

CITY COUNCIL / LRA BOARD

Mayor/Chair

Richard D. O'Brien

Council/Authority Members

District 1 - Luis Uribe

District 2 - Rachel Hernandez

Vice Mayor, District 3 - Leanne Jones Cruz

District 4 - Darlene Barber-Martinez



CITY OF RIVERBANK

Regular City Council and Local Redevelopment Authority Board Meetings

Council Chambers
6707 Third Street, Suite B
Riverbank, CA 95367



TUESDAY, AUGUST 27, 2024 – 6:00 P.M.

(THE AGENDA PACKET IS ONLINE AT [HTTP://WWW.RIVERBANK.ORG/AGENDACENTER](http://www.riverbank.org/agendacenter))

1. CALL TO ORDER

2. FLAG SALUTE

3. INVOCATION

4. ROLL CALL

5. AGENDA CHANGES

6. CONFLICT OF INTEREST

Any Council/Authority Member or Staff who has a direct Conflict of Interest on any scheduled agenda item to be considered is to declare their conflict at this time.

7. PRESENTATIONS (Informational only)

Item 7.1 **Proclamation and Presentation on Overdose Awareness Day-** It is recommended that the City Council present a proclamation to Jennifer Marsh and Sofia Vivo and receive a presentation on Overdose Awareness Day from Sofia Vivo.

Item 7.2 **Presentation – Riverbank Regional Recycled Water Project Status Update – 30% Design Progress-** It is recommended that the City Council receive a presentation from Neal Colwell, Principal Engineer for Kjeldsen, Sinnock, and Neudeck Inc. (KSN) regarding the Riverbank Regional Recycled Water Project and the status of the 30% design.

8. PUBLIC COMMENTS (No action can be taken)

At this time, members of the public may comment on any item not appearing on the agenda, and within the subject matter jurisdiction of the City Council/LRA Board. Individual comments will be limited to a **maximum of 3 minutes (or as stated by the presiding Officer)** and time cannot be yielded to another person. Under State Law, matters presented during the public comment period cannot be discussed or acted upon.

Refer to the last page of this agenda for the Public Comment Procedures via ZOOM.

IN PERSON COMMENTS- Please fill out a Comment Card & Return to the City Clerk

Any documents that are not privileged or part of a Closed Session provided to a majority of the City Council/LRA Board after distribution of the agenda packet, regarding any item on this agenda, will be made available for public inspection at the City Clerk's Office 6707 Third St., Suite A, Riverbank.

9. CONSENT CALENDAR

All items listed on the Consent Calendar are to be acted upon by a single action of the City Council/LRA Board unless requested by an individual Council/Authority Member or member of the public for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by motion of the City Council/LRA Board.

Item 9.1 **Waive Readings.** All Readings of ordinances and resolutions, except by title, are waived.

Item 9.2 **Approval** of the City Council and Local Redevelopment Authority Board Minutes for July 23, 2024.

Item 9.3 **Acceptance** of the 7th Street Outfall Project and Authorization to File a Notice of Completion.

Item 9.4 **Acceptance** of the Claribel Road Overlay Project and Authorization to File a Notice of Completion.

Item 9.5 **Resolution** to Award a Contract for Investment Advisory Services and Authorize the City Manager to Enter into a Consultant Services Agreement with Meeder Public Funds, Inc.

Item 9.6 **Resolution** to Award a Contract to 110%, Inc. to Perform the Financial Sustainability Study for the City of Riverbank Parks and Recreation Department.

Item 9.7 **Resolution** to Approve the Use of the Community Center Pavilion for St. Frances of Rome Catholic Church to Provide Food on Sundays to Those Experiencing Homelessness.

Item 9.8 **Second Reading by Title Only** and Introduction of Proposed Ordinance Amending Sections 120.60 and 120.62 and Adding Section 120.63 to Chapter 120, Cannabis Regulations of Title XI, Business Regulations, of the Riverbank Code of Ordinances Related to the Appeal of Administrative Penalties for Cannabis Regulations

10. PUBLIC HEARING

The Public Notice for item 10.1 was published on August 14th, 2024 in the Riverbank Newspaper.

Item 10.1 **First Reading by Title Only and Introduction of a Proposed Amendment to Title XI, Business Regulations, Amending Chapter 119 Massage/Bodywork Establishments-** It is recommended that the City Council conduct the public hearing for the first reading of the proposed amendments to consider its approval; if approved, the second reading of the amendments by title only will be scheduled for the next regular City Council meeting on September 10, 2024, for consideration of its adoption.

11. NEW BUSINESS

Item 11.1 **A Resolution of the City Council of the City of Riverbank, California, to Approve the First Amendment to the Subdivision Improvement Agreement for Countryside III with McRoy-Wilbur Communities and Authorizing the City Manager to Execute the Agreement-** It is recommended that the City Council consider the attached resolution approving the First Amendment to the Subdivision Improvement Agreement with McRoy Wilbur Communities for Countryside III and directing the City Manager to execute the agreement.

Item 11.2 **Resolution Amending the Permanent Local Housing Allocation (PLHA) Formula Allocation Plan-** It is recommended that the City Council consider adopting a Resolution to amend the Permanent Local Housing Allocation (PLHA) Formula Allocation Plan originally approved in July 2020.

12. COMMENTS/REPORTS

A brief report on notable attendance of a meeting or conference or other notable topics of City business shall be made. The Brown Act does not allow for discussion or action of items by the City Council/LRA Board during this time.

Item 12.1 Staff

Item 12.2 Council/Authority Member

Item 12.3 Mayor/Chair

13. CLOSED SESSION

The public will have a limit of **3 minutes** to comment on Closed Session item(s) as set forth on the agenda prior to the City Council/LRA Board recessing to Closed Session

Item 13.1 **LIABILITY CLAIMS**
(Pursuant to Government Code §54961)
Claimants: Jose Luis Loaiza Michel
Agency Claimed Against: City of Riverbank

Item 13.2 **LIABILITY CLAIMS**
(Pursuant to Government Code §54961)
Claimants: Abel Castano
Agency Claimed Against: City of Riverbank

Item 13.3 **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
Property: APN 074-014-016
Agency negotiator: Marisela H. Garcia, City Manager
Negotiating parties: Randy High
Under negotiation: Price, terms of payment, or both

Item 13.4 **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
(Pursuant to Government Code §54956.9(d)(4))
Initiation of Litigation: 1 potential case

14. REPORT FROM CLOSED SESSION

Item 14.1 Report from Closed Session **Item 13.1**
LIABILITY CLAIMS
(Pursuant to Government Code §54961)
Claimants: Jose Luis Loaiza Michel
Agency Claimed Against: City of Riverbank

Item 14.2 Report from Closed Session **Item 13.2**
LIABILITY CLAIMS
(Pursuant to Government Code §54961)
Claimants: Abel Castano
Agency Claimed Against: City of Riverbank

Item 14.3 Report from Closed Session **Item 14.3**
CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: APN 074-014-016
Agency negotiator: Marisela H. Garcia, City Manager
Negotiating parties: Randy High
Under negotiation: Price, terms of payment, or both

Item 14.4 Report from Closed Session **Item 13.4**
CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
(Pursuant to Government Code §54956.9(d)(4))
Initiation of Litigation: 1 potential case

15. ADJOURNMENT

The Next Regular City Council Meeting will be on: **Tuesday, September 10th, 2024**

AFFIDAVIT OF POSTING

I hereby certify under penalty of perjury, under the laws of the State of California that the foregoing agenda was posted at the meeting location, on the North City Hall public exterior bulletin board, South City Hall public exterior Bulletin, Riverbank Community Center exterior bulletin, and the City's website 72 hours prior to the meeting in accordance to the California Ralph M. Brown Act.

Posted this 22nd Day of August, 2024

/s/ *Gabriela Hernandez, CMC, City Clerk*



ADA COMPLIANCE STATEMENT

In compliance with the Americans with Disabilities Act, and the Governor's Executive Order N-29-20, the City will make every effort to make reasonable modifications or accommodations from individuals with disabilities. Contact the Administration Dept. at (209) 863-7122 or the City Clerk at cityclerk@riverbank.org at least (48) hours prior to the meeting to enable the City to make reasonable arrangements for accessibility.

NOTICE REGARDING NON-ENGLISH SPEAKERS

Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedures Section 185, which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the City of Riverbank City Council/LRA Board shall be in English and anyone wishing to address the Council is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.



TELECONFERENCE/VIRTUAL PLATFORM PUBLIC PARTICIPATION COMMENT PROCEDURES FOR CITY COUNCIL MEETING HELD IN CONFORMANCE WITH THE BROWN ACT

PUBLIC “LIVE” VIEWING

- Government Channels: Charter– 2 and AT&T U-VERSE – 99
- YouTube Live – City of Riverbank
- Via ZOOM Platform (See instructions below)

SUBMITTING PUBLIC COMMENTS FOR THE RECORD

Written comments must be received before 4:00 p.m. on the date of the meeting in order for them to be distributed to the Council prior to consideration of the matter. Written comments will not be read aloud at the meeting, but will be reported as received for the record. If you do not receive an acknowledgement of receipt within an hour of submission or by 5:00 pm, please call the City Clerk’s Office at (209) 863-7198 or the Administration Dept. at (209) 863-7122.

ACCEPTABLE METHODS OF SUBMITTING COMMENTS **BEFORE THE 5:00 PM DEADLINE**

- **Via Mail Service:** Mail comments to City of Riverbank, Attn. City Clerk, 6707 Third Street, Suite A, Riverbank, CA 95367. (Call 209-863-7198 / 209-863-7122 to ensure they were received.)
- **Via Email:** Mail to cityclerk@riverbank.org *(Note: This technology is not a guaranteed method.)*
 - Indicate Agenda Item # in the ***subject line***. (Call 209-863-7198 /209-863-7122 to ensure receipt)
- **Oral Comments In-Person:** The Mayor will ask the public if anyone wishes to comment, at that time you may approach the podium.
- **Oral Comments Via Zoom:** The Mayor will announce when public comments may be made for a limit of 3 minutes on the agenda item being considered, at which time you will:
(please make sure the volume on your video device or any nearby device is turned down.)
 - **Using a computer** – click on the “raise hand” feature in the webinar controls. This will alert staff that you wish to speak, and you will be unmuted.
 - **Using a Phone** – press ***9** to “raise the hand”. This will alert staff that you wish to speak, and you will be unmuted.

Teleconference Phone Number (This system is a backup for ZOOM technical difficulties only when providing oral comments.) If there are technical difficulties or disconnection with ZOOM while making oral comments, please immediately call the **teleconference phone number (209) 863-7151** so that Council may receive your comments. Council will be waiting for your call. Thank you

JOIN THE MEETING VIA ZOOM PLATFORM

Join by this link: <https://us02web.zoom.us/j/85126650548>

Join by accessing website: <https://zoom.us/join>, enter Webinar ID: **851 2665 0548**

Join by telephone: **1 669 444 9171 OR 1 669 900 9128**, plus Webinar ID: **851 2665 0548**

Learn about using ZOOM - Visit <https://zoom.us/j/94943925973?status=success> for a free account or to download the app.

RIVERBANK CITY COUNCIL / LOCAL REDEVELOPMENT AUTHORITY

AGENDA ITEM NO. 7.1

SECTION 7: PRESENTATIONS

Meeting Date:	August 27, 2024
Subject:	Proclamation and Presentation on Overdose Awareness Day
From:	Marisela H. Garcia, City Manager
Submitted by:	Jessica Campos, Administrative Assistant – Confidential

RECOMMENDATION

It is recommended that the City Council present a proclamation to Jennifer Marsh and Sofia Vivo and receive a presentation on Overdose Awareness Day from Sofia Vivo.

SUMMARY

Bella Vivo was only 14 when she lost her life to a fentanyl poisoning on August 24, 2021. Bella's family started a campaign in Waterford, Ca in collaboration with the youth to spread awareness about the silent epidemic. Sofia Vivo (Bella's sister) will give a presentation about Bella's story and the fentanyl crisis.

BACKGROUND

The first day of Overdose Awareness Day was held in Australia in 2001 by S.J. Finn and then coordinated by the Penington Institute since 2012. At the time around 6,000 silver ribbons were placed across the country to raise awareness. The purpose of Overdose Awareness Day is to raise awareness of overdoses, reduce the stigma of drug related deaths and acknowledge the grief felt by families and friends.

FINANCIAL IMPACT

No financial impact.

ATTACHMENTS

1. Proclamation
2. Presentation



**CITY OF RIVERBANK
PROCLAMATION**

**AUGUST 31, 2024
OVERDOSE AWARENESS DAY**

WHEREAS, Overdose Awareness Day is internationally recognized on August 31st of each year to raise awareness of drug overdoses, reduce stigma of drug-related deaths, and acknowledge the grief felt by family and friends; and

WHEREAS, the Riverbank City Council does affirm and acknowledge the harm and hardship caused by drug addiction, overdose and poisonings; and

WHEREAS, people with a substance use disorder recover if provided the necessary treatment services, and support in their communities; and

WHEREAS, stigma and fear of discrimination keep many who would benefit from substance use disorder treatment services from seeking help; and

WHEREAS, greater public awareness about substance use disorder and death by overdose and poisonings can change attitudes and behaviors towards people with this illness and their families; and

WHEREAS, we recognize substance use disorder affects thousands of Stanislaus County and City of Riverbank residents; and

WHEREAS, we resolve to play our part in reducing the toll of addiction, overdoses and poisonings in our community, which claimed the lives of 213 Stanislaus County residents in 2023, with countless others affected forever; and

NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby unanimously proclaim August 31, 2024, as Overdose Awareness Day in the City of Riverbank.

August 27, 2024

Richard D. O'Brien
Mayor

RIVERBANK CITY COUNCIL
DISTRICT 1 – LUIS URIBE, DISTRICT 2 – RACHEL HERNANDEZ, DISTRICT 4 – DARLENE BARBER-MARTINEZ,
VICE MAYOR DISTRICT 3 – LEANNE JONES CRUZ, MAYOR – RICHARD D. O'BRIEN



BEHAVIORAL HEALTH AND RECOVERY SERVICES

Director Tony Vartan, MSW, LCSW

PRESENTER: JENNIFER MARSH & SOFIA VIVO, BHRS PREVENTION SERVICES

FIGHTING FENTANYL TOGETHER

THE FACTS ABOUT FENTANYL

- Fentanyl is a Synthetic Opioid
- Common Types of Opioids
 - Oxycodone (OxyContin & Percocet)
 - Hydrocodone (Vicodin, Norco, Lortab)
 - Morphine
 - Methadone
 - Codeine
 - Heroin
- Opioids are Central Nervous System Depressants
 - Slows your breathing and heart rate
- Fentanyl is Extremely Potent
 - 50 times stronger than heroin
 - 100 times stronger than morphine
- 7 out of every 10 pills seized by DEA contain a lethal dose of fentanyl.

Fentanyl Comes in Different Forms
Pills, Powder, Patches, and Liquid



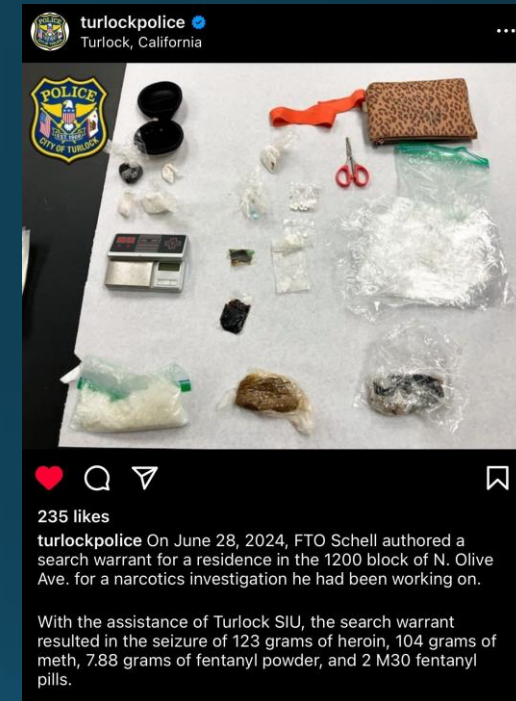
Rainbow Fentanyl
Can be Found in Pills, Powder, and Blocks



THE FACTS ABOUT FENTANYL

- Two Types of Fentanyl
 - Pharmaceutical Fentanyl
 - Used for medical purposes with precise dosage.
 - Used for anesthesia, severe pain and advanced stage cancer.
 - Illicitly Manufactured Fentanyl
 - Illegally sold with no oversight or quality control and varies in potency.
 - Mixed with other illegal drugs to make them cheaper, more powerful, and more addictive.
 - Pressed into pills that look like prescription medication
- In Everything Street Level
 - Heroin, Meth, Fake Pills, Cocaine, Ecstasy, Marijuana
 - Primarily manufactured in China, India and Mexico

You Can't See It. You Can't Smell It.
You Can't Taste It.



Fake Pills



Can you tell the difference?

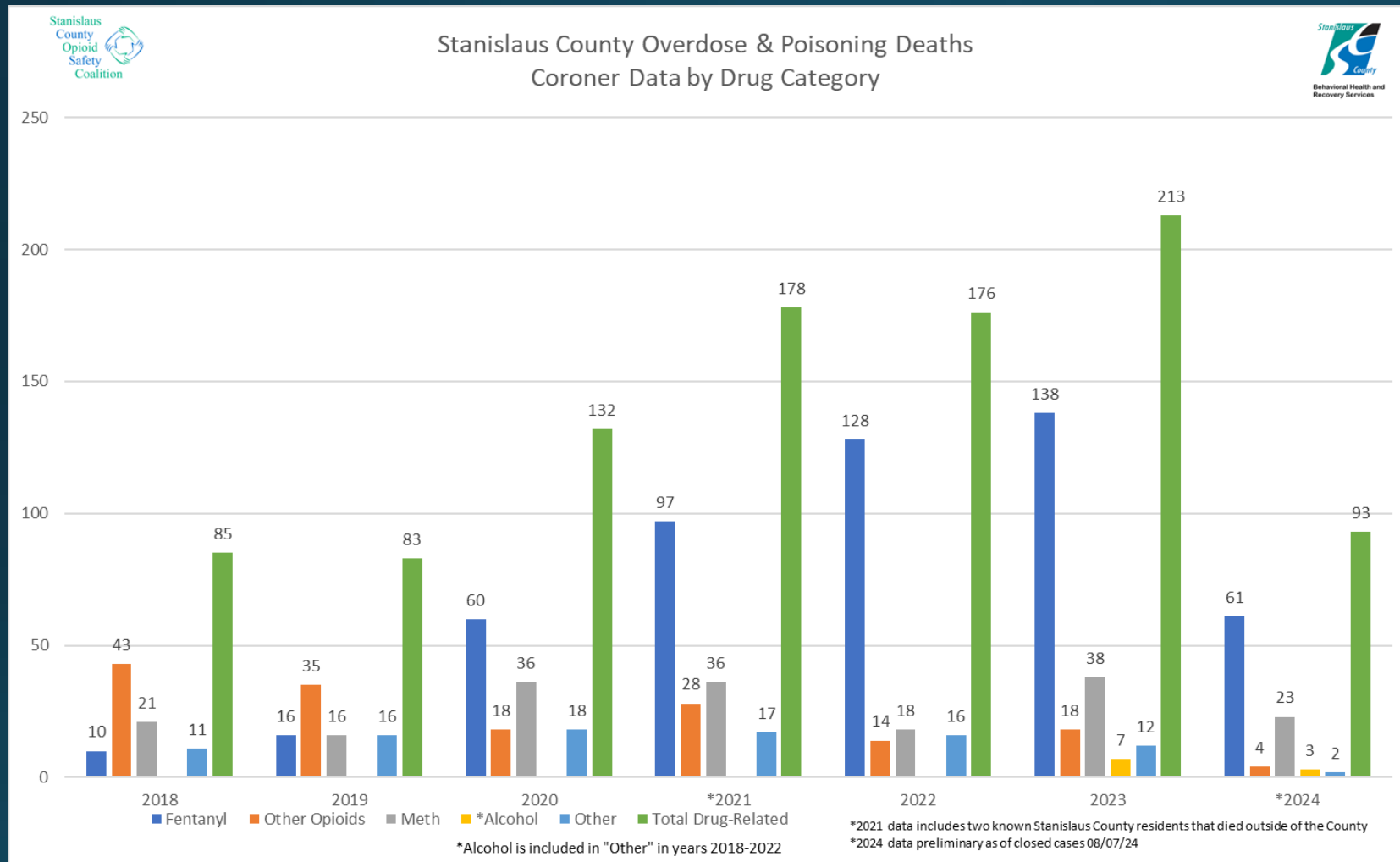
How Much is a Fatal Dose?

2 milligrams of fentanyl, the equivalent of 10 to 15 grains of table salt, is "considered a lethal dose"



Local Impacts

- Stanislaus County totaled 567 Poisoning and Overdose Deaths in 2021 through 2023.
- Stanislaus County averaged 3-4 poisoning and overdose deaths per week in 2021 and 2022.
- This average rose to 4-5 deaths per week in 2023.
- Fentanyl continues to be the main driver of overdose and poisoning deaths



National Fentanyl Awareness Day
@ Vintage Faire Mall 05/07/24

FENTANYL IN STANISLAUS COUNTY

4 TO 5 RESIDENTS DIE OF A DRUG-RELATED POISONING
AND OVERDOSE EVERY WEEK



Matthew Forever 23



Bethany Forever 24



Jordan Forever 29



Bella Forever 14



Jason Forever 20



CJ Forever 33



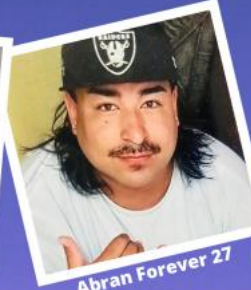
Maxwell Forever 23



Aroth Forever 39



Beau Forever 26



Abran Forever 27



Cory Forever 42



Jose Forever 29



Connor Forever 21



Maria Forever 22



Kyle Forever 24



Kyler Forever 30



Zeppelin Forever 16



Better for Bella



What Families Can Do



TALK TO YOUTH EARLY AND OFTEN

- Know the facts
 - Talk about the “hard stuff”
- Be direct & nonjudgemental
- Listen without interrupting
- Share your expectations
 - Be clear about your rules and reasons why
- Cultivate healthy coping skills
- Nurture protective factors
- Be prepared
 - Teach youth what to say before they’re offered substances.
 - Practice responses
- Keep open lines of communication

**REGISTER
NOW!**

08/31/24

8am - 11am

MJC - West Campus



Walk/Run

Information/Registration

visit www.StanRx.net,
scan, or click the QR code
below:



 **Not My Child** 



***IT COULD HAPPEN TO
ANYBODY'S CHILD!***

**Join us for the 3rd Annual
Stanislaus County 5K Run/Walk**

RAISING AWARENESS OF DRUG POISONING AND OVERDOSE DEATHS.



If you or a loved one are struggling with a substance use disorder, help is available to you. Contact us at 1-888-376-6246, visit stancounty.com or StanRx.net

Stanislaus
County
Opioid
Safety
Coalition

[HOME](#) [SAFE
PRESCRIBING](#) [PREVENTING
OVERDOSE](#) [GETTING
HELP](#) [MEDICATION
DISPOSAL](#) [COALITION
MEETINGS](#) [PAST
EVENTS](#) [ESPAÑOL](#)

Prescription painkiller abuse, rising heroin use and overdoses are part of a **nationwide crisis.**



Turn in your unused/expired medications for safe & free disposal with no questions asked.
Home generated sharps are accepted in a rigid and sealed container.

Drop the Drugs – April 27



Video PSAs



Join us for the 3rd Annual
Stanislaus County 5K Run/Walk
RAISING AWARENESS OF DRUG OVERDOSE AND POISONING DEATHS.

Save the Date: Aug 31



Help for Addiction



Learn the Signs of Overdose



THE FACTS ABOUT STREET FENTANYL

Community Alert: Fentanyl

For any questions and information about the coalition email StanOpioidCoalition@stanbhhs.org or call us at: 209-525-5316.

© 2024 Stanislaus County Behavioral Health and Recovery Services • Website: Idea Engineering

RIVERBANK CITY COUNCIL / LOCAL REDEVELOPMENT AUTHORITY

AGENDA ITEM NO. 7.2

SECTION 7: PRESENTATIONS

Meeting Date:	August 27, 2024
Subject:	Presentation – Riverbank Regional Recycled Water Project Status Update – 30% Design Progress
From:	Marisela H. Garcia, City Manager
Submitted by:	Cody Bridgewater, Director of Public Works

RECOMMENDATION

It is recommended that the City Council receive a presentation from Neal Colwell, Principal Engineer for Kjeldsen, Sinnock, and Neudeck Inc. (KSN) regarding the Riverbank Regional Recycled Water Project and the status of the 30% design.

SUMMARY:

The City of Riverbank and its Wastewater Treatment Plant Design engineering team of Brown and Caldwell, and KSN are currently progressing in the design of the Riverbank Regional Recycled Water Project from 15% to 30%. In addition to the project design, the City and KSN, Inc. are pursuing alternative funding mechanisms to pay for the proposed project.

The following presentation will provide important updates, including but not limited to:

1. Project Objectives and Purpose
2. Outcome of the 30% Design
3. Status of applications for financial assistance
4. 60% Design and Permit Document Completion
5. Updated schedule and funding risks

STRATEGIC PLAN

This item directly addresses the City Council's Strategic Plan goal to "Improve Internal and External Communication" and the City's desire to "Proactively communicate news about the City to residents, businesses, and surrounding communities."

FINANCIAL IMPACT

There is no financial impact with the report.

ATTACHMENT

None.

RIVERBANK CITY COUNCIL / LOCAL REDEVELOPMENT AUTHORITY

AGENDA ITEM NO. 9.1

SECTION 9: CONSENT CALENDAR

Meeting Date:	August 27, 2024
Subject:	Waiver of Readings
From:	Marisela H. Garcia, City Manager
Submitted by:	Gabriela Hernandez, City Clerk/LRA Secretary

RECOMMENDATION

It is recommended that the City Council / LRA Board approve the waiver of readings of any proposed ordinances and resolutions for consideration, except by title.

SUMMARY

In lieu of reading the entire text of a proposed ordinance or resolution that is introduced for consideration for adoption and approval, by majority vote, the City Council/LRA Board may waive the reading of the text and introduce the ordinance or resolution by title only for the record.

The full text of the proposed ordinances and resolutions, and any related documents that are part of the agenda packet, are available for review by the public on the City's website and in the City Clerk's office at City Hall (North) upon distribution to a majority of the City Council/LRA Board; typically 72 hours prior to the scheduled date and time of the meeting.

FINANCIAL IMPACT

There is no financial impact to this item.

ATTACHMENTS

There are no attachments to this report.

RIVERBANK CITY COUNCIL / LOCAL REDEVELOPMENT AUTHORITY

AGENDA ITEM NO. 9.2

SECTION 9: CONSENT CALENDAR

Meeting Date:	August 27, 2024
Subject:	Approval of the City Council and Local Redevelopment Authority Board Minutes for July 23, 2024.
From:	Marisela H. Garcia, City Manager
Submitted by:	Gabriela Hernandez, City Clerk/LRA Secretary

RECOMMENDATION

It is recommended that the City Council/ Local Redevelopment Authority Board approve the City Council/LRA Meeting Minutes of July 23, 2024.

SUMMARY

The Draft Minutes of the City Council and the Local Redevelopment Authority Board meeting have been prepared for review and approval.

FINANCIAL IMPACT

There is no financial impact to this item.

ATTACHMENTS

1. July 23, 2024 City Council and Local Redevelopment Authority Board Minutes.
2. Written Public Comment from Garry Pearson

CITY COUNCIL / LRA BOARD

Mayor/Chair
Richard D. O'Brien
Council/Authority Members:
District 1 -Luis Uribe
District 2- Rachel Hernandez
District 3- Leanne Jones Cruz
District 4 -Darlene Barber-Martinez



CITY OF RIVERBANK

**Regular City Council and
Local Redevelopment Authority
Board Meetings**
Council Chambers, 6707 Third St
Suite B
Riverbank, CA 95367



TUESDAY, JULY 23, 2024 – 6:00 P.M.

(THE AGENDA PACKET IS ONLINE AT [HTTP://WWW.RIVERBANK.ORG/AGENDACENTER](http://www.riverbank.org/agendacenter))

- 1. CALL TO ORDER** - Mayor / Chair O'Brien called the meeting to order at 6:00P.M.
- 2. FLAG SALUTE** – Mayor/Chair O'Brien led the pledge of allegiance.
- 3. INVOCATION** – Reverend Randy Richardson provided the invocation.
- 4. ROLL CALL** – City Clerk Hernandez conducted Roll Call.

Members of the City Council / Local Redevelopment Authority Board present:

Council Member / Authority Member District 1 Luis Uribe

Council Member / Authority Member District 2 Rachel Hernandez

Council Member / Authority Member District 4 Darlene Barber-Martinez

Vice Mayor / Vice Chair District 3 Leanne Jones Cruz

Mayor / Chair Richard D. O'Brien

5. AGENDA CHANGES

No Agenda Changes.

6. CONFLICT OF INTEREST: *Any Council/Authority Member or Staff who has a direct Conflict of Interest on any scheduled agenda item to be considered is to declare their conflict at this time.*

None Declared

7. PRESENTATIONS (Informational only)

Item 7.1 **Proclamation –National Health Center Week – August 4-10, 2024-** It is recommended that the City Council read the Proclamation for National Health Center Week – August 4-10, 2024; and present to Golden Valley Health Centers.

Mayor O'Brien read and presented the proclamation for National Health Center Week for August 4-10, 2024 to Yamilet Valladolid, Director of Government Affairs and the Golden Valley Health Centers staff.

Item 7.2 **Certificate of Recognition – Riverbank High School Graduating Class of 1971-**It is recommended that the City Council present a Certificate of Recognition to the Riverbank High School Graduating Class of 1971.

Mayor O'Brien read and presented a Certificate of Recognition to the representatives of the Riverbank High School Class of 1971.

Item 7.3 **Introduction – Beckie Robbins, Assistant Finance Director-** Staff to introduce Beckie Robbins, the City's new Assistant Finance Director.

Assistant City Manager Tammy Alcantor, introduced to the City Council and Community the new Assistant Finance Director, Beckie Robbins.

8. PUBLIC COMMENTS (No action can be taken)

*At this time, members of the public may comment on any item not appearing on the agenda, and within the subject matter jurisdiction of the City Council/LRA Board. Individual comments will be limited to a **maximum of 3 minutes (or as stated by the presiding Officer)** and time cannot be yielded to another person. Under State Law, matters presented during the public comment period cannot be discussed or acted upon.*

Mayor O'Brien Opened Public Comment at 6:20 P.M.

Vicky Holt, Branch Manager at the Riverbank Library to provide an update of upcoming events.

Karen Conrotto, Modesto resident opposed to the Riverwalk project.

Gretchen Brown, Riverbank resident opposed to the Riverwalk project.

Olivia Arambula, Riverbank Chamber of Commerce to provide an update of upcoming events. To seek support on collaborating with ribbon cutting events.

Jami Aggers, Modesto resident opposed to the Riverwalk project. Spoke about signatures for the ballot initiative.

Garry Pearson, Riverbank resident opposed to the Riverwalk project submitted written public comment (as attached).

There being no further public comments, Mayor O'Brien closed the Public Comment period 6:33 P.M.

9. CONSENT CALENDAR

All items listed on the Consent Calendar are to be acted upon by a single action of the City Council/LRA Board unless requested by an individual Council/Authority Member or member of the public for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by motion of the City Council/LRA Board.

- Item 9.1** **Waive Readings.** All Readings of ordinances and resolutions, except by title, are waived.
- Item 9.2** **Approval** of the City Council and Local Redevelopment Authority Board Minutes for June 25, 2024.
- Item 9.3** **Acceptance** of the Crossroads Elementary School Raised Crosswalks Project and Authorization to File a Notice of Completion.
- Item 9.4** **Authorization** for Out of State Travel Request to have Finance Staff Attend the Caselle Training in Provo, UT.
- Item 9.5** **Resolution 2024-072** to Award and Authorize City Manager to Enter into Professional Service Agreement for Construction Management and Inspection Services with NV5, Inc. for the State Highway 108 (Callander Avenue) Reconstruction & Crosswalk Project.

There being no public comments, Mayor O'Brien brought the item back to City Council.

ACTION: *By motion moved and seconded (Uribe / Barber-Martinez 5/0) to approve the **consent calendar** as presented.*

Motion carried by unanimous City Council and LRA Board roll call vote:

AYES: Uribe, Hernandez, Barber-Martinez, Jones Cruz and Mayor O'Brien

NAYS: None / ABSENT: None/ ABSTAINED: None

10. PUBLIC HEARING

The Public Notice for item 10.1 was published on July 10th in the Riverbank Newspaper.

The Public Notice for item 10.2 was published on July 10th & July 17th in the Riverbank Newspaper.

- Item 10.1** **First Reading by Title Only and Introduction of Proposed Ordinance Amending Sections 120.60 and 120.62 and Adding Section 120.63 to Chapter 120, Cannabis Regulations of Title XI, Business Regulations, of the Riverbank Code of Ordinances Related to the Appeal of Administrative Penalties for Cannabis Regulations-** It is recommended that the City Council conduct the public hearing for the first reading of the proposed ordinance, waive further reading, read by title only, and introduce for first reading an ordinance of the City Council of the City of Riverbank amending Section 120.60 and 120.62 and adding Section 120.63 of Chapter 120, Cannabis Regulations, of Title XI, Business Regulations, of the Riverbank Code of Ordinances related to the appeal of administrative penalties for violations of cannabis regulations.

Director of Community Development Mann, gave a comprehensive staff report and power point presentation on the First Reading by Title Only and Introduction of Proposed Ordinance Amending Sections 120.60 and 120.62 and Adding Section 120.63 to Chapter

120, Cannabis Regulations of Title XI, Business Regulations, of the Riverbank Code of Ordinances Related to the Appeal of Administrative Penalties for Cannabis Regulations

City Council discussed the item with staff.

Mayor O'Brien Opened the Public Hearing at 6:42 P.M.

Olivia Arambula: Riverbank resident, to seek clarification regarding Item 10.1 property owner responsibility.

Mayor O'Brien Closed the Public Hearing at 6:43 P.M.

There being no further public comments, Mayor O'Brien brought the item back to the City Council.

ACTION: *By motion moved and seconded (Jones Cruz / Uribe 5/0) to **approve the First Reading** by Title Only and Introduction of Proposed Ordinance Amending Sections 120.60 and 120.62 and Adding Section 120.63 to Chapter 120, Cannabis Regulations of Title XI, Business Regulations, of the Riverbank Code of Ordinances Related to the Appeal of Administrative Penalties for Cannabis Regulations*

*Motion carried by unanimous City Council and LRA Board roll call vote:
AYES: Uribe, Hernandez, Barber-Martinez, Jones Cruz, and Mayor O'Brien
NAYS: None / ABSENT: None / ABSTAINED: None*

Item 10.2 **Public Hearing for Proposed Solid Waste Rate Increase-** It is recommended that the City Council consider adopting a resolution approving a 3.8% Consumer Price Index (CPI) increase in rates for solid waste disposal services pursuant to the executed franchise agreement with Gilton Solid Waste, Inc.

Assistant City Manager Alcantor gave a comprehensive staff report and PowerPoint presentation on the proposed solid waste rate increase of 3.8% Consumer Price Index.

City Council discussed the item with staff.

Mayor O'Brien Opened the Public Hearing at 6:53 P.M.

Olivia Arambula, Riverbank resident, Opposed to Item 10.2

Mayor O'Brien Closed the Public Hearing at 6:55 P.M.

There being no further public comments, Mayor O'Brien brought the item back to the City Council.

ACTION: *By motion moved and seconded (Uribe / Jones Cruz 4/1) to adopt **Resolution 2024-073** approving a 3.8% Consumer Price Index increase in rates for solid waste disposal services pursuant to the executed franchise agreement with Gilton Solid Waste, Inc.*

*Motion carried by City Council and LRA Board roll call vote:
AYES: Uribe, Hernandez, Jones Cruz, and Mayor O'Brien
NAYS: Barber-Martinez / ABSENT: None / ABSTAINED: None*

11. NEW BUSINESS

Item 11.1 **Designation of a Voting Delegate and Alternate(s) to Attend the 2024 League of California Cities Annual Conference-** It is recommended that City Council designate a member of the Council as the Voting Delegate, plus one or two alternates. They will attend the 2024 League of California Cities Annual Conference and Expo, to be held in Long Beach on October 16-18, 2024, and will participate in the Annual Business Meeting for the consideration of resolutions that establish Cal Cities policy. The City Council is to ratify the designations by roll call vote.

City Manager Garcia gave a comprehensive report on the designation of a City Council member as the Voting Delegate, plus one or two alternates that will attend the 2024 League of California Cities Annual Conference and Expo and will participate in the Annual Business Meeting.

City Council Discussed item with City Staff.

There being no further public comment, Mayor O'Brien brought the item back to City Council.

ACTION: *By motion moved and seconded (Jones Cruz / Uribe 5/0) to approve Councilmember Darlene Barber-Martinez as the primary voting delegate and Mayor Richard O'Brien and Councilmember Rachel Hernandez as the alternates*

*Motion carried by unanimous City Council and LRA Board roll call vote:
AYES: Uribe, Hernandez, Barber-Martinez, Jones Cruz, and Mayor O'Brien
NAYS: None / ABSENT: None / ABSTAINED: None*

12. COMMENTS/REPORTS

A brief report on notable attendance of a meeting or conference or other notable topics of City business shall be made. The Brown Act does not allow for discussion or action of items by the City Council/LRA Board during this time.

Item 12.1 Staff

City Manager Garcia reported on the following:

- *A reminder to both the city council and our residents that our housing element update workshop is next Wednesday, July 31st that's going to be at 6:00 P.M. In the Community Center. This one is for residents, and members of the public to provide feedback that could impact future policies that are set by the city council. Now in August there'll be a second meeting or workshop that's scheduled, and this one will be tailored to stakeholders like developers who build homes and affordable housing, so that will be scheduled for some time in August.*
- *This Friday and Saturday we have a free compost giveaway from 8 to 12 P.M. at 3134 Sierra Street. Resident should bring their own shovels, containers, or buckets to load their own material, and if you do bring a pickup truck we do ask that they tarp their load to avoid it spilling into the street.*
- *Movies in the park is this Saturday. It will be our last one for the season. We'll be showing the movie Matilda. The movie starts at dusk. Bring your blankets, your chairs, and your snacks, so that you can enjoy a movie with us.*
- *Next Tuesday is going to be the final Tuesday market, scheduled from 6 to 9PM. Here in downtown.*
- *August 2nd is the Riverbank night at the Modesto Nuts. The Nuts are planning a fun activity for council in between innings. So, I look forward to seeing you all there. We'll share more details later about where we're going to meet. And the game does begin at 7 P.M.*
- *With school ready to start. The teen center is going to reopen its doors on August 5th.*
- *And with the heat we do want to remind our residents that we do have cooling centers throughout the city. The community center is open Mondays, Tuesdays, and Thursdays from 9 to 1 P.M., and Fridays from 10 to 2 P.M. That is our senior meal period.*
- *A community pool is open from Monday, through Friday, from 1 to 3:30 P.M., and on Saturdays from 10 to 4 P.M. There is a \$3 charge for that.*
- *And then our library, as Vicki mentioned earlier, is open Mondays and Tuesdays from 10 to 8 P.M., Wednesdays from 12 to 8 P.M., and Thursdays from 10 to 8 P.M. They are not open on Fridays.*
- **Chief Ridenour:** *Just want to remind our residents and Council National Night Out is Tuesday, August 6th just 2 weeks away from now. We'll be out at Silva Park from 5 to 8 P.M. We have free food, free sweets provided by some of our local nonprofits, a lot of specialty units from the sheriff's office, it was a great turnout last year we hope it's even greater this year, so hope to see you all there that night. Thank you.*

Item 12.2 Council/Authority Member

Councilmember Hernandez reported on the following:

- *I want to thank you, Olivia and the Chamber for all the time and energy you've been putting into the city, and with our small businesses and businesses in general, and thank you for expressing your need for greater collaboration with the city, because that was heard.*

- *I didn't mention anything before, and if I can right now. The decision made today for landlords and the proceedings with cannabis is always in an effort to continue good relationships and active relationships with everyone in the city. And hopefully, you know, we continue the communication. So, there's greater understanding around why decisions are made with each of us.*
- *So, Riverbank unified school district is doing a backpack drive, I think, on August 6th as well. But I need to check the date now that you mentioned those same days, as National Night Out. I'm working with the Central Valley Latino elected officials of California for delivery tomorrow of backpacks and the Veterans in Action Nonprofit for hopefully, a total of 100 backpacks for Riverbank Unified. This next week. So, Riverbank Unified is accepting backpacks and school supplies until August 6th.*

Councilmember Uribe reported on the following:

- *So first of all, I want to give a shout out to Chief, thank you for kind of updating me on everything with 4th of July all the citations. I won't go into the details there. Very impressive the technology that's being used there. The information that's there, I think, should be shared, and I know you're going to be working on getting me some of that information so we can share with residents. Real concerns that we have, and I want to make sure that that's being put out.*
- *I have been meeting religiously, because we've been meeting Sundays with a group of an alliance of local elected. We've been meeting with Senators, CEO's. we have met with the Cal Matters, Chief Executive Officer Neil Chase. So, they got some AI tools. It's called a digital democracy kind of tracks everything you can think of, every dollar spent, every spoken word in public hearings. It's kind of designed to reveal like how that is, how decisions are made. And so, I think it's super important as we're going into this election cycle.*
- *The only other thing I will mention is I am excited about the Modesto Nuts vs The Inland Empire 66ers. It is August 2nd. We're dubbing it Riverbank night, we are taking over that day. So excited to see everybody there. Thank you.*

Councilmember Barber-Martinez reported on the following:

- *I want to thank the Riverbank Community for attending our bike rodeo kids, health and safety annual fun fair. I think we had over 100 children. I know students that were there. I think everyone had a great time. I know I did, but it was hot, it was still a lot of fun. And also thank you to our community who donated bikes for us to raffle away, and we had 29 bikes that were given away. Plus, there were prizes and giveaways from our vendors, and this year we had a scavenger hunt with the focus on Bike safety. It was a lot of fun.*
- *News from the League of California cities, Prop. 36 is being supported because this measure creates a deterrent for repeat theft offenders and redirects, some towards treatment rather than incarceration. Prop. 4 would channel funding to mitigate the impacts of climate change and also increase funding to cities for funding stormwater capture and reuse local water conservation programs, state and local wildfire prevention and extreme heat mitigation.*

- *And I want to give recognition to our 1st responders of the fire department that are battling these fires and all this heat with their heavy equipment they have to wear for their safety. So, I just want to say, you know, from bottom of my heart, thank you.*
- *Then thank you, everyone involved in our recognition for the nonprofit of the year for Central Valley Community Resources for being nonprofit for District 4. And it was truly, truly an honor for all of us, and then thank you to everyone just being you and just stay safe in this heat. So, thank you.*

Vice Mayor Jones Cruz reported on the following:

- *No Comment.*

Item 12.3 Mayor/Chair

Mayor O'Brien reported on the following:

- *I do want to congratulate Darlene and her nonprofit. That was a great honor. It was unfortunate the Senator could not be there. But it was a good event, Darlene. Thank you.*
- *We were told about a water level drop. The wells, ours haven't experienced that. Can we get a report on that? Because 24 feet is significant and I think there may be a calculation of that's well. I just would like to have our report. Because if that's an amount of water that these homes are going to meet. We're going to have to cut the almond population down because it takes 1.1 gallon of water per one almond and we do billions of almonds. I don't know what the solution is, but we do need to grow, and we will determine would be the best place.*

13. CLOSED SESSION

The public will have a limit of **3 minutes** to comment on Closed Session item(s) as set forth on the agenda prior to the City Council/LRA Board recessing to Closed Session.

Item 13.1

LIABILITY CLAIMS

(Pursuant to Government Code §54961)

Claimants: Bobbie Bowling, Kalina Bowling, and Daisy Bowling

Agency Claimed Against: City of Riverbank

Item 13.2

LIABILITY CLAIMS

(Pursuant to Government Code §54961)

Claimant: Foley, John

Agency Claimed Against: City of Riverbank

There being no public comment, Mayor O'Brien moved to Closed Session at 7:08 P.M.

Reconvened from Closed Session at 7:19 P.M.

14. REPORT FOR CLOSED SESSION

Item 14.1 Report from Closed Session **Item 13.1**

LIABILITY CLAIMS

(Pursuant to Government Code §54961)

Claimants: Bobbie Bowling, Kalina Bowling, and Daisy Bowling

Agency Claimed Against: City of Riverbank

ACTION: *Claim denied vote of 5/0.*

Item 14.2 Report from Closed Session **Item 13.2**

(Pursuant to Government Code §54961)

Claimant: Foley, John

Agency Claimed Against: City of Riverbank

ACTION: *Claim denied vote of 5/0.*

15. ADJOURNMENT OF THE REGULAR MEETING

There being no further business, Mayor / Chair O'Brien adjourned the regular meeting at 7:20 P.M. to the next regular scheduled City Council / LRA Meeting of August 27, 2024 at 6:00P.M.

ATTEST: (Adopted 08/27/2024)

APPROVED:

Gabriela Hernandez, CMC
City Clerk / LRA Recorder

Richard D. O'Brien
Mayor/ Chair

Riverbank City Council

July 23rd, 2024

Good evening Mayor and fellow council members:

My name is Garry Pearson, Resident of Riverbank, District 3

I am a life long farmer, retired UC Davis in the College of Agriculture and Environmental Sciences for 37 years, Career Technical Education specialist, and from a 4th generation family farm with the 5 generation being nurtured and mentored for the future, and graduate of the 'California Ag Leadership Program' class 38

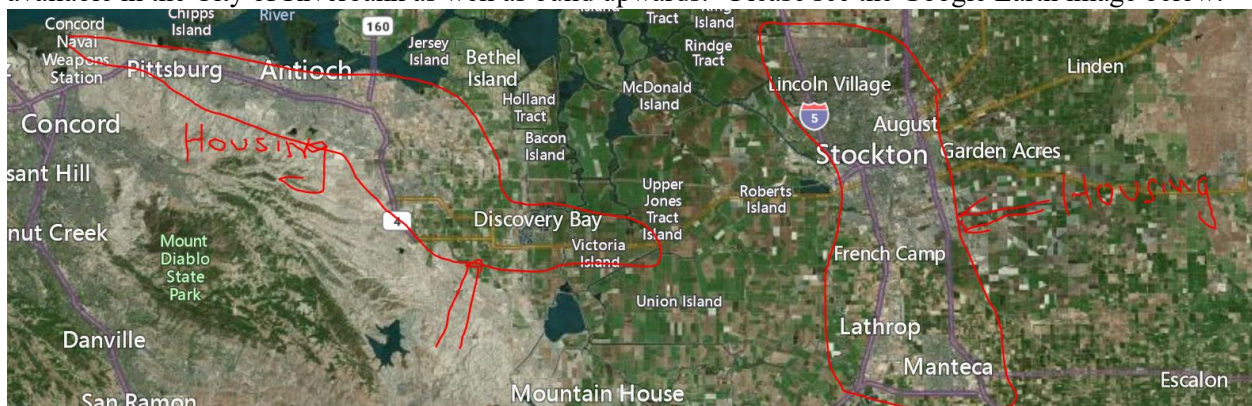
First, I am opposed to the Riverwalk proposed project.

This project would potentially remove 'Prime Ag Land' of up to 1000 acres and replace the ag land with 2200 homes. Once you remove prime Ag land it is gone...

Second, with the recent substantial public comment with some 87 individuals and 14 Agencies regarding this project and the 2200 plus pages of the dEIR. One of the key agency comments was summarized in the Modesto Bee Article dated May 25, 2024 and titled 'Riverbank proposal to build 2,400 homes under question by key Stanislaus agency, Sara Lytle-Pinhey, and executive director of the Stanislaus Local Agency Formation Commission. I recommend to all the council members to read this response in its entirety.

Third, It is noted that council members are concerned about housing affordability, shortages, and the longer range of the City of Riverbank. I, too, think this way for the longer range of what this region will look like in 20, 30, 40, and beyond... I also look beyond this city and its sphere of influence and conclude the city at this point in time stay within its sphere of influence.

Fourth, I ask that City council members look at the developments along the 120 corridor and beyond towards Lathrop, Brentwood, Walnut Creek, Tracy, Stockton, Antioch and Lodi. I see massive and extensive developments and which will eventually reach the city of riverbank and turn all the prime ag land into a maze of freeways, houses and spill over from the Bay area... Lets fill in what is presently available in the City of Riverbank as well as build upwards. Please see the Google Earth image below:



Finally, the City of Riverbank in its approved 2016 Sphere of influence has substantial space for many additional homes for all categories including tiny homes, low income, moderate and high end. The city needs to infill like the rest of the region.

Respectively,

A handwritten signature in cursive script that reads "Garry Pearson". The signature is written in dark ink on a light background.

Garry Pearson, Riverbank resident, District 3



RIVERBANK CITY COUNCIL / LOCAL REDEVELOPMENT AUTHORITY

AGENDA ITEM NO. 9.3

SECTION 9: CONSENT CALENDAR

Meeting Date:	August 27, 2024
Subject:	Acceptance of the 7th Street Outfall Project and Authorization to File a Notice of Completion
From:	Marisela H. Garcia, City Manager
Submitted by:	Kathleen Cleek, Development Services Administration Manager Laura Graybill, Senior Project Coordinator

RECOMMENDATION:

It is recommended that the City Council accept the completion of the 7th Street Outfall Project and authorize staff to file a Notice of Completion.

SUMMARY:

Dirt Dynasty, Inc. completed the construction of the 7th Street Outfall Project. William Kull, City Engineer and City staff have completed a final inspection and determined that construction has been completed per the plans and specifications.

The contract was awarded on September 14, 2023 to Dirt Dynasty, Inc. in the amount of \$653,455.00. Six (6) contract change orders were issued for this project in the amount of \$50,855.15. The total cost of construction is \$704,310.15.

It is recommended that the Council accept the 7th Street Outfall Project as complete and authorize the Senior Project Coordinator to record the Notice of Completion.

FISCAL IMPACT:

Costs to be covered by American Rescue Plan Act.

ATTACHMENTS:

1. Notice of Completion
2. Before & After Photos
3. Site Map

AND WHEN RECORDED MAIL TO

NAME
STREET
ADDRESS
CITY &
STATECITY OF RIVERBANK
ATTN: DEVELOPMENT SERVICES
6707 THIRD STREET
RIVERBANK, CA 95367SPACE ABOVE THIS LINE
FOR RECORDER'S USE**NOTICE OF COMPLETION****NOTICE IS HEREBY GIVEN THAT:**

1. The undersigned is the owner of the interest or estate stated below in the property hereinafter described.

2. The full name of the undersigned is City of Riverbank

(Print Full Name)

3. The complete address of the undersigned is 6707 Third Street, Riverbank, CA 95367

(Address, City, State, Zip)

4. The nature of the title of the undersigned is:

☒ Owner in Fee, **or**☐ Vendee (Buyer) under Contract of Purchase, **or**☐ Lessee, **or**☐ Other

If "Other," briefly list or describe appropriate designation or title _____

5. The full names and complete addresses of all persons, if any, who hold title with the undersigned as joint tenants or as tenants in common are:

Co-owner's Name(s)

Co-owner's Complete Address (Number and Street, City, State, Zip)

N/A

6. The names of the predecessors in interest of the undersigned, if the property was transferred subsequent to the commencement of the work of improvement herein referred to, include, but are not limited to the following individual(s) (if no transfer was made, insert the word "none"):

Co-owner's Name(s)

Co-owner's Complete Address (Number and Street, City, State, Zip)

N/A7. A work of improvement on the property described below was completed on August 27, 2024

(Date of Completion)

This document is only a general form which may be proper for use in simple transactions and in no way acts, or is intended to act, as a substitute for the advice of an attorney. The printer does not make any warranty, either expressed or implied, as to the merchantability or fitness for a particular purpose, or as to the legal validity of any provision or the suitability of these forms in any specific transaction.



8. The name of the original contractor, if any, for the work of improvement was (if no contractor for the work of improvement as a whole, insert the word "none") Dirt Dynasty, Inc.

If notice covers completion of contract for only part of the work of improvement, check box and complete:

☐ The kind of work done or finished was construct and furnishing furnishing all labor, materials, equipment, transportation, and incidentals necessary for removing and installing storm pipeline & manhole, asphalt grinding & paving, earthwork, solider pile I beam & wood lagging soil retention wall.
(Give General Description of Work Completed, e.g., Furnishing of Concrete for Sidewalks, etc.)

9. The property on which the work of improvement was completed is in the City of Riverbank,
County of Stanislaus, State of California, and is described as follows:
7th Street Outfall Project
(Set Forth Description of Jobsite Sufficient for Identification, Using Legal Description if Possible)

10. The street address of the said property is Intersection of 7th Street and Riverside Drive
(Address, City, State, Zip, or if No Official Street Address, Insert the Word "None")
in Riverbank, CA 95367

Dated this 27th day of August, 2024
(Day) (Month) (Year)

City of Riverbank
Laura Graybill, Senior Project Coordinator
(Owner's Signature) (Owner's Typed or Printed Name)

VERIFICATION

I the undersigned, say:

I am the person who signed the foregoing notice. I have read and understand the above notice and know its contents, and the facts stated therein are true and correct to the best of my knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed in City of Riverbank, County of Stanislaus, State of California
on this 27th day of August, 2024
(Day) (Month) (Year)

City of Riverbank
Laura Graybill, Senior Project Coordinator
(Signature of Person Signing Notice of Completion)

This form is the notice of completion that a property owner may record to limit the time in which mechanics' liens may be recorded against a construction project (see CA Civil Code § 3093). For this purpose an "owner" is the person who causes a building, improvement, or structure to be constructed, altered, or repaired, whether the interest or estate is in fee, as a vendee (buyer) under contract or purchase, as lessee, or other interest or estate less than fee. If the interest is held by two or more persons as joint tenants or tenants in common, any one or more of the co-tenants may be deemed to be the owner. (CA Civil Code §§ 3092(g), 3093). **This form is for use with a private work of improvement only, and is not intended for public sector applications.**

If the owner records the notice within the applicable time period, the original contractor has sixty (60) days from the day the notice is recorded to record a claim of lien against

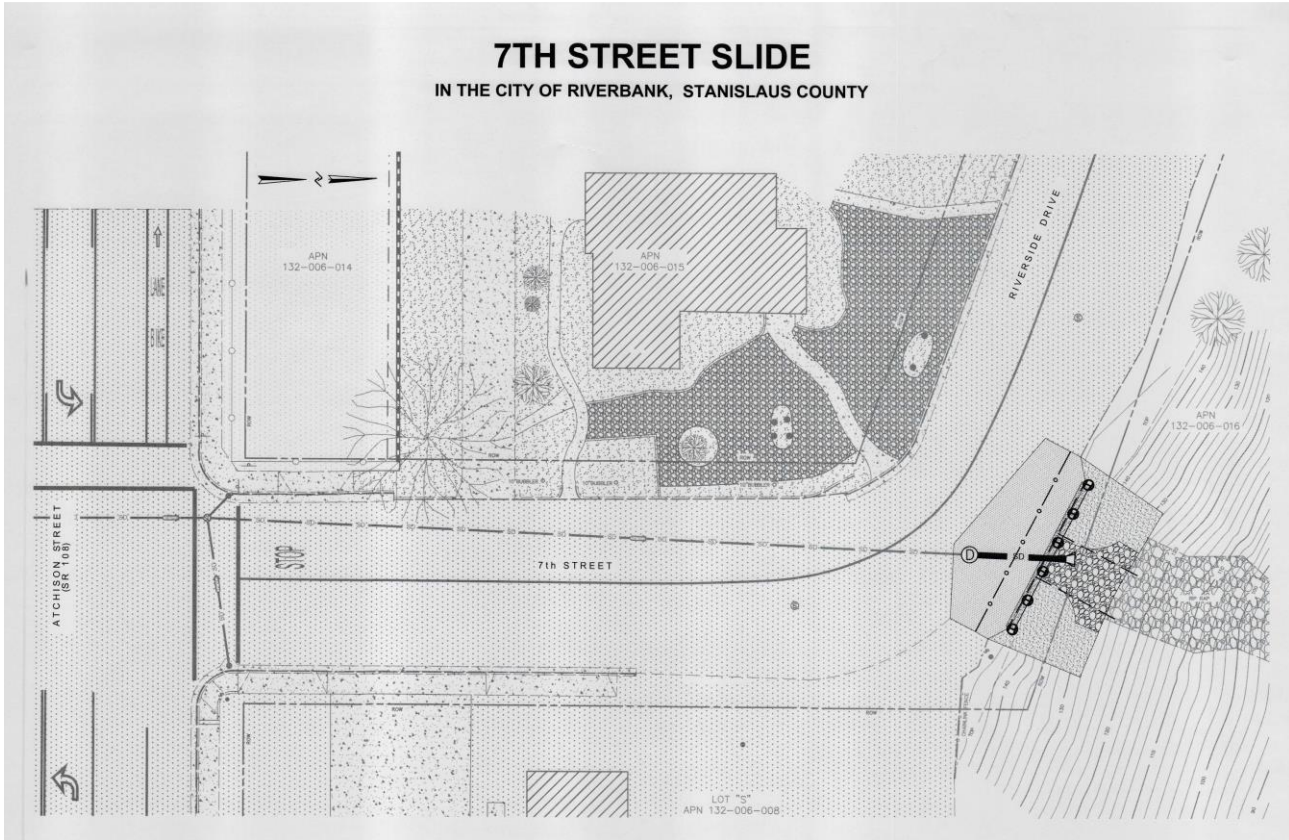
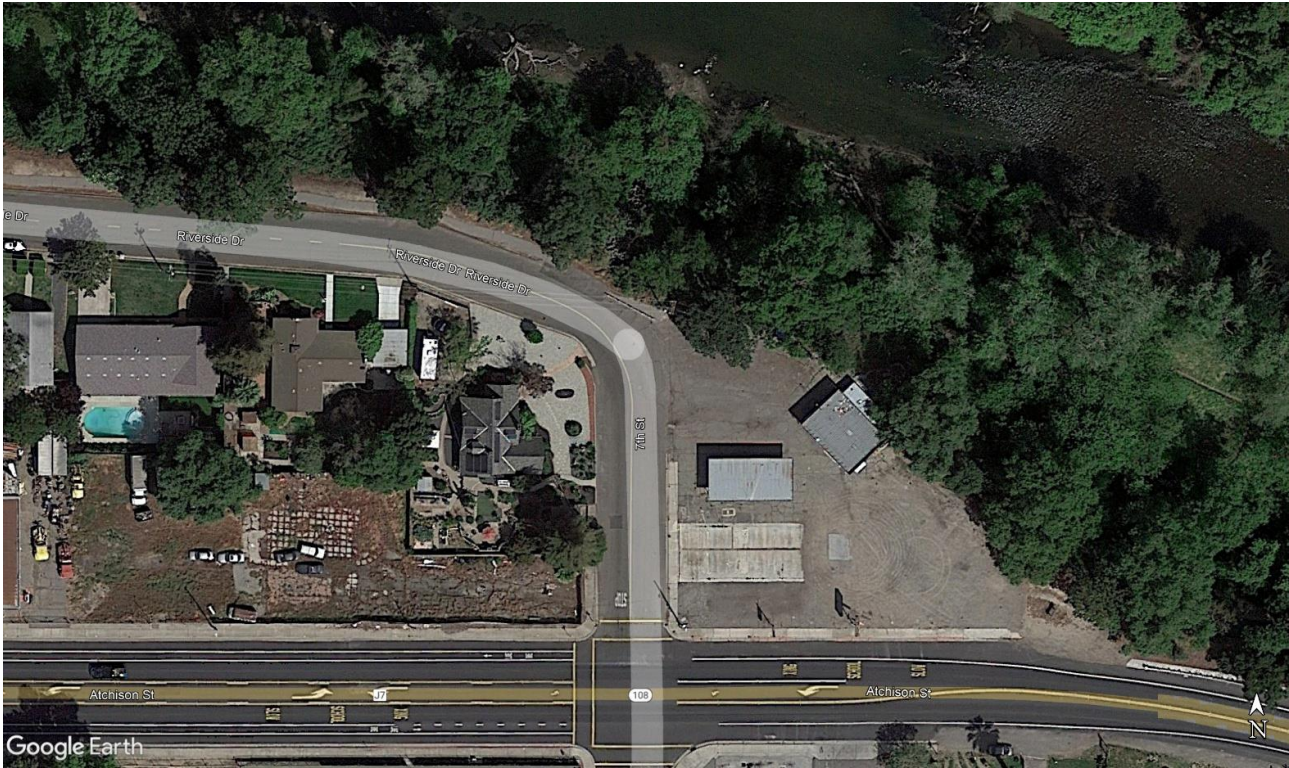
the project (CA Civil Code § 3115); and all other persons who furnished labor, services, equipment, or materials must record their liens within thirty (30) days after the notice of completion is recorded (CA Civil Code § 3116). Otherwise, all persons who furnished labor, services, equipment, or materials have ninety (90) days after completion of the work of improvement in which to record their liens (CA Civil Code §§ 3115, 3116).

The owner must record the notice in the office of the county recorder of the county where the site is located within ten (10) days after the work of improvement is completed (CA Civil Code § 3093(e)). This applies equally to the project which is completed in phases. A notice of completion must be filed within ten (10) days after the completion of each phase of the project to shield owner properly (CA Civil Code § 3117).

7th Street Outfall Project Photos



Site Map
7th Street Outfall Project



RIVERBANK CITY COUNCIL / LOCAL REDEVELOPMENT AUTHORITY

AGENDA ITEM NO. 9.4

SECTION 9: CONSENT CALENDAR

Meeting Date:	August 27, 2024
Subject:	Acceptance of the Claribel Road Overlay Project and Authorization to File a Notice of Completion
From:	Marisela H. Garcia, City Manager
Submitted by:	Kathleen Cleek, Development Services Administration Manager Laura Graybill, Senior Project Coordinator

RECOMMENDATION:

It is recommended that the City Council accept the completion of the Claribel Road Overlay Project and authorize staff to file a Notice of Completion.

SUMMARY:

George Reed, Inc. completed the construction of the Claribel Road Overlay Project. William Kull, City Engineer, and City staff have completed a final inspection and determined that construction has been completed per the plans and specifications.

The contract was awarded on April 9, 2024 to George Reed, Inc. in the amount of \$602,516.00. Four (4) contract change orders were issued for this project in the amount of \$56,892.22. The total cost of construction is \$659,408.22.

On November 28, 2023 the City of Riverbank entered into a Cost Sharing Agreement between the City of Riverbank and the County of Stanislaus for the construction of the Claribel Road Overlay Project. The City of Riverbank acted as lead agency for the design, bidding, awarding, inspections, and the process & management of all additional segments of the project. Measure L Funds will be used by both agencies for the funding of this project.

The City's portion of the project area is from the centerline of Claribel Road to the north edge of the project limits and the County's portion consists of the area from the centerline of Claribel Road to the south edge of the project limits. The project limits start at the west side of the intersection of Squire Wells Way going east to approx. 1,300 feet west of Roselle Avenue.

The total cost of construction from George Reed, Inc. in the amount of \$659,408.22 is broken down as follows:

City's share of bid from George Reed, Inc.	\$409,975.51
<u>Change order amount</u>	<u>\$ 54,866.33</u>
City of Riverbank Budget Allocation	\$464,841.84
County's share of bid from George Reed, Inc.	\$192,540.49
<u>Change order amount</u>	<u>\$ 2,025.89</u>
County of Stanislaus Budget Allocation	\$194,566.38

It is recommended that the Council accept the Claribel Road Overlay Project as complete and authorize the Senior Project Coordinator to record the Notice of Completion.

FISCAL IMPACT:

Funding has been programmed for this project with City of Riverbank and County of Stanislaus Measure L Funds.

ATTACHMENTS:

1. Notice of Completion
2. Photos
3. Site Map

AND WHEN RECORDED MAIL TO

NAME
STREET
ADDRESS
CITY &
STATECITY OF RIVERBANK
ATTN: DEVELOPMENT SERVICES
6707 THIRD STREET
RIVERBANK, CA 95367SPACE ABOVE THIS LINE
FOR RECORDER'S USE

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN THAT:

1. The undersigned is the owner of the interest or estate stated below in the property hereinafter described.

2. The full name of the undersigned is City of Riverbank

(Print Full Name)

3. The complete address of the undersigned is 6707 Third Street, Riverbank, CA 95367

(Address, City, State, Zip)

4. The nature of the title of the undersigned is:

☒ Owner in Fee, or☐ Vendee (Buyer) under Contract of Purchase, or☐ Lessee, or☐ Other

If "Other," briefly list or describe appropriate designation or title _____

5. The full names and complete addresses of all persons, if any, who hold title with the undersigned as joint tenants or as tenants in common are:

Co-owner's Name(s)

Co-owner's Complete Address (Number and Street, City, State, Zip)

N/A

6. The names of the predecessors in interest of the undersigned, if the property was transferred subsequent to the commencement of the work of improvement herein referred to, include, but are not limited to the following individual(s) (if no transfer was made, insert the word "none"):

Co-owner's Name(s)

Co-owner's Complete Address (Number and Street, City, State, Zip)

N/A7. A work of improvement on the property described below was completed on August 27, 2024

(Date of Completion)

This document is only a general form which may be proper for use in simple transactions and in no way acts, or is intended to act, as a substitute for the advice of an attorney. The printer does not make any warranty, either expressed or implied, as to the merchantability or fitness for a particular purpose, or as to the legal validity of any provision or the suitability of these forms in any specific transaction.



8. The name of the original contractor, if any, for the work of improvement was (if no contractor for the work of improvement as a whole, insert the word "none") George Reed, Inc.

If notice covers completion of contract for only part of the work of improvement, check box and complete:

☐ The kind of work done or finished was construct and furnish all labor, materials, equipment, transportation,
(Give General Description of Work Completed, e.g., Furnishing of Concrete for Sidewalks, etc.)

and incidentals necessary to construct all asphalt dig-outs, asphalt grinding, and asphalt concrete paving,
striping, adjusting structures to grade and all other work included on the plans.

9. The property on which the work of improvement was completed is in the City of Riverbank,
County of Stanislaus, State of California, and is described as follows:

Claribel Road Overlay Project

(Set Forth Description of Jobsite Sufficient for Identification, Using Legal Description if Possible)

10. The street address of the said property is Claribel Road between Squire Wells Way
(Address, City, State, Zip, or if No Official Street Address, Insert the Word "None")
and Roselle Ave in Riverbank, CA 95367

Dated this 27th day of August, 2024
(Day) (Month) (Year)

(Owner's Signature)

City of Riverbank
Laura Graybill, Senior Project Coordinator
(Owner's Typed or Printed Name)

VERIFICATION

I the undersigned, say:

I am the person who signed the foregoing notice. I have read and understand the above notice and know its contents, and the facts stated therein are true and correct to the best of my knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed in City of Riverbank, County of Stanislaus, State of California

on this 27th day of August, 2024
(Day) (Month) (Year)

(Signature of Person Signing Notice of Completion)

City of Riverbank
Laura Graybill, Senior Project Coordinator

This form is the notice of completion that a property owner may record to limit the time in which mechanics' liens may be recorded against a construction project (see CA Civil Code § 3093). For this purpose an "owner" is the person who causes a building, improvement, or structure to be constructed, altered, or repaired, whether the interest or estate is in fee, as a vendee (buyer) under contract or purchase, as lessee, or other interest or estate less than fee. If the interest is held by two or more persons as joint tenants or tenants in common, any one or more of the co-tenants may be deemed to be the owner. (CA Civil Code §§ 3092(g), 3093). **This form is for use with a private work of improvement only, and is not intended for public sector applications.**

If the owner records the notice within the applicable time period, the original contractor has sixty (60) days from the day the notice is recorded to record a claim of lien against

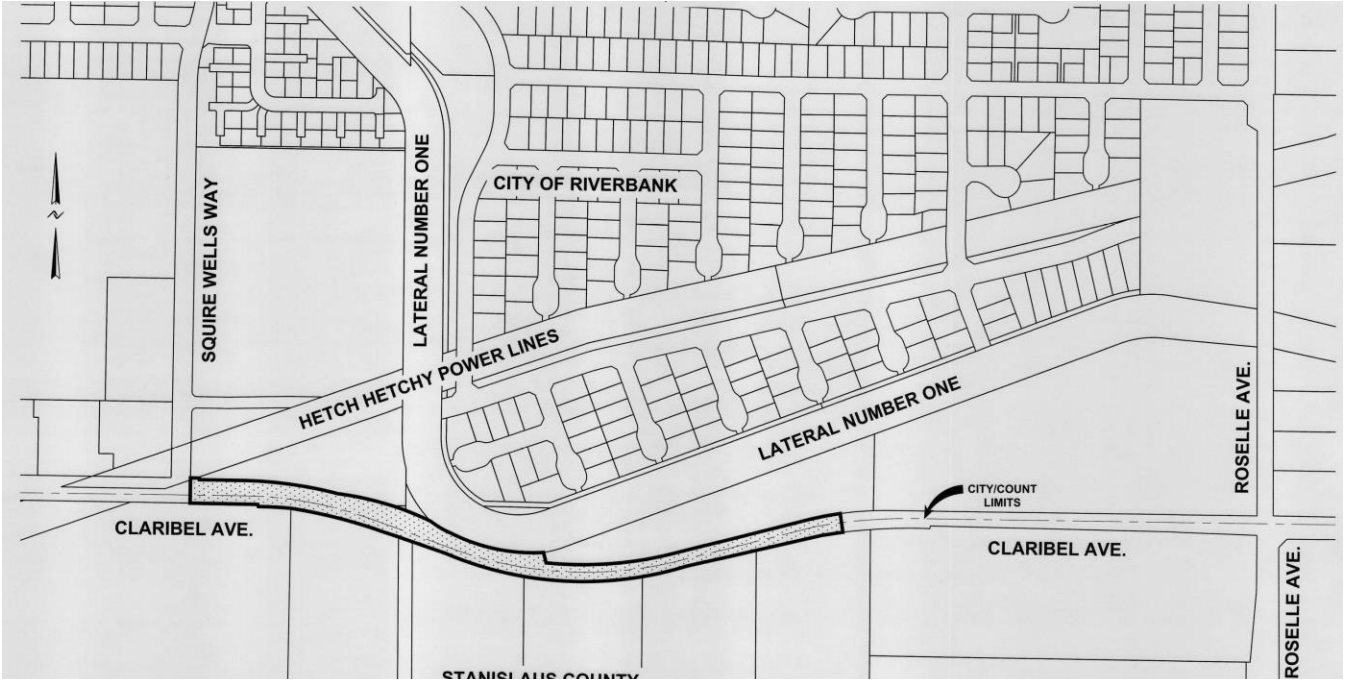
the project (CA Civil Code § 3115); and all other persons who furnished labor, services, equipment, or materials must record their liens within thirty (30) days after the notice of completion is recorded (CA Civil Code § 3116). Otherwise, all persons who furnished labor, services, equipment, or materials have ninety (90) days after completion of the work of improvement in which to record their liens (CA Civil Code §§ 3115, 3116).

The owner must record the notice in the office of the county recorder of the county where the site is located within ten (10) days after the work of improvement is completed (CA Civil Code § 3093(e)). This applies equally to the project which is completed in phases. A notice of completion must be filed within ten (10) days after the completion of each phase of the project to shield owner properly (CA Civil Code § 3117).

Claribel Road Overlay Project Photos



SITE MAP
CLARIBEL ROAD OVERLAY PROJECT
Between Squire Wells and Roselle



RIVERBANK CITY COUNCIL / LOCAL REDEVELOPMENT AUTHORITY

AGENDA ITEM NO. 9.5

SECTION 9: CONSENT CALENDAR

Meeting Date: August 27, 2024

Subject: Resolution to Award a Contract for Investment Advisory Services and Authorize the City Manager to Enter into a Consultant Services Agreement with Meeder Public Funds, Inc.

From: Marisela H. Garcia, City Manager

Submitted by: Tammy Alcantor, Assistant City Manager

RECOMMENDATION

It is recommended that the City Council consider authorizing the award of a contract for Investment Advisory Consultant to Meeder Public Funds.

SUMMARY

The City released a Request for Proposals (RFP) from qualified firms to provide investment advisory services for approximately \$50 million in operating and capital project funds. The RFP was released on the City's website and the California Society of Municipal Finance Officers (CSMFO) on May 14th with submittals due on June 6, 2024. Staff is seeking approval for the engagement of Meeder Public Funds, Inc. as the Investment Advisory Consultant for the City of Riverbank. This recommendation follows a thorough evaluation process aimed at enhancing our investment strategy and achieving our financial objectives.

BACKGROUND

The City of Riverbank has identified a need for professional investment advisory services to optimize our investment portfolio and align with our strategic financial goals. The existing investment management practices require expert guidance to ensure compliance with industry standards, regulatory requirements, and to maximize returns on investments.

Consultant Selection Process

1. Request for Proposals (RFP) Issuance: On May 14, 2024, an RFP was issued to several reputable investment advisory firms, outlining our requirements and expectations for the role.

2. Proposal Review: The proposals were reviewed by staff who evaluated the firms based on the following criteria:
 - Experience and expertise in investment advisory services
 - Range of services offered
 - Fee structure and cost-effectiveness
 - Alignment with our investment objectives and strategies
3. Interviews and Assessments: Shortlisted firms were invited for interviews and presentations and assessed on their approach, capabilities, and compatibility with our needs.
4. Final Recommendation: Based on the evaluations, Meeder Public Funds has been selected as the most suitable candidate. Their proposal demonstrated an understanding of our investment goals, a comprehensive service offering, and a competitive fee structure.

Consultant Details

- Firm Name: Meeder Public Funds, Inc.
- Principal Consultant: Benjamin Sehy, over 16 years of financial services experience.
- Fees (include custodian fees) are based on the volume of assets as follows:

ASSETS UNDER MANAGEMENT	ANNUAL ADVISORY FEE
\$0 - \$25,000,000	0.10%
\$25,000,000 - \$50,000,000	0.08%
\$50,000,000 - \$100,000,000	0.06%
Over \$100,000,000	0.04%

Based on the comprehensive evaluation and the consultant's alignment with our investment objectives, it is recommended that the City Council approve the engagement of Meeder Public Funds, Inc. as the Investment Advisory Consultant for the City of Riverbank.

Engaging Meeder Public Funds, Inc. represents a strategic move to enhance our investment management capabilities and achieve our financial goals more effectively. We recommend proceeding with their appointment and look forward to the positive impact on our investment strategy.

STRATEGIC PLAN

Participation in this user conference will help support the Strategic Plan goals of:

1. Achieve and Maintain Financial Stability and Sustainability

FINANCIAL IMPACT

Fees will be deducted from the interest earned on investments. Based on current investments the annual fees are estimated at \$38,000.

ATTACHMENTS

1. Resolution
2. RFP Submittal Meeder Public Funds, Inc.
3. Consultant Contract

CITY OF RIVERBANK

RESOLUTION 2024-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERBANK, CALIFORNIA, TO AWARD A CONTRACT FOR INVESTMENT ADVISORY SERVICES AND AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONSULTANT SERVICES AGREEMENT WITH MEEDER PUBLIC FUNDS, INC.

THE CITY OF RIVERBANK CITY COUNCIL (HEREAFTER REFERRED TO AS THE “CITY COUNCIL”) DOES HEREBY RESOLVE THAT:

WHEREAS, the City issued a Request for Proposals (RFP) for Investment Advisory Services on May 14, 2024 and

WHEREAS, the City received and reviewed proposals from qualified firms, conducted interviews, and evaluated the submissions based on criteria including qualifications, experience, fees, and services offered; and

WHEREAS, after careful consideration, it has been determined that Meeder Public Funds, Inc. is the most qualified firm to provide Investment Advisory Services to the City of Riverbank; and

WHEREAS, funding for these services is available in the City’s budget for the fiscal year 2024-25; and

WHEREAS, it is in the best interest of the City to engage the selected firm to provide professional investment advisory services.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Riverbank hereby approves the following:

1. Award Consultant Service Agreement for Investment Advisory Services to Meeder Public Funds, Inc.
2. Authorize City Manager to enter into a contract with Meeder Public Funds, Inc. for Investment Advisory Services

PASSED AND ADOPTED by the City Council of the City of Riverbank at a regular meeting held on the 27th day of August, 2024; motioned by Councilmember , seconded by Councilmember , and upon roll call was carried by the following City Council vote of :

AYES:

NAYS:

ABSENT:

ABSTAINED:

ATTEST:

APPROVED:

Gabriela Hernandez, CMC
City Clerk

Richard D. O'Brien
Mayor

Attachment: Consultant Services Agreement

City of Riverbank, CA



Request for Proposals Investment
Advisory Services

JUNE 6, 2024



MEEDER
PUBLIC FUNDS

Cover Letter



To the City of Riverbank,

We are pleased to submit our proposal for Investment Advisory Services to the City of Riverbank. With over 30 years of experience managing the investment portfolios of public entities on a fiduciary basis and the continued dedication to use our resources to provide exemplary service to our clients, Meeder is uniquely positioned to help the City establish a financial foundation on which it can thrive going into the future. Meeder is committed to helping the City achieve its objective of maximizing income, while focusing on the preservation of principal, maintenance of liquidity, and complying with the California Government Code and the City's investment policy.

We currently manage the investment portfolios for more than 400 public entity clients as of 12/31/2023 and are committed to executing all items outlined in the Scope of Services.

At Meeder, we pride ourselves on living up to a simple mantra that we want all of our clients to experience throughout our relationship: **With you. For you.**

- » **Experience** – Meeder brings a unique combination of advisory and investment expertise to the table for our clients. Our team includes 7 individuals that have been in your shoes, serving in your roles at public entities, including positions at the state, county, and city levels. That experience, combined with a team of Portfolio Managers that average more than 18 years of fixed income experience makes Meeder uniquely qualified to help your team navigate through all situations the City may face.
- » **Holistic Approach** – We will work with the City to take a holistic approach to the investment of your funds, focusing on your entire financial picture. We will review your cash flow and offer recommendations on all aspects of your treasury management process. This is the difference between a true advisor and a manager who simply manages a portion of City funds.
- » **Trusted Advisors** – Our goal truly is to be viewed as your trusted advisor. We are here for you in all aspects of your treasury management program, not just the investment of your funds. Lean on our team and experience for any questions that may arise. If we don't have an answer, odds are that one of our clients has experienced something similar and we can get you the assistance you need, no matter the topic.

Meeder respectfully requests that the client information on pages 13–15, 17, 23, and 25 of this response be excluded from any public information request relating to this RFP on the basis that it constitutes a trade secret.

We look forward to your review of our credentials and hope to develop a long-term relationship with the City of Riverbank, where we are confident we could add significant value to the City's investment program.



Respectfully,

JASON CLICK, CFP®
PRESIDENT

614.760.2120

jclick@meederinvestment.com

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MEEDER PUBLIC FUNDS

1111 West Ocean Blvd, Long Beach, CA 90802

1.866.633.3371 | meederpublicfunds.com



Executive Summary



MEEDER
PUBLIC FUNDS

Executive Summary

Include legal name and corporate structure, including primary contact information. Identify the use of subcontractors and any pending litigation against the Proposer.

PARENT COMPANY

Meeder Investment Management

INVESTMENT ADVISORY FIRM

Meeder Public Funds (“Meeder”)

PRIMARY CONTACT

Ben Sehy

Director, Advisory Services

Phone: 801.440.2493

Email: bsehy@meederinvestment.com

We will provide all investment advisory services in-house and will not use subcontractors/subadvisors for this proposal. Neither Meeder Public Funds nor any of its employees has been subject to any regulatory censure or litigation.

WHY MEEDER PUBLIC FUNDS

30+

Advising public entities for over 30 years.



Experienced management of operating and project funds. Among the largest managers of public funds in the United States.

\$150B+

Meeder Public Funds has assets under advisement of over \$150 billion.*



Offices:

- » Long Beach, California
- » Columbus, Ohio
- » Las Vegas, Nevada
- » Salt Lake City, Utah
- » Austin, Texas
- » Lansing, Michigan



Works with over 400 public entities.



Customized solutions for cities, states, counties, townships, libraries, schools, higher education, and special districts.



History of investing public funds in California.

*Assets Under Advisement consist of \$54.5 billion of regulatory assets under management and \$100.6 billion of non-discretionary assets as to which the adviser provides strategic advice or consultation.



Qualifications and Experience



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Qualifications and Experience

This section shall identify the Partner, Manager, and other key personnel assigned to the services. Provide information on the training, experience, and specialized skills of each person and whether each person is licensed to practice in California. Describe how and why the Proposed team would be best qualified to provide services to the City.

Primary Contact



BENJAMIN SEHY **DIRECTOR, ADVISORY SERVICES**

- » Westminster College, B.A. in Finance
- » University of Utah, MBA
- » Over 16 years of financial services experience

Ben works hand-in-hand with our clients, ensuring investment policies are current, conducting cash flow analysis, and developing portfolio strategies that fit our clients' objectives. Ben has spent over 16 years working in fixed-income investment management on both a capital markets desk and as an advisor for public entities. Ben speaks regularly at CSMFO events, helping government entities identify and execute government investing best practices.



Qualifications and Experience

Additional Contacts



RICK PHILLIPS, CCM

SR. VICE PRESIDENT, CHIEF INVESTMENT STRATEGIST

- » Certified Cash Manager
- » Brigham Young University, B.S. Finance
- » University of Utah, MBA
- » Over 30 years of municipal cash and investment management experience

Rick is the Chief Investment Strategist at Meeder Public Funds. Prior to joining Meeder, Rick was the President of FHN Financial Main Street Advisors, the Chief Investment Officer at Clark County, Nevada, and the Investment Officer for the City of Las Vegas. Rick has 35 years of experience in municipal cash and investment management. He is also the founder of the Government Investment Officers Association (GIOA), a national organization that has more than 1,000 government investment officers and corporate affiliates as members.



JASON HEADINGS, CMT

SR. VICE PRESIDENT

- » Chartered Market Technician
- » Miami University, B.S. Finance, B.S. Marketing
- » Over 18 years of investment management experience

In addition to his duties as Sr. Vice President, Jason serves as a member of both the Investment and Credit Committees. Jason oversees the team that will work directly with the clients on processes and strategies to ensure that the portfolio is invested properly and all processes are running efficiently. Jason is a regular educator at industry events and conferences across the country.

Qualifications and Experience

Investment Team



JASON SZABO, CFA®
DIRECTOR OF FIXED INCOME

- » Chartered Financial Analyst
- » The Ohio State University,
B.A. Economics
- » Over 9 years of investment management experience

In addition to assisting with the development of our investment strategies through the compilation and analysis of various economic and statistical reports, Jason is responsible for oversight of the implementation of our strategies and trade execution analysis. Jason serves as Chair of both our Investment and Credit committees, as well as serving on the Trading and Best Execution Committee.



JACOB BILLHARTZ, CFA®
PORTFOLIO MANAGER

- » Chartered Financial Analyst
- » Western Kentucky University,
B.S. Economics and BS Finance
- » Over 9 years of financial services and investment management experience

Jacob is responsible for managing and trading public fund client accounts and contributing to economic research. Jacob is a member of our Investment and Credit committees and is involved in developing our investment strategies.

Qualifications and Experience

Ben Sehy, Rick Phillips, and Jason Headings are all registered and licensed to perform investment advisory services in California.

Meeder's proposed team is highly qualified to provide investment services to the City, as the select group of individuals has collectively reviewed and written over a thousand investment policies, purchased billions of securities for government entities, and has advised cities like Riverbank all over the US. Meeder Public Funds has over 150 clients that have \$20–\$100 million of fund balances, similar to the size of Riverbank. The team's experience range is 9–35 years of working with government entities.

We have earned the trust of state and local governments across the country with more than three decades in the fixed-income markets. We have seen a large variety of interest rate environments and have experience with the possible effects those can have on portfolios. We have the resources in place to navigate the ever-changing markets. As a result of this experience and our processes, our team has built a proven track record of fixed-income excellence.

Meeder Public Funds Division is comprised of a 36 person staff.

MANAGEMENT	4
ADVISORS	14
SUPPORT STAFF	5
INVESTMENT	9
ANALYSTS	6
OPERATIONS	4

*some individuals overlap in areas





Investment Strategy/ Approach



MEEDER
PUBLIC FUNDS

Investment Strategy/Approach

Describe the proposed approach to providing the services and how that approach will offer value to the City. Identify any proposed innovations that may be used to achieve more cost-effective and interest-maximizing delivery of the services. Provide a work plan and proposed schedule for the tasks described in the Scope of Services.

Meeder is very familiar with California Government Code 53601 and we believe it is important to be able to take advantage of all applicable investment options permissible under state law. The markets change and your portfolio should too. We have resources dedicated to analyzing the various permissible asset classes and to performing independent due diligence on issuers of investment securities.

Each client's situation is unique. We construct portfolios to fit the needs of our clients, not place our clients in predetermined portfolios that may or may not fit their objectives.

Work Plan

INVESTMENT PORTFOLIO AND POLICY REVIEW AND ANALYSIS

Meeder will start its work plan by reviewing and suggesting any necessary changes to Riverbank's investment policy. Meeder has extensive experience drafting and revising investment policies and portfolio management guidelines for many of our public entity clients. Creating and/or reviewing investment policies is one of the first steps we take with all clients. We encourage a clear and concise investment policy that provides adequate guidance and control without undue administrative burden. At least annually, Meeder will review the Investment Policy of the City and recommend any changes.

Investment Strategy/Approach

CREDIT ANALYSIS

Meeder has an extremely deep and experienced in-house research team, which is constantly working on research to improve models, including those that drive the portfolio construction and duration targets for our public entity clients.

Our investment team currently maintains extensive credit research for existing advisory clients and actively manages funds and portfolios, ensuring that a single individual is not solely responsible for credit-related decisions. Meeder has established three internal committees to assist in the process of making prudent investment decisions within the confines of a sound investment strategy.

Credit Committee	Meeder established a Credit Committee to carry out the evaluation of credit risks in connection with investments in separately managed accounts (SMAs), Meeder Money Market Fund.
Investment Committee	Meeder established an Investment Committee to ensure the prudent and effective investment oversight of client portfolios and to formulate a process which monitors the investment process, strategy implementation, asset allocation decision making, and risk management practices for each portfolio. The committee membership includes staff across multiple asset classes and investment disciplines.
Trading and Best Execution Committee	The purpose of the Meeder Investment Management Trading & Best Execution Committee is to ensure that the firm fulfills its fiduciary duty to seek best execution when trading securities on behalf of the firm's clients. The Committee shall have authority to recommend and approve broker-dealers to execute transactions on behalf of firm clients; enforce firm policies and procedures governing best execution of transactions; and report deficiencies in these programs to the Meeder Funds Board of Trustees and firm management.

Investment Strategy/Approach

COMPLIANCE MONITORING

Meeder employs an industry-leading compliance monitoring and reporting system, Charles River. This compliance suite supports compliance rule-building, testing and maintenance, customizable reporting, and a complete audit history. A powerful data administration facility helps monitor and improve data quality. The scalable compliance engine supports high volumes of trades and compliance rules. This allows Meeder to ensure full legality with the entity's investment policy, state codes, GASB and GAAP report standards, and other applicable laws, rules, and regulations. We load our client's investment policy parameters and state code into our portfolio management system, providing pre-trade and post-trade compliance oversight.

BENCHMARKING

Meeder has extensive experience developing benchmarks for operating funds and pooled funds of public portfolios. Working with over 400 entities, each have their own restrictions and investment structures that are unique. Benchmarks can be customized or follow a stated index. Based upon the characteristics of the entity's policy and program objectives, Meeder would recommend a yield-based method for comparison of the portfolio to the market. We believe a yield-based method is representative of the actual return earned by the City as it excludes unrealized gains and losses which are included in the total return measure. We have developed benchmarks for several of our clients and typically recommend utilizing the 24-month trailing average yield of the 2-year Constant Maturity Treasury (CMT). This measure often resembles the average maturity of many of our managed portfolios and creates a benchmark that moves in a manner similar to the overall strategy of the portfolios.

REPORTING

Our goal is to provide timely and accurate reporting. In addition to an official monthly statement from the City's custodial bank, our typical standard reports issued by the Operations team include transaction summaries for each investment purchase or sale and a monthly report of holdings and activity. Periodic investment review reports include an economic update and a portfolio summary with portfolio metrics. Ad hoc reporting is provided upon request. On an annual basis, GASB reports would be prepared for the City. We utilize Clearwater Analytics for our investment accounting and reporting. The Clearwater software is daily, accurate, and comprehensive and allows for customizable reports to meet the requirements of your investment policy and compliance rules.

We will also send weekly and monthly "Market Commentary" emails to City staff with general market updates, economic results, and key market interest rates as well as periodic videos from our portfolio management team to update the City on major changes or events in the fixed income markets.

CUSTODIAN

Your primary contact will assist the city in setting up a third-party custodian at the same time the Meeder Investment account is set up. We have custodial relationships where we have been able to negotiate preferred pricing that we would be able to connect and help set up for the City of Riverbank.

Investment Strategy/Approach

ONLINE PORTAL

Clients receive online access to their investment accounts through the Clearwater online portal where they can verify investment positions, daily activity, and investment income in real-time. This portal is reconciled with the custodian on a daily basis. Your primary contact will assist all staff members in navigating the portal.

MEETINGS

We recommend City staff and the Meeder team meet quarterly with monthly update calls. The monthly calls are used as quick touch bases on strategy and new information, with the quarterly meetings used to go more in-depth around the economy and portfolio strategy. Frequency and timing of meetings and calls can be adjusted at the City's discretion. Your primary contact will also be available to attend council meetings when requested.



Investment Strategy/Approach

Your Primary contact will work with the City from the beginning of the process helping get everything in order to create an investment program for Riverbank.

IMPLEMENTATION OUTLINE

The below implementation outline details an approximate timeline of tasks and responsibilities for what can be expected at the start of the engagement as well as ongoing.

		RESPONSIBILITY	
		CITY OF RIVERBANK	MEEDER
FROM SIGNED CONTRACT			
Weeks 1-2	Execute Investment Agreements/Documents	✓	✓
	Meeting with the City to review reporting and information deliverables	✓	✓
	Investment Policy review and sign off		✓
	Notification letter to custodian and Transfer of Assets Forms	✓	
	» Custodian will then set up access for Meeder (may take up to one week)		
	Provide historical cash flow information	✓	
	Historical cash flows analyzed		✓
	Provide current holdings/statement of positions	✓	
	Analysis of current portfolio		✓
	Provide the City with draft reports		✓
	Meeder presents recommended strategy		✓
Monthly	Strategy calls/meetings to discuss economic/market conditions, portfolio structure/composition, strategy, and other pool related items		✓
Quarterly	Strategy meetings at the City's discretion		✓



REPORTING	CADENCE
Holdings Statement	Monthly
Transaction Summary	Daily/Monthly
Economic/Portfolio Update	Quarterly
GASB Reporting Assistance	Annually
Staff Training/Education	Annually

Investment Strategy/Approach

SERVICES	MEET SERVICES	DOES NOT MEET SERVICES
Develop and implement sound investment strategies, which will maximize the portfolio's performance with the parameters of the City's current Investment Policy and California statutes, regulations, City ordinances, and rules.	Yes	
Manage the City's portfolio with discretionary authority.	Yes	
Assist the City with cash flows/maturity analysis.	Yes	
Monitor the creditworthiness of financial institutions and the investments in the portfolio.	Yes	
Provide monthly/quarterly/annual reporting of City funds. Reports will cover a range including but not limited to local, and national economy, the City's portfolio holdings, composition and sector analysis, return, weight average of maturity, duration, performance objectives, and policy compliance.	Yes	
Attend quarterly meetings (in person or via teleconference) with City staff.	Yes	
Attend City Council meetings in person or via teleconference when necessary.	Yes	
Evaluate market risk and develop strategies that minimize the impact on the portfolio.	Yes	
Provide assurance of portfolio compliance with applicable policies and laws.	Yes	
Establish an appropriate performance benchmark as part of reporting requirements.	Yes	
Perform broker/dealer due diligence and maintain relations with approved security brokers and dealers.	Yes	
Assist the City in updating the existing Investment Policy, with annual review and recommendations for appropriate amendments.	Yes	
Answer questions from staff and provide general guidance in related areas.	Yes	
Coordinate with the City's third-party brokers for safekeeping of securities.	Yes	
Provide authorized City Staff with online access to the City's current investment account.	Yes	
Assist with annual audit inquiries and reporting.	Yes	

CONSULTANT SERVICES AGREEMENT

THIS CONSULTANT SERVICES AGREEMENT (“Agreement”) is made and entered into this ____ day of _____ 2024, (the “Effective Date”) by and between the City of Riverbank, a California municipal corporation (“City”), and Meeder Public Funds, Inc, an Ohio Corporation (“Consultant”). City and Consultant may herein be referred to individually as a “Party” and collectively as the “Parties”. There are no other parties to this Agreement.

RECITALS

A. City has issued a request for proposals (“RFP”) for Investment Advisory Services determined the need for consultant services to optimize our investment portfolio and align with our strategic financial goals (the “Project”).

B. Consultant has submitted a proposal to City that includes a scope of proposed consultant services, attached hereto and described more fully in **Exhibit A** (“Services”).

C. Consultant represents that it is qualified, willing and able to provide the Services to City, and that it will perform Services related to the Project according to the rate schedule attached hereto and described more fully in **Exhibit B** (the “Rates”).

NOW, THEREFORE, in consideration of the promises and covenants set forth below, the Parties agree as follows:

AGREEMENT

1. Consulting Services. Consultant agrees, during the term of this Agreement, to perform the Services for City in connection with the Project. Any request for services in addition to the Services described in **Exhibit A** will be considered a request for additional consulting services and not compensated unless the Parties otherwise agree in writing. No subcontract shall be awarded or an outside consultant engaged by Consultant unless prior written approval is obtained from City.

2. Compensation. City shall pay Consultant according to the fee schedule set forth in the Rates, as full remuneration for the performance of the Services. Consultant agrees to maintain a log of time spent in connection with performing the Services. On a monthly basis, Consultant shall provide City, in reasonable and understandable detail, a description of the services rendered pursuant to the Services and in accordance with the Rates. If the work is satisfactorily completed, City shall pay such invoice within thirty (30) days of its receipt. If City disputes any portion of any invoice, City shall pay the undisputed portion within the time stated above, and at the same time advise Consultant in writing of the disputed portion.

3. Confidential Information. Consultant understands and agrees that, in the performance of Services under this Agreement or in the contemplation thereof, Consultant may have access to private or confidential information that may be owned or controlled by City and

that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City (“Confidential Information”).

Consultant shall not, either during or after the Term, disclose to any third party any Confidential Information without the prior written consent of City. If the City gives Consultant written authorization to make any such disclosure, Consultant shall do so only within the limits and to the extent of that authorization. Such authorization does not guarantee that the City will grant any further disclosure of Confidential Information. Consultant may be directed or advised by the City Attorney on various matters relating to the performance of the Services on the Project or on other matters pertaining to the Project, and in such event, Consultant agrees that it will treat all communications between itself, its employees and its subcontractors as being communications which are within the attorney-client privilege.

4. Term. This Agreement shall become effective on the Effective Date and will continue in effect until the Services provided herein have been completed, unless terminated earlier as provided in Section 6 or 7 below (the “Term”).

5. Termination. City may terminate this Agreement prior to the expiration of the Term (“Termination”), without cause or reason, by notifying Consultant in writing of City’s desire to terminate this Agreement (the “Termination Notice”). Upon receipt of a Termination Notice, Consultant shall immediately cease performing the Services. Consultant will be entitled to compensation, as of the date Consultant receives the Termination Notice, only for Services actually performed.

6. Termination for Cause. Notwithstanding Section 6 above, this Agreement may be terminated by City for cause based on the loss or suspension of any licenses, permits or registrations required for the continued provision of the Services, or Consultant’s malfeasance. Termination of the Agreement for cause as set forth in this Section shall relieve City from compensating Consultant.

7. Performance by Key Employee. Consultant has represented to City that Benjamin Sehy will be the person primarily responsible for the performance of the Services and all communications related to the Services. City has entered into this Agreement in reliance on that representation by Consultant.

8. Property of City. The following will be considered and will remain the property of City:

A. Documents. All reports, drawings, graphics, working papers and Confidential Information furnished by City in connection with the Services (“Documents”). Nothing herein shall be interpreted as prohibiting or limiting City’s right to assign all or some of City’s interests in the Documents.

B. Data. All data collected by Consultant and produced in connection with the Services including, but not limited to, drawings, plans, specifications, models, flow diagrams,

visual aids, calculations, and other materials (“Data”). Nothing herein shall be interpreted as prohibiting or limiting City’s right to assign all or some of City’s interests in the Data.

C. Delivery of Documents and Data. Consultant agrees, at its expense and in a timely manner, to return to City all Documents and Data upon the conclusion of the Term or in the event of Termination.

