

CITY COUNCIL

Pedro "Pete" M. Sanchez, Mayor
Lori Wilson, Mayor Pro-Tem
Jane Day
Michael J. Hudson
Michael A. Segala



CITY COUNCIL MEETING

First and Third Tuesday
Every Month

A G E N D A

SPECIAL MEETING OF THE SUISUN CITY COUNCIL

AND

**SUISUN CITY COUNCIL ACTING AS SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY**

TUESDAY, MARCH 3, 2015

5:30 P.M.

SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

TELECONFERENCE NOTICE

Pursuant to Government Code Section 54953, Subdivision (b), the following City Council/Successor Agency meeting includes teleconference participation by Council Member Jane Day from: 301 Morgan Street, Suisun City, CA 94585.

ROLL CALL

Council / Board Members

PUBLIC COMMENT

(Requests by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3 allowing 3 minutes to each speaker).

CONFLICT OF INTEREST NOTIFICATION

(Any items on this agenda that might be a conflict of interest to any Councilmembers / Boardmembers should be identified at this time.)

CLOSED SESSION

Pursuant to California Government Code section 54950 the City Council / Suisun City Council Acting as Successor Agency will hold a Closed Session for the purpose of:

City Council

1. CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code Section 54956.9(b): One potential case.

DEPARTMENTS: AREA CODE (707)

ADMINISTRATION 421-7300 ■ PLANNING 421-7335 ■ BUILDING 421-7310 ■ FINANCE 421-7320
FIRE 425-9133 ■ RECREATION & COMMUNITY SERVICES 421-7200 ■ POLICE 421-7373 ■ PUBLIC WORKS 421-7340
SUCCESSOR AGENCY 421-7309 FAX 421-7366

Joint City Council / Suisun City Council Acting as Successor Agency/Housing Authority**2. PERSONNEL MATTERS**

Pursuant to California Government Code Section 54954.5 et seq. the Suisun City Council will hold a Closed Session for the purpose of Public Employee Performance Evaluation: City Manager Goals and Priorities.

CONVENE OPEN SESSION

Announcement of Actions Taken, if any, in Closed Session.

ADJOURNMENT

A complete packet of information containing staff reports and exhibits related to each item for the open session of this meeting, and provided to the City Council, are available for public review at least 72 hours prior to a Council /Agency/Authority Meeting at Suisun City Hall 701 Civic Center Blvd., Suisun City. Agenda related writings or documents provided to a majority of the Council/Board/Commissioners less than 72 hours prior to a Council/Agency/Authority meeting related to an agenda item for the open session of this meeting will be made available for public inspection during normal business hours. An agenda packet is also located at the entrance to the Council Chambers during the meeting for public review. The City may charge photocopying charges for requested copies of such documents. Assistive listening devices may be obtained at the meeting

PLEASE NOTE:

1. The City Council/Agency/Authority hopes to conclude its public business by 11:00 P.M. Ordinarily, no new items will be taken up after the 11:00 P.M. cutoff and any items remaining will be agendized for the next meeting. The agendas have been prepared with the hope that all items scheduled will be discussed within the time allowed.
2. Suisun City is committed to providing full access to these proceedings; individuals with special needs may call 421-7300.
3. Agendas are posted at least 72 hours in advance of regular meetings at Suisun City Hall, 701 Civic Center Boulevard, Suisun City, CA. Agendas may be posted at other Suisun City locations including the Suisun City Fire Station, 621 Pintail Drive, Suisun City, CA, and the Suisun City Senior Center, 318 Merganser Drive, Suisun City, CA.

CITY COUNCIL

Pedro "Pete" M. Sanchez, Mayor
Lori Wilson, Mayor Pro-Tem
Jane Day
Michael J. Hudson
Michael A. Segala



CITY COUNCIL MEETING

First and Third Tuesday
Every Month

A G E N D A

**REGULAR MEETING OF THE
SUISUN CITY COUNCIL**

**SUISUN CITY COUNCIL ACTING AS SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY,**

AND HOUSING AUTHORITY

TUESDAY, MARCH 03, 2015

7:00 P.M.

SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

TELECONFERENCE NOTICE

Pursuant to Government Code Section 54953, Subdivision (b), the following Council/Successor Agency/Housing Authority includes teleconference participation by Councilmember Jane Day from: 301 Morgan Street, Suisun City, CA 94585.

(Next Ord. No. – 730)

(Next City Council Res. No. 2 015 – 23)

Next Suisun City Council Acting as Successor Agency Res. No. SA2015 – 01)

(Next Housing Authority Res. No. HA2015 – 01)

ROLL CALL

Council / Board Members

Pledge of Allegiance

Invocation

PUBLIC COMMENT

(Requests by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3 allowing 3 minutes to each speaker).

REPORTS: (Informational items only.)

1. Mayor/Council - Chair/Boardmembers
2. City Manager/Executive Director/Staff

PRESENTATIONS/APPOINTMENTS

(Presentations, Awards, Proclamations, Appointments).

3. Introduction of Paul Junker, Pacific Municipal Consultants (PMC).

DEPARTMENTS: AREA CODE (707)

ADMINISTRATION 421-7300 ■ PLANNING 421-7335 ■ BUILDING 421-7310 ■ FINANCE 421-7320
FIRE 425-9133 ■ RECREATION & COMMUNITY SERVICES 421-7200 ■ POLICE 421-7373 ■ PUBLIC WORKS 421-7340
SUCCESSOR AGENCY 421-7309 FAX 421-7366

CONSENT CALENDAR

Consent calendar items requiring little or no discussion may be acted upon with one motion.

City Council

4. Council Adoption of Resolution No. 2015 - __: Authorizing the City Manager to Recruit and Appoint a Police Commander. – (Mattos)
5. Council Adoption of Resolution No. 2015-__: Accepting the Annual Report of Development Fees (AB 1600 Report) from Fiscal Year Ending 2005 to 2014. – (Luna)

GENERAL BUSINESS**Housing Authority**

6. Adoption of Resolution No. HA2015-__: Authorizing the Executive Director to Execute a Due Diligence and Exclusive Negotiation Agreement (ENA) with Hall Equities Group. – (Garben)

City Council

7. Council Adoption of Resolution No. 2015-__: Authorizing the City Manager to Execute an Amendment to the Franchise Agreement with Solano Garbage to Provide Citywide Drop-Off Days and Street Sweeping Services. – (Anderson)
8. Initiation of Development of FY 2015-16 Suisun City Financial Plan – (Bragdon/Anderson)
 - a. Presentation of the Financial Position of the City through the FY 2014-15 Mid-Year Budget Update, FY 2015-16 Preliminary Projected Base Budget, and Identification of Short- and Mid-Term Unmet Needs; and
 - b. Discussion and Direction: Budget Priorities and Process; and
 - c. Council Adoption of Resolution No. 2015-__: Adopting the 7th Amendment to the Annual Appropriation Resolution No. 2014-46 to Appropriate Mid-Year Budget Adjustments for Additional Costs in Various Accounts Organization Wide.

PUBLIC HEARINGS**ADJOURNMENT**

A complete packet of information containing staff reports and exhibits related to each item for the open session of this meeting, and provided to the City Council, are available for public review at least 72 hours prior to a Council /Agency/Authority Meeting at Suisun City Hall 701 Civic Center Blvd., Suisun City. Agenda related writings or documents provided to a majority of the Council/Board/Commissioners less than 72 hours prior to a Council/Agency/Authority meeting related to an agenda item for the open session of this meeting will be made available for public inspection during normal business hours. An agenda packet is also located at the entrance to the Council Chambers during the meeting for public review. The City may charge photocopying charges for requested copies of such documents. Assistive listening devices may be obtained at the meeting

PLEASE NOTE:

1. The City Council/Agency/Authority hopes to conclude its public business by 11:00 P.M. Ordinarily, no new items will be taken up after the 11:00 P.M. cutoff and any items remaining will be agendaized for the next meeting. The agendas have been prepared with the hope that all items scheduled will be discussed within the time allowed.
2. Suisun City is committed to providing full access to these proceedings; individuals with special needs may call 421-7300.
3. Agendas are posted at least 72 hours in advance of regular meetings at Suisun City Hall, 701 Civic Center Boulevard, Suisun City, CA. Agendas may be posted at other Suisun City locations including the Suisun City Fire Station, 621 Pintail Drive, Suisun City, CA, and the Suisun City Senior Center, 318 Merganser Drive, Suisun City, CA.

AGENDA TRANSMITTAL

MEETING DATE: March 3, 2015

CITY AGENDA ITEM: Council Adoption of Resolution No. 2015 - __: Authorizing the City Manager to Recruit and Appoint a Police Commander.

FISCAL IMPACT: The monthly salary range for the position of Police Commander is \$6,518 to \$8,799. When Chief Mattos vacated the position of Police Commander, he was receiving the top salary of \$8,799. The appointment of a Police Commander will be cost neutral and may result in salary savings depending on the mutually agreed upon starting salary.

BACKGROUND: With the adoption of the FY 2011-12 Annual Budget the City Council established a policy that requires the Council review and approval any request to fill vacant positions. The Police Commander position became vacant on January 6, 2015, with the promotion of Tim Mattos to the position of Police Chief. Given the fiscal challenges the City of Suisun City faces, it is the intent of the department to provide effective leadership within the agency while continuing to work within the approved budget.

STAFF REPORT: The Police Commander position is vital to the successful daily operation of the department as it is not only provides guidance and leadership to department personnel, it is also a vital liaison between the department and the community. As a result of the promotion of Chief Mattos, the position of Police Commander has been vacant. As a result, the department is lacking a vital leadership component, and a consistent liaison between the officer of the Chief of Police and department personnel.

Staff is requesting approval to conduct an open recruitment allowing both internal and external candidates to apply and test for the position of Police Commander. Selected candidates will complete a comprehensive and competitive testing process to determine each candidate's knowledge, skills, and abilities. The final selection will be made from the eligible list created during this testing process. As with all permanent appointments, the department director (Police Chief) will recommend a candidate for the City Manager's approval.

RECOMMENDATION: It is recommended that the City Council adopt Resolution No. 2015 - __: Authorizing the City Manager to Recruit and Appoint a Police Commander.

ATTACHMENTS:

1. Resolution No. 2015 - __: Authorizing the City Manager to Recruit and Appoint a Police Commander.

PREPARED BY:

REVIEWED/APPROVED BY:

Tim Mattos, Police Chief
Suzanne Bragdon, City Manager

SR

RESOLUTION NO. 2014-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
AUTHORIZING THE CITY MANAGER TO RECRUIT AND APPOINT
A POLICE COMMANDER

WHEREAS, with the adoption of the FY 2011-12 Annual Budget the City Council established a policy that requires the Council review and approval any request to fill vacant positions; and

WHEREAS, the Police Commander position became vacant on January 6, 2015, with the promotion of Tim Mattos to the position of Police Chief; and

WHEREAS, the Police Commander position is vital to the successful daily operation of the department as it is not only provides guidance and leadership to department personnel, it is also a vital liaison between the department and the community; and

WHEREAS, the Suisun City Police Department will conduct an open recruitment allowing both internal and external candidates to apply and test for the position of Police Commander; and

WHEREAS, selected candidates will complete a comprehensive and competitive testing process to determine each candidate's knowledge, skills, and abilities; and

WHEREAS, filling this vacancy permanently would enable the Department to continue to provide the current level of services to the community.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby authorizes the City Manager to recruit for and to fill the vacant Police Commander position up to the level of staffing approved by the City Council in the currently adopted Annual Budget.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Suisun City duly held on Tuesday, the 3rd day of March 2015, by the following vote:

AYES:	Councilmembers:	_____
NOES:	Councilmembers:	_____
ABSENT:	Councilmembers:	_____
ABSTAIN:	Councilmembers:	_____

WITNESS my hand and the seal of said City this 3rd day of March 2015.

Donna Pock, CMC
Deputy City Clerk

AGENDA TRANSMITTAL

MEETING DATE: March 3, 2015

CITY AGENDA ITEM: Council Adoption of Resolution No. 2015-____: Accepting the Annual Report of Development Fees (AB 1600 Report) from Fiscal Year Ending 2005 to 2014.

FISCAL IMPACT: There would be no fiscal impact associated with the adoption of the proposed Resolution.

BACKGROUND: AB 1600 enacted Government Codes Sections 66000-66008, requiring that local agencies prepare annual reports on all development fees collected in the development process to finance "public facilities" if those fees were established, increased, or imposed on or after January 1, 1989. It does not include fees charged for processing development applications, development agreements, or reimbursement agreements. The report is due 180 days after the close of each fiscal year and requires that a report concerning each fee fund be made available to the public.

The City auditor has found that the required AB 1600 annual reports have not been submitted to Council for approval for the past previous years. Staff compiled the information and prepared the reports from fiscal years ending 2005 to 2014.

A copy of these reports of required information is available at the Finance Department by December 31, 2014, thereby satisfying the law's requirement that the report be available to the public by that date. In addition, public contact will be made through posting of the City Council Agenda on the City's official website.

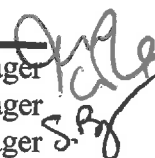
RECOMMENDATION: It is recommended that the City Council adopt Resolution No. 2015-____: Accepting the Annual Report of Development Fees (AB 1600 Report) from Fiscal Year Ending 2005 to 2014.

ATTACHMENTS:

1. Resolution No. 2015-____: Accepting the Annual Report of Development Fees (AB 1600 Report) from Fiscal Year Ending 2005 to 2014.

PREPARED BY:
REVIEWED BY:
APPROVED BY:

Elizabeth N. Luna, Accounting Services Manager
Ronald C. Anderson, Jr. Assistant City Manager
Suzanne Bragdon, City Manager



2. 2. 2. 2.

3. 3. 3. 3.

4. 4. 4. 4.

5. 5. 5. 5.

6. 6. 6. 6.

7. 7. 7. 7.

8. 8. 8. 8.

9. 9. 9. 9.

10. 10. 10. 10.

RESOLUTION NO. 2015-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
ACCEPTING THE ANNUAL REPORT OF DEVELOPMENT FEES (AB 1600 REPORT)
FOR FISCAL YEAR ENDING 2005 TO 2014**

WHEREAS, the City of Suisun City imposes fees to mitigate the impact of development pursuant to Government Code section 66000 *et seq.*; and

WHEREAS, said fees collected are deposited into a special revenue and separate capital accounts for each type of improvement funded by development fees; and

WHEREAS, the City maintains separate funds for off-site street improvement, park development fees and capital improvement fees; and

WHEREAS, the City is required within 180 days after the last day of each fiscal year to make available to the public information for the fiscal year regarding these fees under Government Code section 66006; and

WHEREAS, City staff has not submitted the reports in the past previous years; and

WHEREAS, City staff has prepared a report ("1600 Report") that contains the information required by Government Code section 66006, a copy of which is attached hereto as Exhibits "A-J"; and

WHEREAS, the Annual Report of Development Fees (AB 1600 Report) from fiscal year ending 2005 to 2014 was presented to the City Council for its review and consideration.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Suisun City hereby accepts the Annual Report of Development Fees (A.B. 1600 Report) from fiscal year ending 2005 to 2014.

PASSED AND ADOPTED by a Regular Meeting of said City Council of the City of Suisun City duly held on Tuesday, the 3rd of March 2015, by the following vote:

AYES: Councilmembers

NOES: Councilmembers

ABSTAIN: Councilmembers

ABSENT: Councilmembers

WITNESS my hand and the seal of the City of Suisun City this 3rd day of March 2015.

