees or grasslands shall be painted colors matching these landscapes while elements which rise above the horizon shall be painted a blue gray that matches the typical sky color at that location. If the improvements are primarily viewed against a structure, such as a light pole, shall be painted to match the structure.

2. **Traffic safety.** All small cell wireless facilities and ancillary equipment shall be designed and located in such a manner as to avoid adverse impacts on multi-modal traffic safety.

3. **Antennas.** The applicant shall use the least visible antennas possible to accomplish the coverage objectives. Antenna elements shall be flush mounted to the support structure, to the extent reasonably feasible. Antennas shall be situated as to reduce visual impact without compromising their function. Whip antennas need not be screened.

4. **Landscaping.** Where appropriate, the small cell wireless facility and ancillary equipment facility shall be installed so as to maintain and enhance existing landscaping on the site, including trees, foliage and shrubs, whether or not utilized for screening. Additional landscaping shall be planted, irrigated, and maintained where such vegetation is deemed necessary by the City to provide screening or to block the line of sight between facilities and adjacent uses. Small wireless facilities shall not displace any existing landscape features unless: (A) such displaced landscaping is replaced with native and/or drought-resistant plants, trees or other landscape features approved by the Zoning Administrator and (B) the applicant submits and adheres to a landscape maintenance plan.

5. **Lighting.** No Small cell wireless facility or ancillary equipment may be illuminated unless specifically required by applicable federal or state law, rule or policy.

6. **Signage.** There shall be no signs, display logos, or advertisement on, alongside, or in connection with a small cell wireless facility or ancillary equipment.

7. **Security**. Small cell wireless facilities and or ancillary equipment shall be designed to be resistant to, and minimize opportunities for, unauthorized access, climbing, vandalism, graffiti and other conditions that would result in hazardous situations, visual blight, or attractive nuisances, such as locks and anti-climbing devices, to prevent unauthorized access, theft or vandalism. Under no circumstances shall security fencing, barbed wire, or razor ribbon be permitted.

8. **Non-Reflective Materials.** Small Cell Wireless Facilities shall be constructed out of non-reflective materials (visible exterior surfaces only), or materials and colors consistent with surrounding backdrop or support structure, as appropriate. Anodized metal is an acceptable treatment. The antennas and related equipment shall be constructed out of non-reflective materials, painted and/or textured to match the existing support structure and painted to blend with their surroundings.

9. **Height**. Small wireless facilities may not exceed either (A) the minimum separation from electrical lines required by applicable safety regulations (such as CPUC General Order 95), plus four feet or (B) four feet above the existing support structure. However, at no point shall an existing support structure be increased by more than 4 feet above existing height or the applicable height limit for the zoning district, whichever is less.

B. **Facilities Outside the Public Right-of-Way.** The design and development standards set forth in this section apply to all small cell wireless facilities located outside the public right-of-way, in addition to those standards set for in Section A above.

1. **Roof-mounted facilities.** Roof-mounted small cell wireless facilities and ancillary equipment shall be designed and constructed to be fully concealed or screened in a manner compatible with the existing architecture of the building, with regard to color, texture and type of material on which the small cell wireless facility or equipment is mounted.

2. **Facilities mounted to a telecommunications tower.** Small cell wireless facilities mounted to a telecommunications tower, pole or any other non-building structure shall be located in close proximity to existing above-ground utilities, such as electrical towers or utility poles light poles, trees of comparable heights, and in areas where they will not detract from the appearance of the City. Facilities mounted to a telecommunications tower, including, but not limited to, the attached antennas, shall be designed to be the minimum functional height and width required to adequately support the proposed facility and meet FCC requirements. Facilities mounted to a telecommunications tower shall not exceed the applicable maximum height limit for structures in the applicable zoning district.

a. Aside from the antenna itself, no additional equipment may be visible. All cables, including, but not limited to, electrical and utility cables, shall be run within the interior of the telecommunications tower, pole or non-building structure and shall be camouflaged or hidden to the fullest extent feasible without jeopardizing the physical integrity of the tower.

b. All antenna components and accessory wireless equipment shall be treated with exterior coatings of a color and texture to match the predominant visual background or existing architectural elements so as to visually blend in with the surrounding development.

3. Ancillary equipment. All ancillary equipment associated with the operation of any small cell wireless facility shall be fully screened or camouflaged, and located in a manner to minimize their visibility to the greatest extent possible. Ancillary equipment shall be visually screened by locating the equipment either within a nearby building, in an underground vault or in another type of enclosed structure, which shall comply with the development and design standards of the zoning district in which the equipment is located. Such enclosed structure shall be screened from view and is visually integrated with the architecture and landscaping of the surrounding architecture and landscaping elements.

C. **Facilities in the Right-of-Way**. The design and development standards set forth in this section apply to all small cell wireless facilities located in the public right-of-way, in addition to those standards set for in Section A above.

1. **Design**. All antennas and associated mounting equipment, hardware, cables or other connecters must be completely concealed within an opaque antenna shroud or radome. Facilities shall be stacked close together and on the same side of the pole. Antennas and all associated equipment shall be flush with the pole and as narrow as possible, even if it needs to be slightly longer as a result.

2. **Antenna Volume.** Each individual antenna may not exceed three cubic feet in volume and all antennas may not exceed six cubic feet in volume.

2. **Height**. The antenna and any other associated equipment shall be mounted a minimum of ten (10) feet above grade. The City may require facilities located above a sidewalk or street to be located higher than ten (10) feet if necessary to insurance there is no interference with multi-modal transit.

3. **Location**. Antennas, and ancillary equipment, shall be located as not to cause any physical or visual obstruction to pedestrian or vehicular traffic, or as to interfere with access to sidewalks, accessibility improvements, fire hydrants, fire escapes, water valves, underground vaults or any other public health and safety facility.

4. **Cables.** All conduits, conduit attachments, cables, wires and other connectors shall be placed within the pole when feasible, or otherwise concealed from public view. Equipment and cables that are not located within the pole shall be undergrounded, unless infeasible. Any claim of infeasibility shall be supported by substantial evidence to the satisfaction of the City Engineer or designee.

5. **Ancillary Equipment.** All non-antenna accessory equipment shall be installed in accordance with the following preferences, ordered from most preferred to least preferred: (i) underground in any area in which the existing utilities are primarily located underground; (ii) on the pole or support structure; or (iii) integrated into the base of the pole or support structure. Applications that involve lesser-preferred installation locations may be approved so long as the applicant demonstrates that the more preferred installation location would be technically infeasible.

a. **Undergrounded Accessory Equipment.** All undergrounded accessory equipment must be installed in an environmentally controlled vault that is load-rated to meet the City's standards and specifications. Underground vaults located beneath a sidewalk must be constructed with a slip-resistant cover. Vents for airflow shall be flush-to-grade when placed within the sidewalk and may not exceed two feet above grade when placed off the sidewalk. Applicants shall not be permitted to install an underground vault in a location that would cause any existing tree to be materially damaged or displaced.

b. **Base-mounted Accessory Equipment.** All base-mounted or ground mounted accessory equipment must be installed within a shroud, enclosure or pedestal integrated into the base of the support structure. All cables, wires and other connectors routed between the antenna and base-mounted equipment must be concealed from public view. Any other ground-mounted equipment is prohibited. All base-mounted equipment shall comply with the Americans with Disabilities Act and all other applicable laws.

RESOLUTION 2019-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PINOLE ADOPTING DESIGN REQUIREMENTS FOR SMALL CELL WIRELESS FACILITIES AND ADOPTING AN APPLICATION FEE FOR SMALL CELL WIRELESS FACILITY APPLICATIONS

WHEREAS, Wireless carriers are using small cell technology to deploy their “5G” and “4G” service; and

WHEREAS, California Public Utilities Code section 7901 authorizes wireless telecommunication service providers to construct facilities in the public right-of-way, subject to regulation by municipalities; and

WHEREAS, the Telecommunications Act of 1996 provides that local governments cannot enact regulations that would prohibit or effectively prohibit telecommunication services; and

WHEREAS, the Federal Communications Commission recently issued a Declaratory Ruling and Third Report and Order (“FCC Order”) on September 26, 2018; and

WHEREAS, the Order sets forth the various restrictions on the exercise of local aesthetic, zoning, public works, and fee restrictions when local governments review and regulate wireless telecommunications facilities deployment applications, including on City-owned poles in the public right of way; and

WHEREAS, the FCC Order requires that aesthetic requirements be (1) reasonable; (2) no more burdensome than those applied to other types of infrastructure deployments, and (3) objective and published in advance; and

WHEREAS, the City Council is adding Chapter 17.77 to the Zoning Code to regulate small cell wireless facilities; and

WHEREAS, Chapter 17.77 adopts certain design requirements and authorizes the City Council to adopt addition design requirements by Resolution; and

WHEREAS, the City Council desires to adopt addition design requirements regarding small cell wireless facilities in order to help establish comprehensive requirements and standards for the development, siting, installation and operation of small cell wireless facilities in a way that protects and promotes public safety, community welfare and aesthetic quality; and

WHEREAS, the City Council also desires to adopt an application fee for small cell wireless facilities to ensure that applicants pay for the cost of the City’s review of applications; and

WHEREAS, because the City does not have experience reviewing small cell wireless applications, it is unknown how much staff time will be necessary to review and process an application; and

WHEREAS, there is no way for the City to accurately create a fixed fee that is a reasonable approximation of the City's costs; and

WHEREAS, requiring applicants to submit a deposit to pay for the City's actual costs to review and application is the only way to create an objectively reasonable fee.

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

Section 1. Recitals. The above recitals are true and correct, and are incorporated herein by reference.

Section 2. Design Requirements. The City Council hereby adopts the design requirements attached hereto as Exhibit A. These design requirements apply to small cell wireless facilities and are in addition to any requirements contained in Title 17 of the Municipal Code. The Design Guidelines shall be published and made available to the public by the Development Services Department.

Section 3. Application Fee. The City Council hereby adopts the following application fee for anyone submitting an application for a small cell attachment permit:

> Small Cell Wireless Facility Application Fee: $2,000 deposit per proposed small cell wireless facility.
>
> *The City will charge its actual costs to review the application, including all staff time and necessary materials, against the deposit. If the City's costs exceed the deposit, the applicant must submit an additional deposit. Any remaining funds will be returned to applicant when the application is approved, denied or withdrawn.*

The above fee shall be included in the City's Master Fee Schedule.

Section 4. Effective Date. This resolution shall be in full force and effect immediately upon adoption.

PASSED AND ADOPTED at a regular meeting of the Pinole City Council held on the 2nd day of April 2019, by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

I hereby certify that the foregoing resolution was regularly introduced, passed, and adopted on this 16[nd] day of April, 2019.

____

Heather Iopu, CMC
City Clerk

3209438.2

Chapter 17.77

SMALL CELL WIRELESS COMMUNICATIONS FACILITIES

Sections:

17.77.010 Purpose and Objectives

The purpose of this chapter is to establish comprehensive requirements and standards for the development, siting, installation, and operation of small cell wireless communications facilities and ancillary support infrastructure. These regulations are intended to protect and promote public safety, community health and welfare, and the aesthetic quality of the City consistent with the goals, objectives, and policies of the General Plan while providing for well-managed development of small cell wireless telecommunications in accordance with California and Federal law.

A. Foster an aesthetically pleasing urban environment, prevent visual blight, protect and preserve public safety and general welfare, and maintain the character of residential and nonresidential areas consistent with the adopted General Plan and other City-adopted plans and in compliance with applicable State and Federal legislation;

B. Protect the public from radio frequency emissions to the maximum extent permitted by state and federal law.

C. Improve the ability of telecommunications providers to provide services quickly, safely, effectively, and efficiently while ensuring compliance with all applicable requirements;

D. Ensure that public safety personnel have adequate cellular service and coverage during emergencies;

E. Require wireless communications providers to use the best available design and technology to further reduce potential aesthetic impacts as changes in technology occur.

17.77.020 Definitions

Unless otherwise specifically provided, the terms used in this chapter shall have the following meanings.

A. **Ancillary Equipment** means any wires, cables, meter boxes, cooling devices, cable, conduit and connectors, and any other equipment required to operate and support the operation of Small Cell Wireless Facilities.

B. **Applicant** means service provider(s) of the Small Cell Wireless Facilities that are proposed to be located within the City, or service provider(s)'s authorized representative.

C. **Co-location** means a telecommunications facility comprising a single telecommunications tower, monopole or building supporting antennas owned or used by more than one telecommunications carrier.

D. **Equipment Cabinet** means a structure that contains, protects and conceals the Ancillary Equipment. Equipment Cabinet may also include the equipment necessary to allow for the undergrounding of PG&E meters and other Ancillary Equipment related to the functioning of Small Cell Wireless Facilities.

E. **Readily Visible** means an object that can be seen from street level by a person with normal vision, and distinguished as an antenna or other component of a wireless communication facility, due to the fact that it stands out as a prominent feature of the landscape, protrudes above or out from the structure, a ridgeline, or is otherwise not sufficiently camouflaged or designed to be compatible with the appurtenant or adjacent architecture or building materials.

F. Small Cell Wireless Facility means a wireless telecommunications facility that meets all of the following conditions:

(1) The structure on which antenna facilities are mounted:
(a) is 50 feet or less in height, or
(b) is no more than 10 percent taller than other adjacent structures, or
(c) is not extended to a height of more than 10 percent above its preexisting height as a result of the collocation of new antenna facilities; and

(2) Each antenna (excluding associated antenna equipment as defined by 47 C.F.R. §1.1320(d)) is no more than three cubic feet in volume; and

(3) All other wireless equipment associated with the facility are cumulatively no more than 28 cubic feet in volume; and

(4) The facility does not require antenna structure registration under 47 C.F.R. Chapter 1, Subchapter A, Part 17.

(5) The facility is not located on Tribal lands, as defined under 36 C.F.R. § 800.16(x); and

(6) The facility does not result in human exposure to radiofrequency radiation in excess of the applicable safety standards specified in 47 C.F.R. §1.1307(b).

G. School means any public or private k-12 educational institution**.**

H. Stealth Facility means any commercial wireless communications facility that is designed to blend into the surrounding environment by means of screening, concealment, or camouflage. The antenna and supporting antenna equipment are either not readily visible beyond the property on which they are located, or, if visible, appear to be part of the existing developed feature, the surrounding landscape or environment rather than identifiable as a wireless communications facility.

I. Public Right of Way means all public streets and utility easements, now and hereafter owned by the City or other public entity, but only to the extent of the City or public entity's right, title, interest or authority to grant a license to occupy and use such streets and easements for wireless communication facilities.

17.77.030 Permitted Facilities & Locations:

A. Permitted Areas. Subject to compliance with all applicable provisions of this chapter, Small Cell Wireless Facilities, pursuant to a Small Cells Attachment Permit, shall be permitted on the following types of areas:

1. Existing structures within the public right-of-way in all zoning districts; and

2. Existing structures located outside of the public right-of-way in any zone that includes a commercial or industrial use.

3. New structures within the public right-of-way in all zoning districts, or outside of the public right-of-way in any zone that includes a commercial or industrial use, subject to the requirements of this Chapter.

B. Permitted Facilities. Subject to compliance with all applicable provisions of this chapter, the Permitted Facilities/Structures on which Small Cell Wireless Facilities may be attached are as follows:

1. <u>Public Right-of-Way</u>. Small Cell Wireless Facilities in the public right-of-way in all zoning districts shall be located in accordance with the following preferences. The preferred approaches for design and siting of new Small Cell Wireless Facilities in the public right-of-way are ranked as indicated in the following lists. When a lower ranked alternative is proposed, the applicant must include technical information demonstrating that a higher ranked option is not technically feasible in light of the provider's service objectives. Any claim of infeasibility shall be supported by substantial evidence to the satisfaction of the City Engineer or designee.

a. existing light poles
b. all other utility poles
c. existing utility cabinets
d. any other existing pole, or an existing structure in the public right-of-way that is not readily visible
e. a new pole of any kind.

2. <u>Outside Public Right-of-Way</u>. Small Cell Wireless Facilities located outside of the public right-of-way in any zone that includes a commercial or industrial use shall be located in

accordance with the following preferences. The preferred approaches for design and siting of new Small Cell Wireless Facilities outside the public right-of-way are ranked as indicated in the following list. When a lower ranked alternative is proposed, the applicant must include technical information demonstrating that a higher ranked option is not technically feasible in light of the provider's service objectives. Any claim of infeasibility shall be supported by substantial evidence to the satisfaction of the City Engineer or designee.

a. Building- or structure-mounted antennas that are not readily visible or are completely concealed from view because of integration into design of nonresidential buildings or structures erected and approved for use other than as wireless telecommunications support.

b. Building- or structure-mounted antennas set back from roof edge and not visible from the public right-of-way or from surrounding properties.

c. On existing communication towers, existing signal, light or similar kinds of permanent poles not supplying electric, telephone or similar service and not in the public right-of-way, or utility facilities not subject to the City's franchise agreements.

d. Nonbuilding- or structure-mounted alternative tower structures

3. Residential Structures. Small Cell Wireless Facilities located outside of the public right-of-way shall not be located on any residential structure without the prior issuance of a conditional use permit.

4. Schools. Small Cell Wireless Facilities located outside of the public right-of-way shall not be located on any school building in which classroom facilities are located without the prior issuance of a conditional use permit.

C. Permitted Locations. Small Cell Wireless Facilities in all zoning districts, whether located in the public right-of-way or elsewhere, shall be located in accordance with the following preferences. The preferred approaches for location of new Small Cell Wireless Facilities are ranked as indicated in the following lists. When a lower ranked alternative is proposed, the application must include technical information demonstrating that a higher ranked option is not technically feasible in light of the provider's service objectives. Any claim of infeasibility shall be supported by substantial evidence to the satisfaction of the City Engineer or designee.

1. In any Nonresidential district and co-located with existing conforming facilities.

2. In any Nonresidential district and located more than 800 feet from any Residential dwelling or school.

3. On Nonresidential structures in Residential districts and located more than 800 feet from a Residential dwelling or school.

4. In any Nonresidential district and located less than 800 feet from a Residential dwelling or school.

5. On nonresidential structures in Residential districts and located less than 800 feet, but more than 200 feet, from a Residential structure or school.

6. On Nonresidential structures located less than 200 feet from a Residential structure or school. A Small Cell Wireless Facility may only be located within 200 feet of a Residential structure if no other location is feasible.

D. Co-locating with Existing Wireless Communication Facilities. Co-location of Small Cell Wireless Facilities with existing Wireless Communication Facilities subject to design and colocation standards as set forth in this chapter.

E. Permits Required. Applicants shall obtain the following permits prior to installing, constructing, maintaining, operating, removing or performing work related to a Small Cells Wireless Facility:

1. Small Cell Attachment Permit. All Small Cell Wireless Facilities must obtain a Small Cell Attachment Permit for each Small Cell Wireless Facility by submitting an application and obtaining approval pursuant to the requirements of this chapter.

2. Encroachment Permit. An Applicant seeking to install, construct, operate, or perform work related to Small Cell Wireless Facilities in the public right-of-way shall obtain a revocable encroachment permit prior to commencing work. Applications for a right-of-way encroachment permit shall be submitted to the Department of Public Works, after compliance with the application requirements identified in Section 17.77.060, below.

a. The obligations of an encroachment permit shall run until Applicant applies for a demolition permit to quit and cease operation. The City retains the right to inspect said facilities to ensure all conditions of the permit are met. The encroachment permit obtained pursuant to this subsection shall continue unless otherwise revoked as provided for elsewhere in this Municipal Code. A performance review may be conducted annually consisting of annual inspections to assure the facility is properly maintained and operated. Applicant must provide the City with updated information including but not limited to changes in insurance and equipment to update the encroachment permit reflecting those changes.

3. Building Permit. An Applicant seeking to install, construct, or perform work related to Small Cell Wireless Facilities located outside of the public right-of-way in any zone that includes a commercial or industrial use shall obtain a building permit after complying with the application and permitting requirements stated in this chapter.

4. Alternative Permits. An Applicant unable to meet the requirements of a Small Cell Attachment Permit as set forth in this chapter, including but not limited to design review and stealth facility standards, shall be required to obtain a Conditional Use Permit in place of a Small Cell Attachment Permit. A Conditional Use Permit does not relieve the Applicant of the obligation to obtain an encroachment permit or a building permit in accordance with the requirements of this section prior to commencing work.

F. Exempt Facilities.

Small Cell Wireless Facilities owned and operated by a governmental agency and utilized for governmental function are exempt from the permit requirements of this chapter, provided that they conform to the operational standards of Section 17.77.040 of this chapter.

17.77.040 Standard Requirements.

A. **State or Federal Requirements.** Small Cell Wireless Facilities, including ancillary equipment, must meet or exceed current standards and regulations of the Federal Communications Commission (FCC), the Federal Aviation Administration (FAA), all applicable federal, state, and local health and safety regulations, including the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and all other agencies of the State or Federal government with the regulatory authority over Small Cell Wireless Facilities. If, at any time, the State or Federal standards are modified, then Applicant shall bring any and all permitted facilities into compliance with current standards and regulations within three (3) months of the effective date of such modified standards and regulations, unless a different compliance schedule is mandated by the controlling State or Federal agency. Failure to bring permitted facilities into compliance with such revised standards and regulations shall constitute grounds for the revocation of City permit and require removal of the small cell facility at the service provider's expense

B. **Building Codes and Safety Standards.** The Applicant shall ensure the structural integrity of its Small Cell Wireless Facilities installed within the City, and shall ensure that the facilities are maintained in compliance with standards contained in applicable State or local building codes and the applicable standards for small cell wireless facilities that are published by the Electronic Industries Association, as amended from time to time. If, upon inspection, the City determines that a facility fails to comply with such codes and standards and constitutes a danger to persons or property, then upon notice being provided to the Applicant of the facility, the Applicant shall have 15 days to bring such facility into compliance with such standards. Failure to bring such tower into compliance within the required time shall constitute grounds for the revocation of City permit and required removal of the small cell facility at the owner's expense.

C. **Radio Frequency Emissions Standards.** Applicants shall provide evidence that the projected radio frequency emissions from any and all permitted Small Cell Wireless Facilities comply with FCC Standards, including any cumulative standards. Such information shall be submitted with permit application materials under Section 17.77.060, as well as annually thereafter if requested by the City.

D. **Operation and Maintenance Standards.** All Small Cell Wireless Facilities shall at all times comply with the following standards in addition to any other conditions required by permits issued pursuant to this chapter.

1. Except as provided in subsection D-2 below, an Applicant shall not install signs, display logos, or run advertisement on, alongside, or in connection with a permitted facility.

2. Every permitted facility shall contain signage listing the name and contact information for an emergency contact individual or service shall be erected for every permitted facility. The signage shall comply with design, material, color and location requirements as stated in the applicable encroachment permit. Contact information listed on the sign shall be kept current and promptly be provided to the City.

3. Each permitted facility and any ancillary equipment shall be maintained in good working condition and appearance, free from trash, debris, litter and graffiti and other forms of vandalism. Any damage from any cause shall be repaired as soon as reasonably possible so as to minimize occurrences of dangerous conditions or visual blight. Graffiti shall be removed from any facility or equipment as soon as practicable, and in no instance more than 48 hours from the time of receipt of City notice.

4. Each facility shall be operated to minimize noise impacts to surrounding land uses in accordance with Chapter 8.35 entitled "Noise" of the Municipal Code.

a. Except for emergency repairs, testing and maintenance activities that will be audible beyond the property line shall only occur between the hours of 8:00 a.m. and 6:00 p.m. on Monday through Friday, excluding holidays.

b. All air conditioning units and any other equipment that may emit noise that would be audible from beyond the right-of-way shall be enclosed or equipped with noise attenuation devices to the extent necessary to ensure compliance with applicable noise limitations in Chapter 8.35 of the Municipal Code.

5. Each facility shall install the following security measures:

a. an on-site emergency "kill switch" to de-energize all radio frequency circuits and components of each permitted facility in order to protect emergency response personnel. For co-locating facilities, a single "kill switch" shall be installed that will de-energize all facilities located on the same pole at the facility in the event of an emergency.

b. necessary safety measures to prevent unauthorized access, vandalism, and other safety concerns. Installations must comply with design standards, described in Section 17.77.050, and nuisance regulations, and must not interfere with City emergency services or transmission.

6. Each facility shall be relocated at Applicant's sole cost, upon demand by City with reasonable notice, to allow for public projects, services or improvements.

7. Applicant shall, at its sole cost, be responsible for repairing to City standard specifications or replacing in-kind any City facilities or improvements disturbed or damaged during the installation, maintenance, operation, repair or removal of Applicant's Small Cell Wireless Facilities, ancillary equipment, and any support infrastructure. City facilities or improvements covered by this subsection includes, but are not limited to the following:

a. curb, gutter, sidewalk, storm drains, and pavements; and
b. landscaping; and
c. structures, buildings, light poles and fixtures.

E. Electrical Metering and Structural Standards. All Small Cell Wireless Facilities shall comply with the following requirements:

1. All electrical power required by Small Cell Wireless Facility installation shall be metered independently from any anticipated or existing City projects or facilities.

2. All existing City-owned street light poles proposed for Small Cell Wireless Facility installations shall be inspected prior to installation in accordance with the most recent City structural standards for street light poles, including but not limited to safety and load bearing capability for the Small Cell Wireless Facility to be installed, as approved by the City Engineer.

a. Applicants requesting to install a Small Cell Wireless Facility on City-owned street light poles shall provide documentation demonstrating that the pole proposed for installation meets or exceeds such City standards.

b. If the City-owned street light pole proposed for a Small Cell Wireless Facility installation does not meet or exceed structural standards, no Small Cell Wireless Facility may be installed thereon. Alternatively, the applicant may at its own cost replace the existing street light pole at the proposed installation location with a pole that meets or exceeds the City's structural standards including safety and load bearing capability or capacity, and complies with all other applicable legal requirements. Any existing lighting fixture shall be reinstalled on the new pole at applicant's cost. Applicant shall be responsible to coordinate electrification of the new installation with the utility provider, including independent metering of electrical power required for applicant's installations as provided in the preceding subsection 17.77.040.D. Upon installation, the new pole shall become the property of the City.

17.77.050 **Permit Requirements**

A. General Standards. Small Cell Wireless Facilities and any ancillary equipment shall comply with the following permit requirements of this section, and shall be located and designed and whenever possible screened to blend with the existing natural or built surroundings, as is required for similar construction projects within the City. Small Cell Wireless Facilities shall utilize the smallest footprint possible, and shall be designed to minimize the overall height, mass, and size. Improvements which will be primarily viewed against soils, trees or grasslands shall be painted colors matching these landscapes while elements which rise above the horizon shall be painted a blue gray that matches the typical sky color at that location to the satisfaction of the Zoning Administrator or designee.

B. Ancillary Equipment. To comply with important local aesthetics and expressive concerns, ancillary equipment and any support facilities for Small Cell Wireless Facilities located in the public right-of-way shall be installed in accordance with the following preferences, ordered from most preferred to least preferred: (i) underground in any area in which the existing utilities are primarily located underground; (ii) on the pole or support structure; or (iii) integrated into the base of the pole or support structure. Applications that involve lesser-preferred installation locations may be approved so long as the applicant demonstrates that the more preferred installation location would be technically infeasible. Any claim of infeasibility shall be supported by substantial evidence to the satisfaction of the City Engineer or designee. In the event that undergrounding of ancillary equipment is not possible, all such equipment shall be located within a stealth facility, and shall comply with all applicable laws, including but not limited to the American Disabilities Act.

C. Pole Designs. All Small Cell Wireless Facility pole installations shall be sufficiently designed and engineered such that no additional supporting hardware is required beyond the pole itself. A Small Cell Wireless Facility that is affixed to an existing light pole shall be painted and/or textured to match that structure.

D. Non-Reflective Materials. Small Cell Wireless Facilities shall be constructed out of non-reflective materials (visible exterior surfaces only), or materials and colors consistent with surrounding backdrop. Anodized metal is an acceptable treatment.

E. Design Preservation. Applicants are responsible for maintaining and preserving design and aesthetic features for each facility, ancillary equipment and any support infrastructure, including but not limited to color, tint, shade, treatment, painting, surface treatment, replacement landscaping, stealth design, and concealment.

F. Security Fencing. Under no circumstances shall security fencing be permitted.

G. Volume. Each individual antenna may not exceed three cubic feet in volume and all antennas may not exceed six cubic feet in volume. All accessory equipment associated with a small wireless facility installed above ground level shall not cumulatively exceed: (i) nine (9) cubic feet in volume if installed in a residential district or within 500 feet from any structure approved for a residential use; or (ii) seventeen (17) cubic feet in volume if installed in a non-residential district. The volume calculation shall include any shroud, cabinet or other concealment device used in connection with the non-antenna accessory equipment. The volume calculation shall not include any equipment or other improvements placed underground. The requirements of this section may be modified by the City Council pursuant to the authority set forth in Section 17.77.050(H) below.

H**. Additional Design Requirements**. Small Cell Wireless Facilities shall comply with all other design requirements that may be adopted from time to time by the City Council and which are in effect at the time the application is submitted and complete. Such design requirements are available from the City's Development Services Department.

17.77.060 Permit Application Submittal Requirements

A. Compliance Required. No applications for Small Cell Wireless Facilities shall be deemed complete unless the Applicant has submitted all required application materials and applicable fees, as provided by this section.

1. **Batching Applications.** Applicants submitting applications for more than two (2) Small Cell Attachment Permit locations will be required to batch their applications in order to expedite review and action.

B. Application Materials. A complete application for Small Cell Attachment Permits shall include the following information:

1. A completed and signed application and checklist provided by the Development Services Department. The application shall be signed by the Applicant or by the Applicant's authorized agent or representative, as well as by the Property Owner if the facility will be located outside of the right-of-way.

2. A sworn statement entitled "Compliance Verification" by the Applicant or by the Applicant's authorized agent or representative, stating that the application holds all applicable licenses or other approvals required by the Federal Communications Commission (FCC), the California Public Utilities Commission (PUC), and any other agency of the Federal or State government with authority to regulate telecommunications facilities that are required in order for the applicant to construct the proposed facility.

3. Documentation of, or a sworn statement by the Applicant or by the Applicant's authorized agent or representative, stating that applicant is in compliance with all conditions imposed in conjunction with such licenses or approvals, a description of the number, type, power rating, frequency range, and dimensions of antennas, equipment cabinets, and related Small Cell Wireless communications facilities proposed to be installed, and engineering calculations demonstrating that the proposed facility will comply with all applicable FCC requirements and standards.

4. A preliminary report quantifying the proposed Small Cell Wireless Facility's radio frequency emissions and potential human exposure, the cumulative emissions of other facilities located on the same site and comparisons to current standards recommended by the Institute of Electrical and Electronic Engineers. Analysis must be based on the current FCC rules, regulations, and standards

C. Proof of Legal Right to Use Property. Applications for Small Cell Wireless Facilities must be accompanied by evidence satisfactory to the City demonstrating the property owner's consent or other form of proof demonstrating Applicant's legal right to use the property upon which it proposes to attach the Small Cell Wireless Facility. Applicant must demonstrate evidence satisfactory to City for each and every proposed Small Cell Wireless Facility. Failure to demonstrate a legal right to utilize the property upon which a Small Cell Wireless Facility is attached is grounds for permit revocation. A Small Cell Wireless Facility may not be located on

City-owned property, including any City-owned pole, without the express written permission of the City.

1. Master License Agreements for City-owned structures. Applicants that have entered into a valid Master License Agreement with the City for multiple Small Cell Wireless Facility attachments upon City-owned structures shall be deemed to satisfy the requirements of this Subsection (C) for each Small Cell Wireless Facility subject to the Master License Agreement. Applications for all site locations subject to the Master License Agreement shall be batched and processed together. Small Cell Wireless Facilities subject to the terms of a Master License Agreement shall still obtain an encroachment permit, and are subject to staff-level design review to ensure compliance with any provisions in the Master License Agreements as well as to ensure the best possible design consistent therewith.

D. Site Plans and Layouts. Applicants shall submit the following information with the application electronically or by hardcopy. Hardcopy submittals shall be provided in triplicate.

1. **Map and Inventory of Proposed Sites.** Applicant shall provide a map of the proposed site(s) including photographs of the City-owned light pole(s) as appropriate, where the facility(ies) is/are proposed to be located. Map shall show all land uses within 800 feet of the proposed Small Cell Wireless Facility sites(s), shown on the map.

2. **Photo Simulations of Small Cell Facility and Ancillary Equipment.** Applicant shall show the placement of the proposed Small Cell Wireless Facility. The simulation(s) shall show where the Small Cell Wireless Facility is proposed to be placed, where the ancillary equipment (cables, power sources, electricity, and any other items required to operate and support the facility) is proposed to be located and how they will be finished to comply with the requirements of this chapter. The proposed location and treatment of the Small Cell Wireless Facility and any ancillary equipment shall comply with the Aesthetic Requirements in this chapter, and such other requirements adopted by the City Council.

3. **Drawings and Plans**. Applicant shall furnish site plan, plans, and elevations drawn to scale that identify the proposed Small Cell Wireless Facility and ancillary equipment placement. Elevations shall include all structures on which facilities are proposed to be located. All proposed structures, including ancillary equipment shall be drawn to scale on the elevations. Site plans shall include depiction of signage required by Section 17.77.040(D)(2). In addition, site plans showing the existing condition of the structure and surrounding area shall be prepare and submitted.

4. **Camouflage and/or Matching Methods.** Applicant shall provide both a description of methods proposed to stealth the Small Cell Wireless Facility and all ancillary equipment, and colors and materials specifications.

5. **Identify all Ancillary Equipment.** Plans shall identify any and all ancillary equipment required to support the Small Cell Wireless Facility, including but not limited to emergency generators, air conditioning equipment, cables, and power sources.

E. Fee Requirements. An application for Small Cells Wireless Facilities shall be accompanied by the following fee payments:

1. **Right-of-Way Pole Usage Fee.** Unless set forth in a Master License Agreement, and in that case, the terms of the Master License Agreement shall govern, Pole usage fee amounts shall be set by the City's most current Master Fee Schedule as established by City Council resolution.

2. **City Processing Fees**. City application and permit processing fees shall be charged pursuant to the City's Master Fee Schedule in effect at the time the application is filed.

17.77.070. Permit Review, Renewal and Revocation Procedures.

A. Review and Notice. Applications submitted to the City will be promptly processed and reviewed. Applicants will be notified of incomplete applications as promptly as possible. After an application has been deemed incomplete, in order to proceed further in the application process, Applicants shall provide such supplemental information to address the incompleteness or insufficiencies identified in the City's notice.

1. An application for a Small Cell Attachment Permit shall be reviewed by the Zoning Administrator, or such other person designated by the City Manager.

2. Following determination of a complete application, the Applicant shall mail "Notice of Application to Install Small Cell Wireless Facility" to all properties, and the owners of such property, within 500 feet of the proposed site(s). The Applicant shall also schedule a neighborhood outreach meeting involving residents and businesses within the radius area as described in this subsection within two weeks of submittal of an application. Applicant shall submit an affidavit to the Zoning Administrator that the mailing of notice and community meeting occurred as required by this subsection.

3. If the Zoning Administrator determines that a complete application meets the requirements of this Chapter, the Zoning Administrator shall schedule a public hearing regarding the application, at which time any interested persons may provide comment on the application. Notice of the hearing shall be provided in accordance with the requirements of Section 17.10.050, except that notice shall be sent to the all properties and the owners of such property within five hundred (500) feet. In addition, applicant shall be responsible for providing the Zoning Administrator with postage prepaid envelopes addressed to all properties, and the owners of such property, within five hundred (500) feet.

2. After the conclusion of the public hearing, the Zoning Administrator shall determine whether the application(s) meet(s) the requirements of this Chapter, and any other requirements established by the City Council, and shall approve applications that comply with all such requirements. The Zoning Administrator shall provide notice of the decision in the same manner as required by subsection (hearing shall be provided in

accordance with the requirements of Section 17.77.070(A)(3)). Applicant shall be responsible for providing the Zoning Administrator with postage prepaid envelopes addressed to all properties, and the owners of such property, within five hundred (500) feet.

B. Pre-Submittal Actions. To ensure complete submissions, Applicant(s) for Small Cell Wireless Facilities are encouraged to complete the following tasks prior to the Zoning Administrator scheduling a public hearing regarding an application:

1. Participate in a pre-submittal meeting with City staff.
2. Schedule a Neighborhood Outreach meeting involving residents and businesses within the radius area as described in section A above.

C. Financial Assurances. Prior to obtaining a permit to erect or install the proposed facility, the applicant shall either secure a bond or provide financial assurances, in a form acceptable to the City Manager, for the removal of the facility in the event that its use is abandoned or the approval is otherwise terminated.

D. Permit Approval and Installation. No Small Cell Wireless Facility shall be installed unless and until the City has issued a Small Cell Attachment Permit, an encroachment permit and building permit for that particular Small Cell Wireless Facility.

E. Modification of Requirements. The City Council may waive or modify requirements of this chapter if denial of the application would have the effect of prohibiting the provision of telecommunications services, unreasonably discriminating among service providers, or constituting any other violation of State or Federal law. The applicant shall have the burden of proving that the denial would result in such a violation.

17.77.080 Cessation of Operations

A. Voluntary Cessation. Applicants intending to vacate a Small Cell Wireless Facility site shall notify the Community Development Director or designee of this intent to vacate at least 30 days prior to the vacation.

B. Abandonment. A permit for a Small Cell Wireless Facility that is not operated for a continuous period of six months months shall be deemed lapsed and the site will be considered abandoned unless:

1. The Community Development Director or designee has received notice from the same operator of intent to resume operations within six months; or
2. The City has received an application to transfer the permit to another service provider.

C. Removal of Facilities and Restoration of Site. No later than 90 days from the date a Small Cell Wireless Facility has ceased operation, or from the date of receipt of the Applicant’s notice of its intent to vacate the site, the Applicant or its authorized agent of the abandoned Small Cell Wireless Facility shall remove all equipment and improvements associated with the use, and shall restore the site to its original condition as shown on the plans submitted with the original approved application or as required by the Community Development Director.

1. The Applicant or its authorized agent may use any bond or other assurances provided pursuant to the requirements of Section 17.77.070.C ("Financial Assurances") to fulfill the requirements of this subsection.

2. The owner or agent shall provide written verification of the removal of the Small Cell Wireless Facility within 30 days of the date the removal is completed.

D. Failure to Remove and Restore. A Small Cell Wireless Facility that is not removed and the site has not been restored in accordance with the requirements stated above, the site shall be deemed to be a nuisance pursuant to the Municipal Code. The Community Development Director or designee may cause the facility to be removed at the owners' expense or by calling any bond or other financial assurance to pay for removal.

1. For a single structure occupied by two or more users, this subsection shall not apply with at least one user continues to actively use the structure.

2. The requirement for removal of equipment in compliance with this section shall be included as a provision in any lease of private property for Small Cell Wireless Facilities.

E. Destruction of Pole or City Discontinuation of Use. If a City-owned structure upon which a Small Cell Wireless Facility is located is damaged, destroyed, or demolished by acts beyond City's control, the right for such Small Cell Wireless Facility to continue occupying the structure shall cease. Applicant may opt to construct a pole or structure to replace the damaged, destroyed or demolished City structure in compliance with the requirements of this chapter, including structural inspection and separate metering requirements.

17.77.090 General Permit Conditions

A. General Conditions. In addition to all other conditions that may be adopted by the Zoning Administrator for a small cell wireless attachment permit, all such permits issued under this Chapter shall be automatically subject to the conditions in this subsection A.

1. Permit Term. This small cell permit will automatically expire five(5) years and one day from its issuance. Any other permits or approvals issued in connection with any collocation, modification or other change to this small wireless facility, which includes without limitation any permits or other approvals deemed-granted or deemed- approved under federal or state law, will not extend this term limit unless expressly provided otherwise in such permit or approval or required under federal or state law. To the extent that this small cell permit is issued in connection with any structure owned or controlled by the City and located in the public rights-of-way, this small cell permit shall be coterminous with the cancellation, termination or expiration of the agreement between the applicant and the City for access to the subject City structure.

2. **Permit Renewal.** Not more than one year before this small cell permit expires, the permittee may apply for permit renewal. The permittee must demonstrate that the subject small wireless facility complies with all the conditions of approval associated with this small cell permit and all applicable provisions in the Municipal Code that exist at the time the decision to renew or not renew the permit is rendered.

3. **Compliance with Laws.** The permittee shall maintain compliance at all times with all federal, state and local statutes, regulations, orders or other rules that carry the force of law (“laws”) applicable to the permittee, the subject property, the small wireless facility or any use or activities in connection with the use authorized in this small cell permit, which includes without limitation any laws applicable to human exposure to radio frequency emissions. The permittee expressly acknowledges and agrees that this obligation is intended to be broadly construed and that no other specific requirements in these conditions are intended to reduce, relieve or otherwise lessen the permittee’s obligations to maintain compliance with all laws. No failure or omission by the City to timely notice, prompt or enforce compliance with any applicable provision in the Municipal Code, any permit, any permit condition or any applicable law or regulation, shall be deemed to relieve, waive or lessen the permittee’s obligation to comply in all respects with all applicable provisions in the Municipal Code, any permit, any permit condition or any applicable law or regulation.

17.77.100 Appeals

Any decisions made pursuant to this Chapter may be appealed pursuant to the provisions of Chapter 17.10.

17.77.110 Violations and Penalties

Failure to comply with these standards shall be considered a violation of conditions of approval subject to enforcement pursuant to provisions of Chapter 17.16 and/or any other applicable provision of this Municipal Code.

3209409.2

DATE: APRIL 16, 2019

TO: MAYOR AND COUNCIL MEMBERS

FROM: MICHELLE FITZER, CITY MANAGER

SUBJECT: APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH MANAGEMENT PARTNERS IN AN AMOUNT NOT TO EXCEED $70,000 TO FACILITATE COUNCIL TEAM BUILDING AND COMMUNITY STRATEGIC PLANNING PROCESSES

RECOMMENDATION

It is recommended that the City Council approve a Professional Services Agreement with Management Partners in an amount not to exceed $70,000 to facilitate Council Team Building and Community Strategic Planning processes, and authorize the City Manager to execute the Agreement.

BACKGROUND

At the February 5, 2019 meeting the Council directed staff to move forward with issuing a Request for Proposal (RFP) to conduct two (2) projects: 1) Council Team Building; and 2) Community Strategic Planning. The RFP was issued on February 21, 2019, with responses due by March 21st. Staff received three (3) responses. Proposals were received from Management Partners, Management Resources Group (MRG), and The Mejorando Group.

REVIEW & ANALYSIS

The Council previously appointed Mayor Murray and Council member Tave as a Subcommittee to interview the respondent consulting firms. Interviews of all three firms were conducted on April 3rd. Management Partners was unanimously recommended as the firm to bring forward to the Council for consideration.

Although all three firms are well qualified to perform the requested services, the Subcommittee was impressed with the approach that Management Partners presented, the Team they have assigned to our projects, and the sample products they provided. The Council Subcommittee members will share their thoughts during the meeting.

Below is the proposed schedule:

• Start Project	May
• Conduct Council Team Building	May – July
• Gather and Analyze Information for Strategic Plan	June – September
• Provide Guidance for Environmental Scan	July – September
• Design and Facilitate 1st Strategic Plan Workshop	October
• Design and Facilitate 2nd Strategic Plan Workshop	November
• Prepare Strategic Plan	November – January
• Facilitate 3rd Workshop/Prepare Implementation Plan	January - February

The plan also allows for three additional community meetings. Adding those meetings may push out the schedule. Staff would work with the consultant to determine schedule impacts at the time a decision was made to add meetings.

FISCAL IMPACT

The proposal reflects a base fee of $49,900 for the above outlined services. The three potential additional community meetings would be $16,800 more. The requested maximum authority of $70,000 is to include the three additional community meetings and ensure we stay within the contract amount.

Just as a point of reference, the MRG proposed fee was $50,000 and The Mejorando Group proposed fee was $49,500.

The recommended funding source is Measure S 2014 Fund Balance, which is currently over $2 million dollars.

ATTACHMENTS

A: Resolution
B: Request for Proposals
C: Management Partners Proposal
D: Draft Professional Services Agreement

RESOLUTION NO. 2019-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PINOLE APPROVING A PROFESSIONAL SERVICE AGREEMENT WITH MANAGEMENT PARTNERS IN AN AMOUNT NOT TO EXCEED $70,000 TO FACILITATE COUNCIL TEAM BUILDING AND COMMUNITY STRATEGIC PLANNING PROCESSES

WHEREAS, at the February 5, 2019 meeting the Council directed staff to move forward with issuing a Request for Proposal (RFP) to conduct two (2) projects: 1) Council Team Building; and 2) Community Strategic Planning; and

WHEREAS, the RFP was issued on February 21, 2019, with responses due by March 21st; and

WHEREAS, Staff received three (3) responses, from Management Partners, Management Resources Group (MRG), and The Mejorando Group; and

WHEREAS, the Council appointed Subcommittee of Mayor Murray and Council member Tave interviewed all three firms on April 3rd; and

WHEREAS, although all firms are well qualified, Management Partners was unanimously recommended as the firm to bring forward to Council for consideration; and

WHEREAS, the proposed timeline to complete all aspects of both project components is May 2019 through February 2020; and

WHEREAS, the proposal reflects a base fee of $49,900, with three potential additional community meetings for an increase of $16,800 to the fee; and

WHEREAS, the requested maximum authority of $70,000 is to include the potential additional community meetings and ensure we stay within the contract amount; and

WHERAS, there is no budget appropriation for this project and Measure S 2014 Fund Balance will be needed to pay for it.

NOW, THEREFORE, BE IT RESOLVED that the Pinole City Council does hereby:

Section 1: Authorize the City Manager to execute a Professional Service Agreement with Management Partners in an amount not to exceed $70,000 to facilitate Council Team Building and Community Strategic Planning processes, substantially in the form on file with the City Clerk's Office with any non-substantive changes recommended by the City Attorney's Office; and

Section 2: Authorize the Finance Director to amend the FY 2018/19 budget to add an expenditure in the City Council Professional Services line item of $70,000, allocated from Measure S 2014 Fund Balance, recognizing that much of this allocation will need to be carried forward into FY 2019/20.

PASSED AND ADOPTED at a regular meeting of the Pinole City Council held on the 16th day of April, 2019 by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

____

Heather Iopu, CMC
City Clerk

ATTACHMENT B

CITY OF PINOLE
REQUEST FOR PROPOSALS

CITY COUNCIL TEAMBUILDING AND STRATEGIC PLANNING PROCESSES

Proposal Submission Deadline and Address:

March 21, 2019, 4:00 pm
City of Pinole
Michelle Fitzer, City Manager
2131 Pear Street, 2nd Floor
Pinole, CA 94564

Table of Contents

CITY OF PINOLE
REQUEST FOR PROPOSALS
CITY COUNCIL TEAMBUILDING AND STRATEGIC PLANNING

I. INTRODUCTION

The City of Pinole (City) is soliciting proposals from qualified professional facilitators experienced in working with elected officials or bodies (Respondent) for City Council Teambuilding and Community Strategic Planning.

II. BACKGROUND INFORMATION

The City of Pinole is a community of approximately 19,000 residents situated in West Contra Costa County on the east side of San Francisco Bay. Pinole is approximately 30 miles northeast of San Francisco and 20 miles north of Oakland along Interstate Highway 80 which traverses the City. Pinole is linked to central Contra Costa County including the cities of Martinez, Concord, and Pleasant Hill by State Route 4, which begins just north of the City and connects with Interstate-680.

The City of Pinole has a land area of more than four square miles; much of the land has gently rolling hills with steeper hills paralleling on the north and south. Elevation in the City ranges from sea level to 500 feet above sea level. The climate is mild, with no extremes of temperature, rainfall or humidity. In addition to the natural setting, Pinole is noted for its architectural heritage and historic past.

The City of Pinole operates under a Council-Manager form of government. The City Council is comprised of five members elected at large to four-year alternating terms. The Mayor is rotated among the Council on a yearly basis. Pinole has Council member term limits of three (3) terms. In 2018 three (3) new members were elected to the City Council.

Pinole is a full-service city with several departments: Administration (City Manager, City Clerk, Finance, Human Resources, Information Technology and Cable Access TV), Police, Fire, Development Services (Public Works, Parks Maintenance, Streets, Sewers, and Wastewater Treatment), Community Development (Planning and Building Inspection), and Recreation. The City employs approximately 109 full and part-time employees with a FY 2018-19 General Fund of almost $14 million.

III. SERVICES REQUIRED

The City is seeking professional facilitation services to assist the City Council with two projects: Council Teambuilding; and Community Strategic Planning.

A. City Council Teambuilding

For this task the City Council is looking for a one (1) day teambuilding retreat. The Council is not interested in corny exercises, but rather meaningful discussion and activities that will provide insight into each of them as individuals, and their decision making process. The intent is to build a solid foundation for strong working relationships among this new Council. Although there is always interest in building consensus, the Council members understand that they will not always agree on topics, but they look forward to healthy dialogues that can conclude with a greater understanding of each colleague's position and rationale.

B. Community Strategic Planning

The City of Pinole does not have a formalized Strategic Plan. The City Council is interested in developing a Strategic Plan, with extensive community involvement. The vision is development of a 5-Year Strategic Plan, to be reviewed bi-annually following Council elections. The Plan should include Council and Community identified Strategic Goals/Focuses, associated objectives for each goal/focus, associated actions to achieve the objectives, and measures of success.

The number and format of community engagement opportunities are to be recommended by the consultant, based on their experience. This recommendation will be considered in the evaluation of submittals.

IV. QUALIFICATIONS

The firm or individual responding to this RFP must provide the following:

A. Evidence of substantial knowledge and experience in strategic plan development for local government organizations; and

B. Evidence of substantial knowledge and experience in facilitating teambuilding at the elected-official level.

C. The ability to thoroughly but concisely memorialize the input of the members of the local government and the community in a document that can be adopted formally by the local government body.

V. CONTENT AND FORMAT OF PROPOSALS

The proposal must contain the following information in order to be formally considered:

A. **Cover Letter:** A cover letter on firm letterhead must provide the name and title of the person(s) who are authorized to answer questions about this RFP. The cover letter should not exceed one (1) page in length and should summarize key elements of the proposal. The letter must include the telephone, fax number, email address, and physical address of your office located nearest to Pinole, California.

B. **Scope of Work:** Scope of work to be included as an exhibit to the contract. For the strategic planning, including the anticipated project schedule with the start date, milestones, and completion date. For the Council teambuilding, include the schedule for initial interviews and an approximate timing of the session.

C. **Assigned Personnel:** Provide the names of the Consultant's personnel who are to be involved, their titles, and hourly rates for their services. Include the qualifications and experience of the key individual(s) assigned to this contract, and the qualifications and experience of the firm with the scope of work.

D. **Process:** Describe how you would facilitate each of the required processes – teambuilding and strategic planning. For strategic planning, describe how you would format and handle required Council interviews, community engagement, and preparation of both draft and final strategic planning documents. Please include any examples of a work product provided for a facilitation similar to the one proposed.

E. **References:** Provide the name and contact information for three (3) City Councils and/or County Boards of Supervisors, where the intended facilitator has worked or provided professional services related to teambuilding and strategic planning processes. Provide a copy of a Strategic Plan developed for one of these communities.

F. **Costs:** Please provide a “not to exceed” costs for the following categories:

1. One-day Council Teambuilding session, including any preliminary interviews with Council and/or staff that may be required.

2. Strategic Planning:
    - Initial interviews with Council members;
    - Each community meeting/workshop;

3. Preparation of a draft Strategic Plan document.

4. Preparation of a Final Strategic Plan document in a form that can be adopted by the City Council.

5. All other costs to be included in the contract.

VI. PROPOSAL EVALUATION

Evaluation of qualifications will be made and submittal will be rated based upon the following criteria:

- Quality, clarity, and responsiveness of proposal.
- Experience of key individual(s) assigned to the contract.
- Experience of firm in performing this type of service.
- References from clients for whom similar work was performed.
- Project schedule and depth of staff available to perform services.
- Ability to meet the needs of City.
- Understanding of services to be provided.
- Ability to provide requested services.
- Cost.