9. Duties of City. In order to permit Consultant to render the services required hereunder, City shall, at its expense and in a timely manner:

A. Provide such information as Consultant may reasonably require to undertake or perform the Services;

B. Promptly review any and all documents and materials submitted to City by Consultant in order to avoid unreasonable delays in Consultant’s performance of the Services; and

C. Promptly notify Consultant of any fault or defect in the performance of Consultant’s services hereunder.

10. Representations of Consultant. City relies upon the following representations by Consultant in entering into this Agreement:

A. Qualifications. Consultant represents that it is qualified to perform the Services and that it possesses the necessary licenses, permits and registrations required to perform the Services or will obtain such licenses or permits prior to the time such licenses or permits are required. Consultant represents and warrants to City that Consultant shall, at Consultant’s sole cost and expense, keep in effect or obtain at all times during the Term of this Agreement, any licenses, permits, and registrations that are legally required for Consultant to practice Consultant’s profession at the time the Services are rendered.

B. Consultant Performance. Consultant represents and warrants that all Services under this Agreement shall be performed in a professional manner and shall conform to the customs and standards of practice observed on similar, successfully completed projects by specialists in the Services to be provided. Consultant shall adhere to accepted professional standards as set forth by relevant professional associations and shall perform all Services required under this Agreement in a manner consistent with generally accepted professional customs, procedures and standards for such Services. All work or products completed by Consultant shall be completed using the best practices available for the profession and shall be free from any defects. Consultant agrees that, if a Service is not so performed, in addition to all of its obligations under this Agreement and at law, Consultant shall re-perform or replace unsatisfactory Service at no additional expense to City.

11. Compliance with Laws and Standards. Consultant shall insure compliance with all applicable federal, state, and local laws, ordinances, regulations and permits, including but not limited to federal, state, and county safety and health regulations. Consultant shall perform all work according to generally accepted standards within the industry. Consultant shall comply with

all ordinances, laws, orders, rules, and regulations, including the administrative policies and guidelines of Client pertaining to the work.

12. Independent Contractor; Subcontracting. Consultant will employ, at its own expense, all personnel reasonably necessary to perform the Services. All acts of Consultant, its agents, officers, employees and all others acting on behalf of Consultant relating to this Agreement will be performed as independent contractors. Consultant, its agents and employees will represent and conduct themselves as independent contractors and not as employees of City. Consultant has no authority to bind or incur any obligation on behalf of City. 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. Consultant is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is expressly approved by City in writing.

13. Insurance. Consultant and all of Consultant's contractors and subcontractors shall obtain and maintain insurance of the types and in the amounts described in this paragraph and its subparagraphs with carriers reasonably satisfactory to City.

A. General Liability Insurance. Consultant shall maintain occurrence version commercial general liability insurance or an equivalent form with a limit of not less than Two Million Dollars (\$2,000,000) per claim and Two Million Dollars (\$2,000,000) for each occurrence.

B. Workers' Compensation Insurance. Consultant shall carry workers' compensation insurance as required by the State of California under the Labor Code. Consultant shall also carry employer's liability insurance in the amount of One Million Dollars (\$1,000,000.00) per accident, with a One Million Dollar (\$1,000,000.00) policy limit for bodily injury by disease, and a One Million Dollar (\$1,000,000.00) limit for each employee's bodily injury by disease.

C. Errors and Omissions Liability. Consultant shall carry errors and omissions liability insurance in the amount of no less than One Million Dollars (\$1,000,000.00) per occurrence or greater if appropriate for the Consultant's profession. Architects and engineers coverage is to be endorsed to include contractual liability. Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the City, elected and appointed councils, commissions, directors, officers, employees, agents, and representatives ("City's Agents"); or the Consultant shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claims administration and defense expenses.

D. Other Insurance Requirements. Within five (5) days of the Effective Date, Consultant shall provide City with certificates of insurance for all of the policies required under this Agreement ("Certificates"), excluding the required worker's compensation insurance. Such Certificates shall be kept current for the Term of the Agreement and Consultant shall be

responsible for providing updated copies and notifying City if a policy is cancelled, suspended, reduced, or voided. With the exception of the worker's compensation insurance, all of the insurance policies required in this Agreement shall: (a) provide that the policy will not be cancelled, allowed to expire, or materially reduced in coverage without at least thirty (30) days' prior written notice to City of such cancellation, expiration, or reduction and each policy shall be endorsed to state such; (b) name City, and City's Agents as additional insureds with respect to liability arising out of Services, work or operations performed by or on behalf of the Consultant; products and completed operations of the Consultant; premises owned, occupied, or used by the Consultant, or automobiles owned, leased, or hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the City; (c) be primary with respect to any insurance or self-insurance programs covering City or City's Agents and any insurance or self-insurance maintained by City or City's Agents shall be in excess of Consultant's insurance and shall not contribute to it; (d) contain standard separation of insured provisions; and (e) state that any failure to comply with reporting or other provisions of the policy including breaches of warranties shall not affect the coverage provided to the City.

14. Indemnification. Consultant hereby agrees to indemnify, defend, and hold harmless City, its agents, officers, employees and volunteers, against all liability, obligations, claims, loss, and expense (a) caused or created by Consultant, its subcontractors, or the agents or employees of either, whether negligent or not, pertaining to or related to acts or omissions of Consultant in connection with the Services, or (b) arising out of injuries suffered or allegedly suffered by employees of Consultant or its subcontractors (i) in the course of their employment, (ii) in the performance of work hereunder, or (iii) upon premises owned or controlled by City. Consultant's obligation to defend, indemnify and hold City and its agents, officers, employees and volunteers harmless is not terminated by any requirement in this Agreement for Consultant to procure and maintain a policy of insurance.

15. Consequential Damages. Notwithstanding any other provision of this Agreement, in no event shall City be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement or the Services performed in connection with this Agreement.

16. Litigation. In the event that either Party brings an action under this Agreement for the breach or enforcement hereof, or must incur any collection expenses for any amounts due hereunder the prevailing Party in such action shall be entitled to its costs including reasonable attorney's fees, whether or not such action is prosecuted to judgment.

17. Notices. Any notice or communication required hereunder between City or Consultant must be in writing, and may be given either personally, by registered or certified mail (return receipt requested), or by Federal Express, UPS or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. Notices given by registered or certified mail shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, (b) on the date delivered as shown on a receipt issued by the courier, or (c) five (5) days after a registered or certified letter containing

such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at the addresses in this paragraph set forth below:

If to City:	City of Riverbank 6707 Third Street Riverbank, CA 95367 Attn: City Clerk
With courtesy copies to:	City of Riverbank 6707 Third Street Riverbank, CA 95367 Attn: City Manager
And to:	White Brenner LLP 1608 T Street Sacramento, California 95811 Attention: Douglas L. White, Esq.
If to Consultant:	Meeder Public Funds 6125 Memorial Drive Dublin, Ohio 43017 Attention: Benjamin Sehy

18. General Provisions.

A. Modification. No alteration, modification, or termination of this Agreement shall be valid unless made in writing and executed by all Parties.

B. Waiver. The waiver by any Party of a breach of any provision hereof shall be in writing and shall not operate or be construed as a waiver of any other or subsequent breach hereof unless specifically stated in writing.

C. Assignment. No Party shall assign, transfer, or otherwise dispose of this Agreement in whole or in part to any individual, firm, or corporation without the prior written consent of the other Party. Subject to the forgoing provisions, this Agreement shall be binding upon, and inure to the benefit of, the respective successors and assigns of the Parties.

D. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of California.

E. Venue. Venue for all legal proceedings shall be in the Superior Court of California for the County of Stanislaus.

F. Partial Invalidity. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

G. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which shall be deemed a single agreement.

H. Severability. If any term, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, the remainder of this Agreement shall remain in effect.

I. Audit. City shall have access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify Consultant's charges to City under this Agreement.

J. Entire Agreement. This Agreement sets forth the entire understanding between the Parties as to the subject matter of this Agreement and merges all prior discussions, negotiations, proposal letters or other promises, whether oral or in writing.

K. Headings Not Controlling. Headings used in this Agreement are for reference purposes only and shall not be considered in construing this Agreement.

L. Time is of the Essence. Time is of the essence in this Agreement for each covenant and term of a condition herein.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the last day and date below written.

CITY:

CITY OF RIVERBANK, a California
municipal corporation

By: _____
Marisela H. Garcia, City Manager

Date: _____

Approved as to Form:

Tom Hallinan, City Attorney

CONSULTANT:

MEEDER PUBLIC FUNDS, INC

By: _____

Name: _____

Date: _____

EXHIBIT A

Services

The City's primary investment objective is to achieve a reasonable rate of return on public funds while minimizing the potential for capital losses arising from market changes or issuer default. Although the generation of revenue through interest earnings on investments is an appropriate City goal, the primary consideration in the investment of City funds is capital preservation in the overall portfolio. As such, the City's yield objective is to achieve a reasonable rate of return on City investments rather than the maximum generation of income, which could expose the City to unacceptable risk.

Specific services to be performed include but are not limited to the following:

1. Develop and implement sound investment strategies, which will maximize the portfolio's performance with the parameters of the City's current Investment Policy and California statutes, regulations, City ordinances, and rules.
2. Manage the City's portfolio with discretionary authority. (Meeder Public Fund's terms of service for discretionary authority are listed below.)
3. Assist the City with cash flows/maturity analysis.
4. Monitor the creditworthiness of financial institutions and the investments in the portfolio.
5. Provide monthly/quarterly/ annual reporting of City funds. Reports will cover a range including but not limited to local, and national economy, the City's portfolio holdings, composition and sector analysis, return, weight average of maturity, duration, performance objectives, and policy compliance.
6. Attend quarterly meetings (in person or via teleconference) with City staff.
7. Attend City Council meetings in person or via teleconference when necessary.
8. Evaluate market risk and develop strategies that minimize the impact on the portfolio.
9. Provide assurance of portfolio compliance with applicable policies and laws.
10. Establish an appropriate performance benchmark as part of reporting requirements.
11. Perform broker/dealer due diligence and maintain relations with approved security brokers and dealers.
12. Assist the City in updating the existing Investment Policy, with annual review and recommendations for appropriate amendments.
13. Answer questions from staff and provide general guidance in related areas.
14. Coordinate with the City's third-party brokers for safekeeping of securities.
15. Provide authorized City Staff with online access to the City's current investment account.
16. Assist with annual audit inquiries and reporting.

Investment practices and procedures must comply with state law and the City's Statement of Investment Policy.

Terms of Service – Discretionary Accounts

Meeder Public Funds

The following Terms of Service are applicable to services offered by Meeder Public Funds, Inc. (“Meeder”) and shall be incorporated into any agreement for investment advisory services (“Agreement”).

1. **Appointment.** Client appoints Meeder as discretionary investment manager to invest, reinvest and manage the securities, cash and other assets of the Account subject to the investment guidelines (“Investment Guidelines”) provided by Client.
2. **Trading Authorization.** Client grants Meeder discretionary trading authority and appoints Meeder as agent and attorney-in-fact with respect to investments in the Account. Meeder may direct the purchase, sale, exchange, conversion, delivery or other acquisition or disposition of securities and other investments in the Account and act on behalf of Client in all other matters incidental to the handling of Account investments, all without prior consultation with Client.
3. **Custody.** Meeder shall not act as custodian for the Account or any portion of it. Custody and possession of Account assets shall be the sole obligation of the Account's separately appointed “qualified custodian.” (“Custodian”). Client acknowledges that it receives, or will receive from the Custodian, at least quarterly, an account statement that identifies the assets in the Account with the Custodian at the end of the period and that lists all transactions in the Account for the period.
4. **Investment Objectives and Restrictions.** Client may provide Meeder with written Investment Guidelines, setting forth the investment objectives and any specific investment restrictions or limitations which govern the Account. Meeder shall be entitled to rely on such guidelines, objectives and restrictions relating to the Account as it may receive from Client. It is Client's responsibility to inform Meeder in writing of any changes or modifications to these directions, which shall be given ten days in advance of any such change.
5. **Brokerage.** Meeder will generally use the execution services of such broker-dealers as it may select to effect transactions for the purchase and sale of securities and other investments in the Account. When selecting brokers through which transactions for Client accounts will be executed, Meeder's primary consideration will be the broker's ability to provide best execution of trades and Meeder may consider the quality and reliability of the brokerage services, trade price and commission, as well as research and other services provided by the broker-dealers. The responsibility to obtain best execution shall not be deemed to obligate Meeder to solicit competitive bids for each transaction. Client may direct that Meeder execute transactions through specific broker-dealers in connection with a discount brokerage or directed brokerage program established by Client. Client acknowledges that by directing brokerage to a particular broker-dealer it may forgo any benefits from savings on execution costs that Meeder may obtain for its other clients through volume discounts on aggregated orders and may pay higher commission rates than other clients of Meeder.
6. **Fees.** For the services provided in accordance with this Agreement, Client shall pay Meeder an annual fee (“Fee”) as follows: Fees are billed either ☐ monthly or ☐ quarterly in arrears as selected by Client. The Fee will be ☐ deducted directly from Client's Account or ☐ invoiced directly to Client, as selected by Client. Where Client has elected to have fees deducted Client authorizes the Custodian to deduct fees from the Account and pay them to Meeder. The account statements will reflect the fee amount withdrawn in any

period. Client is responsible for notifying Meeder of any exceptions or objections to the amount billed within thirty days from the billing date.

7. Promoter Arrangements. Meeder accepts Clients referred through unaffiliated third parties ("Promoters") and may pay cash compensation for the endorsement of Meeder's services, which provides the Promoter with an incentive to refer clients. Clients will not incur any additional fees for being referred to Meeder by a Promoter. Clients that engage Meeder as their investment adviser as a result of a referral by a Promoter will receive a written Promoter disclosure statement describing the nature and terms of the arrangement, including the amount payable to the Promoter.

8. Local Government Investment Pools. Where appropriate, Meeder may recommend the use of local government investment pools in which Meeder or one of its affiliates earn advisory and/or administration fees. Assets placed in these pools are not included among eligible assets when calculating the investment advisory fee. Because Meeder or its affiliates receive fees in connection with programs we sponsor or recommend, use of these programs presents a conflict of interest.

9. Third-Party Payments. Meeder or its affiliates receive compensation from unaffiliated third parties for endorsing or recommending certain financial products to its clients. This arrangement presents a conflict of interest because it provides Meeder with an incentive to solicit and secure participation in the program. Asset based advisory fees are not charged for assets invested in products that pay indirect compensation to Meeder.

10. Proxy Voting. Meeder does not accept or assume authority to vote proxies for its public fund clients. Clients will receive their proxies or other solicitations directly from their Custodian. Client agrees that Meeder will not advise or act for Client in any legal proceedings, including bankruptcies or class actions, involving securities held or previously held by the Account or the issuers of such securities.

11. Electronic Delivery. Client consents to electronic delivery of all documents from Meeder, including but not limited to a copy of the executed Agreement, statements, confirmations, Meeder's Form ADV Part 2 and amendments thereto, and other general communications delivered to Client's electronic mail address of record. Delivery of communications to Clients in this fashion will be deemed effective unless Meeder is notified otherwise. Client is responsible for maintaining an accurate and up to date email address and to ensure that Client at all times has the ability to receive communications directed in this manner.

12. Confidentiality. All information and advice furnished by either party to the other, including their respective agents and employees, shall be treated as confidential and shall not be disclosed to third parties except as otherwise required by law or as agreed to in writing by Client. Notwithstanding the foregoing, Client consents to the use of Client's name in sales and marketing material used by Meeder or its affiliates solely for the purpose of identifying the Client as an investment advisory client.

13. Services to Other Clients. Client understands that Meeder serves as investment adviser for other Clients and will continue to do so. Client also understands that Meeder, its personnel and affiliates ("Affiliated Persons") may give advice or take action in performing their duties to other clients, or for their own accounts, that differ from advice given to or action taken for Client. Meeder is not obligated to buy, sell or recommend for Client any security or other investment that Meeder or its Affiliated Persons may buy, sell or recommend for any other client or their own accounts.

14. Meeder's Representations. Meeder represents that it is a registered investment adviser under the Investment Advisers Act of 1940.

15. **Client's Representations.** Client represents and acknowledges that: (i) Client is the sole owner of the Account assets and has full power and authority to enter into this Agreement and to commit the assets to Meeder's management and supervision; (ii) that the person signing this Agreement on behalf of Client is authorized and empowered to establish accounts and commit the assets to Meeder's management and supervision on the entity's behalf; (iii) Client has received Meeder's current Form ADV, Part 2A and B; and (iv) Client has received a copy of Meeder's Privacy Policy.

EXHIBIT B

Rate Schedule

Meeder Public Funds proposes the below fees schedule. For clients who utilize Meeder's Preferred Custodians, fees may be credited an amount equal to the custodial fee up to a maximum annual credit of 0.01%.

ASSETS UNDER MANAGEMENT	ANNUAL ADVISORY FEE
\$0-\$25,000,000	0.10%
\$25,000,000-\$50,000,000	0.08%
\$50,000,000-\$100,000,000	0.06%
Over \$100,000,000	0.04%

RIVERBANK CITY COUNCIL / LOCAL REDEVELOPMENT AUTHORITY

AGENDA ITEM NO. 9.6

SECTION 9: CONSENT CALENDAR

Meeting Date: August 27, 2024

Subject: Resolution to Award a Contract to 110%, Inc. to Perform the Financial Sustainability Study for the City of Riverbank Parks and Recreation Department

From: Marisela H. Garcia, City Manager

Submitted by: Michael Patton, Parks and Recreation Director

RECOMMENDATION

It is recommended that the City Council consider awarding a contract to 110%, Inc. in the amount of \$34,320.00 to perform a financial sustainability study for the Parks and Recreation Department.

SUMMARY

The City of Riverbank Parks and Recreation Department issued a Request for Qualifications (RFQ) to have qualified consulting firms to submit their qualifications to provide professional services to conduct a comprehensive financial sustainability study. The RFQ was published on July 8th, 2024 and received two proposals by the deadline of August 9th, 2024. After reviewing the two proposals, Parks and Recreation staff is recommending the firm 110%, Inc. to perform the scope of work of the RFQ. Staff presented both proposals as well as their recommendation to the Parks and Recreation Advisory Committee on August 21, 2024 for their approval. The Committee has voted and made the recommendation to City Council to award 110%, Inc. to perform the financial sustainability study.

BACKGROUND

In FY 23-24, the Parks and Recreation department made a request to City Council to provide funding to have a financial sustainability study performed for the department. The study would provide education and training to staff, local stakeholders, and elected officials in regard to the revenues and expenditures of the Parks and Recreation Department, identifying areas where the department can generate revenue and reduce expenditures, establish goals for cost recovery, and develop strategies to create

continuous improvements towards said goals. The City Council saw value in this project and invested \$36,070.00 from the General Fund to finance the project in FY 24-25.

On July 8th, 2024, the City published a Request for Qualifications (RFQ) for consulting firms that specialize in this type of work to submit proposals that include their qualifications, experience, and model on how they would conduct a financial sustainability study for the Parks and Recreation Department. The Parks and Recreation Director sent the RFQ to three firms that would be capable of performing the work. The deadline to submit proposals was August 9th, 2024 and the city received two proposals, one from 110%, Inc. and the other from Ridgeline Municipal Strategies. Parks and Recreation staff reviewed the two proposals submitted and have recommended that 110%, Inc be awarded the project.

Parks and Recreation staff then presented the project, the proposals, and the recommendation to the Parks and Recreation Advisory Committee at their monthly meeting on August 21st, 2024. After discussion, the committee voted to provide a recommendation to the city council to award 110%, Inc. the project.

FINANCIAL IMPACT

For FY 24-25, the City Council approved funding to be directed towards a financial sustainability study for the Parks and Recreation Department. The City allocated \$36,070.00 to be used to finance the project and the contract amount is \$34,320.00 reflecting a savings of \$1,750.00.

In return, the study will provide the following:

- Education and training to staff, stakeholders, and elected officials on financial sustainability.
- Supply a financial analysis of the parks and recreation department, which include a cost-of-service analysis, financial insights, and performance metrics.
- Give strategies and recommendations for the department such as cost recovery goals, updated policies, strategies and alternatives, and improvement recommendations.

With the study, the city hopes to see a long-term positive financial impacts to the Parks and Recreation Department.

STRATEGIC PLAN

The top goal outlined in the city's strategic plan in 2021 was to ensure financial sustainability. Another goal highlighted in the plan is to maintain a high quality of life for residents. This can be done through maintaining the parks, trails, and facilities to provide exceptional experiences, developing new programs, creating diverse and affordable events, and much more. Being a part of a financial sustainability study will assist the Parks and Recreation Department to outline different factors to generate revenue, reduce expenditures, and formulate the department's scope of work to match the city's initiatives.

ATTACHMENTS

1. Resolution
2. Exhibit A: 110%, Inc. Contractual Agreement for Services
3. Exhibit B: Request for Qualifications for the Financial Sustainability Study
4. Exhibit C: 110%, Inc. Submitted Proposal
5. Exhibit D: Ridgeline Municipal Strategies Submitted Proposal

CITY OF RIVERBANK

RESOLUTION 2024-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERBANK,
CALIFORNIA TO AWARD A CONTRACT TO 110%, INC. TO PERFORM THE
FINANCIAL SUSTAINABILITY STUDY FOR THE CITY OF RIVERBANK PARKS AND
RECREATION DEPARTMENT**

**THE CITY OF RIVERBANK CITY COUNCIL (HEREAFTER REFERRED TO AS
THE “CITY COUNCIL”) DOES HEREBY RESOLVE THAT:**

WHEREAS, the City of Riverbank recognizes the importance of ensuring the long-term financial sustainability of its Parks and Recreation Department to continue providing high-quality services and facilities to its residents; and

WHEREAS, the City of Riverbank has identified the need for a comprehensive Financial Sustainability Study to assess the current financial status, explore potential funding mechanisms, and provide strategic recommendations for future financial planning for the Parks and Recreation Department; and

WHEREAS, the City of Riverbank issued a Request for Qualifications (RFQ) to seek qualified consultants to perform the Financial Sustainability Study, and received proposals from multiple firms; and

WHEREAS, after careful evaluation of the proposals, the City of Riverbank has determined that 110%, Inc. possesses the expertise, experience, and resources necessary to successfully complete the Financial Sustainability Study in a manner that aligns with the City’s goals and objectives; and

WHEREAS, 110%, Inc. has demonstrated a clear understanding of the scope of work and has provided a comprehensive approach to conducting the Financial Sustainability Study, including stakeholder engagement, financial analysis, and the development of actionable recommendations; and

WHEREAS, the City Council finds that awarding the contract to 110%, Inc. is in the best interest of the City of Riverbank and its residents.

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

1. The City Council hereby awards the contract for the Financial Sustainability Study for the City of Riverbank Parks and Recreation Department to 110%, Inc. in the amount of \$34,320.00.

2. The City Manager is authorized and directed to execute a contract with 110%, Inc. for the performance of the Financial Sustainability Study, in accordance with the terms of the proposal and any other conditions deemed necessary by the City Attorney.
3. The City Manager is further authorized to take all actions necessary to implement this resolution and to ensure the successful completion of the Financial Sustainability Study.
4. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Riverbank at a regular meeting held on the 27th day of August, 2024; motioned by Councilmember _____, seconded by Councilmember _____, and upon roll call was carried by the following City Council vote of _____:

AYES:

NAYS:

ABSENT:

ABSTAINED:

ATTEST:

APPROVED:

Gabriela Hernandez, CMC
City Clerk

Richard D. O'Brien
Mayor

Attachment: 110%, Inc. Contractual Agreement for Services



Contractual Agreement for Services

THIS PROFESSIONAL SERVICES CONTRACTUAL AGREEMENT ("Agreement") is entered into this 19th day of August, 2024, by and between the City of Riverbank, CA ("Organization") and 110%, Inc. ("Consultant"), collectively referred to herein as the "Parties." In consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. SCOPE OF SERVICES.

- 1.1. Services. Consultant will perform the services described in the Scope of Services, attached as Exhibit "A", in accordance with the terms and conditions of this Agreement and to the satisfaction of the Organization's authorized representative, Michael Patton, ("Authorized Representative"). Time is of the essence for the performance of all Services under this Agreement.
- 1.2. Independent Contractor. Consultant will control the manner and means for performing the Services, acting as an independent contractor and not as an employee of the Organization.

2. COMPENSATION.

- 2.1. Payment. The Organization will pay Consultant for performing the Services as follows. Total project cost of \$34,320 will be charged for services performed per the Scope of Services included in Exhibit "A".
- 2.2. Additional Services. If the Organization authorizes Consultant to perform services in addition to the Scope of Services set forth in Exhibit "A". Consultant will be compensated at a rate of \$235 per hour. Consultant will not be entitled to any compensation for additional services performed without the Organization's prior written consent.
- 2.3. Invoices. Consultant will submit a monthly itemized invoice to the Organization's Authorized Representative for Services provided during the preceding month. At a minimum, the invoice will identify Services performed, and the percentage of Services complete. The Organization will pay the Consultant within thirty (30) days after approval of each invoice, with the exception of any disputed amounts.

3. TERM.

The term of this Agreement begins on the date it is signed by the Authorized Representative and ends upon Consultant's completion of the Services required by this Agreement, unless terminated earlier as provided herein.

4. INDEPENDENT CONTRACTOR.

It is agreed between the Organization and the Consultant that the Consultant is an independent contractor and not an employee of the Organization for the purposes of this Agreement.

5. INSURANCE.

Consultant shall, at all times while this Agreement is in effect, cause to maintain in force and effect, an insurance policy or policies that will insure and indemnify both the Organization and Consultant

against liability or financial loss resulting from injuries occurring to persons or property in or about the premises or occurring as a result of any acts or activity of Consultant.

6. OPERATING EXPENSES.

Consultant shall provide and compensate its employees, agents, contractors, and other personnel and pay all expenses pertaining to the work performed.

7. ORGANIZATION'S RIGHT TO TERMINATE.

The Organization may terminate this Agreement for convenience (with or without cause) by providing written notice of termination to Consultant effective upon the date stated in the notice. If the Organization terminates the Contract, it will pay Consultant for all Services satisfactorily performed up to and including the effective date of the termination.

Either party to this Agreement may terminate the Contract by notifying the other party, in writing, of such party's desire to terminate this Contract not less than thirty (30) days prior to the effective date of such termination. Termination of this Agreement shall not affect the rights, duties and liabilities which accrue prior to final termination. The Organization may terminate this Contract for cause at any time without the requirement of the giving of written notice of such termination, in the event the Consultant fails in any way to perform the Scope of Work included as Exhibit "A". In the event of such termination, the Organization shall be liable to Consultant for payments representing the Scope of Work completed by the date of the notice of such termination. In the event of termination of the Agreement, for any reason or for no reason, the parties hereto each agree to bear their own attorney fees and costs incurred in such termination, including any judicial proceedings resulting therefrom.

8. LITIGATION.

In the event that any litigation occurs regarding the validity of this Contract, other than litigation arising between the Parties, Contractor and Organization will fully cooperate to successfully resolve such litigation. In the event of any disputes arising between the parties under this Agreement, the prevailing party shall bear its own litigation costs, including attorneys' fees and collection costs. In lieu of the rights of termination permitted to the Parties and to the extent available in equity, if any obligation hereunder is not performed as herein provided or required, then the party which has a right to such performance shall have the right to an action for specific performance and/or damages. In no case shall either party be liable for or entitled to lost profits, punitive or consequential damages.

9. NO JOINT VENTURE; PARTNERSHIP; NO ASSUMPTION OF LIABILITY.

Nothing contained in this Contract or subsequent agreements between the Parties is intended by them to create a partnership or joint venture between them, and any indication to the contract is hereby expressly disavowed. It is understood and agreed that this Contract does not provide for the joint exercise by the Parties of any activity, function, or service, nor does it create a joint enterprise, nor does it constitute either Party as an agent of the other for any purpose whatsoever. Neither Party shall in any way assume any of the liability of the other for acts of the other or obligations of the other. Each party shall be responsible for any and all suits, demands, costs, or actions proximately resulting from its own individual acts or omissions.

10. CONTROLLING LAW; SEVERABILITY.

This Agreement shall be governed by the laws of the State of California. If any term or provisions of this Agreement shall be found to be illegal or unenforceable, such finding shall not affect the remaining provisions of the Agreement, which shall remain in full force and effect. This Agreement is deemed an integrated Agreement and may not be modified or amended other than by written amendment executed by both parties. This represents the entire agreement of the Parties, no prior or contemporaneous addition, deletion or other amendment hereto shall have any force or effect whatsoever, unless embodied herein in writing. No subsequent novation, renewal, addition, deletion, or other amendment hereto, shall have any force or effect unless embodied in a writing amendatory or other agreement executed by the Parties.

11. NO IMPLIED WAIVERS.

In no event shall any performance hereunder constitute or be construed to be a waiver by any party of any breach of covenant or condition or any default which may then exist, and the rendering of any such performance when any such breach or default shall exist shall in no way impair or prejudice any right or remedy available with respect to such breach or default; and no assent, expressed or implied, to any breach of any one or more covenants, provisions, or conditions of this Agreement shall be deemed or taken to be a waiver of any succeeding or other breach. The failure by a party to enforce any provision of this Agreement or the waiver of any specific requirement of this Agreement or any provision herein shall not stop the party from subsequently enforcing this Agreement according to its terms.

12. ASSIGNMENT.

Any reference herein to a party shall be deemed to include its legal successors-in-interest. Contractor may not assign its interest in this Agreement without the Organization's written consent, which shall be given or withheld in Consultant's sole discretion.

13. NOTICES.

Any notice required or allowed to be given pursuant to this Agreement shall be delivered to the parties, either personally or by United States mail, first-class postage prepaid, to the following addresses:

If to Organization:	City of Riverbank 6707 3 rd St Riverbank, CA 95367 Attention: Michael Patton, Parks and Recreation Director
---------------------	---

If to Contractor:	110%, Inc. PO Box 538 Salida, CO 81201 Attention: Jamie Sabbach
-------------------	--

14. SIGNATURE PAGE.

The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the Consultant and the Organization.

City of Riverbank:

110%, Inc:

Authorized Representative

Authorized Representative

Signature

Signature

Date

Date

EXHIBIT “A”
SCOPE OF SERVICES

SERVING THE PARK & RECREATION INDUSTRY

Prepared for:

City of Riverbank, CA

Parks and Recreation



Financial Sustainability Study

RFQ Proposal

2024



Serving The Parks & Recreation Industry

Influencing ethical decision-making, strengthening leadership competencies, helping create a financially sustainable future one organization at a time.

July 24, 2024

Michael Patton

Parks and Recreation Director
City of Riverbank
6707 3rd St
Riverbank, CA 95367

Dear Michael,

We are pleased to submit the following proposal for the City of Riverbank's *Financial Sustainability Study* RFQ. The pages that follow outline a process intended to lead to the development of a useful and actionable financial sustainability strategy for your organization.

Providing project oversight and leadership, 110% Inc. brings an unrivaled approach to creating financial sustainability strategies largely due to substantial practical experiences in public sector management and a focus on adaptive leadership in today's dynamic social, economic, and environmental times. We will facilitate a process and deliver results that cannot be matched by any other consulting firm.

110% Inc. brings the following to each project we lead and organization for which we work.

- An extensive understanding of the parks and recreation industry including trends and issues, service delivery, and management challenges strengthening efforts to develop relevant strategy.
- A history of unparalleled client satisfaction and customer loyalty.
- Authenticity and a commitment to facilitating each project based upon the unique attributes of your organization and the community you serve.
- Strategic financial sustainability concepts, approaches, and methodologies proven to be effective.

In the event you have any questions as you review this proposal, please email me at fbuller@110percent.net or 303-810-1333.

Respectfully,

Farrell Buller
President & Certified Coach



Phone
720.304.2167



Email
info@110percent.net



Website
110percent.net



LinkedIn
[@110-percent-inc](https://www.linkedin.com/company/110-percent-inc)

Our commitment is to help your organization position itself for long-term financial resilience, strength, and vitality.

Parks & Reconomics©

There are few approaches to creating cost recovery or financial sustainability strategies for public parks and recreation organizations which exist today - and none quite like **110%'s Financial Sustainability Strategy process**. This game-changing approach builds on the philosophy of Parks & Reconomics© - how parks and recreation organizations manage finite resources - and an interest in every park and recreation professional being able to confidently say, "We responsibly manage our financial resources".

The 110% Difference

Since 2010, **110%** has been synonymous with cost recovery and financial sustainability efforts in public parks and recreation across the U.S., helping hundreds of organizations. Our unique and comprehensive approach and methodology positions organizations to create effective and actionable financial sustainability philosophies and strategies.

Why we do what we do

At 110%, we recognize the untapped potential within the parks and recreation industry. Our journey together begins with a commitment to break through the status quo, to explore the uncharted, and to advocate for change based upon rich information and data. We are not just another consulting firm; we are thought leaders committed to helping you in the pursuit of ethical decision making, strengthening leadership competencies, and ensuring the financial sustainability of parks and recreation.

At 110%, we're not just shaping the future; we're defining it – one professional and one agency at a time.

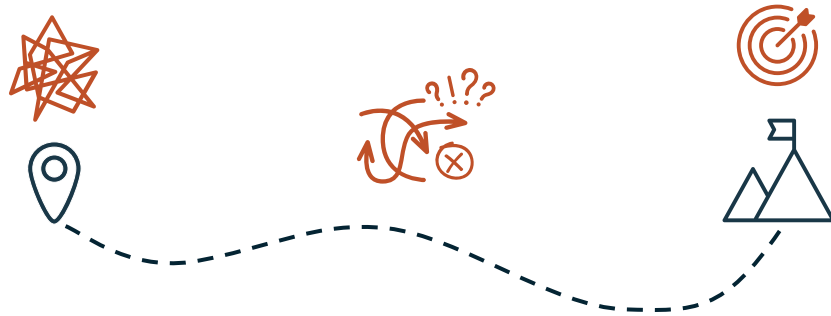
Say hello to Earl!

Keep an eye out for our passionate Parks & Rec nut throughout this proposal for additional details on each section of work.



Financial Sustainability Strategy in Parks & Recreation

Key Focus Areas...



Through careful analysis and thoughtful planning, your organization can develop a comprehensive strategy that aligns with goals and furthers work towards financial sustainability.

#1



Education & Training

- Financial Sustainability 101 Workshop(s)
- Service Category Development Workshop
- Beneficiary of Service Work Sessions

#2



Financial Analysis

- Cost of Service Analysis - Operating
- Financial Insights and Historic Trends
- Operating and Performance Metrics

#3

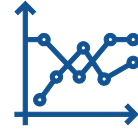


Strategies & Recommendations

- Cost Recovery/Subsidy Goal Setting
- Financial Sustainability Strategy & Alternatives
- Financial Sustainability Policy
- Insights Into Action
- Continuous Improvement Recommendation



Focus Area #1 *Education & Training*



Financial Sustainability 101: Staff, Advisory Groups & Policy Maker Workshops

This training provides a comprehensive overview of the *Financial Sustainability Strategy* project, explaining its benefits for service quality and delivery. Topics include financial management and cost recovery, revenue generation, and responsible spending/investing taxpayer dollars, and the importance of a sound financial sustainability strategy.

Note: A total of 3 (three) virtual workshops will be provided.

Service Category Development Workshop

Working collaboratively, the consulting team and your service category development team will create service categories representing all your services. The workshop covers service category development, distinctions between services, service areas, and service categories, and provides resources for defining categories. This step is critical for an effective financial sustainability strategy.

Beneficiary of Service: Staff, Advisory Groups & Policy Maker Work Sessions

These interactive work sessions enable staff, advisory groups, and policy makers to rank your organization's service categories based on their alignment with the most "common good" services versus those offering more "exclusive" benefits. By ranking all service categories in this manner, your organization can better allocate subsidies, focusing more on "common good" services and reducing subsidies for "exclusive" services.

Note: A total of 3 (three) virtual workshops will be provided.



**By leveraging data-driven decisions,
you can plan for today, and tomorrow.**



Focus Area #2

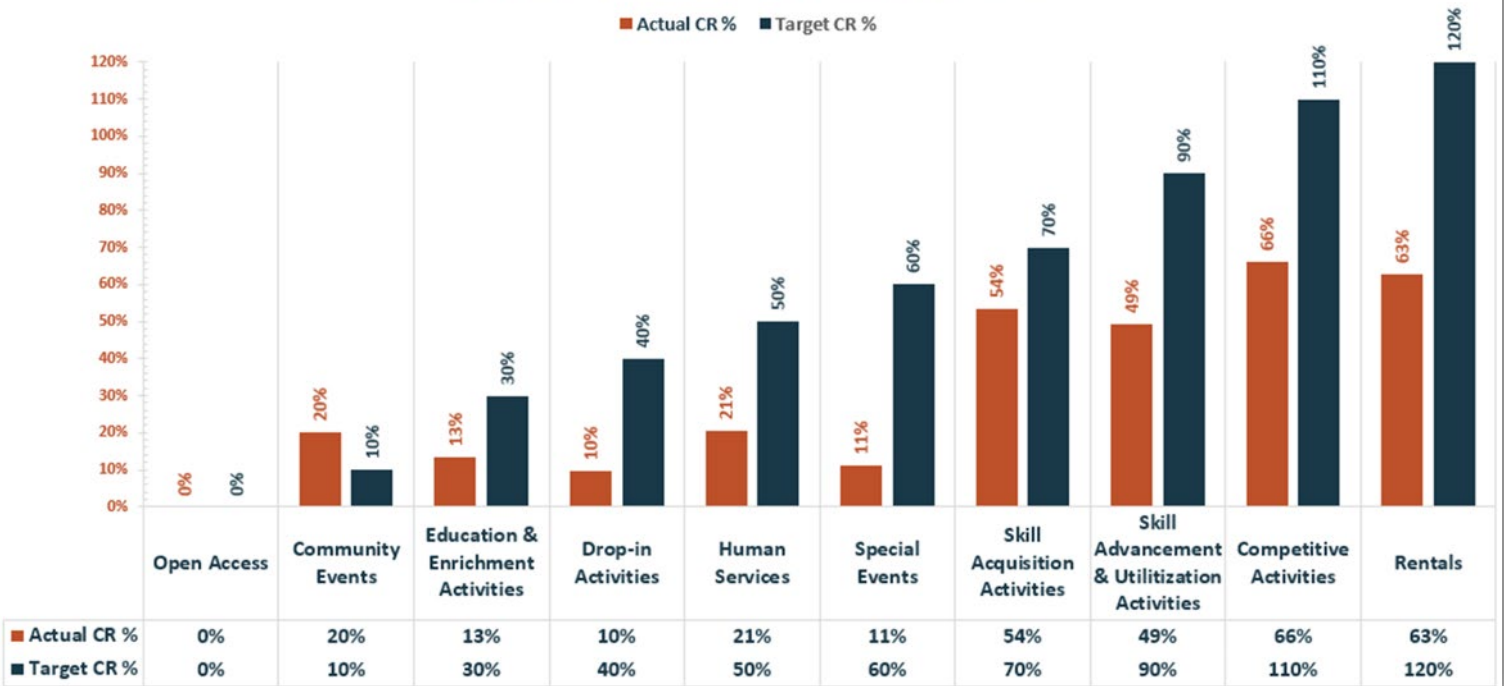
Financial Conditions Analysis

Cost of Service Analysis - Operating

The Cost of Service Analysis identifies the agency's total cost of operation by a thorough review and analysis of all expenses and participation/use data provided for the study period. The consulting team works closely with your data gathering team to ensure all expenses and services are identified, and to develop meaningful service, facility, and park areas to facilitate the appropriate attribution of expenses to services. The result is a clear picture of your total cost of service to guide the agency's development of cost recovery/subsidy invest goals.

SERVICE CATEGORIES
ACTUAL TO TARGET COST RECOVERY %

Actual CR % Target CR %



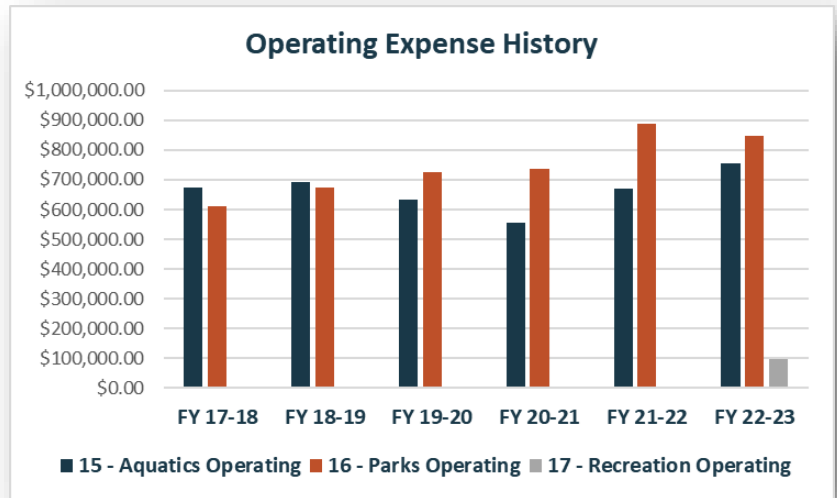
We specialize in transforming data into **actionable strategies**. Our approach is focused on navigating current challenges while proactively addressing the future.



Focus Area #2 Financial Conditions Analysis

Financial Insights & Historical Trends

Through this process, insight into how your agency utilizes its expense budget is developed. In addition, a look back at historical trends provides important context for current data. This review contributes to a holistic understanding of your agency's fiscal landscape and plays a pivotal role in forecasting future performance and capital investment needs.



Performance & Operational Metrics

Dependent upon the availability, quality, and consistency of additional data provided by your agency, additional insights may include cost per acre, cost per park amenity, cost per mile of trail, cost per square foot, resident vs. non-resident usage, % of program capacity, etc. These metrics, paired with data from other assessment areas offer a deeper understanding of your agency's operational efficiency and financial performance.



We work **with** you.
Leverage our strategic
approach and insights
to empower your
organization.

Parks	Acres	Direct Expense Per Park (Annual)
Adair Park	5.00	\$ 41,123.50
Corley Commons	0.62	\$ 5,099.31
Dearborn Park	8.70	\$ 71,554.90
Ebster park	4.27	\$ 35,119.47
Glenlake Park (Pool & Tennis Center)	14.32	\$ 117,777.71
Glenn Creek Nature Preserve	2.50	\$ 20,561.75
Rev. Roy Moss Sr. Garden	2.29	\$ 18,834.56
Harmony Park	0.65	\$ 5,346.06
Hidden Cove Park	9.85	\$ 81,013.30
McKoy Park	8.98	\$ 73,857.81
Mead Road Park	0.67	\$ 5,510.55
Oakhurst Park (Oakhurst Rec Center)	12.01	\$ 98,778.65
Oakview Road Park	0.26	\$ 2,138.42
Parkside Circle Park	1.81	\$ 14,886.71
Poplar Circle Trail Extension	0.37	\$ 3,043.14
Scott Park (Decatur Rec Center)	2.92	\$ 24,016.13
Spring Stree Pocket Park	0.11	\$ 904.72
Sycamore Park	1.04	\$ 8,553.69
Waddell Park	0.59	\$ 4,852.57
Wylde Woods	0.22	\$ 1,809.43
Total	77.18	
Cost Per Acre Total Direct Parks Expense	\$ 8,224.70	\$ 634,782.40



Focus Area #3

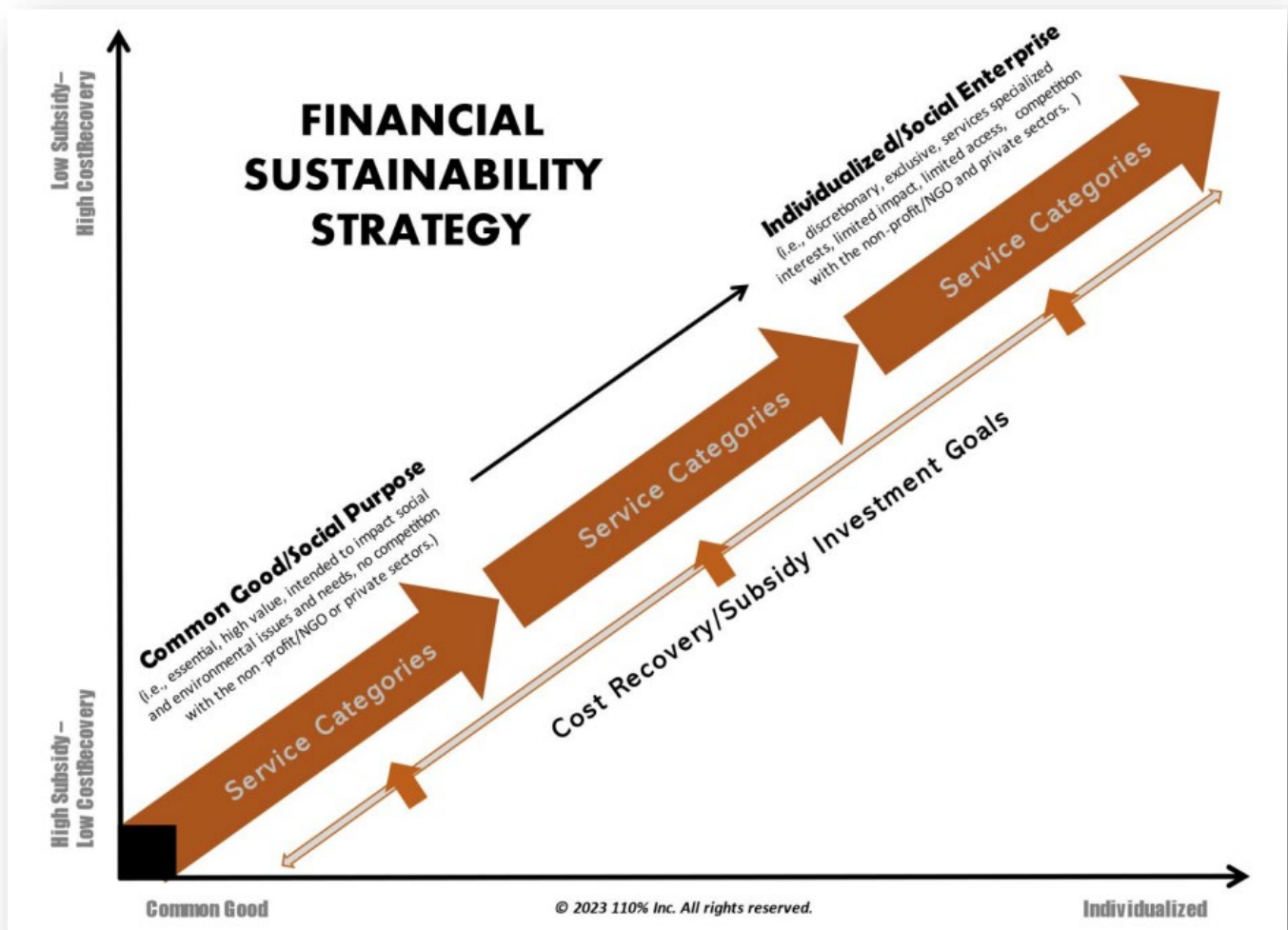
Strategies & Recommendations

Cost Recovery/Subsidy Goal Setting

After completing the financial analysis, your organization will set cost recovery/subsidy investment goals based on current performance, analysis insights, and budget projections. At this point, the Financial Sustainability Strategy begins to take shape.

Financial Sustainability Strategy & Alternatives

Your organization's financial sustainability serves as the cornerstone for sound financial decision-making. Strategy alternatives are useful for addressing performance gaps or exploring new revenue streams. These options may focus on specific service areas like enterprise operations (e.g., golf course, water park) or on short-term vs long-term performance objectives.





Focus Area #3

Strategies & Recommendations

Financial Sustainability Policy

Developing a Financial Sustainability Policy can position your organization to address immediate financial challenges and long-term goals, such as infrastructure investments. Alternatively, existing policies can be updated to better align with your organization's current needs. Note - A virtual presentation can be made to an advisory group and/or policy makers upon request.

Insights Into Action Work Session

This session helps your project team turn insights into action by providing guidance on using the data. It includes a tutorial on the standard interactive pricing calculators, cost reduction options, exploration of partnership opportunities, capital investment considerations, and opportunities for continuing education for staff, advisory, and policy makers with the goal of making a greater community impact and increasing revenues.



Continuous Improvement Recommendations

This project aims to improve your organization's financial health. We offer recommendations based on analysis findings, observations, and feedback collected throughout the process. These include tailored suggestions for implementation over time or immediately, to suit your organization's needs.



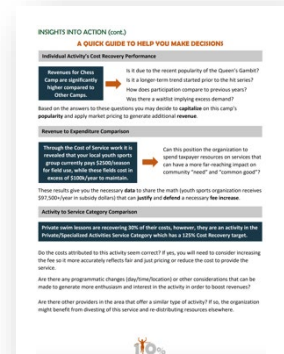
One size does *not* fit all. We craft **unique** recommendations, not cookie cutter solutions. 110% strives to be the catalyst for transformative change – and will be your guide and advocate throughout this journey.



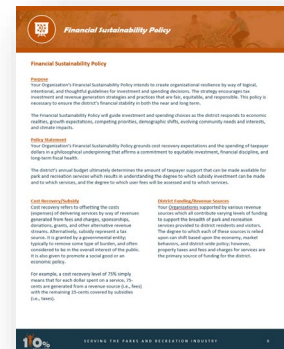
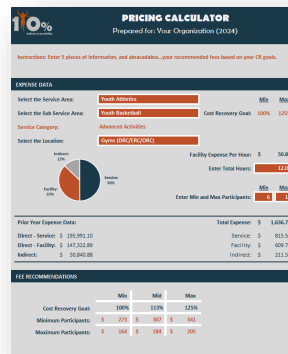


Deliverables

Note: Deliverables will be presented for review, and the project lead/team will have the opportunity to provide comments prior to approval and final delivery.



Insights Into Action
Customized & actionable
recommendations



Financial Sustainability Policy



10%
believe in possibility

Recommended Add-ons

In addition to the process detailed in the previous pages, the following two services are recommended add-ons to the Financial Sustainability Strategy process that are meant to aid and enhance your organization's efforts beyond the scope of this process.

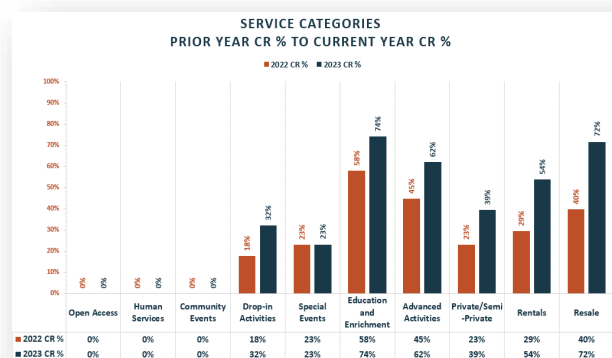
+ Premium Pricing Tool

The screenshot shows a web-based form titled 'SUPPLIES/MATERIALS/EQUIPMENT EXPENSE'. It includes sections for 'Supplies/Materials/Equipment' with a table for item details, 'OTHER/MISC EXPENSE', and a summary section for 'TOTAL DIRECT EXPENSES' (\$756.00) and 'INDIRECT EXPENSES' (\$559.44). The 'Total Expenses' are calculated as \$1,315.44. Below the form, there is a section for 'PART D | COST RECOVERY & FEE PLANNING' with a 'SERVICE CATEGORY' dropdown and a 'Skill Based Int./Adv. Activities' checkbox. A note at the bottom states: 'The default fee recommendations are based on the service category, minimum and maximum participants, facility location and expenses. If you select a service category, you can select one from the list of categories in the top right of this section. The participant data has been pulled from Section A. You can override the minimum and maximum participants immediately below.'

The *Premium Pricing Tool* is an invaluable resource for organizations looking for maximum flexibility and functionality. In addition to the included pricing calculator:

- Price brand-new activities and use multiple or new facilities
- Flexibility to add specific direct expenses
- Auto-calculates a non-resident fee and total activity hours
- Determine the minimum number of participants needed based on a set fee
- Use as an evaluation and education tool to assess pricing decisions for continual improvement
- Loaded with overrides and resets for efficient use, while remaining user-friendly
- Add-on now to save up to 45% off the regular price, depending on the size of your organization

+ Additional Year: Cost of Service Analysis



One of the most important actions an organization can take in building a financially sustainable system is to begin tracking its performance and progress.

The Cost of Service Analysis is designed to be a repeatable process and performing regular updates keeps this important work top of mind and significantly reduces the organization's staff time to complete. Advantages include:

- A comparative analysis of year over year cost recovery performance
- Timely identification of organizational changes impacting cost of service and service delivery
- Update key information needed for effective planning and pricing decisions
- Lock in current year pricing and secure your preferred start date for the timeliest results from your most recent fiscal year

Project Budget & Timeline

Financial Sustainability Strategy Process Budget

Organization Size: Standard
Operational Budget: \$2-4.9M

Project Price: **\$31,160**

+ Premium Pricing Tool Add-on: **+ \$3,160**

+ Additional Year - Cost of Service Analysis **+ \$7,650**

An itemized budget with each task item can be provided upon request!

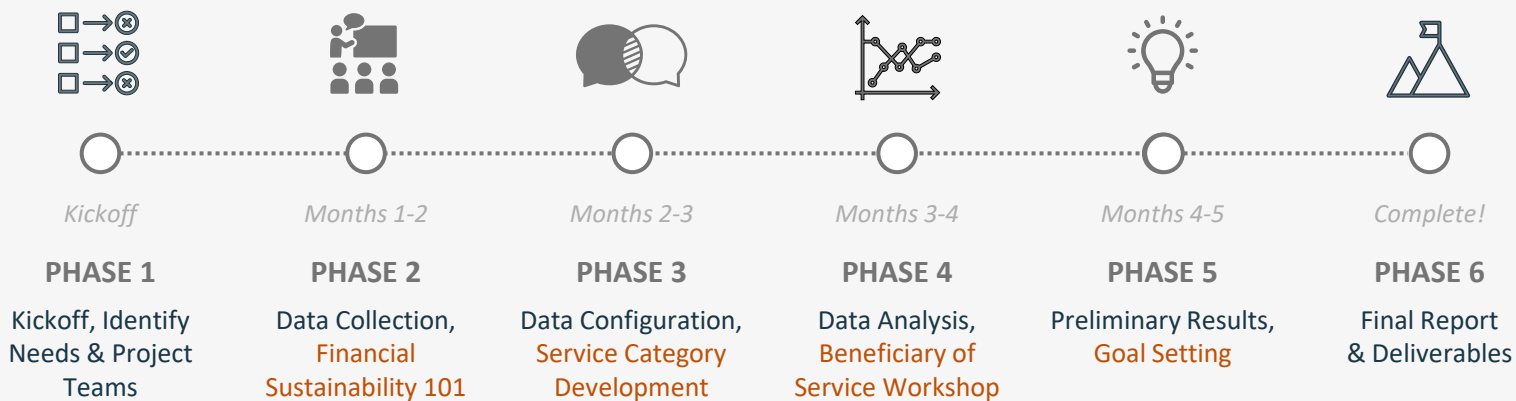


NOTE: All pricing above reflects a virtual process. In-person facilitation is available upon request and priced per project trip @ \$3990 per consultant. Consultant hourly rates used to calculate the budget include: 110% - Principal: \$235/hour; Project Consultant: \$175/hour. Organization has two (2) weeks from the date of delivery of the final project deliverables to submit any questions or comments to 110% Inc. that may result in modifications. Any additional requests submitted to 110% after this two (2) week period are not included in the project budget. 110% reserves the right to accept or refuse additional requests. Accepted requests by 110% will be billed at the hourly rates stated above unless otherwise agreed upon in writing.

Proposed Timeline

The proposed timeline below provides anticipated dates for each phase of the project.

NOTE: Date ranges are subject to change based on the availability of staff within your organization and adherence to proposed deadlines.



Navy = Cost of Service Work **Orange** = Education & Strategy (Beneficiary of Service)



Our Services

Ethics | Leadership | Financial Sustainability

We are 110%. A parks and recreation consulting firm of former practitioners who advocate for inspiring ethical decision making, strengthening leadership competencies, and ensuring the financial sustainability of parks & recreation.

Education, Presentations, & Trainings



Our educational content, expert presentations, and training programs effectively address important industry issues around the three key areas of ethics, leadership and financial sustainability. By delivering effective and engaging content which provides tangible and impactful results, we carefully design programs around your specific needs so that the experience is impactful and memorable.

Financial Sustainability



The Financial Sustainability Strategy empowers organizations to use data and information to make informed decisions. Whether done as a standalone project or with a Planning Initiative, our unique process combines sound financial management principles with our one-of-a-kind cost of service process to help organizations clearly understand how their taxpayer resources are being allocated.

Planning Initiatives



Our custom-tailored Planning Initiatives blend visioning what an organization/community can become with the strategy of creating a responsible and sustainable future. We strive to leverage our experience and networks to provide your organization with an optimized and practical Master or Strategic Plan.



Phone

720.304.2167



Email

info@110percent.net



Website

110percent.net



LinkedIn

@110-percent-inc

Meet the Team



Jamie Sabbach Founder | President | Principal

Jamie founded 110% Inc. in 2010 with the intention of helping organizations be more strategic and bolder amid dynamic social, environmental, and economic change. Having decades of experience in the public park and recreation field and as a college instructor have fed her passion to help others enhance their own talents and improve performance. Jamie has testified in front of the United States Congress on the importance of public parks and recreation. She is a past President of the American Park and Recreation Society and was inducted as a Fellow into the American Academy for Park and Recreation Administrator in 2008. Jamie is a native of Illinois who lives in the mountains of Colorado. She's a former college jock who enjoys hiking, biking, golf, volunteering, and has a love affair with the Chicago Cubs!



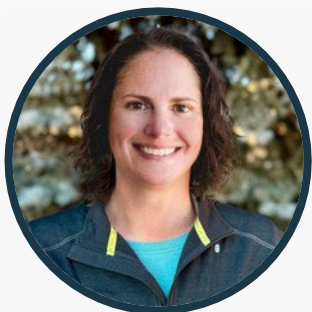
Farrell Buller Principal | Certified Executive Coach | Change Advocate

Farrell has more than 20 years in progressively responsible leadership roles. She has focused on achieving results for leaders and their teams, successfully leading organizations of 500+ employees, with budgets of up to \$80M, as well as smaller organizations and teams. As a graduate of the University of Northern Colorado in Therapeutic Recreation and as a former Parks and Recreation Director and City Manager, Farrell embraced her passion for serving others. She brings the ability to impact, influence, and inspire leaders at all levels. Farrell is the recipient of several awards, including Outstanding New Professional of the Year, Mid-West Region Professional of the Year, and the Pottsie Development Scholarship. You can often find Farrell and her family intentionally taking the "road less traveled" as they discover their next adventure!



Matt David Operations & Marketing Manager | Utility Player

With a tip-of-the-cap for his love for baseball, Matt is our team's "Utility Player" and does a little bit of everything due to his wide range of experiences and skill set. He has municipal, nonprofit, and private sector experience in marketing, operations, programming, budgeting, digital design, project management, and general administration. Matt has an eye for detail, mind for inquisition, and a big heart for community and servant leadership. Outside of work, he enjoys life with his wife and two dogs in Stillwater, MN by exploring the outdoors, spending time with friends and family, tackling home improvement projects, and cheering on their favorite sports teams.



Alexis Rankey Project Consultant | Data Analyst

Alexis is a seasoned parks and recreation professional with 15 years of experience, demonstrating a high level of business acumen and a passion for high-quality parks and recreation management. She is driven by a strong sense of purpose to make a positive impact on the parks and recreation industry. Utilizing her skills in data analysis, finance and budgeting, critical thinking, and problem-solving, Alexis leverages her expertise to produce meaningful results. Alexis's thorough understanding of parks and recreation operations, coupled with her love for processing and interpreting data, allows her to help others "put it all together" to make well-informed decisions. She graduated summa cum laude in 2010 with a Bachelor of Arts in Recreation Management from the Metropolitan State University of Denver and true to her rec rat roots, she spends her free time biking, golfing, playing hockey, glamping, and spending time with her friends and family.

Staff Bio



Farrell Buller

Principal | Certified Executive Coach | Change Advocate



Biography

Farrell has more than 20 years in progressively responsible leadership roles. She has focused on achieving results for leaders and their teams, successfully leading organizations of 500+ employees, with budgets of up to \$80M, as well as smaller organizations and teams. As a graduate of the University of Northern Colorado in Therapeutic Recreation and as a former Parks and Recreation Director and City Manager, Farrell embraced her passion for serving others.

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Work History

110%, Inc.

Principal & Certified Executive Coach, Jan 2021 - present

Town of Erie, CO

Deputy Town Administrator, Feb 2019 - Jan 2021
Acting Town Administrator, May 2018 - Jan 2019
Assistant to the Town Administrator, Sep 2017 - Apr 2018
Director of Parks and Recreation, Mar 2014 - Sep 2017

City of Lakewood, CO

Recreation Division Manager, Apr 2011 - Mar 2014

City of Commerce City, CO

Recreation Division Manager, Oct 2004 - Jan 2011

City of Boulder, CO

Recreation Coordinator, Jan 2000 - Oct 2004

Education

Directors Summit

Lead Facilitator; Invitation-only Symposium, 2023 & 2024

Clemson University

Think Tank: Invitation-only Symposium, 2019

Altruism Institute

Invitation-only Symposium, 2016

Agents of Change

Invitation-only Symposium, 2015-2018

National Recreation & Park Association

Directors School Graduate, 2015

University of Northern Colorado

Bachelor of Science Degree in Recreation/Therapeutic, 1997

Select Client List

City of Northglenn, CO

Financial Sustainability Strategy, 2023

Town of Addison, TX

Parkland Dedication Fee Study, 2023 - present

City of West University Place, TX

Operational Analysis & Financial Sustainability Strategy, 2022 – 2023; present

City of Aurora, CO

Financial Sustainability Strategy, 2023

City of Fort Collins, CO

Leadership Development and Professional Coaching, 2023 - present

Together,

let's navigate building the foundations for new possibilities.

“

Recognized leaders in the field of parks and recreation with a passion for excellence and the ability to manage and energize diverse audiences, 110% is the real deal.

Carolyn Keith

Director | Commerce City, CO

“

110%'s Financial Sustainability Strategy has been the single most important tool I have used in my 15+ year career in parks & recreation.

Katrina Gregory

Recreation Manager | City of Napa, CA

“

Thank you for presenting a workshop that was thought provoking, relevant, engaging, and that will propel us toward sustaining our services.

Katie Anderson

Former Deputy Director | Redmond, WA

Project References



Parker (CO)

Parks & Recreation Department:
Financial Sustainability Plan

Contact: Mary Colton, Director
Email: mcolton@parkeronline.org
Phone: 303.841.0353
Address: 20120 E Mainstreet, Parker, CO 80138
Date: February – July 2021



Oquirrh (UT)

Recreation & Park District:
Financial Sustainability Plan

Contact: Kevin Schmidt, Executive Director
Email: kschmidt@kopfc.com
Phone: 801.545.4114
Address: 5624 S. Cougar Ln, Kearns, UT 84118
Date: August – November 2021



Glencoe (IL)

Park District:
Master & Strategic Plans

Contact: Lisa Shepperd, Director
Email: lshepperd@glencoe-parkdistrict.com
Phone: 847.835.7531
Address: 999 Green Bay Rd., Glencoe, IL 60022
Date: March 2023 – Present

Work Sample

Appendix A includes a final deliverable from a Financial Sustainability Strategy with the City of Smyrna (GA) Parks & Recreation Department completed in 2024.

A photograph of three young boys running through a park. They are wearing athletic wear and are captured in motion, with their arms and legs extended. The background is a lush green park with trees and a path.

Imagining the future on behalf of others is a *privilege.*

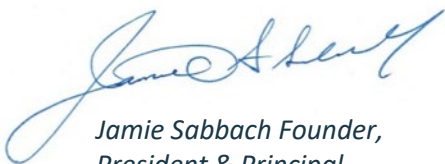
A Call to Action for Public Parks and Recreation

High-performing park and recreation organizations seek out and embrace responsible financial and service management practices. Completion of a Financial Sustainability Strategy project represents a significant commitment to ensuring the long-term financial health and sustainability of your organization. Through careful analysis and thoughtful planning, your organization can develop a comprehensive strategy that aligns with goals and furthers work towards financial sustainability.

Thank you!

A small firm by choice, we remain committed to working with those who want to change the world for the better and want to do the right thing all day, every day.

We would like to extend our heartfelt thanks and appreciation to you for considering partnering with 110%, Inc. on this important project. We look forward to the opportunity to work alongside you!

A handwritten signature in blue ink, reading "Jamie Sabbach".

Jamie Sabbach
Jamie Sabbach Founder,
President & Principal

A cartoon illustration of a brown squirrel wearing black-rimmed glasses and a blue bow tie. It is smiling and waving its right hand. A speech bubble is next to it.

Let's get
to work!

Request for Qualifications

Financial Sustainability Study



City of Riverbank

Introduction

The City of Riverbank invites qualified consulting firms to submit their qualifications to provide professional services for conducting a comprehensive Financial Sustainability Study for its Parks and Recreation Department. This study aims to evaluate the current financial status, identify potential revenue sources, optimize expenditures, and ensure long-term sustainability.

Project Background

The Parks and Recreation Department of the City of Riverbank plays a vital role in enhancing the quality of life for its residents by providing recreational opportunities, maintaining parks, and organizing community events. As the city grows, there is a need to assess the financial health of the department and develop strategies to maintain and improve services sustainably.

Scope of Services

The selected consultant will be expected to perform the following tasks:

- Financial Analysis:
 - Review and analyze current financial statements, budgets, and funding sources.
 - Evaluate historical financial performance and trends.
 - Assess the cost-effectiveness of current programs and services.
- Revenue Generation:
 - Identify potential new revenue sources, including grants, partnerships, sponsorships, and user fees.
 - Recommend strategies to enhance existing revenue streams.
- Expenditure Optimization:
 - Analyze current expenditure patterns and identify areas for cost savings.
 - Recommend operational efficiencies and best practices.
- Benchmarking and Comparisons:
 - Compare the department's financial performance with similar municipalities.
 - Identify best practices from comparable parks and recreation departments.
- Community Engagement:
 - Facilitate community meetings to gather input from staff, advisory groups, policy makers, and other stakeholders.
 - Incorporate feedback into the study's recommendations.
- Strategic Planning:
 - Develop short-term and long-term financial sustainability plans.
 - Provide actionable recommendations and implementation strategies.

- Program Pricing Worksheet
 - Provide a worksheet for city staff to set fees for current and future programs.
- Financial Sustainability Policy
 - Design a financial sustainability policy that positions the city to address short- and long-term financial interests.
 - Revise current policies to become more relevant to the organization.

Submission Requirements

Interested firms must submit the following information:

- Cover Letter:
 - Introduction to the firm and interest in the project.
- Firm Profile:
 - Overview of the firm's history, size, and areas of expertise.
 - Description of relevant experience in financial sustainability studies for parks and recreation or similar departments.
- Project Team:
 - Resumes of key personnel assigned to this project.
 - Description of each team member's role and relevant experience.
- Project Approach:
 - Detailed approach and methodology for completing the study.
 - Proposed timeline for project milestones and deliverables.
- References:
 - Contact information for at least three references from similar projects.
- Work Samples:
 - Examples of previous financial sustainability studies or related work.

Evaluation Criteria

Submissions will be evaluated based on the following criteria:

- Experience and Qualifications:
 - Relevant experience in conducting financial sustainability studies.
 - Qualifications of the project team.

- Approach and Methodology:
 - Understanding of the project's scope and objectives.
 - Quality and feasibility of the proposed approach.
- References and Work Samples:
 - Feedback from previous clients.
 - Quality of work samples.

Submission Deadline

All submissions must be received by August 9, 2024, no later than 5:00 PM PT. Submissions received after this deadline will not be considered.

RFQ Process Dates

RFQ Document Published and Distributed	July 8, 2024
Deadline to Submit Questions	August 4, 2024
RFQ Deadline	August 9, 2024
Contract Execution	August 27, 2024
Estimated Start Up Date	September 1, 2024

Submission Instructions

Submit one (1) electronic copy (PDF format) to mpatton@riverbank.org

Response Date

In order to be considered for selection, proposals must arrive to the City in the manner and on or before the date and time specified in the RFQ advertisement. Any proposal received after the scheduled closing time for receipt of proposals, or incorrectly addressed, will not be considered. Delivery in the manner stated herein and completeness of submittals as required by this RFQ shall be solely the responsibility of the firm. Submission of proposals or additional information offered after the closing date and time will not be accepted or considered.

Right to Modify Process

The City reserves the right to modify the selection process or other aspects of this RFQ process at its sole discretion. The City will take reasonable steps to ensure that any modification or clarification to the RFQ shall be distributed in writing to all firms who have requested a copy of the RFQ through the City.

Addenda

In the event that it becomes necessary to revise any part of this RFQ, an addenda will be provided to all prospective firms who are on the RFQ document holder's list maintained by the City. Addenda, if necessary, will be issued no later than five (5) days prior to the RFQ closing date. Receipts of any addenda shall be signed by the same individual that signs the proposal

and shall be submitted with the proposal. Proposals received without properly acknowledged addenda will be considered non-responsive.

Discussions with Interested Firms

The City of Riverbank reserves the right to conduct discussions with any consulting firm that has submitted a response to this RFQ to ascertain their qualifications for further consideration. These discussions may be used to clarify qualifications, the scope of work, and the firm's understanding of the project. Participation in such discussions is not a guarantee of further consideration or selection.

Insurance Requirements

The selected firm will be required to provide and maintain insurance coverage acceptable to the City of Riverbank throughout the duration of the contract.

Questions and Clarifications

All questions regarding this RFQ must be submitted in writing to Michael Patton at mpatton@riverbank.org by August 4, 2024 by 5:00 PM. Responses will be provided to all interested firms.

Additional Information

The City of Riverbank reserves the right to reject any and all submissions, waive any informality in the RFQ process, and accept the qualifications deemed to be in the best interest of the City.

SERVING THE PARK & RECREATION INDUSTRY

ATTACHMENT 4

Prepared for:
City of Riverbank, CA
Parks and Recreation



Financial Sustainability Study

RFQ Proposal

2024



Serving The Parks & Recreation Industry

Influencing ethical decision-making, strengthening leadership competencies, helping create a financially sustainable future one organization at a time.

July 24, 2024

Michael Patton

Parks and Recreation Director
City of Riverbank
6707 3rd St
Riverbank, CA 95367

Dear Michael,

We are pleased to submit the following proposal for the City of Riverbank's *Financial Sustainability Study* RFQ. The pages that follow outline a process intended to lead to the development of a useful and actionable financial sustainability strategy for your organization.

Providing project oversight and leadership, 110% Inc. brings an unrivaled approach to creating financial sustainability strategies largely due to substantial practical experiences in public sector management and a focus on adaptive leadership in today's dynamic social, economic, and environmental times. We will facilitate a process and deliver results that cannot be matched by any other consulting firm.

110% Inc. brings the following to each project we lead and organization for which we work.

- An extensive understanding of the parks and recreation industry including trends and issues, service delivery, and management challenges strengthening efforts to develop relevant strategy.
- A history of unparalleled client satisfaction and customer loyalty.
- Authenticity and a commitment to facilitating each project based upon the unique attributes of your organization and the community you serve.
- Strategic financial sustainability concepts, approaches, and methodologies proven to be effective.

In the event you have any questions as you review this proposal, please email me at fbuller@110percent.net or 303-810-1333.

Respectfully,

Farrell Buller

President & Certified Coach



Phone
720.304.2167



Email
info@110percent.net



Website
110percent.net



LinkedIn
[@110-percent-inc](https://www.linkedin.com/company/110-percent-inc)



Our commitment is to help your
**organization position itself for long-term
financial resilience, strength, and vitality.**

Parks & Reconomics©

There are few approaches to creating cost recovery or financial sustainability strategies for public parks and recreation organizations which exist today - and none quite like **110%'s Financial Sustainability Strategy process**. This game-changing approach builds on the philosophy of Parks & Reconomics© - how parks and recreation organizations manage finite resources - and an interest in every park and recreation professional being able to confidently say, "We responsibly manage our financial resources".

The 110% Difference

Since 2010, **110%** has been synonymous with cost recovery and financial sustainability efforts in public parks and recreation across the U.S., helping hundreds of organizations. Our unique and comprehensive approach and methodology positions organizations to create effective and actionable financial sustainability philosophies and strategies.

Why we do what we do

At 110%, we recognize the untapped potential within the parks and recreation industry. Our journey together begins with a commitment to break through the status quo, to explore the uncharted, and to advocate for change based upon rich information and data. We are not just another consulting firm; we are thought leaders committed to helping you in the pursuit of ethical decision making, strengthening leadership competencies, and ensuring the financial sustainability of parks and recreation.

At 110%, we're not just shaping the future; we're defining it – one professional and one agency at a time.

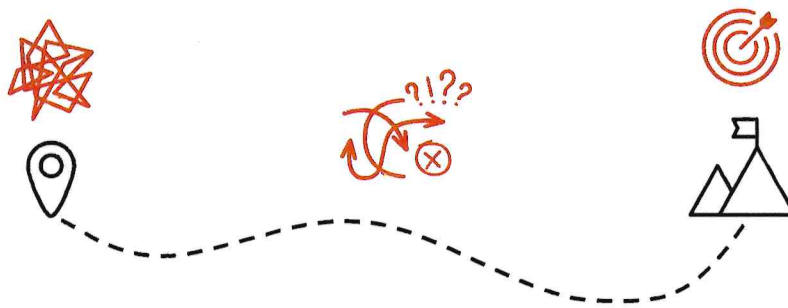
Say hello to Earl!

Keep an eye out for our passionate Parks & Rec nut throughout this proposal for additional details on each section of work.



Financial Sustainability Strategy in Parks & Recreation

Key Focus Areas...



Through careful analysis and thoughtful planning, your organization can develop a comprehensive strategy that aligns with goals and furthers work towards financial sustainability.

#1

Education & Training

- Financial Sustainability 101 Workshop(s)
- Service Category Development Workshop
- Beneficiary of Service Work Sessions

#2

Financial Analysis

- Cost of Service Analysis - Operating
- Financial Insights and Historic Trends
- Operating and Performance Metrics

#3

Strategies & Recommendations

- Cost Recovery/Subsidy Goal Setting
- Financial Sustainability Strategy & Alternatives
- Financial Sustainability Policy
- Insights Into Action
- Continuous Improvement Recommendation



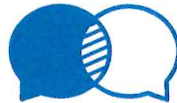
Focus Area #1 *Education & Training*



Financial Sustainability 101: Staff, Advisory Groups & Policy Maker Workshops

This training provides a comprehensive overview of the *Financial Sustainability Strategy* project, explaining its benefits for service quality and delivery. Topics include financial management and cost recovery, revenue generation, and responsible spending/investing taxpayer dollars, and the importance of a sound financial sustainability strategy.

Note: A total of 3 (three) virtual workshops will be provided.



Service Category Development Workshop

Working collaboratively, the consulting team and your service category development team will create service categories representing all your services. The workshop covers service category development, distinctions between services, service areas, and service categories, and provides resources for defining categories. This step is critical for an effective financial sustainability strategy.

Beneficiary of Service: Staff, Advisory Groups & Policy Maker Work Sessions

These interactive work sessions enable staff, advisory groups, and policy makers to rank your organization's service categories based on their alignment with the most "common good" services versus those offering more "exclusive" benefits. By ranking all service categories in this manner, your organization can better allocate subsidies, focusing more on "common good" services and reducing subsidies for "exclusive" services.

Note: A total of 3 (three) virtual workshops will be provided.



**By leveraging data-driven decisions,
you can plan for today, and tomorrow.**



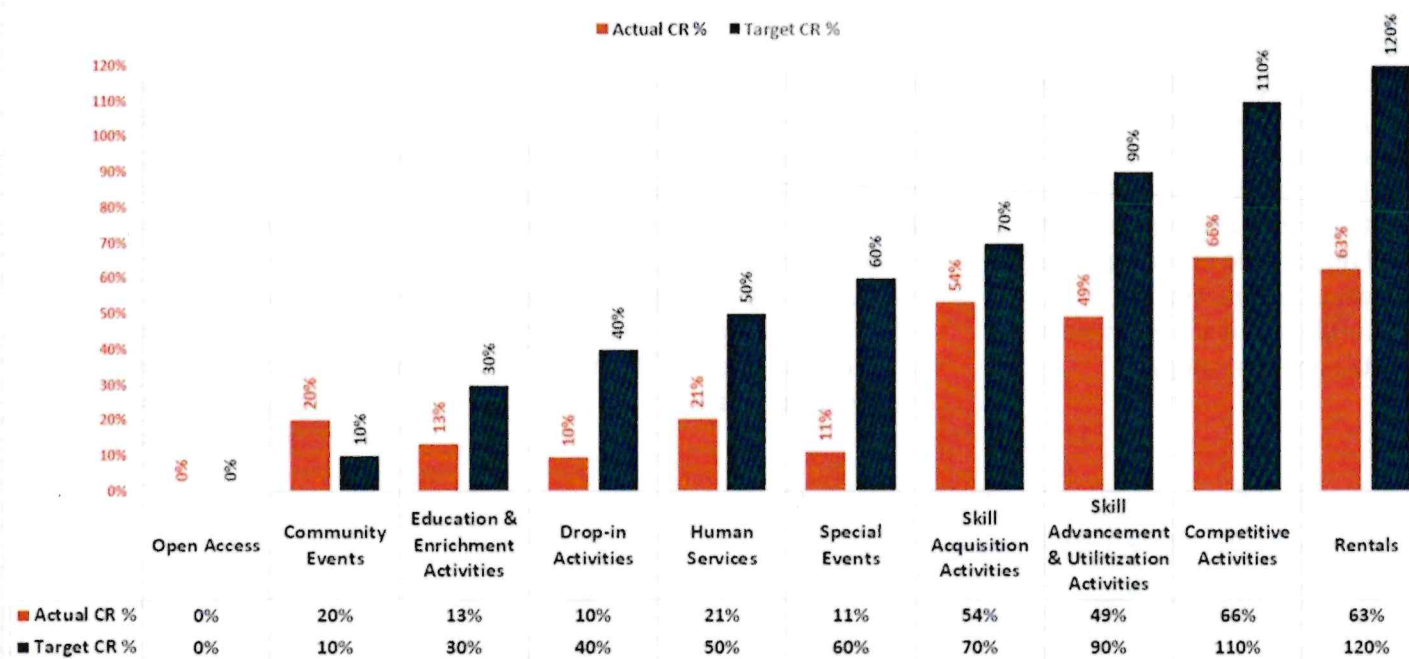
Focus Area #2

Financial Conditions Analysis

Cost of Service Analysis - Operating

The Cost of Service Analysis identifies the agency's total cost of operation by a thorough review and analysis of all expenses and participation/use data provided for the study period. The consulting team works closely with your data gathering team to ensure all expenses and services are identified, and to develop meaningful service, facility, and park areas to facilitate the appropriate attribution of expenses to services. The result is a clear picture of your total cost of service to guide the agency's development of cost recovery/subsidy invest goals.

SERVICE CATEGORIES ACTUAL TO TARGET COST RECOVERY %



We specialize in transforming data into **actionable strategies**. Our approach is focused on navigating current challenges while proactively addressing the future.



Focus Area #2

Financial Conditions Analysis

Financial Insights & Historical Trends

Through this process, insight into how your agency utilizes its expense budget is developed. In addition, a look back at historical trends provides important context for current data. This review contributes to a holistic understanding of your agency's fiscal landscape and plays a pivotal role in forecasting future performance and capital investment needs.

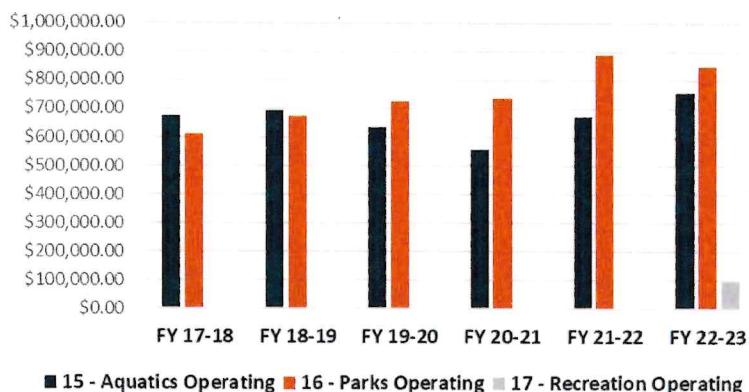
Performance & Operational Metrics

Dependent upon the availability, quality, and consistency of additional data provided by your agency, additional insights may include cost per acre, cost per park amenity, cost per mile of trail, cost per square foot, resident vs. non-resident usage, % of program capacity, etc. These metrics, paired with data from other assessment areas offer a deeper understanding of your agency's operational efficiency and financial performance.

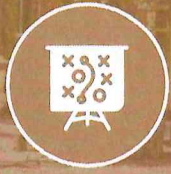


We work **with** you.
Leverage our strategic
approach and insights
to empower your
organization.

Operating Expense History



Parks	Acres	Direct Expense Per Park (Annual)
Adair Park	5.00	\$ 41,123.50
Corley Commons	0.62	\$ 5,099.31
Dearborn Park	8.70	\$ 71,554.90
Ebster park	4.27	\$ 35,119.47
Glenlake Park (Pool & Tennis Center)	14.32	\$ 117,777.71
Glenn Creek Nature Preserve	2.50	\$ 20,561.75
Rev. Roy Moss Sr. Garden	2.29	\$ 18,834.56
Harmony Park	0.65	\$ 5,346.06
Hidden Cove Park	9.85	\$ 81,013.30
McKoy Park	8.98	\$ 73,857.81
Mead Road Park	0.67	\$ 5,510.55
Oakhurst Park (Oakhurst Rec Center)	12.01	\$ 98,778.65
Oakview Road Park	0.26	\$ 2,138.42
Parkside Circle Park	1.81	\$ 14,886.71
Poplar Circle Trail Extension	0.37	\$ 3,043.14
Scott Park (Decatur Rec Center)	2.92	\$ 24,016.13
Spring Stree Pocket Park	0.11	\$ 904.72
Sycamore Park	1.04	\$ 8,553.69
Waddell Park	0.59	\$ 4,852.57
Wylde Woods	0.22	\$ 1,809.43
Total	77.18	
Cost Per Acre Total Direct Parks Expense		\$ 8,224.70 \$ 634,782.40



Focus Area #3

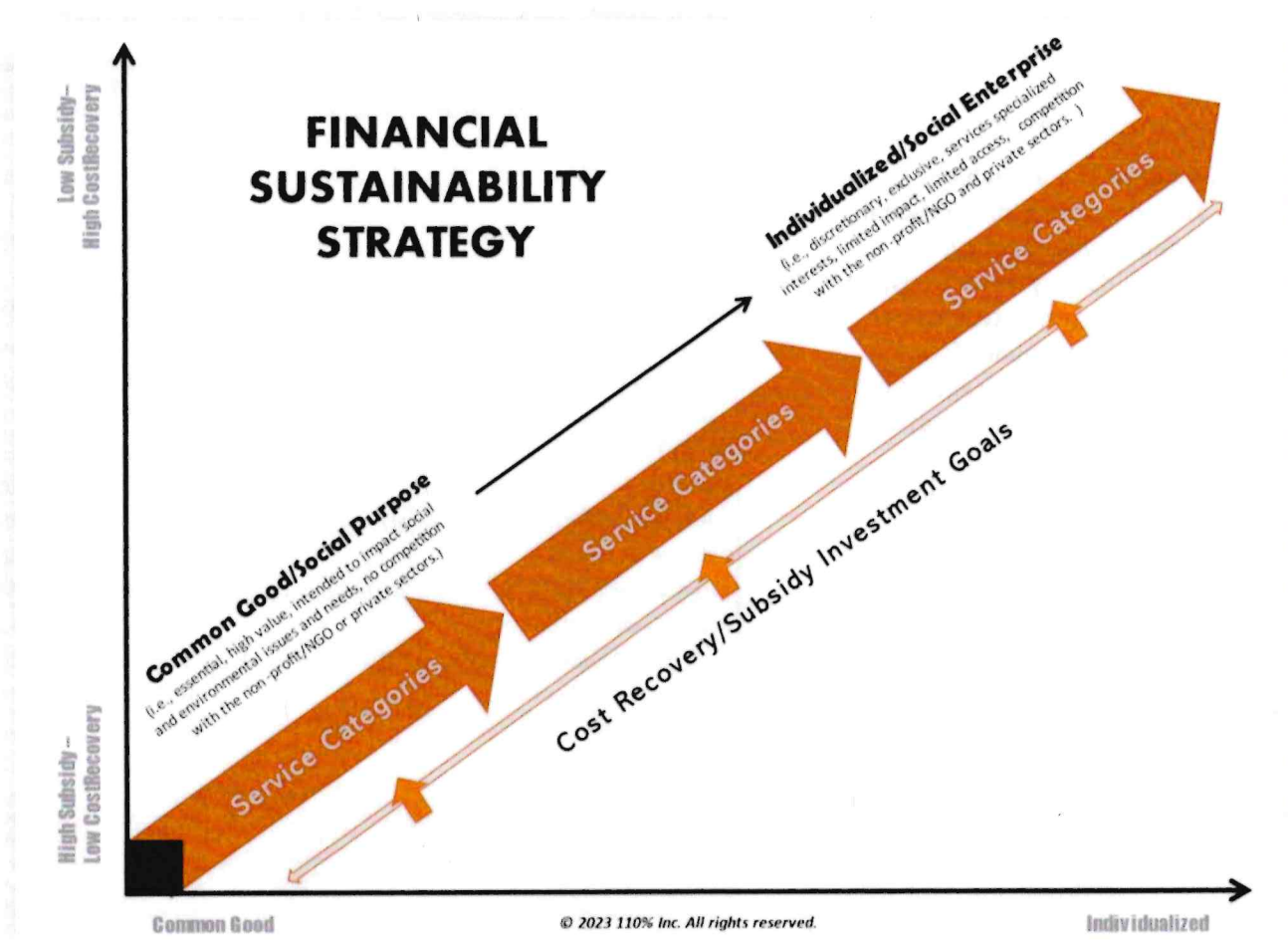
Strategies & Recommendations

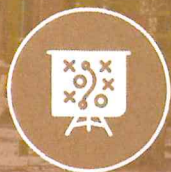
Cost Recovery/Subsidy Goal Setting

After completing the financial analysis, your organization will set cost recovery/subsidy investment goals based on current performance, analysis insights, and budget projections. At this point, the Financial Sustainability Strategy begins to take shape.

Financial Sustainability Strategy & Alternatives

Your organization's financial sustainability serves as the cornerstone for sound financial decision-making. Strategy alternatives are useful for addressing performance gaps or exploring new revenue streams. These options may focus on specific service areas like enterprise operations (e.g., golf course, water park) or on short-term vs long-term performance objectives.





Focus Area #3

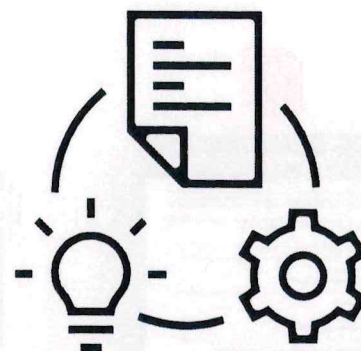
Strategies & Recommendations

Financial Sustainability Policy

Developing a Financial Sustainability Policy can position your organization to address immediate financial challenges and long-term goals, such as infrastructure investments. Alternatively, existing policies can be updated to better align with your organization's current needs. Note - A virtual presentation can be made to an advisory group and/or policy makers upon request.

Insights Into Action Work Session

This session helps your project team turn insights into action by providing guidance on using the data. It includes a tutorial on the standard interactive pricing calculators, cost reduction options, exploration of partnership opportunities, capital investment considerations, and opportunities for continuing education for staff, advisory, and policy makers with the goal of making a greater community impact and increasing revenues.



Continuous Improvement Recommendations

This project aims to improve your organization's financial health. We offer recommendations based on analysis findings, observations, and feedback collected throughout the process. These include tailored suggestions for implementation over time or immediately, to suit your organization's needs.



One size does *not* fit all. We craft **unique** recommendations, not cookie cutter solutions. 110% strives to be the catalyst for transformative change – and will be your guide and advocate throughout this journey.



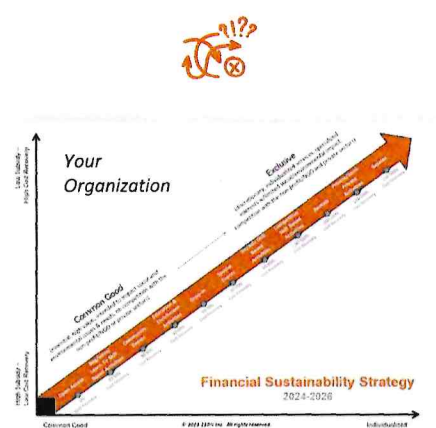
Deliverables

Comprehensive, detailed information will be provided based upon all project work as identified in this proposal and confirmed in the project kick-off meeting. A final financial sustainability strategy report will be delivered to close out the project, providing key summaries and findings discovered throughout the process.

Note: Deliverables will be presented for review, and the project lead/team will have the opportunity to provide comments prior to approval and final delivery.



Final Report
Comprehensive overview of data



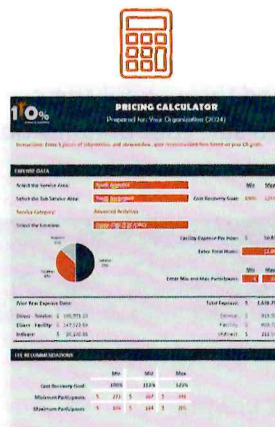
Financial Sustainability Strategy



Insights Into Action
Customized & actionable recommendations



Cost of Service Analysis
Detailed results



Interactive Simulator & Pricing Calculator*



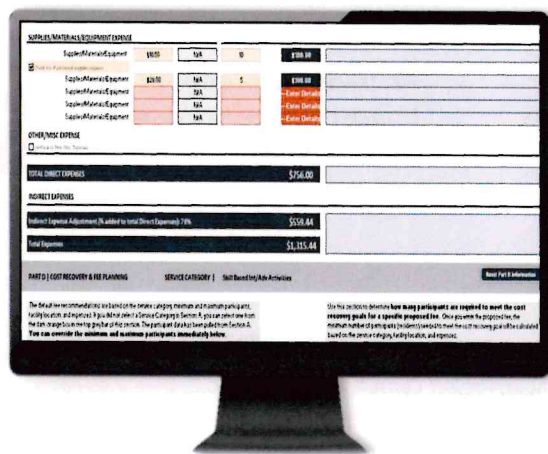
Financial Sustainability Policy

*Pricing simulator and calculator included in all projects; Premium Pricing Tool add-on available. See next page for more information.

Recommended Add-ons

In addition to the process detailed in the previous pages, the following two services are recommended add-ons to the Financial Sustainability Strategy process that are meant to aid and enhance your organization's efforts beyond the scope of this process.

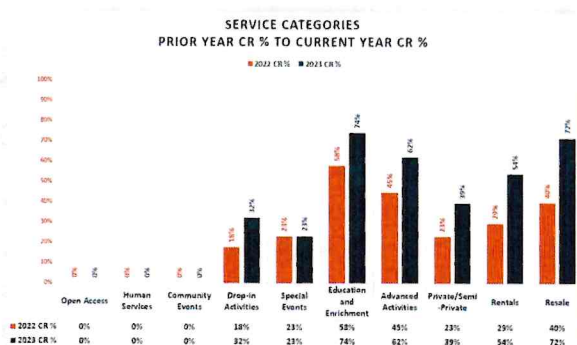
+ Premium Pricing Tool



The **Premium Pricing Tool** is an invaluable resource for organizations looking for maximum flexibility and functionality. In addition to the included pricing calculator:

- Price brand-new activities and use multiple or new facilities
- Flexibility to add specific direct expenses
- Auto-calculates a non-resident fee and total activity hours
- Determine the minimum number of participants needed based on a set fee
- Use as an evaluation and education tool to assess pricing decisions for continual improvement
- Loaded with overrides and resets for efficient use, while remaining user-friendly
- **Add-on now to save up to 45% off the regular price, depending on the size of your organization**

+ Additional Year: Cost of Service Analysis



One of the most important actions an organization can take in building a financially sustainable system is to begin tracking its performance and progress.

The Cost of Service Analysis is designed to be a repeatable process and performing regular updates keeps this important work top of mind and significantly reduces the organization's staff time to complete. Advantages include:

- A comparative analysis of year over year cost recovery performance
- Timely identification of organizational changes impacting cost of service and service delivery
- Update key information needed for effective planning and pricing decisions
- **Lock in current year pricing and secure your preferred start date for the timeliest results from your most recent fiscal year**

Project Budget & Timeline

Financial Sustainability Strategy Process Budget

Organization Size: Standard
Operational Budget: \$2-4.9M

Project Price: \$31,160

-  **Premium Pricing Tool Add-on:** + \$4,910
-  **Additional Year - Cost of Service Analysis** + \$7,650

An itemized proposed budget can be provided upon request!

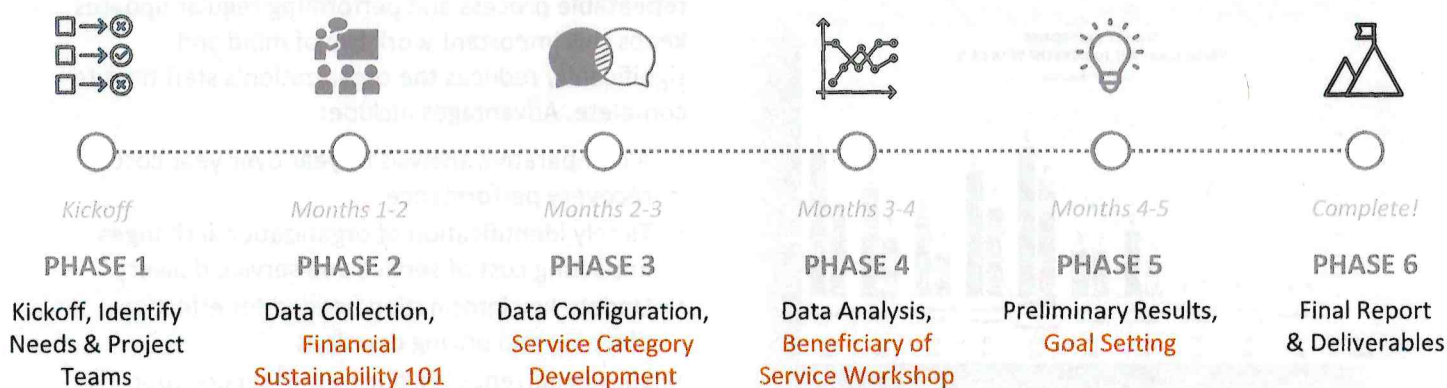


NOTE: All pricing above reflects a virtual process. In-person facilitation is available upon request and priced per project trip @ \$3990 per consultant. Consultant hourly rates used to calculate the budget include: 110% - Principal: \$235/hour; Project Consultant: \$175/hour. Organization has two (2) weeks from the date of delivery of the final project deliverables to submit any questions or comments to 110% Inc. that may result in modifications. Any additional requests submitted to 110% after this two (2) week period are not included in the project budget. 110% reserves the right to accept or refuse additional requests. Accepted requests by 110% will be billed at the hourly rates stated above unless otherwise agreed upon in writing.

Proposed Timeline

The proposed timeline below provides anticipated dates for each phase of the project.

NOTE: Date ranges are subject to change based on the availability of staff within your organization and adherence to proposed deadlines.



Navy = Cost of Service Work **Orange** = Education & Strategy (Beneficiary of Service)



Our Services

Ethics | Leadership | Financial Sustainability

We are 110%. A parks and recreation consulting firm of former practitioners who advocate for inspiring ethical decision making, strengthening leadership competencies, and ensuring the financial sustainability of parks & recreation.

Education, Presentations, & Trainings



Our educational content, expert presentations, and training programs effectively address important industry issues around the three key areas of ethics, leadership and financial sustainability. By delivering effective and engaging content which provides tangible and impactful results, we carefully design programs around your specific needs so that the experience is impactful and memorable.

Financial Sustainability



The Financial Sustainability Strategy empowers organizations to use data and information to make informed decisions. Whether done as a standalone project or with a Planning Initiative, our unique process combines sound financial management principles with our one-of-a-kind cost of service process to help organizations clearly understand how their taxpayer resources are being allocated.

Planning Initiatives



Our custom-tailored Planning Initiatives blend visioning what an organization/community can become with the strategy of creating a responsible and sustainable future. We strive to leverage our experience and networks to provide your organization with an optimized and practical Master or Strategic Plan.



Phone
720.304.2167



Email
info@110percent.net



Website
110percent.net



LinkedIn
@110-percent-inc

Meet the Team



Jamie Sabbach Founder | President | Principal

Jamie founded 110% Inc. in 2010 with the intention of helping organizations be more strategic and bolder amid dynamic social, environmental, and economic change. Having decades of experience in the public park and recreation field and as a college instructor have fed her passion to help others enhance their own talents and improve performance. Jamie has testified in front of the United States Congress on the importance of public parks and recreation. She is a past President of the American Park and Recreation Society and was inducted as a Fellow into the American Academy for Park and Recreation Administrator in 2008. Jamie is a native of Illinois who lives in the mountains of Colorado. She's a former college jock who enjoys hiking, biking, golf, volunteering, and has a love affair with the Chicago Cubs!