Linda Hobson, CMC
City Clerk

**Annual Report on Development Impact Fees, Per Government Code 66000
AB 1600 Statement
Analysis of Changes in Fund Balance**

	OSSIP Fund (120)	Parks Dev. Fund (300)	Capital Imprvt. Fund (320)
Beginning Fund Balance, 07/01/2004	2,599,285	1,562,556	356,825
REVENUE			
Developer Fees	780,595	282,611	337,246
Investment Income (at market value)	70,024	39,742	13,028
	<u>850,619</u>	<u>322,353</u>	<u>350,274</u>
EXPENDITURES			
Transfer Out- Driftwood Widening Project	20,983		
Transfer Out- Railroad Ave/Olive Realignment	43,188		
Transfer Out- Highway 12 Expansion	24,052		
Sports Complex Construction		50,946	
Lawler Ranch Park Construction		77,046	
Printing		17	
Field Supplies & Services		3,867	
Contract Services		1,320	
Cost Allocation		2,750	
Civic Center Debt Service			209,500
	<u>88,223</u>	<u>135,946</u>	<u>209,500</u>
Excess Revenue Over/(Under)			
Expenditures	<u>762,396</u>	<u>186,407</u>	<u>140,774</u>
Ending Fund Balance , 06/30/2005	<u>\$ 3,361,681</u>	<u>\$ 1,748,963</u>	<u>\$ 497,599</u>

Exhibit B

**Annual Report on Development Impact Fees, Per Government Code 66000
AB 1600 Statement
Analysis of Changes in Fund Balance**

	OSSIP Fund (120)	Parks Dev. Fund (300)	Capital Imprvt. Fund (320)
Beginning Fund Balance, 07/01/2005	3,361,681	1,748,963	497,599
REVENUE			
Developer Fees	553,142	198,001	233,242
Z'Berg Grant		79,342	
Reimb-City of Fairfield-Driftwood Widening	14,737		
Investment Income (at market value)	128,363	67,827	20,035
	<u>696,242</u>	<u>345,170</u>	<u>253,277</u>
EXPENDITURES			
Transfer Out- Driftwood Widening Project			
Transfer Out- Railroad Ave/Olive Realignment	164,937		
Transfer Out- Highway 12 Expansion			
Lotz Way Signal	1,878		
Sports Complex Construction		256	
Lawler Ranch Park Construction		383,371	
Printing		-	
Field Supplies & Services		3,865	
Contract Services		214	
Cost Allocation		2,750	
Civic Center Debt Service			204,090
	<u>166,815</u>	<u>390,456</u>	<u>204,090</u>
Excess Revenue Over/(Under)			
Expenditures	<u>529,427</u>	<u>(45,286)</u>	<u>49,187</u>
Ending Fund Balance , 06/30/2006	<u>\$ 3,891,108</u>	<u>\$ 1,703,677</u>	<u>\$ 546,786</u>

Annual Report on Development Impact Fees, Per Government Code 66000
AB 1600 Statement
Analysis of Changes In Fund Balance

	OSSIP Fund (120)	Parks Dev. Fund (300)	Capital Imprvt. Fund (320)
Beginning Fund Balance, 07/01/2006	3,891,108	1,703,677	546,786
REVENUE			
Developer Fees	1,140,627	673,454	520,678
Z'Berg Grant		-	
Other Revenues	404,363	250	
Reimb-City of Fairfield-Driftwood Widening	-		
Investment Income (at market value)	223,675	71,706	35,068
	<u>1,768,666</u>	<u>745,410</u>	<u>555,746</u>
EXPENDITURES			
Transfer Out- Driftwood Widening Project			
Transfer Out- Railroad Ave/Olive Realignment	178,682		
Transfer Out- Highway 12 Expansion			
Lotz Way Signal	-		
Sports Complex Construction		-	
Lawler Ranch Park Construction		898,215	
Printing		56	
Field Supplies & Services		175	
Contract Services		-	
Cost Allocation		16,750	
Civic Center Debt Service			209,193
	<u>178,682</u>	<u>915,195</u>	<u>209,193</u>
Excess Revenue Over/(Under)			
Expenditures	<u>1,589,984</u>	<u>(169,785)</u>	<u>346,553</u>
Ending Fund Balance , 06/30/2007	<u>\$ 5,481,091</u>	<u>\$ 1,533,892</u>	<u>\$ 893,339</u>

Exhibit D

**Annual Report on Development Impact Fees, Per Government Code 66000
AB 1600 Statement
Analysis of Changes in Fund Balance**

	OSSIP Fund (120)	Parks Dev. Fund (300)	Capital Imprvt. Fund (320)
Beginning Fund Balance, 07/01/2007	5,481,091	1,533,892	893,339
REVENUE			
Developer Fees	359,738	126,539	129,370
Z'Berg Grant		-	
Other Revenues-Donations for Park Development		250	
Reimb-City of Fairfield-Driftwood Widening	-		
Investment Income (at market value)	239,651	66,868	39,931
	<u>599,389</u>	<u>193,656</u>	<u>169,301</u>
EXPENDITURES			
Capital Improvement Impact Fee Study	12,000		21,000
Sunset/Railroad Intersection Project	100,000		
Gen. Park Improvement -Engineering Support		12,000	
Goepp Park Playground Improvements		70,324	
Postage Park Division-Gen. Improvement		74	
Field Supplies & Services		1,787	
Contract Services		52	
Cost Allocation		16,750	
Civic Center Debt Service			
	<u>112,000</u>	<u>100,986</u>	<u>21,000</u>
Excess Revenue Over/(Under)			
Expenditures	<u>487,389</u>	<u>92,671</u>	<u>148,301</u>
Ending Fund Balance , 06/30/2008	<u>\$ 5,968,480</u>	<u>\$ 1,626,563</u>	<u>\$ 1,041,639</u>

**Annual Report on Development Impact Fees, Per Government Code 66000
AB 1600 Statement
Analysis of Changes in Fund Balance**

	OSSIP Fund (120)	Parks Dev. Fund (300)	Capital Imprvt. Fund (320)
Beginning Fund Balance, 07/01/2008	5,968,480	1,626,563	1,041,639
REVENUE			
Developer Fees	287,538	9,230	13,780
Reserve for Advance to Other Funds		-	4,591,318
Other Revenues-Walters Rd. Reimbursements	131,130	-	
Investment Income (at market value)	184,927	47,677	28,982
	<u>603,595</u>	<u>56,907</u>	<u>4,634,080</u>
EXPENDITURES			
Sunset/Railroad Intersection Project	2,077,284		
Goepp Park Playground Improvements		405,700	
Community Garden Project		4,922	
Emergency Generator Project			120,000
Civic Center Project			101,000
Fire Truck			440,000
Senior Center Renovations			45,000
Heritage Park Parking Lot Improvements			21,150
Corp Yard Motorized Roll-up Doors			8,850
Printing			
Field Supplies & Services			
Contract Services			
Cost Allocation		16,800	
Civic Center Debt Service			
	<u>2,077,284</u>	<u>427,422</u>	<u>736,000</u>
Excess Revenue Over/(Under)			
Expenditures	<u>(1,473,689)</u>	<u>(370,515)</u>	<u>3,898,080</u>
Ending Fund Balance , 06/30/2009	<u>\$ 4,494,791</u>	<u>\$ 1,256,047</u>	<u>\$ 4,939,719</u>

Exhibit F

Annual Report on Development Impact Fees, Per Government Code 66000
AB 1600 Statement
Analysis of Changes in Fund Balance

	OSSIP Fund (120)	Parks Dev. Fund (300)	Capital Imprvt. Fund (320)
Beginning Fund Balance, 07/01/2009	4,494,791	1,256,047	4,939,719
REVENUE			
Developer Fees			
Z'Berg Grant		-	
Community Garden Revenue		1,910	
Transfer in - Unused funds Goepp Park Project		62,983	
Reimb-City of Fairfield-Driftwood Widening	-		
Investment Income (at market value)	89,699	25,643	7,277
	89,699	90,536	7,277
EXPENDITURES			
Sunset/Railroad Intersection Project	468,807		
Central County Bikeway Gap Closure	294,447		
Landscaping County Gap Closure Trail		6,663	
Community Garden Project		911	
Emergency Generator Project			178,217
Civic Center DS Capital Improv. Fees	-		101,000
Cost Allocation		17,600	
Civic Center Debt Service			
	763,254	25,174	279,217
Excess Revenue Over/(Under)			
Expenditures	(673,555)	65,362	(271,940)
Ending Fund Balance , 06/30/2010	\$ 3,821,236	\$ 1,321,409	\$ 4,667,779

**Annual Report on Development Impact Fees, Per Government Code 66000
AB 1600 Statement
Analysis of Changes in Fund Balance**

	OSSIP Fund (120)	Parks Dev. Fund (300)	Capital Imprvt. Fund (320)
Beginning Fund Balance, 07/01/2010	3,821,236	1,321,409	4,667,779
REVENUE			
Developer Fees	20,669	1,562	2,332
Z'Berg Grant			
Transfer from Workforce Grant - Unused Emergency Generator Project			25,076
Transfer from Park Imprvt Fund-Unused from Senior Center Upgrade			31,843
Per Reimbursement Agreement, RDA payment of the Civic Center Debt			2,936,660
Investment Income (at market value)	63,510	23,268	14,626
Misc Income		41	
	<u>84,179</u>	<u>24,871</u>	<u>3,010,538</u>
EXPENDITURES			
Civic Center Debt Service			101,500
Senior Center Improvement Project			2,170
Civic Center Cap Impr. (96510)			4,591,318
Batting Cage Phase 1: Demolition		11,628	
Railroad Extension/Marina Project	162,000		
Sunset/Railroad Intersection Project	4,515		
Landscaping County Gap Closure Trail		79,768	
Hall Park/Play Area Renovations		1,666	
Field Supplies & Services		31	
Cost Allocation		18,000	
	<u>166,515</u>	<u>111,093</u>	<u>4,694,989</u>
Excess Revenue Over/(Under) Expenditures	<u>(82,336)</u>	<u>(86,222)</u>	<u>(1,684,451)</u>
Ending Fund Balance , 06/30/2011	<u>\$ 3,738,900</u>	<u>\$ 1,235,187</u>	<u>\$ 2,983,328</u>

Exhibit H

Annual Report on Development Impact Fees, Per Government Code 66000
AB 1600 Statement
Analysis of Changes in Fund Balance

	OSSIP Fund (120)	Parks Dev. Fund (300)	Capital Imprvt. Fund (320)
Beginning Fund Balance, 07/01/2011	3,738,900	1,235,187	2,983,328
REVENUE			
Developer Fees	22,548	1,704	2,544
Z'Berg Grant			
Returned of Unused Funds -Railroad/Marina Extention Project	318,954		
Contribution -Relocation of Hall Park -TSA purchase agreement		70,000	
Investment Income (at market value)	74,934	23,352	26,145
	<u>416,437</u>	<u>95,056</u>	<u>28,689</u>
EXPENDITURES			
Civic Center Debt Service			203,304
Senior Center Improvements			50,000
Returned to RDA- Civic Center Debt Payment			2,936,700
Railroad Extension/Marina to Main	180,996		
Landscaping County Gap Closure Trail		7,982	
Hall Park Improvements		158,925	
Field Equipment for Fire Truck			18,465
Cost Allocation		18,000	
	<u>180,996</u>	<u>184,907</u>	<u>3,208,469</u>
Excess Revenue Over/(Under)			
Expenditures	<u>235,441</u>	<u>(89,851)</u>	<u>(3,179,780)</u>
Ending Fund Balance , 06/30/2012	<u>\$ 3,974,340</u>	<u>\$ 1,145,335</u>	<u>\$ (196,451)</u>

**Annual Report on Development Impact Fees, Per Government Code 66000
AB 1600 Statement
Analysis of Changes in Fund Balance**

	OSSIP Fund (120)	Parks Dev. Fund (300)	Capital Imprvt. Fund (320)
Beginning Fund Balance, 07/01/2012	3,974,340	1,145,335	(196,451)
REVENUE			
Developer Fees	38,416	28,184	18,000
Z'Berg Grant			
RPTTF-Payment for Civic Center Reimbursement Agreement			334,060
Returned excess funding - Bikeway Gap Closure Project	48,258		
Returned excess funding - Driftwood Drive Project	11,983		
Investment Income (at market value)	5,093	1,365	
	<u>103,749</u>	<u>29,549</u>	<u>352,060</u>
EXPENDITURES			
Civic Center Debt Service			255,380
Railroad Extension/Marina to Main	13,651		
Fire Truck Acquisition			85,318
Field Equipment for Fire Truck			36,564
Cost Allocation		18,000	
Interest Expense			236
	<u>13,651</u>	<u>18,000</u>	<u>377,498</u>
Excess Revenue Over/(Under)			
Expenditures	<u>90,099</u>	<u>11,549</u>	<u>(25,438)</u>
Ending Fund Balance , 06/30/2013	<u>\$ 4,064,439</u>	<u>\$ 1,156,884</u>	<u>\$ (221,889)</u>

Exhibit J

Annual Report on Development Impact Fees, Per Government Code 66000
AB 1600 Statement
Analysis of Changes in Fund Balance

	OSSIP Fund (120)	Parks Dev. Fund (300)	Capital Imprvt. Fund (320)
Beginning Fund Balance, 07/01/2013	4,064,439	1,156,884	(221,888)
REVENUE			
Developer Fees	769,460	125,056	102,432
Z'Berg Grant			
RPTTF-Payment for Civic Center Reimbursement Agreement			350,000
Investment Income (at market value)	27,172	7,525	
	<u>796,632</u>	<u>132,581</u>	<u>452,432</u>
EXPENDITURES			
Civic Center Debt Service			256,200
Returned to RDA- Civic Center Debt Payment			
Train Station Improvement	19,112		
Railroad Extension/Marina to Main	2,875		
Walter/Pintail Rehab 2014	15,288		
Lawler Park		15,566	
Landscaping County Gap Closure Trail			
Hall Park Improvements			
Fire Truck Acquisition			117,300
Field Equipment for Fire Truck			20,664
Cost Allocation		18,000	
Interest Expense			1,533
	<u>37,275</u>	<u>33,566</u>	<u>395,697</u>
Excess Revenue Over/(Under)			
Expenditures	<u>759,357</u>	<u>99,015</u>	<u>56,735</u>
Ending Fund Balance , 06/30/2014	<u>\$ 4,823,796</u>	<u>\$ 1,255,899</u>	<u>\$ (165,153)</u>

AGENDA TRANSMITTAL

MEETING DATE: March 3, 2015

AUTHORITY AGENDA ITEM: Housing Authority Adoption of Resolution No. HA 2015-__: Authorizing the Executive Director to Execute a Due Diligence and Exclusive Negotiation Agreement (ENA) with Hall Equities Group.

FISCAL IMPACT: There would be no fiscal impact associated with the execution of this agreement.

BACKGROUND: The Housing Authority owns a parcel of vacant land totaling approximately 8.29 acres along the northern line of Highway 12, east of Sunset Boulevard that is zoned for commercial development (the "Property"). The Property was acquired by the now dissolved redevelopment agency using low-/moderate-income housing funds, and was transferred to the Housing Authority pursuant to the dissolution law. The transfer to the Housing Authority has been reviewed and approved by the Department of Finance.

Over the years, the Property has been analyzed for additional retail development. Most recently, in 2007, Truststreet Properties entered into an ENA with the former RDA, but was unsuccessful in attracting retail tenants to the portion of the site located directly to the north of the existing gas stations (primarily the area with no Highway 12 frontage). One of the primary interests at the time was to plan for the development of the Property in a cohesive manner and to not allow for "piecemeal" development of the site. Unfortunately, the previous owner of the Sunset Shopping Center (Weingarten Realty) had no interest in expanding the center or enhancing or altering the center for a potential expansion on the Property.