- **The preliminary project schedule is as follows:**

Issue Request for Proposal (RFP)	February 21, 2019
Deadline for inquiries	March 14, 2019
Proposals due **by 4:00 pm**	March 21, 2019
Interviews (may or may not be required)	April 3, 2019
Negotiate a contract	April 9, 2019
Award contact through City Council	April 16, 2019

Should an addendum be necessary before the submission deadline, an addendum will be posted to the City of Pinole website.

City reserves the right at its sole discretion to adjust the timeline, as it deems necessary. Respondents will be notified via a posting on City website.

The proposal and any questions regarding this request for proposals should be forwarded to the City of Pinole City Manager's Office at the following address:

Michelle Fitzer, City Manager
City of Pinole
2131 Pear Street
Pinole, CA 94564-1774
mailto: mfitzer@ci.pinole.ca.us

Questions raised and their answers will be shared with all firms.

VII. REQUIREMENTS OF THE SUCCESSFUL FIRM

A. Contracting Guidelines

The firm shall be responsible for complying with the following contracting guidelines:

1. Consultant will furnish all equipment, materials and labor to complete the work by the agreed upon date.

2. Consultant shall obtain a City of Pinole business license.

3. Consultant will comply with all applicable laws, rules & regulations including, but not limited to, the requirements of Labor Code §3800 regarding workers' compensation insurance and shall, prior to City's execution of a service contract, provide City with either a Certificate of Insurance documenting Consultant's workers' compensation insurance coverage from a company acceptable to City or a letter stating Consultant has no employees.

4. Consultant shall maintain a $1,000,000 Commercial General Liability Insurance policy in place during the performance of the work and an Automobile Liability policy in place covering the vehicles used in the performance of the work per the agreement. Consultant shall provide City with a certificate of insurance documenting the CGL and Auto Insurance coverage from a company acceptable to City prior to City's execution of a service contract.

B. City as Client

The proposing firm shall demonstrate, in both the proposal and through past practice, as verified through reference checks, a commitment to the City as a client, respecting the City's interests through listening and understanding of needs.

C. Acceptance of Terms

Submission of a proposal shall constitute acknowledgment and acceptance of all terms and conditions hereinafter set forth in the RFP unless otherwise expressly stated in the proposal.

D. Right of Rejection by the City

Notwithstanding any other provisions of this RFP, the City reserves the right to reject any and all proposals and to waive any informality in a proposal.

E. Financial Responsibility

The proposing firm understands and agrees that the City shall have no financial responsibility for any costs incurred by the proposing firm in responding to this RFP.

VIII. NEGOTIATION AND AWARD

The selected firm shall be required to enter into a written contract with the City of Pinole, similar to the attached. <u>Any requests for changes to the City standard contract shall be raised prior to selection</u>. This RFP and the proposal, or any part thereof, may be incorporated into and made a part of the final contract; however, the City reserves the right to further negotiate the terms and conditions of the contract with the selected firm.

IX. MISCELLANEOUS

A. The RFP creates no obligation on the part of City to award a contract or to compensate Respondent for any costs incurred during proposal presentation, response, submission, presentation, or oral interviews (if held). City reserves the right to award a contract based upon proposals received without further discussion or negotiation. Respondent should not rely upon the opportunity to alter their qualifications during discussions.

B. City further reserves the right to make such investigation as it deems necessary to determine the ability of Respondent to furnish the required services, and Respondent shall furnish all such information for this purpose as City may request.

C. California Government Code Section 6250 states that public records may be inspected and examined by anyone desiring to do so, at a reasonable time, under reasonable conditions, and under supervision of the custodian of the public record. All responses to this RFP are considered public records and are subject to disclosure.

D. Respondent must specifically and clearly identify any portions of their submittals deemed to contain confidential or proprietary information, or trade secrets. Those portions must be readily separable from the balance of the proposal. Such designations will not necessarily be conclusive, and Respondent may be required to justify why the City Council should not, upon written request, disclose such materials.

E. Respondent understands and acknowledges that the representations contained in proposals are material and important and will be relied upon by City in evaluation of proposal. Misrepresentations shall be treated as fraudulent concealment from City of the facts related to proposal and will immediately disqualify Respondent and submitted proposal.

F. City reserves the right to negotiate mutually acceptable project-related conditions, including cost.

G. Selected Respondent will be required to apply for a City of Pinole business license as required in Pinole municipal code before providing any service.

H. Selected Respondent will be required to retain commercial general liability insurance for at least $1,000,000 combined limit for bodily injury and property damage that provides that the City, its officers, employees and agents are additional insureds under the policy. The policy shall state in writing either on the Certificate of Insurance of attached rider thereof that the insurance will operate as primary insurance for work performed, and that no other insurance affected by City of other named insured will be called on to cover a loss covered there under.

I. Selected Respondent will be required to retain automobile liability insurance in an amount not less than $1,000,000 per person/per occurrence.

J. Selected Respondent must comply with all Workers' Compensation laws, and may need professional liability insurance in an amount not less than $1,000,000.

K. Selected Respondent must provide evidence of required insurance coverage prior to beginning work.

L. Upon delivery, all proposals become property of City of Pinole.

X. ATTACHMENTS

Attachment A – City of Pinole Standard Consulting Contract – Short Form
Attachment B – February 5, 2019 Staff Report

ATTACHMENTS

CONSULTING SERVICES AGREEMENT BETWEEN
THE CITY OF PINOLE AND
[NAME OF CONSULTANT]

THIS AGREEMENT for consulting services is made by and between the City of Pinole ("City") and __________________ ("Consultant") (together sometimes referred to as the "Parties") as of ____________, 20__ (the "Effective Date") in Pinole, California.

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to City the services described in the Scope of Work attached as Exhibit A at the time and place and in the manner specified therein. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit A, the Agreement shall prevail.

1.1 Term of Services. The term of this Agreement shall begin on the Effective Date and shall end on _______________, and Consultant shall complete the work described in Exhibit A by that date, unless the term of the Agreement is otherwise terminated or extended, as provided for in Section 8. The time provided to Consultant to complete the services required by this Agreement shall not affect the City's right to terminate the Agreement, as provided for in Section 8.

1.2 Standard of Performance. Consultant shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged in the geographical area in which Consultant practices its profession. Consultant shall prepare all work products required by this Agreement in a professional manner and shall conform to the standards of quality normally observed by a person practicing in Consultant's profession.

1.3 Assignment of Personnel. Consultant shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the reassignment of any such persons, Consultant shall, immediately upon receiving notice from City of such desire of City, reassign such person or persons.

1.4 Time. Consultant shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 1.1 above and to satisfy Consultant's obligations hereunder.

Section 2. COMPENSATION. City hereby agrees to pay Consultant an amount not to exceed ________________, for all work set forth in Exhibit A and all reimbursable expenses incurred in performing the work. In the event of a conflict between this Agreement and Consultant's proposal regarding the amount of compensation, the Agreement shall prevail. City shall pay Consultant for services rendered pursuant to this Agreement at the time and in the manner set forth herein. The payments specified below shall be the only payments from City to Consultant for services rendered pursuant to this Agreement. Consultant shall submit all invoices to City in the manner specified herein. Except as specifically authorized by City, Consultant shall not bill City for duplicate services performed by more than one person.

Consultant and City acknowledge and agree that compensation paid by City to Consultant under this Agreement is based upon Consultant's estimated costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of Consultant. Consequently, the parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which Consultant and its employees, agents, and subcontractors may be eligible. City therefore has no responsibility for such contributions beyond compensation required under this Agreement, and the applicable sections of Exhibit D.

2.1 Invoices. Consultant shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- Serial identifications of progress bills, i.e., Progress Bill No. 1 for the first invoice, etc.;
- The beginning and ending dates of the billing period;
- A Task Summary containing the original contract amount, the amount of prior billings, the total due this period, the balance available under the Agreement, and the percentage of completion;
- At City's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense;
- The total number of hours of work performed under the Agreement by Consultant and each employee, agent, and subcontractor of Consultant performing services hereunder, as well as a separate notice when the total number of hours of work by Consultant and any individual employee, agent, or subcontractor of Consultant reaches or exceeds 800 hours, which shall include an estimate of the time necessary to complete the work described in Exhibit A;
- The Consultant's signature.

2.2 Monthly Payment. City shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. City shall have 30 days from the receipt of an invoice that complies with all of the requirements above to pay Consultant.

2.3 Final Payment. City shall pay the last 10% of the total sum due pursuant to this Agreement within sixty (60) days after completion of the services and submittal to City of a final invoice, if all services required have been satisfactorily performed.

2.4 Total Payment. City shall pay for the services to be rendered by Consultant pursuant to this Agreement. City shall not pay any additional sum for any expense or cost whatsoever incurred by Consultant in rendering services pursuant to this Agreement. City shall make no payment for any extra, further, or additional service pursuant to this Agreement.

In no event shall Consultant submit any invoice for an amount in excess of the maximum amount of compensation provided above either for a task or for the entire Agreement, unless the Agreement is modified prior to the submission of such an invoice by a properly executed change order or amendment.

2.5 Hourly Fees. Fees for work performed by Consultant on an hourly basis shall not exceed the amounts shown on the following fee schedule attached hereto as Exhibit B.

2.6 Reimbursable Expenses. Reimbursable expenses are specified in Exhibit B, and shall not exceed __________________ ($____________). Expenses not listed in Exhibit B are not chargeable to City. Reimbursable expenses are included in the total amount of compensation provided under this Agreement that shall not be exceeded.

2.7 Payment of Taxes. Consultant is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.

2.8 Payment Upon Termination. In the event that the City or Consultant terminates this Agreement pursuant to Section 8, the City shall compensate the Consultant for all outstanding costs and reimbursable expenses incurred for work satisfactorily completed as of the date of written notice of termination. Consultant shall maintain adequate logs and timesheets in order to verify costs incurred to that date.

2.9 Authorization to Perform Services. The Consultant is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization from the Contract Administrator.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Consultant shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement. City shall make available to Consultant only the facilities and equipment listed in Exhibit C, and only under the terms and conditions set forth therein.

Section 4. INSURANCE REQUIREMENTS. Before beginning any work under this Agreement, Consultant, at its own cost and expense, unless otherwise specified below, shall procure the types and amounts of insurance listed below against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Consultant and its agents, representatives, employees, and subcontractors. Consistent with the following provisions, Consultant shall provide proof satisfactory to City of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all respects to the City. Consultant shall maintain the insurance policies required by this section throughout the term of this Agreement. The cost of such insurance shall be included in the Consultant's bid. Consultant shall not allow any subcontractor to commence work on any subcontract until Consultant has obtained all insurance required herein for the subcontractor(s) and provided evidence thereof to City. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution.

4.1 Workers' Compensation. Consultant shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Consultant. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than ONE MILLION DOLLARS ($1,000,000.00) per accident. In the alternative, Consultant may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the Labor Code shall be solely in the discretion of the City. The insurer, if insurance is provided, or the Consultant, if a program of self-insurance is provided, shall waive all rights of subrogation against the City and its officers, officials, employees, and volunteers for loss arising from work performed under this Agreement.

4.2 Commercial General and Automobile Liability Insurance.

4.2.1 General requirements. Consultant, at its own cost and expense, shall maintain commercial general and automobile liability insurance for the term of this Agreement in an amount not less than ONE MILLION DOLLARS ($1,000,000.00) per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If a Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

4.2.2 Minimum scope of coverage. Commercial general coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (ed. 11/88) or GL 0002 (ed.1/73) covering comprehensive General Liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (ed. 12/90) Code 1. No endorsement shall be attached limiting the coverage.

4.2.3 Additional requirements. Each of the following shall be included in the insurance coverage or added as a certified endorsement to the policy:

a. The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.

b. Any failure of Consultant to comply with reporting provisions of the policy shall not affect coverage provided to City and its officers, employees, agents, and volunteers.

4.3 Professional Liability Insurance.

4.3.1 General requirements. Consultant, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than ONE MILLION DOLLARS ($1,000,000) covering the licensed professionals' errors and omissions. Any deductible or self-insured retention shall not exceed $150,000 per claim.

4.3.2 Claims-made limitations. The following provisions shall apply if the professional liability coverage is written on a claims-made form:

a. The retroactive date of the policy must be shown and must be before the date of the Agreement.

b. Insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the Agreement or the work, so long as commercially available at reasonable rates.

c. If coverage is canceled or not renewed and it is not replaced with another claims-made policy form with a retroactive date that precedes the date of this Agreement, Consultant must provide extended reporting coverage for a minimum of five years after completion of the Agreement or the work. The City shall have the right to exercise, at the Consultant's sole cost and expense, any extended reporting provisions of the policy, if the Consultant cancels or does not renew the coverage.

d. A copy of the claim reporting requirements must be submitted to the City prior to the commencement of any work under this Agreement.

4.4 All Policies Requirements.

4.4.1 Acceptability of insurers. All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A:VII.

4.4.2 Verification of coverage. Prior to beginning any work under this Agreement, Consultant shall furnish City with complete certified copies of all policies, including complete certified copies of all endorsements. All copies of policies and certified endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

4.4.3 Notice of reduction in or cancellation of coverage. A certified endorsement shall be attached to all insurance obtained pursuant to this Agreement stating that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. In the event that any coverage required by this section is reduced, limited, cancelled, or materially affected in any other manner, Consultant shall provide written notice to City at Consultant's earliest possible opportunity and in no case later than ten (10) working days after Consultant is notified of the change in coverage.

4.4.4 Additional insured; primary insurance. A certified endorsement at least as broad as Insurance Services Office form number CG 20 10 (11/85 ed.) shall be attached to all policies stating that the City and its officers, employees, agents, and volunteers shall be covered as additional insureds with respect to each of the following: liability arising out of activities performed by or on behalf of Consultant, including the insured's general supervision of Consultant; products and completed operations of Consultant, as applicable; premises owned, occupied, or used by Consultant; and automobiles owned, leased, or used by the Consultant in the course of providing services pursuant to this Agreement. The coverage shall contain no special limitations on the scope of protection afforded to City or its officers, employees, agents, or volunteers.

A certified endorsement shall be attached to all policies stating that coverage is primary insurance with respect to the City and its officers, officials, employees and volunteers, and that no insurance or self-insurance maintained by the City shall be called upon to contribute to a loss under the coverage.

4.4.5 Deductibles and self-insured retentions. Consultant shall disclose to and obtain the approval of City for the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement.

During the period covered by this Agreement, only upon the prior express written authorization of Contract Administrator, Consultant may increase such deductibles or self-insured retentions with respect to City, its officers, employees, agents, and volunteers. The Contract Administrator may condition approval of an increase in deductible or self-insured retention levels with a requirement that Consultant procure a bond, guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

4.4.6 Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

4.4.7 Variation. The City may approve a variation in the foregoing insurance requirements, upon a determination that the coverage, scope, limits, and forms of such insurance are either not commercially available, or that the City's interests are otherwise fully protected.

4.5 Remedies. In addition to any other remedies City may have if Consultant fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option exercise any of the following remedies, which are alternatives to other remedies City may have and are not the exclusive remedy for Consultant's breach:

- Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;

- Order Consultant to stop work under this Agreement or withhold any payment that becomes due to Consultant hereunder, or both stop work and withhold any payment, until Consultant demonstrates compliance with the requirements hereof; and/or

- Terminate this Agreement.

Section 5. INDEMNIFICATION AND CONSULTANT'S RESPONSIBILITIES. Consultant shall indemnify, defend with counsel reasonably acceptable to the City, and hold harmless the City and its officials, officers, employees, agents, and volunteers from and against any and all losses, liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct or negligent acts or omissions of Consultant or its employees, subcontractors, or agents, by acts for which they could be held strictly liable, or by the quality or character of their work. The foregoing obligation of Consultant shall not apply when (1) the injury, loss of life, damage to property, or violation of law arises wholly from the negligence or willful misconduct of the City or its officers, employees, agents, or volunteers and (2) the actions of Consultant or its employees, subcontractor, or agents have contributed in no part to the injury, loss of life, damage to property, or violation of law. It is understood that the duty of Consultant to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Section 6. STATUS OF CONSULTANT.

6.1 Independent Contractor. At all times during the term of this Agreement, Consultant shall be an independent contractor and shall not be an employee of City. City shall have the right to control Consultant only insofar as the results of Consultant's services rendered pursuant to this Agreement and assignment of personnel pursuant to Subparagraph 1.3; however, otherwise City shall not have the right to control the means by which Consultant accomplishes services rendered pursuant to this Agreement. Notwithstanding any other City, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of City and entitlement to any contribution to be paid by City for employer contributions and/or employee contributions for PERS benefits.

6.2 Consultant No Agent. Except as City may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

Section 7. LEGAL REQUIREMENTS.

7.1 Governing Law. The laws of the State of California shall govern this Agreement.

7.2 Compliance with Applicable Laws. Consultant and any subcontractors shall comply with all laws applicable to the performance of the work hereunder including but not limited to the California Labor Code and the prevailing wage requirements set forth in Exhibit D.

7.3 Other Governmental Regulations. To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Consultant and any subcontractors shall comply with all applicable rules and regulations to which City is bound by the terms of such fiscal assistance program.

7.4 Licenses and Permits. Consultant represents and warrants to City that Consultant and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. Consultant represents and warrants to City that Consultant and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions. In addition to the foregoing, Consultant and any subcontractors shall obtain and maintain during the term of this Agreement valid Business Licenses from City.

7.5 Pinole Business License. Consultant shall obtain a City of Pinole business license according to the terms of Title 5 of the City of Pinole Municipal Code and deliver to City proof of such business license prior to beginning work under this Agreement. Work under this Agreement cannot begin until the City receives proof that Consultant has obtained a City of Pinole business license.

7.6 Nondiscrimination and Equal Opportunity. Consultant shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Consultant under this Agreement. Consultant shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of Consultant thereby.

Consultant shall include the provisions of this Subsection in any subcontract approved by the Contract Administrator or this Agreement.

Section 8. TERMINATION AND MODIFICATION.

8.1 Termination. City may cancel this Agreement upon thirty (30) calendar days and without cause upon written notification to Consultant pursuant to this section and the applicable sections of Exhibit D.

In the event of termination, Consultant shall be entitled to compensation for services performed to the effective date of termination; City, however, may condition payment of such compensation upon Consultant delivering to City any or all documents, photographs, computer software, video and audio tapes, and other materials provided to Consultant or prepared by or for Consultant or the City in connection with this Agreement.

8.2 Extension. City may, in its sole and exclusive discretion, extend the end date of this Agreement beyond that provided for in Subsection 1.1. Any such extension shall be specified in writing by the City. Consultant understands and agrees that if City issues such an extension, City shall have no obligation to provide Consultant with compensation beyond the maximum amount provided for in this Agreement. Similarly, unless authorized by the City, City shall have no obligation to reimburse Consultant for any otherwise reimbursable expenses incurred during the extension period.

8.3 Consultant's Identity and Personnel. The person identified on page one as the CONSULTANT's Key Personnel will be the key person for the performance of services under this AGREEMENT. CONSULTANT's additional key personnel who will work on the PROJECT are identified in Exhibit B. Any addition or deletion of a firm (whether working as a joint venture partner or subconsultant), or any change in key personnel may be made only upon prior written approval by CITY. CONSULTANT shall notify CITY of any proposed change of ownership or fundamental structure in CONSULTANT's firm. Within thirty (30) calendar days of such notice, CITY shall notify CONSULTANT whether CITY will approve such changed firm or personnel to continue providing services under this AGREEMENT or whether CITY will terminate this AGREEMENT. Nothing in this provision shall be construed to limit CITY's right to terminate this AGREEMENT for cause or without cause as set forth in Article I, Section C of this AGREEMENT. Subcontracts between the CONSULTANT and any subconsultants will be subject to review and approval of CITY's representative.

If CONSULTANT reassigns or reduces the commitment of any such key personnel, CONSULTANT shall provide a suitable replacement, subject to the approval of CITY, and CONSULTANT shall provide a reasonable number of unbilled hours of work for such replacement personnel to the extent required to bring the personnel up to speed.

8.4 Amendments. The parties may amend this Agreement only by a writing signed by all the parties and consistent with the requirements set forth in Exhibit D.

8.5 Assignment and Subcontracting. City and Consultant recognize and agree that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique professional competence, experience, and specialized professional knowledge. Moreover, a substantial inducement to City for entering into this Agreement was and is the personal reputation and competence of Consultant. Consultant may not assign this Agreement or any interest therein without the prior written approval of the City. Consultant shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in the proposal, without prior written approval of the City. See the applicable sections of Exhibit D for additional requirements.

8.6 Survival. All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between City and Consultant shall survive the termination of this Agreement.

8.7 Options upon Breach by Consultant. If Consultant materially breaches any of the terms of this Agreement, City's remedies shall include, but not be limited to, the following:

8.7.1 Immediately terminate the Agreement;

8.7.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Consultant pursuant to this Agreement;

8.7.3 Retain a different consultant to complete the work described in Exhibit A not finished by Consultant; or

8.7.4 Charge Consultant the difference between the cost to complete the work described in Exhibit A that is unfinished at the time of breach and the amount that City would have paid Consultant pursuant to Section 2 if Consultant had completed the work.

Section 9. KEEPING AND STATUS OF RECORDS.

9.1 Records Created as Part of Consultant's Performance. All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Consultant prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the City. Consultant hereby agrees to deliver those documents to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use. City and Consultant agree that, until final approval by City, all data, plans, specifications, reports and other documents are confidential and will not be released to third parties without prior written consent of both parties and pursuant to the applicable sections of Exhibit D.

9.2 Consultant's Books and Records. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement consistent with the applicable sections of Exhibit D.

9.3 Inspection and Audit of Records. Any records or documents that Section 9.2 of this Agreement requires Consultant to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the City pursuant to the applicable sections of Exhibit D. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds TEN THOUSAND DOLLARS ($10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of the City, for a period of three (3) years after final payment under the Agreement.

Section 10 MISCELLANEOUS PROVISIONS.

10.1 Attorneys' Fees. If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

10.2 Venue. In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Contra Costa or in the United States District Court for the Northern District of California.

10.3 Severability. If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

10.4 No Implied Waiver of Breach. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

10.5 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.

10.6 Use of Recycled Products. Consultant shall endeavor to prepare and submit all reports, written studies and other printed material on recycled paper to the extent it is available at equal or less cost than virgin paper.

10.7 Conflict of Interest. Consultant may serve other clients, but none whose activities within the corporate limits of City or whose business, regardless of location, would place Consultant in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Consultant shall not employ any City official in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

Consultant hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Consultant was an employee, agent, appointee, or official of the City in the previous twelve months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code §1090 *et.seq.*, the entire Agreement is void and Consultant will not be entitled to any compensation for services performed pursuant to this Agreement, including reimbursement of expenses, and Consultant will be required to reimburse the City for any sums paid to the Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

Consultant will comply with all conflict of interest laws and regulations including, without limitation, City's Conflict of Interest Code (on file in the City Clerk's Office) and the requirements set forth in Exhibit D. It is incumbent upon the Consultant or Consultant's firm to notify the City pursuant to section 10.10 Notices of any staff changes relating to this Agreement.

a. In accomplishing the scope of services of this Agreement, all officers, employees and/or agents of Consultant(s), unless as indicated in Subsection b, will be performing a very limited and closely supervised function, and, therefore, are unlikely to have a conflict of interest arise. No disclosures are required for any officers, employees, and/or agents of Consultant, except as indicated in Subsection b.

____
Initialed by City Attorney's Office

b. In accomplishing the scope of services of this Agreement, Consultant(s) will be performing a specialized or general service for the City, and there is substantial likelihood that Consultant's work product will be presented, either written or orally, for the purpose of influencing a governmental decision. As a result, the following Consultant(s) shall be subject to the Disclosure Category "1-5" of the City's Conflict of Interest Code:

________________________ ________________________

________________________ ________________________

10.8 Solicitation. Consultant agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.

10.9 Contract Administration. This Agreement shall be administered by ________________________ who shall act as the City's representative. All correspondence shall be directed to or through ____________________ or his or her designee.

10.10 Notices. Any written notice to Consultant shall be sent to:

____
____
____

Any written notice to City shall be sent to:

____
____
____

10.11 Professional Seal. Where applicable in the determination of the City, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.

10.12 Integration; Incorporation. This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between City and Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.

10.13 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

The Parties have executed this Agreement as of the Effective Date.

CITY OF PINOLE	CONSULTANT
______________________________	______________________________
Michelle Fitzer, City Manager	[NAME, TITLE]
	Consultant's City of Pinole Business License #:____________________

Attest:

____

City Clerk

Approved as to Form:

____

Eric S. Casher, City Attorney

EXHIBIT A

SCOPE OF SERVICES

.

EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

EXHIBIT C
CITY-FURNISHED FACILITIES

City shall furnish physical facilities such as desks, filing cabinets, and conference space, as may be reasonably necessary for Consultant's use while consulting with City employees and reviewing records and the information in possession of the City. The location, quantity, and time of furnishing those facilities shall be in the sole discretion of City. In no event shall City be obligated to furnish any facility that may involve incurring any direct expense, including but not limited to computer, long-distance telephone or other communication charges, vehicles, and reproduction facilities.

EXHIBIT D

ADDITIONAL CONTRACT REQUIREMENTS

ATTACHMENT B

DATE: **FEBRUARY 5, 2019**

TO: **MAYOR AND COUNCIL MEMBERS**

FROM: **MICHELLE FITZER, CITY MANAGER**

SUBJECT: **CONSIDER INITIATING CITY COUNCIL TEAMBUILDING AND CITY STRATEGIC PLANNING PROCESSES**

RECOMMENDATION

It is recommended that the City Council consider whether or not they would like to initiate Council Teambuilding and City Strategic Planning processes, and provide direction to staff.

BACKGROUND

Currently the City does not have a developed Strategic Plan. There was some consideration in 2016 about starting a Strategic Planning Process, but with the other pressing priorities at the time it was decided a future date would be better. I placed this item on my long-range planner for discussion by the Council in early 2019.

REVIEW AND ANALYSIS

- *Council Teambuilding*

Since there are three (3) new members of the Council, it would be helpful to start a Strategic Planning Process with Council Teambuilding. This is two or three meetings at which the Council members can get to know each other, to assist in developing working relationships that can:

- ❑ Build openness and trust between each other;
- ❑ Resolve any specific issues raised by individuals;
- ❑ Gain a deeper understanding and appreciation of each others' leadership styles; and
- ❑ Develop ways of working together that lead to effective decision making and the highest productivity possible.

- *Strategic Planning*

The next step would be to conduct several community workshops during which the Council can discuss their ideas for Strategic Goals or Focuses, and receive input from the Community. In addition, depending on how complex the Council would like the process to be, there is the potential to establish an electronic community survey so feedback can be received from those who are unable to attend workshops. The Council would ultimately select approximately five (5) Goals/Focuses.

From there a set of objectives are identified for each goal. Finally, staff develops and recommends to Council specific actions or tasks to accomplish the identified objectives. As an example:

A Strategic Goal could be “Retain Fiscal Solvency.”

An associated objective would be “Always have a minimum of six (6) months of expenditures in the General Fund Reserve.”

An associated action could be “Each fiscal year end review the next fiscal year’s planned expenditures. If the General Fund Reserve balance is below six months’ of the planned expenditures, transfer a minimum of one-half of any unexpended prior fiscal year funds from the Fund Balance to the Reserve until the target is reached.”

Measures of success can also be developed for the objectives. In the above example, one measure of success would be to have at least the cash equivalent of six (6) months of expenditures in reserve.

The Strategic Plan, once developed, is used by both the City Council and staff to prioritize services and projects. This is especially true for new opportunities that present themselves. If something that is not in the City’s workplan or budget comes up, staff and the Council can evaluate whether or not this opportunity meets the objectives of the adopted Strategic Plan. The Plan provides the framework for the discussion of whether or not to move the project forward, based on whether or not it fits into the identified core priorities. It also provides the chance to discuss what other projects or services may have to be deferred to fit the new opportunity into the current workplan. Each staff report to the Council should identify the strategy being addressed by the requested action.

In summary, Strategic Planning is a tool as part of the ongoing dialogue with the Community about goal setting, budget and service prioritization, and long-term planning or visioning. This process will take several months, and the total time from initial workshops to adopting a Strategic Plan is likely over one (1) year. In my experience, usually a five (5) year plan is adopted. If the City were to develop a Strategic Plan, I would recommend that it be reviewed bi-annually, following Council elections. That way, if the Council members change new members have the opportunity to provide input to the Plan. The depth of each review can be determined by the Council at that time.

Of course, this is a large project and staff does not have the ability to take this on, along with all of the other tasks currently in the works. Therefore, we would need to hire a consultant to serve as the project facilitator, working with the Council, staff and the Community. They would facilitate the Teambuilding and Strategic Planning Processes, and draft the initial plan document. It is critical that someone experienced in this work be selected so they can not only assist us in identifying Community issues of interest, but move us to action planning.

FISCAL IMPACT

There would be a cost for the consulting services. At this time that amount is unknown. Staff recommends issuing a Request for Proposal, if the Council wishes to pursue this project. Once responses are received the Council can discuss the project, potential funding source(s), and determine whether or not to move forward.

ATTACHMENTS:

None

ATTACHMENT C

Proposal for

City Council Teambuilding and Strategic Planning Process City of Pinole

March 21, 2019

March 21, 2019

Ms. Michelle Fitzer, City Manager
City of Pinole
2131 Pear Street
Pinole, CA 94564

Dear Ms. Fitzer:

The City of Pinole is seeking professional facilitation services to assist the City Council with teambuilding and the development of a strategic plan for the community. We understand that the City Council has several newly elected members and would like assistance facilitating a teambuilding retreat that builds a solid foundation for effective governance and healthy working relationships. We have designed and facilitated many Council workshops and retreats and would like to support you with this effort.

We also understand that Council is interested in a process that involves a high level of involvement with the community. A community strategic plan is a valuable tool for policy makers and staff alike. It offers a road map that reflects community priorities and informs decision making. We know that a thoughtful approach fosters public dialogue that can strengthen connections between residents and the City.

Our team has helped organizations throughout the state and the country. We offer the City of Pinole our extensive experience facilitating community conversations and we always adapt our approach to meet the unique needs and interests of the stakeholders. We are known for developing practical and implementable strategic plans.

Several key elements of our proposed work plan include:

- » Interviews with elected officials to guide the design of the Council teambuilding retreat and inform the strategic planning process and related public engagement approach,
- » Design and administration of an online employee survey,
- » Facilitation of three focus groups with key stakeholders and members of Pinole's advisory boards and commissions,
- » Guidance on the process to engage the community outreach events (or lead these efforts, if preferred, and
- » Assistance with the design and facilitation of three highly interactive and engaging strategic planning workshops (one with the community and two with Council).

Moreover, we can also recommend a graphic recorder to document the community Council strategic planning sessions to enhance the experience for visual learners.

We are local government experts who have worked with leaders for 25 years to help them improve the way their governments function. We are focused on results and have a bias for action. Our team is excited about the potential of this project and we look forward to discussing our approach and qualifications with you in more detail. Please let me know if there is any other information we can provide.

Sincerely,

Jerry Newfarmer
President and CEO

Table of Contents

About Management Partners

Management Partners was founded in 1994 with a specific mission to help local government leaders improve their service to the public. Since then we have worked with cities, counties, towns, and special districts of all sizes across the United States to help them work more effectively and run more efficiently.

Why Management Partners?

We offer a balance of perspectives with a practitioner's bias and a proven track record of successful consulting engagements. This experience gives us a sensitivity that produces positive outcomes. We are proud to say that as a result of our quality work, many of our clients ask us to complete subsequent assignments. Ask our clients and they'll tell you:

We Know Local Government	Our associates have served in local governments, so we have a deep understanding of the operating and political environments in which you work.
We Take a Collaborative Approach	We consider ourselves part of your team and strive to ensure our work supports your overall corporate strategy and goals.
We Have Extensive Experience	Each of our more than 80 associates is an expert in one or more service areas, and our firm has assisted hundreds of jurisdictions in 42 states.
We Have Developed Proven Methodologies	We understand the importance of a holistic approach to improving organizations, using field-tested techniques for each aspect of the work.
Our Work Plan Is Tailored to Your Needs	Each of our projects is individually tailored to our client's unique needs, starting with a careful learning process.
We Take Pride in the Quality of Our Work	Our internal processes ensure first-rate, complete staff work and adherence to the highest ethical standards in public service.
We Are Focused on Implementation	As practitioners, our strategic plans make practical sense and are designed for implementation.

Taking a Collaborative Approach

Success in the public sector requires an approach that is inclusive, collaborative, respectful of differing viewpoints, and appreciative of democratic self-government, with its focus on extensive input and diverse opinions. This philosophy governs our work, and it will be a key element in how we approach this work for the City of Pinole.

We view each project as an opportunity to design the best possible approach to achieve the desired results. At the beginning of our partnership we work with you to design a work plan and schedule that takes into account the needs of your organization. We are sensitive to the impact a project can have on busy staff and plan our work accordingly to minimize disruption.

We often involve employees throughout the enterprise in the project because they are in the best position to know what works and what is needed to achieve future goals. When they have a chance to express their concerns and share their ideas, they are more likely to support the goals in the strategic plan.

From Strategic Planning Goals to Implementation

Management Partners has a strong bias for action. Our strategic plans become tools for setting priorities and for developing department and division work plans. After completing the plan, we help prepare a draft Implementation Action Plan. The draft action plan lays out the steps required for implementation, assigns responsibility for action, considers resource needs, and suggests milestones.

Services to Support Local Government Leaders

Management Partners' services include everything required to support local government leaders. The range of our services includes:

- » *Strategic and Business Planning* – Setting the direction for the enterprise and preparing business plans required to achieve desired outcomes.
- » *Organization Assessments* – Analyzing the organization (including structure, staffing, business processes, policies and resources) to identify improvements to an operation's efficiency and effectiveness.
- » *Organization Development* – Developing organizational capacity, a key to high-performance organizations, through executive coaching, customer service training, employee and customer surveys, and conflict management workshops.
- » *Performance Management* – Systematically tracking the performance of the enterprise, including performance measurement, process management, performance budgeting, employee performance evaluation, and strategic and process benchmarking.
- » *Process Improvement* – Critically examining specific business processes through which internal or external customers are served to identify opportunities for improvement using process mapping, performance improvement workshops, and other quality tools.
- » *Financial Planning, Budgeting and Analysis* – Managing the financial affairs of the enterprise, performing multi-year financial planning, and developing a well-structured, transparent budgeting process supported by thorough analysis.
- » *Sharing and Consolidation of Services* – Improving the cost-effectiveness and quality of service delivery by partnering with other units of government through sharing or consolidation.
- » *Management Services* – Assisting government leaders by structuring assignments to provide additional expert capacity where and when it's needed.

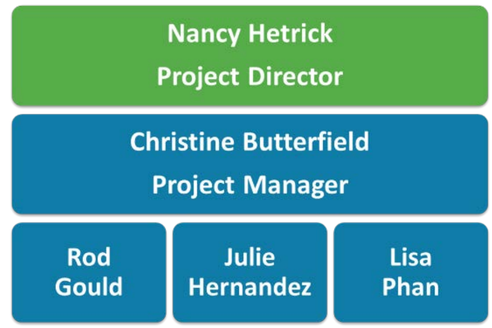
» *Executive Recruitment* – Identifying top quality leaders who are a good fit for your organization and your community.

Your Partner

Management Partners has helped hundreds of local government leaders improve their service to the public. The work we do is not an academic exercise; it is grounded in the real world of customer service and accomplishment in the public sector. We will work closely with you to produce the desired results, focused on achieving your goals.

Our Project Team

Management Partners has a strong project team that is well qualified to complete this work for the City of Pinole. This project will be a top priority for Management Partners and our team members will be available in whatever capacity and with whatever availability will contribute to the success of the project. Nancy Hetrick will serve as project director and will oversee the substantive work of the project. Christine Butterfield will serve as project manager and will be responsible for the execution of the project. Other team members include Rod Gould, Julie Hernandez, and Lisa Phan.



As requested in the RFP, the hourly rates for each team member are show in the table below.

Project Team Member	Hourly Rate
Nancy Hetrick, Vice President (Project Director)	$220
Rod Gould, Senior Partner	$220
Christine Butterfield, Senior Manager (Project Manager)	$200
Julie Hernandez, Senior Management Advisor	$155
Lisa Phan, Management Analyst	$85

The qualifications of each team member are briefly summarized below. Complete resumes for each person are included in Attachment A of this response.

Nancy Hetrick, Vice President

Nancy is an experienced facilitator with expertise in strategic planning, team building, and facilitating problem-solving and process improvement initiatives. In addition, she is skilled in the areas of performance management, succession planning, organizational and process improvement, and budget development. Nancy led the County of San Mateo's Outcome-Based Management program and has supported local government clients with the design and implementation of performance measurement systems. Nancy is an excellent facilitator and trainer. She has developed curriculum and conducted training on a wide variety of topics and routinely facilitates priority-setting and team building workshops for cities, counties and non-profit boards. Nancy is certified to administer the Myers-Briggs Type Indicator assessment instrument. Since her return to Management Partners in 2006, she has led projects with local governments including the Bay Area cities of Rohnert Park, Redwood City, San Carlos, Fairfax, Orinda, Merced, Martinez, San Jose and Santa Cruz; the Sacramento Area Council of Governments; the Peninsula Library Partnership; and the Bay Area Counties of Alameda, San Mateo, Marin, Monterey, and Santa Clara.

Christine Butterfield, Senior Manager

Christine has worked in local government since 1993 in California, Illinois and Minnesota. Since joining Management Partners, Christine has provided assistance in strategic planning, facilitation, organization reviews and process improvements. She has considerable experience with process improvement and reengineering and has used the LEAN Six Sigma method to make improvements to land use/development entitlement functions. She has a proven ability to lead diverse teams, develop trust and build consensus in a collaborative way. She has held positions of responsibility in organizations with 1,500 employees and a budget of $500 million (serving a population of 320,000) to communities with only 130 employees (serving fewer than 30,000 people). Christine has served as an assistant city manager and as community development director. The latter involved supervising the code enforcement and economic development processes. In this capacity with the City of Cedar Rapids, Iowa, she headed the City's response to the 2008 flooding disaster, the worst disaster in the history of Iowa and one of the most expensive disasters in the history of the United States. Christine has experience managing all municipal operations as well as intergovernmental relations, strategic planning and labor negotiations. Christine is a frequent speaker at professional conferences and has received numerous awards from professional associations and the federal government agencies. She holds two bachelor's degrees from the University of Minnesota in history and political science, and a master's degree in public policy and administration from the Robert M. La Follette School of Public Affairs at the University of Wisconsin.

Rod Gould, Senior Partner

Rod's career in public management spans 35 years. He served as city manager of Santa Monica, Poway, San Rafael, and Monrovia as well as assistant city manager of Walnut Creek. Prior to city management, he served as senior management consultant for the firm of Deloitte, Haskins and Sells and assistant director of operations for the Boston Housing Authority. Rod has held leadership positions with ICMA and the League of California Cities, City Managers Department. He currently serves on the boards of the Institute for Local Government, Davenport Institute for Public Engagement, and Civic Leadership and HdL Companies. He has authored more than a dozen articles for professional magazines, teaches graduate school in public administration, and has been honored by professional and civic associations.

Julie C.T. Hernandez, Senior Management Advisor

Julie joined Management Partners in 2004 after almost 20 years in California local government management. Prior to joining Management Partners, she was senior management analyst for economic development, redevelopment, CDBG, and public information and outreach in Moorpark, the most affluent and fastest growing city in Ventura County. Earlier, Julie was assistant city manager of Santa Paula and, for 10 years, worked in positions of increasing responsibility in the City of Oxnard. During her career, Julie acquired skills and knowledge in budget and management analysis, organizational and process review, organizational development, team building, strategic planning, public works, development services, enterprise fund management, rate/fee studies, personnel and labor relations, risk management, information systems, public information and outreach (including civic engagement and outreach to diverse populations), city clerk operations, economic development and redevelopment, and property management.

Lisa Phan, Management Analyst

Lisa has a background in teambuilding, workshop facilitation, improving customer service, and organizational development. She supports her team by conducting financial and operational analyses, developing surveys and compiling data, and facilitating workshops. She has experience collecting data and using analysis and modeling tools for forecasting and organizing tools for project management.

Experience and References

Management Partners specializes in providing quality teambuilding, strategic planning and facilitation to local government clients. In addition to the references below, our website, managementpartners.com, has information about our past clients, which includes hundreds of jurisdictions in 42 states. You are welcome to contact any of them about our performance. We believe our track record completing similar projects on time and on budget, with quality deliverables specifically designed to be implemented, makes Management Partners well qualified to successfully complete this work for the City of Pinole.

Our Experience Conducting Council Teambuilding and Strategic Planning

We are proud to have assisted a wide range of organizations with strategic planning and are experienced working with small and large jurisdictions, as illustrated by the list of recent clients below.

- Benicia, California
- Boulder City, Nevada
- Bladensburg, Maryland
- Brentwood, California
- Cass County, Michigan
- Cypress, California
- Davie, Florida
- Deerfield Beach, Florida
- El Segundo, California
- Fresno County Fire Protection District, California
- Green Township, Ohio
- Hillsborough, California
- Kansas City Area Transportation Authority, Missouri
- Lake Forest, California
- Martinez, California
- Modesto, California
- Monterey County, California
- Montgomery, Ohio
- Newport, Rhode Island
- Parkland, Florida
- Pleasanton, California
- Port Chester, New York
- Port Orange, Florida
- Rochester, Minnesota
- San Pablo, California
- Santa Barbara County, California
- Soquel Creek Water District, California
- South Bay Cities Council of Governments, California
- South San Luis Obispo Sanitation District, California
- Tracy, California
- Tustin, California
- Ventura County General Services Agency, California
- West Palm Beach, Florida

References

We would be pleased to provide contact information for any client and have selected several similar projects to highlight that demonstrate our experience with engagements similar to what the City of Pinole is seeking. Per the RFP, we have included the strategic plan we developed for the City of Tustin in Attachment B and a sample PowerPoint for a Vallejo council workshop is in Attachment C.

El Cerrito, California	
Ms. Karen Pinkos City Manager 10890 San Pablo Avenue El Cerrito CA 94530 (510) 215-4302 KPinkos@ci.el-cerrito.ca.us	**Strategic Planning** In 2011 the City of El Cerrito retained Management Partners to facilitate the development of a City mission statement, which was adopted in June of that year. The City then selected Management Partners to assist with a broad-based strategic planning process that included extensive community outreach. We worked closely with the staff to solicit community input to inform the strategic plan, including advising on approaches. The strategic planning process began with an analysis of strengths, limitations, opportunities and threats (SLOT) identified through interviews, focus groups, and a community survey. We incorporated the results of a recent community climate survey and the results of targeted outreach compiled by the City's Outreach Specialist and created special "word clouds" depicting current perceptions about the City as well as words to describe a desired future ten years in the future. We then guided staff's preparation of an environmental scan of current and future factors influencing the City. The combination of broad-based qualitative input and quantitative trend data formed the foundation for two interactive workshops with Council and staff during which a vision, values and goals and strategies were developed and confirmed. A graphic recorder captured the final Council workshop results in a visual storyboard format.
Tustin, California	
Mr. Jeffrey C. Parker City Manager 300 Centennial Way Tustin, CA 92780 (714) 573-3012 jparker@tustinca.org	**City of Tustin Strategic Planning 2012 and 2018 Update** Management Partners has facilitated development of two five-year strategic plans for the City of Tustin. The first was in 2012 and the most recent was in 2018. The processes involved developing a vision statement, mission for the organization, set of values, five multi-year goals, strategies to achieve the goals, and preparation of an implementation action plan. Stakeholder input was gathered from various sources including members of the Council, employees, management staff and the City's appointed commissions. The combination of broad-based qualitative input and quantitative trend data formed the basis for two highly interactive workshops with staff and City Council members. Management Partners prepared the strategic plan documents based on the input and workshops.
Davenport Institute for Civic Leadership and Public Engagement, California	
Ms. Ashley Trim Executive Director Davenport Institute 24255 Pacific Coast Hwy Drescher Graduate Campus Malibu, CA 90263 (310) 506-6878 ashley.trim@pepperdine.edu	**Strategic Positioning Analysis and Strategic Plan** Management Partners led an extensive stakeholder outreach effort and conducted research and analysis on factors driving local government public engagement activities. The results helped inform a highly engaging strategic planning workshop of the Davenport Institute's Advisory Council. The combination of qualitative and quantitative information provided a solid foundation for a productive two-day workshop. Following the workshop, Management Partners created a five-year Strategic Plan to serve as a road map for the Institute as it strives to fulfill its mission to help build stronger communities in California by promoting public participation in local governance. The Strategic Plan contains goals with specific, actionable strategies. Management Partners then created an Implementation Action Plan that identifies key activities, the responsible party, and a suggested priority for each strategy. This implementation plan is the means to track and monitor progress on the Strategic Plan's goals.

Project Approach

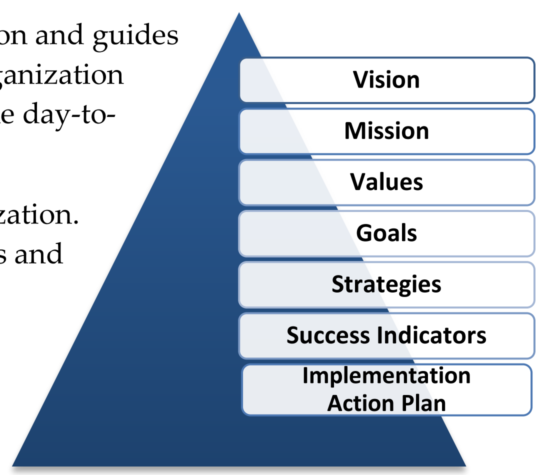
Management Partners has extensive experience with similar work and is prepared to assist the City of Pinole with the two projects and all elements of the scope of work as identified in the request for proposals. We make a commitment to quality and timely performance with each client we serve. Our approach emphasizes engagement and partnership with City leaders, staff and the community, taking into account the distinctive circumstances of the organization and community. This approach will ensure a meaningful vision, mission, values are identified as well as goals and strategic priorities. They will be helpful in informing budget development as well as the use of resources in the coming years.

Before we describe our suggested work plan, we would like to explain the elements of strategic planning that will be considered as we proceed collaboratively with your project team. Strategic planning involves establishing a vision for the future; a clear mission; articulating the organization's values; conducting a scan of the environment to identify opportunities and potential impediments that could affect the organization; establishing goals; identifying priority strategies and critical success factors; and creating an implementation action plan to ensure timely results. This framework and process will be tailored to your specific needs.

Strategic planning is fundamental to successful work planning. It enables the goals of the organization to be aligned with the annual budget processes and helps use resources intelligently. Periodic review and updating of a strategic plan ensures that current realities (internal and external) are taken into consideration and appropriately factored into the operations of the organization.

We have provided the following key components of strategic planning as an overview of the elements that the City of Pinole might wish to consider for inclusion in the process.

A **vision** is a clear and concise statement of where the organization wants to be in the future. Setting a vision is a fundamental element of the strategic planning process. All goals, objectives and strategies are directed toward achieving an established vision for the future.



A **mission statement** states the purpose of the organization and guides the prioritization of opportunities. It defines what the organization stands for and what it will do. The mission also directs the day-to-day actions of an organization and its employees.

The **values** are the core operating principles of an organization. Values govern the actions and behaviors of policy makers and employees to effectuate the mission and vision of the organization.

Goals are closely aligned with the vision and state the desired outcomes to be achieved. Goals provide the "why" of the specific actions the organization will take. Typically, a strategic plan has four to six goals, which may be achieved over several years.

Strategies are the means to achieve multi-year goals. They are measurable, with specific resources assigned, timeframes allocated, and responsibilities determined. Generally, several strategies are established for each goal.

Success indicators express the final results that are desired. Indicators (often called metrics) should answer the question: ***How will we know if we are successful at achieving what we set out to do?***

An **implementation action plan** is the blueprint for carrying out the strategic plan. It contains the detailed steps that must be taken to assure that the goals and objectives are achieved. Action plans provide a framework for determining specific timelines, assignments, and resource allocations. They are designed to be a management tool to help the organization assure that goals are attained and are suited to periodic check-in about progress, changes or challenges. An example of an implementation action plan template is shown below.

Goal:					
Strategy 1:					
		Resources (Staff, Funding, Other)			
Key Tasks	Fiscal Year to Start/Complete	Currently Available	Needed	Lead Manager/ Team Members	Milestones

Reporting on progress in implementing the strategic plan is a key element. As part of the process, a reporting structure and timeline is created. It can range from a quarterly update of each goal and strategy, to a semi-annual review, once as part of the budget process and again in six months, with adjustments made to reflect changing conditions and accomplishments.

Scope of Work and Process

Based on our experience and our understanding of the needs of the City of Pinole as outlined in the RFP, we have prepared the following detailed plan of work. It will provide the City Council with the opportunity to gather in a one-day workshop to build the team, develop trust and enhance their leadership skills to improve the quality of the policy dialogue and promote good governance and decision making. Further, our scope of work will result in a Strategic Plan document and draft Implementation Action Plan.

The result of the strategic planning effort is that the City of Pinole will align its current efforts with a focused strategic vision, mission and goals, as well as a plan for prioritizing and executing them. This will ensure City leaders are pursuing its goals with intention and purpose, and will provide a way to measure achievement of the goals. This shared vision will create consensus among those tasked with moving the City of Pinole forward and reduce or eliminate effort spent on work that falls outside of the agreed-upon vision.

City staff and leaders will have an important role in preparing the strategic plan, including developing goals and strategies. We will provide expert advice, facilitation and preparation of the strategic plan document.

Activity 1 – Start Project

We will begin by meeting with you to hear expectations and desired outcomes of both the Council retreat and the strategic planning process. During the kickoff meeting, we will discuss the City's objectives, the overall process and detailed schedule. This initial planning meeting will afford the opportunity to share information, establish communication protocols and refine the schedule and approach so it is comfortably integrated with staff's other work demands during the project. In addition, we will discuss key stakeholders that should be involved in creating the City's strategic plan.

City Council Teambuilding

Activity 2 – Conduct Council Teambuilding

We will plan and facilitate a one-day City Council teambuilding workshop will occur in early summer 2019, led by Rod Gould, Senior Partner. To make the best use of Council member's time during the workshop, careful advance planning will be done. The following describes the key elements of work anticipated for a successful workshop. This includes careful preparation, an engaging one-day workshop, and a summary report that documents the outcomes of the session.

Prepare for the workshop

Preparation will involve several steps, as described below.

» ***Review background materials.*** We will review a variety of materials that will provide a solid background for the Council workshop. Such materials may include the results of prior Council workshops, current Council policies or procedures regarding protocols or norms, the budget document, general information about the City of Pinole's organization, and other documents you may suggest to help us understand the context for this workshop.

» ***Conduct interviews.*** Rod will meet with the City Manager and the Mayor, to discuss the workshop and then conduct individual interviews with Council members. In Rod's meeting with the City Manager and Mayor, he will seek to learn their desired outcomes for the retreat, expectations, what has worked well in prior sessions and what they hope will be different in this one.

Examples of questions Rod may ask in his interviews with Council members are:

- In what ways is the Council working well together?
- What do you believe could be strengthened?
- What Council norms or protocols are most helpful in fostering good governance in the City of Pinole? Do any need to be improved or changed?
- Are there specific activities or topics you would like us to cover during the workshop?
- Are there activities or topics that you prefer we avoid?
- What do you hope will be accomplished? How will we know if we are successful?

Following the meeting with the City Manager and Mayor and Council interviews, Rod will identify the various topics and areas of interest that have been expressed, as well as common themes.