Farrell Buller Principal | Certified Executive Coach | Change Advocate

Farrell has more than 20 years in progressively responsible leadership roles. She has focused on achieving results for leaders and their teams, successfully leading organizations of 500+ employees, with budgets of up to \$80M, as well as smaller organizations and teams. As a graduate of the University of Northern Colorado in Therapeutic Recreation and as a former Parks and Recreation Director and City Manager, Farrell embraced her passion for serving others. She brings the ability to impact, influence, and inspire leaders at all levels. Farrell is the recipient of several awards, including Outstanding New Professional of the Year, Mid-West Region Professional of the Year, and the Pottsie Development Scholarship. You can often find Farrell and her family intentionally taking the "road less traveled" as they discover their next adventure!



Matt David Operations & Marketing Manager | Utility Player

With a tip-of-the-cap for his love for baseball, Matt is our team's "Utility Player" and does a little bit of everything due to his wide range of experiences and skill set. He has municipal, nonprofit, and private sector experience in marketing, operations, programming, budgeting, digital design, project management, and general administration. Matt has an eye for detail, mind for inquisition, and a big heart for community and servant leadership. Outside of work, he enjoys life with his wife and two dogs in Stillwater, MN by exploring the outdoors, spending time with friends and family, tackling home improvement projects, and cheering on their favorite sports teams.



Alexis Rankey Project Consultant | Data Analyst

Alexis is a seasoned parks and recreation professional with 15 years of experience, demonstrating a high level of business acumen and a passion for high-quality parks and recreation management. She is driven by a strong sense of purpose to make a positive impact on the parks and recreation industry. Utilizing her skills in data analysis, finance and budgeting, critical thinking, and problem-solving, Alexis leverages her expertise to produce meaningful results. Alexis's thorough understanding of parks and recreation operations, coupled with her love for processing and interpreting data, allows her to help others "put it all together" to make well-informed decisions. She graduated summa cum laude in 2010 with a Bachelor of Arts in Recreation Management from the Metropolitan State University of Denver and true to her rec rat roots, she spends her free time biking, golfing, playing hockey, glamping, and spending time with her friends and family.

Staff Bio



Farrell Buller

Principal | Certified Executive Coach | Change Advocate



Biography

Farrell has more than 20 years in progressively responsible leadership roles. She has focused on achieving results for leaders and their teams, successfully leading organizations of 500+ employees, with budgets of up to \$80M, as well as smaller organizations and teams. As a graduate of the University of Northern Colorado in Therapeutic Recreation and as a former Parks and Recreation Director and City Manager, Farrell embraced her passion for serving others.

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Work History

110%, Inc.

Principal & Certified Executive Coach, Jan 2021 - present

Town of Erie, CO

Deputy Town Administrator, Feb 2019 - Jan 2021
Acting Town Administrator, May 2018 - Jan 2019
Assistant to the Town Administrator, Sep 2017 - Apr 2018
Director of Parks and Recreation, Mar 2014 - Sep 2017

City of Lakewood, CO

Recreation Division Manager, Apr 2011 - Mar 2014

City of Commerce City, CO

Recreation Division Manager, Oct 2004 - Jan 2011

City of Boulder, CO

Recreation Coordinator, Jan 2000 - Oct 2004

Education

Directors Summit

Lead Facilitator; Invitation-only Symposium, 2023 & 2024

Clemson University

Think Tank: Invitation-only Symposium, 2019

Altruism Institute

Invitation-only Symposium, 2016

Agents of Change

Invitation-only Symposium, 2015-2018

National Recreation & Park Association

Directors School Graduate, 2015

University of Northern Colorado

Bachelor of Science Degree in Recreation/Therapeutic, 1997

Select Client List

City of Northglenn, CO

Financial Sustainability Strategy, 2023

Town of Addison, TX

Parkland Dedication Fee Study, 2023 - present

City of West University Place, TX

Operational Analysis & Financial Sustainability Strategy, 2022 - 2023; present

City of Aurora, CO

Financial Sustainability Strategy, 2023

City of Fort Collins, CO

Leadership Development and Professional Coaching, 2023 - present

Together,

let's navigate building the foundations for new possibilities.

“

Recognized leaders in the field of parks and recreation with a passion for excellence and the ability to manage and energize diverse audiences, 110% is the real deal.

Carolyn Keith

Director | Commerce City, CO

“

110%'s Financial Sustainability Strategy has been the single most important tool I have used in my 15+ year career in parks & recreation.

Katrina Gregory

Recreation Manager | City of Napa, CA

“

Thank you for presenting a workshop that was thought provoking, relevant, engaging, and that will propel us toward sustaining our services.

Katie Anderson

Former Deputy Director | Redmond, WA

Project References



Parker (CO)

Parks & Recreation Department:
Financial Sustainability Plan

Contact: Mary Colton, Director
Email: mcolton@parkeronline.org
Phone: 303.841.0353
Address: 20120 E Mainstreet, Parker, CO 80138
Date: February – July 2021



Oquirrh (UT)

Recreation & Park District:
Financial Sustainability Plan

Contact: Kevin Schmidt, Executive Director
Email: kschmidt@kopfc.com
Phone: 801.545.4114
Address: 5624 S. Cougar Ln, Kearns, UT 84118
Date: August – November 2021



Glencoe (IL)

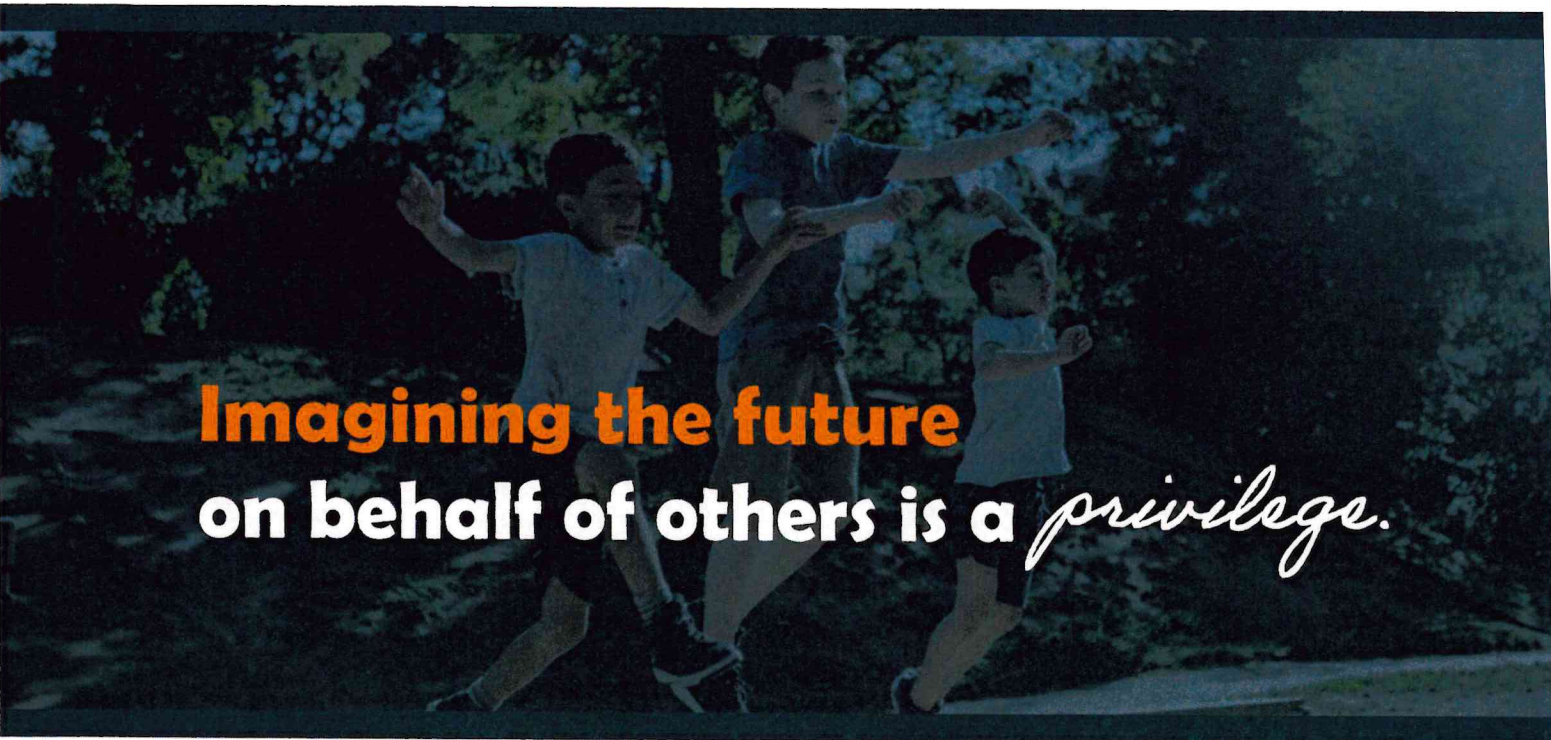
Park District:

Master & Strategic Plans

Contact: Lisa Shepperd, Director
Email: lshepperd@glencoe-parkdistrict.com
Phone: 847.835.7531
Address: 999 Green Bay Rd., Glencoe, IL 60022
Date: March 2023 – Present

Work Sample

Appendix A includes a final deliverable from a Financial Sustainability Strategy with the City of Smyrna (GA) Parks & Recreation Department completed in 2024.

A photograph of three children running through a park. The child in the center is a boy in a blue shirt and grey shorts, running towards the right. To his left is another boy in a white shirt and dark shorts, also running. To the right is a smaller child in a white shirt and dark shorts, running. The background is a lush green park with trees and a path.

Imagining the future
on behalf of others is a *privilege.*

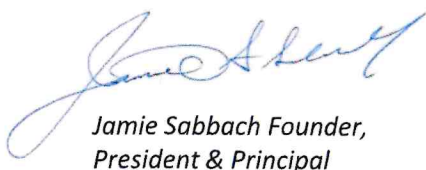
A Call to Action for Public Parks and Recreation

High-performing park and recreation organizations seek out and embrace responsible financial and service management practices. Completion of a Financial Sustainability Strategy project represents a significant commitment to ensuring the long-term financial health and sustainability of your organization. Through careful analysis and thoughtful planning, your organization can develop a comprehensive strategy that aligns with goals and furthers work towards financial sustainability.

Thank you!

A small firm by choice, we remain committed to working with those who want to change the world for the better and want to do the right thing all day, every day.

We would like to extend our heartfelt thanks and appreciation to you for considering partnering with 110%, Inc. on this important project. We look forward to the opportunity to work alongside you!

A handwritten signature in blue ink, reading "Jamie Sabbach".

Jamie Sabbach
Jamie Sabbach Founder,
President & Principal

A cartoon illustration of an orange squirrel wearing black-rimmed glasses and a black bow tie. The squirrel is smiling and has its right hand raised in a friendly gesture.

Let's get
to work!

Appendix A: Work Sample

SERVING THE PARK & RECREATION INDUSTRY

Prepared for:
Smyrna Parks and Recreation Department
Smyrna, GA



Financial Sustainability Strategy

Final Report

2024

A photograph of two men playing pickleball on an outdoor court. The man in the foreground, with curly hair and a beard, is wearing a white t-shirt and is in a ready stance, holding a black pickleball paddle. The man in the background is wearing a green and yellow athletic shirt. The court has blue safety padding on the fence. The image is overlaid with a semi-transparent blue gradient on the left side where the text is located.

What's Inside
Your Final Report

The pages that follow provide an overview of the project, outlining the methodology and providing a summary of the materials produced:

21 Conclusion



Our commitment

is to help your organization position itself for long-term financial resilience, strength, and vitality.

Smyrna Parks and Recreation Department's Financial Sustainability Strategy

High-performing park and recreation agencies seek out and embrace responsible financial and service management practices. They actively understand the cost of doing business, identify cost savings, seek out partnerships that have reciprocal benefits, divest of services that do not align with mission or waste resources, and generate revenues when and where appropriate to reinvest in important and often underfunded services, maintain infrastructure, and relieve pressure on taxpayer resources. Ultimately, they possess a financial sustainability philosophy that provides a foundation from which all investment and spending decisions, and funding strategies are built.

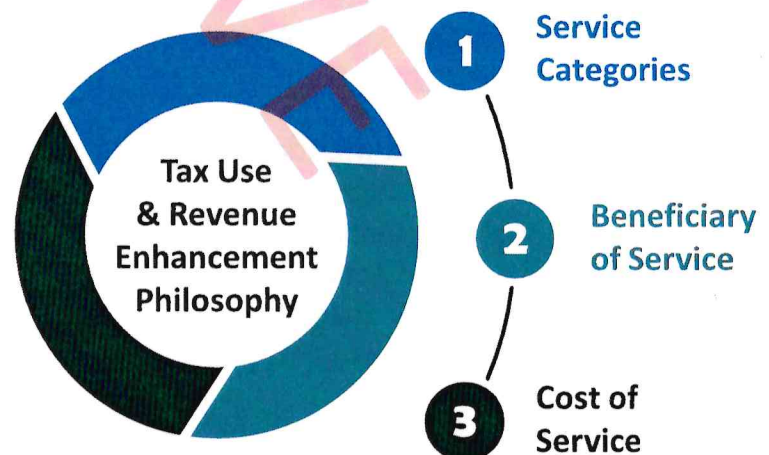
The Smyrna Parks and Recreation Department chose to engage in the development of a financial sustainability strategy to prepare and equip their team with solid financial management competencies, compel them to use data to inform decisions and cultivate fiscal responsibility at all levels of the agency.

Financial Sustainability Model:

Parks & Reconomics®

Creating a financially sustainable organization begins by building upon the philosophy of Parks and Reconomics® - how parks and recreation agencies responsibly manage their finite financial resources.

The Smyrna Parks and Recreation Department embraced this charge and the exercise of creating a cost recovery plan for its parks and recreation services by following the steps at right.





Education and Training



Service Categories

The development of categories which include services that are alike in "purpose" is important when it comes to justifiable and equitable allocation of subsidy, cost recovery levels, and assignment of budget and general ledger lines to account for a category's fiscal performance.

The benefits of this type of approach are two-fold. First, it is inefficient for the department to determine cost recovery expectations by each individual service including facility, activity, or event. Secondly, categorizing by "type of service" or "likeness of service" discourages attempts to determine fees and charges (and therefore cost recovery decisions) based upon special interests, age-based services, or individual values.

Smyrna Parks and Recreation provides many services annually to the community. The following Service Categories represent the department's service menu and include Service Category definitions as well as example services.

Service Categories are listed in order from those perceived to be Common Good Services (#1) to those seen as providing a more Exclusive Benefit (#10) as ranked by Commission and Council representatives as well as department staff.

Common Good Services or cause and purpose driven services intend to impact social, economic, and environmental issues and needs and align with the fundamental purpose and mission of the department. Typically, there are no like services provided by the non-profit/Non-Governmental Organizations (NGO) or private sectors.

Exclusive Benefit Services or specialized services intend to serve personal interests. Typically, there is little if any competition from the non-profit/ Non-Governmental Organizations (NGO) and private sectors which offer like services.

Common Good Services (justification for greater subsidy investment)

- Community building
- Provides accessibility to marginalized/under-represented populations
- Broad appeal to a wide audience
- Services contribute to greater equity, cultural awareness, and make EVERYONE in Forest Grove's life better

Exclusive Benefit Services (justification for greater cost recovery expectation)

- Individualized, special interest
- Requires higher competency/ability level to participate
- Specialized activities
- Individualized services are often accessible outside of the Forest Grove parks and recreation system



Education and Training

Smyrna Parks and Recreation Department Service Categories

1. Open Access Activities

Self-directed activities in parks. These services do not include supervision by staff and/or volunteers.

Examples: Use of Playgrounds, Bike Trails, Fitness Courts

2. Community Events

Events offered to the community as a whole and not specific to a certain demographic or area of interest. Often, these events require continual or long-term planning due to their size and scope. Registration is typically not required. *Examples: Concert Series, Home for the Holidays, Lunch on the Lawn, Markets, College Football Saturdays, and Easter After Dark*

3. Drop-in Activities

Self-directed activities which may or may not require registration and/or membership depending upon the location of the activity. These services may not require specific instruction but do involve supervision by staff and/or volunteers. *Examples: Open gym, therapy pool, racquetball courts, senior social activities, rec room*

4. Beginner/Intro Level Activities

Activities in which fundamental skills are taught by an instructor/coach and designed to limit an emphasis on competition. Beginner/Intro Level Activities include classes, clinics, workshops, and leagues designed for participants to learn basic skills. *Examples: Pre-School Gymnastics, Twinkle Toes, Beginning Tae Kwon Do, 20-20 Fitness, Beginner Yoga, Beginner Swim Lessons*

5. Special Events

Events designed for a specific target market or market niche' and include consideration of age, gender, skill, and/or personal interests. Special events require registration or tickets and often have a maximum number of participants. *Examples: Daddy Daughter Dance, Mother Son Nerf Wars, Galentine's Day, Senior Casino Trips, Parents' Night Out, Spooky Festival, 12 Cocktails of Christmas*

6. Educational and Enrichment Activities

Classes, courses, trips, or other activities led by an instructor or guide and designed to enhance knowledge and personal development through education-based instruction. *Examples: Photography Class, Cooking Class, Defensive Driving Course, Day Camps, Educational Senior Trips (museum trips, historic site tours)*

7. Competitive Level Activities

Activities and leagues in which participants develop skills in a competitive environment. These activities tend to include designated coaches and/or instructors who work to further develop participant skills. These skills are then applied through regularly scheduled competitions with officials and scorekeepers. *Examples: Adult Athletic Leagues, Tae Kwon Do (advanced), Dance Teams*

8. Rentals

Exclusive use of spaces and places by an individual or group restricting public and open access use. *Examples: Facility Rentals, Park Rentals, Room Rentals, Gymnasium Rentals, Pavilion Rentals, Sports Field Rentals, Vendor Booth Spaces at Markets*

9. Private/Semi-private Activities

Activities in which participants receive individualized instruction and guidance in a private or small group environment. These activities are designed to focus on the unique needs and/or interests of individuals. *Examples: Piano Lessons, Santa Stops By, Private Swim Lessons, Wolf Center Membership Status*

10. Resale

Food, beverages, and other goods available for purchase at various parks, facilities, and events. *Examples: Concession Items, Vending Items*

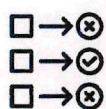
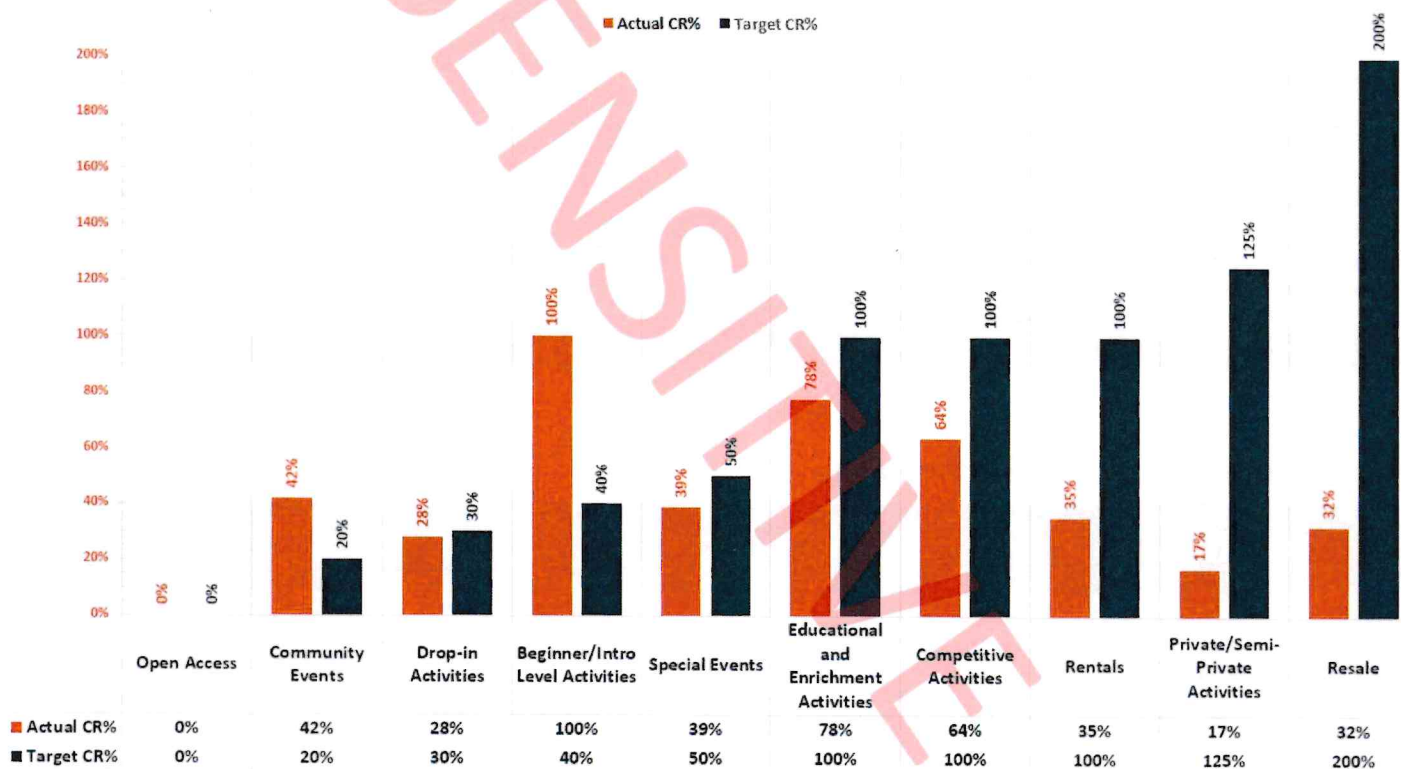


Cost-of-Service Analysis

Cost-of-Service Analysis

Completion of an operational cost-of-service analysis allowed the department to understand its cost of doing business, ultimately revealing each service's cost recovery and subsidy investment level. Operational revenues (fees and charges, sponsorships, grants, donations), direct costs (expenses associated with the delivery of a service; without the service, the cost would not exist) and indirect costs (expenses that would exist with or without the provision of any one service) that the department provided were captured and attributed to all services as part of this work, providing several insights that would inform the design and development of the department's Financial Sustainability Strategy.

SERVICE CATEGORIES
ACTUAL TO TARGET COST RECOVERY %

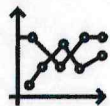


Process

The consulting team worked closely with the Smyrna Parks and Recreation Department team to ensure all expenses and services were identified, and to develop meaningful divisions, facility, and park areas to facilitate the appropriate attribution of expenses to services. The result is a clear picture of the total cost of service guiding the development of cost recovery/subsidy investment goals.



Cost-of-Service Analysis



Results

Results of the analysis provide a comprehensive review of fiscal year 2023, encompassing July 1, 2022 to June 30, 2023. The full results from the analysis and interactive features are available in the *Cost-of-Service Results* excel file provided separately. Selected results from the analysis are included below.

Summary of Results by Service Category

Service Category	Stats		Expenses				Subsidy	Cost Recovery
	Participations/ Quantity Sold	Total Revenue	Direct - Service	Direct - Facility	Indirect	Total Expense	Subsidy Amount	Cost Recovery %
Open Access	-	\$ -	\$ -	\$ 1,334,714.67	\$ 255,190.32	\$ 1,589,904.99	\$ 1,589,904.99	0%
Community Events	636	\$ 44,410.00	\$ 87,054.13	\$ 1,503.69	\$ 16,931.78	\$ 105,489.60	\$ 61,079.60	42%
Drop-in Activities	25,515	\$ 209,395.50	\$ 379,822.75	\$ 248,045.16	\$ 120,044.99	\$ 747,912.90	\$ 538,517.40	28%
Beginner/Intro Level Activities	3,307	\$ 173,170.00	\$ 119,483.00	\$ 25,326.57	\$ 27,686.82	\$ 172,496.39	\$ (673.61)	100%
Special Events	962	\$ 20,570.00	\$ 43,002.55	\$ 1,252.72	\$ 8,461.37	\$ 52,716.64	\$ 32,146.64	39%
Educational and Enrichment Activities	1,513	\$ 180,028.00	\$ 177,148.70	\$ 17,752.17	\$ 37,264.01	\$ 232,164.88	\$ 52,136.88	78%
Competitive Activities	2,190	\$ 193,675.09	\$ 170,129.70	\$ 84,837.55	\$ 48,748.38	\$ 303,715.63	\$ 110,040.54	64%
Rentals	18,006	\$ 761,838.50	\$ 355,096.70	\$ 1,446,521.82	\$ 344,459.85	\$ 2,146,078.36	\$ 1,384,239.86	35%
Private/Semi-Private Activities	2,124	\$ 84,675.00	\$ 236,563.76	\$ 184,031.47	\$ 80,415.57	\$ 501,010.80	\$ 416,335.80	17%
Resale	5,450	\$ 15,959.91	\$ 18,324.32	\$ 23,006.75	\$ 7,902.28	\$ 49,233.35	\$ 33,273.44	32%
Total	59,703	\$ 1,683,722.00	\$ 1,586,625.61	\$ 3,366,992.56	\$ 947,105.37	\$ 5,900,723.54	\$ 4,217,001.54	29%

Summary of Results by Service Area

Service Area	Stats		Expenses				Subsidy	Cost Recovery
	Participations/ Quantity Sold	Total Revenue	Direct - Service	Direct - Facility	Indirect	Total Expense	Subsidy Amount	Cost Recovery %
Active Adults	11,741	\$ 66,723.50	\$ 188,914.85	\$ 15,712.72	\$ 39,123.70	\$ 243,751.27	\$ 177,027.77	27%
Adult Programs	129	\$ 6,667.50	\$ 5,449.74	\$ 586.31	\$ 1,154.06	\$ 7,190.11	\$ 522.61	93%
Adult Sports	213	\$ 61,635.00	\$ 70,551.77	\$ 66,827.79	\$ 26,266.24	\$ 163,645.79	\$ 102,010.79	38%
Community Events	636	\$ 44,410.00	\$ 87,054.13	\$ 1,503.69	\$ 16,931.78	\$ 105,489.60	\$ 61,079.60	42%
Facility Rentals	7,952	\$ 482,180.50	\$ 322,662.30	\$ 675,329.75	\$ 190,810.76	\$ 1,188,802.81	\$ 706,622.31	41%
Fitness	1,076	\$ 5,811.00	\$ 10,094.91	\$ 5,232.62	\$ 2,930.54	\$ 18,258.07	\$ 12,447.07	32%
Outdoor Rentals	4,372	\$ 128,198.00	\$ 13,355.34	\$ 340,675.68	\$ 67,688.84	\$ 421,719.86	\$ 293,521.86	30%
SCC Admissions	3,046	\$ 26,689.00	\$ 42,018.39	\$ 115,330.88	\$ 30,084.34	\$ 187,433.61	\$ 160,744.61	14%
Special Events	1,162	\$ 28,855.00	\$ 69,358.95	\$ 1,428.61	\$ 13,534.21	\$ 84,321.77	\$ 55,466.77	34%
Tolleson Pool	16,868	\$ 173,056.41	\$ 183,243.24	\$ 145,403.92	\$ 62,835.58	\$ 391,482.73	\$ 218,426.32	44%
WC Admissions	1,939	\$ 76,590.00	\$ 214,811.50	\$ 183,755.49	\$ 76,203.88	\$ 474,770.88	\$ 398,180.88	16%
Youth Camps	891	\$ 148,374.50	\$ 157,431.37	\$ 17,576.27	\$ 33,460.53	\$ 208,468.18	\$ 60,093.68	71%
Youth Programs	3,996	\$ 283,071.59	\$ 202,600.07	\$ 32,397.77	\$ 44,930.33	\$ 279,928.18	\$ (3,143.41)	101%
Youth Sports Associations	5,682	\$ 151,460.00	\$ 19,079.05	\$ 430,516.39	\$ 85,960.25	\$ 535,555.70	\$ 384,095.70	28%
POST	-	\$ -	\$ -	\$ 1,334,714.67	\$ 255,190.32	\$ 1,589,904.99	\$ 1,589,904.99	0%
Total	59,703	\$ 1,683,722.00	\$ 1,586,625.61	\$ 3,366,992.56	\$ 947,105.37	\$ 5,900,723.54	\$ 4,217,001.54	29%



Cost-of-Service Analysis

Results by Sub Service Area

ACTIVE ADULTS

Service Category	Service Area	Sub Service Area	Total Revenue	Total Expense	Cost Recovery %
Drop-in Activities	Active Adults	Fitness Class Daily Pass	\$ 20,385.00	\$ 99,112.07	20.57%
Drop-in Activities	Active Adults	Fitness Class Monthly Pass	\$ 14,885.00	\$ 109,609.46	13.58%
Drop-in Activities	Active Adults	Luncheon	\$ -	\$ 4,574.54	0.00%
Drop-in Activities	Active Adults	Social Activities	\$ -	\$ 12,123.71	0.00%
Educational and Enrichment Activities	Active Adults	Trips	\$ 29,728.50	\$ 16,877.58	176.14%
Private/Semi-Private Activities	Active Adults	Personal Training	\$ 1,725.00	\$ 1,453.91	118.65%

ADULT PROGRAMS

Service Category	Service Area	Sub Service Area	Total Revenue	Total Expense	Cost Recovery %
Beginner/Intro Level Activities	Adult Programs	Adult Dance	\$ 6,667.50	\$ 7,190.11	92.73%

ADULT SPORTS

Service Category	Service Area	Sub Service Area	Total Revenue	Total Expense	Cost Recovery %
Competitive Activities	Adult Sports	Adult Basketball	\$ 7,260.00	\$ 17,587.57	41.28%
Competitive Activities	Adult Sports	Adult Pickleball	\$ 5,340.00	\$ 3,237.51	164.94%
Competitive Activities	Adult Sports	Adult Softball	\$ 18,635.00	\$ 87,571.40	21.28%
Competitive Activities	Adult Sports	Adult Volleyball	\$ 21,750.00	\$ 31,235.58	69.63%
Competitive Activities	Adult Sports	Senior Softball	\$ 8,650.00	\$ 24,013.73	36.02%



Cost-of-Service Analysis

Results by Sub Service Area, cont.

COMMUNITY EVENTS

Service Category	Service Area	Sub Service Area	Total Revenue	Total Expense	Cost Recovery %
Community Events	Community Events	Concerts	\$ 16,415.00	\$ 57,418.91	28.59%
Community Events	Community Events	Handmade Market	\$ 16,010.00	\$ 27,998.57	57.18%
Community Events	Community Events	Holiday Market	\$ 6,615.00	\$ 9,161.78	72.20%
Community Events	Community Events	Spooky Festival	\$ 5,370.00	\$ 10,910.33	49.22%

FACILITY RENTALS

Service Category	Service Area	Sub Service Area	Total Revenue	Total Expense	Cost Recovery %
Rentals	Facility Rentals	BH - All Rentals	\$ 133,285.50	\$ 262,110.60	50.85%
Rentals	Facility Rentals	Pavilion Rentals	\$ 41,530.00	\$ 53,834.56	77.14%
Rentals	Facility Rentals	RH - All Rentals	\$ 47,905.00	\$ 106,187.75	45.11%
Rentals	Facility Rentals	SCC - Gym Rentals	\$ 20,390.00	\$ 225,069.40	9.06%
Rentals	Facility Rentals	SCC - Room Rentals	\$ 207,500.00	\$ 460,538.48	45.06%
Rentals	Facility Rentals	TBH - All Rentals	\$ 17,060.00	\$ 63,516.20	26.86%
Rentals	Facility Rentals	WC - Room Rentals	\$ -	\$ 3,140.62	0.00%
Rentals	Facility Rentals	WC - Therapy Pool Rentals	\$ 14,510.00	\$ 14,405.20	100.73%

FITNESS

Service Category	Service Area	Sub Service Area	Total Revenue	Total Expense	Cost Recovery %
Beginner/Intro Level Activities	Fitness	Contracted	\$ 835.00	\$ 1,765.43	47.30%
Beginner/Intro Level Activities	Fitness	In-House	\$ 4,976.00	\$ 16,492.64	30.17%



Cost-of-Service Analysis

Results by Sub Service Area, cont.

OUTDOOR RENTALS

Service Category	Service Area	Sub Service Area	Total Revenue	Total Expense	Cost Recovery %
Rentals	Outdoor Rentals	Athletic Field Rentals	\$ 88,598.00	\$ 247,273.06	35.83%
Rentals	Outdoor Rentals	Ballfield Rentals	\$ 13,235.00	\$ 81,219.33	16.30%
Rentals	Outdoor Rentals	Court Rentals	\$ 26,365.00	\$ 93,227.46	28.28%

SCC ADMISSIONS

Service Category	Service Area	Sub Service Area	Total Revenue	Total Expense	Cost Recovery %
Drop-in Activities	SCC Admissions	SCC - Annual Passes	\$ 16,980.00	\$ 122,139.45	13.90%
Drop-in Activities	SCC Admissions	SCC - Daily Passes	\$ 3,312.00	\$ 7,245.44	45.71%
Drop-in Activities	SCC Admissions	SCC - Monthly Passes	\$ 2,010.00	\$ 15,880.99	12.66%
Drop-in Activities	SCC Admissions	SCC - Open Gym Card	\$ -	\$ 16,310.08	0.00%
Drop-in Activities	SCC Admissions	SCC - Quarterly Passes	\$ 2,050.00	\$ 17,119.13	11.97%
Drop-in Activities	SCC Admissions	SCC - Racquetball Daily Pass	\$ 757.00	\$ 375.27	201.72%
Drop-in Activities	SCC Admissions	SCC - Racquetball Punch Pass	\$ 1,580.00	\$ 8,363.26	18.89%

SPECIAL EVENTS

Service Category	Service Area	Sub Service Area	Total Revenue	Total Expense	Cost Recovery %
Educational and Enrichment Activities	Special Events	Specialty Classes (Ed/Enrich)	\$ 1,925.00	\$ 6,819.13	28.23%
Private/Semi-Private Activities	Special Events	Santa Stops By	\$ 6,360.00	\$ 24,786.00	25.66%
Special Events	Special Events	Easter Egg Hunt	\$ 2,290.00	\$ 8,586.30	26.67%
Special Events	Special Events	Movies	\$ 680.00	\$ 8,787.84	7.74%
Special Events	Special Events	Parent & Child Dances/Events	\$ 15,082.00	\$ 24,993.56	60.34%
Special Events	Special Events	Specialty Classes (Spec Events)	\$ 2,518.00	\$ 10,348.95	24.33%



Cost of Service Analysis

Results by Sub Service Area, cont.



TOLLESON POOL

Service Category	Service Area	Sub Service Area	Total Revenue	Total Expense	Cost Recovery %
Beginner/Intro Level Activities	Tolleson Pool	Swim Lessons	\$ 9,660.00	\$ 7,189.87	134.36%
Drop-in Activities	Tolleson Pool	TP - Family Pass	\$ 70,436.00	\$ 161,479.83	43.62%
Drop-in Activities	Tolleson Pool	TP - Individual Pass	\$ 14,350.00	\$ 65,678.49	21.85%
Drop-in Activities	Tolleson Pool	TP - Daily Admission	\$ 62,650.50	\$ 107,901.18	58.06%
Resale	Tolleson Pool	TP - Concessions	\$ 15,959.91	\$ 49,233.35	32.42%

WC ADMISSIONS

Service Category	Service Area	Sub Service Area	Total Revenue	Total Expense	Cost Recovery %
Private/Semi-Private Activities	WC Admissions	WC - Fitness Center Annual Pa	\$ 8,111.90	\$ 22,425.58	36.17%
Private/Semi-Private Activities	WC Admissions	WC - Fitness Center Monthly F	\$ 3,243.10	\$ 69,043.76	4.70%
Private/Semi-Private Activities	WC Admissions	WC - Full Center Annual Pass	\$ 14,660.00	\$ 164,950.78	8.89%
Private/Semi-Private Activities	WC Admissions	WC - Full Center Semi-Annual	\$ 2,470.00	\$ 11,845.79	20.85%
Private/Semi-Private Activities	WC Admissions	WC - Therapy Pool Annual Pas	\$ 34,015.00	\$ 166,216.78	20.46%
Private/Semi-Private Activities	WC Admissions	WC - Therapy Pool Semi-Annu	\$ 14,090.00	\$ 40,288.20	34.97%

YOUTH CAMPS

Service Category	Service Area	Sub Service Area	Total Revenue	Total Expense	Cost Recovery %
Educational and Enrichment Activities	Youth Camps	Contracted Camps	\$ 54,474.50	\$ 55,945.27	97.37%
Educational and Enrichment Activities	Youth Camps	School Break Camps	\$ 2,860.00	\$ 20,633.66	13.86%
Educational and Enrichment Activities	Youth Camps	Summer Camp	\$ 91,040.00	\$ 131,889.25	69.03%



Cost of Service Analysis

Results by Sub Service Area, cont.

Summary of Results by Sub Service Area: YOUTH PROGRAMS

Service Category	Service Area	Sub Service Area	Total Revenue	Total Expense	Cost Recovery %
Beginner/Intro Level Activities	Youth Programs	Gymnastics (Beg/Intro)	\$ 46,124.50	\$ 69,389.33	66.47%
Beginner/Intro Level Activities	Youth Programs	Martial Arts (Beg/Intro)	\$ 24,105.00	\$ 16,027.62	150.40%
Beginner/Intro Level Activities	Youth Programs	Youth Dance (Beg/Intro)	\$ 80,802.00	\$ 54,441.38	148.42%
Competitive Activities	Youth Programs	Gymnastics (Comp)	\$ 99,501.75	\$ 102,754.77	96.83%
Competitive Activities	Youth Programs	Jazz Team	\$ 7,448.00	\$ 7,973.42	93.41%
Competitive Activities	Youth Programs	Martial Arts (Comp)	\$ 19,440.00	\$ 14,480.40	134.25%
Competitive Activities	Youth Programs	Youth Athletic Development	\$ 2,125.00	\$ 8,216.73	25.86%
Competitive Activities	Youth Programs	Youth Dance (Comp)	\$ 3,525.34	\$ 6,644.52	53.06%

Summary of Results by Sub Service Area: YOUTH SPORTS ASSOCIATIONS

Service Category	Service Area	Sub Service Area	Total Revenue	Total Expense	Cost Recovery %
Rentals	Youth Sports Associations	NASA Top Hat Soccer	\$ 74,665.00	\$ 160,611.18	46.49%
Rentals	Youth Sports Associations	Smyrna Little League	\$ 44,615.00	\$ 275,393.54	16.20%
Rentals	Youth Sports Associations	Smyrna Sharks	\$ 14,085.00	\$ 60,885.16	23.13%
Rentals	Youth Sports Associations	Smyrna Tennis Academy	\$ 2,675.00	\$ 18,044.01	14.82%
Rentals	Youth Sports Associations	Smyrna Youth Basketball	\$ 15,420.00	\$ 20,621.82	74.78%



Cost of Service Analysis

Expense Insights

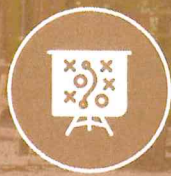
Expense insights provide context and a greater understanding of how the department spends its operational budget. Results below detail the division and category breakdown.

Expense Insights by Division

Division Summary	Amount	% of Total
Admin	\$ 1,631,703.45	27.65%
Programs	\$ 1,112,541.79	18.85%
Athletics/Aquatics	\$ 422,368.37	7.16%
Facilities	\$ 351,120.89	5.95%
Maintenance	\$ 1,309,406.18	22.19%
Department	\$ 1,074,341.32	18.20%
Total Department	\$ 5,901,482.01	100.00%

Expense Insights by Category

Expense Category Summary	Amount	% of Total
Personnel	\$ 2,713,149.64	45.97%
Admin	\$ 613,041.97	10.39%
O&M	\$ 1,648,989.24	27.94%
Utilities	\$ 926,301.16	15.70%
Total Department	\$ 5,901,482.01	100.00%



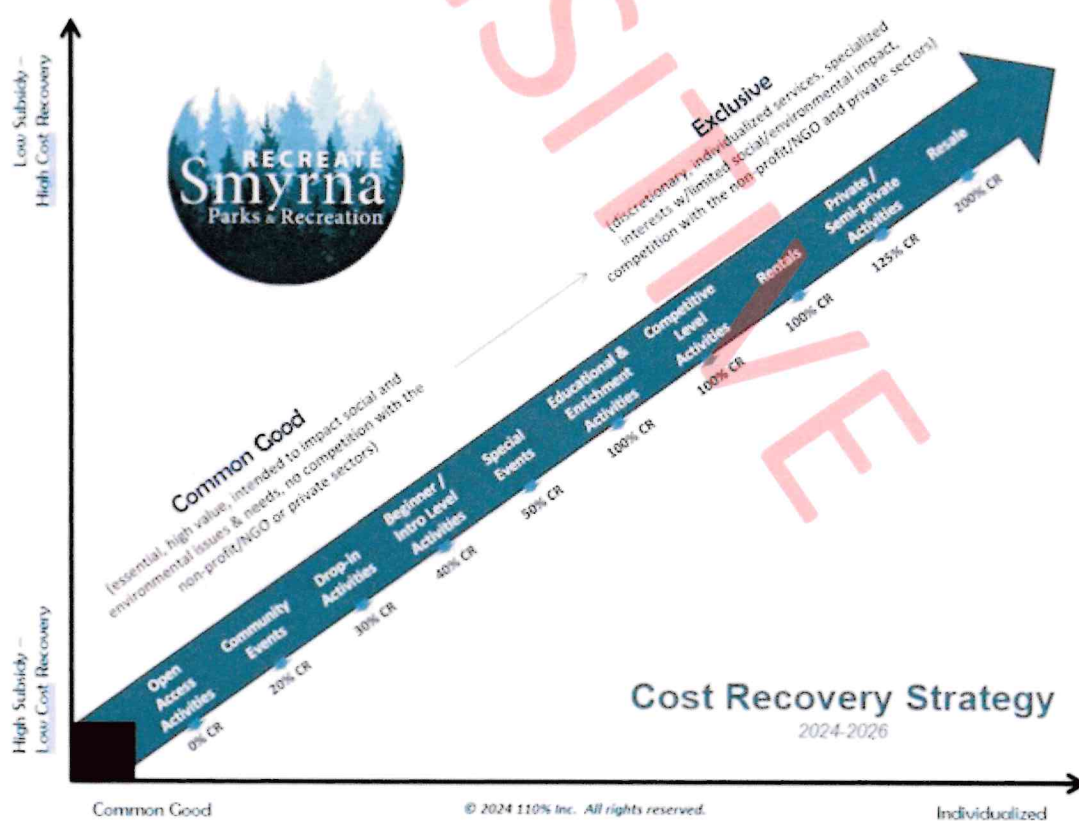
Strategies & Recommendations

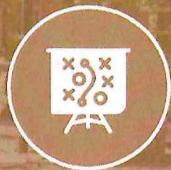
Financial Sustainability Strategy

Smyrna Parks & Recreation's Cost Recovery Strategy Continuum presents the degree to which financial resources will be spent and expenses will be recovered and managed. It is grounded in the differentiation of park and recreation services based on who benefits should pay. Economists have differentiated goods and services in the economy in this manner for decades and have designated three types of goods and services: community benefit, dual benefit, and individual benefit.

The Cost Recovery Strategy Continuum acknowledges varying levels of service. This strategy shifts from one which suggests that all services should be provided at no or low cost for everyone to an equitable and just philosophy where subsidy allocation decisions are based upon "beneficiary of service". In this conceptualization, each type of service has a set of specific characteristics that provide a rationale for who should pay (e.g., taxpayers, the individual, or both) and to what degree. Ultimately, this aligns subsidy allocation, cost recovery goals and expectations with beneficiary of service. Essentially, those who benefit from a service should pay for that service.

The three-year Cost Recovery Strategy Continuum includes the department's Service Categories and short-term cost recovery/subsidy goals and expectations. The continuum is a graphic representation of the department's tax use and revenue enhancement strategy.





Strategies & Recommendations



Financial Sustainability Policy

Purpose

Smyrna Parks and Recreation's Cost Recovery Policy intends to create organizational resilience by way of logical, intentional, and thoughtful guidelines for investment and spending decisions. The strategy encourages tax investment and revenue generation strategies and practices that are fair, equitable, and responsible. This policy is necessary to ensure the department's financial stability in both the near and long term.

The Cost Recovery Policy will guide investment and spending choices as the department responds to economic realities, growth expectations, competing priorities, demographic shifts, evolving community needs and interests, and climate impacts.

Policy Statement

Smyrna Parks and Recreation's Cost Recovery Policy grounds cost recovery expectations and the spending of taxpayer dollars in a philosophical underpinning that affirms a commitment to equitable investment, financial discipline, and long-term fiscal health.

The department's annual budget ultimately determines the amount of taxpayer support that can be made available for park and recreation services which results in understanding the degree to which subsidy investment can be made and to which services, and the degree to which user fees will be assessed and to which services.

Cost Recovery/Subsidy

Cost recovery refers to offsetting the costs (expenses) of delivering services by way of revenues generated from fees and charges, sponsorships, donations, grants, and other alternative revenue streams. Alternatively, subsidy represent a tax source. It is granted by a governmental entity; typically to remove some type of burden, and often considered to be in the overall interest of the public. It is also given to promote a social good or an economic policy.

For example, a cost recovery level of 75% simply means that for each dollar spent on a service, 75-cents are generated from a revenue source (i.e., fees) with the remaining 25-cents covered by subsidies (i.e., taxes).

Department Funding/Revenue Sources

Smyrna Parks and Recreation is supported by various revenue sources which all contribute varying levels of funding to support the breadth of park and recreation services provided to residents and visitors. The degree to which each of these sources is relied upon can shift based upon the economy, market behaviors, and department-wide policy; however, property taxes are the primary source of funding for the department.

Tax Sources

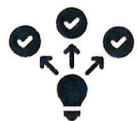
- General Fund (property taxes)

Alternative Sources

- Fees and charges for services
- Grants
- Other sources as identified and available



Strategies & Recommendations



Recommended Actions

Updating Investment Expectations

Service category cost recovery performance should be reviewed annually, and subsidy (tax dollar) investment goals should be analyzed and updated at least every four years or more frequently as necessary.

Partnerships

Partnerships are advantageous collaborations that position both the department as well as participating partner organization(s) to efficiently utilize resources leading to cost effective and efficient service delivery, bridging of markets, reductions in duplication of services and fragmentation of resources, and cooperative capital development and/or improvements.

A condition that must be met in order for the department to enter into a partnership agreement includes that of reciprocal benefit. To prevent the department from simply becoming a granting body to any organization, the department and its partner identify the value of the mutual contributions brought forth to the agreement and arrangement. There will be equal value and benefit to each organization resulting from any partnership ensuring that the department is receiving fair and just value on behalf of taxpayers in return for any resource investment and commitment.

Needs Based Assistance

Smyrna Parks and Recreation ensures that services are accessible to residents who may be considered economically-disadvantaged, underserved, under-represented, or marginalized, and who may require assistance and support in accessing parks and recreation services. This will require that funds are appropriated and fairly and equitably distributed throughout sub-communities in need. Applications will be made available allowing for qualifying individuals and families to have access to reduced rates that can both satisfy need for assistance as well as provide equitable subsidies across the system.

An appropriation will be made during each annual budget process calculated on the projection of total population needing to be served based upon previous year's requests and results of a needs quantification system. Awards will be issued to City of Smyrna residents only and as defined as those who reside within the City's boundaries.

The department intends to reduce barriers to entry by not requiring financial records or disclosures, rather, relying on an "honor system" for the application process requesting information from applicants specific to their needs and ability to pay only. Applications will be kept on file for one year from application.

Financial assistance may be based upon a "pay as you can" model with the process evaluated annually. Additional funds will be sought using a "round up" or "pay it forward option made available by way of the recreation registration/point of sale system.



Strategies & Recommendations

Recommended Actions, cont.

Retained Earnings and Reinvestment

Smyrna Parks & Recreation will seek to innovate in how it retains earnings so that it can re-invest in its own system and in those critical services and community efforts that require extensive and oftentimes hard to come by subsidy dollars.

Methods will include a retained earnings fund (or similar) that will allow for the re-allocation of excess revenues generated from Department services such as those that exist within the Educational and Enrichment Activities, Competitive Level Activities, Rentals, Private/Semi-private Activities and Resales Service Categories that are individualized, highly specialized and/or exclusive, and expected to generate a minimum of 100% cost recovery. Community and social service areas such as social equity interests and investments into important park and facility infrastructure that require short, preventative, and long-term maintenance should be the primary recipients and beneficiaries of this fund.

Success Metrics

Success metrics will be used to evaluate whether each service complies with established cost recovery goals (as indicated on the Financial Sustainability Strategy Continuum) as well as other efficiencies and intended outcomes. In the event success metrics are not being met, items 1-6 outline actions to address gaps.

1. **Financial Viability:** a service must meet its minimum tax dollar investment/cost recovery goal as noted on the Financial Sustainability Strategy Continuum.
2. **Operational Efficiency:** services should meet 75% or more of capacity (maximum) or realize a minimum increase of 10% usage during each service cycle to ensure efficiency of resource investment (*excl: events where capacity is difficult to establish*).
3. **Participant/Customer Satisfaction:** overall participant (customer) satisfaction must meet a minimum of 85% satisfaction or higher (*per user surveys and evaluations*).
4. **Participant/Customer Impact:** alignment with service goals - impact on social connections, increases in activity levels, impacts on quality of life, school performance, etc. (*per user surveys and evaluations*).

Addressing gaps between existing cost recovery performance and target (goals)

1. Analyze success metrics for services not meeting their cost recovery goal.
2. Analyze direct and indirect costs of providing the service.
 - a. Measure ratio of direct and indirect cost.
 - b. Identify cost reduction opportunities and implement.
3. Suggest market increase commensurate with cost recovery goal.
 - a. Conduct market analysis of service.
 - b. Identify opportunities for capturing larger markets.
4. Identify potential sponsorship, donation, or pay-it-forward opportunities.
5. Identify potential partnership opportunities to continue to provide a service, however, in collaboration with another provider, reducing impacts on and dilution of department resources, avoiding unnecessary duplication of service, and responsibly utilizing finite taxpayer resources.
6. If services do not satisfy success metrics, consider divestment of service at the end of a four-year strategy term or sooner.



Strategies & Recommendations

Pricing | Fees & Charges



Several pricing methods are utilized by the department in order to establish fees and charges. The principal method for establishing services fees will be cost recovery pricing which is defined as determining a fee based on established cost recovery goals.

Other pricing methods may be utilized by the department, however, any strategy or method used will ultimately require that cost recovery goals or subsidy allocation expectations be met. Common alternative pricing methods include the following options which can be used based upon market behaviors, the competition, and other relevant considerations.

Market (demand-based) pricing results in pricing based on demand for a service or what the target market is willing to pay for a service. The private and commercial sectors commonly utilize this strategy. One consideration for establishing a market rate fee is determined by identifying all providers of an identical service (i.e., private sector providers, other municipalities, etc.), and setting the highest fee. Another consideration is setting the fee at the highest level the market will bear.

Competitive pricing establishes prices based on what similar service providers or close proximity competitors are charging for services. One consideration for establishing a competitive fee is determined by identifying all providers of an identical or similar service (i.e., private sector providers, other municipalities, etc.), and setting the mid-point or lowest fee.

Value-based pricing is a pricing strategy in which the price of a product or a service is decided on the basis of perceived value or benefit it can provide to a customer. Value-based pricing is more evident in places or markets where exclusive products are offered which offer more value than generic or standard products.

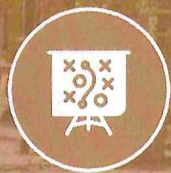
Penetration pricing has the aim of attracting customers by offering lower prices on services. While many may use this technique to draw attention away from the competition, penetration pricing often results in lost revenue and higher subsidy requirements. Over time,

however, an increased awareness of the service may drive revenues and help organizations differentiate themselves from others. After sufficiently penetrating a market, organizations should consider raising prices to better reflect their position within the market.

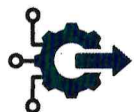
Premium pricing establishes prices higher than that of the competition. Premium pricing is often most effective in the early days of a service's life cycle, and ideal for organizations that offer unique services. Because customers need to perceive products and services as being worth a higher price tag, an organization must work hard to create a value perception.

Bundle pricing allows for the sale of multiple services for a lower rate than customers would pay if they purchased each service individually. Bundling can be an effective way of selling services that are poor performers and can also increase the value perception in the eyes of customers - essentially giving them something for a reduced rate.

Differential/Dynamic pricing follows the "law of demand" by supporting a key pricing principle: some customers are willing to pay more than others. Differential pricing is the strategy of selling the same service to different customers at different prices. Differential pricing enables organizations to "profit" from their customers' unique valuations (ex. Prime time or surge pricing).



Strategies & Recommendations



Insights into Action: a Quick Guide to Help you Make Decisions

Cost Recovery Performance

Revenues for Adult Tennis are significantly lower compared to last year.



Is it due to the popularity of pickleball?
Is this a longer-term trend beginning to impact programming?
Are pickleball programs experiencing higher participation?

Based on answers to these questions you may decide to **capitalize** on pickleball's popularity and apply market pricing to generate additional **revenue**.

Revenue to Expense Comparison

Through the Cost of Service work it is revealed that your local youth sports group currently pays \$2500/season for field use, while these fields cost in excess of \$100k/year to maintain.



Can this position the organization to spend taxpayer resources on services that can have a more far-reaching impact on community "need" and "common good"?

These results give you the necessary **data** to share the math (youth sports organization receives \$97,500+/year in subsidy dollars) that can **justify and defend** a necessary **fee increase**.

Activity to Service Category Comparison

Private swim lessons are recovering 30% of their costs, however, they are an activity in the Private/Specialized Activities Service Category which has a 125% Cost Recovery target.



Do the costs attributed to this activity seem correct? If yes, you will need to consider increasing the fee, so it more accurately reflects fair and just pricing or reduce the cost to provide the service.

Consider any programmatic changes (day/time/location) or other considerations to generate more interest in the activity to boost revenues? Are there other providers in the area that offer a similar type of activity to consider a partnership?



Strategies & Recommendations

Insights into Action, cont.

Key Prompts for Taking Action

Begin with these four questions:

1. What is your reaction to this data?
2. Is it what you expected?
3. What's the story you can tell as a result of seeing this data?
4. What actions will you take in response?

Review the top performers and bottom performers of the organization in the Cost-of-Service Results file. *What opportunities exist?*

Look for anomalies. Is anything way off? Was data missing or a lack of confidence in the data collected? Are there opportunities to further refine the expense assignment?

Identify services that incur an excessive amount of cost. Do these services “deserve” to incur a high level of expense given their placement in the continuum? What type of expense is it incurring (direct service or facility, or indirect)?

What changes can you consider to better position services not meeting cost recovery goals?

- Increase fees?
- Pursue partnership opportunities to work collaboratively with other providers and reduce costs?
- Consider other cost reduction opportunities – are there operational efficiencies that can be made?
- Maximize participation to generate additional revenue?

When considering fee increases, which pricing strategies make the most sense to employ (cost recovery, market, competitive, differential, bundling, premium, etc.)?

Are there opportunities for divestment so that you can re-direct savings towards increased investment in services that meet community “needs” or other areas that require attention?



Imagining the future on behalf of others is a *privilege.*

The Financial Sustainability Strategy project completed by Smyrna Parks & Recreation represents a significant commitment to ensuring the long-term financial health and sustainability of the department. Through careful analysis and thoughtful planning, the department has developed a comprehensive strategy that aligns with goals and furthers work towards financial sustainability.

Thank you!

We would like to extend our thanks to the Smyrna Parks & Recreation Department for partnering with 110%, Inc. on this important project. Your commitment to offering outstanding recreational opportunities for your community is commendable, and we feel honored to have played a role in supporting your mission. We look forward to continuing our partnership and assisting you in the future.

Sincerely,

Jamie, Farrell, Matt, and Alexis

CITY OF RIVERBANK

JUL 24 2024

Received By: *Melissa J. Allen*



If you have any questions or need further assistance, please feel free to reach out. We look forward to continuing our great relationship in the future.



Education,
Presentations,
& Trainings



Financial
Sustainability



Planning
Initiatives



Proposal to Prepare Financial Sustainability Study for





August 9, 2024

Mr. Michael Patton
City of Riverbank Parks and Recreation Department
6707 3rd St.
Riverbank, CA 95367

Dear Mr. Patton,

Ridgeline Municipal Strategies, LLC ("Ridgeline") is pleased to submit this proposal to prepare a Financial Feasibility Study (the "Project") for the City of Riverbank Parks and Recreation Department (the "Department").

Ridgeline is a municipal advisory and financial consulting firm assisting cities with financial planning, debt issuance, and pension cost optimization. Our team has 30+ years of combined experience in addressing financing needs of California communities. We have completed over 70 financial consulting assignments and more than 150 municipal financings that raised approximately \$1 billion in proceeds.

We believe that a comprehensive fiscal planning approach is fundamental to the financial health of a city and each department.

We look forward to working with you on the Financial Sustainability Study and future efforts to continue strengthening the Department's fiscal resiliency.

If you have any questions about our proposal, you can reach me at (916) 250-1590 and dsemenov@ridgelinemuni.com.

Sincerely,

RIDGELINE MUNICIPAL STRATEGIES, LLC

Dmitry Semenov
Principal



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RIDGELINE MUNICIPAL STRATEGIES, LLC
PROPOSAL TO PREPARE FINANCIAL SUSTAINABILITY STUDY
for the
CITY OF RIVERBANK PARKS AND RECREATION DEPARTMENT



FIRM PROFILE

Ridgeline Municipal Strategies, LLC ("Ridgeline") is a California-based independent registered municipal advisory and financial consulting firm.

We specialize in financial planning and fiscal analysis, municipal advisory and debt issuance support, pension cost optimization, and other types of quantitative analysis for California cities and special districts.

The key aspect of our approach is the integration of soft and hard skills – strategic planning and policy development are intertwined with in-depth financial analysis.

RIDGELINE ADVANTAGE

PERSONALIZED SERVICE	UNIQUE APPROACH
• Small firm with personal service • Full participation of firm's principal • Undivided attention	• Shaped by deploying capital into public sector • Focus on credit and risk mitigation
EXPERIENCE	DIVERSE PERSPECTIVE
• 30+ years of industry experience • 70+ financing studies • Track record of innovative solutions for public and private sectors	• Public sector, municipal investment, and private developer perspectives • Understanding of diverse stakeholder interests

Ridgeline was founded in February 2021 with the vision of providing personalized, innovative, and independent municipal advisory and financial consulting services to California communities. The members of our team have over 30 years of combined industry experience, completed over 70 various financial consulting assignments, and participated in preparation and sale of over 150 municipal bond issues, bank and government loans, equipment leases, and grants that raised approximately \$1 billion in financing proceeds.

Our team consists of three people, as described in the Project Team section below.

City Match

We believe that the following traits make us uniquely qualified for the Project:

- **Extensive financial planning expertise:** Developing and maintaining fiscal resiliency and sustainability requires a comprehensive, nuanced, and adaptable approach with on-going course adjustments to respond to changing economic conditions and funding sources availability. Ridgeline has a wealth of experience with financing plans for complex projects and organizations.
- **Longevity:** We seek long-term relationships with our clients. Ridgeline is owned by one principal, Dmitry Semenov, who will be the main consultant and point of contact for you, eliminating the risk of staff turnover and loss of knowledge.
- **Breadth of Financing Expertise:** We bring hands-on experience with revenue structures, grants, earmarks, municipal bonds, private placements, government loans, and leases used to finance every type of project that you may come across. This breadth of experience will allow us to help you develop the optimal funding structure for the Department.
- **Understanding of Risk and Credit:** We have an in-depth understanding of rating agency methodologies and extensive history of risk and credit analysis of municipalities. Our principal spent over a decade leading public finance divisions of commercial banks and performing due diligence on 100+ municipal issuers. We will be using this expertise to help you perform financial stress-testing of the Department's operations.

Working with Ridgeline, you have full and direct access to the firm's principal and benefit from the three decades of diverse experience that combines public agency, financial markets, and private development perspectives.

RELEVANT EXPERIENCE OVERVIEW

FISCAL ANALYSIS	CITY / PARK FINANCINGS
15 Fiscal Impact Studies 10 Infrastructure Financing Plans	42 City Financings 2 Park & Rec District Financings

Fiscal Analysis and Infrastructure Planning Experience

The fiscal analysis and infrastructure financial planning experience of Ridgeline and its principal is as follows:

No	Client	Project Description
Fiscal Impact Analysis & Park Fees		
1	Cameron Park CSD *	Park Fee Nexus Study
2	City of Lathrop *	Central Lathrop Specific Plan Fiscal Impact Study
3	City of Sacramento *	Sacramento Autoloop Fiscal Impact Analysis
4	City of Woodland *	Spring Lake Specific Plan Fiscal Feasibility Analysis
5	City of Woodland *	Woodland Gateway Retail & Auto Market and Fiscal Study
6	City of Woodland *	Woodland North Industrial Annexation Fiscal Study
7	City of Woodland *	Walmart Supercenter Proposal Review
8	County of Placer *	Home Depot Market and Fiscal Analysis
9	County of Placer *	Northstar Village Fiscal Impact Study
10	County of Placer *	Northstar Highlands Fiscal Impact Study
11	County of Placer *	Hopkins Ranch Fiscal Impact Study
12	County of Placer *	Siller Ranch Fiscal Impact Study
13	Kensington PPCSD	Fiscal Feasibility Study
14	Town of Foresthill *	Forest Ranch Fiscal Impact Analysis
15	Town of Moraga *	Rancho Laguna Fiscal Impact Analysis
Infrastructure Financing Plans		
16	City of Folsom *	Empire Ranch CFD 10 Bonds - Special Tax Calculations
17	City of Lathrop *	Central Lathrop Specific Plan Infrastructure Financing Plan
18	City of San Juan Bautista	Wastewater Compliance Project Feasibility Analysis
19	City of St. Petersburg *	New Port Container Terminal Financing Plan
20	City of West Sacramento *	Triangle Specific Plan Infrastructure Financing Plan
21	City of Woodland *	Spring Lake Specific Plan Infrastructure Financing Plan
22	City of Woodland *	Spring Lake Infrastructure Funding Cashflow
23	County of Sacramento *	East Franklin CFD Cash Flow Analysis
24	County of Sacramento *	Sunrise Douglas 2 Infrastructure Financing Plan
25	County of San Joaquin *	Vernalis Interchange Financing Plan

* Projects completed prior to Ridgeline

City and Parks Financing Experience

The city financing experience of Ridgeline and its principal is as follows:

No	Issuer Name	Financing Amount (Rounded)	Financing Type
1	City of Algona *	\$3,000,000	City Hall and Community Center LTGO
2	City of Chino *	\$34,000,000	Tax Allocation Bonds Refunding
3	City of Concord *	\$6,400,000	Energy Improvements Lease Purchase Refunding
4	City of Coos Bay *	\$3,400,000	Tax Increment Bonds
5	City of Cotati	\$7,800,000	Street Improvements Lease Purchase
6	City of Cotati	\$4,100,000	Pension Obligation Refunding Lease Purchase
7	City of Dinuba *	\$2,400,000	Wastewater Revenue Bond Refunding
8	City of Dos Palos *	\$1,300,000	Water Revenue Bonds Refunding
9	City of Estacada *	\$1,900,000	Tax Increment Bonds
10	City of Grass Valley *	\$2,400,000	Pension Obligation Refunding Lease Purchase
11	City of Hayward *	\$5,500,000	Fire Station and Community Clinic Lease Purchase
12	City of Hercules *	\$3,000,000	Assessment District Bonds Refunding
13	City of Hollister *	\$5,200,000	Tax Allocation Bonds Refunding
14	City of La Habra *	\$900,000	Parking Lot Lease Purchase
15	City of Lakewood *	\$900,000	Local Improvement District Bonds
16	City of Lathrop *	\$11,500,000	Water Revenue Bonds Refunding
17	City of Lebanon *	\$4,200,000	Tax Increment Bonds
18	City of Los Angeles *	\$15,000,000	Streetlight LED Conversion Lease Purchase
19	City of Madera *	\$9,000,000	Water Revenue Bonds Refunding
20	City of Mission Viejo *	\$15,300,000	Tax Allocation Bonds Refunding
21	City of Mission Viejo *	\$400,000	Computer Lease
22	City of Mountain View *	\$10,100,000	Wastewater Revenue Installment Sale Agreement
23	City of Norco *	\$4,600,000	Mello Roos CFD Bonds Refunding
24	City of Palmdale *	\$11,400,000	Streetlight Acquisition Assessment District
25	City of Placerville *	\$300,000	Police Vehicles Lease
26	City of Prineville *	\$2,900,000	Pension Obligation Refunding Full Faith and Credit
27	City of Reedley *	\$15,700,000	SWRCB Loan Refunding
28	City of Rio Vista *	\$1,100,000	Wastewater Revenue Bonds Refunding
29	City of Rocklin *	\$9,900,000	Mello Roos CFD Bonds Refunding
30	City of Roseburg *	\$4,800,000	Pension Obligation Refunding Full Faith and Credit
31	City of San Juan Bautista	\$18,000,000	SRF Clean Water Loan
32	City of San Juan Bautista	\$14,600,000	Interim Project Financing
33	City of San Juan Bautista	\$10,300,000	USDA Rural Utility Services Loan
34	City of San Juan Capistrano *	\$9,200,000	Owner Participation Payments Refunding
35	City of San Marcos *	\$3,600,000	Public Safety Training Center Refunding Lease Purchase
36	City of Santa Fe Springs *	\$16,200,000	Tax Allocation Bonds Refunding
37	City of Santa Fe Springs *	\$1,800,000	Water Revenue Bonds Refunding
38	City of Sparks *	\$7,300,000	Tax Increment Bonds Refunding
39	City of St. Helena *	\$200,000	Street Sweeper Lease
40	City of Torrance *	\$8,700,000	Water Revenue Installment Sale Agreement
41	City of Washougal *	\$10,200,000	Water and Wastewater Revenue Bonds Refunding
42	City of Waterford *	\$3,100,000	Water System Acquisition Installment Sale Agreement
43	Cordova Recreation and Park District *	\$2,450,000	Park Improvements Financing
44	Southgate Recreation and Park District *	\$2,650,000	Park Improvements Financing
TOTAL		\$306,700,000	

* Financings completed prior to Ridgeline

PROJECT TEAM

The following Ridgeline team members will be working with the Department on the Project:

Mr. Dmitry Semenov, Principal, will be the project lead and primary consultant on all Project tasks. He specializes in advising public agencies on fiscal, revenue, and credit strategies, debt issuance and management, infrastructure and equipment financing, and pension cost optimization. Mr. Semenov has completed over 150 municipal financings that raised approximately \$1 billion in funding proceeds. Prior to launching Ridgeline, he spent over 10 years in commercial banking, serving cities, counties, park and recreation districts, water and wastewater agencies, transportation agencies, school districts, fire districts, and other types of public agencies on the West Coast. He also worked for over 15 years in the public finance consulting and community development field, focusing on entitlements and financing for public infrastructure and services.

Mr. Semenov is a registered Municipal Advisor Professional (Series 50 license) and Municipal Advisor Principal (Series 54 license) with the SEC and MSRB and holds a Master of Business Administration degree from the University of California, Davis and a Bachelor of Science degree in Economics from the Plekhanov University of Economics.

Mr. Semenov is a frequent speaker at industry conferences and educational events, including the League of California Cities' Municipal Finance Institute, the California Municipal Finance Officers Association, the CDIAC's Essentials of Bond Issuance, the California Special Districts Association, the California Association of Sanitation Agencies, and the Fire Districts Association of California.

Mr. Jordan Bird, Associate, may provide analytical support on the Project. He specializes in fiscal analysis, as well as risk and credit assessment of public agencies. Mr. Bird has performed risk assessment and in-depth financial and fiscal analysis for dozens of local government agencies on the West Coast. Prior to joining the Ridgeline team, he spent over three years as a financial analyst at commercial banks focusing on municipal lending to water and wastewater agencies, cities, counties, fire districts, special districts, and school districts. Mr. Bird holds a Bachelor of Science degree in Economics from the California Polytechnic State University, San Luis Obispo.

Ms. Galina Rybakova, Research Associate, may provide analytical and research support on the Project. She specializes in fiscal and data analysis. Prior to joining Ridgeline, she spent a decade working as a data and corporate finance analyst with several financial institutions and manufacturing companies. Ms. Rybakova holds a Bachelor of Science degree in Economics from the State University of Technology and Computer Science, Moscow, Russia.



EXPERTISE

Public agency financial planning
Public infrastructure finance
Financial risk modeling
Water and wastewater finance
Fire department finance
Mitigation fees and utility rates
Mellos Roos CFDs
Special tax consulting
Tax increment financing
Continuing disclosure
CalPERS pension cost optimization

LICENSES

Series 54 (MA Principal)
Series 50 (MA Professional)
LEED AP

EDUCATION

University of California, Davis
MBA, Finance

Plekhanov University of Economics
BS, Economics

DMITRY SEMENOV

PRINCIPAL

Mr. Semenov advises public agencies on fiscal and credit strategies, infrastructure, facilities, and equipment financing, and pension cost optimization.

Over his career, Mr. Semenov has completed over 70 financial consulting projects and more than 150 municipal financings that raised over \$1 billion in funding proceeds.

WORK EXPERIENCE

Ridgeline Municipal Strategies, LLC (2021 - Present)

Founder and Principal

Opus Bank and Umpqua Bank (2011 - 2020)

Public agency financing

Addforce, Inc. and Signature Properties (2005 - 2010)

Planning & finance director / infrastructure project manager

Economic and Planning Systems (2002 - 2004)

Public finance consultant

SELECT FINANCIAL PLANNING EXPERIENCE

Kensington PPCSD & FPD: strategic planning, fiscal analysis, and 10-year financial projections for parks, police, fire, and waste management

City of San Juan Bautista: \$43M wastewater and \$15M water financing, park facilities grant and earmarks strategy development, infrastructure financing plans, feasibility analysis

Lake County Fire Chiefs Association: CIP development and impact fee nexus studies for five fire districts

City of Cotati: comprehensive fiscal analysis for public works CIP and CalPERS pension liabilities with annual updates

Santa Cruz METRO: comprehensive fiscal analysis and optimization strategy for CalPERS pension liabilities with annual updates

NorCal Sports City: capital improvements plan and operating budget development for a regional sports complex

Martis Valley Community Plan: economic benefit and fiscal impact analysis for community plan with 8,600 homes, 320,000 sf of commercial development, and 5-star hotel

City of Woodland: infrastructure financing plans, fee nexus studies, fiscal feasibility analysis, economic development proposal analysis, market studies, and cash flow projections

PROJECT APPROACH, METHODOLOGY, and SCOPE

Project Approach and Methodology

As the Department is embarking on the path of strategic and financial planning and modernization, it is of utmost importance to support that effort and decision-making process with a comprehensive Financial Sustainability Study (the “Financial Study”).

Ridgeline takes a practical approach to fiscal analysis, rooted in realities of prudent financial management that we take into consideration while preparing clients for issuing debt and performing credit due diligence.

Our calculations are not theoretical concepts, but rather hands-on cash flow evaluations designed to prepare public agencies for long-term fiscal resiliency and ability to meet the high expectations of lenders and municipal bond investors. We feel that this is particularly important for the Financial Study, since the Department and the City are experiencing significant growth, which is likely to require debt financing at some point.

One of the most significant financial issues facing California municipalities is the growing unfunded pension liability and the associated pension costs. Ridgeline has been helping public agencies with optimization of unfunded pension liabilities. CalPERS cost projections are something that we always incorporate into our work.

To ensure quality and efficiency of the Financial Study process, we typically follow the project approach outlined below. This approach can be modified to meet the Department needs and Project requirements.

- **Research Stage**

- Gather and review Project-related information, including but not limited to:
 - audited financial statements;
 - budgets and financial forecasts;
 - master plan and strategic plan documents, if available;
 - city council meeting packets;
 - debt documents;
 - CalPERS and OPEB actuarial valuation reports;
 - capital project and equipment program documents;
 - anticipated grant revenue information;
 - reserve policies;
 - data on property tax base and anticipated growth;
 - information on past and proposed tax measures;
 - user and impact fee program information;

- information on existing and anticipated partnerships and sponsorships; and
- any other relevant information available from the Department and the City.

An in-person kick-off meeting will be held with the Department and City team (staff, city council members (if applicable), and any necessary third parties). During the meeting we will be looking for input on the following topics:

- Strategic initiatives, major upcoming capital projects and equipment purchases, and challenges and opportunities that the Department is facing;
- Tax base and growth projections;
- Revenue sources;
- Anticipated funding initiatives (debt financing, grant funding, etc.);
- Reserve targets;
- Regulatory and contractual requirements;
- Billing and collection procedures;
- Desired fiscal analysis alternatives;
- Any other input and themes that need to be incorporated into the Financial Study.

During the meeting we will identify and document the Department's goals and priorities, explore various fiscal alternatives and identify the preferred ones, determine capital projects and associated funding mechanisms to be included in the analysis, etc.

- **Analysis Stage**

- Based on the information gathered during the Research Stage, Ridgeline will develop a fiscal model, analyze historical revenues and expenses, and develop detailed projections for each Project alternative.

The projections will be done for a 10-year period. The models will incorporate staffing assumptions, known and anticipated revenue and cost increases, as well as reserve targets. The revenue and expense categories will generally follow the pattern used in the audited financial statements and budgets to allow for easy verification of data and comparison with future actual performance. Particular attention will be given to the following indicators and issues:

- Revenue and funding sources;
- Staffing and labor costs;

- Pension and OPEB costs and cost control measures;
- Capital facilities program;
- Grant funding opportunities;
- Debt financing and borrowing capacity assessment;
- Net operating surplus / deficit, liquidity, and fund balances; and
- Department's ability to meet its existing and anticipated future debt-related financial covenants and maintain targeted reserve levels.

The model will allow the Project team to evaluate the long-term fiscal sustainability of the Department and identify key areas of focus.

The model outputs will be provided to the Project team for review and comments.

- Once the financial model is approved by the Project team, Ridgeline will prepare a detailed Fiscal Study report, documenting the research, assumptions, analysis, findings, and recommendations. The report will be provided to the Department in a draft form first to allow for review and comments.

The report will be finalized once the Department confirms that it has been prepared to its satisfaction.

Additional in-person and virtual meetings and calls will be held with the Project team throughout the work process to ensure appropriate level of communication.

- **Public Presentation Stage**

Ridgeline will prepare and deliver presentations to the Department staff and other stakeholders, as requested. Presentation materials will be provided to the Department staff for review and feedback ahead of time.

Project Scope

The following scope of work is anticipated:

- *Financial Analysis:*
 - Review and analyze current financial statements, budgets, and funding sources.
 - Evaluate historical financial performance and trends.
 - Assess the cost-effectiveness of current programs and services.

- *Revenue Generation:*
 - Work with the Project team to identify new revenue sources, including grants, partnerships, sponsorships, and user fees.
 - Recommend strategies to enhance existing revenue sources.
- *Expenditure Optimization:*
 - Analyze current expenditure patterns and work with the Project team identify areas for cost savings.
 - Recommend operational efficiencies and best practices.
- *Benchmarking and Comparisons:*
 - Work with the Project team to identify the peer group (recognizing that each department has different circumstances and priorities) and appropriate financial performance indicators.
 - Compare the Department's financial performance with similar departments, identified in the task above.
 - Identify best practices from comparable parks and recreation departments.
- *Community Engagement:*
 - Facilitate community meetings to gather input from staff, advisory groups, policy makers, and other stakeholders.
 - Incorporate feedback into the Fiscal Study recommendations.
- *Strategic Planning:*
 - Develop short-term and long-term financial sustainability plans.
 - Provide actionable recommendations and implementation strategies.
- *Program Pricing Worksheet:*
 - Work with the Project team to develop a worksheet for City staff to set fees for current and future programs.
- *Financial Sustainability Policy:*
 - Work with the Project team to design a financial sustainability policy that positions the Department to address short- and long-term financial interests.
 - Review current policies and propose revisions to make them more relevant to the Department in light of the work completed under the tasks above.

Anticipated Timeline

The Ridgeline team is available to start the Research Stage of the Project in the second half of September 2024, with the kick-off meeting held in October 2024. The exact timing of Project milestones and deliverables will be determined once the scope is better defined and on availability of information.

Assuming timely data availability and responsiveness the Project team, we expect to substantially complete the fiscal model within 4-5 weeks of the kick-off meeting.

The goal will be to complete the Project by January or February of 2025.

Budget and Compensation

Each of the above tasks will be carefully reviewed with the Project team to ensure that the work effort and final work products meet the needs of the Department.

The budget for each task will be determined once the scope is clearly defined to meet the needs and expectations of the Department. Ridgeline will be compensated on a time and materials basis, up to a not-to-exceed budget. Invoices will be submitted to the Department monthly, payable within 30 days.

Our hourly rates for the 2024 calendar year are as follows:

Title	Rate
Principal	\$315
Associate	\$200
Research Associate	\$105

The rates are updated annually to reflect inflation impacts.

REFERENCES

We encourage you to contact our references listed below:

1. *Kensington Police Protection and Community Services District* – Strategic planning and fiscal study for a special district that provides park and recreation, police protection, waste management, and administrative services.

Refence Contact Info:

Mr. David Aranda, General Manager

(661) 300-1231

daranda@kppcsd.org



2. *City of San Juan Bautista* – Financing strategy, fiscal and feasibility analysis, grants and earmarks, and financing for water and wastewater compliance projects (full system rebuild) and parks.

Refence Contact Info:

Mr. Don Reynolds, City Manager

(831) 594-6322

citymanager@san-juan-bautista.ca.us



3. *City of Cotati* – CIP financing plan, street improvements financing, and pension cost optimization strategy.

Refence Contact Info:

Ms. Angela Courter, Director of Administrative Services

(707) 665-4236

acourter@cotaticity.org



WORK SAMPLES

We are providing the following samples of our work products:

1. Kensington Police Protection and Community Services District:

- a. *Fiscal Analysis Memorandum* illustrates our approach to fiscal analysis and addresses certain specific topics that the District wanted us to focus on.
- b. *Strategic Planning Presentation* summarizes the strategic planning efforts that we facilitated for the District.

2. City of Cotati:

- a. *Annual Pension Liability Assessment Memorandum*, which is a part of the policy implementation effort that we have helped the City to set up.

3. Lake County Fire Protection District:

- a. *Fire Mitigation Fee Nexus Study* illustrates our approach to capital facilities planning and revenue development.

APPENDIX A: DISCLOSURE OF CONFLICTS OF INTEREST AND OTHER INFORMATION for RIDGELINE MUNICIPAL STRATEGIES, LLC

I. Introduction

Ridgeline Municipal Strategies, LLC (hereinafter, referred to as “Ridgeline”) is a registered municipal advisor with the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2.

The MSRB is the primary rulemaking body for the municipal securities industry in general and municipal advisors in particular. Their website can be accessed at www.msrb.org. The website includes, among other things, the municipal advisory client brochure, which describes protections that are provided by the MSRB’s rules and the process for filing complaints with appropriate regulatory authorities. The municipal advisory client brochure can be accessed at:

<http://www.msrb.org/~media/Files/Resources/MSRB-MA-Clients-Brochure.ashx?la=en>.

In accordance with MSRB rules, this disclosure statement is provided by us to each client prior to the execution of our advisory agreement with written disclosures of all material conflicts of interests and legal or disciplinary events that are required to be disclosed with respect to providing financial advisory services pursuant to MSRB Rule G-42(b) and (c)(ii). Ridgeline employs a number of resources to identify and subsequently manage actual or potential conflicts of interest in addition to disclosing actual and potential conflicts of interest provided herein.

Fiduciary Duty

Ridgeline has a fiduciary duty to the Client and must provide both a Duty of Care and a Duty of Loyalty that includes the following.

Duty of Care:

- Exercise due care in performing its municipal advisory activities;
- Possess the degree of knowledge and expertise needed to provide the Client with informed advice;
- Make a reasonable inquiry as to the facts that are relevant to the Client’s determination as to whether to proceed with a course of action or that form the basis for any advice provided to the Client; and,
- Undertake a reasonable investigation to determine that we are not providing any recommendations on materially inaccurate or incomplete information.
- We must have a reasonable basis for:
 - Any advice provided to or on behalf of the Client;
 - Any representations made in a certificate that we sign that will be reasonably foreseeably relied upon by the Client, any other party involved in the municipal securities transaction or municipal financial product, or investors in the Client’s securities; and,
 - Any information provided to the Client or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

Duty of Loyalty:

We must deal honestly and with the utmost good faith with the Client and act in the Client's best interests without regard to the financial or other interests of Ridgeline. We will eliminate or provide full and fair disclosure (included herein) to the Client about each material conflict of interest (as applicable). We will not engage in municipal advisory activities with the Client, as a municipal entity, if we cannot manage or mitigate our conflicts in a manner that permits us to act in the Client's best interest.

How We Identify and Manage Conflicts of Interest

Code of Ethics. Ridgeline requires all of its employees to conduct all aspects of our business with the highest standards of integrity, honesty and fair dealing. All employees are required to avoid even the appearance of misconduct or impropriety and avoid actual or apparent conflicts of interest between personal and professional relationships that would or could interfere with an employee's independent exercise of judgment in performing the obligations and responsibilities owed to a municipal advisor and our clients.

Policies and Procedures. Ridgeline has adopted policies and procedures that include specific rules and standards for conduct. Some of these policies and procedures provide guidance and reporting requirements about matters that allow us to monitor behavior that might give rise to a conflict of interest. These include policies concerning the making of gifts and charitable contributions, entertaining clients, and engaging in outside activities, all of which may involve relationships with clients and others that are important to our analysis of potential conflicts of interest.

Supervisory Structure. Ridgeline has both a compliance and supervisory structure in place that enables us to identify and monitor employees' activities, both on a transaction and firm-wide basis, to ensure compliance with appropriate standards. Prior to undertaking any engagement with a new client or an additional engagement with an existing client, appropriate municipal advisory personnel will review the possible intersection of the client's interests, the proposed engagement, our engagement personnel, experience and existing obligations to other clients and related parties. This review, together with employing the resources described above, allows us to evaluate any situations that may be an actual or potential conflict of interest.

Disclosures. Ridgeline will disclose to clients those situations that it believes would create a material conflict of interest, such as:

- 1) any advice, service or product that any affiliate may provide to a client that is directly related to the municipal advisory work of Ridgeline;
- 2) any payment made to obtain or retain a municipal advisory engagement with a client;
- 3) any fee-splitting arrangement with any provider of an investment or services to a client;
- 4) any conflict that may arise from the type of compensation arrangement we may have with a client; and
- 5) any other actual or potential situation that Ridgeline is or becomes aware of that might constitute a material conflict of interest that could reasonably be expected to impair our ability to provide advice to or on behalf of clients consistent with regulatory requirements.

If Ridgeline identifies such situations or circumstances, we will prepare meaningful disclosure describing the implications of the situation and how we intend to manage the situation. Ridgeline will also disclose any legal or disciplinary events that are material to a client's evaluation or the integrity of our management or advisory personnel. Ridgeline will provide this disclosure (or a means to access this information) in

writing prior to starting our proposed engagement, and will provide such additional information or clarification as the client may request. Ridgeline will also advise clients in writing of any subsequent material conflict of interest that may arise, as well as the related implications, its plan to manage that situation, and any additional information such client may require.

II. General Conflict of Interest Disclosures

Disclosure of Conflicts Concerning the Firm's Affiliates

Ridgeline does not have any affiliates that provide any advice, service, or product to or on behalf of the Client that is directly or indirectly related to the municipal advisory activities to be performed by Ridgeline.

Disclosure of Conflicts Related to the Firm's Compensation

Ridgeline has not made any payments directly or indirectly to obtain or retain the Client's municipal advisory business.

Ridgeline has not received any payments from third parties to enlist Ridgeline's recommendation to the Client of its services, any municipal securities transaction or any municipal finance product.

Ridgeline has not engaged in any fee-splitting arrangements involving Ridgeline and any provider of investments or services to the Client.

From time to time, Ridgeline may be compensated by a municipal advisory fee that is or will be set forth in an agreement with the client to be, or that has been, negotiated and entered into in connection with a municipal advisory service. Payment of such fee may be contingent on the closing of the transaction and the amount of the fee may be based, in whole or in part, on a percentage of the principal or par amount of municipal securities or municipal financial product. While this form of compensation is customary in the municipal securities market, it may be deemed to present a conflict of interest since we may appear to have an incentive to recommend to the client a transaction that is larger in size than is necessary. Further, Ridgeline may also receive compensation in the form of a fixed fee arrangement. While this form of compensation is customary, it may also present a potential conflict of interest if the transaction ultimately requires less work than contemplated and we are perceived as recommending a more economically friendly pay arrangement. Finally, Ridgeline may contract with clients on an hourly fee basis. If Ridgeline and the client do not agree on a maximum amount of hours at the outset of the engagement, this arrangement may pose a conflict of interest as we would not have a financial incentive to recommend an alternative that would result in fewer hours. Ridgeline manages and mitigates all of these types of conflicts by disclosing the fee structure to the client, and by requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, after reasonable inquiry, including the client's needs, objectives, and financial circumstances.

Disclosure Concerning Provision of Services to State and Local Government, and Non-Profit Clients

Ridgeline regularly provides financial advisory services to state and local governments, their agencies, and instrumentalities, and non-profit clients. While our clients have expressed that this experience in providing services to a wide variety of clients generally provides great benefit for all of our clients, there may be or may have been clients with interests that are different from (and adverse to) other clients. If for some reason any client sees our engagement with any other particular client as a conflict, we will mitigate this conflict by engaging in a broad range of conduct, if and as applicable. Such conduct may include one or any combination of the following: 1) disclosing the conflict to the client; 2) requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, including the client's needs, objectives and financial circumstances; 3)

implementing procedures that establishes a “firewall” that creates physical, technological and procedural barriers and/or separations to ensure that non-public information is isolated to particular area such that certain governmental transaction team members and supporting functions operate separately during the course of work performed; and 4) in the rare event that a conflict cannot be resolved, we will withdraw from the engagement.

Disclosure Related to Legal and Disciplinary Events

As registered municipal advisors with the SEC and the MSRB, pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2, our legal, disciplinary and judicial events are required to be disclosed on our forms MA and MA-I filed with the SEC, in ‘Item 9 Disclosure Information’ of form MA, ‘Item 6 Disclosure Information’ of form MA-I, and if applicable, the corresponding disclosure reporting page(s). To review the foregoing disclosure items and material change(s) or amendment(s), if any, clients may electronically access Ridgeline filed forms MA and MA-I on the SEC’s Electronic Data Gathering, Analysis, and Retrieval system, listed by date of filing starting with the most recently filed at www.sec.gov/edgar/searchedgar/companysearch.html.

Ridgeline does not have any legal or disciplinary events or disciplinary history on its Form MA and Form(s) MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgements, liens, civil judicial actions, customer complaints, arbitrations, and civil litigation. There have been no material changes to a legal or disciplinary event disclosure on any form MA or Form MA-I filed with the SEC.

Disclosure Related to Recommendations

If Ridgeline makes a recommendation of a municipal securities transaction or municipal financial product or if the review of a recommendation of another party is requested in writing by the Client and is within the scope of the engagement, Ridgeline will determine, based on the information obtained through reasonable diligence of Ridgeline whether a municipal securities transaction or municipal financial product is suitable for the Client. In addition, Ridgeline will inform the Client of:

- the evaluation of the material risks, potential benefits, structure, and other characteristics of the recommendation;
- the basis upon which Ridgeline reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for the Client; and,
- whether Ridgeline has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the Client’s objectives.

If the Client elects a course of action that is independent of or contrary to the advice provided by Ridgeline, Ridgeline is not required on that basis to disengage from providing services to the Client.

Disclosure Related to Record Retention

Pursuant to the SEC record retention regulations, Ridgeline is required to maintain in writing, all communications and created documents between Ridgeline and the Client for five (5) years.

III. Specific Conflicts of Interest Disclosures – Client

To our knowledge, following reasonable inquiry, as of the commencement of the Project, we are not aware of any actual or potential conflict of interest that could reasonably be anticipated to impair our ability to provide advice to or on behalf of the Client in accordance with applicable standards of conduct of MSRB Rule G-42. If we become aware of any potential conflict of interest that arises after this disclosure, we will disclose the detailed information in writing to the Client in a timely manner.

Ridgeline does not act as principal in any of the transactions related to its role / work on the Project.

Ridgeline does not have any other engagements or relationships that might impair Ridgeline's ability to either render unbiased and competent advice to or on behalf of the Client, or to fulfill our fiduciary duty to the Client, as applicable.



MEMORANDUM

To: Mr. David Aranda, *Kensington Police Protection and Community Services District*

From: Dmitry Semenov, *Ridgeline Municipal Strategies, LLC*

Date: August 2, 2024

Re: **KPPCSD Fiscal Analysis; Ridgeline #23022**

Kensington Police Protection and Community Services District ("KPPCSD" or "District") and Kensington Fire Protection District ("KFPD") (jointly "Districts") retained Ridgeline Municipal Strategies, LLC ("Ridgeline") to prepare fiscal analysis to assist the Districts in determining the viability of consolidating the Districts.

The first part of the project is to develop a fiscal analysis and a 10-year forecast for each of the Districts on a stand-alone basis. This memorandum documents fiscal analysis for the KPPCSD.

FISCAL ANALYSIS SUMMARY

The main conclusion of this fiscal analysis is that the District demonstrates an ability to operate near break-even over the next decade while continuing to provide the same level of services and facilities.

However, this does not leave any available funds to support major upgrades to District facilities, expansion of services, or funding for a permanent District building. To be able to undertake any of these initiatives, the District will need to find ways to increase its revenues, reduce its expenses, or both.

The projections developed as part of this analysis are highly dependent on many assumptions, including the rate of inflation, assessed values within the District, staffing levels, CalPERS actions and investment returns, and many operating and financial decisions made by the District on a daily basis. The reality is likely to differ from the forecast, and it will depend on the District's

management and Board of Directors to navigate the situations they encounter and continue to preserve the fiscal health of the District while prudently managing taxpayer funds.

DISTRICT DESCRIPTION

The Kensington Police Protection and Community Services District is a California special district providing police protection, parks and recreation, and solid waste services to the residents of Kensington. The District was formed in 1946 and is governed by a board of five members elected by the community to serve staggered four-year terms.

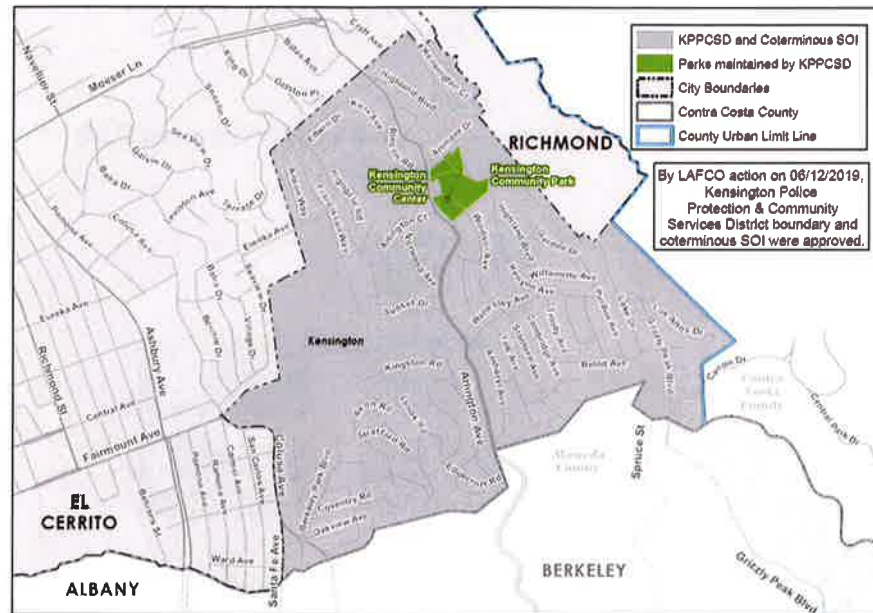
The KPPCSD is organized into four departments:

- ***The Administration Department*** provides the oversight and management of the District's administrative matters. It handles all financial and accounting functions, advises on the delivery of services, performs organizational management, and coordinates major projects and policy implementation.
- ***The Police Department*** was established in the mid-1940s. It provides a full range of police protection and law enforcement services. With a staff of sworn officers, its functions include crime prevention, traffic control, neighborhood patrol, responding to emergency calls, issuing traffic and parking citations, enforcing warrants, mediating disputes, investigating crimes and traffic accidents, providing first aid, arresting violators, testifying in court, enforcing court orders, etc.
- ***The Parks and Recreation Department*** maintains the Community Center, Kensington Park and surrounding amenities, including the tot lot, swings, picnic areas, basketball court, and tennis courts. The District has a long-term partnership with the Kensington Community Council ("KCC"), a local not-for-profit organization, to offer recreation programs for children and adults at the Community Center.
- ***The Solid Waste Department*** coordinates solid waste collection and recycling services within Kensington. In 1979, Kensington residents voted to add solid waste services to the District's responsibilities. The District outsources the actual collection and recycling services to a third party, currently Bay View Refuse and Recycling, which handles garbage, food, and green waste pick-ups.

SERVICE AREA

The KPPCSD covers approximately 1 square mile, with 2,188 parcels and estimated 2023 population of 5,428 people. The District boundary represents the service area analyzed in this Fiscal Study and encompasses the entire Kensington community, as shown on **Figure 1**.

Figure 1
Kensington Police Protection and Community Services District
Service Area Map



ORGANIZATION CHART

The District has 15 paid positions:

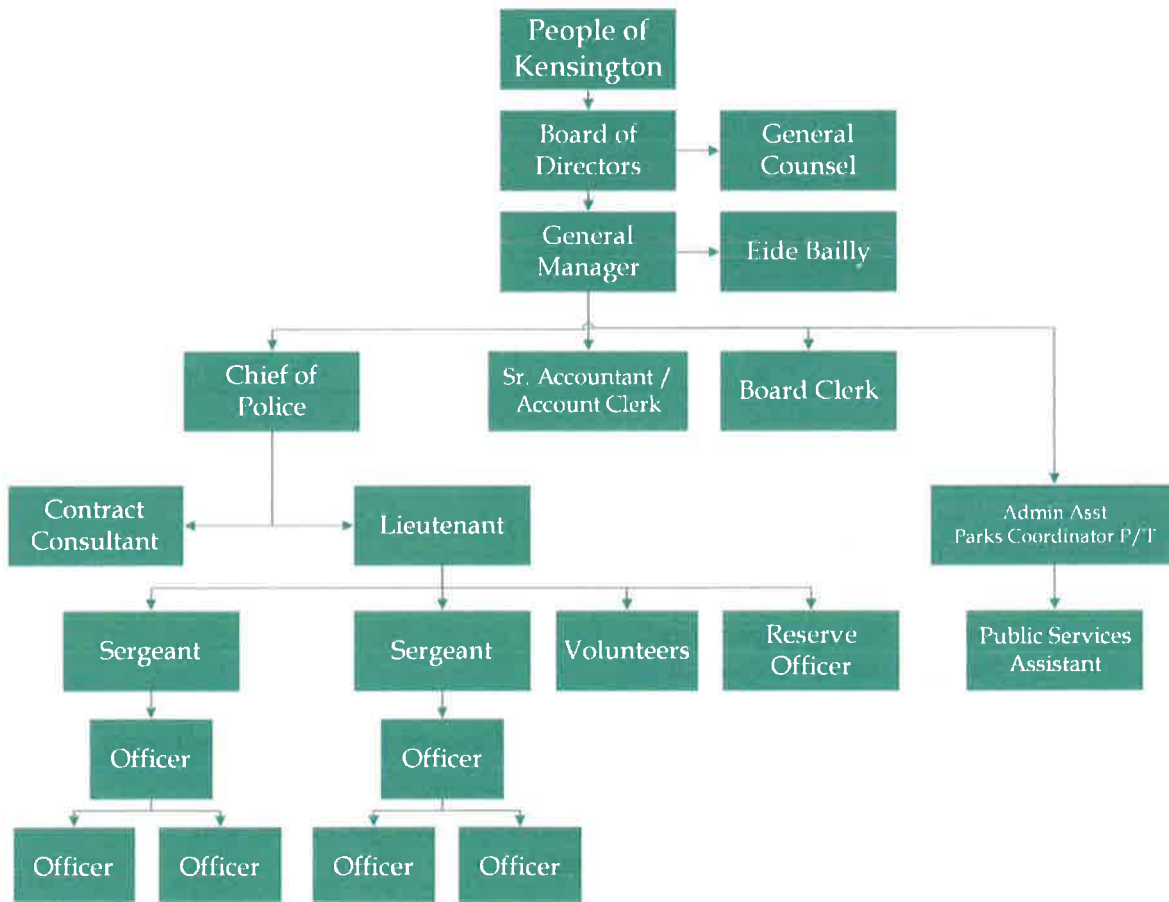
- 3.5 positions within the Administration department:
 - General Manager (part time);
 - Senior Accountant (part time);
 - Clerk of the Board (part time); and
 - Administrative Assistant – shared with Parks and Recreation (part time).
- 1.5 positions within the Parks and Recreation department:
 - Parks Coordinator – shared with Administration (part time); and
 - Public Services Assistant (part time).
- 10 positions within the Police Department (all full time):
 - Chief of Police;
 - Lieutenant;
 - Sergeants (2); and
 - Officers (6).

In addition to the paid positions, the District utilizes a contract consultant, a reserve officer, and volunteers within the Police Department.