Hall Equities Group acquired the Sunset Shopping Center (located adjacent to the western line of the Property) in August 2013, and is currently in the midst of a \$550,000 "facelift" that has consists of new paint and alterations to the façade in order to modernize and update the look of the center. Further, Hall Equities Group has submitted plans and intends to construct a new pylon sign for the Center near the intersection of Highway 12 and Sunset Boulevard. Hall Equities Group has expressed an interest in the Property as a potential expansion of the Sunset Shopping Center, and the Exclusive Negotiation Agreement would provide Hall Equities Group and the Housing Authority with an ability to determine what is feasible, and see whether an agreement can be negotiated.

STAFF REPORT: Staff recommends entering into Due Diligence and Exclusive Negotiation Agreement with Hall Equities Group that would provide them with up to six (6) months to perform necessary due diligence activities and market the site in order to determine what may be feasible. Hall Equities Group would have the option of exercising a negotiation period of up to seventy-five (75) days that would provide the ability to negotiate conditions of a sale transaction to be reflected in a disposition and development agreement that would be brought forth for considered by the Housing Authority.

PREPARED BY:
APPROVED BY:

Jason Garben, Development Services Director
Suzanne Bragdon, Executive Director

[Handwritten signatures]
J. Garben
S. Bragdon

There are several advantages Hall Equities Group has that other developers would lack when it comes to potential development of the Property. Hall Equities Group may alter or improve the existing portion of the Sunset Center to better integrate any new development on the Property. Further, Hall Equities Group intends to provide space for new tenants on the on the new pylon sign that is currently being processed. Further, Hall Equities Group is an experienced and successful developer/operator/investor of many real estate asset classes, including retail, and clearly has the capability to successfully develop the site.

Essentially, the proposed Due Diligence and Exclusive Negotiation Agreement would provide Hall Equities Group with the ability to conduct due diligence on the site as they see fit, and would require they hire a professional brokerage firm within 21 days of the effective date of the agreement to begin marketing the site. The ENA requires the broker hired must maintain an online marketing presence and produce flyers and any other marketing materials for the Property that shall be made available to the Authority, and requires a written update of the marketing efforts regarding the property on the 15th day of each month.

RECOMMENDATION: It is recommended that the Housing Authority Adopt Resolution No. HA 2015-__: Authorizing the Executive Director to Execute a Due Diligence and Exclusive Negotiation Agreement (ENA) with Hall Equities Group.

ATTACHMENTS:

1. Resolution No. HA 2015-__: Authorizing the Executive Director to Execute a Due Diligence and Exclusive Negotiation Agreement (ENA) with Hall Equities Group.
2. Due Diligence and Exclusive Negotiation Agreement.

RESOLUTION HA NO. 2015-__

**A RESOLUTION OF THE SUISUN CITY HOUSING AUTHORITY AUTHORIZING
THE EXECUTIVE DIRECTOR TO EXECUTE A DUE DILIGENCE AND EXCLUSIVE
NEGOTIATION AGREEMENT (ENA) WITH HALL EQUITIES GROUP**

WHEREAS, the Housing Authority owns an 8.29-acre property (the "Property") zoned for commercial development located east of Sunset Boulevard, north of Highway 12 adjacent to the existing Sunset Shopping Center (Solano County Assessor's Parcel Numbers 0173-390-160 and 0173-390-180); and

WHEREAS, the current owner of the existing Sunset Shopping Center, Hall Equities Group, has expressed an interest in expanding the Center by developing the Property currently owned by the Housing Authority; and

WHEREAS, Hall Equities Group is uniquely positioned to cause the Property to be developed as they may alter or improve the existing portion of the Sunset Shopping Center to better integrate any new development on the Property and has the ability to include signage for new tenants on a proposed pylon sign anticipate to be located on the existing Sunset Shopping Center property; and

WHEREAS, Housing Authority staff has prepared a Due Diligence and Exclusive Negotiation Agreement with Hall Equities Group that provides for up to six (6) months to perform necessary due diligence activities and market the site in order to determine what may be feasible, and additionally, up to seventy-five (75) days to negotiate the terms of a Disposition and Development Agreement for future consideration of the Housing Authority; and

WHEREAS, pursuant to the terms of the ENA, Hall Equities Group would be required to hire a professional brokerage firm within twenty-one (21) days of the effective date of the agreement to begin marketing the site. The ENA requires the broker hired must maintain an online marketing presence and produce flyers and any other marketing materials for the Property that shall be made available to the Authority, and requires a written update of the marketing efforts regarding the property on the 15th day of each month; and

NOW, THEREFORE, BE IT RESOLVED THAT the Suisun City Housing Authority authorizes the Executive Director to execute the Due Diligence and Exclusive Negotiation Agreement with Hall Equities Group; and

BE IT FURTHER RESOLVED THAT the Executive Director is hereby authorized to take the necessary actions required on behalf of the Housing Authority with regard to the agreement, and if necessary, to prepare a Disposition and Development Agreement for future Housing Authority consideration.

I, the undersigned Clerk of the Suisun City Housing Authority, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted by the Housing Authority at a meeting thereof on the 7th day of January, 2014 by the following vote of the members thereof:

AYES:	Board members:	_____
NOES:	Board members:	_____
ABSENT:	Board members:	_____
ABSTAIN:	Board members:	_____

WITNESS my hand and the seal of said City this 3rd day of March, 2015.

Linda Hobson, CMC
Clerk of the Housing Authority

DUE DILIGENCE AND EXCLUSIVE NEGOTIATION AGREEMENT

THIS DUE DILIGENCE AND EXCLUSIVE NEGOTIATION AGREEMENT ("Agreement") is entered into this ____ day of March, 2015 ("**Effective Date**") by and between the HOUSING AUTHORITY OF SUISUN CITY, a public body, corporate and politic ("**Authority**") and HALL EQUITIES GROUP, a California corporation ("**Developer**").

RECITALS

- A. Authority owns that certain unimproved real property consisting of approximately 361,112 square feet of land, and identified as Solano County Assessor's Parcel Numbers 0173-390-160 and 0173-390-180 as depicted on attached Exhibit A ("**Property**").
- B. The Property is adjacent to that certain shopping center known as Sunset Shopping Center, two (2) gas stations, a US Postal facility and a single family residential development.
- C. Authority desires to sell the Property for the maximum value through a high quality commercial or mixed-use development that will complement the existing surrounding uses and take full advantage of the Property's characteristics.
- D. In accordance with the terms of this Agreement, Authority and Developer desire to enter into a period to permit Developer to conduct due diligence which, under certain circumstances, may be followed by a period of exclusive negotiations for the sale of the Property to Developer.

NOW, THEREFORE, Authority and Developer agree as follows:

1. **DUE DILIGENCE PERIOD.** During the period commencing on Effective Date through the date that is one hundred eighty (180) days thereafter, ("**Due Diligence Period**"), Developer shall conduct reasonable due diligence with respect to the Property at its own cost and expense. Such due diligence perform and perform all studies and other research required to determine the feasibility of development of the Property including, but not limited to, appraisal, soil examination, marketing investigations, financial analysis, and comprehensive information to determine the appropriate land use for the Property. During the Due Diligence Period, Developer shall have the right to enter the Property in accordance with Section 3 below. Prior to expiration of the Due Diligence Period, Developer may exercise the option to enter into the Exclusive Negotiation Period in accordance with Section 2 below. Within five (5) business days of the Effective Date, Authority shall provide Developer with appropriate information and documents in its possession relevant to the Property.

Within twenty one (21) business days following the Effective Date, Developer shall enter into a listing agreement with a professional California licensed real estate brokerage approved by Authority ("**Broker**") to market the Property to determine tenant/user interest for proposed projects with the term ending concurrently with the Due Diligence Period ("**Listing Term**"). The listing agreement shall (i) specifically acknowledge that Developer does not own the Property or have any direct rights to the Property; (ii) Authority is not bound by the listing agreement in any way and has no obligation to pay any commission; (iii) specify marketing obligations, including but not limited to, maintaining an online marketing presence and producing flyers and any other marketing materials for the Property copies of which shall be made available to the Authority (at no cost to Authority) which it may distribute to

interested parties; and (iv) on the 15th day of each month during the Listing Term, Broker shall provide written updates of its marketing efforts and results which summary shall be shared with Authority. A copy of the executed listing agreement shall be delivered to Authority.

During the term of this Agreement, Developer shall place signage on the Property for purposes of marketing the Property for possible development. All signage is subject to approval of the Executive Director or her designee, and shall comply with Section 3 below and the standard requirements of City of Suisun City ("City"). Upon termination of this Agreement, any signage shall be promptly removed by Developer at its sole cost and expense.

2. EXCLUSIVE NEGOTIATION PERIOD.

2.1. Exercise of Exclusive Negotiation Option. Developer has the option to enter the Exclusive Negotiation Period (as defined in Section 2.2) ("**Exclusive Negotiation Option**") which Developer may exercise (a) provided Developer is not in default under this Agreement; and (b) prior to expiration of the Due Diligence Period, Developer delivers written notice of exercise to Authority together with (i) the sum of Twenty Five Thousand Dollars (\$25,000) in good funds¹ ("**Deposit**"), (ii) a proposed development plan together with supporting information, (iii) copies of all Reports (as defined in Section 3), (iv) enhanced conceptual drawings showing a refined preliminary property plan and conceptual architecture with respect to the project proposed for the development, (v) copies of all findings, determinations, studies, reports and other work conducted during the Due Diligence Period related to the feasibility of the development, and (vi) a development budget, financing plans, schedule of performance and a pro forma operating statement. If Developer fails to exercise of Exclusive Negotiation Option in the time and manner specified, this Agreement including the Exclusive Negotiation Option shall automatically terminate and, except for Section 3, the parties shall have no further obligations under this Agreement. Except for the Reports, all other Developer submissions shall remain the property of Developer except as otherwise provided in Section 6.

2.2. Exclusive Negotiation Period. If Developer exercises the Exclusive Negotiation Option as specified in Section 2.1, then for a period of seventy-five (75) days following expiration of the Due Diligence Period ("**Exclusive Negotiation Period**"), the parties agree to negotiate diligently and in good faith to negotiate terms and conditions of a sale transaction to be reflected in a disposition and development agreement ("**DDA**") for a high quality commercial development in accordance with a development plan that will complement the existing surrounding uses and maximizing the Property's characteristics. If, upon expiration of the Negotiation Period, Developer and Authority staff have not negotiated a mutually satisfactory DDA, to the point where Authority staff is prepared to submit same for Authority Board consideration, then this Agreement shall automatically terminate at the end of the Exclusive Negotiation Period, unless mutually extended in writing executed by both parties. The Executive Director shall have discretion to extend the Negotiation Period on behalf of Authority. If a mutually satisfactory DDA has been successfully negotiated by Developer and Authority staff within the Negotiation Period, to the point where Authority staff is prepared to submit same for Authority Board consideration, this Agreement shall terminate upon either (1) execution of the DDA by

¹"Good funds" is defined to mean a wire transfer of funds, cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of California.

Developer and the approval and execution of the DDA by the Authority Board, or (2) disapproval of the submitted DDA by the Authority Board in its policy discretion as more fully provided for in Section 2.3 below.

- 2.3. Limitations.** Developer understands that Authority's execution of this Agreement does not commit it (i) to sell or transfer the Property to Developer or (ii) to take any other acts or activities requiring the independent exercise of discretion by Authority, the City, or any Authority or department therefor. Any DDA resulting from the negotiations under this Agreement shall be effective only after the DDA has been considered and approved by Authority and the City Council, in their policy discretion, at a public hearing called for such purpose in accordance with applicable law. This Agreement does not constitute a disposition of property or exercise of control over the Property by Authority or the City and does not require a public hearing. Execution of this Agreement by Authority is merely an agreement to enter into a period to negotiate according to the terms hereof, reserving final discretion and approval by Authority and the City as to any DDA in accordance with applicable law and all proceedings and decisions in connections therewith. The purchase price and/or other consideration to be paid by the Developer for the Property or portion thereof under the DDA will be based on fair market value as established by an MAI appraisal. Mere failure by the parties to agree to the economic terms of the DDA shall not constitute negotiating in bad faith by either party hereunder.

- 3. RIGHT TO ENTER THE PROPERTY.** During the Due Diligence Period, Authority grants Developer, its agents and employees a limited license to enter upon the Property for the purpose of conducting engineering surveys, soil tests, investigations or other studies reasonably necessary to evaluate the condition of the Property, which studies, surveys, reports, investigations and tests shall be done at Developer's sole cost and expense.

Prior to entry onto the Property, Developer shall (i) notify Authority the date and purpose of each intended entry together with the names and affiliations of the persons entering the Property; (ii) conduct all studies in a diligent, expeditious and safe manner and not allow any dangerous or hazardous conditions to occur on the Property during or after such investigation; (iii) comply with all applicable laws and governmental regulations; (iv) allow an employee of Authority to be present at Authority's election; (v) keep the Property free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry and work performed under this provision; (vi) maintain or assure maintenance of workers' compensation insurance (or state approved self-insurance) on all persons entering the Property in the amounts required by the State of California; (vii) provide to Authority prior to initial entry a certificate of insurance evidencing that Developer has procured and paid premiums for an all-risk public liability insurance policy written on a per occurrence and not claims made basis in a combined single limit of not less than TWO MILLION DOLLARS (\$2,000,000) which insurance names Authority as additional insured; (viii) provide Authority copies of all studies, surveys, reports, investigations and other tests derived from any inspection but with the right of Authority to use the report without further consent from the issuer ("**Reports**"); and (ix) if the parties enter into a DDA, to take the Property at closing subject to any title exceptions caused by Developer exercising this right to enter.

Developer agrees to indemnify, and hold Authority free and harmless from and against any and all losses, damages (whether general, punitive or otherwise), liabilities, claims, causes of action (whether legal, equitable or administrative), judgments, court costs and legal or other expenses (including reasonable attorneys' fees) which Authority may suffer or incur as a consequence of

Developer's exercise of the license granted pursuant to this Section or any act or omission by Developer, any contractor, subcontractor or material supplier, engineer, architect or other person or entity acting by or under Developer (except Authority and its agents) with respect to the Property, excepting any and all losses, damages (whether general, punitive or otherwise), liabilities, claims, causes of action (whether legal, equitable or administrative), judgments, court costs and legal or other expenses (including reasonable attorneys' fees) arising from the mere discovery by Developer of any hazardous materials or conditions and excepting to the extent such claims arise out of the negligence or misconduct of Authority. Developer's obligations under this Section 3 shall survive termination of this Agreement for any reason.

4. **DEPOSIT.** The Deposit shall be delivered to the Authority to ensure that (i) Developer will proceed diligently and in good faith to negotiate, and (ii) perform all of Developer's obligations under this Agreement. Authority shall place the Deposit in an interest bearing account earning interest at not less than the average interest rate earned by Authority on similar funds held for investment, taking into account the size of the Deposit and the length of time held for investment. Any interest shall be allocated for tax purposes to Developer but shall be added to the Deposit held by Authority. Except as otherwise provided in Section 5 below, if this Agreement expires at the end of the Negotiation Period without the parties reaching agreement on a DDA despite their mutual good faith efforts, or if the parties enter into the DDA, the Deposit shall be returned to Developer.

5. **DEVELOPER DEFAULT.** If Developer fails to negotiate in good faith and/or otherwise fails to comply with the terms of this Agreement, Authority shall give written notice to Developer specifying in reasonable detail the alleged violation and specifying a date (which shall not be sooner than ten (10) business days from the date of the notice) by which time Developer must recommence negotiating in good faith or otherwise comply with the terms of this Agreement ("**Default Notice**"). If Developer fails to cure the alleged default within the time period specified in the Default Note, Authority may, in its sole discretion, terminate this Agreement and retain the Deposit by delivery of notice of such termination to Developer.