» ***Prepare retreat agenda and materials.*** We will prepare a variety of materials, as follows:

- *Agenda.* Rod will prepare an agenda for the retreat for the City Manager's review (and for review with the Mayor, if desired). We prepare a detailed facilitator's version of the agenda, which is a process agenda, as well as a one-page handout version for distribution. The agenda will reflect the desired outcomes and team-building goals expressed during the interviews and will be tailored to meet the interests of the Council. Some possible topics include
    - Communication styles and preferences,
    - Overcoming the Five Dysfunctions of a Team,
    - Council norms,
    - Collaboration tools, and
    - Council referral processes and other protocols.
- *PowerPoint.* We will create a PowerPoint presentation to guide the discussions for the day.

- *Other Items.* Rod will identify other materials that will be helpful during the day, depending on the topics suggested for discussion during the interviews. Rod will suggest relevant examples and articles, such as from the Institute of Local Government, ICMA and Management Partners' database. We will prepare materials for the City to copy and distribute. If there are materials that should be prepared in advance, Rod will coordinate that with City staff.

» ***Coordinate logistics.*** Rod will coordinate logistics with City staff. Logistics will include the location of the workshop, room set up, materials, and other aspects that will help make the workshop successful.

Facilitate Workshop and Prepare Report

Rod will facilitate the Council workshop in a way that is engaging and interactive, using methods to encourage Council members to have open dialogue.

Key outcomes will be established based on Council members' input about the workshop objectives. Following the workshop, we will prepare a summary report containing the outcomes and action steps identified by the Council and City Manager. Rod will review a draft with the City Manager and finalize the report following that review.

Community Strategic Planning Process

Activity 3 – Gather and Analyze Information

To begin the process of collecting and identifying long-term community needs and interests that will inform the strategic planning process, we will gather information by conducting interviews, facilitating focus groups, developing an online survey, reviewing appropriate various documents and providing guidance regarding public outreach events. Each is described below.

» ***Conduct Interviews.*** We will interview each member of the City Council, and other key stakeholders as appropriate. The purpose of the interviews will be to obtain input for the strategic plan. Examples of questions are:

- What are the strengths, weaknesses, opportunities and threats (SWOT) facing the City of Pinole?
- What is your vision for the City of Pinole?
- How should the City's mission be expressed?
- What are City's core values?
- What goals would you like to see the City of Pinole strive for during the next five years?

» ***Design and Administer Online Staff Survey.*** City employees will have important observations and suggestions that will be helpful in creating the strategic plan.

Management Partners will design a confidential online survey to seek their input about vision, mission, values, goals and objectives.

- The City of Pinole will send the link to all employees. It will be important to provide computer access (or hard-copy surveys) for any staff that do not normally have access, so they are encouraged to participate.
- Once the survey is closed, we will summarize the survey results.

» ***Design Community Meetings and Provide Staff Support.*** Seeking input from community members and businesses is valuable when developing a strategic plan because community buy-in is helpful. We will assist staff in designing the agenda and public engagement process for community meetings. The structure and intent of the community meetings will be to elicit input about a vision for the City and identification of priorities for the future.
We will also create instructions and orientation materials for City staff to conduct the community meetings. The materials will include the following and will be tailored to the approach envisioned by the City:
    - Sample process agenda (for the lead facilitator),
    - Summary of key messages/talking points,
    - Sample public agenda (for posting and distribution), and
    - Templates for capturing and/or documenting community input.

  Management Partners can facilitate these meetings with or on behalf of the City as desired (see the optional activity included after Activity 8).

» ***Design and Facilitate Focus Group Meetings with Key Community Stakeholders and Advisory Board and Commission Chairs.*** We will work with you to plan and facilitate two focus groups with representatives of key community groups and stakeholders (including businesses, non-profit organizations or other government agencies) and another with the chairs of City advisory boards and commissions. These focus groups will seek input about the strengths, challenges, opportunities, and threats facing the City as well as a vision for the future. If desired, we can conduct more focus groups at an additional cost. A summary of themes will be prepared and included in the workshop materials described in Activity 5.

» ***Review Relevant Documents.*** We will review background materials that will help inform our knowledge and understanding of existing priorities and other planning initiatives underway that will be important factors and context for developing the strategic plan.

The information generated through these activities will create a foundation for the strategic planning workshops described later in this scope of work.

Activity 4 – Provide Guidance for Environmental Scan

During this activity, City staff will prepare an environmental scan with advice from Management Partners. An environmental scan will provide important information for discussions in the workshop described in Activity 5. Types of information that could be gathered for the environmental scan include the following:

- Demographic trends and projections
- Budget information (revenue and expenditure trends over the past five years and any available financial forecasts),
- Existing services provided and how they have changed over the past several years,
- Service demand drivers,
- Infrastructure needs profile, and
- Regional and state mandates and issues of importance to the City.

We will provide examples of environmental scans to staff. After staff prepare the scan, we will review it and provide feedback. We suggest staff compile and present the information during the workshop.

Activity 5 – Design and Facilitate First Strategic Planning Workshop

Next, we will facilitate a community-focused workshop to review the information gathered in the previous activities, create the vision, and identify preliminary goals and strategies. To prepare for the workshop, the following tasks will be completed.

- ***Determine workshop participants and coordinate logistics.*** We will work with City staff to coordinate workshop logistics including location, room setup and other aspects necessary to set the stage for productive sessions for all participants with staff.

- ***Prepare draft agenda and workshop materials.*** We will prepare a detailed agenda for the workshop, as well as a briefing book with workshop materials. To ensure the time during the workshops is used most productively, we are likely to ask participants to complete work in advance of the session.

  The agenda will likely include the following components, subject to discussions with project leaders:

  - Review and discuss the results of stakeholder input,
  - Review and discuss the environmental scan,
  - Seek input on community vision, and
  - Hear perspectives on preliminary goals and strategies.

Our strategic planning workshops are engaging and interactive and are designed to ensure full participation. We use a combination of facilitation techniques including small and large group discussions and typically change small groups at least once during the workshop to mix the participants. Because we are former local government practitioners, we are attuned to helping workshop participants clarify issues. We understand how to address sensitive issues in a neutral, non-confrontational manner.

Following the workshop, we will prepare a summary of the outcomes.

Activity 6 – Design and Facilitate Second Strategic Planning Workshop

During this activity we will design and facilitate the second one-day strategic planning workshop which will be held with the Council and key staff.

» ***Prepare draft agenda and workshop materials.*** We will prepare a detailed agenda for the workshop that we will review with you, as well as a briefing book with workshop materials and a PowerPoint slide deck.

  During this workshop we will engage the Council and staff in a dialogue about the following items:

  - Review and discuss the results of the stakeholder engagement efforts;
  - Reflect on environmental factors presented in the environmental scan;
  - Review and discuss preliminary vision and mission statements and organizational values;
  - Review and discuss several broad, multi-year goals;
  - Identify strategies for each broad goal;
  - Determine how success will be measured for each of the goals;
  - Determine reporting and accountability mechanisms; and
  - Determine how the strategic plan will be rolled out to internal and external stakeholders.

After this workshop, Management Partners will prepare a draft strategic plan document.

Activity 7 – Prepare Strategic Plan

During this activity, Management Partners will prepare a draft strategic plan document. It will be visually pleasing, using photos supplied by the City of Pinole to illustrate goals and highlight some of the City's assets.

It is likely to contain the following components:

» Description of the process, including how data were gathered;
» Vision, mission, values;
» Multi-year goals;
» Several strategies for each goal;
» Success indicators for each goal;
» Environmental scan;
» Reporting and accountability mechanisms for the strategic plan; and
» Other information desired (such as key information about the City and its services).

We will review the draft strategic plan with you and make modifications based on your input. A final strategic plan document will be prepared for your review and approval. As noted above, Attachment B provides an example of one of our strategic plan documents.

Activity 8 – Facilitate Third Workshop and Prepare the Implementation Action Plan

Upon completion of the Strategic Plan, Management Partners will prepare a draft Implementation Action Plan. The Implementation Action Plan will serve as an executable roadmap that details the specific steps needed to accomplish each of the strategies included in the plan. For implementation to occur in an orderly and effective manner, we will help staff identify the following elements:

- Key tasks;
- Timeline (start and completion dates);
- Resources needed and currently available;
- Staff assigned (including a lead person); and
- Milestones.

We will conduct a workshop with staff and use this template to determine all of the implementation details for each of the strategies contained in the new strategic plan. It should be considered a "living" document, to be used in ongoing reporting and accountability.

Optional Activity – Facilitate Three Community Meetings

If the City desires, Management Partners will facilitate the three community meetings discussed in Activity 3. (Otherwise we will provide materials to staff, who will facilitate them.) We have provided the price for this optional activity below.

Hours and Cost

Management Partners anticipates devoting 305 hours of our staff time to complete the plan of work described above. The total cost of this project is $49,900, which includes all fees and expenses. The ultimate test of a quality project is that the client is pleased with the results, and we are committed to achieving that goal. If desired, the optional activity will add $16,800 to that total.

Activity	Hours	Cost
1 – Start Project	28	$4,400
2 – Conduct Council Teambuilding	53	$9,800
3 – Gather and Analyze Information	48	$7,000
4 – Provide Guidance for Environmental Scan	6	$800
5 – Design and Facilitate First Strategic Planning Workshop	53	$9,300
6 – Design and Facilitate Second Strategic Planning Workshop	58	$9,400
7 – Prepare Strategic Plan	26	$3,300
8 – Facilitate Third Workshop and Prepare Implementation Action Plan	33	$5,900
TOTALS	**305**	**$49,900**
Optional – Facilitate Three Community Meetings	78	16,800

Timeline

Our estimated timeline is provided below. We will begin our work the week May 15, 2019 and anticipate conducting interviews with Council members from May 22 through June 9. The Council teambuilding session will be held in early to mid-July. We will work with you to develop a detailed scheduled for both projects during Activity 1.

Activity	Schedule
1 – Start Project	May
2 – Conduct Council Teambuilding	May – July
3 – Gather and Analyze Information	June – September
4 – Provide Guidance for Environmental Scan	July – September
5 – Design and Facilitate First Strategic Plan Workshop	October
6 – Design and Facilitate Second Strategic Plan Workshop	November
7 – Prepare Strategic Plan	November – January
8 – Facilitate Third Workshop and Prepare Implementation Action Plan	January – February

Conclusion

Management Partners has the experience, the professional talent, and the commitment to quality necessary to successfully complete the Council teambuilding session and the strategic planning process for the City of Pinole. We welcome the opportunity to provide additional information that may be helpful, and we look forward to the chance to discuss the ideas contained in this proposal.

Cover photo and logo: Wikipedia, City of Pinole page

Attachment A – Project Team Resumes

NANCY N. HETRICK

Nancy Hetrick, Vice President, has over 20 years of local government experience as a consultant and as a practitioner. She began her career in the nonprofit sector and then worked for Norman Roberts and Associates, a professional executive recruitment firm, where she led candidate research efforts and background screening. Nancy joined Management Partners in 1996 and spent five years assisting with a variety of city and county projects, including developing and implementing performance measurement systems and conducting organization and process improvement projects. She gained a particular expertise in developing performance measurement systems and served as a primary trainer the International City/County Management Association (ICMA) Center for Performance Measurement.

In 2001, Nancy accepted a position in the County Manager's Office in San Mateo County. As a principal management analyst, Nancy oversaw criminal justice assignments, including budget, performance and special projects, and led a countywide performance management effort. Nancy developed and conducted countywide training, facilitated planning and performance work sessions, and led efforts to strengthen the linkage between program performance and priorities and the County's Shared Vision.

Nancy returned to Management Partners in 2006. Since her return, she has led projects for cities, counties and special district across California and has been actively involved in professional associations serving the profession. Her areas of interest and expertise include coaching and talent development; organizational succession planning; executive recruitment, performance management, strategic planning, organizational effectiveness, and facilitated problem-solving/process improvement. Nancy is especially skilled at working with teams to improve their effectiveness, working collaboratively with the client to address the most important issues in an engaging and productive manner.

Nancy earned a bachelor's degree in political science, with an emphasis in public administration, from California State University at Chico. She completed coursework toward a master's degree in public administration from California State University at San Francisco and is certified in several assessment instruments, including the Myers-Briggs Type Indicator (MBTI), DiSC, and CPI260 and has utilized other tools such as the Whole Brain and StrengthFinders to meet specific client needs. She was president of the Municipal Management Association of Northern California in 2006. In 2007, she founded and chaired the first annual MMANC Women's Leadership Summit and remains actively involved by delivering talent development workshops and facilitating the Board's annual planning retreat. She currently serves on the steering committee of the Cal-ICMA Talent Development Initiative and is a member of ICMA.

ROD GOULD

Rod Gould, Senior Partner, has 35 years of experience in government service, of which 29 were in city management in California. Rod served as city manager of Santa Monica, Poway, San Rafael, and Monrovia as well as assistant city manager of Walnut Creek. Prior to city management, he served as a senior management consultant for the firm of Deloitte, Haskins and Sells and assistant director of operations for the Boston Housing Authority.

Mr. Gould has served as western regional vice president of ICMA and on its executive board of directors. He has also been president of the City Managers Department of the League of California Cities and on the League's board of directors. He currently serves on the boards of directors of the Institute for Local Government (as vice-chair), Davenport Institute for Public Engagement and Civic Leadership, and HdL Companies. Rod chaired the ICMA Taskforce on Leadership and League of Cities pension reform committee and served as city manager in residence at Stanford, Pepperdine, Cornell, University of Southern California, and University of California Berkeley.

He currently teaches in the USC Masters in Public Administration program and the Stanford Local Government Summer Institute. He was an adjunct professor at San Francisco State University and CSU Long Beach in public administration and has been an ICMA Credentialed Manager. Rod also is an instructor for the California Police Officer Standards and Training Commission (POST) and is director of training for the Center for Public Safety Management.

Mr. Gould is a frequent speaker at professional conferences and has received awards from professional and civic associations in ethics, city management, community leadership, communication, citizenship, and advancement of diverse communities. In 2017 Rod was honored by ICMA with its Distinguished Service Award. He has authored 14 articles for *Western City*, *Public Management*, *Governing*, *Public CEO* and *Public Risk* magazines. Rod holds a B.A. in economics and political science from Yale University and master's degrees in education and public administration from Harvard University.

CHRISTINE BUTTERFIELD

Christine Butterfield, Senior Manager, has worked in local government for over 20 years in a variety of management positions. Christine joined Management Partners in 2014. In this capacity she has conducted organizational analyses, policy reviews, and policy implementation projects and has also provided management services support. She has extensive experience in housing and assisted several communities in the process of evaluating and implementing rental inspection and rent control policies.

Christine began her career in the Chicago-metro area working in several positions in the city manager's office in Woodridge and then Oak Park (Illinois). She served as an assistant city manager in Roseville, Minnesota and Bakersfield, California. In those positions, she was responsible for a wide range of cross department and multijurisdictional projects involving process design, improvement, and implementation. Her responsibilities as an assistant city manager also included human resources, information technology, and public relations.

From 2007 through 2013, Christine served as the Community Development director for the City of Cedar Rapids She was responsible for current and long-range planning, economic development, Section 8, CDBG program and the metropolitan transportation planning organization. Six months into her service, a record flood left the community with $7 billion in damages. Christine led disaster recovery planning and service delivery after the 2008 flood.

Among other skills, Christine is an experienced facilitator. She oversaw, designed and led a community-wide recovery planning process that engaged more than 4,000 residents in a 10-month period. In addition to residents, the process engaged all levels of government and generated plans for flood protection and the redevelopment of 10 neighborhoods. The plans and implementation actions garnered national recognition. Some of these included the American Planning Association's 2011 National Planning Excellence Award for Best Practices in Hazard Mitigation and Disaster Planning; 2010 U.S Army Corps of Engineers Outstanding Planning Achievement Award; and the 2009 International Downtown Association Pinnacle Award.

Following the disaster, Christine also served as the acting director of Code Enforcement. She developed a model anti-predatory contractor certification process. FEMA's Office of Inspector General awarded it as a 2009 Best Practice: Contractor Certification.

Concurrent with the disaster recovery projects, Christine worked closely with the development community to conduct multiple process improvement reviews of the building permit and land development system. She led the Community Development Department in the implementation of the business system improvements. One of the most notable of these was the design of the first paperless land development submission system in the state.

Christine remains active in the hazard mitigation and risk reduction community. She edited the American Planning Association/FEMA 2014 publication of *Planning for Post-Disaster Recovery: Next Generation.* In early 2015, she wrote *Best Practices in Public Engagement in Recovery Planning* also published by the American Planning Association and FEMA. In 2016, she joined practitioners from around the world at the Harvard Kennedy School to share stories and lessons learned. Since 2009, Christine has presented and conducted trainings with the National Housing Conference, American Planning Association, American Society of Landscape Architects, International Economic Development Council and the Natural Hazard Center at the University of Colorado.

She is a member of the American Planning Association, the International City/County Managers Association and served on the Policy Committee of the National Earthquake Engineering Research Institute.

Christine holds two bachelor's degrees from the University of Minnesota in history and political science, and a master's degree in public policy and administration from the Robert M. La Follette School of Public Affairs at the University of Wisconsin.

JULIE C.T. HERNANDEZ

Julie C.T. Hernandez, Senior Management Advisor, joined Management Partners in 2004 after almost 20 years in California local government management. Julie also served as the executive director of the Local Government Hispanic Network, an organization with which she has been active since 1990. She has a wide range of expertise that includes budget and management analysis, organizational and process reviews, organizational development, teambuilding, strategic planning, public works and development services, personnel and labor relations, risk management, information systems, city clerk operations, economic development and redevelopment, and public information office. Julie also is a skilled facilitator and experienced project manager.

In her most recent position, Julie served as senior management analyst for economic development, redevelopment, CDBG, and public information and outreach in Moorpark, which was the most affluent and fastest growing city in Ventura County. In this capacity, she was responsible for business attraction, retention and development assistance. Some of her activities included guiding business through the permitting process, problem solving, developing business-friendly policies and processes, redevelopment, strategic planning, marketing, business licensing, managing grants, and administering film permits. As a member of the Economic Development Collaborative of Ventura County, she worked with economic development managers throughout the county to revitalize and fund an enhanced, proactive business assistance and marketing organization. In her public outreach capacity, she simultaneously implemented a three-year, $1.5 million grant to bring social services to the city, and managed a redevelopment project to build a three-building, 30,000-square-foot Human Services Complex to house the new social and medical services.

Julie served as assistant city manager for the City of Santa Paula and was responsible for personnel and labor relations, risk management, information systems, public information and outreach, and the City Clerk's Office. She served as chief negotiator for collective bargaining with the City's six employee associations and as public information officer. Her special assignments were the City's California Oil Museum, cable TV channel, special events permits. In her public outreach capacity, she conducted youth services master planning through focus group sessions with City Council, city departments, businesses, and community groups, resulting in a five-year Youth Master Plan. She also successfully implemented a new volunteer recognition program for City volunteers.

Julie also spent ten years with the City of Oxnard as a budget analyst in the City Manager's Office and a management analyst in the combined public works/development services departments. She successfully completed training to become a trainer and facilitator in the city's management development and teambuilding program. She was the city's designated trainer for ethics training.

She has held a number of leadership positions in national, state and local organizations throughout her career. She is a member of the International City/County Management Association (ICMA), and the Municipal Management Association of Southern California (MMASC). She is a founding member of Local Government Hispanic Network (LGHN), and the Cal-ICMA Preparing the Next Generation Committee. She has served on various boards and committees within these organizations, including a term as president of the Local Government Hispanic Network. Julie frequently facilitates and speaks at workshops and conferences about local government issues. Her community work includes serving on the Board of Directors of the Boys and Girls Club, the United Way, Destino Hispanic Legacy Fund (a philanthropic grants provider for services to Latinos), Professional Latinos/as Advancement Network and the Ventura County Civic Alliance. She is also a long-time member of the Admin/Finance Committee of First 5 Ventura County.

She has co-authored several articles, including "Serving Diverse Communities-Best Practices," which appeared in the June 2007 issue of *Public Management* magazine; "Serving Diverse Communities-Cultural Competency," which appeared in the July 2007 issue of *Public Management* magazine; and "Cultivating Diversity in Municipal Management," which appeared in the May 2009 issue of *Western Cities* magazine.

Julie earned a bachelor's degree in psychology from the University of California at Santa Barbara and a master's degree in counseling psychology, with a community outreach emphasis, from San Diego State University. She is also a graduate of the Coro Foundation's Oxnard Focus Program.

LISA PHAN

Lisa Phan, Management Analyst, joined Management Partners in February 2019. Prior to joining Management Partners, she was a project analyst at University of California, San Francisco. She was responsible for restructuring the Department of Surgery's endocrine administration section's work procedures and practices and improving their organizational culture.

Lisa has experience in teambuilding, workshop facilitation, improving customer service, and internal/external brand and organizational development across various industries including hospitality, retail, nonprofit, education, political campaigns and healthcare.

Lisa obtained a bachelor's degree in political science at San Francisco State University in 2014, and later a master's degree in public administration at University of San Francisco in 2018. As an undergrad, she had the opportunity to teach her own semester-long political science course, focusing on the organizational development of political and social organizations and movements. She also co-lectured a course on American Indians in United States government and politics. During graduate school, she was invited by Berrett-Koehler Foundation to help develop and facilitate a leadership conference covering topics such as, compassion, mindfulness, diversity and inclusion, community health, institutional and systemic oppressions, and sharing resources across different sectors, industries and communities.

Attachment B – Tustin Strategic Plan

SAMPLE

City of Tustin

Strategic Plan

FY 2018 – 19 through FY 2022 – 23

TUSTIN

COMMUNITY TREES HISTORY FUTURE

BUILDING OUR FUTURE
HONORING OUR PAST

Includes

Vision

Mission

Values

Goals

Strategies

August 29, 2018

Table of Contents

Prepared for the City of Tustin by Management Partners

Management Partners

Strategic Plan Overview

The City of Tustin's strategic plan contains the elements shown in the graphic below. The final element of progress reporting is an essential task carried out on a regular basis to ensure connection of the plan with execution. Council agenda reports prepared by City staff contain a reference to the relevant strategic plan goal, and periodic progress reports are provided to inform the Council and public of how well the plan is being implemented.

City Council

- Mayor Al Murray
- Mayor Pro Tem Rebecca "Beckie" Gomez
- Council Member Dr. Allan Bernstein
- Council Member Charles E. "Chuck" Puckett
- Council Member Letitia Clark

Executive Team

- Jeffrey Parker, City Manager
- Matthew West, Assistant City Manager
- Elizabeth Binsack, Director of Community Development
- John Buchanan, Director of Economic Development, and Finance
- Derick Yasuda, Director of Human Resources
- David Wilson, Director of Parks and Recreation
- Charles Celano, Police Chief
- Douglas Stack, P.E., Director of Public Works/City Engineer

Process Overview

Planning began with the City Council.

The City of Tustin has developed a strategic plan to guide the work and future of our organization. The process used to develop this five-year strategic plan is described below.

Interviews with City Council

Management Partners began the strategic planning process by conducting individual interviews with each member of the City Council. These interviews were helpful in hearing insights from Council members about the City organization, opportunities for the future, and other observations about the strategic plan.

Gap Analysis Questionnaire

The City's executive team was invited to respond to a gap analysis questionnaire. The purpose was to solicit their input about the City's strengths, limitations, opportunities, threats, department projects and initiatives, in order to help identify potential strategies for the future.

Commissioner Survey

Management Partners prepared an electronic survey to obtain input from the City's commissioners on the City's key accomplishments, strengths, limitations, threats, opportunities, and multi-year goals. It also asked commissioners to suggest projects and initiatives that should be included in this strategic plan.

Community and Economic Trends

City staff and Management Partners collaborated in identifying community and economic trend information which will likely influence the City in the short and long term. It included state, regional and local trends; data about City staff and resident demographics; and City financial information. Attachment A contains the data points.

Community and economic trend data:

- Housing projections
- Demographic shifts
- Local industries
- City workforce composition
- Financial information

Strategic Planning Workshop

On July 10, 2018, the City of Tustin senior management team participated in a full-day workshop to discuss the future of the City organization. The group worked on the major components of the strategic plan, including a set of values and specific strategies to recommend to the Council for consideration in the strategic plan.

26 members of the City's management team participated in a strategic planning workshop on July 10, 2018

Implementation

Following adoption of the strategic plan, an implementation action plan was created. Management Partners facilitated a session with the City's senior management team to develop this action plan containing timelines and lead department assignments.

Vision

The vision statement is an aspiration with a focus on the future. It is a statement of where the organization is going.

Tustin will continue to be a vibrant, innovative hometown to live, work, and play.

Mission

A mission is a statement of the purpose of the organization.

It fundamentally defines what the organization stands for and what it will do.

Tustin's mission is to provide effective, high-quality services that foster safety, quality of life, and economic vitality throughout our community.

Values

Values provide the basis for how the organization and its members will work to achieve the mission, vision and goals.

- **Leadership**
- **Integrity**
- **Fiscal Stewardship**
- **High-Quality Services**
- **Transparency**
- **Respect**

We model these values through our actions.

Leadership

We have a vision and core belief in why we do what we do, encouraging our people to develop their skills so they can make decisions in the face of adversity.

Integrity

We strive to do what's right and whatever we commit to do, we do.

Fiscal Stewardship

We promote long-term fiscal stability through our decisions and balance the needs of today with the needs of the future.

High-Quality Services

We demonstrate consistent, honest, timely and respectful services to internal and external customers.

Transparency

We are straight-forward, open and accountable for our actions.

Respect

We show consideration for all points of view and we model civility and courtesy at all times.

Multi-Year Goals

Five Goals

Goal A: Economic and Neighborhood Development

Goal B: Public Safety and Protection of Assets

Goal C: Financial Strength

Goal D: Strong Community and Regional Relationships

Goal E: Organizational Excellence and Customer Service

Goal A. Economic and Neighborhood Development

Enable business opportunities and job development, and enhance the vibrancy and quality of life in all neighborhoods and areas of the community.

Five Year Strategies

The implementation action plan shows the year each of these will be initiated or carried out.

1. **Develop critical phases of Tustin Legacy.**
   a. Complete the master plan for Tustin Legacy Linear Park.
   b. Facilitate and complete land transactions for opportunities, including marketing the property.
   c. Develop a financing strategy to complete critical backbone infrastructure.
   d. Coordinate development with other public agencies.
   e. Implement development of planned phases at Tustin Legacy.

2. **Continue creating a vision and business plan for Old Town through a collaborative, inclusive process with stakeholders**

from the entire community.

3. **Establish planning and zoning overlays in Red Hill Specific Plan (RHSP) to facilitate private development.**

4. **Develop a disposition and entitlement strategy for City-owned property in Pacific Center East.**

5. **Strengthen and facilitate business relationships for economic development purposes.**
    a. Enhance the business development program to create specific ways to attract businesses and encourage growth of existing businesses.
    b. Continue to collaborate with the Chamber of Commerce to strengthen the City's relationships with local businesses.

6. **Assess and explore opportunities for expanded recreational activities.**
    a. Assess opportunities for joint use of school sites (e.g., Robert Heideman Elementary School and A.G. Currie Middle School for services in Southwest Tustin
    b. Develop a strategy to develop open space in Southwest Tustin.

7. **Utilize new and existing lighted sports fields for youth and adult tournaments as a potential revenue source.**

8. **Create linkages between parts of the community through a variety of means, such as bike lanes and greenbelts.**

9. **Create and implement a plan to address parking problems in neighborhoods.**

10. **Create a transit plan to enhance mobility around the community, engaging partnerships with the Orange County Transportation Authority (OCTA) and the region.**

11. Initiate a comprehensive General Plan Amendment.

12. Update the Historic Resource Inventory.

13. Develop a branding strategy to promote development in Tustin.

14. Develop a strategic plan for Tustin's development which focuses on:
   a. New development on vacant land in Tustin Legacy.
   b. In-fill development in the Downtown Commercial Core and Red Hill Specific Plan areas.
   c. Diversification of economic sectors focusing on adding corporate office development.
   d. Development of more hotel properties.
   e. Emphasize walkability in the Downtown Commercial Core.

15. Create affordable and workforce housing options.

16. Address homelessness (e.g., continue to partner with Rescue Mission, support increased mental health services, etc.).

17. Examine the development of community and regional events (such as a Brewfest or nighttime Farmers Market) to attract visitors to Tustin.

18. Explore and create innovative opportunities in economic development with emerging businesses.

Goal B. Public Safety and Protection of Assets

Ensure Tustin is an attractive, safe and well maintained community in which people feel pride.

Five Year Strategies

The implementation action plan shows the year each of these will be initiated or carried out.

1. **Ensure effective implementation of the City's Neighborhood Improvement Task Force.**

2. **Enhance Tustin's readiness to respond to major disasters.**
    a. Expand the Community Emergency Response Team (CERT) program to enhance our emergency preparedness and response capability within the community.
    b. Provide employee training in the practice of emergency preparedness and conduct evacuation drills.
    c. Construct the emergency operations center.

3. **Provide enhanced emergency response planning for schools and event venues.**

4. **Assess needs and implement a cybersecurity plan to ensure layers of protection for the security of system and network services, including working with other agencies.**

5. **Create and implement a plan to protect the City's public assets.**
    a. Continue capital improvement planning to ensure continuous maintenance and improvement of flood control, park, public, traffic control and transportation facilities.
    b. Improve turf and landscape condition for all community parks.
    c. Update the Water Master Plan.
    d. Research opportunities to create improved access between Old Town and Tustin Legacy.
    e. Complete asset improvements to meet the needs of a growing population, public safety needs, and anticipated changes in technology (e.g., street widening, facility improvements, park upgrades, CAD/RMA for police, 4G and 5G technology – small cell towers).
    f. Conduct a needs assessment for an expanded Civic Center/Police Station and identify funding.
    g. Establish a sinking fund to pay for maintaining aging infrastructure.

6. **Demonstrate good environmental stewardship.**
    a. Plan for bikeways and walking paths as a way to encourage reduced use of cars.
    b. Develop a plan to reduce waste within the community.
    c. Provide education and outreach to community members to encourage good environmental stewardship by them (e.g., community fairs, forums, social media, interactive technology, other venues).

Goal C. Financial Strength

Sustain long-term financial strength with adequate reserves and enhanced capacity to provide a sustainable level of City services.

Five Year Strategies

The implementation action plan shows the year each of these will be initiated or carried out.

1. **Guard and enhance the City's reserves.**
    a. Create new reserves for specific purposes that will enhance the financial strength of the City.
    b. Revise the reserve policy to designate reserves for specific purposes.

2. **Make progress in addressing unfunded CalPERS liability costs.**

3. **Evaluate City services and identify ways to improve cost neutrality.**
    a. Conduct a comprehensive fee analysis and determine appropriate levels of cost recovery.
    b. Identify opportunities for outsourcing services to other agencies, through service sharing or the private sector; as well as insourcing opportunities with Tustin providing services to other agencies.
    c. Conduct an assessment for banking services to

determine the best value for the services the City needs.
    d. Evaluate contracting and billing processes and institute improvements that will reduce costs and increase efficiency.

4. **Explore opportunities for new or increased revenues and diversify revenue sources beyond sales and property taxes.**
    a. Anticipate changes in revenue and adjust forecasts, and leverage opportunities for financial diversification of our revenue base.
    b. Identify potential revenue programs that can enhance economic development and provide business-related benefits, such as business improvement districts (BIDs), community facilities districts (CFDs) and landscape and lighting districts (LLDs).
    c. Conduct an evaluation of current tax and fee levels (e.g., transient occupancy tax, various fees).

5. **Provide adequate financial resources for a well-maintained and reliable water system.**
    a. Identify long term maintenance and capital needs for the water system.
    b. Determine what water rates need to be in order to meet community objectives of a reliable water system.
    c. Develop a community outreach program to communicate with the public about the water system, capital and operational needs, and water rates.

6. **Evaluate and acquire new utility billing software to support efficient customer service and billing operations.**

7. **Explore the feasibility of establishing a fraud "hot line" (online, phone).**

Goal D. Strong Community and Regional Relationships

Foster strong relationships within the community and provide leadership within the region.

Five Year Strategies

The implementation action plan shows the year each of these will be initiated or carried out.

1. **Strengthen community engagement with all sectors.**
    a. Develop and implement creative ways to communicate with all residents in our increasingly diverse community.
    b. Increase community awareness on upcoming large projects and of the services offered by the City.
    c. Communicate to the public the progress and outcomes resulting from the City's strategic plan.
    d. Obtain feedback from and strengthen our partnerships with the community.
    e. Use new interactive technologies and a variety of methods of proactively engaging the community including meetings conducting in various locations, forums and other methods.

2. **Enhance collaborative efforts with agencies within and outside Tustin on issues of mutual interest and concern.**
    a. Strengthen collaborations with the school district.

b. Develop joint use agreements with the school district.
c. Host regional sports tournaments.
d. Identify opportunities to collaborate with private entities, non-profit organizations and other public agencies to advance issues or services of mutual interest.

3. **Ensure strong advocacy and regional leadership.**
    a. Stay active in the region by providing leadership for and maintaining a strong presence in regional planning and transportation issues.
    b. Develop a strategy for working with Sacramento and Washington, D.C. to advocate Tustin's interest.
    c. Leverage Tustin's involvement in the Association of California Cities Orange County (ACCOC) and League of California Cities.

4. **Elevate the city's profile through pro-active marketing and branding.**
    a. Develop a marketing and branding program aimed at attracting new business and enhancing the Tustin identity for residents and businesses.
    b. Leverage all forms of media outlets to elevate the city's profile (e.g., social media, e-print, and emerging media as it comes online).
    c. Conduct resident and business surveys to learn about the "Tustin brand" and opinions about the city and use the information in developing a marketing and branding program.

Goal E. Organizational Excellence and Customer Service

Be a high performance organization, with effective customer service provided by a professional workforce.

Five Year Strategies

The implementation action plan shows the year each of these will be initiated or carried out.

1. **Promote and enhance a strong culture of ethics.**

2. **Provide excellent customer service.**
   a. Measure the effectiveness of our organization-wide customer service program and use the information to improve.
   b. Follow consistent customer service standards, and improve and expand methods for responding to customer questions and complaints.
   c. Provide accurate, easy to understand information on the City's website and through social media that will help customers and be useful to the community.
   d. Obtain feedback on a regular basis about customers' experience with the City and use the information to improve services.

3. **Conduct a review of the development approval process to identify streamlining opportunities, and implement a plan of improvement.**

4. **Support talent management with effective employee development, succession planning to cultivate and grow leadership, excellent performance, and attracting and retaining outstanding employees.**
   a. Provide consistent training, professional development, cross training and assignments that will support staffs' efforts to expand their experience and develop their skills.
   b. Expand the internal leadership academy.
   c. Provide mentoring to staff in the values and skills needed for promotion in the City of Tustin.
   d. Review and revise the performance evaluation system.
   e. Establish meaningful ways to recognize outstanding employee performance.
   f. Review and improve processes for recruiting, hiring and promotions to encourage a strong pool of talented individuals to seek jobs and higher level positions with the City of Tustin.
   g. Conduct a market study of competitive salary and benefits to support recruitment and retain talented staff.

5. **Implement a Citywide information technology plan to prioritize technology investments and ensure that technology serves the purpose of customer service, staff efficiency, financial accountability and excellent service delivery.**
   a. Develop a five-year IT Plan, to include future technology opportunities that will aid in serving the public and increase efficiency and effectiveness of City services.
   b. Improve and/or update technology in support of efficient and effective services (e.g., email/SMS to community, GIS, CAD/RMS for police, website, enterprise resource planning system, legacy software, affordable housing data base and other elements).

c. Improve online customer service transaction opportunities (e.g., bill paying, business license application process, and other transactions that will help our customers).

Conclusion

This strategic plan is designed to guide the work and future of the City of Tustin. The plan articulates the organizational vision and mission of the City of Tustin and establishes a set of values, goals and strategies as a guide for decision making.

An accompanying implementation action plan sets forth timelines and assignments for implementing the strategic plan.

The strategic plan reflects the guidance and input of the City Council, City management and commissioners.

> "Teamwork is the ability to work together toward a common vision. The ability to direct individual accomplishments toward organizational objectives. It is the fuel that allows common people to attain uncommon results."
>
> *-Andrew Carnegie, American Industrialist, 1835-1919*

Attachment C – Vallejo Council Workshop PowerPoint

City of Vallejo
Council Workshop

March 18, 2019

9:00 a.m. to 3:00 p.m.

and

March 19, 2019

9:00 a.m. to 11:30 a.m.

Management Partners

City of VALLEJO California

1

Welcome from Mayor

Management Partners

2

City of VALLEJO California

2

Public Comments

Management Partners

3

3

Today's Agenda

Morning

- Learn more about Council members' service to Vallejo
- Discuss high-performance governance and Council norms
- Discuss and clarify Council roles
- Identify significant opportunities and challenges as well as a common vision for Vallejo

Afternoon

- City Manager overview of the organization and efforts –"*view from the bridge*"
- Council brainstorms strategic priorities for FY 2019-20
- Council prioritization
- Wrap up and next steps

Management Partners

4

4

Today's Objectives

- Strengthen effectiveness of City Council and staff team
- Discuss expected opportunities and challenges on the horizon and Council vision for Vallejo over the next five years
- Council agreement on norms for working together and working with staff on behalf of the community
- Set Council priorities for next budget cycle and agree on how they will be monitored and reported

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5

City of VALLEJO California

5

Workshop Ground Rules

- Listen to understand
- Seek consensus
- Stay focused
- Assume good intent
- Speak up if we need course correction

Management Partners

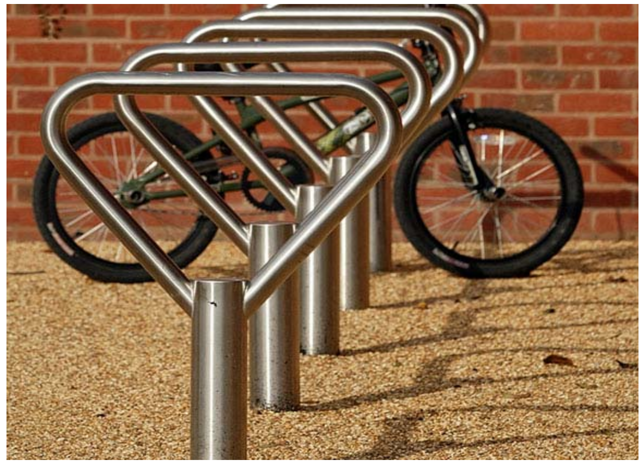
6

City of VALLEJO California

6

Bike Rack

- Things to discuss at another time will be tracked separately
- Time management tool



Management Partners

7

City of VALLEJO California

7

A Great Vallejo

Collaborative City Council + Clear Goals and Effective Day-to-Day Operations + Strong Council-Staff Teamwork = A Great Vallejo

Management Partners

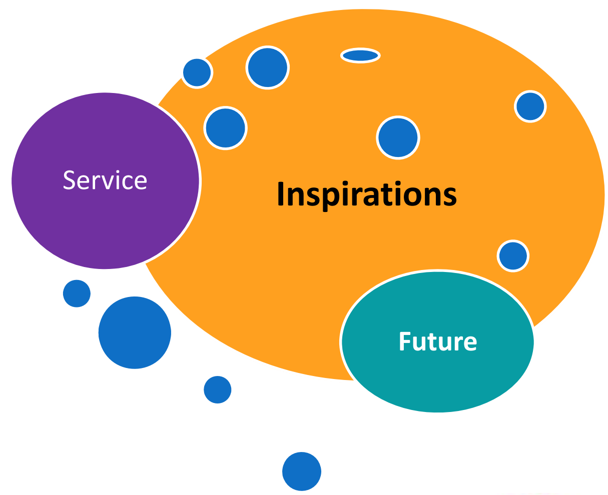
8

City of VALLEJO California

8

Learn More About Council members' Vision for Vallejo

- What propelled you to served on the City Council?
- What about your service on City Council do you find most satisfying?
- What would you like the reputation of this City Council to be in the community and with staff?



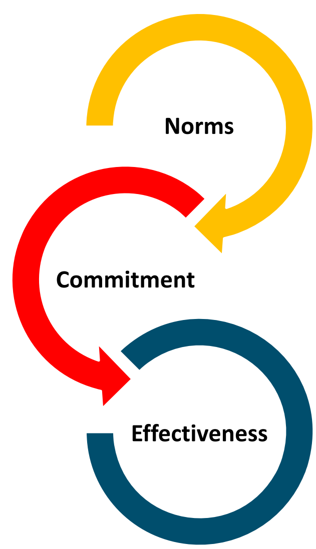
Management Partners

9

9

Effective Practices for Elected Officials

- **"Attributes of Effective Councils,"** Institute of Local Government
- **"A Key Ingredient for Success: An Effective City Council/City Manager Relationship,"** by Kevin Duggan, International City/County Management Association
- **Examples of City Council Norms**



Management Partners

10

10

City Government is a Team Sport

You can be a solid Council member and a team player, too

It's about collaboration, persuasion and relationships

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Look for Connections and Intersections

- People vote for people and do business with people that they like and trust
- Important to build relationships with your colleagues to achieve success
- Work together to build a support system – *Brown Act caution!*

Civility works

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Disagreeing In A Way That Maintains the Team

Can't I disagree with a colleague on an issue?

- **YES, of course!** Just do it with:
  - ✓Dignity
  - ✓Respect
  - ✓Support
  - ✓Inclusiveness

Never underestimate the power of a little civility and kindness

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So Much is About Communications

How Much Should I Talk As A Council member?

Be focused, direct, clear and brief

Questions and comments can lead to an action or motion

Be respectful

Democracy Simply Moves Slowly!

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More About Communications

Focus on Outcomes
- Be attentive
- Ask clarifying questions
- Let people know you are listening

Separate people from the problem
- Focus on interests, not positions
- Invent options for mutual gain
- Insist on using objective criteria

"WHY DO THEY CALL IT COMMON SENSE WHEN IT'S SO UNCOMMON?"

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Do Your Homework and Be Prepared

- Read agenda materials
- Ask questions in advance
- Analyze alternatives
- City Manager should share information with all Councilmembers
- Set clear rules, policies and procedures for Council meetings

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Do Your Homework and Be Prepared

- Involve the City Attorney early
- Ask how to achieve policy goals under the law rather than whether a course of action is legal
- Pay careful attention to Brown Act laws and regulations regarding ethics

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Teamwork – How to Get There

- Play nice, be fair, be patient, be kind, no surprises
- Avoid squabbling and personal attacks
- Maintain formal decorum and be respectful
- Refer to colleague with their titles

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No One Can Do It Alone

Neither the City Manager, nor the Council or individual Council members can do it alone!

- ✓ Become an expert at small group decision making
- ✓ Understand and appreciate each others' styles, strengths and expertise
- ✓ Respect each other and understand your roles

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No One Can Do It Alone

- ✓ Be rock solid on laws and rules regarding ethics
- ✓ Learn to count to 10!
- ✓ Learn to compromise – take the long view
- ✓ Think strategically
- ✓ Always remember your values – why you ran for office or entered public service
- ✓ Put the community first in all matters

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Teamwork

- Getting things done for the community as a team makes us **all** look good
- Accomplishments build relationships…..which lead to other successes

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Review How You Spend Your Time

- Easiest or most important?
- Responding to crisis or anticipating future needs and challenges?
- Pace your efforts for the long run
- Ask the public how you are doing

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Have Fun!

- Celebrate successes
- See the humor in your spectacular failures
- Enjoy your experiences – you worked hard to get here!

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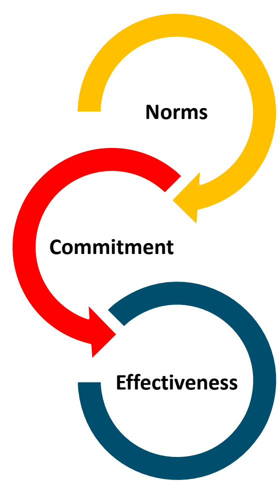
City Council Governance Discussion

- *What do you think of the common elements and norms of high performance councils?*
- *What could Vallejo incorporate into its governance culture?*
- *What would improve the effectiveness of City Council meetings?*



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Break

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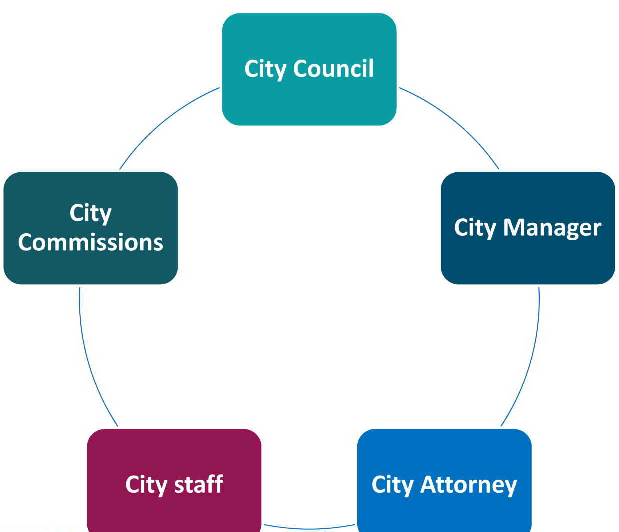
Discussion of Role Clarification



- Policy role
- Administrative role
- Advisory role
- Legal role

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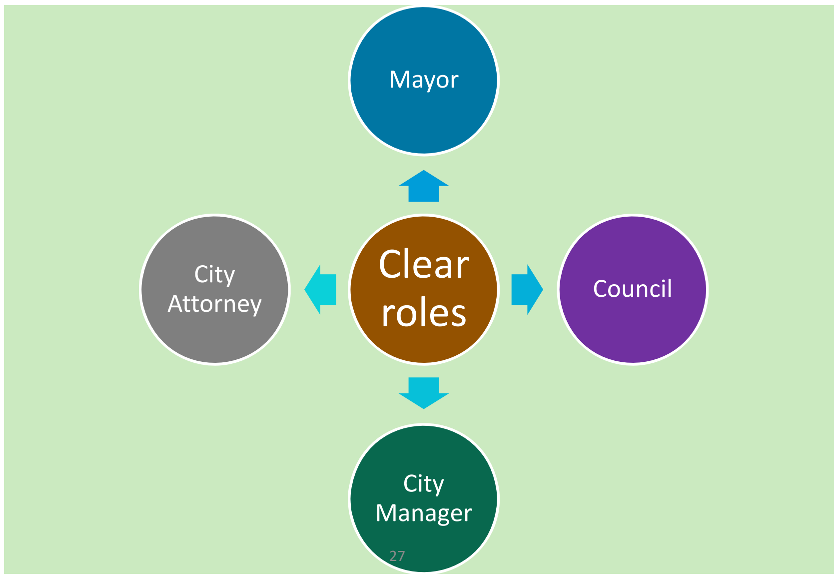
Basic Suggestions for Success



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Council – Staff Partnership

- Everyone has a role to play
- Council sets the goals and policies
- Day to day work of the City is done by staff
- Partnership is critical for success of the City

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City Council – City Manager Relationships

Council

- Sets policy and overall direction
- Keeps in touch with community concerns

City Manager

- Implements Council policy
- Handles day-to-day operations
- Offers policy advice
- Manages the staff

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City Council – City Manager Relationships

- **Important to find the line and stay within your area of responsibility**
- Yes, it is often more complicated, but….
  - It is best if the Council is not involved in staff and administrative matters – and
  - It is best for the City Manager to not dominate public discussions

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Council Member Role

- ✓ **Represent the community well**
  - ✓ Do what is in the best long term interest of the community
- ✓ **Respect the chain of command:** The City Manager and City Attorney are your only direct reports – and they report to the entire Council
  - ✓ **Work through the City Manager (or department heads with copy to CM)**
  - ✓ Do not direct staff or ask staff to do things ("asking" can imply direction)
- ✓ **Meet with the City Manager on a regular basis:**
  - ✓ City Manager can be your greatest asset in helping you frame issues and reach your goals
  - ✓ Within the confines of receiving direction from the Council as a body

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Council Member Role (continued)

- As a Council, hold the City Manager accountable for **agreed-upon Council goals**
- If there is **conflict** around an individual Council member's request then the City Manager should work on resolving the conflict through Council consensus
  - The Council member needs to understand that the City Manager can only fulfill a request that is within current policy direction, is legal and is within the staffs' capacity
- **Do not publicly criticize** staff
  - Take up your disappointments privately with the City Manager
  - *Never with staff below the City Manager*

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Mayor's Role

- ✓ Run the Council **meetings**
- ✓ Serve as **chief representative** of the City (ribbon cuttings, spokesperson)
- ✓ Meet with the City Manager regularly to **collaboratively** discuss issues
- ✓ Work closely with the City Manager to anticipate future issues and to plan City's response
- ✓ Carry out all of the roles listed for Council members

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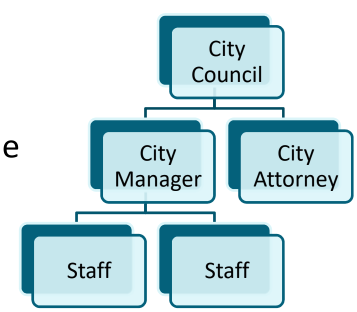
City Manager's Role

- ✓ Serve as **chief executive officer** of the municipal organization
- ✓ **Guide and develop staff** and create a productive organization culture
- ✓ **Manage staff,** including hiring, terminations, discipline
- ✓ Provide **advice** to the City Council
- ✓ Help make the **Council as a whole** productive and successful
- ✓ Help **each member of Council** to succeed
- ✓ Help **staff achieve the Council's goals**



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Nurture a Strong Council-Manager Partnership

Help with the “care and feeding” of the partnership

- ✓Schedule time for team building, feedback and relationship building
- ✓Learn something new on a daily basis
- ✓Understand/respect each position’s role

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City Attorney’s Role

- ✓**Represent the organization** itself, not individual Councilmembers or members of the public
- ✓Provide clear and accurate **legal advice** on a myriad of complex laws
- ✓Be **fair and impartial**
- ✓Provide **full disclosure**
- ✓Use **candor and diplomacy**

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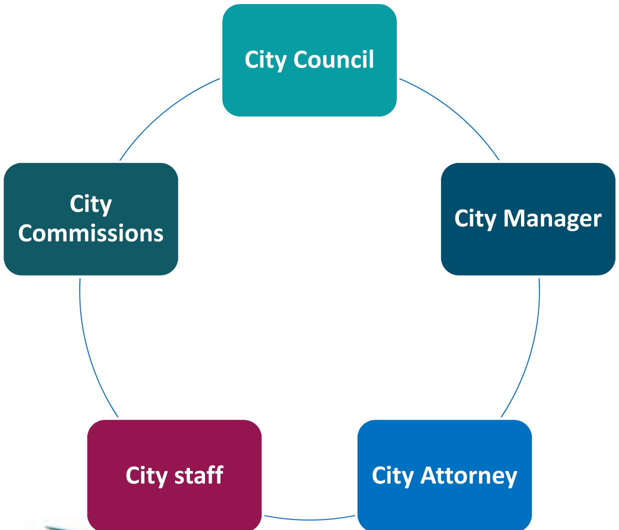
Reflections of Roles Discussion



- Review procedures for Council protocols including agenda setting
- Council questions or comments

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Significant Opportunities and Challenges Facing Vallejo

Council Comments

- What are Vallejo's opportunities in the next two years?
- What are Vallejo's challenges in the next two years?
- What is our common vision for Vallejo in the next five years?