For the purposes of this fiscal analysis, we assumed that the District is fully staffed at all times. The detailed staffing financial model and financial forecast are included in **Table A-1** of **Appendix A**.

The District's organization chart is shown in **Figure 2** below.

Figure 2
Kensington Police Protection and Community Services District
Organization Chart



BALANCE SHEET OVERVIEW

The balance sheet of the KPPCSD for the prior three fiscal years (2021-2023) is summarized in Table 1 below.

Table 1
Kensington Police Protection and Community Services District
Balance Sheet Summary

Description	FYE 2021 Audit	FYE 2022 Audit	FYE 2023 Audit
ASSETS			
Cash and Cash Equivalents	\$2,059,807	\$2,661,049	\$2,605,834
Receivables	\$89,084	\$180,123	\$136,356
Prepaid Items	\$144,526	\$169,148	\$28,431
Net OPEB Asset	\$0	\$24,244	\$138,185
Net Pension Asset	\$16,983	\$2,327,970	\$0
Capital Assets	\$5,626,907	\$5,516,690	\$5,422,843
Total Assets	\$7,937,307	\$10,879,224	\$8,331,649
Deferred Outflows of Resources			
OPEB-Related	\$420,721	\$244,246	\$694,408
Pension-Related	\$3,160,415	\$4,161,200	\$3,157,152
Total Deferred Outflows	\$3,581,136	\$4,405,446	\$3,851,560
TOTAL ASSETS & DEFERRED OUTFLOWS	\$11,518,443	\$15,284,670	\$12,183,209
LIABILITIES			
Accounts Payable	\$61,969	\$186,577	\$256,290
Compensated Absences	\$95,793	\$58,202	\$91,962
Debt Obligations	\$4,752,347	\$4,562,644	\$4,394,475
OPEB	\$579,377	\$0	\$0
Net Pension Liability	\$0	\$0	\$738,199
Total Liabilities	\$5,489,486	\$4,807,423	\$5,480,926
Deferred Inflows of Resources			
OPEB-Related	\$507,406	\$483,478	\$340,223
Pension-Related	\$2,944,479	\$2,848,908	\$1,861,343
Total Deferred Inflows	\$3,451,885	\$3,332,386	\$2,201,566
TOTAL LIABILITIES & DEFERRED INFLOWS	\$8,941,371	\$8,139,809	\$7,682,492
NET POSITION	\$2,577,072	\$7,144,861	\$4,500,717

Source: KPPCSD

The key assets and liabilities of the District are discussed below.

CASH AND CASH EQUIVALENTS

Over the past three fiscal years, the KPPCSD's cash position has remained stable, ranging from \$2.1 million to \$2.6 million. The funds are held at banks, the County Treasury, and the Local Agency Investment Fund.

CAPITAL ASSETS

The KPPCSD's capital assets are primarily centered around land, buildings, and fleet of police vehicles, as described below.

Land and Buildings

The District owns several parcels of land totaling approximately 9 acres, as shown in **Table 2**.

Table 2
Kensington Police Protection and Community Services District
Capital Assets - Land

Description / Address	APN	Uses	Area (ac)
Community Center Parcel 59 Arlington Ave, Kensington, CA	572-040-017-4	Community Center, Park Parking Lot	1.196
Kensington Park Kensington Park Road, Kensington, CA	572-040-016-6	Recreational Bldg, Annex, Outdoor Park Facilities	5.906
Elsie Neilson Park Corner of Arlington Ave, Coventry Rd, and Ardmere Rd.	n/a	Small In-Fill Park	0.048
Vacant Parcel South of 61 Arlington Ave, Kensington, CA	572-040-011-7	Vacant Land Park Facilities	1.977

Source: KPPCSD

The Community Center Parcel has the Community Center building, a park / play area, and a parking lot.

The Kensington Park Parcel has landscaped and natural open space, the Recreational Building, the Annex, tennis and basketball courts, and a parking lot.

The Elsie Neilson Park is a small in-fill park with a green space, places to relax, a pathway and a bus stop near the access point to the Ardmere Path.

The Vacant Parcel is currently primarily vacant with some open space park facilities. This is the site for the potential future District building.

The District owns three buildings totaling approximately 8,800 sq. ft., as shown in **Table 3**. Additionally, the District rents its current headquarters location.

Table 3
Kensington Police Protection and Community Services District
Capital Assets - Structures

Description	Year Built	Building Sq. Ft.
Community Center	1956	4,430
The Annex	1945-55	1,772
Recreational Building	1933-45	2,605
Total		8,807

Source: KPPCSD

The District Headquarters (not included in table above) – the District’s headquarters are currently located in a rented modular building, which houses the administration and police departments. The building is located at 10940 San Pablo Avenue, El Cerrito, CA. One of the District’s key priorities is to develop a permanent headquarters location in Kensington. Various alternatives for the permanent location are discussed later in this report.

The Community Center Building – The Community Center is a one-story structure built in 1956 and expanded in 1988. The building’s size is 4,430 sq. ft. The building contains a main assembly room, three small meeting / activity rooms, a kitchen, bathrooms, and storage rooms. The Community Center is extensively used for community activities, as well as for the KPPCSD and KPFD board meetings. The building recently underwent significant renovations.

The Annex - The Annex is a one-story structure built in the late 1940s or early 1950s. The building’s size is 1,772 sq. ft. The building consists of two classrooms, an office, and a reception area. It requires major renovations and has been vacant since 2006.

The Recreational Building – The Recreational building (also referred to as Building E) is a one-story structure built between 1933 and 1945. It was essentially rebuilt in 1999-2000. The building’s size is 2,605 sq. ft. The building contains three classrooms and an office. The building is leased to the Kensington Community Council (“KCC”), a non-profit organization that publishes Kensington Outlook and runs the Kensington After School Enrichment Program, a summer camp, and classes for children and adults. The building needs structural reinforcement and other major repairs.

To help fund the Recreational Building improvements, the KCC has committed to contributing \$30,000 per year to the District for four years, starting in 2024. The District anticipates that the total cost of the improvements will significantly exceed the KCC contributions and plans to fund the remaining costs through a FEMA grant.

Police Vehicle Fleet

The District currently owns eight police vehicles and is planning to add another vehicle in 2026, as shown in **Table 4**.

Table 4
Kensington Police Protection and Community Services District
Fleet Inventory and Replacement Schedule

No.	Description	Year Acquired	Asset Life	Replacement Year	2024 Mileage	Status	Annual Pmt	Monthly Pmt	Last Pmt	Replacement Cost
1401	Patrol Vehicle [1]	2014	12	2026	81,000	Owned	\$0	\$0	n/a	\$0
1501	Patrol Vehicle	2014	12	2027	67,000	Owned	\$0	\$0	n/a	\$75,000
2101	Patrol Vehicle [2]	2021	10	2029	70,000	Leased	\$13,238	\$1,103	Nov-25	\$75,000
2102	Patrol Vehicle [2]	2021	10	2030	38,000	Leased	\$13,238	\$1,103	Nov-25	\$75,000
2103	Patrol Vehicle [2]	2021	10	2031	41,500	Leased	\$13,238	\$1,103	Nov-25	\$75,000
2201	Patrol Vehicle	2022	10	2032	28,750	Leased	\$15,600	\$1,300	Nov-27	\$75,000
2301	Patrol Vehicle	2023	10	2033	1,500	Owned	\$0	\$0	n/a	\$75,000
2302	Patrol Vehicle	2023	10	2034	5,000	Leased	\$10,858	\$905	Nov-28	\$75,000
2601	Patrol Vehicle	2026	10	2036	n/a	Leased [3]	\$18,249	\$1,521		\$75,000
Total							\$84,421			\$600,000

Sources: KPPCSD and Ridgeline

[1] Vehicle 1401 will be converted to volunteer car in 2026 with purchase of Vehicle 2601.

[2] Vehicles purchased in 2021 will be replaced on a staggered schedule in 2029, 2030, and 2031 for cash flow smoothing.

[3] Lease payment calculation assumes 8% annual interest rate and 60-month lease term.

Most of the recently acquired vehicles are financed through municipal leases, which allow the District to retain the ownership of the vehicle once the lease is paid off without buyout requirements.

DEBT OBLIGATIONS

The debt obligations of the KPPCSD are summarized in **Table 5**.

Table 5
Kensington Police Protection and Community Services District
Outstanding Debt Summary

Credit Obligation	Creditor	Origination Year	Original Amount	Interest Rate	Annual Debt Service	Pmt Frequency	06/30/2024 Balance	Maturity Date
Police Fund								
Pension Obligation Bond [1]	Capital One	2020	\$4,544,000	3.85%	\$331,500	[2]	\$3,902,000	1/1/2040
2020 Police Vehicle Lease	US Bancorp	2020	\$190,000	1.75%	\$39,714	Monthly	\$55,530	12/1/2025
2022 Police Vehicle Lease	US Bancorp	2022	\$68,061	5.50%	\$15,601	Monthly	\$48,492	11/18/2027
2023 Police Vehicle Lease	Ford Credit	2023	\$44,830	8.09%	\$10,858	Monthly	\$39,577	10/7/2028
<i>Subtotal: Police Fund</i>			\$4,846,891		\$397,673		\$4,045,600	
Parks and Recreation Fund								
Community Center Loan [1]	Westamerica	2019	\$250,000	3.80%	\$30,517	Annual	\$191,788	6/12/2029
Total			\$5,096,891		\$428,190		\$4,237,388	

Source: KPPCSD

[1] General Fund revenues are pledged for the repayment of the debt.

[2] Semi-annual interest and annual principal payments.

Pension Obligation Bond

In 2020, the KPPCSD issued a \$4,544,000 pension obligation bond (the “POB”), privately placed with Capital One Public Funding, to refund a portion of the District’s then outstanding Unfunded Accrued Liability (“UAL”) with the California Public Employees’ Retirement System (“CalPERS”).

The POB has a 20-year term, with semi-annual interest and annual principal payments, and a fixed interest rate of 3.85%. The annual debt service on the POB is approximately \$331,500. All available resources of the District, including General Fund revenues, are pledged for the repayment of the POB.

As of 06/30/2024, the POB had an outstanding principal balance of \$3,902,000.

The POB documents are silent on the actions and process for informing the lender about a reorganization of the District. A reorganization of the District, except as part of a bankruptcy process, does not constitute an event of default.

If the District decides to consolidate with the KFPD, it will need to notify the lender and amend the POB documents.

Community Center Loan

In 2019, the KPPCSD entered into a \$250,000 Installment Sale Agreement (“Loan”) with Municipal Finance Corporation, privately placed with Westamerica Bank, to finance improvements to the Community Center.

The Loan has a 10-year term, with annual interest and principal payments, and a fixed interest rate of 3.80%. The annual debt service on the Loan is \$30,517. All non-restricted revenues of the

District and all amounts on deposit in the General Fund are pledged for the repayment of the Loan.

As of 06/30/2024, the Loan had an outstanding principal balance of \$191,787.

The Loan documents are silent on the actions and process for informing the lender about a reorganization of the District. A reorganization of the District, except as part of a bankruptcy process, does not constitute an event of default.

If the District decides to consolidate with the KFPD, it will need to notify the lender and amend the Loan documents.

Police Vehicle Leases

The KPPCSD has three outstanding police vehicle leases.

- In November 2020, the KPPCSD entered into a \$190,000 Lease Purchase Agreement with U.S. Bancorp ("2020 Lease") to finance the acquisition of three police vehicles and related equipment. The lease term is five years, with monthly principal and interest payments and an interest rate of 1.75%. The final payment on the 2020 Lease is due in December 2025.

As of 06/30/2024, the 2020 Lease had an outstanding principal balance of \$55,530.

The 2020 Lease documents require the District to provide a 30-day notice to the lessor if its legal name changes, but are otherwise silent on the actions and process for informing the lender about a reorganization of the District. A reorganization of the District, except as part of a bankruptcy process, does not constitute an event of default.

If the District decides to consolidate with the KFPD, it will need to notify the lessor and amend the lease documents.

- In December 2022, the KPPCSD entered into a \$68,061 Lease Purchase Agreement with U.S. Bancorp ("2022 Lease") to finance the acquisition of a police vehicle and related equipment. The lease term is five years, with monthly principal and interest payments and an interest rate of 5.50%. The final payment on the 2022 Lease is due in November 2027.

As of 06/30/2024, the 2022 Lease had an outstanding principal balance of \$48,492.

The 2020 Lease documents require the District to provide a 30-day notice to the lessor if its legal name changes, but are otherwise silent on the actions and process for informing the lender about a reorganization of the District. A reorganization of the District, except as part of a bankruptcy process, does not constitute an event of default.

If the District decides to consolidate with the KFPD, it will need to notify the lessor and amend the lease documents.

- In November 2023, the KPPCSD entered into a \$44,830 Lease Purchase Agreement with Ford Motor Credit Company ("2023 Lease") to finance the acquisition of a police vehicle and related equipment. The lease term is five years, with monthly principal and interest payments and an interest rate of 8.09%. The final payment on the 2023 Lease is due in October 2028. At the end of the lease term, the District has the option to buy out the vehicle for \$1.00, which it intends to utilize.

As of 06/30/2024, the 2023 Lease had an outstanding principal balance of \$39,577.

The 2023 Lease documents are silent on the actions and process for informing the lessor about a reorganization of the District. A reorganization of the District, except as part of a bankruptcy process, does not constitute an event of default.

If the District decides to consolidate with the KFPD, it will need to notify the lessor and amend the lease documents.

PENSION LIABILITY

The KPPCSD offers pension benefits to eligible police employees through CalPERS.

The District has two pension plans:

- Classic Safety Plan
- PEPRA Safety Plan

Table 6 summarizes the Accrued Liability, the Market Value of Assets, the UAL, and the funded status of the two plans as of 06/30/2022 (the most recent information available from CalPERS at the time of this report). The table also shows the estimated additional UAL expected to be added due to CalPERS' investment performance for FYE 2023.

Table 6
Kensington Police Protection and Community Services District
CalPERS Pension Plans Summary

Pension Plan	Accrued Liability	Market Value of Assets	Unfunded Accrued Liability	% Funded
2022 Safety Classic	\$16,779,407	\$15,413,422	\$1,365,985	91.9%
2022 Safety PEPRA	\$288,990	\$261,746	\$27,244	90.6%
2023 Safety Classic UAL	\$0	\$0	\$154,134	
2023 Safety PEPRA UAL	\$0	\$0	\$2,617	
Total	\$17,068,397	\$15,675,168	\$1,549,981	

Sources: CalPERS and Ridgeline

As of 06/30/2022, both plans were more than 90% funded. As of 06/30/2023, the total UAL of the District is estimated at approximately \$1.55 million.

The UAL currently bears interest at 6.8% per year and is amortized through FYE 2045, as shown in **Table 7**.

Table 7
Kensington Police Protection and Community Services District
CalPERS UAL Amortization Schedule

FYE	2022 UAL Classic [1]	2023 UAL Classic [2]	2022 UAL PEPRA [1]	2023 UAL PEPRA [2]	Total Pmt
2025	\$52,715	\$0	\$1,268	\$0	\$53,983
2026	\$79,805	\$3,779	\$2,094	\$64	\$85,742
2027	\$106,894	\$7,558	\$2,921	\$128	\$117,501
2028	\$133,984	\$11,337	\$3,748	\$193	\$149,261
2029	\$161,073	\$15,116	\$4,574	\$257	\$181,020
2030	\$161,074	\$18,895	\$4,573	\$321	\$184,863
2031	\$161,073	\$18,895	\$4,574	\$321	\$184,863
2032	\$161,073	\$18,895	\$4,574	\$321	\$184,863
2033	\$161,074	\$18,895	\$4,574	\$321	\$184,864
2034	\$161,073	\$18,895	\$4,573	\$321	\$184,862
2035	\$161,074	\$18,895	\$4,574	\$321	\$184,864
2036	\$161,073	\$18,895	\$4,573	\$321	\$184,862
2037	\$161,075	\$18,895	\$4,574	\$321	\$184,865
2038	\$161,074	\$18,895	\$4,573	\$321	\$184,863
2039	\$161,074	\$18,895	\$4,575	\$321	\$184,865
2040	\$161,075	\$18,895	\$4,575	\$321	\$184,866
2041	\$161,073	\$18,895	\$4,573	\$321	\$184,862
2042	\$161,074	\$18,895	\$4,575	\$321	\$184,865
2043	\$161,075	\$18,895	\$4,574	\$321	\$184,865
2044	\$161,073	\$18,895	\$4,573	\$321	\$184,862
2045	\$0	\$18,895	\$0	\$321	\$19,216
Total	\$2,950,578	\$340,107	\$83,212	\$5,776	\$3,379,673

[1] 2022 UAL amortization schedule is provided by CalPERS.

[2] 2023 UAL amortization schedule is estimated by Ridgeline based on CalPERS 2023 investment performance estimate of 5.8%. It does not include any other amortization bases that can be added by CalPERS.

While additional future UAL increases are likely, CalPERS has been implementing measures to reduce them, including increasing the Normal Cost contribution rates and decreasing the discount rate.

This Fiscal Study does not make any projections about future UAL increases.

Table 8 shows the KPPCSD's Normal Cost contribution rate history for the past nine years. This Fiscal Study assumes a small annual increase to these contribution rates.

Table 8
Kensington Police Protection and Community Services District
CalPERS Normal Cost Contribution Rates

	Safety Classic	Safety PEPR
2017	19.54%	0.00%
2018	19.72%	0.00%
2019	20.56%	12.14%
2020	21.93%	13.03%
2021	23.67%	13.04%
2022	23.71%	13.13%
2023	23.75%	12.78%
2024	27.11%	13.54%
2025	27.32%	13.76%

Source: CalPERS

OPEB LIABILITY AND TRUST

The KPPCSD offers lifetime retiree medical coverage to eligible police employees who retire at age 50, as well as to their dependents. The District previously covered the cost of post-employment dental and vision premiums for retirees, but this benefit has been discontinued. These benefits are commonly referred to as Other Post-Employment Benefits ("OPEB").

As of 06/30/2023, the District's total OPEB liability was estimated at approximately \$1.9 million.

The District has established a trust to help fund its future OPEB costs ("OPEB Trust"). The OPEB Trust funds are invested with the California Employers' Retiree Benefit Trust of CalPERS.

The OPEB Trust has been funded through a series of contributions over many years. As of 06/30/2023, the OPEB Trust balance was approximately \$2.1 million. These funds are available to cover the District's OPEB expenses at any time.

As shown in **Table 6** below, the District's OPEB liability is approximately 114% funded.

Table 9
Kensington Police Protection and Community Services District
Other Post-Employment Benefits Liability Summary
as of 06/30/2023

Description	Amount
Total OPEB Liability	\$1,876,748
OPEB Trust Funds	\$2,143,747
Net OPEN Liability / (Asset)	(\$266,999)
% Funded	114.2%

Sources: KPPCSD and CalPERS

The District is not planning to make additional contributions to the OPEB Trust at this time.

The District pays the annual OPEB costs on a “pay as you go” basis from its operating budget and is projected to continue to do so.

The District has not been utilizing the OPEB Trust to pay the OPEB benefit costs in the past and does not have a policy that governs the use of funds. Utilizing the OPEB Trust funds or investment earnings for the payment of the OPEB costs can help the District reduce its operating deficit, if necessary.

DISTRICT OPERATIONS

The District tracks its budget and services through four separate funds:

- General Fund;
- Police Fund;
- Parks Fund; and
- Waste Management Fund.

GENERAL FUND

The General Fund includes general revenues and general and administrative expenses.

General Fund Revenues

Property Taxes

The primary funding source for the District’s operations is *ad valorem* property taxes, which currently total approximately \$2.5 million per year.

Based on information provided by the KFPD, the *ad valorem* property tax revenue growth rate in Kensington averaged 5.19% per year between FYEs 2010 and 2024. Going forward, a conservative annual growth rate of 3.5% has been assumed.

Other Revenues

Other General Fund funding sources include:

- Interest income (projected at 3% of the beginning cash balance for the year).
- Transfers from the Waste Management Fund (intended to cover approximately 5% of the District's administrative expenses, excluding legal and consulting costs).
- Miscellaneous revenues (estimated at \$20,000 per year, with an annual inflation growth rate).

General Fund Expenses

The General Fund expenses include salaries and benefits of the Administration Department employees and general and administrative expenses of the District.

Projections for the General Fund expenses are based on historical trends, 2025 budget, and additional feedback from KPPCSD staff. Most cost categories are expected to increase with the annual inflation rate, assumed to be 3%.

A small capital outlay allowance was included in the projections.

General Fund Operating Results

The General Fund generates an annual operating surplus intended to provide additional funding for the Police and Parks funds.

Table 10 summarizes the historical and projected revenues, expenses, and the operating surplus of the General Fund. Details of the General Fund revenues, expenses, and operating surplus are provided in **Table B-1 of Appendix B**.

Table 10
Kensington Police Protection and Community Services District
Revenues and Expenses Summary - General Fund

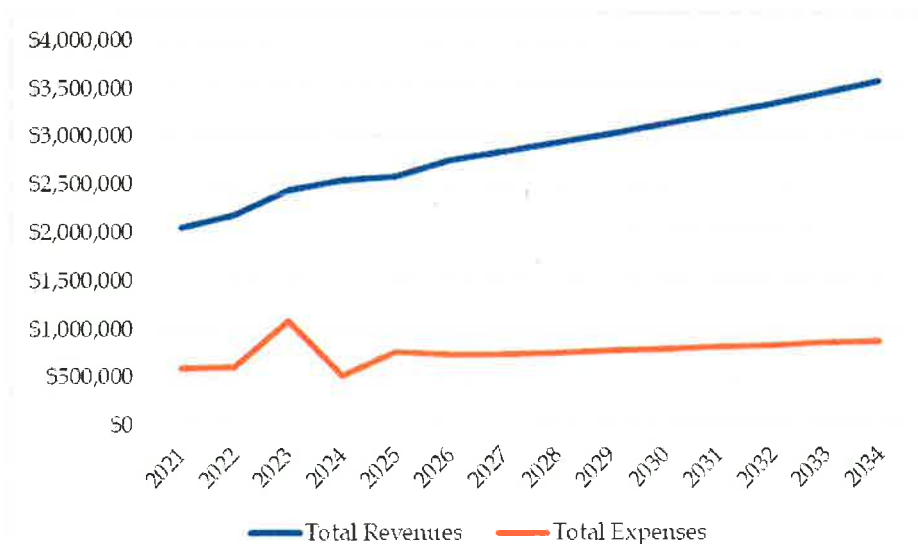
FYE		Total Revenues	Total Expenses [1]	Operating Surplus
2021	Historical	\$2,056,812	\$595,466	\$1,461,346
2022		\$2,180,205	\$617,509	\$1,562,696
2023		\$2,442,794	\$1,088,439	\$1,354,355
2024		\$2,542,647	\$527,051	\$2,015,596
2025		\$2,583,000	\$760,385	\$1,822,616
2026	Projected	\$2,744,953	\$745,371	\$1,999,582
2027		\$2,834,872	\$741,433	\$2,093,439
2028		\$2,927,194	\$750,983	\$2,176,211
2029		\$3,022,404	\$778,498	\$2,243,906
2030		\$3,120,853	\$788,492	\$2,332,361
2031		\$3,225,053	\$817,542	\$2,407,510
2032		\$3,331,288	\$828,003	\$2,503,286
2033		\$3,444,593	\$858,678	\$2,585,915
2034		\$3,561,310	\$869,628	\$2,691,682

Sources: KPPCSD and Ridgeline

[1] Includes capital outlay.

Graph 1 illustrates the historical and projected trend for the General Fund revenues and expenses.

Graph 1
Kensington Police Protection and Community Services District
Revenue and Expenses Trend - General Fund



The General Fund revenues are projected to grow faster than the expenses, as *ad valorem* property taxes are expected to increase slightly faster than inflation due to the recapture of past property value growth at a time of property resales, as governed by Proposition 13.

POLICE FUND

The Police Fund includes all revenues and expenses related to the District's Police Department.

Police Fund Revenues

Property Taxes

Property taxes are a major funding source for the District's police services. The Kensington voters have previously passed two tax measures to support these services:

- **Special Parcel Tax** is a fixed \$300 per parcel assessment approved in 1994 without any inflation adjustment or sunset provision. The total annual revenue from the Special Parcel Tax is \$685,470.
- **Measure G (Supplemental Special Tax)** is a per parcel assessment initially approved in 2010 at \$200 per single family residential parcel that is annually adjusted for inflation and does not have a sunset provision. The total Measure G revenue is projected to be approximately \$700,000 in FYE 2025 and continue to grow with inflation.

Other Revenues

Other Police Fund funding sources include:

- Grants (conservatively projected at \$100,000 per year, with an annual inflation adjustment).
- Miscellaneous revenues (POST program reimbursements and Police-related fees and service charges).

Police Fund Expenses

The Police Fund expenses include salaries and benefits of the Police Department employees and all police service expenses of the District.

Projections for the Police Fund expenses are based on historical trends, 2025 budget, and additional feedback from KPPCSD staff. The following assumptions were used for the projections:

- All employees are projected to advance along their current compensation steps, after which their salaries will increase at 1.7% per year. This conservative approach assumes no employee turnover. As employees leave the District, savings could be realized by hiring more junior personnel.
- Most cost categories are expected to increase with the annual inflation rate, assumed to be 3%.

- Medical benefit costs are projected to increase at an annual rate of 5%.
- In the base scenario, the Police Department (along with the rest of the District) continues to operate from the rented office space located at the City of El Cerrito site.
- Future capital outlay is limited to computer replacement every five years.
- Debt service includes payments on the POB and vehicle leases.
- The District plans to fund all future police vehicle replacements through municipal lease financing. Vehicle costs increase with inflation. Lease payments are based on monthly payments, 5-year term, and an 8% interest rate.

Police Fund Operating Results

The Police Fund operates at an annual deficit, which is covered by the General Fund surplus.

Table 11 summarizes the historical and projected revenues, expenses, and operating deficit of the Police Fund. Details of the Police Fund revenues, expenses, and operating deficit are provided in **Table B-2 of Appendix B**.

Table 11
Kensington Police Protection and Community Services District
Revenues and Expenses Summary - Police Fund

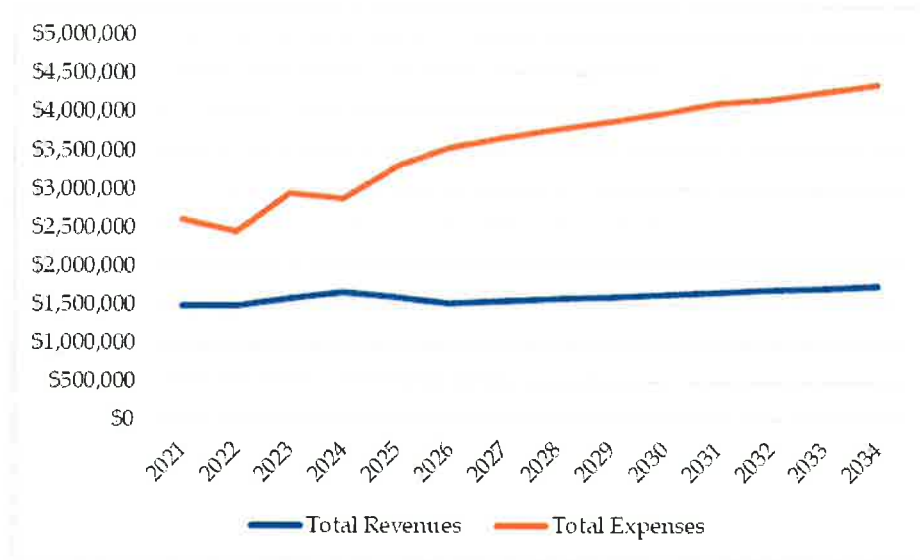
FYE		Total Revenues	Total Expenses [1]	Operating Surplus
2021	Historical	\$1,484,588	\$2,611,483	(\$1,126,895)
2022		\$1,482,616	\$2,454,396	(\$971,780)
2023		\$1,582,562	\$2,946,562	(\$1,364,000)
2024		\$1,664,635	\$2,885,718	(\$1,221,083)
2025		\$1,601,500	\$3,298,874	(\$1,697,374)
2026		\$1,522,950	\$3,548,088	(\$2,025,138)
2027	Projected	\$1,548,074	\$3,665,682	(\$2,117,607)
2028		\$1,573,953	\$3,788,805	(\$2,214,853)
2029		\$1,600,607	\$3,889,796	(\$2,289,189)
2030		\$1,628,061	\$3,995,012	(\$2,366,951)
2031		\$1,656,339	\$4,121,563	(\$2,465,224)
2032		\$1,685,465	\$4,171,730	(\$2,486,265)
2033		\$1,715,465	\$4,268,467	(\$2,553,002)
2034		\$1,746,365	\$4,367,397	(\$2,621,032)

Sources: KPPCSD and Ridgeline

[1] Includes capital outlay and debt services.

Graph 2 illustrates the historical and projected trend for the Police Fund revenues and expenses.

Graph 2
Kensington Police Protection and Community Services District
Revenue and Expenses Trend – Police Fund



The Police Fund expenses are projected to grow faster than revenue, primarily due to the fixed rate of the Special Parcel Tax and the current salary increase schedules.

PARKS FUND

The Parks Fund includes all revenues and expenses related to the District's parks and recreation services.

Parks Fund Revenues

Special Taxes

Special taxes are a major funding source for the parks and recreation services of the District. The Kensington Park Assessment District was formed in 1994. The annual assessment was \$20.66 per single family residential parcel for FYE 2024 and is annually adjusted for inflation.

Other Revenues

Other Parks Fund funding sources include:

- **Grants:** The District periodically seeks grants, but these funds are typically restricted for specific capital projects. As such, the projection does not include grant revenues and capital outlay for the Parks Fund.
- **Kensington Community Council ("KCC") Fees and Other Contributions:** The KCC annual fees cover a portion of the Parks Fund expenses, while the KCC Reserve contributions of

\$30,000 per year for four years are designated to fund improvements to the Recreational Building.

- Community Center and Tennis Court Revenues: These fees cover a portion of the Parks Fund expenses.

Park Fund Expenses

The Parks Fund expenses include salaries and benefits of the Parks and Recreation Department employees and all park service expenses of the District.

Projections for the Parks Fund expenses are based on historical trends, 2025 budget, and additional feedback from KPPCSD staff. The following assumptions were used for the projections:

- Most cost categories are expected to increase with the annual inflation rate, assumed to be 3%.
- Future capital outlay projections are limited to the Recreational Building improvements funded by the KCC Reserve contributions.
- Debt service includes payments on the Community Center Loan.

Parks Fund Operating Results

The Parks Fund operates at an annual deficit, which is covered by the General Fund surplus.

Table 12 summarizes the historical and projected revenues, expenses, and operating deficit of the Parks Fund. Details of the Parks Fund revenues, expenses, and operating deficit are provided in **Table B-3 of Appendix B**.

Table 12
Kensington Police Protection and Community Services District
Revenues and Expenses Summary - Parks Fund

FYE		Total Revenues	Total Expenses [1]	Operating Surplus
2021	Historical	\$61,512	\$315,529	(\$254,017)
2022		\$233,729	\$241,072	(\$7,343)
2023		\$107,823	\$319,027	(\$211,204)
2024		\$313,975	\$238,877	\$75,098
2025		\$138,000	\$252,413	(\$114,413)
2026	Projected	\$141,240	\$257,274	(\$116,034)
2027		\$144,577	\$262,266	(\$117,688)
2028		\$118,015	\$267,392	(\$149,377)
2029		\$121,555	\$242,656	(\$121,101)
2030		\$125,202	\$217,545	(\$92,344)
2031		\$128,958	\$223,097	(\$94,140)
2032		\$132,826	\$228,799	(\$95,973)
2033		\$136,811	\$234,655	(\$97,844)
2034		\$140,916	\$240,670	(\$99,755)

Sources: KPPCSD and Ridgeline

[1] Includes capital outlay and debt services.

Graph 3 illustrates the historical and projected trend for the Parks Fund revenues and expenses.

Graph 3
Kensington Police Protection and Community Services District
Revenue and Expenses Trend - Parks Fund



The historical volatility of the Parks Fund revenues and expenses is driven by the grant-funded capital projects. The Parks Fund expenses are projected to increase slightly faster than revenues, leading to the annual deficit increasing by approximately \$2,000 per year, after accounting for grant-funded capital improvements and debt service.

WASTE MANAGEMENT FUND

The Waste Management Fund includes all revenues and expenses related to the District's waste management services.

Bay View Service Agreement

Solid waste collection and recycling within the District's service area is provided by Bay View Refuse & Recycling ("Bay View"). The District has a service agreement with Bay View and a fee-sharing agreement with the County. Under these agreements, the District collects a 7% franchise fee on the Bay View bill. A 3% portion of the fee is passed on to the County, while the District retains the remaining 4% to cover its administrative and compliance expenses.

Waste Management Fund Revenues

The Bay View Franchise Fee makes up the bulk of the Waste Management Fund revenues.

In FYE 2025, the District expects to receive a \$75,000 grant for a capital project.

Waste Management Fund Expenses

The County portion of the Franchise Fee makes up the bulk of the Waste Management Fund expenses.

Approximately 5% of the District's administrative expenses, excluding legal and consulting costs, are allocated to the Waste Management Fund and are funded through a transfer to the General Fund.

Waste Management Fund Operating Results

The Waste Management Fund is an enterprise fund designed to operate at break-even over the long term. Projections for the next ten years indicate a small annual fund surplus.

Table 13 summarizes the historical and projected revenues, expenses, and operating results of the Waste Management Fund. Details of the Waste Management Fund revenues, expenses, and operating results are provided in **Table B-4** of **Appendix B**.

Table 13
Kensington Police Protection and Community Services District
Revenues and Expenses Summary - Waste Management Fund

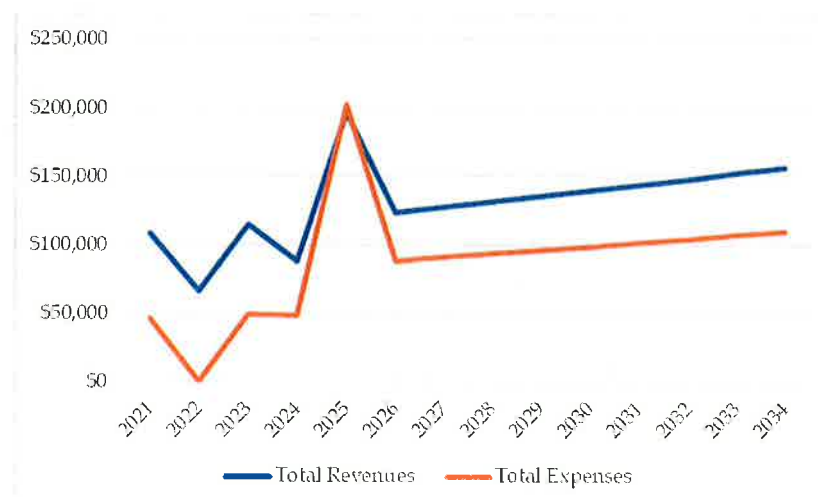
FYE		Total Revenues	Total Expenses	Operating Surplus
2021	[1] Historical	\$108,250	\$46,393	\$61,857
2022		\$66,551	\$0	\$66,551
2023		\$114,399	\$49,325	\$65,074
2024		\$88,159	\$48,799	\$39,360
2025	Projected	\$197,000	\$202,000	(\$5,000)
2026		\$123,600	\$88,299	\$35,301
2027		\$127,308	\$91,178	\$36,130
2028		\$131,127	\$93,278	\$37,849
2029		\$135,061	\$96,326	\$38,735
2030		\$139,113	\$98,548	\$40,565
2031		\$143,286	\$101,774	\$41,512
2032		\$147,585	\$104,124	\$43,461
2033		\$152,012	\$107,539	\$44,473
2034		\$156,573	\$110,025	\$46,548

Sources: KPPCSD and Ridgeline

[1] 2022 Revenues and Expenses are adjusted to show net revenues only.

Graph 4 illustrates the historical and projected trend for the Waste Management Fund revenues and expenses.

Graph 4
Kensington Police Protection and Community Services District
Revenue and Expenses Trend - Waste Management Fund



The historical volatility of the Waste Management Fund revenues and expenses is primarily due to the lack of available information for FYE 2022 and the anticipated grant revenues and capital outlay for FYE 2025. The Waste Management Fund revenues and expenses are expected to remain well-balanced going forward, with a small operating surplus.

DISTRICT-WIDE SUMMARY

The District-wide operating results combine the four individual funds (General Fund, Police Fund, Parks Fund, and Waste Management Fund) described above.

The General Fund generates a surplus that covers the deficits in the Police and Parks Funds, while the Waste Management Fund operates near break-even.

Table 14 summarizes the historical and projected revenues, expenses, and operating results of the District. Details of the District revenues, expenses, and operating results are provided in **Table B-5 of Appendix B**.

Table 14
Kensington Police Protection and Community Services District
Revenues and Expenses Summary - District-Wide

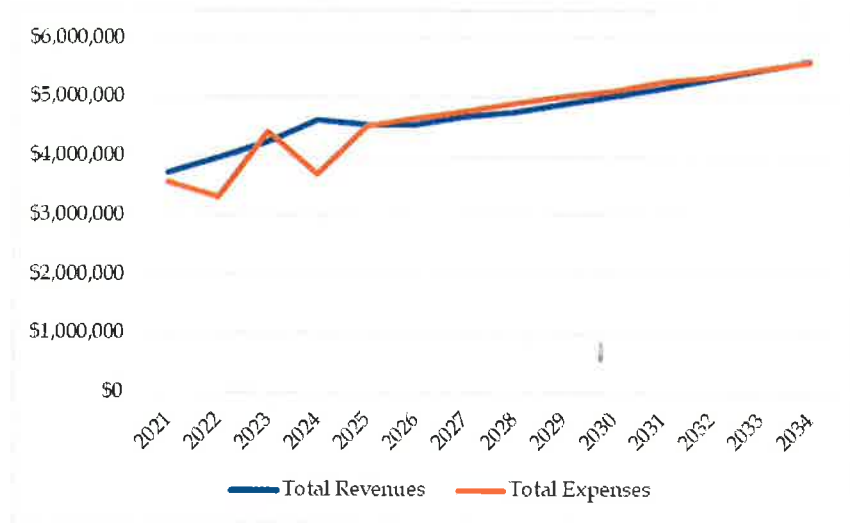
FYE		Total Revenues	Total Expenses [1]	Operating Surplus
2021	Historical	\$3,711,162	\$3,568,871	\$142,291
2022		\$3,963,101	\$3,312,977	\$650,124
2023		\$4,247,578	\$4,403,352	(\$155,774)
2024		\$4,609,416	\$3,700,444	\$908,972
2025		\$4,519,500	\$4,513,672	\$5,829
2026		\$4,532,743	\$4,639,031	(\$106,288)
2027	Projected	\$4,654,832	\$4,760,558	(\$105,726)
2028		\$4,750,288	\$4,900,459	(\$150,170)
2029		\$4,879,627	\$5,007,275	(\$127,649)
2030		\$5,013,228	\$5,099,596	(\$86,368)
2031		\$5,153,635	\$5,263,977	(\$110,341)
2032		\$5,297,164	\$5,332,656	(\$35,491)
2033		\$5,448,882	\$5,469,340	(\$20,458)
2034		\$5,605,163	\$5,587,720	\$17,443

Sources: KPPCSD and Ridgeline

[1] Includes capital outlay and debt services.

Graph 5 illustrates the historical and projected trend for the District's revenues and expenses.

Graph 5
Kensington Police Protection and Community Services District
Revenue and Expenses Trend – District-Wide



Over the next ten years, the District is projected to operate with a slight annual deficit of less than 3% of its annual revenues and expenses.

This level of deficit can be managed through minor adjustments to operating expenses. For example, the projections assume that the District is fully staffed at all times. Given that staffing costs are projected to account for 50-54% of total expenses (including debt service and capital outlay), any vacancies are likely to reduce or eliminate the projected deficit, assuming all other factors remain unchanged.

Additionally, the District has access to the OPEB Trust, which can be used to cover the OPEB costs and reduce the projected deficit, subject to District's Board guidance.

Historically, the District has demonstrated the ability to maintain a long-term operating surplus through effective expense management.

Annual surpluses and deficits impact the District's reserves. **Table 15** summarizes the historical and projected FYE reserve balances of the District. Details of the calculations of the District's reserve balances are provided in **Table B-6 of Appendix B**.

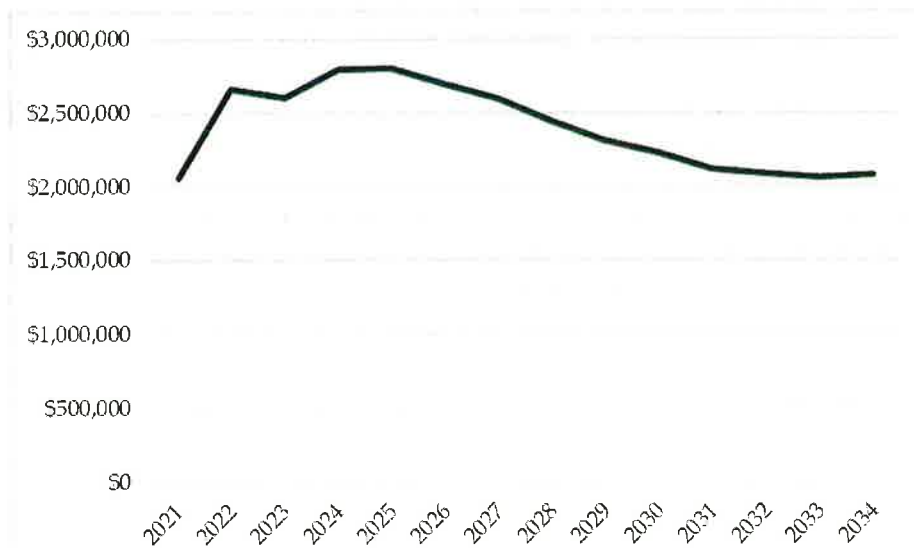
Table 15
Kensington Police Protection and Community Services District
Reserves Summary - District-Wide

FYE		Total Reserves
2021	Historical	\$2,059,807
2022		\$2,661,049
2023		\$2,605,834
2024		\$2,796,316
2025		\$2,802,144
2026	Projected	\$2,695,857
2027		\$2,590,130
2028		\$2,439,960
2029		\$2,312,311
2030		\$2,225,943
2031		\$2,115,602
2032		\$2,080,110
2033		\$2,059,652
2034		\$2,077,096

Sources: KPPCSD and Ridgeline

Graph 6 illustrates the historical and projected year-end reserves of the District.

Graph 6
Kensington Police Protection and Community Services District
Reserve Balances Trend - District-Wide



Without implementing any cost-management initiatives, the District will fund the annual deficit by drawing down on its reserves. The total reserves amount is projected to decrease from the current level of \$2.8 million to approximately \$2.1 million in FYE 2034.

STRATEGIC PLANING AND FUNDING FOR MAJOR PROJECTS

Concurrently with the preparation of this Fiscal Study, the District held a series of strategic planning sessions and identified major focus areas for the coming years. While some strategic initiatives are already incorporated into or can be easily covered by the operating budget outlined above, others will require substantial staff time and additional funding. The most capital-intensive projects revolve around park and recreation facilities and the District's building.

PARK AND RECREATION FACILITIES

The District is considering multiple park and recreation projects to enhance services and develop facilities requested by the community, including improvements to the Annex and Recreational Building, open space areas, and park amenities.

The District intends to develop a comprehensive master plan to define the scope of these facilities. The master plan will guide the timing of the improvements, establish the capital improvements budget, and identify the funding strategy, likely centered around grants and voter-approved debt financing.

The planning work can start as early as FYE 2027. The District estimates that the master plan will cost between \$50,000 and \$75,000. This cost is not included in the financial projections above, and the District will need to identify a funding source to cover it.

DISTRICT BUILDING

The largest project the District is expecting to undertake in the next several years is the development of a permanent building.

The District currently operates from a rented facility in El Cerrito. There is a strong sense that the community will benefit from the police department and the District administration being located within Kensington.

Several project options have been considered and analyzed over the years. Four key alternatives have emerged:

- Alternative 1: Remain at the Current Location;
- Alternative 2: Modular Building at District-Owned Land;
- Alternative 3: Permanent Building at District-Owned Land; and

- Alternative 4: Move into the Kensington Public Safety Building.

Each of these alternatives is described below.

Alternative 1: Remain at the Current Location

The District can continue operating from its current location in El Cerrito. This alternative requires no significant effort or additional funding. In fact, it is the base scenario used in the financial projections above.

The District is renting its modular building. It can continue to do so or buy it out and finance it through a lease-purchase agreement to save money. The fiscal analysis indicates that the District can afford this alternative within its regular course of business.

The current cost to rent the modular building is approximately \$68,000 per year, with an expected annual increase of approximately two percent. The District reports that it can purchase the building for approximately \$300,000. **Table 16** provides a rent vs. buy analysis for the modular building, utilizing conservative financing assumptions.

Table 16
Kensington Police Protection and Community Services District
Modular Building - Rent vs. Buy Analysis

Description		Amount
Annual Rent Payment	(a)	\$68,000
Buyout Price		\$300,000
Financing Assumptions:		
Financing Term (years)		10
Interest Rate		6.50%
Cost of Issuance		\$30,000
Annual Debt Service	(b)	\$45,905
Annual Savings - Buy vs. Rent	(c) = (a) - (b)	\$22,095

Sources: KPPCSD and Ridgeline

The District is expected to save approximately \$22,000 per year by purchasing the building and financing it with a 10-year municipal lease-purchase agreement.

However, there is reportedly a strong preference in the community for the police department and District administration to be located in Kensington.

Alternative 2: Modular Building on District-Owned Land

The District is exploring the possibility of placing a modular building (either the existing one or a new one) on the vacant parcel that it owns. This option would require extensive improvements due to the site slope. The District estimates the total cost for this alternative to be in the \$2-4 million range. Potential funding sources include grants and debt financing.

The District does not have the cash flow capacity to incur additional General Fund debt. Any financing would need to be in the form of voter-approved debt, such as Mello-Roos Community Services District bonds or general obligation bonds. The debt service for such debt would be the responsibility of property owners within the District. To minimize the debt amount, the District should pursue grants and earmarks, although such funding is not guaranteed.

Table 17 provides a preliminary financing analysis for this alternative, assuming a public sale of Mello-Roos Community Services District bonds with a 30-year term (a more conservative assumption from a cost standpoint). This analysis assumes that the District is unable to obtain any grant or earmark funding and that the entire project cost is financed with debt.

Table 17
Kensington Police Protection and Community Services District
Modular Building on District-Owned Land - Financing Analysis

Description	Amount	
	Low-End	High-End
Total Estimated Project Cost	\$2,000,000	\$4,000,000
Financing Assumptions:		
Financing Term (years)	30	30
Interest Rate	6.00%	6.00%
District and Election Expenses	\$100,000	\$100,000
Cost of Issuance & UW Discount	\$157,000	\$194,000
Debt Service Reserve	\$212,500	\$425,000
Total Financing Amount	\$2,469,500	\$4,719,000
Annual Debt Service	\$179,406	\$342,830
Property Parcels within District	2,188	2,188
Annual Debt Service Cost per Parcel	\$82.00	\$156.69

Sources: KPPCSD and Ridgeline

Looking at the low- and high-end estimates of the total project cost, the annual debt service requirement for this alternative ranges from approximately \$179,000 to \$343,000 per year. When allocated to all property owners within the District, the annual assessment is estimated at approximately \$82 to \$157 per parcel.

Alternative 3: Permanent Building on District-Owned Land

The District is also considering the possibility of constructing a permanent building on the vacant parcel that it owns. This option will require extensive improvements due to the site slope as well. The District estimates the total cost for this alternative to be in the \$10-12 million range. Potential funding sources include grants and debt financing.

The District does not have the cash flow capacity to take on additional General Fund debt. Any financing would need to be in the form of voter-approved debt, such as Mello-Roods Community Services District bonds or general obligation bonds. The debt service for such debt would be the responsibility of property owners within the District. To minimize the debt amount, the District should pursue grants and earmarks, though such funding is not guaranteed.

Table 18 provides a preliminary financing analysis for this alternative, assuming a public sale of Mello-Roods Community Services District bonds with a 30-year term (a more conservative assumption from a cost standpoint). This analysis assumes that the District is unable to obtain any grant or earmark funding and that the entire project cost is financed with debt.

Table 18
Kensington Police Protection and Community Services District
Permanent Building on District-Owned Land - Financing Analysis

Description	Amount	
	Low-End	High-End
Total Estimated Project Cost	\$10,000,000	\$12,000,000
Financing Assumptions:		
Financing Term (years)	30	30
Interest Rate	6.00%	6.00%
District and Election Expenses	\$100,000	\$100,000
Cost of Issuance & UW Discount	\$285,000	\$317,000
Debt Service Reserve	\$1,000,000	\$1,200,000
Total Financing Amount	\$11,385,000	\$13,617,000
Annual Debt Service	\$827,108	\$989,260
Property Parcels within District	2,188	2,188
Annual Debt Service Cost per Parcel	\$378.02	\$452.13

Sources: KPPCSD and Ridgeline

Looking at the low- and high-end estimates of the total project cost, the annual debt service requirement for this alternative ranges from approximately \$827,000 to \$989,000 per year. When allocated to all property owners within the District, the annual assessment is estimated to be approximately \$378 to \$452 per parcel.

Alternative 4: Move into the Kensington Public Safety Building

The District also carefully considered the possibility of moving into the Kensington Public Safety Building (“PSB”) owned by the KFPD and located at 217 Arlington Ave, Kensington, CA. The KFPD is currently in the final stages of a comprehensive renovation of the building. The PSB is designed primarily for the needs of the Kensington Fire Department.

Various attempts have been made to figure out how to accommodate the police department within the building. Ultimately, the KPPCSD Board and staff determined that the police department is unable to safely and efficiently operate from the PSB due to multiple factors, including ingress and egress, the safety of police and fire personnel, the overall availability of sufficient space to meet the needs of both departments, etc.

Additionally, police operations were deemed incompatible with the safety needs of the fire department, which requires 24-hour living arrangements for personnel.

As such, the KPPCSD does not view this alternative as a workable solution. In the future, the Districts may consider whether the PSB could be a suitable location for the administrative personnel.

BORROWING CAPACITY ASSESSMENT

As the District’s operating cash flow cannot accommodate any significant capital projects or debt financing, all such funding would need to come from the community in the form of voter-approved assessments, such as a parcel tax, Mello-Roos Community Services District assessments, or general obligation bonds. The District should also pursue grant and earmark funding to reduce the financial burden on the community.

To help evaluate the financial burden of community-funded projects, **Table 19** estimates the amount of net funding proceeds that could be raised by the District through issuing debt supported by voter-approved assessments. The calculation assumes that this funding will be done through a Mello-Roos Community Services District, a more financially conservative assumption.

Table 19
Kensington Police Protection and Community Services District
Borrowing Capacity for Voter-Approved Debt

Description	Annual Assessment Amount			
	\$100	\$250	\$500	\$750
Property Parcels within District	2,188	2,188	2,188	2,188
Total Annual Assessment Amount	\$218,800	\$547,000	\$1,094,000	\$1,641,000
Financing Assumptions:				
Financing Term (years)	30	30	30	30
Interest Rate	6.00%	6.00%	6.00%	6.00%
Total Financing Proceeds	\$3,011,745	\$7,529,363	\$15,058,725	\$22,588,088
Less:				
Debt Service Reserve	(\$273,500)	(\$683,750)	(\$1,367,500)	(\$2,051,250)
District and Election Expenses	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)
Cost of Issuance and UW Discount	(\$158,129)	(\$207,823)	(\$290,646)	(\$373,469)
Net Financing Proceeds (Rounded)	\$2,480,000	\$6,538,000	\$13,301,000	\$20,063,000

Source: Ridgeline

If the Kensington voters are willing to support additional capital facilities within the District, a \$100 per parcel assessment can provide approximately \$2.5 million in project funding. A \$250 per parcel assessment can provide approximately \$6.5 million in project funding. A \$500 per parcel assessment can provide approximately \$13.3 million in project funding. A \$750 per parcel assessment can provide approximately \$20.1 million in project funding.

These financing calculations reflect conservative interest rate, method of sale, and security structure assumptions. The actual amounts will depend on the market environment at the time of debt issuance and likely to be different.

FISCAL MANAGEMENT RECOMMENDATIONS

During the preparation of this Fiscal Study, the following potential areas of fiscal improvement have been identified for the District to consider:

- **Investment Management:** The District's reserves are currently invested with banks, the County Treasury Pool, and the Local Agency Investment Fund. Given the current interest rate environment, the District may be able to generate additional investment earnings without additional risk through participation in government investment pools, such as the California Cooperative Liquid Assets Securities System ("CLASS") and the California

Asset Management Program (“CAMP”), and / or by working with an investment manager that specializes in public funds investments.

- **Pension Liability Management:** In 2020, the District refinanced its UAL through the issuance of the POB. CalPERS’ investment performance since then has resulted in additional UAL balances. The District should consider performing a comprehensive pension liability assessment to identify appropriate pension liability management strategies, including the elimination of negative amortization, additional discretionary payments, and indirect refunding of the UAL. Moreover, the District should consider developing and adopting a formal pension liability management policy.
- **OPEB Trust Management:** The District is in a strong position of having an overfunded OPEB liability. The District should consider what funded level is appropriate and under what circumstances it can utilize the OPEB Trust funds for funding its OPEB costs. Additionally, the District should consider developing and adopting a formal OPEB liability and trust management policy.
- **Debt Management:** The District is expecting to continue financing police fleet replacement and is likely to issue debt to finance at least a portion of its permanent facility. To obtain more favorable and simpler financing terms, the District should consider utilizing a master lease arrangement with a financing institution for recurring fleet purchases. Additionally, the District should take advantage of Bank Qualified Tax-Exempt interest rates, which tend to be lower.
- **Lobbying, Grants, and Earmarks:** The District has been applying for and receiving grant funds for its police operations and vehicles and for park and waste system improvements. The District should continue pursuing grants and look for new grant opportunities. With the likely significant capital outlay for a permanent facility, as well as for the Annex and Recreational Building improvements, the District should also consider developing a lobbying strategy and pursue earmarks (Congressional Directed Spending and Community Projects Funding) and direct appropriations with federal and state elected officials.

This is not a comprehensive list of potential fiscal management opportunities – just the ones that we have noticed during our review. Ridgeline provides no opinion on any other fiscal, cost, or operating management practices that are not specifically addressed above.



Appendix A: Staffing Model

Table A-1 KPPCSD – Staffing Model and Financial Projections

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Table A-1
Kensington Police Protection and Community Services District
Staffing Model and Financial Forecast

Position	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034
<i>Inflation Rate</i>		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
<i>Salary Inflation Rate</i>		1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%
SALARIES										
Administration:										
General Manager	\$136,000	\$138,312	\$140,663	\$143,055	\$145,487	\$147,960	\$150,475	\$153,033	\$155,635	\$158,281
Sr. Accountant	\$66,000	\$67,122	\$68,263	\$69,424	\$70,604	\$71,804	\$73,025	\$74,266	\$75,529	\$76,813
Board Clerk	\$50,000	\$50,850	\$51,714	\$52,594	\$53,488	\$54,397	\$55,322	\$56,262	\$57,219	\$58,191
Admin Assistant	\$21,000	\$21,357	\$21,720	\$22,089	\$22,465	\$22,847	\$23,235	\$23,630	\$24,032	\$24,440
<i>Subtotal: Administration</i>	\$273,000	\$277,641	\$282,361	\$287,161	\$292,043	\$297,007	\$302,057	\$307,192	\$312,414	\$317,725
Park and Recreation:										
Parks Coordinator	\$21,000	\$21,357	\$21,720	\$22,089	\$22,465	\$22,847	\$23,235	\$23,630	\$24,032	\$24,440
Public Services Assistant	\$43,000	\$43,731	\$44,474	\$45,230	\$45,999	\$46,781	\$47,577	\$48,385	\$49,208	\$50,045
<i>Subtotal: Parks and Recreation</i>	\$64,000	\$65,088	\$66,194	\$67,320	\$68,464	\$69,628	\$70,812	\$72,016	\$73,240	\$74,485
Police:										
Chief of Police	\$221,810	\$237,337	\$241,371	\$245,475	\$249,648	\$253,892	\$258,208	\$262,598	\$267,062	\$271,602
Lieutenant	\$168,768	\$176,805	\$183,556	\$188,821	\$192,031	\$195,296	\$198,616	\$201,992	\$205,426	\$208,918
Sergeant	\$136,884	\$142,372	\$144,792	\$147,253	\$149,757	\$152,303	\$154,892	\$157,525	\$160,203	\$162,926
Sergeant	\$131,628	\$136,896	\$142,372	\$144,792	\$147,253	\$149,757	\$152,303	\$154,892	\$157,525	\$160,203
Officer	\$119,400	\$121,430	\$123,494	\$125,594	\$127,729	\$129,900	\$132,108	\$134,354	\$136,638	\$138,961
Officer	\$107,894	\$113,083	\$119,404	\$121,434	\$123,498	\$125,598	\$127,733	\$129,905	\$132,113	\$134,359
Officer	\$101,592	\$107,187	\$113,083	\$119,404	\$121,434	\$123,498	\$125,598	\$127,733	\$129,905	\$132,113
Officer	\$101,592	\$107,187	\$113,083	\$119,404	\$121,434	\$123,498	\$125,598	\$127,733	\$129,905	\$132,113
Officer	\$50,796	\$107,187	\$113,083	\$119,404	\$121,434	\$123,498	\$125,598	\$127,733	\$129,905	\$132,113
<i>Subtotal: Police</i>	\$1,241,956	\$1,356,671	\$1,407,319	\$1,450,986	\$1,475,652	\$1,500,738	\$1,526,251	\$1,552,197	\$1,578,585	\$1,605,421
TOTAL: SALARIES	\$1,578,956	\$1,699,400	\$1,755,875	\$1,805,466	\$1,836,159	\$1,867,374	\$1,899,119	\$1,931,404	\$1,964,238	\$1,997,630

Table A-1
Kensington Police Protection and Community Services District
Staffing Model and Financial Forecast

Position		FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034
HOLIDAY PAY - POLICE											
Sergeant	5.38%	\$7,371	\$7,592	\$7,820	\$8,054	\$8,296	\$8,545	\$8,801	\$9,065	\$9,337	\$9,617
Sergeant	5.38%	\$7,088	\$7,300	\$7,519	\$7,745	\$7,977	\$8,217	\$8,463	\$8,717	\$8,978	\$9,248
Officer	5.38%	\$6,429	\$6,622	\$6,821	\$7,025	\$7,236	\$7,453	\$7,677	\$7,907	\$8,144	\$8,389
Officer	5.38%	\$5,810	\$5,984	\$6,163	\$6,348	\$6,539	\$6,735	\$6,937	\$7,145	\$7,360	\$7,580
Officer	5.38%	\$5,470	\$5,634	\$5,803	\$5,978	\$6,157	\$6,342	\$6,532	\$6,728	\$6,930	\$7,138
Officer	5.38%	\$5,470	\$5,634	\$5,803	\$5,978	\$6,157	\$6,342	\$6,532	\$6,728	\$6,930	\$7,138
Officer	5.38%	\$2,735	\$2,817	\$2,902	\$2,989	\$3,078	\$3,171	\$3,266	\$3,364	\$3,465	\$3,569
TOTAL: HOLIDAY PAY - POLICE		\$45,843	\$47,219	\$48,635	\$50,094	\$51,597	\$53,145	\$54,739	\$56,382	\$58,073	\$59,815
EDUCATION INCENTIVE PROGRAM - NON-CUMULATIVE											
AA	1.00%										
BA	2.00%										
Masters	3.00%										
Lieutenant	Masters	\$5,063	\$5,304	\$5,507	\$5,665	\$5,761	\$5,859	\$5,958	\$6,060	\$6,163	\$6,268
Sergeant	Masters	\$4,107	\$4,271	\$4,344	\$4,418	\$4,493	\$4,569	\$4,647	\$4,726	\$4,806	\$4,888
Sergeant		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Officer		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Officer	BA	\$2,158	\$2,262	\$2,388	\$2,429	\$2,470	\$2,512	\$2,555	\$2,598	\$2,642	\$2,687
Officer		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Officer		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Officer	BA	\$2,032	\$2,144	\$2,262	\$2,388	\$2,429	\$2,470	\$2,512	\$2,555	\$2,598	\$2,642
Officer		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL: EDUCATION INCENTIVE PROGRAM		\$13,359	\$13,981	\$14,500	\$14,899	\$15,152	\$15,410	\$15,672	\$15,938	\$16,209	\$16,485
POST INCENTIVE PAY - CUMULATIVE											
Intermediate	5.00%										
Advanced	5.00%										
Sergeant	Advanced	\$13,688	\$14,237	\$14,479	\$14,725	\$14,976	\$15,230	\$15,489	\$15,752	\$16,020	\$16,293
Sergeant	Advanced	\$13,163	\$13,690	\$14,237	\$14,479	\$14,725	\$14,976	\$15,230	\$15,489	\$15,752	\$16,020
TOTAL: POST INCENTIVE PAY		\$26,851	\$27,927	\$28,716	\$29,205	\$29,701	\$30,206	\$30,719	\$31,242	\$31,773	\$32,313

Table A-1
Kensington Police Protection and Community Services District
Staffing Model and Financial Forecast

Position	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034
UNIFORM ALLOWANCE										
Chief of Police	\$1,200	\$500	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633
Lieutenant	\$1,200	\$500	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633
Sergeant	\$1,200	\$500	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633
Sergeant	\$1,200	\$500	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633
Officer	\$1,200	\$500	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633
Officer	\$1,200	\$500	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633
Officer	\$1,200	\$500	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633
Officer	\$1,200	\$500	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633
Officer	\$1,200	\$500	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633
TOTAL: UNIFORM ALLOWANCE	\$12,000	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334
OVERTIME										
Sergeant	\$7,000	\$7,304	\$7,613	\$7,879	\$8,013	\$8,149	\$8,287	\$8,428	\$8,571	\$8,717
Sergeant	\$7,000	\$7,304	\$7,613	\$7,879	\$8,013	\$8,149	\$8,287	\$8,428	\$8,571	\$8,717
Officer	\$7,000	\$7,304	\$7,613	\$7,879	\$8,013	\$8,149	\$8,287	\$8,428	\$8,571	\$8,717
Officer	\$7,000	\$7,304	\$7,613	\$7,879	\$8,013	\$8,149	\$8,287	\$8,428	\$8,571	\$8,717
Officer	\$7,000	\$7,304	\$7,613	\$7,879	\$8,013	\$8,149	\$8,287	\$8,428	\$8,571	\$8,717
Officer	\$7,000	\$7,304	\$7,613	\$7,879	\$8,013	\$8,149	\$8,287	\$8,428	\$8,571	\$8,717
Officer	\$3,500	\$7,304	\$7,613	\$7,879	\$8,013	\$8,149	\$8,287	\$8,428	\$8,571	\$8,717
TOTAL: OVERTIME	\$52,500	\$58,431	\$60,903	\$63,029	\$64,100	\$65,190	\$66,298	\$67,425	\$68,572	\$69,737
SHIFT DIFFERENTIAL										
Officer	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$2,534	\$2,610
Officer	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$2,534	\$2,610
Officer	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$2,534	\$2,610
Officer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Officer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL: SHIFT DIFFERENTIAL	\$8,000	\$8,240	\$8,487	\$8,742	\$9,004	\$9,274	\$9,552	\$9,839	\$10,134	\$10,438

Table A-1
Kensington Police Protection and Community Services District
Staffing Model and Financial Forecast

Position	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034
BONUS										
Sergeant	\$2,000	\$2,000	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sergeant	\$4,000	\$2,000	\$2,000	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0
Officer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Officer	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Officer	\$2,000	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Officer	\$2,000	\$2,000	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Officer	\$2,000	\$2,000	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Officer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL: BONUS	\$14,000	\$10,000	\$8,000	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0
LONGEVITY PAY										
Lieutenant - Tier 2										
Sergeant - Tier 1	6%	\$10,126	\$10,608	\$11,329	\$11,522	\$11,718	\$11,917	\$12,120	\$12,326	\$12,535
Sergeant - Tier 2	2.50%	\$0	\$3,559	\$3,620	\$3,744	\$3,808	\$3,872	\$3,938	\$4,005	\$4,073
Officer - Tier 1	2.50%	\$0	\$0	\$0	\$0	\$3,808	\$3,872	\$3,938	\$4,005	\$4,073
Officer - Tier 2	2.50%	\$0	\$3,036	\$3,087	\$3,140	\$3,247	\$3,303	\$3,359	\$3,416	\$3,474
Officer - Tier 2	2.50%	\$0	\$0	\$0	\$0	\$3,247	\$3,303	\$3,359	\$3,416	\$3,474
TOTAL: BONUS		\$10,126	\$17,203	\$18,150	\$18,459	\$25,828	\$26,267	\$26,713	\$27,168	\$27,629

Table A-1
Kensington Police Protection and Community Services District
Staffing Model and Financial Forecast

Position	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034
TOTAL BUDGETED SALARIES										
Administration:										
General Manager	\$136,000	\$138,312	\$140,663	\$143,055	\$145,487	\$147,960	\$150,475	\$153,033	\$155,635	\$158,281
Sr. Accountant	\$66,000	\$67,122	\$68,263	\$69,424	\$70,604	\$71,804	\$73,025	\$74,266	\$75,529	\$76,813
Board Clerk	\$50,000	\$50,850	\$51,714	\$52,594	\$53,488	\$54,397	\$55,322	\$56,262	\$57,219	\$58,191
Admin Assistant	\$21,000	\$21,357	\$21,720	\$22,089	\$22,465	\$22,847	\$23,235	\$23,630	\$24,032	\$24,440
<i>Subtotal: Administration</i>	<i>\$273,000</i>	<i>\$277,641</i>	<i>\$282,361</i>	<i>\$287,161</i>	<i>\$292,043</i>	<i>\$297,007</i>	<i>\$302,057</i>	<i>\$307,192</i>	<i>\$312,414</i>	<i>\$317,725</i>
Park and Recreation:										
Parks Coordinator	\$21,000	\$21,357	\$21,720	\$22,089	\$22,465	\$22,847	\$23,235	\$23,630	\$24,032	\$24,440
Public Services Assistant	\$43,000	\$43,731	\$44,474	\$45,230	\$45,999	\$46,781	\$47,577	\$48,385	\$49,208	\$50,045
<i>Subtotal: Parks and Recreation</i>	<i>\$64,000</i>	<i>\$65,088</i>	<i>\$66,194</i>	<i>\$67,320</i>	<i>\$68,464</i>	<i>\$69,628</i>	<i>\$70,812</i>	<i>\$72,016</i>	<i>\$73,240</i>	<i>\$74,485</i>
Police:										
Chief of Police	\$223,010	\$237,837	\$241,886	\$246,005	\$250,194	\$254,455	\$258,788	\$263,195	\$267,677	\$272,235
Lieutenant	\$185,157	\$193,217	\$200,591	\$206,346	\$209,860	\$213,435	\$217,071	\$220,769	\$224,529	\$228,354
Sergeant	\$172,250	\$181,835	\$185,182	\$186,541	\$189,824	\$196,973	\$200,440	\$203,970	\$207,563	\$211,221
Sergeant	\$164,078	\$167,690	\$174,256	\$177,425	\$178,515	\$181,660	\$184,863	\$188,123	\$191,442	\$194,821
Officer	\$136,029	\$140,952	\$143,652	\$146,353	\$148,968	\$154,878	\$157,646	\$160,464	\$163,334	\$166,258
Officer	\$128,062	\$131,192	\$138,205	\$140,806	\$143,317	\$145,875	\$148,480	\$151,133	\$153,835	\$156,586
Officer	\$119,262	\$124,686	\$129,136	\$135,976	\$138,401	\$140,870	\$143,385	\$145,946	\$148,554	\$151,211
Officer	\$119,262	\$124,686	\$131,136	\$135,976	\$138,401	\$140,870	\$143,385	\$145,946	\$148,554	\$151,211
Officer	\$119,294	\$124,770	\$131,276	\$136,179	\$138,579	\$141,022	\$143,509	\$146,041	\$148,619	\$151,243
Officer	\$58,231	\$117,809	\$124,112	\$130,802	\$133,071	\$135,381	\$137,731	\$140,122	\$142,556	\$145,032
<i>Subtotal: Police</i>	<i>\$1,424,636</i>	<i>\$1,544,672</i>	<i>\$1,599,432</i>	<i>\$1,642,409</i>	<i>\$1,669,130</i>	<i>\$1,705,419</i>	<i>\$1,735,296</i>	<i>\$1,765,707</i>	<i>\$1,796,662</i>	<i>\$1,828,172</i>
TOTAL: BUDGETED SALARIES	\$1,761,636	\$1,887,401	\$1,947,987	\$1,996,890	\$2,029,637	\$2,072,055	\$2,108,164	\$2,144,914	\$2,182,316	\$2,220,382

Table A-1
Kensington Police Protection and Community Services District
Staffing Model and Financial Forecast

Position	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034
PERS ELIGIBLE SALARY										
Chief of Police	\$221,810	\$237,337	\$241,371	\$245,475	\$249,648	\$253,892	\$258,208	\$262,598	\$267,062	\$271,602
Lieutenant	\$183,957	\$192,717	\$200,076	\$205,815	\$209,314	\$212,872	\$216,491	\$220,171	\$223,914	\$227,721
Sergeant	\$162,050	\$172,031	\$175,054	\$178,132	\$181,265	\$188,262	\$191,573	\$194,944	\$198,376	\$201,870
Sergeant	\$151,878	\$157,886	\$164,128	\$167,016	\$169,956	\$172,949	\$175,996	\$179,098	\$182,256	\$185,471
Officer	\$125,829	\$131,088	\$133,402	\$135,759	\$138,158	\$143,848	\$146,391	\$148,979	\$151,614	\$154,298
Officer	\$115,862	\$121,328	\$127,956	\$130,211	\$132,507	\$134,845	\$137,225	\$139,648	\$142,115	\$144,626
Officer	\$107,062	\$112,822	\$118,886	\$125,382	\$127,591	\$129,840	\$132,130	\$134,461	\$136,834	\$139,250
Officer	\$107,062	\$112,822	\$118,886	\$125,382	\$127,591	\$129,840	\$132,130	\$134,461	\$136,834	\$139,250
Officer	\$109,094	\$114,966	\$121,148	\$127,770	\$130,020	\$132,310	\$134,642	\$137,016	\$139,432	\$141,893
Officer	\$53,531	\$110,005	\$115,984	\$122,393	\$124,513	\$126,669	\$128,864	\$131,097	\$133,369	\$135,682
TOTAL: PERS ELIGIBLE SALARY	\$1,338,136	\$1,463,001	\$1,516,892	\$1,563,334	\$1,590,562	\$1,625,327	\$1,653,649	\$1,682,472	\$1,711,807	\$1,741,663
PERS CONTRIBUTION										
Classic	27.32%	27.37%	27.42%	27.47%	27.52%	27.57%	27.62%	27.67%	27.72%	27.77%
PEPRA	13.76%	13.81%	13.86%	13.91%	13.96%	14.01%	14.06%	14.11%	14.16%	14.21%
Chief of Police	\$60,598	\$64,959	\$66,184	\$67,432	\$68,703	\$69,998	\$71,317	\$72,661	\$74,029	\$75,424
Lieutenant	\$25,312	\$26,614	\$27,730	\$28,629	\$29,220	\$29,823	\$30,439	\$31,066	\$31,706	\$32,359
Sergeant	\$44,272	\$47,085	\$48,000	\$48,933	\$49,884	\$51,904	\$52,913	\$53,941	\$54,990	\$56,059
Sergeant	\$20,898	\$21,804	\$22,748	\$23,232	\$23,726	\$24,230	\$24,745	\$25,271	\$25,807	\$26,355
Officer	\$17,314	\$18,103	\$18,490	\$18,884	\$19,287	\$20,153	\$20,583	\$21,021	\$21,469	\$21,926
Officer	\$15,943	\$16,755	\$17,735	\$18,112	\$18,498	\$18,892	\$19,294	\$19,704	\$20,123	\$20,551
Officer	\$14,732	\$15,581	\$16,478	\$17,441	\$17,812	\$18,191	\$18,577	\$18,972	\$19,376	\$19,787
Officer	\$14,732	\$15,581	\$16,478	\$17,441	\$17,812	\$18,191	\$18,577	\$18,972	\$19,376	\$19,787
Officer	\$15,011	\$15,877	\$16,791	\$17,773	\$18,151	\$18,537	\$18,931	\$19,333	\$19,744	\$20,163
Officer	\$7,366	\$15,192	\$16,075	\$17,025	\$17,382	\$17,746	\$18,118	\$18,498	\$18,885	\$19,280
TOTAL: PERS CONTRIBUTION	\$236,179	\$257,551	\$266,709	\$274,901	\$280,474	\$287,664	\$293,493	\$299,440	\$305,505	\$311,693

Table A-1
Kensington Police Protection and Community Services District
Staffing Model and Financial Forecast

Position	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034
FICA - SOCIAL SECURITY										
Administration:										
General Manager	\$8,432	\$8,575	\$8,721	\$8,869	\$9,020	\$9,174	\$9,329	\$9,488	\$9,649	\$9,813
Sr. Accountant	\$4,092	\$4,162	\$4,232	\$4,304	\$4,377	\$4,452	\$4,528	\$4,604	\$4,683	\$4,762
Board Clerk	\$3,100	\$3,153	\$3,206	\$3,261	\$3,316	\$3,373	\$3,430	\$3,488	\$3,548	\$3,608
Admin Assistant	\$1,302	\$1,324	\$1,347	\$1,370	\$1,393	\$1,416	\$1,441	\$1,465	\$1,490	\$1,515
<i>Subtotal: Administration</i>	<i>\$16,926</i>	<i>\$17,214</i>	<i>\$17,506</i>	<i>\$17,804</i>	<i>\$18,107</i>	<i>\$18,414</i>	<i>\$18,728</i>	<i>\$19,046</i>	<i>\$19,370</i>	<i>\$19,699</i>
Park and Recreation:										
Parks Coordinator	\$1,302	\$1,324	\$1,347	\$1,370	\$1,393	\$1,416	\$1,441	\$1,465	\$1,490	\$1,515
Public Services Assistant	\$2,666	\$2,711	\$2,757	\$2,804	\$2,852	\$2,900	\$2,950	\$3,000	\$3,051	\$3,103
<i>Subtotal: Parks and Recreation</i>	<i>\$3,968</i>	<i>\$4,035</i>	<i>\$4,104</i>	<i>\$4,174</i>	<i>\$4,245</i>	<i>\$4,317</i>	<i>\$4,390</i>	<i>\$4,465</i>	<i>\$4,541</i>	<i>\$4,618</i>
TOTAL: FICA - SOCIAL SECURITY	\$20,894	\$21,249	\$21,610	\$21,978	\$22,351	\$22,731	\$23,118	\$23,511	\$23,911	\$24,317
FICA - MEDICARE										
Administration:										
General Manager	\$1,972	\$2,006	\$2,040	\$2,074	\$2,110	\$2,145	\$2,182	\$2,219	\$2,257	\$2,295
Sr. Accountant	\$957	\$973	\$990	\$1,007	\$1,024	\$1,041	\$1,059	\$1,077	\$1,095	\$1,114
Board Clerk	\$725	\$737	\$750	\$763	\$776	\$789	\$802	\$816	\$830	\$844
Admin Assistant	\$305	\$310	\$315	\$320	\$326	\$331	\$337	\$343	\$348	\$354
<i>Subtotal: Administration</i>	<i>\$3,959</i>	<i>\$4,026</i>	<i>\$4,094</i>	<i>\$4,164</i>	<i>\$4,235</i>	<i>\$4,307</i>	<i>\$4,380</i>	<i>\$4,454</i>	<i>\$4,530</i>	<i>\$4,607</i>
Park and Recreation:										
Parks Coordinator	\$305	\$310	\$315	\$320	\$326	\$331	\$337	\$343	\$348	\$354
Public Services Assistant:	\$624	\$634	\$645	\$656	\$667	\$678	\$690	\$702	\$714	\$726
<i>Subtotal: Parks and Recreation</i>	<i>\$928</i>	<i>\$944</i>	<i>\$960</i>	<i>\$976</i>	<i>\$993</i>	<i>\$1,010</i>	<i>\$1,027</i>	<i>\$1,044</i>	<i>\$1,062</i>	<i>\$1,080</i>
Police:										
Chief of Police	\$3,234	\$3,449	\$3,507	\$3,567	\$3,628	\$3,690	\$3,752	\$3,816	\$3,881	\$3,947
Lieutenant	\$2,685	\$2,802	\$2,909	\$2,992	\$3,043	\$3,095	\$3,148	\$3,201	\$3,256	\$3,311
Sergeant	\$2,498	\$2,637	\$2,685	\$2,705	\$2,752	\$2,856	\$2,906	\$2,958	\$3,010	\$3,063
Sergeant	\$2,379	\$2,431	\$2,527	\$2,573	\$2,588	\$2,634	\$2,681	\$2,728	\$2,776	\$2,825
Officer	\$1,972	\$2,044	\$2,083	\$2,122	\$2,160	\$2,246	\$2,286	\$2,327	\$2,368	\$2,411
Officer	\$1,857	\$1,902	\$2,004	\$2,042	\$2,078	\$2,115	\$2,153	\$2,191	\$2,231	\$2,271
Officer	\$1,729	\$1,808	\$1,872	\$1,972	\$2,007	\$2,043	\$2,079	\$2,116	\$2,154	\$2,193
Officer	\$1,729	\$1,808	\$1,901	\$1,972	\$2,007	\$2,043	\$2,079	\$2,116	\$2,154	\$2,193
Officer	\$1,730	\$1,809	\$1,903	\$1,975	\$2,009	\$2,045	\$2,081	\$2,118	\$2,155	\$2,193
Officer	\$844	\$1,708	\$1,800	\$1,897	\$1,930	\$1,963	\$1,997	\$2,032	\$2,067	\$2,103
<i>Subtotal: Police</i>	<i>\$20,657</i>	<i>\$22,398</i>	<i>\$23,192</i>	<i>\$23,815</i>	<i>\$24,202</i>	<i>\$24,729</i>	<i>\$25,162</i>	<i>\$25,603</i>	<i>\$26,052</i>	<i>\$26,508</i>
TOTAL: FICA - MEDICARE	\$25,544	\$27,367	\$28,246	\$28,955	\$29,430	\$30,045	\$30,568	\$31,101	\$31,644	\$32,196

Table A-1
Kensington Police Protection and Community Services District
Staffing Model and Financial Forecast

Position	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034
TOTAL TAXES										
Administration:										
General Manager	\$10,404	\$10,581	\$10,761	\$10,944	\$11,130	\$11,319	\$11,511	\$11,707	\$11,906	\$12,108
Sr. Accountant	\$5,049	\$5,135	\$5,222	\$5,311	\$5,401	\$5,493	\$5,586	\$5,681	\$5,778	\$5,876
Board Clerk	\$3,825	\$3,890	\$3,956	\$4,023	\$4,092	\$4,161	\$4,232	\$4,304	\$4,377	\$4,452
Admin Assistant	\$1,607	\$1,634	\$1,662	\$1,690	\$1,719	\$1,748	\$1,777	\$1,808	\$1,838	\$1,870
<i>Subtotal: Administration</i>	<i>\$20,885</i>	<i>\$21,240</i>	<i>\$21,601</i>	<i>\$21,968</i>	<i>\$22,341</i>	<i>\$22,721</i>	<i>\$23,107</i>	<i>\$23,500</i>	<i>\$23,900</i>	<i>\$24,306</i>
Park and Recreation:										
Parks Coordinator	\$1,607	\$1,634	\$1,662	\$1,690	\$1,719	\$1,748	\$1,777	\$1,808	\$1,838	\$1,870
Public Services Assistant	\$3,290	\$3,345	\$3,402	\$3,460	\$3,519	\$3,579	\$3,640	\$3,701	\$3,764	\$3,828
<i>Subtotal: Parks and Recreation</i>	<i>\$4,896</i>	<i>\$4,979</i>	<i>\$5,064</i>	<i>\$5,150</i>	<i>\$5,238</i>	<i>\$5,327</i>	<i>\$5,417</i>	<i>\$5,509</i>	<i>\$5,603</i>	<i>\$5,698</i>
Police:										
Chief of Police	\$3,234	\$3,449	\$3,507	\$3,567	\$3,628	\$3,690	\$3,752	\$3,816	\$3,881	\$3,947
Lieutenant	\$2,685	\$2,802	\$2,909	\$2,992	\$3,043	\$3,095	\$3,148	\$3,201	\$3,256	\$3,311
Sergeant	\$2,498	\$2,637	\$2,685	\$2,705	\$2,752	\$2,856	\$2,906	\$2,958	\$3,010	\$3,063
Sergeant	\$2,379	\$2,431	\$2,527	\$2,573	\$2,588	\$2,634	\$2,681	\$2,728	\$2,776	\$2,825
Officer	\$1,972	\$2,044	\$2,083	\$2,122	\$2,160	\$2,246	\$2,286	\$2,327	\$2,368	\$2,411
Officer	\$1,857	\$1,902	\$2,004	\$2,042	\$2,078	\$2,115	\$2,153	\$2,191	\$2,231	\$2,271
Officer	\$1,729	\$1,808	\$1,872	\$1,972	\$2,007	\$2,043	\$2,079	\$2,116	\$2,154	\$2,193
Officer	\$1,729	\$1,808	\$1,901	\$1,972	\$2,007	\$2,043	\$2,079	\$2,116	\$2,154	\$2,193
Officer	\$1,730	\$1,809	\$1,903	\$1,975	\$2,009	\$2,045	\$2,081	\$2,118	\$2,155	\$2,193
Officer	\$844	\$1,708	\$1,800	\$1,897	\$1,930	\$1,963	\$1,997	\$2,032	\$2,067	\$2,103
<i>Subtotal: Police</i>	<i>\$20,657</i>	<i>\$22,398</i>	<i>\$23,192</i>	<i>\$23,815</i>	<i>\$24,202</i>	<i>\$24,729</i>	<i>\$25,162</i>	<i>\$25,603</i>	<i>\$26,052</i>	<i>\$26,508</i>
TOTAL: TAXES	\$46,438	\$48,617	\$49,856	\$50,933	\$51,781	\$52,776	\$53,686	\$54,612	\$55,554	\$56,513

Table A-1
Kensington Police Protection and Community Services District
Staffing Model and Financial Forecast

Position	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034
MEDICAL, DENTAL AND VISION BENEFITS										
Single										
Couple	\$12,496.68									
Family	\$24,542.56									
	\$32,289.10									
<i>Medical Cost Inflation</i>										
		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Chief of Police	\$24,543	\$25,770	\$27,058	\$28,411	\$29,832	\$31,323	\$32,889	\$34,534	\$36,261	\$38,074
Lieutenant	\$32,289	\$33,904	\$35,599	\$37,379	\$39,248	\$41,210	\$43,270	\$45,434	\$47,706	\$50,091
Sergeant	\$32,289	\$33,904	\$35,599	\$37,379	\$39,248	\$41,210	\$43,270	\$45,434	\$47,706	\$50,091
Sergeant	\$32,289	\$33,904	\$35,599	\$37,379	\$39,248	\$41,210	\$43,270	\$45,434	\$47,706	\$50,091
Officer	\$24,543	\$25,770	\$27,058	\$28,411	\$29,832	\$31,323	\$32,889	\$34,534	\$36,261	\$38,074
Officer	\$12,497	\$13,122	\$13,778	\$14,466	\$15,190	\$15,949	\$16,747	\$17,584	\$18,463	\$19,386
Officer	\$24,543	\$25,770	\$27,058	\$28,411	\$29,832	\$31,323	\$32,889	\$34,534	\$36,261	\$38,074
Officer	\$12,497	\$13,122	\$13,778	\$14,466	\$15,190	\$15,949	\$16,747	\$17,584	\$18,463	\$19,386
Officer	\$32,289	\$33,904	\$35,599	\$37,379	\$39,248	\$41,210	\$43,270	\$45,434	\$47,706	\$50,091
Officer	\$16,145	\$33,904	\$35,599	\$37,379	\$39,248	\$41,210	\$43,270	\$45,434	\$47,706	\$50,091
TOTAL: MEDICAL BENEFITS	\$243,922	\$273,070	\$286,723	\$301,060	\$316,112	\$331,918	\$348,514	\$365,940	\$384,237	\$403,449
LIFE INSURANCE										
Chief of Police	\$231	\$238	\$245	\$253	\$260	\$268	\$276	\$284	\$293	\$302
Lieutenant	\$231	\$238	\$245	\$253	\$260	\$268	\$276	\$284	\$293	\$302
Sergeant	\$231	\$238	\$245	\$253	\$260	\$268	\$276	\$284	\$293	\$302
Sergeant	\$231	\$238	\$245	\$253	\$260	\$268	\$276	\$284	\$293	\$302
Officer	\$231	\$238	\$245	\$253	\$260	\$268	\$276	\$284	\$293	\$302
Officer	\$231	\$238	\$245	\$253	\$260	\$268	\$276	\$284	\$293	\$302
Officer	\$231	\$238	\$245	\$253	\$260	\$268	\$276	\$284	\$293	\$302
Officer	\$231	\$238	\$245	\$253	\$260	\$268	\$276	\$284	\$293	\$302
Officer	\$231	\$238	\$245	\$253	\$260	\$268	\$276	\$284	\$293	\$302
TOTAL: LIFE INSURANCE	\$2,312	\$2,382	\$2,453	\$2,527	\$2,603	\$2,681	\$2,761	\$2,844	\$2,929	\$3,017
DISABILITY										
Chief of Police	\$384	\$396	\$407	\$420	\$432	\$445	\$459	\$472	\$486	\$501
Lieutenant	\$384	\$396	\$407	\$420	\$432	\$445	\$459	\$472	\$486	\$501
Sergeant	\$384	\$396	\$407	\$420	\$432	\$445	\$459	\$472	\$486	\$501
Sergeant	\$384	\$396	\$407	\$420	\$432	\$445	\$459	\$472	\$486	\$501
Officer	\$384	\$396	\$407	\$420	\$432	\$445	\$459	\$472	\$486	\$501
Officer	\$384	\$396	\$407	\$420	\$432	\$445	\$459	\$472	\$486	\$501
Officer	\$384	\$396	\$407	\$420	\$432	\$445	\$459	\$472	\$486	\$501
Officer	\$384	\$396	\$407	\$420	\$432	\$445	\$459	\$472	\$486	\$501
Officer	\$384	\$396	\$407	\$420	\$432	\$445	\$459	\$472	\$486	\$501
Officer	\$384	\$396	\$407	\$420	\$432	\$445	\$459	\$472	\$486	\$501
TOTAL: DISABILITY	\$3,840	\$3,955	\$4,074	\$4,196	\$4,322	\$4,452	\$4,585	\$4,723	\$4,864	\$5,010

Table A-1
Kensington Police Protection and Community Services District
Staffing Model and Financial Forecast

Position	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034
TOTAL BENEFITS										
Chief of Police	\$25,158	\$26,403	\$27,711	\$29,083	\$30,524	\$32,036	\$33,624	\$35,291	\$37,040	\$38,876
Lieutenant	\$32,904	\$34,537	\$36,251	\$38,051	\$39,940	\$41,923	\$44,005	\$46,191	\$48,485	\$50,894
Sergeant	\$32,904	\$34,537	\$36,251	\$38,051	\$39,940	\$41,923	\$44,005	\$46,191	\$48,485	\$50,894
Officer	\$25,158	\$26,403	\$27,711	\$29,083	\$30,524	\$32,036	\$33,624	\$35,291	\$37,040	\$38,876
Officer	\$13,112	\$13,755	\$14,430	\$15,139	\$15,882	\$16,663	\$17,481	\$18,341	\$19,243	\$20,189
Officer	\$25,158	\$26,403	\$27,711	\$29,083	\$30,524	\$32,036	\$33,624	\$35,291	\$37,040	\$38,876
Officer	\$13,112	\$13,755	\$14,430	\$15,139	\$15,882	\$16,663	\$17,481	\$18,341	\$19,243	\$20,189
Officer	\$32,904	\$34,537	\$36,251	\$38,051	\$39,940	\$41,923	\$44,005	\$46,191	\$48,485	\$50,894
Officer	\$16,760	\$34,537	\$36,251	\$38,051	\$39,940	\$41,923	\$44,005	\$46,191	\$48,485	\$50,894
TOTAL: TOTAL BENEFITS	\$250,074	\$279,407	\$293,250	\$307,782	\$323,037	\$339,050	\$355,860	\$373,506	\$392,030	\$411,476
TOTAL STAFFING COST										
Administration:										
General Manager	\$146,404	\$148,893	\$151,424	\$153,998	\$156,616	\$159,279	\$161,986	\$164,740	\$167,541	\$170,389
Sr. Accountant	\$71,049	\$72,257	\$73,485	\$74,734	\$76,005	\$77,297	\$78,611	\$79,947	\$81,307	\$82,689
Board Clerk	\$53,825	\$54,740	\$55,671	\$56,617	\$57,579	\$58,558	\$59,554	\$60,566	\$61,596	\$62,643
Admin Assistant	\$22,607	\$22,991	\$23,382	\$23,779	\$24,183	\$24,595	\$25,013	\$25,438	\$25,870	\$26,310
<i>Subtotal: Administration</i>	<i>\$293,885</i>	<i>\$298,881</i>	<i>\$303,962</i>	<i>\$309,129</i>	<i>\$314,384</i>	<i>\$319,729</i>	<i>\$325,164</i>	<i>\$330,692</i>	<i>\$336,314</i>	<i>\$342,031</i>
Park and Recreation:										
Parks Coordinator	\$22,607	\$22,991	\$23,382	\$23,779	\$24,183	\$24,595	\$25,013	\$25,438	\$25,870	\$26,310
Public Services Assistant	\$46,290	\$47,076	\$47,877	\$48,691	\$49,518	\$50,360	\$51,216	\$52,087	\$52,972	\$53,873
<i>Subtotal: Parks and Recreation</i>	<i>\$68,896</i>	<i>\$70,067</i>	<i>\$71,258</i>	<i>\$72,470</i>	<i>\$73,702</i>	<i>\$74,955</i>	<i>\$76,229</i>	<i>\$77,525</i>	<i>\$78,843</i>	<i>\$80,183</i>
Police:										
Chief of Police	\$312,000	\$332,648	\$339,289	\$346,088	\$353,049	\$360,179	\$367,481	\$374,962	\$382,627	\$390,483
Lieutenant	\$246,059	\$257,170	\$267,481	\$276,017	\$282,064	\$288,276	\$294,662	\$301,227	\$307,976	\$314,918
Sergeant	\$251,924	\$266,094	\$272,119	\$276,229	\$282,400	\$293,656	\$300,264	\$307,059	\$314,047	\$321,236
Sergeant	\$220,260	\$226,462	\$235,782	\$241,281	\$244,769	\$250,448	\$256,293	\$262,312	\$268,511	\$274,895
Officer	\$180,474	\$187,502	\$191,935	\$196,443	\$200,939	\$209,314	\$214,138	\$219,102	\$224,211	\$229,471
Officer	\$158,973	\$163,605	\$172,374	\$176,098	\$179,776	\$183,544	\$187,408	\$191,369	\$195,431	\$199,598
Officer	\$160,881	\$168,478	\$175,197	\$184,472	\$188,744	\$193,140	\$197,665	\$202,325	\$207,124	\$212,067
Officer	\$148,835	\$155,830	\$163,945	\$170,527	\$174,102	\$177,766	\$181,523	\$185,375	\$189,327	\$193,380
Officer	\$168,940	\$176,993	\$186,222	\$193,977	\$198,679	\$203,526	\$208,525	\$213,682	\$219,002	\$224,493
Officer	\$83,201	\$169,246	\$178,239	\$187,775	\$192,323	\$197,013	\$201,851	\$206,842	\$211,993	\$217,309
<i>Subtotal: Police</i>	<i>\$1,931,546</i>	<i>\$2,104,028</i>	<i>\$2,182,582</i>	<i>\$2,248,907</i>	<i>\$2,296,844</i>	<i>\$2,356,862</i>	<i>\$2,409,811</i>	<i>\$2,464,256</i>	<i>\$2,520,250</i>	<i>\$2,577,850</i>
TOTAL: TOTAL STAFFING COST	\$2,294,327	\$2,472,975	\$2,557,802	\$2,630,506	\$2,684,929	\$2,751,546	\$2,811,204	\$2,872,472	\$2,935,406	\$3,000,064

Table A-1
Kensington Police Protection and Community Services District
Staffing Model and Financial Forecast

Position		FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034
FULL LOAD HOURLY RATE											
Administration:											
General Manager	Hrs / Yr	\$146.40	\$148.89	\$151.42	\$154.00	\$156.62	\$159.28	\$161.99	\$164.74	\$167.54	\$170.39
Sr. Accountant	1,000	\$47.37	\$48.17	\$48.99	\$49.82	\$50.67	\$51.53	\$52.41	\$53.30	\$54.20	\$55.13
Board Clerk	1,300	\$41.40	\$42.11	\$42.82	\$43.55	\$44.29	\$45.04	\$45.81	\$46.59	\$47.38	\$48.19
Admin Assistant	750	\$30.14	\$30.65	\$31.18	\$31.71	\$32.24	\$32.79	\$33.35	\$33.92	\$34.49	\$35.08
Park and Recreation:											
Parks Coordinator	750	\$30.14	\$30.65	\$31.18	\$31.71	\$32.24	\$32.79	\$33.35	\$33.92	\$34.49	\$35.08
Public Services Assistant	1,500	\$30.86	\$31.38	\$31.92	\$32.46	\$33.01	\$33.57	\$34.14	\$34.72	\$35.31	\$35.92
Police:											
Chief of Police	2,080	\$150.00	\$159.93	\$163.12	\$166.39	\$169.74	\$173.16	\$176.67	\$180.27	\$183.96	\$187.73
Lieutenant	2,080	\$118.30	\$123.64	\$128.60	\$132.70	\$135.61	\$138.59	\$141.66	\$144.82	\$148.07	\$151.40
Sergeant	2,080	\$121.12	\$127.93	\$130.83	\$132.80	\$135.77	\$141.18	\$144.36	\$147.62	\$150.98	\$154.44
Sergeant	2,080	\$105.89	\$108.88	\$113.36	\$116.00	\$117.68	\$120.41	\$123.22	\$126.11	\$129.09	\$132.16
Officer	2,080	\$86.77	\$90.15	\$92.28	\$94.44	\$96.61	\$100.63	\$102.95	\$105.34	\$107.79	\$110.32
Officer	2,080	\$76.43	\$78.66	\$82.87	\$84.66	\$86.43	\$88.24	\$90.10	\$92.00	\$93.96	\$95.96
Officer	2,080	\$77.35	\$81.00	\$84.23	\$88.69	\$90.74	\$92.86	\$95.03	\$97.27	\$99.58	\$101.96
Officer	2,080	\$71.56	\$74.92	\$78.82	\$81.98	\$83.70	\$85.46	\$87.27	\$89.12	\$91.02	\$92.97
Officer	2,080	\$81.22	\$85.09	\$89.53	\$93.26	\$95.52	\$97.85	\$100.25	\$102.73	\$105.29	\$107.93
Officer	2,080	\$40.00	\$81.37	\$85.69	\$90.28	\$92.46	\$94.72	\$97.04	\$99.44	\$101.92	\$104.48

Source: KPCCSD



Appendix B:

KPPCSD Operating Statement and Projections Detail

Table B-1	Operating Statement Detail – General Fund
Table B-2	Operating Statement Detail – Police Fund
Table B-3	Operating Statement Detail – Parks Fund
Table B-4	Operating Statement Detail – Waste Management Fund
Table B-5	Operating Statement Detail – District-Wide
Table B-6	Reserve Balances

Table B-1
Kensington Police Protection and Community Services District
Operating Statement Detail - General Fund