IF DEVELOPER BREACHES THIS AGREEMENT BY FAILING TO NEGOTIATE IN GOOD FAITH AND/OR FAILING OTHERWISE TO COMPLY WITH THE TERMS OF THIS AGREEMENT, THEN THE DEPOSIT SHALL BE PAID TO AUTHORITY AS LIQUIDATED DAMAGES FOR SUCH DEFAULT, IT BEING AGREED THAT SUCH PAYMENT SHALL BE AUTHORITY'S SOLE REMEDY IN THE EVENT OF SUCH DEFAULT AND THAT SUCH ACTUAL DAMAGES THAT WOULD RESULT FROM SUCH A DEFAULT ARE UNCERTAIN AND WOULD BE EXTREMELY DIFFICULT TO FIX AT THIS TIME AND WOULD BE DIFFICULT TO PROVE. THE PARTIES AGREE THAT THEY WOULD HAVE NEGOTIATED THE AMOUNT OF SUCH DEPOSIT AS BEING THEIR BEST ESTIMATE AT THE DATE HEREOF OF AUTHORITY'S LOSS IN THE EVENT OF A DEFAULT BY DEVELOPER. NOTWITHSTANDING THE FOREGOING, THIS LIMITATION SHALL NOT APPLY TO DEVELOPER'S OBLIGATIONS IN SECTION 3.

Developer's Initials

Authority (Initials)

6. **AUTHORITY DEFAULT.** In the event Authority fails to negotiate diligently in good faith during the Exclusive Negotiation Period and/or otherwise fails to comply with the terms of this Agreement, Developer shall give written notice to Authority specifying in reasonable detail the alleged violation and specifying a date (which shall not be sooner than ten (10) business days from the date of the notice) by which time Authority must recommence negotiating in good faith or must otherwise comply with the terms of this Agreement ("**Default Notice**"). If Authority fails to cure the alleged default in the

time specified in the Default Notice, Developer may terminate this Agreement by delivery of termination notice to Authority ("**Termination Notice**"). Upon receipt of the Termination Notice, Authority shall return the Deposit, and Developer may seek compensation from Authority in an amount not to exceed Fifty Thousand Dollars (\$50,000), to offset actual documented expenses, incurred by Developer to prepare reports, plans and/or specifications required by this Agreement. Upon payment of any Demand, all such plans, reports and other specifications shall become the sole property of Authority. Developer understands and agrees that Developer shall not have any right to seek specific performance or any other equitable remedies and shall not have any right to the Property.

IF AUTHORITY BREACHES THIS AGREEMENT BY FAILING TO NEGOTIATE IN GOOD FAITH AND/OR FAILING OTHERWISE TO COMPLY WITH THE TERMS OF THIS AGREEMENT, THEN DEVELOPER MAY SEEK RECOVERY OF THE INVESTIGATION COSTS TO THE MAXIMUM SET FORTH ABOVE. FURTHERMORE, DEVELOPER SPECIFICALLY AGREES THAT DEVELOPER SHALL NOT HAVE ANY RIGHT TO SEEK SPECIFIC PERFORMANCE OR ANY OTHER EQUITABLE REMEDIES OR OTHERWISE CLAIM ANY RIGHT OR INTEREST IN THE PROPERTY.

 Developer's Initials

 Authority (Initials)

7. FULL DISCLOSURE AND APPROVAL. Developer shall make full disclosure to Authority of its principals, offices, stockholders, partners, joint venturers, employees, other associates and all other pertinent information concerning Developer and its associates. Developer shall also make full disclosure to Authority of the methods of financing to be used in purchasing and developing the Property. Developer's negotiators, development manager, consultants, professionals and directly-involved employees in the proposed redevelopment project are subject to the reasonable approval of Authority.

8. NO COLLUSION. No official, officer, or employee of Authority has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of Authority participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interest found to be "remote" or "non interest" pursuant to California Government Code Sections 1091 and 1091.5. Developer warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, Authority or any of its officials, officers, or employees, any money, consideration, or other thing of value as a result or consequence of obtaining this Agreement. Developer further warrants and represents that it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any official, officer, or employee of Authority, as a result or consequence of obtaining this Agreement. Developer is aware of and understands that any such act(s), omission(s) or other conduct resulting in the payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

9. **COMMISSIONS.** Authority has not engaged a broker, agent or finder in connection with this transaction, and Developer agrees to hold Authority harmless from any claim from commission by any broker, agent or finder retained by Developer.

10. **MISCELLANEOUS.**

10.1 **Assignment.** Neither party may assign this Agreement or any of its rights or obligations hereunder (including, without limitation, its rights and duties of performance) to any third party or entity without the prior written consent of the other party which shall not be unreasonably withheld, conditioned or delayed. Agreement will be binding upon and inure to the benefit of each of the parties hereto and, except as otherwise provided herein, their respective legal successors and permitted assigns.

10.2 **Notices.** Any notices, demands or communications under this Agreement between the parties shall be in writing, and may be given either by (i) personal service, (ii) overnight delivery, or (iii) mailing via United States mail, certified mail, postage prepaid, return receipt requested ("**US Mail**"), addressed to each party as set forth below or such other address as may be furnished in writing by a party, and such notice or communication shall, if properly addressed, be deemed to have been given as of the date so delivered, or three (3) business days after deposit into the U.S. Mail.

To Developer: Hall Equities Group
1855 Olympic Blvd, Suite 300
Walnut Creek, CA 94596
Attn: _____

With Copy to: Hall Equities Group
1855 Olympic Blvd, Suite 300
Walnut Creek, CA 94596
Attn: _____

To Authority: Housing Authority of Suisun City
701 Civic Center Blvd.
Suisun City, CA 94585
Attention: Executive Director

With Copy to: Aleshire & Wynder, LLP
18881 Von Karman Ave.
Suite 1700
Irvine, CA 92612
Attention: Anthony Taylor

10.3 **Severability.** If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

10.4 **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of California. If any legal action is necessary to enforce the terms and conditions of this Agreement, the parties agree that a court of competent jurisdiction in Solano County shall be the sole venue and jurisdiction for the bringing of

such action.

- 10.5 Legal Fees and Costs.** In the event of any litigation or other legal proceeding including, but not limited to, arbitration or mediation between the parties arising from this Agreement, the prevailing party will be entitled to recover, in addition to any other relief awarded or granted, its reasonable costs and expenses (including attorney's fees) incurred in the proceeding.
- 10.6 Final Agreement.** This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.
- 10.7 Construction.** In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of this Agreement, no uncertainty or ambiguity shall be construed or resolved against a party under any rule of construction, including the party primarily responsible for the drafting and preparation of this Agreement. Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.
- 10.8 Qualification; Authority.** Each individual executing this Agreement on behalf of Developer represents, warrants and covenants to the Authority that (a) such person is duly authorized to execute and deliver this Agreement on behalf of Developer in accordance with authority granted under the organizational documents of such entity, and (b) Developer is bound under the terms of this Agreement.
- 10.9 Modifications in Writing.** Any modification or amendment of any provision of this Agreement must be in writing and executed by both parties.
- 10.10 Arbitration of Disputes.** Any controversy or claim arising out of or relating to this Agreement or any breach or default hereof (including, without limitation, any claims relating to the arbitration, retention, or return of the Deposit pursuant to Section 4 above) shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator may be entered in any Court having jurisdiction thereof. An arbitration may be initiated by either party providing a written demand for arbitration in accordance with the above referenced Rules, which demand and ensuing arbitration shall take place precedence over any other pending court action or proceeding. The arbitration shall be conducted in Solano County, California. Any action, which is brought to enforce the arbitration provisions hereof or to enforce an arbitration award, may be brought in the Superior Court of Solano County and each party hereto agrees to submit to the jurisdiction of such court and expressly waives any claim of forum non-conviens. The arbitration will take place before an arbitrator who is licensed to practice law with experience in public agency and real property law. The arbitrator shall determine the rights and obligations of the parties according to the substantive law of the State of California. The arbitrator shall award to the prevailing party that party's reasonable attorney's fees and other legal costs as set forth in Section 10.5.
- 10.11 No Waiver.** The failure of either party to enforce any term, covenant, or condition of this Agreement on the date it is to be performed shall not be construed as a waiver of

that party's right to enforce this, or any other, term, covenant, or condition of this Agreement at any later date or as a waiver of any term, covenant, or condition of this Agreement.

10.12 No Third Party Beneficiaries. This Agreement is only between the parties, and is not intended to be nor shall it be construed as being for the benefit of any third party.

10.13 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall be deemed but one and the same instrument, and a facsimile copy of such execution shall be deemed an original.

10.14 Exhibit. Exhibit A attached hereto is incorporated herein by reference.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date set forth above.

REMINDER: Both parties must also initial Sections 5 & 6.

DEVELOPER:

HALL EQUITIES GROUP,
a California corporation

By: _____

Its: _____

AUTHORITY:

HOUSING AUTHORITY OF SUISUN CITY,
A public body, corporate and politic

By: _____

Suzanne Bragdon,
Executive Director

ATTEST:

By: _____

Authority Secretary

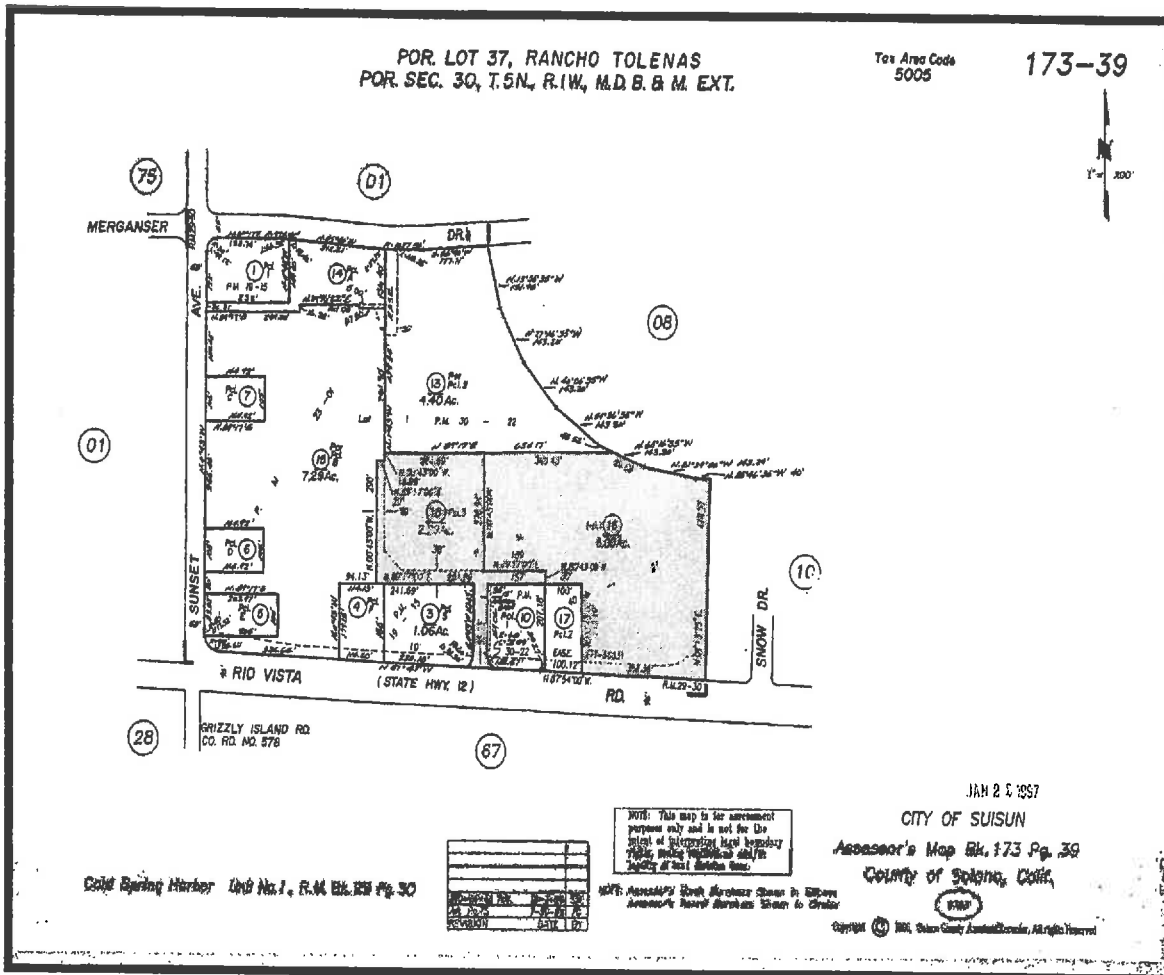
APPROVED AS TO FORM:

ALESHIRE & WYNDER

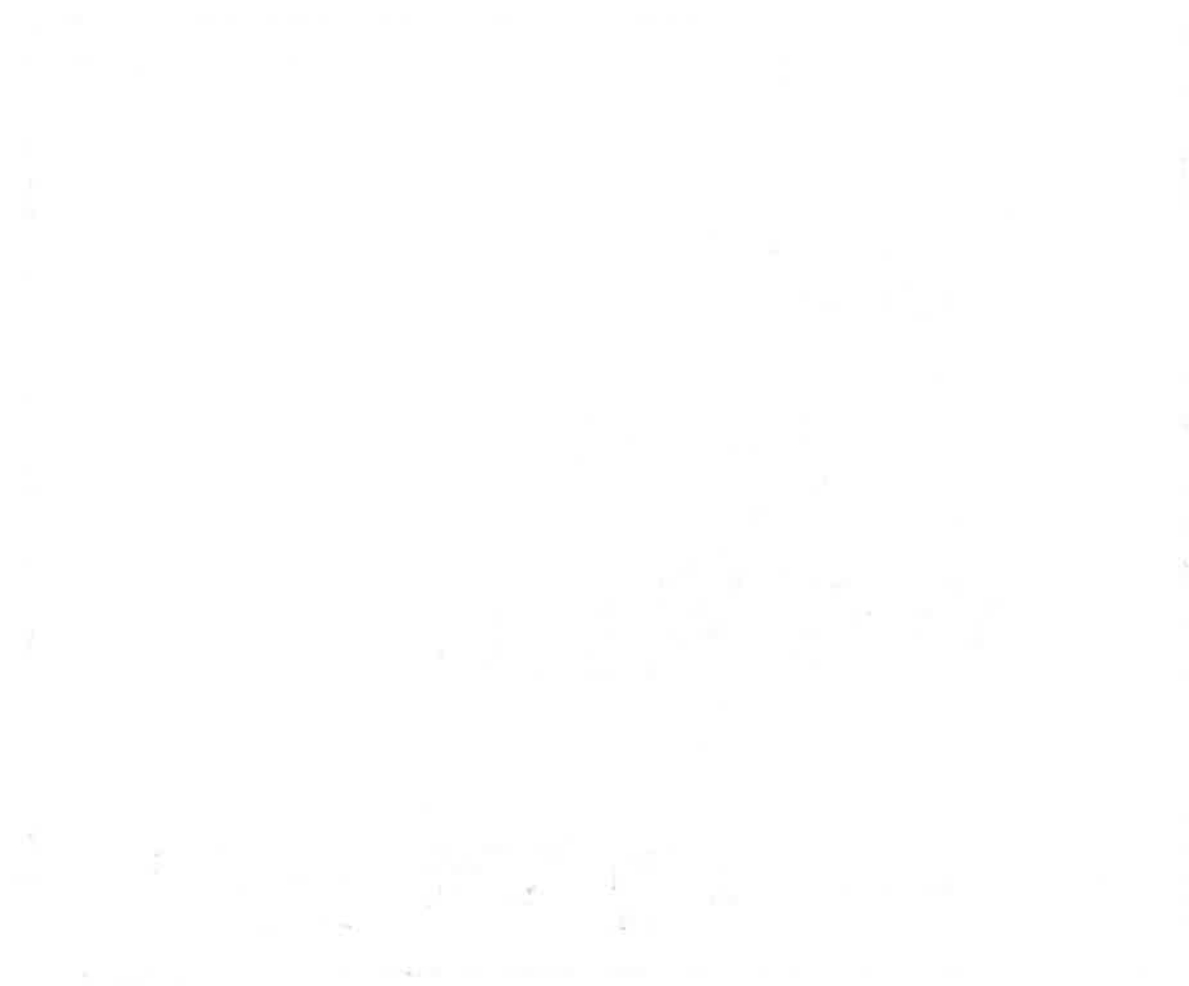
By: _____

Anthony Taylor
Authority Counsel

EXHIBIT A DEPICTION OF PROPERTY



$$\begin{aligned}
 & \mathcal{H} = \{ \mathcal{H}_t \}_{t \in \mathbb{N}} \\
 & \mathcal{H} = \{ \mathcal{H}_t \}_{t \in \mathbb{N}}
 \end{aligned}$$



AGENDA TRANSMITTAL

MEETING DATE: March 3, 2015

CITY AGENDA ITEM: Council Adoption of Resolution No. 2015-__: Authorizing the City Manager to Execute an Amendment to the Franchise Agreement with Solano Garbage to Provide Citywide Drop-Off Days and Street Sweeping Services.