Staff offer thoughts about opportunities, challenges, comments of optimism and caution

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Working Lunch

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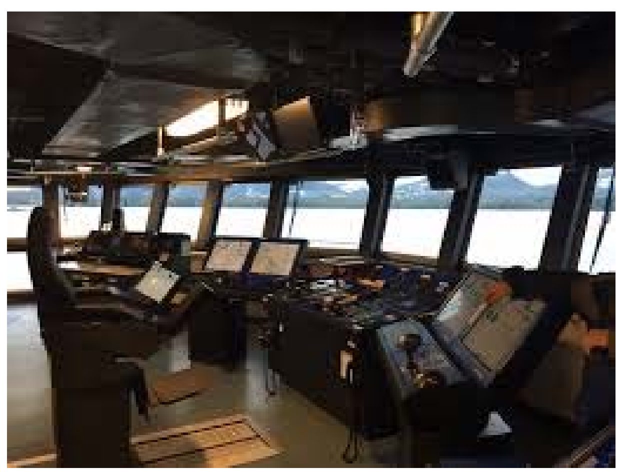
View from the Bridge

City Manager's overview of the state of the City organization, projects, programs along with services



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City Council Priorities Discussion

- Council should to work with staff to establish priorities for the year – ***and then stick to them!***
- City staff will develop work plans to support the priorities
- Budget aligns with priorities
- Quarterly updates are a good idea
- City Manager evaluation relies heavily on achieving priorities

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City Council Priorities Discussion

✓Brainstorm ideas

✓Identify common themes

✓Identify top and secondary priorities

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Break

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Confirm Agreements From Earlier Discussions Today

- Council norms
- Role clarification
- Strategic priorities

- Review consensus agreements reached throughout the day
- What steps are necessary to implement these agreements?
- Staff will prepare information for Council consideration tomorrow based on the top and secondary priorities

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City of Vallejo
Council Workshop

March 19, 2019

9:00 a.m. to 11:30 a.m.

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Public Comments

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Today's Agenda

Morning

- Staff response to Council priorities
- Council discussion and deliberation regarding FY 2019-20 priorities
- Staff comments and commitments
- Wrap up and next steps

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City Council Priorities Discussion

- Brainstorm ideas (March 18)
- Identify common themes (March 18)
- Identify priorities (March 18)
- Council and staff discuss the ranked priorities
  - Staff presentation of activities, projects and programs in support of FY 2019-20 priorities
  - Council questions regarding presentation

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Council Deliberation

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Staff Commitments

- Staff will return to City Council with work plan to implement FY 2019-20 priorities
- The work plan will inform the City Council's budget decision-making and priorities
- Staff will establish FY 2019-20 priorities progress report schedule

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Wrap Up and Next Steps

- Closing Comments
- Evaluation

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Thank you!

Rod Gould, Senior Partner

rgould@managementpartners.com

Christine Butterfield, Senior Manager

cbutterfield@managementpartners.com

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CONSULTING SERVICES AGREEMENT BETWEEN
THE CITY OF PINOLE AND
MANAGEMENT PARTNERS

THIS AGREEMENT for consulting services is made by and between the City of Pinole ("City") and Management Partners ("Consultant") (together sometimes referred to as the "Parties") as of April 17, 2019 (the "Effective Date") in Pinole, California.

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to City the services described in the Scope of Work attached as Exhibit A at the time and place and in the manner specified therein. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit A, the Agreement shall prevail.

1.1 Term of Services. The term of this Agreement shall begin on the Effective Date and shall end on March 31, 2020, and Consultant shall complete the work described in Exhibit A by that date, unless the term of the Agreement is otherwise terminated or extended, as provided for in Section 8. The time provided to Consultant to complete the services required by this Agreement shall not affect the City's right to terminate the Agreement, as provided for in Section 8.

1.2 Standard of Performance. Consultant shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged in the geographical area in which Consultant practices its profession. Consultant shall prepare all work products required by this Agreement in a professional manner and shall conform to the standards of quality normally observed by a person practicing in Consultant's profession.

1.3 Assignment of Personnel. Consultant shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the reassignment of any such persons, Consultant shall, immediately upon receiving notice from City of such desire of City, reassign such person or persons.

1.4 Time. Consultant shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 1.1 above and to satisfy Consultant's obligations hereunder.

Section 2. COMPENSATION. City hereby agrees to pay Consultant an amount not to exceed $70,000, for all work set forth in Exhibit A and all reimbursable expenses incurred in performing the work. In the event of a conflict between this Agreement and Consultant's proposal regarding the amount of compensation, the Agreement shall prevail. City shall pay Consultant for services rendered pursuant to this Agreement at the time and in the manner set forth herein. The payments specified below shall be the only payments from City to Consultant for services rendered pursuant to this Agreement. Consultant shall submit all invoices to City in the manner specified herein. Except as specifically authorized by City, Consultant shall not bill City for duplicate services performed by more than one person.

Consultant and City acknowledge and agree that compensation paid by City to Consultant under this Agreement is based upon Consultant's estimated costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of Consultant. Consequently, the parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which Consultant and its employees, agents, and subcontractors may be eligible. City therefore has no responsibility for such contributions beyond compensation required under this Agreement.

2.1 Invoices. Consultant shall submit invoices, not more often than once a month during the term of this Agreement, based on the completion, or partial completion, of the tasks listed in Exhibit A.

2.2 Monthly Payment. City shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. City shall have 30 days from the receipt of an invoice that complies with all of the requirements above to pay Consultant.

2.3 Final Payment. City shall pay the last 10% of the total sum due pursuant to this Agreement within sixty (60) days after completion of the services and submittal to City of a final invoice, if all services required have been satisfactorily performed.

2.4 Total Payment. City shall pay for the services to be rendered by Consultant pursuant to this Agreement. City shall not pay any additional sum for any expense or cost whatsoever incurred by Consultant in rendering services pursuant to this Agreement. City shall make no payment for any extra, further, or additional service pursuant to this Agreement.

In no event shall Consultant submit any invoice for an amount in excess of the maximum amount of compensation provided above either for a task or for the entire Agreement, unless the Agreement is modified prior to the submission of such an invoice by a properly executed change order or amendment.

2.5 Hourly Fees. Fees for work performed by Consultant on an hourly basis shall not exceed the amounts shown on the following fee schedule attached hereto as Exhibit A.

2.6 Reimbursable Expenses. Reimbursable expenses include reasonable travel costs, copying, and mailing and are included in the total amount of compensation provided under this Agreement that shall not be exceeded.

2.7 Payment of Taxes. Consultant is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.

2.8 Payment Upon Termination. In the event that the City or Consultant terminates this Agreement pursuant to Section 8, the City shall compensate the Consultant for all outstanding costs and reimbursable expenses incurred for work satisfactorily completed as of the date of written notice of termination. Consultant shall maintain adequate logs and timesheets in order to verify costs incurred to that date.

2.9 Authorization to Perform Services. The Consultant is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization from the Contract Administrator.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Consultant shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement.

Section 4. INSURANCE REQUIREMENTS. Before beginning any work under this Agreement, Consultant, at its own cost and expense, unless otherwise specified below, shall procure the types and amounts of insurance listed below against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Consultant and its agents, representatives, employees, and subcontractors. Consistent with the following provisions, Consultant shall provide proof satisfactory to City of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all respects to the City. Consultant shall maintain the insurance policies required by this section throughout the term of this Agreement. The cost of such insurance shall be included in the Consultant's bid. Consultant shall not allow any subcontractor to commence work on any subcontract until Consultant has obtained all insurance required herein for the subcontractor(s) and provided evidence thereof to City. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution.

4.1 Workers' Compensation. Consultant shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Consultant. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than ONE MILLION DOLLARS ($1,000,000.00) per accident. In the alternative, Consultant may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the Labor Code shall be solely in the discretion of the City. The insurer, if insurance is provided, or the Consultant, if a program of self-insurance is provided, shall waive all rights of subrogation against the City and its officers, officials, employees, and volunteers for loss arising from work performed under this Agreement.

4.2 Commercial General and Automobile Liability Insurance.

4.2.1 General requirements. Consultant, at its own cost and expense, shall maintain commercial general and automobile liability insurance for the term of this Agreement in an amount not less than ONE MILLION DOLLARS ($1,000,000.00) per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If a Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

4.2.2 Minimum scope of coverage. Commercial general coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (ed. 11/88) or GL 0002 (ed.1/73) covering comprehensive General Liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (ed. 12/90) Code 1. No endorsement shall be attached limiting the coverage.

4.2.3 Additional requirements. Each of the following shall be included in the insurance coverage or added as a certified endorsement to the policy:

a. The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.

b. Any failure of Consultant to comply with reporting provisions of the policy shall not affect coverage provided to City and its officers, employees, agents, and volunteers.

4.3 Professional Liability Insurance.

4.3.1 General requirements. Consultant, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than ONE MILLION DOLLARS ($1,000,000) covering the licensed professionals' errors and omissions. Any deductible or self-insured retention shall not exceed $150,000 per claim.

4.3.2 Claims-made limitations. The following provisions shall apply if the professional liability coverage is written on a claims-made form:

a. The retroactive date of the policy must be shown and must be before the date of the Agreement.

b. Insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the Agreement or the work, so long as commercially available at reasonable rates.

c. If coverage is canceled or not renewed and it is not replaced with another claims-made policy form with a retroactive date that precedes the date of this Agreement, Consultant must provide extended reporting coverage for a minimum of five years after completion of the Agreement or the work. The City shall have the right to exercise, at the Consultant's sole cost and expense, any extended reporting provisions of the policy, if the Consultant cancels or does not renew the coverage.

d. A copy of the claim reporting requirements must be submitted to the City prior to the commencement of any work under this Agreement.

4.4 <u>All Policies Requirements.</u>

4.4.1 <u>Acceptability of insurers.</u> All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A:VII.

4.4.2 <u>Verification of coverage.</u> Prior to beginning any work under this Agreement, Consultant shall furnish City with complete certified copies of all policies, including complete certified copies of all endorsements. All copies of policies and certified endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

4.4.3 <u>Notice of reduction in or cancellation of coverage.</u> A certified endorsement shall be attached to all insurance obtained pursuant to this Agreement stating that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. In the event that any coverage required by this section is reduced, limited, cancelled, or materially affected in any other manner, Consultant shall provide written notice to City at Consultant's earliest possible opportunity and in no case later than ten (10) working days after Consultant is notified of the change in coverage.

4.4.4 <u>Additional insured; primary insurance.</u> A certified endorsement at least as broad as Insurance Services Office form number CG 20 10 (11/85 ed.) shall be attached to all policies stating that the City and its officers, employees, agents, and volunteers shall be covered as additional insureds with respect to each of the following: liability arising out of activities performed by or on behalf of Consultant, including the insured's general supervision of Consultant; products and completed operations of Consultant, as applicable; premises owned, occupied, or used by Consultant; and automobiles owned, leased, or used by the Consultant in the course of providing services pursuant to this Agreement. The coverage shall contain no special limitations on the scope of protection afforded to City or its officers, employees, agents, or volunteers.

A certified endorsement shall be attached to all policies stating that coverage is primary insurance with respect to the City and its officers, officials, employees and volunteers, and that no insurance or self-insurance maintained by the City shall be called upon to contribute to a loss under the coverage.

4.4.5 Deductibles and self-insured retentions. Consultant shall disclose to and obtain the approval of City for the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement.

During the period covered by this Agreement, only upon the prior express written authorization of Contract Administrator, Consultant may increase such deductibles or self-insured retentions with respect to City, its officers, employees, agents, and volunteers. The Contract Administrator may condition approval of an increase in deductible or self-insured retention levels with a requirement that Consultant procure a bond, guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

4.4.6 Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

4.4.7 Variation. The City may approve a variation in the foregoing insurance requirements, upon a determination that the coverage, scope, limits, and forms of such insurance are either not commercially available, or that the City's interests are otherwise fully protected.

4.5 Remedies. In addition to any other remedies City may have if Consultant fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option exercise any of the following remedies, which are alternatives to other remedies City may have and are not the exclusive remedy for Consultant's breach:

- Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
- Order Consultant to stop work under this Agreement or withhold any payment that becomes due to Consultant hereunder, or both stop work and withhold any payment, until Consultant demonstrates compliance with the requirements hereof; and/or
- Terminate this Agreement.

Section 5. INDEMNIFICATION AND CONSULTANT'S RESPONSIBILITIES. Consultant shall indemnify, defend with counsel reasonably acceptable to the City, and hold harmless the City and its officials, officers, employees, agents, and volunteers from and against any and all losses, liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct or negligent acts or omissions of Consultant or its employees, subcontractors, or agents, by acts for which they could be held strictly liable, or by the quality or character of their work. The foregoing obligation of Consultant shall not apply when (1) the injury, loss of life, damage to property, or violation of law arises wholly from the negligence or willful misconduct of the City or its officers, employees, agents, or volunteers and (2) the actions of Consultant or its employees, subcontractor, or agents have contributed in no part to the injury, loss of life, damage to property, or violation of law. It is understood that the duty of Consultant to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Section 6. STATUS OF CONSULTANT.

6.1 Independent Contractor. At all times during the term of this Agreement, Consultant shall be an independent contractor and shall not be an employee of City. City shall have the right to control Consultant only insofar as the results of Consultant's services rendered pursuant to this Agreement and assignment of personnel pursuant to Subparagraph 1.3; however, otherwise City shall not have the right to control the means by which Consultant accomplishes services rendered pursuant to this Agreement. Notwithstanding any other City, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of City and entitlement to any contribution to be paid by City for employer contributions and/or employee contributions for PERS benefits.

6.2 Consultant No Agent. Except as City may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

Section 7. LEGAL REQUIREMENTS.

7.1 Governing Law. The laws of the State of California shall govern this Agreement.

7.2 Compliance with Applicable Laws. Consultant and any subcontractors shall comply with all laws applicable to the performance of the work hereunder including but not limited to the California Labor Code and the prevailing wage requirements.

7.3 Other Governmental Regulations. To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Consultant and any subcontractors shall comply with all applicable rules and regulations to which City is bound by the terms of such fiscal assistance program.

7.4 Licenses and Permits. Consultant represents and warrants to City that Consultant and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. Consultant represents and warrants to City that Consultant and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions. In addition to the foregoing, Consultant and any subcontractors shall obtain and maintain during the term of this Agreement valid Business Licenses from City.

7.5 Pinole Business License. Consultant shall obtain a City of Pinole business license according to the terms of Title 5 of the City of Pinole Municipal Code and deliver to City proof of such business license prior to beginning work under this Agreement. Work under this Agreement cannot begin until the City receives proof that Consultant has obtained a City of Pinole business license.

7.6 Nondiscrimination and Equal Opportunity. Consultant shall not discriminate, on the basis of a person’s race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Consultant under this Agreement. Consultant shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of Consultant thereby.

Consultant shall include the provisions of this Subsection in any subcontract approved by the Contract Administrator or this Agreement.

Section 8. TERMINATION AND MODIFICATION.

8.1 Termination. City may cancel this Agreement upon thirty (30) calendar days and without cause upon written notification to Consultant pursuant to this section.

In the event of termination, Consultant shall be entitled to compensation for services performed to the effective date of termination; City, however, may condition payment of such compensation upon Consultant delivering to City any or all documents, photographs, computer software, video and audio tapes, and other materials provided to Consultant or prepared by or for Consultant or the City in connection with this Agreement.

8.2 Extension. City may, in its sole and exclusive discretion, extend the end date of this Agreement beyond that provided for in Subsection 1.1. Any such extension shall be specified in writing by the City. Consultant understands and agrees that if City issues such an extension, City shall have no obligation to provide Consultant with compensation beyond the maximum amount provided for in this Agreement. Similarly, unless authorized by the City, City shall have no obligation to reimburse Consultant for any otherwise reimbursable expenses incurred during the extension period.

8.3 Consultant's Identity and Personnel. The person identified on page one as the CONSULTANT's Key Personnel will be the key person for the performance of services under this AGREEMENT. CONSULTANT's additional key personnel who will work on the PROJECT are identified in Exhibit A. Any addition or deletion of a firm (whether working as a joint venture partner or subconsultant), or any change in key personnel may be made only upon prior written approval by CITY. CONSULTANT shall notify CITY of any proposed change of ownership or fundamental structure in CONSULTANT's firm. Within thirty (30) calendar days of such notice, CITY shall notify CONSULTANT whether CITY will approve such changed firm or personnel to continue providing services under this AGREEMENT or whether CITY will terminate this AGREEMENT. Nothing in this provision shall be construed to limit CITY's right to terminate this AGREEMENT for cause or without cause as set forth in Article I, Section C of this AGREEMENT. Subcontracts between the CONSULTANT and any subconsultants will be subject to review and approval of CITY's representative.

If CONSULTANT reassigns or reduces the commitment of any such key personnel, CONSULTANT shall provide a suitable replacement, subject to the approval of CITY, and CONSULTANT shall provide a reasonable number of unbilled hours of work for such replacement personnel to the extent required to bring the personnel up to speed.

8.4 Amendments. The parties may amend this Agreement only by a writing signed by all the parties.

8.5 Assignment and Subcontracting. City and Consultant recognize and agree that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique professional competence, experience, and specialized professional knowledge. Moreover, a substantial inducement to City for entering into this Agreement was and is the personal reputation and competence of Consultant. Consultant may not assign this Agreement or any interest therein without the prior written approval of the City. Consultant shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in the proposal, without prior written approval of the City.

8.6 Survival. All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between City and Consultant shall survive the termination of this Agreement.

8.7 Options upon Breach by Consultant. If Consultant materially breaches any of the terms of this Agreement, City's remedies shall include, but not be limited to, the following:

8.7.1 Immediately terminate the Agreement;

8.7.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Consultant pursuant to this Agreement;

8.7.3 Retain a different consultant to complete the work described in Exhibit A not finished by Consultant; or

8.7.4 Charge Consultant the difference between the cost to complete the work described in Exhibit A that is unfinished at the time of breach and the amount that City would have paid Consultant pursuant to Section 2 if Consultant had completed the work.

Section 9. KEEPING AND STATUS OF RECORDS.

9.1 Records Created as Part of Consultant's Performance. All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Consultant prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the City. Consultant hereby agrees to deliver those documents to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use. City and Consultant agree that, until final approval by City, all data, plans, specifications, reports and other documents are confidential and will not be released to third parties without prior written consent of both parties.

9.2 Consultant's Books and Records. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement.

9.3 Inspection and Audit of Records. Any records or documents that Section 9.2 of this Agreement requires Consultant to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the City. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds TEN THOUSAND DOLLARS ($10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of the City, for a period of three (3) years after final payment under the Agreement.

Section 10 MISCELLANEOUS PROVISIONS.

10.1 Attorneys' Fees. If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

10.2 Venue. In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Contra Costa or in the United States District Court for the Northern District of California.

10.3 Severability. If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

10.4 No Implied Waiver of Breach. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

10.5 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.

10.6 Use of Recycled Products. Consultant shall endeavor to prepare and submit all reports, written studies and other printed material on recycled paper to the extent it is available at equal or less cost than virgin paper.

10.7 Conflict of Interest. Consultant may serve other clients, but none whose activities within the corporate limits of City or whose business, regardless of location, would place

Consultant in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Consultant shall not employ any City official in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

Consultant hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Consultant was an employee, agent, appointee, or official of the City in the previous twelve months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code §1090 *et.seq.*, the entire Agreement is void and Consultant will not be entitled to any compensation for services performed pursuant to this Agreement, including reimbursement of expenses, and Consultant will be required to reimburse the City for any sums paid to the Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

Consultant will comply with all conflict of interest laws and regulations including, without limitation, City's Conflict of Interest Code (on file in the City Clerk's Office). It is incumbent upon the Consultant or Consultant's firm to notify the City pursuant to section 10.10 Notices of any staff changes relating to this Agreement.

a. In accomplishing the scope of services of this Agreement, all officers, employees and/or agents of Consultant(s), unless as indicated in Subsection b, will be performing a very limited and closely supervised function, and, therefore, are unlikely to have a conflict of interest arise. No disclosures are required for any officers, employees, and/or agents of Consultant, except as indicated in Subsection b.

____
Initialed by City Attorney's Office

b. In accomplishing the scope of services of this Agreement, Consultant(s) will be performing a specialized or general service for the City, and there is substantial likelihood that Consultant's work product will be presented, either written or orally, for the purpose of influencing a governmental decision. As a result, the following Consultant(s) shall be subject to the Disclosure Category "1-5" of the City's Conflict of Interest Code:

__________________________ __________________________

__________________________ __________________________

10.8 Solicitation. Consultant agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.

10.9 Contract Administration. This Agreement shall be administered by City Manager Michelle Fitzer who shall act as the City's representative. All correspondence shall be directed to or through her or her designee.

10.10 Notices. Any written notice to Consultant shall be sent to:

Management Partners
Attn: Andrew S. Belknap, Regional Vice President
2107 N. First St. Suite 470
San Jose, CA 95131

Any written notice to City shall be sent to:
City of Pinole
Attn: Michelle Fitzer, City Manager
2131 Pear Street
Pinole, CA 94564

10.11 Integration; Incorporation. This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between City and Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.

10.12 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

The Parties have executed this Agreement as of the Effective Date.

CITY OF PINOLE	CONSULTANT
______________________________	______________________________
Michelle Fitzer, City Manager	Gerald E. Newfarmer, President and CEO
	Consultant's City of Pinole Business License #:____________________

Attest:

____
Heather Iopu, City Clerk

Approved as to Form:

____
Eric S. Casher, City Attorney

EXHIBIT A

SCOPE OF SERVICES

.

DATE: APRIL 16, 2019

TO: MAYOR AND COUNCIL MEMBERS

FROM: MICHELLE FITZER, CITY MANAGER

SUBJECT: DISCUSSION REGARDING TIMING OF FIRE SERVICE DELIVERY STUDY, CHARTER CITY POTENTIAL BALLOT MEASURE, AND THE STRATEGIC PLANNING PROCESS

RECOMMENDATION

It is recommended that the City Council discuss the timing of the approved Fire Service Delivery Study, potential Charter City ballot measure, and the Strategic Planning process, and provide direction to staff.

BACKGROUND

At recent Council meetings and workshops the Council has directed staff to move forward with several large projects. Specifically, a Fire Service Delivery Study, evaluation of a potential Charter City ballot measure, and community Strategic Planning.

REVIEW & ANALYSIS

Discussion regarding the timing of these projects is prudent at this point. There has been some dialogue regarding if a Charter City measure were to be approved, where the resultant expected revenue would be allocated. Specifically, if the anticipated increased revenue should be used to offset the expected increased cost to modify our Fire Service Delivery model. If so, that could impact the Fire Study and the potential ballot measure associated with the findings and recommendations.

Additionally, there has been some talk about the Strategic Planning process informing community priorities, which may then impact one or both of the Fire Service Delivery Study and Charter City discussions.

This staff report is brief to simply lay the foundation for a discussion among the Council.

FISCAL IMPACT

There is no fiscal impact of this discussion.

ATTACHMENTS

None

DATE: APRIL 16, 2019

TO: MAYOR AND COUNCIL MEMBERS

THROUGH: MICHELLE FITZER, CITY MANAGER

FROM: DANIEL J. HORTERT, AICP,
INTERIM PLANNING MANAGER

SUBJECT: EAST BAY OPHTHALMOLOGY CENTER (GATEWAY MEDICAL CENTER) PROJECT UPDATE

RECOMMENDATION

It is recommended that the City Council receive an update on the East Bay Ophthalmology Center project.

BACKGROUND

Dr. Scott Lee previously submitted plans for a 9,182 square foot medical office building located at 1289 Pinole Valley Road (Gateway Center). This is a former Redevelopment Agency owned property. The proposal contained two applications; Design Review (DR15-10) and a Conditional Use Permit (CUP15-02) for Planning Commission consideration and approval. The previous application included a two-story medical office building with ten (10) new automobile parking spaces with accompanying improvements for an ambulatory eye surgical center, and also included 21 existing automobile parking spaces. Dr. Lee also requested a reduction in the required number of parking spaces by six (6), which necessitated the Conditional Use Permit application.

The previous application was reviewed by the Planning Commission Development Review Subcommittee in January 2016 to discuss the project site plan, architecture and landscape plan. The Subcommittee thought that the site plan was well-composed and that the architecture while very modern was very distinctive and was compatible with existing and planned new development in this “Gateway” portion of Pinole Valley Road. The Subcommittee did request further photo-simulation information to provide more information about the proposed height and bulk of the medical office building. In April 2016, the Planning Commission held a workshop and provided the applicant additional feedback which has been considered on the March 2019 application

In September 2016 the City and Dr. Lee entered into a Purchase and Sale Agreement for the property. Escrow has not closed on this transaction because conditions of the sale included the requirement that Dr. Lee obtain a building permit for construction of the project, and that construction of the project be completed no later than 300 days after the City issues the building permit.

REVIEW AND ANALYSIS

Dr. Lee has been working on finalizing his project application since 2016. He has faced some challenges, which have resulted in a decision to revise the previously proposed plan.

On March 18, 2019, Dr. Lee submitted a revised proposal for a 6,930 s.f. single-story structure, with six (6) additional parking spaces including two (2) ADA accessible spaces for a total of twenty-eight total spaces that meet the parking standards for medical offices therefore eliminating the need for a Conditional Use Permit necessitated on the initial application.

Prior review and analysis evidenced in staff reports from the initial application submittal remain valid and contain justification for conformance with the General Plan and Three Corridors Specific Plan (Pinole Valley Road Corridor), that the proposed project meets the spirit and intent of the zoning ordinance including design review criteria, and site and infrastructure development standards including sufficient parking requirements for the medical office use. In addition, the proposed project maintains previous exemptions under CEQA Guidelines §15303 and 15332 due to the overall size of the structure and urban location in the City of Pinole as well as qualifying as an infill project.

The Planning Commission will hold a Public Hearing on April 22, 2019 for Design Review. Should the Planning Commission approve Design Review, the applicant may submit building plans for review and approval by the City.

ATTACHMENTS

A: PowerPoint presentation from Dr. Lee
B: PowerPoint presentation by City Staff

Pinole Medical Eye Institute

SCOTT LEE MD MPH FACS

Background

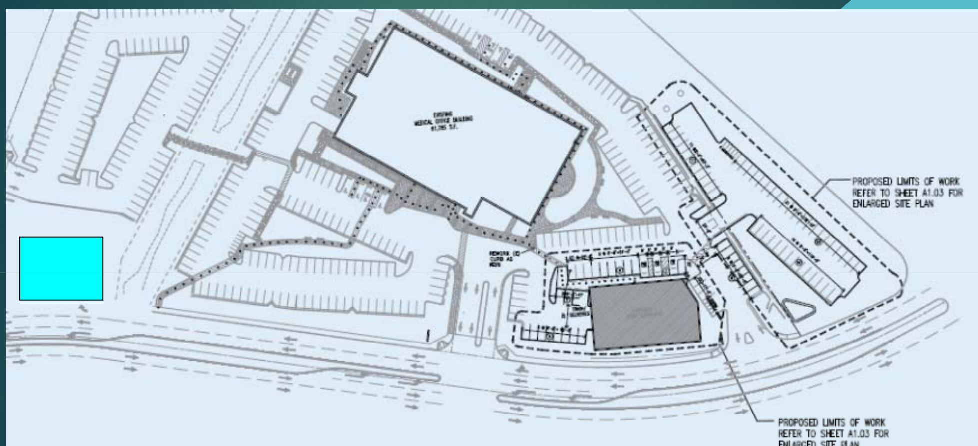
Growing demand for eye surgery services as the population ages

Regional Center- patients from Sacramento to the north, Antioch to the east, and San Jose to the South bringing business to Pinole

All hospitals in area have closed and specialty care all leaving for Berkeley and Walnut Creek

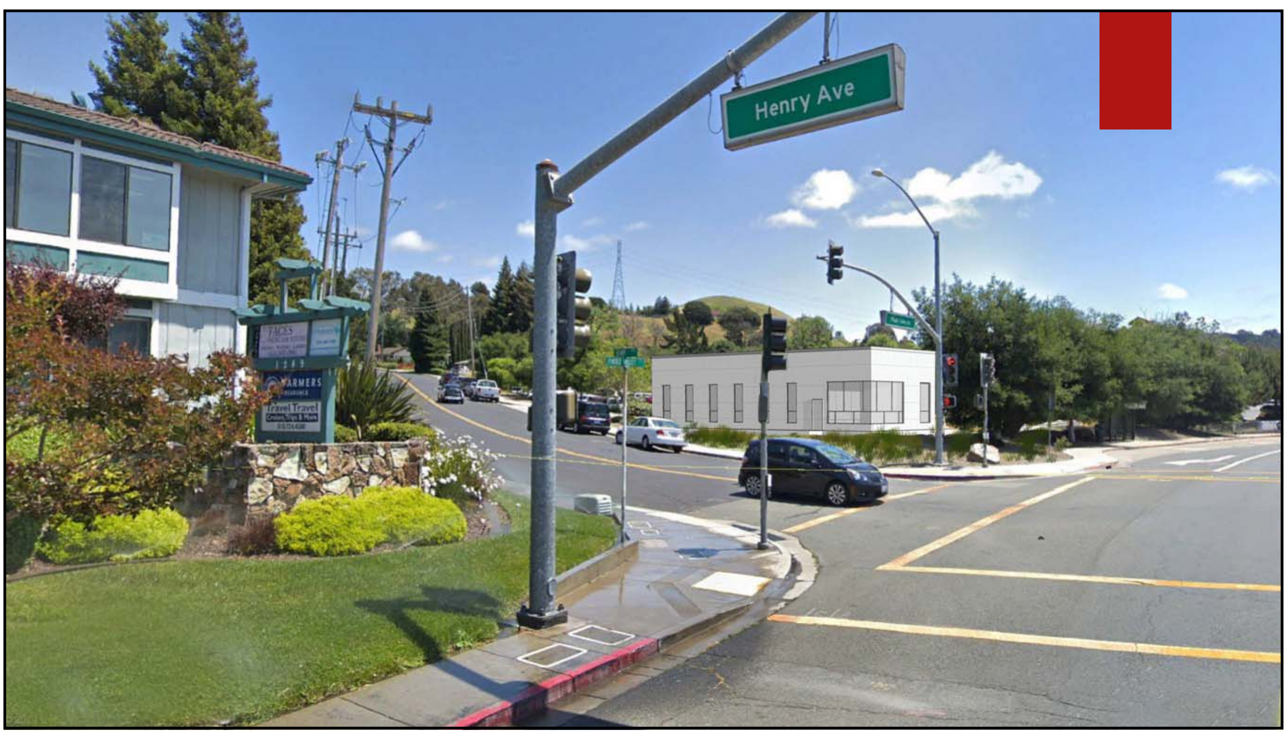
Pediatric Ophthalmology- none from Oakland to Sacramento

Project site



Changes from initial design

- Single story from double story
- Simple design- non controversial
- No Conditional Use Permit, No exceptions for parking


Henry Ave

Grateful for strong support from Pinole residents

- Hundreds of signatures supporting the project
- Letters of recommendation
- Vocal Support of Pinole Residents

ATTACHMENT B

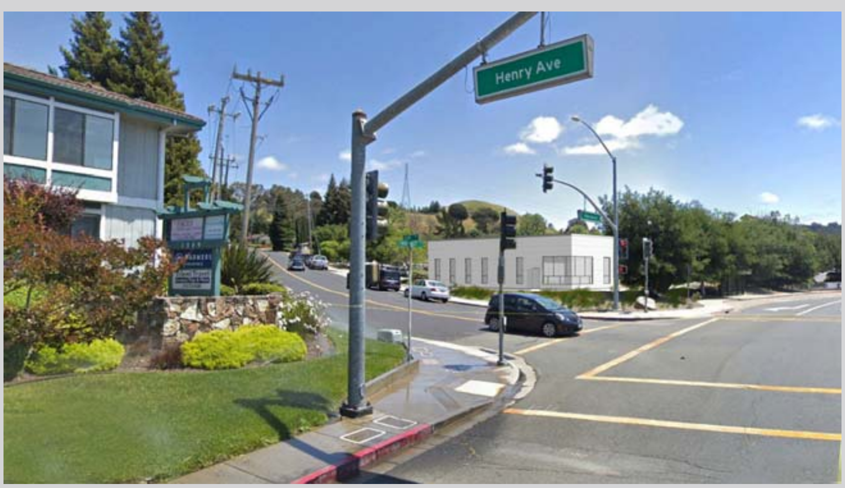
EAST BAY OPHTHALMOLOGY CENTER

CITY COUNCIL REPORT
APRIL 22, 2019

LOOKING SOUTH
EXISTING VACANT PARCEL

PRIOR SUBMITTAL
LOOKING SOUTH

CURRENT SUBMITTAL



PRIOR SUBMITTAL
LOOKING NORTH

CURRENT SUBMITTAL

NEXT STEPS

- PLANNING COMMISSION 4/22
- BUILDING PERMIT SUBMITTAL

- COUNCIL COMMENTS?

CITY COUNCIL REPORT

10A

DATE: APRIL 16, 2019

TO: MAYOR AND COUNCIL MEMBERS

FROM: ANDREA MILLER, FINANCE DIRECTOR

SUBJECT: RECEIVE CITY OF PINOLE'S COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2018

RECOMMENDATION

Receive the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018, and accept the audited reports.

Usually this would be a Consent item, but given that we have new Auditors and Council members we placed this as a New Business item.

BACKGROUND

The City of Pinole is required to prepare audited financial statements each year in accordance with generally accepted accounting principles (GAAP).

The City's auditors, Badawi & Associates Certified Public Accountants performed a review of the City's accounting records and fiscal procedures for the fiscal year (FY) 2017-18. The scope of the work included:

- Audit of the City's accounting ledgers (all funds & account groups);
- Preparation of a Comprehensive Annual Financial Report (CAFR);
- Review of the City's system of internal accounting controls (as they relate to the accounting records that support the Financial Statements);
- Review of Agreed Upon Procedures for Measure S 2006 and 2014 Financial Activity;
- Audit of the financial records of the Successor Agency to the Pinole Redevelopment Agency (a Private Purpose Trust Fund);
- Preparation of the Single Audit and related reports if applicable.

Consistent with sound fiscal management practices and prudent public policy, these reports are presented to the City Council for review and acceptance in order to enhance transparency of local government to its citizens.

A copy of the CAFR is available for public inspection in the City's Administrative Offices at 2131 Pear Street, and has been posted on the City's website at:
https://www.ci.pinole.ca.us/city_government/finance/comprehensive_annual_financial_report

REVIEW AND ANALYSIS

As required by Governmental Accounting Standards Board (GASB) reporting standards, included within the attached CAFR is a *Management's Discussion and Analysis (MD&A)* section (pages 5-19). The MD&A section of the CAFR presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal (pages i-v), the City's basic financial statements (pages 25-42), and the notes to the financial statements (pages 44-87).

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of FY 2017-18 by $35.3 million (net position). Of this amount, $17.9 million is restricted for specific purposes (restricted net position); $45.1 million is the net investment in capital assets and $27.8 million represents a deficit in unrestricted net position. (Refer to the Statement of Net Position on Page 25 of the CAFR).

- The City's net position decreased by $4 million, a 10.3% decrease at the close of FY 2017-18 as compared to FY 2016-17. As part of implementing GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits,"* a prior period adjustment was recorded to eliminate the previously reported net OPEB asset, and to recognize deferred outflows of resources and net OPEB asset as of June 30, 2017. Overall, governmental activities net position decreased by $3.7 million while business-type activities decreased by $391 thousand as a result of a decrease in net position. (See pages 8-10 of the CAFR).

- Governmental funds reported ending balances of $46.5 million, an increase of $15.1 million in comparison to the prior fiscal year ending June 30, 2017. This is primarily the result of $10 million from the sale of the Pinole Assisted Living Community (PALC) that was placed in the General Fund towards the debt and note receivable obligation, and revenue exceeding expenditures of $5 million for the year ended June 30, 2018. (Refer to the Statement of Revenues, Expenditures and Changes in Fund Balances on page 34, and see pages 12-15 of the CAFR). The General Fund as presented in the financial statements includes: General Fund – 100, Measure S 2006 Fund –

105, Measure S 2014 Fund – 106, General Reserve Fund – 150, and Equipment Reserve Fund – 160.

- The General Fund balance is $25.9 million, of which $23.2 million is unassigned. Of this amount, the City Council authorized at its June 18, 2018 meeting allocating $10 million to fund the Section 115 Trust, and at its November 13, 2018 meeting the following uses:

    - $4.6 million to fully fund the General Reserve for a total reserve balance of $6.9 million;
    - $1 million allocated towards the purchase of a new fire engine;
    - $1.6 million to pay off the remaining loan principle the City owes the former Redevelopment Agency;
    - $100,000 to fund a Disaster Relief Fund.

For FY 2017-18, the City has retained an *unmodified opinion* on the financial statements from its auditors, as it has earned during previous reporting periods. In addition, all requirements have been met to achieve the highest standard in government accounting and financial reporting, the *Certificate of Achievement for Excellence in Financial Reporting* issued by the Government Finance Officers Association of the United States and Canada. The City has received this certificate annually for the last twenty-one consecutive years.

FISCAL IMPACT

There is no fiscal impact in accepting the FY 2017-18 audited financial reports.

ATTACHMENTS

A – City of Pinole Comprehensive Annual Financial Report for the year ended June 30, 2018.

B – CAFR PowerPoint Presentation.

C – Auditors Report on Internal Control for year ended June 30 2018.

D – Successor Agency to the Pinole Redevelopment Agency Financial Statements for the year ended June 30, 2018 (*will be provided at meeting*).

E – Auditors Report on Measure S 2006 Agreed upon Procedures - FY 2017-18 (*will be provided at meeting*).

F – Auditors Report on Measure S 2014 Agreed upon Procedures - FY 2017-18 (*will be provided at meeting*).

G – Auditors Letter to Governing Body – SAS 114 for FY 2017-18 (*will be provided at meeting*).

CITY OF PINOLE, CALIFORNIA

Fiscal Year Ended June 30, 2018

Comprehensive Annual Financial Report

CITY OF PINOLE
CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Prepared by
FINANCE DEPARTMENT

City of Pinole
Comprehensive Annual Financial Report

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City of Pinole
Comprehensive Annual Financial Report

Table of Contents, Continued.

City of Pinole
Comprehensive Annual Financial Report

Table of Contents, Continued.

STATISTICAL SECTION

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Introductory Section

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CITY OF PINOLE

2131 Pear Street
Pinole, CA 94564

Phone: (510) 724-9833
FAX: (510) 724-9826
www.ci.pinole.ca.us

April 10, 2019

The Honorable Mayor, Members of the City Council
City Manager and Citizens of the City of Pinole

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Pinole, California for the fiscal year ended June 30, 2018. The City of Pinole is required to annually issue a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited by an independent, certified public accounting firm.

This report presents the finances of the City of Pinole. Management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

Badawi and Associates, a firm of licensed certified public accountants, has audited the City of Pinole's financial statements. The objective of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating overall financial management presentation. Badawi and Associates concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Pinole's financial statements for the year ended June 30, 2018, are fairly presented in conformity with GAAP. Their independent auditor's report is the first component presented in the financial section of this report.

The independent audit of the City's financial statements is part of a broader, federally mandated "Single Audit" designed to meet the needs of federal grantor agencies. The standards governing Single Audit engagements require the auditor to report not only on their fair presentation of the City's financial statements, but also on the City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Reports. A Single Audit Report is not required for the fiscal year ended June 30, 2018 as a result of federal expenditures for the year below the $750,000 threshold.

Accounting standards require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors report in the financial section of this report.

Profile of the Government

The City of Pinole was incorporated on June 25, 1903. Pinole is primarily a residential community located in West Contra Costa County, approximately 30 miles northeast of San Francisco and 20 miles north of Oakland along Interstate Highway 80. The City currently has a land area of 5 square miles and a population of 19,236.

The City operates under the Council-Manager form of government, with five Council members (consisting of a mayor and a four-member council) elected on a non-partisan basis. Council members are elected to four-year staggered terms with three council members alternating election with two council members at two-year intervals. The Council appoints the City Manager, City Attorney and City Clerk. Policymaking and legislative authorities are vested in the City Council, who among other things, passes ordinances, adopts the budget, and appoints committees. The City's manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the department directors.

Pinole is a full service city with 100 fulltime and 39 part-time authorized personnel in 2017-18. The City provides public safety (Police and Fire), public services (maintenance of streets and roads), community development (land use, building and housing standards regulation), recreation programs, parks and recreation areas, wastewater utilities, administration and fiscal services.

The financial statements included in the CAFR present the City (the primary government) and its component units if applicable. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with data from the City. Discreetly presented component units are reported in a separate column in the basic financial statements to emphasize their separateness from the City. The Successor Agency to the Pinole Redevelopment Agency is not a component unit the of the City as was the case with the former Redevelopment Agency, but is accounted for in a Private Purpose Trust Fund in the Fiduciary Funds segment of the financial report.

Assessing the City's Economic Condition

Local Economy

The City continues to show improvement in its economy with a strengthening local tax base in both retail sales and real property values. The region has a varied manufacturing, industrial and commercial base, but the City's principle businesses are engaged in merchandising and retail sales. The local unemployment rate decreased to 3.1%, down from 4.9% in 2017. Contra Costa County, which includes Pinole, has an unemployment rate of 3.5%, which is less than the state's average rate of 4.2%.

Commercial Activity

The vacancy rate for commercial properties within the City's business districts continues to decline with the development of a new shopping center, the opening of a variety of stores, specialty shops and commercial businesses. During this fiscal year, three of the City's top twenty-five retailers did close (Toy's R Us, Orchard Supply Hardware, and Kmart). Staff is working to identify new businesses to occupy space vacated by those businesses.

- *Gateway Shopping Center Project*
  The Gateway Shopping Center is an approximately 5.5-acre site located on both the east and west sides of Pinole Valley Road, just north of Interstate Highway 80 and south of Henry Avenue. The site is bordered by Pinole Creek on the west, Henry Avenue on the north, the existing Kaiser Permanente Medical facility on the east, and Interstate 80 and Pinole Valley Lanes on the south.

The Gateway West portion of the project is complete and includes Sprouts Farmers Market, Habit Burger, Orange Theory, Cookie Dough Parlor, and Jovance Salon and Barbering. The Gateway East portion of the project includes: an approximately 11,000 square foot medical office building with an associated parking garage planned to open in the second half of 2019, a 75-foot pylon sign, and a drive through Starbucks which opened in November 2016. Landscape enhancements and a pedestrian connection for the Pinole Creek Trail, west of the Gateway West portion of the project site is in progress.

- *CVS Pharmacy Project*
  The City has approved building permits for development of a new approximately 15,000 square foot CVS store with a drive through pharmacy at 1617 Canyon Drive (southeast corner of the intersection of Appian Way and Canyon Drive) that is under construction. The project involves the demolition of the existing multi-story medical building, and includes the relocation of two existing wireless communications facilities within the approximately 1.9-acre project site and the construction of a clock tower structure to camouflage the proposed relocated wireless communication facility antennas. The new store will replace the existing CVS store in the Appian 80 Shopping Center. The project is estimated to be completed in Spring of 2019.

Major Initiatives

Budget Recovery Plan

During fiscal year 2017-18, the City maintained its commitment towards improving the General Fund's financial condition. The General Fund reserve was established in fiscal year 2014-15 in the amount of $3 million using one time revenues mainly from the sale of property from the former Redevelopment Agency. City Council established a goal of funding a $5.5 million reserve, or six months equivalent of operating expenses. Beginning in fiscal year 2016-17, $200,000 is allocated to general reserves from Measure S 2014 funding.

Capital Facilities and Infrastructure Projects

- *Wastewater Pollution Control Plant Improvements*
  Construction of the Pinole-Hercules Wastewater Treatment Plant upgrade project which has been in development for the past five years began in May of 2016. Construction is anticipated to last approximately 30 months with an estimated completion in June of 2019.

  The estimated project cost is $53 million and is funded 50/50 by the cities of Pinole and Hercules. The City has received a low interest State Revolving Fund (SRF) loan in the amount of $26.6 million from the State Water Resources Control Board (SWRCB) for its proportionate share of construction costs. The City adopted a 5-year rate plan on July 2, 2013 to generate the required debt service funding. The rates for a Single Family Residence (SFR) increased from $60.55/month to $62.55/month effective July 1, 2017.

- The City of Pinole expanded the street light replacement program in conjunction with PG&E to include an additional 260 street lights. The program replaced high pressure sodium street lights with energy saving LEDs. The estimated energy savings and decreased maintenance costs will pay for the retrofit project in less than five years.

Community Events

- The Pinole Police Department hosted several community outreach programs such as: National Night Out, Beat Team Meetings, Coffee with a Cop, Police/Clergy Coalition, School Liaison Officer Program, Paws on Patrol, and the Parent Program.

- The Annual Community Service Day was held in June 2018. This event was attended by more than a hundred civic-minded community members who joined together to volunteer in a variety of hands-on community projects throughout Pinole. The event concluded with an appreciation lunch at the Pinole Youth Center.

- Other community events include: a Halloween Carnival, Christmas Tree Lighting, concerts and movies in the park, the American Cancer Society's annual Relay for Life, cookies and canvas fundraiser, wine tasting fundraiser, annual crab feed, Coastal Clean-up, Classic Car Show, and Special Olympics Northern California Bike the Bridges.

Financial Policies and Planning

The annual budget serves as the foundation for the City of Pinole's financial planning and control. The budget process begins in February with each department receiving a budget packet. The City Manager, Assistant City Manager and Finance Director meets with each department director to discuss their budget requests and to make adjustments where necessary. The Finance Subcommittee meets in May at which time the departments' proposed operating budgets are presented to the City Council for further review and preparation for the public hearing. Prior to July 1 of each year, the City Manager submits to the City Council a proposed operating budget for the coming fiscal year. The operating budget includes proposed expenditures and the financing sources. Public hearings are conducted in June to obtain taxpayers' comments. The budget is legally adopted through passage of a Council resolution no later than June 30. A budget review, which includes recommended additions or changes, is presented to the City Council on a quarterly basis. Any changes as a result of these reviews are legally adopted through Council resolution.

The Council exercises budgetary control at the functional department level. Formal budgetary integration is employed as a management control device during the fiscal year for the General Fund, Special Revenue Funds, Capital Project Funds, Enterprise Funds, and Internal Services Funds. The budgeted funds are adopted on a basis consistent with GAAP in the United States. Expenditures may not legally exceed budgeted appropriations at the fund level. Management does not have the authority to amend the budget without approval of the City Council.

Public funds held by the City Treasury were invested in accordance with the City's Investment Policy that was reviewed and adopted on August 21, 2018 and conforms to the California Government Code Section 53601. The permitted investments include U.S. treasury notes, bonds, or bills; instruments issued by a U.S. federal agency or a U.S. government sponsored enterprise; negotiable certificates of deposit (with certain restrictions); medium term corporate notes with a rating category of “AA” or better; commercial paper of “prime quality”; bankers acceptances; repurchase agreements not to exceed 30 days; money market mutual funds; and with the State of California Local Agency Investment Fund. The objectives of the City's Investment Policy are to invest up to 100% of temporarily idle funds while maintaining safety, liquidity and yield. The Investment Policy is reviewed annually in conjunction with all financial policies to ensure its consistency with respect to the overall objectives, and its relevance to current laws and financial trends.

The City is a member of the Municipal Pooling Authority (MPA). This Joint Powers Authority (JPA) was formed to allow member agencies to pool together to provide cost effective risk management services and programs to member agencies. The MPA provides for general liability, workers compensation, auto-physical damage, all risk fire and property, including earthquake, and boiler and machinery coverage. The City also purchases employee benefit coverage through this pool which includes dental and orthodontic, life and long-term disability coverage.

The City has fully implemented the following most recent Governmental Accounting Standards Board (GASB) Statements: Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,*" Statement No. 81, *"Irrevocable Split-Interest Agreements,"* Statement No. 85, *"Omnibus 2017,"*and Statement No. 86, "*Certain Debt Extinguishment Issues*." Refer to Note 1 on pages 55 and 56 for more information.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Pinole for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. This was the twenty-first consecutive year that the City has received the prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its continued eligibility for a certificate.

Acknowledgements

The preparation of the CAFR was made possible through the dedicated work of the Finance Department staff. Special thanks and acknowledgement are due to Maria Mata and Alice Johnson for their commitment and effectiveness in the maintenance of the City's financial records.

I wish to acknowledge and thank the City Council and City Manager for their leadership and commitment to ensuring the long-term fiscal health of the City.

Respectfully submitted,

Andrea Miller
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Pinole

California

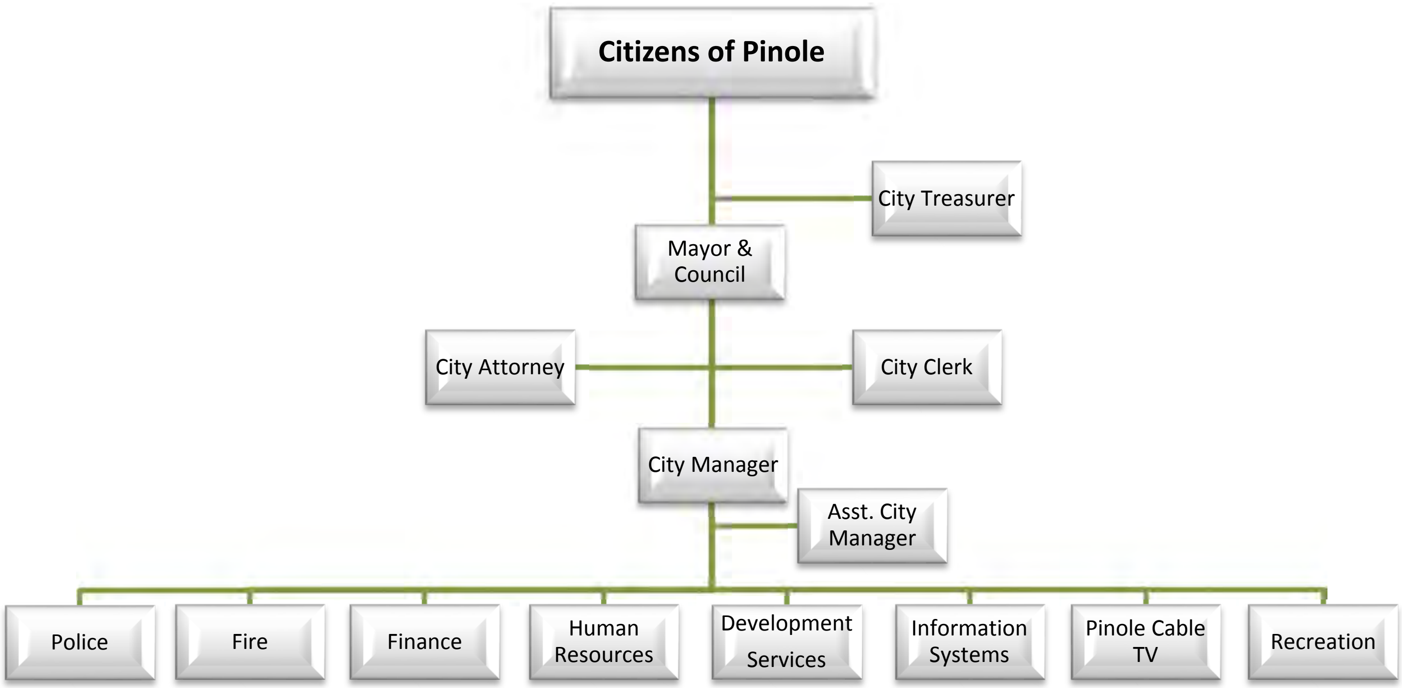
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

CITY OF PINOLE – ORGANIZATIONAL CHART



CITY OF PINOLE

ELECTED OFFICIALS AND ADMINISTRATIVE PERSONNEL

JUNE 30, 2018

ELECTED OFFICIALS

Mayor	Tim Banuelos
Mayor Pro Tem	Peter Murray
Council Member	Roy Swearingen
Council Member	Debbie Long
Council Member	Maureen Toms
City Treasurer	Dina Rosales

ADMINISTRATIVE PERSONNEL

City Manager	Michelle Fitzer
Assistant City Manager	Hector De La Rosa
City Attorney (Contract)	Eric Casher
Development Services Director	Tamara Miller
Finance Director	Andrea Miller
Police Chief	Neil Gang
Fire Chief	Scott Kouns
City Clerk	Rosa Acosta

CITY OF PINOLE CALIFORNIA
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Financial Section

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BADAWI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
of the City of Pinole
Pinole, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pinole, California (City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Address: 180 Grand Avenue, Suite 1500 Oakland, CA 94612 • Phone: 510.768.8251 • Fax: 510.768.8249

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information, and OPEB information on pages 5-19, 91-95 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, budgetary comparison schedule for the City Capital Projects Fund, combining and individual nonmajor fund financial statements, budgetary comparison schedules on pages 98 to 122 and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedule for the combining and individual nonmajor fund financial statements and budgetary comparison schedules on pages 98 to 122 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule for the City Capital Projects Fund, combining and individual nonmajor fund financial statements, and the budgetary comparison schedules on pages 98 to 122 are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2018, the City adopted new accounting guidance, *GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Badawi & Associates

Badawi & Associates, CPAs
Oakland, California
April 10, 2019

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Pinole's (City) Comprehensive Annual Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2018 (FY 2017-18). We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's basic financial statements which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of FY 2017-18 by $35.3 million (net position). Of this amount, $17.9 million is restricted for specific purposes (restricted net position), $45.1 million is the net investment in capital assets and $27.8 million represents a deficit in unrestricted net position.