Description	FYE 2021 Actual	FYE 2022 Actual	FYE 2023 Actual	FYE 2024 Actual YTD	FYE 2024 Budget	FYE 2025 Budget	FYE 2026 Projection	FYE 2027 Projection	FYE 2028 Projection	FYE 2029 Projection	FYE 2030 Projection	FYE 2031 Projection	FYE 2032 Projection	FYE 2033 Projection	FYE 2034 Projection
Inflation Factor					3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Revenue															
Property Taxes	\$2,053,113	\$2,164,908	\$2,381,352	\$2,433,755	\$2,400,000	\$2,522,000	\$2,610,270	\$2,701,629	\$2,796,186	\$2,894,053	\$2,995,345	\$3,100,182	\$3,208,688	\$3,320,992	\$3,437,227
Prop Tax Growth Rate		5.45%	10.00%	2.20%		3.63%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Reimbursements/Refunds	\$0	\$0	\$0	\$586	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest	\$3,199	\$2,659	\$15,414	\$62,982	\$10,000	\$30,000	\$84,064	\$80,876	\$77,704	\$73,199	\$69,369	\$66,778	\$63,468	\$62,403	\$61,790
Other Revenues	\$500	\$12,638	\$19,204	\$25,816	\$68,500	\$0	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510	\$23,185	\$23,881	\$24,597	\$25,335
Rental Revenues - KPFD	\$0	\$0	\$26,824	\$19,508	\$29,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Waste Mgmt Fund Contribution	\$0	\$0	\$0	\$0	\$0	\$31,000	\$30,619	\$31,767	\$32,086	\$33,297	\$33,628	\$34,907	\$35,251	\$36,600	\$36,958
Total Revenue	\$2,056,812	\$2,180,205	\$2,442,794	\$2,542,647	\$2,507,800	\$2,583,000	\$2,744,953	\$2,834,872	\$2,927,194	\$3,022,404	\$3,120,853	\$3,225,053	\$3,331,288	\$3,444,593	\$3,561,310
Expenses															
Salaries	\$15,084	\$314,424	\$356,999	\$206,874	\$259,400	\$273,000	\$277,641	\$282,361	\$287,161	\$292,043	\$297,007	\$302,057	\$307,192	\$312,414	\$317,725
Payroll Taxes	\$247,454	\$18,338	\$45,609	\$8,832	\$19,800	\$20,885	\$21,240	\$21,601	\$21,968	\$22,341	\$22,721	\$23,107	\$23,500	\$23,900	\$24,306
Unemployment	\$15,443	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IT Contract	\$6,562	\$5,635	\$8,270	\$11,703	\$7,500	\$9,500	\$9,785	\$10,079	\$10,381	\$10,692	\$11,013	\$11,343	\$11,684	\$12,034	\$12,395
Admin Communications	\$1,399	\$7,803	\$8,767	\$4,619	\$2,000	\$3,000	\$4,500	\$4,635	\$4,774	\$4,917	\$5,065	\$5,217	\$5,373	\$5,534	\$5,700
Office Supplies	\$493	\$573	\$748	\$1,601	\$0	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814	\$2,898	\$2,985	\$3,075	\$3,167	\$3,262
Postage	\$193	\$226	\$553	\$949	\$0	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159	\$1,194	\$1,230	\$1,267	\$1,305
Mileage Reimbursement	\$7,397	\$10,545	\$7,671	\$15,773	\$11,000	\$18,000	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510	\$23,185	\$23,881	\$24,597	\$25,335
Dues/Subscriptions	\$4,379	\$0	\$5,524	\$4,149	\$0	\$3,500	\$4,000	\$4,120	\$4,244	\$4,371	\$4,502	\$4,637	\$4,776	\$4,919	\$5,067
Copier Contract	\$2,139	(\$2,799)	\$282	\$5,072	\$8,000	\$6,000	\$8,000	\$8,240	\$8,487	\$8,742	\$9,004	\$9,274	\$9,552	\$9,839	\$10,134
Board Continuing Ed / Conferences	\$53,854	\$40,092	\$189,833	\$75,918	\$25,000	\$35,000	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275	\$57,964	\$59,703	\$61,494	\$63,339
Legal (District/Personnel)	\$3,332	\$20,284	\$20,284	\$16,093	\$18,700	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883	\$17,389	\$17,911	\$18,448	\$19,002	\$19,572
Training and Travel Admin	\$44,150	\$30,131	\$44,287	\$43,458	\$50,000	\$100,000	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275	\$57,964	\$59,703	\$61,494	\$63,339
Consulting	\$92,200	\$113,631	\$290,523	\$73,102	\$95,000	\$160,000	\$140,000	\$144,200	\$148,526	\$152,982	\$157,571	\$162,298	\$167,167	\$172,182	\$177,348
Accounting / Audit	\$24,309	\$31,893	\$36,595	\$45,000	\$45,000	\$55,000	\$56,650	\$58,350	\$60,100	\$61,903	\$63,760	\$65,673	\$67,643	\$69,672	\$71,763
Insurance	\$9,402	\$2,264	\$13,178	\$1,569	\$1,500	\$3,000	\$3,090	\$3,183	\$3,278	\$3,377	\$3,478	\$3,582	\$3,690	\$3,800	\$3,914
Workers Comp	\$4,991	\$0	\$7,630	\$0	\$0	\$8,000	\$8,487	\$8,979	\$9,476	\$9,974	\$10,475	\$10,979	\$11,486	\$11,994	\$12,504
Election	\$1,729	\$1,661	\$1,505	\$1,455	\$2,000	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$2,534	\$2,610
LAPCO	\$22,696	\$22,385	\$22,435	\$6,469	\$25,000	\$25,000	\$25,750	\$26,523	\$27,318	\$28,138	\$28,982	\$29,851	\$30,747	\$31,669	\$32,619
County Expenditures	\$7,198	\$1,243	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
COVID	\$6,790	\$16,132	\$27,143	\$1,600	\$5,000	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524
Other Expenses	\$0	\$0	\$603	\$2,815	\$0	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883	\$17,389	\$17,911	\$18,448	\$19,002	\$19,572
Payroll Expenses	\$587,276	\$617,509	\$1,088,439	\$327,051	\$624,900	\$760,385	\$712,371	\$738,343	\$747,800	\$775,220	\$785,115	\$814,065	\$824,420	\$854,988	\$865,828
Total Expenses	\$1,469,536	\$1,562,696	\$1,354,355	\$2,015,596	\$1,882,900	\$1,822,616	\$2,032,582	\$2,096,529	\$2,179,394	\$2,247,184	\$2,335,737	\$2,410,988	\$2,506,868	\$2,589,605	\$2,695,482
Cash Flow Before Capital Outlay															

Table B-1
Kensington Police Protection and Community Services District
Operating Statement Detail - General Fund

Description	FYE 2021 Actual	FYE 2022 Actual	FYE 2023 Actual	FYE 2024 Actual YTD	FYE 2024 Budget	FYE 2025 Budget	FYE 2026 Projection	FYE 2027 Projection	FYE 2028 Projection	FYE 2029 Projection	FYE 2030 Projection	FYE 2031 Projection	FYE 2032 Projection	FYE 2033 Projection	FYE 2034 Projection
Capital Outlay															
Office Furn/Eq	\$1,225	\$0	\$0	\$0	\$0	\$0	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159	\$1,194	\$1,230	\$1,267
Computer Equipment	\$6,965	\$0	\$0	\$0	\$0	\$0	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$2,534
A/V Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Capital Outlay	\$8,190	\$0	\$0	\$0	\$0	\$0	\$33,000	\$3,090	\$3,183	\$3,278	\$3,377	\$3,478	\$3,582	\$3,690	\$3,800
Net Cash Flow	\$1,461,346	\$1,562,696	\$1,354,355	\$2,015,596	\$1,882,900	\$1,822,616	\$1,999,582	\$2,093,439	\$2,176,211	\$2,243,906	\$2,332,361	\$2,407,510	\$2,503,286	\$2,585,915	\$2,691,682

Source: KPPCSD and Ridgeline

Table B-2
Kensington Police Protection and Community Services District
Operating Statement Detail - Police Fund

Description	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034
	Actual	Actual	Actual	Actual YTD	Budget	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Inflation Factor							3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Revenue															
Property Taxes															
Special Tax-Police	\$685,710	\$685,470	\$685,470	\$685,470	\$685,500	\$685,470	\$685,470	\$685,470	\$685,470	\$685,470	\$685,470	\$685,470	\$685,470	\$685,470	\$685,470
Measure C	\$598,396	\$620,988	\$651,974	\$679,346	\$700,000	\$721,000	\$742,630	\$764,909	\$787,856	\$811,492	\$835,837	\$860,912	\$886,739	\$913,341	\$940,000
Police Fees/Service Charges	\$12,082	\$4,138	\$14,670	\$6,552	\$5,000	\$6,180	\$6,365	\$6,556	\$6,753	\$6,956	\$7,164	\$7,379	\$7,601	\$7,829	\$8,061
POST Reimbursement	\$65,000	\$2,212	\$13,065	\$7,757	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,437
COPS/Other PD Grants	\$119,093	\$165,675	\$217,383	\$266,108	\$200,000	\$100,000	\$103,000	\$106,090	\$109,273	\$112,551	\$115,927	\$119,405	\$122,987	\$126,677	\$130,375
Reimbursements/Refunds	\$4,307	\$4,133	\$0	\$8,474	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unrealized Gain / Loss	\$0	\$0	\$0	\$9,950	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Revenues	\$0	\$0	\$0	\$978	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$1,484,588	\$1,482,616	\$1,582,562	\$1,664,635	\$1,555,000	\$1,522,950	\$1,548,074	\$1,573,953	\$1,600,607	\$1,628,061	\$1,656,339	\$1,685,465	\$1,715,465	\$1,746,365	\$1,777,265
Expenses															
Holiday Pay	\$0	\$0	\$0	\$32,900	\$45,843	\$47,219	\$48,635	\$50,094	\$51,597	\$53,145	\$54,739	\$56,382	\$58,073	\$59,815	\$61,607
Incentive Pay- Education	\$0	\$0	\$0	\$8,511	\$13,359	\$13,981	\$14,500	\$14,899	\$15,152	\$15,410	\$15,672	\$15,938	\$16,209	\$16,485	\$16,761
Incentive Pay- POST Certificate	\$0	\$0	\$0	\$32,156	\$26,851	\$27,927	\$28,716	\$29,205	\$29,701	\$30,206	\$30,719	\$31,242	\$31,773	\$32,313	\$32,861
Salary - Officers - Other	\$1,123,016	\$855,565	\$1,070,630	\$914,728	\$1,141,400	\$1,356,671	\$1,407,319	\$1,475,986	\$1,475,652	\$1,500,738	\$1,526,251	\$1,552,197	\$1,578,585	\$1,605,421	\$1,632,707
Overtime	\$91,631	\$166,773	\$131,152	\$149,304	\$20,000	\$8,431	\$60,903	\$63,029	\$64,100	\$65,190	\$66,298	\$67,425	\$68,572	\$69,737	\$70,919
Shift Differential	\$0	\$0	\$0	\$0	\$8,000	\$8,240	\$8,487	\$8,742	\$9,004	\$9,274	\$9,552	\$9,839	\$10,134	\$10,438	\$10,749
Longevity Pay	\$0	\$0	\$0	\$0	\$10,126	\$17,203	\$17,720	\$18,150	\$18,459	\$25,828	\$26,267	\$26,713	\$27,168	\$27,629	\$28,096
Salary - Non-Sworn	\$39,576	\$31,008	\$63,043	\$59,924	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hiring Bonus	\$0	\$14,000	\$25,000	\$30,063	\$14,000	\$10,000	\$8,000	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacation Cash Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Uniform Allowance	\$0	\$7,693	\$9,576	\$7,800	\$12,000	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524
Medical/Vision/Dental-Active	\$147,038	\$104,579	\$128,113	\$163,764	\$183,700	\$273,070	\$286,723	\$301,060	\$316,112	\$331,918	\$348,514	\$365,940	\$384,237	\$403,449	\$423,687
Medical-Retired	\$180,107	\$165,490	\$155,643	\$135,081	\$145,445	\$145,445	\$157,445	\$157,445	\$157,445	\$157,445	\$157,445	\$157,445	\$157,445	\$157,445	\$157,445
Medical-Trust	\$151,304	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Officer Life & Disability Insurance	\$5,482	\$6,682	\$4,724	\$5,204	\$8,500	\$6,152	\$6,527	\$6,723	\$6,925	\$7,132	\$7,346	\$7,567	\$7,794	\$8,027	\$8,265
Social Security/Medicare-Police	\$18,012	\$15,300	\$23,071	\$16,533	\$20,300	\$22,398	\$23,192	\$23,815	\$24,202	\$24,729	\$25,162	\$25,603	\$26,052	\$26,508	\$26,974
Social Security - District	\$104	\$10,666	\$3,716	\$3,715	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PERs - District Portion	\$189,478	\$143,256	\$209,627	\$187,742	\$236,179	\$257,551	\$266,709	\$274,901	\$280,474	\$287,664	\$293,493	\$299,440	\$305,505	\$311,693	\$318,000
Normal Cost					\$53,983	\$85,742	\$117,501	\$149,761	\$181,020	\$184,863	\$188,663	\$192,429	\$196,163	\$200,000	\$203,837
PERs - Officers Portion	\$0	\$3,754	(\$5,493)	\$5,493	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Workers Comp	\$30,120	\$38,183	\$39,533	\$38,000	\$38,000	\$46,350	\$47,741	\$49,173	\$50,648	\$52,167	\$53,732	\$55,344	\$57,005	\$58,715	\$60,475
Unemployment	\$0	\$0	\$0	\$14,250	\$52,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
In Lieu Health Expense	\$0	\$0	\$6,000	\$500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office Supplies and Expenses	\$10,394	\$20,176	\$14,690	\$10,871	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,719
Police Equipment and Supplies	\$1,660	\$20,249	\$26,432	\$30,094	\$15,000	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510	\$23,185	\$23,881	\$24,597	\$25,335	\$26,093
Traffic Safety	\$6,773	\$2,850	\$14,792	\$57,556	\$8,000	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048

Table B-2
Kensington Police Protection and Community Services District
Operating Statement Detail - Police Fund

Description	FYE 2021 Actual	FYE 2022 Actual	FYE 2023 Actual	FYE 2024 Actual YTD	FYE 2024 Budget	FYE 2025 Budget	FYE 2025 Projection	FYE 2026 Projection	FYE 2027 Projection	FYE 2028 Projection	FYE 2029 Projection	FYE 2030 Projection	FYE 2031 Projection	FYE 2032 Projection	FYE 2033 Projection	FYE 2034 Projection
Crossing Guard	\$2,941	\$18,614	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fleet Expense	\$16,226	\$24,654	\$44,888	\$26,554	\$17,000	\$53,000	\$54,590	\$57,915	\$56,228	\$57,915	\$59,652	\$61,442	\$63,285	\$65,183	\$67,139	\$69,153
Vehicle Operation	\$0	\$23,341	\$0	\$43,608	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IT and Communications	\$149,811	\$178,212	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cal-ID, ARIES, SunRidge, LEFTA	\$0	\$0	\$227,092	\$159,154	\$160,000	\$170,000	\$175,100	\$185,764	\$180,353	\$185,764	\$191,336	\$197,077	\$202,989	\$209,079	\$215,351	\$221,811
Radio Maintenance	\$0	\$9,720	\$0	\$19,211	\$37,800	\$12,000	\$12,360	\$13,113	\$12,731	\$13,113	\$13,506	\$13,911	\$14,329	\$14,758	\$15,201	\$15,657
Alarm	\$0	\$1,047	\$0	\$5,893	\$4,000	\$5,000	\$5,150	\$5,464	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524
Evidence	\$4,290	\$1,095	\$24,795	\$11,867	\$7,500	\$8,000	\$8,740	\$8,742	\$8,487	\$8,742	\$9,004	\$9,274	\$9,552	\$9,839	\$10,134	\$10,438
Emergency Preparedness	\$0	\$0	\$0	\$0	\$3,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Training and Travel Exp	\$23,376	\$11,936	\$32,621	\$24,150	\$30,000	\$30,000	\$30,900	\$32,782	\$31,827	\$32,782	\$33,765	\$34,778	\$35,822	\$36,896	\$38,003	\$39,143
Records	\$641	\$5,008	\$300	\$750	\$38,800	\$8,000	\$8,240	\$8,742	\$8,487	\$8,742	\$9,004	\$9,274	\$9,552	\$9,839	\$10,134	\$10,438
Hiring	\$8,381	\$29,267	\$11,885	\$14,977	\$25,000	\$5,000	\$5,150	\$5,464	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524
Reserve Officers	\$517	\$597	\$270	\$2,160	\$0	\$3,000	\$3,090	\$3,278	\$3,183	\$3,278	\$3,377	\$3,478	\$3,582	\$3,690	\$3,800	\$3,914
Dues and Subscriptions	\$2,294	\$6,024	\$6,678	\$1,840	\$7,000	\$3,000	\$3,090	\$3,278	\$3,183	\$3,278	\$3,377	\$3,478	\$3,582	\$3,690	\$3,800	\$3,914
PCST - Reimburse	\$0	\$3,640	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities - Police	\$0	\$9,219	\$17,217	\$29,710	\$27,000	\$35,000	\$36,050	\$38,245	\$37,132	\$38,245	\$39,393	\$40,575	\$41,792	\$43,046	\$44,337	\$45,667
Blgd Repairs/Maint	\$0	\$1,870	\$437	\$9,810	\$10,000	\$5,000	\$5,150	\$5,464	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524
IT Contract	\$0	\$28,197	\$591	\$59,534	\$43,300	\$50,000	\$51,500	\$54,636	\$53,045	\$54,636	\$56,275	\$57,964	\$59,703	\$61,494	\$63,339	\$65,239
Telephone	\$33,261	\$42,667	\$21,467	\$8,216	\$10,000	\$10,000	\$10,300	\$10,927	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048
General Liability Insurance	\$29,021	\$31,893	\$40,177	\$55,288	\$55,000	\$65,000	\$66,950	\$71,027	\$68,959	\$71,027	\$73,158	\$75,353	\$77,613	\$79,942	\$82,340	\$84,810
Printing & Publications	\$3,121	\$4,531	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Website Social Media Contracts	\$0	\$0	\$417	\$20	\$5,000	\$7,500	\$7,725	\$8,195	\$7,957	\$8,195	\$8,441	\$8,695	\$8,955	\$9,224	\$9,501	\$9,786
Volunteer Programs	\$0	\$0	\$1,542	\$1,845	\$7,500	\$2,000	\$2,060	\$2,185	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$2,534	\$2,610
Community Events	\$2,341	\$200	\$2,189	\$4,809	\$7,500	\$4,000	\$4,120	\$4,371	\$4,244	\$4,371	\$4,502	\$4,637	\$4,776	\$4,919	\$5,067	\$5,219
Legal/Consulting - Police	\$6,190	\$9,531	\$29,134	\$17,431	\$9,000	\$15,000	\$15,450	\$16,391	\$15,914	\$16,391	\$16,883	\$17,389	\$17,911	\$18,448	\$19,002	\$19,572
Police Bldg. Lease	\$36,603	\$39,653	\$66,719	\$75,667	\$66,000	\$80,000	\$81,960	\$86,054	\$83,977	\$86,054	\$88,191	\$90,393	\$92,660	\$94,996	\$97,402	\$99,882
Blgd Maintenance/Repair	\$0	\$0	\$4,303	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Janitorial - Police Building	\$0	\$5,912	\$0	\$11,479	\$14,000	\$12,000	\$12,360	\$13,113	\$12,731	\$13,113	\$13,506	\$13,911	\$14,329	\$14,758	\$15,201	\$15,657
Consulting - Background/Hiring/Records	\$0	\$0	\$0	\$0	\$0	\$0	\$72,100	\$76,491	\$74,263	\$76,491	\$78,786	\$81,149	\$83,584	\$86,091	\$88,674	\$91,334
Police Taxes Administration	\$3,015	\$4,159	\$1,049	\$0	\$5,000	\$5,000	\$5,150	\$5,464	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524
As-on - Body Camera/Tasers/Storage	\$0	\$0	\$0	\$0	\$0	\$25,000	\$25,750	\$27,318	\$26,523	\$27,318	\$28,158	\$28,982	\$29,851	\$30,747	\$31,669	\$32,619
Community Safety	\$0	\$0	\$0	\$0	\$0	\$15,000	\$15,450	\$16,391	\$15,914	\$16,391	\$16,883	\$17,389	\$17,911	\$18,448	\$19,002	\$19,572
Misc Expense	\$0	\$0	\$0	\$800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$2,316,723	\$2,097,212	\$2,454,020	\$2,390,962	\$2,883,500	\$2,901,474	\$3,134,700	\$3,402,890	\$3,280,556	\$3,402,890	\$3,507,559	\$3,597,144	\$3,676,587	\$3,758,322	\$3,842,426	\$3,928,978
Cash Flow Before Capital Outlay & DS	(\$832,135)	(\$614,596)	(\$871,458)	(\$736,327)	(\$1,328,500)	(\$1,299,974)	(\$1,611,750)	(\$1,828,937)	(\$1,732,482)	(\$1,828,937)	(\$1,906,952)	(\$1,969,083)	(\$2,020,248)	(\$2,072,857)	(\$2,126,961)	(\$2,182,613)

Table B-2
Kensington Police Protection and Community Services District
Operating Statement Detail - Police Fund

Description	FYE 2021 Actual	FYE 2022 Actual	FYE 2023 Actual	FYE 2024 Actual YTD	FYE 2024 Budget	FYE 2025 Budget	FYE 2026 Projection	FYE 2027 Projection	FYE 2028 Projection	FYE 2029 Projection	FYE 2030 Projection	FYE 2031 Projection	FYE 2032 Projection	FYE 2033 Projection	FYE 2034 Projection
Capital Outlay															
Patrol Car Accessories	\$213	\$607	\$29,956	\$102,102	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Station Equipment	\$0	\$622	\$50,880	(\$136)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Personal Police Equipment	\$10,090	\$0	\$0	(\$690)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office Furniture / Equipment	\$0	\$462	\$31,497	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Computer Equipment	\$0	\$17,380	\$0	\$0	\$0	\$30,000	\$0	\$0	\$0	\$0	\$0	\$34,778	\$0	\$0	\$0
Total Capital Outlay	\$10,303	\$19,071	\$112,333	\$101,276	\$0	\$0	\$30,000	\$0	\$0	\$0	\$0	\$34,778	\$0	\$0	\$0
Cash Flow Before Debt Service	(\$842,438)	(\$633,667)	(\$983,791)	(\$827,603)	(\$1,328,500)	(\$1,299,974)	(\$1,641,750)	(\$1,732,482)	(\$1,828,937)	(\$1,906,952)	(\$1,969,083)	(\$2,055,027)	(\$2,072,857)	(\$2,126,961)	(\$2,182,613)
Debt Service															
Pension Obligation Bonds	\$283,789	\$298,399	\$331,394	\$330,926	\$330,900	\$331,227	\$331,259	\$331,021	\$331,513	\$330,698	\$330,613	\$331,220	\$331,480	\$331,394	\$330,962
Vehicle Lease	\$20,668	\$39,714	\$48,815	\$62,554	\$86,500	\$66,173	\$52,130	\$54,105	\$54,403	\$51,540	\$67,255	\$78,978	\$81,928	\$94,647	\$107,457
Total Debt Service	\$284,457	\$338,113	\$380,209	\$393,480	\$417,400	\$397,400	\$383,388	\$385,125	\$385,916	\$382,237	\$397,868	\$410,198	\$413,408	\$426,041	\$438,419
Net Cash Flow	(\$1,126,895)	(\$971,780)	(\$1,364,000)	(\$1,221,083)	(\$1,745,900)	(\$1,697,374)	(\$2,025,138)	(\$2,117,607)	(\$2,214,853)	(\$2,289,189)	(\$2,366,951)	(\$2,465,224)	(\$2,486,265)	(\$2,553,002)	(\$2,621,032)

Source: KPPCSD and Ridgeline

Table B-3
Kensington Police Protection and Community Services District
Operating Statement Detail - Parks Fund

Description	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034
	Actual	Actual	Actual	Actual YTD	Budget	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
<i>Inflation Factor</i>							3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Revenue															
Park Grants	\$2,486	\$158,358	\$0	\$181,055	\$180,000	\$0	\$0	\$49,862	\$51,358	\$52,899	\$54,486	\$56,120	\$57,804	\$59,538	\$61,324
Special Tax-L&L Parks	\$41,529	\$42,164	\$44,359	\$46,719	\$46,000	\$47,000	\$48,410	\$30,000	\$30,000	\$30,000	\$0	\$0	\$0	\$0	\$0
KCC Reserves	\$0	\$0	\$0	\$0	\$0	\$30,000	\$30,000	\$30,000	\$31,689	\$32,640	\$33,619	\$34,628	\$35,666	\$36,736	\$37,838
KCC Annual Fees	\$0	\$0	\$0	\$0	\$0	\$29,000	\$29,870	\$30,766	\$31,689	\$32,640	\$33,619	\$34,628	\$35,666	\$36,736	\$37,838
Community Center Revenue	\$1,450	\$31,768	\$61,573	\$52,573	\$50,000	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765	\$34,778	\$35,822	\$36,896	\$38,003	\$39,143
Tennis Court Revenue	\$647	\$1,424	\$1,435	\$2,207	\$1,000	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$2,534	\$2,610
Other Community Center Revenue	\$15,400	\$15	\$456	\$1,421	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$61,512	\$233,729	\$107,823	\$313,975	\$277,000	\$138,000	\$141,240	\$144,577	\$118,015	\$121,555	\$125,202	\$128,958	\$132,826	\$136,811	\$140,916
Expenses															
Park / Rec Salary and Benefits	\$0	\$0	\$32,298	\$58,060	\$86,000	\$21,000	\$21,357	\$21,720	\$22,089	\$22,465	\$22,847	\$23,235	\$23,630	\$24,032	\$24,440
Park / Rec Administrator	\$7,900	\$2,550	\$17,746	(\$20)	\$12,000	\$43,000	\$43,731	\$44,474	\$45,230	\$45,999	\$46,781	\$47,577	\$48,385	\$49,208	\$50,045
Custodial/Cleaning Services	\$0	\$0	\$0	\$0	\$6,600	\$4,896	\$4,979	\$5,064	\$5,150	\$5,238	\$5,327	\$5,417	\$5,509	\$5,603	\$5,698
Social Security/Medicare - Dist	\$0	\$0	\$0	\$625	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Park/Rec Sal & Ben - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Community Center Expenses															
General Maintenance	\$889	\$2,500	\$28,595	\$4,013	\$2,500	\$25,000	\$25,750	\$26,523	\$27,318	\$28,138	\$28,982	\$29,851	\$30,747	\$31,669	\$32,619
Utilities-Community Center	\$7,965	\$17,848	\$14,004	\$11,203	\$13,000	\$25,000	\$25,750	\$26,523	\$27,318	\$28,138	\$28,982	\$29,851	\$30,747	\$31,669	\$32,619
Janitorial Supplies	\$574	\$350	\$1,933	\$1,815	\$1,500	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814	\$2,898	\$2,985	\$3,075	\$3,167	\$3,262
Landscaping	\$5,518	\$75,805	\$29,430	\$30,025	\$30,000	\$34,000	\$35,020	\$36,071	\$37,153	\$38,267	\$39,415	\$40,598	\$41,816	\$43,070	\$44,362
General Liab./Workers Comp	\$6,432	\$8,253	\$9,390	\$12,362	\$1,400	\$3,000	\$3,090	\$3,183	\$3,278	\$3,377	\$3,478	\$3,582	\$3,690	\$3,800	\$3,914
Community Center Repairs	\$1,230	\$5,083	\$5,104	\$700	\$10,000	\$4,000	\$4,120	\$4,244	\$4,371	\$4,502	\$4,637	\$4,776	\$4,919	\$5,067	\$5,219
Legal/Consulting	\$0	\$0	\$6,768	\$1,162	\$0	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524
Community Center - Other	\$0	\$0	\$64	\$4,088	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annex General Maintenance	\$4,975	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Park															
General Maintenance & Repairs	\$10,750	\$44,367	\$0	\$8,751	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repairs	\$3,455	\$0	\$0	\$4,032	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Landscaping	\$22,928	\$0	\$0	\$360	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$10,781	\$7,660	\$0	\$14,010	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Liab./Workers Comp	\$6,432	\$7,973	\$9,390	\$12,000	\$12,000	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883	\$17,389	\$17,911	\$18,448	\$19,002	\$19,572
Levy Administration	\$2,244	\$8,155	\$10,003	\$8,271	\$10,000	\$7,500	\$7,725	\$7,957	\$8,195	\$8,441	\$8,695	\$8,955	\$9,224	\$9,501	\$9,786
Tennis Court Maint./Repair	\$21,500	\$2,124	\$0	\$571	\$0	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159	\$1,194	\$1,230	\$1,267	\$1,305
Other Expenses	\$0	\$3	\$0	\$0	\$0	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159	\$1,194	\$1,230	\$1,267	\$1,305
Misc Park/Rec Expense	\$139	\$3,203	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$113,710	\$183,750	\$166,849	\$161,028	\$215,000	\$191,896	\$196,757	\$201,749	\$206,875	\$212,139	\$217,545	\$223,097	\$228,799	\$234,655	\$240,670
Cash Flow Before Capital Outlay & DS	(\$52,198)	\$49,979	(\$59,026)	\$152,947	\$62,000	(\$53,896)	(\$55,517)	(\$57,172)	(\$88,861)	(\$90,584)	(\$92,344)	(\$94,140)	(\$95,973)	(\$97,844)	(\$99,755)

Table B-3
Kensington Police Protection and Community Services District
Operating Statement Detail - Parks Fund

Description	FYE 2021 Actual	FYE 2022 Actual	FYE 2023 Actual	FYE 2024 Actual YTD	FYE 2024 Budget	FYE 2025 Budget	FYE 2026 Projection	FYE 2027 Projection	FYE 2028 Projection	FYE 2029 Projection	FYE 2030 Projection	FYE 2031 Projection	FYE 2032 Projection	FYE 2033 Projection	FYE 2034 Projection
Capital Outlay															
Other Park Improvements	\$0	\$26,806	\$99,715	\$46,009	\$80,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pk/Rec Furn/Eq	\$0	\$0	\$21,946	\$1,323	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Community Center Renovation	\$171,302	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Recreational Bldg Improvements	\$0	\$0	\$0	\$0	\$0	\$30,000	\$30,000	\$30,000	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0
Total Capital Outlay	\$171,302	\$26,806	\$121,661	\$47,332	\$80,000	\$30,000	\$30,000	\$30,000	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow Before Debt Service	(\$223,500)	\$23,173	(\$180,687)	\$105,615	(\$18,000)	(\$83,896)	(\$85,517)	(\$87,172)	(\$118,861)	(\$90,584)	(\$92,344)	(\$94,140)	(\$95,973)	(\$97,844)	(\$99,755)
Debt Service															
Community Center Loan Pmt	\$30,517	\$30,517	\$30,517	\$30,517	\$30,500	\$30,517	\$30,517	\$30,517	\$30,517	\$30,517	\$0	\$0	\$0	\$0	\$0
Total Debt Service	\$30,517	\$30,517	\$30,517	\$30,517	\$30,500	\$30,517	\$30,517	\$30,517	\$30,517	\$30,517	\$0	\$0	\$0	\$0	\$0
Net Cash Flow	(\$254,017)	(\$7,343)	(\$211,204)	\$75,098	(\$48,500)	(\$114,413)	(\$116,034)	(\$117,688)	(\$149,377)	(\$121,101)	(\$92,344)	(\$94,140)	(\$95,973)	(\$97,844)	(\$99,755)

Source: KPPCSD and Ridgeline

Table B-4
Kensington Police Protection and Community Services District
Operating Statement Detail - Waste Management Fund

Description	FYE 2021 Actual	FYE 2022 Actual [1]	FYE 2023 Actual	FYE 2024 Actual YTD	FYE 2024 Budget	FYE 2025 Budget	FYE 2026 Projection	FYE 2027 Projection	FYE 2028 Projection	FYE 2029 Projection	FYE 2030 Projection	FYE 2031 Projection	FYE 2032 Projection	FYE 2033 Projection	FYE 2034 Projection
<i>Inflation Factor</i>							3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Revenue															
Waste Removal Franchise Fee	\$108,250	\$66,551	\$114,399	\$85,642	\$120,000	\$120,000	\$123,600	\$127,308	\$131,127	\$135,061	\$139,113	\$143,286	\$147,585	\$152,012	\$156,573
Waste Management Grant	\$0	\$0	\$0	\$0	\$0	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest	\$0	\$0	\$0	\$2,517	\$0	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$108,250	\$66,551	\$114,399	\$88,159	\$120,000	\$197,000	\$123,600	\$127,308	\$131,127	\$135,061	\$139,113	\$143,286	\$147,585	\$152,012	\$156,573
Expenses															
Waste Removal Franchise Fee Exp	\$46,393	\$0	\$49,325	\$39,287	\$51,400	\$51,000	\$52,530	\$54,106	\$55,729	\$57,401	\$59,123	\$60,897	\$62,724	\$64,605	\$66,543
Waste Management Program Admin	\$0	\$0	\$0	\$0	\$68,490	\$31,000	\$30,619	\$31,767	\$32,086	\$33,297	\$33,628	\$34,907	\$35,251	\$36,600	\$36,958
Other Waste Management Exp	\$0	\$0	\$0	\$9,512	\$3,040	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524
Legal (Waste Management)	\$0	\$0	\$0	\$0	\$0	\$40,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Waste Management Grant Expenses	\$0	\$0	\$0	\$0	\$0	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$46,393	\$0	\$49,325	\$48,799	\$122,930	\$202,000	\$88,299	\$91,178	\$93,278	\$96,326	\$98,548	\$101,774	\$104,124	\$107,539	\$110,025
Net Income	\$61,857	\$66,551	\$65,074	\$39,360	(\$2,930)	(\$5,000)	\$35,301	\$36,130	\$37,849	\$38,735	\$40,565	\$41,512	\$43,461	\$44,473	\$46,548

Source: KPPCSD and Ridgeline

[1] Limited financial information is available for the year. Net franchise fee revenues per audit report were used.

Table B-5
Kensington Police Protection and Community Services District
Operating Statement Detail - District-Wide

Description	FYE 2021 Actual	FYE 2022 Actual	FYE 2023 Actual	FYE 2024 Actual/YTD	FYE 2024 Budget	FYE 2025 Budget	FYE 2026 Projection	FYE 2027 Projection	FYE 2028 Projection	FYE 2029 Projection	FYE 2030 Projection	FYE 2031 Projection	FYE 2032 Projection	FYE 2033 Projection	FYE 2034 Projection
Revenue															
General Fund	\$2,056,812	\$2,180,205	\$2,442,794	\$2,542,647	\$2,507,800	\$2,583,000	\$2,744,953	\$2,834,872	\$2,927,194	\$3,022,404	\$3,120,853	\$3,225,053	\$3,331,288	\$3,444,593	\$3,561,310
Police Fund	\$1,484,588	\$1,482,616	\$1,582,562	\$1,664,635	\$1,555,000	\$1,601,500	\$1,522,950	\$1,548,074	\$1,573,953	\$1,600,607	\$1,628,061	\$1,656,339	\$1,685,465	\$1,715,465	\$1,746,365
Parks Fund	\$61,512	\$233,729	\$107,823	\$313,975	\$277,000	\$138,000	\$141,240	\$144,577	\$118,015	\$121,555	\$125,202	\$128,958	\$132,826	\$136,811	\$140,916
Waste Management Fund	\$108,250	\$66,551	\$114,399	\$88,159	\$120,000	\$197,000	\$123,600	\$127,308	\$131,127	\$135,061	\$139,113	\$143,286	\$147,585	\$152,012	\$156,573
Total Revenue	\$3,711,162	\$3,963,101	\$4,247,578	\$4,609,416	\$4,459,800	\$4,519,500	\$4,532,743	\$4,654,832	\$4,750,288	\$4,879,627	\$5,013,228	\$5,153,635	\$5,297,164	\$5,448,882	\$5,605,163
Expenses															
General Fund	\$587,276	\$617,509	\$1,088,439	\$527,051	\$624,900	\$760,385	\$712,371	\$738,543	\$747,800	\$775,220	\$785,115	\$814,065	\$824,420	\$854,988	\$865,828
Police Fund	\$2,316,723	\$2,097,212	\$2,454,020	\$2,390,962	\$2,883,500	\$2,901,474	\$3,134,700	\$3,280,556	\$3,402,890	\$3,507,559	\$3,597,144	\$3,676,587	\$3,758,322	\$3,842,426	\$3,928,978
Parks Fund	\$113,710	\$183,750	\$166,849	\$161,028	\$215,000	\$191,896	\$196,757	\$201,749	\$206,875	\$212,139	\$217,545	\$223,097	\$228,799	\$234,655	\$240,670
Waste Management Fund	\$46,393	\$0	\$49,325	\$48,799	\$122,930	\$202,000	\$88,299	\$91,178	\$93,278	\$96,326	\$98,548	\$101,774	\$104,124	\$107,539	\$110,025
Total Expenses	\$3,064,102	\$2,898,470	\$3,758,633	\$3,127,840	\$3,846,330	\$4,055,755	\$4,132,126	\$4,311,827	\$4,450,843	\$4,591,244	\$4,698,352	\$4,815,523	\$4,915,665	\$5,039,609	\$5,145,501
Cash Flow B4 Capital Outlay & DS	\$647,059	\$1,064,631	\$488,945	\$1,481,576	\$613,470	\$463,745	\$400,617	\$343,005	\$299,445	\$288,383	\$314,876	\$338,112	\$381,499	\$409,273	\$459,662
Capital Outlay															
General Fund	\$8,190	\$0	\$0	\$0	\$0	\$0	\$33,000	\$3,090	\$3,183	\$3,278	\$3,377	\$3,478	\$3,582	\$3,690	\$3,800
Police Fund	\$10,303	\$19,071	\$112,333	\$101,276	\$0	\$0	\$30,000	\$0	\$0	\$0	\$0	\$34,778	\$0	\$0	\$0
Parks Fund	\$171,302	\$26,806	\$121,661	\$47,332	\$80,000	\$30,000	\$30,000	\$30,000	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0
Total Capital Outlay	\$189,795	\$45,877	\$233,994	\$148,608	\$80,000	\$30,000	\$93,000	\$33,090	\$33,183	\$3,278	\$3,377	\$38,256	\$3,582	\$3,690	\$3,800
Cash Flow Before Debt Service	\$457,265	\$1,018,754	\$254,951	\$1,332,968	\$533,470	\$433,745	\$307,617	\$309,915	\$266,262	\$285,105	\$311,500	\$299,856	\$377,917	\$405,583	\$455,862
Debt Service															
Police Fund	\$284,457	\$338,113	\$380,209	\$393,480	\$417,400	\$397,400	\$383,388	\$385,125	\$385,916	\$382,237	\$397,868	\$410,198	\$413,408	\$426,041	\$438,419
Parks Fund	\$30,517	\$30,517	\$30,517	\$30,517	\$30,500	\$30,517	\$30,517	\$30,517	\$30,517	\$30,517	\$0	\$0	\$0	\$0	\$0
Total Debt Service	\$314,974	\$368,630	\$410,725	\$423,996	\$447,900	\$427,917	\$413,905	\$415,642	\$416,432	\$412,754	\$397,868	\$410,198	\$413,408	\$426,041	\$438,419
Net Cash Flow															
General Fund	\$1,461,346	\$1,562,696	\$1,354,355	\$2,015,596	\$1,882,900	\$1,822,616	\$1,999,582	\$2,093,439	\$2,176,211	\$2,243,906	\$2,332,361	\$2,407,510	\$2,503,286	\$2,585,915	\$2,691,682
Police Fund	(\$1,126,895)	(\$971,780)	(\$1,364,000)	(\$1,221,083)	(\$1,745,900)	(\$1,697,374)	(\$2,025,138)	(\$2,117,607)	(\$2,214,853)	(\$2,289,189)	(\$2,366,951)	(\$2,465,224)	(\$2,486,265)	(\$2,553,002)	(\$2,621,032)
Parks Fund	(\$254,017)	(\$7,343)	(\$211,204)	\$75,098	(\$48,500)	(\$114,413)	(\$116,034)	(\$117,688)	(\$149,377)	(\$121,101)	(\$92,344)	(\$94,140)	(\$95,973)	(\$97,844)	(\$99,755)
Waste Management Fund	\$61,857	\$66,551	\$65,074	\$39,360	(\$2,930)	(\$5,000)	\$35,301	\$36,130	\$37,849	\$38,735	\$40,565	\$41,512	\$43,461	\$44,473	\$46,548
Total Net Cash Flow	\$142,291	\$650,124	(\$155,774)	\$908,972	\$85,570	\$5,829	(\$106,288)	(\$105,726)	(\$150,170)	(\$127,649)	(\$86,368)	(\$110,341)	(\$35,491)	(\$20,458)	\$17,443

Source: KPPCSD and Ridgeline

Table B-6
Kensington Police Protection and Community Services District
Reserve Balance Detail

Description	FYE 2021 Actual	FYE 2022 Actual	FYE 2023 Actual	FYE 2024 Projected	FYE 2025 Budget	FYE 2026 Projection	FYE 2027 Projection	FYE 2028 Projection	FYE 2029 Projection	FYE 2030 Projection	FYE 2031 Projection	FYE 2032 Projection	FYE 2033 Projection	FYE 2034 Projection
Beginning Cash Balance	\$1,969,692	\$2,059,807	\$2,661,049	\$2,605,834	\$2,796,316	\$2,802,144	\$2,695,857	\$2,590,130	\$2,439,960	\$2,312,311	\$2,225,943	\$2,115,602	\$2,080,110	\$2,059,652
Revenues	\$3,711,162	\$3,963,101	\$4,247,578	\$4,609,416	\$4,519,500	\$4,532,743	\$4,654,832	\$4,750,288	\$4,879,627	\$5,013,228	\$5,153,635	\$5,297,164	\$5,448,882	\$5,605,163
Expenditures	(\$3,064,102)	(\$2,898,470)	(\$3,758,633)	(\$3,846,330)	(\$4,055,755)	(\$4,132,126)	(\$4,311,827)	(\$4,450,843)	(\$4,591,244)	(\$4,698,352)	(\$4,815,523)	(\$4,915,665)	(\$5,039,609)	(\$5,145,501)
Capital Outlay	(\$189,795)	(\$45,877)	(\$233,994)	(\$148,608)	(\$30,000)	(\$93,000)	(\$33,090)	(\$33,183)	(\$3,278)	(\$3,377)	(\$38,256)	(\$3,582)	(\$3,690)	(\$3,800)
Debt Services	(\$314,974)	(\$368,630)	(\$410,725)	(\$423,996)	(\$427,917)	(\$413,905)	(\$415,642)	(\$416,432)	(\$412,754)	(\$397,868)	(\$410,198)	(\$413,408)	(\$426,041)	(\$438,419)
Other Financing Sources / Adjustments	(\$52,176)	(\$48,882)	\$100,560	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Cash Balance	\$2,059,807	\$2,661,049	\$2,605,834	\$2,796,316	\$2,802,144	\$2,695,857	\$2,590,130	\$2,439,960	\$2,312,311	\$2,225,943	\$2,115,602	\$2,080,110	\$2,059,652	\$2,077,096

Source: EPPCSD and Ridgeline



Lake County Fire Protection District Fire Mitigation Fee Nexus Study



Final Report

Ridgeline Project # 23003

Prepared for:



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Appendix A:	Development Analysis Supporting Data
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EXECUTIVE SUMMARY

This Fire Mitigation Fee Nexus Study (the “Nexus Study”) was prepared by Ridgeline Municipal Strategies, LLC (“Ridgeline”) for the Lake County Fire Protection District (the “District”) to update the District’s Fire Mitigation Fee (the “Fee”). The Fee is collected on all new development within the District to fund the one-time costs of public facilities used to provide fire protection and emergency medical response services.

The methodology of the Nexus Study satisfies the legal requirements of the Constitution of the United States of America, the Constitution of the State of California, and the California Mitigation Fee Act (the “Act”).

The District’s service area covers the City of Clearlake, CA (the “City”) and the Lower Lake unincorporated portion of the County of Lake (the “County”). The current version of the District’s Fire Mitigation Fee Program (the “Fee Program”) was last updated in 1993 by the City and in 1992 by the County. The Nexus Study provides an update to the existing Fee based on new development projections through 2040 and recommends certain revisions to the Fee Program.

The Fee Program is designed to help the District provide fire protection and emergency medical response services to new development in a fiscally responsible manner. The Fee revenues can only be used to expand the District’s public facilities (buildings and structures, apparatus and vehicles, and equipment) to serve new development, including reimbursements to the District for facilities that have been upsized to accommodate new development. The Fee revenues cannot be spent on operations, maintenance or to address existing public facility deficiencies.

FEE PROGRAM UPDATE OVERVIEW

The demand for the District’s services and associated public facilities is driven by the building structures that the District protects. The District assesses the Fee on all new residential and nonresidential development within its service area, including additions to existing structures.

The Fee is calculated based on building square footage. Different Fee amounts per square foot are proposed for residential and nonresidential development. Additionally, a surcharge is proposed for all building of 3 or more stories and for nonresidential buildings with footprint of 15,500 sq. ft. or more.

Accessory dwelling units (“ADUs”) smaller than 750 sq. ft. are currently exempt from the Fee by the State law. A change in the law could result in such ADUs to no longer be exempt.

Buildings and structures owned and used by government entities, including, but not limited to, schools, city hall, administration buildings, fire and police stations, corporate yards, etc., are not subject to the Fee.

The existing development within the District consists of approximately 17.4 million building sq. ft. It is estimated to grow by less than nine percent (1.5 million sq. ft.) by 2040, with the bulk of the growth (79 percent) happening on the residential side.

PROPOSED AND CURRENT FEE

Table 1 shows the proposed Fee amount. The Fee is collected on a per square foot basis for all development types and includes a 2% administrative surcharge. A high impact surcharge is proposed for buildings of 3 stories and above and for nonresidential buildings with a footprint of 15,500 sq. ft. or more.

Table 1
Lake County Fire Protection District
Proposed Fire Mitigation Fee (2023 \$)

Description		Amount / Sq.Ft.		
		Residential	Nonresidential	High Impact Surcharge
Base Fee per Sq. Ft.		\$1.89	\$2.36	\$0.49
Administrative Surcharge	2%	\$0.04	\$0.05	\$0.01
Total Fee per Sq. Ft.		\$1.93	\$2.41	\$0.50

Source: Lake County Fire Protection District and Ridgeline

The Fee is based on cost estimates in 2023 dollars. To account for inflationary impacts, it is recommended that the Fee be automatically adjusted annually without further action by the District Board, the City Council, and the County Board of Supervisors on the first day of each fiscal year, starting July 1, 2024, by the previous calendar year percentage change in the Engineering News-Record Construction Cost Index (20-City Average), or its successor publication.

Since the Fee amount has not been updated since 1992 for the County area and since 1993 for the City area, the proposed Fee increase is significant, as it captures three decades of inflation and takes into consideration the expansion of the District services to include emergency medical response. **Table 2** compares the existing and proposed Fee amounts for different development types.

Table 2
Lake County Fire Protection District
Comparison of Existing and Proposed Fee

Development Type	Existing Fee	Proposed Fee	Difference	Percentage Difference
County Area				
Residential	\$1.00	\$1.93	\$0.93	93%
Nonresidential	\$1.00	\$2.41	\$1.41	141%
City Area				
SF Residential under 20' unsprinklered	\$0.60	\$1.93	\$1.33	222%
SF Residential under 20' sprinklered	\$0.50	\$1.93	\$1.43	286%
SF Residential over 20' unsprinklered	\$0.90	\$1.93	\$1.03	114%
SF Residential over 20' sprinklered	\$0.75	\$1.93	\$1.18	157%
MF Residential under 20' unsprinklered	\$0.80	\$1.93	\$1.13	141%
MF Residential under 20' sprinklered	\$0.65	\$1.93	\$1.28	197%
MF Residential over 20' unsprinklered	\$1.05	\$1.93	\$0.88	84%
MF Residential over 20' sprinklered	\$0.90	\$1.93	\$1.03	114%
Nonresidential under 20' unsprinklered	\$0.50	\$2.41	\$1.91	382%
Nonresidential under 20' sprinklered	\$0.35	\$2.41	\$2.06	589%
Nonresidential over 20' unsprinklered	\$0.75	\$2.41	\$1.66	221%
Nonresidential over 20' sprinklered	\$0.60	\$2.41	\$1.81	302%

Source: Lake County Fire Protection District and Ridgeline

PROPOSED FEE PROGRAM CHANGES

The following changes are proposed to the Fee Program with this update.

County Area:

- Create different Fee levels for residential and nonresidential development.
- Implement surcharge for all development of 3 stories and higher and for nonresidential development with footprint of 15,500 sq. ft. or more.
- Eliminate Fee ceiling.
- Establish an automatic annual inflation adjustment.
- Make the Fee specific to the District service area of the County, with other fire protection districts setting their own fee amounts.

City Area:

- Eliminate different Fee levels for single family, multi-family, and nonresidential development.

- Eliminate different fee levels for sprinklered and unsprinklered development.
- Create different Fee levels for residential and nonresidential development.
- Implement surcharge for all development of 3 stories and higher and for nonresidential development with footprint of 15,500 sq. ft. or more.
- Establish a two percent administrative surcharge.
- Eliminate Fee ceiling.
- Establish an automatic annual inflation adjustment.

IMPLEMENTATION

The District's Board of Directors, assisted by the District staff, should review and evaluate the Nexus Study for accuracy and alignment with the District's operational and financial framework. Once the Board of Directors is satisfied that the legislative requirements of the Mitigation Fee Act are met and the Fee update recommendations are valid, it will need to approve the Nexus Study and forward it to the County and the City with the recommendation for adoption on behalf of the District by the County Board of Supervisors and the City Council per the requirements of the Mitigation Fee Act.

Upon receipt of the Nexus Study and receiving public input, the County Board of Supervisors and the City Council will vote to approve findings and a resolution to adopt the updated Fee Program. If approved, the Fee will be imposed pursuant to the County's and City's development "police powers" under Article XI, section 7, of the California Constitution.

REPORT ORGANIZATION

Chapter I of this Nexus Study provides an overview of the District, the legal framework for the Fee, the Nexus Study's purpose, the Fee calculation methodology, and the current Fee amounts.

Chapter II contains the data on existing development and documents future development projections within the District.

Chapter III lists the existing and planned public facilities of the District.

Chapter IV contains the calculations for the public facility cost allocation across existing and future development and the proposed Fee amount.

Chapter V documents the nexus findings that address the requirements of the Mitigation Fee Act.

Chapter VI provides recommendations for adopting and implementing the Fee.

I. INTRODUCTION AND BACKGROUND INFORMATION

INTRODUCTION

The Lake County Fire Chief's Association, on behalf of its member districts, retained Ridgeline Municipal Strategies, LLC to prepare fire mitigation fee nexus studies for each of the districts. This Nexus Study pertains to the Fee collected by the Lake County Fire Protection District (the "District").

The City of Clearlake (the "City") and the County of Lake (the "County"), on behalf of the District, impose the Fire Mitigation Fee (the "Fee") on new development within the District's service area. The Fee funds one-time public facility costs attributable to new development to allow the District to accommodate such new development and maintain its level of service.

The existing Fee was adopted as follows:

- On October 10, 1992, the Board of Supervisors of the County adopted a Fire Mitigation Fee Ordinance that established the Fee for all unincorporated areas of the County.¹
- In 1993, the City Council of the City adopted a Fire Mitigation Fee Ordinance, updating the City's 1986 Municipal Code and increasing the Fee amount.

There have not been any updates to the District's Fire Mitigation Fee Program (the "Fee Program") since then.

This Fee Program update is intended to address the public facilities necessary to accommodate the expected growth within the District through 2040.

The Nexus Study provides the legal and policy basis for the calculation and imposition of the Fee on all new development within the District. The study evaluates the existing Fee Program, considers the development changes that have occurred within the District, analyzes the impact of recent and future development on the District facilities, and documents the need for a Fee adjustment due to the amount of new development within the District, inflation and increasing public facility costs, and a wider scope of services provided by the District.

This chapter provides an overview of the District, the legal framework for the Fee, the Nexus Study purpose, the Fee calculation methodology, and the current Fee amounts.

¹ The County Fire Mitigation Fee Ordinance established a uniform fee for the entire County area, which is currently serviced by five fire protection districts (Kelseyville, Lake County, Lakeport, Northshore, and South Lake County). With this update of the Fee Program, each district will have its own fee program and fee amount reflecting its unique development pattern and public facility needs.

DISTRICT OVERVIEW

The Lake County Fire Protection District is an independent special district located in Clearlake, CA. The District provides a full range of fire protection, fire suppression, fire safety, emergency medical response, rescue and extrication, containment and mitigation of hazardous materials exposure, and other life safety services (the “Services”) on the eastern shore of Clear Lake, including the City of Clearlake and the Lower Lake unincorporated portion of the County of Lake. The District’s service area covers approximately 165 square miles and has approximately 16,500 residents.

The District is governed by a seven-member Board of Directors (the “Board”) and a career Fire Chief. The Board and Fire Chief are responsible for strategic planning, policy development, and approval of capital expenditures. The District employs 27 full-time equivalent employees and has 11 volunteer staff members based at five fire stations.

In 2022, the District responded to 5,581 calls, including structure and wildland fires, vehicle accidents, technical rescue, hazardous materials, and medical aid.

THE MITIGATION FEE ACT

The passage of Proposition 13 in 1978, Proposition 218 in 1996, and other State fiscal measures have limited the revenue availability for local public agencies. Local funding sources, such as property and sales taxes, are now mostly used for operations and maintenance and are often insufficient to fund public facilities and capital improvements. State and federal funding are not keeping up with the rising costs. The decline of popular support for bond measures has further restricted the local governments’ ability to develop infrastructure and facilities for the next generation of residents and businesses.

These funding limitations have led to declining service levels, accelerated physical deterioration, lower efficiency, and increasing maintenance and operating costs of public facilities. They have also resulted in an increasing need to use mitigation fees (also known as development impact fees, or simply impact fees) to fund new public facilities.

California’s mitigation fee statute originated in AB 1600, which went into effect in 1989. The bill added several sections to the Government Code (Sections 66000 through 66025), which are now officially known as the “Mitigation Fee Act” (the “Act”).

The Act sets forth requirements for establishing, increasing, and imposing mitigation fees, contains provisions concerning their collection, expenditure, and administration, and mandates periodic accounting, reporting, and re-evaluation of fee programs. The implementation and administration requirements mandated by the Act are covered in **Chapter VI** of the Nexus Study.

The fees (the term used throughout the Act) are defined as “a monetary exaction, other than a tax or special assessment... charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities

related to the development project..."² The Nexus Study uses the term "mitigation fees" to mean such fees.

The Act broadly defines public facilities to include "public improvements, public services and community amenities"³. The Act limits mitigation fees to an amount that "does not exceed the estimated reasonable cost of providing the service or facility for which the fee... is imposed"⁴ and prohibits the levy, collection, or imposition of mitigation fees for general revenue purposes. The case law and Gov't Code § 65913.8 stipulate that mitigation fees may not be used for operating or maintenance costs. The Act does not limit the types of facilities for which mitigation fees may be imposed, but does require that the collected fees be used for their intended purposes.

The Act specifies that mitigation fees "shall not include the costs attributable to existing deficiencies in public facilities but may include the costs attributable to the increased demand for public facilities reasonably related to the development project in order to refurbish existing facilities to maintain the existing level of service or achieve an adopted level of service that is consistent with the general plan."⁵ As such, mitigation fees may be used to recover costs of existing facilities to the extent that such facilities are needed to serve new development and have the capacity to do so.

NEXUS STUDY PURPOSE

This Fire Mitigation Fee Nexus Study (the "Nexus Study") was prepared to satisfy the legal requirements governing mitigation fees, including provisions of the U. S. Constitution, the California Constitution, and the California Mitigation Fee Act.

The purpose of the Nexus Study is to establish the legal and policy basis for the continued imposition and update of the Fee within the District's service area by analyzing the impacts of new development on the need for fire protection and emergency medical response public facilities.

For purposes of this Nexus Study, the terms "public facility," "capital facility," and "facility" refer to:

- land, buildings, and improvements (including fire stations, administration buildings, and other building structures);
- fire apparatus, ambulances, and other vehicles; and
- equipment

used by the District to provide the Services.

² Gov't Code § 66000(b)

³ Gov't Code § 66000(d)

⁴ Gov't Code § 66005(a)

⁵ Gov't Code § 66001(g)

The terms “development project” and “new development” refer to any residential or nonresidential project undertaken for the purpose of development that requires issuance of a permit for construction or reconstruction.

To update and impose the Fee, the Nexus Study demonstrates that a reasonable relationship, or “nexus,” exists between new development that occurs within the District and the need for public facilities. It is generally accepted that the concept of nexus encompasses the following three standards.

- *Need/Impact:* To be subject to mitigation fees, development has to create an impact and/or generate a need for public facilities to be funded by such fees. As a recipient of public services, new development results in additional demand for some or all public facilities. Absent a facility capacity increase to address the additional demand, the quality and/or availability of public services will deteriorate for the entire community. Mitigation fees may be used to recover public facility costs, but only to the extent that the need for such facilities is related to the development project paying the fees. The courts have held that development exactions can only be used to mitigate impacts of the projects upon which they are imposed. This Nexus Study quantifies and allocates development impacts on facility needs in terms of the total cost per square foot and contains the calculations necessary to document compliance with the need / impact standard.
- *Benefit:* Development must also benefit from the public facilities funded by the mitigation fees that it paid. In other words, the facilities funded by the fees have to be available to serve the development paying the fees. Moreover, the mitigation fee revenues must be segregated from other funds and used in a timely manner to fund the facilities for which they were collected. There is no legal requirement that facilities paid for with mitigation fee revenues can only be available to the development projects paying the fees. Unspent fees must be refunded. These requirements are put in place to ensure that new development benefits from the mitigation fees it is required to pay. This Nexus Study contains implementation provisions necessary to guide the District in compliance with the benefit standard.
- *Proportionality:* Finally, mitigation fees must be proportional to the impact created by development projects paying the fees. Proportionality is ensured through proper documentation of applicable facility costs and fee calculations that allocate these costs based on the impact created by different development types. The fee calculation methodology used in this Nexus Study is designed to ensure compliance with the proportionality standard.

The Act stipulates that any mitigation fee program must meet and document five nexus findings.⁶ Chapter V of this Nexus Study addresses this requirement.

⁶ Gov’t Code § 66001

MITIGATION FEE CALCULATION METHODOLOGY

There are several accepted mitigation fee calculation methodologies. The methodology selection is usually determined by the types of services provided, types of public facilities required, development patterns, and availability of data. Regardless of the selected methodology, the facility cost allocation must be done in proportion to the need created by new development.

New development's impact can be quantified by selecting a variable that best reflects such impact and corresponds to the type of services required, such as added square footage, population, employment, vehicle trips, call volume, etc. AB 2668, which amended the Act, states that any "nexus study adopted after July 1, 2022, shall calculate a fee imposed on a housing development project proportionately to the square footage of proposed units of the development,"⁷ unless certain conditions are met and properly documented.

- *The Plan-Based Methodology* is utilized when there are clearly defined capital improvement or facility plans prepared for new development. The facilities needed to serve the new development are identified and their costs are allocated to each development category in proportion to the generated service demand. The total required facility cost is divided by the total additional demand units to calculate a cost per demand unit (e.g., a cost per square foot of new construction). This methodology is most often used to set fees for large development projects requiring its own public facilities.
- *The Capacity-Based Methodology* is utilized when a facility's capacity can only accommodate a known level of development. The total facility cost is proportionately allocated to each unit of development within the facility's service area. If incremental facility costs can be allocated to an incremental development unit, this approach provides sufficient flexibility to accommodate changing development patterns.
- *The Standard-Based Methodology* is based on a specified service standard required for each unit of development. The standard can be established as a matter of policy or be based on the service level that is being provided to existing development. Once the standard for each development unit is established, a cost to achieve the standard can be allocated proportionately.

Under each methodology type, the agency can utilize the mechanism of buy-in fees to recover a portion of the existing facility costs, provided the facilities have capacity available to serve additional development.

The general order to calculate mitigation fees is as follows:

1. Quantify existing development units and prepare new development projections.
2. Develop capital improvements or facilities plan, identify facility service capacity, and/or establish a service standard.

⁷ Gov't Code § 66016.5(5)(A)

3. Determine the amount and cost of facilities required to accommodate new development.
4. Calculate mitigation fee by allocating the total facility costs per unit of development (usually on a square foot basis).

Proper methodology allocates public facility costs to new development fairly and ensures that new development is not required to fund existing service deficiencies, while existing development is not subsidizing facilities for new development.

Given the fixed service area of the District, the coverage and response times provided by the existing fire stations, and the limited anticipated development growth pattern, the capacity-based methodology will be utilized in this Nexus Study.

During the preparation of the Nexus Study, the District determined the scope of facilities needed to ensure that they can accommodate the anticipated new development. The Nexus Study uses the District's current and planned facilities as the facilities standard. The existing facilities serve the current population and have the capacity to serve new development. However, as future growth occurs, some facility expansion will be necessary.

To mitigate its impact on the District's service level, new development is required to pay mitigation fees to cover its proportionate fair share of the one-time facility costs.

The District has the flexibility to revise the list of necessary facilities shown in this report as conditions change. If the cost of facilities necessary to serve the anticipated growth materially changes, the District should update the Fee Program accordingly.

The current service standard is based on the District's ratio of existing facilities to the square footage of existing development. Existing development refers to the current residential and nonresidential development within the District's service area. However, the existing facilities have been upsized to accommodate additional development.

The Act requires that in establishing a mitigation fee program, the facilities funded by the fee must be identified. This Nexus Study contains a detailed list of facilities and the associated costs and replacement values.

The District's facilities form a comprehensive fire protection and emergency medical response system benefiting the District's entire service area. The resources of one station are not limited to the use of nearby properties, but are used to provide coverage to the entire service area as needed. Responding to service calls often requires resources from multiple stations. Similarly, new development will be served by all of the District facilities, not just by those of the nearest station.

The terms "standard" and "level of service" will be used throughout the Nexus Study (at times interchangeably) to describe the level of public facility investment needed to serve the community.

A *standard* is defined as the benchmark that the District plans to achieve for any particular facility.

A *level of service* is the actual level of benefit experienced by the existing development. Level of service may be different from the standard for a given facility.

When the existing level of service is less than the standard, or the facility is over capacity relative to the standard, a deficiency exists, and new development is not expected to cover that deficiency. If the opposite is the case and there is a capacity surplus, the District may recover a portion of its investment in that facility that is available to serve new development.

If there is no established standard for a given facility, the existing level of service becomes the *de facto* “current standard,” and the two terms may be interchangeable.

By policy, the District can adopt its own reasonable facility standards to reduce, maintain, or increase the existing standard. However, basing the Fee on a standard that is higher than the existing level of service is fair to new development only if the District uses alternative funds to increase the capacity of facilities benefiting the existing development.

The District’s existing five fire stations will continue to provide services to the existing and future development. As such, new development is required to contribute its fair share of the existing facility costs. One of the existing stations is scheduled for a rebuild and an expansion.

Additionally, the District anticipates that a new fire station and the associated apparatus, vehicles, and equipment, are necessary to improve its overall service level to properly address the community needs. As such, new development is required to contribute its fair share of funding for these new facilities in proportion to the benefit it receives from such facilities.

CURRENT FEES

The current Fee amount is different within the City and County service areas of the District.

CURRENT FEE IN THE CITY AREA

The current Fee within the City area was adopted in 1986 and last updated in 1993 based upon the analysis performed by the Lakeshore Fire Protection District, a predecessor agency to the District. The Fee was adopted before the District started providing the emergency medical response services. It does not include an inflation adjustment provision or an administrative surcharge provision. The current Fee was adopted prior to the building code amendment requiring all new construction to have fire sprinklers and has different fee levels for sprinklered and unsprinklered properties. A fee ceiling was set for each development type and the Fee is currently being charged at the ceiling level. **Table 3** provides the current Fee ceiling schedule.

Table 3
Lake County Fire Protection District
Current Fire Mitigation Fee within the City of Clearlake

Development Type	Fee Ceiling per sq. ft.
SF Residential under 20' unsprinklered	\$0.60
SF Residential under 20' sprinklered	\$0.50
SF Residential over 20' unsprinklered	\$0.90
SF Residential over 20' sprinklered	\$0.75
MF Residential under 20' unsprinklered	\$0.80
MF Residential under 20' sprinklered	\$0.65
MF Residential over 20' unsprinklered	\$1.05
MF Residential over 20' sprinklered	\$0.90
Nonresidential under 20' unsprinklered	\$0.50
Nonresidential under 20' sprinklered	\$0.35
Nonresidential over 20' unsprinklered	\$0.75
Nonresidential over 20' sprinklered	\$0.60

Source: City of Clearlake

CURRENT FEE IN THE COUNTY AREA

The current Fee within the County area was adopted in 1992 based upon the analysis performed by the Lakeshore Fire Protection District, a predecessor agency to the District. The Fee ceiling was set at \$1.00 per sq. ft. The Fee was adopted before the District started providing the emergency medical response services. The Fee has not been updated since its adoption and does not include an inflation adjustment provision. The Fee ordinance provides for a 2% administrative surcharge. A fee ceiling was set for each development type and the Fee is currently being charged at the ceiling level.

When the Fee was first adopted and/or last updated, the following assumptions were utilized:

- The fire protection services were provided by two separate agencies, Lakeshore Fire Protection District and Lower Lake Fire Protection District, which subsequently merged to form the District.
- The Districts served smaller populations and required less facilities.
- Facility costs were significantly lower than they are now. For instance,
 - Fire station construction costs were estimated at \$64-70 per sq. ft. (compared to \$600 per sq. ft. currently).
 - Class A Engine / Pumper cost was estimated at \$200,000 (compared to \$700,000 currently).

- Water Tender cost was estimated at \$110,000 (compared to \$400,000 - \$550,000 currently).

For the most recent 5-year period (calendar years 2018-2022), the District collected Fee revenue of \$437,705.

II. EXISTING AND PROJECTED DEVELOPMENT

To develop growth projections for this Fee Program update, Ridgeline analyzed existing development and recent building permit data for the District service area. The growth projections reflect recent residential and nonresidential development trends and known proposed projects. To ensure that new development contributes its fair share of facility funding, the growth projections and the associated public facility costs are estimated through 2040.

The existing and projected development data provided in this chapter will be used to establish levels of service, analyze facility needs, allocate facility cost between existing and future development, and calculate the updated Fee amount.

SERVICE AREA

The District boundary constitutes the service area analyzed in this Nexus Study. It encompasses the entire City of Clearlake and the Lower Lake unincorporated portion of the County of Lake, as shown on **Figure 1**.

Figure 1
Lake County Fire Protection District
Service Area Map



The District is responsible for the protection of a variety of geographical areas, ranging from residential neighborhoods, commercial and industrial buildings, rural areas, and agricultural and public lands. The District covers approximately 165 square miles and serves a population of approximately 16,500 residents.

In 2020-2022 calendar years, the District responded to approximately 15,400 service calls. Rescue and EMS calls constituted 76% of all calls, as shown in **Table 4**. On average, the District received approximately 5,150 service calls per year over the past three years.

Table 4
Lake County Fire Protection District
Service Calls Summary - 2020-2022

Incident Type	Incidents				%
	2020	2021	2022	Total	
Fire	177	165	169	511	3.31%
Overpressure rupture, explosion - no fire	2	4	3	9	0.06%
Rescue & Emergency Medical Service	3,451	3,981	4,253	11,685	75.79%
Hazardous Conditions (No Fire)	65	91	81	237	1.54%
Service Call	289	228	344	861	5.58%
Good Intent Call	630	586	631	1,847	11.98%
False Alarm / False Call	74	73	90	237	1.54%
Severe Weather & Natural Disaster	2	2	2	6	0.04%
Special Incident	10	6	8	24	0.16%
TOTAL	4,700	5,136	5,581	15,417	100.00%

Source: Lake County Fire Protection District

TYPES OF DEVELOPMENT

The demand for the District's Services and the associated public facilities is driven by the residential and nonresidential building structures within the service area. Therefore, the District assesses the Fee on all new residential and nonresidential development within its service area, including additions to existing structures.

In the County area, the District currently charges a uniform fee per building square foot regardless of development type. With this Fee Program update, the District proposes different Fee amounts per building square foot for residential and nonresidential development to reflect higher service demand level associated with nonresidential development.

In the City Area, the current Fee structure differs, with varying Fee amounts for single family, multi-family, and nonresidential development types. The Fee amount also varies with building

height and whether a building is sprinklered. With this Fee Program update, the District proposes different Fee amounts per building square foot for residential and nonresidential development to reflect higher service demand level associated with nonresidential development. Different fee amounts for sprinklered and nonsprinklered properties is proposed to be eliminated, since the current building code mandates all new buildings to be sprinklered.

Additionally, the District proposes to implement a surcharge to the Fee for all buildings of 3 stories or higher and nonresidential buildings with footprint of 15,500 sq. ft. or more to help cover a portion of the additional facility costs related to this type of development.

Recent legislation (SB 13) requires that mitigation fees for accessory dwelling units (“ADUs”) must be proportional to the relationship between the square footage of the ADU and the square footage of the primary unit. With the Fee being calculated on a square foot basis for both the primary unit and the ADU, the proportionality requirement is maintained. The Fee may not be imposed on an ADU smaller than 750 sq. ft. under the current State Law.

Buildings and structures owned and used by government entities, including, but not limited to, schools, city hall, administration buildings, fire and police stations, corporate yards, etc., are exempt from the Fee and, as such, are excluded from nonresidential development.

NEW DEVELOPMENT PROJECTIONS

Development projections are an important input for the Nexus Study. The Fee is calculated by allocating the total cost of all facilities needed throughout the District by 2040 across all residential and nonresidential development expected to be in place by that time, and then using that allocation to calculate the Fee for new development.

EXISTING DEVELOPMENT SUMMARY

As shown in **Table 5**, the existing residential and nonresidential development within the District makes up approximately 17.4 million sq. ft.

Table 5
Lake County Fire Protection District
Existing Development Summary

Development Type	Parcels with Structures	Total Building Sq. Ft.	Avg. Sq. Ft. / Parcel
Residential			
Residential Parcels	9,049	14,925,300	1,650
Manufactured Home Community Sites [1]	371	436,800	1,180
Subtotal: Residential	9,420	15,362,100	1,630
Nonresidential			
Nonresidential Parcels	424	2,022,300	
Subtotal: Nonresidential	424	2,022,300	
TOTAL	9,844	17,384,400	

Source: County of Lake, Lake County Fire Protection District, Ridgeline

[1] See Table A-1.

Existing Development Calculation Methodology

To prepare the existing development summary, we analyzed the 2022 parcel data set that was provided to the District by the County (the “2022 Parcel Data”), as well as the Fee collections data for the past 5 years provided by the District.

The 2022 Parcel Data was missing building square footage data for manufactured homes, so we made the following assumptions, which were added to the data set:

- An average single-wide manufactured home was assumed to be 960 sq. ft.
- An average double-wide manufactured home was assumed to be 1,600 sq. ft.
- All parcels marked in the 2022 Parcel Data as having a “trailer on site” were reviewed on Google Maps and a visual determination was made on the type of home located there, if one was visible.
- For manufactured home communities, a home count was performed utilizing Google Maps imagery.

The supporting data for the manufactured home communities is summarized in **Table A-1** in **Appendix A**.

The typical manufactured home sizes are based on the information from MHVillage⁸:

- single-wide homes range from 480 to 1,440 sq. ft., with a midpoint of 960 sq. ft.
- double-wide homes range from 640 to 2,560 sq. ft., with a midpoint of 1,600 sq. ft.

We also updated the 2022 Parcel Data to include all development that paid mitigation fees in 2018-2022 calendar years.

Finally, we reviewed the 2022 Parcel Data to identify all parcels with building assessed value of \$50,000 or more and no building square footage data. For such parcels, we manually estimated the building size using Google Earth or other available information.

DEVELOPMENT PROJECTIONS

To prepare future development projections through 2040, we utilized the following approach:

- *Residential Development – New Homes:* Based on the mitigation fee collections data for the past 5 years, an average of 21 new homes totaling approximately 37,700 sq. ft. were built within the District each year. We assume that this trend will continue unchanged through 2040.
- *Residential Development – Additions:* Based on the mitigation fee collections data for the past 5 years, an average of 8,600 sq. ft. of existing home additions took place within the District each year. We assume that this trend will continue unchanged through 2040.
- *Residential Development – Multi-Family:* Only one significant multi-family residential development took place within the District in the last 5 years, an apartment complex consisting of 80,000 sq. ft. We assumed that an average of 20,000 sq. ft. of new multi-family residential development will be taking place on average per year within the District through 2040.
- *Nonresidential Development:* Based on the mitigation fee collections data for the past 5 years, an average of approximately 18,100 sq. ft. of nonresidential development takes place within the District each year. We assumed that this trend will continue unchanged throughout 2040.

The new development activity details for the past 5 years are provided in **Tables A-2 and A-3** in **Appendix A**.

As shown in **Table 6**, new development within the District is estimated to add approximately 1.5 million building sq. ft. through 2040, based on the assumptions identified above. Most of that growth (79%) is expected to be on the residential side.

⁸ <https://www.mhvillage.com/resources/buyers/explore/mobile-home-sizes-guide>

Table 6
Lake County Fire Protection District
Future Development Projections - 2023-2040

Development Type	Source	Units / Yr	Sq.Ft. / Yr	Total Sq.Ft. Thru 2040
Residential - New Homes	Table A-2	21	37,700	678,600
Residential - Additions	Table A-3		8,600	154,800
Residential - Multi-Family			20,000	360,000
Nonresidential	Table A-3		18,100	325,800
Total		21	84,400	1,519,200

Source: Lake County Fire Protection District, Ridgeline

As shown in **Table 7**, the total development within the District is projected to reach approximately 18.9 million sq. ft. by 2040. This development estimate assumes the continuation of the recent growth rates and does not constitute the buildout calculation for the District.

Table 7
Lake County Fire Protection District
Existing Dev't and Growth Projections Summary (2022 - 2040)

Description	Sq. Ft.
Residential Development	
Existing Development	15,362,100
Projected Future Development	1,193,400
<i>Subtotal: Residential Development</i>	<i>16,555,500</i>
Nonresidential Development	
Existing Development	2,022,300
Projected Future Development	325,800
<i>Subtotal: Nonresidential Development</i>	<i>2,348,100</i>
Total Development	
Existing Development	17,384,400
Projected Future Development	1,519,200
Total Development	18,903,600

Source: County of Lake, Lake County Fire Protection District, Ridgeline

III. DISTRICT FACILITIES INVENTORY

To provide its Services, the District relies on a system of public facilities (administrative office, fire stations, apparatus, and equipment). Anticipated new development occurring through 2040, as well as the existing development's service demand, require rebuilding and expansion of an existing station, construction of a new station, procurement of additional vehicles and equipment, and other capital facility projects so that the District can continue providing timely responses to calls for fire, medical, and other emergencies. Planned facility needs are determined by the District based on response time requirements and overall Services demand.

This chapter provides an inventory of the District's existing and planned facilities and their replacement and estimated costs.

The terms "public facility," "capital facility," and "facility" in this Nexus Study refer to:

- Land, buildings, and improvements (including fire stations, administration buildings, and other building structures);
- Fire apparatus, ambulances, and other vehicles; and
- Equipment

used by the District to provide its Services.

The District provided inventories and replacement cost estimates for the existing facilities. One of the existing engines was funded through debt financing, and the associated remaining financing costs are included in the existing facility cost estimates.

The District also provided inventories and cost estimates for planned facilities needed to serve existing and future development through 2040. It is assumed that all major future fire station capital projects and some of the additional and replacement apparatus will be financed. The estimated financing costs are included in the planned facility cost estimates.

All replacement value and cost estimates are expressed in 2023 dollars and based on the best currently available information. The District will conduct periodic facility cost and development pattern reviews and make Fee adjustments if this information materially changes or if other funding sources become available.

LAND, BUILDINGS, AND IMPROVEMENTS

EXISTING FIRE STATIONS AND STRUCTURES

The District presently operates five fire stations and a headquarters facility. **Table 8** offers details about these structures, their construction years, site areas and building sizes, and estimated replacement costs.

Table 8
Lake County Fire Protection District
Existing Fire Stations & Structures (2023 \$)

Facility Name / Address	Year Built	Site Area (acres)	Bldg Sq.Ft.	Land Value [1], [2]	Building Insured Value [2]	Total Replacement Cost
District Headquarters / Station 70						
14795 Olympic Drive, Clearlake, CA 95422	1984	0.78	9,006	\$117,000	\$2,377,584	\$2,494,584
14815 Olympic Drive, Clearlake, CA 95422	2003	0.74	6,120	\$111,000	\$636,480	\$747,480
14805 Olympic Drive, Clearlake, CA 95422	1984	0.77	2,416	\$115,500	\$497,696	\$613,196
Station 72						
13428 Lakeshore Drive, Clearlake, CA 95422	1962	0.87	1,170	\$130,500	\$322,920	\$453,420
Station 73 (To Be Rebuilt)						
10682 Lakeshore Drive, Clearlake, CA 95422	1962	0.12	1,590	\$18,000	\$0	\$18,000
Station 65						
16344 Main Street, Lower Lake, CA 95457	2001	0.31	4,540	\$46,500	\$1,981,020	\$2,027,520
16364 Main Street, Lower Lake, CA 95457		0.10	783	\$15,000	\$182,439	\$197,439
Station 66						
13065 Anderson Road, Lower Lake, CA 95457	1968	0.30	1,165	\$45,000	\$321,540	\$366,540
TOTAL		3.99	26,790	\$598,500	\$6,319,679	\$6,918,179

Source: Lake County Fire Protection District and Ridgeline

[1] Land value is the greater of (a) actual cost or (b) current market comparables.

[2] Actual land cost and building insured value is provided by the District. Current market value of land is estimated at \$150,000 per acre based on market comparables.

The replacement cost includes the land value and building replacement cost. The land value is the greater of (a) the actual cost paid by the District or (b) the current market comparable. The current land value estimate based on market comparables is provided in **Table B-1 in Appendix B**. The replacement cost of the buildings is based on their insured value as determined by the District's insurance company.

Station 73 is scheduled to be rebuilt and expanded. Its building insured value is excluded from the table above, but the estimated project cost is included in the planned facility cost estimate below.

PLANNED FIRE STATIONS

To continue providing proper level of Services to its existing and future development, the District plans to rebuild Station 73 and add a new station (Station 71), as shown in **Table 9**.

Table 9
Lake County Fire Protection District
Planned Fire Stations (2023 \$)

Address	Site Area (acres)	Bldg Sq.Ft.	Site Cost [1]	Construction Cost [2]	Total Estimated Cost
New Station (Station 71)	0.75	9,080	\$112,500	\$5,448,000	\$5,560,500
Station 73 Rebuild	0.00	4,550	\$0	\$2,724,000	\$2,724,000
TOTAL	0.75	13,630	\$112,500	\$8,172,000	\$8,284,500

Source: Lake County Fire Protection District and Ridgeline

[1] Site cost estimated at \$150,000 per acre based on market comparables.

[2] Construction cost estimate of \$600 per sq.ft. provided by the District.

The District has not acquired the site for Station 71 at this time. The site cost is estimated based on the current market comparables, as shown in **Table B-1 in Appendix B**. The construction cost is estimated by the District at \$600 per sq. ft. based on interviews with other fire districts that are in the process of building new fire stations. The timing of the new station construction will depend on funding availability.

FIRE APPARATUS, AMBULANCES, AND OTHER VEHICLES

EXISTING FLEET

Table 10 details the District's current fleet of firefighting apparatus, ambulances, and other vehicles. The replacement cost estimate was provided by the District and is based on the current market prices of comparable vehicles. These vehicles constitute an essential capital investment needed to provide the Services and have at least a five-year service life.

Table 10
Lake County Fire Protection District
Existing Fire Apparatus and Vehicles Inventory (2023 \$)

Description	Model Year	Qty	Replacement Cost
Engine 6511 Old 1990 Ford	1990	1	\$850,000
Engine 6511 New 2005 Westates OES engine	2005	1	\$850,000
Engine 7012 1996 Spartan Hi Tech	1996	1	\$800,000
Engine 7011 2010 HME Custom Rescue Pumper	2010	1	\$700,000
WT7011 Water Tender 1996 Kenworth	1996	1	\$550,000
Engine 6521 1996 Westate	1996	1	\$450,000
Engine 7021 2013 Engine Model IH	2013	1	\$450,000
Engine 7022 2000 Pierce International	2000	1	\$450,000
Engine 7231 1989 International	1989	1	\$450,000
R7011 1997 Freightliner Rescue	1997	1	\$400,000
WT6511 Water Tender 2022 Freightliner	2022	1	\$400,000
Engine 6561 2006 Ford F550 Type VI	2006	1	\$300,000
M7011 2016 Ford F-450 Leader Ambulance	2016	1	\$350,000
M7012 2016 Ford F-450 Leader Ambulance	2016	1	\$350,000
M7013 2011 Ford F-450 Wheeled Coach Ambulance	2011	1	\$350,000
P715 2011 Dodge Ram P/U	2011	1	\$60,000
BC702 2011 Dodge Ram P/U	2011	1	\$60,000
C700 2021 Ford F250	2021	1	\$60,000
U7022 2001 Ford F250 4X4	2001	1	\$60,000
U7023 2011 Dodge Ram P/U	2011	1	\$60,000
U7021 2007 Chevrolet Tahoe	2007	1	\$50,000
UTV Polaris Ranger	2018	1	\$20,000
TOTAL		22	\$8,070,000

Source: Lake County Fire Protection District

PLANNED FLEET EXPANSION

To maintain adequate service levels and response times, the District plans to expand its fleet by adding an aerial ladder truck and three ambulances, which will be located at the planned new station. **Table 11** details these planned additions, along with the cost estimates based on current market prices of comparable vehicles.

Table 11
Lake County Fire Protection District
Planned Fire Apparatus and Vehicles (2023 \$)

Description	Qty	Cost per Unit	Total Cost
Aerial Ladder Truck	1	\$1,500,000	\$1,500,000
Additional Ambulances (Stations 65, 71 and 73)	3	\$350,000	\$1,050,000
TOTAL	4	\$1,850,000	\$2,550,000

Source: Lake County Fire Protection District

EQUIPMENT

EXISTING EQUIPMENT INVENTORY

Fire protection and emergency medical response is an equipment-intensive service. The District's facilities, vehicles, and personnel are equipped with and utilize various types of machinery, tools, gear, and technology valued at approximately \$2.5 million, as documented in **Table B-2** in **Appendix B**. The replacement cost estimate was provided by the District and is based on the recent prices paid and current market prices of comparable equipment. This equipment constitutes an essential capital investment needed to provide the Services and all items listed have at least a five-year service life.

PLANNED ADDITIONAL EQUIPMENT

With the Station 73 rebuild and Station 71 addition, the District needs to expand its equipment inventory to maintain service levels. Additionally, the District plans to add solar panels to two stations and upgrade its IT system. The total cost of the additional equipment is estimated at approximately \$3.2 million, as shown in **Table B-3** in **Appendix B**. The cost estimate is based on recent prices paid, current market prices for comparable equipment, and third party estimates.

FACILITY FINANCING COSTS

Financing plays a vital role in ensuring generational equity and facility costs allocation to the service population benefiting most from the facility rather than requiring existing development to pay for facilities for future residents.

The District currently has one loan outstanding. The loan financed a pumper engine and is scheduled to be repaid in 2030. The financing costs associated with this loan are the remaining interest payments and are shown in **Table 12**.

Table 12
Lake County Fire Protection District
Existing Financing Costs (rounded)

Description	Amount
Pumper Lease	\$35,100
Total Existing Financing Costs	\$35,100

Source: Lake County Fire Protection District

The District expects to finance Station 73 rebuild and Station 71 construction projects with bonds or bank loans. Fleet expansion vehicles will also be financed.

The District plans to finance 50 percent of the existing fleet replacement costs for the vehicles costing \$250,000 or more. All vehicle financing is expected to be done through municipal equipment leases, which work like loans (the District pays off the entire financed amount over the term of the lease and keeps the vehicle once the lease is fully paid off).

All equipment is expected to be paid for with cash.

The financing costs include the costs of issuance and interest on the bonds, loans, and leases.

Table 13 shows the expected future financing costs.

Table 13
Lake County Fire Protection District
Planned Facilities Financing Costs (2023 \$)

Description	Financed Amount	Financing Term (yrs)	Interest Rate	Total Payments	Interest Cost	Cost of Issuance	Total Financing Cost
New Station (Station 71)	\$5,560,500	20	4.00%	\$8,183,026	\$2,622,526	\$125,000	\$2,747,526
Station 73 Rebuild	\$2,724,000	20	4.00%	\$4,008,734	\$1,284,734	\$125,000	\$1,409,734
Ariel Ladder Truck	\$1,500,000	10	4.35%	\$1,881,727	\$381,727	\$15,000	\$396,727
Additional Ambulances (Stations 71 and 73)	\$1,050,000	5	4.35%	\$1,190,912	\$140,912	\$10,500	\$151,412
Apparatus Replacement [1]	\$3,850,000	7	4.35%	\$4,548,382	\$698,382	\$38,500	\$736,882
Total (Rounded)	\$14,685,000			\$19,813,000	\$5,128,000	\$314,000	\$5,442,000

Source: Lake County Fire Protection District and Ridgeline

[1] Assumes that 50% of all replacement vehicles costing \$250,000 or more is financed with average term of 7 years.

FACILITIES SUMMARY

Table 14 summarizes the replacement values for the existing facilities and the estimated costs for the planned facilities. The total cost estimate of \$37 million includes approximately \$17.6 million for existing facilities and \$19.4 million for planned facilities and financing costs.

Table 14
Lake County Fire Protection District
Facilities Summary (2023 \$) (rounded)

Description	Source	Amount
<i>Existing Facilities</i>		
Fire Stations and Structures	Table 8	\$6,918,000
Apparatus and Vehicles	Table 10	\$8,070,000
Equipment	Table B-2	\$2,534,000
Financing Costs	Table 12	\$35,000
<i>Subtotal: Existing Facilities</i>		\$17,557,000
<i>Planned Facilities</i>		
Fire Stations and Structures	Table 9	\$8,285,000
Apparatus and Vehicles	Table 11	\$2,550,000
Equipment	Table B-3	\$3,170,000
Financing Costs	Table 13	\$5,442,000
<i>Subtotal: Planned Facilities</i>		\$19,447,000
Total Facilities		\$37,004,000

Source: Lake County Fire Protection District and Ridgeline

These facilities benefit both the existing and future development within the District. The cost allocation among the existing and future development is calculated in the next chapter of the Nexus Study.

IV. FACILITY COST ALLOCATION AND FEE CALCULATION

This chapter of the Nexus Study documents the District's existing and planned facility cost allocation to the existing and future development and calculation of the proposed Fee amount.

The existing development has paid and will continue to pay its fair share of the costs through the prior Fee payments, property taxes, General Fund balances, and other one-time and on-going revenue sources. The future development is required to pay its fair share of the facility costs through the Fee.

The Fee is comprised of the new development's share of the facility costs and an administration surcharge, as discussed below.

COST ALLOCATION AND METHODOLOGY

The Act requires that mitigation fee calculations ensure a reasonable relationship between the amount of the fee and the cost of public facilities attributable to the development on which the fee is imposed. In this chapter, the cost of the District's system-wide facilities is allocated to the existing and future development in proportion to their demand for Services.

The facility cost allocation and the updated Fee amount calculation use the capacity-based methodology, as discussed in **Chapter I**. Capacity-based fees allocate system-wide facility costs to all existing and future development.

For the District, the costs for all existing and planned facilities are allocated to all existing and future development to ensure that the Fee charged to future development covers its proportionate fair share of the total facility costs.

SERVICE DEMAND VARIABLE

To calculate mitigation fees, the relationship between facility needs and development must be quantified through cost allocation formulas. This Nexus Study uses building square footage as the service demand variable representing development's impact on public facilities.

Service demand variables are selected because they either directly measure service demand or are reasonably correlated with that demand. The recent Act update (AB 2668) requires that all nexus studies adopted after July 1, 2022 calculate mitigation fees for housing development based on building square footage, unless a finding is made that such methodology is not appropriate⁹. The District believes that the methodology recommended by the State is suitable for the Fee calculation. Moreover, the square footage has been the demand variable for the Fee calculation since its original implementation.

⁹ Gov't Code § 66016.5(5)(A) and (B)

The majority of existing development within the District is residential. Nonresidential development, for the most part, supports the existing residential development. The call data analysis demonstrates that nonresidential development generates higher demand for District services. To ensure that nonresidential development contributes its fair share of facility costs, the District has determined that separate Fee levels are appropriate for residential and nonresidential development.

Development of 3-story and higher buildings and nonresidential buildings with large footprint requires that the District add an aerial ladder engine to its fleet. The District proposes a special surcharge on this type of development going forward to help cover a portion of this cost.

As discussed in **Chapter II**, the District currently services approximately 17.4 million sq. ft. of residential and nonresidential development. The District projects that an additional 1.5 million building sq. ft. will be developed within the District by 2040. The total amount of development serviced by the District is expected to reach 18.9 million sq. ft. by 2040.

NET FACILITY COSTS

As discussed in **Chapter III**, the public facilities needed to serve the existing and projected development are valued at approximately \$37 million (in 2023 dollars).

As of April 30, 2023, the District had approximately \$141,000 in unspent Fee proceeds, which are available to help fund the planned facilities identified in this Nexus Study. **Table 15** calculates the net public facility costs that need to be allocated across the existing and future development.

Table 15
Lake County Fire Protection District
Net Facility Costs (2023 \$)

Description	Amount
Facilities	
Existing Facilities	\$17,557,000
Planned Facilities	\$19,447,000
<i>Total Facility Costs</i>	<i>\$37,004,000</i>
Available Funding Sources	
Mitigation Fee Account Balance	\$141,360
<i>Total Available Revenue</i>	<i>\$141,360</i>
Net Facility Costs	\$36,862,640

Source: Lake County Fire Protection District and Ridgeline

NET FACILITY COSTS ALLOCATION

The next step in calculating the Fee amount is to allocate the Net Facility Costs to the existing and future development.

Ridgeline analyzed the District's call data for 2021 and 2022 calendar years to determine the service demand generated by residential and nonresidential development. 77 percent of the District's calls were associated with identified residential and nonresidential addresses. The rest of the calls were associated with hospitals and addresses that could not be tied to a specific parcel (such as intersections or blocks). Based on the distribution of residential and nonresidential calls, nonresidential development generates 2.3x more demand for District's services per sq.ft. basis than residential development. During the two-year period, the District responded to 0.41 calls per 1,000 sq. ft. of residential development and 0.97 calls per 1,000 sq. ft of nonresidential development.

The District believes that a significant number of nonresidential calls are related to the District residents who are located at a nonresidential location during the call. To adjust for that assumption, the District estimated that nonresidential development generates 25 percent more service demand than residential development.

Table 16 shows the allocation of the Net Facility Costs per sq. ft. of all existing and projected development through 2040.

Table 16
Lake County Fire Protection District
Facility Cost Allocation Factor (2023 \$)

Description		Res Dev't	Nonres Dev't	Total
2021-2022 Service Calls	(a)	6,342	1,957	8,299
2022 Existing Development (Sq. Ft.)	(b)	15,362,102	2,022,309	17,384,411
Calls per 1,000 Sq. Ft.	(c) = (a) x (b)	0.41	0.97	0.48
Allocation Factor	(d)	1.00	1.25	
2040 Projected Dev't (Sq. Ft.)	(e)	16,555,502	2,348,109	18,903,611
Res Sq. Ft. Equivalent Service Factor	(f) = (e) x (d)	16,555,502	2,935,136	19,490,639
Service Demand Allocation	(g)	84.94%	15.06%	100.00%
Net Facility Cost Allocation	(h) = Total Cost x (g)	\$31,311,418	\$5,551,222	\$36,862,640
Cost Per Sq. Ft.	(i) = (h) / (e)	\$1.89	\$2.36	

Source: Lake County Fire Protection District, County of Lake, and Ridgeline

FEE CALCULATION PER SQUARE FOOT

The final step in calculating the Fee amount is to add the administrative surcharge, which is commonly set at 2%. This surcharge covers the Fee Program implementation and management costs, including nexus studies and on-going monitoring and reporting.

Additionally, development of 3-story and higher buildings and nonresidential buildings with footprint of 15,500 sq. ft. or more requires that the District add an aerial ladder engine to its fleet. The cost of such engine is approximately \$650,000 more than the cost of a Type I engine. The District proposes a special surcharge on this type of development going forward to help cover a portion of this cost.

Assuming construction of one 3-story multi-family project totaling approximately 90,000 sq. ft. (25% of projected multi-family development) and allocating 10 percent of future nonresidential development for 3-story buildings and/or big box retail (32,500 sq. ft.), approximately 122,500 sq. ft. of future development within the District will require the availability of an aerial ladder engine. The full allocation of the \$650,000 additional cost to this development will result in \$5.31 per sq. ft. Since the District already has some such development within its service area and given the availability of the engine to respond to other calls, the District proposes to set the surcharge amount initially at \$0.50 per sq. ft. (including the administrative surcharge), subject to the annual inflation adjustment, as discussed in **Chapter VI**.

The proposed Fee amounts for each development type are shown in **Table 17**.

Table 17
Lake County Fire Protection District
Fire Mitigation Fee Calculation (2023 \$)

Description		Amount / Sq.Ft.		
		Residential	Nonresidential	High Impact Surcharge
Base Fee per Sq. Ft.		\$1.89	\$2.36	\$0.49
Administrative Surcharge	2%	\$0.04	\$0.05	\$0.01
Total Fee per Sq. Ft.		\$1.93	\$2.41	\$0.50

Source: Lake County Fire Protection District and Ridgeline

PROJECTED FEE REVENUE

The total Fee revenue through 2040 can be estimated by multiplying the Fee calculated in **Table 17** by the projected square footage of new development from **Table 7**. As shown in **Table 18**, it is estimated at approximately \$3 million, net of the administrative surcharge (in 2023 dollars).

Table 18
Lake County Fire Protection District
Projected Fire Mitigation Fee Revenue Through 2040 (2023 \$)

Description		Amount	%
Proposed Base Fire Mitigation Fee per Sq.Ft.	(a)		
Residential Development		\$1.89	
High Impact Residential Development		\$2.38	
Nonresidential Development		\$2.36	
High Impact Nonresidential Development		\$2.85	
Projected Future Development (thru 2040)	(b)		
Residential Development		1,103,400	
High Impact Residential Development		90,000	
Nonresidential Development		293,300	
High Impact Nonresidential Development		32,500	
Projected Base Fire Mitigation Fee Revenue (rounded)	(c) = (a) x (b)	\$3,084,000	
Total Planned Facility and Financing Costs	(d)	\$19,447,000	100.0%
Less:			
Projected Base Fire Mitigation Fee Revenue	(e)	(\$3,084,000)	15.9%
Mitigation Fee Account Balance	(f)	(\$141,360)	0.7%
Funding Required from Other Sources	(g) = (d) - (e) - (f)	\$16,221,640	83.4%

Source: Ridgeline

The projected Fee revenue is substantially less than the planned facility costs. The current unspent Fee proceeds and projected Fee revenue will fund approximately 17 percent, or \$3.2 million, of the \$19.5 million planned facility costs. The District will need to fund the difference from other sources, including, but not limited to, general obligation bonds, grants, the District's general fund, existing or new special taxes and assessments, other debt proceeds, etc.

The Fee revenue may be used only for public facilities that expand the District's system capacity to serve future development and to reimburse the cost of existing facilities' upsizing for such future development. This approach maintains a reasonable relationship between the new development and the use of the Fee proceeds.

The District may revise the planned facilities scope and substitute other facilities as long as they help expand the District's system. The Fee revenue may be used to purchase land, construct buildings, expand existing structures, purchase vehicles and equipment with a minimum of a five-year life span, and enhance utility of existing system, as allowed by the Act.

The Fee revenue shall not be used to fund existing deficiencies such as station renovation that do not expand the District's system capacity.

V. NEXUS FINDINGS

The Mitigation Fee Act requires an agency establishing, increasing, or imposing mitigation fees to make findings to:¹⁰

1. Identify the purpose of the fee.
2. Identify the use to which the fee is to be put.
3. Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.
4. Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.
5. Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

These findings demonstrate that the fee adheres to the "reasonable relationship," or "nexus," standard, as well as the principle of "rough proportionality," as articulated in court decisions concerning mitigation fees and other exactions.

This Nexus Study has been prepared to update the Fee in accordance with the procedural guidelines established in the Act and makes the following findings pertaining to the Fee calculated herein.

Purpose of the Fee: The purpose of the Fire Mitigation Fee (the "Fee") calculated in this Nexus Study is to ensure that new development within the Lake County Fire Protection District's service area contributes its proportionate share of the existing and future one-time public facility costs incurred by the District to provide the Services required by such development. In imposing the Fee on behalf of the District, the City and the County ensure that existing property owners are not subsidizing new development and that the existing service level is maintained even as the service population is increasing.

Use of the Fee: The Fee will be used to fund expansion and/or addition of public facilities (land, buildings, other structures, apparatus and vehicles, and equipment) to mitigate the impact of new development on the need for such facilities within the District, as well as to fund the administration of the Fee Program (Fee collection, accounting, reporting, nexus studies, and other expenses related to compliance with the Act requirements). The Fee revenue will not be used to fund operations, maintenance, or existing facility deficiencies that do not expand the District's system capacity.

Reasonable Relationship between the Use of the Fee and the Type of Development: The Fee will be used to fund expansion of and/or additions to the District's public facilities to address the additional demand for fire protection and medical emergency services associated with new

¹⁰ Gov't Code § 66001(a) and (b)

development within the District. Since the Fee will be used to provide public facilities needed to serve the new residents and employees generated by the new development, a reasonable relationship exists between the use of the Fee and the residential and nonresidential development on which the Fee is imposed.

Reasonable Relationship between the Need for Public Facilities and the Type of Development:

New residential and nonresidential development generates new residents and employees and results in additional demand for fire protection and medical emergency services provided by the District. Additional public facilities are needed to ensure that the increased demand is addressed without reducing the level of services for the existing development. Thus, a reasonable relationship exists between the need for the public facilities and the type of new development on which the Fee is imposed.

Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to New Development:

The amount of the Fee charged to new development is based on the fair share of the District's public facility costs attributed to such new development on a per square foot basis. The total public facility costs are allocated between the existing and new development in a manner proportional to their demand for facilities. The Fee charged to a development project reflects the impact of that project on the overall need for public facilities needed to provide fire protection and medical emergency services to the project. Thus, a reasonable relationship exists between the amount of the Fee and the costs of the facilities attributable to the new development.

VI. IMPLEMENTATION

This chapter contains recommendations for the adoption, administration, interpretation, and application of the Fee. It provides an overview of the Mitigation Fee Act provisions and common current practices, but is not intended as legal advice.

AUTHORITY TO IMPOSE MITIGATION FEES

Mitigation fees can be imposed by cities and counties as a condition of approval for development projects based on land use authority. Special districts, including fire protection districts, lack such authority and cannot impose mitigation fees.

Moreover, fire districts are specifically prohibited from imposing mitigation fees. California Health and Safety Code § 13916, part of the Fire Protection District Law of 1987, states: "A [fire protection] district board shall not charge a fee on new construction or development for the construction of public improvements or facilities or the acquisition of equipment."

While the District may not directly impose mitigation fees, it is a common practice for cities and counties to do so for the benefit of special districts providing public services within their jurisdiction. Cities and counties rely on their police powers authority granted by the California Constitution to levy such fees. As such, the Fee must be adopted by the County Board of Supervisors and the City Council on behalf of the District.

FEE ADOPTION PROCESS

To Fee Program update and adoption process should be as follows:

- First, the Board of Directors of the District needs to approve the Nexus Study and the proposed Fee Program.
- Then, the City Council and the County Board of Supervisors need to adopt the Nexus Study and the Fee Program on behalf of the District.

Mitigation fee adoption process is governed by the Act. The general steps for the Fee approval and adoption by the District, City, and County are outlined below. These need to be reviewed and executed in consultation with the legal counsel of the District, City, and County.

FEE APPROVAL BY THE DISTRICT

- a. The Board of Directors of the District should hold at least one open and public meeting, at which oral or written presentation on the proposed Fee Program is made. Such meeting must be a part of a regularly scheduled meeting.

- b. At least 30 days before the meeting, the District shall post a notice of public hearing on its website and where notices are physically posted.
- c. At least 14 days before the meeting, the District should mail a notice of the meeting to any interested party who has filed a written request for notice of the adoption of new or increased fees.
- d. At least ten days before the meeting, the District should make the Nexus Study and all related documents available to the public for review.
- e. At least ten days before the meeting, the District should publish a notice of the time and place of the meeting twice in a newspaper of general circulation with at least five days between the dates of the first and last publication, not counting such publication dates.
- f. After the public hearing, the District's Board of Directors shall adopt a resolution approving the Nexus Study and the Fee Program with a recommendation that the City Council and the County Board of Supervisors adopt the Fee Program on behalf of the District pursuant to the City's and the County's "police powers" under Article XI, Section 7 of the California Constitution.

FEE ADOPTION BY THE CITY OF CLEARLAKE AND THE COUNTY OF LAKE

- a. The City Council and the County Board of Supervisors shall hold at least one open and public meeting, at which oral or written presentation on the proposed Fee Program is made. Such meeting must be a part of a regularly scheduled meeting.
- b. At least 30 days before the meeting, the City and the County shall post a notice of public hearing on their websites and where notices are physically posted.
- c. At least 14 days before the meeting, the City and the County shall mail a notice of the meeting to any interested party who has filed a written request for notice of the adoption of new or increased fees.
- d. At least ten days before the meeting, the City and the County shall make the Nexus Study and all related documents available to the public for review.
- e. At least ten days before the meeting, the City and the County shall publish a notice of the time and place of the meeting twice in a newspaper of general circulation with at least five days between the dates of the first and last publication, not counting such publication dates.
- f. After the public hearing, the City Council and the County Board of Supervisors shall adopt a resolution adopting the Nexus Study and the Fee Program (including the automatic annual adjustment of the Fee for inflation) on behalf of the District, as applicable, pursuant to the City's and the County's "police powers" under Article XI, Section 7 of the California Constitution.
- g. The Fee Program becomes effective at least 60 days after the adoption of the resolution, unless an urgency ordinance, valid for 30 days, is adopted (see discussion below).

NEXUS FINDINGS LANGUAGE

As discussed in **Chapter V**, the Act requires specific nexus findings to be made as part of the mitigation fee adoption process. Sample findings language that could be used for the Fee is shown below. This language should be reviewed and approved by the legal counsel of the agencies adopting the Fee.

Sample Finding Language: Purpose of the Fee. The Board of Directors / Board of Supervisors / City Council finds that the purpose of the mitigation fees hereby enacted is to protect the public health, safety, and welfare of the community by requiring new development to contribute to the cost of fire protection and emergency medical response facilities necessary to mitigate the impacts created by that development.

Sample Finding Language: Use of the Fee. The Board of Directors / Board of Supervisors / City Council finds that revenue from the mitigation fees hereby enacted will be used to provide public facilities needed to mitigate the impacts of new development. These facilities are identified in the Lake County Fire Protection District Fire Mitigation Fee Nexus Study prepared by Ridgeline Municipal Strategies, LLC¹¹.

Sample Finding Language: Reasonable Relationship. Based on analysis presented in the Lake County Fire Protection District Fire Mitigation Fee Nexus Study prepared by Ridgeline Municipal Strategies, LLC, the Board of Directors / Board of Supervisors / City Council finds that there is a reasonable relationship between:

- a. The use of the mitigation fee and the types of development projects on which the fee is imposed;
- b. The need for public facilities and the types of development projects on which the fee is imposed; and,
- c. The amount of the fee and the cost of the public facilities attributable to the development on which the fee is imposed.

FEE EFFECTIVE DATE

Once the Fee is adopted, there is a mandatory 60-day waiting period before it takes effect, unless an urgency ordinance, valid for 30 days, is adopted making certain findings regarding the claimed urgency. The ordinance must be readopted at the end of the first period (and possibly at the end of the second period, depending on the City Council and the County Board of Supervisors meeting dates) to cover the next 30 days and, as such, the entire 60-day waiting period. Fees adopted or increased by urgency go into effect immediately.

¹¹ Gov't Code Section 66001(a)(2) stipulates that the use of the fee may be specified in a capital improvement plan, the general or specific plan, or other public documents that identify the public facilities for which the fee is charged. The Nexus Study is an example of such public document.

FEE APPLICABILITY

Once the Fee takes effect, it will be collected by the District on all new residential and nonresidential development, including additions to existing development, which requires the issuance of building permit within the District boundary.

Large or specialized development may necessitate special considerations and could be evaluated on a project-by-project basis. In-lieu mitigation agreements may be required to accurately determine mitigation fees for development projects with unique characteristics.

Accessory dwelling units (“ADUs”) are included in the Fee Program and subject to the Fee if their square footage is 750 sq. ft. or greater. The Fees for ADUs shall be charged proportionately in relation to the square footage of the primary dwelling unit. A change in the State law could result in ADUs under 750 sq .ft. to no longer be exempt from the Fee.

SB 330 (The Housing Crisis Act of 2019) prohibits imposition of new requirements on a housing project once a preliminary application has been submitted. The rule applies to mitigation fee increases, except when the fee resolution or ordinance authorizes automatic inflationary fee adjustments.

The Act stipulates that a local agency shall not require the payment of mitigation fees by residential development prior to the date of the final inspection or of the issuance of a certificate of occupancy, whichever occurs first. However, "utility service fees" (term not defined in the Act) may be collected upon application for utility service. In a residential development project of more than one dwelling, the Act allows the agency to determine whether to collect the fees either for individual units or for project phases upon final inspection or certificate of occupancy, whichever occurs first, or for the entire project upon final inspection or certificate of occupancy, whichever occurs first, for the first dwelling unit.¹²

The Act provides two exceptions when the local agency may require fee payment from residential development at an earlier time¹³:

1. When the local agency determines that the fees “will be collected for public improvements or facilities for which an account has been established and funds appropriated and for which the local agency has adopted a proposed construction schedule or plan prior to final inspection or issuance of the certificate of occupancy,” or
2. When the fees are “to reimburse the local agency for expenditures previously made.”¹⁴

The Act does not specify any restrictions on the time at which mitigation fees may be collected on nonresidential development.

¹² Gov’t Code § 66007(a)

¹³ Gov’t Code § 66007(b)(1)

¹⁴ This exception does not apply to units reserved for occupancy by lower income households included in residential development proposed by a nonprofit housing developer in which at least 49% of the total units are reserved for occupancy by lower income households at an affordable rent. See Gov’t Code § 66007(b)(2)(A).

If the fees are not fully paid prior to the building permit issuance for residential development, the local agency may require the property owner to execute a contract to pay them within the time specified above and record that contract as a lien against the property until the fees are paid.¹⁵

FEE PROGRAM ADMINISTRATION

The Act establishes procedures for mitigation fee program administration, including collection, handling, accounting, reporting, and refunds.

FEE COLLECTION AND HANDLING

There likely to be a delay in spending collected Fee revenue on facilities until a sufficient fund balance is accumulated. The District is required to deposit, invest, account for, and expend the Fee in a prescribed manner.

The Fee revenue must be deposited into a separate capital facilities account or fund to prevent commingling with other District revenues. Interest earned on the capital facilities account or fund balance must be credited to the Fee Program.¹⁶ Common practice is to maintain separate funds or accounts for mitigation fee revenues by facility category (e.g., fire protection), but not necessarily for individual projects.

The Fee revenue may only be used for the purpose for which it was collected, i.e., for capital facilities that expand the District's ability to deliver its Services to accommodate new development. This conforms with the reasonable relationship between new development and use of fee revenue standard. The District may revise the planned facilities scope and substitute other facilities as long as they help expand the District's system.

REPORTING REQUIREMENTS

The Act mandates annual and five-year reporting for mitigation fee programs, as described below. As the Fee must be adopted by the City and the County on behalf of the District, the three agencies should determine who is responsible for such reporting and develop procedures to ensure compliance with the Act reporting requirements.

Annual Report

The Act requires that an "Annual Report" be made available to the public within 180 days of each fiscal year end. The report must contain the following information:

- a brief description of the type of the Fee in the fund;
- the amount of the Fee;

¹⁵ Gov't Code § 66007(c)

¹⁶ Gov't Code § 66006(a)

- the beginning and ending balance of the fund;
- the Fee amount collected and the interest earned;
- an identification of each public improvement on which the Fee was expended and the amount of the expenditures for each improvement, including the total percentage of the cost that was funded by the Fee;
- if the District determines that sufficient funds have been collected to complete an incomplete public improvement, an identification of an approximate date by which construction of the facility will commence;
- a description of each inter-fund transfer or loan made from the fund, including the public improvement on which the transferred or loaned Fee will be expended, the date on which any loan will be repaid, and the rate of interest that the fund will receive on the loan; and
- the amount of money refunded under Gov't. Code § 66001.

AB 516 recently added the following requirements to the content of the Annual Report:

- an identification of each public improvement identified in a previous Annual Report as having sufficient fund to complete such improvement and whether construction began on the approximate date noted in the previous report;
- if the construction for the above identified improvement did not commence by the approximate date provided in the previous report, the reason for the delay and a revised approximate date that the agency will commence construction;
- the number of persons or entities identified to receive refunds.

The District must review the Annual Report at the next regularly scheduled public meeting, but not less than 15 days after it was made available to the public. Notice of the time and place of the meeting, including the address where the Annual Report may be reviewed, shall be mailed, at least 15 days prior to the meeting, to any party who files a written request for mailed notice of the meeting. Written requests for mailed notices are valid for one year from the date filed unless renewed by April 1 of each year. A reasonable annual charge for sending notices based on the estimated cost of providing the service may be established.

Five-Year Findings Report

In the fifth fiscal year following the first receipt of any Fee proceeds, and every five years thereafter, the District, City, and County must comply with the Gov't Code § 66001(d)(1) by demonstrating that the District still needs unexpended Fee revenues to achieve the purpose for which it was originally imposed and that the District has a plan on how to use the unspent balance to achieve that purpose. The following findings, entitled "Five-Year Findings Report," shall be made with respect to that portion of the fund remaining unexpended, whether committed or uncommitted:

- Identify the purpose to which the Fee is to be put;
- Demonstrate a reasonable relationship between the Fee and the purpose for which it is charged;

- Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements; and
- Designate the approximate dates on which the funding is expected to be deposited into the appropriate fund.

These findings are to be made in conjunction with the Annual Report discussed above.

The District must refund the unspent or uncommitted Fee revenue portion for which a need could not be demonstrated, unless the administrative costs exceed the amount of the refund.

Fee Refunds for Incomplete Projects

If all necessary funds have been collected to construct a public improvement, but the improvement remains incomplete, the District, within 180 days of determining that sufficient funds have been collected, shall identify an approximate date by which construction will commence. If such identification is not made, the District shall refund to the then current record owner of the development project on a prorated basis the unexpended portion of the Fee and any accrued interest, provided that if the administrative costs of such refund exceed the amount to be refunded.¹⁷

FEE EXEMPTIONS, REDUCTIONS, AND WAIVERS

Several types of development are specifically exempt from the Fee Program:

- All public agencies, including federal and state agencies, public school districts, the County, and the City, unless other arrangements or agreements are negotiated with the District.
- Replacement or reconstruction on the same parcel by the owner of a dwelling or dwellings damaged or destroyed by fire or other calamity or demolished for replacement provided that:
 - The application for building permit to replace such dwelling is filed with the City or County within one (1) year after the destruction or demolition of the dwelling, or within three (3) years of the date a local emergency is declared if the destruction or demolition occurred within the geographical area encompassed by that local emergency declaration and resulted from events giving rise to said declaration;
 - There is no change in occupancy or land use type; and
 - There is no increase in square footage of the structure.
- Residential accessory structures that do not increase covered building square footage such as open decks and pools.
- ADUs that are under 750 sq. ft. Such ADUs are currently exempt from development impact fees by the State law. A change in the law could result in such ADUs to no longer be exempt.

¹⁷ Gov't Code § 66001(e)

Written fee waivers may be available on a case-by-case basis for certain agricultural facilities and temporary structures (including temporary mobile homes).

If a development project is found to have no impact on facilities for which the Fee is charged, such project will be exempted from the Fee.

If a project has characteristics that make its impacts on a particular public facility significantly and permanently smaller than the average impact used to calculate the Fee, the Fee should be reduced accordingly. Since there must be a reasonable relationship between the Fee amount and the cost of the public facility attributable to the development on which the Fee is imposed, the Fee reduction is required if the fee is not proportional to the impact of the development.

In some cases, the District may desire to voluntarily waive or reduce the Fees that would otherwise apply to a project as a way of promoting goals such as affordable housing or economic development. Such a waiver or reduction may not result in increased costs to other development projects, so the effect of such policies is that the lost revenue must be made up from other fund sources.

FEE CREDITS

Developer Fee Credits and Reimbursements

The purpose of the Fee Program is to provide funds for new fire protection and emergency medical response facilities. While it is not anticipated that private developers will dedicate land or provide facilities for the District, should this occur, the developers may enter into a Fee credit and reimbursement agreement with the District. If a developer voluntarily offers to dedicate land or construct facilities in lieu of paying the Fee, the District may accept or reject such offer and negotiate the terms under which such offer is accepted. Excess developer contributions may be offset by reimbursement agreements.

The following conditions will apply to developer credits and reimbursements:

- Only funds collected through the Fee Program shall be used to reimburse a developer who provided eligible facilities or acquired eligible equipment identified in the Fee Program.
- The value of any developer-provided facilities for Fee credit or reimbursement purposes shall be based upon the lesser of (a) the actual facility cost or (b) the cost estimates (as updated) used to establish the Fee amount.
- The use of accumulated Fee revenues shall be in the following priority order: (1) critical projects, (2) repayment of inter-fund loans, and (3) repayment of accrued reimbursement to private developers. A project is considered to be a “critical project” when failure to complete it prohibits further development within the District.

Credit for Existing Development

To comply with the Act and recent court cases, a Fee credit must be given for demolished existing square footage as part of a new development project.

CAPITAL IMPROVEMENT PLAN AND ANNUAL UPDATES

The Act specifies that if a local agency cites a capital improvement plan to identify the use of mitigation fees, that plan must be adopted and annually updated by a resolution of the governing body at a noticed public hearing¹⁸. Alternatively, improvements can be identified by applicable general or specific plans or in other public documents (such as this Nexus Study)¹⁹.

A capital improvement plan often has a limited planning horizon. As such, it may not include all facilities needed to serve future development covered by a fee program.

We recommend that this Nexus Study be cited as the public document identifying the use of the Fee.

ANNUAL AUTOMATIC INFLATION ADJUSTMENT

The Nexus Study calculates the Fee based on current cost estimates expressed in 2023 dollars. To ensure that the Fee Program stays fiscally viable, these estimates should be automatically adjusted annually to account for inflation and changes in the public facilities costs. A recommended index for such adjustments is the Engineering News Record Building Cost Index (20-Cities Average) published monthly in the Engineering News Record for the 12-month period ending in the month before the adjustment takes place.

Any inflationary adjustment must first be authorized in the enacting Fee resolution or ordinance. The adjustments are recommended to take place annually on July 1, beginning on July 1, 2024.

FEE UPDATES

The District should conduct periodic reviews of development patterns and projections, construction costs, and available funding sources. If costs, development projections, or other funding sources change materially, the Fee should be updated accordingly. Any such updates must be presented to the District's Board of Directors, the City Council, and the County Board of Supervisors before becoming effective.

Additionally, the Act requires²⁰ that nexus studies must be updated at least every eight years. Therefore, the next Nexus Study update is due no later than November 1, 2031. However, if new

¹⁸ Gov't Code § 66002 (b)

¹⁹ Gov't Code § 66001 (a) (2)

²⁰ Gov't Code § 660016.5 (a)(8)

material information becomes available prior to that, the District should consider updating the Fee earlier.

TRANSPARENCY REQUIREMENTS²¹

The District, City, and County must make the following information available on their internet websites:

- A current schedule of or direct link to the Fee;
- The current and five previous Annual Reports;
- The current and any previous nexus studies conducted after January 1, 2018.

All such information needs to be updated within 30 days of any changes.

AB 516 recently added the following transparency requirements:

- A local agency shall inform a person paying a mitigation fee of both of the following:
 - The person's right to request an audit of the fee program; and
 - The person's right to file a written request for mailed notice of the local agency's meeting to review the information made public pursuant to the fee program.
- A local agency shall provide a person paying a mitigation fee a link to the page on the local agency's internet website where the information made public regarding the fee program is available for review.

TRAINING AND PUBLIC INFORMATION

Effective mitigation fee program administration requires considerable preparation and training. The following practices are recommended:

- Ensure that the District, City, and County staff members responsible for collecting the Fee and for explaining it to the public understand both the details of the Fee Program and its supporting rationale.
- Review all printed materials containing the Fee information for the public to ensure that the Fee is clearly distinguished from other fees, such application fees, and the purpose and use of the Fee are clearly stated.
- Ensure that anyone responsible for accounting, budgeting, or project management for facilities funded by the Fee is fully aware of the Fee revenue use restrictions, and that this Nexus Study is referenced to for a list of facilities on which the Fee calculations are based.

²¹ Gov't Code § 65940.1 (a)

Appendix A: Development Analysis Supporting Data

Table A-1	Manufactured Home Communities Detail	Page 45
Table A-2	Single Family Home Development Summary (2018-2022)	Page 46
Table A-3	Residential Additions and Nonresidential Development Summary (2018-2022)	Page 46

Table A-1
Lake County Fire Protection District
Manufactured Home Communities Detail

Community Name / Address	Single-Wide		Double-Wide		Total	
	Homes	Sq.Ft. [1]	Homes	Sq.Ft. [2]	Homes	Sq.Ft.
Creekside 16425 Dam Road	31	29,760	12	19,200	43	48,960
Lake Front 5545 Old Highway 53	15	14,400	2	3,200	17	17,600
York's Clearlake 5645 Old Highway 53	10	9,600	2	3,200	12	12,800
7665 Cache Creek Way	12	11,520	0	0	12	11,520
Cache Creek 16535 Dam Road	13	12,480	11	17,600	24	30,080
Kingfisher 5845 Old Highway 53	13	12,480	3	4,800	16	17,280
Twin Oaks Village 5755 Old Highway 53	10	9,600	5	8,000	15	17,600
Twin Creeks 8130 State Highway 53	15	14,400	3	4,800	18	19,200
Ponderosa 5825 Old Highway 53	40	38,400	12	19,200	52	57,600
Clear Lake Campground 7805 Cache Cache Creek Way	5	4,800	0	0	5	4,800
Lakeland 5575 Old Highway 53	36	34,560	9	14,400	45	48,960
Galaxy Resort 5935 Old Highway 53	13	12,480	8	12,800	21	25,280
Westwind 11270 Konocti Vista Drive #B	17	16,320	24	38,400	41	54,720
Sleepy Hollow 8750 Bonham Road	4	3,840	11	17,600	15	21,440
Southshore 5725 Old Highway 53	3	2,880	8	12,800	11	15,680
Trombetta's Resort 5865 Old Highway 53	8	7,680	16	25,600	24	33,280
TOTAL	245	235,200	126	201,600	371	436,800

Source: Ridgeline

[1] Assumes 960 sq.ft. per home

[2] Assumes 1,600 sq.ft. per home

Table A-2
Lake County Fire Protection District
Single Family Home Development Summary

Year	New Homes	Total Sq.Ft.	Avg Sq.Ft.
2018	19	29,579	1,557
2019	12	22,895	1,908
2020	27	48,278	1,788
2021	28	50,177	1,792
2022	19	37,577	1,978
Total	105	188,506	1,795
Average	21	37,700	

Source: Lake County Fire Protection District

Table A-3
Lake County Fire Protection District
Residential Additions and Nonresidential Development

Description / Year	Sq.Ft.
Residential Additions	
2018	10,616
2019	9,005
2020	9,100
2021	10,738
2022	3,758
Total Residential Additions	43,217
Residential Additions Average / Year	8,600
Nonresidential Development	
2018	8,486
2019	1,800
2020	38,549
2021	40,426
2022	1,360
Total Nonresidential Development	90,621
Nonresidential Dev't Average / Year	18,100

Source: Lake County Fire Protection District

Appendix B: District Facility Supporting Data

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Table B-2	Existing Equipment Inventory	Page 49
Table B-3	Planned Equipment Inventory	Page 50

Table B-1
Lake County Fire Protection District
Land Value Estimate (2023 \$)

Property Description	Status	Notes	Sale Date	Acres	Total Price	Price / Acre
3955 Hill Rd, Lakeport, CA	Sold		10/18/2021	5.49	\$210,000	\$38,251
18196 S State Hwy 29, Middletown, CA	Sold		1/5/2022	111.71	\$10,869,880	\$97,304
1900 S. Main St, Lakeport, CA	Sold	Retail Center	3/1/2022	2.23	\$325,000	\$145,740
8840 Red Hills Rd, Kelseyville, CA	Listed	Brightwood Villages		167.1	\$2,300,000	\$13,764
15197 Olympic Drive, Clearlake, CA	Listed			0.99	\$235,000	\$237,374
16125-16175 Main St, Lower Lake, CA	Listed			2.35	\$595,000	\$253,191
5860 Live Oak Dr., Kelseyville, CA	Listed	MF		8.77	\$975,000	\$111,174
15400 Davis Ave, Clearlake, CA	Listed	Distress		32.27	\$900,000	\$27,890
Estimated Land Value for a smaller developable site						\$150,000

Source: CoStar and Marcus & Millichap

Table B-2
Lake County Fire Protection District
Existing Equipment Inventory (2023 \$)

Description	Qty	Replacement Cost Per Unit	Total Replacement Cost
Turnouts	50	\$10,000	\$500,000
Heart Monitors	6	\$32,333	\$194,000
SCBA'S Scott X3 / XT Pro	29	\$6,541	\$189,700
SCBA'S (30)	30	\$6,083	\$182,500
Mobile Radios	25	\$7,120	\$178,000
Lucas Device	7	\$22,236	\$155,650
Fire Hoses			\$153,700
Fire Alarm System - Station 70	1	\$134,400	\$134,400
Portable Radios	89	\$1,000	\$89,000
MTS Power Load for Gurney	3	\$26,500	\$79,500
Bauer SCBA Air Compressor	1	\$72,800	\$72,800
Power Pro Stryker Gurney	3	\$20,200	\$60,600
Fire Alarm System - Station 65	1	\$48,150	\$48,150
Mobil Lifting System - Shop	1	\$39,900	\$39,900
Cell phones, tablets, pagers			\$34,000
Federal Signal 2001-130 Siren	1	\$32,800	\$32,800
Generator - Station 65 App Bay	1	\$31,000	\$31,000
Furniture			\$30,000
Generator - Station 65 Office	1	\$29,000	\$29,000
Holmatro Cutter/Spreader/Pump/Core Set	1	\$27,000	\$27,000
Amkus AMK-24 Spreader & Mini Sumo Pump	1	\$23,900	\$23,900
Thermal Imaging Cameras	3	\$7,833	\$23,500
Onan Vapor Generator	1	\$22,700	\$22,700
Hurst Extraction Jaws	1	\$20,500	\$20,500
AED LP-1000	3	\$6,567	\$19,700
PPE Lockers - Stations 65 and 70			\$18,000
Holmatro Extrication Equipment	1	\$17,700	\$17,700
Fire Hose Angus	2	\$6,850	\$13,700
Ice Machines	2	\$6,000	\$12,000
RKI Eagle C.G.I.	2	\$5,000	\$10,000
Station 70 Plectron Alert System	1	\$9,400	\$9,400
Forklift - Toyota	1	\$7,450	\$7,450
Station 65 Plectron Alert System	1	\$7,150	\$7,150
Amkus AMK-22 Cutter	1	\$6,740	\$6,740
Carseat Trailer-2016 Carry On 3500	1	\$6,550	\$6,550
Computers	12	\$500	\$6,000
Generator Lights	2	\$3,000	\$6,000
Narcotic Boxes	3	\$2,000	\$6,000
Video Surveillance System - ADV Elec Security	1	\$5,650	\$5,650
Connex Storage	1	\$4,000	\$4,000
Fire Hose Storage Rack	1	\$4,000	\$4,000
Fire Hose Dryer	1	\$3,000	\$3,000
Monitors	14	\$200	\$2,800
Extension Ladder	1	\$2,600	\$2,600
ID Maker	1	\$2,000	\$2,000
9000 Tri Fuel Generator	1	\$1,800	\$1,800
Fire Hose Reel	1	\$1,500	\$1,500
Fire Hose Washer	1	\$1,500	\$1,500
Air Compressor	1	\$1,300	\$1,300
Shredder	1	\$1,200	\$1,200
Arsen Cameras	3	\$350	\$1,050
Medical Cabinets	2	\$500	\$1,000
Oxygen Tank Filling Station	1	\$1,000	\$1,000
Printers			\$1,000
TOTAL			\$2,534,090

Source: Lake County Fire Protection District

Table B-3
Lake County Fire Protection District
Planned Equipment Inventory (2023 \$)

Description	Qty	Cost Per Unit	Total Estimated Cost
Solar Station 70			\$1,000,000
Station 71 and 73 HVAC			\$349,000
Fire Alarm Systems	2	\$92,750	\$185,500
Turnouts	21	\$8,714	\$183,000
Solar Station 65			\$175,000
Heart Monitor	3	\$52,000	\$156,000
SCBAs	21	\$6,600	\$138,600
Lucus Device	3	\$29,000	\$87,000
Fire Hoses			\$82,700
Power Load	3	\$27,000	\$81,000
Station 71 and 73 Furnishings			\$80,000
Extraction Equipment	3	\$25,000	\$75,000
Generators	2	\$35,000	\$70,000
Gurney	3	\$21,000	\$63,000
IT System			\$60,000
Security Systems	3	\$20,000	\$60,000
Mobile Radios	5	\$8,400	\$42,000
Electric Sign Boards	2	\$20,000	\$40,000
1,000 gal Diesel Tank	3	\$8,000	\$24,000
1,000 gal Gas Tank	3	\$8,000	\$24,000
Personal Equipment	21	\$1,000	\$21,000
Portable Radios	21	\$1,000	\$21,000
Station AEDs	3	\$6,200	\$18,600
Stair Chairs	3	\$6,000	\$18,000
Plectron Dispatch Systems	2	\$8,300	\$16,600
Station 65 Security System			\$15,000
PPE Lockers	21	\$600	\$12,600
Fire Hose Storage Rack	3	\$4,000	\$12,000
Hand Tools / Small Equipment			\$10,000
Ice Machines	2	\$5,000	\$10,000
Station 71 and 73 Tools	2	\$5,000	\$10,000
Fire Hose Dryer	3	\$3,000	\$9,000
Narcotic Boxes	3	\$2,000	\$6,000
Fire Hose Reel	3	\$1,500	\$4,500
Fire Hose Washer	3	\$1,500	\$4,500
Oxygen Tank Filling Station	3	\$1,000	\$3,000
New Ambulance IPads	3	\$600	\$1,800
Medical Cabinets	2	\$500	\$1,000
TOTAL			\$3,170,400

Source: Lake County Fire Protection District

CONTACT INFORMATION

This report was prepared for Lake County Fire Protection District by Ridgeline Municipal Strategies, LLC ("Ridgeline").

Ridgeline is a municipal advisory and financial consulting firm registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board.



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TECHNICAL MEMORANDUM

To: Ms. Angela Courter, *City of Cotati*
Mr. Damien O'Bid, *City of Cotati*

From: Dmitry Semenov, *Ridgeline Municipal Strategies, LLC*

Date: March 6, 2024

Re: 2023 Pension Liability Review; Ridgeline #23035

INTRODUCTION

Per your request, Ridgeline Municipal Strategies, LLC (Ridgeline) has performed a review of the Unfunded Accrued Liability (UAL) that the City of Cotati (City) has outstanding with the California Public Employees' Retirement System (CalPERS). This technical memorandum documents the results of the review and suggested actions that the City could take to reduce its future UAL costs, which are:

- Elimination of negative amortization for the 2022 UAL (estimated to save the City approximately \$790,000); and
- Elimination of negative amortization for the 2023 UAL (estimated to save the City approximately \$70,000); and
- Additional discretionary payments to repay the 2023 UAL faster to generate additional savings on the UAL interest.

CITY'S PENSION PLANS AND UNFUNDED ACCRUED LIABILITY

City provides pension benefits to its employees and retirees through six pension plans with CalPERS. As of 06/30/2022 (the most recent official information available as of the date of this memorandum), the plans had a total actuarial accrued liability (the estimated amount necessary, as of the valuation date, to fund all earned pension benefits for current

employees, retirees, and beneficiaries) of approximately \$43.2 million, held approximately \$36.5 million in assets, and its plans were underfunded by approximately \$6.8 million. The pension plans were 84.4% funded, as summarized in Table 1 below.

Table 1
City of Cotati
Pension Plans Summary

Pension Plan	Total Accrued Liability	Market Value of Assets	Unfunded Accrued Liability	% Funded
Miscellaneous	\$20,866,492	\$17,601,734	\$3,264,758	84.4%
Safety	\$17,143,006	\$14,320,714	\$2,822,292	83.5%
Safety 2nd Tier	\$1,144,633	\$1,010,579	\$134,054	88.3%
Misc 2nd Tier	\$1,398,134	\$1,220,879	\$177,255	87.3%
PEPRA Safety	\$1,417,454	\$1,223,616	\$193,838	86.3%
PEPRA Misc	\$1,246,688	\$1,088,227	\$158,461	87.3%
TOTAL	\$43,216,407	\$36,465,749	\$6,750,658	84.4%

Source: CalPERS' Actuarial Valuation Report as of June 30, 2022

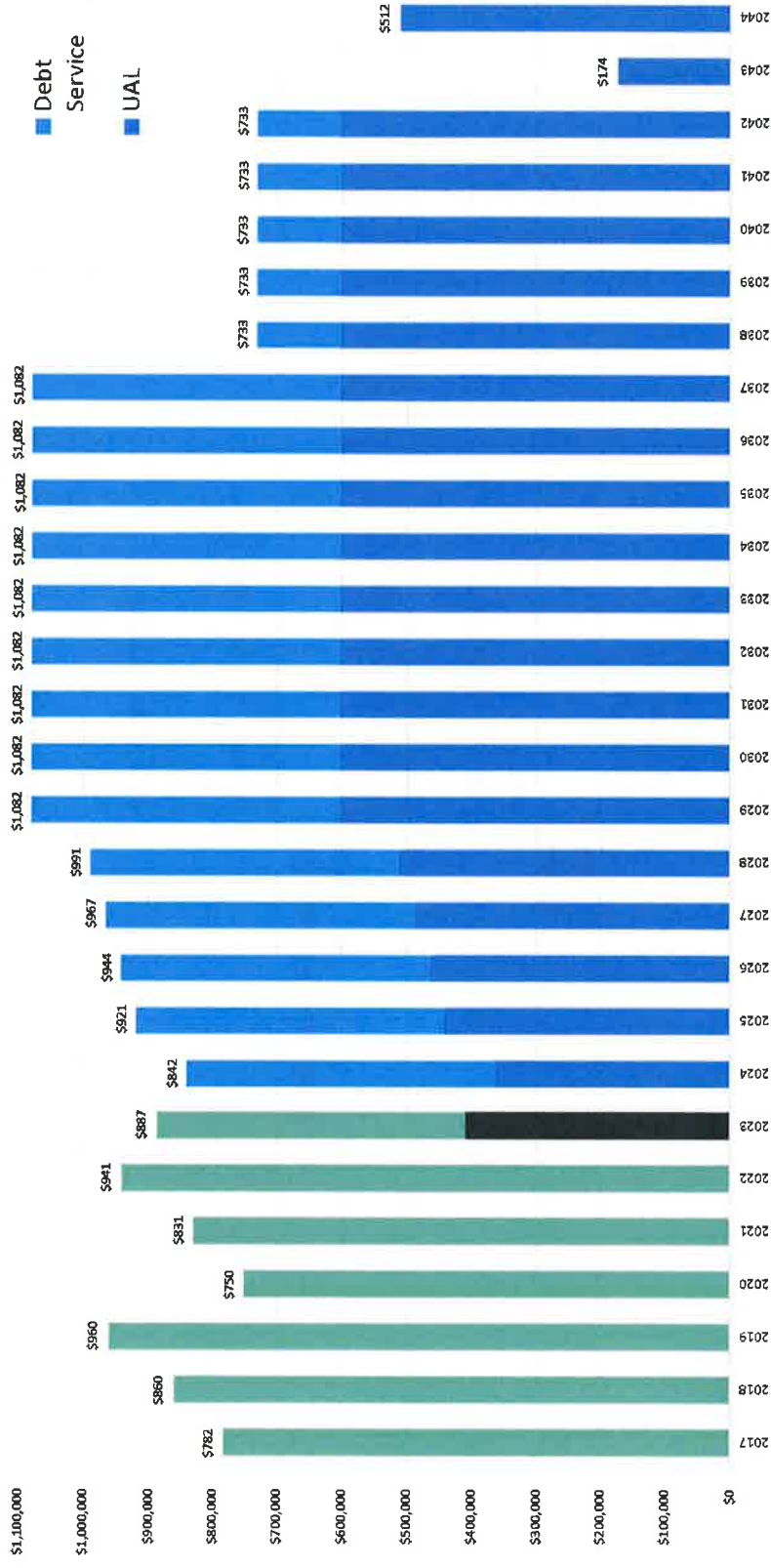
All six pension plans are underfunded, but the Classic Miscellaneous Tier 1 and Classic Safety Tier 1 represent 90% of the underfunded amount.

In January 2021, the City issued a pension obligation refunding loan and a street improvements financing loan (UAL Refunding Loans) that allowed it to pay down the UAL by \$6,000,000. After the UAL refunding, the City had to make relatively small UAL payments to CalPERS on the UAL that remained outstanding after the refunding at the time, as well as payments on the two loans. Since the loan interest rates are significantly lower than the interest rate charged by CalPERS, the refunding allowed the City to generate approximately \$2.25 million in cash flow savings.

However, significant investment underperformance of CalPERS in FYE 2022 and FYE 2023 and the CalPERS' demographic reconciliation adjustment for FYE 2022 resulted in additional UAL increases.

Graph 1 below shows the recent and future UAL and UAL refunding loan amortization schedule.

Graph 1
 City of Cotati
 Current UAL and UAL Refunding Loan Amortization Schedule (\$000s)



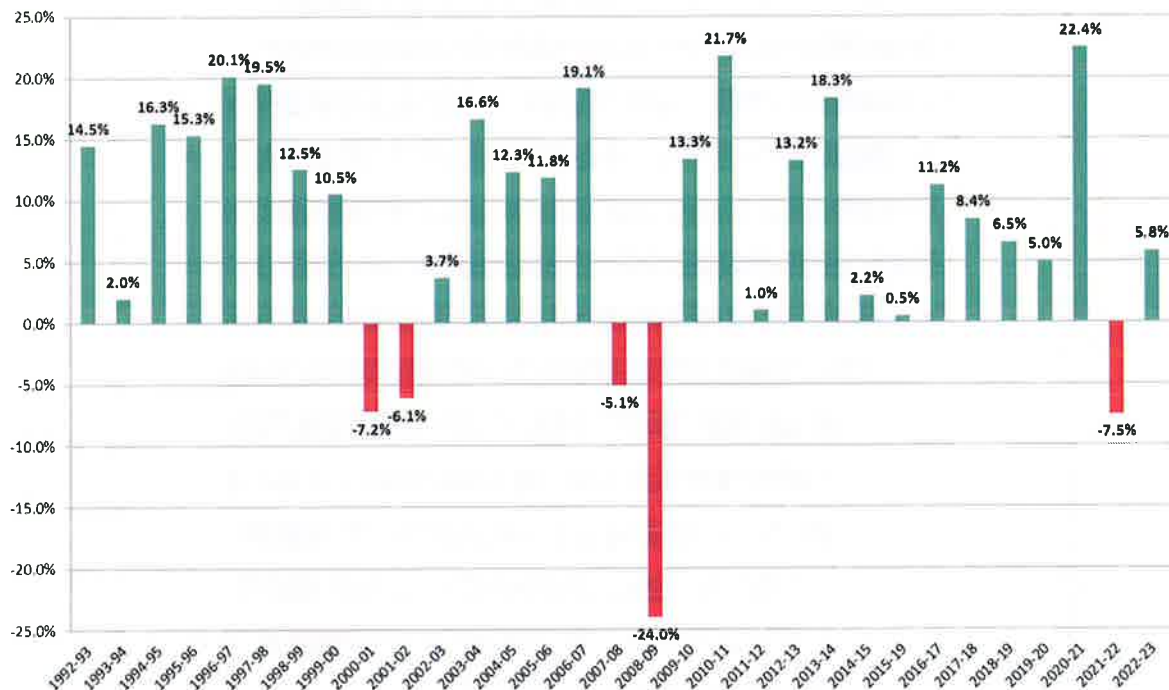
Source: CalPERS' Actuarial Valuation Report as of June 30, 2022 and UAL Refunding Loans Amortization Schedule

CALPERS INVESTMENT PERFORMANCE FOR FYE 2022 and FYE 2023

For FYE 2022, CalPERS incurred an investment loss of 7.5%. It was the fifth time in the last 30 years that CalPERS had an investment loss and the first investment loss incurred since FYE 2009.

CalPERS recently announced its FYE 2023 investment earnings estimate of 5.8%. While this is a significant improvement over the prior year, it falls below the return target of 6.8%, which results in an additional UAL increase. Graph 2 below shows the history of CalPERS' annual investment returns.

Graph 2
City of Cotati
History of CalPERS' Annual Investment Returns, FYE 1993-2023



Source: CalPERS

The average annual investment returns as reported by CalPERS are as follows:

- 5 years: 6.1%
- 10 years: 7.1%
- 20 years: 7.0%
- 30 years: 7.5%

The average returns indicate that historically CalPERS has been able to achieve the long term investment target rate of 6.8% (the current discount rate). CalPERS has been lowering the target rate over the last decades. It appears that the current target rate favorably corresponds to the past performance. However, past performance is not a guarantee of future results.

SUMMARY OF FYE 2022 UAL INCREASES

For FYE 2022, CalPERS added two new actuarial bases to each of the City's six pension plans:

- The Investment Loss base increased the UAL to account for the investment loss of 7.5%.
- The Non-Investment Loss base is the annual reconciliation to account for the differences between the actuarial assumptions and the actual plan experience for the year. This base increased the UAL reportedly due to the extraordinary high COLA and payroll increases within the plan pool.

Table 2 summarizes the impacts of these two bases on the City's UAL.

Table 2
City of Cotati
FYE 2022 UAL Increase Factors

Pension Plan	Investment Loss	Non-Investment Loss	Total UAL Increase
Miscellaneous	\$2,046,470	\$293,255	\$2,339,725
Safety	\$1,674,709	\$255,243	\$1,929,952
Safety 2nd Tier [1]	\$134,054	\$0	\$134,054
Misc 2nd Tier [1]	\$157,606	\$19,649	\$177,255
PEPRA Safety [1]	\$172,734	\$21,104	\$193,838
PEPRA Misc [1]	\$140,940	\$17,521	\$158,461
TOTAL	\$4,326,513	\$606,772	\$4,933,285

[1] Investment Loss is shown net of previously overfunded balance.

Source: CalPERS

For the 2nd Tier and PEPRA plans, CalPERS netted out the previously overfunded plan balances to calculate the net Investment Loss amount.

While prior experience indicates that investment market downturns similar to what took place in FYE 2022 are followed by market recoveries, CalPERS' historical investment returns suggest that a quick elimination of the 2022 UAL is unlikely and the City may want to consider additional steps to reduce the long-term interest costs associated with the new UAL. Suggested pension cost reduction strategies are discussed below.

IMPACT OF FYE 2023 CALPERS' INVESTMENT UNDERPERFORMANCE ON THE CITY

To assess the impact of CalPERS' FYE 2023 investment underperformance on the funded status of pension plans, it is important to remember that to maintain an unchanged funded ratio, among other things, CalPERS needs to achieve an investment gain equal to the discount rate, which is currently 6.8%. Any time that the investment returns are below the discount rate, the funded level of the pension plans decreases and an additional UAL is created. Conversely, whenever the investment returns are above the discount rate, the funded level increases and the UAL amount is reduced.

With the 5.8% investment gain, the funding shortfall impact is 1% (the difference between the 6.8% discount rate and the 5.8% estimated investment return). This shortfall translates into approximately \$364,000 of new UAL for the City.

Table 3 below shows the 2023 investment underperformance impact estimates for each of the City's pension plans.

Table 3
City of Cotati
Estimated 2023 Investment Performance Impact

Pension Plan	Estimated 2023 Add'l UAL
Miscellaneous	\$176,000
Safety	\$143,000
Safety 2nd Tier	\$10,000
Misc 2nd Tier	\$12,000
PEPRA Safety	\$12,000
PEPRA Misc	\$11,000
TOTAL	\$364,000

Source: Ridgeline

The investment underperformance impact is estimated based on the FYE 2022 market value of assets within each pension plan multiplied by 1%. CalPERS may make additional adjustments and reconciliations to account for actual vs. projected plan experience and any methodology changes.

In order for this investment underperformance impact to be reversed in future years, CalPERS would need to earn investment returns above and beyond the 6.8% discount rate hurdle and then apply such excess returns to offset the UAL.

CITY'S NORMAL COST RATES

In addition to the new UAL, the City should also be aware that its Normal Costs are increasing as follows:

- *Classic Miscellaneous Tier 1 Plan*: by 0.07% of salaries (from 15.95% to 16.02%) for the City, while remaining unchanged for the employees;
- *Classic Miscellaneous Tier 2 Plan*: by 0.05% of salaries (from 10.66% to 10.71%) for the City, while remaining unchanged for the employees;
- *PEPRA Miscellaneous Plan*: by 0.19% of salaries (from 7.68% to 7.87%) for the City, while remaining unchanged for the employees;
- *Classic Safety Tier 1 Plan*: by 0.21% of salaries (from 25.65% to 25.86%) for the City, while remaining unchanged for the employees;
- *Classic Safety Tier 2 Plan*: by 0.14% of salaries (from 19.95% to 20.09%) for the City, while remaining unchanged for the employees;
- *PEPRA Safety Plan*: by 0.22% of salaries (from 13.54% to 13.76%) for the City, while remaining unchanged for the employees.

The new rates become effective for the 2024-25 fiscal year.

CITY'S ESTIMATED FYE 2023 PENSION PLAN FUNDED LEVELS

CalPERS will publish the 06/30/2023 actuarial reports for the City in or around August 2024. The reports will reflect any changes that have taken place during the fiscal year, including the investment underperformance, the City's and its employees' contributions, benefit payments to plan beneficiaries, and any adjustments made by CalPERS to reconcile the actual vs. projected plan experience and to account for any actuarial methodology changes.

While the reconciliation and methodology adjustments are unknown at this time, Ridgeline has developed an estimate of the other changes, which are summarized in Table 4 below.

Table 4
City of Cotati
2023 Pension Plan Funded Level Estimate
Rounded to '000s

Description	Misc Plan	Safety Plan	Total
Market Value of Assets			
2022 Balance	\$17,602,000	\$14,321,000	\$31,923,000
Normal Cost Contribution	\$142,000	\$67,000	\$209,000
UAL Payment	\$219,000	\$191,000	\$410,000
UAL Refunding	\$0	\$0	\$0
Investment Gain / (Loss)	\$1,021,000	\$831,000	\$1,852,000
Benefit Payments	(\$1,210,000)	(\$1,010,000)	(\$2,220,000)
Estimated 2023 Balance	\$17,774,000	\$14,400,000	\$32,174,000
Unfunded Accrued Liability			
2022 Balance	\$3,265,000	\$2,822,000	\$6,087,000
UAL Payment	(\$219,000)	(\$191,000)	(\$410,000)
Interest	\$222,000	\$192,000	\$414,000
UAL Refunding	\$0	\$0	\$0
Investment (Gain) / Loss	\$176,000	\$143,000	\$319,000
Estimated 2023 Balance	\$3,444,000	\$2,966,000	\$6,410,000
Pension Plan 2023 Funded Level	83.8%	82.9%	83.4%

Sources: CalPERS, Ridgeline

Due to the relatively small current UAL balances of the Tier 2 and PEPRA Plans, they have been omitted from the calculations.

It should be emphasized that the amounts calculated in Table 4 are estimates only and can only be finalized once CalPERS publishes the 06/30/2023 actuarial reports in August 2024.

The Normal Cost contributions, UAL payments, and benefit payments estimates were generated by CalPERS. The investment gain / loss and UAL interest estimates were generated by Ridgeline.

It is estimated that the City's Classic Miscellaneous and Safety Tier 1 plans were approximately 83% funded as of 06/30/2023, before any additional adjustments that could be made by CalPERS.

Concurrently with the issuance of the UAL Refunding Loans, the City adopted an Unfunded Accrued Liability Management Policy, which calls for the City to maintain a target pension plan funded level objective of 90%. The City is below this threshold.

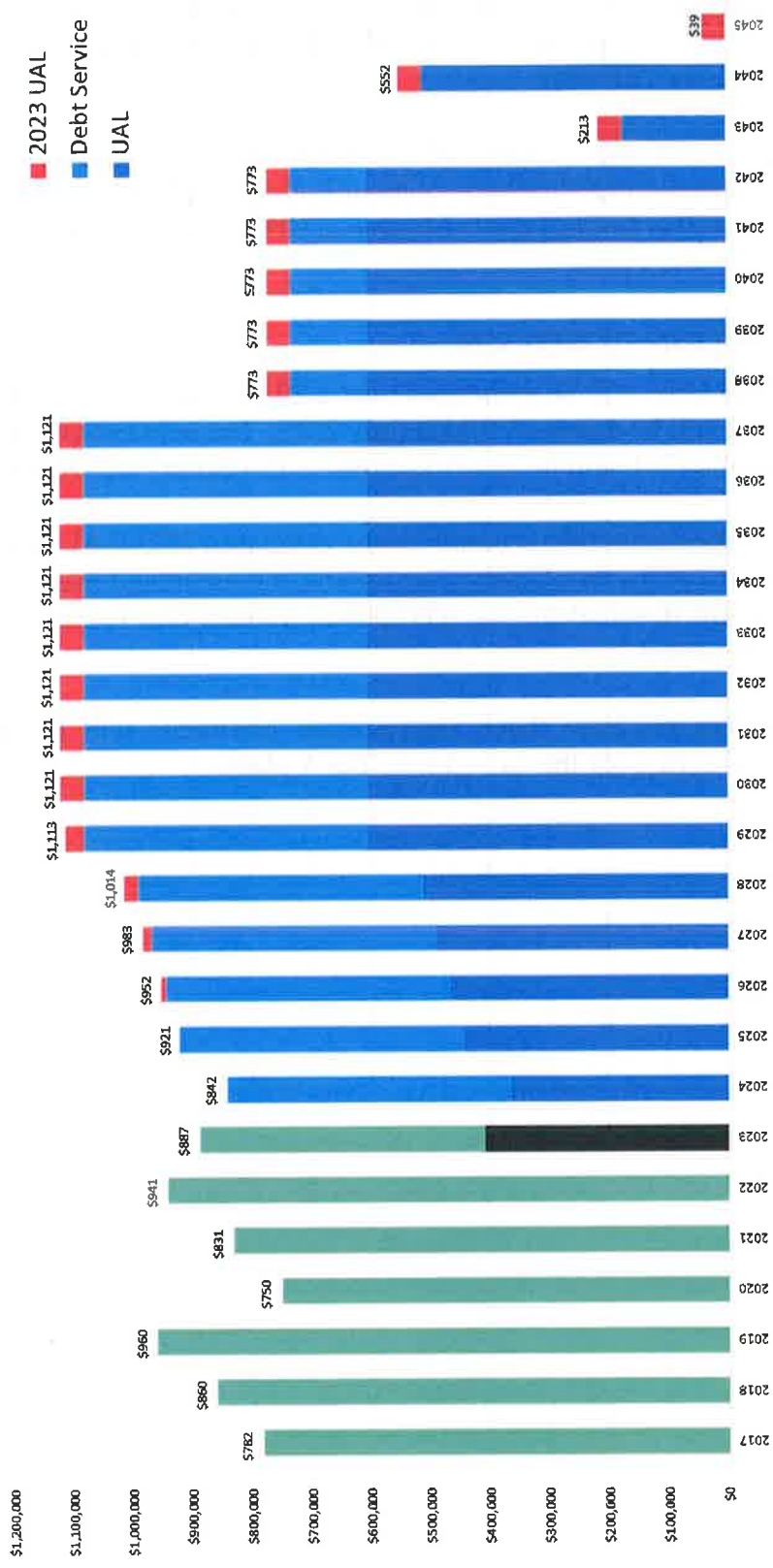
AMORTIZATION OF NEW UAL

The new 2023 UAL will be amortized over a 20-year period with a 5-year ramp-up. The first payment will be due in FYE 2026 (July 2025). The only exception is the Safety 2nd Tier Plan, where the UAL will be amortized over a 15-year period without any ramp-up.

The amortization schedule is based on the estimated 2023 UAL base balances shown in Table 3 above. For the two Classic Tier 1 plans, it is estimated that the \$319,000 of the new UAL will result in an additional \$385,000 in interest cost for the City over the 20-year amortization period.

Graph 3 illustrates how these amortization payments will impact the City's UAL repayment structure for the two Classic Tier 1 plans.

Graph 3
City of Cotati
UAL Repayment with 2023 Projected Base Amortization (\$000s)



Source: CalPERS' Actuarial Valuation Report as of June 30, 2022, UAL Refunding Loans Amortization Schedule, Ridgeline

Table 5 provides the annual detailed estimate of the existing UAL amortization, the UAL Refunding Loans repayments, and the new UAL amortization schedule.

Table 5
City of Cotati
Estimated UAL Amortization Schedule - CalPERS

FYE	Debt Service			Miscellaneous Plan			Safety Plan			Total			
	POB	Street Loan	Existing UAL	2023 UAL	Total	POB	Street Loan	Existing UAL	2023 UAL	Total	Debt Service	UAL	Total
2023	\$197,540	\$73,354	\$218,709	\$0	\$489,603	\$150,855	\$56,018	\$190,922	\$0	\$397,796	\$477,768	\$409,631	\$887,399
2024	\$197,539	\$73,354	\$192,898	\$0	\$463,791	\$150,855	\$56,018	\$170,871	\$0	\$377,744	\$477,766	\$363,769	\$841,535
2025	\$197,541	\$73,354	\$235,892	\$0	\$506,787	\$150,856	\$56,018	\$207,336	\$0	\$414,210	\$477,769	\$443,228	\$920,997
2026	\$197,542	\$73,354	\$248,807	\$4,315	\$524,019	\$150,857	\$56,018	\$217,623	\$3,506	\$428,004	\$477,772	\$474,251	\$952,023
2027	\$197,540	\$73,354	\$261,719	\$8,630	\$541,243	\$150,855	\$56,018	\$227,908	\$7,012	\$441,793	\$477,767	\$505,269	\$983,036
2028	\$197,539	\$73,354	\$274,634	\$12,945	\$558,472	\$150,854	\$56,018	\$238,194	\$10,518	\$455,585	\$477,766	\$536,291	\$1,014,057
2029	\$197,541	\$73,354	\$324,808	\$17,260	\$612,963	\$150,856	\$56,018	\$279,254	\$14,024	\$500,152	\$477,769	\$635,346	\$1,113,115
2030	\$197,540	\$73,354	\$324,808	\$21,575	\$617,278	\$150,855	\$56,018	\$279,254	\$17,530	\$503,658	\$477,768	\$643,167	\$1,120,935
2031	\$197,543	\$73,354	\$324,808	\$21,575	\$617,280	\$150,857	\$56,018	\$279,254	\$17,530	\$503,659	\$477,772	\$643,167	\$1,120,940
2032	\$197,537	\$73,354	\$324,808	\$21,575	\$617,275	\$150,853	\$56,018	\$279,254	\$17,530	\$503,655	\$477,763	\$643,167	\$1,120,930
2033	\$197,541	\$73,354	\$324,808	\$21,575	\$617,279	\$150,856	\$56,018	\$279,253	\$17,530	\$503,657	\$477,769	\$643,166	\$1,120,936
2034	\$197,542	\$73,354	\$324,809	\$21,575	\$617,280	\$150,856	\$56,018	\$279,255	\$17,530	\$503,660	\$477,771	\$643,169	\$1,120,940
2035	\$197,539	\$73,354	\$324,808	\$21,575	\$617,277	\$150,855	\$56,018	\$279,255	\$17,530	\$503,658	\$477,766	\$643,168	\$1,120,935
2036	\$197,539	\$73,354	\$324,809	\$21,575	\$617,277	\$150,854	\$56,018	\$279,255	\$17,530	\$503,657	\$477,765	\$643,169	\$1,120,934
2037	\$197,540	\$73,354	\$324,810	\$21,575	\$617,280	\$150,855	\$56,018	\$279,254	\$17,530	\$503,658	\$477,768	\$643,169	\$1,120,937
2038	\$0	\$73,354	\$324,809	\$21,575	\$419,738	\$0	\$56,018	\$279,256	\$17,530	\$352,804	\$129,372	\$643,170	\$772,543
2039	\$0	\$73,354	\$324,807	\$21,575	\$419,736	\$0	\$56,018	\$279,256	\$17,530	\$352,804	\$129,372	\$643,168	\$772,541
2040	\$0	\$73,354	\$324,807	\$21,575	\$419,736	\$0	\$56,018	\$279,254	\$17,530	\$352,802	\$129,372	\$643,166	\$772,539
2041	\$0	\$73,354	\$324,808	\$21,575	\$419,737	\$0	\$56,018	\$279,258	\$17,530	\$352,806	\$129,372	\$643,171	\$772,544
2042	\$0	\$73,354	\$324,809	\$21,575	\$419,738	\$0	\$56,018	\$279,255	\$17,530	\$352,803	\$129,372	\$643,169	\$772,542
2043	\$0	\$0	\$93,475	\$21,575	\$115,050	\$0	\$0	\$80,843	\$17,530	\$98,373	\$0	\$213,423	\$213,423
2044	\$0	\$0	\$280,949	\$21,575	\$302,524	\$0	\$0	\$231,478	\$17,530	\$249,008	\$0	\$551,532	\$551,532
2045	\$0	\$0	\$0	\$21,575	\$21,575	\$0	\$0	\$0	\$17,530	\$17,530	\$0	\$39,105	\$39,105
TOTAL	\$2,963,105	\$1,467,082	\$6,354,399	\$388,356	\$11,172,942	\$2,262,830	\$1,120,365	\$5,474,742	\$315,539	\$9,173,475	\$7,813,381	\$12,533,036	\$20,346,417

Source: UAL Refunding Loans Amortization Schedule, Ridgeline

The debt service allocation to the Miscellaneous and Safety plans is made based on the UAL balances that were paid down through the issuance of the UAL Refunding Loans (see Table 6 below).

Table 6
City of Cotati
Debt Service Allocation

Description	UAL Paydown	%
Miscellaneous Plan UAL Payoff	\$3,402,000	56.70%
Safety Plan UAL Payoff	\$2,598,000	43.30%
Total	\$6,000,000	100.00%

Source: UAL Refunding Loans Amortization Schedule

The 2023 UAL amortization is estimated based on the net UAL balance for each plan.

PENSION COST OPTIMIZATION STRATEGIES

Concurrently with the issuance of the UAL Refunding Loans, the City adopted the UAL Management Policy, which provides guidance on how the City should approach managing future UAL.

In addition to following the historical practice of prepaying the UAL payments by July 31 of each year, there are two pension cost optimization strategies that the City may want to implement to lower its future UAL-related costs pertaining to the 2023 UAL increase:

- **Strategy A:** Eliminate negative amortization
- **Strategy B:** Make additional discretionary contributions

Strategy A: Eliminate Negative Amortization

One of the key factors that contributed to the historical growth of UAL and associated pension costs for agencies covered by CalPERS was the negative amortization within pension plans.

The standard CalPERS practice does not require agencies to make any payments on new UAL for the first two years. After that the new UAL is amortized over a 20-year term with a 5-year ramp-up period to the full payment amount.

During the ramp-up period, the payments increase by 20% of the full payment amount each year. In other words, the first year's payment amount is only 20% of the full payment, the second year's payment amount is 40% of the full payment, etc.

However, the new UAL starts accruing interest at 6.8% (the discount rate) as soon as it is added to the plan.

Thus, the CalPERS standard UAL amortization practice results in negative amortization for each pension plan that does not take proactive steps.

Negative amortization occurs whenever the debt payment for any period is less than the interest charged over that period so that the outstanding balance of the debt increases.

In each year when the City's UAL payments on any given actuarial UAL base are less than the interest accrued on that base, the base's balance increases. In the following year, the interest is accrued on the higher balance.

Under the current CalPERS amortization rules, each agency finds itself in the negative amortization situation for the first four years after new UAL is incurred. In year 5, the required payment amount is just slightly higher than the interest amount for the year, which translates into essentially an interest-only payment. It is only in year 6 that the UAL starts being paid down.

This leads to significantly higher interest costs for the CalPERS member agencies.

Elimination of negative amortization is a recommended practice. It is achieved in two steps.

1. *Additional discretionary payments (ADPs) in the two years following the creation of new UAL to cover accrued interest.*

The ADP amount is calculated by multiplying the new UAL amount by 6.8%. These payments can be made as early as in the 13th and 25th months following the end of the fiscal year in which the new UAL was created. For the 2022 actuarial UAL base, such ADPs can be made as early as in July 2023 and July 2024. For the 2023 actuarial UAL base, such ADPs can be made as early as in July 2024 and July 2025.

To make these payments, you have to contact your CalPERS actuary 2-3 weeks prior to making the payments. You need to inform the actuary that you would like to make an ADP to cover the interest on the 2022 and/or 2023 Investment Loss

base and to instruct the actuary to apply the ADP to the 2022 and/or 2023 Investment Loss base.

The actuary will then set up a receivable in the system that will allow you to make the payment through the City's MyCalPERS portal.

These actions should be taken after July 1, 2023 (for the 2022 UAL bases) and July 1, 2024 (for the 2023 UAL bases), after the fiscal year is closed, and need to be repeated the next year as well.

With the City's 2022 UAL additions of approximately \$2.3 million for the Miscellaneous Plan and \$1.9 million for the Safety Plan, the ADPs are estimated to be as following:

- Miscellaneous Plan: \$159,000 in July of 2024 and 2025
- Safety Plan: \$131,000 in July of 2024 and 2025

With the City's 2023 estimated new UAL additions of approximately \$176,000 for the Miscellaneous Plan and \$143,000 for the Safety Plan, the ADPs are estimated to be as following:

- Miscellaneous Plan: \$12,000 in July of 2024 and 2025
- Safety Plan: \$10,000 in July of 2024 and 2025

It should be noted that the payment calculations for the elimination of the negative amortization on the 2023 bases are based on the estimated investment performance of 5.8%. The actual amount will be confirmed once the FYE 2023 Actuarial Reports are published by CalPERS in or around August 2024.

2. *Convert new UAL bases from ramp-up to level amortization schedule.*

This request should be made to the City's CalPERS actuary as soon as the new actuarial report becomes available (tentatively, in August of 2023 for the 2022 bases and in August of 2024 for the 2023 bases). As a result of the request, the City's UAL payments will be recalculated from the ramp-up to level repayment schedule. The first payment will still be due in FYE 2025 (July 2024) for the 2022 bases and FYE 2026 (July 2025) for the 2023 bases.

The implementation of this strategy is projected to save the City approximately \$790,000 over the 20-year UAL repayment period of the 2022 bases, as was discussed in the last year's UAL update memorandum.

The implementation of this strategy is projected to save the City approximately \$70,000 over the 20-year UAL repayment period of the 2023 bases, as shown in Table 7 below.

The combined cash flow savings amount is estimated at approximately \$860,000.

It should be noted that the discussion above only covers the elimination of negative amortization for the FYE 2023 bases within the Classic Tier 1 plans. The estimated savings from the elimination of negative amortization for the FYE 2022 bases were covered in the last year's report. The combined ADPs to cover the first two years of the new UAL interest for all plans are shown in the Conclusion section of this report.

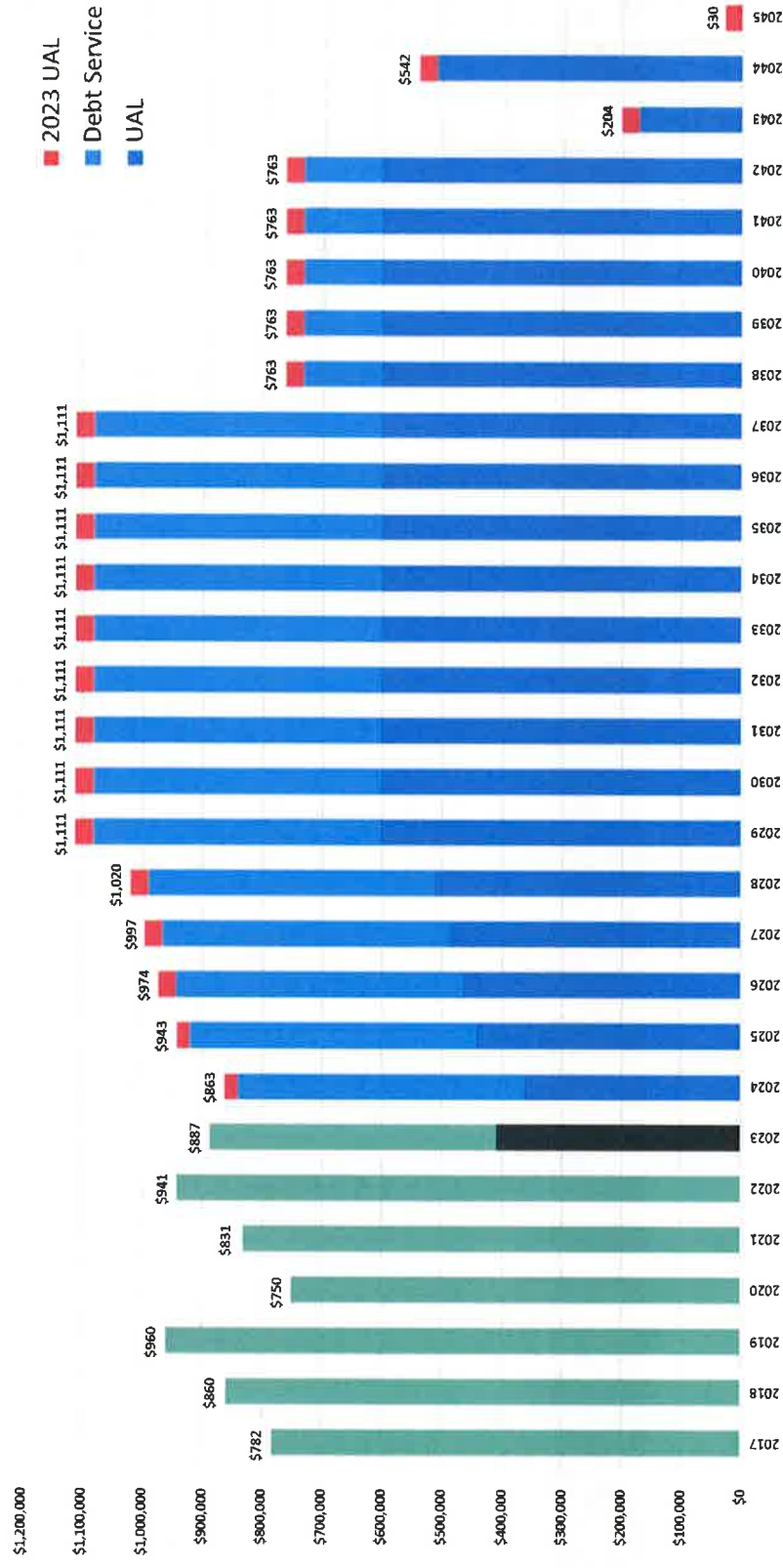
Table 7
City of Cotati
Negative Amortization Elimination Detail

FYE	Standard CalPERS Amortization			Revised Amortization Schedule			Difference	
	Misc	Safety	Total	Misc	Safety	Total	Misc	Safety
2024	\$0	\$0	\$0	\$11,968	\$9,724	\$21,692	(\$11,968)	(\$9,724)
2025	\$0	\$0	\$0	\$11,968	\$9,724	\$21,692	(\$11,968)	(\$9,724)
2026	\$4,315	\$3,506	\$7,821	\$16,356	\$13,289	\$29,645	(\$12,041)	(\$9,783)
2027	\$8,630	\$7,012	\$15,642	\$16,356	\$13,289	\$29,645	(\$7,726)	(\$6,277)
2028	\$12,945	\$10,518	\$23,463	\$16,356	\$13,289	\$29,645	(\$3,411)	(\$2,771)
2029	\$17,260	\$14,024	\$31,284	\$16,356	\$13,289	\$29,645	\$904	\$735
2030	\$21,575	\$17,530	\$39,105	\$16,356	\$13,289	\$29,645	\$5,220	\$4,241
2031	\$21,575	\$17,530	\$39,105	\$16,356	\$13,289	\$29,645	\$5,220	\$4,241
2032	\$21,575	\$17,530	\$39,105	\$16,356	\$13,289	\$29,645	\$5,220	\$4,241
2033	\$21,575	\$17,530	\$39,105	\$16,356	\$13,289	\$29,645	\$5,220	\$4,241
2034	\$21,575	\$17,530	\$39,105	\$16,356	\$13,289	\$29,645	\$5,220	\$4,241
2035	\$21,575	\$17,530	\$39,105	\$16,356	\$13,289	\$29,645	\$5,220	\$4,241
2036	\$21,575	\$17,530	\$39,105	\$16,356	\$13,289	\$29,645	\$5,220	\$4,241
2037	\$21,575	\$17,530	\$39,105	\$16,356	\$13,289	\$29,645	\$5,220	\$4,241
2038	\$21,575	\$17,530	\$39,105	\$16,356	\$13,289	\$29,645	\$5,220	\$4,241
2039	\$21,575	\$17,530	\$39,105	\$16,356	\$13,289	\$29,645	\$5,220	\$4,241
2040	\$21,575	\$17,530	\$39,105	\$16,356	\$13,289	\$29,645	\$5,220	\$4,241
2041	\$21,575	\$17,530	\$39,105	\$16,356	\$13,289	\$29,645	\$5,220	\$4,241
2042	\$21,575	\$17,530	\$39,105	\$16,356	\$13,289	\$29,645	\$5,220	\$4,241
2043	\$21,575	\$17,530	\$39,105	\$16,356	\$13,289	\$29,645	\$5,220	\$4,241
2044	\$21,575	\$17,530	\$39,105	\$16,356	\$13,289	\$29,645	\$5,220	\$4,241
2045	\$21,575	\$17,530	\$39,105	\$16,356	\$13,289	\$29,645	\$5,220	\$4,241
TOTAL	\$388,356	\$315,539	\$703,895	\$351,052	\$285,230	\$636,282	\$37,304	\$30,309
								\$67,613

Source: Ridgeline

Graph 4 illustrates how the elimination of the negative amortization impacts the UAL repayment schedule.

Graph 4
 City of Cotati
 UAL Repayment with Elimination of Negative Amortization (\$000s)



Source: CalPERS' Actuarial Valuation Report as of June 30, 2021, UAL Refunding Loans Amortization Schedule, Ridgeline

Strategy B: Additional Discretionary Contributions

After eliminating the negative amortization, the new 2023 UAL would still have an associated interest cost of approximately \$317,000, which will be incurred over the 20-year amortization term.

To further lower the UAL interest costs, the City may want to consider making additional ADPs to reduce its UAL balances. This decision should be made in light of the overall City's fiscal situation, including reserve balances, capital improvement projects, cash flow management, City Council's vision and direction, etc.

The additional ADPs would also allow the City to quicker achieve its target 90% pension plan funded ratio, as documented in the UAL Management Policy. Table 8 shows that to achieve the target funded ratio, the City would need to make an ADP of approximately \$2.4 million. Given the recent investment market volatility and the prior history of market recoveries that follow market downturns, the City may want to postpone making the additional ADPs to see if market gains transpire to offset a portion of the 2022 UAL.

Table 9
City of Cotati
Funded Ratio Target Estimate

Description	Amount	Comments
Estimated 2023 MVA	\$32,174,000	See Table 4
Estimated 2023 UAL	\$6,410,000	See Table 4
Estimated 2023 Total Accrued Liability	\$38,584,000	
Estimated 2023 Funded Level	83.4%	See Table 4
90% Funded Level Amount	\$34,726,000	
ADP Required to Achieve 90% Funded Level	\$2,552,000	

Source: Ridgeline

It should be noted that the ADP required to achieve the 90% funded level estimated above includes the current interest ADPs discussed in this report.

CONCLUSION

Proactive pension liability management practices are essential for keeping the City's future UAL balances and the associated interest costs under control.

To cover the interest on the FYE 2022 and anticipated FYE 2023 actuarial bases, the following ADPs are recommended:

Table 10
City of Cotati
Summary of Current Interest ADPs

Pension Plan	FYE 2023 Interest	FYE 2024 Interest	FYE 2025 Interest
Miscellaneous	\$159,101	\$171,069	\$11,968
Safety	\$131,237	\$140,961	\$9,724
Safety 2nd Tier	\$9,116	\$9,796	\$680
Misc 2nd Tier	\$12,053	\$12,869	\$816
PEPRA Safety	\$13,181	\$13,997	\$816
PEPRA Misc	\$10,775	\$11,523	\$748
TOTAL	\$335,463	\$360,215	\$24,752

Source: Ridgeline

To eliminate the negative amortization on the FYE 2022 and anticipated FYE 2023 actuarial bases, the following ADPs (including amounts in Table 10) are recommended:

Table 11
City of Cotati
Recommended UAL ADPs

Description	FYE 2024	FYE 2025	FYE 2026 [3]
Min Requirement Payments			
Pension Refunding Loans	\$477,766	\$477,769	\$477,772
Required UAL [1]	\$363,769	\$476,789	\$519,954
Subtotal: Required Payments	\$841,535	\$954,558	\$997,726
Additional Discretionary Payments			
2022 UAL Interest	\$335,463	\$335,463	\$0
2022 UAL Reamortization	\$0	\$254,579	\$163,346
2023 UAL Interest [2]	\$0	\$24,752	\$24,752
2023 UAL Reamortization [2]	\$0	\$0	\$21,824
Subtotal: ADPs	\$335,463	\$614,794	\$188,098
Total UAL Payments	\$1,176,999	\$1,569,352	\$1,185,824

[1] Includes all six pension plans.

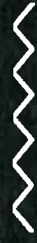
[2] Payments related to 2023 UAL are estimates.

[3] FYE 2026 payments will be impacted by 2024 CalPERS performance.

Source: Ridgeline

If you have any questions about this technical memorandum or suggested strategies, do not hesitate to contact us.

Strategic Planning Workshop – Updated Materials



May 10, 2024



Municipal Advisory | Pension Cost Optimization | Financial Planning

**Kensington Police
Protection and
Community
Services District**



These materials reflect feedback and corrections provided by the KPPCSD Board of Directors and staff during May 9, 2024 Strategic Planning Workshop and replace the presentation slides used during the workshop. All changes are in **blue** font.

The information in these slides represents the individual opinions of the KPPCSD Directors and staff and is subject to further discussion and refinement.

Prior Strategic Planning Efforts



- **2009 – Strategic Planning Workshop and Report:**
 - Developed Mission and Vision Statements
 - Clarified roles and responsibilities of Board and staff
- **2022 – Three-Year Strategic Plan**
 - Developed by prior Board and staff
 - Kept Mission Statement
 - Expanded Vision Statement
 - Identified Priorities, Goals, and Objectives
 - Was not finalized due to changing Board and staff

KPPCSD Mission Statement



The Mission of KPPCSD is to
provide services
that enhance
the community of Kensington

KPPCSD Vision



- **Proactively provide**
- First-Class Police Services
- Quality Parks and Responsive Recreation Services
- Excellent Communication with the Community
- Productive and Collaborative Board and Staff
- Well-Managed Long-Term Financial Planning
- Clear and Understandable Administrative Process

Pre-Workshop Questionnaire Results



- Completed by all directors, GM, and Police Chief

- **Areas of Focus:**

- Workshop Goals
- SWOT by Department
- Waste Collection Services Assessment
- Overview of 2022 Draft Strategic Plan
- Community Perception
- Funding and Revenue Opportunities
- 3-5-Year Vision

2022 Strategic Plan Feedback



- Vision statement too long
- Too aspirational and broad, hard to implement with current resources
- Unclear use case
- Lacks priorities and associated time horizons
- General preference for a simpler and more focused approach

Workshop Goals



- SWOT Analysis
- Explore funding sources
- Identify top realistic priorities for 1, 2, 5, 10 and 15 years:
 - Services
 - Governance
- Who is responsible for what and how do we track progress
- Is district doing the best job it can for the community?

SWOT Analysis



ADMINISTRATION



Strengths: Administration



- Recent improvements:
 - Current GM
 - Staff members
 - Finance department
 - Legal team
 - Accounting firm
- Great work ethic
- Experience, agility, flexibility
- **Balanced budget**
- Customer service
- Cohesive, cooperative Board
- High-Caliber Directors
- Split roles of GM and Police Chief

Weaknesses: Administration



- **Staff:**
 - Lack of permanent full-time GM
 - No financial manager
 - Staff turnover
 - Need to increase technical and PR bench
- **Limited budget**
- **Grant applications**
- **Tech and Communications:**
 - AV / public meetings technology
 - Board meeting packet / agenda delays
- **File / record management system**
- **Long-term planning challenges**
- **Public Outreach:**
 - Limited social media presence
 - No regular newsletter
 - Lack of website updates (other than police and Board meetings)
 - Better interaction b/w Board and community
 - Need to understand community's priorities and sentiment
- **Reliance on consultants**
- **Blurred lines of responsibility between directors and staff**
- **Cost of split GM and Police Chief roles**
- **Lack of physical location in community**

Opportunities: Administration

- Improve communications thru hiring HS intern
- County liaison for community
 - Keeping in mind areas of responsibility of different organizations

Threats: Administration

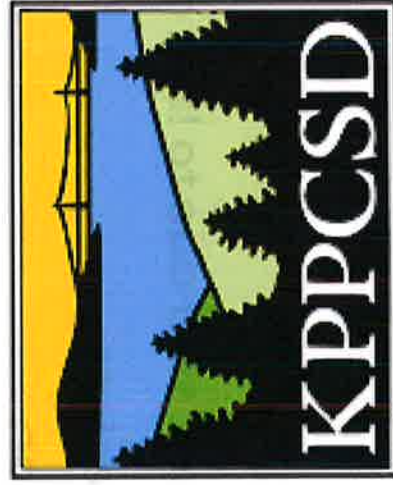


- Loss of interim GM
- Failure to retain permanent GM
- Inability to maintain competent staff due to lack of funding
- Inability to attract quality Directors
- Lack of collaboration with KFPD
- Financial hardship due to overspending on **District** building

SWOT Analysis



POLICE



Strengths: Police



- **Staffing:**

- Competent Chief
- Sgt. Lande experience / background
- Dedicated officers
- Agility and flexibility (despite officer shortage)

- **Community relations:**

- Improved / positive public perception
- Friendliness, community engagement, connection

- **Operations:**

- Stays within budget
- Procedures and systems in place
- Strong hiring process
- Technology upgrades
- Fleet in good shape

- **Relationships with neighboring law enforcement agencies**

Weaknesses: Police



- Limited budget
- Facilities:
 - No permanent home
 - Current location in El Cerrito
- Staffing:
 - Turnover and recruitment
 - 2 patrol officers at night
 - Lack of redundancy
 - All male officers
- No Disabled Registry

Opportunities: Police



- Adding social worker
- Social justice
- Services for elderly population
- Explore innovation
- Volunteers
- Opportunities should be considered in light of District's mandate to avoid "mission creep"

Threats: Police



- **Lack of permanent facility**
 - Realistic design
 - High price tag (need to determine the true number)
- **Emergency preparedness:**
 - Wildfires and earthquakes
 - Evacuation drills
 - Street parking plan (streets are under County's jurisdiction)
- **Rising pension costs**
- **Inability to keep up with salaries and benefits**

SWOT Analysis



PARKS AND RECREATION



Strengths: Parks and Recreation



- Popular and well-maintained park
- Partnership with KCC
- Well-run programs for kids and adults
- Electronic reservations system
- Motivated
- Customer service / friendliness
- Knowledge of landscaping and plants

Weaknesses: Parks and Recreation



- **Funding:**

- Inadequate budget
- Park assessment covers ≈20% of expenses

- **Assets:**

- Park in bad shape
- No park master plan
- Need professional landscape & architectural design expertise
- Underutilized assets

- Limited parking and access
- Cost to rent Community Center
- Limited course / activity offerings
- Lack of attention to Nielson Park

Opportunities: Parks and Recreation



- Unused Annex building
- Shade trees
- Paths
- Dog park
- Pickle ball
- Amphitheater renovation
- Community engagement / communication

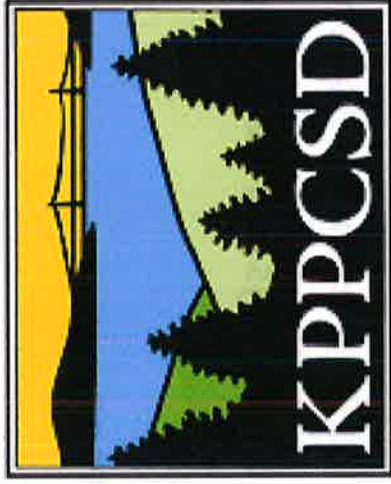
Threats: Parks and Recreation



- Continuing deterioration of facilities and landscape
- Loss of facilities (parking and buildings) to permanent police location
- Liability due to dogs off leash
- Climate change impacts on trees

Taking the Temperature

WASTE COLLECTION



Waste Collection Issues

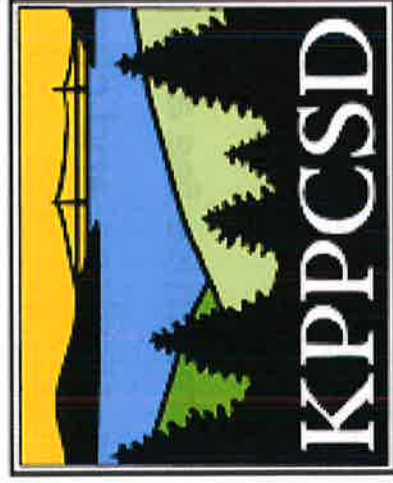


- Confusion around plastics recycling program
- Provider's contract and fee structure
- Fee study, legal justification for franchise fee and permissible uses
- Public communication on rates, services, and choice of service provider
- County contract

Taking the Temperature



COMMUNITY PERCEPTION



Board's Understanding of Community Perception

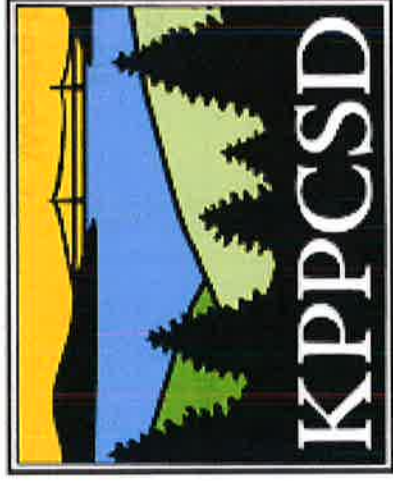


- District needs better understanding of community's priorities and sentiment
- Are we telling our story?
- Admin:
 - Availability, tech skills, and communication style
 - Greater trust for new administration
 - Slow progress on District building
- Parks and Rec:
 - General appreciation of park and KCC programs
 - Limited offerings
- Police:
 - Overall favorable perception
 - Perceived lack of police presence
 - Recent crime incidents
- Waste Collection:
 - Happy with service expansion
 - Some concerns about cost
- Tax increase concerns
- Transparency and public records requests

Rolling Up the Sleeves



DISTRICT BUILDING DISCUSSION



District Building Discussion

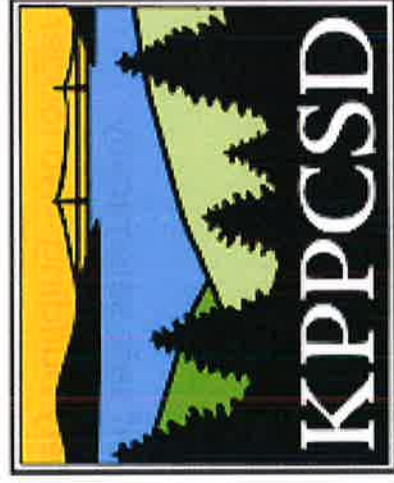


- Needs to be in Kensington
- What is the solution?
 - Stand alone building
 - Relocate portables behind library, if safe seismically
 - Combined Kensington public safety building – No longer considered a viable alternative
 - County multi-use building – Uncertain that County is interested
 - Public-Private Partnership
- Realistic Design
- High and yet unknown price tag

Rolling Up the Sleeves



FUNDING SOURCES

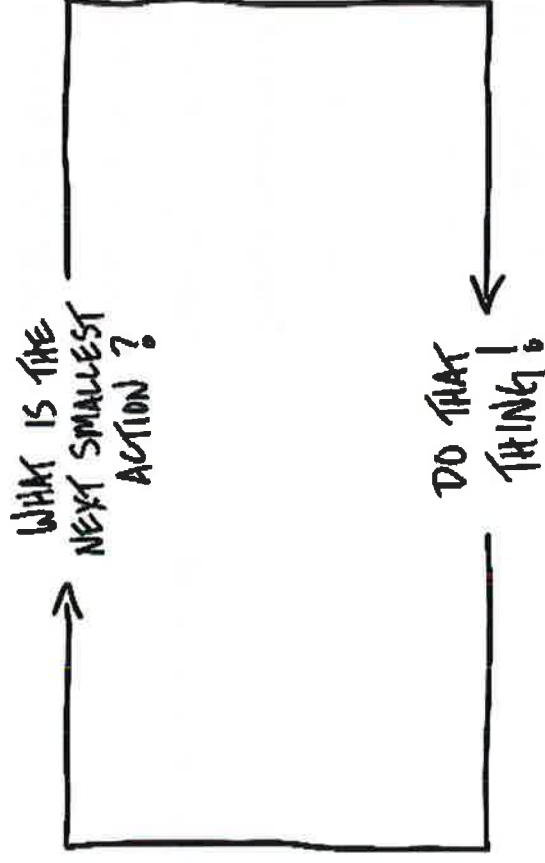


Funding Sources



- **New parcel tax:**
 - District building
 - Funding for operations
 - Additional park funding
- **Replace LLD with CFD**
- **Are higher taxes prohibitive to young buyers?**
- **Grants and earmarks**
- **Fundraising**
- **County partnership:**
 - Measure X
 - Public works projects
 - Multi-use building
- **Monetization of park assets**
- **Parking meters**
- **Rental fee for food trucks**
- **Music and theatrical events**

Making Progress



Behavior Gap

Questions?



Dmitry Semenov

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RidgelineMuni.com



RIVERBANK CITY COUNCIL / LOCAL REDEVELOPMENT AUTHORITY

AGENDA ITEM NO. 9.7

SECTION 9: CONSENT CALENDAR

Meeting Date: August 27, 2024

Subject: Resolution to Approve the Use of the Community Center Pavilion for St. Frances of Rome Catholic Church to Provide Food on Sundays to Those Experiencing Homelessness

From: Marisela H. Garcia, City Manager

Submitted by: Michael Patton, Parks and Recreation Director

RECOMMENDATION

It is recommended that the City Council consider adopting a Resolution to approve the use of the use of the Community Center Pavilion for St. Frances of Rome Catholic Church to provide food to those experiencing homelessness on Sunday by waiving pavilion rental fees contingent on the following:

- Providing a refundable security deposit of \$100.00 prior to using the facility. The security deposit will remain in the city's possession until the church no longer uses the facility.
- Provide general liability insurance in the amount of \$2,000,000 with the City of Riverbank listed as an additional insured on the policy.
- Abide by all Federal and state laws, city ordinances and facility policies and regulations by the Parks and Recreation Department.
- Complete the 'City of Riverbank Gazebo Reservation Application'
- The Parks and Recreation Department reserves the right to terminate any event to accommodate other rentals at the Community Center Pavilion, Community Center, and or Community Pool.

SUMMARY

St. Frances of Rome Catholic Church, located in Riverbank, has inquired about the use of the Community Center Park Pavilion to provide food to those experiencing homelessness every Sunday morning between the hours of 8:30 AM to 9:30 AM. The group has submitted a 'City of Riverbank Gazebo Reservation Application'. The group is seeking to have fees waived to use the park pavilion and approval from the city to host this type of activity on its property.

BACKGROUND

St. Frances of Rome Catholic Church, located in Riverbank, has inquired about the use of the Community Center Park Pavilion to provide food to those experiencing homelessness every Sunday morning between the hours of 8:30 AM to 9:30 AM. The Parks and Recreation Department has made the pavilion available for rentals at the cost of \$110.00 for residents and \$135.00 for non-residents. The department has also required a \$100.00 refundable security deposit to be provided. Those renting the facility would need to sign a waiver and release of liability form and not exceed 50 people in attendance. These rentals are typically one-time events.

The group has submitted a 'City of Riverbank Gazebo Reservation Application' to the Parks and Recreation Department in the hopes of renting the pavilion every Sunday morning. Due to the type of activity that will be hosted, the Parks and Recreation Department is seeking City Council approval prior to permitting St. Frances of Rome Catholic Church to move forward. The group is also seeking that the fees to use the pavilion be waived. The church has also requested that if they cannot use the pavilion that permission be granted to perform their activity anywhere on the park property, like at a picnic table or on the green space.

With this being a reoccurring activity at the park, the Parks and Recreation Department is seeking to have contingencies in place to protect the City if the City Council elects to permit the activity. The department is requesting the following:

- The church provides a refundable security deposit in the amount of \$100.00. The deposit will be used to cover damages and additional labor required by park staff to accommodate their park usage. The deposit will be returned to the church group once they are no longer continuing their activity.
- Provide general liability insurance in the amount of \$2,000,000 with the City of Riverbank listed as an additional insured on the policy.
- Abide by all Federal and state laws, city ordinances and facility policies and regulations by the Parks and Recreation Department. This includes obtaining food handlers permits, licenses, approvals, and park rental rules outlined on the second page of the 'City of Riverbank Gazebo Reservation Application'.
- Complete the 'City of Riverbank Gazebo Reservation Application'. The application that the group submitted back in June is incomplete.
- The Parks and Recreation Department reserves the right to terminate any event to accommodate other rentals at the Community Center Pavilion, Community Center, and or Community Pool. The city has other facilities surrounding the proposed park location that are available to rent to the public. If there is a rental, the Parks and Recreation Department wants to accommodate those users as they are paying and providing revenue to the city.

FINANCIAL IMPACT

There are a few financial impacts that this activity could create for the city. First, waiving the fees to use the city facility will not generate revenue for the city. The second impact

is that it may cause additional staff time to clean and repair any damage, litter, and impact created by this additional usage on the park. Typically, the revenues received from rentals would be available to offset these costs. Without the generated revenue, the city will be financially responsible to cover these potential costs. Third, the city would not be able to provide the pavilion to rent on Sundays to the public. Before the end of the work week, parks staff clean and sanitize all pavilions that will have been rented for the upcoming weekend. With this activity happening on a Sunday, city staff is not available to ensure the space is clean and up to standard for another rental that same day. To prevent issues and dissatisfied customers, the department would not make the pavilion available to rent on Sundays. Lastly, the increased presence of individuals experiencing homelessness in the area may potentially lead to reduced interest from the public in renting nearby facilities, such as the community center and the community pool. This diminished interest could, in turn, affect the projected rental revenues.

STRATEGIC PLAN

This report has been prepared to accomplish the following Goal established at the 2022-2027 Strategic Planning Session: “Engage the community and non-profit partners in the development of programs, facilities, transitional housing and/or solutions for homeless services.”

ATTACHMENTS

1. Resolution
2. Exhibit A: City of Riverbank Gazebo Reservation Application: St. Frances of Rome Catholic Church

CITY OF RIVERBANK

RESOLUTION 2024-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERBANK
APPROVING THE USE OF THE COMMUNITY CENTER PAVILION BY ST.
FRANCES OF ROME CATHOLIC CHURCH TO PROVIDE FOOD ON SUNDAYS TO
THOSE EXPERIENCING HOMELESSNESS**

THE CITY OF RIVERBANK CITY COUNCIL (HEREAFTER REFERRED TO AS THE “CITY COUNCIL”) DOES HEREBY RESOLVE THAT:

WHEREAS, St. Frances of Rome Catholic Church has requested the use of the City of Riverbank’s Community Center Pavilion to provide food on Sundays to individuals experiencing homelessness; and

WHEREAS, the City of Riverbank recognizes the importance of supporting efforts to assist those in need within the community; and

WHEREAS, the City seeks to ensure that the use of city facilities is conducted in a manner that is safe, orderly, and in compliance with all applicable regulations; and

WHEREAS, the City Council of the City of Riverbank desires to set forth specific conditions to be met by St. Frances of Rome Catholic Church in order to approve the use of the Community Center Pavilion.

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

1. **Approval:** The City Council hereby approves the use of the Community Center Pavilion by St. Frances of Rome Catholic Church for the purpose of providing food on Sundays to those experiencing homelessness between the hours of 8:30 AM-9:30 AM, subject to the conditions outlined below.
2. **Security Deposit:** St. Frances of Rome Catholic Church shall provide a refundable security deposit of \$100.00 prior to using the facility. This deposit shall remain in the possession of the City of Riverbank until such time that the church no longer uses the facility.
3. **Liability Insurance:** St. Frances of Rome Catholic Church shall provide general liability insurance in the amount of \$2,000,000, with the City of Riverbank listed as an additional insured on the policy. Proof of such insurance must be submitted to the City prior to the use of the facility.

4. Compliance with Laws and Policies: St. Frances of Rome Catholic Church shall abide by all applicable Federal and state laws, city ordinances, and the policies and regulations established by the City of Riverbank Parks and Recreation Department.
5. Reservation Application: St. Frances of Rome Catholic Church shall complete and submit the "City of Riverbank Gazebo Reservation Application" to the Parks and Recreation Department prior to using the facility.
6. Right to Terminate: The Parks and Recreation Department reserves the right to terminate any event to accommodate other rentals at the Community Center Pavilion, Community Center, and/or Community Pool.
7. Effective Date: This resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Riverbank at a regular meeting held on the 27th day of August, 2024; motioned by Councilmember _____, seconded by Councilmember _____, and upon roll call was carried by the following City Council vote of _____:

AYES:

NAYS:

ABSENT:

ABSTAINED:

ATTEST:

APPROVED:

Gabriela Hernandez, CMC
City Clerk

Richard D. O'Brien
Mayor

City of Riverbank Gazebo Reservation Application

Office: 6707 Third Street Riverbank CA, 95367
Phone: 209-863-7150

Summer Rental Hours: 9:00 a.m. – 7:00 p.m.

Castleberg Park Gazebo 5845 8 th Street Capacity: 50	Community Center Park Gazebo 3600 Santa Fe Ave Capacity: 50	Silva Park Gazebo 5800 Antique Rose Way Capacity: 30
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Contact Person: EVA ALANIZ

Phone: [REDACTED]

Name: EVA ALANIZ

Address: [REDACTED] City: MODESTO Zip: 95350

Email: [REDACTED]

Date(s) Requested: Sunday AM Purpose of Gazebo Rental: Divina Providencia
8:30-9:30 St Frances of Rome
Start July 1 Serving Breakfast

Time of Event: 8:30-9:30AM End of Event: 9:30AM
(Include Set-up) (Include Clean up)

Estimated Total Number of Participants at your Event: Less than 10 per group

If unforeseen circumstances such as a fallen tree, vandalism to the reserved area, accidental double booking, or other situations that may occur, the City of Riverbank Parks and Recreation Department will provide you with a comparable site for your event. You will be notified as soon as possible if any of these situations were to occur. The City will provide staff and or signage to direct your party to the new location. This will be avoided at all costs but please sign that you understand this would be the policy if such a circumstance occurs.

Eva Alaniz
Signature

6/13/24
Date

Park Rules	Initial
1. Reservations for the park will be on a "first come, first serve" basis	
2. If the gazebo is not occupied within 1 hour of reservation time, you will lose your reservation. It will be given to someone else on a "first come, first serve" basis.	
3. The Parks and Recreation Department can cancel any event due to safety concerns.	
4. You may only bring two extra tables. Extra chairs and awnings must be pre-approved.	
5. No collecting recyclables from garbage cans. (Cans, bottles, etc.)	
6. Park restrooms are cleaned on a daily basis (7 days per wk.). However, due to constant public use, we cannot guarantee the condition at all times.	
7. Deposits: Paid CASH, CHECK OR CREDIT CARD will be issued by mail as long as all rules are complied with. Refunds can take up to, two business weeks.	
8. Full Refund will only be given upon three (3) days' notice of cancellation before the event date.	
9. There are no REFUNDS due to inclement weather.	
10. Selling food/Items for profit in City Parks must be approved.	
11. Any additions to the event that are not brought forth and approved at the time of the reservation will result in the retention of the deposit.	
12. Amplified music of any type must be approved in writing.	
13. The park closes at Dusk. Please make sure to be out on time.	
14. Vehicular traffic is NOT allowed on park grounds.	
15. Inflatables (jump houses) are only allowed with a permit. Water, two-story bounce houses, or any type of swimming pools are prohibited at any of the parks.	
16. Charcoal fires are only allowed in designated BBQ areas.	
17. Open fires are not allowed	
18. Alcohol is not allowed in Parks, Gazebos, fields, or any location within the park or the parking lot.	
19. City Staff will be responsible for the opening and closing of restrooms.	
20. The site must be cleaned after use. Park staff will report to the Recreation Office about the cleanliness of the area after the event.	
21. No glass bottles allowed.	
22. Any party with a Piñata, please clean up all remnants. No Confetti allowed!	
23. Gender Reveals No Confetti allowed!	
24. If rules or City ordinances of any kind are broken, your deposit can be retained.	

Your signature on the application is on the City's guarantee that you assume full responsibility for the park gazebo while you have it rented and that you have read and understand the regulations governing its use.

Signature

Date

Gazebo Rental Agreement: Number of People in Attendance

I understand that the event scheduled on _____ has been

Scheduled as an event that will have no more than _____ people in attendance.

I understand that our rental agreement is based on this number of people. If this number increases during the event, city staff, in cooperation with the Sheriff's Department has the authority to terminate the event. When capacity is exceeded, the City has the option to terminate the event and/or retain the full deposit and fees.

By signing the park gazebo rental agreement and this form, I understand I am responsible for this event.

Please Print Name

Signature

Date

Waiver and Release of Liability

I, understand, agree to indemnify, defend and hold harmless the City of Riverbank, its employees, agents, volunteers and officers from any and all claims or liabilities of any injury or death to any person or damage to property in any manner arising from the use of the City of Riverbank Park or its amenities. "I will comply with all the Park Rules and recognize the bodily injuries and any damages that may result from the use of any park."

I am fully aware that by signing this document, I am shifting the legal liability for such risks, including negligence of the City, its management, or employees, to myself so that I may participate in the activity I have chosen. I agree to indemnify, defend, or hold them harmless from any claims or liability for my bodily injury, personal injury, property damage, or wrongful death arising out of or caused by negligence, whether such injuries or damages occur during participation in the above-named event or during-post injury care.