FISCAL IMPACT: There would be no fiscal impact to the General Fund. Republic Services DBA Solano Garbage (hereinafter "Solano Garbage") is requesting an increase of \$62,058.96 per year to be passed along to ratepayers if the current Dump Pass Program is continued unchanged. This would result in a 2.06% rate increase to commercial and residential customers. Residential customers would see a \$0.61 per month rate increase to cover the increased costs associated with dump passes. The amendment as recommended would result in no increase to the customers and would return over \$144,000 per year to the Gas Tax Fund for use in street maintenance.

BACKGROUND: On February 17, 2015, staff brought before the Council options to amend the City's Franchise Agreement with Solano Garbage. The Council approved the option that would include street sweeping services, alter the Dump Pass Program so that 500 dump passes would be available to Suisun City residents, and offer three community Drop Off-Days. This option would result in no additional cost to the City or its residents. Alternately, if the amendment is not approved, Solano Garbage could issue a rate increase to the customers for the increase in the cost of dump passes. Solano Garbage has informed the City that the shortfall, if the current Dump Pass Program is left in place would be \$62,058. This would cost each household an additional \$.061 per month with no increase in service.

Solano Garbage has provided street sweeping services in the City of Fairfield under its current contract. Solano Garbage's subcontractor, Contract Sweeping Services, provides the legally compliant and cost-efficient option. If Solano Garbage provides street sweeping services to Suisun City, the Gas Tax Funds that the City currently spends on for street sweeping could be redirected to street maintenance.

STAFF REPORT: Staff and Solano Garbage have negotiated to produce an amendment to the agreement that includes the features that were approved by the Council during its meeting of February 17, 2015. This amendment includes changes to three programs that are presented below:

Street Sweeping

- Solano Garbage will provide street sweeping of all streets within City limits per the schedule which is included in the contract amendment attached to the resolution.
 - Solano Garbage will provide sweeping of all City-owned parking lots.
 - Business areas such as Main Street will be swept at times such as at night to minimize impacts to the businesses.
-

PREPARED BY:

REVIEWED/APPROVED BY:

Amanda Dum, Management Analyst I

Daniel Kasperson, Building & Public Works Director

Suzanne Bragdon, City Manager

- Additional sweeping frequency is included to deal with the heavy leaf season.
- Provision for "Emergency Sweeping" is included.

Drop Off Days

- Solano Garbage will provide three (3) Drop-Off Days (DOD) throughout the calendar year on dates mutually agreed upon with the City.
- The DODs will be held within City limits and on property provided by the City.
- Solano Garbage will manage and staff all DODs. City will assist with traffic control and permits.
- Acceptable drop-off materials will include: trash, green waste, normal recyclables, e-waste, white goods, and items that could be accepted by a nonprofit for reuse or sale.
- The DOD will be for the use of any Suisun City resident. The intent is to make the resident's use of a DOD more convenient than the previous use of Dump Passes.
- Solano Garbage will coordinate with local nonprofit organizations to allow them to participate.
- Solano Garbage will publicize the DOD schedule through multiple means such as mailings, the media, etc. The City will assist with DOD outreach.

Dump Pass Program

- A total of 500 free Dump Passes per year will be made available to Suisun City residents by Solano Garbage.
- The entire number of passes will be made available at the beginning of the year.
- The dump passes will be distributed by Solano Garbage on a first-come, first-served basis whereby the resident goes to the Solano Garbage office to pick up the pass and verify residency.
- Only one pass per year will be available to each address within Suisun City.
- When distributed each pass will be marked with a 30-day expiration date from the date of distribution.
- The number of passes that expire unredeemed will be added back into the number of passes available for that calendar year.
- Beginning in calendar year 2016, the City would have the right to modify the agreement so that the number of coupons could be decreased to 250 and the number of drop off days is increased to four. Other features of the program would remain unchanged.

The intent of this package of programs is to maximize the convenience and usefulness of the DOD program as a replacement for the Dump Passes and ultimately eliminate the pass program. At the end of each year, the City or Solano Garbage has the right to reopen discussions on the cost of the DOD and Dump Pass programs. If all of the coupons are not being distributed, the City has the right to decrease the number of coupons for the next year with an appropriate rate decrease to the customers or other mutually agreed upon benefit.

In conclusion, staff recommends that the Council authorize the City Manager to execute an amendment to the existing Solano Garbage Franchise Agreement that adds street sweeping, adds DODs, and modifies the dump pass program to what is described above, thus avoiding a rate increase.

RECOMMENDATION: It is recommended that the City Council adopt Council Resolution No. 2015-__: Authorizing the City Manager to Execute an Amendment to the Franchise Agreement with Solano Garbage to Provide Citywide Drop-Off Days and Street Sweeping Services.

ATTACHMENTS:

1. Council Resolution No. 2015-__: Authorizing the City Manager to Execute an Amendment to the Franchise Agreement with Solano Garbage to Provide Citywide Drop-Off Days and Street Sweeping Services.

RESOLUTION NO. 2015-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO THE
FRANCHISE AGREEMENT WITH SOLANO GARBAGE TO PROVIDE CITYWIDE
DROP-OFF DAYS AND STREET SWEEPING SERVICES**

WHEREAS, in March 1998, the City and Solano Garbage (currently Republic Services DBA Solano Garbage) entered into the Exclusive Solid Waste Handling Franchise Agreement (Agreement); and

WHEREAS, in February 2009, the City and Solano Garbage amended the Agreement to extend the term to December 31, 2023; and

WHEREAS, the Agreement in Section 2 (i) requires Solano Garbage to mail out dump coupons to all single, duplex, and triplex residential customers twice a year; and

WHEREAS, fewer than one fourth of all coupons are redeemed by residents; and

WHEREAS, the Agreement allows Solano Garbage to present information to the City prior to March 1st of each year, if it could justify a rate increase to continue to provide this dump coupon service; and

WHEREAS, Solano Garbage has presented information to the City that would justify an increase of \$0.61 per month to make up the current shortfall of \$62,058 per year to operate; and

WHEREAS, City street sweeping service costs approximately \$144,000 per year and is funded exclusively from Gas Tax revenues; and

WHEREAS, combining street sweeping services with other Solano Garbage services could take the financial burden of providing street sweeping services off of the City, return much needed funds to the Streets Division, release a Senior Maintenance Worker to concentrate on other needed duties such as streets maintenance, eliminate the need for the City to purchase a new street sweeper unit, as well as avoid further ongoing expensive repairs to the sweeper; and

WHEREAS, providing Citywide Drop-off Days would reduce costs at the landfill, increase the City's landfill diversion rate, reduce individual customer's transportation costs and associated air pollution, and enhance reuse of items "rescued" from the waste stream.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Suisun City does hereby authorize the City Manager to execute the second amendment to the Agreement with Solano Garbage to provide three Citywide Drop-off Days, Citywide street sweeping services, and 500 dump passes in lieu of the program of providing two dump passes per year to customers.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Suisun City held on this 3rd day of March 2015 by the following vote:

AYES:	Councilmembers:	_____
NOES:	Councilmembers:	_____
ABSENT:	Councilmembers:	_____
ABSTAIN:	Councilmembers:	_____

WITNESS my hand and the seal of said Agency this 3rd day of March 2015.

Linda Hobson, CMC
City Clerk

AGENDA TRANSMITTAL

MEETING DATE: March 3, 2015

CITY AGENDA ITEM: Initiation of Development of FY 2015-16 Suisun City Financial Plan:

- a. Presentation of the Financial Position of the City through the FY 2014-15 Mid-Year Budget Update, FY 2015-16 Preliminary Projected Base Budget, and Identification of Short- and Mid-Term Unmet Needs; and
- b. Discussion and Direction: Budget Priorities and Process; and
- c. Council Adoption of Resolution No. 2015-___: Adopting the 7th Amendment to the Annual Appropriation Resolution No. 2014-46 to Appropriate Mid-Year Budget Adjustments for Additional Costs in Various Accounts Organization Wide.

FISCAL IMPACT: This is an informational report regarding the financial condition of the City's General Fund and as such, has no fiscal impact.

BACKGROUND: This upcoming fiscal year is a pivotal year for the City due in large part to the long-awaited opening of Walmart. We are also starting to see some glimmers from the economic recovery, primarily in the area of increased property tax revenues. Given the looming pension funding crisis, this is welcome news. Getting to this point, however, has taken its toll on our staff both financially and operationally (i.e., fewer staff, wearing multiple hats, with less time to do the job we want to do), as well as on our deteriorating facilities and infrastructure. We are not alone as we grapple with these challenges. But with the success of our multi-year Walmart bridging strategy, our *very early projections* for FY 2015-16 are that further reductions of the levels we have faced over the past three to four years will not be necessary. This allows us to truly start looking forward.

STAFF REPORT: To help facilitate the policy discussion as we begin to develop Suisun City's FY 2015-16 Financial Plan, this report contains the following information:

- **Characteristics of Healthy & Resilient Cities** – From a recent keynote presentation at the City Manager's Department of the League.
- **Financial Position** – Mid-Year update of the FY 2014-15 General Fund estimated through June 30, 2015, with early projections of our fiscal condition for FY 2015-16.
- **Unmet Needs** – Staffing, infrastructure, and facilities needs compared and contrasted against community interests generated at last year's budget workshop. Unique opportunities on the horizon are likewise noted.

From this information, our hope is to begin to get a sense of Council's shorter- and longer-term interests and priorities, which will help guide staff through an assessment of alternative revenue-generating approaches available to meet or make progress on stated priorities. Given what the City has been through over the past six years, and the remaining risks we face (i.e., \$1.75 million lawsuit against the Department of Finance (DOF), pension liabilities, declining sales taxes on gasoline, etc.) we all know we are looking at a multi-year roadmap to stabilize our financial position and provide the level of service our residents and businesses deserve.

PREPARED BY:
REVIEWED BY:
APPROVED BY:

Jason Garben, Development Services Director
 Ronald C. Anderson, Jr. Assistant City Manager
 Suzanne Bragdon, City Manager

Looking forward, what everyone in this community can agree on is that we do not want to become what we were back in 1988: Voted the Worst Community in the Bay Area.

CHARACTERISTICS OF HEALTHY & RESILIENT CITIES

From a multi-year trip across the country meeting with civic, business and community leaders of cities of all sizes, capped off with an intensive tour through California, ten common characteristics were identified of smaller and mid-sized cities that were able to overcome severe adversity and ultimately thrive. These include:

1. **Political divisions are just a distraction, “but not really there...”** as compared with the gridlock seen at the national level. Cities that are strong and healthy are led by policy makers that focus on practical issues, are team spirited, reasonable, and able to make compromises. They find ways to think 20 plus years into the future and focus on/build upon areas where the group agrees versus where they disagree.
2. **Easy to pick out “local patriots”** – In strong cities, when businesses, editors of the local newspaper, school officials, or city staff are asked, “Give me the names of 6 to 10 people in the community that work for, champion, and make a difference in this community,” the individuals’ names roll off the speakers tongue in 10 seconds or less. In more challenged communities, it’s not even easy to get to 6 or 10 names. The bottom-line: More can be achieved with a group of individuals/organizations pulling together in the same direction, than city hall working on its own.
3. **Public-Private Partnerships** – In healthy cities, these partnerships are more than just words.
4. **EVERYONE knows Our Story** – What’s at the heart of a community? What do we stand for? For example, “The little train that could.” “We made it!” “The worst community in the Bay Area; Look at us now!” Does the community know our story or is it the best-kept secret at city hall? For us to consider, perhaps, is what’s after redevelopment?
5. **Downtown is a symbol of the health of a community** – Is the downtown being cared for? Is it vibrant? Is it special? The focus of downtown renovation is food, entertainment, retail, and residential. Toss in a craft brewery, which indicates an entrepreneurial spirit. Or a craft distillery. Millennials want to live and work downtown; energy and investment are keys for this segment of the population.
6. **Proximity to a research university** – Illustrates the importance of higher education.
7. **All segments of the population are rising/improving economically** – The key factor identified under this characteristic is a strong, well-valued community college system. Need high-end vocational jobs to support strong middle class jobs; the bridge between lower-end service industry jobs and high-end college careers. California has generally lagged in this area as compared to other areas of the country.
8. **Notably creative schools** – Are issues found in the public education system being dealt with creatively? Innovatively? Are partnerships through the community being formed to tackle the challenges of high drop-out rates and other problems?
9. **Distinctively Open** – Absorbing people from around the world into our country is an edge we hold compared to other countries. Focusing on smaller communities, hone in on diversity; how cities embrace diversity. Likewise, how well do cities integrate military

personnel into their communities recognizing that current personnel move out and new personnel in every two years or so.

10. **Some BIG THING is underway** – For those cities that are healthy, examples given of “big and ambitious” activities included: downtown, new park district, river walk, new industrial park, master visioning – thinking 20 years out. “These are all good signs.”

Another point that didn’t make the top ten list was infrastructure. Two communities in the same region, experiencing the same types of challenges, fared very differently in the long run. What was the key distinction? One managed to keep up its infrastructure and the other didn’t. The one that did was positioned to take advantage of new development opportunities as they arose.

Accordingly, it may be helpful for Council to keep these principles in mind as you consider Suisun City’s financial position and unmet needs.

FINANCIAL POSITION

This section of the staff report is separated into three parts:

- A review of the FY 2014-15 Estimated General Fund based on six months of actual revenue collections and expenditures.
- Recommended budget amendments.
- A preliminary review of the projected base budget for the FY 2015-16 General Fund.

Review of the FY 2014-15 Estimated General Fund Budget

General Fund Resources include the Beginning Balance (carryover from FY 2013-14), as well as ongoing revenues. Use of Resources includes expenditures for Personnel Services, Services & Supplies, Interdepartmental Charges, and Non-Recurring Costs.

FY 2014-15 General Fund Beginning Balance

The Ending Balance from FY 2013-14 was **\$26,900 more** than the assumption utilized in the FY 2014-15 Annual Budget. Thus, the estimated beginning balance for FY 2014-15 has been revised to \$2,818,900, which represents a 0.96% increase over the adopted budget amount of \$2,792,000.