- The City's net position decreased by $4 million, a 10.3% decrease at the close of FY 2017-18 as compared to FY 2016-17. As part of implementing GASB Statement No. 75, a prior period adjustment was recorded to eliminate the previously reported net OPEB asset, and to recognize deferred outflows of resources and net OPEB asset as of June 30, 2017. Overall, governmental activities net position decreased by $3.7 million while business-type activities decreased by $391 thousand as a result of a decrease in net position.

- Governmental funds reported ending balances of $46.5 million, an increase of $15.1 million in comparison to the prior fiscal year ending June 30, 2017.

- The General Fund balance is $25.9 million, of which $23.2 million is unassigned.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information and related notes, combining statements for non-major governmental funds, and individual fund financial statements and schedules.

Government-wide Financial Statements

Government-wide Financial Statements are designed to provide readers with a broad overview of City finances, in a manner similar to a private-sector business. The government-wide financial statements include the City (primary government); the City does not have any component units.

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows (accrual basis of accounting).

Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to interest on long-term debt.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a substantial portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public services, recreation, and community development. The business-type activities of the City include wastewater utility. As of February 1, 2012, the activity of the Successor Agency to Pinole Redevelopment Agency (Successor Agency) is reported with the City's fiduciary funds, which is not included in the government-wide statements since the resources of those funds are not available to support the City's own programs. The Successor Agency is included as a fiduciary fund as the activities are under the control of an Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.

Fund Financial Statements

Fund Financial Statements use fund accounting to segregate accounts for specific activities or objectives, including demonstrating finance-related legal compliance. All of the funds of the City can be divided into three categories: *governmental funds, proprietary funds, and fiduciary funds*, as described below.

<u>*Governmental funds*</u> are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year.

The governmental funds focus is narrower than that of the government-wide financial statements. It is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. This comparison facilitates a better understanding of the long-term impact associated with the government's near-term financing decisions. The governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains several individual governmental funds organized according to their type (general, special revenue, debt service, and capital projects). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the *major funds (see Notes to Basic Financial Statements)*.

Data from the remaining non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided as supplementary information in the form of *combining statements*.

<u>*Proprietary funds*</u> are generally used to account for services for which the City charges customers – either outside customers or internal units of departments in the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains two types of proprietary funds, *enterprise funds* and *internal service funds*, as described below.

- *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the wastewater utility.

- *Internal service funds* are used by the City to establish reserves and account for employee benefits, equipment replacement, liability insurance, and retiree medical benefits. These funds serve both governmental and business-type functions and so they are allocated accordingly in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided as supplementary information in the form of *combining statements*.

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements. The fiduciary funds for the City consist of the Successor Agency to the Pinole Redevelopment Agency Private-Purpose Trust Fund.

Notes to Basic Financial Statements

Notes to Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

Required Supplementary Information includes budgetary comparison schedules that have been provided for the major governmental funds to demonstrate compliance with the budget. Required supplementary information also includes schedules showing the City's progress towards funding its pension plan and other post-employment benefits (OPEB). The City participates in California's Public Employees Retirement System (CalPERS) for its pension plan and provides its employees with post-retirement health care benefits (OPEB).

Supplementary Information

Supplementary Information includes information for non-major governmental, non-major enterprise, internal service, and agency funds, and is presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following section provides a comparative analysis of government-wide data for FY 2017-18 and FY 2016-17. The Statement of Net Position will be discussed first, followed by a discussion of the Changes in Net Position.

The following table is a summary of the Statement of Net Position as of June 30, 2018 (2018) and June 30, 2017 (2017).

City of Pinole
Net Position (in millions)

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Assets:						
Current and other assets	$ 49.2	$ 34.2	$ 12.7	$ 10.6	$ 61.9	$ 44.9
Capital assets	31.9	33.0	36.1	29.0	68.0	62.0
Total assets	**81.1**	**67.2**	**48.8**	**39.6**	**129.9**	**106.9**
Deferred outflows of resources	9.0	5.7	0.5	0.3	9.5	6.0
Liabilities:						
Current liabilities	3.1	3.3	1.8	2.2	4.9	5.5
Long-term liabilities	65.8	47.5	27.4	17.7	93.2	65.2
Total liabilities	**68.9**	**50.8**	**29.2**	**19.9**	**98.1**	**70.7**
Deferred inflows of resources	5.6	2.9	0.5	-	6.1	2.9
Net position:						
Net investment in capital assets	31.8	32.7	13.4	14.4	45.2	47.1
Restricted	17.9	17.8	-	-	17.9	17.8
Unrestricted	(34.0)	(31.1)	6.2	5.6	(27.8)	(25.6)
Total net position	**$ 15.7**	**$ 19.3**	**$ 19.6**	**$ 20.0**	**$ 35.3**	**$ 39.3**

Analysis of Net Position

Net position may serve as a useful indicator of a government's financial position. The City's assets exceeded liabilities by $35.3 million at the close of FY 2017-18. The City's combined net position decreased 10.4%, or $4 million from the prior fiscal year. This is primarily a result of changes in unrestricted net position of governmental and business-type activities due to the prior fiscal year restatement.

- *Net investment in capital assets* (e.g. infrastructure, land, buildings, improvements other than buildings, construction in progress, and equipment), less any related debt used to acquire assets still outstanding, is $45.1 million (128% of the total). The City uses these capital assets to provide services to the community; consequently, these assets are not available to for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since generally capital assets are not used to liquidate these liabilities. The City's net investment in capital assets decreased by $1.9 million (Note 5). The majority of the decrease was attributable to the depreciation of equipment.

- *Restricted net position* of $17.9 million (51% of the total) represents resources that are subject to external restrictions on how they may be used. Of this amount, $13.9 million represents housing net position with $1.2 million of that amount representing properties held for housing resale or redevelopment (Note 4).

- *Unrestricted net position*, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, increased by $2.3 million to negative $27.8 million. Governmental activities unrestricted net position was a negative $34.0 million (primarily as a result of implementing GASB Statement Nos. 45, 68, 71 and 75), and business-type activities net position was a positive $6.2 million.

Analysis of Activities

The following table reflects the changes in net position for governmental and business-type activities as of June 30, 2018 (2018) and June 30, 2017 (2018).

City of Pinole
Changes in Net Position

	Governmental Activities		Business-type Activities		Totals		
	2018	2017	2018	2017	2018	2017	Total % Change
Revenues:							
Program revenues:							
Charges for services	$ 4,238,689	$ 3,424,433	$ 6,524,537	$ 6,315,563	$ 10,763,226	$ 9,739,996	10.5%
Operating grants and contributions	11,483,081	227,184	-	-	11,483,081	227,184	4954.5%
Capital grants and contributions	-	1,262,813	-	-	-	1,262,813	-100.0%
Total program revenue	15,721,770	4,914,430	6,524,537	6,315,563	22,246,307	11,229,993	98.1%
General revenues:							
Taxes:							
Property tax	4,555,299	3,491,463	-	-	4,555,299	3,491,463	30.5%
Sales tax	8,327,359	7,596,645	-	-	8,327,359	7,596,645	9.6%
Franchise tax	747,625	762,726	-	-	747,625	762,726	-2.0%
Utility tax	2,293,756	2,066,622	-	-	2,293,756	2,066,622	11.0%
Transient occupancy tax	513,368	478,940	-	-	513,368	478,940	7.2%
Other taxes	457,231	365,346	-	-	457,231	365,346	25.2%
Motor Vehicle in Lieu	1,701,939	1,608,906	-	-	1,701,939	1,608,906	5.8%
Investment Earnings	278,155	15,638	58,958	3,570	337,113	19,208	1655.1%
Miscellaneous	135,059	70,366	-	-	135,059	70,366	91.9%
Total general revenues	19,009,791	16,456,652	58,958	3,570	19,068,749	16,460,222	15.8%
Total revenues	34,731,561	21,371,082	6,583,495	6,319,133	41,315,056	27,690,215	49.2%
Expenses:							
General government	3,482,534	5,952,688	-	-	3,482,534	5,952,688	-41.5%
Public safety	12,202,527	10,326,947	-	-	12,202,527	10,326,947	18.2%
Public services	3,217,759	2,568,265	-	-	3,217,759	2,568,265	25.3%
Recreation	1,145,227	1,151,760	-	-	1,145,227	1,151,760	-0.6%
Community development	1,642,031	1,065,848	-	-	1,642,031	1,065,848	54.1%
Interest and fiscal charges	331,464	338,507	-	-	331,464	338,507	-2.1%
Wastewater utility	-	-	5,193,994	4,597,454	5,193,994	4,597,454	13.0%
Total expenses	22,021,542	21,404,015	5,193,994	4,597,454	27,215,536	26,001,469	4.7%
Revenues over (under) expenses	12,710,019	(32,933)	1,389,501	1,721,679	14,099,520	1,688,746	734.9%
Changes in Net Position	12,710,019	(32,933)	1,389,501	1,721,679	14,099,520	1,688,746	734.9%
Net position, beginning of year, restated	2,941,729	19,340,737	18,233,333	18,292,291	21,175,062	37,633,028	-43.7%
Net position, end of year	$ 15,651,748	$ 19,307,804	$ 19,622,834	$ 20,013,970	$ 35,274,582	$ 39,321,774	-10.3%

Governmental Activities

Governmental activities net position decreased by $3.7 million accounting for 90% of the total decrease in net position of $4.0 million. Key elements of the change in net position are as follows:

- The decrease in net position is primarily the result of a prior period adjustment (Note 15) to implement GASB 75, *"Accounting and Financial Reporting for Postemployment Benefits."*

- Program revenue reflected an increase of $10.8 million (220%) over FY 2016-17. Operating grants and contributions increased by $11.3 million largely due to the sale of property proceeds, capital grants and contributions decreased by $1.3 million (100%) over the prior fiscal year, while charges for services increased $0.8 million (23.3%) as result of increase permit and fee revenue resulting from increased development in the Gateway and Appian 80 area.

- General revenue reflected an increase of $2.6 million (15.5%) over FY 2016-17. This is largely attributable to an increase in Property Tax of $1.1 million (30%) over FY2016-17, and an increase in Sales Tax of $0.7 million (9.6%) as a result of an increase in online shopping and delayed apportionment from the county pools to the local agencies. Overall, this is indicative of a continued strengthening of the City's economy with new development, a strong Sales Tax base, and stabilized home sales.

Expenses increased by $0.6 million (2.9%) in FY 2017-18. The most significant changes were in general government with a decrease of $2.5 million (-41.5%), public safety with an increase of $1.9 million (18.2%) and public services with an increase of $0.6 million (25.3%). These changes are largely due to onetime expenditures in the prior fiscal year with the implementation of new financial software purchased in general government and an increase in public safety FY2017-18 due to one-time vehicle equipment purchases.

Business-type Activities

Business-type activities decreased the City's net position by $0.4 million accounting for 10% of the total decrease in net position of $4.0 million. Key elements of the change in net position are as follows:

- As is the case in governmental activities, the decrease in net position is primarily the result of a prior period adjustment (Note 15) to implement GASB 75, *"Accounting and Financial Reporting for Postemployment Benefits."*

- The City's sole business-type activity is the operation of its Water Pollution Control Plant (WPCP) Wastewater Utility, which is accounted for in a proprietary-type enterprise fund. The WPCP accounts for the collection, treatment and disposal of wastewater generated by city residents and businesses. The operation and maintenance of the City's Wastewater Utility should be a self-supporting enterprise that is paid for by monthly service charges to all residential and commercial users. The City's business-type activities provide the same type of information as the proprietary fund financial statements, but are presented in a more summarized format.

- Program revenues increased $0.2 million (3.3%) over the prior fiscal year.

- There was a increase in expenses over the prior fiscal year of $0.6 million (13%). Depreciation expense is considered a cost of service in proprietary funds, which accounted for $1.0 million in FY 2017-18 (Note 5).

- The City of Pinole is financing its share of the Water Pollution Control Plant Upgrade project through a low interest loan from the State Revolving Loan Fund. The City has been approved for a loan in the amount of $26.6 million by the State Water Resources Control Board. In order to repay the loan, the City Council approved Resolution Number 2013-47 with scheduled rate increases over a five year period, beginning July 1, 2013. The 2017 monthly rate for single family residents was $62.55.

Fund Financial Analysis

The City uses ***fund accounting*** to segregate accounts for specific activities or objectives, including demonstrating finance-related legal compliance.

Governmental Funds

The following table presents the Governmental Funds' balances as of June 30, 2018:

Governmental Fund Balances

	General Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable	$ 12,669	$ -	$ 12,669
Restricted	$ 133,586	$ 18,250,952	$ 18,384,538
Committed	$ 2,531,677	$ 2,366,429	$ 4,898,106
Unassigned	$ 23,249,204	$ (43,673)	$ 23,205,531
Total Fund Balances	$ 25,927,136	$ 19,688,978	$ 46,500,844

The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in fiscal year 2010-11 (Note 11). This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

At June 30, 2018, the City's governmental funds reported combined fund balances of $46.5 million, which is an increase of $15.1 million (48.1%) when compared to the prior fiscal year, FY 2016-17. This is primarily the result of sale of the Pinole Assisted Living Community (PALC) property.

Nonspendable fund balances constitute $13 thousand, (.03%) of the combined governmental fund balance and cannot be spent either because the underlying resources are not in a spendable form or because the government is legally or contractually required to maintain the resources intact.

Restricted fund balances constitute $18.4 million, (39.5%) of the combined governmental fund balance and are constrained for a specific purpose by external parties, constitutional provision, or enabling legislation.

Committed fund balances constitute $4.9 million (10.5%) of the combined governmental fund balance and are constrained by City Council for reserves for economic uncertainty as well as certain capital projects. *Assigned fund balances* are intended to be used for specific purposes and have been identified as such by the City Council or the City Manager who has been delegated authority by the City Council to assign amounts. No portion of the governmental fund balances is currently *assigned*.

Unassigned fund balances constitute $23.2 million (49.91%) of the combined governmental fund balance and consist of amounts that have not been classified as *nonspendable*, *restricted*, *committed*, or *assigned*.
Analysis of Governmental Funds

General Fund

The designated major Governmental funds in FY 2017-18 are the General Fund and the Housing Fund. A ***major fund*** is defined as those funds whose revenues, expenditures/expenses, assets or liabilities are at least 10 percent of the total for their fund category (governmental or enterprise) and 5 percent of the aggregate of all governmental and enterprise funds in total.

The **General Fund** is the primary operating fund of the City. The General Fund is used to report the financial results of the daily operations of the City. The major revenue sources are Property Tax, Sales Tax, and Utility Users' Tax. The major expenditures are salaries and administrative expenses.

The fund balance for the General Fund increased by $14.2 million, primarily reflecting sales proceeds from the sale of property of $10 million, and revenues in excess of expenditures in the current fiscal year of $5.0 million, offset by other financing uses in the amount of $0.8 million as a result of operating contributions to other operating funds.

General Fund revenue increased by $2.9 million (17.3%) this fiscal year. The largest component of this increase is in the Taxes and Assessments revenue category of $1.9 million (12.9%), and in the Charges for Services category of $0.9 million (44.2%). This is a result of an increase in police communication fees and license and permit fees related to development.

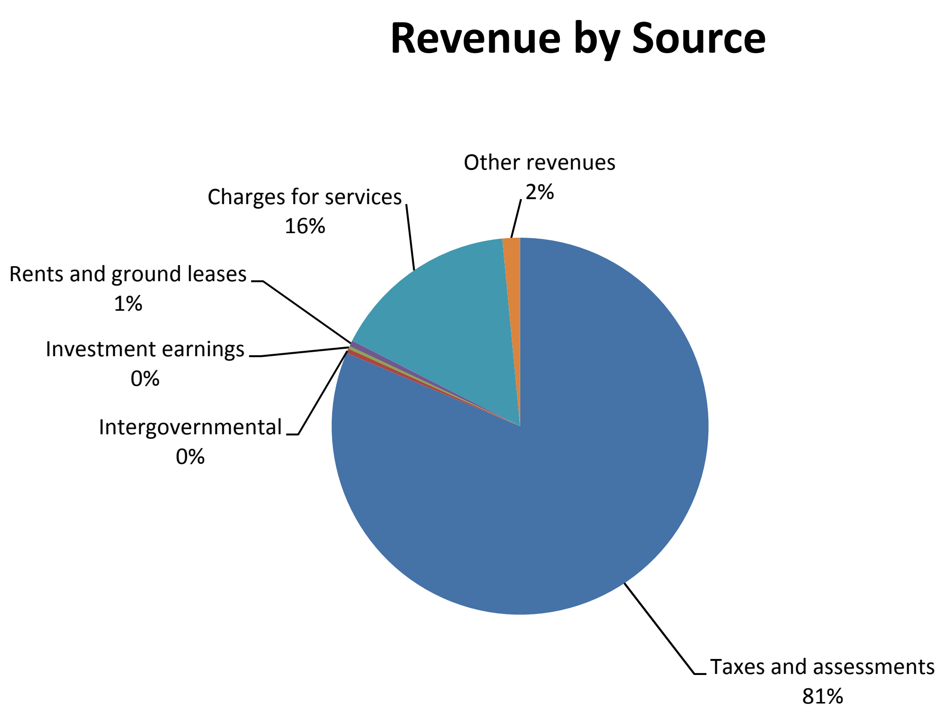
General Fund expenditures increased $1.2 million this fiscal year (9%). This is primarily attributed to salary and benefit increases, and increase in capital outlay of $0.7 million related to vehicle and equipment purchases funded this fiscal year.

Revenue

The following table highlights the General Fund revenue by source as of June 30, 2018.

Revenue by Source

	% of Total	FY 2017-18
Taxes and assessments	81%	16,363,136
Intergovernmental	0%	79,426
Investment earnings	0%	48,384
Rents and ground leases	1%	102,811
Charges for services	16%	3,220,215
Other revenues	2%	302,412
Total	100%	20,116,384

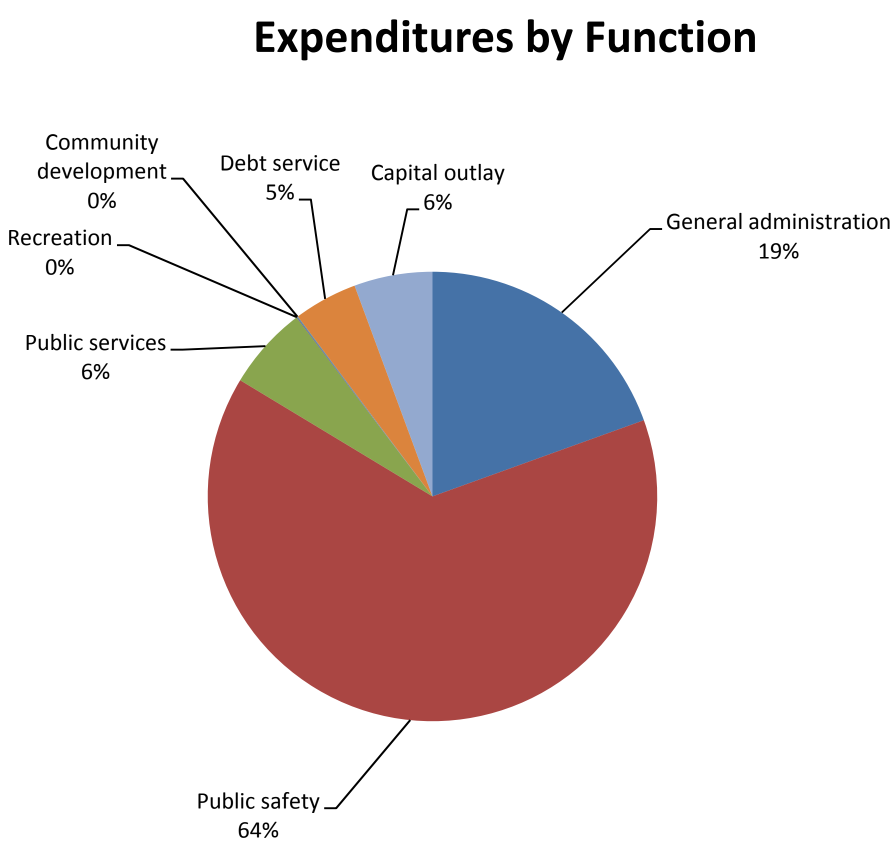


Expenditures

The following table highlights the General Fund expenditures by function as of June 30, 2018.

City of Pinole
Expenditures Classified by Function

Expenditures by Function	% of Total	FY 2017-18
General administration	19%	2,941,569
Public safety	64%	9,678,926
Public services	6%	906,391
Recreation	0%	8,458
Community development	0%	8,206
Debt service	5%	693,138
Capital outlay	6%	849,845
Total	100%	15,086,533



Other Governmental Funds

These funds are not presented separately in the Basic Financial statements, but are presented individually as Supplemental Information.

Other governmental funds revenue increased by $0.2 million this fiscal year as compared to the prior fiscal year. This is largely the result of fees associated with new development in the Gateway Shopping Center and Appian 80.

Other governmental funds expenditures increased by $0.7 million this fiscal year as compared to the prior fiscal year. This is largely in the community development and capital outlay category as a result of infrastructure projects completed this fiscal year.

Proprietary Fund

Wastewater Utility

The Wastewater Utility Funds net position decreased by $0.4 million (3.3%) over the prior fiscal year to a total of $19.6 million. Operating income for FY 2017-18 was $6.5 million, as revenues increased $0.2 million, while expenditures increased $0.6 million.

The Fund's Net Position is comprised of $13.4 million net investment in capital assets and $6.2 million in unrestricted net assets at June 30, 2018. The increased rates for the sewage collection and treatment fees have successfully restored positive cash flows to the City's Business-type Activities, stabilizing the fiscal condition of this enterprise activity.

Fiduciary Fund

The Successor Agency to the Pinole Redevelopment Agency Private Purpose Trust Fund

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1x-26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. In accordance with the timeline set forth in the bill, all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entity as of February 1, 2012.

The Successor Agency is a separate legal entity which was formed to hold the assets of the former Redevelopment Agency pursuant to City Council action. The activity of the Successor Agency is overseen by an Oversight Board comprised of individuals appointed by various government agencies (Note 1).

Recognizing the need for short-term borrowing to finance the General Fund cash flow (Working Capital) needs following the fiscal distress resulting from the Economic Recession of 2008, internal borrowing between the City and its former Redevelopment Agency was authorized in April of 2008. The amounts advanced ($2.5 million) by the Redevelopment Agency will be repaid with interest over a period of no more than fifteen years commencing the 2013-14 fiscal year. Repayment of the debt was secured with a collateralized investment agreement pledging City assets (real property and facilities having commercial value in excess of the amount authorized for the borrowing) against the borrowing. The initial repayment of $263,300 was made in 2014, and the remaining balance of the Note Payable at June 30, 2018 was $1,592,071 (Note 6).

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets:

The City's net investment in capital assets for its governmental and business-type activities as of June 30, 2018 was $45.1 million. This investment in capital assets includes: infrastructure, land, construction-in-progress, buildings, and improvements, equipment, vehicles, streets and roads, storm drains, bridges, parks, and sewer lines. Infrastructure assets are items that are normally immovable and of value to the City such as roads, bridges, streets and sidewalks, drainage systems, lighting systems, and similar items (Note 5).

Net investment in capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:

Capital Assets at Year-end

	2018	2017	Net Change
Governmental Activities			
Land (and Construction-in-progress)	$ 6,907,421	$ 6,842,167	$ 65,254
Buildings & Improvements	16,232,126	16,183,966	48,160
Equipment	5,029,188	4,640,805	388,383
Vehicles	3,179,216	2,935,519	243,697
Streets & Roads	50,184,035	50,184,035	-
Storm Drains	2,829,488	2,829,488	-
Bridges	3,117,473	3,117,473	-
Parks	2,420,246	2,420,246	-
Less accumulated depreciation	(57,957,289)	(56,158,142)	(1,799,147)
Totals	**$ 31,941,904**	**$ 32,995,557**	**$ (1,053,653)**
Business-type activities			
Construction in Progress	$ 21,370,171	$ 13,236,260	$ 8,133,911
Sewer Lines	7,650,185	7,650,185	-
Buildings & Improvements	20,670,132	20,670,132	-
Vehicles	578,652	578,652	-
Equipment	3,272,597	3,272,597	-
Less accumulated depreciation	(17,420,246)	(16,390,367)	(1,029,879)
Totals	**$ 36,121,491**	**$ 29,017,459**	**$ 7,104,032**

Debt Administration:

Each of the City's debt issues is discussed in detail in Note 7 to the financial statements. At June 30, 2018 the City's remaining long-term debt is comprised of a Pension Obligation Bond bearing interest rates ranging from 5.67% to 6.12%, and capital equipment leases, as follows:

Outstanding Debt

Governmental Activity Debt:	Balance 30-Jun-18	Balance 30-Jun-17	Net Change
Pension Obligation bonds	$ 3,436,175	$ 3,686,615	$ (250,440)
Capital Lease Obligations	183,490	294,724	(111,234)
Total Debt	$ 3,619,665	$ 3,981,339	$ (361,674)

Other long-term liabilities include accrued payroll obligations (vested compensated absences accrued).

Other Long-term Liabilities

Other Long-term Liabilities:	Balance 30-Jun-18	Balance 30-Jun-17	Net Change
Compensated Absences	$ 656,630	$ 598,774	$ 57,856
Total Other Long-term Liabilities	$ 656,630	$ 598,774	$ 57,856

ECONOMIC OUTLOOK AND MAJOR INITIATIVES

The economy of the City and its major initiatives for the coming year are discussed in detail in the accompanying Transmittal Letter (page i-v). The most significant financial initiatives facing the City are, as follows:

- Successful implementation of the **City's Budget Recovery Plan** has eliminated structural deficits between the generation and collection of current period revenues and those on-going expenditures required to sustain basic service levels for all programs and activities.

- **Capital Facility and Public Infrastructure projects** are progressing according to construction scheduling, with primary focus on repairs to City streets/roadways and renovation of the joint use Wastewater Treatment Plant operated cooperatively with the City of Hercules. The City adopted a Five-Year Capital Improvement Plan on August 21, 2018 which identifies capital needs and funding for the next five years.

- **Redevelopment Dissolution** activities are progressing with the submission of a Long-Range Property Management Plan and annual Recognized Obligation Payment Schedules to the State Department of Finance. The City's legal complaint against the State regarding Asset Transfers was resolved in May of 2014, based on a Court Ruling. Despite strong language from the Court regarding the unfair consequences of the adopted dissolution legislation, the Judicial Decision was not favorable to the City. In June (2014), the City Council decided that it would not appeal the Court's decision in this matter.

REQUESTS FOR INFORMATION

This financial report is designed to provide our residential and business community, taxpayers, customers, investors, and creditors with a general overview of the City's finances. Questions concerning any information provided in this report or requests for additional information should be addressed to the City of Pinole, Finance Department, 2131 Pear Street, Pinole, CA 94564. Alternatively, you may send your inquiries via email to Finance@ci.pinole.ca.us.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Pinole
Statement of Net Position
June 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	$ 40,531,161	$ 12,224,244	$ 52,755,405
Accounts receivable	3,141,647	460,072	3,601,719
Inventory	12,669	1,198	13,867
Land held for redevelopment	1,222,070	-	1,222,070
Due from private-purpose trust fund	4,291,575	-	4,291,575
Capital assets			
Land and construction in progress	6,907,421	21,370,171	28,277,592
Capital assets being depreciated, net	25,034,483	14,751,320	39,785,803
Total assets	81,141,026	48,807,005	129,948,031
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	7,969,399	380,762	8,350,161
OPEB related amounts	1,056,600	117,400	1,174,000
Total deferred outflows of resources	9,025,999	498,162	9,524,161
LIABILITIES			
Accounts Payable	936,137	1,337,829	2,273,966
Unearned revenue	2,137	-	2,137
Deposits payable	167,933	-	167,933
Advance from private-purpose trust fund	1,592,071	-	1,592,071
Long-term liabilities:			
Due within one year	442,825	489,489	932,314
Due in more than one year	3,833,470	22,383,346	26,216,816
Other postemployment benefits			
Due in more than one year	32,029,200	3,558,800	35,588,000
Net pension liability			
Due in more than one year	29,939,208	1,430,436	31,369,644
Total liabilities	68,942,981	29,199,900	98,142,881
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	2,158,596	103,133	2,261,729
OPEB related amounts	3,413,700	379,300	3,793,000
Total deferred inflows of resources	5,572,296	482,433	6,054,729
NET POSITION			
Net investment in capital assets	31,758,414	13,381,134	45,139,548
Restricted for:			
Streets & roads	1,696,227	-	1,696,227
Capital Projects	1,486,271	-	1,486,271
Public Safety	710,568	-	710,568
Storm Sewer	100,502	-	100,502
Housing activities	13,944,760	-	13,944,760
Unrestricted	(34,044,994)	6,241,700	(27,803,294)
Total net position	$ 15,651,748	$ 19,622,834	$ 35,274,582

See accompanying Notes to Basic Financial Statements.

City of Pinole
Statement of Activities
For the year ended June 30, 2018

		Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Primary Government:					
Governmental activities:					
General government	3,482,534	$ 648,409	$ 76,259	$ -	$ 724,668
Public safety	12,202,527	1,435,741	507,426	-	1,943,167
public services	3,217,759	153,810	882,186	-	1,035,996
Recreation	1,145,227	846,822	-	-	846,822
Community development	1,642,031	1,153,907	10,017,210	-	11,171,117
Interest and fiscal charges	331,464	-	-	-	-
Total governmental activities	22,021,542	4,238,689	11,483,081	-	15,721,770
Business-type activities:					
Wastewater utility	5,193,994	6,524,537	-	-	6,524,537
Total business-type activities	5,193,994	6,524,537	-	-	6,524,537
Total primary government	$ 27,215,536	$ 10,763,226	$ 11,483,081	$ -	$ 22,246,307

General Revenues:

Taxes:

Property taxes

Sales taxes

Franchise taxes

Utility taxes

Transient occupancy tax

Other taxes

Unrestricted motor vehicle in lieu

Investment earnings

Miscellaneous

Total general revenues

Change in net position

Net position - beginning of year, as restated

Net position - end of year

See accompanying Notes to Basic Financial Statements.

Primary Government		
Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (2,757,866)	$ -	$ (2,757,866)
(10,259,360)	-	(10,259,360)
(2,181,763)	-	(2,181,763)
(298,405)	-	(298,405)
9,529,086	-	9,529,086
(331,464)	-	(331,464)
(6,299,772)	-	(6,299,772)
-	1,330,543	1,330,543
-	1,330,543	1,330,543
(6,299,772)	1,330,543	(4,969,229)
4,555,299	-	4,555,299
8,327,359	-	8,327,359
747,625	-	747,625
2,293,756	-	2,293,756
513,368	-	513,368
457,231	-	457,231
1,701,939	-	1,701,939
278,155	58,958	337,113
135,059	-	135,059
19,009,791	58,958	19,068,749
12,710,019	1,389,501	14,099,520
2,941,729	18,233,333	21,175,062
$ 15,651,748	$ 19,622,834	$ 35,274,582

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FUND
FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Funds Financial Statements

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GOVERNMENTAL FUND FINANCIAL STATEMNTS

General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds, and the related expenditures, The major revenue sources for this fund are property taxes, sales taxes, utility users tax, franchise fees, business licenses, unrestricted revenues from the State, fines and forfeitures and interest income. Expenditures are made for public safety, recreation, and the other services described above.

Housing Programs Fund this fund receives tax increment funds through Redevelopment activity, representing 20% set-aside for housing activities, funds are expended for approved housing activities.

City of Pinole
Balance Sheet
Governmental Funds
June 30, 2018

	Major Funds			
	General Fund	Housing Programs Special Revenue Fund	Non-Major Governmental Funds	Totals
ASSETS				
Cash and investments	$ 25,270,837	$ 2,239,570	$ 6,823,961	$ 34,334,368
Cash and investments with fiscal agent	-	6,196,793	-	6,196,793
Accounts receivable	2,277,227	1,533	862,887	3,141,647
Loans receivable	-	-	-	-
Due from other funds	643,540	-	9,113	652,653
Due from private-purpose trust	-	4,291,575	-	4,291,575
Inventory	12,669	-	-	12,669
Land held for redevelopment	-	1,222,070	-	1,222,070
Total assets	$ 28,204,273	$ 13,951,541	$ 7,695,961	$ 49,851,775
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	$ 645,604	$ 6,781	$ 283,751	$ 936,136
Unearned revenue	2,137	-	-	2,137
Deposits payable	37,324	-	130,609	167,933
Due to other funds	-	-	652,653	652,653
Advances from private-purpose trust fund	1,592,071	-	-	1,592,071
Total liabilities	2,277,136	6,781	1,067,013	3,350,930
Fund Balances:				
Nonspendable	12,669	-	-	12,669
Restricted	133,586	13,944,760	4,306,192	18,384,538
Assigned	2,531,677	-	2,366,429	4,898,106
Unassigned	23,249,204	-	(43,673)	23,205,531
Total fund balances	25,927,136	13,944,760	6,628,948	46,500,844
Total liabilities, deferred inflows of resources, and fund balances	$ 28,204,272	$ 13,951,541	$ 7,695,961	$ 49,851,774

See accompanying Notes to Basic Financial Statements.

City of Pinole
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2018

Total Fund Balances - Total Governmental Funds	$ 46,500,844
Amounts reported for governmental activities in the Statement of Net Position are different from those reported in the governmental funds above because of the following:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds, net of accumulated depreciation of $57,957,289	31,941,904
Deferred outflows of resources related to changes in the net pension and OPEB liabilities are not reported in the governmental funds	9,025,999
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Long-term debt	(4,276,295)
Net OPEB obligation	(32,029,200)
Net pension liability	(29,939,208)
Deferred inflows related to changes in the net pension liability	(5,572,296)
Net Position of Governmental Activities	$ 15,651,748

See accompanying Notes to Basic Financial Statements.

City of Pinole

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the year ended June 30, 2018

	Major Funds			
	General Fund	Housing Programs Special Revenue Fund	Non-Major Governmental Funds	Totals
REVENUES:				
Taxes and assessments	$ 16,363,136	$ -	$ 236,251	$ 16,599,387
Intergovernmental revenues	79,426	-	1,381,229	1,460,655
Loan repayments	-	15,023	-	15,023
Contributions	5,950	-	24,645	30,595
Investment earnings	48,384	13,610	26,098	88,092
Rents and ground leases	102,811	72,253	128,554	303,618
Charges for services	3,220,215	4,700	2,082,319	5,307,234
Fines, forfeitures and penalties	41,279	-	34,391	75,670
Other revenues	255,183	5,500	573,403	834,086
Total revenues	20,116,384	111,086	4,486,890	24,714,360
EXPENDITURES:				
Current:				
General government	2,941,569	-	315,651	3,257,220
Public Safety	9,678,926	-	856,977	10,535,903
Public services	906,391	-	578,699	1,485,090
Recreation	8,458	-	951,867	960,325
Community development	8,206	563,889	1,024,145	1,596,240
Capital outlay	849,845	-	248,944	1,098,789
Debt service:				
Principal	361,674	-	-	361,674
Interest and fiscal charges	331,464	-	-	331,464
Total expenditures	15,086,533	563,889	3,976,283	19,626,705
REVENUES OVER (UNDER) EXPENDITURES	5,029,851	(452,803)	510,607	5,087,655
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of asset	10,017,210	-	-	10,017,210
Transfers in	-	-	826,926	826,926
Transfers out	(826,926)	-	-	(826,926)
Total other financing sources (uses)	9,190,284	-	826,926	10,017,210
Net change in fund balances	14,220,135	(452,803)	1,337,533	15,104,865
FUND BALANCES:				
Beginning of year	11,707,001	14,397,563	5,291,415	31,395,979
End of year	$ 25,927,136	$ 13,944,760	$ 6,628,948	$ 46,500,844

See accompanying Notes to Basic Financial Statements.

City of Pinole

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities

For the year ended June 30, 2018

Net Change in Fund Balances - Total Governmental Funds		$ 15,104,865
Governmental funds report capital outlays as expenditures while governmental activities report depreciation as expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized	$ 745,494	
Depreciation expense	(1,799,147)	
Total capital assets	$ (1,053,653)	(1,053,653)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:		
Capital lease obligation principal payments	$ 111,234	
Bond principal payments	250,440	
Total	$ 361,674	361,674
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Accrued compensated absences	(57,856)	
Amortization of prepaid bond insurance premium	(44,800)	
Net difference between OPEB expense and contributions subsequent at the measurement date	(524,700)	
Net difference between pension expense and contributions subsequent at the measurement date	(1,075,511)	
Total	$ (1,702,867)	(1,702,867)
Change in Net Position of Governmental Activities		$ 12,710,019

See accompanying Notes to Basic Financial Statements.

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PROPRIETARY FUND FINANCIAL STATEMNTS

Wastewater Utility fund this fund accounts for wastewater utility services provided by the City and it is the City's intent that the cost of providing these services be financed primarily through user charges.

City of Pinole
Statement of Net Position
Proprietary Funds
June 30, 2018

		Business-type Activities Wastewater Utility Enterprise Fund
ASSETS		
Current assets:		
Cash and investments	$	12,224,244
Accounts receivable		460,072
Inventory		1,198
Total current assets		12,685,514
Noncurrent assets:		
Construction in progress		21,370,171
Capital assets being depreciated, net		14,751,320
Total assets	$	48,807,005
DEFERRED OUTFLOWS OF RESOURCES:		
Pension and OPEB related amounts		498,162
Total deferred inflows of resources		498,162
LIABILITIES		
Current liabilities:		
Accounts Payable	$	1,337,829
Compensated absences - current		15,119
Bonds payable - current		298,000
Notes payable - current		176,370
Total current liabilities		1,827,318
Noncurrent liabilities:		
Compensated absences - noncurrent		117,359
Net OPEB Liability		3,558,800
Bonds payable - noncurrent		7,278,000
Notes payable - noncurrent		14,987,987
Net Pension Liability		1,430,436
Total noncurrent liabilities		27,372,582
Total liabilities		29,199,900
DEFERRED INFLOWS OF RESOURCES:		
Pension and OPEB related amounts		482,433
Total deferred inflows of resources		482,433
NET POSITION		
Net investment in capital assets		13,381,134
Unrestricted		6,241,700
Total deferred inflows of resources	$	19,622,834

See accompanying Notes to Basic Financial Statements.

City of Pinole

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the year ended June 30, 2018

		Business-type Activities Wastewater Utility Enterprise Fund
OPERATING REVENUES:		
Charges for services	$	6,521,100
Other operating revenue		3,437
Total operating revenues		6,524,537
OPERATING EXPENSES:		
Sewer Treatment Plant		3,791,106
Sewer Maintenance		147,039
Depreciation		1,029,880
Total operating expenses		4,968,025
OPERATING INCOME (LOSS):		1,556,512
NONOPERATING REVENUES (EXPENSES):		
Interest revenue		58,958
Interest expense		(225,969)
Total nonoperating revenues (expenses)		(167,011)
Change in net position		1,389,501
NET POSITION:		
Beginning of year, as restated		18,233,333
End of year	$	19,622,834

See accompanying Notes to Basic Financial Statements.

City of Pinole
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2018

	Business-type Activities Wastewater Utility Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	$ 6,421,987
Cash paid to suppliers	(3,569,273)
Cash paid to employees	(656,502)
Net cash provided by operating activities	2,196,212
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Capital debt drawdowns	8,377,758
Acquisition and construction of capital assets	(8,133,911)
Principal paid on capital debt	(290,000)
Interest paid on capital debt	(225,969)
Net cash used in capital and related financing activities	(272,122)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and dividends	58,958
Net cash provided by investing activities	58,958
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,983,048
CASH AND CASH EQUIVALENTS:	
Beginning of year	10,241,196
End of year	$ 12,224,244
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	
Operating income (loss)	$ 1,556,512
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	1,029,880
(Increase) decrease in assets:	
Accounts receivables	(102,550)
Prepaid items	575
Inventory	4,166
Deferred outflows of resources: pension	(234,201)
Increase (decrease) in liabilities:	
Accounts payable	(565,926)
Compensated absences	14,131
Net OPEB liability	(302,200)
Net Pension Liability	193,610
Deferred inflow of resources	602,215
Net cash provided by (used in) operating activities	$ 2,196,212

See accompanying Notes to Basic Financial Statements.

City of Pinole
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Private-Purpose Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	$ 4,971,096	$ 97,999
Accounts receivable	9,236	-
Notes receivable, net of allowance	356,289	-
Advances to other funds	1,592,071	-
Land held for redevelopment	3,151,254	-
Capital assets, net of accumulated depreciation	12,410,193	-
Total assets	22,490,139	$ 97,999
LIABILITIES		
Liabilities:		
Accounts payable	5,764	$ -
Funds held in trust	153	97,999
Due to City	4,291,575	-
Due to County	18	-
Interest Payable	225,370	-
Bonds payable	23,605,000	-
Total liabilities	28,127,880	$ 97,999
Net Position		
Held in trust for dissolution of RDA	(5,637,741)	
Total net position	$ (5,637,741)	

See accompanying Notes to Basic Financial Statements.

City of Pinole

Statement of Changes in Fiduciary Net Position

All Fiduciary Funds - Private Purpose Trust Fund

For the year ended June 30, 2018

	Successor Agency Former Pinole Redevelopment Agency
ADDITIONS:	
Property taxes	$ 3,047,052
Investment income	15,739
Other revenues	86,435
Total additions	3,149,226
DEDUCTIONS:	
Operating cost	269,150
Depreciation	284,453
Debt interest	539,700
Total Deductions	1,093,303
Change in fiduciary net position	2,055,923
NET ASSETS:	
Beginning of year	(7,693,664)
End of year	$ (5,637,741)

See accompanying Notes to Basic Financial Statements.

Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Pinole was incorporated June 25, 1903. The City is primarily a residential community located in Contra Costa County, twenty-four miles east of San Francisco on Interstate 80. The City provides the following services: public safety (police and fire), parks, streets and highways, sanitation and health services, culture-recreation, public improvements, planning and zoning, and general administration services. The City's population has remained relatively stable for some years; population at June 30, 2018 was 19,234.

The City operates under the Council-Manager form of government, with five elected Council members served by a full-time City Manager and staff. At June 30, 2018, the City's staff comprised 100 full-time and 39 part-time employees who are responsible for the following City-provided services:

Public Safety - The City employs 28 sworn and 13 non-sworn police personnel to provide round-the-clock police services from a central station, and 15 personnel to provide round-the-clock fire services from one fire station.

Sanitation and Health Service - The City maintains a sewage treatment plant with 13 employees, the plant provides wastewater treatment services to the residents of the City of Pinole and the City of Hercules.

Parks, Streets and Highways - The City builds and maintains its streets, curbs, gutters, parks and related public property with a force of 11 employees. Major projects may be contracted out to reduce costs.

Recreation, Public Improvements, Planning, Zoning, Administration - Recreation, Public Improvements, Planning, Zoning, Administration and other services are provided by a total of 49 employees.

The financial statements and accounting policies of the City conform with generally accepted accounting principles applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below:

A. The Reporting Entity

The accompanying basic financial statements present the financial activities of the City along with the financial activities of its blended component unit, which is an entity for which the City is financially accountable. Together these entities comprise the primary government for reporting purposes. Although they are separate legal entities, a blended component unit is in substance part of the City's operations and is reported as an integral part of the City's financial statements. The City's component unit, which is described below, is all blended.

City of Pinole Joint Powers Financing Authority

The Pinole Joint Powers Financing Authority (Authority) is a separate government entity whose purpose is to assist with the financing or refinancing of public capital facilities within the City. The Authority has the power to purchase bonds issued by any local agency and may sell such bonds to public or private purchasers. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the Wastewater Utility Fund and the Private-Purpose Trust Fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Presentation

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These statements require that the financial statements described below be presented.

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include the activities of the overall City government except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The statements distinguish between governmental and business-type activities of the City. The City's net position is reported in three parts - net investment in capital assets; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

The fund financial statements provide information about the City's funds, including fiduciary funds and its blended component unit. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories with each major fund displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Presentation, Continued

b. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

All remaining governmental funds are aggregated and reported as nonmajor funds in a single column, regardless of their fund type.

The funds of the financial reporting entity are described below:

Governmental Funds:

General Fund - The general fund is the general operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purpose other than debt service or capital projects.

Debt Service Fund - Debt service funds are used to account for financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Project Funds - Capital project funds are used to account for financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Proprietary Funds:

Enterprise Funds - Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Fiduciary Funds (not included in government-wide statements):

Agency Fund - Agency Funds are clearing type funds for the collection of taxes or deposits held in trust, on behalf of individuals, private organizations and other governments. The funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-Purpose Trust Funds - Private purpose trust funds are used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

Major Funds

The City reports the following major governmental funds in the accompanying financial statements:

General Fund - This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Presentation, Continued

Housing Programs Fund - This fund receives tax increment funds from the Successor Agency representing 20% set-aside for housing activities; funds are expended for approved housing activities.

Wastewater Utility Fund - The City has one enterprise fund, which is a major fund. This fund is used to account for the collection of sewer service fees and the related cost of maintenance and repair of the sewer treatment plant.

The City also reports the following fund types:

Agency Funds - These funds are custodial in nature and do not involve measurement of the results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. These funds account for assets held by the City as an agent for other governmental units or individuals.

Private Purpose Trust Fund - This fund was created as a result of the State order to dissolve California Redevelopment Agencies. As a Successor Agency, this fund is used to track the activity by the Oversight Board and the State Department of Finance to dissolve the Agency. Separate audited financial statements for the Successor Agency may be obtained from the City.

C. Basis of Accounting and Measurement Focus

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item "b" below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

a. All governmental funds are accounted for using a "current financial resources" measurement focus. With this measurement focus, only current assets and current liabilities generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Basis of Accounting and Measurement Focus, Continued

b. The government-wide financial statements utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources (whether current or noncurrent) associated with the operation of these funds are reported. Proprietary fund equity is classified as net position.

c. As agency funds report only assets and liabilities, they do not have a measurement focus. However, they use the accrual basis of accounting to recognize receivables and payables. The "economic resources" measurement focus and the accrual basis of accounting is used for trust funds.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. In addition, all fiduciary funds use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City defines available to be within 60 days of year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds for governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual include taxes, intergovernmental revenues, interest and charges for services. Certain indirect costs are included in program expenses reported for individual functions and activities.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position are available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Basis of Accounting and Measurement Focus, Continued

Basis of Accounting, Continued

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Proprietary funds distinguish operating revenues and expenses from Nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal operations. The principal operating revenues of the sewer and enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as Nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Property Taxes

California Constitution Article XIII A, limits the combined property tax rate to one percent of a property's assessed valuation. Additional taxes may be imposed with voter approval. Assessed value is calculated at one hundred percent of a property's fair value, as defined by Article XIII A, and may be increased no more than two percent per year unless a change in ownership occurs. The state legislature has determined the method of distributing the one percent tax levy among the various taxing jurisdictions.

Property tax revenues are recognized in the fiscal year for which taxes and assessments are levied. The County of Contra Costa levies, bills and collects property taxes and special assessments for the City under the County's "Teeter Plan." The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

Tax collections are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments; the first is due November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on February 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the tax becomes delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payment.

Tax levy dates are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured and personal property, as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Cash and Investments

The City pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures. The cash and investments balance in each fund represents that fund's equity share of the City's cash and investment pool. As the City places no restrictions on the deposit or withdrawal of a particular fund's equity in the pool, the pool operates like a demand deposit account for the participating funds.

Interest income earned on pooled cash and investments is allocated monthly to the various funds based on month-end balances and is adjusted at fiscal year-end. Interest income on restricted cash and investments with fiscal agents is credited directly to the related funds.

The City's investments are carried at fair value. The fair value of equity and debt securities is determined based on sales prices or bid-and-asked quotations from SEC-registered securities exchanges or NASDAQ dealers. LAIF determines the fair value of their portfolio quarterly and reports a factor to the City; the City applies that factor to convert its share of LAIF from amortized cost to fair value. This amount is included in cash and cash equivalents in the balance sheet of the governmental funds. Changes in fair value are allocated to each participating fund.

For purposes of the statement of cash flows, the City has defined cash and cash equivalents to be change and petty cash funds, equity in the City's cash and investment pool, and restricted non-pooled investments with initial maturities of three months or less.

F. Accounts and Interest Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable, and estimated refunds due. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines and other fees. Federal and state grants are considered receivable and accrue as revenue when reimbursable costs are incurred. Business-type activities report utilities and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are recorded as deferred inflows of resources in the fund financial statements in accordance with modified accrual, but not in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Long-term loans in governmental funds are treated as expenditures in the year advanced and as revenues in the year repayment is measurable and available. Loans receivable are recorded in the fund statements, but are offset by deferred inflows of resources to indicate they do not represent current financial resources. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings compose the majority of proprietary fund receivables.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Prepaid Expenses and Inventory

Inventories are stated at cost (average cost per unit) for governmental and proprietary funds. Supplies of the General Fund consist of expendable supplies held for consumption. The cost is recorded as an expenditure/expense in the General Fund at the time individual items are consumed, rather than purchased. Inventories of governmental funds are offset by nonspendable fund balance to indicate they do not constitute resources available for future appropriation. Enterprise Fund supplies consist primarily of items held for internal use.

Prepaid items are also recognized under the consumption method. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

H. Capital Assets

The accounting treatment over property, plant and equipment depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements:

In the government-wide financial statements, capital assets with a historical cost over $5,000 are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable. Contributed capital assets are valued at their estimated fair market value on the date contributed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value on the date donated.

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, while accumulated depreciation is reflected in the Statement of Net Position. The City has assigned the useful lives listed below to capital assets:

Buildings	50 years
Equipment	5-10 years
Vehicles	5-10 years
Streets and roads	50 years
Bridges	75 years
Street drainage	100 years
Parks	70 years
Wastewater infrastructure	50 years

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Capital Assets, Continued

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

I. Long Term Liabilities

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term liabilities, and other long term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Initial issue bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Bond issuance costs, except for insurance, are expensed in the period incurred. Amortization of bond premiums or discounts, insurance costs, and deferred amounts on refunding is included in interest expense.

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

J. Compensated Absences

Compensated absences comprise unused vacation leave and compensatory time off, which are accrued as earned. The City's liability for compensated absences is recorded in the government-wide Statement of Net Position for governmental funds and the Statement of Net Position for proprietary funds as appropriate. A liability is calculated for all the costs of compensated absences based upon benefits earned by employees in the current period for which there is a probability of payment at termination. The salary and related payroll costs are those in effect at June 30, 2018. The amount of accrued sick pay is not due upon termination and therefore is not recorded as a liability for the City. The liability for compensated absences is determined annually.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. Deferred Outflows/Inflows of Resources, Continued

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

L. Pension

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

M. Other Post Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017

N. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, and are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

O. Net Position and Fund Equity

Government-wide Statements

Net position is the excess of all the City's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net position is divided into three categories. These categories apply only to net position, which is determined at the government-wide level, and are described below:

a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

Fund Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

a. Nonspendable - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

b. Restricted - Amounts that are restricted for specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, laws, or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

c. Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (Resolution) of the government's highest level of decision-making authority (City Council).

d. Assigned - Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Pursuant to City Council Resolution 2011-71, the designation of assignments of fund balance is determined by the City Manager.

e. Unassigned - Amounts representing the residual classification for the general fund and residual negative fund balance of special revenue and capital project funds.