I also grant full permission to the City or Riverbank, its agents, or assignees to use my name, photographs, videotapes, or recordings of the activity for which the dependent or I am registered for any purpose without obligation or liability. I understand that no refunds or transfers will be given on or after the first class. Any refunds that are issued will take up to two weeks to process.

Signature

Date

Riverbank Park Gazebo Reservation Fees

Park	Amenities	Fees
Castleberg Park 5845 8 th Street 12 Acre Park	* Large Gazebo - Restrooms - Playground - Walking Path - Basketball Court	Deposit: \$100.00 (Refundable) Resident Fee: \$110 Non-Resident Fee: \$135
Community Center Park 3600 Santa Fe St. 5 Acres	* Large Gazebo - Restrooms - Playground - Near Pool (pool open only Seasonal)	Deposit: \$100.00 (Refundable) Resident FEE: \$110 Non-Resident Fee: \$135
Silva Park Gazebo 5800 Antique Rose Way 8 Acre Park	* Small Gazebo - Restrooms - Playground - Basketball Court	Deposit: \$100.00 (Refundable) Resident Fee: \$75 Non-Resident Fee: \$135

Office Use Only

Fees	Amount	Paid	Date	Initials
Gazebo Deposit				
Reservation Fee				
Jump House Permit				
TOTAL				

Warrant

Date:	Amount:	Initials:

RIVERBANK CITY COUNCIL/ LOCAL REDEVELOPMENT AUTHORITY

AGENDA ITEM NO. 9.8

SECTION 9: CONSENT CALENDAR

Meeting Date: August 27, 2024

Subject: Second Reading by Title Only of Proposed Ordinance Amending Sections 120.60 and 120.62 and Adding Section 120.63 to Chapter 120, Cannabis Regulations of Title XI, Business Regulations, of the Riverbank Code of Ordinances Related to the Appeal of Administrative Penalties for Cannabis Regulations

From: Marisela H. Garcia, City Manager

Submitted by: Joshua E. Mann, Director of Community Development

RECOMMENDATION

It is recommended that the City Council approve an Ordinance amending Section 120.60 and 120.62 and adding Section 120.63 of Chapter 120, Cannabis Regulations, of Title XI, Business Regulations, of the Riverbank Code of Ordinances related to the appeal of administrative penalties for violations of cannabis regulations.

BACKGROUND / SUMMARY:

On August 22, 2017, the City of Riverbank ("City") adopted Ordinance No. 2017-007, which added "Chapter 120: Cannabis Regulations" ("Cannabis Regulations") to Title XI, Business Regulations to the Riverbank Code of Ordinances (the "Municipal Code"). The Cannabis Regulations govern cannabis cultivation in the City for personal use and for commercial purposes, including commercial cannabis cultivation, cannabis testing laboratories, cannabis dispensaries, and cannabis delivery. The Cannabis Regulations also contain provisions governing enforcement and appeals pursuant to Chapter 120.

Since 2021, there have been at least seven (7) instances where residential properties in the City were used to house large-scale illegal cannabis growing operations. Typically, when law enforcement officers raid the properties, City code enforcement officials cite

the property owners under Section 120.61(D) of the Municipal Code, with administrative penalties assessed at One Thousand dollars (\$1,000) per plant for each plant present on the property that violates the code. Deputies have seized hundreds of illegal cannabis plants from these growing operations, resulting in large citations, including, for example, citations in the amount of Five Hundred and Twenty-Seven Thousand dollars (\$527,000), Four Hundred and Twenty Thousand dollars (\$420,000), and Two Hundred and Ninety-Six Thousand dollars (\$296,000). The properties usually contain numerous other violations of building codes, Health and Safety code, and related structural violations caused by the illegal growing operations at the properties, leaving them uninhabitable. Where the properties are determined to be uninhabitable, utilities are turned off after the raids and the houses are red tagged.

The offenders operating these illegal cannabis grow houses do not apply for cultivation permits. Currently, therefore, these citations are not subject to the appeal procedures established under Section 120.60, under which permit applicants may appeal any adverse actions taken with respect to their applications to the City Council. Instead, section 120.61, subd. (A) declares these violations to be a “public nuisance,” which makes the citations appealable under the procedures established under Chapter 98, section 98.18, for appeals of administrative citations based on nuisance violations.

With the citations reaching such high dollar amounts and involving complex factual backgrounds, it has become necessary to update Chapter 120 of the municipal code to provide procedures for the appeals of these citations, to better address these specific issues, ensuring that appeals of all citations issued under the Cannabis Regulations follow the same procedure.

ANALYSIS:

The proposed ordinance establishes an appeals procedure for all administrative penalties assessed for violations of the Cannabis Regulations. The proposed ordinance also clarifies the cost recovery portions of the Cannabis Regulations and moves those provisions to a new section to allow for the new appeal procedure for all administrative penalties assessed for violations of the Cannabis Regulations. There would be four primary changes:

- (1) Any appeal challenging the imposition of penalties under the Cannabis Regulations would be heard by a neutral hearing officer.
- (2) The proposed ordinance would establish procedures for filing appeals, conducting appeal hearings, and issuing orders after the hearings.
- (3) The City would be permitted to recover its attorneys’ fees in any action, administrative proceeding, or special proceeding to abate a nuisance under this chapter 120 where it is the prevailing party, consistent with and to the fullest extent allowed under California Government Code section 38773.5.

- (4) The definition of “responsible party” under section 120.62, subdivision (C)(3) would be amended to specifically include property owners.

Given the large dollar amounts associated with administrative penalties historically imposed, parties cited for violations of Chapter 120 have incentive to retain counsel and raise legal arguments at their appeal hearing. The arguments often turn on whether the property owners should be held liable under Chapter 120. Among other arguments, landlords can blame their tenants for the violations or point to a lease provision prohibiting illegal activity to argue that they should not be responsible for the fines. A Hearing Officer, such as an attorney, is better equipped to resolve such legal issues than the Planning Commission or City Council. Furthermore, appointing a neutral hearing officer allows the City Attorney to advocate on the City’s behalf at the hearing. Therefore, an updated appeals procedure ensures both individuals who have been cited and the City have an efficient means to achieve due process related to the administrative penalties assessed under Chapter 120.

The proposed ordinance also clearly establishes the procedural requirements that must be met in order to successfully file an appeal. One requirement is paying a deposit, subject to a hardship waiver provision. Paying an advance deposit is required in the City’s appeals procedures regarding fireworks violations and is a useful tool to address the cost of holding the administrative hearing.

Finally, these revisions clarify the cost recovery provision to ensure the City may recover its costs incurred in enforcing this provision, including attorneys’ fees, as permitted under California Government Code section 38773.5, and expands the definition of “responsible parties” to expressly include property owners. These changes make Section 120.63 consistent with the public nuisance provisions of Chapter 98, which expressly includes property owners.

ALTERNATIVES:

At the July 23, 2024 meeting, the City Council authorized the Introduction of the Ordinance and moved it forward to the second reading. The following alternatives are presented for consideration:

1. Approve the second reading and adopt the Ordinance; or
2. Continue the item to a later meeting of the City Council and provide direction to staff for any changes; or
3. Reject the Ordinance.

ENVIRONMENTAL DETERMINATION:

Pursuant to Section 15061(b)(3) and/or Section 15378(b)(5) of the California Public Resource Code, the Community Development Department has determined that the proposed Code amendment is not a Project for purposes of the California Environmental Quality Act (CEQA). The proposed Code amendment modifies administrative procedures for the processing of appeals and has no effect on the land use regulation of the physical environment.

FINANCIAL IMPACT:

Neutral hearing officers would be used only when requested on a per-hearing basis, for which the City will incur costs. While actual costs will vary, to date, only one appeals hearing has been filed under the Cannabis Regulation which resulted in a considerable cost to the City. The proposed ordinance provides for the City to recover its costs where it is a prevailing party in the matter. Future hearings are unlikely to have a significant financial impact.

ATTACHMENTS:

1. CC Ordinance 2024-

CITY OF RIVERBANK

ORDINANCE 2024-XXX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIVERBANK, CALIFORNIA, AMENDING SECTION 120.60, PERMIT APPEALS PROCEDURE, SECTION 120.62, ADMINISTRATIVE PENALTY APPEALS PROCEDURE, AND ADDING SECTION 120.63. COST RECOVERY TO CHAPTER 120, CANNABIS REGULATIONS OF TITLE XI, BUSINESS REGULATION, OF THE RIVERBANK CODE OF ORDINANCES RELATED TO CANNABIS BUSINESS CITATIONS

WHEREAS, in 2017, pursuant to a statewide voter initiative, the State of California enacted the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which is codified in Business and Professions Code Sections 26000 to 26260; and

WHEREAS, the stated purpose of MAUCRSA was "to establish a comprehensive system to control and regulate the cultivation, distribution, transport, storage, manufacturing, processing, and sale" of medicinal and adult-use cannabis, and to set forth "the power and duties of the state agencies responsible for controlling and regulating the commercial medicinal and adult-use cannabis industry"; and

WHEREAS, MAUCRSA explicitly provides that it "shall not be interpreted to supersede or limit the authority of a local jurisdiction to adopt and enforce local ordinances to regulate businesses licensed under this division, including, but not limited to, local zoning and land use requirements, business license requirements, and requirements related to reducing exposure to secondhand smoke, or to completely prohibit the establishment or operation of one or more types of businesses licensed under this division within the local jurisdiction"; and

WHEREAS, MAUCRSA further provides that it "shall not be interpreted to supersede or limit existing local authority for law enforcement activity, enforcement of local zoning requirements or local ordinances, or enforcement of local license, permit, or other authorization requirements"; and

WHEREAS, on August 22, 2017, the City of Riverbank ("City") adopted Ordinance No. 2017-007, which added "Chapter 120: Cannabis Regulations" ("Cannabis Regulations") to Title XI, Business Regulations to the City's Municipal Code ("Municipal Code"); and

WHEREAS, the stated purpose of the City's Cannabis Regulations is "to encourage responsible, personal, and commercial cannabis activities and to discourage violations of related state laws, especially those that prohibit the sale, use, or distribution of cannabis and cannabis products to minors"; and

WHEREAS, since enacting the City's Cannabis Regulations in 2017, the appeals procedure under Chapter 120 has proven difficult to administer and requires amendment to streamline the process for the appeal of administrative penalties; and

WHEREAS, the amendments will clarify and streamline the appeals of administrative citations related to the City's Cannabis Regulations.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RIVERBANK DOES ORDAIN AS FOLLOWS:

SECTION 1. Section 120.60, Appeals Procedure, of Chapter 120, Cannabis Regulations, of Title XI, Business Regulations, of the Riverbank Municipal Code shall be repealed in its entirety and replaced with a new section 120.60 that shall read as follows:

§ 120.60 PERMIT APPEALS PROCEDURE

- (A) Any permit applicant may appeal any adverse decision taken with respect to a permit application under this chapter to the City Council.
- (B) Appeals of adverse decisions related to permit applications must be taken within thirty (30) days after the adverse action by filing with the office of the City Clerk a written notice of appeal specifying the grounds thereof. An appeal shall be accompanied by a non-refundable filing fee, as established by resolution adopted by the City Council from time to time.
- (C) The City Clerk, upon the filing of such appeal and payment of an appeal fee, shall place the matter upon the agenda for the next regular meeting of the City Council occurring not earlier than five (5) days after the filing of the appeal, and shall notify the appealing permit applicant by letter of the meeting date and place at which the appeal will be heard.

SECTION 2. Section 120.62, Cost Recovery, of Chapter 120, Cannabis Regulations, of Title XI, Business Regulations, of the Riverbank Municipal Code shall be repealed in its entirety and replaced with a new section 120.62 that shall read as follows:

§ 120.62 ADMINISTRATIVE PENALTY APPEALS PROCEDURE

(A) Administrative penalties issued under this chapter may be appealed as follows:

- (1) Request for Appeal Hearing; Any person, corporation, entity, or responsible party against whom administrative penalties have been assessed under this chapter may appeal the violation and the issued administrative citation penalty, administrative penalty, or administrative fines by filing a written notice of appeal with the City Clerk within thirty (30) days of the date stated on the citation or notice of violation, which shall be accompanied by a non-refundable filing fee, as established by resolution adopted by the City Council. The appeal fee is intended to cover the costs, expenses, and city employees' time incurred by the city in processing, preparing for, and hearing the appeal.
- (2) Deposit; person, corporation, entity, or responsible party requesting a hearing under this section must pay a deposit to the City equal to fifty percent (50%) of the full amount of the penalty indicated on the notice of violation upon submitting the hearing request with the City. Failure to deposit fifty percent (50%) of the amount of all fines appealed within the thirty (30) day filing period shall result in the request for an appeal hearing being incomplete and untimely, and therefore will not be accepted.
- (3) Failure to timely file an appeal hearing request form with the City Clerk, along with the filing fee and deposit shall constitute a waiver of the right to any appeal hearing, and the penalties stated on the administrative citation or notice of violation shall be deemed confirmed and final.
- (4) Hardship waiver; If within the thirty 30-day filing period, the appealing party establishes to the satisfaction of the Director of Finance or designee, by means of tax returns, pay stubs or other similar documentary evidence, and submits a declaration under penalty of perjury that paying the deposit amount would cause undue financial hardship to the appealing party, the Director of Finance or designee may grant a waiver or reduction of the deposit amount required. the Director of Finance's determination is not appealable and shall be final as to the hardship waiver request.

(B) Procedures for Appeal Hearings for Administrative Penalties Under Chapter 120.

- (1) Hearing Officer; For any appeal of administrative penalties assessed or otherwise imposed under this chapter, the appeal shall be heard by a neutral hearing officer.

- (a) The City Manager is authorized to develop policies and procedures relating to the qualification, disqualification and appointment of hearing officers, hearing officer powers, hearing procedures, scope of the hearing, and other matters relating to administrative appeal hearings. Any person designated to serve as a hearing officer is subject to disqualification for bias, prejudice, a conflict of interest or for any other reason for which a judge may be disqualified in a court of law.
 - (b) The City Council or City Manager shall appoint independent hearing officers for administrative appeal hearings or contract with an organization that provides independent hearing officers.
- (2) Notice; The person, business, entity, or responsible party requesting the appeal hearing under this section shall be notified by the City Clerk of the time and place set for the hearing at least ten (10) business days prior to the date of the hearing.
- (3) Conduct of Appeal Hearing.
 - (a) Testimony at the hearing; At the time set for the appeal hearing, the hearing officer shall proceed to hear testimony from the representative of the City, the appellant, and any other competent persons with respect to the determination of a violation and nuisance or the imposition of an administrative penalty.
 - (b) Record of oral evidence at hearing; The proceedings at the hearing shall be reported by a tape recording. Either party may provide a certified shorthand reporter to maintain a record of the proceedings at the requesting party's own expense.
 - (c) Continuances; The hearing officer may, upon request by the person, corporation, or entity against whom a penalty is to be imposed, or upon request of the city, grant continuances from time to time for extreme or unusual cause shown, or upon the hearing officer's own motion.
 - (d) Oaths; certification. The hearing officer or certified shorthand reporter shall administer the oath or affirmation.
 - (e) Evidence rules: Cal. Gov't Code § 11513(a), (b), and (c) shall apply to all administrative hearings. At the hearing officer's sole discretion, other relevant evidence may be admissible and hearsay evidence may be used for the purpose of supplementing and explaining other evidence.

- (f) Burden of proof; The accuracy of the notice and order containing the description of the violations or public nuisance and the actions required to abate such violation or nuisance is deemed a rebuttable presumption and the burden is on the appellant to provide such facts and information to overcome such presumption by a preponderance of the evidence.

(4) Rights of Parties

- (a) Each party shall have the following rights among others: To call and examine witnesses on any matter relevant to the issues of the hearing; to introduce documentary and physical evidence; to cross-examine opposing witnesses on any matter relevant to the issues of the hearing; to impeach any witness regardless of which party first called that witness to testify; to rebut the evidence against him or her; to represent himself or herself or to be represented by anyone of his or her choice.

- (b) If a party does not proficiently speak or understand the English language, that party may provide an interpreter, at that party's own cost, to translate for the party. An interpreter shall not have been a resident of the premises or have had any personal relationship with or involvement in the parties or issues of the case prior to the hearing.

- (5) Official Notice. In reaching a decision, the hearing officer may take official notice, either before or after submission of the case for decision, of any fact which may be judicially noticed by the courts of this state, or which may appear in any of the official records of the city or Stanislaus County or any of their departments.

- (6) Hearing Officer's Decision. Within thirty (30) days of the hearing, the hearing officer shall serve a written order, stating the decision made and the reasons for the decision. The order shall become final on the date of service of the order, and a copy shall be served on the appellant by first class mail to the address provided by appellant in the written notice of appeal, and on the City Clerk by first class mail.

(7) Right to Judicial Review.

- (a) The failure of the person, corporation, entity, or responsible party contesting the administrative penalty under this section to appear at the appeal hearing shall result in a forfeiture of the right to appeal the administrative penalty and shall constitute a failure to exhaust administrative remedies.

- (b) Subject to the above provisions of subsection (B)(7)(a) of this section, any person aggrieved by an administrative decision of a hearing officer on an administrative penalty may obtain review of the administrative decision by filing an appeal in a court of competent jurisdiction within twenty (20) days after service of the decision in accordance with the provisions of Cal. Gov't Code § 53069.4(b).

SECTION 3. Section 120.63, Cost Recovery, of Chapter 120, Cannabis Regulations, of Title XI, Business Regulations, shall be added to the Riverbank Municipal Code and shall read as follows:

§ 120.63 COST RECOVERY.

(A) The City shall be entitled to recover its abatement and enforcement costs incurred in obtaining compliance with this chapter. Costs incurred by the city are recoverable even if a public nuisance, Municipal Code, or other violation of law is corrected by the property owner or other responsible party.

(B) The cost of abating a public nuisance or enforcing this chapter shall either be a special assessment and lien on the subject property or the personal obligation of the owner of the subject property or the responsible party. If there is more than one responsible party, each party shall be jointly and severally liable for the costs.

(C) For purposes of this chapter, the following additional definitions shall apply:

(1) Abatement costs include the actual and reasonable costs incurred by the City to abate a public nuisance. These costs include all direct and indirect costs to the City that result from the total abatement action, including but not limited to, investigation costs, costs to enforce the Municipal Code and any applicable State or County law, clerical and administrative costs to process paperwork, costs incurred to provide notices and prepare for and conduct administrative appeal hearings, and costs to conduct actual abatement of the nuisance. Costs include personnel costs, administrative overhead, costs for equipment such as cameras and vehicles, staff time to hire a contractor, and reasonable attorneys' fees incurred by City.

(2) Enforcement costs include all actual and reasonable costs incurred by the City to enforce compliance with the Municipal Code and any applicable State, County, or City public health and safety law that are not included within abatement costs. Enforcement costs shall also include, but are not limited to, costs of fringe benefits for personnel, administrative overhead, costs of equipment, costs of materials, costs related to investigations, costs related to issuing and defending administrative or court citations, costs incurred investigating and abating violations of the Municipal Code or State or County law violations, and reasonable attorneys' fees related to these activities.

(3) Responsible party means a person or entity responsible for creating, causing, committing, contributing to, or maintaining the violation of this chapter or State or County law, or any person or entity that owns, occupies, leases, manages, or maintains the property on which the violation has taken place.

(4) Subject property means the real property that is the subject of any abatement or enforcement action by the City for which the City incurred costs and seeks recovery under this chapter.

(D) In any action, administrative proceeding, or special proceeding to abate a nuisance under this Chapter, the prevailing party shall be entitled to recover attorneys' fees. Recovery of attorneys' fees by the prevailing party may be limited to individual actions or proceedings in which the City elects, at the initiation of that individual action or proceeding, to seek recovery of its own attorneys' fees. In no action, administrative proceeding, or special proceeding, shall an award of attorneys' fees to a prevailing party exceed the amount of reasonable attorneys' fees incurred by the City in the action or proceeding.

SECTION 4. Severability. If any section, subsection, subdivision, paragraph, sentence, clause, phrase or portion of this chapter, or any part thereof is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portion of this chapter or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrase be declared unconstitutional.

SECTION 5: This Ordinance shall become effective thirty (30) days from and after its final passage (08/27/2024), provided it is published pursuant to GC § 36933 in a newspaper of general circulation within fifteen (15) days after its adoption.

The foregoing ordinance was given its first reading and introduced by title only at a regular meeting of the City Council of the City of Riverbank on July 23, 2024. Said ordinance was given a second reading by title only and adopted.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Riverbank at a regular meeting on the ____ day of _____, 2024; motioned by Councilmember _____, seconded by Councilmember _____; moved said ordinance by a City Council ____ vote of ____:

AYES:

NAYS:

ABSENT:

ABSTAINED:

ATTEST:

Gabriela Hernandez,CMC
City Clerk

APPROVED:

Richard D. O'Brien
Mayor

APPROVED AS TO FORM:

Tom P. Hallinan
City Attorney

RIVERBANK CITY COUNCIL/ LOCAL REDEVELOPMENT AUTHORITY

AGENDA ITEM NO. 10.1

SECTION 10: PUBLIC HEARING

Meeting Date: August 27, 2024

Subject: First Reading by Title Only and Introduction of a Proposed Amendment to Title XI, Business Regulations, Amending Chapter 119 Massage/Bodywork Establishments

From: Marisela H. Garcia, City Manager

Submitted by: Joshua E. Mann, Director of Community Development

RECOMMENDATION

It is recommended that the City Council conduct the public hearing for the first reading of the proposed amendments to consider its approval; if approved, the second reading of the amendments by title only will be scheduled for the next regular City Council meeting on September 10, 2024, for consideration of its adoption.

SUMMARY

The proposed Zoning Ordinance Amendment is a staff-initiated proposal to modify the Riverbank Municipal Code (RMC) to be consistent with new State law related to massage therapy. Specifically, the amendments include:

- Amend Chapter 119, Massage/Bodywork Establishments to add Section 119.04 Certification Required and Section 119.05 Business License Required.
- Amend Section 119.02 Definitions to add and remove definition terms.
- Amend Section 119.09 Application for Massage Practitioner/Employee to require CAMTC certification and remove exemption.
- Remove Section 119.10 Application, Health Certificate.
- Amend Section §119.14 Massage Establishments, Generally.
- Amend Section §119.18 Exemptions.

BACKGROUND AND ANALYSIS

On March 13, 2006, the City Council passed an Ordinance (Ordinance No. 2006-003) amending the RMC to add Chapter 119, regulating massage and bodywork establishments. The intent of this chapter was to establish minimum standards for

massage and bodywork practitioners and their business establishments so as to protect and safeguard the public health, safety, and welfare. These amendments to the City's Municipal Code were enacted to comply with the State legislation in effect at that time, as set forth in Government Code Sections 65852.2 and 65852.2.

On March 10, 2008, the City Council passed an Ordinance (Ordinance No. 2008-004) amending Chapter 119 of the RMC. This amendment included:

- Expanding the Legislative Purpose.
- Adding additional definitions for certified transcripts, operator, manager, employee, city manager, city council, police chief, and police department.
- Adding Section §119.04 Fees, Section §119.05 Application for operator permit, Section §119.06 Operator permit issuance and denial, Section §119.19 Attorney's fees and costs, and Section §119.24 Severability.
- Expanding massage practitioner permit application requirements by adding an itemized list of application materials.
- Expanding Section §119.13 Massage Establishment, Generally by adding regulations for facilities and operations.

In 2015, the Massage Therapy Act went into effect. The purpose of the Massage Therapy Act is to establish the California Massage Therapy Council to provide for consistent statewide certification and oversight of massage professionals, give broad control over regulating massage establishments to local governments to manage establishments in the best interest of the individual communities, and encourage local governments to establish a registration program that grants local governments the ability to either suspend or revoke a registration of massage business for specific violations, among other things.

The key components of the proposed Ordinance Amendment include:

- Add definitions for California Massage Therapy Council (CAMTC), CAMTC Certificate, Certified Massage Practitioner, Compensation, Massage, Massage Therapy Act, Reflexology, and removing the definitions for Bona Fide Nonprofit Club, Qualified Massage Educational Program, and Recognized School of Massage.
- Amend Section §119.03 Permit Required to add additional permitting requirements for massage establishments. All applicants will be required to have a valid CAMTC certificate, city business license, and a permit issued by the Police Chief.
- Add regulations on CAMTC certification. Applicants applying to operate a massage establishment will be required to provide proof of CAMTC certification. Section §119.04 Certification Required has been added to regulate CAMTC certification.
- Add provisions for business licenses. Applicants applying for a business license to operate a massage establishment will be required to provide proof of CAMTC certification to receive a business license. Massage establishments cannot be operated without a business license. Section §119.05 Business License Required has been added to regulate business licenses for Massage and Bodywork Establishments.

- Section §119.10 Application, Health Certificate has been removed to comply with Government Code section 51034 (c)(8). CAMTC certificate holders cannot be required to provide a certificate from a licensed physician.
- Amend Section §119.09 (9) to clearly define the requirement of the CAMTC certificate and remove subsections (a) and (b). All applicants will be required to present a valid CAMTC certificate, and no exemption will be allowed for applicants possessing education related to massage therapy, anatomy, or physiology completed outside the State of California.
- Amend Section §119.14 (A)(10) to provide an exemption to massage establishments that are owned by one individual with one or no employees or independent contractors regarding external door regulations.
- Amend Section §119.18 (D) to expand and clarify requirements for a reflexology exemption. All applicants seeking this exemption must provide evidence of the required items to the Chief of Police.

ENVIRONMENTAL REVIEW

The proposed Ordinance Amendment is exempt according to the California Environmental Quality Act (CEQA) Article 5 §15061(b)(3) by the “Common Sense Exemption” that CEQA applies only to projects that have a potential for causing a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

The proposed amendments do not change the zoning designation on any individual property and does not affect existing land use. The purpose of the amendment is to amend the Municipal Code to be consistent with recent State law as it relates to massage therapy and does not propose any specific development of a project.

FINANCIAL IMPACT

None.

2005-2025 GENERAL PLAN

The proposed Code Amendments comply with the following General Plan Policies:

Policy ED-2.1

The City will support efforts to increase the capacity and skill sets of the local labor force and help develop occupational skills that meet the needs of local and prospective businesses. This will be accomplished by working with local businesses, educational institutions, and regional agencies to identify and develop the job skills and training programs needed to serve future business needs. The City already works with the Modesto Junior College Pathways workforce program, and is assisting the Community Services Agency with locating a workforce development site in Riverbank.

PUBLIC NOTICE

The City Council public hearing notice was published in the Riverbank News on August 14, 2024, posted at City Hall North, City Hall South, the Post Office, the Riverbank Community Center, and emailed to the library.

ATTACHMENTS

1. CC Ordinance 2024-XXX

CITY OF RIVERBANK

ORDINANCE 2024-XXX

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIVERBANK,
CALIFORNIA, AMENDING THE RIVERBANK MUNICIPAL CODE BY AMENDING
SECTION §119.01 THROUGH §119.23 RELATED TO MASSAGE/BODYWORK
ESTABLISHMENTS**

WHEREAS, the proposed amendments to the Riverbank Municipal Code would amend Sections of Title XI: Business Regulation, Chapter 119: Massage/Bodywork Establishments; and

WHEREAS, the amendment is exempt according to the California Environmental Quality Act (CEQA) Article 5 §15061(b)(3) by the “Common Sense Exemption” that CEQA applies only to projects that have a potential for causing a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment;

NOW, THEREFORE THE CITY OF RIVERBANK CITY COUNCIL DOES ORDAIN AS FOLLOWS:

SECTION 1: Title XI: Business Regulation, Chapter 119: Massage/Bodywork Establishments shall be amended as follows (removed language is represented in ~~strikethrough~~ and added language is represented in underline text):

GENERAL PROVISIONS

§ 119.01 LEGISLATIVE PURPOSE.

(A) It is the purpose and intent of this chapter to provide for the orderly regulation of the massage/bodywork businesses and massage practitioners in the city and to comply with state regulations.

(1) The city recognizes massage is a viable professional field offering the public health and therapeutic services, including but not limited to, massage and bodywork therapies. The permit requirements and restrictions imposed by this chapter are reasonably necessary to protect the health, safety and welfare of the citizens of the city.

(2) This chapter establishes minimum standards for massage and bodywork practitioners and their business establishments so as to protect and safeguard the public health, safety and welfare.

(3) The city is authorized, by virtue of the California Constitution and Cal. Gov't Code §§ 51030 *et seq.*, to regulate massage establishments by imposing reasonable standards relative to the skill and experience of massage operators and massage practitioners and reasonable conditions on the operation of massage establishments.

(B) It is the purpose and intent of the city that massage/bodywork establishments and persons offering such services be regulated so as to ensure that such persons possess the minimum qualifications necessary to operate such businesses and to perform the services offered, and to ensure that those offering these services conduct their work in a lawful and professional manner, and comply with required building, sanitation, and health standards.

(C) There is significant risk of injury to massage clients by improperly trained and/or educated massage practitioners and this chapter provides reasonable safeguards against injury and economic loss.

(D) There is opportunity for acts of prostitution and other unlawful sexual activity to occur in massage establishments. Courts have long recognized that massage is a pervasively regulated activity and brothels might attempt to operate as massage establishments. The establishment of reasonable standards for issuance of permits and restrictions on operations would serve to reduce the risk of illegal activity without significantly burdening legitimate businesses.

(E) The restrictions and requirements contained in this chapter reduce the burdens on the Police Department and permit the deployment of police personnel such that more serious crimes may be prevented and more important laws enforced.

(F) The regulations and restrictions contained in this chapter tend to discourage massage establishments from degenerating into houses of prostitution and the means utilized in this chapter bear a reasonable and rational relationship to the goals sought to be achieved.

(Ord. 2006-003, passed 3-13-06; Am. Ord. 2008-004, passed 3-10-08)

§ 119.02 DEFINITIONS.

For the purposes of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

~~**BONA FIDE NONPROFIT CLUB.** Any fraternal, charitable, religious, benevolent, or other nonprofit organization having a regular membership association primarily for mutual social, mental, political, and civic welfare, to which admission is limited to the members and guests, and the revenue accruing therefrom is to be used exclusively for the benevolent purposes of such organization, and which organization or agency is exempt from taxation under the internal revenue laws of the United States as a bona~~

~~file fraternal, charitable, religious, benevolent, or nonprofit organization, and in which massage or bath services are provided incidental to its primary operation.~~

CALIFORNIA MASSAGE THERAPY COUNCIL (CAMTC). The non-profit organization created to regulate the massage industry set forth in Chapter 10.5 of Division 2 of the Business and Professions Code of the state (commencing with Section 4600).

CAMTC CERTIFICATE. A current and valid certificate issued by the CAMTC to a certified massage therapist or certified massage practitioner pursuant to Section 4600 et seq. of the California Business and Professions Code.

CERTIFIED MASSAGE PRACTITIONER. Any individual certified by the CAMTC as a massage therapist or massage practitioner pursuant to Section 4600 et seq. of the California Business and Professions Code.

CERTIFIED TRANSCRIPTS. Course transcripts that are received sealed by the Police Department from a recognized school of massage or qualified massage educational program.

CITY COUNCIL. The City Council of the City of Riverbank.

CITY MANAGER. The City Manager of the City of Riverbank or his or her designated representative.

COMPENSATION. A payment, loan, advance, donation, contribution, deposit, or gift of money, or anything of value.

CONVICTION and CONVICTED. A plea or verdict of guilty or a conviction following a plea of *nolo contendere*.

EMPLOY. Includes contracting with independent contractors.

EMPLOYEE. Includes independent contractors.

HEALTH DEPARTMENT. The Stanislaus County Health Department.

HEALTH OFFICER. The person designated by the city as Health Officer, or his or her authorized representative.

MANAGER. The person(s) designated by the operator of the massage establishment to act as the representative and agent of the operator in managing day-to-day operations with the same liabilities and responsibilities. Evidence of management includes, but is not limited to, evidence that the individual has power to direct or hire and dismiss employees, control hours of operation, create policy or rules or purchase supplies. A manager may also be an operator. A massage practitioner permit is not required to qualify as a manager. A manager may not perform any massage services without first meeting the standards and qualifications of massage practitioner.

MASSAGE. The scientific manipulation of the soft tissues. For purposes of this chapter, the terms “massage” and “bodywork” shall have the same meaning.

MASSAGE/BODYWORK ESTABLISHMENT. Any establishment having a fixed place of business where any person, firm, partnership, association, corporation or combination thereof engages in, carries on, or permits to be engaged in or carried on, any massage/bodywork activity for compensation or any other consideration. Any establishment engaged in, carrying on, or permitting any combination of massage/bodywork and bathhouse is a **MASSAGE ESTABLISHMENT**.

MASSAGE/BODYWORK PRACTITIONER. Any person who for any consideration whatsoever engages in the practice of massage/bodywork techniques as defined in this section, unless otherwise exempted.

MASSAGE/BODYWORK TECHNIQUES. Any method of pressure on or friction against, or stroking, kneading, rubbing, tapping, pounding, vibrating or stimulating of the external parts of another human body with the use of the hands, arms, or other portions of the body, or with the aid of any mechanical or electrical apparatus or appliances, with or without such supplementary aids as rubbing alcohol, liniments, antiseptics, oils, powder, creams, lotions, ointments, or other similar preparations commonly used in this practice. **MASSAGE** should also include the giving of any baths as listed below under **PUBLIC BATHHOUSE**.

MASSAGE THERAPY ACT. Provisions in Chapter 10.5 of Division 2 of the California Business and Professions Code commencing with Section 4600.

OPERATOR. All persons who have an ownership interest in the massage establishment and are responsible for its day-to-day operations.

OUT-CALL MASSAGE SERVICE. To engage in or perform massage/bodywork for a fee or other consideration at a location other than a duly licensed massage/bodywork establishment or school of massage.

PERSON. Any individual, co-partnership, firm, association, joint-stock company, corporation, or combination of individuals of whatever form or character.

POLICE CHIEF. The Police Chief of the City of Riverbank Police Services or his or her designated representative.

POLICE DEPARTMENT. The police services of the City of Riverbank.

PUBLIC BATHHOUSE. Any place, including a private club or organization, except as otherwise provided, wherein any person, firm, association, corporation, or partnership engages in, conducts or carries on, or permits to be engaged in, conducted or carried on, or the giving or furnishing of Russian, Finnish, Swedish, hot air, vapor, electric cabinet, steam, mineral, sweat, salt, Japanese, sauna, fomentation, or electric baths, or baths of any kind whatever, including any form of body shampoo. Ordinary tub baths or showers where an attendant is not required, is excluded.

~~**QUALIFIED MASSAGE EDUCATIONAL PROGRAM.** An educational program, class, or course primarily focused on the theory, ethics, practice, profession or work of massage and meeting one of the following criteria:~~

~~—————(1) Provided by a recognized school of massage;~~

- _____ (2) ~~Approved by the California Board of Registered Nursing;~~
- _____ (3) ~~Certified by a state or national professional association devoted to the profession of massage; or~~
- _____ (4) ~~Offered by an accredited college or university.~~

~~Correspondence courses not requiring actual attendance shall not be deemed a qualified massage educational program.~~

_____ **~~RECOGNIZED SCHOOL OF MASSAGE.~~** Any school or institution of learning, registered and/or credentialed with the California State Bureau of Private Post Secondary and Vocational Education, which teaches, through state-certified instructors, the theory, ethics, practice, profession, or work of massage, which school or institution complies with Cal. Education Code §§ 94900 or 94901, and which requires a resident course of study before the student shall be furnished with a diploma or certificate of graduation. ~~Schools offering a correspondence course not requiring actual attendance shall not be deemed a recognized school.~~

REFLEXOLOGY. An integrative health practice that maps a reflection of the body predominantly on the feet, hands and outer ears. It uses unique manual techniques to deliver pressure to neural pathways assisting the body to function optimally.

(Ord. 2006-003, passed 3-13-06; Am. Ord. 2008-004, passed 3-10-08)

APPLICATIONS AND PERMITS

§ 119.03 PERMIT REQUIRED.

(A) It is unlawful for any person to engage in, conduct or carry on, or to permit to be engaged in, conducted or carried on, in or upon any premises in the city, the operation of a massage establishment, as defined in this chapter, without first having obtained a permit from the city after approval by the Police Chief and requisite city officers.

(B) It is unlawful for any person to act as a massage/bodywork practitioner, instructor or trainee, or to take any other position of employment with a massage establishment or school of massage, without possessing a City business license, a valid CAMTC certificate obtained, and maintained in compliance with the Massage Therapy Act, and a permit issued by the Police Chief in accordance with this section.

(Ord. 2006-003, passed 3-13-06; Am. Ord. 2008-004, passed 3-10-08)

§ 119.04 CERTIFICATION REQUIRED

It is unlawful for any person to perform or engage in the practice of massage for compensation within the city without possessing a valid CAMTC certificate obtained and maintained in compliance with the Massage Therapy Act, and a permit issued by the Police Chief in accordance with this section. All persons certified by the CAMTC shall have the right to perform or engage in the practice of massage consistent with the

Massage Therapy Act, the qualifications established by his or her certification, and the provisions of this chapter.

Persons that are granted an exemption from the CAMTC certification requirement by the city will still be required to meet all other terms of this chapter including but not limited to the background check required of massage establishment owners that are not certified by the CAMTC. All persons under this exemption will be required to display, in the same manner this chapter requires the display of CAMTC certification, a separate statement from the city to show that the person has met the requirements of this exemption. This exemption must be renewed annually and the city may establish a non-refundable fee to recover costs associated with such annual renewals.

§ 119.05 BUSINESS LICENSE REQUIRED

(A) It shall be unlawful for any massage establishment to operate, or any independently employed certified massage practitioner or therapist to perform or engage in the practice of massage for compensation within the city, without first obtaining a city business license;

(B) In applying for a city business license, a massage establishment owner shall fill out an application and shall file along with the completed application a copy of the current and valid CAMTC certificate and a CAMTC photo identification card possessed by every person who will be performing or engaging in the practice of massage at the massage establishment;

(C) In applying for a city business license, a certified massage practitioner or therapist who will be independently employed shall fill out an application and shall file along with the completed application a copy of his or her current and valid CAMTC certificate and a CAMTC photo identification card;

(D) Prior to the issuance of a city business license to any massage establishment or any independently employed certified massage practitioner or certified massage therapist, the police department shall make a reasonable investigation into the information provided in the application, and shall contact the CAMTC to verify the status of the CAMTC certificate(s) filed by the business license applicant;

(E) No city business license shall be issued to a massage establishment that will employ or contract with one or more persons to perform or engage in the practice of massage without that person or persons possessing a current and valid CAMTC certificate;

(F) No city business license shall be issued to a person who wishes to perform or engage in the practice of massage for compensation within the city and who does not possess a current and valid CAMTC certificate

(G) The city may deny a business license to any applicant who has provided materially false information in applying for a business license; and

(H) The chief of police may order that a business license required by this chapter be revoked pursuant to the procedures set forth in §110.26.

§ 119.06 FEES.

The City Council shall establish by resolution, and from time to time may amend the fees for the administration of this chapter. The city may include in this resolution a health services fee schedule prescribing annual fees to be paid by the operator of each massage establishment, such fees to be paid directly to the Health Department and retained by the county as reimbursement for the services related to this chapter. Fees required by this chapter shall be in addition to any required by this code.

(Ord. 2008-004, passed 3-10-08)

§ 119.07 APPLICATION FOR OPERATOR PERMIT.

(A) Any person seeking an operator permit for a massage establishment shall file a written application on the required form with the Police Chief and submit all required documentation. The application shall be accompanied by the appropriate nonrefundable filing fee established by resolution of the City Council. The application shall be completed and signed by the operator, or authorized representative thereof, of the proposed massage establishment. The permit application does not authorize the operation of a massage establishment unless and until such permit has been properly granted. The application shall contain or be accompanied by the following information:

(1) The type of ownership of the business. If the applicant is a corporation, the name of the corporation shall be set forth exactly as shown in its articles of incorporation or charter, together with the state and date of incorporation and the names and residential addresses of each of its current officers and directors, and of each stockholder holding more than 5% of the stock of that corporation. If the applicant is a partnership, the application shall set forth the name and residence of each of the partners, including limited partners. If it is a limited partnership, it shall furnish a copy of its certificate of limited partnership filed with the Secretary of State. If one or more of the partners is a corporation, the provisions of this division (1) pertaining to corporations shall apply. A corporate or partnership applicant shall designate one of its officers or general partners to act as its responsible managing officer. Such designated persons shall complete and sign all application forms required for an individual applicant under this chapter, but only one application fee shall be charged.

(2) The precise name under which the massage establishment is to be conducted.

(3) The complete address and all telephone numbers of the massage establishment.

(4) A complete and current list of the names and residential addresses of all proposed massage practitioners and employees in the massage establishment and the name and residential addresses of the manager(s) proposed to be principally in charge of the operation of the massage establishment.

(5) The proposed hours of operation of the massage establishment.

(6) A description of any other business operated on the same premises or within the city or the state which is owned or operated by the applicant.

(7) For each person who will be providing massage therapy, a copy of his or her current certification from CAMTC and a copy of his or her current CAMTC issued identification card. For each owner who is a CAMTC certified massage professional, a copy of his or her current certification from CAMTC and a copy of his or her current CAMTC issued identification card.

(8) The following personal information concerning the operator applicant:

(a) Current address and telephone number and all previous residential addresses for the eight-years preceding the date of the application;

(b) Acceptable proof that the applicant is at least 18 years of age;

(c) Copies of driver's license and Social Security card;

(d) Height, weight, color of hair and eyes, and gender;

(e) Two current "passport" photographs of the applicant, each not exceeding four square inches in size, and being only front views of the face and head;

(f) The applicant's complete business, occupation and employment history for the eight years preceding the date of the application, including, but not limited to, massage or similar business history and experience of the applicant;

(g) The complete massage permit history of the applicant; whether such person has ever held any certification, permit or license issued by any agency, board, city, county, territory or state; the date of issuance of such a certification, permit or license; and whether the certification, permit or license was denied, revoked, or suspended, and the reasons therefore;

(h) All criminal convictions, including pleas of *nolo contendere*, within the last eight years, including those dismissed or expunged pursuant to Cal. Penal Code § 1203.4, but excluding minor traffic violations, and the date and place of each such conviction and explanation thereof;

(i) A complete set of livescan as directed by the Police Department.

(9) The name and address of the owner and lessor of the real property upon which the business is to be conducted. In the event the applicant is not the legal owner of the property, the application must be accompanied by a copy of the lease and a notarized acknowledgment from the owner of the property that a massage establishment will be located on his or her property.

(10) Authorization for the city, its agents and employees to seek verification of the information contained in the application.

(11) Such other identification and information as the Police Chief may reasonably require in order to discover the truth of the matters herein specified and as required to be set forth in the application.

(12) A statement in writing and dated by the applicant that he or she certifies under penalty of perjury that all information contained in the application is true and correct.

(13) Statements in writing and dated by the applicant and the applicant's designated manager(s) certifying under penalty of perjury that they:

(a) Will only employ or retain CAMTC certified massage professionals, and failure to comply may result in the suspension or revocation of the massage establishment permit;

(b) Have received a copy of this chapter;

(c) Understand its contents; and

(d) Understand the duties of an operator or manager, respectively, as provided by this chapter.

(B) If operator is also going to be a massage practitioner, then all requirements and additional applicable fees, as adopted by city resolution, also must be met and paid prior to the issuance of a permit.

(C) If, during the term of a permit, the permit holder has any change in information submitted on the original or renewal application, the permit holder shall notify the Police Department of such change in writing within ten business days thereafter.

(Ord. 2008-004, passed 3-10-08)

§ 119.08 OPERATOR PERMIT ISSUANCE AND DENIAL.

(A) Upon receipt of a complete permit application, the Police Chief shall conduct an investigation to ascertain whether such permit should be issued as requested. The Police Chief shall, within 60 days of receipt of an application, approve, conditionally approve or deny the application. The 60-day period may be extended for up to 30 additional days, if necessary, to complete the investigation. The Police Chief shall issue such permit as requested, unless he or she makes any of the following findings:

(1) The applicant, or any officers, directors, or partners, or any person directly engaged or employed in the massage establishment, has within the eight-years preceding the date of the application:

(a) Been convicted of a violation of Cal. Penal Code §§ 266, 266a, 266b, 266d, 266e, 266f, 266g, 266h, 266i, 314, 315, 316, 318, 647(a), (b), or (d), or any other provision of law pursuant to which a person is required to register under the provisions of Cal. Penal Code § 290 or when the prosecution accepted a plea of guilty or *nolo contendere* to a charge of a violation of Cal. Penal Code § 415 or any

lesser included or lesser related offense in satisfaction of, or as a substitute of, any of the previously listed crimes;

(b) Been convicted of a violation of Cal. Health and Safety Code § 11550 or any offense involving the illegal sale, distribution, or possession of a controlled substance specified in Cal. Health and Safety Code §§ 11054, 11055, 11056, 11057, or 11058;

(c) Been convicted of any offense in any other state which is the equivalent of any of the above-mentioned offenses;

(d) Been subjected to a permanent injunction against the conducting or maintaining of a nuisance pursuant to Cal. Penal Code § 11225 *et seq.*, or any similar provisions of law in a jurisdiction outside the State of California;

(e) Been convicted of an act involving dishonesty, fraud, deceit, or moral turpitude, or an act of violence, which act or acts are related to the qualifications, functions, or duties of an operator;

(f) Has had an operator or massage technician permit or other similar certification, permit or license denied, suspended or revoked for cause by a licensing authority or by any city, county or state.

(2) The applicant has made a false, misleading, or fraudulent statement or omission of fact to the city in the permit application process.

(3) The application does not contain all of the information required by § 119.09.

(4) The massage establishment, as proposed by the applicant, does not comply with all applicable laws, including, but not limited to, health, zoning, fire, and safety requirements and standards.

(5) The applicant has not satisfied the requirements of this chapter in the time specified.

(6) Any individual offering or performing Massage at or on behalf of a Massage Business is not in possession of valid CAMTC certificate.

(7) If the application is denied for failure to comply with division (A)(2) or (3) of this section, the applicant may not reapply for a period of six months from the date the application was denied.

(B) All operators and managers shall comply with the following conditions to the operator permit and any other reasonable conditions imposed by the Police Chief:

(1) *Prohibited massage areas.* Except to the extent required, in writing, by a state-licensed medical practitioner, no massage practitioner shall massage the genitals or anal area of any patron or the breast(s) of any female patron, nor shall any operator or manager of a massage establishment allow or permit such massage pursuant to Cal. Business and Professions Code § 4609. No operator or manager, while performing any task or service associated with the massage establishment, shall be

present in any room with another person unless the person's genitals, gluteal crease, anus or, in the case of a female patron, breast(s), are fully covered.

(2) *Names.* No operator granted a permit pursuant to this section shall use any name or conduct business under any designation not specified in his or her permit.

(3) *Manager on premises.* The massage establishment shall have a manager on the premises at all times during hours of operation. The operator(s) shall file a statement with the Police Chief designating the person with power to act as a manager. The operator shall also file with the Police Chief a statement, signed and dated by each manager designated after permit issuance, certifying under penalty of perjury that they:

- (a) Have received a copy of this chapter;
- (b) Understand its contents; and
- (c) Understand the duties of a manager as provided in this chapter.

(4) *Licensed massage practitioner on premises.* During the hours of operation, the massage establishment shall have at least one massage practitioner holding a current valid certificate issued by the CAMTC on the premises and on duty at all times.

(5) *Operator/manager responsibility.* The operator and on-duty manager shall be responsible for the conduct of all employees while the employees are on the licensed premises. An act or omission of any employee constituting a violation of the provisions of this chapter shall be deemed the act or omission of the operator for purposes of determining whether the operator permit shall be revoked, suspended, denied, or renewed.

(6) *Certified massage practitioners.* The operator or manager shall not employ any person as a massage practitioner who does not have a valid CAMTC certificate. The operator shall report to the Police Chief any change of employees, whether by new or renewed employment, discharge or termination, on the form and in the manner required by the Police Chief. The report shall contain the name of the employee and the date of hire or termination. The report shall be made within five days of the date of hire or termination. The operator shall deliver the permit and photo identification card of any massage practitioner no longer employed by the operator to the Police Chief within five days of employment termination.

(7) *Insurance.* No person shall engage in, conduct, or carry on the business of a massage establishment unless there is on file with the Police Chief, in full force and effect at all times, documents issued by an insurance company authorized to do business in the state evidencing that the operator is insured under a liability insurance policy providing minimum coverage of \$500,000 for injury or death arising out of the operation of the massage establishment and/or the administration of a massage.

Each operator shall provide the Police Chief with evidence of insurance within 45 days prior to the date of issuance of the permit.

(8) *Compliance with code.* The operator shall comply with all provisions of this chapter and any applicable provisions of the Riverbank Municipal Code.

(9) *Inspections and searches.* By applying for a permit, the operator consents to the inspection of the massage establishment by the city's Building Department, Police Department, Fire Department, and Health Department for the purpose of determining that the provisions of this chapter or other applicable laws or regulations are met. The operator consents to the inspection of the occupied massage rooms by the Police Department for the purpose of determining that the provisions of this chapter are met upon occurrence of any of the conditions described in § 119.14(B)(17) which would require the posting of the notice to all patrons.

(Ord. 2008-004, passed 3-10-08)

§ 119.09 APPLICATION FOR MASSAGE PRACTITIONER/EMPLOYEE.

(A) Any person seeking a massage practitioner permit shall file a written application on the required form with the Chief of Police. The application shall be accompanied by the appropriate non-refundable filing fee established by resolution of the City Council. The application shall be accompanied by the required supporting documentation. The application shall contain the following information:

(1) A statement of the exact location at which the applicant will be working as a massage practitioner, including the full street address and all telephone numbers associated with the location.

(2) The following personal information of the practitioner applicant:

- (a) Full complete name and all aliases used by the applicant;
- (b) Current address and telephone number and all previous residential addresses for the eight years preceding the date of the application;
- (c) Acceptable written proof that the applicant is at least 18 years of age;
- (d) Driver's license and Social Security card;
- (e) Height, weight, color of hair and eyes, and gender;
- (f) Two current "passport" photographs of the applicant, each not exceeding four square inches in size, and being only front views of the face and head;
- (g) The applicant's business, occupation and employment history of the applicant for the eight years immediately preceding the date of the application, including, but not limited to, massage or similar business history and experience of the applicant;

(h) The complete massage permit history of the applicant: whether such person has ever had any permit or license issued by any agency, board, city, county, territory or state; the date of issuance of such a permit or license; and whether the permit or license was denied, revoked or suspended, and the reasons therefore.

(3) All criminal convictions, including pleas of *nolo contendere*, within the last eight years, including those dismissed or expunged pursuant to Cal. Penal Code § 1203.4, but excluding minor traffic violations, and the date and place of each such conviction and explanation thereof.

(4) A complete set of livescan as directed by the Police Department.

(5) Authorization for the city, its agents and employees to seek verification of the information contained in the application.

(6) Such other identification and information as the Police Chief may reasonably require in order to discover the truth of the matters herein specified and as required to be set forth in the application.

(7) A statement in writing and dated by the applicant that he or she certifies under penalty of perjury that all information contained in the application is true and correct.

(8) Statements in writing and dated by the applicant certifying under penalty of perjury that he or she:

(a) Has received a copy of this chapter;

(b) Understands its contents; and,

(c) Understands the duties of a massage practitioner as provided in this chapter.

(9) For each person who will be providing massage therapy, a copy of his or her current certification from CAMTC and a copy of his or her current CAMTC issued identification card. For each owner who is a CAMTC certified massage professional, a copy of his or her current certification from CAMTC and a copy of his or her current CAMTC issued identification card.

~~(a) The Police Chief may consider an applicant's study of massage completed outside of the state if proof of completion from a formalized course of study massage practice, anatomy, and/or physiology is provided with the application. Proof of completion shall include dates of study and the name, address, and phone number of the school attended, the original diploma or certificate, and certified transcripts of graduation.~~

~~(b) Any out of state course of study submitted for approval shall meet the State of California's Office of Post-Secondary Education's minimum requirements and be for completion of 500 hours of on-premises training.~~

(B) If, during the term of a permit, a permit holder has any change in information submitted on the original or renewal application, the permit holder shall notify the Police Department of such change in writing within ten business days thereafter.

(Ord. 2006-003, passed 3-13-06; Am. Ord. 2008-004, passed 3-10-08)

§ 119.10 MESSAGE PRACTITIONER PERMIT ISSUANCE AND DENIAL.

(A) Upon receipt of a complete permit application, the Police Chief shall conduct an investigation to ascertain whether such permit should be issued as requested. The Police Chief shall approve, conditionally approve, or deny the application within 60 days of the filing of an application. The 60-day period may be continued for up to 30 additional days, if necessary, to complete the inspection. The Police Chief shall issue such permit as requested, unless he or she makes any of the following findings:

(1) The applicant has, within eight years preceding the date of the application, been convicted of any of the following:

(a) A violation of Cal. Penal Code §§ 266, 266a, 266b, 266d, 266e, 266f, 266g, 266h, 266i, 314, 315, 316, 318, 647(a), (b), or (d) or that the applicant is required to register under the provisions of Cal. Penal Code § 290 or when the prosecution accepted a plea of guilty or *nolo contendere* to a charge of a violation of Cal. Penal Code § 415 or any lesser included or lesser related offense in satisfaction of, or as a substitute for, any of the previously listed crimes;

(b) A violation of Cal. Health and Safety Code § 11550 or any offense involving the illegal sale, distribution, or possession of a controlled substance specified in Cal. Health and Safety Code §§ 11054, 11055, 11056, 11057 or 11058;

(c) Any offense in any other state which is the equivalent of any of the above-mentioned offenses; or

(d) An act involving dishonesty, fraud, deceit, or moral turpitude, or an act of violence, which act or acts are substantially related to the qualifications, functions, or duties of a massage practitioner.

(2) The applicant has had an operator permit or massage practitioner permit or other similar license or permit denied, suspended, or revoked for cause by a licensing authority or by any city, county or state within eight years prior to the date of the application.

(3) The applicant has knowingly made a false, misleading or fraudulent statement or omission of fact to the city in the permit application process.

(4) The application does not contain the information required by § 119.07.

(5) The applicant has not satisfied the requirements of this chapter in the time specified.

(6) If the application is denied for failure to comply with divisions (A)(3) or (4) of this section, the applicant may not reapply for a period of six months from the date the application was denied.

(B) All massage practitioners shall comply with the following conditions and any other reasonable conditions specified by the Police Chief on issuance of the massage practitioner permit.

(1) *Prohibited massage areas.* Except to the extent required, in writing, by a state-licensed medical practitioner, no massage practitioner shall massage the genitals or anal area of any patron or the breast(s) of any female patron.

(2) *Covering.* No massage practitioner shall massage any patron unless the person's genitals, gluteal crease, anus and, in the case of a female patron, breast(s), are fully covered at all times while the practitioner is present in the same room as the patron.

(3) *Identification cards.* The massage practitioner shall wear a photo identification card prepared and issued by the city at all times when present in the massage establishment. Such identification shall be provided to city regulatory officials upon demand. The identification card shall be placed on outer clothing with the photo side facing out. If a massage practitioner changes his or her business address, he or she shall, prior to such change, obtain from the Police Chief a new photo identification card and advise the Police Department, in writing, of the new business address.

(4) *Massage locations.* Massage practitioner shall not perform any massage at any location other than the massage establishment specified on the permit.

(5) *Names.* While on duty, the massage practitioner shall not use any name other than that specified on the photo identification card.

(6) *Clothing.* The massage practitioner shall be fully clothed at all times. Clothing shall be of a fully opaque, non-transparent material and provide complete covering of the genitals, pubic area, buttocks, anal area, and chest.

(7) *Inspections and searches.* The massage practitioner consents to the inspection of the massage establishment by the city's Building Department, Police Department, Fire Department, and Health Department for the purpose of determining that the provisions of this chapter or other applicable laws or regulations are met. The massage practitioner consents to the inspection of the occupied massage rooms by the Police Department for the purpose of determining that the provisions of this chapter are met upon occurrence of any of the conditions described in § 119.14(B)(17) which would require the posting of the notice to all patrons.

(8) *Continuing education.* On an annual basis, the massage practitioner shall complete no fewer than 12 hours of continuing education in the practice of massage from a qualified massage educational program.

(Ord. 2008-004, passed 3-10-08)

§ 119.11 APPLICATION/OPERATION SCHOOL OF MASSAGE.

Every application for a school of massage shall be accompanied by:

(A) Proof of approval from the CAMTC, pursuant to California Business and Professions Code Section 4600 et seq.;

(B) Proof of approval pursuant to Cal. Education Code §§ 94900 or 94901;

(C) A statement of the educational and experience qualifications, and the names and residence addresses of all directors, administrators, and instructors;

(D) A copy of the course outline, schedule of tuition, fees and other charges, regulations pertaining to tardiness and absence grading policy, and rules of operation and conduct;

(E) A school of massage permit shall not be issued for the same location as a massage/bodywork establishment.

(Ord. 2006-003, passed 3-13-06; Am. Ord. 2008-004, passed 3-10-08)

~~§ 119.10 APPLICATION, HEALTH CERTIFICATE.~~

~~—Every application filed by a person shall be accompanied by a certificate, from a physician licensed to practice medicine in the state that the applicant has been tested within the previous 30 days in a manner to be approved by the Health Officer, and has been found to be free of all contagious, infectious, and communicable disease.~~

(Ord. 2006-003, passed 3-13-06; Am. Ord. 2008-004, passed 3-10-08)

§ 119.12 VERIFICATION.

Every application for a permit under this chapter shall be verified by affidavit, declaration, or certification under penalty of perjury as provided in the California Code of Civil Procedure.

(Ord. 2006-003, passed 3-13-06; Am. Ord. 2008-004, passed 3-10-08)

§ 119.13 REFERRAL TO OTHER DEPARTMENTS.

(A) Copies of an application for a massage establishment or school of massage permit shall be referred to the Building Inspector, the Fire Marshal, the Health Officer and the Police Chief, who shall review facility plans and inspect the premises proposed to be operated as a massage establishment.

(B) All other applications shall be referred to the Health Officer and the Police Chief for their approval or written recommendations.

(Ord. 2006-003, passed 3-13-06; Am. Ord. 2008-004, passed 3-10-08)

REQUIREMENTS AND RESTRICTIONS

§ 119.14 MASSAGE ESTABLISHMENT, GENERALLY.

(A) *Facilities.*

(1) *Structure.* Massage establishments shall be located in a zoning district which permits such use. Prior to a proposed massage establishment being constructed or opened for business, seven sets of plans shall be submitted to the city and the Health Department for approval and shall be accompanied by the appropriate non-refundable facility review plan fee as adopted by city resolution.

(2) *Signs; display of permits.* Each operator shall post and maintain, in compliance with existing state and city laws, a readable sign identifying the premises as a massage establishment. The sign and the front of the business shall not be illuminated by strobe or flashing lights. Each operator and/or on-duty manager shall display the operator permit in a conspicuous public place in the lobby of the massage establishment. Each operator and/or on-duty manager shall ensure the CAMTC certificate for each massage practitioner employed at the establishment (whether on duty or not) is conspicuously displayed in a public place in the lobby, and that each massage practitioner is wearing the required identification at all times wherein the massage establishment. The operator and/or on-duty manager must also post, on a daily basis in a conspicuous public place in the lobby, the name of the operator and on-duty manager, as well as all on-duty massage practitioners. Finally, the hours of operation must be posted in the front window and clearly visible from the outside.

(3) *Services list.* Each operator shall post and maintain a list of available services, in bold letters not less than one inch in height, and the cost of such services in a conspicuous public place within the premises. No massage establishment may offer baths as a service. No operator or on-duty manager shall permit, and no massage practitioner shall offer or perform, any service or activity other than those posted. No sum shall be charged for such massage services greater than that shown on the services list.

(4) *Lighting.* Each operator shall provide in each room where massage is given sufficient lighting and ventilation that complies with the Uniform Building Code. The lighting in each massage room shall be activated at all times while the patron is in such room or enclosure.

(5) *Restroom facilities.* A minimum of one toilet and one separate wash basin shall be provided for patrons in each massage establishment, which basin shall provide soap or detergent and hot running water at all times and shall be located within close proximity to the area devoted to massage services. A permanently installed soap dispenser, filled with soap, and a single service towel dispenser shall be provided at the restroom hand wash sink. No bar soap may be used. A trash receptacle shall be provided in each toilet room. Showers may be provided at the operator's option.

(6) *Separate rooms.* If male and female patrons are to be treated simultaneously, separate massage rooms shall be provided for male and female patrons.

(7) *Maintenance.* All facilities for the massage establishment must be in good repair and shall be thoroughly cleaned and sanitized each day the business is in operation. All walls, floors, and ceilings of each restroom and shower area shall be made smooth and easily cleanable. No carpeting shall be installed in any of these areas.

(8) *Massage table.* A massage table shall be provided in each massage room and the massage shall be performed on this massage table, with the exception of "Thai," "shiatsu," and similar forms of massage therapy, which may be provided on a padded mat on the floor, provided the patron is fully attired in loose clothing, pajamas, scrubs, or similar style of garment. The tables should have a minimum height of 18 inches. Two-inch thick foam pads with maximum width of four feet may be used on a massage table and shall be covered with durable, washable plastic or other waterproof material. Beds, floor mattresses, and waterbeds are not permitted on the premises.

(9) *Handicapped areas.* Massage establishments shall comply with all state and federal laws and regulations for handicapped customers.

(10) *Doors.* All front, reception, hallway, or front exterior doors (except back or exterior doors used solely for employee entrance to and exit from the massage establishment) shall be unlocked during business hours, except as may be permitted by applicable law (such as the Uniform Fire Code) which allow for safety doors which may be opened from the inside when locked. Massage establishment may lock its external doors if the massage establishment is a business entity owned by one individual with one or no employees or independent contractors pursuant to Gov. Code 51034 (c)(6). No massage may be given within any cubicle, room, enclosure, or any area within a massage establishment which is fitted with a lock of any kind (such as a locking door knob, padlock, dead bolt, sliding bar, or similar device), unless the only door is an exterior door. All interior doors leading into massage rooms shall have unobstructed windows.

(B) *Operations.*

(1) *Equipment.* Each operator and/or on-duty manager shall provide and maintain on the premises adequate equipment for disinfecting and sterilizing instruments used in massage.

(2) *Inspections.* The operator and/or on-duty manager consents to the inspection of the massage establishment by the city's Building Department, Police Department, and the Fire Department and Health Department for the purpose of determining that the provisions of this chapter or other applicable laws or regulations are met.

(a) The city's Building Department, Police Department, Fire Department, and Health Department may, from time to time, make an inspection of each massage establishment for the purpose of determining that the provisions of this chapter, state law or other applicable laws or regulations are met. Routine inspections shall not occur more than ~~twice~~ six times a year, unless violations are found or complaints are received. Criminal investigations may be conducted as directed by the Police Chief. The Police Department may inspect the occupied massage rooms for the purpose of determining that the provisions of this chapter are met upon occurrence of any of the conditions described in division (B)(17) of this section which would require the posting of the notice to all patrons. During an inspection, the Police Department may verify the identity of all on-duty employees.

(b) Inspections of the massage establishment shall be conducted during business hours.

(c) An operator or his or her agent, servant, or employee commits an offense if he or she refuses to permit, impedes, or interferes with a lawful inspection of the premises by a representative of the Police Department at any time it is occupied or open for business.

(3) *Clothing.* All persons employed in the massage establishment shall be fully clothed at all times while present at the massage establishment. Clothing shall be of a fully opaque, non-transparent material and shall provide complete covering of the genitals, pubic area, buttocks, anal area, and chest.

(4) *Roster of employees.* The operator and/or on-duty manager shall maintain a register of all employees showing the full legal name, nicknames, and aliases used by the employee, residential address, age, birth date, gender, height, weight, color of hair and eyes, phone numbers, date of employment and termination, if any, and duties of each employee. The above information on each employee shall be maintained in the register on the premises for a period of two years following termination. Operators shall maintain a register of all therapists for review by local authorities that demonstrates all therapists providing massage services are CAMTC certified. The operator and/or on-duty manager shall make the register of employees available immediately for inspection upon demand of representatives of the Police Department, City Code Enforcement, or County Health Officer at all reasonable times.

(5) *Linen.* Common use of towels or linen shall not be permitted. Towels and linen shall be laundered or changed promptly after each use. Separate cabinets or containers shall be provided for the storage of clean and soiled towels or linen.

(6) *Living prohibited.* No person or persons shall be allowed to live inside the massage establishment at any time. All living quarters shall be separate from the massage establishment. No food of any kind shall be prepared for sale or sold in the establishment unless an appropriate food vending permit is granted by the County of Stanislaus. No mattresses or other bedding are allowed in the massage establishment or school of massage.

(7) *Sleeping prohibited.* No massage establishment or school of massage, whether or not located in any building originally constructed for residential or sleeping purposes, shall be used for residential or sleeping purposes.

(8) *Alcoholic beverages/drugs.* No person shall enter, be in or remain in any part of a massage establishment licensed under this chapter while in possession of, consuming, using or under the influence of any alcoholic beverage or controlled substance. The operator and on-duty manager shall be responsible to ensure that no such person shall enter or remain upon the massage establishment. Service of alcoholic beverages shall not be permitted.

(9) *Recordings.* No electrical, mechanical or artificial device shall be used by the operator or any employee of the massage establishment for audio and/or video

recording or for monitoring the performance of a massage or the conversation or other sounds in the massage rooms without the knowledge or consent of the patron and the written permission of the Police Department.

(10) *Coverings.* Each massage establishment shall provide to all patrons clean, sanitary and opaque coverings capable of covering the patrons specified anatomical areas, including the genital area, anus and female breast(s). No common use of such coverings shall be permitted, and re-use is prohibited unless adequately cleaned.

(11) *Records or treatment.* The operator shall keep a record of the dates and hours of each treatment or service, the first and last name and address of the patron, the name of practitioner administering such service and a description of the treatment or service rendered. A short medical history form shall be completed by the patron to determine if the patron has any communicable diseases, areas of pain, high blood pressure or any physical condition which may be adversely affected by massage. These records shall be prepared prior to administering any massage or treatment and shall be retained for a period of 24 months after such treatment or service. These records shall be open to inspection upon demand only by officials charged with enforcement of this chapter and for no other purpose. The Police Department shall periodically inspect the records to ensure compliance with this section. The information furnished or secured as a result of any such records should be used only to ensure and enforce compliance with this chapter or any other applicable state or federal laws and shall remain confidential. Any unauthorized disclosure or use of such information by any officer or employee of the city shall constitute a misdemeanor.

(12) *Advertising.* No massage establishment shall place, publish or distribute, or cause to be placed, published or distributed, any advertising matter that depicts any portion of the human body or employs text that would reasonably suggest to prospective patrons that any service is available other than those services authorized by this chapter. No massage establishment shall place, publish or distribute, or cause to be placed, published or distributed, any obscene advertising matter. It shall be unlawful to falsely state or advertise, or put out any sign or card or other device, or falsely represent to the public through any print or electronic media, that any person who is employed or retained to perform massage therapy for compensation is a CAMTC certified massage professional by use of the title "licensed," "certified," certified massage practitioner (CMP) or certified massage therapist (CMT), or the use of any other term that implies or suggests that the person is currently a CAMTC certified massage professional. It shall be unlawful to fail to include the legal name under which any massage professional is certified and his or her CAMTC certificate number in any advertising of massage therapy for compensation. For the purposes of this section, pseudonyms are not sufficient. It shall be unlawful to publish or distribute any advertising matter or business identification card through any print or electronic media that are classified as for adults only or similar classification. It shall be unlawful to publish or distribute any advertising matter or business identification card that is sexually suggestive or that would reasonably suggest that any service is available other than a massage as defined in this chapter.

(13) *Access.* No person(s) other than CAMTC certificate holders, permitted operators under this chapter and customers will be allowed anywhere in the massage establishment other than the lobby/reception area during hours of operation. Entry doors to any room shall not be obstructed by any means.

(14) *Sexual paraphernalia.* Instruments, devices or paraphernalia that are designed for use in connection with sexual activities, including, but not limited to, condoms, shall not be permitted within a massage establishment.

(15) *Compliance.* Massage establishments shall comply with all applicable provisions of the Riverbank Municipal Code and Cal. Business and Professions Code § 4600 et sq.

(16) *Discrimination.* No massage establishment may discriminate or exclude patrons on the basis of their race, sex, religion, age, handicap, or any other classification protected under federal or state laws, rules or regulations.

(17) *Notices.* The Police Chief may require the notice below be posted in all massage rooms on premise to ensure patrons are aware of the possibility of an inspection, in the event that any employee of the massage establishment or any person who has been aided and abetted by an employee of the massage establishment has been found, after full hearing by administrative proceeding or state court, to have violated any of the offenses listed in §§ 119.08 and 119.10.

NOTICE TO ALL PATRONS

THIS MESSAGE ESTABLISHMENT AND THE MESSAGE ROOMS DO NOT PROVIDE COMPLETE PRIVACY AND ARE SUBJECT TO INSPECTION BY THE RIVERBANK POLICE SERVICES WITHOUT PRIOR NOTICE.

(a) The notice set forth above shall be prepared and issued by the Police Chief.

(b) The notices shall be conspicuously posted in a location within the massage establishment that are easily visible to any person entering the premises and in each massage room. The notice shall be so posted for 12 months following the violation of any of the offenses set forth above.

(c) The requirement for posting the notice described in this division (17) is cumulative and in addition to all other remedies, violations and penalties set forth in this chapter or in the ordinances, laws, rules or regulations of the city, County of Stanislaus, and the State of California.

(Ord. 2006-003, passed 3-13-06; Am. Ord. 2008-004, passed 3-10-08)

§ 119.15 MESSAGE ESTABLISHMENT HOURS.

No person shall conduct or operate a massage establishment or service between the hours of 8:00 p.m. and 8:00 a.m.

(Ord. 2006-003, passed 3-13-06; Am. Ord. 2008-004, passed 3-10-08)

§ 119.16 CHANGES OF BUSINESS.

(A) Every massage establishment operator shall report immediately to the Police Department any and all changes of ownership or management of the massage establishment or business, including, but not limited to, changes of manager or other person principally in charge, stockholders holding more than 5% of the stock of the corporation, officers, directors and partners, any and all changes of name, style or designation under which the business is to be conducted and all changes of address or telephone numbers of the massage business. A change of location of any of the premises may be approved by the Police Chief, provided there is compliance with all applicable regulations of the city.

(B) No massage practitioner permit or operator permit may be sold, transferred or assigned by a permittee, or by operation of law, to any other person or persons. Any such sale, transfer or assignment, or attempted sale, transfer or assignment shall be deemed to constitute a voluntary surrender of such permit and such permit shall thereafter be null and void.

(C) If the permittee is a partnership and one or more of the partners should die, one or more of the surviving partners may acquire, by purchase or otherwise, the interest of the deceased partner or partners without effecting a surrender or termination of such permit, and in such case, the permit, upon notification to the Police Chief, shall be placed in the name of the surviving partners.

(D) Upon the death or incapacity of a permittee, the massage establishment may continue in business for a reasonable period of time, not to exceed 30 days, to allow for an orderly application of a new permit.

(Ord. 2006-003, passed 3-13-06; Am. Ord. 2008-004, passed 3-10-08)

§ 119.17 TRANSFER AND RENEWAL OF PERMITS.

(A) No permit issued hereunder shall be transferable to any other person or establishment; provided, however, an additional location or change of location of a massage practitioner permit will be allowed upon prior written notice to the Police Chief and payment of the appropriate transfer fee.

(B) Renewal applications shall include such information as may be required by the Police Chief to update the information contained in the original permit application. ~~For renewal of massage practitioners permits, the permittee shall produce evidence of satisfaction of the continuing education requirement as provided by § 119.10(B)(8).~~ The applicant shall accompany the application for renewal with the appropriate filing fee.

(C) Permits for operators and employees shall be renewed on a year-to-year basis, provided, that the permittee continues to meet the requirements set out in this chapter.

(D) Applications for permit renewal shall be filed with the Police Chief before the expiration of the existing permit. Temporary permits will not be issued and renewal applications must be filed no later than 60 days prior to the expiration of the permit to prevent a lapse of the permit.

(Ord. 2008-004, passed 3-10-08)

§ 119.18 EXEMPTIONS.

(A) The requirements of this chapter shall have no application and no effect upon and shall not be construed as applying to any persons designated as follows: state-licensed physicians, surgeons, chiropractors, physical therapists, osteopaths, or any registered or licensed vocational nurse working on the premises of, and under the direct supervision of, a state-licensed physician, surgeon, chiropractor, or osteopath. Practical nurses or other persons without qualifications as massage practitioners whether employed by physicians, surgeons, chiropractors, or osteopaths or not, may not give massage or massage procedures.

(B) Students enrolled at a recognized school of massage; provided that such students perform massage therapy only under the direct personal supervision of an instructor who holds a valid CAMTC certificate as part of the curriculum.

(C) Commencing on the effective date of this chapter, all permits shall be issued in accordance with the provisions of this chapter.

(D) An applicant for a reflexology exemption from this chapter that does not hold themselves out to be a massage therapist, or do massage, massage therapy, or other bodywork practices where licensing is required, shall present evidence of the following minimum qualifications to the Chief of Police:

- (1) Each applicant must be an individual, individually licensed and insured;
- (2) Be 18 years of age or older;
- (3) Provide a copy of a certificate of attendance from a reflexology program that meets industry standards of 100 hours of education taught by an educator recognized by the National Council for Reflexology Educators (NCRE) as a national board-certified reflexology educator; or
- (4) Evidence of satisfactory passage of the American Reflexology Certification Board (ARCB) examination or another psychometrically valid reflexology exam; or
- (5) Evidence of membership in good standing in the California state professional association—The Reflexology Association of California or its successor—that requires its members adhere to a code of ethics;
- (6) Possession of practitioner liability insurance coverage in the minimum amount of one million dollars (\$1,000,000.00);
- (7) Provide a passport size photo I.D. with the application;

- (8) If an applicant is not a United States citizen, provide evidence of legal presence and employability in the United States.
- (9) Provides background check and Live Scan finger printing; and
- (10) Meets all appropriate zoning ordinances when conducting a home-based business.

(E) Existing operator and massage practitioner permits shall continue in effect until expiration. All existing permit holders shall have an additional 24-months from the effective date of this chapter to meet and comply with the 500-hour training requirement.

~~_____ (E) A bona fide nonprofit club or organization or its employees shall be required to obtain a permit, and must conform to all applicable city building, health, fire, and zoning laws and regulations.~~

(Ord. 2006-003, passed 3-13-06; Am. Ord. 2008-004, passed 3-10-08)

§ 119.19 SUSPENSION, REVOCATION, DENIAL AND APPEAL.

(A) *Violation and noncompliance.* The Police Chief may refuse to renew a permit or may revoke or suspend an existing permit on the grounds that the permit holder has failed to comply with the permit conditions or other requirements of this chapter. If a suspended permit lapses during the suspension period, a new application must be filed at the end of the suspension period. In any such case, the permit holder shall have the right to appeal in the time and manner set forth in this section.

(B) *Revocation and suspension of operator permit.*

(1) The Police Chief may revoke or refuse to renew a permit if he or she makes any of the findings for denial of a permit under § 119.08(A), finds violation(s) of § 119.08(B)(1) or (B)(6), upon any subsequent violation of any provision within one year following prior suspension under division (B)(2) of this section or upon demonstrated inability to operate or manage the massage establishment in a law-abiding manner, thus necessitating action by law enforcement officers.

(2) The Police Chief may suspend a permit for a period of 30 days for each violation of § 119.08(B) not listed above, or § 119.15.

(C) *Revocation and suspension of massage practitioner permit.*

(1) The Police Chief may revoke or refuse to renew a massage practitioner permit if he or she makes any of the findings for denial of a permit under § 119.10(A), finds violation(s) of § 119.10(B)(1), (B)(2), or (B)(6), or upon any subsequent violation of any provision of this chapter within one year following a suspension under division (C)(2) of this section;

(2) The Police Chief may suspend a massage practitioner permit for a period of 30 days for each violation of § 119.10(B) not listed above, or § 119.15.

(D) *Notice.* When the Police Chief concludes that grounds for denial, suspension, revocation or refusal to renew a permit exist, he or she shall serve the applicant or permit holder, either personally or by certified mail addressed to the

business or residential address of applicant or permit holder, with a notice of denial or notice of intent to suspend, revoke or refuse to renew permit. This notice shall state the reasons for the proposed action, the effective date of the decision, and the right of the applicant or permit holder to appeal the decision to the City Council, and that the decision will be final if no appeal is filed within the time permitted.

(E) *Appeal.*

(1) The right to appeal shall terminate upon the expiration of 15 days from the date of mailing of the notice. The notice of appeal shall be filed with the Police Department, along with the payment of any hearing fee which may be established by City Council resolution. Any hearing fee shall not exceed the reasonable cost to the city of a hearing.

(2) In the event an appeal is timely filed, the suspension or revocation shall not be effective until a final decision has been rendered. If no appeal is filed, the suspension or revocation shall become effective upon expiration of the period for filing appeals.

(3) The City Manager shall appoint a neutral hearing officer in consultation with the appellant to conduct the hearing, receive relevant evidence and render a decision. The decision of the hearing officer shall be final. The appellant shall be entitled to notice of the basis for the proposed action, a copy of the documents upon which the decision was based and the opportunity to present contrary evidence at the hearing.

(4) Notice of the date, time and place of the hearing shall be mailed at least ten days prior to the date of the hearing, by U.S. mail, with proof of service attached, to the address listed on the application, or the address given in the notice of appeal, if different.

(5) The following rules and evidence shall apply:

(a) Oral evidence shall be taken only under oath or affirmation. The hearing officer shall have authority to administer oaths and to receive and rule on admissibility of evidence;

(b) Each party shall have the right to call and examine witnesses, introduce exhibits and cross-examine opposing witnesses who have testified under direct examination. The hearing officer may call and examine any witness;

(c) Technical rules relating to evidence and witnesses shall not apply to hearings provided for in this chapter. Any relevant evidence may be admitted if it is material and is evidence customarily relied upon by responsible persons in the conduct of their affairs regardless of the existence of any common law or statutory rule which might make admission of such evidence improper over objection in civil actions. Hearsay testimony may be admissible and used for the purpose of supplementing or explaining any evidence given in direct examination, but shall not be sufficient in itself to support a finding unless the testimony would be admissible over objection in civil actions. The rules of privilege shall be applicable to the extent they are now or are

hereafter permitted in civil actions. Irrelevant collateral and undue and repetitious testimony shall be excluded.

(F) No permit granted herein shall confer any vested right to any person or business for more than the permit period. All operators, managers and massage practitioner subject to this chapter shall comply with the provisions of this chapter as they may be amended hereafter.

(Ord. 2008-004, passed 3-10-08)

§ 119.20 ATTORNEY'S FEES AND COSTS.

(A) In any action, administrative proceeding or special proceeding commenced by the city to abate a public nuisance or to enjoin violation of any provision of this chapter, if the city elects, at the initiation of that individual action or proceeding, to seek recovery of its own attorneys' fees, the prevailing party shall be entitled to recover all costs incurred therein, including reasonable attorneys' fees and costs of suit. In no action, administrative proceeding or special proceeding shall an award of attorneys' fees to a prevailing party exceed the amount of reasonable attorneys' fees incurred by the city in the action or proceeding.

(B) The city shall be considered a prevailing party entitled to attorneys' fees under division (A) of this section when it can demonstrate that:

(1) Its lawsuit was the catalyst motivating the defendant to provide the primary relief sought;

(2) The lawsuit was meritorious and achieved its result by "threat of victory"; and

(3) The city reasonably attempted to settle the litigation before filing the lawsuit.

(Ord. 2008-004, passed 3-10-08)

§ 119.21 PERSONS EMPLOYED UNDER AGE 18 NOT PERMITTED.

It shall be unlawful for any owner, proprietor, manager or other person in charge of any massage establishment or school of massage to employ any person who is not at least 18 years of age.

(Ord. 2006-003, passed 3-13-06; Am. Ord. 2008-004, passed 3-10-08)

§ 119.22 PERSONS EMPLOYED WITHOUT PERMITS NOT ALLOWED.

(A) It shall be the responsibility of the owner, operator, manager or permittee in charge of a massage establishment or school of massage, to ensure that each person employed shall first have obtained a valid CAMTC certificate.

(B) If knowingly employing any person who is not in possession of a valid, unrevoked permit, or allowing such a person to work or practice within such a place of business, the owner, operator, manager or permittee shall be in violation of this section.

(Ord. 2006-003, passed 3-13-06; Am. Ord. 2008-004, passed 3-10-08)

§ 119.23 ON-SITE THERAPY AND OUT-CALL MASSAGE.

(A) No person shall perform or administer massage or bodywork techniques as either on-site or out-call massage/bodywork, as those terms are defined herein, ~~for money or other consideration, for compensation without possessing a CAMTC certificate, a permit issued by the Police Chief in accordance with this section and a valid City Business License, without obtaining a massage/bodywork practitioner permit pursuant to the provisions of this chapter, and in conjunction with a valid city business license.~~

(B) Out-call massage/bodywork shall not be performed ~~unless authorized in writing~~ by a physician, surgeon, chiropractor, or osteopath duly licensed to practice in the state.

(C) Out-call massage and on-site therapy shall be conducted between the hours of 8:00 a.m. and 8:00 p.m.

(D) Out-call massage or on-site therapy shall not be conducted in the following locations:

(1) A hotel/motel room or any other similar location used primarily for transitory habitation purposes.

(2) The residence of the out-call or on-site massage/bodywork practitioner.

(Ord. 2006-003, passed 3-13-06; Am. Ord. 2008-004, passed 3-10-08)

§ 119.24 VIOLATION AND PENALTY.

(A) It is unlawful for any person, association, firm or corporation to engage in, conduct or carry on, or permit to be engaged in, conducted or carried on, in or upon any premises, the business of massage/bodywork, or to render or permit to be rendered massage or bodywork services at a location removed from a massage/bodywork business, in the absence of a permit issued pursuant to the provisions set forth in this chapter.

(B) Any massage/bodywork business operated, conducted or maintained contrary to the provisions of this chapter shall be unlawful and a public nuisance; and the City Attorney may, at his or her discretion, in addition to or in lieu of prosecuting a criminal action hereunder, commence an action or actions, proceeding or proceedings, for the abatement, removal and enjoinder thereof, in any manner provided by law.

(C) A violation of any of the provisions of this chapter, or failure to comply with any of its mandatory requirements, shall constitute a misdemeanor; except that, notwithstanding any other provision of this code, any such violation constituting a misdemeanor under this chapter may, at the discretion of the City Attorney, be charged and prosecuted as an infraction.

(D) (1) Any violation of this chapter prosecuted as a misdemeanor shall be punishable by a fine of not more than \$1,000, or by imprisonment in the county jail for a period of not more than six months, or by both fine and imprisonment.

(2) Any infraction prosecuted under the provisions of this chapter shall be made punishable by a fine not to exceed \$500.

(E) Each person shall be charged with a separate offense for each and every day during which any violation of any provision of this chapter is committed, continued or permitted by such person, and shall, upon conviction, be punished accordingly.

(F) Pursuant to the City Attorney's prosecutorial discretion, the city may enforce violations of this chapter as criminal, civil and/or administrative violations utilizing administrative remedies.

(G) It is the duty of the Police Chief to enforce rules and regulations in accordance with this chapter.

SECTION 2. *Severability.* If any section, subsection, subdivision, paragraph, sentence, clause, phrase or portion of this chapter, or any part thereof is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portion of this chapter or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrase be declared unconstitutional.

SECTION 3. If any section, subsection, subdivision, paragraph, sentence, clause, phrase or portion of this Ordinance is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

SECTION 4: This Ordinance shall become effective thirty (30) days from and after its final passage (00/00/00), provided it is published pursuant to GC § 36933 in a newspaper of general circulation within fifteen (15) days after its adoption.

The foregoing ordinance was given its first reading and introduced by title only at a regular meeting of the City Council of the City of Riverbank on August 27, 2024.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Riverbank at a regular meeting on the 27 day of August, 2024; motioned by Councilmember _____, seconded by Councilmember _____; moved said ordinance by a City Council _____ vote of _____:

AYES:

NAYS:

ABSENT:

ABSTAINED:

ATTEST:

Gabriela Hernandez, CMC
City Clerk

APPROVED:

Richard D. O'Brien
Mayor

APPROVED AS TO FORM:

Tom P. Hallinan
City Attorney

DRAFT

RIVERBANK CITY COUNCIL/ LOCAL REDEVELOPMENT AUTHORITY

AGENDA ITEM NO. 11.1

SECTION 11: NEW BUSINESS

Meeting Date: August 27, 2024

Subject: A Resolution of the City Council of the City of Riverbank, California, to Approve the First Amendment to the Subdivision Improvement Agreement for Countryside III with McRoy-Wilbur Communities and Authorizing the City Manager to Execute the Agreement

From: Marisela H. Garcia, City Manager

Submitted by: Joshua E. Mann, Director of Community Development

RECOMMENDATION

It is recommended that the City Council consider the attached resolution approving the First Amendment to the Subdivision Improvement Agreement with McRoy Wilbur Communities for Countryside III and directing the City Manager to execute the agreement.

SUMMARY

On November 21, 2023, the Planning Commission adopted Resolution No. 2023-012, approving Vesting Tentative Map 04-2023 and related conditions of approval which set forth the infrastructure obligations and conditions related to the site development and build out of approximately 22 residential lots on 4.56 acres (see *Attachment 1 – Countryside III - Approved Tentative Map*).

One of the last steps in the subdivision map process is the approval of a Final Map which subdivides the parcel into the individual lots planned for homes, streets and utilities, and/or other public areas. Commonly, there are two ways to achieve a Final Map. The first way is for the developer to install all required infrastructure improvements (roads, street lighting, storm drain infrastructure, water/sewer lines, etc.) in advance of requesting the Final Map. The second way is to enter into a Subdivision Improvement Agreement (“SIA”) and submit bonds, which provide security for the City that the improvements will be completed as required by the Tentative Map conditions of approval. In the past, the City has used both methods depending on the individual needs and timelines of each project.

McRoy-Wilbur Communities previously entered into a Subdivision Improvement Agreement, adopted by the City Council on June 28, 2022 by Resolution 2022-095 (see *Attachment 2 – Countryside III - Subdivision Improvement Agreement*). At the time it was anticipated that McRoy-Wilbur Communities would complete all necessary improvements and once work was completed would file their Final Map. However, McRoy-Wilbur Communities is now requesting the Council consider approving their request to amend the Subdivision Improvement Agreement and ultimately allow for the Final Map to be filed prior to all improvements being constructed.

Attachment 3 - Exhibit A contains the draft First Amendment to the Subdivision Improvement Agreement that lays out many of the bonding and insurance requirements set forth in the Riverbank Municipal Code. Specific items in the agreement have been tailored to fit the circumstances of Countryside III. Approval of this document will ultimately allow the developer to request Final Map consideration by Council at a future hearing date along with providing bonds/securities for any unfinished improvements.

The estimated cost of the required infrastructure improvements for Countryside III are approximately **\$1,058,833.16**. This estimate has been reviewed and approved by the City Engineer. RMC §152.076 requires that two specific improvement securities be filed with the City: the first security (bond) shall secure faithful performance of the agreement in an amount equal to 100% of the estimated cost of the improvements and the second security shall secure the obligations set forth in Cal Govt. Code §66499.3(b) of payment of the contractor, his subcontractors and to persons renting equipment or furnishing labor or materials to them for the improvements, and shall be in an amount equal to 50% of the total estimated cost of the improvements. The Municipal Code provides a variety of options for developers to provide these securities, including the provision of bonds to the City Clerk. The City Attorney reviews these documents as to form.

FINANCIAL IMPACT

There is no direct financial impact as a result of amending the Subdivision Improvement Agreement. However, approval of the First Amendment to the Subdivision Improvement Agreement will allow the review and approval of the Final Map and facilitate the development of single-family residential units and associated amenities.

ATTACHMENTS

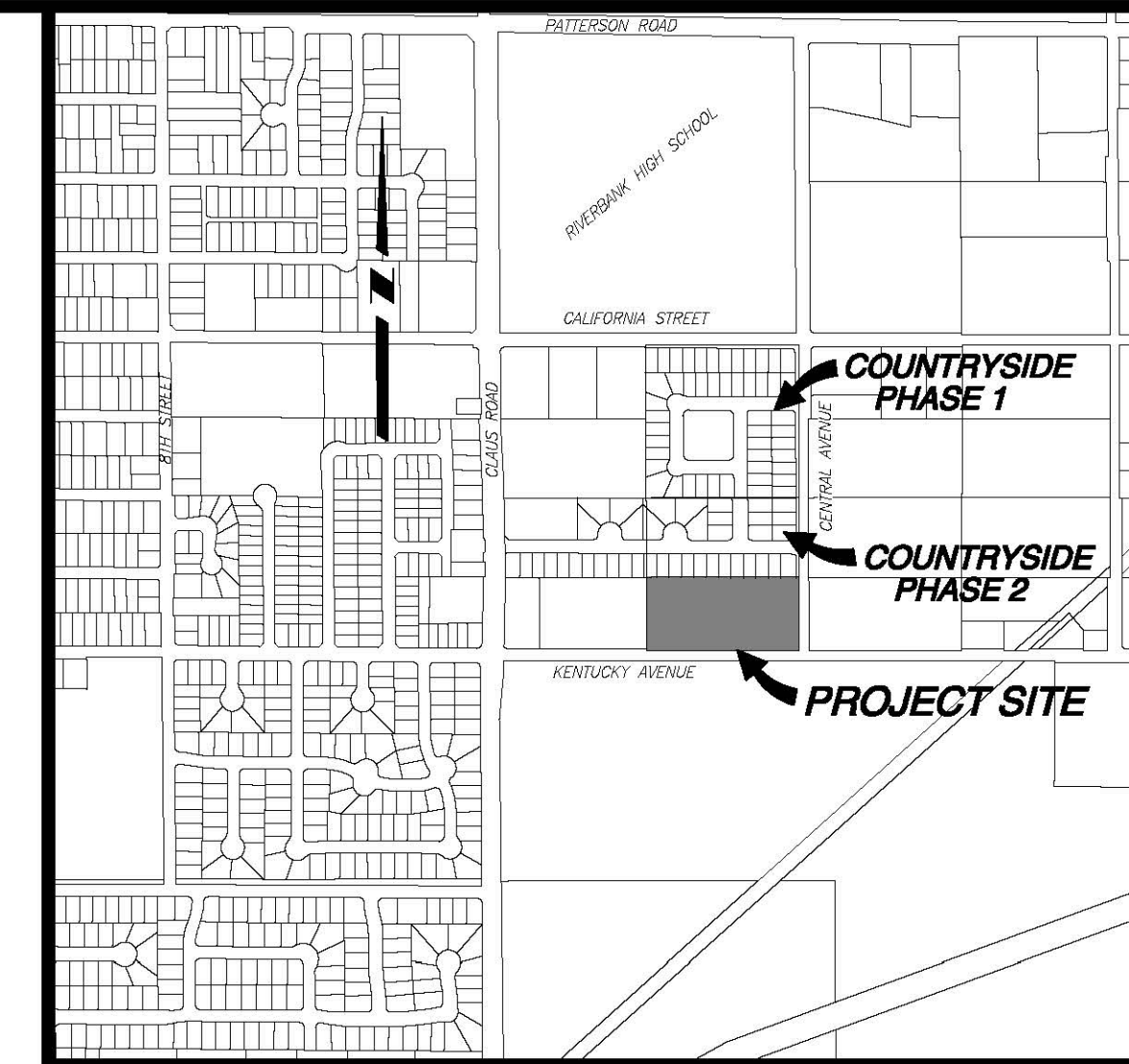
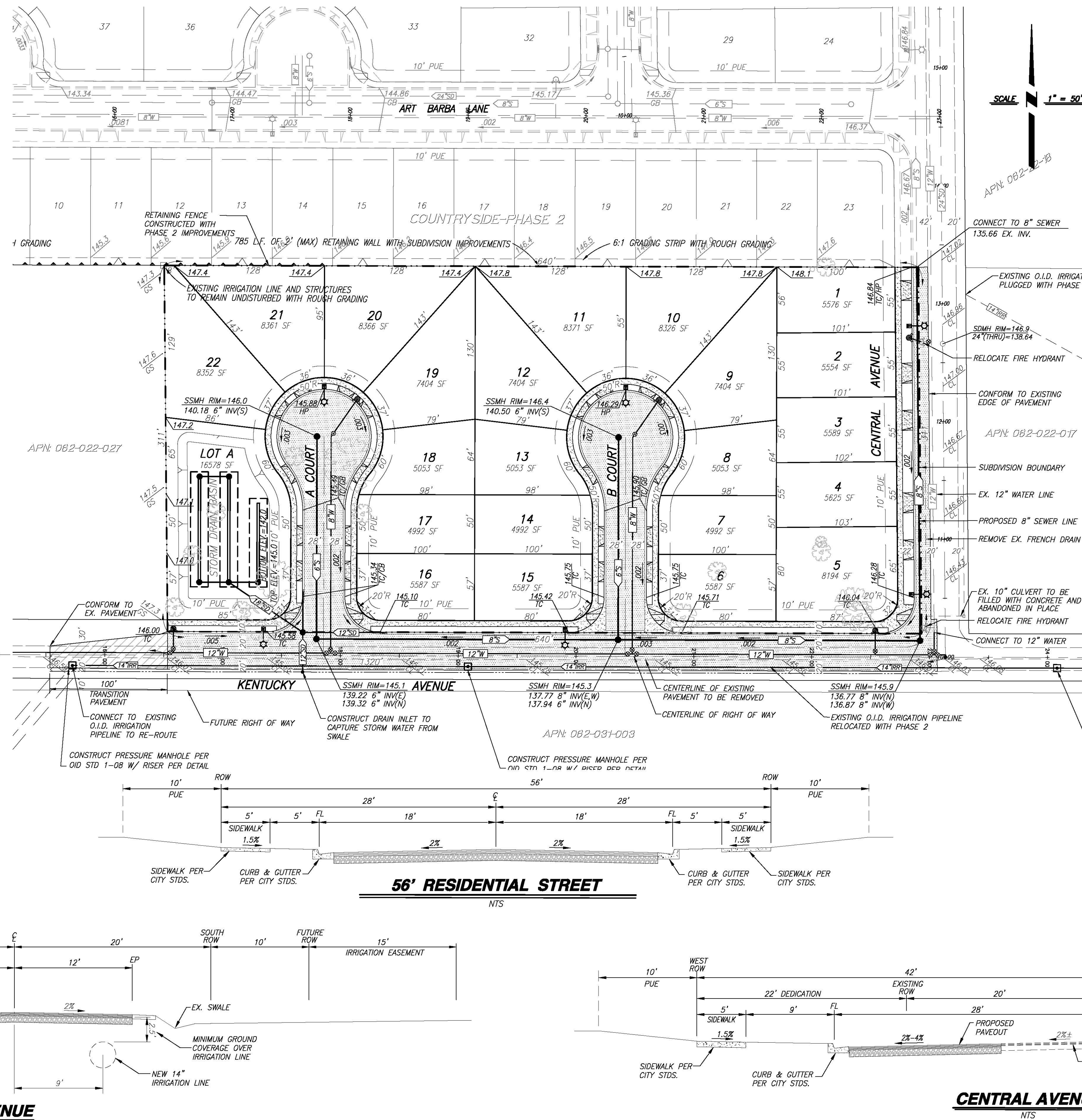
1. Countryside III - Approved Tentative Map
2. Countryside III - Subdivision Improvement Agreement
3. Draft City Council Resolution 2024 -
Exhibit A – First Amendment to the Subdivision Improvement Agreement between the City of Riverbank and McRoy Wilbur Communities for Countryside III – without attachments

VESTING TENTATIVE SUBDIVISION MAP COUNTRYSIDE - PHASE 3

BEING SUBDIVISION OF A PORTION OF THE SOUTHWEST QUARTER
OF THE SOUTHWEST QUARTER OF SECTION 30, T.2S., R.10E.,
MOUNT DIABLO BASE AND MERIDIAN
COUNTY OF STANISLAUS, STATE OF CALIFORNIA

LEGEND

EXISTING	PROPOSED
WATER VALVE	WATER VALVE
FIRE HYDRANT	FIRE HYDRANT
BLOWOFF VALVE	BLOWOFF VALVE
DRAIN INLET	DRAIN INLET
STANDARD MANHOLE	STANDARD MANHOLE
WATER LINE	WATER LINE
SANITARY SEWER	SANITARY SEWER
STORM DRAIN	STORM DRAIN
TYPICAL STREET LIGHT	TYPICAL STREET LIGHT
STANDARD DRIVEWAY	STANDARD DRIVEWAY
DIRECTION OF FLOW	DIRECTION OF FLOW
TOP OF CURB ELEVATION	TOP OF CURB ELEVATION
ORIGINAL GROUND	ORIGINAL GROUND
CURB, GUTTER AND SIDEWALK	CURB, GUTTER AND SIDEWALK



VICINITY MAP
N.T.S.