FY 2014-15 General Fund Revenues

The economy has continued to improve, and based on projections from revenues received to date, staff anticipates the FY 2014-15 overall revenues are projected to be approximately \$69,100 more than budgeted. The components of these enhanced revenues are as follows:

- **Property Taxes** – Based on updated County estimates, we should collect about **\$264,900 more** than budgeted.
- **Sales Taxes** – Based on the projections from HdL (the firm that provides sales tax revenue auditing services to the City), this revenue source will be approximately **\$102,200 less** than the adopted budget due to falling gas prices and impacts from the triple-flip calculation associated with a one-time correction made last year due to a reporting error by a business.
- **Transient Occupancy Tax** – TOT is up approximately 13.5% when July 1 through December 31 is compared year over year (FY 2013-14 to FY 2014-15) and continues to demonstrate robust growth. Thus, staff has increased TOT revenue estimate to \$292,200 which is **\$17,200 more** than the adopted budget.

- Licenses & Permits – It is anticipated that a **decrease of \$137,500** will occur in this fiscal year as only 5 of the 59 Zephyr Estates permits are anticipated to be issued this fiscal year.
- Intergovernmental – Due to an increase to Vehicle License Fee revenue, intergovernmental revenues are anticipated to be **higher by \$89,300** in FY 2014-15.
- Charges for Services – It is anticipated that a **decrease of \$123,300** will occur in this fiscal year for as revenues from softball and activities at the senior center is down, in addition to most of the charges associated with Zephyr Estates projected to come in FY 2015-16.
- Misc. Revenues – An **increase of \$93,200** is anticipated due to money received from PG&E for improvements associated with the gas valve project, in addition to fees generated to the City from the former redevelopment agency bond refinancing.

No changes are anticipated in the other revenue categories, so overall staff anticipates that revenues will be up by **\$69,100** over the Adopted FY 2014-15 General Fund Budget.

FY 2014-15 General Fund Use of Resources

Overall, staff expects expenditures to be in line with the Adopted Budget except for the following:

- Personnel Services – Overall, Personnel Services City Wide are anticipated to end the year approximately **\$130,000 under** budget. This is primarily a result of the reorganization around the vacated Community Development Director into a Development Services Department, and the shorter-term vacancy of the Police Commander, two Police Officer, and Police Dispatch positions, the unexpected decline in health care costs (an 8% increase was budgeted, yet the City realized a 3.2% decline), and a decline in anticipated payments toward the Workers' Compensation Fund. The savings are somewhat offset by higher overtime, primarily in the Police Department, which is a result of unexpected vacancies in both sworn and non-sworn officers, and the PMC contract for Planning Services.
- Services & Supplies – In the Services and Supplies object, there is an anticipated **overage of approximately \$44,200** which is primarily driven by the professional services contract with Pacific Municipal Consultants (PMC) for additional staff support within the Planning Division, which is offset by savings from not filling the Community Development Director position.
- Interdepartmental Charges – No significant variation from the amended budget is expected.
- Non-Recurring Costs – A **savings of \$51,400** is anticipated as a result of costs associated with the General Plan that were realized last fiscal year.
- Major Capital – No significant variation from the amended budget is expected.
- Reserves – Except for the challenge associated with the pending lawsuit against the Department of Finance, the General Fund has reserves of approximately **21 percent** of operating expenditures. This exceeds the Council's adopted policy of 20 percent reserves by nearly 1 percent or \$52,900.

FY 2014-15 General Fund Amended and Estimates amounts may be found in Columns 7 and 8 respectively of Attachment 1.

Conclusions for Current Fiscal Year ending June 30, 2015

The City has been operating at a structural deficit, utilizing one-time revenues and prior-year reserve funds to balance the budget. This has been referred to as a “bridging” strategy until the Walmart project opens, and the City realizes the anticipated ongoing revenues as a result of the project. The anticipated opening of Walmart and the economic recovery have translated into increased revenues for the City anticipated for FY 2014-15.

The City has continued to maintain strong reserves in excess of the 20% reserve policy, but the reserves are at risk as approximately \$1.5 million of the City’s Emergency Reserve could be wiped out by the State of California, if the City’s lawsuit to retain the funds is unsuccessful. Given the fiscal risks associated with the uncertainty of the pending lawsuit and projections associated with Walmart, revenue projections have been conservative, and staff continues to keep a close watch on expenses.

Overall, based on estimates developed from actual data over the first six months of the fiscal year, it is anticipated the General Fund will end FY 2014-15 with an ending balance approximately \$365,000 more than was budgeted as a result of higher carryover than expected of \$26,900, a higher revenues than anticipated of approximately \$61,300, and lower than expected expenditures of approximately \$139,600.

Recommended Mid-Year Budget Adjustments

Included in the projected figures provided in Column 9 of Attachment 1 are adjustments included in the Attachment 2. Please note that of the following adjustments, only one is associated with the General Fund:

1. **Housing Element** – Additional work was approved by the Council in order to carry out tasks associated with the completion of the Housing Element. These additional tasks were to be paid from Salary Savings. In order to utilize salary savings realized in Fund 903, an AAR is necessary to appropriate the savings from Fund 903 into Fund 010. Thus, an additional \$5,800 is recommended to be appropriated for the Housing Element.
2. **Railroad Avenue Right of Way Acquisition** – The Council approved acquisition of two “clean-up” segments of right of way in January 2015. Funding was not appropriated as part of the Council approval, although the OSSIP fund was identified as a funding source. Thus, the \$17,000 from the OSSIP fund is recommended to be appropriated.
Walmart Cameras – As part of the Walmart project, Walmart has agreed to pay for the installation of 4 cameras on their property. The cameras will be part of the City’s system that is able to be monitored by the Police Department, and will be purchased and installed by City staff at a cost not to exceed \$22,900. Thus, an additional \$22,900 is recommended to be appropriated.
3. **IT Staffing Adjustment** – The City entered into an arrangement with the Solano Transportation Authority whereby the City IT professionals service the IT needs of the STA. STA pays for this service on an hourly basis (estimated at \$10,400 through the end of this year). In order to allow for this arrangement to work, funding for part time IT staff may need to be augmented. Thus, it recommended an additional \$10,400 be appropriated.

Preliminary Review of the Projected General Fund Base Budget for FY 2015-16

The following represents the preliminary projection of the FY 2015-16 Base General Fund budget compared with the FY 2014-15 Estimated General Fund:

Potential General Fund Revenues – FY 2015-16

- Beginning Balance – Expected to be reduced by about \$750,000 from FY 2014-15.
- Property Taxes – Preliminary projected increase of about 5%.
- Sales Taxes – Expected to increase by over \$550,000 based on Walmart and overall growth.
- Transient Occupancy Tax – Expected to level off at \$300,000.
- Franchise Fees – Expected to increase about 2%.
- Licenses & Permits – Up about \$100,000 due to development activity such as Zephyr Estates.
- Motor Vehicle License Fees – Same 5% increase as Property Taxes.
- Miscellaneous – A decrease due to one-time revenues being received last year.
- All other revenues – No change projected at this point.

Overall Revenues would be up about \$1,000,000, but bottom line Resources would only be up about \$240,000 due to the reduction in the Beginning Balance.

Potential General Fund Expenditures – FY 2015-16

- Salaries & Wages – Up about \$130,000 due to salary savings in FY 2014-15 and merit increases in FY 2015-16 for employees not yet at top step.
- Overtime – Decrease of about \$70,000 due to the vacancies in FY 2014-15.
- Employee Benefits – PERS unfunded liability payment increase of about \$300,000 per year in the General Fund.
- Payroll Taxes – Workers' Compensation rates should decrease by about 19% for a savings of about \$64,000.
- Services & supplies – Increase by about 3% and \$50,000 for PMC.
- Interdepartmental Charges – Overall increase of nearly \$100,000 as two ISFs relied on drawing down reserves too low.
- Non-Recurring Costs – Decreases due to the completion of the General Plan Update and the Housing Element Update will result in savings of about \$173,000.
- Debt Service – The annual costs for the acquisition of the fire engine should amount to an ongoing \$50,000.

Overall Expenditures are projected to increase by a net \$240,000.

Potential Ending Balance – FY 2015-16

The Ending Balance would be a decrease of about \$134,000 compared with FY 2014-15's Ending Balance. The Emergency Reserve would be about \$1,898,000 which would be about \$146,000 below the Council's 20% policy. It would result in an Emergency Reserve of about 19%. If the DOF is successful in stealing the \$1,750,000, the Emergency Reserve would be reduced by a net \$1,493,500 to about \$404,500 or about 4%.

FY 2015-16 Base Budget "Bottom Line"

Next year's budget probably can be balanced without a significant modification in the General Fund budget, but it would not have the capacity to address **any** unmet needs.

UNMET NEEDS

This section of the staff report is intended to provide information to facilitate Council and community discussion on the following:

- What services are important to you and not so important to you based on available resources?
- Are your service expectations being met?
- If not, what's not being met?
- Is there interest in generating more revenue to provide a higher level of service?
- If so, what services and what type of revenue adjustment? Et cetera.

To better position the City to address mid- to longer-term needs, the current budget includes funding to undertake a detailed assessment of community expectations on service demands and new revenue generation to fund service expectations that aren't currently financially feasible. The starting point is for Council to weigh in more specifically on these issues and subsequent process.

This section is organized as follows:

- Community priorities/interests from 2014 Community Budget Workshop.
- Key Staffing Reductions Linked to Service Level Reductions.
- Historic Part I Crime Trends.
- Equipment, Facilities and Infrastructure: Short- and Mid-Term Needs.
- Possible Revenue Enhancements.

Based on Council's interests, staff will be in a better position to make recommendations on financial strategies to meet longer-term needs and unfunded priorities.

Community Priorities/Interests from 2014 Community Budget Workshop

Last year, we provided two opportunities for the public to provide feedback on the questions we are grappling with today. (Please see Attachment 4.) One involved a survey where individuals were asked to rank 28 services in priority order by "personal importance" and by "personal satisfaction." The second outreach involved "the dot exercise" linked to our economic development efforts, challenges and opportunities.

The summary results from these exercises are attached. Perhaps the most telling conclusions from this data are when the top 14 services in importance are cross-referenced by satisfaction level. The following table provides this cross tabulation.

TOP 14 HIGH-PRIORITY SERVICES CROSS REFERENCED BY SATISFACTION LEVEL	
Most Satisfied	Least Satisfied
Fire/Emergency Response Times	Code Enforcement in Neighborhoods
Graffiti Removal	Traffic Enforcement/Control
Neighborhood Watch Programs	Recreation Programs
Crime Reduction	Neighborhood Revitalization

TOP 14 HIGH-PRIORITY SERVICES CROSS REFERENCED BY SATISFACTION LEVEL	
Most Satisfied	Least Satisfied
Public Building Maintenance	Park & Landscaping Maintenance
	Outreach/Communication with Public
	Economic Development/Business Programs
	Homelessness
	Street Maintenance

For the most part, these data are not surprising, especially when this information is cross-referenced to the information below, which recaps staff positions that have been left vacant. Satisfaction with crime reduction and neighborhood watch programs undoubtedly relates to our crime statistics, which are summarized in the section following "staffing." With respect to Code Enforcement, although we have not frozen any positions in this area, we have been short one position for extended periods of time.

The only area that is not consistent with staff findings is the maintenance of our public buildings.

Key Staffing Reductions Linked to Service Level Reductions

Seventeen full-time permanent positions, across the City, have been frozen and left unfilled since the start of the economic downturn back in 2007 or so. Of our full-time staffing compliment, this represents a reduced workforce of roughly 20%. Cost savings from not filling these positions or under filling through part-time or contract, amount to over \$1.2 million in the General Fund and \$1.9 million Citywide. Many of these reductions hit in FY 2012-13 as a result of the loss of redevelopment.

As core positions/functions were lost, other staff stepped into the void resulting in many staff members wearing multiple hats. And while no service has been eliminated, service level lags are being experienced. Virtually all departments of the city have been impacted by these reductions. Below are examples of some of the most direct reduced staffing impacts.

Department	Staffing Reduction	Impact
Police	Two frozen Police Officer positions; filled SRO with a PT annuitant, resulting in net impact of one less Police Officer.	One position assigned to Detectives versus two.
Police	Grant funded Traffic Officer frozen; workload shifted to grant funded overtime.	Dedicated Traffic Patrol provided on a limited basis.
Administrative Services	Financial Services Manager frozen; responsibilities shared by Accounting Supervisor and Development Services Director (i.e., budget.)	Reduces dedicated time to economic development especially during budget time.
Administrative Services	Management Analyst (personnel/liability) frozen; majority of responsibilities assigned to former Marketing Manager (reclassified to Management Analyst); recruitment support to Deputy City Clerk;	Reduces dedicated time to marketing/social media/ public relations; eliminates "go to" position for CM/ACM.

Department	Staffing Reduction	Impact
	Workers Comp to ACM.	
Recreation & Community Services	Director position vacated and refilled on a part-time basis; Recreation Supervisor (facilities) frozen.	Corp Yard shifted to Building & PW Director; reduced Special Events; severe strain on administration/planning.
Public Works Maintenance	Three out of 12 maintenance positions frozen.	Reduced frequency of recurring maintenance activities; no added landscape projects; reactive versus proactive.
Public Works Facilities	Elimination of part-time Building Maintenance Worker	Office custodial support shifted to "self-service"
Executive Team	Elimination of three full-time Department Heads through consolidations and back-filling one on a part-time basis; reduction of office support staff by 1.5 positions.	Forces work to be more reactive in nature than proactive; forced to triage many issues because team is spread so thinly.

Historic Part I Crime Trends

Public safety is critical to the health and vitality of a community, right after street maintenance. If people feel safe, priorities and interests focus on other quality of life issues. Otherwise, crime reduction is key goal. The following table provides statistics on Part I crimes from 2006 through 2014. As indicated, Part I Crimes have generally declined significantly since 2006 with the exception of a jump in auto thefts beginning in 2013 and small jump in robberies in 2013 and 2014. Rapes, which represent less than 2% of all crimes, has bounced up and down over the 9-year timeframe.

Part I Crimes	2006	2007	2008	2009	2010	2011	2012	2013	2014
Homicide	2	0	2	1	2	2	2	1	1
Rape	20	11	7	9	9	3	6	3	9
Robbery	33	42	48	31	32	19	18	35	29
Aggravated Assault	75	87	51	46	28	26	32	25	29
Burglary	193	181	177	137	154	187	120	133	109
Larceny	406	462	583	415	420	453	367	380	394
Auto Theft	158	129	122	97	92	78	75	119	104
TOTAL	887	912	990	736	737	768	620	696	675

Equipment, Facilities and Infrastructure – Short- and Mid-Term Needs

The short- and mid-term needs resulting from deferred maintenance, reduced equipment replacement funding and extending the life and use of vehicles and equipment longer, are significant and daunting. To provide an order of magnitude of the issues we face, like virtually all smaller- and mid-size communities, a summary table of annual needs, needs in the next one to two years, and needs beyond three years follows. Rough cost estimates are included. Costs associated with staffing have also been identified, recognizing that the services we provide to the community are, for the most part, people-driven.

OVERVIEW OF PRIORITY UNMET SHORT- AND MID-TERM CAPITAL & RESOURCE NEEDS **		
Annual Needs	Annual street maintenance & repair	\$1,000,000(a)
	Annual building maintenance & repair	\$40,000
	Restoring employee hours/concessions	\$160,000
	Selective restoration of frozen positions	\$600K to \$1,200,000
Short-Term (1 to 2 Years)	Deferred building maintenance and repair (b)	\$550,000
	Replacement Playground Equipment	\$200,000
	Acquisition of replacement fire engine (#2)	\$550,000
	Pierce Island Prep to support future dredging	\$500,000
	Shortfall, 20% Emergency Reserve (if lose DOF)	\$1,580,000
	Addressing succession planning for 2 or 3 Execs	TBD
Mid-Term (3 to 5 Years)	Brush Engine Type 4 and Command SUV	\$220,000
	New Police communications system	\$400,000
	New Fire communications system	\$400,000
	New Accounting/budget/payroll/HR/UBC system	\$350,000
	Potential dredging shortfall	\$300,000
	Unfunded liability GF, leave balances (retirees; partially offset by salary savings)	\$480,000
**Note: This list is meant to be illustrative, not exhaustive (consider parking lot surfacing/stripping, structural issues with promenade parking lot, storm drain system, sidewalks, landscaping, etc.) Likewise, grants do come around to address a myriad of needs – they just aren't "confirmable" for long-range planning purposes.		
(a) Supplemented by grant funding.		
(b) Lawler House is roughly \$70,000 of this amount (\$20k removal of solarium, \$40k for dry rot, \$8k for roof/gutters/misc.).		