Further detail about the City's fund balance classification is described in Note 11.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

P. Grant Funding

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. The City's policy is to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

Q. Revenues for Enterprise Activities

Operating revenues for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue not related to capital and related financing, noncapital financing or investing activities.

R. Deferred Compensation

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under these Plans, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

S. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

T. Reclassifications

Certain accounts in prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

U. Implementation of Government Accounting Standards Board Statements

Effective July 1, 2017, the City implemented the following accounting and financial reporting standards:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* - The objective of this statement is to address reporting by governments that provide other postemployment benefits (OPEB) to their employees and for governments that finance OPEB for employees of other governments. The City restated its beginning net position as part of implementation of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

T. Implementation of Government Accounting Standards Board Statements, Continued

- GASB Statement No. 81, Irrevocable Split-Interest Agreements – The objective of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this statement did not apply to the City for the current fiscal year.
- GASB Statement No. 85, Omnibus 2017 – The objective of this statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and other postemployment benefits (OPEB). There was no effect on net position as a result of implementation of this statement.
- GASB Statement No. 86, Certain Debt Extinguishment Issues – The objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this statement did not apply to the City for the current fiscal year.

2. CASH AND INVESTMENTS

The City maintains a cash and investment pool for all funds. Certain restricted funds that are held and invested by independent outside custodians through contractual agreements are not pooled. These restricted funds include cash and investment held by trustees.

A. Summary of Cash and Investments

Cash and investments as of June 30, 2018 were classified in the accompanying financial statements as follows:

	Cash & Investments
Governmental activities	$ 40,531,161
Business-type activities	12,224,244
Total government-wide cash and investments	52,755,405
Fiduciary activities	5,069,095
Total cash and investments	$ 57,824,500

2. CASH AND INVESTMENTS, Continued

A. Summary of Cash and Investments, Continued

Cash and investments were carried at fair value as of June 30, 2018 and consisted of the following:

Cash on hand	$	3,316
Deposits with financial institution		3,379,318
Total Cash on hand and deposits		3,382,634
Money Market		29,876,397
Local Agency Investment funds		12,236,782
CalTrust		3,093,694
Investments Held by custodian		9,234,993
Total investments		54,441,866
Total Cash & Investments	$	57,824,500

B. Deposits

The carrying amount of the City's cash deposit was $3,379,318 at June 30 2018. Balance before reconciling amounts were a positive amount of $3,446,479 at June 30, 2018. The City has waived collateral requirements for cash deposits, which are fully insured up to $250,000 by the Federal Deposit Insurance Corporation. The remaining amount was collateralized with securities pledged by the pledging financial institution in the City's name.

The California Government Code (Code) requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. The Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

2. CASH AND INVESTMENTS, Continued

C. *Investments Authorized by the California Government Code and the City's Investment Policy*

Investments are reported at fair value. California statutes authorize Cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restricted) that address interest rate risk, credit risk, and concentration of credit risk. The table does not address investments of debt proceeds held by the bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy. The City's permissible investments include the following instruments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	40%	None
Repurchases Agreements	30 days	10%	None
Banker's Acceptances	180 days	40%	10%
Commercial Paper (Minimum rating of "A" or higher)	180 days	15%	None
Medium Term corporate Notes (Minimum rating of "AA" or higher)	5 years	15%	5%
Negotiable Certificates of Deposit issued in California	5 years	10%	None
Negotiable Certificates of Deposit	5 years	30%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Insured savings account or money market account	N/A	None	None
Mutual Funds	N/A	15%	None
Restricted Real Estate Asset Sale rated "AAA" or higher	10 years	15%	None

D. *Investments Authorized by Debt Agreements*

Investment of debt issuances held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
State of Municipal Bonds or Notes rated "AA" or better	None	None	None
Repurchase Agreements rated "A" or better	30 days	None	None
Investment Agreements and Contracts	None	None	None
Money Market Funds rated "AA-m" or better	N/A	None	None
Certificates of Deposit	None	None	None
Commercial Paper rated "A-1" or better	None	None	None
Federal Funds or Bankers Acceptances	1 year	None	None
Local Agency Investment fund (LAIF)	None	None	None

2. CASH AND INVESTMENTS, Continued

E. *Investment Valuation*

Investments (except money market accounts that are included as part of restricted cash and investments) are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at June 30, 2018:

	Total Fair	Fair Value Measurements Using		
Investments	Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Federal agency securities	$ 2,893,196	$ -	$ 2,893,195	$ -
Municipal bonds	94,870	-	94,870	-
Corporate notes	902,329	-	902,329	-
Certificates of Deposit	3,760,363	-	3,760,363	-
Mutual Funds	1,584,236	-	1,584,236	-
Total	9,234,994	$ -	$ 9,234,993	$ -
Investments not subject to levelling				
Money Market	29,876,397			
Local Agency Investment Fund	12,236,782			
Caltrust	3,093,694			
	$ 54,441,866			

Level 2 inputs are valued based on matrix pricing which use observable market inputs such as yield curves and market indices that are derived principally from or corroborated by observable market data by correlation to other means.

F. *Disclosure Relating to Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City's interest rate risk is mitigated is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

2. CASH AND INVESTMENTS, Continued

F. Disclosure Relating to Interest Rate Risk, Continued

The sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity as of June 30, 2018:

	Remaining Maturity		
	12 Months or less	1-5 years	Fair Value
Money Market	$ 29,876,397	$ -	$ 29,876,397
Local Agency Investment Fund	12,236,782	-	12,236,782
Caltrust	3,093,694	-	3,093,694
Securities of U.S. Government			
Federal agency securities	-	2,893,196	2,893,196
Municipal bonds	-	94,870	94,870
Corporate notes	-	902,329	902,329
Certificates of deposit	371,528	3,388,835	3,760,363
Mutual funds	1,584,236	-	1,584,236
Total	$ 47,162,636	$ 7,279,230	$ 54,441,866

The City has no investments (including investments held by bond trustees) that are highly sensitive to interest rate fluctuations as of June 30, 2018.

G. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or debt agreements, and the actual rating as of the fiscal year for each investment type.

		Rating as of Fiscal Year End		
		S&P	Moody's	N/A
Money Market	$ 29,876,397			Not rated
Local Agency Investment Fund	12,236,782			Not rated
Caltrust	3,093,694	Aaf/S1		
Securities of U.S. Government				
Federal Agency Securities	955,981	AA+	Aaa	
Federal Agency Securities	486,650	AA+	AA2	
Federal Agency Securities	484,955	AA+	AA3	
Federal Agency Securities	965,610	AA+	AA4	
Corporate Notes	491,305	AA+	Aa1	
Corporate Notes	411,024	AA+	AA2	
Certificates of Deposit	3,760,363			Not rated
Municipal Bonds	94,870	AA-	AA3	
Mutual funds	1,584,236			Not rated
Total	$ 54,441,866			

2. CASH AND INVESTMENTS, Continued

H. Disclosures Relating to Credit Risk

Concentration of Credit Risk - The City complies with the limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount
Federal Home Loan Banks	Federal Agency Securities	$ 955,981
Federal National Mortgage Assn.	Federal Agency Securities	486,650
Federal Farm Credit Banks	Federal Agency Securities	484,955
Federal Home Loan Mortgage Corp.	Federal Agency Securities	965,610
Apple Inc.	Corporate Note	491,305
Berkshire	Corporate Note	411,024

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value for its investment or collateral securities that are in the possession of another party.

I. Investment in State and County Investment Pools

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2018 and 2017, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes – are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities – the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2018, the City had $12,336,782 invested in LAIF, which had invested 2.67% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 2.89% in the previous year. The LAIF fair value factor of 0.998126869 was used to calculate the fair value of the investments in LAIF.

Interest income from pooled investments is allocated to those funds which are required by law or administrative action to receive interest. Interest is allocated quarterly based on the average ending cash balances for the previous three months in each fund receiving interest.

3. NOTES AND LOANS RECEIVABLE

The City engages in programs designed to encourage construction or improvement in low-to-moderate income housing or other projects. Under these programs, grants or loans are provided under favorable terms to businesses, homeowners or developers who agree to spend these funds in accordance with the City's terms.

The balances of notes and loans receivable, net of allowance, has been offset in the fund financial statements by deferred inflows of resources as they are not expected to be repaid during fiscal year 2018.

These notes and loans receivable, including interest, comprised of the following at June 30, 2018 and are explained in detail below:

	Notes Receivable	Less: Allowance for Doubtful Notes
Housing Rehabilitation	$ 93,494	$ (93,494)
First Time Home-Buyer	443,936	(443,936)
Bridge Housing Loan	971,482	(971,482)
Alvarez Court	1,654,417	(1,654,417)
Eastbuff Apartment Loan	1,025,341	(1,025,341)
Pinole Assisted Living Community	26,193,103	(26,193,103)
Total	$ 30,381,773	$ (30,381,773)

A. *Housing Rehabilitation*

The City has provided loans to various homeowners for rehabilitation of property. These loans are secured by second deeds of trust on the property and have a range of interest rates from 2% to 6% with a maximum fifteen-year term. The balance of these notes receivable totaled $93,494 at June 30, 2018.

B. *First Time Home-Buyer*

In 1995, the City implemented a first time homebuyer program designed to encourage home ownership among low-income persons by providing down payment assistance. Under this program, loans are provided at no interest and are due upon sale or transfer of the property, refinance or payoff of the first mortgage, recordation of a third mortgage or default of the first mortgage. At the time of the loan repayment, the City shares in equity appreciation based on the City's loan share of the original purchase price. The balance of the notes receivable arising from this program at June 30, 2018 was $443,936.

C. *Bridge Housing*

The Agency assisted Bridge Housing Corporation with its acquisition and development of the Pinole Grove Senior Housing Project by providing $900,000 in the form of land and cash in return for a note bearing simple interest at a rate of 4% per year, secured by a deed of trust on the Project.

Principal and interest are due annually, but are payable only from surplus cash flow as defined in the note. The Project is not expected to generate a surplus cash flow and under the terms of the note, any unpaid principal and interest remaining at the expiration of the note in the year 2024 will be forgiven if Bridge Housing maintains the affordability of the project for an additional nineteen years. As of June 30, 2018, the outstanding balance was $971,482.

3. NOTES AND LOANS RECEIVABLE, Continued

D. Alvarez Court

In August 2000, the City approved a loan of up to $609,000 to assist the Resources for Community Development with the development of a housing project for persons with disabilities. In August 2002 the City amended the loan agreement, increasing the loan amount to $988,000. The term of the loan is 40 years from the date of final closing by Housing and Urban Development, bearing a simple interest at a rate of 4% and is secured by first deed of trust. As of June 30, 2018, the total outstanding balance was $1,654,417.

E. Eastbluff Apartments

In 1996, the Pinole Redevelopment Agency assisted Eastbluff Associates with its development of the Eastbluff Apartments by providing $975,000 in exchange for a note. The note was renegotiated in June 1998 and is secured by a deed of trust. The note bears an annual compound interest rate of 7.5% for a term of 55 years or until the property is sold. Payments are the greater of $63,375 per year or 50% of the surplus cash flow as defined in the terms of the Note. As of June 30, 2018, the outstanding balance was $1,025,340.

F. Pinole Assisted Living Community

Pinole Assisted Living Community (PALC) is a tax-exempt non-profit corporation that constructed and operates a 72-unit-assisted-living facility for the elderly known as Pinole Valley Assisted Living. PALC is governed by a five-member Board of Directors; two of these members are City representatives.

The PALC facility is located on land leased from the Pinole Redevelopment Agency under the terms of a lease signed in 1999. The cost of the facility was borne by the City out of the proceeds of its 1999 Subordinate Tax Allocation Bonds issue. Under the terms of the PALC lease and related agreements, PALC is to reimburse the City for these costs and to pay for the lease and for emergency services rendered by the City. Unpaid amounts accrue interest at rates set forth in the agreements.

The facility was opened in early 2001, until recently occupancy rates had not reached levels that covered operating costs. As a result, PALC has made limited payments required under its lease or other agreements with the City. During the fiscal year, PALC sold the facility and paid the City the proceeds from the sale to satisfy its obligation. The PALC loan is not settled as of 6/30/2018. The City decided not to adjust the outstanding balances of the note receivable for the proceeds received until it is able to determine the legally outstanding note receivable amount based on the settlement proceeding that is still ongoing.

3. NOTES AND LOANS RECEIVABLE, Continued

G. Allowance for Doubtful Notes

The City has several programs under which it extends loans to qualifying individuals or groups for the purpose of improving the City's housing stock and/or its supply of low-and-moderate income housing. Some of these loans provide for the eventual forgiveness of the loan balance if the borrower complies with all the terms of the loan over its full term. The City has provided a 100% allowance for all notes receivable subject to long-term deferral and/or payment from future refinancing as well as all notes receivable having subordination provisions, except for those accounts that have current payment activity and are not delinquent at June 30, 2018.

4. LAND HELD FOR HOUSING

At June 30, 2018, the City held the following properties for resale or redevelopment with a total value of $1,222,070:

811 San Pablo Avenue

612 Tennent Avenue

2100/2150 San Pablo Avenue

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

	Balance 7/1/2017	Additions	Retirements	Transfers	Balance 6/30/2018
Governmental activities:					
Nondepreciable assets:					
Land	$ 6,837,195	$ -	$ -	$ -	$ 6,837,195
Construction in progress	4,972	65,254	-	-	70,226
Total nondepreciable assets	6,842,167	65,254	-	-	6,907,421
Capital assets being depreciated					
Buildings and improvements	16,183,966	48,160	-	-	16,232,126
Equipment	4,640,805	388,383	-	-	5,029,188
Vehicles	2,935,519	243,697	-	-	3,179,216
Streets and roads	50,184,035	-	-	-	50,184,035
Storm drains	2,829,488	-	-	-	2,829,488
Bridges	3,117,473	-	-	-	3,117,473
Parks	2,420,246	-	-	-	2,420,246
Total capital assets being depreciated	82,311,532	680,240	-	-	82,991,772
Less accumulated depreciation	56,158,142	1,799,147	-	-	57,957,289
Net depreciable assets	26,153,390	(1,118,907)	-	-	25,034,483
Total net capital assets	$32,995,557	$ (1,053,653)	$ -	$ -	$31,941,904

Depreciation expense for capital assets was charged to functions as follows:

General administration	$ 54,695
Public safety	510,052
Public Services	1,116,419
Recreation	114,961
Community development	3,020
	$ 1,799,147

5. CAPITAL ASSETS, Continued

	Balance 7/1/2017	Additions	Deletions	Transfers	Balance 6/30/2018
Business-type activities					
Nondepreciable assets:					
Construction in progress	$13,236,260	$ 8,133,911	$ -	$ -	$21,370,171
Total nondepreciable assets	13,236,260	8,133,911	-	-	21,370,171
Depreciable assets:					
Buildings and improvements	20,670,132	-	-	-	20,670,132
Sewer lines	7,650,185	-	-	-	7,650,185
Equipment	3,272,597	-	-	-	3,272,597
Vehicles	578,652	-	-	-	578,652
Total depreciable assets	32,171,566	-	-	-	32,171,566
Less accumulated depreciation	16,390,366	1,029,880	-	-	17,420,246
Net depreciable assets	15,781,200	(1,029,880)	-	-	14,751,320
Total net capital assets	$29,017,460	$ 7,104,031	$ -	$ -	$36,121,491

Depreciation expense for capital assets was charged to functions as follows:

Wastewater Utility	$ 1,029,880
	$ 1,029,880

6. ADVANCES TO/ADVANCES FROM PRIVATE-PURPOSE TRUST FUND

On May 6, 2008 the City Council and former Pinole Redevelopment Agency approved a resolution for the former Pinole Redevelopment Agency to advance the City $2,500,000 to provide sufficient working capital to address the structural deficit in the City's General Fund. The terms of the advance, as amended in April of 2011, provide for the payment of interest at the rate of 3.8% over 15 years and additional one-year deferral of commencement of payments to fiscal year 2014. The agreement terms allow for a capitalized interest payment deferral period of three years followed by amortization of the principal and interest in equal annual payments of $263,300 for the succeeding twelve years. As of June 30, 2018 the balance outstanding on the advance was $1,592,071

An advance of $4,291,575 from the Housing Program Fund was to assist the Successor Agency with administrative, operation, and program cost.

7. LONG-TERM LIABILITIES

A. Governmental Activities

The following is a summary of changes in the City's long-term liabilities related to governmental activities for the fiscal year ended June 30, 2018:

	Balance June 30, 2017	Addition	Retirements	Balance June 30, 2018	Current Portion
Governmental Activity Debt:					
2006 Pension Obligation Bond	$ 3,686,615	$ -	$ (250,440)	$ 3,436,175	$ 241,322
Capital Lease Obligations	294,724	-	(111,234)	183,490	114,795
Compensated Absences	598,774	599,070	(541,214)	656,630	86,708
Total Governmental Activity Debt	$ 4,580,113	$ 599,070	$ (902,888)	$ 4,276,295	$ 442,825

A description of the long-term liabilities related to governmental activities at June 30, 2018 follows:

Pension Obligation Bonds

In June 2006 the City authorized the issuance of $16,800,000 of 2006 Series A-1 and A-2 Bonds. The Taxable Pension Obligation Bonds in the aggregate principal of $6,214,630 were issued to finance the City's unfunded accrued actuarial liability with CalPERS. Repayment on the Bonds will be from General Fund revenues Non voter-approved debt. Principal payments are due annually in June until 2036. Future debt service payments are as follows:

Year Ending June 30,	2006 Pension Obligation Bond Principal	Interest
2019	$ 241,322	$ 278,678
2020	233,014	301,986
2021	227,389	327,611
2022	221,565	353,435
2023	215,586	379,414
2024-2028	984,628	2,285,372
2029-2033	854,456	2,985,544
2034-2036	458,216	2,161,784
Total	$ 3,436,175	$ 9,073,825
Due within one year	$ 241,322	$ 278,678
Due after one year	3,194,854	8,795,146
Total	$ 3,436,175	$ 9,073,825

Capital Lease Obligations

The City has entered into lease agreements as lessee for financing the acquisition of capital assets. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of inception date.

7. LONG-TERM LIABILITIES, Continued

A. Governmental Activities, Continued

The assets acquired through the capital lease for governmental activities are as follows:

Equipment	$ 402,514
Less: Accumulated amortization	(219,024)
Net Book Value	183,490

Future annual payments on capitalized lease obligations are as follows:

Year Ending June 30,	Capital Leases Principal	Interest
2019	$ 114,795	$ 5,420
2020	68,695	1,738
Total	$ 183,490	$ 7,158
Due within one year	$ 114,795	$ 5,420
Due after one year	68,695	1,738
Total	$ 183,490	$ 7,158

Compensated Absences

Compensated absences comprise unused vacation leave and compensatory time off, which are accrued as earned. No compensation is payable for sick leave. The City's liability for compensated absences is recorded in various governmental funds as appropriate. The liability for compensated absences is determined annually.

The net changes of the long-term portion of accrued vacation and sick leave liabilities are allocated among departments on the statement of activities as follows:

	Balance June 30, 2017	Additions	Retirements	Balance June 30, 2018	Current Portion	
General Administration	$ 91,612	$ 77,251	$ (49,943)	$ 118,920	$ 9,769	A
Public Safety	356,993	416,855	(403,339)	370,509	57,160	A
Public Services	94,068	64,798	(48,934)	109,932	8,914	B
Recreation	30,985	26,871	(29,027)	28,829	7,254	B
Community Development	25,116	13,295	(9,971)	28,440	3,611	B
Total	$ 598,774	$ 599,070	$ (541,214)	$ 656,630	$ 86,708	

The following funds have been used to liquidate compensated absences:

A -General Fund B- Non-Major Funds

7. LONG-TERM LIABILITIES, Continued

B. *Business-type Activities*

The following is a summary of changes in the City's long-term liabilities related to business-type activities for the fiscal year ended June 30, 2018.

	Balance June 30, 2017	Addition	Retirements	Balance June 30, 2018	Current Portion
Business-type Activity Debt:					
2016 Wastewater Revenue Refunding Bonc	$ 7,866,000	$ -	$ (290,000)	$ 7,576,000	$ 298,000
2016 Clean Water State Revolving Fund	6,786,599	8,377,758	-	15,164,357	-
Compensated Absences	118,347	112,530	(98,399)	132,478	15,119
Total Business-Type Activity Debt	$ 14,652,599	$ 8,377,758	$ (290,000)	$ 22,740,357	$ 298,000

A description of the long-term liabilities related to business-type activities at June 30, 2018 is as follows:

<u>*2016 Wastewater Revenue Refunding Bonds*</u>

On June 30, 2016, the City of Pinole issued an $8,251,000 2016 Wastewater Revenue Refunding Bond (Bank Qualified) to redeem its 2006 Wastewater Revenue Bonds. The bonds bear annual interest at 2.95% which is payable semi-annually on March 1 and September 1 of each year through 2036. Principal payments are due annually beginning on September 1, 2016 through 2036. The bond is secured with pledged net wastewater revenues. Future debt service payments are as follows:

Year Ending June 30,	2016 Wastewater Revenue Principal	Interest
2019	$ 298,000	$ 219,097
2020	310,000	210,129
2021	318,000	200,866
2022	329,000	191,322
2023	341,000	181,440
2014-2028	1,857,000	748,489
2029-2033	2,150,000	453,504
2034-2037	1,973,000	118,634
Total	$ 7,576,000	$ 2,323,479
Due within one year	$ 298,000	$ 219,097
Due after one year	7,278,000	2,104,383
Total	$ 7,576,000	$ 2,323,479

7. LONG-TERM LIABILITIES, Continued

B. Business-type Activities, Continued

2016 Clean Water State Revolving Fund

In May 2016, the City entered into a loan agreement with the State of California Water Resources Control Board to provide funding for its 50% share of upgrades to the Pinole-Hercules Wastewater Pollution Control Plant to achieve compliance with Regional Water Quality Board NPDES. Funds are drawn on the agreement as work is completed up to a maximum amount of $26.7 million plus any construction period interest. The loan accrues interest at a rate of 1.7 percent annually. Annual principal payments are due each August 31, commencing August 31, 2019. Final payment is due August 2048. Net revenues, defined as all sewer enterprise fund revenues less operations and maintenance costs (excluding depreciation and amortization expenses), is pledged for future debt service. For the year ended June 30, 2018 the City incurred a total cost of $8,377,758, and submitted a drawdown request for this amount. As such, at June 30, 2018, the total debt outstanding on the loan is $15,164,357.

Year Ending	2016 Clean Water State Revolving	
June 30,	Principal	Interest
2020	$ 354,750	$ 200,819
2021	407,962	231,102
2022	406,192	244,506
2023	412,775	237,923
2024	419,793	230,906
2025-2029	2,208,468	1,045,023
2030-2034	2,402,679	850,811
2035-2039	2,613,970	639,521
2040-2044	2,843,841	409,649
2045-2048	3,093,927	159,563
Total	$ 15,164,357	$ 4,249,823

8. INTERFUND TRANSACTIONS

A. Interfund Transfers to/from Other Funds

Transfers between funds during the fiscal year ended June 30, 2018 were as follows:

Transfer From	Transfer To	Description of Transfer	Amount
General Fund	Lighting & Landscape Districts	Fund Business Assistance Program	$ 5,000
General Fund	Cable Television Fund	Cable TV contribution	29,095
General Fund	Arterial Streets Rehabilitation Fund	Fund portion of Arterial Streets project	250,000
General Fund	City Street Improvements Fund	Fund future street projects	225,000
General Fund	Recreation Fund	Swim Center contribution	33,888
General Fund	Fire Department Grant Fund	Grant reimbursements	228,943
General Fund	Cable Access TV Fund	Cable TV contribution	55,000
			$ 826,926

8. INTERFUND TRANSACTIONS, Continued

A. Interfund Transfers to/from Other Funds, Continued

Intra-fund transfers are not presented on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the governmental funds as they are presented on a net basis.

B. Due to/from Other Funds

Current interfund balances arise from one fund advancing monies to another fund with the intent of being repaid in the next fiscal year. The composition of interfund balances at June 30, 2018, is as follows:

Due To	Due From	Description of Due From/Due to	Amount
Major Governmental Funds			
General Fund	Police Grants Fund	Deficit cash balance	$ 114,014
General Fund	Storm Water Fund	Deficit cash balance	21,058
General Fund	Public Works Capital Projects Fund	Deficit cash balance	420,946
General Fund	Cable TV Fund	Deficit cash balance	87,522
		Total Major Governmental due From/Due To	643,540
Non-Major Governmental Funds			
Public Works Capital Projects Fund	Growth Impact Fund	Deficit cash balance	9,113
		Total Non-Major Governmental Due From/To	**9,113**
		Totals Governmental Due From/Due To	$ 652,653

9. DEFINED BENEFIT PENSION PLAN

A. General Information about the Pension Plans

Plan Description - All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple- Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors five rate plans (two miscellaneous and three safety).

9. DEFINED BENEFIT PENSION PLAN, Continued

A. General Information about the Pension Plans, Continued

Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (age 52 for Miscellaneous Plan members if membership date is on or after January 1, 2013) with statutorily reduced benefits. All members are eligible for non- duty disability benefits after 5 years of service. The death benefit is one of the following: the Special Death Benefit (Safety only), the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The rate plan provisions and benefits in effect for the year ended June 30, 2018, are summarized as follows:

	Miscellaneous-Classic	Miscellaneous-PEPRA
Hire Date	Prior to July 1, 2013	On or after July 1, 2013
Benefit vesting schedule	5 years service	5 years service
Benefit payment	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits, as a % of annual salary	2.5%	2.0%
Required employee contribution rates	8.00%	6.250%
Required employer contribution rates*	10.110%	6.533%
Required UAL payment	$ 702,357	$ 1,433

	Safety -Classic	Safety -PEPRA (Fire)
Hire Date	Prior to July 1, 2013	On or after January 1, 2013
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	57
Monthly benefits, as a % of annual salary	3.0%	2.7%
Required employee contribution rates	9.000%	11.500%
Required employer contribution rates (Police)*	17.875%	11.990%
Required UAL payment (Police)	$ 709,280	$ 1,534

	Safety -PEPRA (Police)
Hire Date	On or after January 1, 2013
Benefit vesting schedule	5 years service
Benefit payments	Monthly for life
Retirement age	57
Monthly benefits, as a % of annual salary	2.7%
Required employee contribution rates	11.500%
Required employer contribution rates (Police)*	11.990%
Required UAL payment (Police)	$ 1,621

* The employer contribution rate reflects the employer's normal cost rate and does not include unfunded accrued liability.

9. DEFINED BENEFIT PENSION PLAN, Continued

A. *General Information about the Pension Plans, Continued*

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

The City's contribution to the Plan for the measurement period ended June 30, 2017 was $2,067,225.

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

As of June 30, 2018, the City reported net pension liability for its proportionate share of the net pension liability of the Plan of $31,369,644.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2016 and 2017 was as follows:

Proportion - June 30, 2016	0.31346 %
Proportion - June 30, 2017	0.31631 %
Change - Increase (Decrease)	0.00286 %

For the year ended June 30, 2018, the City recognized pension expense of $3,574,751. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 2,298,114	$ -
Differences between actual and expected experience	-	62,428
Changes in assumptions	4,685,424	358,581
Net differences between projected and actual earnings on plan investments	1,037,050	-
Change in employer's proportion	329,573	503,519
Differences between actual contributions and proportionate share of contributions	-	1,337,201
Total	$ 8,350,161	$ 2,261,729

9. DEFINED BENEFIT PENSION PLAN, Continued

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

$2,298,114 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:	Miscellaneous
2019	$ 331,271
2020	2,529,470
2021	1,540,083
2022	(610,506)

Actuarial Assumptions- The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Projected Salary Increase	3.3% - 14.2%
Investment Rate of Return (1)	7.15%
Mortality (2)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) Net of pension plan investment expenses.

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

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Changes in Assumptions - There were no changes of assumptions during the measurement period ended June 30, 2017. Deferred inflows of resources for changes in assumptions presented in the deferred outflows/inflows table above represents the portion of the changes of assumptions related to prior measurement periods.

9. DEFINED BENEFIT PENSION PLAN, Continued

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

Discount Rate - The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

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

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

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective July 1, 2015.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.00%	4.90%	5.38%
Global Fixed Income	19.00%	0.80%	2.27%
Inflation Sensitive	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%
Total	100%		

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

9. DEFINED BENEFIT PENSION PLAN, Continued

B. *Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, Continued*

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

1% Decrease		6.15%
Net Pension Liability	$	46,834,455
Current Discount Rate		7.15%
Net Pension Liability	$	31,369,644
1% Increase		8.15%
Net Pension Liability	$	18,660,414

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

Payables to the Pension Plan **-** At June 30, 2018, the City reported $0 for outstanding amounts of contributions for either the CalPERS Miscellaneous Cost Sharing Multiple-Employer Plan or the CalPERS Safety Cost Sharing Multiple-Employer Plan.

10. OTHER POST EMPLOYMENT BENEFITS (OPEB)

A. *Description of the Plan*

The City sponsors and administers a single-employer health care plan for its employees. The plan includes healthcare coverage to long-service retirees. At retirement, City employees can elect Blue Shield, Kaiser, PERS Care, or PERS Choice medical coverage through the City at the City's expense. As the City's OPEB benefits are administered by City personnel, no separate financial statements are issued.

B. *Employees Covered*

The City currently pays health insurance premiums of $1,907 per month per family. For the year ended June 30, 2018, the City had 95 retired employees. The City currently has 82 active employees who may become eligible to retire and receive benefits in the future. Eligibility requirements include retirement directly from the City under CalPERS at age 55 years CalPERS service or disability.

Inactive employees or beneficiaries currently receiving benefits	83
Inactive entitled to but not yet receiving benefits	12
Active employees	82
Total	177

10. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

C. Contributions

Employees hired before July 1, 2010 receive a City contribution toward their retiree health premium equal to that provided to current active employees. Employees shall be offered the option to opt into the vesting program as soon after the program implementation as allowed per CalPERS regulations.

Employees hired on or after July 1, 2010 receive a City contribution toward their retiree health premium in an amount as described by Government Code Section 22893 (the PERS vesting schedule). Government Code Section 22893 currently reads that the percentage of employer contribution payable for postretirement health benefits for an employee of a contracting agency subject to this section shall, except as provided in subdivision (b) be based on the member's completed years of credited state service at retirement as shown in the following table:

Credited Years of Service	Percentage of Employer Contributions
10	50
11	55
12	60
13	65
14	70
15	75
16	80
17	85
18	90
19	95
20 or more	100

10. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

D. Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date.

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	3.58% at June 30, 2017
Inflation	2.75% annually
Salary Increases	3% - Aggregated
Mortality, Retirement, Disability, Termination (1)	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-17 for post-retirement mortality
Healthcare cost trend rates:	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years

E. Discount Rate

The discount rate used to measure the total OPEB liability was 3.58%. The City's OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high quality 20-year municipal bonds, as of the valuation date.

10. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

F. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2016	$ 38,610,000
Changes in the year:	
Service cost	1,472,000
Interest on the total pension liability	1,128,000
Changes in assumptions	(4,636,000)
Benefit payments	(986,000)
Net changes	(3,022,000)
Balance at June 30, 2017	$ 35,588,000

Sensitivity of the Total OPEB liability to Changes in the Discount Rate – The following presents the total OPEB liability of the City for the Plan, calculated using the discount rate for the Plan, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease - 2.58%	
Total OPEB liability	$ 42,179,000
Current Discount Rate - 3.58%	
Total OPEB liability	$ 35,588,000
1% Increase - 4.58%	
Total OPEB liability	$ 30,481,000

F. Changes in the Total OPEB Liability, Continued

Sensitivity of the Total OPEB liability to Changes in the Healthcare Cost Trend Rate – The following presents the total OPEB liability of the City for the Plan, calculated using the healthcare cost trend rate for the Plan, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	
Total OPEB liability	$ 30,180,000
Current Healthcare Trend Rate	
Total OPEB liability	$ 35,588,000
1% Increase	
Total OPEB liability	$ 42,568,000

10. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

G. Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

All amounts	Expected average remaining service lifetime (EARSL) (5.5 years at June 30, 2017)

H. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018, the City recognized OPEB expense of $314,681. For the fiscal year ended June 30, 2018, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 1,174,000	$ -
Changes in assumptions	-	3,793,000
Total	$ 1,174,000	$ 3,793,000

H. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB, Continued

The $1,174,000 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2017 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ending June 30:	Deferred Outflows/(Inflows) of
2019	$ (843,000)
2020	(843,000)
2021	(843,000)
2022	(843,000)
2023	(421,000)

11. FUND BALANCE

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

The City of Pinole has established the following fund balance policies:

Committed Fund Balance: Only the City Council may have the authority to create or change a fund balance commitment. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally.

Assigned Fund Balance: Amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. The policy hereby delegates the authority to assign amounts to be used for specific purposes to the City Manager and the Finance Director for the purpose of reporting these amounts in the annual financial statements.

The accounting policies of the City consider restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts, and unassigned amounts.

11. FUND BALANCE, Continued

As of June 30, 2018, fund balances consisted of the following:

	General Fund	Housing Programs	Other Government Funds	**Total**
Fund Balances				
Nonspendable fund balance:				
Inventory	$ 12,669	$ -	$ -	$ 12,669
Total Nonspendable	12,669	-	-	12,669
Restricted fund balance for:				
Housing Redevelopment	-	13,944,760	-	13,944,760
Real estate maintenance	133,586	-	-	133,586
Police	-	-	579,754	579,754
Gas Tax	-	-	441,358	441,358
Measure C	-	-	1,254,869	1,254,869
Parkland Dedication	-	-	24,608	24,608
Refuse Management	-	-	646,729	646,729
Storm Water	-	-	100,502	100,502
Capital projects	-	-	288,016	288,016
Solid Waste	-	-	833,364	833,364
CASP Certification	-	-	6,178	6,178
Adjudicated Asset Seizure	-	-	130,814	130,814
Total Restricted	133,586	13,944,760	4,306,192	18,384,538
Assigned fund balance for:				
Capital projects	-	-	1,524,712	1,524,712
General reserve	2,385,489	-	-	2,385,489
Equipment reserve	146,188	-	-	146,188
Police	-	-	15,996	15,996
Recreation	-	-	64,127	64,127
Building & Planning	-	-	761,594	761,594
Total Committed	2,531,677	-	2,366,429	4,898,106
Unassigned fund balance				
Minimum fund balance reserve	23,249,204	-	(43,673)	23,205,531
	23,249,204	-	(43,673)	23,205,531
Total Fund Balances	$ 25,927,136	$ 13,944,760	$ 6,628,948	$ 46,500,844

12. RISK MANAGEMENT

The City manages risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters by participating in the public entity risk pools described below and by retaining certain risks.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California which exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these risk pools are not the member's responsibility.

Risk Coverage - The City is a member of the Municipal Pooling Authority of Northern California (MPA). MPA provides coverage against the following types of loss risks under terms of joint-powers agreement with the City and several other cities and governmental agencies as follows:

Type of Coverage (Deductible)	Coverage Limits
Liability ($25,000) including errors and omissions for Public Officials	$ 29,000,000
All Risk Fire and Property ($5,000)	1,000,000,000
Workers' Compensation (no deductible)	50,000,000
Vehicle Physical Damage ($3,000 for police, $2,000 all others)	250,000

The MPA is governed by a Board consisting of representatives from member municipalities. The Board controls the operations of the MPA, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

The City's deposits with the MPA are in accordance with formulas established by the MPA. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

During the fiscal year ended June 30, 2018, the City contributed $907.000 for coverage.

Financial statements may be obtained from Municipal Pooling Authority of Northern California, 1911 San Miguel Drive, Suite 200, Walnut Creek, CA 94596.

13. DEFICIT FUND BALANCES AND NET POSITION

As of June 30, 2018, the following funds had a fund deficit:

Fund	Deficit
Growth Impact	$ (9,112)
Cable TV	(31,535)
Development Services	(3,026)

14. SUCCESSOR AGENCY PRIVATE PURPOSE TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

The Pinole Redevelopment Agency (the "former RDA") was formed in 1972 to finance redevelopment projects in the Agency of Pinole pursuant to the State of California Health and Safety Code, Section 3300. On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 that provided for the dissolution of all redevelopment agencies in the State of California as of February 1, 2012, at which time the City of Pinole elected to take over as the Successor Agency (the "Agency").

The asset and liabilities of the former RDA were transferred to the Successor Agency on February 1, 2012 as a result of the dissolution. The Successor Agency acts in a fiduciary capacity to wind down affairs of the former RDA which includes disposing of the assets and liabilities, and its activities are reported in the fiduciary private-purpose trust fund.

A. *Capital Assets*

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

	Balance at July 1, 2017	Additions	Balance at June 30, 2018
Fiduciary Activities:			
Capital assets not being depreciated			
Land	2,562,445	-	2,562,445
Total capital assets not being depreciated	2,562,445	-	2,562,445
Capital assets being depreciated			
Buildings and improvements	9,583,453	-	9,583,453
Equipnent	224,867	-	224,867
Vegicles	44,631	-	44,631
Streets and roads	4,307,631	-	4,307,631
Storm drains	51,511	-	51,511
Bridges	433,276	-	433,276
parks	107,013	-	107,013
Total capital assets being depreciated	14,752,382	-	14,752,382
Less accumulated depreciation	(4,620,180)	(284,454)	(4,904,634)
Fiduciary activities capital assets, net	$ 12,694,647	$ (284,454)	$ 12,410,193

14. SUCCESSOR AGENCY PRIVATE PURPOSE TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

B. *Long-term Liabilities*

The following is a summary of changes in the Agency's long-term liabilities related to governmental activities for the fiscal year ended June 30, 2018:

	Balance at July 1, 2017	Additions	Reductions	Balance at June 30, 2018	Current Portion
Tax Allocation Bonds:					
2015 Series A Bonds	$ 18,065,000	$ -	$ (1,680,000)	$ 16,385,000	$ 380,000
2015 Series B Bonds	9,165,000	-	(1,945,000)	7,220,000	3,385,000
Total capital assets not being depreciated	27,230,000	-	(3,625,000)	23,605,000	3,765,000
Mortgages:					
613 Tennent Avenue	37,137	-	(37,137)	-	-
648 Tennent Avenue	11,084	-	(11,084)	-	-
612 Tennent Avenue	33,497	-	(33,497)	-	-
Total Mortgages	81,718	-	(81,718)	-	-
Fiduciary activities capital assets, net	$ 27,311,718	$ -	$ (3,706,718)	$ 23,605,000	$ 3,765,000

A description of the long-term liabilities related to fiduciary activities at June 30, 2018 follows:

Bonds Payable

On August 6, 2015, the Successor Agency to the Pinole Redevelopment Agency issued $29,735,000 of tax allocation refunding bonds to redeem bonds held by the former Pinole Redevelopment Agency (1998A, 1998B, 1999, 2003A, 2003B, 2004 (Housing), 2004B (2nd Subordinate), 2004A (2nd Subordinate), 2004A (3rd Subordinate). The 2015A Tax Allocation Refunding Bond (Tax-Exempt) in the amount of $19,810,000 bears an interest rate of 2.270% which is payable semi-annually on February 1 and August 1 of each year through 2023. Principal payments are due annually on August 1 through 2023. The 2015B Tax Allocation Refunding Bond (Taxable) bears an interest rate of 2.340% which is payable semi-annually on February 1 and August 1 of each year through 2020. Principal payments are due annually on August 1 through 2020.

14. SUCCESSOR AGENCY PRIVATE PURPOSE TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

B. Long-term Liabilities, Continued

Bonds Payable, continued

2015 Series A Tax Allocation Bond

Debt service requirements are shown below for bonds payable long-term debt:

For the Year Ending, June 30	Principal	Interest
2019	$ 380,000	$ 367,627
2020	1,430,000	347,083
2021	2,660,000	300,661
2022	4,125,000	223,652
2023	4,220,000	128,936
2024	3,570,000	40,520
Total	$ 16,385,000	$ 1,408,479

2015 Series B Tax Allocation Bond

Debt service requirements are shown below for bonds payable long-term debt:

For the Year Ending, June 30	Principal	Interest
2019	$ 3,385,000	$ 129,344
2020	3,460,000	49,258
2021	375,000	4,387
2022	-	4,387
Total	$ 7,220,000	$ 187,376

Mortgage Payable

In September 2002, the former RDA acquired the property adjacent to Memorial Hall at Tennent Avenue for $650,000 to construct a community center in Old Town Pinole with indoor access to the Memorial Hall. The entire purchase price was carried back by the sellers in a note. Principal and interest on the note at 6.5% are due semi- annually for fifteen years in March and September. The mortgages have been paid off as of June 30, 2018.

15. CONTINGENCIES AND COMMITMENTS

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no pending litigation which is likely to have a material adverse effect on the financial position of the City.

Grant Awards - The City participates in certain Federal and State assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

16. PRIOR PERIOD ADJUSTMENT

The City recorded a prior period adjustment to eliminate the previously reported net OPEB asset, and to recognize deferred outflows of resources and net OPEB liability as of June 30, 2017.

		Prior Period Adjustments			
	Net Position, as Previously Reported at June 30, 2017	Deferred Employer OPEB Contributions	Net OPEB Obligation	Net OPEB Liability	Net Position, as Restated at June 30, 2017
Government-Wide Statements					
Governmental Activities	$ 19,307,804	$ 887,400	$ 17,495,525	$ (34,749,000)	$ 2,941,729
Business-type Activities	$ 20,013,970	$ 98,600	$ 1,981,763	$ (3,861,000)	$ 18,233,333

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REQUIRED SUPPLEMENTARY INFORMATION

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City of Pinole

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Fund

For the year ended June 30, 2018

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes and assessments	$ 14,053,359	$ 14,406,011	$ 16,363,136	$ 1,957,125
Intergovernmental revenues	122,582	116,037	79,426	(36,611)
Contributions	-	-	5,950	5,950
Investment earnings	57,000	60,400	48,384	(12,016)
Rents and ground leases	115,450	131,027	102,811	(28,216)
Charges for services	2,933,408	2,979,313	3,220,215	240,902
Fines, forfeitures and penalties	54,050	54,050	41,279	(12,771)
Other revenues	12,000	106,151	255,183	149,032
Total revenues	17,347,849	17,852,989	20,116,384	2,263,395
EXPENDITURES:				
Current:				
General administration	2,983,109	3,090,609	2,941,569	(149,040)
Public safety	10,395,269	10,704,531	9,678,926	(1,025,605)
Public works	1,124,013	1,126,113	906,391	(219,722)
Recreation	7,000	7,000	8,458	1,458
Community development	72,467	72,467	8,206	(64,261)
Capital outlay	374,138	874,998	849,845	(25,153)
Debt service:				
Principal	579,087	579,087	361,674	(217,413)
Interest and fiscal charges	259,646	259,646	331,464	71,818
Total expenditures	15,794,729	16,714,451	15,086,533	(1,627,918)
REVENUES OVER (UNDER) EXPENDITURES	1,553,120	1,138,538	5,029,851	3,891,313
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of asset	10,000	11,750	10,017,210	10,005,460
Transfers out	1,090,566	1,108,566	(826,926)	1,935,492
Total other financing sources (uses)	1,100,566	1,120,316	9,190,284	11,940,952
Net change in fund balances	$ 2,653,686	$ 2,258,854	14,220,135	$ 15,832,265
FUND BALANCES:				
Beginning of year			11,707,001	
End of year			$ 25,927,136	

City of Pinole

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Housing Programs Special Revenue Fund

For the year ended June 30, 2018

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes and assessments	$ -	$ -	$ -	$ -
Intergovernmental revenues	-	-	-	-
Loan Repayments	(81,000)	(81,000)	15,023	96,023
Contributions	-	-	-	-
Investment earnings	75,000	75,000	13,610	(61,390)
Rents and ground leases	72,253	72,253	72,253	-
Charges for services	-	4,700	4,700	-
Fines, forfeitures and penalties	-	-	-	-
Other revenues	35,000	35,000	5,500	(29,500)
Total revenues	101,253	105,953	111,086	5,133
EXPENDITURES:				
Current:				
General administration	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Recreation	-	-	-	-
Community development	189,996	223,996	563,889	339,893
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	189,996	223,996	563,889	339,893
REVENUES OVER (UNDER) EXPENDITURES	(88,743)	(118,043)	(452,803)	(334,760)
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of asset	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	$ (88,743)	$ (118,043)	(452,803)	$ (334,760)
FUND BALANCES:				
Beginning of year			14,397,563	
End of year			$ 13,944,760	

1. BUDGETARY CONTROL AND BUDGETARY ACCOUNTING

A. Budgetary Control and Budgetary Accounting

Annually, the City Manager submits to the City Council a proposed operating budget for the following fiscal year. This budget includes proposed expenditures, by fund and department, and the revenues expected to finance them. Public hearings are conducted to obtain taxpayer comments and the budget is legally enacted through passage of a resolution. Any revisions which alter total expenditures of any fund must be approved by the City Council.

Budgets are adopted on a basis consistent with generally accepted accounting principles. Budget to actual comparisons in this report use this budgetary basis. Unexpended appropriations lapse at year-end and must be re-appropriated in the following year.

Budgeted amounts are as originally adopted, or as amended by the City Council.

City of Pinole
Notes to Required Supplementary Information
For the year ended June 30, 2018

2. DEFINED BENEFIT PENSION PLAN

*A. Schedule of the City's Proportionate Share of the Net Pension Liability – Last 10 Years**

Fiscal year:	2018	2017	2016	2015
Measurement date:	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of the net pension liability	0.31631%	0.31346%	0.30817%	0.30594%
Proportionate share of the net pension liability	$ 31,369,644	$ 27,123,752	$ 21,152,634	$ 18,565,336
Covered payroll	$ 7,156,301	$ 6,936,049	$ 7,566,201	$ 7,588,896
Proportionate Share of the net pension liability as percentage of covered payroll	438.35%	391.05%	279.57%	244.64%
Plan fiduciary net position as a percentage of the total pension liability	73.31%	74.06%	78.40%	79.82%

Notes to Schedule:

* Fiscal year 2015 was the 1st year of implementation.

*B. Schedule of Contributions – Last 10 Years**

Fiscal year	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	$ 2,298,114	$ 2,067,225	$ 1,529,134	$ 1,403,576
Contribution in relation to the actuarially determined contributions	2,298,114	2,067,225	1,529,134	1,470,096
Contribution deficiency (excess)	$ -	$ -	$ -	$ (66,520)
Covered payroll	$ 7,579,208	$ 7,156,301	$ 6,936,049	$ 7,566,201
Contributions as a percentage of covered payroll	-30.32%	-28.89%	-22.05%	-19.43%

Note to Schedule

Valuation date:**	6/30/2016	6/30/2015	6/30/2014	6/30/2013

* Fiscal year 2015 was the 1st year of implementation.
** Date of actuarial valuation used to determine the contractually required contribution.