OWNERS

McROY-WILBUR COMMUNITIES, INC.
605 STANDIFORD AVE. SUITE H
MODESTO, CA 95350
(209) 491-5450

SUBDIVIDER

McROY-WILBUR COMMUNITIES, INC.
605 STANDIFORD AVE. SUITE H
MODESTO, CA 95350
(209) 491-5450

STATEMENT OF SUBDIVIDER

- ASSESSORS PARCEL NO: 062-022-020
- EXISTING ZONING: PD
- EROSION CONTROL PER CITY OF RIVERBANK ORDINANCES AND STANDARDS.
- FRONT YARD DEPTHS AND BUILDING LINES PER CITY OF RIVERBANK ORDINANCES AND STANDARDS.
- WATER SUPPLY: CITY OF RIVERBANK.
- SEWAGE DISPOSAL: CITY OF RIVERBANK.
- STORM DRAINAGE: CITY OF RIVERBANK.
- EROSION CONTROL PER CASQA STANDARDS AND CITY OF RIVERBANK.
- TREE TYPE AND LOCATION SHALL BE DETERMINED BY CITY OF RIVERBANK.
- ALL IMPROVEMENTS AND PUBLIC FACILITIES WILL BE INSTALLED OR CONSTRUCTED AT THE TIME OF DEVELOPMENT. ALL IMPROVEMENTS SHALL BE CONSTRUCTED IN COMPLIANCE WITH THE MUNICIPAL CODE, REGULATIONS, AND RIVERBANK CITY STANDARDS.

NOTES:

- STREET IMPROVEMENTS SHALL BE INSTALLED PER CITY OF RIVERBANK STANDARD SPECIFICATIONS.
- ALL EXISTING WELLS SHALL BE ABANDONED UNDER A CITY OF RIVERBANK WELL DEMO PERMIT AND SEPTIC TANKS SHALL BE REMOVED OR ABANDONED AS PER STANISLAUS COUNTY ENVIRONMENTAL RESOURCES DEPT. STANDARDS.
- ALL BUILDINGS, STRUCTURES AND TREES SHALL BE REMOVED PRIOR TO DEVELOPMENT.
- THE SITE HAS BEEN ROUGH-GRADED FOR THE PROPOSED STREETS AND HOUSE PADS UNDER THE PREVIOUS TENTATIVE MAP.
- EXISTING IMPROVEMENTS SHOWN WERE ACQUIRED FROM RECORD INFORMATION AND SHALL BE VERIFIED IN THE FIELD.
- TOTAL AREA OF THIS SUBDIVISION IS 4.56 ACRES± (5.48 UNITS/NET ACRE) CONTAINING 22 RESIDENTIAL LOTS WITH A STORM DRAINAGE BASIN.
- THE SUBDIVIDER HEREBY RESERVES THE RIGHT TO FILE MULTIPLE SUBDIVISION MAPS AS SET FORTH BY THE SUBDIVISION MAP ACT, ARTICLE 4, SECTION 66456.1.

VOLUME CALCULATION:

VOLUME (AC. FT.) = CAR/12
C = 0.52 ACRES R = 2.88 IN
A = (0.55 X 5.32 X 2.88) / 12
V = 0.70224 AC. FT.
V = 0.70224 AC. FT. X 43,560 S.F. = 30,590 C.F.
V = 30,590 C.F. = 228,810 GAL

BASIN CAPACITY CALCULATION:

TOTAL VOLUME REQUIRED: V = 30,590 C.F. = 228,810 GAL
BASIN VOLUME: (8,459 S.F. BOTTOM + 10,448 S.F. HW) / 2 = 9,454 S.F. (AVG)
: 9,454 S.F. X 2' DEEP = 18,907 C.F.
HORIZONTAL DRAIN VOLUME: (271 L.F. PERC TRENCH X 15' WIDE X 8' DEEP) = 32,520 C.F.
DEDUCT 24" PIPE = 3.14 X 1' X 247 L.F. = 776 C.F. FROM 32,520 C.F. = 31,744 C.F.
DRAIN ROCK CAPTURE VOLUME: 31,744 C.F. X 0.35 (ROCK VIDS) = 11,110 C.F.
HORIZONTAL DRAIN SYSTEM CAPTURE VOLUME = 11,110 C.F.
TOTAL CAPTURE VOLUME = 30,793 C.F. = 230,332 GAL

BASIN PERCOLATION CALCULATION:

TOTAL VOLUME REQUIRED: V = 228,810 GAL
PERCOLATION RATE: 12.82 GAL/S.F./DAY (AVERAGE)
: 6.41 GAL/S.F./DAY (SAFETY FACTOR OF 2)
BASIN VOLUME PERCOLATED: 6.41 GAL/S.F./DAY X 10,584.93 S.F. = 67,850 GAL/DAY
DRAIN ROCK AREA: A_{DR} = BOTTOM AREA + HALF OF SIDE AREAS
: A_{DR} = [5 L.F. + 15 L.F. + 5 L.F.] X 291 L.F.
: A_{DR} = 7,275 S.F.
HORIZONTAL DRAIN PERCOLATION: 7,275 S.F. X 6.41 GAL/S.F./DAY
TOTAL PERCOLATION PER DAY: 114,483 GAL/DAY
TOTAL PERCOLATION VOLUME IN 48HR: 228,966 GAL



DATE	APPROVED
DATE	DATE
REVISIONS	REVISIONS
NO	NO
DESCRIPTIONS	DESCRIPTIONS

BENCHMARK ENGINEERING, INC.
CIVIL ENGINEERING & LAND SURVEYING
4265 SPYRES WAY SUITE A • MODESTO, CALIFORNIA • 95356
(209) 548-9300 FAX: (209) 548-9300



VESTING TENTATIVE SUBDIVISION MAP

COUNTRYSIDE - PHASE 3
RIVERBANK, CALIFORNIA

JOB NO. 141607
DATE 10/23/2023
DR BY JM
CK BY TG
SCALE AS SHOWN

SHEET
NUMBER
1
OF 1 SHEETS



RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

City of Riverbank
6707 Third Street
Riverbank, CA 95367
Attn: City Clerk

Stanislaus County Recorder
Donna Linder, County Clerk-Recorder
DOC - 2022-0065260
Thursday, September 29, 2022 08:09:30
Customer: Public
Total Paid: \$0.00 Receipt #: 2022108537

LLG / CHKQZV2 / 1-31

Exempt from recording fees
(Gov. Code §§ 6103 and 27383)

(Space above this line for Recorder's use)

SUBDIVISION IMPROVEMENT AGREEMENT FOR THE COUNTRYSIDE III SUBDIVISION (APN 062-022-020)

This SUBDIVISION IMPROVEMENT AGREEMENT ("Agreement") is made and entered into this 28th day of June, 2022, by and between the City of Riverbank, a California municipal corporation ("City") and McRoy Wilbur Communities, Inc ("Subdivider"). City and Subdivider may herein be referred to individually as a "Party" and collectively as the "Parties". There are no other parties to this Agreement. This Agreement is made with reference to the following:

RECITALS

A. Subdivider is possessed of a tract of land consisting of approximately 4.56 gross acres, lying in the City of Riverbank, County of Stanislaus, California, known as "Countryside III" (the "Subdivision").

B. On September 14, 2021, the City Council adopted Resolution No. 2021-083, approving Vesting Tentative Subdivision Map 03-2020 and related conditions of approval (the "Tentative Map"), which set forth the infrastructure obligations and conditions related to the development and build out of 22 residential lots and a basin on 4.56 gross acres. Resolution No. 2020-083 and Tentative Map 03-2020 are attached hereto as **Exhibit A** and incorporated herein by this reference (the "Resolution of Approval"). Final Map 02-2022 is attached in **Exhibit B**.

C. On September 14, 2021, the City Council adopted Ordinance No. 2021-005, approving a Rezone to Planned Development ("PD") for Countryside III (APN 062-022-020).

D. On September 14, 2021, the City Council approved a Notice of Exemption pursuant to CEQA Guidelines Section 21159.21 (a-j) Exemption for Qualified Housing Projects in connection with its adoption of Ordinance No. 2021-005.

E. The Vesting Tentative Map is subject to the Subdivision Map Act (Gov. Code § 66410 *et seq.*) and the City's ordinances and regulations related to the filing, approval, and recordation of subdivision maps (together, the "Subdivision Laws") and the requirements and conditions contained in the Resolution of Approval.

F. Complete improvement plans for the construction, installation, and completion of the improvements (“Improvement Plans”) have been prepared by Subdivider and approved by the City of Riverbank City Engineer (“Engineer”) and Community Development Director or their designee (“Director”).

G. Subdivider will present to the City a proposed final map (“Final Map”) for the Subdivision, pursuant to the provisions of the Subdivision Laws for approval and recordation.

H. In order for the City to approve and record a Final Map for the Subdivision, the Subdivider must either complete all of the improvements required by the Subdivision Laws, Resolution of Approval, Improvement Plans and Vesting Tentative Map (“Improvements”), or execute an agreement with the City to complete the Improvements within a specified period of time.

I. In order for the City to approve and record a Final Map for the Subdivision, Subdivider desires to enter into this Agreement, whereby Subdivider promises to install and complete, at Subdivider’s sole cost, expense and risk, all of the Improvements required in connection with the Subdivision, including but not limited to grading work, constructing and installing the Improvements, and all labor that is required to complete these tasks to the satisfaction of the City (“Improvement Work”).

J. Subdivider has secured this Agreement by depositing security with the City consisting of a cash deposit, bond, or letter of credit in form acceptable to the City to secure a one-year warranty of workmanship in accordance with the terms provided herein (the “Securities”).

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the Parties agree as follows:

AGREEMENT

1. Recitals. The recitals above (“Recitals”) are true and correct and are hereby incorporated into and made part of this Agreement. In the event of any inconsistency between the Recitals and Sections 1 through 23 of this Agreement, Sections 1 through 23 shall prevail.

2. Effective Date and Term. This Agreement shall only become effective on the date that both Subdivider and the City have executed this Agreement (the “Effective Date”), and shall terminate only after the release of all Securities, unless this Agreement is terminated in writing signed by both Parties.

3. Dedication. Except as otherwise provided in this Agreement or in the action of the City Council approving the Final Map, the City hereby rejects all lands, rights-of-way and easements offered for dedication on the Subdivision Map or by separate instrument. Such offers, however, shall remain open and constitute irrevocable offers of dedication in accordance with Government Code section 66477.2. All such offers of dedication may be accepted by the City in its sole discretion at any later date without any further notice to the Subdivider.

4. Installation of Required Improvements. Subdivider agrees to furnish, construct and install at Subdivider's own expense the Improvements, as shown on the Improvement Plans, which are to be installed to the sole satisfaction of the Director and will be on file in the Development Services Department. All dry utilities shall be installed underground, including but not limited to, all transformers and utility boxes. The Improvement Plans may only be modified by the Subdivider subject to prior written approval by the Director.

In-lieu of providing a performance bond and payment bond, Subdivider agrees to construct all of the required Improvements prior to the approval and recordation of the final map. As such, the ordinary requirements for providing a performance bond and payment bond has been waived in this Agreement.

5. Subdivider's Obligations. Subdivider shall perform each of the following, at all times, throughout the term of this Agreement:

A. Complete, at Subdivider's sole cost and expense in a good and workmanlike manner, all of the Improvements in conformance with the Resolution of Approval (and any amendments thereto), the Subdivision Laws, and all applicable standards under City codes and ordinances and the City's general plan related to the Improvements (collectively, the "Improvement Standards").

B. Commence construction of the Improvements within three (3) months from the Effective Date of this Agreement. Subdivider shall notify the Director in writing three days before the commencement of construction of the Improvements.

C. Complete all Improvements within twelve (12) months from the Effective Date of this Agreement, unless otherwise approved or extended in writing by the City Manager for good cause, after written application by Subdivider. Such application shall state fully the grounds and facts showing good cause for such extension to be granted. In granting any extension of time, the City may require a new or amended subdivision improvement agreement to reflect increases in the costs of constructing the Improvements or other conditions related to the extension of time.

D. Furnish and pay for all necessary equipment, labor and materials to complete the Improvements in conformity with the Improvement Standards.

E. Replace or repair all public improvements, private property, public utility facilities, and surveying or subdivision monuments that are destroyed or damaged in the performance of any work related to this Agreement. Subdivider shall bear the entire cost of replacement or repairs of any and all public or private property damaged or destroyed in the performance of any work related to this Agreement. Any repair or replacement work shall be to the satisfaction, and subject to the approval, of the Director.

F. Provide safe access for inspection by the City to the Improvements.

G. Give good and adequate warning to the public of each and every dangerous condition existing on or near the Improvements, and take reasonable action to protect the public from any such dangerous condition.

H. Perform all construction work related to installing the Improvements between 6:00 a.m. and 6:30 p.m. on weekdays and between 8:00 a.m. and 5:00 p.m. on weekends and legal holidays, unless otherwise approved in writing by the Director.

I. Require each contractor and subcontractor to have a competent foreman on the job at all times when that contractor or subcontractor, or any employee or agent thereof, is performing any work related to the Improvements. Subdivider shall maintain an office with a telephone and Subdivider or a person authorized to make decisions and act for Subdivider in Subdivider's absence shall be available at the site of any Improvements within three (3) hours of being called at such office by the City at any time when construction work is being performed on the Improvements.

J. Assume all costs for utility and cable television undergrounding or relocation which is not the responsibility of the cable television, gas, electric, telephone or other utility company under the terms of any franchises with the City or otherwise imposed upon the utility companies by law.

K. Obtain and comply with all necessary permits and licenses for the construction and installation of the Improvements, give all necessary notices, and pay all fees and taxes required by law.

6. Estimated Cost of Improvements. The total estimated cost of the Improvements, as provided by Subdivider and reviewed and confirmed by the Engineer and Director, is Nine Hundred Fifty-Three Thousand One Hundred Nineteen Dollars and Four Cents (\$953,119.04).

7. Title to Improvements. The City shall not accept any property to be dedicated or the Improvements unless they are constructed in conformity with the Improvement Plans and Improvement Standards, to the satisfaction of the Engineer and Director. Subdivider shall retain title to, shall be responsible for, and shall bear the risk of loss to, any of the Improvements constructed or installed, until such time as the Improvements are accepted by the City. Title to and ownership of the Improvements and any real property to be dedicated shall vest absolutely in the City upon completion and acceptance of such Improvements by the City Council. The City shall not accept the Improvements unless title to the Improvements is entirely free from all liens. Prior to acceptance, at City's request, Subdivider shall supply the City with appropriate lien releases, at no cost to and in a form acceptable to the City.

8. Acquisition and Dedication of Easements or Rights-of-Way. If any of the Improvements are to be constructed or installed on land not within the Subdivision or an already existing public right-of-way, no construction or installation shall commence before:

A. The irrevocable offer of dedication or conveyance to City of appropriate rights-of-way, easements or other interests in real property, and appropriate authorization from the property owner to allow construction or installation of the Improvements; or

B. The issuance of an order of possession by a court of competent jurisdiction pursuant to the State Eminent Domain Law (Cal. Code Civ. Proc. § 1230.010 *et seq.*). Subdivider shall comply in all respects with any such order of possession.

9. **Final Acceptance of Work.** Acceptance of the Improvement Work on behalf of the City shall be made by the City Council upon recommendation of the Engineer and Director, after satisfactory completion and inspection of all Improvements. Such acceptance shall not constitute a waiver by the City of any defects or deficiencies in the Improvements.

10. **Repair of Defective Work.** If, however, within a period of one (1) year after final acceptance by the City Council of the Improvements, any portion of the Improvements or any work done under this Agreement fails to fulfill any of the requirements of this Agreement, the Improvement Plans or the Improvement Standards, Subdivider shall without delay and without any cost to City, repair, replace or reconstruct any defective or otherwise unsatisfactory part or parts of the Improvements or work. If the Subdivider fails to act promptly in accordance with this requirement, or if the exigencies of the situation require repairs or replacements to be made before Subdivider can be notified or correct the situation, then the City may, at its option, make the necessary repairs or replacements or perform the necessary work, and Subdivider shall pay to City the actual cost of such repairs plus fifteen percent (15%) within thirty (30) days of the date of billing for such work by City.

11. **Securities.** Concurrently with or before the Effective Date of this Agreement, Subdivider shall furnish to the City:

A. *Faithful Performance Security.* [omitted; see Section 4 above]

B. *Payment Security.* [omitted; see Section 4 above]

C. *Guarantee and Warranty Security.* Securities to guarantee workmanship shall be in the amount of ten percent (10%) of the estimated cost of the Improvements, as stated in Section 6 above, to guarantee and warrant the Improvements for a period of one (1) year following their completion and acceptance against any defective work or labor done, or defective materials.

D. *Bonds.* Any bonds submitted as Securities shall be executed by a surety company authorized to conduct a surety business in California and shall be in a form as specified by the Subdivision Laws and approved by the City. All Securities deposited as bonds under this Agreement shall be irrevocable, shall not be limited as to time (except as to the guarantee and warranty period), and shall provide that they may be released, in whole or part, only upon the written approval of the Director, as provided under the Subdivision Laws and in Section 12 below. All Securities shall expressly obligate the surety for any extension of time authorized by the City for Subdivider's completion of the Improvements, whether or not the surety is given notice of such an extension by the City. No change, alteration or addition to the terms of this Agreement or the plans and specifications incorporated herein shall in any manner affect the obligation of the sureties, except as required by the Subdivision Laws.

E. *Records.* Evidence of the Securities required by this Agreement shall be kept on file with the City Clerk. If the City Council gives specific, written approval to replace the

Securities by another approved security, such replacement Securities shall be filed with the City Clerk and, upon filing, shall be deemed to be incorporated into this Agreement. Upon filing of replacement Securities with the City Clerk, the replaced Securities may be released.

12. Release of Securities. The Securities required by this Agreement shall be released in accordance with the Subdivision Laws and the following provisions:

A. *Faithful Performance Securities.* [omitted]

B. *Payment Security.* [omitted]

C. *Guarantee and Warranty Securities.* The Securities provided for guarantee and warranty of workmanship shall be released after one (1) year following the completion and acceptance of the Improvements, and inspection thereof by the City's Construction Inspector and approved by the Engineer. If, however, the Engineer and Director determine there are defects in the Improvements that require correction pursuant to Section 10 above, the Director shall authorize utilization of the Securities to make all necessary corrections, including payment of reasonable expenses and fees and attorney's fees.

13. Inspections.

A. The City reserves the right to inspect all Improvements at any time. Subdivider shall at all times maintain safe access for inspection of the Improvements.

B. Upon completion of the Improvements the Subdivider may request a final inspection by the City's Construction Inspector. If the Construction Inspector determines that the Improvements have been completed in accordance with all Improvement Standards and Subdivision Laws, then the Director shall certify the completion of the Improvements to the City Council, to accept or reject in their sole discretion. The City bears no liability for any costs or expenses resulting from delays in inspections.

C. Subdivider shall bear all costs of inspection and certification, including but not limited to the direct costs of all third-party inspection agencies and City inspection consultants.

14. Default of Subdivider.

A. *Default of Subdivider.* Events of default by ("Default") by Subdivider may include, but shall not be limited to, any of the following:

i. Subdivider's failure to timely complete construction of the Improvements;

ii. Subdivider's failure to timely cure any defect in the Improvements to the satisfaction of the Director;

iii. Subdivider's failure to timely deposit additional Securities as may be required by this Agreement;

iv. Subdivider's insolvency, appointment of a receiver, or the filing of any petition in bankruptcy either voluntary or involuntary which Subdivider fails to discharge within thirty (30) days;

v. the commencement of a foreclosure action against the Subdivision or a portion thereof, or any conveyance in-lieu or in avoidance of foreclosure; or

vi. Subdivider's failure to perform any material obligation under this Agreement.

B. *Notice of Default.* In the event of Subdivider's default, Subdivider shall be deemed to be in breach of this Agreement and the City may serve written notice upon Subdivider and Subdivider's surety, if any, of the breach of this Agreement. Subdivider shall have fifteen (15) days from receipt of written notice by City to cure any default.

C. *Remedies; Performance by City.*

i. In the event of Subdivider's default under this Agreement, and the applicable cure period set forth in this Paragraph has expired without such default having been cured, the City may thereafter deliver a notice of breach to Subdivider and Subdivider's surety, if any. If the default remains uncured within fifteen (15) days from receipt of the written notice of breach, Subdivider authorizes the City to complete all work on the Improvements at the sole expense of Subdivider, and Subdivider authorizes to utilize the Securities to complete all work on the Improvements and to pay all labor costs of contractors, subcontractors and workers related to the Improvements. The City may take over the Improvements and prosecute the same to completion, by contract or by any other method the City may deem advisable, for the account and at the expense of Subdivider, and Subdivider shall be liable to City for any excess cost or damages incurred by the City thereby. In the event the City takes over the Improvements or prosecutes the same to completion, the City, without liability for so doing, may take possession of, and utilize such materials, appliances, equipment, plant and other property belonging to Subdivider as may be necessary for completion of the Improvements.

ii. The City reserves to itself all remedies available to it at law or in equity for breach of Subdivider's obligations under this Agreement. The right of the City to draw upon or utilize the Securities is additional to and not in lieu of any other remedy available to the City.

iii. Failure of Subdivider to comply with the terms of this Agreement shall constitute consent to the filing by the City of a notice of violation against all the lots in the Subdivision, or to rescind the approval or otherwise revert the Subdivision to acreage. The remedy provided by this Subsection is in addition to and not in lieu of other remedies available to the City, and is not required to implement other available remedies. Subdivider agrees that the choice of remedy or remedies for Subdivider's default shall be at the discretion of the City.

iv. In the event that Subdivider fails to perform any obligation hereunder, Subdivider agrees to pay all costs and expenses incurred by the City in securing

performance of such obligations, including but not limited to costs of suit and attorney's fees, costs of Improvements in the event of failure of performance, and all administrative costs. Such costs and fees shall be a proper charge against the Securities of Subdivider.

v. The failure of the City to take an enforcement action with respect to a default or breach, or to declare a default or breach, shall not be construed as a waiver of that default or breach or any subsequent default or breach of Subdivider.

D. *Lien.* In accordance with the Subdivision Laws (Gov. Code § 66499), the recordation of this Agreement creates a lien attached to the property underlying the Subdivision and has the priority of a judgment lien in the amount necessary to complete the Improvements.

15. Environmental Warranty.

A. For purposes of this Agreement, the terms below have the following meanings:

i. "Environmental Laws" shall mean any federal, state, or local law, rule, regulation administrative or court order, ordinance, regulatory guidance document, standard, or requirements of any government authority regulating, relating to, or imposing liability standards of conduct concerning Hazardous Substances, or that pertains to the protection of human health or the environment, including, but not limited to, the Comprehensive Environmental Response, Conservation and Liability Act of 1980 (42 U.S.C. §§ 9601 *et seq.*); the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §§6901 *et seq.*); the Clean Water Act (33 U.S.C. §§1251 *et seq.*); the Toxic Substances Control Act (15 U.S.C. §§ 2601 *et seq.*); the Hazardous Materials Transportation Act (29049 U.S.C. §§ 1801 *et seq.*); the Insecticide, Fungicide and Rodenticide Act (7 U.S.C. §§ 136 *et seq.*); the Superfund Amendments and Reauthorization Act (42 U.S.C. §§ 6901 *et seq.*); the Clean Air Act (42 U.S.C. §§ 7401 *et seq.*); the Safe Drinking Water Act (42 U.S.C. §§ 300f *et seq.*); the Solid Waste Disposal Act (42 U.S.C. §§ 6901 *et seq.*); the Surface Mining Control and Reclamation Act (30 U.S.C. §§ 1201 *et seq.*); the Occupational Safety and Health Act (29 U.S.C. §§ 655, 657); the California Underground Storage of Hazardous Substances Act (Health and Safety Code §§ 25280 *et seq.*); the California Hazardous Waste Control Act (Health and Safety Code §§ 25100 *et seq.*); the California Safe Drinking Water and Toxic Enforcement Act (Health and Safety Code §§ 24249.5 *et seq.*); and the Porter-Cologne Water Quality Control Act (Water Code §§ 13000 *et seq.*); together with any amendments of or regulations promulgated under the statutes cited above.

ii. "Hazardous Substances" or "Hazardous Substance" shall include any hazardous, toxic or dangerous waste, substance or material, pollutant or contaminant, as so defined under any Environmental Laws or any substance which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous, or any substance which contains gasoline, diesel fuel or other petroleum hydrocarbons, polychlorinated biphenyls (PCBs), radon gas, urea formaldehyde, asbestos, lead, or electromagnetic waves. Hazardous Substances include any hazardous or toxic substance, material or waste which is regulated by the State of California, the United States government, or any other governmental authority with jurisdiction over the Property. Hazardous Materials include asbestos and any other

hazardous waste or substance which has, as of the date hereof, been determined to be hazardous or a pollutant by the U.S. Environmental Protection Agency, the U.S. Department of Transportation, or any instrumentality authorized to regulate substances in the environment which has jurisdiction over the Property which substance causes the Property (or any part thereof) to be in material violation of Environmental Laws.

B. Prior to acceptance of any Improvements by the City, Subdivider shall provide the City with a written warranty that:

i. Subdivider and the property being dedicated are in compliance with all Environmental Laws and are not subject to any existing, pending or threatened investigation by a federal, state, or local governmental authority regarding violations of Environmental Laws.

ii. Subdivider and its third party agents, contractors and subcontractors have not used, generated, manufactured, produced, discharged, or released on, under, or about the property to be dedicated, any Hazardous Substance except in accordance with all applicable Environmental Laws.

iii. Subdivider has not caused or permitted the release or discharge of, and has no knowledge of the release, discharge, or presence of Hazardous Substances on the property to be dedicated or the migration of any Hazardous Substances from or to any other property adjacent to, or in the vicinity of, the property to be dedicated.

C. Throughout the term of this Agreement, Subdivider shall give written notice within fifteen (15) days to the City of:

i. Any proceeding or investigation by any federal, California, or local governmental authority regarding the presence of Hazardous Substances on the property to be dedicated or the migration thereof from or to any other property adjacent to, or in the vicinity of, the property to be dedicated;

ii. Any claims made or threatened by any third party against the City or property to be dedicated regarding any loss or injury resulting from any Hazardous Substances; and

iii. Subdivider's discovery of any occurrence or condition on any property to be dedicated or any property adjacent to, or in the vicinity of the property to be dedicated that could cause the property to be dedicated or any part thereof to be subject to any restrictions on its ownership, occupancy, use for the purpose for which it is intended, transferability, or suit under any Environmental Law.

16. Design or Construction Defect.

A. After acceptance of the Improvements, the Subdivider shall remain obligated to eliminate any defect in design or dangerous condition caused by a latent design or construction defect.

B. Provisions of this section shall remain in full force and effect for ten (10) years following the acceptance of the Improvements by the City.

C. It is the intent of this section that Subdivider shall be responsible for all liability for design and construction of the Improvements and that the City shall not be liable for any negligence, nonfeasance, misfeasance, or malfeasance in approving, reviewing, checking, or correcting any plans or specifications or in approving, reviewing or inspecting any Improvement Work. The Securities shall not be required to cover the provisions of this paragraph.

17. No Agency Relationship. Neither Subdivider nor any of Subdivider's agents or contractors are or shall be considered to be agents of the City in connection with the performance of Subdivider's obligations under this Agreement. City elected and appointed councils, commissions, officers, agents, employees and representatives ("City Agents") shall not, be liable or responsible for any accident, loss or damage, regardless of the cause, happening or occurring to the Improvement Work or Improvements specified in this Agreement prior to the completion and acceptance of the Improvement Work or Improvements. All such risks shall be the responsibility of and are hereby expressly assumed by Subdivider.

18. Other Agreements. Nothing contained in this Agreement shall preclude the City from expending monies pursuant to agreements concurrently or previously executed between the Parties, or from entering into agreements with other subdividers for the apportionment of costs of water and sewer mains, or other improvements, pursuant to the provisions of the City ordinances providing therefore, nor shall anything in this Agreement commit the City to any such apportionment.

19. Indemnity/Hold Harmless.

A. The City and City Agents shall not be liable and Developer agrees to indemnify, hold harmless and defend the City and City Agents from any and all claims, costs, and liability for claims of damage, for any property damage or personal injury, including death, which may arise as a result of any negligent acts or omissions by Developer or Developer's contractors, subcontractors, agents, or employees in connection with the construction, improvement, or operation, of the Improvements, including all claims, demands, causes of action, liability, or loss because of, or arising out of, in whole or in part, the design or construction of the Improvements. This indemnification and agreement to hold harmless shall extend to injuries to persons and damages or taking of property resulting from the design or construction of the Subdivision and the Improvements as provided herein, and in addition, to injuries to adjacent property owners as a consequence of the diversion of waters from the design or construction of public drainage systems, streets and other Improvements.

B. Acceptance by the City of the Improvements shall not constitute an assumption by the City of any responsibility for any damage or taking covered by this Section.

C. Provisions of this paragraph shall remain in full force and effect for ten (10) years following the acceptance by the City of the Improvements. It is the intent of this section that Subdivider shall be responsible for all liability for design and construction of the Improvements installed or Improvement Work done pursuant to this Agreement and that City shall not be liable

for any negligence, nonfeasance, misfeasance, or malfeasance in approving, reviewing, checking, or correcting any plans or specifications or in approving, reviewing or inspecting any Improvement Work. The Security shall not be required to cover the provisions of this section.

D. City shall not be liable for approving, reviewing, checking, or correcting any plans or specifications or for approving, reviewing or inspecting any Improvement Work. Nothing contained in this section is intended to, or shall be deemed to, limit or waive any protections or immunities afforded by law to the City or City Agents for the approval of the plan or design of the Improvements, including but not limited to the protections and immunities afforded by Government Code section 830.6. Subdivider shall defend, indemnify, and hold harmless the City and City's Agents from any claim, action, or proceeding against City or City Agents to attack, set aside, void, or annul an approval of the City or City Agents concerning the Subdivision.

20. Insurance. Without limiting Subdivider's duty to indemnify the City, Subdivider shall maintain in effect throughout this Agreement a policy or policies of insurance with the specifications and limits of liability specified herein.

A. Proof of Insurance.

i. Subdivider shall provide to the City a properly executed certificate of insurance, in a form satisfactory to the City Attorney for commercial general liability coverage; automobile liability, worker's compensation insurance, professional liability insurance, and course of construction coverage from an insurance provider approved by the City and licensed by the California Department of Insurance ("Certificates").

ii. Each Certificate shall provide that such insurance will not be cancelled, reduced in coverage, or allowed to expire without thirty (30) days' prior written notice to the City.

B. Minimum insurance limits. Contractor shall maintain limits no less than:

i. General Liability. Subdivider shall maintain such commercial general liability insurance with an insurance company admitted in California with an AM Best Rating of not less than A+, as shall protect the City, the City's Agents, Subdivider, contractors, and subcontractors from claims for damages for personal injury, including death, as well as from claims of property damage which may arise from acts or omissions from Subdivider, contractors, or subcontractors for in relation to this Agreement. The amount of such insurance shall not be less than two million dollars (\$2,000,000.00) per occurrence with umbrella liability coverage of not less than two million dollars (\$2,000,000.00). Such insurance shall also:

1. Name the City and the City Agents as insured by endorsement with respect to performance of this Agreement. The coverage shall contain no special limitation on the scope of its protection afforded to the above-listed additional insured; and

2. Be primary with respect to any insurance or self-insurance programs covering the City and City Agents.

ii. Automotive Liability Insurance. Subdivider shall maintain automotive liability insurance covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services or performing work under this Agreement for bodily injury and property damage with a limit of not less than one million dollars (\$1,000,000.00) for each occurrence. Such insurance shall also:

1. Name City and City Agents as insured by endorsement with respect to performance of this Agreement. The coverage shall contain no special limitation on the scope of its protection afforded to the above-listed additional insured; and

2. Be primary with respect to any insurance or self-insurance programs covering the City and City Agents.

iii. Worker's Compensation Insurance.

1. Subdivider shall maintain worker's compensation insurance in accordance with California Labor Code Section 3700, and with a limit of not less than one million dollars (\$1,000,000.00) per occurrence for employer's liability.

2. In the event any work is sublet, Subdivider shall require any contractor or subcontractor to provide worker's compensation insurance for all contractor's employees or subcontractor's employees, unless such employees are covered by the protection afforded by Subdivider.

C. *Course of Construction.* Subdivider shall maintain course of construction insurance for a value of not less than the completed value of the Subdivision and the Improvements.

D. *Professional Liability Insurance.* Subdivider shall maintain professional liability insurance, as applicable, in the amount of not less than two million dollars (\$2,000,000.00) per claim and three million dollars (\$3,000,000.00) in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services.

21. No Vesting of Rights. Performance of this Agreement shall not be construed to vest Subdivider's rights with respect to any change in any zoning or building law or ordinance.

22. Notices. Any notice or communication required hereunder between City and Subdivider must be in writing, and may be given either personally, by registered or certified mail (return receipt requested), or by Federal Express, UPS or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent, or (b) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date

delivered as shown on a receipt issued by the courier. Any Party may at any time, by giving ten (10) days written notice to the other Party, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to City: City of Riverbank
6707 Third Street
Riverbank, CA 95367
Attn: Marisela H. Garcia, City Manager

With copies to: City of Riverbank
6707 Third Street
Riverbank, CA 95367
Attn: Community Development Director

and Brenner White, LLP
1414 K Street, 3rd Floor
Sacramento, California 95814
Attn: Douglas L. White, Esq.

If to Subdivider: McRoy Wilbur Communities, Inc
2909 Coffee Road Suite 12A
Modesto, CA 95355
Attn: Mark Wilbur, President

and

23. General Provisions:

A. *Governing Law.* The validity, interpretation and performance of this Agreement shall be controlled by and construed pursuant to the laws of the State of California.

B. *Compliance with Laws.* Subdivider, its agents, employees, contractors, and subcontractors shall comply with all federal, state and local laws in the performance of the work required by this Agreement, including but not limited to all Improvement Standards or any other applicable land use approvals. Subdivider shall be responsible for obtaining all applicable licenses and permits.

C. *Venue.* Venue for any legal proceedings initiated in connection with this Agreement shall be in the Superior Court for the County of Stanislaus.

D. *Severability.* The provisions of this Agreement are severable. If any provision of this Agreement is held invalid by a court of competent jurisdiction, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, which becomes effective after the Effective Date of this Agreement, the remaining

provisions shall continue in full force and effect and shall be construed to give effect to the intent of this Agreement.

E. *Waiver.* The waiver by either Party of a breach by the other of any provision of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of the same or a different provision of this Agreement. No Party shall be deemed to have made any such waiver unless it is in writing and signed by the Party so waiving.

F. *Approvals by the City.* Any approval or consent that is to be given by the City under this Agreement shall be in writing, and any approval or consent that is not in writing shall not be binding on the City.

G. *Integration.* This Agreement, together with its specific references, attachments and Exhibits, constitute all of the agreements, understandings, representations, conditions, warranties and covenants made by and between the Parties with respect to the subject matter of this Agreement. Neither Party shall be liable for any representations made, express or implied, not specifically set forth herein. It is the intention of the Parties that this Agreement shall supersede any prior agreements, discussions, commitments, representations or agreements, written, electronic or oral, between the Parties with respect to the subject matter of this Agreement.

H. *Captions.* The captions of this Agreement are for convenience and reference only and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

I. *Mandatory and Permissive.* “Shall” and “will” and “agrees” are mandatory. “May” or “can” are permissive.

J. *Successors and Assigns – Covenant Running with the Land.* Subdivider shall not assign any of its obligations under this Agreement without the prior written consent of the City. Notwithstanding the above, all representations, covenants and warranties specifically set forth in this Agreement, by or on behalf of or for the benefit of any or all of the Parties, shall be binding upon and inure to the benefit of such Party, its successors and assigns. This Agreement, however, shall not be binding on any lot that has been conveyed to an individual homebuyer and for which a Certificate of Occupancy has been issued by the City.

K. *Counterparts.* This Agreement may be executed simultaneously or in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

L. *Other Documents.* Parties agree that they shall cooperate in good faith to accomplish the objectives of this Agreement and to that end, agree to execute and deliver such other instruments or documents as may be necessary and convenient to fulfill the purposes and intentions of this Agreement.

M. *Time is of the Essence.* Time is of the essence in this Agreement in each covenant and term and condition herein.

N. *Authority.* The Parties warrant and represent that they have the power and authority to enter into this Agreement and the names, titles and capacities herein stated on behalf of any entities, persons, states or firms represented or purported to be represented by such entities, persons, states or firms and that all former requirements necessary or required by the state or federal law in order to enter into this Agreement have been fully complied with.

O. *Construction and Interpretation.* It is agreed and acknowledged by Subdivider that the provisions of this Agreement have been arrived at through negotiation, and that Subdivider has had a full and fair opportunity to revise the provisions of this Agreement and to have such provisions reviewed by legal counsel. Therefore, the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not apply in construing or interpreting this Agreement.

P. *Advice of Legal Counsel.* Each Party acknowledges that it has reviewed this Agreement with its own legal counsel, and based upon the advice of that counsel, freely entered into this Agreement.

Q. *Attorney Fees and Costs.* If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret any provision of this Agreement, the prevailing Party shall be entitled to an award of reasonable attorney fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

R. *No Monetary Damages Against the City.* In the event of the City's default under this Agreement, Subdivider agrees that Subdivider may not seek, and shall forever waive any right to, monetary damages against the City.

S. *Modification.* This Agreement may be amended only by a written instrument signed by the Parties. Subdivider shall bear all costs of amendments to this Agreement that are requested by Subdivider.

T. *Exhibits.* All exhibits attached hereto are incorporated into this Agreement:

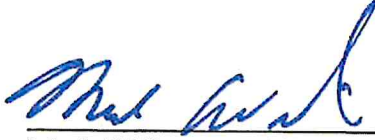
[Signatures on following page]

IN WITNESS WHEREOF, this Agreement has been entered into by and between Subdivider and City as of the day and year first above written.

SUBDIVIDER:

McRoy Wilbur Communities, Inc

By:



Mark Wilbur, President

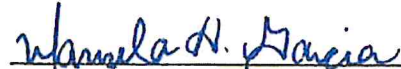
Date:

9/28/2022

CITY:

CITY OF RIVERBANK, a California municipal corporation:

By:



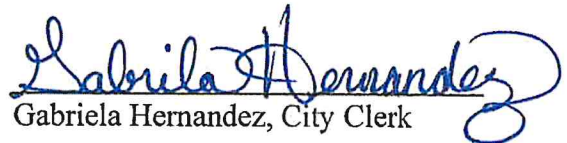
Marisela H. Garcia, City Manager

Date:

8/30/2022

ATTEST:

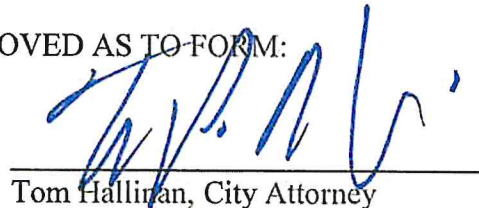
By:



Gabriela Hernandez, City Clerk

APPROVED AS TO FORM:

By:



Tom Hallinan, City Attorney

California All-Purpose Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

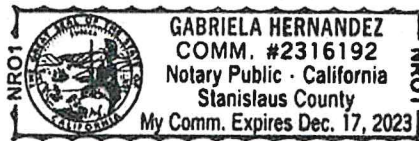
State of California)
)
County of Stanislaus)

On September 28, 2022, before me Gabriela Hernandez, a Notary Public, personally appeared Mark Wilbur who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Gabriela Hernandez
(Signature)



(Seal)

California All-Purpose Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

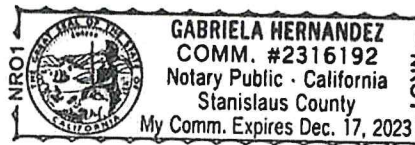
State of California)
County of Stanislaus)

On August 30, 2022, before me Gabriela Hernandez, a Notary Public, personally appeared Marisela H. Garcia who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

[Signature]
(Signature)



(Seal)

EXHIBIT A

**Tentative Map Resolution of Approval
Tentative Map 03-2020**

CITY OF RIVERBANK

RESOLUTION NO. 2021-083

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERBANK,
CALIFORNIA, APPROVING VESTING TENTATIVE MAP 03-2020 FOR MCROY
WILBUR COMMUNITIES, LOCATED AT 4131 KENTUCKY AVENUE
(APN 062-022-020) – A PROJECT KNOWN AS COUNTRYSIDE III**

WHEREAS, a development application has been received from McRoy Wilbur Communities for a Tentative Subdivision Map to divide approximately 4.56 acres into twenty-two (22) Planned Development single family residential lots with three (3) lots for a storm drainage basin and more particularly described as Stanislaus County Assessor Parcel Number 062-022-020; and

WHEREAS, the City Subdivision Ordinance, Section 152.037, states that as a condition of approval of a tentative map, the subdivider shall dedicate and develop parkland, pay a fee in lieu thereof, or both, at the option of the City. In this case the City has chosen to accept the payment of an in-lieu fee for parkland dedication based on values of land at the time the Final map is recorded. The obligation for this project is 0.19 acres of park land; and

WHEREAS, the proposed vesting tentative map is consistent with the following General Plan policies discussed in the staff report: DESIGN-2.4 (minimum dimensions), DESIGN-2.5 (streetscapes), DESIGN-3.1 (continuity), DESIGN-3.2 (pedestrian-friendly), DESIGN-3.5 (small lot minimization), CONS-4.2 (stormwater), CONS-8.6 (compact development), CONS-8.9 (drought-tolerant landscape), and SAFE 2.2 (fire protection); and

WHEREAS, the proposed subdivision is located on land that is within the City limits of the City of Riverbank and is within an area anticipated for urban land uses; and

WHEREAS, Vesting Tentative Map 03-2020 was reviewed by the Riverbank Planning Commission at a regular meeting held on August 17, 2021 in the manner prescribed by law; and

WHEREAS, the Riverbank Planning Commission recommends approval of Vesting Tentative Map 03-2020 dated June 7, 2021 and prepared by Benchmark Engineering, Inc. and modified by adopted Conditions of Approval, and incorporated herein as a part of this City Council Resolution; and

WHEREAS, The City Council of the City of Riverbank hereby finds and adopts the following findings:

1. The proposed map is consistent with applicable general and specific plans.
2. The design or improvement of the proposed subdivision is consistent with

applicable general and specific plans.

3. The site is physically suitable for the type of development.
4. The site is physically suitable for the proposed density of the development.
5. The design of the subdivision or the proposed improvements is not likely to cause substantial environmental damage or substantially and unavoidably injure fish or wildlife or their habitats.
6. The design of the subdivision or the type of improvements is not likely to cause serious public health problems.
7. The design of the subdivision or the type of improvements will not conflict with easements acquired by the public at large for access through, or use of, property within the proposed subdivision. In this connection, the City Council may approve a map if it finds that alternate easements for access or for use will be provided, and that these will be substantially equivalent to ones previously acquired by the public. This division shall only apply to easements of record or to easements established by judgement of a court of competent jurisdiction.

WHEREAS, Vesting Tentative Map 03-2020 is hereby approved, subject to and modified by the following conditions:

1. Applicant shall comply with the City of Riverbank Standard Conditions as contained in Planning Commission Resolution 2013-014, including annexing into Community Facilities District 2016-01 (currently in process), or receive confirmation from the Community Development Director that a specific condition or conditions does not apply to the subject project; and
2. The project storm drainage shall be sized to manage the storm water from Central Avenue, Kentucky Avenue, and Courts A and B together with all lots. Sizing shall be based on percolation rates; and
3. The basin is not likely to be an interim basin since there is no provision currently for a regional basin. (Tentative Map Note 7). Remove all reference to an interim basin and remove the lot lines for lots 23-25 and make them a City Standard basin design; and
4. All wells and septic tanks shall be abandoned as a condition of map approval; and
5. A 12-inch waterline in Kentucky Avenue is required to be connected at Central Avenue and tie into Claus Road; and
6. Water valves shall be installed at all three legs of the water cluster; and

7. Three (3) sets of landscape and irrigation plans conforming to the state's MWEL0 requirements shall be prepared and submitted with fee for review and approval by the City's contract landscape architect before Final Map. The storm basin shall be fully landscaped and slope protection provided; and
8. The City's Post Construction Standards Plan needs to be followed including DMA's LID standards, and the required worksheets located in the Appendix of the document. The document is available on the City's website; and
9. The location of OI0 facilities shall be shown and any proposed relocation or improvements including easements; and
10. All existing overhead electrical shall be placed underground; and
11. Applicant shall pay an in-lieu fee for parkland dedication based on values of land at the time the Final Map is recorded. The obligation for this project is the value of 0.16 acres; and
12. All wet utilities are to be cleaned, tested, and videotaped prior to acceptance by the City of Riverbank; and
13. Street names shall be approved by City Council on the Final Map; and
14. An automatic fire system shall be provided for all Group R occupancies. **CFC 903.2.8**; and
15. Buildings shall be provided with proper address identification in accordance with the California Fire Code as amended by the Stanislaus Consolidated Fire Protection District. **CFC 505.1**; and
16. Approved fire apparatus access roads shall be provided for every facility, building, or portion of a building hereafter constructed or moved into the jurisdiction. All fire apparatus access roads shall meet the design requirements of the California Fire Code. **CFC 503.1.1**; and
17. During construction, Fire apparatus access roads shall be clearly marked with notices or markings that include the words NO PARKING – FIRE LANE. The markings shall be clean and legible at all times. **CFC 503.3**; and
18. An approved water supply capable of supplying the required fire flow for fire protection shall be provided to the site. **CFC 507.1**; and

19. Fire apparatus access roads and a water supply for fire protection shall be installed and made serviceable prior to and during the time of construction. **CFC 501.4**; and
20. All exposed surfaces (e.g. parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two (2) times per day; and
21. All haul trucks transporting soil, sand, or other loose material off-site shall be covered; and
22. All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited; and
23. All vehicle speeds on unpaved roads shall be limited to fifteen (15) miles per hour; and
24. All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binding are used; and
25. Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to five (5) minutes. Clear signage shall be provided for construction workers at all access points; and
26. All construction equipment shall be maintained and properly tuned in accordance with manufacture's specifications. All equipment shall be checked by a certified visible emissions evaluator; and
27. Post a publicly visible sign with the telephone number and person to contact at the Air District regarding dust complaints. The Air District shall respond and take corrective action within 48 hours. The Air District's phone number shall also be visible to ensure compliance with applicable regulations; and
28. Applicant shall comply with San Joaquin Valley Air Pollution Control District's Rule 9510 Indirect Source Review; and
29. If potential human remains are encountered, the construction contractor shall halt work in the vicinity (within 100 feet) of the find and contact the City of Riverbank. The project applicant and/or contractor shall be required to contact the Stanislaus County Coroner in accordance with Public Resources Code Section 5097.98 and Health and Safety Code Section 7050.5, If the coroner determines the remains are Native American, the coroner would contact the Native American Heritage Commission

(NAHC). As provided in Public Resources Code Section 5097.98, the NAHC would identify the person or persons believed to be most likely descended from the deceased Native American. The most likely descendent makes recommendations for means of treating or disposing of, with appropriate dignity, the human remains and any associated grave goods as provided in Public Resources Code Section 5097.98; and

30. Consistent with the requirements of the City of Riverbank Municipal Code, the National Pollutant Discharge Elimination System (NPDES) Construction General Permit, the project applicant shall prepare and implement a Storm Water Pollution Prevention Plan (SWPPP) designed to reduce potential adverse impacts on surface water quality through the project construction period. The SWPPP shall be designed to address the following objectives:
 - a. All pollutants and their sources, including sources of sediment associated with construction, construction site erosion, and all other activities associated with construction activity, are controlled using source control and treatment control best management practices (BMPs).
 - b. Where not otherwise permitted by the Regional Water Quality Control Board, all non-stormwater discharges are identified and eliminated.
 - c. BMPs are effective and result in the reduction or elimination of pollutants in stormwater discharges and authorized non-stormwater discharges from construction activity in accordance with the Construction General Permit; and
31. The project applicant shall fully comply with the City of Riverbank Municipal Code and all Regional Water Quality Control Board stormwater permit requirements, including Provision C.3 of the Municipal Regional Permit (MRP). This will require preparation and implementation of a complete Stormwater Control Plan (SCP) for the project, which shall be submitted to the City Engineer for review and approval prior to any construction activity. The SCP shall act as the overall program document designed to provide measures to mitigate potential water quality impacts associated with the operation of the proposed project and shall be designed to comply with both MRP and City of Riverbank requirements. At a minimum, the SCP for the project shall include the following:
 - a. An inventory and accounting of existing and proposed impervious areas.
 - b. Low Impact Development (LID) design details incorporated into the project. Specific LID design details may include but are not limited to rain gardens, bio retention areas, pervious pavements, harvesting and reuse of stormwater, dispersal of runoff to landscaped areas, and/or routing of runoff swales and other small-scale facilities

- distributed throughout the site.
- c. Measures to address potential stormwater contaminants. These may include measures to address potential sources of stormwater pollutants at the project site, covering trash collection and parking areas.
 - d. A Draft Stormwater Facility Operation and Maintenance Plan for the project site, which shall include periodic inspection and maintenance of the storm drainage system. Persons responsible for performing and funding the requirements of this plan shall be identified. This plan shall be finalized prior to the issuance of any building permits for the project; and
32. Construction equipment shall be well maintained to be as quiet as possible. The following measures, when applicable, shall be implemented to reduce noise from construction activities:
- a. All internal combustion engine-driven equipment shall be equipped with mufflers that are in good condition and appropriate for the equipment.
 - b. "Quiet" models of air compressors and other stationary noise sources shall be used, where technology exists.
 - c. Stationary noise-generating equipment shall be located as far as feasible from sensitive receptors (neighboring dwellings).
 - d. Unnecessary idling of internal combustion engines shall be prohibited.
 - e. Staging areas and construction material storage areas shall be located as far away as possible from adjacent sensitive land uses (neighboring dwellings).
 - f. Construction-related traffic shall be routed along major roadways (Claus Road and Kentucky Avenue) and as far as feasible from sensitive receptors.
 - g. Residences or noise-sensitive land uses adjacent to construction sites shall be notified of the construction schedule in writing. The construction contractor shall designate a "construction liaison" that would be responsible for responding to any local complaints about construction noise. The liaison shall determine the cause of the noise complaints (e.g., starting too early, bad muffler, etc.) and shall institute reasonable measures to correct the problem. The construction contractor shall conspicuously post a telephone number for the liaison at the construction site.
 - h. The construction contractor shall hold a pre-construction meeting with the job inspectors and the general contractor/on-site project manager to confirm that noise mitigation and practices (including construction hours, construction schedule, and construction liaison) are completed.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Riverbank that Vesting Tentative Map Application No. 03-2020 is approved, subject to the aforementioned conditions established by this Resolution, and to be built as illustrated in **Exhibit A** attached hereto entitled Vested Tentative Subdivision Map – Countryside Phase 3, dated June 7, 2021, and the adoption of Ordinance No. 2021-005.

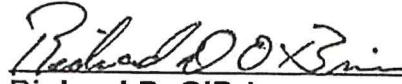
PASSED AND ADOPTED by the City Council of the City of Riverbank at a regular meeting held on the 14th day of September 2021; motioned by Mayor Richard D. O'Brien, seconded by Vice Mayor (CM-D1) Luis Uribe and upon roll call was carried by the following vote of 5/0:

AYES:	Councilmember District 2 Rachel Hernandez Councilmember District 3 Cal Campbell Councilmember District 4 Darlene Barber-Martinez Vice Mayor (CM-D1) Luis Uribe Mayor Richard D. O'Brien
NAYS:	None
ABSENT:	None
ABSTAINED:	None

ATTEST:


Kathy L. Teixeira
Interim City Clerk for
Annabelle H. Aguilar, CMC
City Clerk

APPROVED:


Richard D. O'Brien
Mayor

Attachment: Exhibit A – Vesting Tentative Map 03-2020

ATTACHMENT 2

[illegible]**VACANCY MAP**

OWNERS

INVESTMENT CORPORATION
BRIAN AND CAROL JORDAN
110 SCOTT CIRCLE NORTH
ACQUANT HOUSE, CA 95191

SUBOWNER

WORTH-LEIGH COMMUNITIES, INC.
2700 COTTAGE ROAD, SUITE 101
MCKINNEY, TX 75069
(714) 491-5400

STATEMENT OF SUPERVISOR

1. COUNCIL: INFO. NO. 100-227-029
2. PERSONS: 2
3. PERSONS: 2
4. COUNCIL: INFO. NO. 100-227-029
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6. COUNCIL: INFO. NO. 100-227-029
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100. COUNCIL: INFO. NO. 100-227-029

NOTES:

- [illegible]

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VESTING TENTATIVE SUBDIVISION MAP

COUNTRYSIDE - PHASE 3



BENCHMARK ENGINEERING, INC.
CIVIL ENGINEERING & LAND SURVEYING
815 17th STREET - MODESTO, CALIFORNIA - 95354
(916) 544-9900 FAX (916) 544-1099

[illegible]

EXHIBIT B
Final Map 02-2022

COUNTRYSIDE, PHASE 3

BEING A SUBDIVISION OF LOT 346 AS SHOWN ON THAT MAP ENTITLED "MAP OF RIVERBANK IRRIGATED FARMS" FILED IN VOLUME 7 OF MAPS AT PAGE 23, STANISLAUS COUNTY RECORDS, LYING WITHIN THE SOUTHWEST QUARTER OF SECTION 30, TOWNSHIP 2 SOUTH, RANGE 10 EAST, MOUNT DUBLIO MERIDIAN, CITY OF RIVERBANK, COUNTY OF STANISLAUS, STATE OF CALIFORNIA MAY 2022



BENCHMARK ENGINEERING, INC.
915 17TH STREET, MODESTO, CALIFORNIA, 95354
PRELIMINARY FOR REVIEW ONLY

LEGEND

NOTE: ALL PIPE SIZES ARE INCH DIAMETER

- FOUND AND ACCEPTED 3/4" IRON PIPE TAPPED LS ROAD PER (A) UNLESS NOTED OTHERWISE
- FOUND AND ACCEPTED MONUMENT IN MONUMENT WELL TAPPED LS ROAD PER (B) UNLESS NOTED OTHERWISE
- FOUND GPS MONUMENT, AS SHOWN ON SET (C)
- SET 3/4" x 24" IRON PIPE WITH PLASTIC PLUG STAMPED LS ROAD
- SET 3/4" x 24" IRON PIPE WITH PLASTIC PLUG STAMPED LS ROAD IN MONUMENT WELL
- ✕ SET BRASS TAG STAMPED LS ROAD IN CONCRETE AS A WITNESS CORNER 1.00' FROM TRUE CORNER. MEASURED PERPENDICULAR FROM RIGHT-OF-WAY ANGLES AND CLAVE POINTS
- (N) RAILROAD BEARING
- PA- PARCEL MAP
- (M) RECORDED MAP
- (M) ADJOINED ON THIS SURVEY
- S.C.R. STANISLAUS COUNTY RECORDS
- P.U.C. PUBLIC UTILITY EXHIBIT
- W.C. WITNESS CORNER

NOTES

- ALL BEARINGS AND DISTANCES SHOWN HEREIN ARE MEASURED UNLESS OTHERWISE NOTED.
- ALL DISTANCES AND DIMENSIONS SHOWN ARE IN FEET AND DECIMAL PARTS THEREOF.
- ALL RECORD ATTACHMENT SHOWN IS FROM STANISLAUS COUNTY RECORDS.

REFERENCES

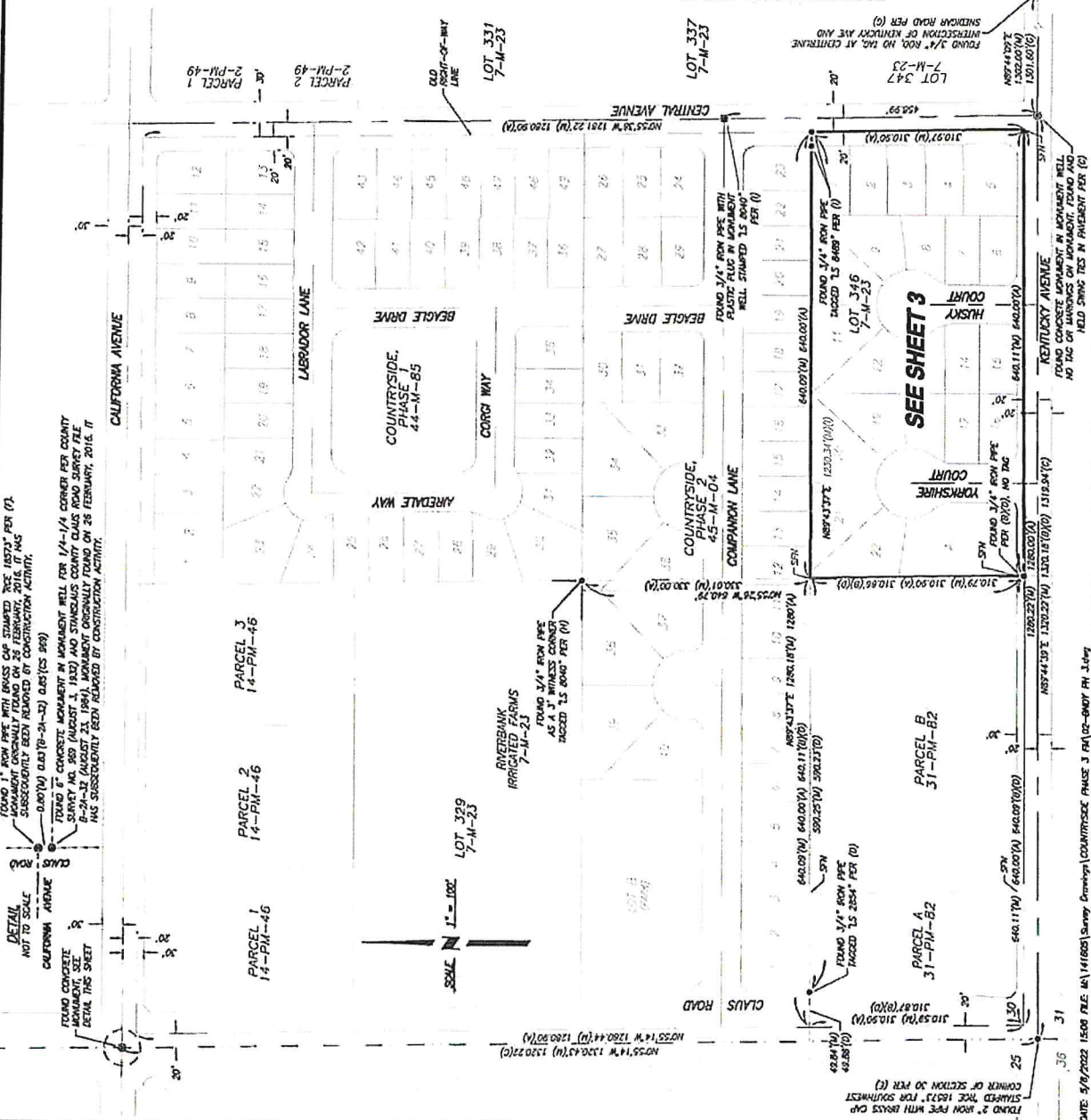
- 7-4-21 MAP OF RIVERBANK IRRIGATED FARMS, S.C.R.
- 14-4-21 S.C.R.
- 31-PM-42 S.C.R.
- 34-4-21 ADJOINED ESTIMATES, UNIT NO. 1, S.C.R.
- 34-4-21 ADJOINED ESTIMATES, UNIT NO. 2, S.C.R.
- COUNTRYSIDE, PHASE 1, 44-M-04 S.C.R.
- COUNTRYSIDE, PHASE 2, 45-M-04 S.C.R.
- CERTIFICATE OF CORRECTION NO. _____

SUBDIVISION SUMMARY

25 LOTS	3.63 ACRES
STREETS	0.34 ACRES
TOTAL	4.57 ACRES

BASIS OF BEARINGS

BEARINGS ON THIS MAP ARE BASED UPON A LINE OBSERVED BETWEEN CITY OF MODESTO GPS MONUMENT 2728 AND MONUMENT "CLAUS" (70 154637). THE BEARING BETWEEN THOSE POINTS IS CALCULATED TO BE NORTH 10° 10' 10" W BASED UPON THE COORDINATES PUBLISHED ON THE STANISLAUS COUNTY RECORDS, S.C.R. AND THE MAP DATA SHEET FOR SECTION 30. TO ADJUST, SEE GPS DETAIL ON THIS SHEET.



LEGEND

NOTE: ALL PIPE SIZES ARE INSIDE DIAMETER

- FOUND MONUMENTS AS NOTED PER (C)
- FOUND AND ACCEPTED MONUMENT IN MONUMENT WELL AS NOTED
- ⊙ FOUND GPS MONUMENT, AS SHOWN ON REF (C)
- SET 3/4" X 24" IRON PIPE WITH PLASTIC PLUG STAMPED LS 8040
- ⊙ SET 3/4" X 24" IRON PIPE WITH PLASTIC PLUG STAMPED LS 8040 IN MONUMENT WELL
- ⊙ SET BRASS TAG STAMPED LS 8040 AT CONCRETE AS A WITNESS CORNER 1.00' FROM TIME CORNER, MEASURED PERPENDICULAR FROM RIGHT-OF-WAY ANGLES AND CURVE POINTS
- (R) RADIAL BEARING
- (PM) PARCEL MAP
- (RM) RECORDED MAP
- (M) MEASURED ON THIS SURVEY
- (SC) STANISLAUS COUNTY RECORDS
- (C) CURVE TABLE REFERENCE
- (P) PUBLIC UTILITY EASEMENT
- (WC) WITNESS CORNER

NOTES

1. ALL BEARINGS AND DISTANCES SHOWN HEREON ARE MEASURED UNLESS OTHERWISE NOTED.
2. ALL ANGLES AND DISTANCES SHOWN ARE IN FEET AND DECIMAL PARTS THEREOF.
3. ALL RECORD INFORMATION SHOWN IS FROM STANISLAUS COUNTY RECORDS.

REFERENCES

- (1) 7-44-23, MAP OF RIVERBANK IRRIGATED FARMS, S.C.R.
- (2) 11-5-121, S.C.R.
- (3) 14-PM-82, S.C.R.
- (4) 31-PM-82, S.C.R.
- (5) CORNER RECORD NO. 647, S.C.R.
- (6) CORNER RECORD NO. 648, S.C.R.
- (7) 12-PM-82, S.C.R.
- (8) 12-PM-82, S.C.R.
- (9) COUNTRYSIDE, PHASE 1, 44-44-MS, S.C.R.
- (10) COUNTRYSIDE, PHASE 2, 45-44-MS, S.C.R.
- (11) CERTIFICATE OF CORRECTION NO.

COUNTRYSIDE, PHASE 3

BEING A SUBDIVISION OF LOT 346 AS SHOWN ON THAT MAP ENTITLED "MAP OF RIVERBANK IRRIGATED FARMS" FILED IN VOLUME 7 OF MAPS AT PAGE 23, STANISLAUS COUNTY RECORDS, LYING WITHIN THE SOUTHWEST QUARTER OF SECTION 30, TOWNSHIP 2 SOUTH, RANGE 10 EAST, MOUNT DUELO MERIDIAN, CITY OF RIVERBANK, COUNTY OF STANISLAUS, STATE OF CALIFORNIA MAY 2022



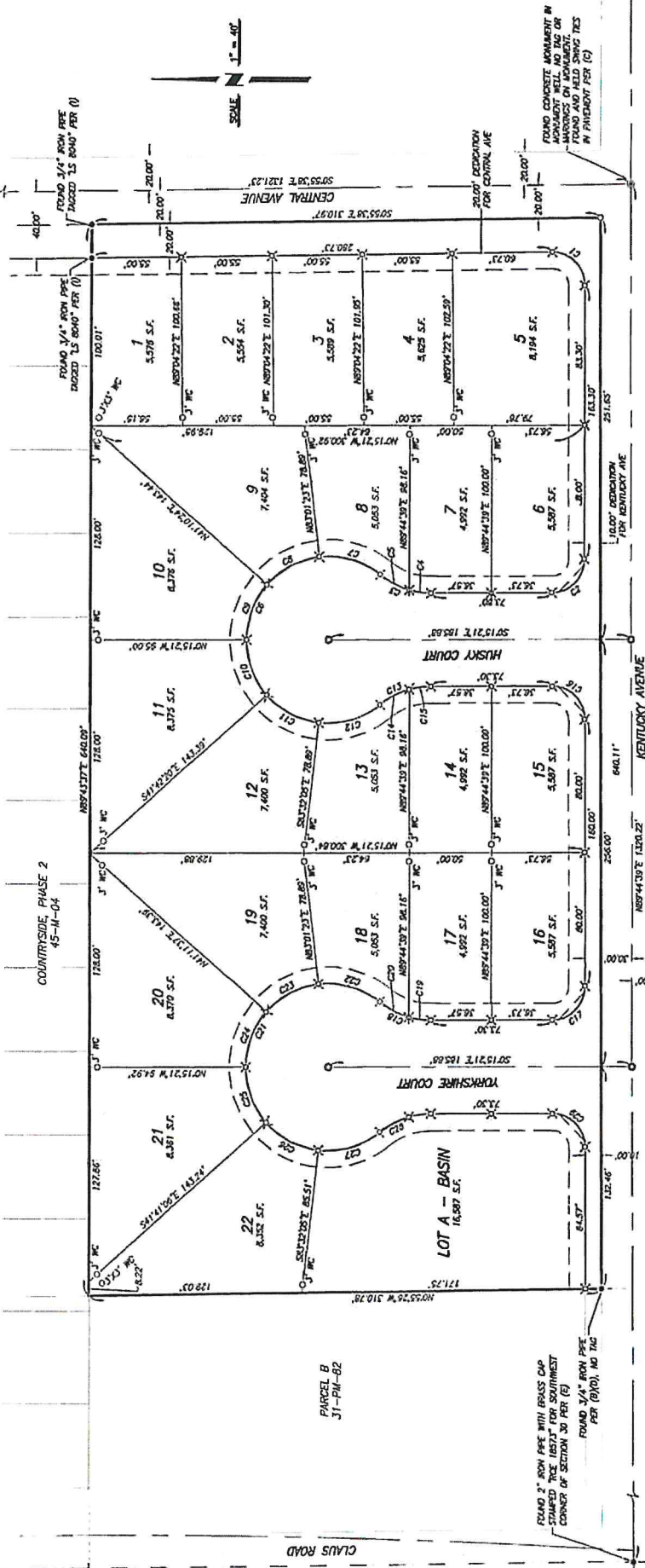
BENCHMARK ENGINEERING, INC.
915 17TH STREET, MODESTO, CALIFORNIA, 95354

STANISLAUS COUNTY RECORDS

FOUND 3/4" IRON PIPE WITH PLASTIC PLUG IN MONUMENT WELL STAMPED LS 8040 PER (C)

COMPANION LANE

COUNTRYSIDE, PHASE 2
45-44-04



CITY OF RIVERBANK

RESOLUTION 2024-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERBANK
APPROVING THE FIRST AMENDMENT TO
THE SUBDIVISION IMPROVEMENT AGREEMENT FOR COUNTRYSIDE III WITH
MCROY WILBUR COMMUNITIES AND AUTHORIZING THE
CITY MANAGER TO EXECUTE THE AGREEMENT**

THE CITY OF RIVERBANK CITY COUNCIL (HEREAFTER REFERRED TO AS THE “CITY COUNCIL”) DOES HEREBY RESOLVE THAT:

WHEREAS, McRoy Wilbur Communities is the property owner of Countryside III, a proposed 22 lot subdivision on approximately 4.56 acres; and

WHEREAS, on November 21, 2023, the Planning Commission adopted Resolution No. 2023-012 to approve Tentative Subdivision Map 04-2023 and related conditions of approval, which set forth the infrastructure obligations and conditions of approval related to the site development and build out of 22 residential lots on 4.56 acres; and

WHEREAS, significant infrastructure improvements are needed in order to serve the area for future growth; and

WHEREAS, McRoy Wilbur Communities will be the builder for Countryside III; and

WHEREAS, McRoy-Wilbur Communities previously entered into a Subdivision Improvement Agreement, adopted by the City Council on June 28, 2022 by Resolution 2022-095, requiring all improvements to be constructed prior to filing a Final Map;

WHEREAS, the Riverbank Municipal Code requires that if improvements are not complete when the final map is considered for approval, a subdivision improvement agreement be entered into; and

WHEREAS, the First Amendment to the Subdivision Improvement Agreement has been developed in cooperation with McRoy Wilbur Communities and City of Riverbank staff.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Riverbank hereby declares the following:

1. The City Council approves the First Amendment to the Subdivision Improvement Agreement as presented (Exhibit A); and

2. The City Council directs the City Manager to execute the attached Subdivision Improvement Agreement subject to verification and receipt of the securities required within the agreement and any other requirements as set forth by the agreement.

PASSED AND ADOPTED by the City Council of the City of Riverbank at a regular meeting held on the 27th day of August, 2024; motioned by Councilmember _____, seconded by Councilmember _____, and upon roll call was carried by the following vote of ____:

AYES:

NAYS:

ABSENT:

ABSTAINED:

ATTEST:

APPROVED:

Gabriela Hernandez, CMC
City Clerk

Richard D. O'Brien
Mayor

Attachment: Exhibit A – First Amendment to the Subdivision Improvement Agreement

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

City of Riverbank
6707 Third Street
Riverbank, CA 95367
Attn: City Clerk

Exempt from recording fees
(Gov. Code §§ 6103 and 27383)

(Space above this line for Recorder's use)

**FIRST AMENDMENT TO THE SUBDIVISION IMPROVEMENT AGREEMENT
FOR THE COUNTRYSIDE III SUBDIVISION (APN 062-022-020)**

This **FIRST AMENDMENT TO SUBDIVISION IMPROVEMENT AGREEMENT** (“First Amendment”) is made and entered into this ____ day of _____, 2024, by and between the City of Riverbank, a California municipal corporation (“City”) and McRoy-Wilbur Communities, Inc., a California Corporation (“Subdivider”). City and Subdivider may herein be referred to individually as a “Party” and collectively as the “Parties”. There are no other parties to this First Amendment. This First Amendment is made with reference to the following:

RECITALS

A. Subdivider is possessed of a tract of land consisting of approximately 4.56 gross acres, lying in the City of Riverbank, County of Stanislaus, California, known as “Countryside III” (Subdivision No. 062-022-020) (“Subdivision”).

B. On September 14, 2021, the City Council of the City of Riverbank adopted Resolution 2021-083 (“Resolution of Approval”) approving Vesting Tentative Subdivision Map 03-2020 and related conditions of approval (the “Tentative Map”), which set forth the infrastructure obligations and conditions related to the development and build out of 22 residential lots and a basin on 4.56 gross acres (“Project”).

C. The Tentative Map is subject to the Subdivision Map Act (Gov. Code, § 66410 et seq.) and the City’s ordinances and regulations related to the filing, approval, and recordation of subdivision maps (together, the “Subdivision Laws”) and the requirements and conditions contained in the Resolution of Approval.

D. On June 28, 2022, City and Subdivider entered into a Subdivision Improvement Agreement (“Subdivision Improvement Agreement”) that included complete improvement plans for the construction, installation, and completion of the Project, attached hereto as **Exhibit A** and incorporated by this reference.

E. Subdivider and City desire to enter into this First Amendment, to provide securities related to the improvements being installed for the Subdivision and to allow for any necessary update to the improvement plans to meet current City building requirements.

{CW139814.4}

F. On _____, 20____ the City Council adopted a resolution authorizing the City to enter into this First Amendment with Subdivider.

NOW, THEREFORE, in consideration of the mutual covenants and benefits that accrue to each, the Parties agree as follows:

AGREEMENT

1. Recitals. The recitals above (“Recitals”) are true and correct and are hereby incorporated into and made part of this First Amendment. In the event of any inconsistency between the Recitals and Sections 1 through 19 of this First Amendment, Sections 1 through 19 shall prevail.

2. Effect of Subdivision Improvement Agreement. Except as otherwise provided herein, all provisions, defined terms, and obligations provided in the Subdivision Improvement Agreement remain in full force and effect. The Parties agree that they continue to be bound by all terms of the Subdivision Improvement Agreement except as modified by this First Amendment. All capitalized terms used in this First Amendment which are not otherwise defined in this First Amendment shall have the meanings given to such terms in the Subdivision Improvement Agreement.

3. Definitions. The Subdivision Improvement Agreement together with this First Amendment collectively make and are defined together as the “Agreement.” All other defined terms used herein shall incorporate definitions used in the Subdivision Improvement Agreement, unless otherwise defined in this First Amendment. In the event of any inconsistency between any defined term in the Subdivision Improvement Agreement and this First Amendment, the defined term in this First Amendment shall control.

4. Effective Date and Term. This Agreement shall become effective on the date that both Subdivider and City have executed this First Amendment (the “Effective Date”), and shall terminate only after the release of all Securities, unless the Agreement is terminated in writing, signed and notarized by both Parties and recorded.

5. Amendment to Section 4. Installation of Requirement Improvements. Section 4 of the Subdivision Improvement Agreement is replaced in its entirety by the following language:

Installation of Required Improvements. Subdivider agrees to furnish, construct and install at Subdivider’s own expense the Improvements, as shown on the Improvement Plans, which are to be installed to the sole satisfaction of the Director and will be on file in the Development Services Department. The Improvement Plans may only be modified by the Subdivider subject to prior written approval by the Director.

6. Amendment to Section 5. Subdivider’s Obligations. Section 5 of the Subdivision Improvement Agreement is replaced in its entirety by the following language:

Subdivider's Obligations. Subdivider shall perform each of the following, at all times, throughout the term of this Agreement:

A. Complete, at Subdivider's sole cost and expense in a good and workmanlike manner, all of the Improvements in conformance with the Resolution of Approval (and any amendments thereto), the Subdivision Laws, and all applicable standards under City codes and ordinances and the City's general plan related to the Improvements (collectively, the "Improvement Standards").

B. Commence construction of the Improvements within three (3) months from the Effective Date of this Agreement. Subdivider shall notify the Director in writing three days before the commencement of construction of the Improvements.

C. Complete all Improvements within twelve (12) months from the Effective Date of this First Amendment, unless otherwise approved or extended in writing by the City Manager for good cause, after written application by Subdivider. Such application shall state fully the grounds and facts showing good cause for such extension to be granted. In granting any extension of time, the City may require a new or amended subdivision improvement agreement to reflect increases in the costs of constructing the Improvements or other conditions related to the extension of time.

D. Furnish and pay for all necessary equipment, labor and materials to complete the Improvements in conformity with the Improvement Standards.

E. Replace or repair all public improvements, private property, public utility facilities, and surveying or subdivision monuments that are destroyed or damaged in the performance of any work related to this Agreement. Subdivider shall bear the entire cost of replacement or repairs of any and all public or private property damaged or destroyed in the performance of any work related to this Agreement. Any repair or replacement work shall be to the satisfaction, and subject to the approval, of the Director.

F. Provide safe access for inspection by the City to the Improvements.

G. Give good and adequate warning to the public of each and every dangerous condition existing on or near the Improvements, and take reasonable action to protect the public from any such dangerous condition.

H. Perform all construction work related to installing the Improvements between 6:00 a.m. and 6:30 p.m. on weekdays and between 8:00 a.m. and 5:00 p.m. on weekends and legal holidays, unless otherwise approved in writing by the Director.

I. Require each contractor and subcontractor to have a competent foreman on the job at all times when that contractor or subcontractor, or any employee or agent thereof, is performing any work related to the Improvements. Subdivider shall maintain an office with a telephone and Subdivider or a person authorized to make decisions and act for Subdivider in Subdivider's absence shall be available at the site of any Improvements

within three (3) hours of being called at such office by the City at any time when construction work is being performed on the Improvements.

J. Assume all costs for utility and cable television undergrounding or relocation which is not the responsibility of the cable television, gas, electric, telephone or other utility company under the terms of any franchises with the City or otherwise imposed upon the utility companies by law.

K. Obtain and comply with all necessary permits and licenses for the construction and installation of the Improvements, give all necessary notices, and pay all fees and taxes required by law.

7. Amendment to Section 6. Estimated Cost of Improvements. Section 6 of the Subdivision Improvement Agreement is replaced in its entirety by the following language:

Estimated Cost of Improvements. The total estimated cost of the Improvements, as provided by Subdivider and reviewed and confirmed by City, is attached hereto as **Exhibit B** ("Cost Estimate").

8. Amendment to Section 11. Securities. Section 11 of the Subdivision Improvement Agreement is replaced in its entirety by the following language:

Securities.

A. *Types of Security.* Subdivider shall secure completion of the Improvements by providing the following securities (collectively, the "Securities"):

- i. Performance Security. A performance security that is one hundred percent (100%) of the total Cost Estimate, securing the Subdivider's faithful performance and completion of the Improvements ("Performance Security").
- ii. Payment Security. An additional amount that is fifty percent (50%) of the total Cost Estimate, securing Subdivider's payment to any contractor, subcontractor, person renting or supplying equipment, or furnishing labor and materials for the Improvements, and which shall also secure the obligations set forth in California Government Code section 66499.3(b) ("Payment Security").
- iii. Guarantee and Warranty Security. Securities to guarantee workmanship shall be in the amount of ten percent (10%) of the total Cost Estimate, to guarantee and warrant the Improvements for a period of one (1) year following their completion and acceptance against any defective work or labor done, or defective materials.

B. *Acceptable Forms of Securities.* The required Securities shall be in one of the following forms:

- i. Deposit. A cash deposit or deposits.
- ii. Bond. A bond or bonds issued by one or more duly authorized corporate sureties.
- iii. Savings and Loan Certificate. A savings and loan certificate and/or share.
- iv. Credit Instrument. An instrument or instruments of credit from an agency of the state, federal, or local government when any such agency provides at least 20% of the financing for the portion of the act or agreement requiring security, or from one or more financial institutions subject to regulations by the state or federal government pledging that the funds necessary to meet the performance are on deposit and guaranteed for payments and agreeing that the funds designated by the instrument shall become trust funds for the purposes set forth in the instrument.
- v. Security Instrument. Any other form of improvement security authorized by the Subdivision Map Act, including the deposit, with a responsible escrow agent or trust company approved by the Council, of money or negotiable bonds of the kind approved for security deposits of public money.

C. *Conditions of Securities.*

- i. Bonds. Any bonds submitted as Securities shall be executed by a surety company authorized to conduct a surety business in California and shall be in a form as specified by the Subdivision Laws and approved by the City.
- ii. Irrevocable. All Securities deposited as bonds under this Agreement shall be irrevocable, shall not be limited as to time (except as to the guarantee and warranty period), and shall provide that they may be released, in whole or part, only upon the written approval of the City, as provided under the Subdivision Laws and in Section 12 below. All Securities shall expressly obligate the surety for any extension of time authorized by the City for Subdivider's completion of the Improvements, whether or not the surety is given notice of such an extension by the City.
- iii. Replacement. No change, alteration or addition to the terms of this Agreement or the plans and specifications incorporated herein shall in any manner affect the obligation of the sureties, except as required by the Subdivision Laws.

D. *Records.* Evidence of the Securities required by this Agreement shall be kept on file with the City. If the City Council gives specific, written approval to replace the

Securities by another approved security, such replacement Securities shall be filed with the City and, upon filing, shall be deemed to be incorporated into this Agreement. Upon filing of replacement Securities with the City, the replaced Securities may be released.

9. Amendment to Section 12. Release of Securities. Section 12 of the Subdivision Improvement Agreement is replaced in its entirety by the following language:

Release of Securities. The Securities required by this Agreement shall be released in accordance with the Subdivision Laws and the following provisions:

- A. Performance Security. The Performance Security may be released or reduced, in whole or in part, in the time and manner prescribed in California Government Code section 66499.7, as it now exists or is hereafter amended, and only after the City records a Notice of Completion for all the Improvements.
- B. Payment Security. The Payment Security may, six (6) months after the Notice of Completion is recorded by City, be reduced to an amount equal to the amount of all claims filed related to the Improvements and for which notice has been given to City. The balance of the Payment Security shall be released upon the settlement of all claims and obligations for which the Payment Security was given.
- C. Guarantee and Warranty Securities. The Securities provided for guarantee and warranty of workmanship shall be released after one (1) year following recordation of a Notice of Completion for the Improvements. If, however, City determines there are defects in the Improvements that require correction pursuant to Section 10 above, and Subdivider fails to correct such defects within a reasonable time, City may utilize the Securities to make all necessary corrections, including payment of reasonable expenses and attorney's fees in connection with enforcement of any provision of this Agreement.

10. Integrated Agreement. The Subdivision Improvement Agreement, as modified by this First Amendment, contains all of the agreements of the Parties and all previous understandings, negotiations, and agreements are integrated into the Agreement.

11. Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this First Amendment are declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this First Amendment which are hereby declared as severable and shall be interpreted to carry out the intent of the Parties herein.

12. Counterparts. This First Amendment may be executed simultaneously, and in several counterparts, each of which shall be deemed an original, but which together shall be deemed one and the same instrument.

13. Governing Law. The validity, interpretation and performance of this First Amendment shall be controlled by and construed pursuant to the laws of the state of California.

14. Venue. Venue for all legal proceedings shall be in the Superior Court for the County of Stanislaus.

15. Entire Agreement. This First Amendment, together with its specific references, attachments and exhibits, constitute all of the agreements, understandings, representations, conditions, warranties and covenants made by and between the Parties hereto with respect to the subject matter of this First Amendment. Neither Party shall be liable for any representations made, express or implied, with regard to such provisions unless set forth herein.

16. Authority. All Parties to this First Amendment warrant and represent that they have the power and authority to enter into this First Amendment and the names, titles, and capacities herein stated on behalf of any entities, persons, states or firms represented or purported to be represented by such entities, persons, states or firms and that all former requirements necessary or required by the state or federal law in order to enter into this First Amendment had been fully complied with.

17. Document Preparation. This First Amendment will not be construed against the Party preparing it but will be construed as if prepared by all Parties.

18. Advice of Legal Counsel. Each Party acknowledges that it has reviewed this First Amendment with its own legal counsel, and based upon the advice of that counsel, freely entered into this First Amendment.

19. Attorney's Fees and Costs. If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret provisions of this First Amendment, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

[Signatures on following page]

IN WITNESS WHEREOF, this Agreement has been entered into by and between Subdivider and City as of the day and year first above written.

SUBDIVIDER:

McRoy-Wilbur Communities, Inc., a
California corporation:

By: _____
Mark Wilbur, President

Date: _____

CITY:

CITY OF RIVERBANK, a California
municipal corporation:

By: _____
Marisela H. Garcia, City Manager

Date: _____

ATTEST:

By: _____
Gabriela Hernandez, CMC
City Clerk

APPROVED AS TO FORM:

By: _____
Tom Hallinan, City Attorney

California All-Purpose Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of Stanislaus)

On _____, before me _____, a Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

(Signature)

(Seal)

California All-Purpose Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of Stanislaus)

On _____, before me _____, a Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

(Signature)

(Seal)

EXHIBIT A
Subdivision Improvement Agreement

EXHIBIT B
Cost Estimate

RIVERBANK CITY COUNCIL / LOCAL REDEVELOPMENT AUTHORITY

AGENDA ITEM NO. 11.2

SECTION 11: NEW BUSINESS

Meeting Date: August 27, 2024

Subject: Resolution Amending the Permanent Local Housing Allocation (PLHA) Formula Allocation Plan

From: Marisela H. Garcia, City Manager

RECOMMENDATION

It is recommended that the City Council consider adopting a Resolution to amend the Permanent Local Housing Allocation (PLHA) Formula Allocation Plan originally approved in July 2020.

SUMMARY

At the Special July 16, 2020 City Council meeting, the Council adopted a Resolution approving the Five-Year Permanent Local Housing Formula Allocation Plan as part of our submittal of an application to the State Department of Housing and Community Development for the Permanent Local Housing Allocation (PLHA) Grant Program. The Plan was subsequently amended to allocate funding for the River Terrace (Ward Villas) Project. The City was awarded the grant and is seeking to amend the adopted plan in order to incorporate funding for Stanislaus Equity Partners for the Bridge Covenant Village Development.

BACKGROUND

The City applied for Permanent Local Housing Allocation funds in July 2020 and was successfully awarded funds to be expended over a five-year period. The City's Original Allocation Plan detailed which eligible activities the program funding may be used for. Initially, the City desired that the funds be used for any combination of the following:

1. Ward Villas Affordable Housing Project. Funds to assist with the costs of the offsite improvements to maintain housing affordability for future buyers.
2. Assisting persons who are experiencing or at risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case

management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.

3. Accessibility modifications in Lower-income Owner-occupied housing.
4. Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.
5. Homeownership opportunities, including, but not limited to, down payment assistance.

The following five-year plan was approved in July 2020, and amended in 2021:

FUNDING YEAR	ACTIVITY	2020	2021
2019	Affordable Rental or Housing Ownership	100%	100%
2020	Transitional Housing	20%	
	Housing Rehab Program	20%	
	Affordable Rental or Housing Project		100%
	Housing Acquisition & Rehab	20%	
	First-Time Homebuyers	40%	
2021	Transitional Housing	20%	
	Housing Rehab Program	20%	
	Housing Acquisition & Rehab	20%	
	First-Time Homebuyers	40%	
	Affordable Rental or Housing Project		100%
2022	Transitional Housing	20%	20%
	Housing Rehab Program	20%	20%
	Housing Acquisition & Rehab	20%	60%
	First-Time Homebuyers	40%	
2023	Transitional Housing	20%	20%
	Housing Rehab Program	20%	20%
	Housing Acquisition & Rehab	20%	60%
	First-Time Homebuyers	40%	

In October 2020 the City approved the Memorandum of Understanding between the City and the Ward Villas development for three-years of PLHA funding towards the project. Due to rising costs of construction and the increasing market value of homes,

the development was not able to fulfill the affordability requirements for lower income residents and subsequently agreed to refund \$541,422.02 back to the City which was now available to use on other developments throughout the City.

In March 2024, Stanislaus Equity Partners reached out to the City requesting financial assistance to complete the project. As evidenced in the Funding Request provided, the project developers requested \$250,000 from the City's PLHA funds. After evaluating the project and based on the City Council's adopted PLHA plan that would provide for the first three years of funding to be used towards Affordable Rental or Housing Ownership projects, we believed that this project was a good fit for the immediate use of the funds. As such, at the June 25th meeting, the City Council approved the allocation of two years of funding towards the project.

The PLHA program has revised their Plan Activities to distinguish between Rental & Ownership housing thus requiring an amendment to the plan to reflect that the funding will now be allocated towards an Affordable Rental Project (Activity 1 per the PLHA Guidelines) and not an Affordable Housing Ownership Project (Activity 2). As such, City staff proposes the following amended plan for approval and submittal to the State of California Department of Housing and Community Development:

Funding Year	Activity	% Allocation
2019	Activity 1 - Affordable Rental	100%
2020	Activity 1 - Affordable Rental	100%
2021	Activity 6 - Assisting Persons at Risk of Homelessness – Transitional Housing New Construction	20%
	Activity 7 - Housing Rehab Program	20%
	Activity 8 - Housing Acquisition & Rehab	20%
	Activity 9 - First Time Homebuyers	40%
2022	Activity 6 - Assisting Persons at Risk of Homelessness – Transitional Housing New Construction	20%
	Activity 7 - Housing Rehab Program	20%
	Activity 8 - Housing Acquisition & Rehab	60%
2023	Activity 6 - Assisting Persons at Risk of Homelessness – Transitional Housing New Construction	20%
	Activity 7 - Housing Rehab Program	20%
	Activity 8 - Housing Acquisition & Rehab	60%

The 2021 Allocation will revert to the original allocation as it is no longer dedicated towards a specific project. Staff is recommending that we revisit this and the 2022 & 2023 allocation to see if it continues to meet the City's goals.

FINANCIAL IMPACT

If awarded, the City is eligible to receive approximately \$732,382 over the five-year period with the following allocations already having been calculated:

Year	Allocation
2019	\$122,063
2020	\$193,021
2021	\$206,039
Total	\$521,123

ATTACHMENTS

1. Resolution
2. Five Year Plan - DRAFT

CITY OF RIVERBANK

RESOLUTION 2024-

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF RIVERBANK, CALIFORNIA
AUTHORIZING THE APPLICATION AND AMENDING THE PLHA PROGRAM PLAN
FOR THE PERMANENT LOCAL HOUSING ALLOCATION PROGRAM**

THE CITY OF RIVERBANK CITY COUNCIL (HEREAFTER REFERRED TO AS THE “CITY COUNCIL”) DOES HEREBY RESOLVE THAT:

WHEREAS, The Department is authorized to provide up to \$296 million under the SB 2 Permanent Local Housing Allocation Program Formula Component from the Building Homes and Job Trust Fund for assistance to Cities and Counties (as described in Health and Safety Code Section 50470 et seq. (Chapter 364, Statutes of 2017 (SB2))); and

WHEREAS, the State of California (the “State”), Department of Housing and Community Development (“Department”) issued a Notice of Funding Availability (“NOFA”) dated 12/29/2023 under the Permanent Local Housing Allocation (PLHA) Program; and

WHEREAS, the City of Riverbank is an eligible Local government who has applied for program funds to administer one or more eligible activities, or a Local Regional Housing Trust Fund to whom an eligible Local government delegated its PLHA formula allocation; and

WHEREAS, the Department may approve funding allocations for PLHA Program, subject to the terms and conditions of the Guidelines, NOFA, Program requirements, the Standard Agreement, and other contracts between the department and PLHA grant recipients.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Riverbank does hereby proclaim that:

1. If applicant receives a grant of PLHA funds from the Department pursuant to the above referenced PLHA NOFA, it represents and certifies that it will use all such funds in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including without limitation all rules and laws regarding the PLHA Program, as well as any and all contracts Applicant may have with the Department.
2. Applicant is hereby authorized and directed to receive a PLHA grant, in an amount not to exceed the five-year estimate of the PLHA formula allocations,

as stated in Appendix B of the current NOFA _____ in accordance with all applicable rules and laws.

3. Applicant hereby agrees to use the PLHA funds for eligible activities as approved by the Department and in accordance with all Program requirements, Guidelines, other rules, and laws, as well as in a manner consistent and in compliance with the Standard Agreement and other contracts between the Applicant and the Department.
4. Pursuant to Section 302(c)(4) and 302(c)(5) of the Guidelines, Applicant's PLHA Plan amendment for the 2020-2023 Allocations is attached to this resolution, and Applicant hereby adopts this PLHA Plan Amendment and certifies compliance with all public notice, public comment, and public hearing requirements in accordance with the Guidelines.
5. Applicant shall be subject to the terms and conditions as specified in the Standard Agreement, the PLHA Program Guidelines, and any other applicable SB 2 Guidelines published by the Department.
6. This City Manager is authorized to execute the PLHA Program Application, the PLHA Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the PLHA grant awarded to Applicant, as the Department may deem appropriate.

PASSED AND ADOPTED by the City Council of the City of Riverbank at a regular meeting held on the ____ day of _____, 2024; motioned by Councilmember _____, seconded by Councilmember _____, and upon roll call was carried by the following City Council vote of _____:

AYES:

NAYS:

ABSENT:

ABSTAINED:

ATTEST:

APPROVED:

Gabriela Hernandez, CMC
City Clerk

Richard D. O'Brien
Mayor

Attachment(s): *PLHA Program Five-Year Plan*

PLHA Formula - Amendment for years 2021, 2022, 2023										Rev. 07/16/24	
Eligible Applicant Type:		Nonentitlement									
Local Government Recipient of PLHA Formula Allocation:								Riverbank			
§300 Eligible Applicants											
§300(a) and (b) Eligible Applicants for the Entitlement and Non-Entitlement formula component described in Section §100(b)(1) and (2) are limited to the metropolitan cities and urban counties allocated a grant for the federal fiscal year 2017 pursuant to the federal CDBG formula specified in 42 USC, Section §5306 and Non-entitlement local governments.											
Applicant:		City of Riverbank									
Address:		6707 3rd Street									
City:	Riverbank	State:	CA	Zip:	95367	County:	Stanislaus				
Auth Rep Name:	Marisela H. Garcia	Title:	City Manager	Auth Rep. Email:	mhgarcia@riverbank.org			Phone:	(209) 863-7110		
Address:	6707 3rd Street	City:	Riverbank	State:	CA	Zip Code:	95367				
Contact Name:	Marisela H. Garcia	Title:	City Manager	Contact Email:	mhgarcia@riverbank.org			Contact Phone:	(209) 863-7122		
Address:	6707 3rd Street	City:	Riverbank	State:	CA	Zip Code:	95367				
§300(d) Is Applicant delegated by another Local government to administer on its behalf its formula allocation of program funds?										No	
§300(d) If Applicant answered "Yes" above, has the Applicant attached the legally binding agreement required by §300(c) and (d)?						A sample agreement can be found by double clicking on the icon to the right  Document			N/A		
File Name:	Application and/or Adopting the PLHA Plan (2020-2023 Allocations) Reso		Pursuant to section 302(c)(4) of the Guidelines, Applicant's PLHA Plan for 2020-2023 allocations is attached to this resolution, and Applicant certifies compliance with all public notice, comment, and hearing requirements in accordance with the Guidelines.				Yes	Uploaded to HCD?	Yes		
File Name:	Gov TIN		Provide a signed Gov't TIN Form					Uploaded to HCD?	Yes		
File Name:	Applicant Delegation Agreement		Legally binding agreement between Delegating and Administering Local Governments (sample provided—just click on icon in row 19, column AH)					Uploaded to HCD?	N/A		
§301 Eligible Activities											
§301(a) Eligible activities are limited to the following:										Select below:	
§301(a)(1) The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to Extremely low-, Very low-, Low-, or Moderate-income households, including necessary operating subsidies.										Yes	
§301(a)(2) The predevelopment, development, acquisition, rehabilitation, and preservation of affordable rental and ownership housing, including Accessory Dwelling Units (ADUs), that meets the needs of a growing workforce earning up to 120 percent of AMI, or 150 percent of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days.										No	
§301(a)(3) Matching portions of funds placed into Local or Regional Housing Trust Funds.										No	
§301(a)(4) Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.										No	
§301(a)(5) Capitalized Reserves for services connected to the preservation and creation of new permanent supportive housing.										No	
§301(a)(6) Assisting persons who are experiencing or At-risk of homelessness, including, but not limited to, providing rapid re-housing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.										Yes	
§301(a)(7) Accessibility modifications in Lower-income Owner-occupied housing.										Yes	
§301(a)(8) Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.										Yes	
§301(a)(9) Homeownership opportunities, including, but not limited to, down payment assistance.										No	
§301(a)(10) Fiscal incentives made by a county to a city within the county to incentivize approval of one or more affordable housing Projects, or matching funds invested by a county in an affordable housing development Project in a city within the county, provided that the city has made an equal or greater investment in the Project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an affordable housing Project. Matching funds investments by both the county and the city also shall be a grant or low-interest deferred loan to the affordable housing Project.										No	

§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity	20%	20%	20%													
§302(c)(4)(E)(ii) Area Median Income Level Served	80%	80%	80%												TOTAL	
§302(c)(4)(E)(iii) Unmet share of the RHNA at AMI Level Note: complete for years 2020, 2021, 2022 only	168	168													336	
§302(c)(4)(E)(iii) Projected Number of Households Served	1	1	1												3	
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity	30	30	30													
§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity. This program is already active within the City of Riverbank and would be implemented upon receipt of funding.																
§301(a)(8) Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.																
§302(c)(4)(E)(i) Provide a detailed and complete description of how allocated funds will be used for the proposed Activity.														Enter Percentage of Funds Allocated for Affordable Owner-occupied Workforce Housing (AOWH)		20%
In order to eliminate blight within low-income sections of town, the City would like to acquire and rehabilitate foreclosed homes. This will allow for the home to be either 1) sold to a low-income resident who can participate in the City's First Time Homebuyer Program or 2) establish a location to provide transitional housing and case management services to the city's unhoused (homeless) population.																
Complete the table below for each proposed Activity to be funded with 2020-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the Activity as many times as needed to capture all of the AMI levels that will be assisted, but only show the percentage of annual funding allocated to the Activity one time (to avoid double counting).																
Funding Allocation Year	2021	2022	2023													
Type of Activity	Ownership: Acquisition	Ownership: Acquisition	Ownership: Acquisition													
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity	60%	60%	60%													
§302(c)(4)(E)(ii) Area Median Income Level Served	80%	80%	80%												TOTAL	
§302(c)(4)(E)(iii) Unmet share of the RHNA at AMI Level Note: complete for years 2020, 2021, 2022 only	168	168													336	
§302(c)(4)(E)(iii) Projected Number of Households Served	1	1	1												3	
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity (55 years required for rental housing projects)	30	30	30													
§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity. The City will need to work with a local real estate agent in order to find homes that will be suitable for this purpose or attend auctions of foreclosed homes that fit the parameters set by the City.																
File Name:	Plan Adoption Reso			§302(c)(4)(D) Evidence that the Plan was authorized and adopted by resolution by the Local jurisdiction and that the public had an adequate opportunity to review and comment on its content.										Uploaded to HCD?	Yes	

Total Percentage of Funds Allocated Calculator (2020 - 2023)

2020 Allocation	
Admin	0%
Funds Allocated	100%
Total Percentage of Funds Allocated for 2020	100%

2021 Allocation	
Admin	0%
Funds Allocated	100%
Total Percentage of Funds Allocated for 2021	100%

2022 Allocation	
Admin	0%
Funds Allocated	100%
Total Percentage of Funds Allocated for 2022	100%

2023 Allocation	
Admin	0%
Funds Allocated	100%
Total Percentage of Funds Allocated for 2023	100%