It is important to recognize that very few communities are able to address all of their capital and facility needs at any one snapshot in time. The importance of this listing is for Council and the community to start determining priorities. Based on the discussion by Council on these and other interests that arise, costs will be refined and financial strategies developed through the budget process. The next section of this report provides a brief primer on financing alternatives.

Possible Revenue Enhancements

Communities are constrained in what they can do, largely by their capacity to generate revenue. The categories of revenue enhancement vary widely and, in practice when addressing multiple priorities, include some combination of the following:

- **Growth in existing revenues** based on new development (i.e., retail or point-of sale industrial for sales taxes, hotels for TOT, all new development for increased property taxes and CFD's).
- **Increases in impact fees** to pay for impacts of new development.
- **Increases in general fees and charges** so those that benefit from a specific service pay for that service.
- **Increases in current tax rates** like sales tax and TOT.
- **Introduction of new revenue sources** like a utility users' tax or parcel tax.
- **Bond financing** for certain purposes, secured through a property assessment.
- **Grants** consistent with the grants requirements.

Ultimately, the type of direction a community takes relative to revenue enhancements depends on the nature of the priorities, timing needs, and the capacity of the community to pay for identified priorities it values.

NEXT STEPS

This is the initial step as we move forward with the development of the FY 2015-16 Budget. The setting of future priorities and general timing will guide the direction of next year's budget. There is funding in the current budget to retain a consultant to undertake the detailed survey work to better gauge how the community sees future needs and its capacity to pay for these needs. In doing so, it is important to have a general sense of the Council's view of future needs and timing.

RECOMMENDATION: It is recommended that the Council:

1. Receive the staff's presentation; and
2. Provide discussion and direction on short- and mid-term needs, priorities, timing and process related to the development of the FY 2015-16 budget; and
3. Adopt Resolution No. 2015-___: Adopting the 7th Amendment to the Annual Appropriation Resolution No. 2014-46 to Appropriate Mid-Year Budget Adjustments for Additional Costs in Various Accounts Organization Wide.

ATTACHMENTS:

1. FY 2014-15 General Fund Mid-Year Fiscal Review.
2. Council Adoption of Resolution No. 2015-___: Adopting the 7th Amendment to the Annual Appropriation Resolution No. 2014-46 to Appropriate Mid-Year Budget Adjustments for Additional Costs in Various Accounts Organization Wide.
3. Recap of Outcomes and Priorities from the Spring 2014 Community Budget Workshop.

Attachment 1

FY 2014-15 GENERAL FUND MID-YEAR FISCAL REVIEW

FY 15 YTD through 1/31/15

		Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10
		FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 15 MID Year	FY 15	
		ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	AMENDED	ESTIMATED	Difference	FY 15 HIGHLIGHTS
BUDGET ACTIVITIES											
RESOURCES											
Beginning Balance		\$ 5,129,002	\$ 3,254,118	\$ 4,046,700	\$ 7,372,678	\$ 4,658,202	\$ 3,623,080	\$ 2,792,000	\$ 2,818,900	\$ 26,900	
Local Taxes											
Property Taxes		\$ 1,070,214	\$ 1,003,586	\$ 1,000,436	\$ 1,157,211	\$ 1,162,743	\$ 1,278,503	\$ 1,316,800	\$ 1,581,700	\$ 264,900	Based on County estimate.
Sales Taxes		\$ 994,170	\$ 921,662	\$ 859,749	\$ 1,003,761	\$ 1,353,938	\$ 1,278,473	\$ 1,208,200	\$ 1,106,000	\$ (102,200)	Based on Hdl. and current receipts (currently same as AMIND).
TOT		-	\$ 89,524	\$ 194,401	\$ 205,485	\$ 221,629	\$ 257,453	\$ 275,000	\$ 292,200	\$ 17,200	Based on strong first 6 months of receipts
Other Taxes		\$ 889,735	\$ 841,393	\$ 844,941	\$ 824,947	\$ 791,644	\$ 824,941	\$ 818,600	\$ 818,600	\$ -	No change.
Subtotal Local Taxes		\$ 2,954,119	\$ 2,856,165	\$ 2,899,527	\$ 3,191,404	\$ 3,529,954	\$ 3,639,370	\$ 3,618,600	\$ 3,798,500	\$ 179,900	
Licenses & Permits		\$ 287,165	\$ 281,284	\$ 342,746	\$ 337,009	\$ 327,813	\$ 489,461	\$ 478,500	\$ 341,000	\$ (137,500)	Zephyr Estates will not pull most permits until FY 16.
Fines & Forfeitures		\$ 210,683	\$ 219,724	\$ 231,636	\$ 265,382	\$ 241,116	\$ 226,999	\$ 243,000	\$ 202,700	\$ (40,300)	
Use of Money		\$ 736,210	\$ 3,679,563	\$ 985,065	\$ 285,311	\$ 185,024	\$ 201,742	\$ 193,300	\$ 193,300	\$ -	
Intergovernmental		\$ 3,226,845	\$ 2,627,482	\$ 2,603,689	\$ 2,457,847	\$ 2,322,995	\$ 2,439,173	\$ 2,669,300	\$ 2,758,600	\$ 89,300	Increase of VLF fees.
Charges for Services		\$ 776,018	\$ 838,199	\$ 757,357	\$ 807,109	\$ 781,416	\$ 1,039,751	\$ 925,300	\$ 802,000	\$ (123,300)	Softball/Senior Center Revenues Off.
Intragovernmental		\$ 600,690	\$ 517,114	\$ 513,247	\$ 474,495	\$ 444,621	\$ 314,673	\$ 404,600	\$ 404,600	\$ -	No change.
Misc Revenues		\$ 49,712	\$ 12,922	\$ 703,960	\$ 11,423	\$ 137,412	\$ 15,469	\$ 19,400	\$ 112,600	\$ 93,200	Bond transaction and PG&E Revenues.
Transfers In		\$ 559,519	\$ 1,197,035	\$ 4,470,767	\$ 1,058,185	\$ 708,853	\$ 707,184	\$ 844,800	\$ 844,800	\$ -	
Subtotal Revenues		\$ 9,400,961	\$ 12,229,488	\$ 13,507,994	\$ 8,888,165	\$ 8,679,204	\$ 9,073,822	\$ 9,396,800	\$ 9,458,100	\$ 61,300	
TOTAL RESOURCES		\$ 14,529,963	\$ 15,483,606	\$ 17,554,694	\$ 16,260,843	\$ 13,337,406	\$ 12,696,902	\$ 12,188,800	\$ 12,277,000	\$ 88,200	
USE OF RESOURCES											
Personnel Services											
Salaries & Wages		\$ 3,927,998	\$ 4,043,075	\$ 4,198,142	\$ 4,258,472	\$ 3,914,692	\$ 3,839,486	\$ 3,951,100	\$ 3,921,600	\$ (29,500)	CDD Elimination.
Overtime		\$ 383,734	\$ 249,529	\$ 188,113	\$ 248,914	\$ 357,742	\$ 232,897	\$ 206,600	\$ 245,900	\$ 39,300	PD Overage Projected.
Employee Benefits		\$ 1,815,473	\$ 1,856,847	\$ 2,089,745	\$ 2,166,201	\$ 2,156,233	\$ 2,117,445	\$ 2,272,900	\$ 2,159,700	\$ (113,200)	Kaiser Rate Decline (\$78,400 Health).
Payroll Taxes		\$ 394,438	\$ 362,626	\$ 368,636	\$ 362,949	\$ 314,651	\$ 351,753	\$ 526,800	\$ 500,200	\$ (26,600)	Workers Comp (\$26,900).
Subtotal Pers Svcs		\$ 6,521,643	\$ 6,512,077	\$ 6,844,636	\$ 7,036,536	\$ 6,743,318	\$ 6,541,581	\$ 6,957,400	\$ 6,827,400	\$ (130,000)	
Services & Supplies		\$ 2,065,648	\$ 1,869,855	\$ 1,951,836	\$ 1,936,026	\$ 1,966,823	\$ 1,833,157	\$ 1,796,100	\$ 1,840,300	\$ 44,200	PMC Contract \$50k.
Interdepartmental Charges		\$ 418,469	\$ 418,552	\$ 547,305	\$ 626,429	\$ 626,476	\$ 686,721	\$ 795,600	\$ 795,600	\$ -	
Non-Recurring Charges		\$ 351,653	\$ 252,810	\$ 365,857	\$ 307,225	\$ 150,679	\$ 195,490	\$ 486,600	\$ 435,200	\$ (51,400)	GP Update.
Subtotal Operating		\$ 9,357,413	\$ 9,053,294	\$ 9,709,634	\$ 9,906,216	\$ 9,487,296	\$ 9,256,949	\$ 10,035,700	\$ 9,898,500	\$ (137,200)	
Transfers Out		\$ 312,357	\$ 2,314,003	\$ 439,903	\$ 1,665,560	\$ 227,030	\$ 232,104	\$ 299,600	\$ 305,900	\$ 6,300	
Major Capital		\$ 1,584,316	\$ 68,609	\$ 18,007	\$ 29,910	\$ -	\$ 47,036	\$ 39,900	\$ 40,000	\$ 100	City's share of the new Animal Shelter.
Debt Service		\$ 21,759	\$ -	\$ 14,472	\$ -	\$ -	\$ -	\$ (4,000)	\$ -	\$ 4,000	
RDA Liabilities		\$ -	\$ -	\$ -	\$ 330,042	\$ 335,121	\$ 341,933	\$ -	\$ -	\$ -	
Contingencies & Reserves		\$ -	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ -	\$ 150,000	\$ -	\$ (150,000)	
Subtotal Non-Operating		\$ 1,918,432	\$ 2,383,612	\$ 472,382	\$ 2,026,512	\$ 562,151	\$ 621,073	\$ 485,500	\$ 345,900	\$ (139,600)	
Ending Balance		\$ 3,254,118	\$ 4,046,700	\$ 7,372,678	\$ 4,328,115	\$ 3,287,959	\$ 2,818,880	\$ 1,667,600	\$ 2,032,600	\$ 365,000	
TOTAL USE OF RESOURCES		\$ 14,529,963	\$ 15,483,606	\$ 17,554,694	\$ 16,260,843	\$ 13,337,406	\$ 12,696,902	\$ 12,188,800	\$ 12,277,000	\$ 88,200	

RESOLUTION NO. 2015-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
ADOPTING THE 7TH AMENDMENT TO THE ANNUAL APPROPRIATION RESOLUTION NO. 2014-46
TO APPROPRIATE MID-YEAR BUDGET ADJUSTMENTS FOR ADDITIONAL COSTS IN VARIOUS
ACCOUNTS ORGANIZATION WIDE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUISUN CITY:

THAT Section 010 of Part III of the Annual Appropriation Resolution No. 2014-46 be and is hereby amended as follows:

		<u>Increase/ (Decrease)</u>
TO:	COMMUNITY DEVELOPMENT DEPARTMENT Planning	\$ 5,800
	TOTAL Section 010	\$ 5,800

THAT Section 115 of Part III of the Annual Appropriation Resolution No. 2014-46 be and is hereby amended as follows:

		<u>Increase/ (Decrease)</u>
TO:	BUILDING AND PUBLIC WORKS DEPARTMENT Capital Project	\$ 17,000
	TOTAL Section 115	\$ 17,000

THAT Section 120 of Part III of the Annual Appropriation Resolution No. 2014-46 be and is hereby amended as follows:

		<u>Increase/ (Decrease)</u>
TO:	ADMINISTRATIVE SERVICES DEPARTMENT Interfund Transfers	\$ 17,000
	TOTAL Section 120	\$ 17,000

THAT Section 710 of Part III of the Annual Appropriation Resolution No. 2014-46 be and is hereby amended as follows:

		<u>Increase/ (Decrease)</u>
TO:	BUILDING & PUBLIC WORKS DEPARTMENT Information Technology, Capital Reserve Replacement	\$ 33,300
	TOTAL Section 710	\$ 33,300

THAT account titles and numbers requiring adjustment by this Resolution are as follows:

		<u>Sources</u>	<u>Uses</u>
<u>General Fund</u>			
Revenues:			
A/C No. 010-81903-3410	From SA Housing Fund	\$ 5,800	\$ -
Appropriations:			
A/C No. 010-93310-3410	Prof. Studies/Other	\$ -	\$ 5,800
	Total General Fund	<u>\$ 5,800</u>	<u>\$ 5,800</u>
<u>Transportation Capital Projects Fund</u>			
Revenues:			
A/C No. 115-81120-9963	From Ossip Fund	\$ 17,000	\$ -
Appropriations:			
A/C No. 115-96110-9963	CIP/Land Acq.	\$ -	\$ 17,000
	Total Transportation Capital Projects Fund	<u>\$ 17,000</u>	<u>\$ 17,000</u>
<u>Off-Site Street Improvement Program Fund</u>			
Revenues:			
A/C No. 120-70101-6515	Retained Earnings	\$ 17,000	\$ -
Appropriations:			
A/C No. 120-85115-6515	To Transportation CIP	\$ -	\$ 17,000
	Total Transportation Capital Projects Fund	<u>\$ 17,000</u>	<u>\$ 17,000</u>
<u>Computer Network Maintenance Fund</u>			
Revenues:			
A/C No. 710-76890-3319	Other Gov't Payments	\$ 10,400	
A/C No. 710-79200-3320	Dev. Contributions	\$ 22,900	\$ -
Appropriations:			
A/C No. 710-93410-3320	Operating Contingency	\$ -	\$ 33,300
	Total Computer Network Maintenance Fund	<u>\$ 33,300</u>	<u>\$ 33,300</u>

THAT the purpose is to appropriate funds from the SA Housing Authority to pay for additional costs associated with the completion of the Housing Element, and to appropriate funds for costs associated with right of way acquisition along Railroad Avenue, to appropriate funds for costs associated with purchase and installation of video cameras on the Walmart property that will operate on the City's system, and to appropriate funds for part time IT help as a result of IT services rendered to STA.

ADOPTED AND PASSED by the City Council of the City of Suisun City at a regular meeting thereof held on the 3rd of March 2015, by the following vote:

ITEM 8
Attachment 2

AYES:	COUNCILMEMBERS
NOES:	COUNCILMEMBERS
ABSENT:	COUNCILMEMBERS
ABSTAIN:	COUNCILMEMBERS

WITNESS my hand and seal of the said City this 3rd day of March 2015.

LINDA HOBSON, CMC
CITY CLERK



MEMORANDUM

TO: SUZANNE BRAGDON, CITY MANAGER
RONALD C. ANDERSON, JR., ASSISTANT CITY MANAGER / ADMINISTRATIVE SERVICES DIRECTOR
JASON GARBEN, ECONOMIC DEVELOPMENT DIRECTOR / FINANCIAL SERVICES MANAGER

FROM: SCOTT COREY, MANAGEMENT ANALYST

SUBJECT: REVIEW & ANALYSIS OF COMMUNITY MEETING SURVEY RESULTS

DATE: 5/12/2014

PURPOSE:

Analyze input gathered through the Priorities Survey performed among the 50 public participants at the Community Workshop on March 8, 2014.