3. OTHER POST EMPLOYMENT BENEFITS (OPEB)

A. *Schedule of the City's Proportionate Share of the Net OPEB Liability and Related Ratios for the Measurement Periods Ended June 30*(1)

Measurement Period	2017
Total OPEB Liability	
Service Cost	$ 1,472,000
Interest on the total OPEB liability	1,128,000
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	(4,636,000)
Benefit payments, including refunds of employee contributions	(986,000)
Net change in total OPEB liability	(3,022,000)
Total OPEB liability - beginning	38,610,000
Total OPEB liability - ending	$ 35,588,000
Covered-employee payroll	$ 9,306,000
Net OPEB liability as a percentage of covered-employee payroll	382.42%

Notes to Schedule:

(1) Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

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SUPPLEMENTARY INFORMATION

City of Pinole
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2018

	Capital Projects Fund	Special Revenue Funds	
	Public Works Capital Projects	Growth Impact	Gas Tax
ASSETS			
Cash and investments	$ 2,236,731	$ 1	$ 417,582
Accounts receivables	-	-	40,217
Due from other funds	9,113	-	-
Total Asset	2,245,844	1	457,799
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	12,170	-	16,441
Deposits payable	-	-	-
Due to other funds	420,946	9,113	-
Total liabilities	433,116	9,113	16,441
Fund Balances:			
Restricted	288,016	-	441,358
Assigned	1,524,712	-	-
Unassigned	-	(9,112)	-
Total fund balances	1,812,728	(9,112)	441,358
Total liabilities and fund balances	$ 2,245,844	$ 1	$ 457,799

Special Revenue Funds					
Parkland Dedication	Measure C	Storm Water	Refuse Management	Adjudicated Asset Seizure	police
$ 24,608	$ 888,105	$ -	$ 638,012	$ 131,698	$ 512,146
-	366,959	125,552	10,148	-	200,263
-	-	-	-	-	-
24,608	1,255,064	125,552	648,160	131,698	712,409
-	195	1,992	1,431	884	2,645
-	-	2,000	-	-	-
-	-	21,058	-	-	114,014
-	195	25,050	1,431	884	116,659
24,608	1,254,869	100,502	646,729	130,814	579,754
-	-	-	-	-	15,996
-	-	-	-	-	-
24,608	1,254,869	100,502	646,729	130,814	595,750
$ 24,608	$ 1,255,064	$ 125,552	$ 648,160	$ 131,698	$ 712,409

City of Pinole
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2018

	Special Revenue Funds		
	Cable TV	Recreation	Building & Planning
ASSETS			
Cash and investments	$ -	$ 126,996	$ 999,431
Accounts receivables	56,923	-	-
Due from other funds	-	-	-
Total Asset	56,923	126,996	999,431
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	936	40,109	195,496
Deposits payable	-	22,760	42,341
Due to other funds	87,522	-	-
Total liabilities	88,458	62,869	237,837
Fund Balances:			
Restricted	-	-	-
Assigned	-	64,127	761,594
Unassigned	(31,535)	-	-
Total fund balances	(31,535)	64,127	761,594
Total liabilities and fund balances	$ 56,923	$ 126,996	$ 999,431

Special Revenue Funds				Total
Development services	Fire Department Grants	Solid Waste Fund	CASP Certification & Training	Non-Major Governmental Funds
$ 71,846	$ -	$ 770,539	$ 6,266	$ 6,823,961
-	-	62,825	-	862,887
-	-	-	-	9,113
71,846	-	833,364	6,266	$ 7,695,961
11,364	-	-	88	$ 283,751
63,508	-	-	-	130,609
-	-	-	-	652,653
74,872	-	-	88	1,067,013
-	-	833,364	6,178	4,306,192
-	-	-	-	2,366,429
(3,026)	-	-	-	(43,673)
(3,026)	-	833,364	6,178	6,628,948
$ 71,846	$ -	$ 833,364	$ 6,266	$ 7,695,961

City of Pinole

Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2018

	Capital Projects Fund	Special Revenue Funds	
	Public Works Capital Projects	Growth Impact	Gas Tax
REVENUES:			
Taxes and assessments	$ 34,798	$ -	$ -
Intergovernmental revenues	-	-	519,757
Contributions	-	-	-
Investment earnings	209	669	1,973
Rents and ground leases	15,000	-	-
Charges for services	-	90,679	-
Fines, forfeitures and penalties	1,000	-	-
Other revenues	-	-	-
Total revenues	51,007	91,348	521,730
EXPENDITURES:			
Current:			
General administration	-	-	-
Public safety	-	-	-
Public works	44,551	-	325,062
Recreation	-	-	-
Community development	-	-	-
Capital outlay	96,402	-	31,781
Depreciation	-	-	-
Total expenditures	140,953	-	356,843
REVENUES OVER (UNDER) EXPENDITURES	(89,946)	91,348	164,887
OTHER FINANCING SOURCES (USES):			
Proceeds from sale of asset			
Transfers in	480,000	-	-
Transfers out	-	-	-
Total other financing sources (uses)	480,000	-	-
Net change in fund balances	390,054	91,348	164,887
FUND BALANCES:			
Beginning of year	1,422,674	(100,460)	276,471
End of year	$ 1,812,728	$ (9,112)	$ 441,358

Special Revenue Funds					
Parkland Dedication	Measure C	Storm Water	Refuse Management	Adjudicated Asset Seizure	Police
$ -	$ -	$ -	$ -	$ -	$ 164,543
-	366,959	-	66,513	-	428,000
-	-	-	-	-	-
140	5,004	151	4,071	826	2,737
-	-	-	-	-	-
8,014	-	-	-	-	-
-	-	-	-	1,251	32,140
-	-	296,294	-	-	-
8,154	371,963	296,445	70,584	2,077	627,420
-	-	12,826	-	-	-
-	-	-	-	2,675	576,024
-	127,060	261,093	99,211	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	6,947	-	38,009	15,540	-
-	-	-	-	-	-
-	134,007	273,919	137,220	18,215	576,024
8,154	237,956	22,526	(66,636)	(16,138)	51,396
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,154	237,956	22,526	(66,636)	(16,138)	51,396
16,454	1,016,913	77,976	713,365	146,952	544,354
$ 24,608	$ 1,254,869	$ 100,502	$ 646,729	$ 130,814	$ 595,750

City of Pinole

Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2018

	Special Revenue Funds		
	Cable TV	Recreation	Building & Planning
REVENUES:			
Taxes and assessments	$ 36,910	$ -	$ -
Intergovernmental revenues	-	-	-
Contributions	3,300	21,345	-
Investment earnings	-	565	5,445
Rents and ground leases	-	113,554	-
Charges for services	220,758	643,163	1,113,527
Fines, forfeitures and penalties	-	-	-
Other revenues	30	9,480	19,857
Total revenues	260,998	788,107	1,138,829
EXPENDITURES:			
Current:			
General administration	293,655	9,170	-
Public safety	-	-	-
Public works	-	-	-
Recreation	-	951,867	-
Community development	-	-	1,024,145
Capital outlay	44,957	8,566	6,742
Depreciation	-	-	-
Total expenditures	338,612	969,603	1,030,887
REVENUES OVER (UNDER) EXPENDITURES	(77,614)	(181,496)	107,942
OTHER FINANCING SOURCES (USES):			
Proceeds from sale of asset			
Transfers in	84,095	33,888	-
Transfers out	-	-	-
Total other financing sources (uses)	84,095	33,888	-
Net change in fund balances	6,481	(147,608)	107,942
FUND BALANCES:			
Beginning of year	(38,016)	211,735	653,652
End of year	$ (31,535)	$ 64,127	$ 761,594

Special Revenue Funds				Total
Development services	Fire Department Grants	Solid Waste Fund	CASP Certification & Training	Non-Major Funds Totals
$ -	$ -	$ -	$ -	$ 236,251
-	-	-	-	1,381,229
-	-	-	-	24,645
432	-	3,876	-	26,098
-	-	-	-	128,554
-	-	-	6,178	2,082,319
-	-	-	-	34,391
-	285	247,457	-	573,403
432	285	251,333	6,178	4,486,890
-	-	-	-	315,651
-	-	-	-	578,699
-	-	-	-	856,977
-	-	-	-	951,867
-	-	-	-	1,024,145
-	-	-	-	248,944
-	-	-	-	-
-	-	-	-	3,976,283
432	285	251,333	6,178	510,607
-	228,943	-	-	826,926
-	-	-	-	-
-	228,943	-	-	826,926
432	229,228	251,333	6,178	1,337,533
(3,458)	(229,228)	582,031	-	5,291,415
$ (3,026)	$ -	$ 833,364	$ 6,178	$ 6,628,948

City of Pinole

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Public Works Capital Projects

For the year ended June 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes and assessments	$ 33,870	$ 33,870	$ 34,798	$ 928
Intergovernmental revenues	-	-	-	-
Contributions	-	-	-	-
Investment earnings	-	-	209	209
Rents and ground leases	15,000	15,000	15,000	-
Charges for services	-	-	-	-
Fines, forfeitures and penalties	-	-	1,000	1,000
Other revenues	-	-	-	-
Total revenues	48,870	48,870	51,007	2,137
EXPENDITURES:				
Current:				
General administration	-	-	-	-
Public safety	-	-	-	-
Public works	45,599	45,599	44,553	(1,046)
Recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	490,787	510,787	96,402	(414,385)
Total expenditures	536,386	556,386	140,955	(415,431)
REVENUES OVER (UNDER) EXPENDITURES	(487,516)	(507,516)	(89,948)	417,568
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of asset				
Transfers in	(480,000)	480,000	480,000	480,000
Transfers out	-	-	-	-
Total other financing sources (uses)	(480,000)	480,000	480,000	480,000
Net change in fund balances	$ (967,516)	$ (27,516)	390,052	$ 897,568
FUND BALANCES:				
Beginning of year			1,422,674	
End of year			$ 1,812,726	

City of Pinole

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Growth Impact Special Revenue fund

For the year ended June 30, 2018

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes and assessments	$ -	$ -	$ -	$ -
Intergovernmental revenues	-	-	-	-
Contributions	-	-	-	-
Investment earnings	-	-	669	669
Rents and ground leases	-	-	-	-
Charges for services	-	-	90,679	90,679
Fines, forfeitures and penalties	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	91,348	91,348
EXPENDITURES:				
Current:				
General administration	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	-	91,348	91,348
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of asset				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	$ -	$ -	91,348	$ 91,348
FUND BALANCES:				
Beginning of year			(100,460)	
End of year			$ (9,112)	

City of Pinole

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Gas Tax Special Revenue fund

For the year ended June 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes and assessments	$ -	$ -	$ -	$ -
Intergovernmental revenues	528,732	528,732	519,757	(8,975)
Contributions	-	-	-	-
Investment earnings	-	500	1,973	1,473
Rents and ground leases	-	-	-	-
Charges for services	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Other revenues	-	-	-	-
Total revenues	528,732	529,232	521,730	(7,502)
EXPENDITURES:				
Current:				
General administration	-	-	-	-
Public safety	-	-	-	-
Public works	462,791	462,791	325,063	(137,728)
Recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	31,781	31,781
Total expenditures	462,791	462,791	356,844	(105,947)
REVENUES OVER (UNDER) EXPENDITURES	65,941	66,441	164,886	98,445
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of asset				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	$ 65,941	$ 66,441	164,886	$ 98,445
FUND BALANCES:				
Beginning of year			276,470	
End of year			$ 441,356	

City of Pinole

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Parkland Dedication Special Revenue fund

For the year ended June 30, 2018

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes and assessments	$ -	$ -	$ -	$ -
Intergovernmental revenues	-	-	-	-
Contributions	-	-	-	-
Investment earnings	-	-	140	140
Rents and ground leases	-	-	-	-
Charges for services	-	-	8,014	8,014
Fines, forfeitures and penalties	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	8,154	8,154
EXPENDITURES:				
Current:				
General administration	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	-	8,154	8,154
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of asset				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	$ -	$ -	8,154	$ 8,154
FUND BALANCES:				
Beginning of year			16,455	
End of year			$ 24,609	

City of Pinole

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Measure C Special Revenue fund

For the year ended June 30, 2018

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes and assessments	$ -	$ -	$ -	$ -
Intergovernmental revenues	303,590	303,590	366,959	63,369
Contributions	-	-	-	-
Investment earnings	-	1,000	5,004	4,004
Rents and ground leases	-	-	-	-
Charges for services	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Other revenues	-	-	-	-
Total revenues	303,590	304,590	371,963	67,373
EXPENDITURES:				
Current:				
General administration	42,772	42,772	-	(42,772)
Public safety	-	-	-	-
Public works	96,033	100,033	127,060	27,027
Recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	45,720	45,720	6,947	(38,773)
Total expenditures	184,525	188,525	134,007	(54,518)
REVENUES OVER (UNDER) EXPENDITURES	119,065	116,065	237,956	121,891
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of asset				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	$ 119,065	$ 116,065	237,956	$ 121,891
FUND BALANCES:				
Beginning of year			1,016,913	
End of year			$ 1,254,869	

City of Pinole

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Storm Water Special Revenue fund

For the year ended June 30, 2018

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes and assessments	$ -	$ -	$ -	$ -
Intergovernmental revenues	-	-	-	-
Contributions	-	-	-	-
Investment earnings	-	175	151	(24)
Rents and ground leases	-	-	-	-
Charges for services	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Other revenues	315,768	316,168	296,294	(19,874)
Total revenues	315,768	316,343	296,445	(19,898)
EXPENDITURES:				
Current:				
General administration	-	-	12,826	12,826
Public safety	-	-	-	-
Public works	305,420	305,420	261,093	(44,327)
Recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	305,420	305,420	273,919	(31,501)
REVENUES OVER (UNDER) EXPENDITURES	10,348	10,923	22,526	11,603
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of asset				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	$ 10,348	$ 10,923	22,526	$ 11,603
FUND BALANCES:				
Beginning of year			77,976	
End of year			$ 100,502	

City of Pinole

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Refuse Management Special Revenue fund

For the year ended June 30, 2018

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes and assessments	$ -	$ -	$ -	$ -
Intergovernmental revenues	60,060	60,060	66,513	6,453
Contributions	-	-	-	-
Investment earnings	-	1,000	4,071	3,071
Rents and ground leases	-	-	-	-
Charges for services	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Other revenues	-	-	-	-
Total revenues	60,060	61,060	70,584	9,524
EXPENDITURES:				
Current:				
General administration	-	-	-	-
Public safety	-	-	-	-
Public works	113,522	113,522	99,211	(14,311)
Recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	38,009	38,009
Total expenditures	113,522	113,522	137,220	23,698
REVENUES OVER (UNDER) EXPENDITURES	(53,462)	(52,462)	(66,636)	(14,174)
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of asset				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	$ (53,462)	$ (52,462)	(66,636)	$ (14,174)
FUND BALANCES:				
Beginning of year			713,366	
End of year			$ 646,730	

City of Pinole

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Adjudicated Asset Seizure

For the year ended June 30, 2018

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes and assessments	$ -	$ -	$ -	$ -
Intergovernmental revenues	-	-	-	-
Contributions	-	-	-	-
Investment earnings	-	250	826	576
Rents and ground leases	-	-	-	-
Charges for services	-	-	-	-
Fines, forfeitures and penalties	-	1,300	1,251	(49)
Other revenues	-	-	-	-
Total revenues	-	1,550	2,077	527
EXPENDITURES:				
Current:				
General administration	-	-	-	-
Public safety	-	-	2,676	2,676
Public works	-	-	-	-
Recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	11,856	15,540	3,684
Total expenditures	-	11,856	18,216	6,360
REVENUES OVER (UNDER) EXPENDITURES	-	(10,306)	(16,139)	(5,833)
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of asset				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	$ -	$ (10,306)	(16,139)	$ (5,833)
FUND BALANCES:				
Beginning of year			146,952	
End of year			$ 130,813	

City of Pinole

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Police Special Revenue Fund

For the year ended June 30, 2018

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes and assessments	$ 155,000	$ 155,000	$ 164,543	$ 9,543
Intergovernmental revenues	420,000	420,000	428,000	8,000
Contributions	-	-	-	-
Investment earnings	-	925	2,737	1,812
Rents and ground leases	-	-	-	-
Charges for services	-	-	-	-
Fines, forfeitures and penalties	57,750	57,750	32,140	(25,610)
Other revenues	-	-	-	-
Total revenues	632,750	633,675	627,420	(6,255)
EXPENDITURES:				
Current:				
General administration	-	-	-	-
Public safety	558,239	558,239	576,022	17,783
Public works	-	-	-	-
Recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	7,500	7,500	-	(7,500)
Total expenditures	565,739	565,739	576,022	10,283
REVENUES OVER (UNDER) EXPENDITURES	67,011	67,936	51,398	(16,538)
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of asset				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	$ 67,011	$ 67,936	51,398	$ (16,538)
FUND BALANCES:				
Beginning of year			544,356	
End of year			$ 595,754	

City of Pinole

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Cable TV Special Revenue Fund

For the year ended June 30, 2018

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes and assessments	$ 50,000	$ 36,788	$ 36,910	$ 122
Intergovernmental revenues	-	-	-	-
Contributions	3,000	600	3,300	2,700
Investment earnings	-	-	-	-
Rents and ground leases	-	-	-	-
Charges for services	182,585	178,585	220,758	42,173
Fines, forfeitures and penalties	-	-	-	-
Other revenues	3,000	1,500	30	(1,470)
Total revenues	238,585	217,473	260,998	43,525
EXPENDITURES:				
Current:				
General administration	342,191	342,191	293,654	(48,537)
Public safety	-	-	-	-
Public works	-	-	-	-
Recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	56,900	56,900	44,957	(11,943)
Total expenditures	399,091	399,091	338,611	(60,480)
REVENUES OVER (UNDER) EXPENDITURES	(160,506)	(181,618)	(77,613)	104,005
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of asset				
Transfers in	(165,566)	183,566	84,095	183,566
Transfers out	-	-	-	-
Total other financing sources (uses)	(165,566)	183,566	84,095	183,566
Net change in fund balances	$ (326,072)	$ 1,948	6,482	$ 287,571
FUND BALANCES:				
Beginning of year			(38,016)	
End of year			$ (31,534)	

City of Pinole

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Recreation Special Revenue Fund

For the year ended June 30, 2018

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes and assessments	$ -	$ -	$ -	$ -
Intergovernmental revenues	-	-	-	-
Contributions	46,120	28,120	21,345	(6,775)
Investment earnings	-	-	565	565
Rents and ground leases	75,600	90,600	113,554	22,954
Charges for services	755,527	625,645	643,163	17,518
Fines, forfeitures and penalties	-	-	-	-
Other revenues	-	400	9,480	9,080
Total revenues	877,247	744,765	788,107	43,342
EXPENDITURES:				
Current:				
General administration	-	-	9,165	
Public safety	-	-	-	-
Public works	-	-	-	-
Recreation	1,073,455	1,023,215	951,867	(71,348)
Community development	-	-	-	-
Capital outlay	-	-	8,566	8,566
Total expenditures	1,073,455	1,023,215	969,598	(53,617)
REVENUES OVER (UNDER) EXPENDITURES	(196,208)	(278,450)	(181,491)	96,959
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of asset				
Transfers in	(45,000)	45,000	33,888	45,000
Transfers out	-	-	-	-
Total other financing sources (uses)	(45,000)	45,000	33,888	45,000
Net change in fund balances	$ (241,208)	$ (233,450)	(147,603)	$ 141,959
FUND BALANCES:				
Beginning of year			211,736	
End of year			$ 64,133	

City of Pinole

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Building & Planning Special Revenue Fund

For the year ended June 30, 2018

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes and assessments	$ -	$ -	$ -	$ -
Intergovernmental revenues	-	-	-	-
Contributions	-	-	-	-
Investment earnings	-	1,500	5,445	3,945
Rents and ground leases	-	-	-	-
Charges for services	824,350	1,116,350	1,113,527	(2,823)
Fines, forfeitures and penalties	-	-	-	-
Other revenues	6,000	17,000	19,857	2,857
Total revenues	830,350	1,134,850	1,138,829	3,979
EXPENDITURES:				
Current:				
General administration	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Recreation	-	-	-	-
Community development	1,094,067	1,369,067	1,024,143	(344,924)
Capital outlay	50,000	63,000	6,742	(56,258)
Total expenditures	1,144,067	1,432,067	1,030,885	(401,182)
REVENUES OVER (UNDER) EXPENDITURES	(313,717)	(297,217)	107,944	405,161
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of asset				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	$ (313,717)	$ (297,217)	107,944	$ 405,161
FUND BALANCES:				
Beginning of year			653,652	
End of year			$ 761,596	

City of Pinole

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Development Services Special Revenue Fund

For the year ended June 30, 2018

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes and assessments	$ -	$ -	$ -	$ -
Intergovernmental revenues	-	-	-	-
Contributions	-	-	-	-
Investment earnings	-	-	431	431
Rents and ground leases	-	-	-	-
Charges for services	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	431	431
EXPENDITURES:				
Current:				
General administration	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	-	431	431
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of asset				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	$ -	$ -	431	$ 431
FUND BALANCES:				
Beginning of year			(3,458)	
End of year			$ (3,027)	

City of Pinole

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Fire Department Grants Special Revenue Fund

For the year ended June 30, 2018

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes and assessments	$ -	$ -	$ -	$ -
Intergovernmental revenues	-	-	-	-
Contributions	-	-	-	-
Investment earnings	-	-	-	-
Rents and ground leases	-	-	-	-
Charges for services	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
General administration	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of asset				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	$ -	$ -	-	$ -
FUND BALANCES:				
Beginning of year			-	
End of year			$ -	

City of Pinole

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Solid Waste Special Revenue Fund

For the year ended June 30, 2018

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes and assessments	$ -	$ -	$ -	$ -
Intergovernmental revenues	-	-	-	-
Contributions	-	-	-	-
Investment earnings	-	-	3,876	3,876
Rents and ground leases	-	-	-	-
Charges for services	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Other revenues	220,000	220,000	247,457	27,457
Total revenues	220,000	220,000	251,333	31,333
EXPENDITURES:				
Current:				
General administration	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	220,000	220,000	251,333	31,333
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of asset				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	$ 220,000	$ 220,000	251,333	$ 31,333
FUND BALANCES:				
Beginning of year			582,031	
End of year			$ 833,364	

City of Pinole

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

CASP Certification and Training

For the year ended June 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes and assessments	$ -	$ -	$ -	$ -
Intergovernmental revenues	-	-	-	-
Contributions	-	-	-	-
Investment earnings	-	-	-	-
Rents and ground leases	-	-	-	-
Charges for services	-	-	6,178	6,178
Fines, forfeitures and penalties	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	6,178	6,178
EXPENDITURES:				
Current:				
General administration	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	-	6,178	6,178
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of asset				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	$ -	$ -	6,178	$ 6,178
FUND BALANCES:				
Beginning of year			-	
End of year			$ 6,178	

City of Pinole
Combining Balance Sheet
Agency Fund
June 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
ASSETS				
Cash and equivalents	$ 97,561	$ 438	$ -	$ 97,999
Accounts receivable	64	-	64	-
Total Assets	$ 97,625	$ 438	$ 64	$ 97,999
LIABILITIES				
Fund held in trust	$ 97,625	438	64	97,999
Total liabilities	$ 97,625	$ 438	$ 64	$ 97,999

Statistical Section

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CITY OF PINOLE

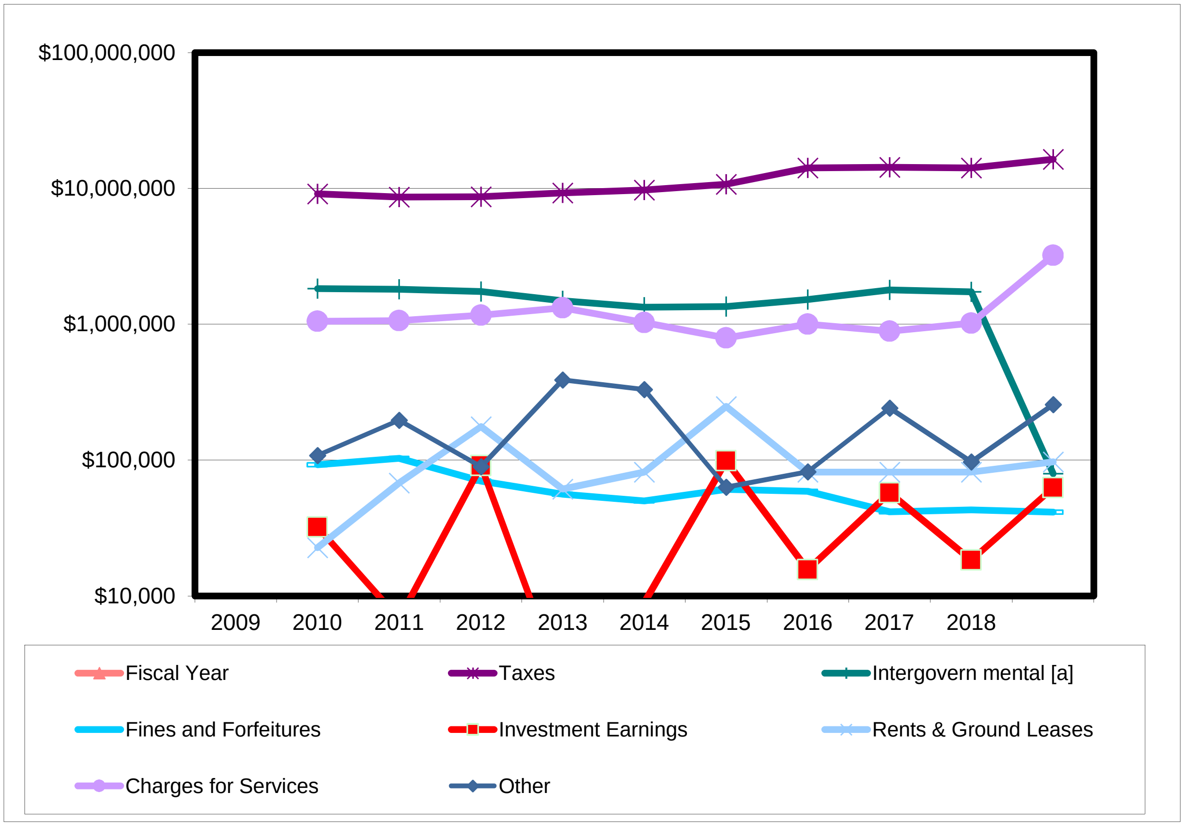
NET POSITION BY COMPONENT, Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	$ 48,481,644	$ 42,630,150	$ 43,395,278	$ 35,021,089	$ 35,773,981	$ 36,296,765	$ 34,962,909	$ 33,764,294	$ 32,700,833	$ 31,758,414
Restricted	30,499,599	30,499,599	32,539,587	11,286,730	11,530,930	2,591,393	2,591,393	2,591,393	17,755,625	17,938,328
Unrestricted	(26,814,858)	(26,628,239)	(30,862,961)	14,727,078	11,842,896	(2,498,114)	(21,819,095)	(17,014,950)	(31,148,654)	(34,044,994)
Total governmental activities net position	$ 52,166,385	$ 46,501,510	$ 45,071,904	$ 61,034,897	$ 59,147,807	$ 36,390,044	$ 15,735,207	$ 19,340,737	$ 19,307,804	$ 15,651,748
Business-type activities										
Net investment in capital assets	$ 7,816,726	$ 10,112,367	$ 10,302,367	$ 9,444,118	$ 9,051,860	$ 9,921,073	$ 11,223,296	$ 13,869,394	$ 14,364,860	$ 13,381,134
Unrestricted	4,729,269	1,724,352	1,848,906	3,395,880	4,546,425	5,205,241	4,984,154	4,584,135	5,649,110	6,241,700
Total business-type activities net position	$ 12,545,995	$ 11,836,719	$ 12,151,273	$ 12,839,998	$ 13,598,285	$ 15,126,314	$ 16,207,450	$ 18,453,529	$ 20,013,970	$ 19,622,834
Primary government										
Net investment in capital assets	$ 56,298,370	$ 52,742,517	$ 53,697,645	$ 44,465,207	$ 44,825,841	$ 46,217,838	$ 46,186,205	$ 47,633,688	$ 47,065,693	$ 45,139,548
Restricted	30,499,599	30,499,599	32,539,587	11,286,730	11,530,930	2,591,393	2,591,393	2,591,393	17,755,625	17,938,328
Unrestricted	(22,085,589)	(24,903,887)	(29,014,055)	18,122,958	16,389,321	2,707,127	(16,834,941)	(12,430,815)	(25,499,544)	(27,803,294)
Total primary government net position	$ 64,712,380	$ 58,338,229	$ 57,223,177	$ 73,874,895	$ 72,746,092	$ 51,516,358	$ 31,942,657	$ 37,794,266	$ 39,321,774	$ 35,274,582

CITY OF PINOLE
CHANGES IN NET POSITION, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
General government	$ 9,203,481	$ 12,935,189	$ 9,176,401	$ 6,644,902	$ 5,996,378	$ 4,718,160	$ 4,373,166	$ 4,368,671	$ 5,952,688	$ 3,482,534
Public safety	11,086,383	10,627,109	9,937,972	9,153,942	8,855,816	9,281,461	9,321,934	10,086,963	10,326,947	12,202,527
Public services	2,120,368	2,338,079	2,395,243	2,472,400	1,488,713	2,685,493	2,673,746	3,878,498	2,568,265	3,217,759
Recreation	1,653,907	1,463,300	1,334,530	1,527,911	1,467,915	1,074,585	1,150,267	1,067,952	1,151,760	1,145,227
Community development	7,202,650	3,092,568	2,904,417	3,218,191	654,535	779,147	833,061	1,184,385	1,065,848	1,642,031
Interest and fiscal changes	2,817,474	2,686,711	2,625,791	1,345,952	149,097	280,173	290,860	305,569	338,507	331,464
Total government activity expenses	$ 34,084,263	$ 33,142,956	$ 28,374,354	$ 24,363,298	$ 18,612,454	$ 18,819,019	$ 18,643,034	$ 20,892,038	$ 21,404,015	$ 22,021,542
Business-type activities:										
Wastewater utility	5,312,229	5,798,474	5,081,468	4,998,178	5,427,396	4,859,118	4,883,256	5,316,022	4,597,454	5,193,994
Total business-type activities expenses	5,312,229	5,798,474	5,081,468	4,998,178	5,427,396	4,859,118	4,883,256	5,316,022	4,597,454	5,193,994
Total primary government expenses	$ 39,396,492	$ 38,941,430	$ 33,455,822	$ 29,361,476	$ 24,039,850	$ 23,678,137	$ 23,526,290	$ 26,208,060	$ 26,001,469	$ 27,215,536
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	$ 327,329	$ 247,304	$ 269,339	$ 1,068,236	$ 286,722	$ 502,094	$ 590,359	$ 236,512	$ 354,357	$ 648,409
Public safety	445,951	380,755	177,931	102,560	146,658	586,131	534,095	461,330	640,785	1,435,741
Public services	355,579	314,815	311,922	705,701	461,578	946,387	573,320	545,273	310,073	153,810
Recreation	982,967	926,243	860,274	1,163,599	927,758	1,195,728	998,792	871,497	783,783	846,822
Community development	902,718	1,653,268	1,990,099	534,533	1,083,517	527,441	666,863	244,449	162,634	1,153,907
Operating grants and contributiions	1,315,613	777,009	1,025,928	2,127,097	948,062	1,026,339	1,203,058	1,464,456	227,184	11,483,081
Capital grants and contributions	2,058,926	1,306,971	2,597,866	96,886	755,433	640,884	1,068,087	1,094,371	1,262,813	-
Total governmental program revenues	6,389,083	5,606,365	7,233,359	5,798,612	4,609,728	5,425,004	5,634,574	4,917,888	3,741,629	15,721,770
Business-type activities:										
Charges for services:										
Wastewater utility	5,858,159	5,159,757	5,462,798	5,633,904	5,961,605	6,473,147	6,912,213	7,541,964	6,315,563	6,524,537
Capital grants and contributions					218,193					
Total business-type program revenues	5,858,159	5,159,757	5,462,798	5,633,904	6,179,798	6,473,147	6,912,213	7,541,964	6,315,563	6,524,537
Total primary government program revenues	$ 12,247,242	$ 10,766,122	$ 12,696,157	$ 11,432,516	$ 10,789,526	$ 11,898,151	$ 12,546,787	$ 12,459,852	$ 10,057,192	$ 22,246,307
Net (Expense)/Revenue										
Net (Expense)/Revenue Governmental	(27,695,180)	(27,536,591)	(21,140,995)	(18,564,686)	(14,002,726)	(13,394,015)	(13,008,460)	(15,974,150)	(17,662,386)	(6,299,772)
Net (Expense)/Revenue Business-type	545,930	(638,717)	381,330	635,726	752,402	1,614,029	2,028,957	2,225,942	1,718,109	1,330,543
Total primary government net expense	(27,149,250)	(28,175,308)	(20,759,665)	(17,928,960)	(13,250,324)	(11,779,986)	(10,979,503)	(13,748,208)	(15,944,277)	(4,969,229)
Change in Net Position										
Governmental activities	(5,850,126)	(5,850,126)	(1,429,606)	15,894,132	(1,887,090)	(22,757,764)	(4,193,825)	(2,388,176)	(32,933)	12,710,019
Business-type activities	443,778	443,778	314,554	688,725	758,287	1,602,798	(2,037,223)	(2,246,079)	1,721,679	1,389,501
Total primary government	(5,406,348)	(5,406,348)	(1,115,052)	16,582,857	(1,128,803)	(21,154,966)	(6,231,048)	(4,634,255)	1,688,746	14,099,520

CITY OF PINOLE
GENERAL FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS



Fiscal Year	Taxes	Intergovern mental [a]	Fines and Forfeitures	Investment Earnings	Rents & Ground Leases	Charges for Services	Other	Total
2009	9,099,405	1,827,646	92,339	32,005	22,699	1,053,620	107,996	12,235,710
2010	8,614,947	1,808,552	102,911	6,743	67,875	1,064,294	196,797	11,862,119
2011	8,694,631	1,737,225	70,090	90,884	175,993	1,168,148	89,656	12,026,627
2012	9,244,495	1,485,968	56,190	2,172	61,088	1,322,376	389,207	12,561,496
2013	9,742,628	1,334,648	50,170	8,930	81,450	1,030,270	330,722	12,578,818
2014	10,747,165	1,350,069	60,734	98,669	247,709	790,618	63,210	13,358,174
2015	14,143,789	1,515,953	58,863	15,621	81,450	999,977	81,988	16,897,641
2016	14,295,535	1,785,007	41,564	57,271	81,450	887,723	241,328	17,389,878
2017	14,165,943	1,731,199	43,051	18,357	81,510	1,015,972	96,871	17,152,904
2018	16,363,136	79,426	41,279	62,567	97,027	3,216,590	256,359	20,116,384

Source: City of Pinole Finance

Notes:
Encompasses general government revenue within the General Fund and Measure S funds.
[a] Grouping changed in FY 2018. Motor Vehicle Fees are now grouped in Charges for Services.

CITY OF PINOLE
FUND BALANCES, GOVERNMENTAL FUNDS, Last Ten Fiscal Years
(modified accrual basis of accounting)

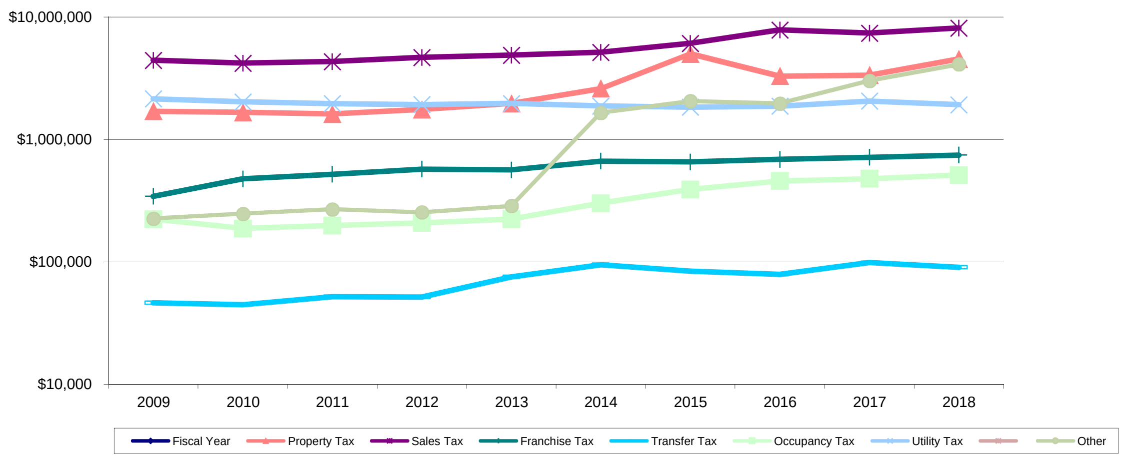
	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Nonspendable			$ 27,912,972	$ 11,299,227	$ 8,950,035	$ 11,157	$ -	$ 7,275	$ 6,712	$ 12,669
Restricted			1,128,091	-	-	-	-	-	-	133,586
Assigned				1,587,255	2,209,430	2,899,585	1,030,000	-	-	2,531,677
Committed			244,040	-	12,599,292	-	-	-	-	-
Unassigned	(2,197,539)	(3,079,187)	(4,808,526)	20,730,658	(3,464,498)	(2,914,406)	4,261,995	9,062,287	11,700,289	23,249,204
Total General Fund	$ (2,197,539)	$ (3,079,187)	$ 24,476,577	$ 33,617,140	$ 20,294,259	$ (3,664)	$ 5,291,995	$ 9,069,562	$ 11,707,001	$ 25,927,136
All Other Governmental Funds										
Nonspendable			$ 3,213,536		$ 7,023,664	$ 2,591,393		$ 2,591,393	$ 6,882,968	$ -
Restricted	$ 25,220,985	$ 25,616,997	19,333,368	3,060,465	6,787,458	15,103,453	14,074,122	11,665,834	10,872,657	18,250,952
Assigned					1,340,327	783,083	3,661,477	-	-	2,366,429
Committed			-	-	-	-	-	-	2,304,515	-
Unassigned reported in:										
Special revenue funds	841,988	441,901	-	-	-	-	(611,270)	4,248,108	(371,162)	(43,673)
Capital project funds	19,786,143	17,887,607	(3,651,080)	-	933,006	(24,842)	(265,778)	-	-	-
Debt service funds	5,278,900	4,882,602	-	-	-	(3,018,401)	-	-	-	-
Total all other governmental funds	$ 51,128,016	$ 48,829,107	$ 18,895,824	$ 3,060,465	$ 16,084,455	$ 15,434,686	$ 16,858,551	$ 18,505,335	$ 19,688,978	$ 20,573,708
										[1]

Notes:
[1] Fund balance increased as a result of revenue in excess of expenditures at fiscal year-end. Sale of property in General Fund.

CITY OF PINOLE
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS, Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	$ 19,060,207	$ 18,229,886	$ 18,011,799	$ 13,474,038	$ 10,373,826	$ 11,456,712	$ 15,111,311	$ 15,111,374	$ 15,453,213	$ 16,599,387
Intergovernmental	4,496,696	3,444,800	4,483,867	3,427,388	2,745,954	3,426,928	3,313,973	3,462,621	877,090	1,460,655
Loan repayments	211,784	253,473	371,220	109,343	48,464	108,021	45,666	85,849	145,457	15,023
Contributions	35,708	33,654	487,733	96,886	174,153	94,032	51,313	65,317	146,112	30,595
Investment earnings	1,027,361	986,963	386,330	22,214	113,723	595,808	311,168	188,790	16,188	88,092
Rents and ground leases	645,932	585,663	935,524	821,723	301,537	273,435	264,301	224,952	300,441	303,618
Charges for service	2,576,862	2,828,314	2,601,486	2,694,734	2,543,872	2,645,656	2,929,952	3,892,535	3,997,423	5,307,234
Fines, forfeitures and penalties	114,191	108,408	72,555	58,172	50,170	60,734	58,863	41,564	48,442	75,670
Gain (loss) on sale of property		662,667	(324,000)	(1,192,929)					-	-
Other revenues	177,180	586,121	189,455	451,942	405,411	137,713	778,737	365,857	532,173	834,086
Total revenues	28,345,921	27,719,949	27,215,969	19,963,511	16,757,110	18,799,039	22,865,284	23,438,859	21,516,539	24,714,360
Expenditures										
General administration	6,950,440	9,353,968	6,256,560	3,689,592	2,903,879	2,506,878	2,411,271	3,007,506	3,035,822	3,257,220
Public safety	10,602,829	10,346,903	9,795,550	9,051,515	8,807,959	9,206,393	9,165,922	9,635,264	10,067,977	10,535,903
Public services	832,163	787,202	699,286	904,149	696,343	1,822,928	1,628,204	2,460,827	1,712,315	1,485,090
Recreation	1,444,232	1,375,288	1,265,595	1,467,895	1,439,933	1,038,572	1,107,168	906,302	1,042,006	960,325
Community development	4,326,084	1,714,710	2,791,106	584,483	1,520,667	742,413	818,580	945,646	935,276	1,596,240
Debt service - Principal	2,940,181	3,315,659	3,141,278	3,148,966	334,287	381,144	373,007	369,177	363,151	361,674
Debt service - Interest	2,849,081	2,726,847	2,678,865	1,345,952	149,097	280,173	290,860	305,569	338,507	331,464
Capital outlay	2,453,529	3,488,787	3,065,250	1,002,678	1,209,901	1,598,513	368,007	1,289,967	200,403	1,098,789
Total expenditures	32,398,539	33,109,364	29,693,490	21,195,230	17,062,066	17,577,014	16,163,019	18,920,258	17,695,457	19,626,705
Other financing sources (uses)										
Bond, note and loan proceeds	-	-	-	296,926	-	458,000	-	-	-	-
Capital lease financing	-	-	-	-	-					
Gain (loss) on sale of property	-	(88,681)		-	6,064	6,559	17,259	1,909		10,017,210
Transfers in	-	-	-	-	-	-	447,050	446,000	671,364	826,926
Transfers out	-	-	-	-	-	-	(447,050)	(446,000)	(671,364)	(826,926)
Transfers from enterprise fund	100,000	100,000	100,000	-	-	-	-	-	-	-
Extraordinary item	-	-	-	(5,828,864)	-	(22,634,276)	-	-	-	-
Total other financing sources	100,000	11,319	100,000	(5,531,938)	6,064	(22,169,717)	17,259	1,909	-	10,017,210
Net change in fund balance	$ (3,952,618)	$ (5,378,096)	$ (2,377,521)	$ (6,763,657)	$ (298,892)	$ (20,947,692)	$ 6,719,524	$ 4,520,510	$ 3,821,082	$ 15,104,865
Debt service as a % of noncapital expenditures	19.3%	20.4%	21.9%	22.3%	3.0%	4.1%	4.2%	3.8%	4.0%	3.7%

CITY OF PINOLE
GENERAL FUND TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS



Fiscal Year	Property Tax	(b) Sales Tax	Franchise Tax	Transfer Tax	Occupancy Tax	(a) Utility Tax	(c) Other	Total
2009	1,703,228	4,442,990	343,904	46,397	223,294	2,150,325	226,464	9,136,602
2010	1,665,429	4,209,559	477,315	44,699	187,746	2,030,198	247,304	8,862,250
2011	1,616,403	4,341,619	520,446	52,049	198,027	1,966,077	269,339	8,963,960
2012	1,757,441	4,688,836	572,499	51,630	208,498	1,930,758	254,140	9,463,802
2013	1,974,485	4,896,120	565,095	75,542	223,413	1,975,666	286,721	9,997,042
2014	2,606,245	5,164,841	667,030	94,992	302,329	1,880,224	1,657,596	12,373,257
2015	5,016,239	6,120,157	656,564	84,136	391,165	1,843,618	2,063,629	16,175,509
2016	3,302,472	7,859,195	687,737	79,181	459,393	1,876,318	1,971,889	16,236,185
2017	3,354,479	7,411,905	717,013	98,593	478,940	2,066,623	3,025,352	17,152,904
2018	4,555,300	8,162,816	747,625	90,328	513,368	1,926,796	4,120,151	20,116,384

(a) City of Pinole utility tax went into effect July 1991. This tax was repealed by the voters in November 1997 and reinstated in November 1998, and reaffirmed by voters in November 2004, November 2012, and November 2018.
(b) Voter ratification (November 2006) of 1/2-cent local user tax (applied to retail sales) effective April 2007.
(c) Includes Business License Taxes

Source: City of Pinole Finance

CITY OF PINOLE
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Residential	Commercial	Unsecured	All Other Assessment Categories	Net Taxable Assessed Value [1]	Total Direct Tax Rate	Estimated Actual Taxable Value
2009	1,555,912,705	311,156,753	50,175,451	67,946,873	1,985,191,782	0.1884%	2,359,201,914
2010	1,379,735,626	350,603,828	52,691,843	60,618,613	1,843,649,910	0.1884%	2,190,993,553
2011	1,355,128,439	347,394,282	52,456,924	57,122,367	1,812,102,012	0.1884%	2,153,502,031
2012	1,307,568,620	344,375,136	54,954,754	35,250,991	1,742,149,501	0.1884%	2,070,370,467
2013	1,260,099,385	336,541,044	51,157,272	34,800,305	1,682,598,006	0.1884%	1,999,599,470
2014	1,322,470,290	326,179,820	55,296,246	55,855,398	1,759,801,754	0.1884%	2,091,348,404
2015	1,496,137,773	339,520,240	63,501,588	75,328,519	1,974,488,120	0.1884%	2,346,481,682
2016	1,607,057,208	373,896,531	57,423,148	74,378,826	2,112,755,713	0.1884%	2,510,798,889
2017	1,712,024,334	424,465,946	52,646,667	42,853,459	2,231,990,406	0.1884%	2,652,497,398
2018	1,815,946,452	437,410,538	50,669,026	55,481,949	2,359,507,965	0.1884%	2,804,039,266

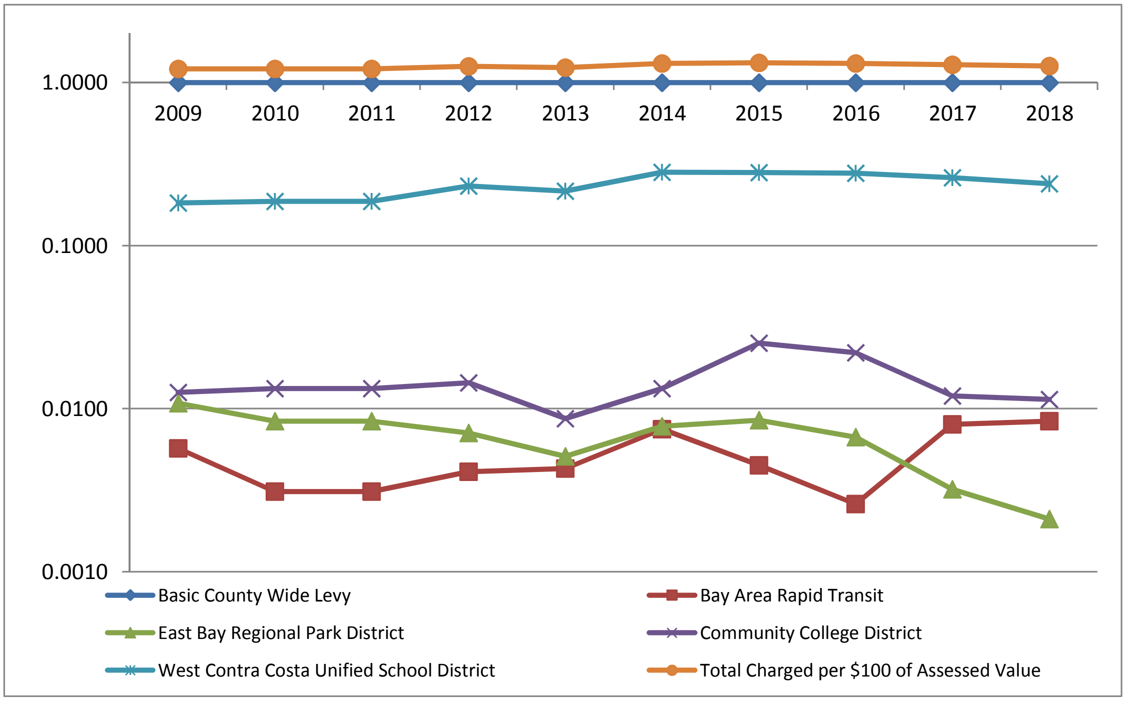
Notes:

[1] Actual market value of taxable property.

Source : Contra Costa County Assessor's Office

CITY OF PINOLE

DIRECT AND OVERLAPPING
PROPERTY TAX LEVIED
PER $100 OF ASSESSED VALUE
LAST TEN FISCAL YEARS



Fiscal Year	Basic County Wide Levy	Bay Area Rapid Transit	East Bay Regional Park District	Community College District	West Contra Costa Unified School District	Total Charged per $100 of Assessed Value
2009	1.0000	0.0057	0.0108	0.0126	0.1828	1.2119
2010	1.0000	0.0031	0.0084	0.0133	0.1869	1.2117
2011	1.0000	0.0031	0.0084	0.0133	0.1869	1.2117
2012	1.0000	0.0041	0.0071	0.0144	0.2322	1.2578
2013	1.0000	0.0043	0.0051	0.0087	0.2157	1.2338
2014	1.0000	0.0075	0.0078	0.0133	0.2818	1.3104
2015	1.0000	0.0045	0.0085	0.0252	0.2803	1.3185
2016	1.0000	0.0026	0.0067	0.0220	0.2781	1.3094
2017	1.0000	0.0080	0.0032	0.0120	0.2604	1.2836
2018	1.0000	0.0084	0.0021	0.0114	0.2397	1.2616

Source : Contra Costa County Auditor-Controller Office

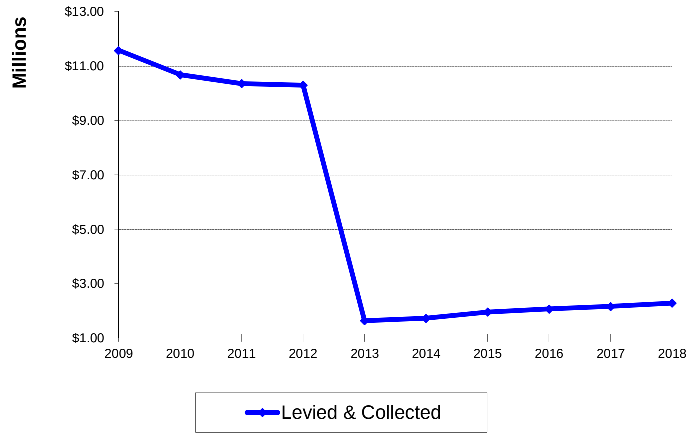
CITY OF PINOLE
PRINCIPAL PROPERTY TAXPAYERS
JUNE 30, 2018

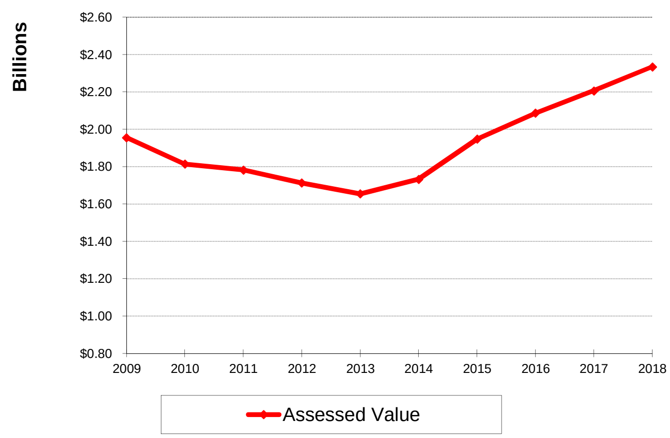
2008-09				2017-18			
Taxpayer		Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxpayer		Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Alpha Beta Company	$	13,971,082	1.21%	AMFP III Bayside	$	25,670,412	1.11%
Appian Associates	$	14,444,420	1.25%	Appian Associates	$	16,347,803	0.71%
Dayton Hudson Corporation	$	16,485,944	1.42%	Che Chen and Shu Fen Liu Trust	$	21,937,975	0.95%
Jackson Retail Venture LLC	$	15,000,000	1.29%	Gateway Pinole Vista LLC	$	68,119,520	2.95%
KW Pinole LLC	$	20,391,840	1.70%	Kaiser Foundation Health Plan	$	35,835,849	1.55%
Peter L. & Shelly Thigpen LLC	$	20,943,497	1.74%	NHI-Reit of Next House LLC	$	20,206,335	0.88%
Pinole Dundee One LLC	$	19,507,500	1.68%	ROIC Pinole Vista LLC	$	22,946,034	0.99%
Pinole Redevelopment Agency	$	77,646,245	4.50%	SCG Pinole Valley Shopping Center	$	40,186,911	1.74%
Pinole Vista LLC	$	22,914,008	1.98%	Target Corporation	$	18,658,368	0.81%
Thomas J. Fitzgerald Trust	$	13,345,552	1.15%	Thomas J. Fitzgerald Trust	$	15,980,242	0.69%
	$	234,650,088	17.92%		$	285,889,449	12.38%

Source: Hdl Coren & Cone
Contra Costa County Assessor

Note: Information is shown in alphabetical order.

CITY OF PINOLE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS





Fiscal Year	City Property Tax Levied & Collected	Redevelopment/ Successor Agency Property Tax Levied & Collected		Total Property Tax Levied & Collected	Percent of Levy Collected [3]	Value of City Property Subject to Local Tax Rate	Value of Redevelopment Property Subject to Local Tax Rate	Local Tax Rate Applied to Assessed Value	Effective Taxrate for City Levy	Effective Taxrate for Redevelopment Agency Levy
2009	2,248,837	9,329,281		11,578,118	100%	985,961,247	968,900,856	1,954,862,103	0.23%	0.96%
2010	1,666,933	9,019,028		10,685,961	100%	889,861,914	923,122,635	1,812,984,549	0.19%	0.98%
2011	1,708,156	8,652,264		10,360,420	100%	882,752,227	899,021,556	1,781,773,783	0.19%	0.96%
2012	1,578,328	8,724,669	[1]	10,302,997	100%	859,343,223	853,177,005	1,712,520,228	0.18%	1.02%
2013	1,538,826	105,121	[2]	1,643,946	100%	824,577,292	829,059,723	1,653,637,015	0.19%	0.01%
2014	1,622,419	105,121	[2]	1,727,540	100%	868,918,982	862,888,372	1,731,807,354	0.19%	0.01%
2015	1,856,378	105,121	[2]	1,961,498	100%	990,967,092	956,240,628	1,947,207,720	0.19%	0.01%
2016	1,967,011	105,121	[2]	2,072,131	100%	1,048,130,045	1,037,786,268	2,085,916,313	0.19%	0.01%
2017	2,059,786	104,251	[2]	2,164,037	100%	1,105,435,408	1,100,258,798	2,205,694,206	0.19%	0.01%
2018	2,185,033	104,295	[2]	2,289,328	100%	1,170,940,384	1,162,783,781	2,333,724,165	0.19%	0.01%

Source: Contra Costa County

Notes:

[1] Redevelopment Agency [Component Financial Unit] dissolved effective 02/01/2012 pursuant to State Law (ABx1-26)
[2] The City of Pinole serves as the Successor Agency to the Pinole Redevelopemnt Agency which dissolved effective 02/01/2012 pursuant to State Law (ABx1-26)
[3] Pursuant to Revenue & Taxation Code 4701 all property taxes levied are distributed by County Costa County to the City (reference Footnote 1)

CITY OF PINOLE
TAXABLE SALES BY CATEGORY
LAST TEN FISCAL YEARS YEARS

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 [a]	2014-15 [b]	2015-16	2016-17	2017-18
Major Business Groups										
Autos and Transportation	$ 112,522	$ 114,282	$ 120,748	$ 121,195	$ 127,938	$ 124,234	$ 128,585	$ 143,531	$ 142,634	$ 129,758
Building and Construction	247,085	187,069	178,788	177,786	194,806	205,843	228,851	235,399	256,743	252,433
Business and Industry	115,425	98,042	94,315	90,571	114,078	90,046	74,621	74,664	69,064	68,148
Food and Drugs	298,175	310,750	318,983	322,851	327,071	332,824	369,426	354,347	366,064	376,151
Fuel and Service Stations	312,149	284,716	370,647	392,505	428,169	426,327	431,453	393,583	355,390	362,450
General Consumer Goods	1,233,117	1,080,208	1,107,978	1,147,145	1,182,031	1,182,294	1,229,774	1,298,176	1,343,309	1,347,691
Restaurants and Hotels	476,528	473,217	480,453	533,913	576,500	618,795	660,763	711,659	715,966	715,885
Adjustments & Others	(1,970)	-	-	-	-	35,173	(50,925)	24,448	-	506
Point of Sale s/totals	2,793,031	2,548,284	2,671,912	2,785,966	2,950,593	3,015,536	3,072,548	3,235,807	3,249,170	3,253,022
County Pool Allocations	280,676	248,972	336,207	320,353	311,692	366,939	408,386	431,500	499,708	490,660
State Pool Allocations	1,452	2,265	1,200	1,000	1,571	2,064	2,129	2,400	2,637	1,903
Local Transaction Tax [a]	1,411,024	1,384,641	1,530,888	1,592,160	1,684,995	1,796,832	1,894,578	3,789,711	3,953,872	4,089,586
Administrative Cost - SBE	(43,193)	(44,986)	(47,160)	(48,012)	(49,811)	(54,106)	(58,890)	(82,268)	(95,537)	(90,183)
Fiscal Year Totals	$ 4,442,990	$ 4,139,176	$ 4,493,047	$ 4,651,467	$ 4,899,040	$ 5,127,265	$ 5,318,751	$ 7,377,150	$ 7,609,850	$ 7,744,988
City Direct Sales Tax Rate	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.75%	1.75%	1.75%

Notes:
[a] "Adjustment" reflects "True-up" reconciliation payment for "Triple-Flip" Reimbursement for State Fiscal Recovery Bond Financing Program.
[b] Effective 04/01/15 additional 1/2% local transaction tax (Measure "S" 2014) authorized

Source: HdL Coren & Cone

CITY OF PINOLE
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS YEARS

	Taxing Jurisdiction / Purpose	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 [c]	2015-16	2016-17	2017-18
	Overlapping Sales Taxes										
	State General Fund	5.50%	5.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
	State Fiscal Recovery Fund	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.00%	0.00%
	State Education Protection Account	0.00%	0.00%	0.00%	0.00%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
	County Health & Welfare Programs	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
[a]	City/County Public Safety Programs	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
	Contra Costa Transportation Authority	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
	Bay Area Rapid Transit	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
	West County Transit Authority	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
	Overlapping Sales Taxes	8.00%	8.00%	7.50%	7.50%	7.75%	7.75%	7.75%	7.75%	7.50%	7.50%
	City Direct Sales Taxes										
	Bradley Burns Authority	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
[b]	Measure "S" Authority - 2006	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
[c]	Measure "S" Authority - 2014	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.50%	0.50%	0.50%	0.50%
	Direct Sales Taxes	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.75%	1.75%	1.75%	1.75%
[d]	Total Sales Tax Levy - City of Pinole	9.25%	9.25%	8.75%	8.75%	9.00%	9.00%	9.50%	9.50%	9.25%	9.25%

Notes:
[a] Effective 01/01/94 SCA-1 (Proposition-172) additional 1/2% statewide sales tax restricted to public safety programs
[b] Effective 04/01/07 additional 1/2% local transaction tax (Measure "S" 2006) authorized
[c] Effective 04/01/15 additional 1/2% local transaction tax (Measure "S" 2014) authorized
[d] The City direct sales tax rate may only be changed with ratification by the electors of the City. The maximum levy permited by the State Legislature for combined direct and overlapping sales tax is 9.5%

Source: California State Board of Equalization

CITY OF PINOLE
TOP 25 SALES TAX PRODUCERS
YEAR ENDED JUNE 30, 2018

BUSINESS NAME	BUSINESS CATEGORY
APPIAN CHEVRON	SERVICE STATIONS
APPLEBEES	CASUAL DINING
BEST BUY	ELECTRONICS/APPLIANCE STORES
BEVERAGES & MORE	CONVENIENCE STORES/LIQUOR
BURLINGTON COAT FACTORY	FAMILY APPAREL
DOLAN'S PINOLE LUMBER	BUILDING MATERIALS
FOOD MAXX	GROCERY STORES
IN-N-OUT BURGER	QUICK-SERVICE RESTAURANTS
K-MART	DISCOUNT DEPARTMENT STORES
MICHAELS ARTS & CRAFTS	ART/GIFT/NOVELTY STORES
ORCHARD SUPPLY HARDWARE	BUILDING MATERIALS
O'REILLY AUTO PARTS	AUTOMOTIVE SUPPLY STORES
ORIGINAL MELS DINER	CASUAL DINING
PETSMART	SPECIALTY STORES
PINOLE CHEVRON	SERVICE STATIONS
PINOLE FLYERS	SERVICE STATIONS
PINOLE VISTA SHELL	SERVICE STATIONS
SAFEWAY	GROCERY STORES
SMART STOP	SERVICE STATIONS
SUGAR CITY BUILDING MATERIALS	BUILDING MATERIALS
TARGET	DISCOUNT DEPARTMENT STORES
TJ MAXX	FAMILY APPAREL
TRADER JOES	GROCERY STORES
ULTA	SPECIALTY STORES
VALERO CORNER STORE	SERVICE STATIONS

PERCENT OF FISCAL YEAR TOTAL PAID BY TOP 25 ACCOUNTS = 61%

Source: State Board of Equilization (HdL Companies)

Note: Information is shown in alphabetical order.

CITY OF PINOLE
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS YEARS

	Governmental Activities				Business-type Activities				
Fiscal Year	Redevelopment Bonds	Pension Obligation Bonds	Notes and Mortgages	Capital Leases	Wastewater Revenue Bonds	Clean Water State Revolving Fund	Total Primary Government	Percentage of Personal Income	Per Capita
2009	53,455,000	5,960,143	801,398	281,536	9,995,000		70,493,077	8.8%	$ 3,637
2010	50,790,000	5,647,063	719,797	75,456	9,810,000		67,042,316	8.7%	$ 3,428
2011	48,115,000	5,344,171	631,867	-	9,620,000		63,711,038	7.9%	$ 3,451
2012	45,315,000	5,047,180	987,385	296,925	9,420,000		61,066,490	7.3%	$ 3,308
2013	[a]	4,750,189	[a]	259,630	9,220,000		14,229,819	1.7%	$ 762
2014	[a]	4,478,467	[a]	608,209	9,005,000		14,091,676	1.7%	$ 755
2015	[a]	4,206,695	[a]	506,973	8,775,000		13,488,668	1.4%	$ 718
2016	[a]	3,941,977	[a]	402,514	8,251,000		12,595,491	1.3%	$ 665
2017	[a]	3,686,615	[a]	294,724	7,866,000	6,786,599	18,633,938	1.7%	$ 982
2018	[a]	3,436,175	[a]	183,490	7,576,000	8,377,758	19,573,423	1.7%	$ 1,018

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.
[a] Judicial Review upholding the constitutionality of ABx1-26 resulted in legal discharge of Revelopment Agency Debt effective 02/01/2012

Sources:
City of Pinole Finance Department
State of California Department of Finance
US Department of Commerce, Bureau of Economic Analysis

CITY OF PINOLE
OTHER LONG TERM LIABILITIES
LAST NINE FISCAL YEARS

	Governmental Activities		Business-type Activities			
Fiscal Year	OPEB Unfunded NOO	Compensated Abesences	OPEB Unfunded NOO	Total Primary Government	Percentage of Personal Income	Per Capita
2010	3,722,892	855,812	388,798	4,967,502	0.6%	$ 254
2011	6,036,285	824,059	655,208	7,515,552	0.9%	$ 407
2012	8,479,288	717,352	908,692	10,105,332	1.1%	$ 544
2013	10,834,457	650,157	1,196,617	12,681,231	1.4%	$ 678
2014	12,638,863	629,136	1,413,205	14,681,204	1.6%	$ 781
2015	14,429,577	652,624	1,627,412	16,709,613	1.8%	$ 882
2016	15,686,891	565,181	1,772,058	18,024,130	1.8%	$ 962
2017	17,495,525	598,774	1,981,763	20,076,062	1.9%	$ 1,058
2018	32,029,200	656,630	3,558,800	36,244,630	3.2%	$ 1,884

Notes:

Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Sources:

City of Pinole Finance Department
State of California Department of Finance
US Department of Commerce, Bureau of Economic Analysis

CITY OF PINOLE
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING,
LAST TEN FISCAL YEARS YEARS

	General Bonded Debt Outstanding					
Fiscal Year	Redevelopment Bonds	Pension Obligation Bonds	Bonds Paid with Restricted Redevelopment Tax Increments	Total - Net of Bonds Paid with Restricted Tax Levies	Percentage of Taxable Value of Property	Per Capita
2009	53,455,000	5,960,143	$ (53,455,000)	5,960,143	0.60% [a]	$ 307
2010	50,790,000	5,647,063	$ (50,790,000)	5,647,063	0.63% [a]	$ 289
2011	48,115,000	5,344,171	$ (48,115,000)	5,344,171	0.61% [a]	$ 290
2012	45,315,000	5,047,180	$ (45,315,000)	5,047,180	0.59% [a]	$ 272
2013	[b]	4,750,189	$ -	4,750,189	0.58% [a]	$ 254
2014	[b]	4,478,467	$ -	4,478,467	0.52% [a]	$ 238
2015	[b]	4,206,695	$ -	4,206,695	0.42% [a]	$ 222
2016	[b]	3,941,977	$ -	3,941,977	0.38% [a]	$ 210
2017	[b]	3,986,615	$ -	3,986,615	0.36% [a]	$ 210
2018	[b]	3,436,175	$ -	3,436,175	0.29% [a]	$ 179

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.
[a] Based on Assessment Value net of restricted Redevelopment Tax Increment
[b] Enactment of ABx1-26 resulted in legal discharge of Revelopment Agency Debt effective 02/01/2012

Sources:
City Finance Department
Contra Costa County Office of the Auditor-Controller

CITY OF PINOLE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT [c]
JUNE 30, 2018

		Outstanding Debt 06/30/18	[a] % Applicable		Estimated Share of Debt 6/30/18
OVERLAPPING TAX AND ASSESSMENT DEBT:					
Bay Area Rapid Transit District	$	837,820,000	0.339%	$	2,840,210
Contra Costa Community College District		403,600,000	1.227%		4,952,172
West Contra Costa Unified School District		1,149,663,353	7.880%		90,593,472
West Contra Costa Healthcare District		54,635,000	7.360%		4,021,136
East Bay Regional Park District		187,800,000	0.530%		995,340
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT					103,402,330
DIRECT AND OVERLAPPING GENERAL FUND DEBT:					
Contra Costa County General Fund Obligations	$	291,777,297	1.223%	$	3,568,436
Contra Costa County Pension Obligation Bonds		155,880,000	1.223%		1,906,412
Contra Costa County Fire Protection Pension Obligations		65,250,000	0.011%		7,178
Contra Costa Community College District Certificates of Participation		330,000	1.227%		4,049
West Contra Costa Unified School District Certificates of Participation		10,145,000	7.880%		799,426
City of Pinole Pension Obligation Bonds		**3,436,174**	**100.000%**		**3,436,174**
City of Pinole Capital Lease Obligations		**183,490**	**100.000%**		**183,490**
Alameda-Contra Costa Transit District Authority		13,795,000	0.039%		5,380
GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT				$	9,910,545
Less: Contra Costa County obligations supported from revenue funds					1,399,044
NET DIRECT AND OVERLAPPING GENERAL FUND DEBT				$	8,511,501
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	$	23,605,000	100.000%	$	23,605,000
TOTAL DIRECT DEBT				**$**	**3,619,664**
TOTAL GROSS OVERLAPPING DEBT				$	133,298,211
TOTAL NET OVERLAPPING DEBT				$	131,899,167
GROSS COMBINED TOTAL DEBT			[b]	$	136,917,875
NET COMBINED TOTAL DEBT				$	135,518,831

2017-2018 Assessed Valuation : $ 2,359,507,965 [d]

Ratios to 2017-18 Assessed Valuation:

Total Gross Direct and Overlapping Tax and Assessment Debt.......................	4.38%
Combined Direct Debt...	**0.15%**
Gross Combined Total Debt..	5.80%
Net Combined Total Debt ……………………………………………………….	5.74%

Ratios to Redevelopment Incremental Valuation ($1,162,783,781):

Total Overlapping Tax Increment Debt ……………………………………………..	2.03%

Notes:
[a] Percentage of overlapping agency's assessed valuation located within boundaries of the city.
[b] Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
[c] Overlapping governments are those that coincide with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Pinole.
[d] Final Assessment Roll value

Source : California Municipal Statistics, Inc.

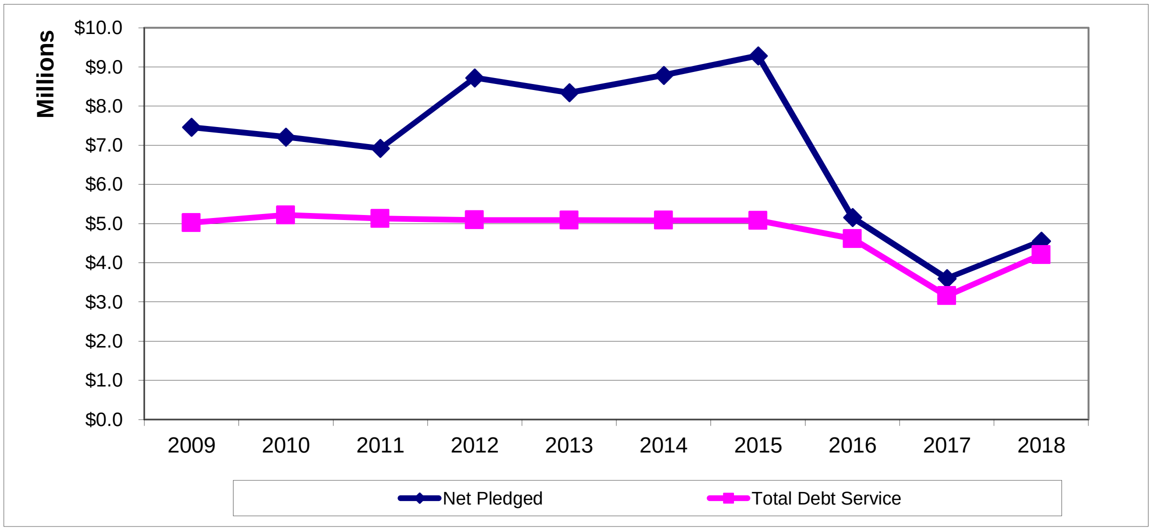
CITY OF PINOLE
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

Fiscal Year	Total assessed value of all real and personal property	Legal debt limit - 15% of total assessed valuation [a]	Amount of debt applicable to limit	Legal debt margin
2009	$ 1,954,862,103	$ 293,229,315	$ (16,500,000)	$ 276,729,315
2010	$ 1,812,984,549	$ 271,947,682	$ (16,110,000)	$ 255,837,682
2011	$ 1,781,773,783	$ 267,266,067	$ (15,710,000)	$ 251,556,067
2012	$ 1,712,520,228	$ 256,878,034	$ (15,295,000)	$ 241,583,034
2013	$ 1,653,637,015	$ 248,045,552	$ (14,865,000)	$ 233,180,552
2014	$ 1,731,807,354	$ 259,771,103	$ (14,425,000)	$ 245,346,103
2015	$ 1,947,207,720	$ 292,081,158	$ (13,970,000)	$ 278,111,158
2016	$ 2,085,916,313	$ 312,887,447	$ (13,500,000)	$ 299,387,447
2017	$ 2,205,694,206	$ 330,854,131	$ (13,015,000)	$ 317,839,131
2018	$ 2,333,724,165	$ 350,058,625	$ (12,510,000)	$ 337,548,625

Note
[a] Per California Government Code Section 43605

Source: City of Pinole Finance Department

CITY OF PINOLE
TAX ALLOCATION BOND COVERAGE
LAST TEN FISCAL YEARS

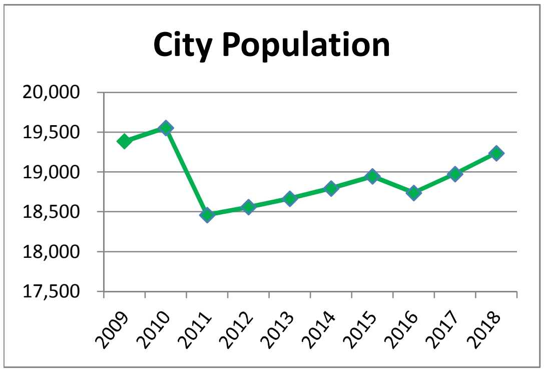


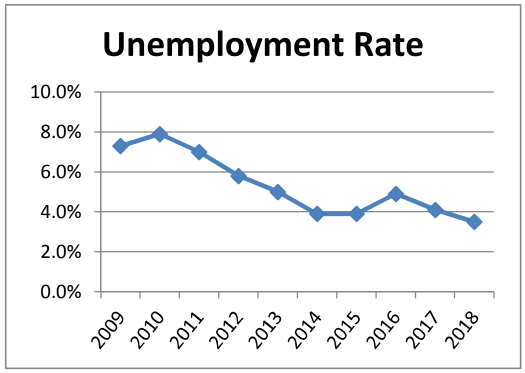
	Fiscal Year	[b] Pledged Tax Revenue	[a] Less Low and Moderate Income Housing Set-Aside	Net Pledged Tax Revenue Available for Debt Service	Debt Service Principal	Debt Service Interest	Total Debt Service
2009	2008-2009	9,329,281	1,865,856	7,463,425	2,365,000	2,660,527	5,025,527
2010	2009-2010	9,016,903	1,803,806	7,213,097	2,665,000	2,555,078	5,220,078
2011	2010-2011	8,652,264	1,730,454	6,921,810	2,675,000	2,453,236	5,128,236
2012	2011-2012	8,724,669	0	8,724,669	2,800,000	2,294,792	5,094,792
2013	2012-2013	8,343,800	0	8,343,800	2,935,000	2,153,518	5,088,518
2014	2013-2014	8,788,383	0	8,788,383	3,085,000	1,999,924	5,084,924
2015	2014-2015	9,287,768	0	9,287,768	3,245,000	1,834,317	5,079,317
2016	2015-2016	5,158,035	0	5,158,035	3,410,000	1,206,137	4,616,137
2017	2016-2017	3,603,311	0	3,603,311	2,505,000	653,234	3,158,234
2018	2017-2018	4,558,025	0	4,558,025	3,625,000	582,712	4,207,712

Source: City of Pinole Finance

[a] Enactment of State Legislation (ABx1-26) suspends funding mandate for 20% Housing Set-Aside.
[b] Successor Agency is now accounted for as a Private Purpose Trust (non-entity)

CITY OF PINOLE
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS





Fiscal Year	(a) City Population	(b) Personal Income (thousands of dollars)	(c) Median Household Income	(d) School Enrollment	(e) Unemployment Rate
2009	19,383	1,088,080	89,300	4,073	7.3%
2010	19,555	1,131,726	90,300	4,049	7.9%
2011	18,460	1,046,737	92,300	3,740	7.0%
2012	18,560	1,029,430	93,500	3,543	5.8%
2013	18,665	1,064,110	93,500	3,603	5.0%
2014	18,794	1,158,425	93,500	3,483	3.9%
2015	18,946	1,207,845	93,500	3,348	3.9%
2016	18,739	1,007,053	93,600	3,260	4.9%
2017	18,975	1,069,697	97,400	3,192	4.1%
2018	19,236	1,150,236	104,400	3,123	3.5%

Data Source :
(a) State of California Department of Finance, estimated population.
(b) Bureau of Economic Analysis, U.S. Department of Commerce.
(c) State of California, Department of Housing and Community Development, Division of Housig Policy Development.
(d) State of California Department of Education.
(e) State of California Employment Development Department, Contra Costa County rates.

CITY OF PINOLE
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO

	2018			2009	
Employer	Employee Count	Percentage of City Total	Employer	Employee Count	Percentage of City Total
West Contra Costa USD	586	12.35%	Target	243	5.47%
Target	210	4.43%	West Contra Costa USD	230	5.18%
Kaiser Health Center	123	2.59%	Mervyn's	187	4.21%
Sprouts Farmers Market	118	2.49%	Lucky's/Food Maxx	124	2.79%
In-N-Out Burger	118	2.49%	City of Pinole	149	3.35%
City of Pinole	110	2.32%	Safetway	90	2.03%
Best Buy	98	2.07%	Best Buy	108	2.43%
K-mart	95	2.00%	K-Mart	103	2.32%
Lucky Supermarket	92	1.94%	Round Table Pizza	65	1.46%
MV Public Transportation, Inc.	79	1.66%	Orchard Supply Hardware	57	1.28%
Top 10 Employer Count	1,629			1,356	
Total Workforce	4,745	34.33%		4,442	30.53%

NOTE: "Total Workforce" as used above represents the total of all employers located within City limits.

Data Sources:
- City of Pinole (Business Licensing)
- California Department of Education
- United States Census Bureau

CITY OF PINOLE
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS YEARS

Function / Program [a]	2009	2010	2011	[b] 2012	2013	2014	2015	2016	2017	2018
General government										
Administration	6	5	5	5	5	5	5	5	5	5
Finance	5	4	4	3	3	3	3	3	3	3
Planning	2	2	2	1	1	1	1	1	1	1
Building	4	3	2	1	1	2	2	2	1	1
Other	3	2	2	2	4	4	4	3	3	3
Police										
Sworn	32	28	28	28	27	27	27	27	27	27
Non-sworn	24	23	21	13	13	13	13	14	14	14
Fire										
Sworn	20	19	17	15	15	15	15	15	14	14
Non-sworn	1	-	-	-	-	-	-	-	1	1
Public Works										
Engineering	7	5	4	3	3	3	3	4	4	4
Maintenance	11	8	7	6	6	6	6	6	6	6
Redevelopment	5	4	3	3	-	-	-	-	-	-
Parks and recreation	13	13	14	8	8	11	11	13	13	13
Wastewater collection and treatment	16	15	15	13	13	13	13	13	13	13
Total	149	131	124	101	99	103	103	106	105	105

Notes:
[a] Paid employees only (excluding reserves and volunteers)
[b] Redevelopment Staffing eliminated effective 02/01/2012, following dissolution of Agency pursuant to new State Legislation (ABx1-26)

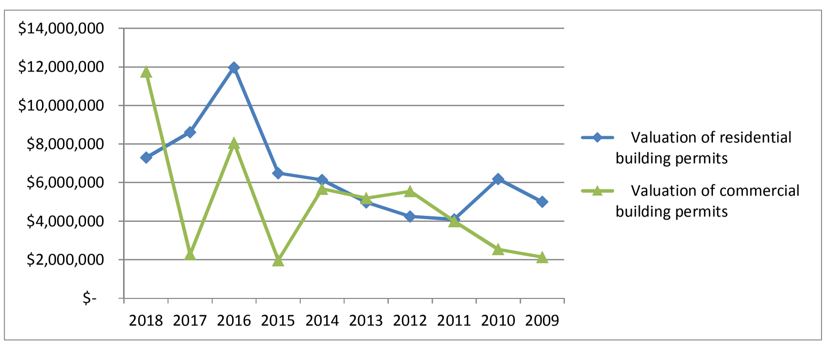
Source: City of Pinole Annual Budget Documents

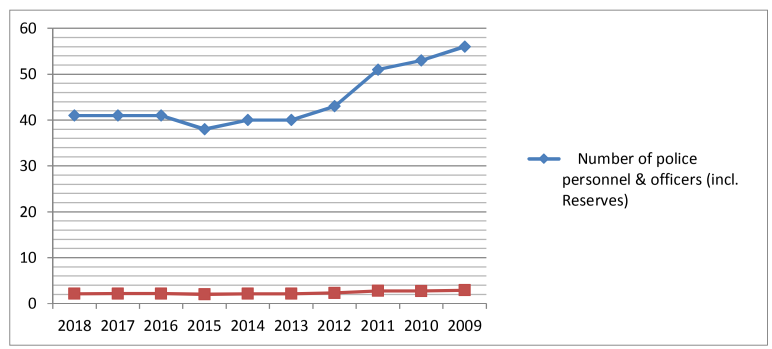
CITY OF PINOLE
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Date of Incorporation	1903
Form of Government	Council-Manager
Number of Employees(including police & fire)	
Full-time	95
Part-time	38
Area in square miles	5 square miles

Statistics by Fiscal Year	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Fire Protection :										
Number of fire personnel & officers (incl. Reserves)	15	15	15	15	17	15	15	23	26	27
Number of calls answered	2,515	2,647	2,406	1,908	2,205	2,250	2,000	2,134	2,283	2,480
Number of inspections conducted	26	20	404	60	7	48	55	515	210	230
Number of building plan reviews	14	29	66	50	25	32	61	76	70	70
Number of fire investigations	Not Available	Not Available	Not Available	2	Not Available	Not Available	51	98	90	92
Police Protection :										
Number of police personnel & officers (incl. Reserves)	41	41	41	38	40	40	43	51	53	56
Number of police personnel per thousand population	2.13	2.16	2.19	2.01	2.13	2.14	2.32	2.76	2.71	2.89
Community Development:										
Number of residential building permits	690	777	1027	1061	800	651	608	674	732	660
Valuation of residential building permits	$ 7,293,429	$ 8,613,376	$ 11,969,126	$ 6,485,860	$ 6,140,140	$ 4,974,080	$ 4,240,627	$ 4,090,024	$ 6,187,203	$ 5,000,929
Number of commercial building permits	84	92	46	22	43	59	46	21	30	42
Valuation of commercial building permits	$ 11,752,779	$ 2,275,774	$ 8,053,064	$ 1,961,346	$ 5,671,577	$ 5,187,465	$ 5,547,362	$ 3,982,285	$ 2,536,324	$ 2,128,384
Sewer System:										
Daily average treatment in gallons	2,151,096	2,914,000	2,381,151	2,449,863	2,579,625	2,776,986	2,907,205	3,147,397	3,620,000	3,620,000
Maximum daily capacity of treatment plant in gallons	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000

Source: City of Pinole Finance





CITY OF PINOLE
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

City Streets:

Miles of streets	63
Number of street lights	373 (city owned) 971 (electric & private utility)

Statistics by Fiscal Year	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Fire Protection :										
Number of stations	1	1	1	1	1	1	1	1	2	2
Police Protection :										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	13	13	13	13	13	13	13	13	13	13
Number of security units	2	2	2	2	2	2	2	2	2	2
Recreation and culture :										
Swim Center	1	1	1	1	1	1	1	1	1	1
Community Theater	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Youth Center	1	1	1	1	1	1	1	1	1	1
Pre-school Center	1	1	1	1	1	1	1	1	1	1
Number of parks & park acreage	15; 64 total acres	15; 64 total acres	15; 64 total acres	15; 64 total acres	15; 64 total acres	15; 64 total acres	15; 64 total acres	15; 64 total acres	15; 64 total acres	15; 64 total acres
Sewer System:										
Sanitary sewers	50 miles	50 miles	50 miles	50 miles	50 miles	50 miles	50 miles	50 miles	50 miles	50 miles
Miles of storm drains	34 miles	34 miles	34 miles	34 miles	34 miles	34 miles	34 miles	34 miles	34 miles	34 miles
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of service connections	5,416	5,416	5,416	5,416	5,414	5,414	5,423	5,401	5,398	5,400
Schools:										
Elementary-public	4	4	4	4	4	4	4	4	4	4
Elementary-private	1	1	1	1	1	1	1	1	1	1
Junior High School-public	1	1	1	1	1	1	1	1	1	1
High School-public	1	1	1	1	1	1	1	1	1	1

Source: City of Pinole Finance

Comprehensive Annual Financial Report for FY 2017-18

Badawi & Associates

Certified Public Accountants

1

Presentation Agenda

- City's external auditors background
- Present the City's Comprehensive Annual Financial Report (CAFR) for FY 2017-18
- Discuss highlights from the FY 2017-18 CAFR

2

Auditors Background

- Badawi & Associates Certified Public Accountants
- Request for Proposals issued in March of 2018
- Over 20 years experience auditing governmental agencies
- Provides training and hosts an annual update on recent technical accounting and finance issues affecting government agencies

3

Scope of Work Performed

- Financial audit of the City's accounting ledgers [All Funds]
- Preparation of a Comprehensive Annual Financial Report (CAFR)
- Review of the City's system of internal accounting controls
- Preparation of Single Audit for Federal grant expenditures > $750k [Not Required this Year]

4

Scope of Work Performed Cont…

- Review of Agreed Upon Procedures for Measure S 2006 and 2014 Financial Activity
- Audit the financial records of the Successor Agency to the Pinole Redevelopment Agency (a Private Purpose Trust Fund)

5

Audit Process

- Financial audit conducted in accordance with Government Auditing Standards (GAS) issued by the Comptroller General of the United States
- Interim (on site) audit in June 2018
- Year-end (on site) audit in September 2018 and March 2019

6

FY 2017-18 CAFR Highlights

- External Auditors (Badawi & Associates CPAs) issued the City an "Unmodified Opinion" on its financial statements
- CAFR complies with generally accepted accounting principles (GAAP).
- City received the GFOA Award for Excellence in Financial Reporting for the 21st consecutive year.

7

Financial Highlights

- The assets of the City exceeded its liabilities at the close of FY 2017-18 by $35.3 million (net position). Of this amount, $17.9 million is restricted for specific purposes (restricted net position), $45.1 million is the net investment in capital assets and $27.8 million represents a deficit in unrestricted net position.

8

Financial Highlights

- The City's net position decreased by $4 million, a 10.3% decrease at the close of FY 2017-18 as compared to FY 2016-17. As part of implementing GASB Statement No. 75, a prior period adjustment was recorded to eliminate the previously reported net OPEB asset, and to recognize deferred outflows of resources and net OPEB asset as of June 30, 2017. Overall, governmental activities net position decreased by $3.7 million while business-type activities decreased by $391 thousand as a result of a decrease in net position.

9

Financial Highlights

- Governmental funds reported ending balances of $46.5 million, an increase of $15.1 million in comparison to the prior fiscal year ending June 30, 2017.
- The General Fund balance is $25.9 million, of which $23.2 million is unassigned.

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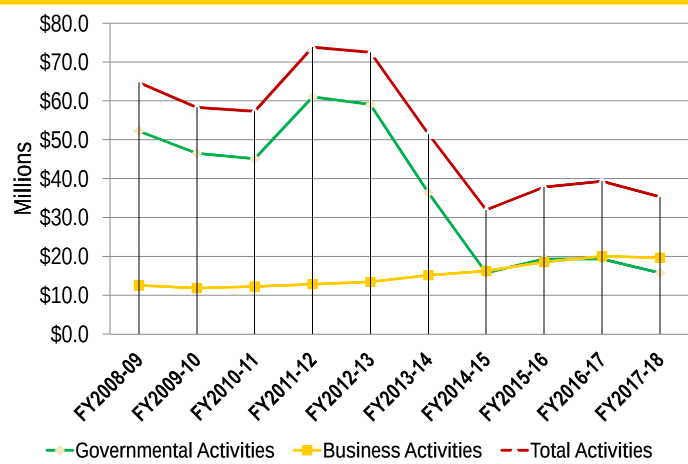
History of Net Position



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What Affects Net Position?

Factors Decreasing Net Position (Expenses > Revenues – GAAP Basis)	Factors Increasing Net Position (Revenues > Expenses – GAAP Basis)
▪Increases in pensions and other similar liabilities	▪External grant funding of capital improvements
▪Increases in bonds payable with no off-setting assets	▪Funding capital improvements from current cash flow
▪Non-cash expenses (depreciation) that contribute to expenses exceeding revenues	▪Surplus revenues that are unspent (i.e., held in reserve) or used to pay down liabilities

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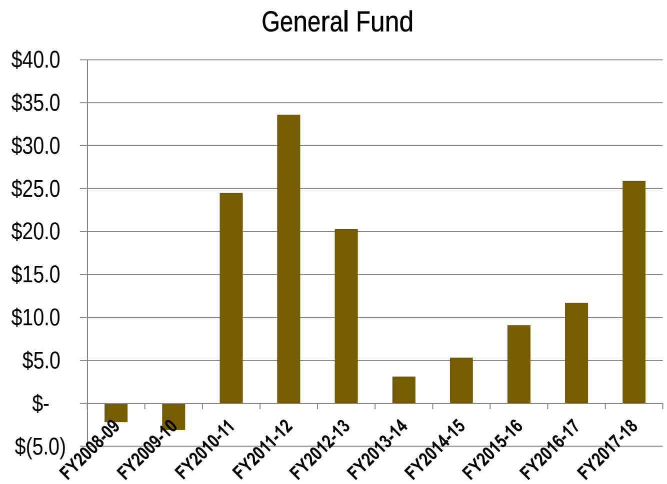
Fund Balance Summary



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Fund Balance Defined

- Within governmental funds, equity is reported as fund balance; proprietary and fiduciary fund equity is reported as net position.
- Fund balance and net position are the difference between fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reflected on the balance sheet or statement of net position.

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Summary

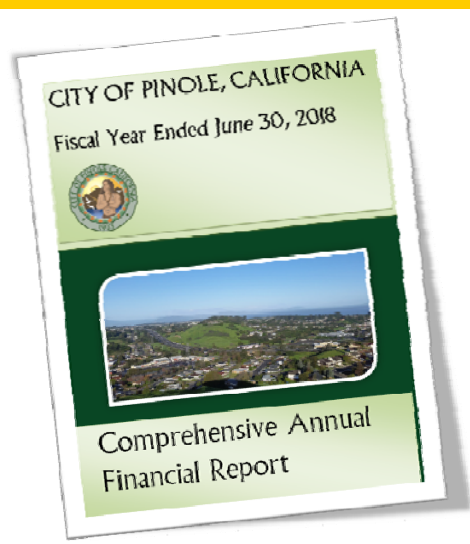
- The City's CAFR for FY2017-18 shows that the City is in full compliance with all required accounting procedures and standards
- The City's current financial position is strong

Audit Findings

- Financial Reporting – Unmodified Opinion
- Internal Controls –
  - No material weaknesses
  - Three deficiencies

15

Questions



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City of Pinole

Pinole, California

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

For the year ended June 30, 2018

BADAWI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

BADAWI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Mayor and Members of the City Council
of the City of Pinole
Pinole, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Pinole, California (City), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 10, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as 2018-001, 2018-002 and 2018-003 that we consider to be significant deficiencies.

Address: 180 Grand Avenue, Suite 1500 Oakland, CA 94612 • Phone: 510.768.8251 • Fax: 510.768.8249

Compliance and Other Matters

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

City's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Badawi & Associates

Badawi & Associates, CPAs
Oakland, California
April 10, 2019

City of Pinole
Schedule of Findings and Responses
For the year ended June 30, 2018

2018-001 Financial Closing and Audit Preparedness

Criteria:

The City is responsible for fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. In addition, an effective internal control system over financial closing and reporting provides reasonable assurance for the safeguarding of assets, the reliability of financial information, and compliance with laws and regulations.

The City's financial closing process should include preparation of reconciliations for all significant accounts to be reported on the City's financial statements such as capital assets.

Condition:

During the performance of the audit, we noted that there were accounts that needed to be updated for which reconciliations were not prepared, and as a result closing entries were recorded subsequent to the start of the audit and a new trial balance was provided by the City. The new trial balance was provided more than seven month after the end of the fiscal year which caused the audit to be significantly delayed.

Cause:

The City's closing process did not include preparation of analyses for all balance sheet accounts to determine whether adjustments were necessary, and audit schedules were not prepared timely. As a result, the audit had to be rescheduled.

Context and Effect:

The City's trial balance did not include all necessary adjustments needed to prepare the financial statements.

Recommendation:

We recommend that the City update its closing procedures and closing checklist to encompass review and analysis of all balance sheet accounts and preparation of schedules to support the changes that occurred during the year and the balances reported at the end of the year in these accounts. We also recommend that the City implement cross-training procedures to ensure continuity of operations including closing and audit preparedness in case of key staff turnover.

Management Response:

The City experienced staff turnover during preparation for the year-end audit which contributed to the delay in year-end preparedness. During year-end close it was determined that capital asset schedules did not reconcile with the general ledger. Staff will update the monthly and year-end close procedures in addition to creating closing checklist to ensure all balances are maintained and reconciled throughout the fiscal to ensure a timely year-end close. These functions have been assigned to other staff.

2018-002 Capital Assets Schedules

Criteria:

The City is responsible for maintaining records of capital assets and reconciling the records frequently to the financial statements to ensure the accuracy of the accounting records.

Condition:

During the performance of the audit, we noted numerous errors with the capital assets information provided by the City. Detailed depreciation schedules did not agree to summary and rollforward schedules provided by the City, which also did not agree to the City's general ledger. In addition, we noted that certain assets listed in the depreciation schedules were over depreciated beyond the cost of the asset, and as a result some groups of capital assets had a negative (i.e. debit) accumulated depreciation.

Cause:

Frequent reconciliations of capital assets were not performed on the capital assets to ensure the accuracy of the presentation of capital assets.

Context and Effect:

Due to the lack of reconciliation, the City has inconsistency in the accounting records for capital assets which may lead to the misstatements on the financial statements.

Recommendation:

We recommend that the City to implement internal controls to ensure the timely reconciliation of the capital assets records to the financial statements.

Management Response:

Maintaining the City's capital asset schedules which includes updating depreciation is part of the monthly reconciliation process. During the year-end close it was determined that depreciation on two assets was not calculating correctly when the City migrated into the new financial software and resulted in negative depreciation reflected in the general ledger. These functions have been reassigned to other staff to ensure monthly depreciation is calculating correctly, and that all capital assets are accurately recorded in the general ledger and on capital asset rollforward schedules. This will be included on the year-end closing checklist.

2018-003 General Ledger Maintenance

Criteria:

The City should be using Generally Accepted Accounting Principles to account for all financial transactions in its accounting records. The use of Accounts Groups such as the General Fixed Account Group and the General Long-term Debt Account Group to track capital assets and long-term debt of the governmental funds is not in accordance with Generally Accepted Accounting Principles. It is sometimes allowed to be used for internal tracking purpose only but not for financial reporting purposes.

Condition:

During the performance of the audit, we noted those account groups were used as if they are for financial reporting purposes and as a result these account groups included balances that it should not have and caused the overall financial statements to be misstated and adjusting entries were needed to correct the balances. Accounts balances impacted were cash and investments and expenditures. In addition, the use of these account groups created an extra level of complexity as several entries were needed to record transactions that normally requires one entry to be recorded.

Cause:

The process used by the City to account for capital assets and debt transactions of the governmental funds is overly complex and does not accomplish the safekeeping, reporting and accuracy objectives that it was designed to accomplish.

Context and Effect:

The financial statements may not capture all the transactions related to capital assets and long-term debt.

Recommendation:

We recommended the City discontinue the use of the complex methods to record transactions or to implement additional internal controls to ensure the transactions are recorded correctly.

Management Response:

The City will discontinue the past practice of reversing transactions from governmental funds to update outstanding liabilities for debt, leases, and capital assets recorded in the General Fixed Assets Fund – 800 and General Long Term Debt Account Group Fund – 950. The City will update the internal control procedures to reflect the change in process eliminating these additional steps. The financial statements have accurately reflected the outstanding liabilities as part of the governmental activities in accordance with GASB 34.

DATE: APRIL 16, 2019

TO: MAYOR AND COUNCIL MEMBERS

FROM: MICHELLE FITZER, CITY MANAGER

BY: ROXANE STONE, MANAGEMENT ANALYST

SUBJECT: DISCUSSION REGARDING THE POTENTIAL FOR FIREWORKS ON JULY 4TH 2019

RECOMMENDATION

This is recommended that the City Council discuss the potential for fireworks on July 4, 2019 and provide direction to staff.

BACKGROUND

The City of Pinole has previously provided a successful 4th of July public fireworks display that has been well attended by Pinole residents and other surrounding communities. However, due to the economic downturn, the City of Pinole has not provided a 4th of July fireworks display since 2008.

REVIEW & ANALYSIS

- ***Original Information from March 19, 2019 Report***

In February Council member Salimi requested a future agenda item to discuss whether the City of Pinole could again provide for 4th of July fireworks. Should the Council wish to do so staff needs to know immediately so a vendor can be secured and departments can start planning their staffing models.

In the past the City used Pyro-Spectaculars, Inc. to provide the public fireworks display. The cost for Pyro-Spectaculars to provide the fireworks display has increased significantly, resulting in a minimum fee of $25,000. This would provide a display of approximately 15 minutes.

Staff was able to locate another company that is available to provide a fireworks display in Pinole on July 4, 2019. Devastating Pyrotechnics has a minimum fee of $15,000, which would provide for a display of approximately 20 minutes. Their proposal is attached as Attachment A. Due to the limited number of Pyrotechnicians available to actually shoot shows on the 4th of July, there is a premium charged for shows on that date. Both vendors will offer the fireworks display at a lower cost (approximately $3,000 less) if held before or after July 4th.

In order to hold this event, there are additional staffing expenses. Those are:

- The Fire Department expenses are expected to be approximately $2,500. This would include one (1) additional Fire suppression staff (for a total of 4) and 1 additional apparatus, likely a small truck to allow access in small and crowded space.

- Police expenses are expected to be approximately $4,170. This amount is based on the staff used for the 2008 display where approximately 2,500 people attended. This cost represents 2 Sergeants at 5 ½ hours of overtime; 9 sworn Officers at 5 ½ hours of overtime; and 2 Community Services Officers at regular straight time.

- Public Works expenses are expected to be approximately $1,400. This amount reflects overtime for 3 Public Works Maintenance Workers, 1 Public Works Supervisor, and 3 vehicles. Part of the reason for this level of staffing is due to the need to close the new Bay Trail bridge for safety reasons. That effort will also require coordination with East Bay Regional Park District.

One additional issue for Council's consideration is the ability to provide and fund this event on an ongoing basis. It would not be our recommendation that we initiate what is expected to be an annual event if we do not have the means to continue to provide it into the foreseeable future. That sets community expectations which then result in disappointment.

➢ ***New Information Since March 19th Staff Report***

Subsequent to the original staff report of March 19, 2019, the Fire and Development Services Departments have had a chance to take a closer look at the proposed shooting location and designated 420 foot safety zone. Both Departments are very concerned with the planned launch from the Water Pollution Control Plant/Bay Front Park area for the following reasons:

- The WPCP has four (4) areas that include various fuel tanks, sodium bisulfate and sodium hypochlorite, and ferric chloride located within the safety zone.

- The WPCP is currently an active construction site.

- A portion of the new Bay Trail Bridge is in the safety zone.

- EBRPD has not confirmed that the bridge is designed to hold people shoulder to shoulder across the span of the bridge. Staff has been in contact with them to determine the use/weight capacity.

- Allowing people onto the bridge and into Bay Front Park encourages pedestrians to walk across the railroad tracks at an unimproved location. There is no pedestrian designated crossing.

- In the event of an emergency (medical or otherwise) on the bridge, public safety personnel would not be able to respond quickly.

- There has not been sufficient time for the Fire, Police or Development Services Departments to work with the vendor to address questions or design a plan to ensure compliance with all Fire Code and other Federal/State requirements. Usually a six (6) month advance application/processing time is required.

Staff contacted both potential vendors and asked about the possibility of shooting from a barge in the Bay to address some of these concerns. Both indicated that was a possibility, but of course would add to the fee. Shooting from a barge would bring the fee somewhere between $25,000 and $33,000.

➢ ***Staff Recommendation***

At this time, given the logistical issues to be worked through, staff recommends that the Council consider whether or not you wish to have a July 4th fireworks display in 2020 and beyond, not 2019. There is simply not enough time to get everything completed and be confident in the Safety Plan for 2019.

FISCAL IMPACT

The anticipated minimum cost using a land shooting site is approximately $23,100. If a barge shooting location is used, this amount becomes approximately $41,000. This is not included in the FY 18/19 budget, or the anticipated FY 19/20 budget. In addition, at this time funding is not available in either the General Fund or Measure S 2014 without reducing another expenditure by a corresponding amount, or using Fund Balance.

During his request for this item, Council member Salimi mentioned that there were businesses in the community that were interested in providing financial support for this event. Staff would need to know who they are, how much they were willing to contribute, and if that is for one year only or on an ongoing basis.

ATTACHMENTS

A - Devastating Pyrotechnics Proposal for Land Shoot Site
B - WPCP Aerial

Craig Cutright
408-674-2021
cutright@devastatingpyro.com

ATTACHMENT A

Proposal for:

City of Pinole

Pinole, California

July 4th, 2019

July 4th 2019
Pinole, CA
Pyrotechnic Bid Summary

Display Elements / Shell Count

July 4th, 2019 "Balanced" ($15,000)

Summary shell count and proximate product totals are listed for review. In addition, custom multi break shells and effects may be used to enhance the audience experience. The display incorporates breaking shells from the world's top manufacturers imported by Devastating Pyrotechnics of San Francisco, (including Shenma, Panda and Yung Feng) along with Japanese, Italian style aerial shells and we are proud to support those made in the US.

To ensure the customer is provided the most amazing display possible, we will Include in this bid, the choreography and wireless transmission of music if client so desires.

Shell Size /Effect / Device	**Display Shell/Shot Count**	**Total Qty**
Body		**557**
3" Shells	313	
4" Shells	144	
5" Shells	60	
6" Shells	40	
Multi Shot Bombardments		**1,200**
300 Shot Multi-Color and Effect Bombardments	600	
600 Shot Multi-Color and Effect Bombardments	600	
Finale		**380**
2.5" Shells (Chained Finale)	120	
3" Shells (Chained Finale)	180	
4" Shells (Chained Finale)	70	
5" Shells (Chained Finale)	10	

Total Shell Count / Run Time / Price	Shell Total
Shell Total*	2,137
Finale Shell Subtotal	380
Finale Run Time	2 min
Total Show Run Time	20 min

Total Display Price	$15,000

*As an operating standard and value added feature, Devastating Pyro displays are loaded with additional product (*above* listed shell count) to exceed expectations, ensuring over 100% compliance with contract shell count.

Summary Plot Maps / Launch Site

City of Pinole WWTP, Pinole CA

Once Devastating Pyro's bid is accepted, Devastating Pyro will lay out an exact plot map of the shoot location/launch site, boundaries, etc.

Plot Map I. Safety Zone (setbacks) – 420+ feet

References / Endorsements

City of San Jose, Ca- 4th of July   Robert Vonderworth   408-802-8640

San Jose Council Member Johnny Khamis

San Francisco Chinese New Year Pyrotechnics Beverly Lee (415) 391-8828

San Francisco- Vietnamese Tet Festival Pyrotechnics

San Francisco- Mayor Ed Lee's Private Inauguration Party

Redwood City July 4 Fireworks Celebration Keith Kadera (650) 255-2393

Six Flags Entertainment Corp - Director Scott Sterner 661-255-4858

Bay 101 Casino Fireworks – June Richardson (408) 437-5506

Hayfork Speedway July 4 Fireworks Celebration- Bill Foster (530) 739-8659

City of Redondo Beach Marina – Craig Stanton 310-374-3841 x-202

Lucky Bear Casino Hoopa Valley Fireworks Norvin Hostler (530) 625-5198

Western Pyrotechnic Association Public Display – Lake Havasu, AZ

Redwood City Annual Hometown Holiday Christmas Fireworks

Johnson Steak House- New Year Eve Fireworks Extravaganza

Woodlawn Memorial Park Daytime Fireworks

City of Marysville's Annual Weekend Bok Kai Festival and Parade

Woodlawn Memorial Park Fireworks - Betty Su (650) 755-1727

Contact Info / Experience / Personnel

Devastating Pyro Inc.
PO BOX 782
Pinole, Ca. 94564

WEBSITE: www.DevastatingPyro.com

ADMINISTRATIVE STAFF:

Kenny Chee - 15 years' experience Product Selection. Devastating Pyrotechnics Fireworks Importer. Licensed ATF Explosives Importer & Manufacturer. Licensed Pyrotechnic Operator. Public Fireworks Displays. Western Pyrotechnics Association, NFPA

Craig Cutright – Senior Show Producer /Choreography over 15 years' experience Digital systems choreography. MLB, Santa Cruz. Western Pyrotechnics Association. Finale Fireworks/Pyro-mate/Cobra. Licensed Operator

Jack Lee- Site Storage and Product Security

In Closing,

We at Devastating Pyro would like to thank you for looking at our proposal. Our passion started as a spark, and as we ignite the thrill and excitement of an amazing show, the more we want to expand. We want all of California to experience a top quality show with all of the latest product and equipment. We hope to let Pinole experience our passion!

1 Fuel Storage and dispensing area (1000 gal fuel) and waste oil

2 Emergency Generator with 1000 gal diesel

3 Sodium Bisulfite and Sodium hypochlorite

4 Ferric Chloride

Note restricted access point to site across rail tracks

DATE: APRIL 16, 2019

TO: MAYOR AND MEMBERS OF COUNCIL

FROM: HEATHER IOPU, CITY CLERK

SUBJECT: PLANNING COMMISSION APPOINTMENTS

RECOMMENDATION

It is at Council's discretion to approve the applicant appointment recommendations of the Interview Subcommittee.

BACKGROUND

The Pinole Planning Commission is a seven-member panel of Pinole residents who take action on development requests and make policy recommendations to the City Council. Currently there are three vacancies on the Planning Commission. Additionally, the terms of three incumbent Commissioners will expire on April 30, 2019.

In December, 2018, an announcement was made to the public that a recruitment period was open and applications would be accepted by the office of the City Clerk. As of March 27, 2019, nine (9) applications were received. The Interview Subcommittee interviewed seven (7) candidates, on April 3, 2019 and two (2) candidates on April 4, 2019. The Subcommittee is prepared to make recommendations for appointments to the full Council.

The City Council will consider a total of six appointments to the Planning Commission with the following terms, in accordance with the Pinole Municipal Code.

(2) 1-year appointments
(4) 4-year appointments

The Council will need to be specific with regard to who is being recommended and appointed to each of the positions.

FISCAL IMPACT

There is no fiscal impact associated with this action.

ATTACHMENT

A – Explanation of Terms

ATTACHMENT A

Planning Commission

April 2019 Recruitment

Current Roster & Terms

	Term Expires		April 19 Recruitment Appoint Date	New Term Expires	Length of Term	
Kurrent, David	4/30/2019		5/1/2019	4/30/2023	4 Years	ODD YEAR TERM EXPIRATION - 4 MEMBERS
Wong, Simon	4/30/2019		5/1/2019	4/30/2023	4 Years	
Thompson, Carol	4/30/2019		5/1/2019	4/30/2023	4 Years	
VACANT	4/30/2019		5/1/2019	4/30/2023	4 Years	
VACANT	4/30/2020		5/1/2019	4/30/2020	1 Year	EVEN YEAR TERM EXPIRATION - 3 MEMBERS
VACANT	4/30/2020		5/1/2019	4/30/2020	1 Year	
Thomas, Brooks	4/30/2020					

6 TOTAL APPOINTMENTS

4 - 4 Year Terms
2- 1 Year Terms

PINOLE MUNICIPAL CODE - 2.40.010 MEMBERSHIP.

A. There is hereby established a city planning commission for the City of Pinole. The commission shall consist of seven (7) members who shall be appointed by the majority of the City Council. Appointed members shall serve staggered terms effective May 1 as follows: Three (3) members shall serve a four (4)-year term expiring on even years and four (4) members shall serve four (4) years expiring on odd years. Vacancies in which the member has not fulfilled their term shall be filled with the newly appointed commissioners serving the remainder of the term of the vacant position.

B. Commission members shall serve at the pleasure of the City Council and may be removed at any time by a majority vote of the entire City Council.

C. A vacancy in the office of commission member is deemed to exist whenever a member dies, his/her term expires, he/she resigns, is removed or as otherwise provided by applicable law. A vacancy shall be filled for the unexpired term in the manner provided for original appointment. Notwithstanding any provisions to the contrary herein, appointments made to fill vacancies of unexpired terms shall become effective on the first Monday following the appointment.

D. All members shall serve without compensation, except that the Council may pay such expenses of the commission or its members as the Council deems necessary. No person shall be appointed to serve on the commission who holds any salaried public office of employment with the city. (Ord. 2013-02 § 2, 2013: Ord. 2011-03 § 1, 2011: Ord. 01-104 § 1, 2001: Ord. 341 § 2, 1976: Ord. 115 § 1, 1958).