BACKGROUND:

With limited resources, staff wanted to gather the public's guidance on what the top priority program areas are, and how well the City is performing in those areas right now. This matching of what was most important with performance should provide insight as to where additional resources should be directed.

METHODOLOGY:

Survey participants were asked to perform two tasks with a list of 28 service priorities:

- Rank them in priority order by personal importance
- Rate personal satisfaction with current service levels

With a group of 50 possible participants in a workshop format, 20 surveys were submitted. On average, survey participants voiced an opinion on less than half of the service priorities in each survey task. The small pool and the selective responses created a very small survey size. Therefore, the following results should be seen as very broad indicators and guideposts that could be used for a more vigorous survey with more participants in the future.

To focus the analysis, staff sectioned the service priorities in half then analyzed resident satisfaction with those services that were of the most importance.

RANKINGS:

The chart below shows the service priorities by ranking of importance and ranking of satisfaction with the most important and the most satisfied at the top.

	Ranked Priorities	Ranked Satisfaction
1	Street Maintenance	Fire/Emergency Response Times
2	Neighborhood Watch Programs	Waterfront Area Parking
3	Crime Reduction	Marina/Functioning Waterfront
4	Fire/Emergency Response Times	Train Depot/Commuter Facilities & Services
5	Homelessness	Graffiti Removal
6	Neighborhood Revitalization	Neighborhood Watch Programs
7	Economic Development/Business Programs	Recreation, Bike, Pedestrian Trail Network
8	Park & Landscaping Maintenance	Customer Service (in person)
9	Outreach/Communication with Public	Crime Reduction
10	Code Enforcement in Neighborhoods	Public Building Maintenance
11	Traffic Enforcement/Control	Community Events
12	Public Building Maintenance	Customer Service (online)
13	Recreation Programs	Utility/Water Billing & Service
14	Graffiti Removal	City Responsiveness
15	City Responsiveness	Code Enforcement in Neighborhoods
16	Harbor Theater Activities	Website Improvements/More Online Services
17	Utility/Water Billing & Service	Traffic Enforcement/Control
18	Recreation, Bike, Pedestrian Trail Network	Recreation Programs
19	Community Events	Weed Abatement
20	Weed Abatement	Neighborhood Revitalization
21	After-school Programs	Park & Landscaping Maintenance
22	Litter Control/Beautification	Harbor Theater Activities
23	Marina/Functioning Waterfront	Outreach/Communication with Public
24	Train Depot/Commuter Facilities & Services	Litter Control/Beautification
25	Website Improvements/More Online Services	After-school Programs
26	Customer Service (in person)	Economic Development/Business Programs
27	Customer Service (online)	Homelessness
28	Waterfront Area Parking	Street Maintenance

SUMMARY OF KEY FINDINGS:

To focus the analysis, staff sectioned the service priorities in half to create a pool of most important services and services with which participants are most satisfied.

High Priority Services

The chart below divides the top 14 high priority services by satisfaction rating:

TOP 14 HIGH PRIORITY SERVICES BY SATISFACTION LEVEL	
Most Satisfied	Least Satisfied
Fire/Emergency Response Times	Code Enforcement in Neighborhoods
Graffiti Removal	Traffic Enforcement/Control
Neighborhood Watch Programs	Recreation Programs
Crime Reduction	Neighborhood Revitalization
Public Building Maintenance	Park & Landscaping Maintenance
	Outreach/Communication with Public
	Economic Development/Business Programs
	Homelessness
	Street Maintenance

Trends among this grouping is that staff is performing well in key public safety areas, and service areas that have seen budget challenges, including those formerly funded by the RDA, received lower satisfaction ratings.

Specific comments related to these priorities that surfaced included:

- Need for better traffic enforcement particularly in Lawler Ranch near the schools and parks
- A desire for a dog park
- More police, fire and code enforcement staffing

The highest priority areas with the lowest satisfaction ratings would be candidates for additional attention as resources become available, particularly as related to Street Maintenance, which is the highest priority and the lowest on the satisfaction rating.

Lower Priority Services

LOWER 14 PRIORITY SERVICES BY SATISFACTION LEVEL	
Most Satisfied	Least Satisfied
Waterfront Area Parking	Website Improvements/More Online Services
Marina/Functioning Waterfront	Weed Abatement
Train Depot/Commuter Facilities & Services	Harbor Theater Activities
Recreation, Bike, Pedestrian Trail Network	Litter Control/Beautification
Customer Service (in person)	After-school Programs
Community Events	
Customer Service (online)	
Utility/Water Billing & Service	
City Responsiveness	

This grouping concentrates the Waterfront District and direct customer services as strengths. It is impossible to know whether these are lower priority because participants were more highly satisfied. Past investments in the Waterfront are continuing to bear fruit, while Staff interaction with the community appears to be mostly positive.

Among the comments,

- "I love Suisun City! Thank you for the improvements and vision that has allowed SC to go from least desirable to very desirable!"



MEMORANDUM

TO: SUZANNE BRAGDON, CITY MANAGER
RONALD C. ANDERSON, JR., ASSISTANT CITY MANAGER / ADMINISTRATIVE SERVICES DIRECTOR
JASON GARBEN, ECONOMIC DEVELOPMENT DIRECTOR / FINANCIAL SERVICES MANAGER

FROM: SCOTT COREY, MANAGEMENT ANALYST

SUBJECT: REVIEW & ANALYSIS OF SWOT EXERCISE INFORMATION

DATE: 3/25/2014

PURPOSE:

Analyze input gathered through the SWOT exercise that involved the City Council and City Management Staff on March 4, 2014, and the 50 Public participants at the Community Workshop on March 8, 2014.

BACKGROUND:

The City Council, City Staff and members of the public participated in a Strengths, Weaknesses, Opportunities and Threats (SWOT) exercise and provided input on relative priorities of future Public Investments to assist in developing future budget priorities and an economic development strategic plan. The City Council and City Staff also provided input on what types of businesses might be appropriate for four zones of economic development. This input was provided by using a dot exercise on lists of staff-developed options.

METHODOLOGY:

The vote totals of the City Council, City Staff and Public were tallied as separate classes, and entered into spreadsheet so relative interest among the groups could be identified, measured and analyzed. The responses were then ordered by the items that received the most overall votes. The Top Ten items were then ranked so the most important item to each group could be identified. These rankings were compared to identify areas of common concern among the groups, and areas of divergent opinions. The Top Five items in each major category were analyze and described below. Given the relatively small number of votes possible from the City Council, focus was placed on the Top Five items in each category because even within the Top Ten some items received only one Council vote. Areas of Council consensus are identified in the tables with a red numeral.

SUMMARY OF KEY FINDINGS:

Strengths: There is broad consensus that the Waterfront District, Train Depot and community events are key community strengths. Community members also valued Suisun Marsh/Grizzly Island and low crime rates.

The only area of City Council consensus was on its #1 ranked item – Low Development Fees; this item ranked #10 with both City Staff and the Public. 'Hwy 12 location Close to I-80' ranked #4 by the Council, and ranked #5 by City Staff and #9 by Public.

City Staff listed Developable Land Controlled by the City/HA as #2, which is not surprising given the Staff tendency to focus on process details and being somewhat more connected to the fine points of making deals happen.

Strength Item	Council Votes	Staff Votes	Public Votes	Total
Waterfront/Marina/Boat Launch	2	1	1	1
Train Depot	5	3	2	2
Community Events, including 4 th of July Event, Christmas Event, Kroc Center	3	4	3	3
Largest Brackish Water Marsh in Western US/Grizzly Island Wildlife Refuge		8	4	4
Relatively Low Crime		9	5	5

Weaknesses: Significant agreement surfaced around the issues that challenge us, as well. Everyone seems to agree that some discussion needs to take place on how to proceed with the vacant buildings on Main Street. The condition of City streets was #1 with the Public, while a consensus of the Council recognized commuters shopping outside their hometown as its top ranked concern.

The outlier concern for the Council was its consensus around #2 – a write-in 'Not on I-80,' which may be difficult to address. It did not register in the Top Ten of either City Staff or the Public. However, lack of a balanced long-term development strategy came in at #5 overall.

The Public ranked 'lack of economic incentives' (#3) and 'lack of community participation' (#4) as important concerns to address. City Staff ranked 'lack of prime land for significant retail development' at #4, and the Public placed that #; it wasn't a Top Ten concern of the Council, showing a potential area for additional staff communication.

A possible disconnect with the public arose in the ranking of 'budget challenges – impacts staffing resources/service levels.' While City Staff ranked this #2 and the Council #7, it didn't break the Top Ten for the Public. Particularly if any type of additional revenues might be sought in the future, public education on the condition of the City budget and its connection with concerns, such as street repair which ranked as a key Public concern, might be worthwhile.

Weakness Item	Council Votes	Staff Votes	Public Votes	Total
Vacant, dilapidated buildings on Main Street with no future. Gives appearance there is more opportunity than is actually useable; encumbers reuse due to demolition costs. (+/-)	3	6	2	1
Deteriorating Streets	5		1	2
Bedroom Community with Residents that Shop Elsewhere	1	5	5	3
Limited Tax Base/Significant Sales Leakage	4	1	10	4
No clear direction on the question of how to balance short-term development opportunities (what market supports today) versus long-term development with the goal of having a built-out community where ongoing revenues cover ongoing costs	6	7	8	5

Opportunities: New Sunset Shopping Center ownership, proximity to the Marsh and outdoor recreation areas, and the Train Depot area received strong support as key opportunities. The Public's high ranking of Grizzly Island fit in with the consensus. The outdoors focus also was apparent in the Zone Analysis of potential new businesses with significant interest in attracting sporting goods retailers.

Just outside of the Top 5 was 'vacant infill sites,' which a Council consensus ranked #1 and City Staff ranked #2. Not surprisingly, City Staff ranked 'updated general plan, zoning code and downtown specific plan' #5 while it was not on the radar of the Council or the Public. Each of these are key process and implementation steps of professional interest to City Staff that other groups may not fully appreciate.

An interesting Top Ten issue of the Public was its #7 ranking of support for regional job creation – 'support and encourage job creation and retention in Solano County job centers. A key part of our ED plan should be to reduce commute times for our residents.' This received no votes from the Council or City Staff.

Opportunity Item	Council Votes	Staff Votes	Public Votes	Total
New Sunset Center owners. Work with these folks to marry their vision for this commercial hub with vacant City land to add vitality and economic activity.	3	3	1	1
Capitalize on Wildlife Area, Outdoor Sports, and Waterways	4	4	2	2
Train Station area. Use asset to tap into State focus & money around transit-oriented development. Flesh out a plan & surrounding land uses to make a vibrant hub. Need to get this going before the Fairfield/Vacaville station comes online.	5	1	4	3
Grizzly Island			3	4
Take Advantage of Hwy 12 and I-80 Traffic	2		5	5

Threats: Concern with City finances, the condition of neighborhoods, and potential operational changes at Travis Air Force Base surfaced strongly in the Threats analysis, with Council consensus coalescing around two of these three concerns.

The involvement of the State in local affairs was a concern of the City Council and City Staff (each ranked it #5), but it was only a #10 ranked concern for the Public, though the Public ranked the DOF lawsuit #5.

On the question of 'potential lack of will and community support to increase taxes, if needed,' City Staff was more concerned (ranking it #3) than either the Council (#6) or the Public (#7). This may indicate a potential opening if a strong, transparent case for additional revenues can be made.

Threats Item	Council Votes	Staff Votes	Public Votes	Total
Precarious Budget Situation; Unstable and/or Uncertain Economic Condition of City	1	1	2	1
Declining Property Maintenance	3	8	1	2
Operational changes at Travis Air Force Base.	2	2	3	3
Environmental protections of areas targeted for future annexations.	4	4	6	4
Timing of Walmart		6	4	5

Public Investment: Each group was asked to rank a list of potential public investments to be funded with additional revenues. For this analysis the Top 5 was expanded to the Top 7 because the Public favored two write-in items - a dog park and more police officers – by wide margins.

There was broad consensus around the need to extend Railroad Avenue to Main Street (#3 overall and in the Top 5 for each group). The Public also liked the ideas of bringing Farmer's Markets to under-performing shopping centers and expanding Harbor Theatre programming.

The concepts of signage/branding/murals along the train tracks (#2 with City Staff & #6 with Council), ensuring infrastructure into sphere of influence properties (#3 with City Staff & #7 with Council) and a successful entertainment boat (#4 with City Staff & #8 with Council) did not have Top Ten appeal for the Public.

Interestingly, an at-grade pedestrian crossing to Fairfield only broke the Top Ten with City Staff (#5).

Item	Council Votes	Staff Votes	Public Votes	Total
Dog Park			1	1
More police officers			2	2
Extend Railroad Avenue to Main Street to serve 30 acre site	3	1	4	3
Farmers Market to help low-traffic shopping centers			3	4
Expand capabilities and programming at Harbor Theater to include comedy, authors, public speakers, etc.	1		5	5
Expanded marina facilities	2	6	9	6
Realign Railroad Avenue at Sunset Avenue	4		7	7

ECONOMIC DEVELOPMENT ZONE BUSINESS TYPES:

Input for this analysis was provided by the City Council and City Management Staff. The groups were asked to share their preferences for certain types of businesses within each of four Economic Development zones in the City. The uses supported in each zone mirrors either historic proposals or those envisioned in general planning documents. Some new details surfaced, such as a specific desire for a sporting goods store likely to serve local youth/recreational sports and users of the nearby marsh, and a full-service truck stop on the eastern edge of town.

Western Zone: Dominated by the Gentry Property, this Zone was strongly favored for large-scale retail uses with particular preference for a membership warehouse and home improvement/building supply (Council consensus) stores with a low-to-medium density single-family neighborhood nearby. A sprinkling of neighborhood-supportive uses – food/drug (Council consensus) and light industrial/commercial service – were indicated. Sporting goods gained a Council consensus here.

Waterfront / PDA Zone: Restaurant uses (Council consensus), particularly fine dining, and a neighborhood-scale food outlet were indicated for the Waterfront / PDA Zone, which comprises the Waterfront and northwest corner of Hwy 12 & Marina Blvd. A full-service hotel with meeting/conference space and a variety of entertainment experiences should be targeted here. There is specific interest in exploring a sporting goods store (Council consensus) in this zone.

Sunset Corridor: Infill appears to be the theme for this developed business hub that includes vacant land south of Hwy 12, east of Sunset Shopping Center and north at Railroad Avenue. Miscellaneous retail and casual/family dining are the predominate uses desired for this area, with sporting goods gaining a Council consensus here.

Eastern Zone: This area east of Walters Road is the desired location for a full-service truck stop (Council unanimity), point-of-sale distribution businesses, industrial/commercial service operations (Council consensus), membership warehouse (Council consensus), and home improvement/furnishings.

Econ. Dev. Zone Business Types	Western Zone	Waterfront / PDA	Sunset Corridor	Eastern Zone
RETAIL				
APPAREL	4	1	5	1
DEPT. STORE / GEN. MERCHANDISE	17	5	6	12
FOOD / DRUG STORES	7	4	9	2
RESTAURANTS	9	16	10	4
HOME IMPROVEMENT / FURNISHINGS	17	3	2	8
MISC. RETAIL	4	6	12	2
Category Total	58	67	44	29
DESTINATION TOURISM / ENTERTAINMENT				
LODGING	5	16	5	7
ENTERTAINMENT	2	15	2	8
RETAIL / SERVICE	2	2	0	18
Category Total	9	33	7	33
OTHER NON-RETAIL				
OFFICE	2	2	4	1
INDUSTRIAL / COMMERCIAL SERVICE	7	0	3	21
HOUSING	9	11	3	0
Category Total	18	13	10	22

